# NAMBUCCA SHIRE COUNCIL

# ANNUAL REPORT

# 2015 – 2016



Nambucca Shire Council's Centenary

15 December 2015

(25742/2016) Adopted 24<sup>th</sup> November 2016

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### FORWARD

Giinagay. I am proud to acknowledge and respect the Gumbayngirr people as the Traditional Custodians of the Nambucca Valley. As a Council we seek to build on this heritage through our mission statement which is:

"The Nambucca Valley will value and protect its natural environment, maintain its assets and infrastructure and develop opportunities for its people."

The highlight of the 2015-2016 financial year was a determination by the Independent Pricing and Regulatory Tribunal (IPART) in October 2015 that Nambucca Shire Council was "fit for the future". The NSW Government had requested IPART act as an expert advisory panel to determine those councils in NSW deemed "fit for the future", being a council that:

- 1 Has the scale and capacity to engage effectively across community, industry and government
- 2 Is sustainable
- 3 Is efficient
- 4 Effectively manages infrastructure and delivers services for communities.

In particular, IPART considered a council's operating performance ratio as providing a key measure of financial sustainability. The operating performance ratio measures a council's capacity to meet ongoing operating expenditure requirements including the estimated consumption of assets (depreciation). It is <u>the</u> critical issue for Nambucca Valley which has an extensive infrastructure network including 700km of roads and 170 bridges to be maintained by a smaller population than is the case in metropolitan areas.

Only about one third of NSW councils were deemed "fit for the future". The determination is vindication for the many difficult decisions the Council has made in relation to both increasing revenue and controlling expenditure. It was also a fitting accomplishment for the Council's Centenary Year which was celebrated with a history of the Council being written by respected local author Carrolline Rhodes and a centennial Council Meeting on 15 December 2015.

At a more practical level, the community should see evidence of IPART's assessment in a gradual elimination of bridges with load limits and a gradual improvement in the condition of Council's road network, particularly the sealed road network.

The Government also announced that councils which are assessed as fit would have access to a range of benefits including a streamlined rate variation process, a State Government borrowing facility, priority for other government funding and grants, and eligibility for additional devolved planning powers. The Council has already taken advantage of the borrowing facility, taking out a \$1.5m loan for its capital works program at a fixed interest rate of 3.6% for a 20 year term.

But the fight to stay "fit for the future" goes on with the Council strongly contesting a proposal by Roads and Maritime Services (RMS) to hand over responsibility for 30km of the old (by-passed) Pacific Highway (Giinagay Way) to Council with a funding package well short of its on-going liability. Council estimates that the hand-over of the highway will mean an increased depreciation expense to Council of about \$1.132m per annum which is approximately equivalent to an 11% rate increase. The proposed handover includes 24 bridges and major culvert structures which have an estimated replacement cost of \$51.5m and an annual depreciation cost of \$515,000.

In 2015 Council acquired 54 hectares of land in the Valla Urban Growth Area. The land which was acquired at a cost of \$1.335m is zoned IN1 General Industrial (30 hectares), R1 General Residential (14 hectares) and B7 Business Park (8 hectares) with the balance being E3 Environmental Management. It is located close to the new Nambucca Heads interchange and represents a strategic stake in our future urban growth area. The purchase by the Council will secure land for future jobs and ensure the Council can realise opportunities for attracting new business.

In September 2015 the Council decided to proceed with an extension of the sewerage system from Bellwood to service properties along the existing Pacific Highway south as far as Florence Wilmont Drive. The extension of the sewerage system will substantially reduce the risk of river pollution and contamination of the adjoining oyster leases. It was made possible by applying the new technology of pressure sewerage and through securing \$241,240 in funding from the Commonwealth Government's National Stronger Regions Program. The project is scheduled to be completed by February 2017.

Other important environmental projects were funded through the Environmental Levy. Council staff were able to leverage the \$376,000 in funding provided by ratepayers to secure grant funding of \$500,000. Including revotes from the previous year, in 2015/2016 the Environmental Levy program had a total expenditure of \$1.1m.

Major projects undertaken included river bank stabilisation at Stuart Island and Congarinni, the completion of flood studies of Deep Creek and the Nambucca River, the completion of a shoaling investigation for possible maintenance dredging of the lower estuary, revegetation of public reserves to reduce maintenance mowing and improve habitat, the completion of vegetation mapping and a koala habitat study as well as beach access improvements. In preparation for the Pacific Highway by-pass of Macksville, master plans have been prepared to improve the pedestrian amenity of the town's CBD and Dawkins Park.

Council's regular triennial customer satisfaction survey was undertaken in January 2016 following similar polls conducted in 2007, 2010, and 2013. Of 26 Council services and facilities measured, the top ranked services in terms of satisfaction included water supply, sewage collection and treatment, libraries, the Macksville Memorial Aquatic Centre and sporting facilities. Conversely, six services had a mean score of below "par". Roads were the worst ranked of the services measured followed closely by economic development and new investment and development applications.

Given the publicity surrounding local government reform in NSW, the opportunity was taken to gauge resident opinion about the future governance of the community. Over half of respondents (56%) felt that the Nambucca Shire Council should maintain the status quo and stand alone as a Council, while one in five (21%) felt it should merge with one or more neighbouring Councils. A further 23% were undecided. Of those believing the Council should amalgamate, the most popular merger partners were Bellingen and/or Coffs Harbour.

As we approach the end of the Councillors' four year term and mark our 100 year milestone of providing local government services to our community, I take this opportunity to recognise the efforts of all of our elected members and staff. However, at the heart of a strong Council is an involved community and to the many volunteers, clubs and charities which assist Council I say a special thank you.

Junace Coulter

MICHAEL COULTER GENERAL MANAGER

# **ELECTED REPRESENTATIVES**

# **Elected Representatives**



Mayor Cr Rhonda Hoban



**Deputy Mayor John Ainsworth** 



Cr Martin Ballangarry OAM



**Cr Brian Finlayson** 



**Cr Bob Morrison** 



Cr Paula Flack



Cr Anne Smyth



Cr Kim MacDonald



**Cr Elaine South** 







The Nambucca Shire Local Government Area (LGA) is located between Kempsey and Bellingen Shire Councils on the Mid North Coast of NSW, approximately 500km north of Sydney and 480km south of Brisbane. The Shire is 1492.8 km<sup>2</sup> and is situated between 30<sup>0</sup>30'S and 30<sup>0</sup>56'S and 152<sup>0</sup>18'E and 153<sup>0</sup>01'E. The terrain is steep and intersected by small streams nestled between the foothills of the Great Dividing Range and the coastline of the Pacific Ocean. The rugged topography of the eastern edge of the New England plateau in the western part of the Shire is dominated by steep slopes and valleys, while the eastern portion of the Shire is characterised by the gentle slopes of the fiver floodplains.

The Nambucca River drains the Shire and is 47km long. The Shire has two National Parks, eight local nature reserves and 25km of coastline.

The main localities of the Shire include Nambucca Heads, Macksville, Bowraville, Valla Beach and Scotts Head with many smaller villages and rural settlements. The Shire has a population density of 13 people per km<sup>2</sup>.

### NAMBUCCA SHIRE POPULATION - SELECTED CHARACTERISTICS

	Males	Females	Persons	%
Total persons ABS 2013 estimated data	9,567	9,962	19,529	100.0%
Aged 14 years and under ABS 2013 estimated data	1,696	1,686	3,382	17.3%
Aged 65 years and over ABS 2013 estimated data	2,373	2,626	4,999	25.6%
Born overseas				14.9%
Unemployed Persons (2015)			787	
Unemployment Rate (2015)				9.7%
Households with internet access				63%
Occupied Private Dwellings				7,616
Unoccupied Private Dwellings				1,175

### NAMBUCCA SHIRE - TOWNS, VILLAGES AND RURAL POPULATION

	1991*	1996*	2001*	2006	2011	
Bowraville	969	884	956	954	1,208	
Eungai **	158	139	583	584	658	
Hyland Park	153	284	321	315	441	
Macksville	2,872	2,722	2,661	2,658	2,567	
Nambucca Heads	5,669	6,248	6,146	6,121	6,222	
Scotts Head	834	832	793	794	821	
Valla Beach	488	729	814	819	1,200	
Rural/Non-Urban Balance	5,556	5,729	5,444	5,415	5,527	
TOTAL SHIRE	16,699	17,567	17,718	17,660	18,644	
Source: ABS Census - 2011						
** Area extended in 2001 to include Eungai Creek, Eungai Rail and Allgomera						
*Includes overseas visitors						

Nambucca Heads from 2006 includes Kingsworth Estate (not previously included in town population)

## Audited Financial Reports and Independent Auditor's Report

Council's audited financial reports for the year ended 30 June 2016 can be found at appendix 3, They are also available to the public at Council's Administration Centre (44 Princess Street, Macksville) and on Council's website <u>www.nambucca.nsw.gov.au</u>.

# Rates and Charges Written Off Clause 132 of Local Government (General) Regulations 2005

Ordinary Rates		
Pensioners write off (Section 575)	\$396,438.82	
Other	\$25,983.87	
		\$422,422.69
Water Access and Supply Charges		
Pensioners write off (Section 575)	\$149,314.72	
Other	\$50,612.44	
		\$199,927.16
Sewer Access and Supply Charges		
Pensioners write off (Section 575)	\$134,982.34	
Other	\$70,905.50	
		\$205,887.84
Waste Management Charges		
Pensioners write off (Section 575)	\$196,478.68	
Other	\$243.20	
		\$196,721.88
TOTAL AMOUNTS WRITTEN OFF		\$1,024,959.57

## **Comparison of Actual Performance**

With all Council's activities the budgeted figure shown also reflects an imprecise estimated breakup of materials and contracts between activities that is potentially distorted through the mix of own labour, contracted services, self-constructed and contracted works during the year resulting in fluctuations between the activities.

### 1 ADMINISTRATION & GOVERNANCE

All actual allocations other than expenses and revenue deemed to be hard core overheads and unable to be distributed on a reliable basis, have been distributed to other activities and therefore contribute to the variations between the original budget and actuals for activities at year end. Other significant variations for each of the activities are discussed below.

All actual allocations other than expenses and revenue deemed to be hard core overheads and unable to be distributed on a reliable basis, have been distributed to other activities and therefore contribute to the variations between the original budget and actuals for activities at year end. Other significant variations for each of the activities are discussed below.

## 2 PUBLIC ORDER AND SAFETY

As mentioned above with the distribution of materials and contracts, other expenses are imprecise between functions as they are displayed on a percentage of total expenditure and have also accounted for the variation in expenditure in this function.

# 3 HEALTH

There was an overestimation of income for On Site Sewage Management System inspections in the original budget, Council has now moved to a process of levying on the rate notice which will ensure estimates are more accurate.

The expenditure variation is the same scenario as the previous function.

# 4 ENVIRONMENT

In the original budget both Waste Management and Noxious Plants are shown under Housing & Community Services but externally reported under Environment. There were also increases in fees and charges relating to development and also substantial subsidies for environmental projects affecting both income and expenditure.

## 5 COMMUNITY SERVICES AND EDUCATION

Council again received a further grant for Sports Professional Development.

## 6 HOUSING AND COMMUNITY AMENITIES

The variation related to the categorisation of Noxious Plants and Waste Management as explained above in Environment.

### 7 WATER SUPPLIES

There were a number of minor variations throughout the year but overall Water Supplies did not differ significantly from the original budget.

## 8 SEWERAGE SERVICES

As with Water Supplies, Sewerage Services had a number of minor variations throughout the year but overall did not differ significantly from the original budget.

## 9 RECREATION AND CULTURE

Council received grant funding for a number of recreational facilities particularly the finalisation of the Fun & Fitness project in Macksville. Also developer contributions exceeded estimates and a sale of part of the Biffin Fields sporting precinct was not included in the original budget. On the expenditure side there were additional costs to that budgeted in relation to Libraries, Aquatic Centre and Parks, Sporting Fields & Reserves.

## 10 MINING, MANUFACTURING AND CONSTRUCTION

There were again increases in fees and charges relating to an increase in development which also accounted for the additional expenditure along with variations associated with materials & contracts and other expenses mentioned earlier.

# 11 TRANSPORT AND COMMUNICATION

The major variation was once again a consequence of flood damage works and associated subsidies.

### 12 ECONOMIC AFFAIRS

The expected sale of real estate industrial land did not eventuate during the year. There were additional costs in Land Development as well as Tourism and Private Works.

# 13 GENERAL PURPOSE INCOME

No major variations to original budget were experienced.

COMPARISON OF BUDGET TO ACTUAL 2015/2016				
	(\$'000)	)		
	EXPENSES	ORIGINAL	INCOME	ORIGINAL
		BUDGET		BUDGET
	2016	2016	2016	2016
	\$'000	\$'000	\$'000	\$'000
GOVERNANCE	560	698	0	0
ADMINISTRATION	2,149	2,435	252	126
PUBLIC ORDER & SAFETY	1,280	672	379	406
HEALTH	238	88	121	170
ENVIRONMENT	6,274	5,268	6,711	5,395
COMMUNITY SERVICES &				
EDUCATION	475	425	320	220
HOUSING & COMMUNITY				
AMENITIES	1,205	1,328	260	551
WATER SUPPLIES	5,262	5,450	5,847	5,620
SEWERAGE SERVICES	4,586	4,715	5,115	4,976
<b>RECREATION &amp; CULTURE</b>	3,356	2,580	568	195
MINING, MANUFACTURING				
& CONSTRUCTION	416	120	158	122
TRANSPORT &				
COMMUNICATION	11,815	10,531	5,004	4,418
ECONOMIC AFFAIRS	495	248	212	454
TOTALS - FUNCTIONS	38,111	34,558	24,947	22,653
GENERAL PURPOSE				
REVENUES	0	0	13,797	13,200
<u>TOTALS</u>	38,111	34,558	38,744	35,853

The above functions conform to those used by the Australian Bureau of Statistics and provide a basis for comparison with other councils.

**Comparison of Actual Performance of Principal Activities** 

Comparison of the Council's actual performance of principal activities for 2015/2016 are provided in the twelve month review ending 30 June 2016 of Delivery Program 2012-2016 and the Operational Plan 2014-2015 below:

## Achievements in Implementing the Community Strategic Plan

# TWELVE MONTH REVIEW ENDING 30 JUNE 2016 of DELIVERY PROGRAM 2012 – 2016 and OPERATIONAL PLAN 2015 – 2016

## INTRODUCTION

The intention of this report is to document Council's progress and effectiveness of Council activities as it strives to implement its stated strategies to achieve the objectives under each of the eleven (11) Key Strategic Directions outlined in its Community Strategic Plan 2022.

### The 11 Key Strategic Directions are:

- 1 Civic Leadership and Administration
- 2 Public Order and Safety
- 3 Public Health
- 4 Community Support and Education
- 5 Environmental Planning
- 6 Building Regulation
- 7 Environmental Services and Community Amenities
- 8 Recreation and Culture
- 9 Transport
- 10 Local Economy
- 11 Water Cycle

This report should be read in conjunction with Council's Quarterly Budget Reviews which outline how Council is tracking against allocated budgets. Over time, it is intended to better integrate both the financial measures and strategic outcomes into one snapshot, easily understood document, rather than the two current large standalone documents.

Under Council's Community Strategic Plan the 11 Key Strategic Directions are embellished with 31 Objectives, which are subsequently supported by some 58 Strategies. The 58 Strategies are carried through into the 4 year delivery plan and allocated across the organisation with specific tasks, programs or actions for which their progress is reported on through this 6 monthly review report.

Council's systems are not yet integrated sufficiently, nor does Council have the resources to provide very sophisticated reports with benchmarks or performance percentages which other larger Local Government areas are able to produce. Given time the Nambucca Shire Council Integrated Planning and Reporting processes will be embellished.

# The Delivery Program 2012 – 2016 and Operational Plan 2015 – 2016

## Strategic Direction: Leadership and Administration

### 1.1 Objective: Citizen Engagement

The Council and the community support open government where public participation is encouraged in policy development and major decisions, as well as in Council's daily operations.

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Using a variety of tools, engage with the community in ways that are accessible and transparent, and use information from the community in decision	Continue to liaise with Council Section 355 committees to provide advice on policy areas	General Manager	Minutes of the nine advisory committees are submitted to Council for consideration	Minutes reported. Councillors and Senior Staff attend S355 AGM's. S355 Information Evenings held Increasing difficulty in retaining sufficient volunteers to operate some S355 Committees
making	Use public relations, printed materials, Council's website and personal communications to inform stakeholders and community	General Manager AGMs	Media releases are developed and distributed. Website is kept up to date	Media releases issued. Rates newsletter issued. Information Technology Officer periodically checking website. Media release issued on flood damage events, road closure and works and vandalism as required Away Meetings commenced in 2013 New website launched in 2016 which incorporated a review and update of all existing information so that it
	Encourage involvement by a variety of community stakeholders in the activities of Council	General Manager Assistant General Managers	Advertisements for relevant activities as required	Encouraging use of media releases instead of paid advertisements to reduce cost. Paid advertisements used where there is a statutory or other requirement. Newspaper interview and stories have been used to increase community awareness of dog control and swimming pool legislation Fortnightly radio

			interview by GM on 2HC 639am. Manager Business Development undertook a series of promotions on Radio 2MC FM.
			Mayor & GM provide priority to assisting the media
undertake Community Satisfaction Surveys	General Manager	Contract survey as required	Community Survey of 400 residents undertaken by Jetty Research in May 2016
Issue a newsletter with the rates notice	General Manager	Newsletter is issued with rates notice.	Newsletter mailed out with Rate Notices
			2016 newsletter restricted to rates and charges information

# Strategic Direction: Leadership and Administration

1.2 Objective: Delivery of Services Delivery of services to the community is consistent with their requirements and Council's core values

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Ensure the sustainable delivery of infrastructure and services	Periodic review and ongoing implementation of asset management plans and use in budget and work plan development	Manager Assets	All infrastructure has up to date management plans	Asset Management Working Group comprising of Corporate and Engineering staff was formed to review Asset Management Plans policies, data capture and service delivery Reviewed Policies and Plans reported to Council Three new Asset management plans developed and adopted by Council for: 1) Bridges 2) Urban and rural sealed roads 3) Rural gravel roads First draft new asset management plans

				developed for footpath, buildings and stormwater
Implement organisation structure and staffing review outcomes	General Manager AGMs	All adopted revie recommendatior been implement	ew is have ed	Organisation review of outdoor operations adopted May 2015 has resulted in a reduction in EFT to 113. Progressively being implemented. Incorporated a review of staff levels as well as work practices Restructure of Infrastructure Services. incorporated the development of new position descriptions and creation of more accountability within the Coordinators and Site Leaders positions
Continue performance reviews of staff performance and provide training and attendance at external conferences where identified to ensure Council's goals are being met	General Manager Assistant General Managers	All performance reviews are conducted. Staff receive training and have the capability to meet service delivery requirements	Scheduled generally of Performan going Training ur statutory a developme Restructure Services. in developme description accountabi Coordinato positions	performance reviews complete ce management on- ndertaken to meet nd professional ent requirements e of Infrastructure ncorporated the ent of new position is and creation of more ility within the ors and Site Leaders
Provide opportunities for Councillors, especially new ones, to attend training relevant to their duties	Manager Human Resources	Councillors attend training and support sessions	Arrangeme and inducti the Septen	ents being made training ion for Councillors post nber 2016 election.
Implement human resource management practices	General Manager Manager Human Resources	Retention rates increase over time	Staff turno 11.2% in 2 8% in 2012 6% in 2013 9.5% in 20 Four long s scheduled	ver trending down 011/12; 2/13; 3/14; 15/16 serving outdoor staff for retirement on 2016.
Comply with local government	All staff	Fulfillment all reporting requirements	MANEX m known legi noncomplia	aintains a register of slative or regulatory ance.

	legislation, policies and agreed standards	Manager Development & Environment		Engineering Services' works undertaken in accordance with local government legislation, policies and agreed standards. Coverage achieved Public and private swimming pool inspection regime implemented New reporting requirements for Public Health and NSW Food Authority implemented. Local Government (Keeping of animals) Policy being evolved into Local Orders Policy for compliance empowerment also complaint weighting prepared to improve service delivery in important cases removing vexatious complaint engagement
	Comply with financial management requirements	All staff	Fulfillment of all financial management requirements	All reporting was within statutory timeframes.
	Provide information and assistance at front counter for a range of community needs	Business Services Unit Community Development	Provision of information on development applications, complaints handling protocol, Customer service training	Use of MERIT reviewed and improved. Information being applied and distributed. MERITS being taken and processed Improved work practices for incoming calls. Customer requests can now be placed on line via the Council Web Site. Customers are allocated a reference number for each MERIT. Call Centre established using existing phone system to manage incoming calls.
	Ensure Council adheres to Equal Employment Opportunity (EEO) principles	All staff	All recruitment processes incorporate EEO principles.	Compliance being met
Provide and maintain information management systems that meets user needs, including GIS, software and data systems to manage corporate information	Implement Merit customer request system	Manager Information Technology Senior GIS Officer Rates Officer	Systems are efficient, effective and information is easily accessible	Council has upgraded Merit to version 10 Version which provides for a more efficient workbench and allows additional integration options between the Authority property systems. Customer requests can now be place via the Council's website. Council is currently upgrading server and network infrastructure to support a more robust and responsive IT environment and to retire end of life equipment and

				•
				software.
				Council is currently implementing integration between Merit CRM and Reflect. This will allow streamlined workflows for customer initiated maintenance resulting in improved communication with customers, better reporting and increased mobility.
	Continue to improve new Authority software operation	Manager Information Technology	Systems are efficient, effective and information is easily accessible	Council is currently Civica Authority and has made incremental improvements including GIS integration and reporting. Implementation of Purchase Cards improvements have been made in mobility using tablet devices and electronic forms. The successfully integrating septic inspections with Authority register. Bi-directional integration between Authority and ArcGIS has also been correctly implemented. The implementation of e services and the payment gateway Council has successfully integrated GIS data with data provided by the LPI Council is currently using TRIM software used for records management and has made incremental improvements including allowing the DA tracker to provide access to publically consumable documentation for Development Applications. An app has been developed to support the reading of water meters. The app takes data directly from Authority via export and allows for updated reads to be subsequently imported.
Establish	Conduct	General	Community	Detailed review and community
community needs through consultation and involve	community consultation to review Delivery and Operational	Manager Assistant General	consultation opportunities are facilitated and feedback	engagement conducted in conjunction with Special Rate Variation application. IPR suite of documents updated and adopted

community in review and	plans for 2014- 2015 and	Managers	is incorporated into plans	in line with legislative requirements
future development of Community Strategic Plan, and Delivery and Operational	promote awareness of Community Strategic Plan	Managers	where appropriate	Involvement from staff with the various Sect 355 Committees and volunteer groups with development and implementation of programs S94 Contribution Plans updated and put out to public consultation
Plans	Use Community Satisfaction Survey to inform planning processes and help identify infrastructure needs	General Manager AGMs	Survey outcomes are used in developing plans	Community satisfaction survey completed in 2016. Finding being used as appropriate

# Strategic Direction: Leadership and Administration

1.3 Objective: Risk Management Reduce risks to Council's and community operations through effective, timely and affordable risk management strategies

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Implement the risk management action plan	Review the risk management action plan and update if required	Safety & Risk Officer	Documented review of plan	Completed – new plan in draft form due to changes in requirements by Insurer
	Implement WHS action plan, conducting WHS audits and reviewing as required	Safety & Risk Officer	Action plan activities and audits are completed	Completed
	Annual review of insurance coverage	Safety & Risk Officer	Up to date certificates of currency	Completed
	Manage instances of safety, regulatory or financial mishaps which cause a financial risk to Council	Safety & Risk Officer General Manager	Reduction of impact on Council resources	Reduction in claims and notifiable incidents
	Maintain database of all loss events	Safety & Risk Officer	Accurate information is available for insurance purposes	Database maintained
	iviailitalli allu	Salely & RISK	Accurate IISK	nisk negister reviewed and

review risk register	Officer	register kept	maintained. Electronic JRS profiler introduced.
Deliver relevant training and effective awareness programs to staff on workplace safety	Safety & Risk Officer	Induction of staff. Number of training awareness programs conducted. Reduction in number of work related claims or reported incidents	All new staff inducted. Training provided as per training needs plans and supervisor requests. Number of workers compensation claims reduced

# Strategic Direction: Leadership and Administration -

1.4 Objective: Sustainable Energy Use Provide community leadership in sustainable energy use and strive to meet the State government's commitment to becoming carbon neutral by 2020

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Implement technologies in Council facilities and infrastructure to reduce Council's greenhouse gas emissions	Waste Management activities including resident education package which will reduce the need for waste collection and hence greenhouse gas emissions by using less trucks	Manager Business Development Technical Officer - Assets	WASIP grant is fully expended	WASIP funding used to implement solar compactor bins for street litter waste reducing truck movements for collection
Make information available to the community to help them reduce energy use	Provide links on Council's website to reputable websites that provide information on sustainable energy use and Government objectives to reduce greenhouse gas emissions	General Manager	At least one link to be provided, and updated as required	Link provided to Planet Ark. Council contributes to the sustainability and educational material for a EEC Link to Our Living Coast with information on sustainable living including energy use.

# Strategic Direction: Public Order and Safety

2.1 Objective: Community Safety To foster a community where people feel safe and secure

Four Year Delivery	Operational Plan Actions	Lead responsibility	Annual Success	Achievement
Objective			Measures	
Provide support for local emergency sorvices and	Participate in rural fire service management and maintain membership of	Engineering Services	Council is represented on Committee. Service level	Cr Ainsworth elected as the Council representative to the Committee.
beach safety	the Nambucca Bush Fire Management Committee		reviewed quarterly	year and the minutes of each meeting have been reported to Council.
				Rural Fire Service (RFS) presented the draft "BIDs" to Council in January each year and adopted by Council in February
				RFS budget and KPI'S reviewed quarterly through the Liaison Committee
	Maintain the urban fire trail network to protect public and private infrastructure from bush fires	Engineering Services	Fire trails are mown twice a year, in October and February	Trails were maintained as scheduled with the completed works entered into the RFS BRIMS and payment received from the RFS
	Contribute statutory 13.3% in budget to fire control and other contributions to Volunteer Rescue Authority and Marine Rescue	Engineering Services	Allocations are made in annual budget in line with draft budget prepared by Emergency Services	A budget allocation were provided and RFS presented the draft "BID" to Council in Januarys and adopted by Council in February Emergency Service levy reported to Council each year
	Ensure buildings and facilities at fire control centre and SES/Volunteer Rescue/Marine Rescue are managed to meet standards	Engineering Services	WH&S inspections are conducted. Building Management Committee meets regularly	Grant received to enhance the EOC in the area vacated by the RFS
	Provide and replace vehicles	Engineering Services	Vehicles are replaced	This is now administered through NSW RFS. Provision of funding

	in accordance with policy for State Emergency Service			remains a Council issue.
	Provide lifeguard services as per contract, including annual contribution through s.94 plan	Engineering Services	Lifeguards are on duty at required times and activity reports are submitted to Council by 31 March. Equipment is purchased	New five year contract entered into with SLA for the provision of life guard services Life guard services provided over Christmas/New Year holiday period The end of season Life Guard Services reports presented to Council Contributions allocation is included in budget
	Provide and maintain beach safety signage	Engineering Services	Signage is in place and meets current standards	All signage installed at the beach and access locations are compliant with regulatory and non- regulatory warnings
	Provide ranger service to supervise vehicles on beaches	Manager Development & Environment	4WD vehicles on beaches comply with permit conditions	Council Rangers undertook random surveillance of beaches as well as continued passive surveillance from the Volunteer Rangers
				Council maintains a tri-party arrangement with PMHC and Kempsey Shire with beach permits
Provide leadership in safety initiatives	Advocate for adequate police resources	Mayor General Manager	Increase in number of hours that police officers spend in Nambucca District	Mayor regularly attended Police Community Advisory Meetings. Lobbied for the continuation of Court House. Attended community meetings concerned with policing
	Advocate for road safety initiatives, including through active Traffic Advisory Committee considering road safety improvements	Engineering Services	Committee progresses road safety actions	Traffic Committee meetings conducted which addressed a number of safety improvements resulting in a number of speed zones on rural roads being reduced. Minutes reported to Council for formal resolutions and implementation of safety actions.
	Work with District Police to implement specific safety initiatives such as Alcohol Free Zones	Manager Community Development Engineering Services	Number of safety initiatives implemented	Review of Alcohol Free Zone in the CBD Nambucca Heads completed and re-established for 4 years. Signage updated by 10 January 2015. Fridge Magnet promoting reporting crime was developed and distributed.

# Strategic Direction: Public Order and Safety

2.2 Objective: Companion Animal Welfare To proactively manage companion animals to ensure the community's safety and to improve animal welfare

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Manage companion animals to ensure the community's safety and improve animal welfare	Undertake patrols and respond to complaints about companion animals	Manager Development & Environment	Number of impounded animals is reduced. Number of euthanaised animals is reduced	Web-site improved with impounded animals being photographed and displayed for recovery or sale Council subsidises de-sexing of animals to increase saleability of animals
	Support programs to improve the welfare of companion animals, including investigating grant opportunities for owner education	Manager Development & Environment Ranger Grants Officer	A program is run which educates owners on responsibilities	Received Grant Funding for a Responsible Pet Ownership Program twice. Program offered subsidised de-sexing, immunisation and micro chipping - Have applied for funding for the third round of the program - result pending
	Ensure signage identifying permissible dog walking areas is in place and up to standard on Council land	Manager Development & Environment Ranger	All areas are checked and signage is adequate	Signs in place Signage replaced and education program instituted to protect bird breeding habitat north of Valla footbridge

# **Strategic Direction: Public Health**

## 3.1 Objective: Safe Food

Reduce the incidence of illness from unsafe food by monitoring systems for food hygiene and safe food handling

Four Year Operational Plan Delivery Actions Objective	Lead responsibility	Annual Success Measures	Achievement
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Reduce the incidence of illness from unsafe food	Conduct regular inspections and follow- up of premises that handle food for public consumption	Manager Development & Environment	Number of inspections. Reduction in the number of warnings or infringements. Reduced number of illnesses	Inspections completed.
	Respond to complaints	Manager Development & Environment	Reduced number of complaints	Ongoing with matters resolved

3.2 Objective: Clean Water Improve and maintain healthy waterways through active catchment management including promoting and, where relevant, implementing the protection and restoration of riparian areas and minimizing pollution sources.

Four Year Delivery	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Objective				
Carry out 100% of inspections including plumbing and new on-site sewage management systems associated with new developments within 48 hours of being booked	Conduct regular inspections in accordance with risk rankings Weekly monitoring of performance from registration statistical data and departmental appointment calendars	Manager Development & Environment	100% of inspections conducted within time Number of warnings or infringements	all class 1 (high risk) inspections undertaken plus annual requirement for low to medium risk Stage 1 up-grade of problematic river front Installation carried out . Funding obtained 2015-16 for pressurized sewerage system to high risk systems OSSMS. Inspection regime updated, simplified and payment moved to the rates notice - commenced
	Respond to complaints	Manager Development & Environment	Reduction in number of complaints	Ongoing with matters resolved with emphasis on impactive systems (impactive on health and/or the environment)
Implement actions from the Nambucca River Estuary Management Plan	Review plan and identify funding sources through grants and Environmental Levy to complete highest priority actions	Coordinator Strategic Planning and Natural Resources	Implementation of at least one priority action	Ongoing improvement undertaken on Stuart Island. Funding obtained

		for bank stabilisation and fish habitat projects on Stuart Island and Congarinni.
		Gumma wetlands project continuing.
		Boating Now Projects being undertaken at 6 locations in the Shire.

# **Strategic Direction: Public Health**

# 3.3 Objective: Personal Health and Wellbeing

Help improve the overall health and wellbeing of the community of the Nambucca Valley

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Support existing and initiate new public health activities	Deliver the final year of the Healthy Communities Initiative	Project Officer Live Healthy Nambucca	Meeting the range of targets identified in the Program Plan	Project concluded on time and on budget. Audited Statements were submitted by the deadline of September 2014
	Lobby State Government for adequate bed allocation for aged care	General Manager	Increase in number of aged care beds	Considerable additional aged care capacity either completed or under construction by Nambucca Valley Care.
	Lobby State Government for infrastructure to provide adequate health services	General Manager	Number of letters and meetings about this issue	\$50m redevelopment of Macksville Hospital approved. Lobbying continuing in relation to commencing the build.
	Provide grant application support to relevant community organisations	Grants Officer	Number of applications assisted	Over 40 applications written and over 30 community organisations assisted with advise over this term of Council

4.1 Objective: Connected Community Our community is proud of its identity and is mutually self-supporting

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Engage with the community, providing social and community infrastructure and programs to meet the needs of all residents	Continue to support and liaise with Council's Section 355 Committees which represent a range of community members	General Manager	Meetings attended on regular basis	Councillors and Senior Staff on roster for attendance at S355 AGM's. Increasing difficulty in retaining sufficient volunteers to operate some S355 Committees.
	Continue to support the community through the auspice of grant applications and grant writing support	Grants Officer	Number of grant applications made	Over 20 Grants auspiced by Council over 30 community organisations assisted with advise over this term of Council
	Ensure the services of the Visitors Information Centre are of a high standard through training and supporting volunteers	Manager Community Development	Number of familiarisations undertaken	Training for volunteers. Industry familiarisations was conducted.
	Provide Funding for Seniors Week	Manager Community Development	Annual event is held	Out and About and Active event held 6 April 2016. 170 seniors and 55 young people participated. Seven services provided information stalls.
	Continue involvement with Regional Arts Development Board, including financial support and representation on	General Manager	Implementation of Regional Arts initiatives relevant to Nambucca Shire	Financial support provided annually and Councilor representation on the Board.
	Board of Management		-	The Regional Arts Development Officer made a presentation to Council on 13 August 2015.
	Manager Community Development role to continue to include aged and disability services	Manager Community Development	Funding Agreement service levels are met, 2014-2015 work plan is adhered to, and all reporting requirements are met	100% achieved. Meeting work plan targets.

# Strategic Direction: Community Support and Education

4.2 Objective: Engaged Youth Foster the social well-being of our youth

Four Year	Operational Plan	Lead	Annual Success	Achievement
Delivery	Actions	responsibility	Measures	
Objective				
Provide support	Manage funding	Manager	Report against	Reporting submitted
for young	provided by the NSW	Community	service agreement	on time.
people through	Department of Family	Development		A great targets and
youth-oriented	and Community			Agreed targets and
programs	Services to undertake			outcomes achieved.
coordination		Managor	Number of modia	Youth Sonvices
planning and	prioritise and publicise	Community		Forum - 8 April 2016
funding	the needs of young	Development	Number of grants	(80 people):
· • · · • · · · · · · · · · · · · · · ·	people	Development	secured	Conducted Youth
	P P			Survey:
				Conducted Skate
				Park Assessments
				Other presses
				included Indigenous
				Surf Program - Term
				4 2015 Nambucca
				Heads (18 students);
				Young Mums and
				Bubs Water Safety
				program; Indigenous
				Learn to Swim; Part
				1 Screenwave
				workshops in 2 High
				Schools 2-day Water
				Ways Safety
				workshop (18 voung
				people trained);
				Resilient Young
				People's Program
				(RYPP) at Bowraville
				Central School (28
				students) and
				Nambucca Heads
				High (30 students)
				Park Opening 29
				November: Skate
				Scooter and Bike
				Competition and Jam
			<u> </u>	16 January 2016.
	Run Youth Week	Manager	Youth Week	2016
	activities	Community	activities held;	Bike Safety
		Development	evaluation	vvorkshop – 12 April
			undertaken	(40 young people);
				Macksville Show:
				Movie Days and
				Youth Information

				Stalls at Nambucca Heads – 18 April (70 young people) and Bowraville - 14 April (100 attended)
	Run Responsible Educated New Tenant (RENT) program	Manager Community Development	Courses held; participation figures and evaluation	No programs conducted by Council in 2015-2016 as it is now being delivered by Wesley Accommodation Service.
	Continue to seek funding for the Nambucca Valley Sports Facilitation Program.	Manager Business Development	Level of funding secured.	2012-13 Secured via Grants Officer assistance \$75,000 PA for three years
Plan and provide library services in Nambucca Heads and Macksville	Seek external funding to supplement library resources	Manager Community Development	Level of resources secured	Funding received from e-book Library Development Grant, Country Libraries Fund, Revitalising Public Libraries Fund Let's Read Big, Loud Grants and Local Priority Grants. Participated in Public Libraries NSW campaign for increased State Government Funding to libraries.

# Strategic Direction: Community Support and Education

# 4.3 Objective: Cultural Diversity

Promote an understanding of the Nambucca Valley's Indigenous culture and heritage and develop opportunities and partnerships for people of culturally diverse backgrounds,

Four Year	<b>Operational Plan</b>	Lead	Annual Success	Achievement
Delivery	Actions	responsibility	Measures	
Objective				
Deliver services	Manage funding	Manager	Projects are	Finance and outcomes
appropriate to	provided by the NSW	Community	delivered in	reporting submitted
the needs of	Department of Family	Development	accordance with	on time – 100%
Aboriginal and	and Community		service agreement	achieved
Torres Strait	Services to undertake			
Islander	community			
communities and	development for			
continue to	Aboriginal people			
improve	Coordinate and	Manager	NAIDOC Week	In 2014-15
awareness and	provide funding for	Community	event is held.	Council supported and
understanding	NAIDOC week event	Development	Number of	participated in the
between Council			participants.	Nambucca Valley
and Aboriginal			Level of funding	NAIDOC Committee
communities and			attracted	and supported events

individuala				across the Shire such
		Managar		as the flag raising out at Bowraville Central School. Council's main event was held in Macksville in collaboration with Unkya (Macksville) LALC. The Macksville Day included: - Local cultural art and basket weaving from Salt Water Fresh Water run by specialist Indigenous people. - Sydney Swans Academy AFL football club from Coffs Harbour ran AFL activities And local Indigenous musicians performed
	Provide activities for learning or social development for young people and their families on school holidays	Manager Community Development	Three activities or workshops will be conducted	Music Madness Workshop (25 young people); Bowraville Fun Day; Canoeing Skills Workshop (16) and Outing, Fishing Workshop at Bellwood(40), Cricket Coaching Clinic (18), Bowraville Basketball Competition (75 young people + 25 others), The Movie Bus project (35)
	Support Indigenous heritage and other cultural projects when identified	Manager Community Development	Number of projects supported	Negotiated with Local Aboriginal Land Councils regarding infrastructure projects including Farringdon Fields; assisted Department of Aboriginal Affairs and families with construction and opening of memorials. Saltwater Freshwater Craft and Music Workshops – September 2015.

# Strategic Direction: Environmental Planning

5.1. Objective: Well planned communities

A well-planned community which minimises its environmental footprint and social costs, while maximising its economic and social well-being

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Promote sustainable development	Ensure sustainability is a feature of strategic planning	Coordinator Strategic Planning and Natural Resources	Sustainability requirements are embedded in plans	Vegetation mapping complete Streetscape improvement programs underway Gumma Wetland management ongoing Several place based designs prepared with sustainability a focus for example Dawkins Park and Gordon Park.
	Progressive application of the principles of ESD to Council's LEP and related environmental policies	Coordinator Strategic Planning and Natural Resources	Inclusion in revised and new policies	Flood Studies Finalised and adopted. A Deep Creek Entrance Management Policy has also been adopted. Flood Risk Management Program underway; Several LEP amendments. Completed. DCP 2010 has been amended
			Standard of development approvals improves and conditions applied reflect ESD principles	No significant change
			Compliance with development standards and conditions of consent	Achieved and Ongoing
	Vigorous assessment of developments to ensure minimum impacts are achieved on built and natural environment as a result of the development, with special regard to high impact developments	Coordinator Strategic Planning and Natural Resources Senior Town Planner Manager	Monitoring of ongoing compliance conditions	Comprehensive assessments completed in relation to higher risk environmental and development compliance issues.

	such as antimony mining Develop new urban designs for town centres and villages	Development & Environment Coordinator Strategic Planning and Natural Resources Senior Town Planner Managers	New urban design for Macksville developed PAMP implemented Streetscape plans for Nambucca and Bowraville implemented Nambucca River Master Plan implemented	Macksville Revitilisation Plan developed associated Traffic Study Complete. Draft plan prepared integrating these 2 studies Street Trees planted Bowra St Nambucca Heads Stuart's Island Improvements complete. South Valla walkway 60% complete Plan for Dawkins Park adopted; Plan for Gordon Park Adopted; Plan for Duffos Rest a while adopted; Plan for Scotts Head Town Green underway; Plan for Farrington Fields underway; Plan for coastal
	Manage and regulate	Coordinator	Council adopted	lookouts in Nambucca complete Water Quality
	impacts of resource development	Strategic Planning and Natural Resources Senior Town Planner	position on CSG, Antimony and other resource developments	Monitoring to obtain base line data Council awarded best NSW drinking water in 2016
Reflect the community's desires through appropriate planning instruments such as Local Growth Management Plan, and Local Environmental Plan	Consult with community and key stakeholders and government departments prior to preparation of plans/reports and coordinate their input	General Manager Coordinator Strategic Planning and Natural Resources AGMs Managers	Number and type of consultations held	Consultation held in relation to Nambucca River Flood Study: Deep Creek Flood Study Deep Creek Entrance Management Policy Numerous LEP Amendments; Streetscape improvements;

	Manager		Shoaling
	Development &		investigation;
	Environment		Stuart Island works;
			Boating Now Projects
			Engineering Services Consultations with
			various community groups used as input into the asset
Local Growth Management Plan:	General Manager	Number of strategies prepared	Rural residential land release strategy
Review and prepare new strategies for	Coordinator		completed
rural residential land release areas and rural lands in accordance with the Mid North Coast Regional Plan and	Strategic Planning and Natural Resources		and rural land release strategies to be completed in house as time permits
incorporation into the Local Growth Management Plan			Council's additions to its Local Growth Management Plan have been incorporated into the draft Mid North Coast Regional Plan.
 Valla Growth Area	General	Level of progress	LEP Completed
Plan (LEP): Review, coordinate and prepare various environmental studies, master plan.	Coordinator Strategic Planning and Natural	development	A DCP has been prepared for the approved highway service centre.
local environmental study and development control plan required to undertake the LEP amendment to rezone land identified in the	Resources		Work now underway on preparing a DCP for all of the Valla Growth Area
Develop strategies to	General	Number of	Consultant to be
address impacts of Pacific Highway Upgrade	Manager Coordinator Strategic Planning and Natural Resources	strategies prepared	engaged to determine the impact, cost and condition rating of the assets and being handed to Council from the RMS
	Assistant General Managers		First draft of anticipated costs valued at \$70million presented to Council via a workshop
	Managers		

				obtaining data on the condition of the highway and the liability associated with its transfer. Lobbying underway to have the RMS retain the large bridges. Successful lobbying for on and off ramps at North Macksville. Economic impacts have also been addressed via the approved service center and a master plan to improve the
Report new information relating to land use constraints to Council and include in planning and development activities	Finalise Climate Change Adaptation Policy following completion of flood studies	General Manager Coordinator Strategic Planning and Natural Resources	Final policy completed	amenity of Macksville. Council adopted flood planning levels modeled with an allowance for Sea Level Rise. Flood studies complete Flood risk planning matrix being circulated to Councillors and Estuary Committee. To be finalized post 10 September election. Climate Change Adaptation Policy to be reviewed after completion of

# Strategic Direction: Environmental Planning

5.2. Objective: Housing Housing across the Nambucca Valley provides for choice and is affordable

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Provide diverse, sustainable, adaptable and affordable housing options through effective	Ensure supply of vacant land stocks as per Council's adopted land release strategy for residential and rural residential land	Coordinator Strategic Planning and Natural Resources	There is adequate vacant residential land stock	It is estimated that there is 25 years plus of vacant land and 30 years of vacant rural residential land

land use planning	stock. The Shire	;
	has abundant lov	N
	cost housing opti	ions
	including a	
	significant amour	∩t
	of transportable	
	housing in beach	1
	side locations. th	an
	average	

# **Strategic Direction: Building Regulation**

## 6.1 Objective: Safe Buildings and Pools

Reduce the risk of public injury through ensuring safe standards for buildings and pools are maintained

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Ensure private infrastructure - buildings and pools - are of a safe standard	Undertake building and swimming pool certification	Health and Building Surveyor	Certification is timely and accurate	On-going swimming pool safety/compliance inspections Number of Construction Certificate applications lodged with Council increasing
	Undertake a risk assessment based compliance program for fire safety and backyard pools	Health and Building Surveyor	Number of complying swimming pools following audits	Fire safety addressed as matters arise, Register of essential fire safety certification being developed. See pools above
Promote sustainable building practices including energy and water use efficiency	Information on sustainable building practices made available on Council's website and at Council's enquiry counter	Business Services Unit	Information is made available and updated where required	Website link to Our Living Coast established

# Strategic Direction: Environmental Services and Community Amenities

# 7.1 Objective: Waste Management

Protect the natural environment through ensuring a regular, cost effective and environmentally responsible system for managing solid waste

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Provide operational and environmentally acceptable waste management	Contract for kerbside collection of separated domestic mixed waste, recycling and green waste materials	Waste Management Officer	Annual review of performance	Monthly monitoring undertaken and Council provided with quarterly updates

facility, including collection, weighbridge and landfill cells				Annual reviews completed in June. and reported to Council Trial rural waste collection service provided in 2015/16 funded through WASIP Council initiated formation of working group to address future strategic and operational directions
	Provide for management of local Transfer Station at Nambucca Waste Management facility to source separate domestic mixed waste, recycling and green waste	Waste Management Officer	Annual review of performance, and compliance with licences	Review undertaken and completed throughout 2015/16 with transfer station signage being upgraded and colour coded accordingly to enhance waste separation
	Prepare engineering design plans for construction of landfill cells and rehabilitation of completed landfill cells	Waste Management Officer	Plans to be compliant with Environmental Protection Licences	Future cell 4 area designed awaiting EPA approval. Investigations are ongoing into obtaining additional Forest land to ensure longevity of the waste site for an additional 30 years
	Undertake ground and surface water monitoring to meet licence conditions	Waste Management Officer	Monthly sampling occurs and annual report meets OEH licence requirements	EPA annual returns completed in for EPL licence 6268 And for EPL licence 11386
	Undertake pollution studies and reduction programs and any necessary infrastructure works to meet licencing conditions	Waste Management Officer	Compliance with Environmental Protection Licences and Landfill Environmental Management Plans	Complied with EPA requirements
Implement waste minimisation strategies, including reduce, reuse, and recycle	Ensure contractor's delivery of yearly education program	Waste Management Officer	Reduced amount of waste directed to land fill	Mixed waste processing plant modifications were implemented in 2012 and processing ongoing. Education through the school system undertaken when

			requested
Minimise illegal dumping of waste	Manager Development	Reduced number of complaints	Illegal dumping investigated with
	& Environment		follow up action & service of clean up
	Ranger		notices
			Waste clean-up of
			carried out in
			conjunction with
			NSW Forestry

# Strategic Direction: Environmental Services and Community Amenities

7.2 Objective: Street Cleaning Provide a level of street cleaning which minimises the creation of litter and the level of contaminants in storm water runoff

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Maintain clean and attractive streets, footpaths and public places	Regularly service street and park litter bins, daily service of public conveniences, and regularly clean commercial areas	Engineering Services	Inspections in March and September show standard is achieved and maintained. Maintenance system records all inspections	Spot inspections undertaken throughout the year and during peak seasons and remedial action taken when required Cleaning of amenities electronically recorded Street litter bins removed on a rolling program for cleaning at the works depot Conducted review on the street litter bins and levels of service completed. Solar compactor bins installed at high use areas to remove daily collection Committees of management placed on domestic collection to reduce operational costs Program implemented to replace and or upgrade dilapidated

			aging toilet amenities
Sweep high profile areas with special	Engineering Services	Sweeping completed in	Program completed
vehicle twice this year. Pressure clean public conveniences quarterly		December and May. Supervisor inspections of pressure cleaning show standard maintained	Report adopted by Council as part of the Infrastructures Organisation review on the cleaning of public amenities and levels of service which has reduced the cleaning regime on low use amenities The program to replace and or upgrade dilapidated aging toilet amenities has improved the cleanliness of the amenities
Respond to complaints	Engineering Services	Reduced number of complaints	Complaints captured in MERIT and responded to by Supervisors within agreed time parameters Written complaints responded to by Council staff
Maintain factorha	Engineering		replace and or upgrade dilapidated aging toilet amenities has reduced the number of complaints and electronic data capture introduce to capture when the amenities are cleaned and reporting and repair of vandalism.
within CBD areas to a clean and aesthetically pleasing standard	Services	completed in November	completed

# Strategic Direction: Environmental Services and Community Amenities

7.3 Objective: Environmental Protection Promote the sustainability of the Shire through identification, preservation, protection, restoration and enhancement of the natural environment
Four Year	Operational Plan	Lead	Annual Success	Achievement
Delivery Objective	Actions	responsibility	Measures	
Protect trees from and respond to deliberate damage of trees on public land	Develop public awareness of importance of trees, reward information resulting in conviction and issue fines	General Manager	Media release issued at least once advising of \$5000 reward	Vandalism of trees on-going. Media releases on-going last one being September 2015.
	Implement strategy to counter tree vandalism	General Manager	Tree damage investigated and responded to, including warning letters or fines	2015/16 One known occurrences reported to the Police and investigated, no warning letter or fine issued as culprit not found – a media release was issued seeking information
Implement programs as outlined in the annual State of the Environment Report, Nambucca River Estuary Management Plan, Environmental Levy Program and community environmental programs	Highest priority programs implemented as funding allows	General Manager Coordinator Strategic Planning and Natural Resources	Number of recommendations implemented as per approved program and budget allocation	Review of Environmental Levy Program completed annually and sent out for public consultation. Programs ongoing and maximised through grant opportunities. Community have been given opportunity to identify or suggest projects for the future of the Environmental levy
Engage and support the community and organisations in undertaking sustainable natural resource management, including best practice farming and land management	Council staff to assist with Landcare, Dunecare and Wetlandcare projects where possible, as identified throughout the year	Noxious Weeds Officer Environmental Compliance Officer	Level of in-kind support through advice Level of grant funding received	Works are subject to funding. Ongoing support is provided to Landcare and other similar organisations such as wetland care have been provided when required. Council endorsed funding towards to environmental community funds through the environmental levy Councils Estuary Committee has input into projects.

	Place relevant information on Council's website and ensure it is regularly updated	Business Support Unit	Information on website	Website content updated including IPR and community surveys
Develop management plans for environmentally sensitive areas	Finalise Coastal Zone Management Plan (CZMP) and implement identified high priority actions where funding is available	General Manager Coordinator Strategic Planning and Natural Resources	Council endorses final plan. Resources (grants) secured to implement project	CZMP Complete and recently certified by Minister for Environment and Planning: Beach access improvement program Stage 1 complete Stage 2 complete A coastal grant obtained to implement protection of the Nambucca Heads Surf club and improve the amenity of the area. Funding allocated to improvements in the Dawkins Lake Reserve. Proposed Plan adopted; Funding received for sea wall maintenance at Scotts Head Funding received for endangered coastal communities at Valla
Review on-site Sewage Management Plan	Policy Reviewed as required	Manager Development & Environment	Reviewed policy	Policy was reviewed in 2016 to reflect change management practices. New risk management plan evolved to reflect protection of Aquaculture areas in line with current legislation
Prepare State of Environment Report	Conduct public consultation and review plan in context of any changes	General Manager Coordinator Strategic Planning and Natural Resources	SoE Report placed on Council's website	Commitment to regional SoE report 2016. The regional report was to be prepared by LLS North Coast but they subsequently declined and the regional SoE is now being prepared by a staff member of

ſ		<b>A M H H A H</b>
		Coffs Harbour City
		Council on behalf of
		many mid north
		coast councils. On
		schedule to be
		reported to Council's
		meeting on 25
		August 2016.

# Strategic Direction: Environmental Services and Community Amenities

7.4 Objective: Biodiversity The biodiversity of Nambucca Valley's natural areas, including its waterways and bushland are protected and enhanced

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Deliver projects which assist in the protection of biodiversity and the sustainability of our natural areas	Control noxious and other environmental weeds on private land and Council controlled land	Noxious Weeds Officer Works Crew	Reduction in number of noxious and other environmental weeds in the Shire	Annual programs developed. Grant funding was received to continue with the noxious weed control on the headlands.
	Deliver projects under the Environmental Levy Program which are directly related to biodiversity	General Manager	Number of projects implemented	Saving our Species program for a koala habitat completed. Vegetation mapping of endangered ecological communities added to the Environmental Levee Program Most environmental projects include levels of biodiversity management or conservation benefits

7.5 Objective: Cemeteries Maintain Shire cemeteries

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Provide well	Prepare a Plan of	Manager	Plans of	Actioning cemetery

maintained cemeteries	Management for each of Council's cemeteries	Development & Environment	Management are implemented	extension at Nambucca Heads and Macksville Engagement with Aboriginal community with respect to extension of Aboriginal grave areas Heritage advisor has prepared conservation of monuments and maintenance of grounds documents Overgrown & dangerous vegetation reduced and access improved
	Respond to complaints	Manager Development & Environment	Reduction in number of complaints	Vandalism reduced by fencing along Hodge St Macksville

# Strategic Direction: Recreation and Culture

# 8.1 Objective: Cultural Activities

Active support of cultural services, our local heritage and the arts

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Support the coordination of and networking between arts, social and cultural groups.	Support for the Regional Arts Development Board	General Manager	Annual contribution is made. Council is a member of Arts Mid North Coast	100% achieved with the contribution paid. Two Councilors are members of the Board
Council and the community	Support community efforts to gain funding for cultural and community events	Manager Community Development	Number of grants received	Small grants received for Seniors Week; Sport and Recreation projects and Youth Week
	Support local museums	General Manager	Museums attract new volunteers and visitors, and outside funding	Bowraville Folk Museum was transferred to Incorporated Association this was supported by funding to bring building up to a satisfactory standard.

# Strategic Direction: Recreation and Culture

# 8.2 Objective: Meeting Places

Meeting places provide a way of fostering an inclusive community

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Maintain public buildings where justified by community use	Work with Section 355 committees responsible for buildings to ensure they are being maintained	Technical Officer - Assets	Buildings are maintained to required standard	Annual maintenance budget provided in the management plan and liaison with the committees for ongoing maintenance and minor upgrades and work programmed as necessary

# Strategic Direction: Recreation and Culture

8.3 Objective: Recreational Activities The Nambucca Valley has a variety of safe and well-maintained sporting fields, recreation areas and facilities to meet the recreational need of all age groups in the community

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Ensure all public parks and open spaces are accessible, maintained and managed to meet the needs of residents	Works carried out regularly in existing public parks and open spaces	Engineering Services	Parks maintained at high standard	Council reduced the budget allocation for parks and reserves by \$25k in the 2013/14 and have not increased the funding in the 2015/16 budget. As part of the restructure in Infrastructure Services, maintenance operations were reviewed across the maintenance program to accommodate the available funding. No adverse comments were received on the standard maintained Staff implemented a program to plant out larger areas and steep embankments

				with native vegetation to reduce mowing and remove WHS issues.
	Maintain playing surfaces to an acceptable standard by mowing aeration and fertilisation	Engineering Services	Record in Maintenance Management System. Review with relevant Committee of Management	Ongoing, works recorded in the Maintenance Management System
	Implement Alcohol Prohibited Zone in Gordon Park and other parks where alcohol consumption has been identified as an issue	Manager Community Development	Number of signs erected	Consumption of alcohol is prohibited in Gordon, ANZAC and Bellwood Parks together with a number of other smaller locations. Appropriate new signage has been erected
	Playgrounds are maintained in a safe condition and conform to Australian Standards	Engineering Services	Inspections of all playgrounds at least once this year Damaged equipment repaired, closed, removed or replaced	Inspections were undertaken in accordance with the maintenance risk management program and damaged equipment removed or replaced within available funding Detailed asset inventory undertaken on each site and a review of the relevance of the park undertaken for long term planning
Maintain the Macksville Memorial Aquatic Centre	Continue to manage the contractor in the provision of quality facilities and address infrastructure issues when they arise	Manager Business Development	Facility is maintained at a high standard Number of customer complaints	Installed new starter blocks to gain regional swimming pool facility status. Implemented maintenance in all areas to core infrastructure. Pool painted, Facility was extended as part of the Macksville Fun & Fitness Precinct project Repaint external structures Macksville aquatic centre, conduct tender process for next 5 years. Change of

				contractors.
Pursue partnerships and opportunities to access additional funding to improve recreational facilities	Funding received via partnerships and grants to improve recreational facilities New projects added to Work Schedule of Community Facilities and Public Open Space Contributions Plan	Grants Officer	Level of grant funding received. Contribution Plan work schedule updated regularly	Augmentation Macksville Skate Park and fun and fitness precinct completed.
Develop new open space in line with adopted development control plans	New parks proceeding as planned in DCPs and contribution plans	General Manager S.94 Officer Coordinator Strategic Planning and Natural Resources	Number of new parks	Binalong Park off Upper Warrell Creek Road complete. Community facilities and open public space study completed . Several plans prepared for open space areas as previously described

# Strategic Direction: Transport

9.1 Objective: Private Transport Accessibility Nambucca Valley residents can get to where they need to go in a way that is safe, efficient and affordable

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Continue to work with State and Federal governments toward upgrade of Pacific Highway	Support community consultation activities and help keep the community informed	General Manager Engineering Services	Updates provided as required	Construction of Nambucca Heads to Urunga completed 2016. Warrell Creek to Nambucca Heads scheduled to be completed late 2017 Council negotiating with RMS in relation to handover of existing Pacific Highway. Council has proposed RMS retain responsibility for bridges because of the disproportionate number. Council briefed by consultant on the anticipated cost of assets being

				handed over to Council
	Provide expertise in the planning and implementation of aspects of the highway development	Engineering Services	Highway development plans reflect local needs	Engineering Services have provided ongoing input to RMS into plans with respect to localised needs and traffic management and have commenced negotiations with respect to the handover of Pacific Highway assets to Council once the bypass has been finalized A consultant has been engaged to inspect the condition and value the assets to handed over to Council post by-pass and presented a briefing to Council on the cost of the assets
Maintain the condition of rural road bitumen seal, rural road gravel network and urban streets in accordance with Road Hierarchy policy	Pavements inspected to monitor maintenance requirements	Engineering Services	Programmed and emergency maintenance carried out	Ongoing inspections carried out. Normal maintenance of pavements ongoing Emergency maintenance undertaken when necessary MERIT complaints inspected and appropriate action initiated All roads and infrastructure are inspected during and immediately after a storm event to ascertain damage and collect data and anticipated costs for natural disaster declaration The restructure within Engineering Services in 2016

				implementation of two dedicated staff to inspect roads on an inspection program and also deal with MERITS and complaints received. Roads are inspected and rated with repairs scheduled in accordance with the risk matrix
	Pavements inspected to determine current condition rating in setting forward plans and future financial commitments	Engineering Services	Ratings reviewed in December each year, Forward Plans reviewed by February each year for inclusion in budget	Testing is undertaken on the pavements and is used in the design of forward plans and projects which are included within the Draft Budget Priorities have continued with Valla, Gumma , Scotts Head Roads and urban streets
	Record completed maintenance works in Maintenance Management System	Engineering Services	Rolling program of traffic counts carried out to provide data on priorities based on vehicle use	Ongoing – traffic counts conducted as required
Construct roads as required	Extension of bitumen road network for sections that have undergone a significant change that warrants expenditure	Engineering Services	Review conducted in February	Council policy is to direct funding towards the rehabilitation of the existing sealed road network Funding for the extension of the bitumen road network was provided in 2016 for North Arm Road to compliment natural disaster grant funding and remove long term maintenance issues. Private external funding was provided to extend the bitumen seal on Williams Hills Road
Maintain and replace bridges according to Infrastructure	Bridge Inspection Program implemented to determine bridge condition and risk rate	Engineering Services	Record in Asset Register	Spot inspections were undertaken as required through 2015/16 and a new

Management Plan				Asset Management Policy and Service Level Statement was adopted. Detailed level two inspections commenced in 2016 to determine a five year maintenance program for bridges
	Inspect poor condition bridges to ensure adequate maintenance	Engineering Services	Record in Asset Register	Ongoing – inspections carried out through the period on bridges identified as poor condition to monitor whether maintenance required Detailed level two inspections commenced in 2016 to determine a five year maintenance program for bridges
	Inspect bridges with load limits three times this year to ensure safe usage	Engineering Services	Record in Asset Register	Three inspection of the bridges not always completed due to staff resources and work priority on the bridge program, Bridges were monitored when staff in the area Bridges with a load limit have been programmed for replacement in the bridge replacement program Load limited bridges are posted on Councils website.
	Inspect bridges after each flood event	Engineering Services	Number of bridges inspected	As required after storm events All bridges and infrastructure are inspected during and immediately after a storm event to ascertain damage and collect data and anticipated costs for natural disaster declaration

				Bradley's bridge was closed and a side track constructed due to natural disaster
Maintain and enhance footpaths and cycle ways in the Nambucca Valley	Implement next stage of cycle way plan if funding is found	Engineering Services	Length of cycle way constructed	Council provided an addition \$20k from the RMS to investigate the extension from Kingsworth Estate to Macksville Cycle way management plan adopted by Council A strategy with the highway asset handover is to reduce the pavement width to facilitate the extension of cycle
Make footpaths	Annual inspection of	Engineering	Length of footpath	lanes
safe for use by pedestrians	100% of footpath network	Services	network inspected	completed as part of Councils risk management
	Develop list of reconstruction priorities	Engineering Services	Reconstruction priorities identified	Reconstruction priorities identified from annual inspections based on the risk rating and a program developed to match available funds
	Implement maintenance program to address damaged section and trips	Engineering Services	Number of damaged sections and trips fixed	Work program generated from "Reflect" and to available funding following the footpath inspections and rating of the risk
	Conduct emergency repairs	Engineering Services	Inspect within 24 hours of complaint	Inspections of hazards are undertaken as soon as the hazard is reported to Council
Provide new footpaths in high use areas	Construct footpaths as identified	Engineering Services	List projects completed quarterly	Footpath at Valla linking from the shop complex to the Pre- school constructed as well as the Adin Street footpath linking the tennis courts to the bowling club
Provide car	Ensure new	Senior Town	Car park space	All applicants have
parking spaces	developments provide	FIAIIIIEI		

	for required number of car spaces as per Council's off-street parking code		greater than or equal to Council's off-street parking code	parking requirements
	Review parking in CBD areas in context of S94 plan review	S.94 Officer	Parking needs in CBD are assessed; S.94 plans reviewed	S94A Plan (flat rate contribution on new development) now in place. S94 Plan for parking is repealed.
Maintain car parks	Provide biennial remarking of lines and regular intermediate inspections	Engineering Services	Length of lines remarked	2015/16 Council completed the remarking of lines across the full car park and off street parking network
	Repair bitumen surface	Engineering Services	Pothole patch at least quarterly	Ongoing throughout the period
	Maintain landscape by weeding and replanting as necessary	Engineering Services	Conducted twice a year by September and March	Ongoing throughout the period

# Strategic Direction: Transport

# 9.2 Objective: Public Transport

Be involved, to the extent possible, in the maintenance and improvement of existing public transport services provided by private bus companies, community transport and the north coast rail line

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Lobby for the provision of public transport options for people who do not have access to private transport	Continue the work of the Shire's Access Committee	Manager Community Development	Number of meetings conducted. Reduction in number of complaints received about public transport	Monthly meetings were conducted during the reporting period Tran-Ed project was conducted to promote use of public transport by young people (60 young people); School holiday activities use public transport and have an education component where possible eg Minions Movie Day.
Install bus shelters at all locations where minimum number of commuters is 10	Conduct annual review based on statistics from bus operators	Engineering Services	Minimum of one new shelter provided or upgraded if required	New shelter installed at the new residential estate area in Macksville Ongoing maintenance undertaken

# Strategic Direction: Dynamic, Resilient Local Economy

10. 1 Objective: Economic Activity The Nambucca Valley has a strong economy, with a thriving and diverse business community

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Foster local development opportunities and economic self-sufficiency through promotion, lobbying and direct action	Seek out and attend to all new business and investment enquiries	Manager Business Development	Number of enquiries responded to. Deliver a regional FINA accredited swimming facility to attract major swim events to the shire. Deliver a government funded via grants effluent system to the sale yards. Facilitate the expansion of business to build new Pacific Highway	New RMS Service Center at Cow Creek. Assist the establishment of food distribution warehouse Macksville Industrial. Implemented infrastructure to sell Yarrawonga street industrial land. Purchased future new industrial land VUGA. Develop the industrial properties Railway road. Establish two new business selling two lots Railway Road
	Provide business and marketing information to all new business and investment enquiries	Manager Business Development	Database of economic information and development opportunities on Council website. Production and availability of brochures, kits and promotional materials	Developing new social media marketing material including investment attraction material data, skills attraction. Develop electronic media material. Seminars held on Marketing, banking, e finance and procurement. Promotion of Valla growth area
	Liaise with local business and State and	General Manager	Regular meetings with local	Pacifico Precast

Federal government departments concerned with industrial and regional development	Manager Business Development	businesses. Regular meetings with relevant State and Federal departments	Road Australian Precast solution / Boral concrete traffic study for new highway upgrade Upper Warrell creek. Implementation of NBN wireless communication poles throughout the Shire. Telstra ADSL2 install Macksville Estate industrial estate, NBN to follow Lobby government for grant funding for VUGA - Funding for planning announced August 2016. Attract swimming pool conference to Shire.2018
			Attract regional development conference to shire 2017
Participate in local and regional marketing events and promotions, including regional tourism promotions and events	Manager Business Development	Attendance/particip ation at events	Ongoing – Focus on regional – Regional Food Network – RDA Board Attend country and regional expo Sydney. Attend industrial development conference.
Facilitate the adequate supply and take-up of land for new business development	Manager Business Development	Supply and take-up of zoned land for development	Land for developing industrial subdivision in the Valla Urban Growth area purchased (Cow Creek) Additional Industrial land, Macksville sold Attracted TAFE earthmoving training. Established new

				crown land leased for tourism activity businesses. provided all services to the Nambucca Heads industrial land. Sold two lot Nambucca Industrial land. Marketing of industrial land for sale. Negotiation with QLD company industrial land.
	Apply for and secure grant funding from State and Federal government agencies for project development within the Shire	Grants & Contributions Officer Manager Business Development	Number of successful grants Amount of funding received	Funding for Express Coaches business expansion \$150,000 and Gumma Reserve-funding acquitted.
Foster local development opportunities and economic self-sufficiency through promotion, lobbying and direct action (continued)	Skill up community organisations through workshops/seminars to apply for available grant funding from government agencies	Grants & Contributions Officer	Number of participating organisations in workshops	Assistance provided one-on-one in relation to specific applications Implementation of NBN wireless as per telecommunication strategy Achieved.
	Report to Council on development proposals for Council-owned land	Manager Business Development		Sold Lot 11 & 12 Nambucca Industrial Estate 5 Lots ready for sale Sold Lot 1 and 3 Coronation Park, Short Street Nambucca Heads. Sold Lot 11 Nambucca Industrial Estate Sold lot 12 Nambucca Plumbing and negotiations for shed development
	Ensure the services of the Visitor Information Centre are well-utilised through training volunteers and developing promotional materials	Manager Community Development	Updated displays and brochures Bookeasy system is used Famils conducted Guides and marketing material current	Training for volunteers, visitor guides, new website look and updated and upgraded booking system. Reprint of brochures
	Redevelopment of Gumma Reserve	Manager Business	Upgrade facilities, amenities	Increased visitation, more to contractor

Development	services, increase income and reduced overheads
	Continue to upgrade and control overheads at Gumma reserve to increase profits

# Strategic Direction: Dynamic, Resilient Local Economy

# 10.2 Objective: Employment

Nambucca Valley residents have increased opportunities for employment

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Foster local employment opportunities, reducing the unemployment rate in the Nambucca Valley	Promote the availability and benefits of providing apprenticeships and traineeships, to industries, businesses and schools	Manager Business Development	Trainee staffing maintained Increase in number of trainees	Industry skills expo with local TAFE and Industry. Technology workshops ETC, Online marketing workshop Coffs Coast Digital Enterprise NBN.
	Maintain links with the State and Federal agencies and non- government agencies with a role in employment and economic development	Manager Business Development	Industry outcomes	Trade and Investment, Industry Mid North Coast, Manufacture Coffs Coast. NSW Business Chamber, Industry Mid North Coast. Jobs for NSW, Board member Regional development Australia.

# Strategic Direction: Dynamic, Resilient Local Economy

# 10.3 Objective: Income and Wealth

Our residents have access to an improved standard of living

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Assist people to	Provide financial support	Manager	Payment of \$3,800	Offer of funding for
improve their	for Rural Financial	Community	is made.	Service was
standard of	Counseling.	and Cultural	Annual report to	withdrawn following
living through		Services	Council on service	Council's review of
the support of			provided.	its Donations Policy.

programs	Conduct regular meetings with existing	Manager Business	Regular meetings are held	Maintained all existing networks
	businesses to	Development		C C
	disseminate information			Provided new
	and build networks			industrial land for
				shire. Facilitated the
				establishment of
				four new industrial
				development.
				Attracted and
				facilitated new
				Hebel concrete
				plant for future
				employment

# Strategic Direction: Dynamic, Resilient Local Economy

### 10.4 Objective: Skills Development

Residents of the Nambucca Valley have access to a range of opportunities to improve skills which will enable them to participate in the local economy

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Increase opportunities for and participation in school and post school education and training	Lobby for and support the establishment of education and training facilities and initiatives	General Manager Business Development	Number of letters written and meetings attended	DEEWR, RDA, Industry Mid North Coast, Aged Care, tourism, CSU, SCU, Catholic Church, Uniting Church New business with TAFE NSW New aged care development negotiations with Anglican church
	Promote the availability and benefits of providing apprenticeships and traineeships, to industries, businesses and schools	Manager Business Development	Trainee staffing maintained. Increase in number of trainees	New trade training allowance, local Skills Expo with Industry - ongoing Development of two new TV commercial expression of interest VUGA. Two new Youtube promotions VUGA

# Strategic Direction: A Sustainable Water Cycle

### 11.1 Objective: Water Management

Ensure the water resources of the Nambucca Valley are used sustainably, meeting current and future demand

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Provide a water supply that meets Government standards, through	Let tender for construction of proposed Off River Storage project, subject to State funding being received	Manager Water and Sewerage	Successful tender is awarded and project began	Construction of the dam was completed in 2015 and awarded an IPWEA Engineering Excellence Award
continued implementation of the integrated water cycle management strategy for water supply	Refurbish existing older concrete reservoirs	Manager Water and Sewerage	Improved water quality and safer working conditions for maintenance workers	Ongoing removal of redundant rusted fixtures and replacement of internal steel ladders with FRP ladders
	Continue replacement of remaining asbestos cement pipework in reticulation system	Manager Water and Sewerage	Amount of asbestos cement pipe removed	Program for ongoing replacement of older mains focused on AC pipe with known record of breakages as funds permit
	Renewal of fluoridation and chlorination plants	Manager Water and Sewerage	Water treatment to required standard	New dosing equipment installed and operating satisfactorily
	Regular maintenance and improvements to the system	Manager Water and Sewerage	Meeting maintenance standards	Installation of pressure reduction valves to reduce leakage and number of breakages
	Timely responses to emergencies	Manager Water and Sewerage	Time taken to respond	Staff respond within two (2) hours

# Strategic Direction: A Sustainable Water Cycle

11.2 Objective: Sewerage Services Ensure the capacity of Nambucca Valley's sewerage services meet population growth and community expectations for improved effluent quality

Four Year	Operational Plan	Lead	Annual Success	Achievement
Delivery	Actions	responsibility	Measures	
Objective				
Provide a water	Completion of	Manager	Improved quality of	Effluent test results
and sewerage	Nambucca Heads	Water and	treated sewage at	are meeting all
supply which	Sewerage Augmentation	Sewerage	Nambucca Heads	license
meets	project			requirements
Government	Construction of	Manager	Improved sewerage	Pump stations
standards	sewerage pump stations	Water and	infrastructure	installed completed
through	at South Macksville	Sewerage		and residential land
implementation	urban release area			now being released
of the integrated	Ongoing sewage pump	Manager	Improved sewerage	Ongoing
water cycle	replacements and mains	Water and	infrastructure	replacement of
management	replacement/rehabilitatio	Sewerage		pumps as required
strategy for	n works			as well as general
sewage				improvements
collection and				including new

treatment	CCTV investigation of existing sewerage pipe network	Manager Water and Sewerage	Completion of project enables Council to determine where rehabilitation works are required and to develop works program	pumps station lids CCTV investigations completed and a works program developed for rectification works. Cross connections of stormwater drainage to sewer have been identified through testing and
				ratepayers requested to implement remedial action
	Effective treatment and maintenance of the system	Manager Water and Sewerage	100% compliance with EPA requirements and licence conditions	Council carries out monitoring program in accordance with EPA requirement. Target of 100% compliance has not yet been reached.
	Timely response to emergencies	Manager Water and Sewerage	Staff arrive within 2 hours	All surcharge incidents are responded to in a timely manner

### **Report on Condition of Public Works**

#### PUBLIC ORDER AND SAFETY

#### **Report on Bush Fire Stations**

There are 16 brigade stations within the Nambucca Shire Council; some of these stations coexist on land shared with other facilities such as a community hall and other are sited on their own land.

Council, as the landlord, funds maintenance to buildings in addition to the Rural Fire Service maintenance program.

SITE	CONDITION AT END OF JUNE 2016	ESTIMATED COST TO BRING UP TO SATISFACTORY STANDARD	ESTIMATED COST TO MAINTAIN STANDARD	MAINTENANCE PROGRAM 2015
Buildings	Satisfactory, allowing for deterioration	\$0	\$17,000	\$17,000
Land	Satisfactory	\$0	\$0	\$0

#### PUBLIC AMENITIES

#### **Community Amenity - Waste Management**

The Waste Management Facility located on Old Coast Road Nambucca Heads consists of the old and new landfill sites. Assets on the old landfill are limited to the gatehouse building, weighbridge, transfer station, large machinery shed, old site shed and the land. The new landfill is limited to the land only.

The old site ceased landfilling in January 2002 and has since been rehabilitated; however, ongoing groundwater monitoring is required as per the environment protection licence held with the Environment Protection Authority (EPA). The new landfill is immediately to the north with access via the gatehouse and weighbridge on the old landfill. An environment protection licence is also held with EPA for the new landfill with ongoing monitoring and sampling a requirement.

Approval was granted by the EPA in November 2011 to allow the integration of biomass material into the final revegetation layer of cell 2. Conditions placed on Council were that the biomass material be mixed 50/50 with existing phyllite materials excavated onsite with the capping layer having a depth of 0.6m and cove red with a 0.1m of topsoil.

With the modification and the upgrade to the biomass facility now complete and the biomass product fit for market, additional capping materials have been sourced from the future cell 4 area of the Nambucca Waste Facility to complete the revegetation layer of cell 2 in accordance with the EPA approved capping design. Capping works have now been completed with documentation to be forwarded to the EPA for final approval prior to being signed off.

Annual fees include calibration and maintenance of the weighbridge, general site maintenance and the payment of the environmental protection licences.

An integral aspect of Nambucca Shire Council's long-term planning strategy is the provision of future waste management facilities within the shire. The most appropriate site identified to date by Council has been the existing State Forestry land immediately adjoining the western boundary of the existing Nambucca Waste Management Facility Council engaged Enginuity Design Pty Ltd to undertake a preliminary assessment on this site so as ascertain whether there were any obvious significant environmental or engineering constraints which could limit or prevent the potential development of the site

as a waste management facility. The primary objective of the assessment was to ensure Council did not inadvertently purchase a site which could be potentially unsuitable for future waste management activities.

Based on the design methodology and assumptions, the indicative landfill extension could yield 3,200,000m3 of landfill space

SITE	CONDITION AT END OF JUNE -2016	ESTIMATED COST TO BRING UP TO SATISFACTORY STANDARD	ESTIMATED COST TO MAINTAIN STANDARD	MAINTENANCE PROGRAM 2014/2015
Gatehouse/Weighbridge	Satisfactory	\$0	\$25,400	\$25,400
Environmental License	Satisfactory	\$0	\$4,500	\$4,500
Land/General Maintenance	Satisfactory	\$0	\$35,400	\$35,400

#### **Public Buildings/Facilities**

Public buildings are used for a wide range of activities from administration to recreation.

Buildings and facilities include club-houses, park amenities, playground equipment, tennis courts, shelters, seating, etc. Maintenance of recreation and cultural facilities is shared between Council and the individual Committees of Management.

Work this year has included fire safety compliance works at where necessary and general maintenance activities at buildings managed by Council. Minor upgrade works were completed at a number of public amenities.

All new work on kindergarten/preschool buildings is compliant with current standards but there are no plans progressively upgrade older facilities.

SITE	CONDITION AT END OF JUNE 2016	ESTIMATED COST TO BRING UP TO SATISFACTORY STANDARD	ESTIMATED COST TO MAINTAIN STANDARD	MAINTENANCE PROGRAM 2015/2016
Council Offices	Satisfactory	\$309,000	\$20,000	\$20,000
Council Works Depot	Satisfactory	\$0	\$18,600	\$18,600
Public Halls/ Community Centres	Satisfactory	\$0	\$68,000	\$68,000
Museums	Satisfactory	\$70,000	\$6,500	\$6,500
Library	Satisfactory	\$0	\$42,000	\$42,000
Kindergarten/Pre- School	Satisfactory	\$O	\$5,000	\$5,000
Swimming Pool Building	Satisfactory	\$O	\$O	\$4,000
Amenities/Toilets	Satisfactory	\$432,000	\$8,000	\$8,000

#### TRANSPORT AND COMMUNICATIONS

#### **Report on Off-Street Carparks**

Council has several off-street carparks located in throughout the Shire, principally in the main urban areas of Macksville, Nambucca Heads and Bowraville. An additional car park has been constructed at Gregory Street, Valla Beach, and Thompson Street car park has been upgraded to a sealed car park

Carparks such as Fletcher Street, Nambucca Heads, are considered "on-street" and part of the road, hence they are not included in this section.

Generally the carparks are in good condition and expenditure is limited to minor maintenance activities.

A program has been developed to progressively upgrade the off street car parks as fund permits.

SITE	CONDITION AT END OF JUNE 2016	ESTIMATED COST TO BRING UP TO SATISFACTORY STANDARD	ESTIMATED COST TO MAINTAIN STANDARD	MAINTENANCE PROGRAM 2014/2015
Macksville	Good	\$0	\$2,000	\$2,000
Nambucca Heads	Good	\$0	\$3,000	\$3,000

#### Bridges

At the beginning of the 2015/16 financial year there 18 bridges listed in Council's Asset Management Plan that were classified in Condition 4 (poor condition requiring close monitoring) and 1 bridge classified in Condition 5 (very poor – failure imminent). Damage to this bridge was subject to the 2014/15 natural disaster and council has received funding for its replacement in 2016/17

There are five bridge structures within Council bridge assets that have a designated load limit (have been rated within condition 4), and these are progressively programmed for replacement within councils bridge program or disposal via road closure All other timber bridges structures have a mandatory 40 tonne load limit in accordance with the design standard that they had been constructed to

In 2015/16 Council constructed its first prefabricated concrete bridge structure at Loveday's Bridge on Upper Warrell Creek Road instead of a traditional timber bridge. The significant advantage of moving towards a concrete structure is the increase of the life of the structure and lessening the depreciation burden.

An asset condition inspection program during the year resulted in the bridge replacement program being amended in accordance with the latest condition ratings of the timber bridges.

CONDITION AT END OF JUNE -2016	ESTIMATED COST TO BRING UP TO SATISFACTORY STANDARD	ESTIMATED COST TO MAINTAIN STANDARD	MAINTENANCE PROGRAM 2014/2015
Concrete - good Timber - replacement and major repairs required	\$2,125,000	\$300,000	\$300,000

#### **Roads - General**

Council continued restoration of damage caused by natural disaster events in 2011, 2012, 2013 and 2014. These works predominantly evolved around substantial landslips and are to be finalised with the 2014/2015 financial year.

#### Urban

Council is responsible for maintenance of 98km of sealed urban streets. An annual rehabilitation program has resulted in a significant reduction in maintenance costs in the towns. The urban street network is generally in satisfactory condition, and the heavy patching program has continued for several years resulting in a reduction in the amount of heavy patching occurring in urban areas. There are several areas

of localised crocodile cracking that indicate that the pavement is failing and will require a heavy patch in the near future.

A number of higher hierarchy urban roads, in Macksville and Nambucca Heads, have been renewed. The results have improved the amenity of the areas.

Council received a commitment for \$5miilion funding for the remediation work on along Riverside Drive Nambucca Heads which is classified as a Regional Road (being the former Pacific Highway). Work was completed by June 2016.

#### Rural - Sealed

Council is responsible for maintenance of 252km of sealed rural roads.

With time and use the wearing surface of a sealed road (the aggregate surface) deteriorates losing its nonslip qualities and cracks and potholes appear allowing water to enter into the subgrade resulting in failures. Council has implemented various treatments for the repair of failures or heavy patching across the sealed road network. These techniques vary according to the location and nature of the failure, however a focus on targeted heavy patching repairs has seen many of the worst isolated failures on Council's major roads addressed.

Council's works program for 2015/2016 was divided between sections of Upper Warrell Creek Road, Gumma Road, Bellingen Road, Scotts Head Road and Rodeo Drive.

#### Rural - Unsealed

Council is responsible for maintenance of 316km of unsealed rural roads. Once again the roads were subject to major flood damage and significant restoration work was required through 2014/2015.

Council changed its work practices for maintenance grading and the use of a water cart and roller has meant that maintenance is no longer restricted by the available of natural moisture in the pavement.

This was undertaken in addition to a program of regular grading and gravel re-sheeting works.

ROADS	CONDITION AT END OF JUNE 2016	ESTIMATED COST TO BRING UP TO SATISFACTORY STANDARD	ESTIMATED COST TO MAINTAIN STANDARD	MAINTENANCE PROGRAM 2015/2016
Sealed Roads	Satisfactory	\$6,468,000	\$1,601,200	\$1,365,000
Unsealed Roads	Satisfactory	\$73,000	\$532,000	\$466,700

#### Drainage (Urban and Rural)

Above ground improvements have been occurring with replacement of older damaged and inefficient lintels and grates through normal maintenance. Underground pipes are mostly within their useful life and in reasonable condition therefore are not seen as a problem at this stage.

The condition of the system must be continually monitored and Council has recognised that due to the nature of underground assets the refurbishment and replacement costs will be significant.

SITE AT JU	ONDITION END OF JNE 2016	ESTIMATED COST TO BRING UP TO SATISFACTORY STANDARD	ESTIMATED COST TO MAINTAIN STANDARD	MAINTENANCE PROGRAM 2015/2016
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Stormwater Drainage System Satisfactory	\$0	\$10,000	\$10,000	
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#### Reserves

General maintenance including slashing and repair of infrastructure was undertaken in 2014/2015. Work for the Dole teams where used to augment the regular maintenance program.

#### Water Supply

The main focus for water supply was the capital works on the Off River Storage Project. In August 2012 Council entered into contracts with Haslin Constructions Pty Ltd and Ledonne Constructions Pty Ltd for the construction of the dam as well as associated work including the provision of a new pumping station and transfer main to pump water from the existing borefield and headworks borefield to the storage dam.

The \$36m construction cost was met by the State Government (\$14.8m), the Federal Government (\$9m) and ratepayers (\$12.2m). Total cost of the project was \$54m.

Besides securing the Shire's potable water supply for decades to come, the dam will have very significant environmental benefits for the Nambucca River. Currently there is no limit on the amount of water extraction which Council can take from the borefield other than an annual total limit of 3,100ML. In periods of extended drought when the environmental flows in the river are at their most critical, the Council has had to continue pumping to meet demand.

The dam will provide the natural environment with the opportunity for a minimum environmental flow during extended periods of drought. Flow extraction rules have been developed to provide low flow protection. During these periods the Council will not be pumping water from the river and will instead use the water supply in the dam.

The project reached practical completion in September 2014.

SITE	CONDITION AT END JUNE 2015	ESTIMATED COST TO BRING UP TO SATISFACTORY CONDITION	ESTIMATED COST TO MAINTAIN STANDARD	MAINTENANCE PROGRAM 2014/2015
Shire-wide	Some upgrading and replacement works required - generally satisfactory.	\$1,442,000	\$134,000	\$357,000

#### Sewerage Services

Normal maintenance works and minor rehabilitation works were undertaken throughout the Shire Sewerage Network.

SITE	CONDITION AT END JUNE 2015	ESTIMATED COST TO BRING UP TO SATISFACTORY CONDITION	ESTIMATED COST TO MAINTAIN STANDARD	MAINTENANCE PROGRAM 2014/2015
Urban Areas	Systems generally satisfactory with some upgrading necessary	\$30,000	\$100,000	\$709,000

#### **Governance Matters**

#### SUMMARY OF LEGAL PROCEEDINGS DURING 2015/2016

<u>Community Housing Limited – v- Clarence Valley Council, Parramatta City Council, Port Macquarie-</u> Hastings Council, Gosford City Council, Coffs Harbour City Council and Nambucca Shire Council

During 2015/2016 Council finalised proceedings in relation to an action taken by Community Housing Limited –v- Clarence Valley Council, Parramatta City Council, Port Macquarie-Hastings Council, Gosford City Council, Coffs Harbour City Council and Nambucca Shire Council.

Community Housing Limited sought exemption from rates on properties it controls for the purpose of providing housing for disadvantaged people. They sought exemption on the basis that they are a public charity and public benevolent institution and entitled to an exemption under section 556 of the Local Government Act.

In the first instance a judge of the Land and Environment Court found that Community Housing Limited was not entitled to an exemption from rates under section 556 of the Local Government Act and dismissed the proceedings and ordered Community Housing to pay costs.

Community Housing then appealed this decision in the Court of Appeal.

In a decision delivered on 19 October 2015, the Court of Appeal upheld the appeal by Community Housing Limited with the councils being ordered to pay costs.

The outcome of the appeal does have some important policy implications for all local government areas where the Department of Housing owns existing housing stock. In the Nambucca local government area, the Department of Housing (Housing NSW) is the registered owner of 240 residential properties. Under the Housing Act 2001, the NSW Government is obliged to pay local government rates on these properties. Recently Housing NSW financed the purchase of 5 properties for Community Housing Limited and also transferred management responsibility for a further 15 properties. The concern is that if Housing NSW continues to transfer ownership of public housing to non-government organisations then over time the Council will incur a significant short fall in rate revenue. The Council has made representations to the Minister for Social Housing and Local Government NSW in relation to this cost shifting.

The Council's legal costs in the matter including the payment of the costs order were \$71,426. In addition the Council had to write back the outstanding rates on the 5 properties over a period of 3 years. The total of the rates write back was \$11,851.

#### Quarry Solutions Pty Ltd -v- Nambucca Shire Council

Quarry Solutions Pty Ltd, the operators of the Valla quarry appealed to the Land and Environment Court to seek modification of their Court issued development consent. The Council entered into conciliation with the quarry and consent orders were issued by the Court with no order as to costs. The modifications to the consent define the period for the calculation of the annual extraction limit and road maintenance contribution. Agreement was also reached on the payment to Council of \$46,008.81 being the amount of additional road maintenance contributions under condition 78 of the development consent for the period 19 November 2014 to 20 November 2015.

The legal action cost Council \$14,709.45.

Council holds Public Liability and Professional Indemnity insurance policies to provide indemnity in respect to claims against Council for personal injury, property damage, products and errors or omissions as a result of Council carrying out its business as a Local Government Authority. The Policy deductible (excess) for 2015/2016 was \$12,500.

#### **OVERSEAS VISITS**

There were no overseas visits by any Councilors during 2015/2016.

# **Councilors' Professional Development**

COUNCILLOR	TRAINING	DATES	COST (\$)	LEDGER NO
HOBAN, R	Youth Frontiers – Youth Frontiers Mentoring Program	13/11/2015		1028.172.644
AINSWORTH, J	Nil			
BALLANGARRY OAM, M	Nil			
FINLAYSON, B	Nil			
FLACK, P	Nil			
MACDONALD, K	Nil			
MORRISON, B	Nil			
SMYTH, A	Nil			
SOUTH, E	Nil			

# Councillors' Expenses 2015/2016

•	Mayoral fee	\$2	24,030.00
•	Councillors fees	\$9	99,090.00
•	Councillors mileage	\$	2,608.40
•	Accommodation	\$	1,754.95
•	Catering	\$	7,828.13
•	Mayor Vehicle	\$	16,032.00
•	Conferences	\$	841.79
•	Internet	\$	1,457.68

# Senior Staff

Total remuneration paid to senior staff during 2015/2016 was:

General Manager	222,233
Assistant General Manager Engineering Services	187,361
Assistant General Manager Corporate Services	174,484

# Contracts Awarded during the year in Excess of \$150,000

NAME OF CONTRACTOR	DESCRIPTION OF GOODS	TOTAL PAYABLE
Sporting Services (Const) P/L t/as Pan Civil	Landslip Remediation Taylors Arm Road	\$2,974,290.00
J Blackwood & Son Ltd HJD Industries Pty Ltd trading as Jaybro Civil Safety Products	Supply general hardware products	\$70,000 P/A X 3 years
Barrier signs P/L - Denorth P/L as the single source of Sign-Flex Polycarbonate Signage	Supply of road signage	\$45,000 P/A X 3 years
Australian Environmental Services	Mowing and Slashing of rural sealed roadsides	Dependent on requirements – there is reasonable expectation total contract payments will exceed \$150,000
Earth TEC Pty Ltd	Construction of landslip stabilisation Riverside Drive below Foreshore Close, Nambucca Heads	\$668,500
Sporting Services (Const.) Pty Ltd t/as Pan Civil	Road slip Taylors Arm Road	\$2,974,290
The Rix Group P/L	Construction of landslip, remediation, Rodeo Drive Wirrimbi	\$386,028
Precision Skate Parks Pty Ltd	Construction of a Skate Park	\$257,075
Commercial Project Group Pty Ltd	Construction of a recreational room at Macksville Aquatic Centre	\$477,829
Alan Kneale Electrical Pty Ltd	Construction of sport lighting at Macksville Park	\$239,371

## **Bush Fire Hazard Reduction Activities**

Council undertakes hazard reduction works in the urban areas twice a year. This involves expenditure up to \$20,000 with most of the work being on Crown Land.

The works are programmed for September/October and again in February/March. Such work is generally slashing of the ground cover to reduce the fuel load. Occasionally it is necessary to remove tree branches to ensure minimum clearances are maintained.

The sites regularly maintained are:

#### Valla Beach

- Environment Park
- Lions Park
- Ocean View Drive

#### **Hyland Park**

• Eastern side of Banyandah Road

#### Macksville

Industrial Estate

#### Eungai Creek

Hazel Lane

#### Nambucca Heads

- Industrial Estate
- Glen Sheather
- Palmer Street
- Forest Road
- Merry Park
- Rock Street
- Loftus Street
- Short Street Reserve
- Lee/Short Streets
- Eichman Street
- Small/Lackey Streets
- Nambucca Holiday Park boundary
- Headland
- Pacific Street and drain
- Pilot Street
- Off Newry Street
- Reedy Street Reserve
- Bank Street near Pre-School
- Marshall Way
- Bellwood Road
- Myall St Reserve

During the year Council works with the Rural Fire Service to review the adequacy of the existing fire buffers for width, re-growth and compliance with standards.

#### **Access and Equity Activity Report**

#### ACCESS AND EQUITY ACTIVITIES AND INITIATIVES ASSIST COUNCIL TO:

- Promote fairness in the distribution of resources, particularly to those most in need
- Recognise and promote people's rights and improve the accountability of decision makers
- Ensure that people have fairer access to the economic resources and services essential to meeting their basic needs and improving their quality of life and
- Give people better opportunities for genuine participation and consultation about decisions affecting their lives.

Council's Annual Report contains information at various points regarding Council's achievements and future plans which promote access and equity. The reader is directed to the service delivery achievements with further information being found in sections on Human Resource Activities, Equal Employment Opportunities and Section 355 Committees of Management.

Age	Male	Female	Total	Prop %
0-4	521	523	1,044	5.6
5-9	568	535	1,103	5.9
10-14	596	577	1,173	6.3
15-19	590	516	1,106	5.9
20-24	338	315	653	3.5
25-29	314	341	655	3.5
30-34	304	332	636	3.4
35-39	414	499	913	4.9
40-44	432	526	958	5.1
45-49	579	650	1,229	6.6
50-54	729	839	1,568	8.4
55-59	767	740	1,507	8.1
60-64	773	773	1,546	8.3
65-69	677	678	1,355	7.3
70-74	556	535	1,091	5.8
75-79	393	426	819	4.4
80-84	277	382	659	3.5
85-89	200	262	462	2.5
90-94	60	73	133	.07
95-99	4	25	29	.02
100 and over	0	3	3	0.02
Total	9,092	9,550	18,642	

#### NAMBUCCA SHIRE POPULATION BY AGE BY SEX (ALL PERSONS) - 2012

# Provide for the Needs of Children/Young People/Women/Older People/People with Disabilities

#### ACHIEVEMENTS IN CHILDREN'S SERVICES

- Provision of facilities for the operation of the Pre-School at Valla Beach
- Dissemination of information to children's services and local voluntary organisations
- Annual revision and production of the Nambucca Valley Children's Services brochure
- Complete review of children's play equipment; includes recommendations for replacement, removal or redevelopment
- Weekly story-telling program at libraries
- National Simultaneous Story-time at Macksville and Nambucca Heads Libraries May 2016
- Themed activities for children during Children's Book Week at libraries
- · Participation in Child and Family network meetings and activities
- Young Mums and Bubs Water Safety program.

#### ACHIEVEMENTS FOR YOUNG PEOPLE

- Outreach services to young people via local high schools
- Employment of Community Development staff who work with young people
- Grants secured for Youth Week, Sports Leadership Camp and two NSW Transport projects
- Youth Services Forum 80 people attended
- Conducted Youth Survey
- Conducted Skate Park Assessments
- Part 1 Screenwave project included film workshops in 3 High Schools
- 2-day Water Ways Safety workshop (18 young people trained).

- Resilient Young People's Program (RYPP) at Bowraville Central School (28 students) and Nambucca Heads High (30 students)
- Macksville Skate Park Opening
- Skate, Scooter and Bike Competition and Jam 16 January 2016
- Open Mic at Macksville Show
- Movie Days with Youth Information Stalls at Nambucca Heads 18 April (70 young people) and Bowraville - 14 April (100 attended)
- Tran-Ed project was conducted to promote use of public transport by young people (60 young people). School holiday activities use public transport and have an education component where possible eg Minions Movie Day
- After School Activities program.

#### ACHIEVEMENTS IN SERVICES FOR OLDER PEOPLE

- Conduct of activities and provision of funding for Seniors Week Out and About and Active event held 6 April 2016. 170 seniors and 55 young people participated. Seven services provided information stalls
- Provision of Senior Citizen's Centre at Macksville
- Provision of a kerb-side waste pickup service for older people and people with disabilities
- Significant expansion to large print and audio book collections in libraries.

### SERVICES FOR PEOPLE WITH DISABILITIES

- Support for Access Committee administration, venue, financial
- Participation in forums to plan for and meet the future needs of people with disabilities
- Provision of information regarding services for people with disabilities; including services available to visitors and tourists
- Missed Business promotion Good access is good for business
- Participated in Building Access into Your Events workshop and updates to Application for events on Council land procedures.

#### **Cultural Services**

#### ACHIEVEMENTS IN ABORIGINAL SERVICES

- Provision of support for NAIDOC Week
- Indigenous Surf Program Term 4 2015 Nambucca Heads (18 students)
- Indigenous Learn to Swim program at Macksville Memorial Aquatic Centre
- Negotiated with Local Aboriginal Land Councils regarding infrastructure projects including Farringdon Fields
- Assisted Department of Aboriginal Affairs and families with construction and opening of memorials
- Bike Safety Workshop 12 April (40 young people)
- Saltwater Freshwater Craft and Music Workshops September 2015
- Employment of Community Development staff who work with the Aboriginal community.

Year	Male	Female	Total	Proportion of Total Population %
1991	278	289	567	3.4
1996	394	390	784	4.5
2001	463	491	954	5.4
2006	489	536	1,025	5.7
2011	661	698	1,359	7.3

Aboriginal and Torres Strait Islander Peoples

# Services/Access to Services for People with Diverse Cultural and Linguistic Backgrounds

#### ACHIEVEMENTS IN MULTICULTURAL SERVICES

Nambucca Shire has a very small and diverse population of people with a non-English speaking background. This makes specific programs difficult to deliver so a more generalist approach is used.

- Provision of statistics regarding local ethnic groups to assist in provision of programs and in securing grants
- Donations to festivals and cultural groups
- Facilitation of loans of material from State Library Multicultural Services.

#### **Private Works**

Council sets hourly rates for the private hire of plant and equipment. This is done in conjunction with the adoption of the Management Plan. These rates are in the 2015/16 Fees and Charges booklet and are used for all private works. No subsidised works have been undertaken.

#### **Grants Under Section 356**

Council made the following donations during 2015/2016.

ORGANISATION	\$ DONATION 2015/16
Lions Club of Nambucca Heads	\$1,000,00
Nambucca Vallev Arts Council	\$2,500.00
Macksville Public School	\$500.00
Nambucca District Historical Society	\$1,500.00
Nambucca Valley Garden Club	\$2,188.03
Westpac Life Saver Rescue Helicopter	\$500.00
Red Cross	\$100.00
Bowraville Central School	\$200.00
Scotts Head Sports Fields CoM	\$1,200.00
Shire Schools 9 @ \$50 (no application req.)	\$450.00
North Coast TAFE, Macksville (no application required)	\$100.00
Nambucca Valley Legacy	\$200.00
Gordon Park Tennis Club CoM	\$1,000.00
Nambucca River Festival – Amusements Application Fee	\$160.00
North Coast Academy of Sport	\$2,300.00
TOTAL	\$13898.03

Council made the following *one-off* donation during 2015/2016.

ORGANISATION	\$ DONATION 2015/16
Nambucca Valley Cancer Support Group	\$35,000.00
TOTAL	\$35,000.00

### Equal Employment Opportunity

Council is committed to providing, modeling and encouraging a workplace free from all forms of discrimination, harassment, bullying and victimisation.

During 2015-16, in support of this philosophy and in alignment with the relevant legislation, we:

- provided Code of Conduct and Bullying and Harassment training for all employees
- updated our Bullying and Harassment Policy
- hosted work experience placements for students from schools and universities
- hosted work trials for injured workers to assist them to return to work
- assisted employees returning to work from illness or injury by engaging the services of qualified rehabilitation providers
- continued to provide flexible work practices including part-time work, flexible hours and nine-day fortnight, which enhance our ability to support employees with carer and family responsibilities and
- ensured our recruitment processes include representation on decision-making panels to reflect the diversity of our region, including our Aboriginal community.

### **Section 355 Committee of Management**

BODY	FUNCTION
Argents Hill Hall Committee of Management	Care, control and management of Argents Hill Hall
E J Biffin Playing Fields Committee of Management	Care, control and management of E J Biffin Playing Fields
Bowraville Sports Ground Committee of Management	Care, control and management of Bowraville Sportsground
Burrapine Public Hall Committee of Management	Care, control and management of Burrapine Public Hall
Coronation Park Committee of Management	Care, control and management of Coronation Park
Crosswinds Wetland Nature Reserve Committee of Management	Care, control and maintenance of North Macksville Nature Reserve
Donnelly-Welsh Playing Fields Committee of Management	Care, control and management of Donnelly-Welsh Playing Fields
Eungai District Community Council Committee of Management (Memorial Hall)	Care, control and management of Eungai District Soldiers' Memorial Hall
Gordon Park Tennis Courts Committee of Management	Care, control and management of Gordon Park Tennis Courts
Gordon Park Rainforest Committee of Management	Care, control and management of Gordon Park Rainforest
Grants Hall Committee of Management	Care, control and management of Grants Hall, Bowraville

Mary Bolton Pioneer Cottage & Museum Committee of Management	Care control and management of Pioneer Cottage Macksville.
Macksville Gift Parade Committee of Management	Organising and presenting the Macksville Gift Parade
Macksville Park and Sports Committee of Management	Care, control and management of Macksville Park and Sports grounds
Macksville Tennis Courts Committee of Management	Care, control and management of Macksville Tennis Courts
Missabotti Community Centre Committee of Management	Care, control and management of Missabotti Community Centre
Nambucca District Historical Society Committee of Management	Care, control and management of the Headland Museum
Nambucca Community and Arts Centre Committee of Management	Care, control and management of Nambucca Community and Arts Centre
Nambucca District Band Committee of Management	Acquisition of instruments for the Nambucca District Band
North Macksville Playing Fields Committee of Management	Care, control and management of North Macksville Playing Fields
Scotts Head Sports Fields Committee of Management	Care, control and management of Scotts Head Sports Fields
Scotts Head Tennis Court Committee of Management	Care, control and management of Scotts Head Tennis Court
South Arm Community Hall Committee of Management	Care, control and management of South Arm Hall
Talarm Hall AND Welsh Pioneer Park Committee of Management	Care, control and management of Talarm Hall
Taylors Arm Hall Committee of Management	Care, control and management of Taylors Arm Hall
Taylors Arm Sports Reserve Committee of Management	Care, control and management of Taylors Arm Sports Reserve
Tewinga Community Centre Committee of Management	Care, control and management of Tewinga Community Centre
Unkya Reserve Committee of Management	Care, control and management of Unkya Reserve
Utungun Community Centre Committee of Management	Care, control and management of Utungun Community Centre
Valla Beach Community Association	Care, control and management of Valla Beach Urban and Hall Centre
Valla Beach Tennis Club Committee of Management	Care, control and management of Valla Beach Tennis Court
Valla Public Hall Committee of Management	Care, control and management of Valla Public Hall
Warrell Creek Public Hall Committee of Management	Care, control and management of Warrell Creek Public Hall

Companies in Which Council Held a Controlling Interest

Council did not hold any controlling interests in any companies during 2015/2016.

# Partnerships, Co-Operatives or other Joint Ventures to Which Council was a Party

Council is involved with the following organisations:

NAME	PURPOSE
Statewide (Local Government) Mutual	Provides insurance coverage to Council as required by the Local Government Act.
	Most councils in NSW are members.
Statecover Mutual Limited	Provides Workers Compensation Insurance to Council. Most councils in NSW are Members.
Mid North Coast Tourism	Promoting Tourism at a Regional Level in conjunction with Tourism NSW.
Coffs Coast Waste Service	Waste Processing and Resource Recovery Facility for Coffs Harbour City, Bellingen and Nambucca Councils.

Category 1 Business Activities

\$' 000     \$' 000       ESTIMATE     ACTUAL 2016'     ESTIMATE     ACTUAL 2016'       OPERATING REVENUE            2016'      2016'      2016'      2016'
ESTIMATE     ACTUAL 2016'     ESTIMATE     ACTUAL 2016'       OPERATING REVENUE     -     -     -       Annual Charges     898     872     3,639     3,623       User Charges     3,949     3,921     779     773       Interest     395     430     148     238       Grants & Contributions     -     -     -     -       Pensioner Rebates     86     83     777     74       Other Revenue     726     257     208     189       TOTAL OPERATING REVENUE     6,054     5,563     4,851     4,897       OPERATING EXPENSES      398     225     154       Reservoir Maintenance     289     212     -     -       Treatment Works Costs     136     114     1,074     1,008       Pumping Station Costs     498     262     593     430       Other Operating Costs     685     332     361     282       Interest Costs     1,530     1,530     236     544
OPERATING REVENUE       Annual Charges     898     872     3,639     3,623       User Charges     3,949     3,921     779     773       Interest     395     430     148     238       Grants & Contributions     -     -     -     -       Pensioner Rebates     86     83     77     74       Other Revenue     726     257     208     189       TOTAL OPERATING REVENUE     6,054     5,563     4,851     4,897       OPERATING EXPENSES     840     783     689     6766       Management Services     840     783     689     6766       Mains Maintenance     259     154     -     -       Treatment Works Costs     136     114     1,074     1,008       Pumping Station Costs     498     262     593     430       Other Operating Costs     685     332     361     282       Interest Costs     1,530     1,530     236     544       Depreciation
Annual Charges     898     872     3,639     3,623       User Charges     3,949     3,921     779     773       Interest     395     430     148     238       Grants & Contributions     -     -     -     -       Pensioner Rebates     86     83     77     74       Other Revenue     726     257     208     189       TOTAL OPERATING REVENUE     6,054     5,563     4,851     4,897       OPERATING EXPENSES     840     783     689     676       Management Services     840     783     689     676       Mains Maintenance     256     398     225     154       Reservoir Maintenance     289     212     -     -       Treatment Works Costs     136     114     1,074     1,008       Pumping Station Costs     498     262     593     430       Other Operating Costs     685     332     361     282       Interest Costs     1,530     1,530
User Charges     3,949     3,921     779     773       Interest     395     430     148     238       Grants & Contributions     -     -     -     -       Pensioner Rebates     86     83     77     74       Other Revenue     726     257     208     189       TOTAL OPERATING REVENUE     6,054     5,563     4,851     4,897       OPERATING EXPENSES     840     783     689     676       Management Services     840     783     689     676       Mains Maintenance     259     212     -     -       Treatment Works Costs     136     114     1,074     1,008       Pumping Station Costs     498     262     593     430       Other Operating Costs     685     332     361     282       Interest Costs     1,530     1,530     236     544       Depreciation     1,663     1,673     1,545     1,582       Taxation Equivalent     19     20     16
Interest     395     430     148     238       Grants & Contributions     -
Grants & Contributions     -
Pensioner Rebates     86     83     77     74       Other Revenue     726     257     208     189       TOTAL OPERATING REVENUE     6,054     5,563     4,851     4,897       OPERATING EXPENSES     0     783     689     676       Management Services     840     783     689     676       Mains Maintenance     456     398     225     154       Reservoir Maintenance     289     212     -     -       Treatment Works Costs     136     114     1,074     1,008       Pumping Station Costs     498     262     593     430       Other Operating Costs     685     332     361     282       Interest Costs     1,530     1,530     236     544       Depreciation     1,663     1,673     1,545     1,582       Taxation Equivalent     19     20     16     23
Other Revenue     726     257     208     189       TOTAL OPERATING REVENUE     6,054     5,563     4,851     4,897       OPERATING EXPENSES     840     783     689     676       Management Services     840     783     689     676       Mains Maintenance     456     398     225     154       Reservoir Maintenance     289     212     -     -       Treatment Works Costs     136     114     1,074     1,008       Pumping Station Costs     498     262     593     430       Other Operating Costs     685     332     361     282       Interest Costs     1,530     1,530     236     544       Depreciation     1,663     1,673     1,545     1,582       Taxation Equivalent     19     20     16     23
TOTAL OPERATING REVENUE6,0545,5634,8514,897OPERATING EXPENSESManagement Services840783689676Mains Maintenance456398225154Reservoir Maintenance289212Treatment Works Costs1361141,0741,008Pumping Station Costs498262593430Other Operating Costs685332361282Interest Costs1,5301,530236544Depreciation1,6631,6731,5451,582Taxation Equivalent19201623
OPERATING EXPENSES       Management Services     840     783     689     676       Mains Maintenance     456     398     225     154       Reservoir Maintenance     289     212     -     -       Treatment Works Costs     136     114     1,074     1,008       Pumping Station Costs     498     262     593     430       Other Operating Costs     685     332     361     282       Interest Costs     1,530     1,530     236     544       Depreciation     1,663     1,673     1,545     1,582       Taxation Equivalent     19     20     16     23
Management Services     840     783     689     676       Mains Maintenance     456     398     225     154       Reservoir Maintenance     289     212     -     -       Treatment Works Costs     136     114     1,074     1,008       Pumping Station Costs     498     262     593     430       Other Operating Costs     685     332     361     282       Interest Costs     1,530     1,530     236     544       Depreciation     1,663     1,673     1,545     1,582       Taxation Equivalent     19     20     16     23
Mains Maintenance     456     398     225     154       Reservoir Maintenance     289     212     -     -       Treatment Works Costs     136     114     1,074     1,008       Pumping Station Costs     498     262     593     430       Other Operating Costs     685     332     361     282       Interest Costs     1,530     1,530     236     544       Depreciation     1,663     1,673     1,545     1,582       Taxation Equivalent     19     20     16     23
Reservoir Maintenance     289     212     -     -       Treatment Works Costs     136     114     1,074     1,008       Pumping Station Costs     498     262     593     430       Other Operating Costs     685     332     361     282       Interest Costs     1,530     1,530     236     544       Depreciation     1,663     1,673     1,545     1,582       Taxation Equivalent     19     20     16     23
Treatment Works Costs     136     114     1,074     1,008       Pumping Station Costs     498     262     593     430       Other Operating Costs     685     332     361     282       Interest Costs     1,530     1,530     236     544       Depreciation     1,663     1,673     1,545     1,582       Taxation Equivalent     19     20     16     23
Pumping Station Costs     498     262     593     430       Other Operating Costs     685     332     361     282       Interest Costs     1,530     1,530     236     544       Depreciation     1,663     1,673     1,545     1,582       Taxation Equivalent     19     20     16     23
Other Operating Costs     685     332     361     282       Interest Costs     1,530     1,530     236     544       Depreciation     1,663     1,673     1,545     1,582       Taxation Equivalent     19     20     16     23
Interest Costs     1,530     1,530     236     544       Depreciation     1,663     1,673     1,545     1,582       Taxation Equivalent     19     20     16     23
Depreciation     1,663     1,673     1,545     1,582       Taxation Equivalent     19     20     16     23
Taxation Equivalent     19     20     16     23
Revaluation Decrements
TOTAL OPERATING EXPENSES     6,116     5,324     4,739     4,699
CAPITAL REVENUE
Grants & Contributions 249 326 307 262
Transfer from Reserves     408     485     2,817     2,116
Depreciation - Contra 1,663 1,673 1,545 1,582
Sale of Assets
Loan Funds 0 0
Sundry Revenue
TOTAL CAPITAL REVENUE     2,320     2,484     4,669     3,960
CAPITAL EXPENSES
Purchase of Assets 1,019 554 938 660
Repaid Loan Principal     332     332     1,619     1,619
Transfer to Reserves     1,147     1,392     1,173     1,170
TOTAL CAPITAL EXPENSES     2,498     2,278     3,730     3,449
<b>2015/2016 RESULT</b> (240) 445 1,051 709
WATER SEWERAGE
\$' 000 \$' 000
ESTIMATE ACTUAL ESTIMATE ACTUAL (2015)
OPERATING REVENUE
Annual Charges 908 887 3.351 3.453
User Charges 3.846 3.636 868 686
Interest 550 603 186 243
Grants & Contributions
--------------------------
Pensioner Rebates
Other Revenue
TOTAL OPERATING REVENUE
OPERATING EXPENSES
Management Services
Mains Maintenance
Reservoir Maintenance
Treatment Works Costs
Pumping Station Costs
Other Operating Costs
Interest Costs
Depreciation
Taxation Equivalent
Revaluation Decrements
TOTAL OPERATING EXPENSES
CAPITAL REVENUE
Grants & Contributions
Transfer from Reserves
Depreciation - Contra
Sale of Assets
Loan Funds
Sundry Revenue
TOTAL CAPITAL REVENUE
CAPITAL EXPENSES
Purchase of Assets
Repaid Loan Principal
Transfer to Reserves
TOTAL CAPITAL EXPENSES
2015/2016 RESULT

0
75
131
4,588
815
157
0
767
405
622
261
1,688
20
0
4,735
622
1,668
1,688
0
0
0
3,978
317
1602
1,166
3,085
746

### Variations to 2015/2016 Financial Results of Business Undertakings

#### WATER SUPPLIES

The water supplies operations resulted in a deficit variation of \$380,000 between the original estimates and actual result.

#### **OPERATING REVENUE**

A minor variation occurred with an increase in interest on investments with better than estimated returns.

#### **OPERATING EXPENSES**

Operating expenses were higher due to the indicative debt guarantee calculation that is required for competitive neutrality at year end but not recorded in original estimates. Partly offsetting this was higher than estimated depreciation expense relating to the recently constructed off-stream water storage facility.

#### CAPITAL REVENUE

Capital revenue was above estimate due to a further subsidy for off-stream water storage facility. Also additional developer contributions and other contributions were greater than expected.

#### CAPITAL EXPENSES

The carryover from the previous year of delayed works associated with the off-stream water storage facility accounted for a substantial increase in capital expenditure to the original budget.

#### SEWER SERVICES

The Sewer services operations resulted in a deficit variation of \$2,000 between the original estimates and actual result.

#### **OPERATING REVENUE**

Variations came from increases in annual charges revenue and interest on investments.

#### **OPERATING EXPENSES**

Expenses were par with budget except for the end of year debt guarantee calculation as mentioned in water supplies.

#### CAPITAL REVENUE

Capital revenue didn't meet budget expectations as developer contributions were down.

#### CAPITAL EXPENSES

The Bowraville Treatment Plant Recycled Water System upgrade was delayed resulting in capital expenses being under the original budget.

#### **Privacy and Personal Information Protection Act 1998**

The Privacy and Personal Information Protection Act 1998 (PPIPA) provides for the protection of personal information and for the protection of the privacy of individuals generally.

Council's Privacy Management Plan and Policy was adopted 24 April 2013. The policy is available on Council's website.

Council complies with the requirements of the PPIPA and access to private or personal information held by Council has only been given in accordance with PPIPA, the provisions of the Local Government Act and from 1 July 2010, the Government Information (Public Access) Act 2009, which replaced the Freedom of Information Act.

The main provisions of the PPIPA are:

The Act applies to Councillors, Council employees, consultants and contractors of Council, Council owned businesses and Council committees including Committees of Management.

Personal information is defined to mean information or an opinion about an individual whose identity is apparent or can reasonably be ascertained from the information or opinion.

Personal information does not include information about an individual that is contained in a publicly available publication.

The Act refers to personal information held by Council in public registers, which are rate records, records of approvals and consents, licences, building certificates etc. Council must not disclose personal information from a public register unless satisfied it relates to the purpose for which the record is kept and is an appropriate and legitimate use.

Council must be aware of those accessing records within the definition of public registers and for what purpose.

For the period to 30 June 2016 there have been no reviews conducted by Council under Part 5 (Review of certain conduct of an agency) of the PPIPA.

#### **Environmental Levy**

The Minister for Local Government approved the introduction of an environmental levy as part of a special general purpose rate variation in 2003/2005. The environmental levy was for two years commencing 1 July 2003.

The Minister approved an extension of the levy for a further five years from 1 July 2005 to 30June 2010. Then a further two years from 1 July 2010 to 30 June 2012.

In the year 2012/2013 approval was given for the levy to continue on an ongoing basis.

Projects funded by the Environmental Levy in the financial year 2015/2016 are listed below:

Environmental Levy Program	2015/16 Budget
Servicing Dog Bins	14,000
EMP Actions	50,000
Dawkins Park Reserve	15,000
CZMP Actions	55,000
Water Quality River Health Monitoring	10,000
Environmental Levy Staff Costs	22,700
Environmental Weed Eradication	5,000
Grassy Park Flying Fox / Vegetation Management	2,500
Indian Minor Bird Eradication Program	2,500

Environmental Levy Management Fund	10,000
Vegetation and Koala Habitat Mapping	10,000
Road Pedestrian Connectivity to Valla Beach Viewing Area	25,000
Heritage Advisor	4,300
Environmental Levy Supervisory Vehicles	5,000
Noxious Weeds Control	66,200
Maintenance of Storm Water Traps	10,000
Our Living Coast Website	2,200
Annual Nambucca River Clean up	500
State of the Environment Reporting	2,500
Riverbank Erosion Rehabilitation	10,000
Street Lighting	138,000
Total	\$460,400

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

Obligations under the GIPA Act - Reporting year 2015/2016 - Nambucca Shire Council

#### 1 REVIEW OF PROACTIVE RELEASE PROGRAM - CLAUSE 7(A)

Under section 7 of the GIPA Act, agencies must review their programs for the release of government information to identify the kinds of information that can be made publicly available. This review must be undertaken at least once every 12 months.

The program was reviewed during the reporting period by Nambucca Shire Council's Management Executive Committee (MANEX) which meets at least twice monthly. As a result, decisions were made to proactively release a range of information considered to be of interest to the local and wider community. Additionally, Council continued with its successful program of holding a number of Council meetings during the year at community venues across the Shire, enabling greater public participation, engagement and access to information.

Council's website underwent a full review of content during 2015/2016, with particular emphasis on addressing issues of accessibility and mobility. The review culminated in a new improved website which was launched in June 2016.

The following information was proactively released through various channels which included public meetings and forums, presentations, local media, targeted interest/stakeholder groups, local events, mail outs or through Council's website:

- July 2015 Newsletter to ratepayers providing information, reports and updates on bridge and road works, special rate variation, completed Bowraville off-river water storage project, Council's donations, grants and subsidies programs, the sport and wellbeing program, flood risk study and other items of interest
- Shoaling Investigation of Nambucca River
- Dawkins Park Improvement Proposal and Community Survey
- Boating Now Projects Gordon Park, Shelly Beach
- Scotts Head Village Green Plans Continued consultation and updates with community
- Stuart Island Bank Stabilisation and Reef Ball Installation Consultation with local Aboriginal community, Elders and others
- Presentation to Valla Community Association and consultation on proposed environmental projects in area
- Presentation to Macksville Chamber of Commerce on Dawkins Park project and Town Centre Revitalisation plans
- Results of 2016 Customer Satisfaction Survey
- Information stands at Macksville Show and Nambucca River Festival providing information on a range of environmental issues and projects

- Information across a broad range of matters transmitted by regular interviews with local radio and other media
- A R Bluett Award submission highlighting Council's achievements in the centenary year of Nambucca Shire Council
- Media releases and advertisements published covering wide ranging matters of interest to the public including proposed meetings, funding opportunities, weeds management, companion animal management programs and advising of progress on specific works and projects.

#### NUMBER OF ACCESS APPLICATIONS RECEIVED - CLAUSE 7(B) 2

During the reporting period, Council received a total of two (2) formal access applications (including withdrawn applications but not invalid applications).

The reporting statistics includes decisions that were made on two GIPA applications lodged in the previous year

#### 3 NUMBER OF REFUSED APPLICATIONS FOR SCHEDULE 1 INFORMATION - CLAUSE 7(C)

During the reporting period, Council refused a total of one(1) formal access applications because the information requested was information referred to in Schedule 1 to the GIPA Act. Of those applications, nil(0) were refused in full, and one (1) was refused in part.

#### 2015/16 Statistical Information about Access Application – 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 wit <i>h</i> drawn	Total	% of Total
Media	0	0	0	0	0	0	0	0	0	0%
Members of Parliament	0	0	0	0	0	0	0	0	0	0%
Private sector business	0	0	0	0	0	0	0	0	0	0%
Not for profit organisation s or community groups	0	0	0	0	0	0	0	0	0	0%
Members of the public (by legal representativ e)	0	1	0	0	0	0	0	0	1	20%
Members of the public (other)	0	2	0	2	0	0	0	0	4	80%
TOTAL	0	3	0	2	0	0	0	0	5	
% OF TOTAL	0%	60%	0%	40%	0%	0%	0%	0%		

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	Total	% of Total
Personal information applications	0	0	0	0	0	0	0	0	0	0%
Access applications (other than personal information applications)	0	3	0	2	0	0	0	0	5	100%
Access applications that are partly personal information & partly other	0	0	0	0	0	0	0	0	0	0%
TOTAL	0	3	0	2	0	0	0	0	5	
% OF TOTAL	0%	60%	0%	40%	0%	0%	0%	0%		

TABLE C: INVALID APPLICATIONS		
Reason for invalidity	No of applications	% of Total
Application does not comply with formal requirements (section 41 of the Act)	1	100%
Application is for excluded information of the agency (section 43 of the Act)	0	0%
Application contravenes restraint order (section 110 of the Act)	0	0%
Total number of invalid applications received	1	100%
Invalid applications that subsequently became valid applications	0	0%

MATTERS LISTED IN SCHEDULE 1 TO ACT					
	Number of times consideration used	% of Total			
Overriding secrecy laws	0	0%			
Cabinet information	0	0%			
Executive Council information	0	0%			
Contempt	0	0%			
Legal professional privilege	2	100%			
Excluded information	0	0%			
Documents affecting law enforcement and public safety	0	0%			
Transport safety	0	0%			
Adoption	0	0%			
Care and protection of children	0	0%			
Ministerial code of conduct	0	0%			
Aboriginal and environmental heritage	0	0%			
TOTAL	2				

# TABLE D' CONCLUSIVE PRESUMPTION OF OVERRIDING PUBLIC INTEREST AGAINST DISCLOSURE

#### TABLE E: OTHER PUBLIC INTEREST CONSIDERATIONS AGAINST DISCLOSURE: MATTERS LISTED IN TABLE TO SECTION 14 OF ACT

	Number of occasions when application not successful	% of Total
Responsible and effective government	0	
Law enforcement and security	1	33%
Individual rights, judicial process and natural justice	2	67%
Business interests of agencies and other persons	0	0
Environment, culture, economy and general matters	0	0
Secrecy provisions	0	0
Exempt documents under interstate Freedom of Information legislation	0	0
TOTAL	3	

TABLE F: TIMELINES					
	Number of applications	% of Total			
Decided within the statutory timeframe (20 days plus any extension)	4	100%			
Decided after 35 days (by agreement with applicant)	0	0			
Not decided within time (deemed refusal)	0	0			
Total	4				

## TABLE G: NUMBER OF APPLICATIONS REVIEWED UNDER PART 5 OF THE ACT (BY TYPE OF REVIEW AND OUTCOME)

AND OUTCOME)				
	Decision varied	Decision upheld	Total	% of Total
Internal review	0	0	0	0%
Review by Information Commissioner	0	0	0	0%
Internal review following recommendations under section 93 of Act	0	0	0	0%
Review by NCAT	0	0	0	0%
Total	0	0	0	

TABLE H: APPLICATIONS FOR REVIEW UNDER PART 5 OF THE ACT (BY TYPE OF APPLICANT)					
	Number of applications for review	% of Total			
Applications by access applicants	0	0%			
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0	0%			
TOTAL	0				

TABLE I: APPLICATIONS TRANSFERRED TO OTHER AGENCIES			
	Number of applications for review	% of Total	
Agency initiated Transfers	0	0%	
Applicant initiated Transfers	0	0%	
TOTAL	0		

#### **Details of Compliance with National Competition Policy Principles**

Council at its meeting on 23 March 1998 classified the Business Activities of Water Supply and Sewerage Services as Category 1 Business Activities.

Council does not have any other activities that are of a nature as to be classified as Category 2 Businesses.

Council's audited financial reports include Special Purpose Financial Reports for the two Category 1 business activities.

These special purpose financial reports have been prepared in accordance with the principles of the June 1996 NSW Government Policy Statement "Application of National Competition Policy to Local Government" and the Department of Local Government's July 1997 guidelines "Pricing and Costing for Council Businesses: a Guide to Competitive Neutrality".

Council operates the Water Supply and Sewerage Services as separate activities for financial and organisational purposes. These activities have separate internal accounting systems and full costs are allocated to each activity, directly and also as corporate overheads.

A summary of these Special Purpose Financial Reports for the year ended 30 June 2016 is below:

FINANCIAL POSITION	WATER SUPPLIES \$,000's	SEWERAGE SERVICES \$,000's
Total Current Assets	10,524	5,900
Total Current Liabilities	470	1,620
Total Non-Current Assets	99,788	78,462
Total Non-Current Liabilities	23,297	6,215
Total Equity	86,545	76,527

#### WATER AND SEWERAGE SERVICES

Council manages its Water Supply and Sewerage Services in compliance with the Guidelines for Best Practice Management of Water Supply and Sewerage issued by the NSW Office of Water.

Council has developed an Integrated Water Cycle Management Strategy and has recently updated its Strategic Business Plans and Development Servicing Plans for both water supply and sewerage that reflect the significant increase in capital works since 2010.

The most significant of these works are the augmentation of the Nambucca Heads Sewerage System and the construction of the Water Supply Off River Storage Project.

Both Water Supplies and Sewerage Services assets were re-valued as at 30 June 2012.

As part of Council's normal complaints management procedures, complaints received concerning the application of the National Competition Policy are dealt with in accordance with the adopted policy for complaints management.

Council has not received any complaints against the National Competition Policy or its application.

### Bridge and Road Renewal Program Funded from Special Rate Variations

Nambucca Shire has received approval for a series of three special rate variations commencing 2014-2015.

Year	Approved increase
	to rate income
2014-15	3.8%
2015-16	5.0%
2016-17	5.5%

The additional funds are to be used to service borrowings for the renewals of bridges and roads. The borrowings raised in 2014-15 are being subsidised by the Local Infrastructure Renewal Scheme (LIRS) In 2014-15 the additional revenue raised by the special rate variation was \$136,000. This was used to service borrowings that contributed to funding renewal of these bridges.

Bridge	Budget
Menzies Number 3	\$70,000
Browns Crossing Number 2	\$139,000
Sinclair's Number 1	\$101,000
Purcell's	\$85,000
Tout's	\$482,978

Total additional revenue raised in 2015-16 was \$388,000, this is the annual revenue raised from the 2014-15 and 2015-16 special rates variations. This was used to service existing borrowings for the above bridges and new borrowings to fund renewal of these bridges.

Bridge	Budget
Lovedays	\$ 294,000
Bakers Creek	\$ 654,000
Factory Bridge	\$ 340,000
Top Bridge	\$ 123,000
Boat Harbour	\$1,010,000
Coulters	\$ 85,000
Jack Ryall	\$ 125,000

Appendix 1 – Report on Achievements in Implementing the Community Strategic Plan 2013 - 2023.

# NAMBUCCA SHIRE COUNCIL

# END OF TERM REPORT

# ADOPTED 25<sup>th</sup> AUGUST 2016





The Bowra Dam, Completed in 2015 to secure the Nambucca Valley's Future Water Supply

28011/2016

### A MESSAGE FROM THE MAYOR

Nambucca Shire Council faces many challenges in trying to meet community needs within limited resources. The Community Strategic Plan is a document that helps us to ensure that we are always working towards meeting those needs.

It is a twenty year strategic plan that has been developed in consultation with the community and focuses on achieving our Vision and Mission statement. It is a document that guides a number of other shorter term plans. Many of the aspirations of our community cannot be achieved within a short time-frame and certainly not within an annual budget. If there is not a longer term community-based plan to follow it is easy to lose sight of some of the more long term goals. Every four years Council is required to report the progress on the implementation of the Community Strategic Plan to the final meeting of the outgoing Council and the report is then presented to the newly elected Council as part of the review of the Community Strategic Plan. This report provides Council and the community the opportunity to assess the progress that has been made during the previous four year term of Council and confirm that we are delivering on key strategic directions identified in the Community Strategic Plan.

I am pleased that this report confirms progress in each of the strategy areas adopted by Council with some very notable achievements including the construction of Bowra Dam to secure our water supply; the reconstruction of Riverside Drive to minimise a growing risk to public safety; the completion of the Macksville Fun & Fitness Precinct Project to improve social, recreational and health outcomes; significant progress in addressing our asset and infrastructure backlog, (particularly roads and bridges) and the financial, management and organisational reforms that resulted in Nambucca Shire Council being declared Fit For the Future by the NSW government.

We are well placed to achieve our Vision "Nambucca Valley - Living at its best"



### Mayor Cr Rhonda Hoban

The Nambucca Shire Celebrated its 100th anniversary in December 2015. The "Centenary" Council Meeting was marked with Councillors and Staff dressed in period costume.

#### FORWARD

This is a report on the progress on implementation of the Nambucca Valley Community Strategic Plan 2023.

New South Wales Local Government uses a legislated Integrated Planning and Reporting Cycle commonly known as I P and R. It is Based on a 20 Year Community Strategic Plan, a 10 year Financial plan, a 4 year operational plan (that reflects the term of each Council) and annual Delivery Program which contains detailed budgets.



Further details are available at Integrated-Planning-and-Reporting-Guidelines

A report on the progress on implementation of the Community Strategic Plan must be presented at the final meeting of an outgoing Council. This report also informs the new incoming Council who must review the Community Strategic Plan prior to the next Budget.

This report records the progress on each strategy adopted by Council to deliver the objectives in the Community Strategic Plan, but in broader terms the notable achievements of the Nambucca Shire Council 2012-2016 included:

- The Bowra Dam was completed to safeguard the Shire against drought and secure a water supply for development. The project was a proud achievement for a small Council with a total cost of \$53M. The Shire received and Engineering Excellence Award from the Institute of Public Works Engineers for the Project.
- Major reconstruction work was completed to Riverside Drive in Nambucca Heads. This section of road is an essential access to the town of Nambucca Heads and had a history of landslips. The unstable nature of the road had become a growing risk to public safety. The projected cost was \$5M and has addressed one of Council's key proprieties.

- The Macksville Fun and Fitness Precinct Project saw a substantial upgrade to sporting facilities in the Shire and included new netball courts, a fitness trail, a new skate park, upgraded ovals, new lighting and extensions to the Macksville Aquatic Centre.
- On-going financial and asset management reforms resulted in the Shire being declared "Fit for the Future" as part of the NSW Local Government Reform Program. This was welcome recognition that years of difficult reforms and hard decisions have left the Council in a good position to continue to deliver the infrastructure and facilities required by our community. Having been declared "Fit", Nambucca Shire was the first Council to take advantage of the T Corp lending facility that allows NSW councils to borrow money at reduced interest rates. The financial management reforms were complemented by a restructure of the organisations and a review of the Engineering Section workforce and practices, both of which yielded efficiency gains. An example of embracing emerging technology was the adoption of solar powered compacting street litter bins that substantially reduced the frequency the bins need emptying.
- This term of Council committed to addressing a backlog of required bridge works. The Nambucca Shire enjoys a high rainfall, beautiful beaches and rugged hinterland with many river valleys. The beautiful landscape makes it an expensive place to build and maintain roads and a long list of bridges that needed attention had accumulated. An infrastructure program funded by a series of special rate variations and an interest subsidy from the New South Wales Governments LIRs program has made substantial progress to addressing this backlog. The on-going stream of income from the special rate variation has been earmarked to fund future maintenance and replacement of these critical assets.
- This term of Council committed significant resources and effort to ensure the Nambucca Shire was
  well positioned to take advantage of the new sections of the Pacific Highway that traverse the
  Shire. In particular Council welcomed the decision to position a new Service Centre at Nambucca
  and to provide additional on and off ramps at Macksville. Council also invested in land adjacent to
  the Highway to ensure a future supply of well positioned industrial land. On the flip side,
  Nambucca Shire will shortly inherit substantial amount of additional roads and bridges as the
  existing Highway is decommissioned. Extensive and on-going negations and preparations have
  taken place to attempt to minimise the impact on the Shire's financial sustainability.



A well-attended Council meeting at Valla Hall in April 2016

### ELECTED REPRESENTATIVES 2012 to 2016



Mayor Cr Rhonda Hoban



**Deputy Mayor John Ainsworth** 



Cr Martin Ballangarry OAM



**Cr Brian Finlayson** 



**Cr Bob Morrison** 





Cr Anne Smyth



Cr Kim MacDonald



**Cr Elaine South** 



#### **MAP OF SHIRE**

The Nambucca Shire Local Government Area (LGA) is located between Kempsey and Bellingen Shire Councils on the Mid North Coast of NSW, approximately 500km north of Sydney and 480km south of Brisbane. The Shire is 1492.8 km<sup>2</sup> and is situated between 30<sup>o</sup>30'S and 30<sup>o</sup>56'S and 152<sup>o</sup>18'E and 153<sup>o</sup>01'E. The terrain is steep and intersected by small streams nestled between the foothills of the Great Dividing Range and the coastline of the Pacific Ocean. The rugged topography of the eastern edge of the New England plateau in the western part of the Shire is dominated by steep slopes and valleys, while the eastern portion of the Shire is characterised by the gentle slopes of the fiver floodplains.

The Nambucca River drains the Shire and is 47km long. The Shire has two National Parks, eight local nature reserves and 25km of coastline.

The main localities of the Shire include Nambucca Heads, Macksville, Bowraville, Valla Beach and Scotts Head with many smaller villages and rural settlements. The Shire has a population density of 13 people per km<sup>2</sup>.

	Males	Females	Persons	%
Total persons ABS 2013 estimated data	9,567	9,962	19,529	100.0%
Aged 14 years and under ABS 2013 estimated data	1,696	1,686	3,382	17.3%
Aged 65 years and over ABS 2013 estimated data	2,373	2,626	4,999	25.6%
Born overseas				14.9%
Unemployed Persons (2015)			787	
Unemployment Rate (2015)				9.7%
Households with internet access				63%
Occupied Private Dwellings				7,616
Unoccupied Private Dwellings				1,175

### NAMBUCCA SHIRE POPULATION - SELECTED CHARACTERISTICS

	1991*	1996*	2001*	2006	2011
Bowraville	969	884	956	954	1,208
Eungai **	158	139	583	584	658
Hyland Park	153	284	321	315	441
Macksville	2,872	2,722	2,661	2,658	2,567
Nambucca Heads	5,669	6,248	6,146	6,121	6,222
Scotts Head	834	832	793	794	821
Valla Beach	488	729	814	819	1,200
Rural/Non-Urban Balance	5,556	5,729	5,444	5,415	5,527
TOTAL SHIRE	16,699	17,567	17,718	17,660	18,644
Source: ABS Census					
** Area extended in 2001 to include Eungai Creek, Eungai Rail and Allgomera					
*Includes overseas visitors					
Nambucca Heads from 2006 includes Kingsworth Estate (not previously included in town population)					

#### NAMBUCCA SHIRE - TOWNS, VILLAGES AND RURAL POPULATION

Achievements in Implementing the Nambucca Community Strategic Plan 2023 FOUR YEARS ENDING SEPTEMBER 2016

### **INTRODUCTION**

The intention of this report is to document Council's progress and effectiveness of Council activities as it strives to implement its stated strategies to achieve the objectives under each of the eleven (11) Key Strategic Directions outlined in its Community Strategic Plan 2023.

### The 11 Key Strategic Directions are:

- 1 Civic Leadership and Administration
- 2 Public Order and Safety
- 3 Public Health
- 4 Community Support and Education
- 5 Environmental Planning
- 6 Building Regulation
- 7 Environmental Services and Community Amenities
- 8 Recreation and Culture
- 9 Transport
- 10 Local Economy
- 11 Water Cycle

Under Council's Community Strategic Plan the 11 Key Strategic Directions are embellished with 31 Objectives which are subsequently supported by some 58 Strategies. The 58 Strategies are carried through into the 4 year delivery plan and allocated across the organisation with specific tasks, programs or actions.

## Strategic Direction: Leadership and Administration

### 1.1 Objective: Citizen Engagement

The Council and the community support open government where public participation is encouraged in policy development and major decisions, as well as in Council's daily operations.

Four Year Delivery Objective	Operational Plan Actions	Achievement
Using a variety of tools, engage with the	Continue to liaise with Council's Section 355 committees to provide	AGM Minutes reported. Councillors and Senior Staff attend S355 AGM's
community in ways that are	advice on policy areas	S355 Information Evenings held
accessible and transparent,		Increasing difficulty in retaining sufficient volunteers to operate some S355 Committees
and use information from the community in decision	Use public relations, printed materials, Council's website and personal	Media releases issued. Rates newsletter issued. Information Technology Officer periodically checking website
making	communications to inform stakeholders and community	Media release issued on flood damage events, road closure and works and vandalism as required
		Away Meetings commenced in 2013
		Special Rate Variation information session conducted
		Trade night held with local plumbers and other interest members of the public in respect to new Plumbing and Drainage Act
		Information campaign regarding regulation of safety around private swimming pools
		New website launched in 2016 which incorporated a review and update of all existing information so that it is current
	Encourage involvement by a variety of community stakeholders in the	Encouraging use of media releases instead of paid advertisements to reduce cost. Paid advertisements used where there is a statutory or other requirement
	activities of Council	Dam tours conducted plus official opening
		Newspaper interview and stories have been used to increase community awareness of dog control and swimming pool legislation
		Fortnightly radio interview by General Manager on 2HC 639am. Manager Business Development undertook a series of promotions on Radio 2MC FM
		Mayor and General Manager provide priority to assisting the media
	Undertake Community Satisfaction Surveys	Community Survey of 400 residents undertaken by Jetty Research in June 2013 and May 2016
	Issue a newsletter with the rates notice	Newsletter mailed out with Rate Notices
		2016 newsletter restricted to rates and charges information

1.2 Objective: Delivery of Services Delivery of services to the community is consistent with their requirements and Council's core values

Four Year Delivery Objective	Operational Plan Actions	Achievement
Ensure the sustainable delivery of infrastructure and services	Periodic review and ongoing implementation of asset management plans and use in budget and work plan development	Asset Management Working Group comprising of Corporate and Engineering staff was formed to review Asset Management Plans policies, data capture and service delivery Reviewed Policies and Plans reported to Council Three new Asset Management Plans developed and adopted by Council for: 4) Bridges 5) Urban and rural sealed roads 6) Rural gravel roads
	Implement organisation structure and staffing review outcomes	Organisation Structure Reviewed 2013 - Business Services Unit created Organisation review of outdoor operations adopted May 2015 has resulted in a reduction in EFT to 113 Progressively being implemented. Incorporated a review of staff levels as well as work practices Restructure of Infrastructure Services. Incorporated the development of new position descriptions and creation of more accountability within the Coordinators and Site Leaders positions
	Continue performance reviews of staff performance and provide training and attendance at external conferences where identified to ensure Council's goals are being met	Scheduled performance reviews generally complete Performance management on-going Training undertaken to meet statutory and professional development requirements Restructure of Infrastructure Services. Incorporated the development of new position descriptions and creation of more accountability within the Coordinators' and Site Leaders' positions
	for Councillors, especially new ones, to attend training relevant to their duties	Arrangements being made for training and induction for Councillors post the 10 September 2016 election

Implement human resource management practices	Staff turnover has been trending down11.2%in 2011/128%in 2012/16%in 2013/149.5%in 2015/16Three long serving outdoor staff retired in 2015Four long serving outdoor staff scheduled for retirementon 2016
Comply with local government legislation, policies and agreed standards	<ul> <li>MANEX maintains a register of known legislative or regulatory noncompliance</li> <li>Engineering Services' works undertaken in accordance with local government legislation, policies and agreed standards - Coverage achieved</li> <li>Public and private swimming pool inspection regime implemented</li> <li>New reporting requirements for Public Health and NSW Food Authority implemented</li> <li>Local Government (Keeping of Animals) Policy being evolved into Local Orders Policy for compliance</li> <li>Empowerment also complaint weighting prepared to improve service delivery in important cases removing vexatious complaint engagement</li> </ul>
Comply with financial management requirements	All reporting was within statutory timeframes
Provide information and assistance at front counter for a range of community needs	Use of MERIT reviewed and improved Information being applied and distributed. MERITS being taken and processed Improved work practices for incoming calls. Customer requests can now be placed on line via the Council Web Site. Customers are allocated a reference number for each MERIT Call Centre established using existing phone system to manage incoming calls
Ensure Council adheres to Equal Employment Opportunity (EEO) principles	Compliance requirements being met

Provide and maintain information management systems that meet user needs, including GIS, software and data systems to manage corporate information	Implement MERIT customer request system	Council has upgraded MERIT to version 10 and the MERIT Web module has been purchased. Version 10 provides for a more efficient workbench and allows additional integration options between the Authority property systems Name and Address register and the TRIM records management system. The web module will allow the entry of customer requests directly via Council's website and is currently undergoing testing Council is currently upgrading server and network infrastructure to support a more robust and responsive IT environment and to retire end of life equipment and software Council is currently implementing integration between MERIT CRM and Reflect. This will allow streamlined workflows for customer initiated maintenance resulting in improved communication with customers, better reporting and increased mobility
	Continue to improve new Authority software operation	<ul> <li>Council is currently Civica Authority and has made incremental improvements including: <ul> <li>GIS integration and reporting. Implementation of Purchase Cards. Improvements have been made in mobility using tablet devices and electronic forms</li> <li>The successfully integrating septic inspections with Authority register</li> <li>Bi-directional integration between Authority and ArcGIS has also been correctly implemented</li> <li>The implementation of e services and the payment gateway</li> </ul> </li> <li>Council has successfully integrated GIS data with data provided by the LPI</li> <li>Council is currently using TRIM software used for records management and has made incremental improvements including allowing the DA tracker to provide access to publically consumable documentation for Development Applications</li> <li>An app has been developed to support the reading of water meters. The app takes data directly from Authority via export and allows for updated reads to be subsequently imported</li> </ul>

Establish community needs through	Conduct community consultation to review Delivery and	Detailed review and community engagement conducted in conjunction with Special Rate Variation application
consultation and involve community in	Operational plans for 2014-2015 and promote awareness of	IPR suite of documents updated and adopted in line with legislative requirements
review and future development of Community Strategic Plan, and Delivery and Operational	Community Strategic Plan	Involvement from staff with the various Section 355 Committees and volunteer groups with development and implementation of programs S94 Contribution Plans updated and put out to public consultation
Plans	Use Community Satisfaction Survey to inform planning	Community satisfaction survey completed in 2013 and 2016
	processes and help identify infrastructure needs	Findings being used as appropriate

1.3 Objective: Risk Management Reduce risks to Council's and community operations through effective, timely and affordable risk management strategies

Four Year Delivery Objective	Operational Plan Actions	Achievement
Implement the risk management action plan	Review the risk management action plan and update if required	Completed – new plan in draft form due to changes in requirements by Insurer
	Implement WHS Action Plan, conduct WHS audits and reviewing as required	Completed
	Annual review of insurance coverage	Completed
	Manage instances of safety, regulatory or financial mishaps which cause a financial risk to Council	Reduction in claims and notifiable incidents
	Maintain database of all loss events	Database maintained
	Maintain and review risk register	Risk Register reviewed and maintained. Electronic JRS profiler introduced
	Deliver relevant training and effective awareness programs to staff on workplace	All new staff inducted. Training provided as per training needs plans and supervisor requests.
	safety	

1.4 Objective: Sustainable Energy Use Provide community leadership in sustainable energy use and strive to meet the State government's commitment to becoming carbon neutral by 2020

Four Year Delivery	Operational Plan Actions	Achievement
Objective		
Implement technologies in Council facilities and	Waste Management activities including resident education package which will	NSW Crown Land grant of \$110,000 for an energy and effluent system infrastructure installed at Gumma Reserve
infrastructure to reduce Council's	reduce the need for waste collection and hence greenhouse gas	NSW Enviro Fund grant of \$70,000. Major energy efficient infrastructure installed
greenhouse gas emissions	emissions by using less trucks	WASIP funding used to implement solar compactor bins for street litter waste reducing truck movements for collection
		Grant fund for Macksville Park, included installation of smart switching. This allows for the usage of lighting only while needed.
Make information	Provide links on Council's website to	Link provided to Planet Ark
available to the community to help them	reputable websites that provide information on	Council contributes to the sustainability and educational material for a EEC
reduce energy use	sustainable energy use and Government objectives to reduce greenbouse gas	Link to Our Living Coast with information on sustainable living including energy use.
	emissions	

## Strategic Direction: Public Order and Safety

2.1 Objective: Community Safety To foster a community where people feel safe and secure

Four Year Delivery Objective	Operational Plan Actions	Achievement
Provide support for local	Participate in rural fire service management and maintain	Cr Ainsworth elected as the Council representative to the Committee
services and beach safety	membership of the Nambucca Bush Fire Management	Four meetings were held each year and the minutes of each meeting have been reported to Council
	Committee	Rural Fire Service (RFS) presented the draft "BIDs" to Council in January each year and adopted by Council in February
		RFS budget and KPI'S reviewed quarterly through the Liaison Committee
	Maintain the urban fire trail network to protect public and private infrastructure from bush fires	Trails were maintained as scheduled with the completed works entered into the RFS BRIMS and payment received from the RFS
	Contribute statutory 13.3% in budget to fire control and other contributions to	A budget allocation was provided and RFS presented the draft "BID" to Council in January and adopted by Council in February
	Volunteer Rescue Authority and Marine Rescue Authority	Emergency Service levy reported to Council each year
	Ensure buildings and facilities at fire control centre and	Asset Management Plan was adopted for the NEOC and implemented in accordance with budget limitations
	SES/Volunteer Rescue/Marine Rescue are managed to meet standards	Meeting cycle reduced from four to two meeting per year with general maintenance issues being addressed as they arise through the year
		Grant received to enhance the EOC in the area vacated by the RFS
	Provide and replace vehicles in accordance with policy for State Emergency Service	This is now administered through NSW RFS Provision of funding remains a Council issue
	Provide lifeguard services as per contract, including	New five year contract entered into with SLA for the provision of Life Guard Services
	annual contribution through s.94 plan	Life Guard Services provided over Christmas/New Year holiday period
		The end of season Life Guard Services reports presented to Council
		Contributions allocation is included in budget

	Operational Plan Actions	Achievement
	Provide and maintain beach safety signage	An audit was undertaken on all Nambucca Shire Council beaches by a State Government program in 2014 for safety on beaches. All signage installed at the beach and access locations are compliant with regulatory and non-regulatory warnings
	Provide ranger service to supervise vehicles on beaches	Council Rangers undertook random surveillance of beaches as well as continued passive surveillance from the Volunteer Rangers
		Community Survey 2013 canvassed resident attitudes towards 4WD vehicles on beaches and level of monitoring
		Council maintains a tri-party arrangement with Port Macquarie Hastings Council and Kempsey Shire Council with beach permits
Provide leadership in	Advocate for adequate police resources	Additional Police Officer (Detective) appointed to Nambucca
salety mitiatives		Mayor regularly attended Community Safety Precinct Committee Meetings
		Lobbied for the continuation of Court House
		Attended community meetings concerned with policing
	Advocate for road safety initiatives, including through active Traffic Advisory	Traffic Committee meetings conducted which addressed a number of safety improvements resulting in a number of speed zones on rural roads being reduced
	Committee considering road safety improvements	Minutes reported to Council for formal resolutions and implementation of safety actions
	Work with District Police to implement	Consumption of alcohol is prohibited in Gordon, ANZAC and Bellwood Parks
	initiatives such as Alcohol Free Zones	Signage reviewed and 29 new signs erected
		Review of Bowraville Alcohol Free Zone completed and re-established for 4 years. Signage updated by 30 June 2013.
		Review of Alcohol Free Zone at Visitor Information Centre and Brotherhood Park Nambucca Heads completed and re-established for 4 years. Signage updated by 1 June 2014
		Review of Alcohol Free Zone in the CBD Nambucca Heads completed and re-established for 4 years. Signage updated by 10 January 2015
		Fridge Magnet promoting reporting crime prevention was developed and distributed

2.2 Objective: Companion Animal Welfare To proactively manage companion animals to ensure the community's safety and to improve animal welfare

Four Year Delivery Objective	Operational Plan Actions	Achievement
Manage companion animals to	Undertake patrols and respond to complaints about companion	Web-site improved with impounded animals being photographed and displayed for recovery or sale
ensure the community's safety and improve animal welfare	animals	Council subsidises de-sexing of animals to increase saleability of animals
	Support programs to improve the welfare of companion animals, including investigating	Received grant funding for a Responsible Pet Ownership Program twice. Program offered subsidised de-sexing, immunisation and micro chipping
	grant opportunities for owner education	Have applied for funding for the third round of the program - result pending
		Free de-sexing , immunisation and micro chipping successfully carried out on both Missions in conjunction with RSPCA
	Ensure signage identifying permissible	Signs in place
	dog walking areas is in place and up to standard on Council	Signage replaced and education program instituted to protect bird breeding habitat north of Valla footbridge
	land	Additional leash free (off-leash) areas created

### **Strategic Direction: Public Health**

### 3.1 Objective: Safe Food

Reduce the incidence of illness from unsafe food by monitoring systems for food hygiene and safe food handling

Four Year Delivery Objective	Operational Plan Actions	Achievement
Reduce the incidence of illness from unsafe food	Conduct regular inspections and follow- up of premises that handle food for public consumption	Inspections completed
	Respond to complaints	Ongoing - with matters resolved

### 3.2 Objective: Clean Water

Improve and maintain healthy waterways through active catchment management including promoting and, where relevant, implementing the protection and restoration of riparian areas and minimizing pollution sources.

Four Year Delivery	Operational Plan Actions	Achievement
Objective Carry out 100% of inspections including plumbing and new on-site sewage management systems associated with new developments within 48 hours of being	Conduct regular inspections in accordance with risk rankings Weekly monitoring of performance from registration statistical data and departmental appointment calendars	During 2012-13 new requirement for Council, as delegated water authority, to undertake requirements of Pluming and Drainage Act. Forms and inspection regime provided to user groups ie plumbers All Class 1 (high risk) inspections undertaken plus annual requirement for low to medium risk Stage 1 up-grade of problematic river front installation carried out Funding obtained 2015-16 for pressurised sewerage system to high risk systems OSSMS
DOOKED		the rates notice - commenced July 2016
	Respond to complaints	Ongoing - with matters resolved with emphasis on impactive systems (impactive on health and/or the environment)
Implement actions from the Nambucca River Estuary Management Plan	Review plan and identify funding sources through grants and Environmental Levy to complete highest priority actions	Ongoing improvement undertaken on Stuart Island Funding obtained for bank stabilisation and fish habitat projects on Stuart Island, Congarinni and Lower Nambucca Gumma wetlands project continuing Boating Now Projects being undertaken at 6 locations in the Shire

3.3 Objective: Personal Health and Wellbeing Help improve the overall health and wellbeing of the community of the Nambucca Valley

Four Year Delivery Objective	Operational Plan Actions	Achievement
Support existing and initiate new public health activities	Deliver the final year of the Healthy Communities Initiative	Project concluded on time and on budget. Audited Statements were submitted by the deadline of September 2014 Nambucca Valley Integrated Care Initiative (Mid North Coast Local Health District) Valley Cats - Initiative with Royal Far West to help children Royal Far West - Healthy Kids Bus Stop
	Lobby State Government for adequate bed allocation for aged care	Considerable additional aged care capacity either completed or under construction by Nambucca Valley Care
	Lobby State Government for infrastructure to provide adequate health services	HealthOne Facility constructed in Nambucca Heads. Lobbying continuing on upgrade of Macksville Hospital \$50m redevelopment of Macksville Hospital approved. Lobbying continuing in relation to commencing the build
	Provide grant application support to relevant community organisations	Over 40 applications written and over 30 community organisations assisted with advise

## Strategic Direction: Community Support and Education

4.1 Objective: Connected Community Our community is proud of its identity and is mutually self-supporting

Four Year Delivery Objective	Operational Plan Actions	Achievement
Engage with the community, providing	Continue to support and liaise with Council's Section 355 Committees which represent a range	Councillors and Senior Staff are rostered for attendance at Section 355 Annual General Meetings Increasing difficulty in retaining sufficient volunteers to operate
social and	of community members	some Section 355 Committees
infrastructure and programs to meet the needs of all residents	community through the auspice of grant applications and grant writing support	Over 30 community organisations assisted with advise
	Ensure the services of the Visitors Information Centre are of a high	Training provided for volunteers in EFTPOS; Sales and Administration; Impart Media; and Book Easy
	standard through training and supporting volunteers	Three industry familiarisations were conducted
	Provide Funding for Seniors Week	Live Life – Go for Gold themed event held 20 March 2013 in partnership with Bowraville Central School and Lions Clubs. 170 people attended
		Colours of the Commonwealth Intergenerational event held 20 March 2014. 160 seniors and 50 young people participated
		Making Connections Intergenerational event held 19 March 2015. 170 seniors and 55 young people participated
		Library workshops were attended by 39 seniors
		Out and About and Active event held 6 April 2016. 170 seniors and 55 young people participated. Seven services provided information stalls
	Continue involvement with Regional Arts Development Board.	Financial support provided annually and Councillor representation on the Board
	including financial support and representation on Board of Management	The Regional Arts Development Officer made a presentation to Council on 13 August 2015
	Manager Community Development role to	100% achieved
	continue to include aged and disability services	Work plan targets being met

# 4.2 Objective: Engaged Youth Foster the social well-being of our youth

Four Year Delivery Objective	Operational Plan Actions	Achievement
Provide support for young people through youth-	Manage funding provided by the NSW Department of Family and Community Services to	Reporting submitted on time Agreed targets and outcomes achieved
oriented programs including	undertake youth development	
coordination, planning and funding	Identify, quantify, prioritise and publicise the needs of young people	Grants secured for Youth Week, Sports Leadership Camp and two NSW Transport projects Youth Services Forum - 8 April 2016 (80 people);Conducted
		Youth Survey; Conducted Skate Park Assessments Other programs included Indigenous Surf Program - Term 4
		Young Mums and Bubs Water Safety program; Indigenous Learn to Swim; Part 1 Screenwave project included film workshops in 3 High
		Schools, 2-day Water Ways Safety workshop (18 young people trained); Bosiliont Young Boople's Brogram (BYBB) at Bowroville
		Central School (28 students) and Nambucca Heads High (30 students); Macksville Skate Park Opening – 28 November; Skate;
		Scooter and Bike Competition and Jam 16 January 2016
	Run Youth Week activities	2013 Live Life – Go for Gold themed event held in partnership with Bowraville Central School and Lions Clubs. 170 people attended
		2014 "Big Air School" held at Nambucca Heads Skate Park. Grant of \$1,230 received. 150 young people attended
		2015 Youth Leadership through Sport Camp; Information and Open Mic at Macksville Show and Bowraville Basketball Competition were held. Around 250 young people participated
		2016 Bike Safety Workshop – 12 April (40 young people); Open Mic at Macksville Show; Movie Days and Youth Information Stalls at Nambucca Heads – 18 April (70 young people) and Bowraville - 14 April (100 attended)
	Run Responsible Educated New Tenant (RENT) program	2012 -13 3 courses held 2013 -14 2 courses held 2014 -15 a partnership was formed with Wesley Accommodation Service to deliver Rent It—Keep It during 2015-2016
		No programs conducted by Council in 2015-2016 as it is now being delivered by Wesley Accommodation Service

	Continue to seek funding for the Nambucca Valley Sports Facilitation Program.	2012-13 Secured via Grants Officer assistance \$75,000 PA for three years
Plan and provide library services in Nambucca	Seek external funding to supplement library resources	Funding received from e-book Library Development Grant, Country Libraries Fund, Revitalising Public Libraries Fund Let's Read Big, Loud Grants and Local Priority Grants
Heads and Macksville		Participated in Public Libraries NSW campaign for increased State Government Funding to libraries

4.3 Objective: Cultural Diversity Promote an understanding of the Nambucca Valley's Indigenous culture and heritage and develop opportunities and partnerships for people of culturally diverse backgrounds,

Four Year Delivery Objective	Operational Plan Actions	Achievement
Deliver services appropriate to the needs of Aboriginal and Torres Strait Islander communities and continue to improve awareness and understanding between Council and Aboriginal communities and individuals.	Manage funding provided by the NSW Department of Family and Community Services to undertake community development for Aboriginal people	Finance and outcomes reporting submitted on time – 100% achieved
	Coordinate and provide funding for NAIDOC week event	<ul> <li>2012-13</li> <li>Council activities included a short Indigenous film screening titled '7 Movies In 7 Hours' at the Bowraville Theatre and 'Town of Origin – Battle of the Postcodes' touch football series at Hennessey/Tape Oval, Bowraville</li> <li>2013-14</li> <li>Council supported and participated in the newly established Nambucca Valley NAIDOC Committee and supported events across the Shire including the flag raising event at Macksville and exhibition of the Yirrkala Bark Petition theme</li> <li>2014-15</li> <li>Council supported and participated in the Nambucca Valley NAIDOC Committee and supported events across the flag raising at Bowraville Central School</li> <li>Council's main event was held in Macksville in collaboration with Unkya (Macksville) LALC. The Macksville Day included:</li> <li>Local cultural art and basket weaving from Salt Water Fresh Water run by specialist Indigenous people</li> <li>Sydney Swans Academy AFL football club from Coffs Harbour ran AFL activities</li> </ul>

	Provide activities for learning or social development for young people and their families on school bolidays	2012-13 3 events held in January 2013 School holidays – Photography workshop, Fishing Clinic, National Parks canoe and bush tucker activity – 47 young people attended the activities
	on school holidays	2013-14 2 events held in January 2014 –Surf School and Pool Fun Day Other activities during the year included Fishing Workshop at Nambucca River Festival, Youth Leading the World (Stage 1 Environmental project), Show Chill Out Zone
		The Libraries participated in Summer Reading Club during December-January school holiday period
		2014-15 July – 1 (Bowraville Community Garden) January – 2 (Public transport to the beach and Aquatic Centre) April – 4 (Youth Leadership Camp; Bowraville Basketball and Chill Out Space at the Show) Learn to Swim – all school holidays
		2015-2016 Music Madness Workshop (25 young people); Bowraville Fun Day; Canoeing Skills Workshop (16) and Outing, Fishing Workshop at Bellwood(40), Cricket Coaching Clinic (18), Bowraville Basketball Competition (75 young people + 25 others), The Movie Bus project (35)
	Support Indigenous heritage and other cultural projects when identified	2012-13 Council resolved to hold an annual Aboriginal Forum using Council's Aboriginal Culture and Heritage Management Plan as a point of reference with the aim of raising relevant issues that can formally feed into Council's processes. In addition, Council is to maintain an annual Elders morning tea
		Conducted Gumbaynggir Language "Taster" Course held at Nambucca Heads Library; School Holiday Activity at Bongil Bongil incorporated cultural heritage
		2013-14 Engaged with local Aboriginal community in relation to Stuart Island improvements including the provision of interpretive signage
		2014-15 Engaged with local Aboriginal community in relation to Stuart Island improvements including the provision of interpretive signage Project continued during 2015-2016
		2015-2016 Negotiated with Local Aboriginal Land Councils regarding infrastructure projects including Farringdon Fields; assisted Department of Aboriginal Affairs and families with construction and opening of memorials
		Saltwater Freshwater Craft and Music Workshops – September 2015

## Strategic Direction: Environmental Planning

5.1. Objective: Well planned communities A well-planned community which minimises its environmental footprint and social costs, while maximising its economic and social well-being

Four Year Delivery Objective	Operational Plan Actions	Achievement
Promote sustainable development	Ensure sustainability is a feature of strategic planning	Vegetation mapping complete Council became a Sustainability Advantage Partner
		Streetscape improvement programs underway
		Gumma Wetland management ongoing
		Koala Habitat Study complete
		Several place based designs prepared with sustainability and focus eg Dawkins Park and Gordon Park
	Progressive application of the principles of ESD to Council's LEP and related environmental policies	Flood Studies finalised and adopted
		A Deep Creek Entrance Management Policy has also been adopted
		Flood Risk Management Program underway
		Several LEP amendments - Completed
		DCP 2010 has been amended
	Vigorous assessment of developments to ensure minimum impacts are achieved on built and natural environment as a result of the development, with special regard to high impact developments such as antimony mining	Comprehensive assessments completed in relation to higher risk environmental and development compliance issues
	Develop new urban designs for town centres and villages	Macksville Revitalisation Plan developed associated Traffic Study Complete. Draft plan prepared integrating these 2 studies
		Street trees planted Bowra St Nambucca Heads Stuart's Island Improvements complete South Valla walkway 60% complete Plan for Dawkins Park adopted Plan for Gordon Park Adopted Plan for Duffos Rest a while adopted Plan for Scotts Head Town Green underway Plan for Farrington Fields underway Plan for coastal lookouts in Nambucca complete
	Manage and regulate	Water Quality Monitoring to obtain base line data

	impacts of resource development	Council awarded Best NSW Drinking Water in 2016
Four Year Delivery Objective	Operational Plan Actions	Achievement
Reflect the community's desires through appropriate planning instruments such as Local Growth Management Plan, and Local Environmental Plan	Consult with community and key stakeholders and government departments prior to preparation of plans/reports and coordinate their input	Consultation held in relation to Nambucca River Flood Study: Deep Creek Flood Study Deep Creek Entrance Management Policy Numerous LEP Amendments Streetscape improvements Shoaling investigation Stuart Island works Boating Now Projects Engineering Services Consultations with various community groups used as input into the asset management plans Deep Creek Entrance Management Policy Numerous LEP Amendments Streetscape improvements Engineering Services Consultations with various community groups used as input into the asset management plans
	Local Growth Management Plan: Review and prepare new strategies for rural residential land release areas and rural lands in accordance with the Mid North Coast Regional Plan and incorporation into the Local Growth Management Plan	Rural residential land release strategy completed Review of residential and rural land release strategies to be completed in house as time permits Council's additions to its Local Growth Management Plan have been incorporated into the draft Mid North Coast Regional Plan
	Valla Growth Area Local Environmental Plan (LEP): Review, coordinate and prepare various environmental studies, master plan, local environmental study and development control plan required to undertake the LEP amendment to rezone land identified in the Valla Growth Area	LEP Completed A DCP has been prepared for the approved Highway service centre Work now underway on preparing a DCP for all of the Valla Growth Area
	Develop strategies to address impacts of Pacific Highway Upgrade	Consultant to be engaged to determine the impact, cost and condition rating of the assets and being handed to Council from the RMS First draft of anticipated costs valued at \$70million presented to Council via a workshop Well advanced in obtaining data on the condition of the Highway and the liability associated with its transfer Lobbying underway to have the RMS retain the large bridges Successful lobbying for on and off ramps at North Macksville
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		approved Service Centre and a master plan to improve the amenity of Macksville
Report new information relating to	Finalise Climate Change Adaptation Policy following completion of	Council adopted flood planning levels modelled with an allowance for Sea level rise
land use constraints to	flood studies	Flood studies complete
Council and include in planning and development		Flood risk planning matrix being circulated to Councillors and Estuary Committee. To be finalised post 10 September 2016 local government election
activities		Climate Change Adaptation Policy to be reviewed after completion of the flood risk planning matrix

5.2. Objective: Housing Housing across the Nambucca Valley provides for choice and is affordable

Four Year Delivery	Operational Plan Actions	Achievement
Objective Provide diverse, sustainable, adaptable and affordable housing options through effective land use planning	Ensure supply of vacant land stocks as per Council's adopted land release strategy for residential and rural residential land	It is estimated that there are 25 years plus of vacant land and 30 years of vacant rural residential land stock

### **Strategic Direction: Building Regulation**

6.1	Ob	jective:	Safe	<b>Buildings</b>	and	Pools
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Reduce the risk of	public injury through	ensuring safe standards	for buildings and	pools are maintained

Four Year Delivery Objective	Operational Plan Actions	Achievement
Ensure private infrastructure - buildings and pools - are of a safe standard	Undertake building and swimming pool certification	On-going swimming pool safety/compliance inspections Number of Construction Certificate applications lodged with Council increasing
	Undertake a risk assessment based compliance program for fire safety and backyard pools	Fire safety addressed as matters arise Register of essential fire safety certification being developed See pools above
Promote sustainable building practices including energy and water use efficiency	Information on sustainable building practices made available on Council's website and at Council's enquiry counter	Website link to Our Living Coast established

### Strategic Direction: Environmental Services and Community Amenities

7.1 Objective: Waste Management Protect the natural environment through ensuring a regular, cost effective and environmentally responsible system for managing solid waste

Four Year Delivery Objective	Operational Plan Actions	Achievement
Provide operational and environmentally acceptable waste management facility, including collection, weighbridge and landfill cells	Contract for kerbside collection of separated domestic mixed waste, recycling and green waste materials	Coffs Coast Waste Service contractor's performance review undertaken in December 2014 in accordance with contract conditions Monthly monitoring undertaken and Council provided with quarterly updates Annual reviews completed in June and reported to Council Trial rural waste collection service provided in 2015/16 funded through WASIP Council initiated formation of working group to address future strategic and operational directions
	Provide for management of local Transfer Station at Nambucca Waste Management facility to source separate domestic mixed waste, recycling and green waste	Review undertaken and completed throughout 2015/16 with transfer station signage being upgraded and colour coded accordingly to enhance waste separation

	Prepare engineering design plans for construction of landfill cells and rehabilitation of completed landfill cells	Future cell 4 area designed awaiting EPA approval Investigations are ongoing into obtaining additional Forest land to ensure longevity of the waste site for an additional 30 years
	Undertake ground and surface water monitoring to meet licence conditions	EPA annual returns completed in for EPL licence 6268 And for EPL licence 11386
	Undertake pollution studies and reduction programs and any necessary infrastructure works to meet licencing conditions	Complied with EPA requirements Wetland upgrade to old landfill completed as per request from EPA June 2012
Implement waste minimisation strategies, including reduce, reuse, and recycle	Ensure contractor's delivery of yearly education program	Mixed waste processing plant modifications were implemented in 2012 and processing ongoing Education through the school system undertaken when requested
	Minimise illegal dumping of waste	Illegal dumping investigated with follow up action & service of clean up notices Waste clean-up of Forestry trails carried out in conjunction with NSW Forestry

7.2 Objective: Street Cleaning Provide a level of street cleaning which minimises the creation of litter and the level of contaminants in storm water runoff

Four Year Delivery Objective	Operational Plan Actions	Achievement
Maintain clean and attractive streets, footpaths and public places	Regularly service street and park litter bins, daily service of	Spot inspections undertaken throughout the year and during peak seasons and remedial action taken when required
	and regularly clean	Cleaning of amenities electronically recorded
		Street litter bins removed on a rolling program for cleaning at the Works Depot
		Conducted review on the street litter bins and levels of service completed
		Solar compactor bins installed at high use areas to remove daily collection
		Committees of Management placed on domestic collection to reduce operational costs
		Program implemented to replace and or upgrade dilapidated aging toilet amenities

Sweep high profile areas with special vehicle twice this year. Pressure clean public conveniences quarterly	Programs completed Report adopted by Council as part of the Infrastructures Organisation Review on the cleaning of public amenities and levels of service which has reduced the cleaning regime on low use amenities The program to replace and or upgrade dilapidated aging toilet amenities has improved the cleanliness of the amenities
Respond to complaints	Complaints captured in MERIT and responded to by Supervisors within agreed time parameters Written complaints responded to by Council staff The program to replace and/or upgrade dilapidated aging toilet amenities has reduced the number of complaints and electronic data capture introduced to capture when the amenities are cleaned and reporting and repair of vandalism Technical Officers Assets. All defects are entered into Councils maintenance Management System and attended to within defined time frames based on risk.
Maintain footpaths within CBD areas to a clean and aesthetically pleasing standard	Cleaning programs completed

7.3 Objective: Environmental Protection Promote the sustainability of the Shire through identification, preservation, protection, restoration and enhancement of the natural environment

Four Year	Operational Plan	Achievement	
Delivery	Actions		
Objective			
Protect trees	Develop public	Vandalism of trees on-going	
from and	awareness of		
respond to	importance of trees,	Media releases on-going last one being September 2015	
deliberate	reward information		
damage of trees	resulting in conviction		
on public land	and issue fines		
	Implement strategy to	2012-13	
	counter tree vandalism	Council adopted a new Tree Vandalism Policy. Event in	
		Parks Street Nambucca Heads followed the new procedures	
		2013-14	
		NII occurrences	
		2015/16	
		2013/10 One known ecourrence reported to the Delice and	
		One known occurrence reported to the Police and	
		found – a media release was issued seeking information	
		Tound – a media release was issued seeking information	
Implement	Highest priority	Review of Environmental Levy Program completed annually	
programs as	programs implemented	and sent out for public consultation	
outlined in the	as funding allows		

annual State of the Environment Report, Nambucca River Estuary Management Plan, Environmental Levy Program and community environmental programs		Programs ongoing and maximised through grant opportunities Community has been given opportunity to identify or suggest projects for the future of the Environmental Levy
Engage and support the community and organisations in undertaking sustainable natural resource management, including best practice farming and land	Council staff to assist with Landcare, Dunecare and Wetlandcare projects where possible, as identified throughout the year Place relevant information on Council's	Works are subject to funding. Ongoing support is provided to Landcare and other similar organisations such as Wetland Care have been provided when required Council endorsed funding towards to environmental community funds through the environmental levy Council's Estuary Committee has input into projects Website content updated including IPR and community surveys
management	website and ensure it is regularly updated	
Develop management plans for environmentally sensitive areas	Finalise Coastal Zone Management Plan (CZMP) and implement identified high priority actions where funding is available	CZMP Complete and recently certified by Minister for Environment and Planning Beach access improvement program Stage 1 complete Stage 2 complete A coastal grant obtained to implement protection of the Nambucca Heads Surf Club and improve the amenity of the area Funding allocated to improvements in the Dawkins Lake Reserve. Proposed Plan adopted Funding received for sea wall maintenance at Scotts Head Funding received for endangered coastal communities at Valla Beach
Review on-site Sewage Management Plan	Policy Reviewed as required	<ul> <li>2013</li> <li>Policy was reviewed due to legislation and changes adopted</li> <li>2016</li> <li>Policy reviewed again to reflect change management practices. New risk management plan evolved to reflect protection of aquaculture areas in line with current legislation</li> </ul>
Prepare State of Environment Report	Conduct public consultation and review plan in context of any changes	2016 Commitment to regional SoE report The regional report was to be prepared by LLS but they subsequently declined and the regional SoE is now being prepared by a staff member of Coffs Harbour City Council on

7.4 Objective: Biodiversity The biodiversity of Nambucca Valley's natural areas, including its waterways and bushland are protected and enhanced

Four Year Delivery Objective	Operational Plan Actions	Achievement
Deliver projects which assist in the protection of biodiversity and the sustainability of our natural areas	Control noxious and other environmental weeds on private land and Council controlled land	Annual programs developed Grant funding was received to continue with the noxious weed control on the headlands
	Deliver projects under the Environmental Levy Program which are directly related to biodiversity	Saving our Species program for a koala habitat completed Vegetation mapping of endangered ecological communities added to the Environmental Levy Program Most environmental projects include levels of biodiversity management or conservation benefits

## 7.5 Objective: Cemeteries

Maintain Shire cemeteries

Four Year Delivery Objective	Operational Plan Actions	Achievement
Provide well maintained cemeteries	Prepare a Plan of Management for each of Council's cemeteries	Actioning cemetery extension at Nambucca Heads and Macksville
		Engagement with Aboriginal community with respect to extension of Aboriginal grave areas
		Heritage advisor has prepared conservation of monuments and maintenance of grounds documents
		Overgrown and dangerous vegetation reduced and access improved
	Respond to complaints	Vandalism reduced by fencing along Hodge Street Macksville

### **Strategic Direction: Recreation and Culture**

### 8.1 Objective: Cultural Activities

Active support of cultural services, our local heritage and the arts

Four Year Delivery Objective	Operational Plan Actions	Achievement
Support the coordination of and networking between arts, social and cultural groups, Council and the community	Support for the Regional Arts Development Board	100% achieved with the contribution paid. A Councillor is a member of the Board
	Support community efforts to gain funding for cultural and community events	Small grants received for: Seniors Week Sport and Recreation projects; and Youth Week
	Support local museums	Bowraville Folk Museum was transferred to Incorporated Association. This was supported by funding to bring building up to a satisfactory standard Museum Adviser Program concluded in November 2012

### 8.2 Objective: Meeting Places

Meeting places provide a way of fostering an inclusive community

Four Year Delivery Objective	Operational Plan Actions	Achievement
Maintain public buildings where justified by community use	Work with Section 355 committees responsible for buildings to ensure they are being maintained	Annual maintenance budget provided in the management plan and liaison with Section 355 Committees for ongoing maintenance and minor upgrades and work programmed as necessary

### 8.3 Objective: Recreational Activities

The Nambucca Valley has a variety of safe and well-maintained sporting fields, recreation areas and facilities to meet the recreational need of all age groups in the community

Delivery Actions Objective	ent
Ensure all public parks and openWorks carried out regularly in existing public parks and openCouncil red by \$25k in t the 2015/16spaces are accessible, maintained and managed to meet the needs of residentsSpacesAs part of the maintenance maintenanceNo adverse maintainedNo adverse maintainedStaff implen steep embal	luced the budget allocation for parks and reserves the 2013/14 and has not increased the funding in 5 budget he restructure in Infrastructure Services ce operations were reviewed across the ce program to accommodate the available funding e comments were received on the standard mented a program to plant out larger areas and ankments with native vegetation to reduce mowing

	Maintain playing surfaces to an acceptable standard by mowing aeration and fertilisation	Ongoing. Works recorded in the Maintenance Management System
	Implement Alcohol Prohibited Zone in Gordon Park and other parks where alcohol consumption has been identified as an issue	Consumption of alcohol is prohibited in Gordon, ANZAC and Bellwood Parks together with a number of other smaller locations Appropriate new signage has been erected
	Playgrounds are maintained in a safe condition and conform to Australian Standards	Inspections were undertaken in accordance with the maintenance risk management program and damaged equipment removed or replaced within available funding Detailed asset inventory undertaken on each site and a review of the relevance of the park undertaken for long term planning
Maintain the Macksville Memorial Aquatic Centre	Continue to manage the contractor in the provision of quality facilities and address infrastructure issues when they arise	Installed new starter blocks to gain regional swimming pool facility status Implemented maintenance in all areas to core infrastructure Pool painted, facility was extended as part of the Macksville Fun & Fitness Precinct project
Pursue partnerships and opportunities to access additional funding to improve recreational facilities	Funding received via partnerships and grants to improve recreational facilities New projects added to Work Schedule of Community Facilities and Public Open Space Contributions Plan	Augmentation Macksville Skate Park and Fun and Fitness Precinct completed
Develop new open space in line with adopted development control plans	New parks proceeding as planned in DCPs and contribution plans	Binalong Park off Upper Warrell Creek Road complete Community facilities and open public space study completed Several plans prepared for open space areas

## **Strategic Direction: Transport**

9.1 Objective: Private Transport Accessibility Nambucca Valley residents can get to where they need to go in a way that is safe, efficient and affordable

Four Year Delivery Objective	Operational Plan Actions	Achievement
Continue to work with State and Federal governments toward upgrade of Pacific Highway	Support community consultation activities and help keep the community informed	Construction of Nambucca Heads to Urunga completed 2016 Warrell Creek to Nambucca Heads scheduled to be completed late 2017 Council negotiating with RMS in relation to handover of existing Pacific Highway Council has proposed RMS retain responsibility for bridges because of the disproportionate number Council briefed by consultant on the anticipated cost of assets being handed over to Council
	Provide expertise in the planning and implementation of aspects of the highway development	Engineering Services has provided ongoing input to RMS into plans regarding localised needs and traffic management and have commenced negotiations to the handover of Pacific Highway assets to Council once the bypass has been finalised A consultant has been engaged to inspect the condition and value the assets to be handed over to Council post by-pass completion and presented a briefing to Council on the cost of the assets
Maintain the condition of rural road bitumen seal, rural road gravel network and urban streets in accordance with Road Hierarchy policy	Pavements inspected to monitor maintenance requirements	Ongoing inspections carried out Including Maintenance Inspections for Defect identification, and Condition inspections to inform renewal programs Normal maintenance of pavements ongoing Emergency maintenance undertaken when necessary MERIT complaints inspected and appropriate action initiated All roads and infrastructure are inspected during and immediately after a storm event to ascertain damage and collect data and anticipated costs for Natural Disaster Declaration The restructure within Engineering Services in 2016 has seen the implementation of two dedicated staff to inspect roads on an inspection program and also deal with MERITS and complaints received Roads are inspected and rated with repairs scheduled in accordance with the risk matrix
	Pavements inspected to determine current condition rating in	Testing is undertaken on the pavements and is used in the design of forward plans and projects which are included within the Draft Budget

	setting forward plans and future financial commitments	Priorities have continued with Valla, Gumma , Scotts Head Roads and urban streets
	Record completed maintenance works in Maintenance Management System	Ongoing – traffic counts conducted as required
Construct roads as required	Extension of bitumen road network for sections that have undergone a significant change that warrants expenditure	Council policy is to direct funding towards the rehabilitation of the existing sealed road network Funding for the extension of the bitumen road network was provided in 2016 for North Arm Road to compliment natural disaster grant funding and remove long term maintenance issues Private external funding was provided to extend the bitumen seal on Williams Hills Road
Maintain and replace bridges according to Infrastructure Management	Bridge Inspection Program implemented to determine bridge condition and risk rate	The two year major Inspection program for bridges was carried out during 2012/13 Spot inspections were undertaken as required through 2013/14 and a detailed review of the Asset Management
Plan		Information from the 2013/14 was used to determine the bridge replacement program and program amended as needed and changes reported to Council for approval
		Spot inspections were undertaken as required through 2015/16 and new Asset Management Policy and Service Level Statement were adopted
		Detailed level two inspections commenced in 2016 to determine a five year maintenance program for bridges
		Level three inspections undertaken on two critical bridges.
	Inspect poor condition bridges to ensure adequate maintenance	Ongoing – inspections carried out through the period on bridges identified as poor condition to monitor whether maintenance required
		Detailed level two inspections commenced in 2016 to determine a five year maintenance program for bridges
	Inspect bridges with load limits three times this year to ensure safe	Three inspection of the bridges not always completed due to staff resources and work priority on the bridge program
	usage	Bridges were monitored when staff in the area
		Bridges with a load limit have been programmed for replacement in the bridge replacement program
		Load limited bridges are posted on Councils website
	Inspect bridges after	As required after storm events
		All bridges and infrastructure are inspected during and

		immediately after a storm event to ascertain damage and collect data and anticipated costs for Natural Disaster Declaration
		Bradley's bridge was closed and a side track constructed due to natural disaster event
Maintain and enhance footpaths and	Implement next stage of cycle way plan if funding is found	Cycleway from Nambucca to Kingsworth Estate completed following a \$650k grant
cycle ways in the Nambucca Valley		Council provided an additional \$20k from the RMS to investigate the extension from Kingsworth Estate to Macksville
		Cycleway Management Plan adopted by Council
		A strategy with the Highway asset handover is to reduce the pavement width to facilitate the extension of cycle lanes
Make footpaths safe for use by pedestrians	Annual inspection of 100% of footpath network	Inspections completed as part of Council's risk management
	Develop list of reconstruction priorities	Reconstruction priorities identified from annual inspections based on the risk rating and a program developed to match available funds
	Implement maintenance program to address damaged section and trips	Work program generated from 'Reflect' and to available funding following the footpath inspections and rating of the risk Maintenance Program generated from "Reflect" and trip hazards fixed with available funding. Footpath inspections
	Conduct emergency repairs	Inspections of hazards are undertaken as soon as the hazard is reported to Council
Provide new footpaths in high use areas	Construct footpaths as identified	Footpath at Valla Beach linking the shop complex to the Pre- school constructed as well as the Adin Street (Scotts Head) footpath linking the tennis courts to the Bowling Club
Provide car parking spaces	Ensure new developments provide for required number of car spaces as per Council's off-street parking code	All applicants have met the onsite parking requirements
	Review parking in CBD areas in context of S94 plan review	S94A Plan (flat rate contribution on new development) now in place. S94 Plan for parking is repealed
Maintain car parks	Provide biennial remarking of lines and regular intermediate inspections	In 2013/14 and 2015/16 Council completed the remarking of lines across the full car park and off street parking network
	Repair bitumen surface	Ongoing throughout the period
	Maintain landscape by weeding and replanting	Ongoing throughout the period

as necessary	

### Strategic Direction: Transport

### 9.2 Objective: Public Transport

Be involved, to the extent possible, in the maintenance and improvement of existing public transport services provided by private bus companies, community transport and the north coast rail line

Four Year Delivery Objective	Operational Plan Actions	Achievement
Lobby for the provision of public transport options for people who do not have access to private transport	Continue the work of the Shire's Access Committee	Monthly meetings were conducted during the reporting period Tran-Ed project was conducted to promote use of public transport by young people (60 young people) School holiday activities use public transport and have an education component where possible eg Minions Movie Day Submission to NSW Legislative Assembly Committee on Community Services, Inquiry Into Access To Transport For Seniors And Disadvantaged People In Rural And Regional NSW.
Install bus shelters at all locations where minimum number of commuters is 10	Conduct annual review based on statistics from bus operators	New shelter installed at the new residential estate area in Macksville Ongoing maintenance undertaken Survey undertaken with bus companies in 2016 to ascertain whether new locations were warranted Condition assessment of Bus Shelters undertaken, and poor identified structures planned for renewal.

### Strategic Direction: Dynamic, Resilient Local Economy

10. 1 Objective: Economic Activity

The Nambucca Valley has a strong economy, with a thriving and diverse business community

Four Year Delivery Objective	Operational Plan Actions	Achievement
Foster local development	Seek out and attend to all new business and	New RMS Service Centre at Cow Creek
opportunities and economic self-sufficiency through	investment enquiries	Develop the Macksville Memorial Aquatic Centre into a regional swimming facility new FINA blocks and starting system now 8 lanes, painting of facility
promotion, lobbying and direct action		Establishment of Norco distribution facility, RCA Civil Contractors, Master Hire, BDS Precision Placements, Mitchbrooke Masons, Crackerjack Cleaning, DSK Media
		Facilitated new Bio Dental facility
		Maintain the cattle industry network by gaining EPA approval for implementing new effluent system ensuring the sustainability of the sale yards into the future

	Provide business and marketing information to all new business and	Developing new social media marketing material including investment attraction material data, skills attraction
	investment enquiries	Develop electronic media material
		Develop new 2013 economic profile; deliver new marketing material and promote at the Australian Tourism exchange to promote international tourism visitation
		Present new Aboriginal tourism product to the market
		Seminars held on marketing, banking, e finance and procurement
		Promotion of Valla growth area
	Liaise with local	Australian Precast solution/Boral concrete
	Federal government departments concerned	Established CIVMEC pre caste yard - Macksville Pacifica precast yard Old Cost Road
	regional development	Implemented new clean energy funding AusIndustry for Mainstar
		Business feasibility funding for Mid Coast Trucks and Express Coaches future developments
		Australian Precast solution/Boral concrete traffic study for new highway upgrade Upper Warrell Creek
		Funding for sale yards effluent and Swimming pool upgrade
		Implementation of NBN wireless communication poles throughout the Shire
		NSW trade and investment funding export funding for Business expansion funding; establishment funding
		Telstra ADSL2 install Macksville Estate industrial estate, NBN to follow
<u> </u>	Participate in local and regional marketing	Ongoing – Focus on regional – Regional Food Network – RDA Board
	events and promotions, including regional tourism promotions and events	Participated in Country Week, Regional Tourism events and marketing initiatives including the Legendary Pacific Coast x 4 campaigns
		Attended Newcastle Tourism trade show
	Facilitate the adequate	Industrial land, Nambucca civil construction completed
	land for new business development	Land for developing industrial subdivision in the Valla Urban Growth area purchased (Cow Creek)
		Additional industrial land, Macksville - sold
	Apply for and secure	Funding for Express Coach (coach building business)

	grant funding from State and Federal government agencies for project development within the Shire	expansion \$150,000 Gumma Reserve-funding acquitted Funding application for Cow Creek pending Funding for Gumma Reserve Federal Government funding to Mainstar for solar energy Bio Dental for expansion funding EPA for sale vard effluent system implementation. WASIP
		funding for effluent system and acquitting funding
Foster local development opportunities and economic self-sufficiency through promotion, lobbying and direct action (continued)	Skill up community organisations through workshops/seminars to apply for available grant funding from government agencies Report to Council on development proposals for Council-owned land	One-on-one assistance provided in relation to specific applications Tourism Award; Community Achievement Awards Bowraville; Tidy Towns Bowraville Implementation of NBN wireless as per telecommunication strategy achieved Sold Lots 11 & 12 Nambucca Industrial Estate 5 Lots ready for sale Sold Lot 1 and 3 Coronation Park, Short Street Nambucca Heads
	Ensure the services of the Visitor Information Centre are well-utilised through training volunteers and developing promotional materials Redevelopment of	Training for volunteers in EFTPOS; Sales and Administration; Impart Media; and Book Easy was held Famils; new Do Your Bit campaign energy efficiency; visitor guides; new website look; and updated and upgraded booking system; reprint of brochures

10.2 Objective: Employment Nambucca Valley residents have increased opportunities for employment

Four Year Delivery Objective	Operational Plan Actions	Achievement
Foster local	Promote the availability	Industry Skills Expo with local TAFE and Industry
employment opportunities,	and benefits of providing apprenticeships and	Technology workshops ETC
reducing the unemployment rate in the	traineeships to industries, businesses and schools	Online Marketing Workshop Coffs Coast Digital Enterprise NBN
Nambucca Valley		Assist industry with sustainability to retain existing staff levels

	Inform local business of the New Dam project to ensure local content Inform local business networks of Pacific Highway business opportunities Unemployment 2010 was 10.4%; in 2014 was 8.4% 2014-15 Tendering workshops at 3 levels – national regional and local- particular focus on Highway extension work
Maintain links with the State and Federal agencies and non- government agencies with a role in employment and economic development	Trade and Investment Industry Mid North Coast Manufacture Coffs Coast NSW Business Chamber Industry Mid North Coast

10.3 Objective: Income and Wealth Our residents have access to an improved standard of living

Four Year Delivery Objective	Operational Plan Actions	Achievement
Assist people to improve their standard of living through the support of programs	Provide financial support for Rural Financial Counselling.	Offer of funding for Rural Financial Counselling Service was withdrawn following Council's review of its Donations Policy
	Conduct regular meetings with existing businesses to disseminate information and build networks	Maintained all existing networks

### 10.4 Objective: Skills Development

Residents of the Nambucca Valley have access to a range of opportunities to improve skills which will enable them to participate in the local economy

Four Year Delivery Objective	Operational Plan Actions	Achievement
Increase opportunities for and participation in school and post	Lobby for and support the establishment of education and training facilities and initiatives	DEEWR, RDA, Industry Mid North Coast, Aged Care, tourism, CSU, SCU, Catholic Church, Uniting Church
school education and training	Promote the availability and benefits of providing apprenticeships and traineeships, to industries, businesses and schools	New trade training allowance Local Skills Expo with Industry - ongoing

### Strategic Direction: A Sustainable Water Cycle

### 11.1 Objective: Water Management

Ensure the water resources of the Nambucca Valley are used sustainably, meeting current and future demand

Four Year Delivery Objective	Operational Plan Actions	Achievement
Provide a water supply that meets Government standards,	Let tender for construction of proposed Off River Storage project, subject to State funding being received	Tender awarded by Council for two contracts in August 2012 and project completed in October 2014. Project totals \$54M with Federal and State Governments contributing \$24.8M
through continued implementation		Construction of the Bowra Dam was completed in 2015 and awarded an IPWEA Engineering Excellence Award
of the integrated water cycle management strategy for water supply	Refurbish existing older concrete reservoirs	Ongoing removal of redundant rusted fixtures and replacement of internal steel ladders with FRP ladders
	Continue replacement of remaining asbestos cement pipework in reticulation system	Program for ongoing replacement of older mains focused on AC pipe with known record of breakages as funds permit
	Renewal of fluoridation and chlorination plants	New dosing equipment installed and operating satisfactorily
	Regular maintenance and improvements to the system	Installation of pressure reduction valves to reduce leakage and number of breakages
	Timely responses to emergencies	Staff respond within two (2) hours

11.2 Objective: Sewerage Services Ensure the capacity of Nambucca Valley's sewerage services meet population growth and community expectations for improved effluent quality

Four Year Delivery Objective	Operational Plan Actions	Achievement
Provide a water and sewerage supply which	Completion of Nambucca Heads Sewerage Augmentation	Plant upgrade completed in 2012 and responsibility for operation and maintenance of plant with Council
meets Government	project	Effluent test results are meeting all license requirements
standards through implementation of the integrated water cycle management strategy for sewage collection and treatment	Construction of sewerage pump stations at South Macksville urban release area	Pump stations installed, completed and residential land now being released
	Ongoing sewage pump replacements and mains replacement/rehabilitat- ion works	Ongoing replacement of pumps as required as well as general improvements including new pumps station lids
	CCTV investigation of existing sewerage pipe network	CCTV investigations completed and a works program developed for rectification works
		Cross connections of stormwater drainage to sewer have been identified through testing and ratepayers requested to implement remedial action
	Effective treatment and maintenance of the system	Council carries out monitoring program in accordance with EPA requirement
		Target of 100% compliance has not yet been reached
	Timely response to emergencies	All surcharge incidents are responded to in a timely manner

Appendix 2 – State of the Environment Report - Council Term 2012-2016

# Regional State of the Environment 2016

# For the North Coast Region of New South Wales

# REGIONAL STATE OF 2016



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### Regional State of the Environment 2016

The preparation of the Regional State of the Environment 2016 was funded by the 15 participating general and county councils of the North Coast Region of New South Wales (NSW) and North Coast Local Land Services (NCLLS).

The information contained in this publication is based on the technical knowledge and understanding of the authors and reviewers and is current at the time of preparation (November 2016). However, users are reminded of the need to ensure that the information upon which they rely is up-to-date, and to check the currency of the information with appropriate government agencies or an independent advisor. Published by

North Coast Region State of the Environment Report Working Group (on behalf of the participating councils and agency)

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### November 2016

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### Abbreviations and Units of Measurement

ASS	acid sulfate soils
BFT	biodiversity forecasting tool
CAP	catchment action plan
CMA	Catchment Management Authority (now Local Land Services)
CZMP	coastal zone management plan
DPI	Department of Primary Industries
DPI Water	NSW Water
EHA	effective habitat area
EPA	Environment Protection Agency
GDE	groundwater dependent ecosystem
ICOLL	intermittently closed or open lakes or lagoons
IP&R	integrated planning and reporting
LEP	local environment plan
LGA	local government area
LLS	Local Land Services
MER	monitoring, evaluation and reporting
MPA	marine protected area
NRC	Natural Resources Commission
NRM	natural resource management
OEH	Office of Environment and Heritage
OSMS	onsite sewage management system
RSoE	Regional State of the Environment Report 2016
SEQ	south-east Queensland Catchments
SLATS	state-wide land cover and trees study
SoE	State of the Environment report
SMU	soil management unit
WSP	water sharing plan
WSUD	water sensitive urban design
WWTP	waste water treatment plant

Units of I	Units of Measurement			
CO <sub>2</sub> -e	carbon dioxide equivalent	kL	kilolitre	
ha	hectare	kWh	kilowatt hour	
GJ	gigajoule	ML	megalitre	
MWh	megawatt hour	Mt	megatonne	
kg	kilogram	ppm	parts per million	

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# Introduction

This Regional State of the Environment 2016 (RSoE) is the second prepared for the North Coast Region of New South Wales (NSW). It involved collaboration between the 12 general purpose councils (councils) along the Region's coast, (from Port Macquarie-Hastings Council in the south to Tweed Shire Council in the north and including Lismore and Kyogle councils), three county councils (now Rous County Council), and the North Coast Local Land Services (formerly the Northern Rivers Catchment Management Authority). It aims to report on environmental condition at both a regional and local level primarily for the 2012 to 2016 reporting period, but including information from the 2012 RSoE where relevant.

The RSoE utilises national, state and local data which is broken down by local government area where possible to provide local trends but is also used to provide regional trends. The reporting region for the 2016 report has changed since the 2012 report due to the transition of the Northern Rivers Catchment Management Authority (CMA) to the North Coast Local Land Services (LLS) in 2014. This change resulted in the reporting region changing to match the boundaries of the twelve participating Local Government Areas (LGA). Figure 1 shows the location of the region and participating LGAs for 2016.

Initiated by the Department of Premier and Cabinet and brokered by the former Northern Rivers CMA (now North Coast Local Land Services – NCLLS), the RSoE Report Project commenced in 2009, with a project working group developing a set of indicators specifically for the reporting region. The first report was produced in 2012. The report is funded by the 15 participating councils and North Coast Local Land Services. By working together, the councils in partnership with LLS hope this report will provide a regional perspective on the current environmental state while also providing locallyrelevant information.

### State of the environment reporting

A state of the environment (SoE) report serves to inform the community and local and state governments on the condition of the environment in the reporting area, key pressures acting on the environment, and responses to those key pressures.

This **condition-pressure-response** information can be used to increase community awareness of environmental issues, and to guide natural resource managers in prioritising and addressing management actions.

SoE reporting is a requirement for local government under the Local Government Act 1993. Amendments to the Act in 2009 altered the reporting schedule and structure, requiring a comprehensive SoE report every 4 years (in the year of an ordinary election). The SoE reports are part of the NSW Government's Integrated Planning and Reporting (IP&R) framework. This framework guides each council's strategic planning and reporting, and requires the creation of a community strategic plan which incorporates environmental objectives among other things. The RSoE provides environmental benchmarks which councils and natural resource managers can use for better decisionmaking.

# Objectives of the Regional SoE

The objectives of the Regional SoE include:

- To provide a common set of themes and indicators that report on meaningful trends in environmental health at a regional scale over time, with a shift in the emphasis towards indicators of natural resource condition rather than pressure and response
- To enhance data gathering, sharing, assessment and publication processes across all stakeholders and reporting frameworks
- To integrate, align and standardise local, regional and state reporting processes such as NSW SoE, State of the Catch ments and regional natural resource management (NRM) prioritisation and investment processes
- To develop a broader, more inclusive framework that captures more NRM programs and stakeholders
- To provide a more accessible and meaningful report for community and decision-makers on the condition of the local environment and where resources are best placed to respond to community expectations
- To reduce duplication of resources in SoE and NRM reporting
- To link regional priorities and targets via the various regional plans and the environmental component of local government community strategic plans.

### Relationship to other state-wide and regional reporting

The RSoE for the North Coast Region of NSW attempts to integrate aspects of the following reporting that is undertaken in the Region:

- 'NSW Natural Resources Monitoring, Evaluation and Reporting Strategy' (NSW MER Strategy) which reports across a range of environmental themes across the State
- State of the Catchments which reports against catchment management authority (CMA) regions and are yet to be repeated for the new LLS regions
- North Coast LLS which reports annually on the Region's investment, but does not currently consider the achievements of other NRM stakeholders (e.g. local governments)
- NSW SoE reports which are prepared without any tangible links to local government SoE or LLS reporting.

These frameworks report independently of each other and are not delivered in an integrated or strategic manner. As such, they do little to inform state-wide SoE reporting, the NSW 2021 state plan targets, or regional NRM prioritisation and investment processes. It is a goal of the NSW MER strategy to better integrate and streamline regional NRM reporting to enable local government reporting to inform State of Catchment reporting and vice versa (DECCW 2010a).

### Regional partnership

The *Local Government Act 1993* encourages regional reporting as it provides not just an isolated assessment of an area with an arbitrary administrative boundary (a council area) but a catchment and regional picture incorporating a range of environmental features. It also encourages collaborations, which allow broadscale projects to be implemented with better regional outcomes, and assists with management of shared resources, particularly rivers and areas of special ecological significance.

The RSoE Report Project partnership is between the participating general councils and county councils in the North Coast Region (Figure 1), supported by LLS. NSW Government agencies are also involved in the project providing expertise and data. Involved agencies include Department of Premier and Cabinet, Division of Local Government, Office of Environment and Heritage (OEH), Department of Primary Industries (DPI), Department of Lands, DPI Water, and the NSW Food Authority.

### Participating councils are:

- Ballina Shire Council
- Bellingen Shire Council
- Byron Shire Council
- Clarence Valley Council
- Coffs Harbour City Council
- Kempsey Shire Council
- Kyogle Shire Council
- Lismore City Council
- Nambucca Shire Council
- Port Macquarie Hastings Council
- Richmond Valley Council
- Tweed Shire Council
- Far North Coast Weeds\*
- Richmond River County Council\*
- Rous Water\*

\* now merged into Rous County Council

In this report, the 'region' refers to the area covered by the 12 participating councils.

### Photo: Coffs Harbour City Council





### Report structure, indicators & data

The report is made up of a suite of documents – an overall Summary, the main technical report (this document) and individual Summaries for each Local Government Area (LGA) within the reporting region. All documents are available on each participating Councils' websites.

The four environmental themes are:

- 1. People and the Environment
- 2. Biodiversity and Vegetation
- 3. Land and Soils
- 4. Water.

These themes were selected as they are compatible with the State-wide standard and targets established by the Natural Resources Commission (NRC 2005), the body that guides NRM and monitoring, evaluation and reporting in NSW. Each theme contains a number of resource categories which each have indicators and measures. There are 20 resource categories in total. Indicators relate to condition, pressure or response. Themes, resource categories and indicators are shown in Table 1. The indicators focus on environmental condition as a better reflection of environmental state rather than pressure and response. The 2012 RSoE Report was considered as a baseline of environmental condition for the reporting region to then use as a guide when reporting again in 2016. The 2016 report also has a condition focus identifying trends where possible.

Data has been provided by all participating councils, OEH, Department of Primary Industries (DPI), North Coast Local Land Services (LLS), DPI Water, and Landcare. Not all councils and agencies could supply all the requested data, so in some instances there are data gaps. Where there are data gaps that cannot be filled, they are noted in the respective data table, figure or text. Major data gaps exist for wetlands, riparian vegetation, rocky reef biota and soils/land management. These are detailed in the text and are also recognised widely at regional, state and national levels (see DECCW 2010b; State of the Environment 2011 Committee).

Data quality is highly variable, and a rating of data quality is provided for each indicator. Quality ratings were either provided by the data custodian or were based on discussion with the data custodian. High quality data indicates the data provider has confidence the data is accurate and reliable. Medium data quality is mostly accurate and reliable but has a small degree of error or uncertainty. Low quality data has inaccuracies and a large degree of uncertainty, which may be due to an incomplete dataset or the methods used to collect the data.

Photo: A Harrison



# Table 1:Themes, resource categories, indicators and measures used in the<br/>Regional SoE 2016 (C=Condition , P=Pressure, R=Response)

Section	Resource category	Indicator	Measure/s	C/P/R
		Theme 1: People and the environ	ment	
1.1	Regional climate characteristics	Climatic conditions that prevailed from 2012 to 2016	General description including rainfall, temperature and flooding	с
	Population characteristics and	Population growth and distribution	Population statistics from the Australian Bureau	С
1.2	change	Population densities	of Statistics for 2001, 2006 and 2011	Р
		Atmospheric carbon dioxide (CO <sub>2</sub> ) concentrations	CO <sub>2</sub> concentration in parts per million for 2012	с
			Total energy consumption and emissions by LGA	Р
1.3	Climate change: reducing emissions and preparing for change	Annual greenhouse gas emissions — tonnes $CO_2$ equivalent ( $CO_2$ -e) per capita by LGA	Council operational energy consumption (streetlights, service and infrastructure provision), total fuel consumption, and emissions by IGA	Р
		Greenhouse gas abatement — tonnes of CO <sub>2</sub> -e	Total renewable energy exported to the grid and tonnes $CO_2$ -e abated by LGA	R
		abated	Report on council abatement works and estimated tonnes CO <sub>2</sub> -e abated	R
1.4	Curfess water down a	Future attice	Kilolitres consumed in total by LGA and percentage residential, non-residential	Р
1.4	Surface water demand	Extraction	Total kilolitres consumed per connection by LGA 2010–16	Р
1.5	Waste	Total waste generated	Total waste to waste management facilities by LGA and per capita for 2010–16. Domestic waste comparison across LGAs	с
		Total waste diverted from landfill	Total waste recycled or diverted from landfill per capita for 2010–16	R
1.6	Environmental Levy	Environmental Levy by LGA	Levy funding by LGA and its distribution	R
		Theme 2: Biodiversity and vegeta	tion	-
		Habitat connectivity	Connectivity index based on Biodiversity	с
	Ecologically functional landscapes	Effective babitat area	Area based on BET modelling	C
		Net vegetation change — clearing	Area cleared based on Statewide Landcover and Trees Study (SLATS) methodology; Private Native Forestry approvals by LGA	Р
2.1		Management of key habitats and priority areas	Number of national, state, regional and local plans and strategies in place to protect biodiversity	R
			Number of strategies, plans and programs guiding biodiversity management by LGA	R
		Vegetation mapping	Type of mapping and status	R
2.2	Nativo vogotation roctoration	Habitat areas restored	Area in hectares	R
2.2		and public land	restoration	R
		Actions to protect native vegetation	estate by LGA	R
2.3	Conservation reserves and agreements	Council land-use zoning	environment plans (LEP) for area under environmental protection	R
		Land protected under conservation agreements	Number and area of agreements by type and agency	R
2.4	Native flora and fauna	Threatened species, populations and communities	Number by LGA	с
		Key threatening processes	Number by LGA	Р
		Extent of invasive weed species	Extent of area protected (hectares) High risk sites, pathways and priority sites	C/P
			identified (area, length and number)	ĸ
2.5	Invasive species	Extent of invasive weed control	Area and length of high risk sites and pathways treated	R
		Eutomb of most fourier and store	Evidence of reduced weed impacts (area)	R
		Extent of pest fauna species	Current pest distributions	C/P D
		Indumber of hest control brograms	Current pest control programs by LGA	ĸ

### Table 1: Continued

Section	Resource category	Indicator	Measure/s	C/P/R
Theme 3: Soils and land use				
3.1	Soils	Soil condition	Soil management unit condition by NSW MER Strategy indicator	с
3.2	Land use	Land managed within its capability	Land management by soil monitoring unit and NSW MER Strategy indicator	Р
3.3	Funded land and soils management activities	State and federally funded soil and land management activities	Area of land under soil rehabilitation works	R
3.4	Acid sulphate soils	Extent of acid sulfate soils (ASS): hotspots and drainage density	Area of ASS hotspots, high and low risk ASS soils, and length of ASS drains	Р
		Area of remediated acid sulfate soils, drains and associated wetlands	Area of ASS and associated wetlands remediated	R
3.5	Mining activity	Mining and exploration licences by LGA	Number and area of current licences and applications	Р
Theme 4: Water				
4.1	Estuarine & freshwater rivers	Water quality, macro invertebrates and fish assemblages	Ecohealth assessment results, NSW MER Strategy program results for water quality, macroinvertebrates, and fish assemblages	с
		Presence of riparian vegetation	Length or area of known riparian vegetation and condition of mapped riparian vegetation by LGA	с
		Waste water treatment plant (WWTP) performance	Volume and percentage of wastewater discharged to waterways and reused by LGA	P/R
		On-site sewage management system (OSMS) performance	Total number OSMS, number inspected per annum, number of failures and estimate of unknown or unregistered OSMS by LGA	P/R
		River restoration works and riparian vegetation restoration	Area or kilometres and activity or project type	R
		Stormwater improvement works and water sensitive urban design (WSUD) plans	Stormwater management and WSUD plans by LGA	R
			Stormwater improvement works by LGA	R
4.2	Wetlands	Wetland condition	Water quality, soil quality, biota and presence of pests from NSW MER Strategy program	с
		Wetland pressure	Catchment, hydrological and habitat disturbance and alteration from NSW MER Strategy program	Р
		Wetland remediation	Area remediated by LGA	R
4.3	Groundwater	Groundwater quality	If data available	С
		Groundwater extraction	Percent of long-term annual extraction limit allocated and risk category by groundwater source	Р
		Number of groundwater dependent ecosystems (GDE) under water sharing plans	Water sharing plans status for 2016 and number of GDEs covered by them	R
4.4	Near-shore marine	Marine water quality	Beachwatch results for 2016 and marine Chlorophyll-a levels	с
		Rocky reef biota	Current status of seabed mapping, reef fish assemblages, mollusc and fish species richness and marine debris	С
		Area of marine protected areas	Area of marine protected areas in the North Coast Region and zoning for activities	R
		Coastline management	Status by LGA for coastal hazards mapping and coastal zone management plan preparation	R

## The reporting region

The reporting region falls within the North Coast Region, which extends from the Camden Haven River south of Port Macquarie to the Queensland border in the north, and west to the tablelands (Figure 2). This Region is characterised some of the NSW coast's largest river systems, and by the Great Dividing Range and its presence so close to the coast. The coast itself is dotted with coastal lakes and estuaries, headlands and coastal wetlands. Just inland from the coastal lowlands is the escarpment of the Great Dividing Range, with hills and valleys and remnant forest. Further west the land rises to the plateau, with World Heritage-listed rainforest at Dorrigo, and surrounding agricultural land as the plateau extends west to the northern tablelands. The Region is renowned for its biodiversity, with the Macleay-McPherson Overlap which results in both temperate and tropical species and ecosystems occurring in the same region, many at the extent of their range. A similar overlap occurs in the adjacent marine waters, where temperate, subtropical and tropical waters meet, creating an outstanding diversity of marine life (DECCW 2010d).

The Region's biodiversity is recognised through World Heritage areas, marine parks, an aquatic reserve, indigenous protected areas, and national parks and nature reserves which occupy 23% of the reporting region. The area sustains increasing population levels, with associated industry, development and agriculture. Significant changes have occurred since European settlement, with major timber industries clearing large parts of the North Coast Region in the late 1800s, clearing for agricultural use, and alterations of rivers and estuaries for water supply, cropping and other purposes. Current industries in the Region include grazing, timber, horticulture, cropping, commercial fishing, dairying, aquaculture and tourism.

The Region faces a range of pressures including an increasing population centred on the coast, associated increasing natural resource use and expanding urban areas. Monitoring of these pressures and their impacts is critical to allow timely management to prevent further degradation of an already impacted environment.

Photo: Lismore City Council









# ONE



Photo: Bellingen Shire Council

# People and the Environment

Since the first RSoE report for the North Coast region of NSW in 2012, there has been significant population growth in some areas, little change in others, and a very different weather pattern to the La Niña –dominated weather of the last report. Pressures are increasing for a number of indicators, but reducing for others as is detailed in this Theme. This section discusses the current condition of the region's population and climate, the pressures of population density, greenhouse gas emissions, water extraction and waste generation, and identifies trends since the 2012 RSOE report.

## 1.1 Regional climate characteristics

INDICATOR: DATA SOURCE: DATA QUALITY: Climatic conditions that prevailed throughout 2012–16 (CONDITION) Bureau of Meteorology High

2012 saw the end of the four-year La Niña cycle and resultant above average rainfall. The North Coast was deluged twice in January 2013 with the tail-end of ex-Tropical cyclone Oswald followed by an east coast low which resulted in two separate major flood events across the entire region.

Rainfall in 2014 was below average with no flooding recorded in the region, and 2015 rainfall records show average rainfall across the region despite the El Niño which resulted in below average rainfall in other regions. In 2016, the June east coast low brought record-breaking daily rainfall totals on June 5th to all areas within the Region, resulting in flooding, extensive coastal erosion and infrastructure damage (BOM 2016a).


Figure 3: Annual rainfall for three major centres in the region (Source: Bureau of Meteorology)

2013 was Australia's warmest year on record. Persistent and widespread warmth throughout the year led to record-breaking temperatures and several severe bushfires. 2014 was Australia's third-warmest year on record, and 2015 fifth warmest but also dry due to the El Niño conditions. In October 2015 the region experienced heatwaves and temperatures well above the mean, recording record-breaking temperatures in many locations (BOM 2013, 2014, 2015).

The variable nature of our regional climate with at least annual flooding in some areas and the vagaries of rainfall due to the southern oscillation index status (el Niño/la Niña) provides the region's councils with challenges to manage the consequences of these climate events. The extreme rainfall and widespread flooding cause water quality and river/estuary health issues due to the high nutrient and sediment loads that enter river systems during floods. Some studies indicate that nutrient and sediment loads carried by floodwater are underestimated (Wallace et al. 2009). River systems do recover from floods, but reducing sediment and nutrient loads during flood events is vital and possible with good land management practices and adequate riparian vegetation. Additionally, the drier times with less reliable rainfall place increased stress on water resources, which are mostly unregulated in the reporting region. These are discussed under Theme 4: Water.

## 1.2 Population characteristics and change

INDICATORS:	Population growth and distribution (CONDITION) Population densities (PRESSURE)
DATA SOURCE: DATA QUALITY:	Australian Bureau of Statistics
TREND:	Increasing pressure

The North Coast Region of NSW continues to experience significant population growth in the Tweed, Port Macquarie-Hastings and Coffs Harbour LGAs. Byron Shire recorded the highest population growth in the region since 2009, growing by 7.14%, just below the NSW average of 7.99%. Over the same period, the population of Tweed LGA grew by 6.84%, Port Macquarie-Hastings increased by 6.56% and Coffs Harbour by 5.2%. Other LGAs have a very stable population, with Kyogle Shire only experiencing a 0.24% increase – 23 people – and Clarence Valley increasing by 1.2%. (see Figures 4 and 5). No LGAs decreased in population over this period (ABS 2016).

The regional profile is one of high coastal population pressure which reduces with increasing distance from the coast. Growth is centred on the largest towns, indicating employment, industry and economic growth continue to influence population change. The large increase in Byron Shire's population may be due to the lifting of the sewer moratorium in 2008 and the waiving of development application contributions for secondary dwellings (Byron Shire pers. comm. 2016). The North Coast population profile is typical of NSW and the east coast of Australia, and places increasing pressure on state and local governments to manage the disproportionate growth along the coastal fringe.

Population density is highest in the Ballina, Tweed and Coffs Harbour LGAs, with densities of 85, 70 and 62 people per square kilometre respectively. Byron was next at 58 people per square kilometre. Kyogle had the lowest population density at 3 people per square kilometre, with Clarence Valley next lowest at 5 (ABS 2016).



Figure 4: Population change by LGA from 2009 to 2015 (source: ABS)



# Figure 5: Percentage change in population by LGA since 2009 (Source: ABS)



# Figure 6: Population density by LGA in 2015 (Source: ABS)

## 1.3 Climate change: reducing emissions and preparing for change

INDICATOR: DATA SOURCE:	Atmospheric carbon dioxide concentrations (CONDITION) CSIRO
TREND:	High Increasing Pressure
INDICATORS:	Emissions per capita and annual council emissions (PRESSURE) Greenhouse gas abatement — tonnes of carbon dioxide equivalent (RESPONSE)
DATA SOURCE:	Commonwealth of Australia, councils, county councils, Essential Energy
DATA QUALITY:	Medium to high
TREND:	Reducing pressure regionally for electricity emissions, increasing pressure for fuel emissions

Since the 2012 RSOE report, the region has experienced the hottest year on record, the hottest autumn on record, record-breaking rainfall, and extreme east coast lows. The sea surface temperatures in eastern Australia have continued to show an increasing trend, reflecting the global trend of increasing air and water temperatures (BOM 2016b). Atmospheric concentrations of greenhouse gases are measured globally, and carbon dioxide is the greenhouse gas of greatest importance as it has been the largest contributor to global warming (IPCC 2007). Greenhouse gas emissions are calculated by converting them to carbon dioxide equivalent (CO<sub>2</sub>-e), which allows comparison across all emissions relative to carbon dioxide concentration.

## 1.3.1 Atmospheric carbon dioxide concentrations

There are no local or regional data on carbon dioxide concentrations, so this section discusses national trends. Cape Grim in Tasmania has been monitoring the atmospheric concentration of carbon dioxide since 1976, and is one of three premier baseline air pollution stations in the World Meteorological Organization's Global Atmosphere Watch network. The Cape Grim Baseline Air Pollution Station monitors southern hemispheric air, while in the northern hemisphere the Mauna Loa Observatory in Hawaii has been continuously monitoring and collecting data related to atmospheric change since the 1950s. The third monitoring station is in Greenland (CSIRO 2016).

In April 2012 the concentration of carbon dioxide at Cape Grim was 388.8 parts per million (ppm). By August 2016, it had reached 401.42 ppm, indicative of the rising trend since 1976 (see Figure 7 – CSIRO 2016).



Figure 7: Atmospheric carbon dioxide concentrations measured at Cape Grim, Tasmania (Source: CSIRO)

## 1.3.2 National greenhouse gas emissions

There are no local data so this section discusses national trends. Australia's annual total emissions for the year to December 2015 are estimated to be 535.7 Mt  $CO_2$ -e, which is a very slight decrease of 2% since the March 2012 level of 546.8 megatonnes (Mt)  $CO_2$ -e (see Figure 8 – Department of the Environment and Energy 2016).

Emissions per capita and the emissions intensity of the economy, including the Land Use, Land Use Change and Forestry sector, were both at their lowest levels in 26 years in the year to December 2015 (Department of the Environment and Energy 2016). However, emissions from electricity generation and use, as well as transport are still increasing, but are offset by reductions in emissions from agriculture and forestry/land use changes since 1990. In the past 12 months, emissions from Land use, Land use change and Forestry (LULUCF) have increased by 50% but contribute only 1% of Australia's overall emissions (see Figure 9 - Department of the Environment and Energy 2016). Per capita, Australians currently emit 22.5 tonnes  $CO_2$ -e per annum, compared to 25.4 tonnes  $CO_2$ -e per annum in 2012 (Department of the Environment and Energy 2016).



Figure 8: National greenhouse gas emissions by year (Source: DEE 2016)



Figure 9: Emissions by sector since 1990 (Source: DEE 2016)

## 1.3.3 Local greenhouse gas emissions

With electricity being the highest sector contributing to greenhouse gas emissions in Australia, reducing energy consumption while increasing the contribution of renewable energy production is essential to reducing emissions. Many councils within the region have committed to emissions reduction plans or similar which set targets for emissions reduction and increases in renewable energy infrastructure.

#### Regional greenhouse gas emissions

Essential Energy, the primary energy provider in the reporting region, provided total energy consumption data by postcode for the period 2011–2016 for residential and non-residential consumers, as well as the level of renewable electricity fed back to the grid from roof top solar installations. The postcodes were apportioned to the relevant LGA using the ABS Census methodology. This information was used to generate per capita energy consumption for each LGA and for the reporting region (see figures 10 and 11). The data shows that across the reporting region, residential and non-residential energy consumption is equal at exactly 50% each. Bellingen had the highest residential proportion at 57%, and Lismore the lowest at 42%.

Total electricity consumption from the grid across the region is very stable for both residential and non-residential connections from 2011 to 2016. This demonstrates the contribution of roof-top solar installations and energy-efficiency measures, as the population has grown but total electricity use has not. Most roof-top solar installations are on net meters, meaning the electricity they produce is not measured, only the demand from the grid is measured along with any excess electricity generated and fed back to the grid. With roof top solar installations now at nearly 30% of all households in some LGAs, they are making a significant contribution to electricity demand, but this is unmeasured.



#### Figure 10: Electricity consumption by LGA for 2015/16 residential and non-residential (source: Essential Energy)



Figure 11: Total regional electricity consumption 2011-2016 (source: Essential Energy)

For residential electricity use, per capita consumption has been stable within each LGA over the five years of data collection. There are variations between LGAs, with Kyogle having the highest per capita consumption at 3,155 kiloWatt hours annually, and Richmond Valley the lowest at 1,960 kiloWatt hours per person annually (figure 12).

Residential per capita electricity consumption and associated emissions are consistent across the reporting region, with an average of 2 tonnes  $CO_2$ -e emitted per person in 2016. For the reporting region, a total of 2,362.36 gigawatt hours of electricity was consumed in 2016, emitting 1.98 million tonnes of  $CO_2$ -e. Note: figures quoted in the 2012 RSoE report cannot be compared as the methodology used and data obtained are different.



Figure 12: Per capita residential electricity consumption by LGA from 2011 to 2016 (source: Essential Energy)

#### Council greenhouse gas emissions

Council electricity and fuel consumption was collected from 2010 to 2016 for most Councils. Council energy consumption includes all council assets and buildings such as office and library buildings, depots, sewerage treatment plants, water treatment facilities, swimming pools and streetlighting. Fuel consumption includes use by all council vehicles and plant equipment.

For all councils, emissions from general electricity consumption are the largest contributor to the total greenhouse gases, and consumption is highly variable. Port Macquarie-Hastings Council has the highest per capita emissions from electricity use in the region, almost three times the regional average. However, the installation of a number of roof-top solar systems has reduced the emissions by almost 25% in 2016, down from 611 kg CO<sub>2</sub>e in 2014/15. Coffs Harbour, Ballina and Tweed councils have the next highest per capita electricity consumption at 182, 179.2 and 179 kg CO<sub>2</sub>-e per person respectively. Kyogle, Bellingen and Nambucca councils have the lowest per capita emissiosn at 100, 122, and 123 kg CO<sub>2</sub>-e in 2015/16. The general trend across the region is a slight decrease in emissions of 2.5% since 2012.



Figure 13: Greenhouse gas emissions by LGA and per capita for electricity, streetlighting and fuel consumption by councils for 2015 (Source: Councils) Greenhouse gas emissions from streetlighting are generally stable across all councils, as the majority have installed energy-efficient streetlighting as part of the former Cities for Climate program.

Fuel consumption is also variable across the reporting councils, with Kyogle, Richmond Valley and Lismore having the highest per capita fuel consumption at 47.2, 44.8 and 31.8 kg CO<sub>2</sub>- e respectively for 2014/15, and Coffs Harbour, Tweed, Port Macquarie-Hastings, and Byron councils the lowest at 12, 14.0, 14.1, and 14.4 kg CO2-e in 2014/15 respectively (see figure 15). Fuel use may vary due to events such as severe storms, fires or increased building works. The general trend across the region is that fuel use is increasing by at least 10% for every council except Tweed, which has dropped by 10%.

However, emissions should not be directly compared between LGAs as the services provided by the three county councils (now amalgamated into Rous County Council) span multiple northern LGAs and need to be taken into consideration when interpreting the emissions of individual councils. Richmond River County Council services Ballina, Lismore and Richmond Valley LGAs; Far North Coast Weeds services Tweed, Byron, Ballina, Kyogle, Lismore, and Richmond Valley LGAs and Rous Water supplies water to Ballina, Byron, Lismore and Richmond Valley LGAs. In the southern LGAs, these services are all provided by individual LGAs. Rous Water emitted almost 5,000 tonnes  $CO_2$ -e in 2014/15 for its water treatment and supply operations, adding around 1,000 tonnes  $CO_2$ -e to each of the councils it supplies, indicating the energy-intensive nature of water treatment.

In 2014/15, a total of 153,000 tonnes  $CO_2$ -e were emitted by councils across the region, equivalent to 300 kg per person.



#### Figure 14:Council per capita electricity emissions 2011 to 2016 \* incomplete dataset (Source: Councils)





## Figure 16: Total council emission for 2016 by LGA Measure in tonnes CO2-e (Source: Councils)

#### 1.3.4 Greenhouse gas abatement

In response to increasing greenhouse gas emissions, councils are looking at a variety of mechanisms to reduce emissions from their operations. Some of the region's councils have committed to renewable energy targets and have reduced their vehicle fleets. Many have retrofitted buildings, are creating energy from waste, and are installing large capacity roof-top solar.

Table 2 summarises the various measures each council in the reporting region has implemented to reduce their operational emissions and the estimated abatement.

Local Government Area	Abatement description	tonnes CO <sub>2</sub> -e abated 2015/16
Ballina	Large capacity solar installation in 2014 plus smaller systems (1 x 300kW 1 x 40kW, 4 x 10kW), Comprehensive fleet management system, use of biodiesel	500
Bellingen	Multiple roof-top solar installations, lighting upgrades for many council assets, two solar hot water systems at council pools	300
Byron	Multiple reroof-top soar installations, commercial volume hot water system at holiday park, ongoing education programs	300
Clarence Valley	Five roof-top solar installations, one 51 kW capacity, vehicle fleet improvements, landfill gas flaring	10,300
Coffs Harbour	Rigby House large solar power installation from 2010 still performing well, multiple smaller roof-top solar installations, commercial capacity solar hot water at holiday parks and community facilities, bicycle fleet implemented in 2011 for short trips, streetlighting upgrade in 2002 still performing well, and the Englands Rd landfill gas flare	9,000
Kempsey	One large scale solar installation, numerous smaller ones, and ongoing vehicle efficiency monitoring. StreetIghting upgrade in 2009 still performing.	200
Kyogle	Seven roof-top solar installations, six installed in 2015/16	77
Lismore	A variety of roof-top solar installations, vehicle fleet improvements, waste water treatment plant upgrades	1,428
Nambucca	Purchase of energy-efficient vehicles with engine cut-off feature	50
Port Macquarie - Hastings	Four large capacity solar installations	300
Richmond Valley	Some roof-top solar installations and streetlighting upgrade	61
Tweed	Two large capacity and multiple smaller capacity roof-top solar installations, vehicle fleet efficiencies, change to on-line and electronic processing, solar streetlighting in 1 location,	250
	TOTAL	22,766

#### Table 2: Tonnes CO<sub>2</sub>-e abated through council initiatives (Source: Councils)

Not all actions have had emissions estimates calculated, but the various initiatives have resulted in at least 22,766 tonnes  $CO_2$ -e being abated in the reporting region, equating to approximately 15% of total council emissions across the region.

Since the 2012 RSoE, there has been a substantial increase in the installation of roof-top solar on dwellings throughout the reporting region. In 2012, the highest level of roof-top solar was 21% of dwellings in some suburbs of the Ballina Shire. Ballina Shire now has 29.7% of all dwellings with roof-top solar, and the level of renewable energy fed back to the grid has increased by 65%. Data from the Australian Photovoltaic Institute (www. pv-map.apvi.org.au) indicates the level of roof-top solar installation on dwellings ranges from 18.1% in Kempsey Shire to 29.7% in Ballina Shire, with a regional average of 24.2% (see figure 17). AS previously discussed, as all roof-top solar will be on net meters by the end of 2016, the contribution of solar to electricity production will not be actively measured.



## Figure 17: Percentage of dwellings with roof-top solar (Source: APVI 2016)

Analysis of data provided by Essential Energy indicated in 2012 approximately 128 kilowatt hours (kWh) of renewable electricity was fed back to the grid per person, whereas in 2016 it had risen to 230 kWh (figure 17). However, this energy generation only contributes 5% of the total electricity consumption in the region (up from 1.5% in 2012).

The amount of electricity generated from domestic solar installations and used within those dwellings is not measured so it is difficult to determine the full contribution of roof-top solar to total domestic electricity demand. Some of the electricity consumption figures may indicate that those with roof-top solar may not be making the most of their asset. For example, Kyogle Shire has the highest per capita electricity consumption from the grid but also the highest per capita renewable energy fed back to the grid. This is a common scenario across the region which may be due to the generous feed-in tariff which ceases at the end of 2016, or it may indicate householders would benefit from better education by solar providers on how to maximise the benefits of solar. The current innovations in battery storage for solar will ensure that in a few years many households will be generating a much higher proportion of their electricity consumption from their roof-top solar.



Figure 18: Per capita renewable energy fed back to the grid (roof-top solar) 2011-2016 (Source: Essential Energy)

Kyogle, Ballina and Tweed LGAs have the highest level of renewable energy generation, with Kempsey and Coffs Harbour the lowest generators as shown in Figure 18. Although there is an increase in the uptake of renewable energy generation by businesses and the

community, the quantity of energy produced is very low (at 5%) compared with the overall level of electricity consumption, although the contribution of domestic solar to total consumption is not known (see figure 19).

back to the grid MWh



Figure 19: Total electricity use by LGA including renewable energy fed back to the grid (Source: Essential Energy)

## 1.4 Surface water demand

INDICATOR:	Surface water extraction (PRESSURE)
DATA SOURCE:	Councils and county councils
DATA QUALITY:	High
TREND:	Increasing pressure

Water extraction places pressure on our rivers and on groundwater, particularly during low rainfall times when river flows are low and aquatic life can be impacted. Water-saving initiatives have been in place for some time in the region, and thanks to the high rainfall the region receives, strict water restrictions have not had to be implemented. The water consumption figures in figure 20 show that consumption of mains water per connection has increased by 30% over the reporting period in most areas. The average domestic or residential water consumption per connection across the region is 167 kilolitres annually in 2014/15, which is slightly below the regional NSW domestic average of 172 kilolitres in 2013/14 (EPA 2015). Kyogle had the lowest per connection domestic consumption of 144 kL in 2015, followed by Clarence Valley at 147 kL and Port Macquarie-Hastings at 151 kL. The highest per connection water use was by Ballina at 181 kL in 2015, and Byron at 180 kL.



Figure 20 : Water use per connection by LGA for urban water (kL)

The breakdown of residential versus nonresidential water use is shown in Figure 21. Richmond Valley has the most non-residential water connections in the Region, and Ballina the fewest. Some areas rely on groundwater for general water supply, such as Kempsey and Nambucca LGAs, which source the majority of their potable water from groundwater. Rous Water also have four bores which supply groundwater when required.



#### Figure 21 : Residential versus non-residential water use

Pressure on water resources comes from all sectors of our society. Agriculture, particularly intensive livestock and plant agriculture, utilises large volumes of water. The North Coast region has a significant intensive agriculture sector, but as water is generally unmetered in our unregulated catchments, true water extraction for agriculture is unknown. DPI Water has recently finalised all but one of the Water Sharing Plans for the region, which should better track water use and the potential for overallocation while also providing for environmental flows. However, some councils report that a number of fully-allocated subcatchments appear to be under considerable stress from the expansion of intensive plant agriculture which is not recognised at a regional level at this stage, or by DPI Water. It is hoped the Water Sharing Plans may better manage the trading of water and construction of large on-stream storages within fully allocated subcatchments. Figure 22 shows water consumption by sector for the whole of NSW, which may not truly reflect the North Coast Region but indicates the proportion of water use for each sector (ABS 2015).



Figure 22: Water consumption by sector for NSW 2013/14 (Source: ABS 2015)

## 1.5 Waste

INDICATORS:			
DATA SOURCE: DATA QUALITY: TREND:			

Total waste generated (PRESSURE) Total waste diverted from landfill (RESPONSE) Councils and county councils High

Increasing pressure

With increasing populations and the increased costs and issues associated with waste disposal, councils are working to reduce the total amount of waste generated and the amount of waste sent to landfill, and increase reuse and recycling. The reporting region is facing waste disposal challenges, as landfills are nearing capacity in many LGAs, and costs are increasing. As such, councils are endeavouring to reduce waste from all sectors.

General trends indicate total waste generated per capita is increasing, but more is being recycled. So we are throwing away more but feeling good about it as it is being recycled. This however does not reduce the pressure on waste facilities. Many councils within the reporting region still have a less than 50% recycling or diversion from landfill figure, while others are as high as 80%. Some councils are reporting that there is poor use of greenwaste bins and an increase in contamination of recycling, resulting in increased waste to landfill. The data shows that waste generation is variable across the region with few councils showing clear trends.

Councils across the region have improved waste management infrastructure since 2012. Clarence Valley Council introduced the three-bin system in late 2012, which halved the amount of waste going to landfill. Ten out of the twelve regional councils compost all green and biomass waste including biosolids. Byron Shire Council has just commenced an arrangement with Lismore City Council to use their composting facilities for greenwaste which previously went to landfill. In many LGAs, all waste is sorted ensuring maximum recovery of waste that can be recycled or composted, and minimising what goes to landfill.

Despite these improvements, waste in half the region's LGAs is increasing, and rates of diversion from landfill have dropped in the past 12 months for the same LGAs.

Figures 23 and 24 show total waste generated by LGA from 2011 to 2016 and per capita domestic waste generated over the same period. This data must be interpreted cautiously as there continues to be issues with consistency of waste data collection across the region, and with the majority of LGAs collaborating with neighbouring LGAs to better manage waste, it is difficult to properly account for the origin of the waste.



Figure 23: Total waste generated per capita (kilograms) by LGA (Source: Council)



Figure 24: Domestic waste generated per capita (kilograms) by LGA (Source: Council)



Figure 25: Percentage of domestic waste diverted from landfill by LGA (Source: Council)

Across the region, total waste generation per capita has decreased by 9.5% since 2011, from 1,032 kg per person waste generated down to 935 kg per person in 2016. Six of the twelve regional councils have reduced total waste generated, three are steady, and three have increased. Byron LGA had the greatest reduction in total waste generation of 38 percent, Kyogle LGA next with a 35% reduction, Lismore LGA with a 28% reduction, Tweed and Richmond Valley LGAs with a 14.5% reduction. Nambucca and Kempsey LGAs had increases of 51% and 41% respectively, and Clarence Valley a 13.5% increase.

In the region for 2014/15, the annual total waste generated per capita ranged from 1,382 kg per person in Lismore to 501 kg per person in Kyogle. The regional average for that year was 955.7 kg per capita. Waste generation rates are influenced by extreme events. For example in 2013, the debris left by ex-Cyclone Oswald and the East Coast Low that followed resulted in Ballina Shire having to deal with almost three times the usual amount of greenwaste, much of it contaminated. This means that waste figures can vary greatly from year to year.

For domestic waste only in 2015/16, the annual total household waste generated ranged from 682 kg per person in Bellingen and 638 kg per capita in Coffs Harbour down to 350 kg per person in Ballina, and 400 kg in Kyogle, with a regional average of 485 kg. Again performance is variable within the region with three LGAs reducing domestic waste significantly (Kyogle, Ballina and Coffs Harbour), two steady (Bellingen and Richmond Valley), and seven increasing by more than seven percent. Overall there has been a 2.6% increase in total domestic waste generation across the reporting region since 2011.



# Figure 26: Domestic waste by type for all LGAs in 2014/15 (tonnes) (Source: Council)

Domestic recycling performance and diversion of waste from landfill has improved by 41% across the reporting region (figure 25). Diversion rates from landfill range from a minimum of 45.5% of all domestic waste up to 86.5%, with a regional average of 62%. This means that in 2014/15,

99,500 tonnes of domestic waste went to landfill across the Region, while 148,500 tonnes was diverted – either recycled or composted.

Figure 26 shows the quantity of domestic waste by waste stream for 2014/15 for each LGA.

## 1.6 Environmental Levy

INDICATORS:Levy to fund environmental works (RESPONSE)DATA SOURCE:Councils and county councilsDATA QUALITY:HIGHTREND:new indicator, no past data	
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Funding environmental work is always a challenge for councils. The rehabilitation works described in the next theme demonstrate the dependence councils have on both external grants and volunteers to implement environmental works. To ensure some type of on-going funding, many councils in the region have introduced a levy on rates to fund necessary environmental works and programs either conducted by council themselves or used to fund community and other projects to carry out necessary on-ground works.

Table 3 shows which councils have a levy and how it is distributed. In 2015/16, nearly \$3.5 millon worth of funding for environmental programs was raised through levies.

Table 3: Levy funding raised	l in 2015/16 (Source: Councils)
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LGA	Levy type	Amount raised in 2015/16	People & the Environment	Biodiversity & Vegetation	Land & Soils	Water
Ballina	None	-	-	-	-	-
Bellingen	Levy on rates	\$227,446	40.5	35.5	2	22
Byron	Levy on rates	\$407,700	36	37	0	27
Coffs Harbour	Levy on rates	\$1,285,738	16	73	3	8
Clarence Valley	None	-	-	-	-	-
Kempsey	Levy on rates	\$402,719	8.5	47	0.5	44
Kyogle	None	-	-	-	-	-
Lismore	Levy began 1/7/16	-	-	-	-	-
Nambucca	Levy on rates	\$340,250	37	10	0	53
Port Macquarie-Hastings	Levy on rates	\$744,327	20	50		30
Richmond Valley	None	-	-	-	-	-
Tweed	None	-	-	-	-	-
	TOTAL	\$3,408,180				

The breakdown of funding by theme indicates the majority of councils are relying on this source of funds to carry out essential weed control programs, to run biodiversity and water quality programs, to fund staff related to these roles, and to match-fund grants. Some levy funds are directed to Landcare groups and with their vast volunteer support, represent a good investment for the environment. There is little support for land management and soils programs within the current allocation of funds, with only 1% of the funds directed to this theme (see figure 27).



Figure 27: Breakdown of levy funding by RSoE theme for 2015/16 (Source: councils)



# ΓWΟ

2016 Regional State of the Environment Report

## **Biodiversity and Vegetation**

The North Coast Region of NSW is renowned as one of the most biologically diverse areas in Australia. Appropriate management of pressures on biodiversity and vegetation is essential to ensure current condition is maintained or improved as per the targets in NSW 2021: A plan to make NSW number one. These targets include:

NSW 2021:

- Protect and restore priority land, vegetation and water habitats
- Manage weeds and pests; protect and conserve land, biodiversity and native vegetation; protect rivers, wet ands and coastal environments.

The NSW Monitoring, Evaluation and Reporting (MER) Strategy expired in 2015 and is yet to be replaced. Currently the NSW Natural Resources Commission is preparing a core set of state-wide key performance indicators and metrics, a performance evaluation framework, including indicative tools, systems and practices, and a roadmap to implement the framework. Implementation will be the role of Local Land Services.

Each Council within the reporting region has its own set of environmental objectives within their Community Strategic Plans which guides the management of biodiversity and vegetation locally. At state level, the current NSW legislation protecting vegetation, threatened species and national parks is under review. The NSW Government released a draft package of land management and biodiversity conservation reforms in response to the Independent Biodiversity Legislation Review Panel's recommendations in May 2016. The draft packages included the draft Biodiversity Conservation Bill and the draft Bill to amend the Local Land Services Act 2013, as well as other supporting products (OEH 2016a). The packages were placed on public exhibition and have been met with concern by landholders as well as environmental experts and conservationists as the package is interpreted as relaxing the current protection for native vegetation and threatened species, potentially increasing the risk of environmental degradation.

This section discusses the current condition of the region's biodiversity and vegetation; the pressures of habitat loss, clearing and invasive species; and the responses by state and local government to species and vegetation protection, management of key habitats and restoration programs.



Photo: Project officer Jane Eales capturing a Bellinger River snapping turtle for assessment (Nic Denshire)

## 2.1 Ecologically functional landscapes

INDICATORS:	Habitat connectivity and effective habitat area (CONDITION) Net vegetation change – clearing (PRESSURE)
DATA SOURCE: TREND: INDICATOR: DATA SOURCE:	OEH INCREASING PRESSURE Management of key habitats and priority areas (RESPONSE) Government agencies (various), councils and county coucils

The reporting region covers a diverse area of habitats and vegetation types, and assessing the current condition of these vegetation types and habitats is an ongoing task. In 2012, vegetation condition in the reporting region was determined using a variety of existing datasets from OEH and detailed in the 2012 RSoE report. There has been no new information since then, so the information is repeated here.

The information refers to the reporting region for 2012, the former Northern Rivers Catchment Management Authority (CMA) region, which includes the 12 LGAs as well as parts of the Northern Tablelands.



# 2.1.1 Habitat connectivity and effective habitat area

Vegetation condition for the former Northern Rivers CMA Region (the current North Coast region plus part of the New England tablelands) was assessed in State of the Catchments 2010 (DECCW 2010b).

Results are summarised in Figure 13 which shows percent of the former CMA Region by vegetation condition based on the national vegetation condition classification. Condition states used in this system are as follows.

- RESIDUAL: native vegetation community structure, composition and regenerative capacity is intact with no significant perturbation from land-use or land management practices
- MODIFIED: native vegetation community structure, composition and regenerative capacity is intact but perturbed by land-use or land management practices
- TRANSFORMED: native vegetation com munity structure, composition and regen erative capacity is significantly altered by land-use or land management practices
- TRANSFORMED/REPLACED-Adventive mosaic: vegetation that cannot be read ily classified as either transformed (native) or replaced-adventive (non-native) on the basis of available state-wide datasets REPLACED: managed: native vegetation is
- replaced with cultivated vegetation
- REMOVED: vegetation removed to leave non-vegetated land cover.

Figure 28: Vegetation condition in the North Coast Region including part of the tablelands region (source OEH SOC vegetation data)

In the region 21.8% of vegetation is classified as residual vegetation (i.e. relatively natural and undisturbed), and another 40.4% is modified (i.e. relatively intact but with some disturbance). The remaining 37.9% is significantly altered, replaced or removed. This gives the region a 'fair' rating for vegetation condition, which is the same rating given to NSW as a whole. To gain a better understanding of vegetation extent and condition at a regional and local level, other OEH datasets were analysed. Figure 29 shows the percentage of existing (or extant) vegetation in each LGA in the reporting region. Clarence Valley has the highest coverage of native vegetation at 75%, with Kempsey next at 73.8%, and Port Macquarie-Hastings at 73.1%. The LGAs with the least existing vegetation cover were Ballina (20.5%), Lismore (24.6%) and Byron (37%). The reasons for the low vegetation cover will be discussed later in this section.



## Figure 29: Percent extant vegetation in the reporting region (Source: OEH)

Current vegetation extent does not give an indication of the quality of the vegetation as species habitat or the connectivity of the vegetation. To determine the area of effective species habitat, 'effective habitat area' was calculated using the OEH Biodiversity Forecasting Tool (BFT). Outputs from the BFT are numerous, and only two have been used for this condition assessment. The BFT uses a map of existing vegetation communities, an estimate of the pre-1750 extent of these communities, a map of current vegetation condition, and a map of threats across the region, and uses these map values to estimate effective habitat area, habitat connectivity, and many other outputs and measures. The BFT takes into account urban and cleared areas and is considered a 'true' value of effective habitat (DECCW 2010d).

Effective habitat area (EHA) is shown in Figure 30, with LGAs ranked from 'poor' (red) to 'very good' (dark blue). The heavily cleared northern LGAs of Lismore, Ballina and Byron have the poorest effective habitat area of the region, with the adjacent LGAs of Tweed, Richmond Valley and Kyogle only having a slightly higher EHA. The southern LGAs all had 'good' EHA, however, the LGAs with the best EHA (Greater Taree and Glen Innes Severn) are outside the reporting region. The effective habitat areas are summarised in Figure 31.





Figure 31: Mean effective habitat area in the region (source: OEH)

Habitat connectivity is another measure of vegetation condition, and can assist with determining status of species. Poor habitat connectivity impacts species by limiting their dispersal and restricting population structure and genetic flow between populations. For successful species population expansion and diversity, habitat connectivity must be on a scale that is sufficient to permit gene exchange and range expansion, support trophic (food-web) relationships, accommodate disturbance processes such as climate change, and support river flows that maintain the ecology (hydro-ecological flows) (Whitten et al. 2011). Again using the BFT, habitat connectivity was determined by assessing the cohesiveness (togetherness) of the vegetation. Figure 32 shows habitat connectivity for the former Northern Rivers CMA Region and the LGAs within it. The northern LGAs of Lismore, Ballina, Byron and Tweed have the lowest habitat connectivity, indicated by the pale areas on the map. The dark red areas indicate good to excellent habitat connectivity, and are generally within national parks and state forest. Clarence Valley LGA has the best coastal connected habitat, with Yuraygir and Bundjalung national parks covering the majority of the coastline.





# 2.1.2 Net vegetation change – reduction in woody vegetation

The greatest pressure on vegetation in the North Coast Region of NSW is land clearing and the fragmentation of remaining vegetation (DECCW 2009b). As shown in the 2012 habitat connectivity and effective habitat area maps previously, the LGAs of Ballina, Byron, Lismore and Tweed have been subject to more historical clearing than other LGAs in the reporting region. This area used to be covered by what is known as the Big Scrub, which was once the largest continuous tract of subtropical rainforest in Australia, covering 75,000 hectares of the rich basalt soils to the east and north of Lismore. From the 1860s onwards arable land including parts of the Big Scrub was heavily cleared for agriculture and timber, and by 1900 was essentially gone. The Big Scrub remnants are now protected within nature reserves, however, their small size, fragmentation and isolation makes them vulnerable to further degradation from invasive species, visitor impacts and fire (NPWS 1997). Ideally, protection of adjacent vegetation on private land would ensure these remnants remain in some connected state. Native vegetation clearing is listed as a key threatening process at state and national levels, and is considered to be the single greatest threat to biodiversity in NSW (DECCW 2009b).

For the 2012 Regional SoE Report, SLATS data was available from the Office of Environment and Heritage (OEH). This data is no longer available at a regional or local level, so the 2012 SLATS information is repeated here, again referring to the former Northern Rivers CMA region as the reporting region.

Prior to 2013, annual change in woody vegetation was assessed using Landsat remote sensing data analysed with SLATS methodology (Statewide Landcover and Trees Study) developed in Queensland (DERM 2012). This methodology detects woody vegetation, such as forest, that is over 2 metres high with more than 20% canopy cover. Records of woody vegetation change (i.e. alteration/ removal) in NSW began in 1988 and are kept by OEH who reports annually on vegetation change in NSW (OEH 2012a). Figure 33 shows data for vegetation loss by type in the former Northern Rivers CMA Region (larger than the current North Coast Region), and then by individual LGA in Figure 34.

Photo: C Stehn



# Categories of change in woody vegetation are:

- CROP, PASTURE, THINNING: generally on private agricultural land and for agricultural purposes
- FORESTRY: includes Forest NSW operations, plantation forests and private native forestry. Note that clearing for forestry relates to timber harvesting, and is subject to regulatory controls both on public and private land to ensure sustain able operations and appropriate ongoing management for natural resource outcomes and future timber production
- INFRASTRUCTURE: includes roadworks, power lines, fire breaks, fencing and mining
- FIRE: includes recent fires only where fire scar is visible and veg etation loss is temporary.

At a regional level, approximately 100,000 hectares of woody vegetation (2.2% of the former CMA Region) has been removed or fire-affected from 1988 to 2010. Forest harvesting in state forests and approved private plantations and private forestry agreements account for 50% of the area; vegetation removal for agriculture accounts for 27% of the area; fire accounts for 17% of the area, with the 2009 fires affecting substantial areas; and infrastructure works accounting for only 5% of the area. The SLATS methodology only measures changes in woody vegetation and does not take into account regrowth, replanting, restoration or natural regeneration after fire or forestry operations. It is also unable to distinguish between beneficial clearing, such as removal of non-native vegetation (e.g. weeds species such as Camphor laurel), and other types of clearing. So these clearing figures need to be interpreted along with the figures in Section 2.3.1 which indicate the area of land under protection at state, regional and local levels exceeded 23% of the Reporting Region in 2012. Woody vegetation removal data by LGA is presented in Figure 34.



Figure 33: Woody vegetation clearing in the reporting region between 1988 and 2010

Figure 34 shows the percent of each LGA cleared since 1988 using the NSW woody vegetation change data. The LGAs with the highest percentage of area cleared also have the highest area of state forest, so the trend in forestry harvesting correlates with the area of state forest within each

LGA. The LGAs with the lowest clearing rates are those with little or no state forest. Clearing within the reporting region from 1988 to 2010 was generally low and mostly confined to state forest harvesting operations.



Figure 34: Percent of vegetation cleared since 1988 (Source: OEH)

Native vegetation removal for forestry can occur on private land under private native forestry (PNF) provisions. Private native forestry operations are subject to approval under the Native Vegetation Act 2003, require a property vegetation plan to be prepared, and must adhere to the Private Native Forestry Code of Practice for Northern NSW (EPA 2013). Since 2007, private native forestry in the north coast region has increased significantly. Of the 2,916 PNF agreements approved in NSW between 2007 and June 2015, 69.4% were in the reporting region, covering 49.7% of the total area under PNF agreements in the State (EPA Public Register 2016). Table 4 and figure 35 show the area by LGA for approved PNF, which currently totals nearly 267,000 hectares of the North Coast region of NSW, or 13% of private land.

The area under PNF agreements for the North Coast region as at June 2015 was 266,727 hectares. It is not known how many of these approvals were actually harvested. However the SLATS data from 1998 to 2007 for the former Northern Rivers CMA region showed total vegetation loss from any type of forestry and farmland operations to be just under 43,000 hectares (OEH 2012), demonstrating the potential impact of PNF agreements if they are all enacted.

During consultation with councils in the reporting region in 2012, a number reported that they considered private native forestry to be the biggest threat to biodiversity. In 2016 it is again a very significant issue. Issues relating to PNF raised in 2016 include:

- Approvals being issued on land designated as koala habitat under the under the relevant local environment plan (LEP) or koala management plan
- Approvals being issued on land zoned for environmental protection under LEPs
- Approvals being issued on land designated as steep
- No communication with Councils on PNF approvals
- Failure to adhere to the PNF Code of Practice

Some councils have obtained legal advice and others taken their complaints regarding PNF and inappropriate approvals to the Minister for the Environment, indicating the seriousness of this issue. With the very low existing native vegetation (see section 2.1.1) it could be argued that Ballina, Byron and Lismore should not have any PNF approvals at all. These councils are experiencing PNF approvals over areas of identified koala habitat. Their Koala habitat maps are currently awaiting gazettal by the Department of Planning and the Environment, but as the EPA's own PNF Code of Conduct states, koalas are listed as a threatened species and therefore restrictions apply (EPA 2013). It appears the EPA is breaching its own Code of Conduct when approving PNF agreements over these areas.

LGA	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total Area (Ha)
Ballina	-	-	-	-	25	14	49	-	-	88
Bellingen	17	1,398	947	794	1,786	1,381	377	554	280	7,534
Byron	-	-	-	-	59	94	85	-	-	238
Clarence Valley	4,655	22,859	35,663	17,561	22,793	16,804	9,684	9,921	2,364	142,304
Coffs Harbour	32	881	1,100	1,229	610	797	604	570	11	5,834
Kempsey	1,950	4,460	2,789	2,190	2,076	2,345	3,182	1,649	91	20,732
Kyogle	1,728	3,016	4,022	3,278	3 <i>,</i> 079	3,628	1,241	2,433	12	22,437
Lismore	-	397	150	176	34	259	59	-	-	1,075
Nambucca	785	1,091	2,094	1,415	1,765	1,383	714	704	267	10,218
Port Macquarie- Hastings	1,428	3,288	1,381	2,986	2,790	2,548	1,336	1,664	1,259	18,680
Richmond Valley	6,146	8,026	5,634	2,808	2,650	4,506	2,877	2,571	507	35,725
Tweed	-	139	124	215	11	79	274	20	-	862
Total Area (Ha)	16,741	45,555	53,904	32,652	37,678	33,838	20,482	20,086	4,791	265,727

Table 4: Area of Private Native Forestry approvals by year and LGA (source: EPA)





Figure 35: Private Native Forestry approvals 2007-2015 by LGA (source: EPA)

To ensure remaining vegetation, habitats, species and habitat connectivity are maintained or improved, a number of biodiversity plans and strategies are in place at national, state, regional and local levels. These are listed in Table 5. These plans and strategies all relate to each other and guide natural resource management at each government level.

#### Table 5: Biodiversity plans and strategies

Government level	Plan	Agency
National	Australia's Biodiversity Conservation Strategy 2010–2030	DEE
National	Australia's Native Vegetation Framework	DEE
National	National Wildlife Corridors Plan 2012	DSEWPC
National	Threatened Species Strategy 2015	DEE
National	Australian Weeds Strategy (new one due 2017)	DAWR
State	NSW 2021:A Plan to make NSW number 1	NSW Government
State	NSW Invasive Species Plan 2008–2015 (Draft 2015-2022 plan due)	DPI
State	NSW Biosecurity Strategy 2013 - 2021	DPI
State	NSW Weeds Action Program 2015-2020	DPI
State	Threat abatement plans	OEH/DPI
State	Threatened species recovery plans	OEH/DPI
State	State environmental planning policies (SEPPs)	DOP
Regional	Far North Coast Regional Conservation Plan	ОЕН
Regional	Draft Mid North Coast Regional Conservation Plan	OEH
Regional	Northern Rivers Regional Biodiversity Management Plan	OEH
Regional	Border Ranges Rainforest Biodiversity Management Plan	ОЕН
Regional	Lord Howe Island Biodiversity Management Plan	OEH
Regional	Local Strategic Plan 2016-2021	NCLLS
Local	Local environment plans	Local Government
Local	Development control plans	Local Government
Local	Coastal zone management plans	Local Government
Local	Biodiversity plans	Local Government
Local	Koala plans of management	Local Government
Local	Vegetation plans and strategies	Local Government
Local	Weed action plans or programs	Local Government

## Table 6: Local government area plan, strategies, projects and vegetation mapping

Local government area	Plans, strategies, projects and vegetation mapping
	Roadside vegetation management plan
	Koala Plan of Management (awaiting gazettal)
Ballina	Bushland management plans (site specific)
	Richmond River Coastal Zone Management Plan
	Koala babitat manning (koala planning area)
	Rellingen Weed Action Program
	Rellingen Shire Koala Plan of Management 2015
	Dangar Falls Reserve Plan of Management 2015
	Danger Fails Reserve Fail of Management 2013
	Plain of Management Dennigen Island Integrated Reserves 2012
	Bellinger and Kalang Bivers Estuary Management Plan 2009
	Beilinger River Health Plan 2010
	Ralang River Health Plan 2010
	Bellinger River Estuary Action Plan 2011
	Beilinger & Kalang Rivers Estuary Action Plan Stage 2 2014
Beilingen	Bellinger & Kalang Estuaries Erosion Study 2010
	Bellingen Shire Estuary Inundation Mapping Study 2015
	Bellingen Shire Climate Change Action Plan 2012
	Bellingen Climate Change Adaptation Strategy 2010
	Lower Bellinger and Kalang Flood Study 2015
	Fine-scale vegetation mapping (eastern section LGA) 2014
	Jaliigirr Project Priority Corridor Connections 2015
	Gleniffer Reserves Master Plan 2015
	Regional Wildlife Corridors
	Koala Habitat Mapping 2015
	Coastal vegetation of the Bellingen LGA 2006
	Byron Biodiversity Conservation Strategy
	Council bush regeneration works program
	Bush Futures Project
	Koala Plan of Management
Byron	Mullumbimby Flying Fox Camp Management Actions
	Byron Shire Coastal Zone Management Plan
	Brunswick Estuary Coastal Zone Management Plan
	Byron Coast Vegetation Mapping
	Byron Hinterland Vegetation Mapping
	Biodiversity Management Strategy
	Clarence Estuary Management Plan
	Clarence Riparian Strategy
Clarence Valley	Koala Management Plan (in development)
	Wooloweyah Lagoon Coastal Zone Management Plan
	Wooli Estuary Management Plan
	Coffs Harbour Biodiversity Action Strategy
	Biodiversity Monitoring Plan
	Jaliigirr project
	Class 5 Comprehensive LGA-wide Vegetation Mapping
	Revised Koala Plan of Management (Northern Precinct)
Coffs Harbour	Vegetation Management Plan (Waste Facility Conservation Area Restoration)
	Vertehrate Pect Management Strategy
	Oraza River Rehabilitation Strategy
	Various Coastal Zone Management Plans
	Habitat Connectivity Manning (draft)
	Koala Habitat Manning
	Kannsay, Coastal Zone Management Plan
	Maclaav Ertuary Management Plan
	Ividuedy Estudi y Management Plan
	Chambind Management Charten:
	Shorebird ivianagement Strategy
kempsey	Sherwood Borefields Rehabilitation Plan
	Biodiversity Strategy
	Comprehensive Koala Plan of Management (Eastern Portion Kempsey LGA)
	Vegetation Mapping 2007
	Habitat Connectivity Mapping (draft)

#### Table 6: Continued

Local government area	Plans, strategies, projects and vegetation mapping
Kyogle	Roadside Vegetation Management Plan
Lismore	Richmond River Coastal Zone Management Plan
	Koala Plan of Management for South-east Lismore
	Biodiversity Management Strategy 2015
	Roadside vegetation management plan
	Site-specific vegetation management plans
	Wilsons River Reach Plan
Nambucca	Nambucca Shire Coastal Zone Management Plan 2012
	Nambucca River Estuary Management Plan 2008
	Nambucca River Foreshore Masterplan 2010
	Deep Creek Entrance Management Policy 2013
	Climates Change Adaptation Strategy
	Nambucca Shire Coastal Koala Habitat Study
	Vegetation Mapping: Coastal lowland vegetation & potentially threatened ecological communities
Port Macquarie-Hastings	Comboyne Plateau NRM plan and Subcatchment plan
	Vegetation and Koala Habitat Mapping
	Riparian (fresh and estuarine) management
	Public bushland management programme / invasive species plan
	Coastal zone management
	Biodiversity Strategy
	Kooloonbung Creek Plan of Management
	Maria River Wilderness Project
	Zonation – biodiversity priority modelling
	GAP-CLoSR habitat connectivity modelling
Richmond Valley	Evans River Estuary Management Study & Plan
	Richmond Valley Koala Habitat Atlas
	Salty Lagoon Channel Project
	Evans Head Coastal Management Plan 2104)
	Richmond River Coastal Zone Management Plan 2012
Tweed	Tweed Vegetation Management Strategy - Biodiversity Grants
	River Health Grants
	Tweed Coast Comprehensive Koala Plan of Management
	Roadside Vegetation Management Plan
	Recovery of Threatened Species in Priority Implementation Areas
	Land for Wildlife
	Backyard Habitat for Wildlife
	Tweed Byron Koala Connections
	Protecting and Linking High Conservation Value Habitat
	Numinbah Nature Links
	I weed Vegetation management Strategy mapping 2009 – entire LGA
Far North Coast Weeds	Administration of the Noxious Weeds Act 1993
	Removal of Noxious Weeds (Trees) policy
Richmond River County Council	McAnelly Riparian Restoration Plan
	Richardsons Riparian Restoration Plan
	Swan Bay Mahagement Plan
	Amphietts Lagoon Management Plan
	Bora Creek Management Plan
	Iniyinunia Lagoun Management Plan
	uds works creek Midlidgement Plan
	Pichmond River Coastal Zono Management Plan
	Numonu Niver Codstal Zone Management Ma
nous water	wisons river Calchment Ivianagement Plan

The outputs from these plans and projects will be detailed in other sections.
# 2.2 Native vegetation restoration

INDICATORS:	Habitat areas restored (RESPONSE) Environmental volunteers working on private and public land
DATA SOURCE:	(RESPONSE) Councils, North Coast LLS, Landcare
DATA QUALITY:	Medium
KEY ISSUE:	Volunteer hours underestimated as not always reported

Restoration of native vegetation has been shown to be particularly effective when sites are of a manageable size, objectives are clear, action plans are simple, and follow-up is timely and regular (Sleeman 2010). There is a general lack of comprehensive evaluation of restoration projects, but where evaluation has occurred, results indicate that restoration of degraded areas does improve ecosystem services, however, restored sites remain of a lower habitat and vegetation quality than un-degraded sites or areas (Suding 2011).

As shown previously in Tables 5 and 6, the North Coast Region of NSW has a comprehensive suite of strategies, plans and programs at state and local level that involve native vegetation restoration. Some of these programs are run by state agencies such as the new Saving our Species program by OEH, the various incentives programs run by North Coast Local Land Services, the NSW Environmental Trust, and Habitat Rehabilitation Grants run by DPI. Many councils in the region also provide funding for habitat rehabilitation, some through a levy raised through rates, and others as part of their standard operations using internal funds to assist with grant funding applications. Landholders make a large contribution to restoration, actively restoring their properties and often working with involved agencies to monitor the success or progress of their projects. In 2016 alone, 345 landholders were involved in implementing natural resource management knowledge and skills on their properties (Local Land Services data 2016).

Also assisting restoration efforts is the vast reserve of volunteers who provide a free but highly valued contribution to habitat restoration. Groups such as Landcare, Dunecare, Rivercare, EnviTE and Green Army (formerly GreenCorps) have assisted many councils, North Coast Local Land Services, National Parks and Wildlife Service and Fisheries NSW to restore both land and aquatic habitats. There are 483 Landcare groups in the North Coast Region of NSW alone, and many undertake regular restoration work without documenting hours or detailing areas restored, so the figures in the tables will vastly underestimate the work volunteers provide. Figures indicate at least 20,000 volunteer hours are provided annually across the region.

Grant funding is also essential for habitat restoration, with much of the work undertaken having been funded by various sources. Table 7 shows the area of habitat restored for council-run projects from 2012-2016, the funding contributions, and the number of volunteer hours contributed where known. Riparian and wetland habitats are not included in the figures below as these are reported in Theme 4: Water. Note that councils vary in the way they capture this data. Many do not routinely report this information, so not all activities have been reported here and this is considered to be an underestimate of restoration work conducted.

## Table 7: Habitat restoration and volunteer hours 2012–16 (Source: Councils)

LGA or County Council	Year	Area restored (ha)	Trees planted	Land type	Activity	Funding	Volunteer hours *
						Council, Landcare,	
						Community Groups,	
	2012/13	82	1,681	Public land		Environmental Trust	3,500
	2013/14 8 340 Weed contro		Weed control &	Dunecare	550		
Ballina	2014/15	8	300		planting	Dunecare	650
	2015/16	20	<u> </u>	Public and		20 million troos project	
	2013/10	50	8,750			Council. Landcare.	
	2012/13	4	-	_	Weed control & planting	Community Groups, Environmental Trust	-
	2013/14	4	-		Weed control & planting	Council, Landcare, Community Groups, Environmental Trust	-
Bellingen				Public land	Weed control on		
					saltmarsh; weed	Wetland Care Aust,	
					control and	Council, Landcare,	
	2014/15	8	-	4	planting	Environmental Trust	-
	2015/16	5	1,200		Weed control & planting	Community Groups, Environmental Trust	-
				Mostly		Council, Landcare,	
Byron	2012/13	96	6,400	public	Weed control &	Community Groups,	-
2,	2013/14	103	505	Public land	planting	Environmental Trust,	-
	2014/15	58	46			LLS, Biodiversity Fund	2,000
	2012/13	325	3,000	Public & private land		Council, LLS, Landcare	2,500
	2013/14 250 2,500 Public land Weed control		Weed control &	Council, Landcare	2,500		
Coffs Harbour	2014/45	254	2 600	Public &	planting		2 500
	2014/15	251	2,600	private land		Council, LLS, Landcare	2,500
	2015/16	273	2,050	Public & private land		Council, LLS, Landcare	2,500
Kvogle					Weed control &	Council, Environmental	
7-0-	2012/13	3	300	Public land	planting	Trust	2,300
	2012/13	41	-	-			-
	2013/14	45	-	Public land	Regeneration	Council	-
Lismore	2014/15	43	-	4			-
Lisitiore	2015/16	43	-				-
	2012/15	132	15,000	Public & private land	Weed control & planting	Landcare over 4 years	5,440
Nambucca	2015/16	130	-	Public land	Weed control	Council, OEH, Environmental Trust, LLS	-
	2012/13	1,427	9,500	4		Council, Landcare, LLS,	17,000
Port Macquarie-	2013/14	1,427	7,500	Public land	Weed control	Environmental Trust,	17,000
Hastings	2014/15	1,500	11,500		and planting	National Parks	18,500
	2015/16	600	2,000			Association	17,000
Tweed	2012/13	150	800	Public land	Weed control and planting	Council, Landcare, coummunity groups	7,000
	2014/15	1	-		Weed control	LLS	-

## 2.3 Conservation: reserves and agreements

INDICATOR: DATA SOURCE: DATA QUALITY: INDICATOR: DATA SOURCE: DATA QUALITY: INDICATOR:	Actions to protect native vegetation (RESPONSE) OEH, DPI High Council land use zoning (LEPs) (RESPONSE) Councils High Vegetation protected & rehabilitated under private agreements
INDICATOR:	Vegetation protected & rehabilitated under private agreements
DATA SOURCE:	North Coast LLS, OEH
DATA QUALITY:	Medium

Biodiversity protection and conservation is achieved at a regional level through the national parks system, at a local level through council land zoning, and at the landholder level through agreements with individual landholders on private land.

#### 2.3.1 Protection of native vegetation

In the North Coast Region in 2016, 20.5% of the region was protected in national parks, nature reserves and state conservation areas. State forests covered 15.4% of the Region.

The breakdown of land in the national park estate and state forests by LGA is detailed in Figure 36 and Table 8.

Since 2012, there have been two additions to the National Parks Estate in the Reporting Region totalling 1,837 hectares– Cobaki Nature Reserve in Tweed Shire, 70 hectares gazetted in 2016, and Everlasting Swamp National Park in Clarence Valley, 1,767 hectares gazetted in 2014. There are no changes to State Forest within the Region.



Table 8: Area of national park estate and state forest in 2016 (Source: OEH; DPI)

Local Government Area	Total area (ha)	National Parks Estate (ha)	% National Parks Estate	State Forest (ha)	% State Forest	% change since 2012
Ballina	49,200	1,451	2.9	0	0.0	0
Bellingen	159,980	51,890	32.4	34,231	21.4	0
Byron	56,713	6,486	11.4	0	0.0	0
Clarence Valley	1,042,193	225,271	21.6	196,566	18.9	0.8
Coffs Harbour	117,434	15,067	12.8	40,117	34.2	0
Kempsey	337,515	96,741	28.7	24,751	7.3	0
Kyogle	358,294	73,618	20.5	41,350	11.5	0
Lismore	128,704	9,061	7.0	1,092	0.8	0
Nambucca	149,045	29,664	19.9	31,902	21.4	0
Port Macquarie- Hastings	368,081	91,409	24.8	74,495	20.2	0
Richmond Valley	304,617	35,092	11.5	49,032	16.1	0
Tweed	131,796	21,379	16.2	0	0.0	0.3
Reporting Region	3,203,570	657,130	20.5	493,537	15.4	0.3

#### Photo: N Cotsell



## 2.3.2 Council land-use zoning (LEPs)

In council areas, land zoning is governed by the local environment plan (LEP) which includes areas of national park and nature reserve, areas of environmental protection, and areas where certain activities are not permitted due to environmental impacts. In 2012, the majority of LGAs in the Reporting Region had prepared new LEPs according to the NSW Government's requirement for all councils to prepare a single LEP which conforms to the format and content of the new Standard Instrument LEP..

In late 2012, the northern LGAs of Byron, Ballina, Kyogle, Lismore and Tweed had their environmental zones (E zones) deferred by the Department of Planning and Environment. This has reduced the area of native vegetation under protection within the reporting region since 2012, and has created uncertainty for affected landholders and Councils. Unfortunately the deferred E zones in some instances were designed to protect the remnant Big Scrub vegetation on private land in the Northern LGAs, which have very little intact native vegetation remaining (See section 2.1.1).

NSW Department of Planning finalised its review of E zones in LEPs for the Northern NSW local government areas in October 2015, and has now provided guidance to the affected Councils based on their findings which enables the development of proposals for environmental protection zones, also providing a set of criteria that can be used Statewide when designating zoning (DPE 2015).

Local Government Area	Area national parks	%IGA	Area environmental	%IGA
Ballina	1,451	2.9	deferred	-
Bellingen	51,890	32.4	20,516	12.8
Byron	6,486	11.4	deferred	-
Clarence Valley	225,271	21.6	58,971	5.7
Coffs Harbour	15,067	12.8	7,855	6.7
Kempsey	96,741	28.7	6,458	1.9
Kyogle	73,618	20.5	deferred	-
Lismore	9,061	7.0	deferred	-
Nambucca	29,664	19.9	1,801	1.2
Port Macquarie-Hastings	91,409	24.8	5,615	1.5
Richmond Valley	35,092	11.5	4,369	1.4
Tweed	21,379	16.2	deferred	-
Reporting region	657,130	20.5	105,584	3.3

#### Table 9: Details current Environmental zoning within gazetted LEPs

# 2.3.3 Land protected under conservation agreements

At the landholder level, there are a number of different land conservation agreements that protect native vegetation on private land in the North Coast Region. As of 30 June 2016, approximately 1,500 hectares of land was conserved under North Coast Local Land Services agreements and 23,600 hectares under agreements managed by OEH, totalling 25,128 hectares or nearly 4% of the region. Of these agreements, 5,860 hectares are protected in perpetuity. These are shown by agreement type in Table 10 below.

#### Table 10: Area of private land under conservation agreements in 2016

Local Government Area	Number of	Area (ha)	Agreement Type
	agreements		
Ballina	4	24.97	In perpetuity
Dainna	1	19	Ongoing
Pollingon	11	595.2	In perpetuity
Dennigen	8	899.7	Ongoing
Buron	6	130	In perpetuity
Бугоп	7	150	Ongoing
Clarance Valley	12	1727.83	In perpetuity
	14	13,075	Ongoing
Coffe Harbour	7	314.69	In perpetuity
Cotts Harbour	8	1252	Ongoing
Karanaan	2	50.5	In perpetuity
Kempsey	3	332.4	Ongoing
K	1	105	In perpetuity
куодіе	13	1550	Ongoing
	1	121	In perpetuity
Lismore	9	201	Ongoing
Newslawses	1	5	In perpetuity
Nambucca	4	784.5	Ongoing
Port Macquarie - Hastings	2	144	In perpetuity
	3	870	In perpetuity
Richmond Valley	2	411.8	Ongoing
	3	209.8	In perpetuity
Iweed	8	593	Ongoing
North Coast Local Land	42	1562	In nornatuity
Services - whole region	42	1562	in perpetuity
	TOTAL	25,128	
	In perpetuity	5,860	
	Ongoing (no		
	specified date)	19,269	

# 2.4 Native flora and fauna

INDICATORS:	Number of endangered and vulnerable species, populations, and ecological communities (CONDITION) Key threatening processes (PRESSURE)
DATA SOURCE:	OÉH, DPI
DATA QUALITY:	Medium to high
TREND:	Decreasing condition / Increasing pressure

The North Coast Region of NSW has very high species diversity. It also contains a number of species found nowhere else in Australia, and others which due to their diminished range are now only found in isolated pockets in our Region. For example, Mitchell's rainforest snail is only found in the northern part of the North Coast Region between Ballina and Tweed Heads; Coastal Fontainea shrub (Fontainea oraria) is now found only near Lennox Head headland; the Bellinger River snapping turtle is known only from a single river catchment, and the marine brown alga Nereia lophocladia is only known from waters off Coffs Harbour. The Region supports over 40% of NSW threatened species and one fifth of the State's threatened ecological communities, despite the Region occupying only 6.3% of the State (DECCW 2010b).

The current status of native flora and fauna in the reporting region is discussed in this section along with key threatening processes impacting these species. Of the approximately 1,000 species listed as vulnerable, endangered, critically endangered or presumed extinct in NSW, 452 species (or 45%) are found in the North Coast Region, and some LGAs within the reporting region support a very high number of these species. There are 45 listed key threatening processes that are relevant to the North Coast Region for both land and aquatic species and habitats, with DPI responsible for managing aquatic KTPs through Priorities Action Statements and OEH managing terrestrial KTPs through threat abatements plans, and priorities action statements. New declarations of endangered species, populations and communities since 2012 are summarised in Table 11 and can be accessed from NSW BioNet at www.bionet.nsw.gov.au.

The species listed are all now managed by OEH under the Saving our Species program, which allocates threatened species to different management streams based on their threatened status, ecology, habitat and distribution, threats, and our knowledge base. The NSW Government has dedicated \$100 million to this program until 2021 to secure the futures of these species in the wild (OEH 2016b).



# Table 11: Changes to the status of threatened species in the region since 2012 (Source: BioNet online database at <a href="www.bionet.nsw.gov.au">www.bionet.nsw.gov.au</a>)

	Species		
Status in NSW	added since	Species	Relevant LGA
	2012		
Critically endangered species	1	Bellinger River snapping turtle	Bellingen
Critically endangered population	1	New England Peppermint (Eucalyptus nova-anglica) Woodland on Basalts and Sediments in the New England Tableland Bioregion	Potentially found in Clarence Valley, Coffs Harbour, Bellingen, Kempsey, Port Macquarie Hastings
Fodencould non-ulation	2	Allocasuarina inophloia (F.Muell. & F.M.Bailey) L.A.S.Johnson population in the Clarence Valley Local Government Area	Clarence Valley
Endangered population	2	Koala Phascolarctos cinereus (Goldfuss, 1817) between the Tweed and Brunswick Rivers east of the Pacific Highway	Byron Shire and Tweed Shire
		Black-tailed antechinus	Tweed, Kyogle, Lismore, Byron, Ballina
		Wollumbin Dogwood Ozothamnus vagans	Tweed, Byron, Ballina, Lismore, Kyogle, Richmond Valley
Endangered species	6	Torrington Mint-bush <i>Prostanthera staurophylla sensu stricto</i>	Potentially found in Kyogle, Clarence Valley
		Craven grey box Eucaltyptus largeana	Potentially occurs in region
		Solanum sulphureum (a purple flower)	Port Macquarie-Hastings
		Diuris eborensis (an orchid)	Tablelands parts of Clarence Valley, Bellingen, Kempsey, Port Macquarie-Hastings
Endangered ecological community	0	No change since 2012	-
Key Threatening Processes	2	Introduction and establishment of Exotic Rust Fungi of the order Pucciniales pathogenic on plants of the family Myrtaceae Aggressive exclusion of birds from woodland and forest habitat by abundant Noisy Miners Manorina	Region
Aquatic species (marine and frashurster)		melanocephala	
Aquatic species (marine and treshwater)	U	NO CHANGE SINCE 2012	-

# 2.5 Invasive species

INDICATORS:	Extent of invasive weed species (CONDITION/PRESSURE) Extent of invasive weed control (RESPONSE)
DATA SOURCE:	Councils, county councils
DATA QUALITY:	Low to medium
INDICATORS:	Extent of pest fauna species (CONDITION/PRESSURE)
	Number of pest fauna control programs (RESPONSE)
TREND:	Decreasing condition / Increasing pressure
TREND:	Decreasing condition / Increasing pressure

Whilst having some of the highest biodiversity in the country, the North Coast Region also has some of the highest numbers of invasive species, both weeds and vertebrate pests. In recent years, cane toads have progressed further south, the Indian myna has become more prolific, and with high rainfall and warm climate, it is an area where weeds thrive if allowed.

Since the 2012 Regional SoE Report, tropical soda apple, a South American invader, has become the focus of a targeted eradication campaign having caused billions of dollars worth of damage to agricultural land in the USA (LLS 2016). The introduced myrtle rust pathogen has become so widespread that it is predicted to cause the localised extinction of some species of Myrteacae (Carengie et al 2015). Research underway by DPI and NCLLS is demonstrating how far wild dogs will roam, and local volunteers are continuing to curb the increasing populations of Indian mynas in the region. ABC news reported on 7 November 2016 that red fire ants were within 50 km of the NSW border having moved south from Brisbane (ABC 2016).

The current condition of invasive species is described in this section with local responses.



#### 2.5.1 Invasive weed species

In the North Coast Region, weed control is the responsibility of Local Control Authorities (LCAs). There are seven LCAs in the reporting region who report to the North Coast Weeds Advisory Council who in turn reports to NSW DPI as part of the NSW Weeds Action Plan 2015-2020. Far North Coast Weeds (FNCW) is the largest LCA in the region covering Tweed, Byron, Ballina, Lismore, Kyogle and Richmond Valley LGAs. Clarence Valley, Coffs Harbour, Bellingen, Nambucca, Kempsey and Port Macquarie-Hastings are the other regional LCAs operating within their own LGAs.

Currently, the highest priority weeds in the region are:

- Tropical Soda apple
- Miconia
  - Paper Mulberry
  - Cecropia
  - Kidney leaf mud plantain
  - Hymenachne
  - Aleman grass
- Senegal tea plant
- Alligator weed
- Water lettuce

A five year weeds action program funded by the LCAs, DPI and LLS was completed in 2015 and is the main dataset reported on here. All LCAs worked in a coordinated manner to achieve set targets. As the region changed for weeds reporting in 2013, only the two final years are presented here for consistency. These figures are summarised below in table 12.

Photo: Cane toad, N Cotsell

#### Table 12: Weed inspection and control by LGA 2013 – 2015 (source: NCWAC)

2012/11	ar North oast /eeds	arence alley	offs arbour	ellingen	ambucca	empsey	ort lacquarie- astings	Regional
2013/14 High rick sites	шँँँ	σÿ	ŬΙ	ă	Z	ž	ă≥ I	TOTAL
(number)	4 261	402	ГГО	02	02	F13	140	6 150
(number)	4,301	403	550	92	92	512	149	0,159
(IIa)	F 000		7 075	24	144	2 0 7 0	2 0 2 2	10.045
(⊓d) High rick sites	5,000	-	7,875	24	144	3,970	2,832	19,845
treated (Ha)	265	662	E00	12				1 6 7 9
High rick	505	005	200	12	-	-	-	1,020
nathways (km)	16.062	2 702	1 012	720	651	1 222	2 200	25 750
High risk	10,005	5,792	1,015	750	051	1,222	2,200	25,759
pathways								
treated (km)	7,728	782	141	550	-	1,042	1,987	12,230
Other priority	, -					, -		,
sites (number)	1,011	239	86	24	76	350	326	2,112
Other priority	,							
sites (Ha)	348	-	1,023	60	238	-	-	1,669
Other priority								
sites treated (Ha)	348	815	27	9	600	-	-	1,799
2014/15	Far North Coast Weeds	Clarence Valley	Coffs Harbour	Bellingen	Nambucca	Kempsey	Port Macquarie- Hastings	Regional TOTAL
2014/15 High risk sites	Far North Coast Weeds	Clarence Valley	Coffs Harbour	Bellingen	Nambucca	Kempsey	Port Macquarie- Hastings	Regional TOTAL
2014/15 High risk sites (number)	Far North Coast Weeds 1'826	Clarence Valley 1'005	Coffs Harbour	Bellingen 83	Nambucca 84	Aasduuay 328	Port Macquarie- Hastings	Regional TOTAL <b>4,191</b>
2014/15 High risk sites (number) High risk sites	Far North Coast Weeds	Clarence Valley 1'00'1	Coffs Harbour 264	Bellingen 83	Nambucca 94	Assduray 328	Port Macquarie- Hastings	Regional TOTAL <b>4,191</b>
2014/15 High risk sites (number) High risk sites (Ha)	Far North Veeds 1,879 1,426	Clarence Valley -	Coffs Harbour 2,330	93 544	Nampricca 94	Asduay 328 14,110	Port Macquarie- 11 3,201	Regional TOTAL 4,191 21,754
2014/15 High risk sites (number) High risk sites (Ha) High risk sites	Far North Veeds 1,879 1,426	Clarence Valley -	Coffs Harbour 2,330	uəbuillə 93 544	Panpacca Nampreco 94 144	Aasterna van de service van de servi	Port Macquarie- 110 31 310 310	Regional TOTAL 4,191 21,754
2014/15 High risk sites (number) High risk sites (Ha) High risk sites treated (Ha)	Ear North 1,879 1,426 1,426	Clarence valley - 320	Cotts 764 2,330 1,363	93 544	94 144	And Control of Control	Port Hastings -	Regional TOTAL 4,191 21,754 3,129
2014/15 High risk sites (number) High risk sites (Ha) High risk sites treated (Ha) High risk	Har North 1,879 1,426 1,426	Clarence 1,002 - 320	Cotts Tearpont 2,330 1,363	93 544 19	94 144	Asduay 328 14,110 -	Port Hastings -	Regional TOTAL 4,191 21,754 3,129
2014/15 High risk sites (number) High risk sites (Ha) High risk sites treated (Ha) High risk pathways (km)	Har North 1,879 1,426 1,426 4,312	Clarence 1,002 - 320 2,865	Cotts Tearbour 2,330 1,363 1,368	und series and series	94 144 - 450	Astronomy Sectors (14,110) - 6,710	Bort Hastings - 2,812	Regional TOTAL 4,191 21,754 3,129 19,117
2014/15 High risk sites (number) High risk sites (Ha) High risk sites treated (Ha) High risk pathways (km) High risk	Har North Har North 1,879 1,426 1,426 4,312	Clarence 7,002 - 320 2,865	Cotts Tearbour 2,330 1,363 1,368	uaguillag 93 544 19 600	94 94 144 - 450	Asduay 328 14,110 - 6,710	Bort Hastings - 2,812	Regional TOTAL 4,191 21,754 3,129 19,117
2014/15 High risk sites (number) High risk sites (Ha) High risk sites treated (Ha) High risk pathways (km) High risk pathways	Har North 1,879 1,426 1,426 4,312	Clarence 1,002 - 320 2,865	Cotts 764 2,330 1,363 1,368	uagening 93 544 19 600	94 144 - 450	And the second s	Hastings - 2,812	Regional TOTAL 4,191 21,754 3,129 19,117
2014/15 High risk sites (number) High risk sites (Ha) High risk sites treated (Ha) High risk pathways (km) High risk pathways treated (km)	Har North 1,879 1,426 1,426 4,312 2,078	Clarence 1,002 - 320 2,865 718	Cotts 764 2,330 1,363 1,368	uagening 93 544 19 600 695	94 94 144 - 450	And the second secon	- - - - - - - - - - - - - - - - - - -	Regional TOTAL 4,191 21,754 3,129 19,117 6,486
2014/15 High risk sites (number) High risk sites (Ha) High risk sites treated (Ha) High risk pathways (km) High risk pathways treated (km) Other priority	4,312 2,078	Clarence 1,002 - 320 2,865 718	Cotts Teach	93 93 544 19 600 695	94 94 144 - 450 -	328 328 14,110 - 6,710 850	- - 2,812 1,558	Regional TOTAL 4,191 21,754 3,129 19,117 6,486
2014/15 High risk sites (number) High risk sites (Ha) High risk sites treated (Ha) High risk pathways (km) High risk pathways treated (km) Other priority sites (number)	Have a construction of the second sec	Clarence 1,002 - 320 2,865 718 225	Cotto Ted 2,330 1,363 1,368 587 253	eegiiiiege 93 544 19 600 695 30	P94 94 144 - 450 - 78	Astronomic Sector Secto	- - 2,812 1,558 1,110	Regional TOTAL 4,191 21,754 3,129 19,117 6,486 3,640
2014/15 High risk sites (number) High risk sites (Ha) High risk sites treated (Ha) High risk pathways (km) High risk pathways treated (km) Other priority sites (number) Other priority	Har North Har No	Clarence 1,002 - 320 2,865 718 225	Cotts Teach	understand 93 544 19 600 695 30	94 94 144 - 450 - 78	Astronomy Series	- 2,812 1,558 1,110	Regional TOTAL 4,191 21,754 3,129 19,117 6,486 3,640
2014/15 High risk sites (number) High risk sites (Ha) High risk sites treated (Ha) High risk pathways (km) High risk pathways treated (km) Other priority sites (number) Other priority sites (Ha)	Har And	Carence 1,002 - 320 2,865 718 225 -	Cotts Cotts	Handbox Handbo	94 94 144 - 450 - 78 238	328 328 14,110 - 6,710 850 299	- - - - - - - - - - - - - - - - - - -	Regional TOTAL 4,191 21,754 3,129 19,117 6,486 3,640 21,554

The five year program covered over 2.3 million hectares of land outside of National Parks and State Forests, targeting high priority weeds and inspecting high risk sites and pathways such as waterways (floods are a major weeds vector), roadsides, railways, nurseries, and cattle yards.

The figures reported here (see Table 12) only apply to weed control conducted by councils and county councils under the Weeds Action Plan, and do not include specific habitat restoration projects that involve weed removal, or the work private landholders do to control weeds.

The program was considered to be very successful in its collaborative response to Tropical Soda Apple, involving the North Coast, Mid North Coast and Northern Tablelands Regions. Funding was provided by Local Control Authorities, Local Land Services and DPI. This program to date has been highly successful in containing a potentially disastrous infestation. Rapid response strategies have also been implemented for numerous species in the region including Seeded Banana, Banana Passionfruit, Red Trumpet Vine, Hymenachne and Asparagus virgatus.

Monitoring of past eradication is essential to prevent re-emergence. The Region's LCAs have a significant monitoring program focussing on high risk and high priority species and on preventing re-emergence at eradicated sites.

This program has been particularly successful for key weed species including Hymenachne, Tropical Soda Apple, Giant Devils Fig, Water Lettuce. Aleman Grass, Miconia and Kidney Leaf Mud Plantain. Coordination through NCWAC has resulted in numerous effective joint programs between Local Control Authorities and state agencies such as NPWS, Forestry Corp and Crown Lands, as well as cross-tenure projects that incorporate private property (NCWAC 2016).

## 2.5.2 Invasive fauna species

Vertebrate pests in the North Coast Region including rabbits, foxes, goats, cats, dogs, deer, cane toads, pigs and mosquito fish — are all listed as key threatening processes in NSW, meaning they have a measureable impact on threatened species populations and their habitats.

Information collected by DPI Vertebrate Pest Research Unit on vertebrate pests in the Region along with feedback from councils is provided in Table 13.

Each Council within the reporting area has some type of program or service to assist in vertebrate pest control. Most rely in part on the services of volunteers and Landcare to conduct vertebrate pest management. These are listed in Table 14.

Pest	Density	Location
	Medium to high	Clarence River to Tweed. LGAs report numbers are steady.
Cane toads		
	Low	Port Macquarie
Dige	Low to medium	Coastal areas mainly around Clarence and Kempsey
r igs	Medium to high	Tablelands areas
Horses	Low to medium	Clarence Valley, Coffs Harbour and tablelands areas
Goats	Generally low	Mostly confined to the tablelands region
Foxes	Presence	All of North Coast Region
	Medium to high	Present in all partsof the region including Tweed, Ballina
		and Byron. In 2012, was thought to be absent from these
Dogs		areas. Increasing presence reported.
	Low	Along the coastal strip
	Absent	Nowhere
	Low to medium	Southern, central section of Region, predominantly near
Deer		state forest and national park areas
Deel	Medium to high	Reportedly increasing in Port Macquarie-Hastings and
		Coffs Harbour LGAs
Cats	Presence	All of North Coast Region - reportedly increasing
Rabbits	Presence	An issue in Tweed Shire
Indian mynac	Presence	Increasing in all LGAs despite major trapping efforts in
		some areas
Freshwater fish pest species		
Fastern gambusia (Mosquito fish)	Presence	All of North Coast Region freshwater river reaches
Carp	Presence	All of North Coast Region freshwater river reaches
Redfin	Presence	All of North Coast Region freshwater river reaches
	Presence	Clarence River system freshwater river reaches, but not
Banded grunter		noted in recent years
Goldfish	Presence	Lowland freshwater rivers throughout Region
Swordtails (Xiphophorus helleri)	Presence	Found in Tweed Shire only
Pearl cichlid	Presence	Found in Tweed Shire only
Redclaw crayfish	Presence	Only found in Emigrant Creek Dam
Mozambique tilapia	Presence	Discovered in 2014 on Cabarita Beach, Tweed Shire

Table 13: Vertebrate pest species by LGA for 2016 (Source: DPI)

Table 14: Pest control programs in the reporting region (Source: Councils)

Local Government Area	Vertebrate pest control program
Ballina	Indian myna trap Ioan
Bellingen	Indian myna trap Ioan
	Cane Toad Musters
	Exclusion fencing for cane toads
Byron	Community education
	Indian myna trap Ioan
	Feral animal trapping (wild dogs, foxes, cats)
	Indian myna trap loan and trapping program
	Cane toad control (seek & hand removal)
Clarence Valley	Wild dog, fox control (Baited)
	Pig control
	Feral cat control
Coffs Harbour	Indian myna trap Ioan
Kempsey	Feral cat trap loan
Kyogle	Refer pest issues to LLS
Lismore	Indian myna trap Ioan
Nambucca	Indian myna and feral cat trapping
	Indian myna program
Port Macquarie-Hastings	Feral deer program
	Limeburners to Crowdy Head National Park Coastal Corridor Project
Richmond Valley	Indian myna trap Ioan
Nichmond Valley	Annual carp muster which is undertaken by the Casino RSM Social Fishing Club
	Indian myna trap Ioan
Tweed	Cane toad control program — musters and breeding habitat exclusion
IWEEG	Wild dog and fox control
	Rabbit trap loan

Since 2012, there appears to have been a reduction in vertebrate pest management by councils within the reporting region, with most relying on volunteer groups to provide basic trapping and education services or referring all enquiries to Local Land Services. The majority of reports are that pest species abundance is increasing except for cane toads, which are reported to be steady. There is still limited information on the distribution and abundance of vertebrate pest in the region. Local Land Services and DPI are supporting research as well as on-ground control for vertebrate pests. Recent research into wild dogs involved radio-tracking collared wild dogs caught in Coffs Harbour. One dog "Midnight" has astounded researchers by travelling incredible distances. See figure 37, courtesy of Dr Guy Ballard, Dr Paul Meek and DPI.



Figure 37: Tracking of the wild dog "Midnight" (by DPI 2016)

# THREE



# Land use and Soils

The landscape of the North Coast Region has been significantly altered since European settlement. The large-scale clearing of forests for timber and agriculture in the Region in the late 1800s and early 1900s created a vastly different landscape to the original native vegetation, and more recent coastal urban and infrastructure expansion has increasingly applied pressure to our soil resources either through increasing soil loss or removing fertile land and soils from agricultural production. Soils are non-renewable, and some consider that declining land and soil condition is the greatest ecological threat facing Australia (e.g. Chapman et al. 2011), as it impacts ecological functioning and can be irreversible. Soil security is fundamental to food production and livestock health. Where soil is managed continually beyond its capability it has had detrimental effects on the socio-economic wellbeing of communities.

In the 2012 RSoE report, soil condition and lands management within capability were reported on using data collected as part of the 'NSW Natural Resources Monitoring, Evaluation and Reporting Strategy' (NSW MER Strategy) and analysed by OEH in 2012, expanding on monitoring conducted for the State of the Catchments 2010 report (DECCW 2010b). At that time, the Natural Resources Commission had two state-wide targets for soil and land:The Natural Resources Commission has two state-wide targets for soil and land:

- by 2015 there is an improvement in soil condition
- by 2015 there is an increase in the area of land that is managed within its capability.

Unfortunately there have been no updates to the monitoring or targets so in this section the 2012 soils and land management information will be repeated. Activities targeting soils and land management are reported here for the 2012 to 2016 period.

The pressures acting on soil condition primarily relate to land management practices, so these two indicators are discussed together, with acid sulfate soils discussed separately as they are a major soil issue for this Region.

# 3.1 Soil condition

INDICATOR:	Soil condition
DATA SOURCE:	OEH
ρατα οιιαι ίτυ:	Medium to high
	Medium to might
IREND:	Unknown

Soil condition was assessed in 2010 and 2012 by the Office of the Environment and Heritage (DECCW 2010b) The Reporting Region was divided into 10 soil monitoring units (SMUs) which cover approximately 21% of the Reporting Region and monitoring sites are located within each SMU (see Figure 38).

The data in Table 15 shows the current condition of soils in the 10 soil management units. The condition of each SMU was determined through comparison of test sites with a reference site (considered to be in ideal condition) within the same SMU.

Photo: Tweed Shire Council





Soil management unit	Sheet	Gully erosion	Wind	Acidity	Organic carbon	Soil Structure	Acid sulfate soils	Soil salinity
North Coast Floodplains	3.6	5.0	5.0	3.6	1.1	4.0	no data	4.4
Dorrigo-Comboyne Plateau	2.7	4.0	5.0	no data	no data	no data	no data	5.0
Alstonville Plateau	2.2	4.0	5.0	3.9	4.0	4.6	no data	5.0
Casino Alluvials	2.4	4.0	3.1	3.9	3.2	3.1	no data	4.1
Walcha Metasediments	2.9	3.5	5.0	3.7	2.1	3.4	no data	3.0
Clarence Sodic Soils	2.9	2	4	3.1	2.6	3.7	no data	4.2
Kempsey Hills	2.5	2.5	5.0	2.7	2.7	4.0	no data	5.0
Granite Borderlands	2.8	3.0	3.0	3.5	2.8	4.1	no data	3.8
Wauchope Low Hills	2.4	4	5.0	3.9	3.5	4.3	no data	4.7
North Coast Acid Sulfate Soils	3.7	5.0	5.0	2.2	3.3	5.0	3.0	5.0

#### Table 15: Soil management unit condition by indicator for 2012 (Source: OEH)

#### Legend for tables

4.6 – 5.0	Very good
3.6 – 4.5	Good
2.6 – 3.5	Fair
1.6 – 2.5	Poor
<1.5	Very poor

No loss of soil function. Either no deterioration or an improvement on reference condition.
 Slight loss of soil function. Noticeable but not significant deterioration against reference condition.
 Noticeable loss of soil function. Noticeable deterioration against reference condition.
 Significant loss of soil function. Considerable deterioration against reference condition.
 Profound loss of soil function. Severe deterioration against reference condition.

Each SMU varied in its condition for each indicator. Generally, all SMUs averaged as fair to good for overall soil condition; however, sheet erosion is an issue for most SMUs, followed by organic carbon depletion, which is an issue for most SMUs, particularly coastal floodplains. The reduction in soil carbon is of particular concern and will require response from a range of landowners and stakeholders. There is a slight decline for acidity, the indicators of soil structure and acid sulfate soils are improving, and the others remain steady. Wind erosion, soil salinity and soil structure are the best of the indicators, showing these are less of an issue for land management in the Region.

However, continued good land management practices are needed to maintain this good status (Chapman et al. 2011). The indicators also respond well to land management practices, which are discussed next.



Photo: M Asquith

# 3.2 Land management within capability

INDICATOR:	Land managed within its capability (PRESSURE)
DATA SOURCE:	OEH
DATA QUALITY:	Medium to high
TREND:	Unknown

Land management practices are the primary pressure on soil condition (Chapman et al. 2011). Fortunately, this means that soil condition can be improved through changes in land management, with the associated benefits of increased agricultural productivity and better ecological functioning. Land management within capability is also being monitored as part of the NSW MER Strategy, although current status of the program is unknown.

This involves assessing how well land types are being managed and whether the land can be maintained in good condition under these management practices. For example, different levels of tilling, fertiliser use, length of time land is left fallow, and amount of vegetation or ground cover all affect how well the land and soil cope. Some practices will degrade land and soil faster than others.

The land management information reported here was gathered by OEH under its MER program in 2010 and 2012, and includes data gathered from landholders themselves, from actual site soil samples and land assessment, and expert knowledge (Chapman et al. 2011). This information was then used to derive a score, or index, shown in Table 16 below.

					Organic	Soil	Acid	Salinity/
	Sheet	Gully	Wind	Acidificat	carbon	Structure	sulfate	water
Soil management unit	erosion	erosion	erosion	ion	decline	decline	soils	logging
North Coast Floodplains	4.1	4.1	4.1	3	4.4	4.4	no data	4.9
Dorrigo-Comboyne Plateau	2.9	2.9	4.4	3.3	5	5	no data	5
Alstonville Plateau	2.8	2.9	4.2	3.3	4.8	5	no data	5
Casino Alluvials	4.7	4.7	4.8	3.2	4.2	4.2	no data	4.6
Walcha Metasediments	2.8	2.8	4	2.9	3.1	3.1	no data	3.8
Clarence Sodic Soils	3.8	3.8	4.7	2.2	3.2	3.3	no data	1.7
Kempsey Hills	1.7	1.7	4.7	3.7	4.7	4.7	no data	4.7
Granite Borderlands	4.5	4.7	4.6	3	4.6	4.4	no data	5
Wauchope Low Hills	3	3	4.5	3	4.1	4.1	no data	4.9
North Coast Acid Sulfate Soils	4.9	4.9	2.6	2.3	1.4	1.7	3.7	1

#### Table 16: Land management within capability by indicator for 2012 (OEH 2012)

4.6 – 5.0	Very good
3.6 – 4.5	Good
2.6 – 3.5	Fair
1.6 – 2.5	Poor
<1.5	Very poor
1.6 – 2.5 <1.5	Poor Very poor

The data indicates that for the reporting region, land management is generally "fair" to "good". Erosion and acidity are the primary issues affecting land management regionally, with salinity or waterlogging affecting Clarence Sodic Soils. Acid sulphate soils (ASS) require ongoing management as they are the poorest performing soil management unit in the region.

# 3.3 Funded land and soils management activities

INDICATOR:	State- and federally-funded soil and land management activities (RESPONSE)
DATA SOURCE:	North Coast Local Land Services
DATA QUALITY:	Medium

Soil improvements and erosion controls are funded in many instances by North Coast Local Land Services, however data on the area under improvements was not available for this report but will be reported on as soon as data becomes available. Improvements to acid sulfate soils are not included here as they are detailed in section 3.4.

## 3.4 Acid sulfate soils

INDICATOR:	Extent of acid sulfate soils: hotspots and drainage density (PRESSURE)
DATA SOURCE:	Former Department of Land and Water Conservation
DATA QUALITY:	High
INDICATOR:	Area of remediated acid sulfate soils, drains and associated wetl ands (RESPONSE)
DATA SOURCE:	Councils, county councils, Northern Rivers CMA
DATA QUALITY:	Medium
TREND:	Improving condition

Acid sulfate soils (ASS) are naturally occurring soils that contain iron sulfides. In the North Coast Region, the acid sulfate soils of most concern are those which formed within the past 10,000 years, after the last major sea level rise. When the sea level rose and inundated land, sulfate in the sea water mixed with land sediments containing iron oxides and organic matter. The resulting chemical reaction produced large quantities of iron sulphides in the waterlogged sediments. Generally lying under alluvial soils, ASS are harmless if left alone and inundated, but when disturbed they react with oxygen to release sulfuric acid into the surrounding environment. This acid also dissolves and then transports heavy metals including iron and aluminium. This toxic combination severely affects vegetation, fish and other aquatic life (invertebrates and aquatic vegetation), and reduces the condition and productivity of the soil it comes into contact with (Johnston et al. 2003). It also corrodes and decreases the lifespan of any concrete and steel infrastructure it encounters.

In the North Coast Region, ASS are found in all coastal council areas from Port Macquarie-Hastings north to Tweed. Urbanisation, agriculture and development have disturbed many areas of ASS. In particular, the broadscale excavation of flood mitigation drainage systems across the coastal floodplains has exacerbated ASS issues by increasing oxidisation of these soils. Much remediation work is now focusing on restoring higher groundwater levels in key drainage systems to minimise the potential for further oxidation and export of acidic contents.

ASS have been comprehensively mapped for the North Coast Region, and best practice remediation techniques employed. At a state level, NSW Department of Primary Industries (NSW DPI) and North Coast Local Land Services are involved in remediation works and funding remediation programs. At a local level, councils have their own restoration programs which complement the statelevel programs and are often funded by state agencies. The current state of ASS in the Region and by each LGA is detailed in Table 17.

Table 17: Acid sulphate soils status by LGA for the region (Source: Councils)

	Bellingen	Byron	Clarence Valley	Coffs Harbour	Kempsey	Nambucca	Port Macquarie- Hastings	Richmond River County Council *
Total area								
identified high risk								
ASS (ha)	4,243	1,518	67,109	4,707	41,791	4,542	19,513	36,421
Total area								
identified low risk								
ASS (ha)	772	6,371	14,978	4,431	9,261	2,111	6,874	33,988
Total area of ASS								
hot spots (ha)	-	1,265	10,001	-	15,781	-	3,711	15,139
Area of ASS								
remediated to								
2016 (ha)	-	-	5,170	-	174	-	5,122	3,939
Area of associated wetland remediated to 2016 (ha)	_	_	1.184	_	40	_	942	1176
Number of drains			,					
remediated to								
2016	-	-	229	-	8		57	29
Length of drains								
remediated (km)								
to 2016	-	-	97	-	3.45	-	145	109.7
Area of ASS under management (ha)	_	_	5,250	_	184	Gumma Swamp project commenced	all ASS remediated in LGA	-

In the North Coast Region, just over 280,000 hectares of acid sulfate soils have been identified. Of these, 70% are considered high risk and 30% low risk. Nearly 50,000 hectares of land is considered to contain ASS hot spots, which prioritises them for remediation works. Drainage channels (both natural creeks and streams, and channels constructed for agriculture) increase the transport of ASS into river systems. All 4,546 km of ASS drains have been mapped for the North Coast Region. Drained wetlands often adjoin or overlay areas of ASS and remediation of these wetlands is critical to maintain their important ecosystem functions.

Many councils are actively remediating ASS in their areas, with 20,249 hectares of land, 439 km of drainage, and 3,462 hectares of adjoining wetland remediated in the region. Over 12,000 hectares of

ASS are under ongoing management. Management plans and agreements are in place for remediated areas to guide ongoing maintenance. Management of ASS is generally covered under each council's LEP and associated development control plans which specify what activities can be undertaken on identified ASS.

Port Macquarie-Hastings has remediated all its ASS and associated wetlands. Clarence Valley has remediated half of it area of ASS hot-spots, and Tweed is continuing to work with cane growers to manage ASS and cane drains. Richmond River County Council also continues to work closely with cane growers and manage flood gates and tidal flushing for river health. Nambucca has just commenced a remediation project for Gumma Swamp, and Bellingen and Coffs Harbour Councils have development controls in place for their low risk ASS.

# 3.5 Mining and Exploration

INDICATOR:	Extent and status of mining and exploration
DATA:	Minview (Department of Primary Industries
DATA QUALITY:	High

Mineral exploration and mining is an activity that creates tension within communities, with many in the North Coast region concerned with the potential for expansion of mining activities. Currently, mining activity is very low, as is the number of applications and exploration licences within the region.

A summary of current mineral exploration and mining activity within the region is presented in figure 39. Currently, there are:

- 9 current mining licences in the region – 4 for brick, clay, and shale, 1 for gold (George's Gold mine Coffs Harbour), 1 for tin and tungsten (Port Macquarie-Hastings), 3 for gold, silver & antimony (all Kyogle west)
- 2 current mineral applications for Clarence Valley and Port Macquarie-Hastings
- 18 current exploration licences covering all LGAs except Lismore. Tweed, Byron and Ballina
- No active coal seam gas boreholes in the region
- 2 expired coal mining titles in Clarence
  Valley

This information is publically available at MinView – the Department of Industry: Resources and Energy geoscience information website (http://www.resourcesandenergy.nsw.gov.au/miners-and-explorers/geoscience-information/services/ online-services/minview\_).







# Water

The North Coast Region of NSW has some of the largest river systems in the State. The Clarence River system is the largest coastal river system in NSW, the Richmond River drains the largest coastal floodplain in NSW, and the Region has the highest rainfall in the State.

Along the Region's coast there two main estuary types: wave-dominated barrier estuaries and intermittently closed or open lakes and lagoons (ICOLLS). Groundwater is also a feature of the Region, with a number of groundwater sources many of which supply both urban and rural areas with water. The marine environment adjacent to the mainland is incredibly diverse and includes two marine parks and an aquatic reserve. We are dependent on these river and estuary systems for our water supply, our recreation (swimming, fishing), and for some, our livelihood (oyster production, commercial fishing, tourism). Our rivers, creeks and estuaries are subject to increasing pressures from agriculture, land modification, urban expansion and associated pollution and alterations. Fortunately some rivers and estuaries are contained within the national park estate, thus removing them from urban pressures, but others are highly impacted by pollution and alteration. Maintaining clean, healthy waterways is critical to sustain our current lifestyle, so monitoring and appropriate management are vital.

In this section, the current condition of rivers and estuaries, wetlands, groundwater and the near-shore marine environment are detailed, along with key pressures and major responses.

Photo: S Morris



Photo page 76: A Harrison

# 4.1 Estuarine and freshwater rivers

INDICATORS:	Water quality, macro invertebrates and fish assemblages (CONDITION) Presence of riparian vegetation (CONDITION)
DATA SOURCES:	Water quality: Ecosystem health programs,
DATA QUALITY:	High
INDICATORS:	Macroinvertebrates: OEH, Ecosystem health programs
DATA QUALITY:	High (Macroinvertebrates)
INDICATORS:	Fish assemblages: DPI
DATA QUALITY:	High
INDICATORS:	Riparian vegetation: NSW Office of Water, councils, ecosystem health programs.
DATA QUALITY: TREND:	Low to medium Decline in water quality and river health

Estuarine and freshwater river condition is generally assessed using a number of indicators, including:

- water quality, particularly chlorophyll-a, turbidity, total nitrogen, total phosphorous and dissolved oxygen
- macroinvertebrate levels i.e. the type and number of water bugs
- riparian/riverbank vegetation and riverbank
   stability
- fish condition i.e. the number, type and age of fish species.
- zooplankton a simple water quality indi cator for estuaries

The Ecohealth aquatic ecosystem monitoring program, now led by the University of New England (UNE) uses these indicators when assessing river health. In 2012, only three LGAs within the region had conducted a full ecohealth assessment, with a fourth completing the South east Queensland (SEQ) catchments version of the program. In October 2016, all but one of the LGAs in the region had either completed or were in the process of conducting an Ecohealth assessment. Three LGAs were completing a second comprehensive ecohealth assessment. This has resulted in a much greater level of understanding of river and estuarine health in the region.

Due to the resource intensive, time consuming and costly nature of the assessment, there is currently a Regional Ecohealth proposal which would allow a more streamlined and more resource and costeffective approach to assessing the waterways of the region. All Councils are supportive of the proposal and are awaiting the outcome of negotiations with the Office of Environment and Heritage (OEH) who will ideally assist with funding the program. OEH Coasts and Estuaries program have match-funded the Ecohealth program in the past assisting Councils greatly with the costs. In addition to the Ecohealth program, OEH conducts three-yearly estuarine water quality monitoring along the coast assessing chlorophyll-a and turbidity using parameters specifically developed for NSW estuaries. All councils within the region conduct standard basic water quality testing as part of their licence conditions for operating waste water treatment plants (WWTP) or water reclamation plants, and also for drinking water quality, however this does not give a comprehensive picture of the river or estuary condition.

As part of the former NSW MER Strategy, OEH and DPI conducted macroinvertebrates and fish condition assessments throughout the region, with updated fish condition information presented here. The level of information on the health of the region's rivers and estuaries has increased greatly since 2012, providing us with a true regional picture.

# 4.1.1 Comprehensive river health assessment

In 2012, only four LGAs within the reporting region had conducted comprehensive ecosystem health assessments for rivers and estuaries. In October 2016, eleven of the twelve LGAs in the region had either completed or were in the process of completing the NSW Ecohealth or the SEQ Catchments program, with three LGAs conducting a second assessment, as they are designed to be run at 4-yearly intervals. It is hoped the proposed regional Ecohealth program will proceed allowing ongoing streamlined assessment of the Region's waterways.

Ecohealth and the SEQ Catchments programs both assess water quality, riparian vegetation, macroinvertebrates and fish condition in estuaries and freshwater reaches of rivers and creeks. Some LGAs have included zooplankton in their assessments as this can provide a quick indication



Figure 40: Ecohealth grades by catchment and Tweed catchment grades

LGA	Year of assessment	Overall grade	Water quality	Riparian	Macroin- vertebrate	Geomor- phic	Fish	Trend/Status
Ballina	2014	D	D-	D-	D	D+	-	High nutrient levels and poor riparian condition reduced grades
	2009 Bellinger	B-	A-	C+	В	-	-	Riparian vegetation poorest indicator
Bellingen	2009 Kalang	C+	C+	D	C-	-	-	Estuary poorer than freshwater
	2016				In p	rogress		
Byron					Not	assessed		
Clarence Valley	2013	C-	с	C-	C-	-	C+	Coastal tributaries poorest for water quality and macroinvertebrates; main river poorest for riparian vegetation
Coffs Harbour	2015	C-	с	C+	F	C+	B-	Slight decline since 2011; Macroinvertebrates poorest; estuaries suffering from poor flushing
Kempsey	2015	C-	D+	D	D+	C+	C+	
Kyogle	2013	D+	D	D+	D	с	-	High nutrient levels and poor riparian condition reduced grades
Lismore	2013	D-	D-	D-	D	C+	-	High nutrient levels and poor riparian condition reduced grades
Nambucca	2016				In p	rogress		
Port Macquarie-	2015 Camden Haven	С	D-	с	F	В	-	Good health generally water quality poorer in estuaries
Hastings	2015 Hastings	C+	D-	B+	C-	B+	-	Good health generally, riparian veg poorer in estuaries
Richmond Valley	2013	D-	F	D	D-	C-	-	High nutrient loads and poor riparian veg reduced grades
								SEQ program
Twood	2011 15	C						High nutrient loads in estuaries
Tweed	2011-15	11-15 C	-	-	-	_	_	Upper catchment better condition - nutrient loads an issue
Richmond River County Council	2013	С	D+	D	B-	В	-	Entire Richmond River catchment. Consistently high nutrients and poor riparian veg key issues

# Table 18: River condition grades by LGA (see figure 40 for legend)

of estuary health. Combined, these indicators give an overall score for river and estuary condition. Scores and key trends are summarised in Table 18 and in Figure 40 for all LGAs who have undertaken this comprehensive assessment (for full details of results, see each Council's website, or UNE's webpage <u>http://aerlabcomau.ipage.com</u>).

Results of the Ecohealth and other river health assessments indicate catchment grades ranged from B+ (good) to F (fail) for overall catchment health across the Region. The highest grades were in waterways with good riparian vegetation and lower nutrient levels, whereas poor grades were the result of consistently high levels of nutrients, very altered waterways and riparian zones (such as cane drains) and an absence of riparian vegetation. Macroinvertebrate communities tended to be dominated by pollution-tolerant species. Water quality was consistently poorer in estuaries than in freshwater, with the tidal limit a key deposition point for nutrients. In some areas, water quality improvements were linked to sewering of towns highlighting the contribution of septics to nutrient loads. Fish condition was generally good in the region with few invasive species and a range of native species. However, recruitment was an issue for all species which lowered scores. A summary by indicator follows (Ryder et al 2011, 2012a and b, 2014, 2015, 2016 in press).

#### Water quality

Water quality varied across catchments with the highest grades occurring in protected areas, and the poorest on the floodplains where intensive agriculture occurs and within urban areas where run-off is a key source of pollutants. In freshwater reaches, elevated phosphorus, nitrogen and turbidity reduced condition scores, whereas in estuary reaches low dissolved oxygen, acid drainage and high nutrients reduced scores. The sources of elevated nutrients appear to be primarily from agriculture (intensive more than extensive) and also septics when too close to rivers. In estuarine reaches, inputs from urban run-off appear to be the primary issue. Poorest water quality was consistently found across all systems at the sites closest to the tidal limit (where freshwater meets salt water) indicating this zone acts as a deposition point for both freshwater and estuarine contaminants and sediments.

High nutrient and sediment loads were strongly linked to high rainfall, however in some systems water quality issues occurred in both high and low flow conditions. In some freshwater reaches, poor water quality was directly linked to elevated nutrients from agriculture and onsite sewage management systems (septics), with high silt loads from absent or poor riparian vegetation.

Some recent studies have detected an improvement in nutrient loads on waterways when towns are connected to the sewer. In the Tweed LGA, a decrease in faecal contaminants and chlorophylla was found after the town of Uki was connected to the sewer (Hydrosphere Consulting 2015). In Bellingen, the sewering of the low-lying areas along the Kalang River has allowed the NSW Food Authority to re-assess the water quality with a view to re-opening the area to oyster aquaculture, which was closed in 2008 due to contamination from septics. Results will be known by the end of 2016 along with the results of the 2015/16 water quality monitoring program.

#### **Macroinvertabrates**

Diverse and abundant aquatic macroinvertebrate communities were found throughout the upper freshwater reaches of the various river systems, but most locations were dominated by organisms tolerant of poor water quality and poor habitat. A lack of good habitat rather than poor water guality may be reducing the condition of macroinvertebrates. Macroinvertebrate condition improved after flooding suggesting they are more affected by prolonged periods of low flows than floods. Highest grades for macroinvertebrates were in streams with intact riparian zones and little sediment sources. Poorest scores occurred in catchments dominated by poor water quality, high sediment loads, poor riparian vegetation and eroding riverbanks.

#### Riparian vegetation

Riparian condition was generally low across the Region outside of protected or forested areas. Poor riparian condition included issues with invasive species, a poor diversity of native vegetation, reduced vegetation structure, and small isolated pockets that were poorly connected to other native vegetation. Poor riverbank stability (geomorphic condition) was linked to cleared or damaged riparian zones due to agriculture and urbanisation in the lower reaches, and livestock accessing the river in freshwater reaches. Other reaches showed evidence of eroding river banks and sediment deposited in the channel. Estuarine reaches were generally dominated by riverbanks with little or no vegetation present.

#### Fish condition

Fish condition was assessed for the Tweed, Clarence, Bellinger, Macleay and Hastings catchments as part of the Ecohealth and Tweed programs. Generally, fish condition was characterised by good nativeness, with only three invasive species found across the Region – Eastern gambusia (mosquito fish), carp and goldfish, and a good number of native species when compared with pre-European times. However recruitment was poor. Estuaries and protected catchments performed better than upland areas. The Tweed studies found additional invasive species - Swordtails (Xiphophorus helleri ), and in 2014 Mozambique Tilapia was identified in Cabarita Beach (DPI 2016). Fish condition is discussed in more detail in section 4.1.4.

## Zooplankton

Zooplankton has only been assessed for the Port Macquarie-Hastings LGA. It is a simple measure of estuarine water quality useful for those coastal LGAs with large estuaries. Results indicate that for the Hastings and Camden Haven estuaries, zooplankton condition is good to very good, reflecting the good water quality for those estuaries.

The program has identified a trend for declining water quality and river health in the Region. The continuation of this is likely to impact the aquatic species dependent on rivers (including not only fish, but also frogs, turtles, platypus), the quality of water we use for town water supply, and the water that we swim and play in. Many popular swimming locations across the Region scored an "F" (fail) for water quality indicating it is probably not suitable for swimming in safely.

The 'mystery virus' affecting the Bellinger River snapping turtle, and the closure of areas to shellfish production indicate the impacts poor water quality can have on biodiversity and our livelihood.

Overall the Ecohealth findings and recommendations across the Region were consistent. Improving riparian vegetation condition, stabilisation of river backs, and managing nutrient and sediment inputs from the various types of land use are critical to maintaining or improving river health.

For detailed information on the Region's river health monitoring, see individual Council websites, the UNE Ecohealth website http://aerlabcomau.ipage.com and Tweed Shire Council's website.

Section 4.1.7 details responses from Councils regarding riparian rehabilitation projects.



Photo: S Hessey

#### 4.1.2 Estuarine water quality

As part of the NSW Monitoring, Evaluation and Reporting program, water guality is monitored every three years at 32 estuaries, lakes and lagoons along the North Coast of NSW by OEH. Turbidity and chlorophyll-a were the key measures used to determine water quality, as they indicate levels of nutrients, sediments and other contaminants in waterways that may lead to algal blooms, impacting aquatic and human health. Increases in turbidity and chlorophyll-a levels are normal after heavy rains and in summer with warmer water temperatures. However increased levels that persist over time indicate poor water quality (OzCoasts 2012). Acceptable levels are set nationally under the ANZECC guidelines, however levels have been modified for regional and local use by OEH (Roper et al 2011). Estuaries sampled are also classified for disturbance level.

Results indicate that in 2015, 29 percent of estuaries are in 'very good' condition (down from 43% in 2012), 42% of estuaries are in 'good' condition, 29% are in 'fair' condition, and none are in poor or very poor condition (see Table 19). There were less estuaries scoring in the 'very good' grade in 2015 compared to 2012, and more scoring in the 'fair' grade, indicating a slight decline in estuarine water quality. The poorest performing estuaries for chlorophyll-a concentrations in 2015 from north to south were:

- Cudgera Creek and Salty Lagoon waste water treatment plant site ('F')
- Broken Head Creek, Brunswick River, Flat Top Point creek, Coffs Creek, Bonville Creek and Korogoro Creek ('D')

The poorest performing estuaries for turbidity in 2015 from north to south were:

Belongil Creek and Hearnes Lake

The best performing sites for both indicators were, from north to south:

• Jerusalem Creek, Sandon River, Darkum Creek, Woolgoolga Lake, Dalhousie Creek, Deep Creek

Results indicate that nutrient loads in the region's estuaries are of concern and are impacting water quality in many estuaries (see Figure 41).

Table 19: Estuarine water quality (source: OEH)

rencentage of estuaries attaining each grade									
	Α	В	С	D	F				
2009	0	61	26	10	3				
2012	43	40	17	0	0				
2015	28	41	28	3	0				

Estuarine Water Quality Grade (OEH MER program)

Key

Very good
Good
Fair
Poor
Very poor



2015

В

D

В

С

С

В

В

С

В

Α

A

В

А

В

A

В

A

Α

С

С

В

В

С

В

A

В

С

С

В

A

С

# Figure 41: Estuarine and coastal lake water quality (Source: OEH)

#### 4.1.3 Aquatic macroinvertebrates

Aquatic macroinvertebrates, or water bugs, are a key indicator of river health and hence why they are part of the Ecosystem assessment of river condition. Certain types of water bugs are sensitive to pollution and others are pollution-tolerant. The numbers and different species of water bug can therefore indicate how clean a waterway is. Water bugs also provide a crucial role in the food chain as consumers of almost all types of organic matter (leaves, algae, wood, plants) and are a major food source for many other species such as frogs, fish, birds, turtles, platypus and water rats (Chessman 2003). As such, a good macroinvertebrate population equals a healthy, pollution-free river with plenty of fish and other fauna. OEH previously monitored macro-invertebrates as part of the former NSW MER Strategy; however there is no new information since the 2012 Regional SoE report, so the same information is repeated here. Samples were collected from 1994 to mid-2010 from all parts of the reporting region. The samples collected were compared with the samples collected from reference sites and scored accordingly. The region–wide data from the program is displayed in Figure 42. Scores by LGA are shown in Table 20.

Analysis of the data shows that generally the region is performing well for aquatic macroinvertebrates.



# Figure 42: Macroinvertebrate health — percentage of sites in the region in each health category, 1994 to mid-2010 (Source: OEH)

Score	Кеу	Description		
х	More biologically diverse	More families found than expected. Potential biodiversity 'hot-spot' or		
	than reference	mild organic enrichment.		
А	Similar to reference	Expected number of families within the range found at 80% of the		
	condition	reference sites.		
В	Significantly impaired	Fewer families than expected. Potential impact either on water and/or		
	Significantly impared	habitat quality resulting in a loss of families		
с	Severely impaired	Many fewer families than expected. Loss of families from substantial impairment of expected biota caused by water and/or habitat quality.		
D	Extremely impaired	Few of the expected families and only the hardy, pollution-tolerant		
		families remain. Severe impairment.		

Over 7% of all sites scored in the highest band (X), meaning these sites had more species diversity than expected and are in very good condition. The majority of the Region scored an 'A', meaning 80% of the sites had the expected species families. Less than 10% of the

Region scored 'C' or 'D' (severe to extreme impairment). When analysed, the sites with poor water quality as assessed by macroinvertebrates were located downstream from towns or agricultural areas.

Local Government Area	Х	А	В	С	D
Ballina	-	11.1%	50.0%	33.3%	5.6%
Bellingen	14.5%	58.7%	23.9%	2.9%	-
Byron	-	24.1%	55.2%	20.7%	-
Clarence Valley	3.6%	61.3%	25.8%	8.8%	0.5%
Coffs Harbour	-	28.3%	41.7%	28.3%	1.7%
Kempsey	13.4%	55.4%	29.5%	1.8%	-
Kyogle	7.5%	61.2%	31.3%	-	-
Lismore	6.8%	43.2%	38.6%	11.4%	-
Nambucca	1.5%	40.3%	40.3%	16.4%	1.5%
Port Macquarie – Hastings	7.0%	63.1%	29.3%	0.6%	-
Richmond Valley	3.4%	27.6%	58.6%	10.3%	-
Tweed	4.7%	60.5%	25.6%	9.3%	-

Table 20: Macroinvertebrate health: percentage of sites in each health category by LGA (source: OEH)



Photo: Eastern Freshwater Cod by B Vercoe

#### 4.1.4 Fish condition

Fish condition (i.e. the number, variety and age of fish species in a river system) is an indicator of river health as it reflects disturbance (both natural and human), the presence of introduced fish species, and the number and type of fish species that would be expected in a river prior to European settlement (IWC 2009).

Fish condition monitoring has been conducted by DPI Fisheries in the reporting region as part of the former NSW MER Strategy as well as for the Ecohealth program, and results are displayed in Figure 43. Fish monitoring has been specifically assessed as part of the Ecohealth monitoring program for the Camden Haven, Hastings, Macleay, Kalang, Bellinger, and Clarence catchments, and Tweed conducted its own assessment of fish condition for its coastal estuaries.

Results of the monitoring indicate that 'nativeness' (the number of native fish versus introduced or pest fish) is generally high, with pest species showing relatively little impact in the Region (see section 2.5.2 for invasive species information). 'Expectedness' (the number and type of species expected to occur in a river) was variable, with the highland areas having the poorest expectedness across all river systems. So, although the fish found in the highland areas were native, there were far fewer species than expected. Best species occurrence or expectedness was found in the Clarence River (alpine and coastal plains regions), with good expectedness for the coastal plain for all other river systems. Recruitment (the number of fish determined to be smaller than an adult of its species) was generally poor across all rivers systems except in the slopes, where a score of 'fair' was achieved, however the alpine region scored 'very poor '(see figure 25; Butler et al 2009, 2012, 2014, 2015). The low recruitment may have been related to the very wet years due to the La Niña conditions during sampling for the 2019-12 period, and repeat surveys will determine the true recruitment pattern in the North Coast region (Butler et al. 2012).

Generally, the coastal regions have better fish condition than the tablelands and highlands. Pest species impacts are low, but in some areas there are fewer species in our rivers than expected, and fewer juveniles across most of the Region.

The specific assessment of fish condition conducted as part of the Ecohealth assessments are incorporated into the above results, with more detailed information provided here.

Fish condition in the Bellinger and Kalang rivers was assessed across 18 sites in 2009–10. Results

indicated that fish communities in the freshwater reaches were good in the coastal plain, moderate in the lowlands, and poor in the slopes, upland and highland zones (Gilligan 2010). Only one introduced species was found (eastern mosquito fish Gambusia holbrooki), however, the number of native species was below expected levels with only 18 of 24 species found, and the 18 found were at fewer locations than expected indicating the number of fish species occurring in these rivers is poor (Butler et al 2009).

Fish condition was also assessed in the Tweed, where 18 native species and two introduced species were found, however, the two introduced species made up 26% of the total catch. Two expected species were not found: olive perchlet and ornate rainbowfish. This indicates the Tweed system is moderately impacted by introduced species, and although most expected native species were found, their distribution was patchy. Duroby Creek was the poorest performing system (IWC 2009).

Fish condition assessed for the Clarence system in 2013 found 32 species of fish were caught across all sites in the Clarence Basin, including 24 of the 30 expected native freshwater species, three estuarine species, and five exotic species. The Expectedness Indicator value for 49 of the 50 sites sampled across was either "Good" or "Excellent", with the remaining site rated as "Moderate". For Nativeness, 46 sites scored an "Excellent" rating, three a "Good" rating and only one a "Very Poor", reflecting the relatively low occurrence of exotic species in samples. Of the exotic species, eastern mosquitofish (Gambusia holbrooki) and goldfish (Carassius auratus) were the most abundant, while rainbow trout (Oncorhynchus mykiss), brown trout (Salmo trutta) and silver perch (Bidvanus bidvanus) were recorded at one site each and only in low numbers. The high Expectedness and Nativeness scores for most sites suggest that the overall structure of the fish community in the Clarence Basin has changed little since European settlement. In contrast, the Recruitment Indicator values were lower, with the Coastal Plains, Lowlands, Slopes and Highlands scoring a "Moderate" rating, and the Midland and Upland zones scoring a "Poor" rating. The low recruitment values may simply reflect natural spatio-temporal variation in fish recruitment in dynamic coastal freshwater systems like the Clarence. The weighted average scores for the Basin as a whole were 87.8 ("Excellent") for Expectedness, 96.1 ("Excellent") for Nativeness and 44 ("Moderate") for Recruitment. The weighted average Fish Condition for the Basin as a whole was 69.1 ("Good") (Butler et al 2014).

For the Hastings and Camden Haven Rivers, twenty species of fish were sampled, including 17 of the 24 native freshwater fish that were expected to be present, two alien species and a single estuarine/marine vagrant species. The Expectedness Indicator values were either "Excellent" or "Good" for the coastal plains, lowland and midland altitude zones. Sites in the slopes and upland zones scored either "Poor" or "Very poor" for Expectedness. All sites across all altitude zones scored an "Excellent" rating for Nativeness, reflecting the low abundance of introduced species. Only the introduced eastern mosquitofish (Gambusia holbrooki) and rainbow trout (Oncorhynchus mykiss) were caught, and both species were in low abundance. The relatively high Expectedness and Nativeness scores for most sites suggest that the overall structure of the fish community in the Hastings Basin has changed little since European settlement. Recruitment Indicator values were relatively low across all catchment zones, with all sites scoring either a "Poor" or "Very Poor" rating. While the Recruitment scores were generally low for most sites, these results may in part be due to flooding that occurred in the year prior to sampling, and also in some cases possibly related to the breeding strategy of particular species. The weighted average score for Fish Condition across the entire catchment area was 38.6 (Confidence Interval (95%): 36.4 – 39.4) giving the Hastings Basin fish community an overall rating of "Poor" (Butler et al 2012).

In the Macleay River in 2014-15, 24 species of fish were caught across all sites, including 18 of the 'expected' 25 native freshwater species, three estuarine species, and two alien species. The Expectedness Indicator value for the majority of sites sampled was either "Good" or "Excellent" However, four sites rated as only "Moderate" and the Oaky Power Station site scored a rating of "Poor". In general Nativeness was high at most sites, with 15 scoring a rating of "Excellent", eight a "Good" and three a "Moderate". However, the alien eastern mosquitofish was by far the most abundant of any the species sampled and it was also one of the more widespread having been caught in all altitudes except in the Upland Zone and at 16 of the 27 sites sampled. The high Expectedness and Nativeness scores suggest that the overall structure of the fish community in the Macleav Basin has changed little since European settlement; particularly in the lower altitude reaches of the system.

In general, the Recruitment Indicator values were considerably lower than the other indices; "Moderate" in the Coastal Plains, Lowlands, Midlands and Slopes zones, and "Very Poor" in the Upland and Highland zones. The Overall Fish Condition score was 48.8, giving the Macleay Basin fish community an overall rating of "Moderate" (Butler et al 2015).

The main threats to nativeness are from the invasive species found in the Region. Currently, the main invasive species found across the Region are carp and Eastern gambusia (Mosquitofish). In the Tweed LGA, Pearl Cichlid is an issue, and Mozambique Tilapia found in 2014. In Lismore LGA, Redclaw crayfish has been found in Emigrant Creek Dam. Banded grunter was found in the Clarence system in the 1990s but has not been found since. The Pacific oyster is the only marine species in the Region considered invasive (DPI 2016).



Figure 43: Fish condition in the region assessed by the Ecohealth program
#### 4.1.5 Riparian vegetation

Riparian vegetation (i.e. vegetation lining rivers, creeks and estuaries) provides important ecosystem functions, such as reducing pollutants and sediment entering waterways, providing connected habitat for fauna, and stabilising river banks. Riparian vegetation in good condition influences biodiversity and system productivity.

Riparian vegetation condition is used as an indicator of river and estuary health. The Ecohealth program includes riparian assessment, however, there is little comprehensive data available for the North Coast Region. Regionally, urbanisation and agriculture have impacted riparian vegetation, as vegetation is frequently removed or modified to provide stream access for people and livestock. Weeds are another major issue for riparian vegetation condition due to their impact on biodiversity (Davies & Boulton 2009).

The biological importance of riparian vegetation makes it a high priority for assessment and restoration, and degradation of riparian vegetation has been listed as a key threatening process.

The NSW MER Strategy assessed riparian vegetation condition as part of its estuary condition monitoring program in 2010 to 2012. There has been no new information since the 2012 RSoE report, so the information is repeated here. Table 21 shows all assessed estuaries from north to south, and the percent of riparian vegetation disturbed. Results indicate that in many locations, 65 to 82% of riparian vegetation has been disturbed (Tweed, Macleay, Richmond, Clarence, Nambucca and Bellinger Rivers, Woolgoolga Lake, and Coffs Creek). Other locations including Salty Lagoon, Jerusalem Creek, Lake Arragan, Sandon River, Station Creek and Goolawah Lagoon have less than 1% disturbance, indicating these estuaries have maintained the important ecological functions of intact riparian vegetation, which include filtering runoff and improving water quality; protecting against bank erosion from wind, currents or boat wakes and providing a food source and habitat for estuarine-dependent fauna including mammals, reptiles and birds (Roper et al. 2011).

Riparian vegetation has also been assessed as part of the comprehensive ecosystem health assessments, and some councils have conducted comprehensive vegetation mapping which has identified and classified riparian vegetation. Ballina LGA mapping of riparian vegetation condition indicates that 42% remains highly vegetated, 15% has medium vegetation cover, 22% has no vegetation cover, and the remaining 21% was classified as low density vegetation or modified for horticulture (Moore 2003).

Clarence Valley LGA has also mapped riparian vegetation and prepared a riparian action strategy. Results of the mapping outside the floodplain region of the Clarence River indicates that approximately 85% of mapped riparian vegetation is in good condition, 13% is in moderate condition and 1.3% is degraded. Riparian vegetation condition within the floodplain area is less positive, with only 2% of riparian vegetation in good condition, 97.5% in moderate condition.



Photo: N Cotsell

Estucar en la la da artic	% disturbed		% disturbed
Estuary or lake (north	riparian	Estuary or lake (north	riparian
to south)	vegetation	to south)	vegetation
Tweed River	81.8	Flat Top Point Creek	20.8
Cudgen Creek	48	Hearns Lake	31.1
Cudgera Creek	44.2	Moonee Creek	39.9
Mooball Creek	64.4	Pine Brush Creek	73.7
Brunswick River	56.1	Coffs Creek	66.3
Belongil Creek	46.7	Boambee Creek	35.8
Tallow Creek	40.5	Bonville Creek	40.5
Broken Head Creek	0.1	Bundageree Creek	5
Richmond River	74.9	Bellinger River	68.2
Salty Lagoon	0	Dalhousie Creek	17.5
Evans River	21.8	Oyster Creek	16.8
Jerusalem Creek	0	Deep Creek	50.3
Clarence River	67.6	Nambucca River	65.7
Lake Arragan	0	Macleay River	75.5
Cakora Lagoon	11.2	South West Rocks Creek	40.4
Sandon River	0.5	Saltwater Creek	12.6
Wooli Wooli River	4.8	Korogoro Creek	26.9
Station Creek	0	Killick Creek	24.5
Corindi River	16.8	Goolawah Lagoon	1.4
Pipe Clay Creek	20	Hastings River	55.8
Arrawarra Creek	30.4	Cathie Creek	9.1
Darkum Creek	50.9	Duchess Gully	22.1
Woolgoolga Lake	70.1	Camden Haven River	41.9

Table 21: Riparian condition in estuaries and coastal lakes in the region 2011 (source: OEH)

# 4.1.6 Waste water treatment plant and onsite sewage management system performance

INDICATOR:	Waste water treatment plant (WWTP) and on-site sewage management system (OSMS) performance (PRESSURE and RESPONSE)
DATA:	Councils
DATA QUALI	TY: High
TREND:	Improving compliance / Decreasing impact

Nutrient inputs into rivers and estuaries can severely impact river health and can also impact human health. In April 2006 the Bellinger River was closed to oyster harvesting by the NSW Food Authority, and the Kalang River remains closed due to poor water quality, suspected to be due on-site sewage management systems (OSMS - such as septics) too close to the river and water table. However, the sewering of low-lying areas of the Bellingen LGA has improved water quality to the extent that testing is currently underway to determine if the Kalang River can re-open to oyster cultivation (Nambucca Guardian 2016).

As waste water treatment plants (WWTP) and onsite sewage management systems (OSMS) such as septics and composting toilets, are a primary source of contaminants, it is essential that they are functioning adequately. This will ensure a healthy river and estuary that is safe for aquatic biodiversity, water supply, swimming, fishing and oyster production. Many WWTPs discharge treated effluent into rivers and estuaries, so any malfunctions in operations can immediately impact water quality. Some OSMS are inappropriately located (e.g. too close to rivers and estuaries) and are known to impact water quality. With two marine parks and one aquatic reserve in the Region, the minimisation of contaminants and pollutants entering estuaries and the ocean is imperative. The current functioning of WWTPs and OSMS by LGA is detailed in this section.

#### Waste water treatment plant performance

All LGAs in the reporting region manage more than one WWTP. They are all licensed by the Environment Protection Authority (EPA) and must supply regular information on any breaches or nutrient exceedences that occur. All WWTPs have strict water quality monitoring to rapidly identify breaches. Figures 44 and 45 show the percentage of treated waste water discharged to waterways by LGA and the percentage of waste water reused. In 2015, 68% of waste water was discharged to waterways, 20% to the ocean, 4% to land, and 8% was recycled.

Figure 46 shows the percentage of waste water discharged by location in 2015.

The data indicates that there is a slight reduction in waterway discharge and increase in waste water reuse across the Region since 2012. Waste water reuse is highest in Kyogle LGA at 18.9% of all waste water treated in 2015, followed by Richmond Valley at 18.7%, Coffs Harbour LGA at 13.8% and Byron at 12.6%. The highest levels of reuse in the Region were in 2013/14, which had slightly lower than average rainfall.

Ten of the twelve LGAs in the region are now composting biosolids, resulting in approximately 25,000 tonnes of biosolids waste diverted from landfill annually.



Note: Coffs Harbour City Council discharges to ocean outfalls, not to waterways





## Figure 45: Percentage of waste water reused by LGA



#### Figure 46: Percentage of waste water discharged by location in 2016

The majority of treated waste water - 68% - is discharged to waterways. This waste water can be a significant contributor to flows but can also contribute nutrient loads particularly in low or medium flow times (ABER 2012). If not treated to the highest level, these nutrients may contribute to high levels of phytoplankton (algal blooms). In the region, 15% of waste water discharged to waterways only receives secondary or advanced secondary level waste water treatment, which does not remove nutrients in processing. These tend to be smaller inland WWTPs which may contribute to nutrient loads downstream. However the majority of waste water discharged to waterways in the Region is treated to a tertiary (52%) or advanced tertiary level (33%), minimising the impact of waste water on nutrient levels. Figure 47 shows percentage waste water treated by level for 2015 in the Region.



Figure 47: Treatment level for waste water discharged to waterways

# On-site sewage management system performance

On-site sewage management systems (OSMS) include septics, aerated waste water treatment systems, reed beds, greywater systems and composting toilets. Many systems are old and do not function adequately. When situated too close to waterways, OSMS can release contaminants into the water and impact river and human health, as well as groundwater health.

The status of OSMS in the reporting region is detailed in Table 22 and Figure 48. The results indicate that for most LGAs, the failure rate of

inspected OSMS is between 38% and 99%. An additional concern is the high estimated number of unregistered or illegal systems in place which are not monitored. At this point the impact of OSMS on waterways cannot be fully considered as we have neither the water quality data nor the OSMS location data to quantify the risks and impacts, although this information is being gathered. In years of high rainfall, there tend to be increased failure rates for OSMS as waterlogged ground results in issues such as non-functioning absorption trenches. Conversely, drier years have higher compliance rates.

LGA	2011/12	2012/13	2013/14	2014/15	2015/16
Ballina	74	84.5	96.8	88.8	95.5
Bellingen	85.8	97.9	98.6	97.7	97.7
Byron	62		67	67	38
Clarence Valley	85.1	89.8	81.7	81.2	87.8
Coffs Harbour	59.3	89.9	63.6	90.1	93.7
Kempsey	75.6	72.6	70.7	69	77.6
Kyogle	85.1	83.3	89.4	87.9	86.7
Lismore	63	87	68	66	89.4
Nambucca	95.9	92.1	94.4	93.5	93.4
Port Macquarie-Hastings	96	94.9	99.4	98.8	98.8
Richmond Valley	63	96.5	77.9	81	58
Tweed	94.4	91.2	93.4	92	88.1
Regional average	78.3	89.1	83.4	84.4	91.3

#### Table 22: OSMS compliance rates by year and LGA

To improve compliance levels for OSMS the majority of councils in the region have mapped known OSMS locations, developed inspection databases, identified high-risk systems, and have an inspection program based on assigned risk level, with high-risk systems inspected annually, medium risk systems every 3 years, and low risk ones every five or seven years. This risk-based management has resulted in the now very high level of compliance within many LGAs.

One issue currently for some LGAs is a lack of funding to increase the number of OSMS inspections and to adequately document and map high risk systems. With the location of so many OSMS unknown, and high levels of unapproved systems in some areas, a comprehensive mapping and documentation system is required to allow identification of high risk systems and an adequate inspection program which will minimise risk of aquatic contamination. Some councils are recommending alternative systems to the traditional septic, such as aerated waste water treatment systems and composting toilets, which are better suited to certain soil types and reduce impacts. Many councils are also connecting houses in growing urban areas to the sewer, which will lead to a reduction in issues associated with OSMS and ideally improve water quality locally. Clarence Valley Council connected the coastal town of Iluka to the sewer in 2012, reducing the impact of septics on the sensitive marine and estuarine environment which is within national and marine park.

The sewering of part of the Bellingen LGA has had very positive water quality outcomes (Nambucca Guardian 2016), and in the Tweed Shire, the connection of Uki to the sewer resulted in reduced nutrient loads on the adjacent waterway (Hydrosphere Consulting 2015).



Figure 48: Percent compliance annually for inspected on-site sewage management systems



Photo: Orara River by L Foster

# 4.1.7 River restoration works and riparian vegetation restoration

INDICATORS:	River rehabilitation works (RESPONSE) Length of riparian vegetation restoration and recovery (RESPONSE)
DATA:	Councils and North Coast Local Land Services
DATA QUALITY:	Medium

Restoration of riverine and riparian habitat has great benefits for aquatic species and river health. The degradation of both aquatic habitat and riparian areas are classified as key threatening processes, and the Ecohealth reports for the North Coast catchments all stated that riparian rehabilitation works are the priority for river health (Ryder et al all years). River and riparian restoration works are conducted at state and local level, and works conducted within the Reporting Region are reported below in Table 23 (and Table 27 for wetlands rehabilitation) shows the dependence on grant funding for habitat restoration projects, and the large volunteer contribution. Many landholders also restore riparian vegetation on their own properties which is not reported here. Despite the degradation of streams and riparian vegetation being a key threatening process, rehabilitation of the riparian zone in all LGAs remains under resourced. The lack of condition information, as detailed previously, highlights the need for increased resourcing and research into river and riparian vegetation restoration.

Data collated indicates there is a rehabilitation focus on riparian vegetation over other habitat types. For some areas, all rehabilitation is riparian, and it appears to be a major investment area for many Councils and grant funding bodies.

Coffs Harbour City Council and Clarence Valley Council both support long-term riparian rehabilitation projects which are focused on areas upstream of urban water supply areas. The Orara River Rehabilitation Project has rehabilitated riparian vegetation for 20 years supported by Coffs Harbour City Council and supplemented by other grants from various sources. The project has the support and oversight of three local Landcare and Rivercare groups, has over 120 properties on the project, and dedicated landholders working to restore the riparian vegetation. The current good water quality in the Orara Catchment (B+) as assessed by the Ecohealth program indicates the project has contributed to improved water quality.

LGA or County Council	Year	Area restored (ha)	Trees planted	Land type	Activity	Funding	Volunteer hours *
	2012/13	56	400		Weed removal	Council, Landcare,	500
	2013/14	54	1,200	Private and	and planting	LLS, Environmental	840
Ballina				public land	Weeding and	Trust, OEH,	
Danna	2014/15	77	0		regeneration	Community Groups	350
	2015/16	5	100	Public	Weed removal and planting	Community group	200
	2012/13	11	6,400	Private and	Weed removal	Council, Landcare,	530
Bellingen 20 20	2013/14	12	3,322	public land	and planting		100
	2014/15	21	370			Community Grouns	100
	2015/16	5	6,883			community Groups	-
	2012/13	20	850			Council, Landcare, NSW Enviromental Trust	many
Byron	2013/14	61	17 000	Private and public land	Weed removal and planting	Council, Landcare, NSW Enviromental Trust, Federal Clean Energy Fund, Koala	5 000
	2013/14	32	13,500			Landcare, landholders, Council	3,500
	2015/16	-	-			-	

Table 23: Riparian rehabilitation works by LGA

## Table 23: Riparian rehabilitation cont.

LGA or		Area	Trees				Maluntaan
County	Year	restored	Trees	Land type	Activity	Funding	volunteer
Council		(ha)	planted				hours *
	2012/13	20	-	Duivete en d		Council, LLS,	100
Clarence	2013/14	20	3,500	Private and	weed removal	Biodiversity Fund,	100
Valley	2014/15	20	5,500	public land	and planting	Landholders	100
	2015/16	-	-			-	-
	2012/13	620	6,650			Courseil 11 C	10,000
Coffs	2013/14	1,011	13,000	Private and	Weed removal	Council, LLS,	10,000
Harbour	2014/15	1,667	7,430	public land	and planting	Environmental Trust,	-
	2015/16	1,210	5,900	1	, ,	DPI, Landcare	-
	, i	,	,			Council, Landcare,	
				Private and		Community groups.	
	2012/13	26	21.295	public land		Biodiversity Fund	500
			,		Weed removal		
Kempsey					and planting	Council, Biodiversity	
. ,	2013/14	7	8.500	Public land		Fund, Landcare	100
			-,	1		Council, Biodiversity	
	2014/15	3	8,700			Fund	_
	2015/16	-	-	-	-	-	-
Kvogle				!	Nil riparian	1	!
	2012/13	3.4	_				-
	2013/14	3.4	-				-
Lismore 20	2014/15	3.4	-	Public land	Regeneration	Council	-
	2015/16	3.4	-	1			-
	,						
					Bank stabilisation,		
Nambucca				Public land	weed control,	Council, DPI, OEH	
	2015/16	7	-		regeneration		-
Port	, i			·		!	!
Macquarie-			Inc	luded with gen	eral rehabilitation ir	section 2.2	
Hastings				0			
	2012/13	5	-		Weed control	Council	-
Diebweerd	2013/14	5	-	1	Weed control	Council	-
Richmond				Public	Planting and		
valley	2014/15	5	3,500		weed control	Council	200
	2015/16	5	-	1	Weed control	Council	-
					Planting and		
					weed control,		
	2012/13	15.7	7,130	Dublic and	education	Coursell Londonno	800
				Public and	Planting and	Council, Landcare,	
Iweed	2013/14	16	10,000	private land	weed control	communty groups	3100
			,	1	Planting and	1	
	2014/15	74	8.700		weed control		8600
	2015/16		-	-	-	-	-
Richmond	2012/13	2	4.500			Count C	-
River	2013/14	2.5	6,000	Public and	Planting and	County Council, LLS,	78
County	, 2014/15	3	20	private land	weed control	Community Groups,	154
Council	2015/16	2	5,500	1		FNCW	26

# 4.1.8 Stormwater improvement works and water sensitive urban design (WSUD)

INDICATOR: DATA:	Stormwater improvement works and WSUD plans (RESPONSE)
DATA QUALITY:	High
TREND:	Increasing management of stormwater

Stormwater is a diffuse source of pollutants entering rivers and estuaries. Stormwater includes run-off after heavy rains, and often contains soil sediments, nutrients from fertilisers and manure, oil and grease, rubbish, and on occasion, sewage. This large pollution load can have a significant impact on water quality in our waterways and on our beaches. To better manage stormwater and reduce impacts, councils have developed and implemented water sensitive urban design (WSUD) plans. These plans provide specific guidance for urban settings on the methods required to reduce pollutants and sediments entering waterways, for example, through use of vegetated buffers, stormwater reuse, stormwater retention and evaporation, and stormwater treatment systems. The aim is not only to reduce pollutant loads, but also to reduce the traditional use of pipes and waterway modifications to dispose of stormwater.

Table 24 details what policies and plans are in place for the councils in the reporting region to better manage stormwater. Information received from councils indicates that 8 of the 12 councils in the reporting region have dedicated stormwater management plans for their areas, and some have no specific stormwater provisions.

#### Table 24: Stormwater management plans and WSUD policies by LGA

LGA	Stormwater plans in place
Ballina	Urban Stormwater Management Plan 2012; stormwater quality improvement devices (SQIDs) plan; specific location plans
Bellingen	Stormwater Management Plan and Water Quality Urban Design (WSUD)
Byron	Adopted engineering specification (Northern Rivers Local Government Handbook of Stormwater Drainage Design) advising WSUD components to be designed to Brisbane City Council standards
Clarence Valley	No specific plans; Integrated Water Cycle Strategy
Coffs Harbour	Coffs Harbour City Council Water Sensitive Urban Design (WSUD) Policy'
Kempsey	Location-specific stormwater improvement projects
Kyogle	Kyogle Council Urban Stormwater Management Strategy 2002 and a WSUD policy
Lismore	Urban stormwater management plan 2007 and WSUD Development control plan
Nambucca	Included in 2010 LEP
Port Macquarie-	(Hastings Lirban Stormwater Management Blan' 2000 (LCA wide)
Hastings	hastings of ball stormwater management Plan 2000 (LGA wide)
Richmond Valley	WSUD policy
	Tweed urban stormwater quality management plan 2012, Tweed
Tweed	development control plan section 5A – subdivision manual section 7D - stormwater quality

Table 25 shows the annual works required for the maintenance and construction of stormwater infrastructure, which is why WSUD policies put the onus on property developers to implement WSUD in their developments, and why council rates often include a stormwater levy. The maintenance of good riparian vegetation along waterways and community education also play a large role in reducing the impacts of stormwater.

Table 25: Key stormwater works by LGA

Local Government Area	Improvement works for 2012-16			
	Emptying of gross pollutant traps			
Ballina	Restoration of Chikiba wetlands for stormwater drainage			
	Ongoing stormwater quality improvement program			
	Stormwater sediment basin			
Bellingen	Multiple stormwater treatment swales			
	Sub-surface stormwater infrastructure			
	Gross pollutant and sediment traps			
Byron	Bangalow constructed wetlands for stormwater retention			
	Open vegetated swales			
	Improvement works near estuaries and wetlands			
Clarence Valley	Gross pollutant trap maintenance			
	Drainage improvements			
	Bioretention basins			
Coffs Harbour	Stormwater treatment for new developments			
	Stormwater reuse storage			
	Vegetated swales			
Kompsoy	New drainage works for west Kempsey			
Kempsey	Gross pollutant trap maintencen			
Kyogla	Numerous vegetated swales			
Kyögle	Wetland for stormwater retention			
	Vegetated swales			
Lismoro	Gross pollutant trap maintenance			
LISITIONE	Constructed wetlands			
	Biofiltration raingardens			
Nambucca	Gross pollutant trap maintenance			
	Flood easement works in multiple locations			
Port Macquarie-Hastings	Open drain construction and maintenance			
	Upgrading infrastructure for new roads			
Richmond Vallov	Filtration garden			
	Maintenance of existing drainage			
Tweed	Gross pollutant trap maintenance			
1 WEEU	Upgrades of existing infrastructure			

Table 25 shows that many councils are incorporating a range of WSUD principles into their works. Almost all councils have gross pollutant traps to capture solid waste and debris, which is then collected and put into the waste stream, although nutrients and pollutants are discharged. Developments in many areas are required to have stormwater detention areas to prevent the discharge of pollutants and nutrients into waterways, and some must filter stormwater prior to discharge to remove nutrients. Councils are also constructing large scale detention basins to deal with stormwater from large rain events. Use of vegetated swales rather than kerb and guttering helps reduce stormwater impacts.

The range of measures councils are taking to reduce the impact of stormwater is broad and commendable. Port Macquarie Hastings Council collects approximately 60 tonnes of waste annually from its gross pollutant traps, with most other councils doing the same; Coffs Harbour City Council has incorporated WSUD into approximately 10 development approvals annually including requirements for bioretention basins, filtration of stormwater, and gross pollutant traps. Ballina Shire Council is actively improving stormwater management near wetlands to restore more natural water levels and reduce pollutant loads; and most councils are improving drainage in urban areas to reduce flooding and retain stormwater, preventing pollutants from entering waterways.

It is hoped these ongoing improvements to stormwater management in conjunction with improved riparian vegetation will translate to improved water quality for our waterways.

Photo: Byron Shire Council



# 4.2 Wetlands

INDICATORS:	Wetland condition (C WETLAND PRESSU	CONDITION) IRE (PRESSURE)	
DATA SOURCE:	OEH	DATA QUALITY:	Low
INDICATOR:	Wetland remediation	(RESPONSE)	
DATA SOURCE:	Councils	DATA QUALITY:	Medium
TREND:	UNKNOWN		
Vetlands are biologically impo	ortant. They support	To rectify this, som	ne councils have conducted their

Wetlands are biologically important. They support a range of ecosystem functions including providing habitats, breeding grounds and nurseries for waterbirds, frogs, fish, invertebrates and plants; and supporting threatened species and endangered ecological communities.

Many migratory birds travel vast distances to visit our wetlands (DECCW 2010b). Wetlands are significantly impacted by changes to water availability, and environmental flows are provided for now in the North Coast Region of NSW since the implementation of the majority of the water sharing plans for the region by DPI Water in July 2016.

Despite the important ecosystem services provided by wetlands, there is very little information on the location, type or condition of wetlands in the North Coast Region. At a state level, only 9 wetlands were assessed in the region as part of State of the Catchments 2010, and most of those had little supporting data (see Table 26). There has been no new information gathered since 2010 on those wetlands, although Everlasting Swamp in Clarence Valley is now within a new National Park created in 2014. Various studies have been conducted to accurately map the wetlands of the Region, but all have significant inaccuracies and do not describe wetland condition. To rectify this, some councils have conducted their own mapping of wetlands, however, no condition information is available. This indicates a continuing severe gap in data for wetlands across the North Coast Region.

As no new information on wetland condition has been gathered since the previous report, the same information is repeated here. The condition of and pressures on the 9 assessed wetlands from 2010 are summarised in Table 26. Catchment disturbance includes urbanisation, agriculture, vegetation removal, infrastructure and fire. Hydrological disturbance involves nutrients entering the wetland, water and soils quality, vegetation patterns, the biota (flora and fauna) present, alteration of the wetland's structure and the wetland's productivity. Habitat disturbance includes any activity that modifies or removes a wetland such as agriculture, urbanisation etc.

For condition, biological indicators are presence, abundance and health of wetland flora and fauna. Pest species measures the ratio of native to introduced species. Water quality measures pH, salinity and turbidity. Soil quality measures soil pH, salinity, moisture, erosion and modifications.



Photo: Clarence Valley Council

## Table 26: Wetland pressure and condition in the North Coast Region (source: OEH)

		e I	ion	P۱	ressu	ire		Со	ndition	
Wetland	Туре	Overall Pressu	Overall Condit	Catchment	Hydrological	Habitat	Biota	Biota - Pests	Water Quality	Soil Quality
Belmore Swamp/ Swan Pool (Kempsey)	Coastal floodplain swamp	4	5	3	4	4	nd	5	nd	nd
Bundjalung National Park Swamps (Clarence Valley)	Coastal dune swamp	4	5	2	1	4	nd	5	nd	nd
Bunyip Swamp (Clarence Valley)	Coastal floodplain swamp	4	2	4	1	4	nd	nd	nd	nd
Cowans Pond (Clarence Valley)	Coastal freshwater lake	4	5	4	1	4	nd	5	nd	nd
Everlasting Swamp (Clarence Valley)	Coastal floodplain swamp	4	5	4	3	4	nd	5	nd	nd
Lake Hiawatha and Minnie Waters (Clarence Valley)	Coastal dune lake & lagoon	3	5	1	1	4	nd	5	nd	nd
Lower Bungawalbin Wetland (Richmond Valley)	Coastal floodplain swamp	4	2	4	3	4	nd	nd	nd	nd
Tuckean Swamp (Ballina-Lismore)	Coastal floodplain swamp	4	5	4	4	4	nd	5	nd	nd
Upper Coldstream (Clarence Valley)	Coastal floodplain swamp	4	5	4	3	4	nd	5	nd	nd

Rating	Pressure	Condition
1	very low	very good
2	low	good
3	moderate	fair
4	high	poor
5	very high	very poor
nd	no data	no data

The summary in Table 26 indicates overall poor condition with high pressure. In relation to pressures on wetlands, the positive is that most have not had their hydrological structure altered, however, habitat and catchment impacts are high. Some are now protected within National Park, reducing the pressures. There is little condition information available other than for pest species. There has been some degree of wetland remediation in most LGAs in the reporting region from 2012-2016. Table 27 shows the area remediated in each LGA. The primary activity was weed removal. Table 26: Rehabilitation works on wetlands by LGA

LGA or County Council	Year	Area restored (ha)	Trees planted	Land type	Activity	Funding	Volunteer hours *
	2012/13	101	1,080	Public land	Weed control and planting	Landcare, Dunecare	1,135
Ballina	2015/16	-	-	Public land	Restoring Chikiba & North Lakes wetlands to former water levels	Council, OEH	-
Bellingen	2014/15	15	-	Public land	Urunga Lagoon restoration	Council, LLS, Biodiversity Fund	_
	2012/13	44	-	Public land	Weed control	Council, LLS, Environmental Trust	-
Byron	2013/14	104	1,300	Public land	Weed control and planting	Council, LLS, Environmental Trust	-
	2014/15	25		Public land	Weed control	Council	-
	2012/13	20	-		Weed control	Council Londooro	-
Clarence Valley	2013/14	20	3,321	Public and private land	Weed control and planting	landholders,	_
	2014/15	20			Weed control	instituing clubs	-
Nambucca	2015/16	115	-	Public and private land	Wetland management, weed control	Council, Wetland Care Aust, LLS, DPI, Landholders	-
Tweed	2012/13	157	1,555	Public and private land	Weed control, planting	Council, LLS, Environmental Trust, Landholders, Community Groups	-

#### Table 27: Rehabilitation works on wetlands by LGA

# 4.3 Groundwater

INDICATOR:	Groundwater quality (CONDITION) Groundwater extraction (PRESSURE) Number of groundwater dependent ecosystems under water sharing plans (RESPONSE)
DATA SOURCE: DATA QUALITY: TREND:	NSW Office of Water Medium Increasing extraction pressure but increased management due to water sharing plan introduction

Groundwater is an important contributor to ecosystem functioning because in some locations it may be the only water supply for wetlands, streams and surrounding habitats. It is also an important source of water for rural areas and for some towns in the North Coast Region. For example, Kempsey supplies 100% of its water from groundwater. Nambucca and Rous Water also have bores for groundwater supply.

Groundwater in NSW is now managed in conjunction with surface water under new water sharing plans which specify the sharing of the surface and ground water resource between users and the environment. The plans also recognise the connectivity of surface and ground water (DPI Water 2016). The Reporting Region is now covered by 9 water sharing plan regions. In 2012, only four water sharing plans were in place for the region. As of 1st July 2016, almost the entire reporting region is now under water sharing plans, apart from Port Macquarie-Hastings, which still has the water sharing plan for the Hastings Unregulated and Alluvial Water Sources water sources in draft form (see Figure 48).

In terms of monitoring, at this point there is little groundwater quality data available, and metering of groundwater extraction has not yet been introduced (it is to be phased in). However, this report includes information on the current long-term annual groundwater extraction limits by water source, number of active water sharing plans, and number of groundwater dependent ecosystems under water sharing plans.

# 4.3.1 Groundwater extraction and status of groundwater water sharing plans

As groundwater extraction is not yet metered (except in large urban areas) it is difficult to accurately quantify groundwater usage. Metering is gradually being introduced, but at this stage pressure reporting is based on the allocation of groundwater compared to the long-term annual average extraction limit. Table 28 shows allocation by water source and water sharing plan status as of October 2016, as well as unallocated water. Under the new water sharing plans (WSP), many of the individual groundwater sources have been grouped into a single plan, with allocations by source determined at the beginning of each financial year.

The only overallocated groundwater source identified is Alstonville Basalt Zone 1 (Alstonville to Tuckean). No other water sources in the reporting region are considered to be at risk of allocation.

Groundwater dependent ecosystems (GDE) are those that depend on groundwater sources for some or all of their functions. Some ecosystems may be specialised subterranean ones such as karsts and caves, and some may be surface wetlands.

Within the reporting region there are 1,532 known groundwater dependent ecosystems. However information on these is scarce and more may be present but not yet identified. The majority of GDEs are protected under the recently implemented water sharing plans, with others protected within National Parks. Figure 48 shows the location of GDEs in relation to the current water sharing plan regions (NSW Water). The majority of GDEs are located on the Alstonville Plateau, which is over allocated in the Alstonville - Tuckean Zone (Zone 1 in the new WSP) but is effectively capped, minimising any further impacts on GDEs. There are specific rules in place for bores to minimise interference with GDEs, and in the over allocated zones, no new bores should be granted (DPI Water 2016).



Figure 48: Water sharing plans by LGA and groundwater-dependent ecosystems (DPI Water)

Table 28: Groundwater sources, extraction limits, 2016 water sharing plan status and unassigned water (source: DPI Water)

Ground water source	Rainfall recharge (ML)	2012 Annual extraction limit (ML/vr)	Total requirements ML/yr	Risk Category ^	% allocated	2016 Annual extraction limit (ML/Y)	2016 Unassigned water	Water Sharing Plan name	Date of commencement
Alstonville Basalt — Bangalow, Zone 3	11,667	2,333	1,268	2	54.3				
Alstonville Basalt — Coopers, Zone 4	3,533	707	0	1	0				
Alstonville Basalt — Alstonville, Zone1	11,575	2,315	2,791	3	120.5	0000		North Coast Fractured	9 100/20/1
Alstonville Basalt — Lennox, Zone 6	1,720	344	25	1	7.3	0000	I	Groundwater	0107//0/1
Alstonville Basalt — Tuckean, Zone 2	12,404	2,481	3,003	3	121				
Alstonville Basalt — Wyrallah, Zone 5	3,573	715	38	1	5.3				
Bellinger Alluvium	1	1	1,300	1	I	not specified	not specified	Bellinger River Area Unregulated and Alluvial	1/07/2008
Bellinger Coastal Sands	10,358	5,180	10	1	0.2	1,175 (combined total with Nambucca Coastal Sands)	1,070 (combined total with Nambucca Coastal Sands)	North Coast Coastal Sands	1/07/2016
Brunswick Coastal Sands	45,847	12,014	352	1	2.9	19,000 (upper limit 21,750 combined with Tweed Coastal Sands)	18,287 (combined total with Tweed Coastal Sands)	North Coast Coastal Sands	1/07/2016
Brunswick River Alluvium	9,656	4,828	270	1	5.6	763	set annually	Brunswick Unregulated and Alluvial	1/07/2016
Brunswick River Fractured Rock	11,944	7,204	457	1	6.3	ı	ı	North Coast Fractured and Porous Rock Groundwater	1/07/2016
Clarence and Coffs Harbour Alluvium	149,459	0	4,695	1	no limit set	ı	ſ	Clarence Unregulated and Alluvial	1/07/2016

Table 28: Groundwater sources, extraction limits, 2016 water sharing plan status and unassigned water Cont.

		2012							
	Rainfall	Annual	Total	Risk	%	2016 Annual	2016 Unassigned	Water Sharing Plan	Date of
Ground water source	recharge (ML)	extraction limit (ML/vr)	requirements ML/yr	Category ^	allocated	extraction limit (ML/Y)	water	name	commencement
Clarence Coastal Sands	77,042	24,317	45	1	0.2	4,200 (upper limit 9,550)	4,050	North Coast Coastal Sands	1/07/2016
Clarence Moreton Basin — Bellinger River	4,704	3,537	0	1	0				
Clarence Moreton Basin — Brunswick River	649	488	4	1	0.8			North Coact Eractured	
Clarence Moreton Basin — Clarence River	357,065	270,496	,517	1	0.6	300,000	295,438	and Porous Rock	1/07/2016
Clarence Moreton Basin — Richmond River	147,418	111,486	1,743	1	1.6			or our lawarer	
Clarence Moreton Basin — Tweed River	31,187	23,800	70	1	0.3				
Clarence River Fractured Rock	20.456	13 060	UCE	<del>.</del>	л с Г			North Coast Fractured	1 /07/2016
	001.03	000/01	0.70	4				Groundwater	
Coffs Harbour Coastal Sands	20,294	5,825	123	1	2.1	3,110	2,982	North Coast Coastal Sands	1/07/2016
Coffs Harbour Metasediments	400,660	206,731	1,433	1	0.7	1	1		I
Comboyne Basalt	I	I	I	I	I	2,600	1,791	North Coast Fractured and Porous Rock	1/07/2016
								Groundwater	
								North Coast Fractured	
Dorrigo Basalt	I	5,000	131	1	2.6	5,000	4,231	and Porous Rock Groundwater	1/07/2016
Hastings Coastal Sands	77,192	48,731	1,333	1	2.7	7,100 (upper limit 17,700)	5,931	North Coast Coastal Sands	1/07/2016
Hastings River Alluvium	37,955	capped	1,757	Ч	capped	ı	I	Draft Hastings Unregulated and Alluvial Water Sources	draft

Table 28: Groundwater sources, extraction limits, 2016 water sharing plan status and unassigned water Cont.

Date of mmencement	1/07/2016	1/07/2016	I	30/09/2016	1/07/2016				3100/20/1				
Water Sharing Plan name co	Vorth Coast Fractured and Porous Rock Sroundwater	Vorth Coast Coastal Sands	Macleay Unregulated and Alluvial Water Sources	Nambucca Unregulated and Alluvial Water Sources	Vorth Coast Coastal Sands				North Coast Fractured	and Porous Kock Broundwater			
2016 Unassigned water	9,143	7,939			1,070 (combined total with Bellinger Coastal Sands)					24,332			
2016 Annual extraction limit (ML/Y)	9,500	11,300	ı	I	1,175 (combined total with Bellinger Coastal Sands)				60,000 (option to	increase to 375,000)			
% allocated	0.2	14.4	capped	capped	1.2	∞	2.7	0.2	2.6	7	11.9	2.4	0
Risk Category ^	1	1	1	1	1	1	1	1	1	1	1	1	1
Total requirements ML/yr	48	3,488	10,702	3,437	61	1,606	224	364	1,922	10,795	3,549	30	0
2012 Annual extraction limit (ML/vr)	28,151	24,277	capped	capped	5,112	20,084	8,246	221,552	74,119	155,076	29,768	1,241	34
Rainfall recharge (ML)	40,215	37,535	52,391	21,091	9,987	37,115	16,492	427,987	148,239	310,153	59,535	2,477	69
Ground water source	Lorne Basin Groundwater Source	Macleay Coastal Sands	Macleay River Alluvium	Nambucca Alluvium	Nambucca Coastal Sands	New England Fold Belt Coast — Bellinger River	New England Fold Belt Coast — Brunswick River	New England Fold Belt Coast — Clarence River	New England Fold Belt Coast — Hastings River	New England Fold Belt Coast — Macleay River	New England Fold Belt Coast — Nambucca River	New England Fold Belt Coast — Richmond River	New England Fold Belt Coast — Tweed River

Table 28: Groundwater sources, extraction limits, 2016 water sharing plan status and unassigned water Cont.

Ground water source	Rainfall recharge	2012 Annual extraction	Total requirements	Risk Category	% %	2016 Annual extraction limit	2016 Unassigned	Water Sharing Plan	Date of
	(ML)	limit (ML/vr)	ML/yr	<	allocated	(ML/Y)	Matel		כסווווופוורפוור
North Coast Fractured Rock	72,922	43,753	233	Ч	1.2	13,000 (upper extraction limit of 55,0000)	2,093	North Coast Fractured and Porous Rock Groundwater	1
Richmond Coastal Sands	191,770	116,625	1,254	1	1.1	19,000 (upper limit 48,900)	17,545	North Coast Coastal Sands	1/07/2016
Richmond River Alluvium	182,414	109,448	4,530	1	4.1	T	T	1	1
Richmond River Fractured Rock	2,007,254	1,233,859	2,310	1	0.2	I	I	North Coast Coastal Sands	1/07/2016
Stuarts Point	7,032	3,868	3,564	2	92.1	4180	410	North Coast Coastal Sands	1/07/2016
Tweed Coastal Sands	47,988	24,169	755	1	3.1	19,000 (upper limit 21,750 combined with Brunswick Coastal Sands)	18,287 (combined total with Brunswick Coastal Sands)	North Coast Coastal Sands	1/07/2016
Tweed River Alluvium	27,520	capped	60	1	capped	122	'	Tweed River Area Unregulated and Alluvial	17/12/2010

# 4.4 Near-shore marine

1	NDICATOR:	Marine water quality (CONDITION	)
	DATA SOURCE:	OEH, councils	DATA QUALITY: Medium
1	NDICATOR:	Rocky reef biota (CONDITION)	
E	DATA SOURCE:	OEH, Southern Cross University	DATA QUALITY: High, Medium
- I	NDICATOR:	Area of marine protected areas (R	ESPONSE)
	DATA SOURCE:	DPI	DATA QUÁLITY: High
1	NDICATOR:	Coastline management (RESPONS	SE)
0	DATA SOURCE:	Councils, county councils	DATA QUALITY: High
			Ŭ

The near-shore marine environment includes beaches, rock platforms, and shallow reefs along the coast, and is one of the most utilised of all environments. It is subject to urban development on foreshores (which results in habitat loss and disturbance), it is a primary area for recreation (such as walking, beach going, swimming, surfing, fishing and boating), and it also receives discharges from stormwater, waste water treatment plants and rivers. It is a dynamic environment, with storms and ocean swell altering the shape of the beaches and river mouths changing shape as flows rise and fall.

The near-shore marine environment in the North Coast of NSW is valued for its high biodiversity, with two marine parks and an aquatic reserve adjacent to the mainland, and a third marine park in the waters off Lord Howe Island. To maintain this high level of biodiversity, and to ensure coastal waters and beaches are clean for our use, monitoring of condition and impacts is required. As there is little information on the near-shore environment itself, this section includes summaries of a number of programs investigating the marine waters of the North Coast Region

#### 4.4.1 Marine water quality

Marine water quality has been monitored at a state level under the former NSW MER Strategy, measuring chlorophyll-a levels to determine the presence of algal blooms, and locally through council Beachwatch programs supported by OEH, which monitor levels of bacterial contamination in beach waters. There is no current assessment of marine algal blooms as the trigger values are currently being reviewed (EPA 2016).

The Beachwatch program aims to provide information on water quality at key swimming beaches to ensure the public knows when at where it is safe to swim. In 2012, the program was conducted by four councils in the reporting region: Ballina, Byron, Kempsey and Richmond Valley. In 2016, only two Councils in the Region are still participating.

Results of the program are shown in Table 29. Generally, results indicate water quality at ocean sites is good to very good across all monitored locations, but lagoons and some estuarine locations can have a poor rating, indicating swimming is not advised as there may be high levels of bacterial contamination.



Photo: S Morris

Table 29: Beach watch suitability grades for the North Coast of NSW

LGA	Location	Site type	2010	2011	2012	2013	2014	2015
	Shaws Bay East	Estuarine	G	G	Р	G	G	G
	Lake Ainsworth West	Lake/Lagoon	G	G	G	Р	Р	Р
Ballina	Shelly Beach	Ocean	G	VG	G	G	G	G
Daiiiia	Lighthouse Beach	Ocean	VG	G	G	G	G	VG
	Seven Mile Beach	Ocean	VG	VG	VG	VG	VG	VG
	The Serpentine	Estuarine	F	G	G	G	G	G
	The Strand	Ocean beach	VG	VG	VG	-	-	-
	South Beach, Brunswick Heads	Ocean beach	G	G	G	-	-	-
	Torakina Beach	Estuarine	F	G	G	-	-	-
	Simpsons Creek	Estuarine	VP	Р	Р	-	-	-
	Belongil Beach	Ocean beach	VG	VG	VG	-	-	-
Byron	Tallow Beach Suffolk Park	Ocean beach	VG	VG	VG	-	-	-
	Tallow Beach Byron Bay	Ocean beach	VG	VG	VG	-	-	-
	Wategos Beach	Ocean beach	VG	VG	VG	-	-	-
	Clarkes Beach	Ocean beach	G	VG	VG	-	-	-
	Main Beach Byron Bay	Ocean beach	G	VG	VG	-	-	-
	Broken Head	Ocean beach	-	VG	VG	-	-	-
	Wooli estuary north (police station)	Estuarine	G	G	-	-	-	-
Clarence Valley	Wooli estuary south (boat ramp)	Estuarine	G	G	-	-	-	-
	Iluka Bay	Estuarine	G	Р	-	-	-	-
	Kolora Lake	Lagoon/lake	Р	Р	-	-	-	-
	Grassy Head	Ocean beach	-	-	VG	VG	-	-
	Stuarts Point	Estuarine	-	-	Р	Р	-	-
	Back Creek	Estuarine	-	-	Р	Р	-	-
	Horseshoe Bay	Ocean beach	-	-	G	G	-	-
Kompsoy	Trial Bay	Ocean beach	-	-	G	G	-	-
Kempsey	Saltwater Creek	Estuarine	-	-	Р	Р	-	-
	Hat Head Beach	Ocean beach	-	-	G	G	-	-
	Korogoro Creek	Estuarine	-	-	Р	Р	-	-
	Killick Beach	Ocean beach	-	-	Р	Р	-	-
	Killick Creek	Estuarine	-	-	Р	Р	-	-
Port	Town Beach	Ocean beach	G	-	-	-	-	-
Macquarie-	Flynns Beach	Ocean beach	VG	-	-	-	-	-
Hastings	Lake Cathie	Lagoon/lake	Р	Р	-	-	-	-
ilastiligs	Rainbow beach	Ocean beach	G	-		-	-	-
	Airforce Beach	Ocean beach	VG	VG	VG	G	VG	VG
Richmond	Main Beach	Ocean beach	VG	VG	VG	VG	VG	VG
Valley	Shark Bay	Ocean beach	VG	VG	VG	VG	VG	VG
	Evans River	Estuarine	G	VG	G	G	Р	Р

Key:	Very Good	Good	Fair	Poor	Very Poor	

#### 4.4.2 Rocky reef biota

There is little state-wide information on the status of rocky reef biota (i.e. the flora and fauna that inhabit the reefs along the coast). However, there is some local research conducted by Solitary Islands Marine Park since 2012 that provides some locallyfocused research to give an indication of condition. There has been no further sea bed mapping since 2012, but the previous mapping of 736 square kilometres of seabed (73,600 hectares or nearly 30% of the region's marine waters) identified and classified areas of sediments (fine sands, coarser sand, muddy sand, gravel, cobble and boulders), areas of reef and reef complexes far greater than previously identified, and benthic communities (fauna and flora of the seabed). Reef complexity is an indicator of marine biodiversity, as more complex reef structures support a greater number of different species (DECCW 2010c).

Benthic surveys conducted during the program show a mix of tropical, subtropical and temperate species, reflecting the mix of ocean currents from the north, south and east, and the change in water temperature with depth and location. Shallow inshore reefs are characterised by macroalgae (seaweed), while shallow mid-shelf reefs, just a few kilometres further offshore, were often characterised by corals. Species assemblages (the mix of different species found within a location) varied considerably even between locations of the same reef-type, indicating that individual reef locations within a small area may have unique species assemblages.

For example, Anemone Bay, at North Solitary Island (offshore from Wooli) has the highest density of host anemones recorded in the southern hemisphere, and Fish Soup, off north West Rock not far from Anemone Bay, has a unique aggregation of tropical and temperate predatory fishes not found at any of the other monitored sites.

Research projects on reef fish within the Solitary Islands Marine Park (Malcolm et al. 2010,a and b) show that the warm east Australian current influences the patterns of reef fish in the region, with the inshore areas characterised by endemic (local) temperate fish species, and warmer, offshore areas influenced by the east Australia current having more tropical species and far more species overall. This results in a high regional biodiversity. The same pattern was observed for benthic (bottom dwelling) communities, with very different communities found on inshore reefs (less than 1.5 km from the coast), as compared to mid-shelf (1.5–3 km from the coast) and offshore reefs (greater than 3 km from the coast). This has a number of management implications:

- protection of species and habitats is required at all distances from shore to ensure protection of the full range of biodiversity
- impacts on the inshore or near-shore environment may have permanent effects because communities here cannot recruit from offshore reefs as different fish and benthic communities exist there.

In 2016, results of long-term monitoring of fish abundance and size using diver and remote video methods has found in 2016 larger and more target species, such as snapper, in sanctuary zones versus other zones and outside of marine parks. Ongoing integration of fine-scale geoswath habitat mapping and extensive fish surveys in the SIMP has enabled predictive species distribution models to be developed and habitat classification systems to be further refined for spatial planning purposes. Overall coral communities have been impacted in 2016 but are still in reasonable condition. There was a major coral bleaching event in subtropical water in March/April 2016 coinciding with a much larger global coral bleaching event. Subtropical Pocillopora, Porites and Turbinaria corals were most affected. There has been a lot of mortality in the Pocillopora but a lot of recovery in everything else. The large east coast low June 2016 caused localised coral damage (H. Malcolm, pers . comm. 2016).

The above series of studies provides some information on the condition of marine habitats and species, but further research over a larger area is required to get true baseline information on individual habitat types and species, and studies over longer time periods are required to examine trends in condition.

Photo: D Harasti



## 4.4.3 Marine protected areas (MPA)

There are three marine parks and one aquatic reserve in the North Coast Region. As it is outside of the reporting region, Lord Howe Island (LHI) Marine Park is not included in this statistics presented in this section.

MPAs aim to conserve marine biodiversity and maintain ecological processes. Marine parks are generally large areas designed to protect a sample of each type of marine habitat within protective zones, whereas aquatic reserves are smaller and protect a single significant feature (Creese et al. 2011). Activities within each MPA are regulated by a zoning scheme, which allows different activities in different areas. Some zones totally protect areas and do not permit fishing, others allow only low impact fishing methods, and others allow a wide range of fishing methods.

In 2014, the former *Marine Parks Act 1997* was replaced by the *Marine Estate Management Act 2014* administered by DPI and encompassing not only marine protected areas but all State waters out to the 3 nautical mile limit. There are plans for a range of marine park management reforms under the new legislation.

Table 30 shows that currently, 38% of the marine waters of the North Coast Region (excluding LHI waters) are contained within marine parks and reserves. Complete protection zoning (sanctuary zones) is in place for 6% of the Region's waters, and 17% is zoned for low impact activities (habitat protection zones).

In 2013 an amnesty on beach fishing within sanctuary zones (no-take zones) was applied to all NSW MPAs. After extensive surveys on use and conservation value of these areas, the majority of sanctuary zoned beaches were returned to sanctuary zone status, while two locations in each of the region's marine parks remained open for recreational beach fishing. The research reported that the sanctuary zone areas were of high conservation value and some areas were not highly utilised by fishers. Other areas were utilised well and of lower conservation value so have remained open for beach fishing (MPA 2016).

Photo: D Harasti



Marine protected area	Total reserve area (ha)	Area zoned for complete protection — no fishing (ha)	Area zoned for low impact fishing activities — recreational and commercial (ha)
Solitary Islands Marine Park	71,829	8,650	38,860
Cape Byron Marine Park	22,048	6,105	4,160
Cook Island Aquatic Reserve	78	35	43
TOTAL	93,955	14,790	43,063
% of North Coast Region marine area under protection (excl. Lord Howe Island)	38%	6%	17%
TOTAL marine area of North Coast Region (excl. Lord Howe Island waters) (ha)	247,233		

#### Table 30: Marine protected areas within the region (source: DPI)

#### 4.4.4 Coastal zone management

Coasts are under increasing pressure from urbanisation, coastal recession and sea level rise. In 2010 the NSW Government introduced a requirement for all coastal councils to prepare coastal zone management plans (CZMP) under the *Coastal Protection Act 1997.* The primary aim of these plans was to better manage coastal erosion risks and inundation by identifying the areas where these impacts are most likely to occur.

The NSW Government has now drafted a new Coastal Management Act which directly integrates coastal management and planning requirements into councils' land use planning responsibilities under the Environmental Planning and Assessment Act 1979 (EP&A Act) and their community and strategic planning responsibilities under the *Local Government Act 1993.* 

This means land use planning decisions will better reflect coastal management issues, and coastal management activities will be linked to and delivered as part of councils' central service delivery system, the Integrated Planning and Reporting (IP&R) framework (OEH 2016).

The new Act will also incorporate a new Coastal Management State Environmental Planning Policy (SEPP) consolidating a number of current SEPPs that apply to the coast, and will better target development controls and considerations to the diverse values and characteristics of different coastal environments.

Councils in the Region are now in the process of converting their coastal zone management plans (CZMP) to the new coastal management programs (CMP) that must be integrated with each councils' Integrated Planning and Reporting (IP&R) plans under the Local Government Act. This will ensure timely and effective implementation of coastal management programs (OEH 2016c).

At this stage, the legislation is still to be finalised, so Table 31 shows the current status of the Coastal Plans across the Region, which are currently guiding coastal management.

Local Government Area	Coastal hazards mapping status	CZMP status
Ballina	Complete	Coastal Zone Management Plan for the Ballina Shire Coastline 2016
Bellingen	Complete	Coastal Zone Management Plan for the Bellingen Shire coastline 2014
Byron	Complete	draft Coastal Zone Management Plan for the Byron Bay Embayment
Clarence	Complete	Coastal Zone Management Plans have been completed for much of the coastline
Coffs Harbour	Complete	Coastal Zone Management Plans have been prepared for a number of Coffs numerous estuaries
Kempsey	Complete	The Coastal Zone Management Plan for the entire Kempsey LGA Coastline was completed in 2015
Nambucca	Complete	Coastal Zone Management Plan for the Nambucca Shire coastline 2012
Port Macquarie-Hastings	Complete	Coastal Zone Management Plans have been completed for 2 sections of the coastline
Richmond River County Council (now Rous County Council)	Complete	Coastal Zone Management Plan for the Richmond River 2012 on behalf of Ballina, Lismore and Richmond Valley councils
Richmond Valley	Complete	Evans Head Coastal Management Plan 2014
Tweed	Complete	Tweed Coastline Management Plan, Draft Coastal Zone Management Plan for Kingscliff to Dreamtime Beach

#### Table 31: Status of coastal zone management planning by LGA



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REGIONAL STATE OF THE ENVIRONMENT 2016 THIS REPORT IS PART OF A SUITE OF PRODUCTS THAT COMPLEMENT THE REGIONAL STATE OF THE ENVIRONMENT 2016 see council websites for the full document set Appendix 3 – Annual Financial Statements for year ended 30 June 2016

GENERAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2016



"Nambucca Valley ~ Living at its best"

General Purpose Financial Statements for the year ended 30 June 2016

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- On the Conduct of the Audit (Sect 417 [3])

#### Overview

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

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

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

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

- (iii) All figures presented in these financial statements are presented in Australian currency.
- (iv) These financial statements were authorised for issue by the Council on 16 September 2016. Council has the power to amend and reissue these financial statements.

General Purpose Financial Statements for the year ended 30 June 2016

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 14 September 2016.

thato

Rhonda Hoban Mayor

John Ainsworth

Councillor

Craig Doolan Responsible Accounting Officer

June courter

Michael Coulter General Manager

# Income Statement

for the year ended 30 June 2016

Budget			Actual	Actual
2016	\$ '000	Notes	2016	2015
	Income from continuing operations			
	Revenue:			
18,549	Rates and annual charges	3a	18,373	17,485
6,189	User charges and fees	36	6,700	6,055
1,195	Interest and investment revenue	3c	1,353	1,589
463	Other revenues	3d	647	637
7,719	Grants and contributions provided for operating purpose	3e.f	9,440	11,504
1,145	Grants and contributions provided for capital purposes Other income:	3e f	2,231	10,016
593	Net gains from the disposal of assets	5	-	-
35,853	Total income from continuing operations	_	38,744	47,286
	Expenses from continuing operations			
9,982	Employee benefits and on-costs	4a	9,163	10,212
2,707	Borrowing costs	45	2,857	2,996
10,819	Materials and contracts	40	10,958	9,527
8,446	Depreciation and amortisation	4d	8,818	9,832
	Impairment	4d	226	-
2,604	Other expenses	4e	3,388	6,276
	Net losses from the disposal of assets	5	2,701	1,642
34,558	Total expenses from continuing operations	_	38,111	40,485
1,295	Operating result from continuing operations	_	633	6,801
1,295	Net operating result for the year	_	633	6,801
1,295	Net operating result attributable to Council	_	633	6,801

	Net operating result for the year before grants and
150	contributions provided for capital purposes

(1,598) (3,215)

Original budget as approved by Council – refer Note 18.
# Statement of Comprehensive Income for the year ended 30 June 2016

\$ '000	Notes	Actual 2016	Actual 2015
Net operating result for the year (as per Income Statement)		633	6,801
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operation	ng result		
Gain (loss) on revaluation of I,PP&E	206 (0)	5,465	27,748
Impairment (loss) reversal relating to I,PP&E	20b (iii)	-	(128)
Other movements in reserves (enter details here)	206 (ii)	(2,097)	(825)
Total items which will not be reclassified subsequently			
to the operating result		3,368	26,795
Amounts which will be reclassified subsequently to the operating re when specific conditions are met	esult		8
Total items which will be reclassified subsequently to the operating result when specific conditions are met		-	-
Total other comprehensive income for the year		3,368	26,795
Total comprehensive income for the year	-	4,001	33,596
Total comprehensive income attributable to Council Total comprehensive income attributable to non-controlling interests		4,001	33,596

# Statement of Financial Position

as at 30 June 2016

		Actual	Actual
\$ '000	Notes	2016	2015
ASSETS			
Current assets			
Cash and cash equivalents	64	6 804	8 660
Investments	6b	15,796	14 161
Receivables	7	4,290	7,978
Inventories	в	2,826	1,465
Other	8	78	34
Total current assets		29,794	32,298
Non-current assets			
Investments	65	10,634	11,101
Inventories	B	21	21
Infrastructure, property, plant and equipment	9	430,043	418,986
Intangible assets	25	278	208
Total non-current assets		440,976	430,316
TOTAL ASSETS		470,770	462,614
LIABILITIES			
Current liabilities			
Payables	10	2,613	4,449
Borrowings	10	2,954	2,864
Provisions	10	3,852	3,819
Total current liabilities		9,419	11,132
Non-current liabilities			
Payables	10	364	390
Borrowings	10	43,246	44,393
Provisions	10	569	540
Total non-current liabilities		44,179	45,323
TOTAL LIABILITIES		53,598	56,455
Net assets	3	417,172	406,159
EQUITY			
Retained earnings	20	299 796	292 150
Revaluation reserves	20	117 376	114 009
Council equity interest		417,172	406.159
Total equity		417 172	406 150
i otal oquity		411,112	400,109

# Statement of Changes in Equity for the year ended 30 June 2016

					Non-	
		Retained	Reserves	Council o	ontrolling	Total
\$ '000	Notes	earnings	(Refer 20b)	interest	Interest	equity
2016						
Opening balance (as per last year's audited accounts)		292,150	114,009	406,159	-	406,159
a. Correction of prior period errors	20 (c)	4,915	-	4,915		4,915
b. Changes in accounting policies (prior year effects)	20 (d)	÷		-		-
Revised opening balance (as at 1/7/15)		297,065	114,009	411,074	7	411,074
c. Net operating result for the year		633		633	-	633
d. Other comprehensive income						
- Revaluations: IPP&E asset revaluation rsve	206 (iii)		5,465	5,465		5,465
Other comprehensive income		-	5,465	5,465	-	5,465
Total comprehensive income (c&d)		633	5,465	6,098		6,098
e. Distributions to/(contributions from) non-controlling In	terests			-	-	-
f. Transfers between equity		2,098	(2,098)	=		-
Equity - balance at end of the reporting p	eriod	299,796	117,376	417,172	-	417,172

					Non-	
		Retained	Reserves	Council o	ontrolling	Total
\$ '000	Notes	Earnings	(Refer 206)	Interest	Interest	Equity
2015						
Opening balance (as per last year's audited accounts)		240,399	87,214	327,613	-	327,613
a. Correction of prior period errors	20 (0)	44,125	-	44,125	-	44,125
b. Changes in accounting policies (prior year effects)	20 (d)	-		-	-	-
Revised opening balance (as at 1/7/14)		284,524	87,214	371,738	-	371,738
c. Net operating result for the year		6,801	-	6,801	-	6,801
d. Other comprehensive income						
- Revaluations: IPP&E asset revaluation rsve	20b (ii)	-	27,748	27,748	-	27,748
- Impairment (loss) reversal relating to I,PP&E	206 (0)	-	(128)	(128)		(128)
Other comprehensive income		-	27,620	27,620	- 2	27,620
Total comprehensive income (c&d)		6,801	27,620	34,421	-	34,421
e. Distributions to/(contributions from) non-controlling In	terests		-	-	-	-
f. Transfers between equity		825	(825)	-	-	-
Equity - balance at end of the reporting p	eriod	292,150	114,009	406,159	- 22	406,159

#### Statement of Cash Flows

for the year ended 30 June 2016

Budget	9621/10 E.M.D.	Actual	Actual
2016	\$ '000 Notes	2016	2015
	Cash flows from operating activities		
	Receipts:		
18,549	Rates and annual charges	18.311	17 412
6,189	User charges and fees	6.496	6,233
1,195	Investment and interest revenue received	1,326	1,424
8.864	Grants and contributions	15,108	17,789
	Bonds, deposits and retention amounts received	128	119
463	Other	3,698	4,106
	Payments:		
(9.631)	Employee benefits and on-costs	(8,964)	(10.068)
(10,819)	Materials and contracts	(12,704)	(7,199
(2,707)	Borrowing costs	(2.534)	(2.611
1002-02-02-	Bonds, deposits and retention amounts refunded	(256)	
(2,604)	Other	(6,062)	(6,499)
1817 - P.	2220	4-3-2-3	1010351
9,499	Net cash provided (or used in) operating activities	14,547	20,706
	Cash flows from investing activities		
	Receipts:		
	(teeppin.		
694	Sale of investment securities	122	<u>2</u>
600	Sale of investment property	2.	
163	Sale of infrastructure, property plant and equipment	334	176
100	Paumente:	004	110
	1 4111/01130		
	Purchase of investment securities	(1,109)	6.812
(9,585)	Purchase of infrastructure, property, plant and equipment	(12.699)	(24,391)
	Purchase of real estate assets	(1,564)	(228)
(8.128)	Net cash provided (or used in) investing activities	(15.038)	(17 631)
(01120)		(10,000)	(11,001)
	Cash flows from financing activities		
	Receipts:		
1 500	Proceeds from horrowings and advances	1 500	2 263
1,500	Proceeds nom borrowings and advances	1,500	2,205
	Payments:		
(2,905)	Repayment of borrowings and advances	(2,865)	(2,691)
(1,405)	Net cash flow provided (used in) financing activities	(1,365)	(428)
(24)		(4.050)	0.047
(34)	Net increase/(decrease) in cash and cash equivalents	(1,856)	2,647
45,835	Plus cash and cash equivalents - beginning of year	8,660	6,013
45,801	Cash and cash equivalents - end of the year	6,804	8,660
	Additional Information:		
	plus: Investments on hand – end of year	26,430	25,262
	Total cash, cash equivalents and investments	33,234	33,922

Please refer to Note 11 for information on the following:

- Non-cash financing and investing activities

- Financing arrangements

- Net cash flow disclosures relating to any discontinued operations

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

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

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

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

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

#### (a) Basis of preparation

#### (i) Background

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

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

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

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

Because AASBs are sector neutral, some standards either:

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

Accordingly, in preparing these financial statements and accompanying notes, Council has been unable to comply fully with International Accounting Standards, but has complied fully with Australian Accounting Standards. Under the Local Government Act (LGA), Regulation and Local Government Code of Accounting Practice and Financial Reporting, it should be noted that Councils in NSW only have a requirement to comply with AASBs.

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

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

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

Council has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2015.

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

#### (v) Basis of accounting

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

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

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

#### (vi) Changes in accounting policies

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

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

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

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

#### (vii) Critical accounting estimates

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

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

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

#### Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

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

#### (b) Revenue recognition

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to it, and specific criteria have been met for each of the Council's activities as described below.

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

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is measured on major income categories as follows:

#### Rates, Annual Charges, Grants and Contributions

Rates, annual charges, grants and contributions (including developer contributions) are recognised as revenues when the Council obtains control over the assets comprising these receipts.

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

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

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

Revenue from contributions is recognised when the Council either obtains control of the contribution or the right to receive it (i) it is probable that the economic benefits comprising the contribution will flow to the Council and (ii) the amount of the contribution can be measured reliably.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 3 (g).

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

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

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

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

Note 1. Summary of significant accounting policies (continued)

Developer contributions may only be expended for the purposes for which the contributions were required but the Council may apply contributions according to the priorities established in work schedules.

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

#### User charges, fees and other Income

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

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

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

Sale of infrastructure, property, plant and equipment

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

#### Interest and rents

Rental income is recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified or the payment is received, whichever occurs first.

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

#### Other Income

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

#### (c) Principles of consolidation

These consolidated financial statements incorporate (i) the assets and liabilities of Council and any entities (or operations) that it controls (as at 30 June 2016) and (ii) all the related operating results (for the financial year ended the 30 June 2016).

In the process of reporting on Council's activities as a single unit, all inter-entity year end balances and reporting period transactions have been eliminated in full between Council and its controlled entities.

#### (i) The Consolidated Fund

In accordance with the provisions of section 409(1) of the LGA 1993, all money and property received by Council is held in the Council's consolidated fund unless it is required to be held in the Council's trust fund.

The consolidated fund and other entities through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this report.

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

- General Purpose Operations
- Water Supply
- Sewerage Service

Due to their immaterial value and nature the following committees, entities and operations have been excluded from consolidation:

Section 355 Committees of Management

The (i) total income and expenditure from continuing operations and (ii) net assets held by these excluded committees and operations is as follows:

#### Total income

from continuing operations(no GST)	\$139,827
Total expenditure	
from continuing operations(no GST)	\$119,010
Total net assets held (ie equity)	\$80,361

#### Note:

Where actual figures are not known, best estimates have been applied.

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

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

#### (ii) The Trust Fund

In accordance with the provisions of section 411 of the *Local Government Act 1993* (as amended) a separate and distinct trust fund is maintained to account for all money and property received by the Council in trust that must be applied only for the purposes of or in accordance with the trusts relating to those monies.

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

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

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

#### (iii) Interests in other entities

#### Subsidiaries

Council has no interest in any subsidiaries.

#### Joint arrangements

Council has no interest in any joint arrangements.

#### Associates

Council has no interest in any associates.

#### **County councils**

Council is not a member of any county council.

#### Unconsolidated structured entities

Council has no interest in any unconsolidated structured entities.

#### (d) Leases

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

#### Finance leases

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

Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments.

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

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

The interest element of the finance charge is costed to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

#### **Operating Leases**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Lease income from operating leases is recognised in income on a straight-line basis over the lease term.

#### (e) Cash and Cash Equivalents

For Statement of Cash Flows (and Statement of Financial Position) presentation purposes, cash and cash equivalents includes:

- · cash on hand
- deposits held at call with financial institutions
- other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash

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

Note 1. Summary of significant accounting policies (continued)

and that are subject to an insignificant risk of changes in value, and

Bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities on the balance sheet but are incorporated into cash and cash equivalents for presentation of the Cash Flow Statement.

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

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

- financial assets at fair value through profit or loss
- loans and receivables
- held-to-maturity investments, and
- available-for-sale financial assets.

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

Management determines each investment classification at the time of initial recognition and reevaluates this designation at each reporting date.

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

Financial assets at fair value through profit or loss include financial assets that are 'held for trading'.

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

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

#### (ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

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

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

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

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

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

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

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

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

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

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

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

#### Financial assets – reclassification

Council may choose to reclassify a non-derivative trading financial asset out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near term.

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

Note 1. Summary of significant accounting policies (continued)

Financial assets other than loans and receivables are permitted to be reclassified out of the held-fortrading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term.

Council may also choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or availablefor-sale categories if it has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable and no reversals of fair value gains or losses recorded before reclassification date are subsequently made.

Effective interest rates for financial assets reclassified to loans and receivables and held-tomaturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

General accounting and measurement of financial instruments:

#### (i) Initial recognition

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

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

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

#### (ii) Subsequent measurement

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

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

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

When securities classified as **'available-for-sale'** are sold or impaired the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

#### Impairment

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

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

If there is evidence of impairment for any of Council's financial assets carried at amortised cost (eg loans and receivables) the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

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

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

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

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

#### (iii) Types of Investments

Council has an approved Investment Policy in order to invest in accordance with (and to comply with) section 625 of the *Local Government Act* and section 212 of the LG (General) Regulation 2005.

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

Council maintains its Investment Policy in compliance with the Act and ensures that it or its representatives exercise care, diligence and skill that a prudent person would exercise in investing Council funds.

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

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

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

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

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques.

Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held.

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

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

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

#### (h) Receivables

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

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

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

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

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

Impairment losses are recognised in the Income Statement within other expenses.

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

Note 1. Summary of significant accounting policies (continued)

When a receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account.

Subsequent recoveries of amounts previously written off are credited against other expenses in the Income Statement.

#### (i) Inventories

#### (i) Raw Materials and Stores, Work in Progress and Finished Goods

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

Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

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

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

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

#### (ii) Land Held for Resale/Capitalisation of Borrowing Costs

Land held for resale is stated at the lower of cost and net realisable value.

Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development.

When development is completed borrowing costs and other holding charges are expensed as incurred.

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made.

Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

#### (j) Infrastructure, Property, Plant and Equipment (I,PP&E)

#### Acquisition of assets

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

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

- Plant and equipment (as approximated by depreciated historical cost)
- Operational land (external valuation)
- Community land (internal valuation)
- Land improvements

   (as approximated by depreciated historical cost)
- Buildings specialised/non-specialised (external valuation)
- Other structures

   (as approximated by depreciated historical cost)
- Roads assets including roads, bridges and footpaths (internal valuation)
- Bulk earthworks (internal valuation)
- Stormwater drainage (internal valuation)
- Water and sewerage networks (external valuation)
- Swimming pools (internal valuation)
- Other open space/recreational assets (internal valuation)

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

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

- Other infrastructure (internal valuation)
- Other assets (as approximated by depreciated historical cost).

#### Initial recognition

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

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

The discount rate used is the Council's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

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

#### Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

#### Asset revaluations (including indexation)

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

- Increases in the combined carrying amounts of asset classes arising on revaluation are credited to the asset revaluation reserve.
- To the extent that a net asset class increase reverses a decrease previously recognised via

the profit or loss, then increase is first recognised in profit or loss,

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

Water and sewerage network assets are indexed annually between full revaluations in accordance with the latest indices provided in the NSW Office of Water – Rates Reference Manual.

For all other assets, Council assesses at each reporting date whether there is any indication that a revalued asset's carrying amount may differ materially from that which would be determined if the asset were revalued at the reporting date.

If any such indication exists, Council determines the asset's fair value and revalues the asset to that amount.

Full revaluations are undertaken for all assets on a 5year cycle.

#### Capitalisation thresholds

12

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

Land	
- council land	100% Capitalised
- open space	100% Capitalised
- land under roads (purchases after 30/6/08)	100% Capitalised
Plant & Equipment	
Office Furniture	> \$2,000
Office Equipment	> \$2,000
Other Plant &Equipment	> \$2,000
Buildings & Land Improvements	
Park Furniture & Equipment Building	> \$2,000
- construction/extensions	>\$20,000
- renovations	> \$20,000
Other Structures	> \$20,000

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

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

Water & Sewer Assets	
Reticulation, Treatment Works	Capitalise
Mains, Reservoirs, Pump Stations	Capitalise
Stormwater Assets	
Drains & Culverts	> \$5,000
Other	> \$5,000
Transport Assets	
Road construction & reconstruction	Capitalise
Reseal/Re-sheet & major repairs	> \$20,000
Bridge construction & reconstruction	> \$20,000
Other Infrastructure Assets	
Swimming Pools	> \$10,000
Other Open Space/Recreational Assets	> \$10,000
Other Infrastructure	> \$10,000

#### Depreciation

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

#### Land is not depreciated.

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

#### Plant & Equipment

<ul> <li>Office Equipment</li> <li>Office furniture</li> <li>Computer Equipment</li> <li>Vehicles</li> <li>Heavy Plant/Road Making equip.</li> <li>Other plant and equipment</li> </ul>	3 to 15 years 5 to 20 years 4 years 5 to 8 years 12 years 5-20 years
Other Equipment	
- Bush Fire Equipment	5 years
Buildings	
- Buildings: Operating	15 to 60 years
- Buildings: Community	20 to 60 years
Water Supply	
- Headworks/Bores	30 years
- Mains	80 years
- Reservoirs	100 years

- Pump Stations	40 years
- Water Treatment Plant	50 years
- Dams	100 years
Sewer Supply	
- Reticulation	70 years
- Rising Mains	70 years
- Treatment Works	40 years
- Pump Stations	60 years
- Effluent Pumping Station	60 years
Stormwater Assets	
- Drains	85 to 106 years
- Culverts	80 years
Transportation Assets	
- Sealed Roads	18 to120 years
Unsealed roads	19 to 84 years
- Bridges	21 to 95 years
- Footpaths	85 to127 years
- Kerb and Gutter	60 to 84 years
Other Infrastructure Assets	
- Bulk earthworks	Infinite
- Swimming Pools	60 to 80 years
- Other Open Space/	1222 1992 2010 124-0
Recreational Assets	10 to 80 years
<ul> <li>Other Infrastructure</li> </ul>	15 to 100 years

All asset residual values and useful lives are reviewed and adjusted (if appropriate) at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount – refer Note 1 (s) on asset impairment.

#### **Disposal and derecognition**

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

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

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

Note 1. Summary of significant accounting policies (continued)

#### (k) Land

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

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

#### (I) 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 acquired after 1 July 2008 is recognised in accordance with AASB 116 – Property, Plant and Equipment.

#### (m) Intangible Assets

#### Land Easements – Water Storage Dam

These costs are recognised at cost. The assets are periodically reviewed and are considered to have an indefinite life.

#### (n) Crown Reserves

Crown reserves under Council's care and control are recognised as assets of the Council.

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

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

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

#### (o) Rural Fire Service Assets

Under section 119 of the Rural Fires Act 1997, 'all fire fighting equipment purchased or constructed wholly or from money to the credit of the Fund is to be vested in the council of the area for or on behalf of which the fire fighting equipment has been purchased or constructed'.

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

Until such time as discussions on this matter have concluded and the legislation changed, Council will continue to account for these assets as it has been doing in previous years, which is to incorporate the assets, their values and depreciation charges within these financial statements.

#### (p) Provisions for close down, restoration and for environmental clean-up costs – including Tips and Quarries

Close down, restoration and remediation costs include the dismantling and demolition of infrastructure, the removal of residual materials and the remediation of disturbed areas.

Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs.

Provisions for close down and restoration costs do not include any additional obligations that are expected to arise from future disturbance.

Costs are estimated on the basis of a closure plan.

The cost estimates are calculated annually during the life of the operation to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

Close down, restoration and remediation costs are a normal consequence of tip and quarry operations, and the majority of close down and restoration expenditure is incurred at the end of the life of the operations.

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

Note 1. Summary of significant accounting policies (continued)

Although the ultimate cost to be incurred is uncertain, Council estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques.

The amortisation or 'unwinding' of the discount applied in establishing the net present value of provisions is charged to the Income Statement in each accounting period.

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

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

These costs are then depreciated over the lives of the assets to which they relate.

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

Provision is made for the estimated present value of the costs of environmental clean-up obligations outstanding at the balance sheet date.

These costs are charged to the Income Statement. Movements in the environmental clean-up provisions are presented as an operating cost, except for the unwind of the discount, which is shown as a borrowing cost.

Remediation procedures generally commence soon after the time the damage, remediation process and estimated remediation costs become known, but may continue for many years depending on the nature of the disturbance and the remediation techniques.

As noted above, the ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors, including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other locations. The expected timing of expenditure can also change, for example, in response to changes in quarry reserves or production rates.

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

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

#### (q) Impairment of assets

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

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

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

#### (r) Payables

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

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

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

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

#### (s) Borrowings

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

Borrowings are subsequently measured at amortised cost.

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

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

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

#### t) Borrowing costs

Borrowing costs are expensed

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.

#### (u) Provisions

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

- Council has a present legal or constructive obligation as a result of past events
- it is more likely than not that an outflow of resources will be required to settle the obligation, and
- the amount has been reliably estimated.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date.

The discount rate used to determine the present value reflects current market assessments of the 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.

#### (v) Employee benefits

#### (i) Short-term obligations

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

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

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

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

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

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

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

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

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

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

period) are recognised in the provision for employee benefits.

These liabilities are measured at the present value of the expected future payments to be made using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are then discounted using market yields at the reporting date based on national government bonds with terms to maturity and currency that match as closely as possible the estimated future cash outflows.

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

#### (iii) Retirement benefit obligations

All employees of the Council are entitled to benefits on retirement, disability or death.

Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

#### Defined benefit plans

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the balance sheet and measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost.

The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

However, when this information is not reliably available, Council can account for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans – ie as an expense when they become payable.

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

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

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

The last valuation of the scheme was performed by Mr Richard Boyfield FIAA on 24 February 2016 and covers the period ended 30 June 2015.

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

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

The amount of employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense and disclosed as part of superannuation expenses at Note 4 (a) for the year ending 30 June 2016 was \$287,056.

The amount of additional contributions included in the total employer contribution advised above is \$688,000.

The share of this deficit that can be broadly attributed to Council is estimated to be in the order of \$322,726 as at 30 June 2016.

Council's share of that deficiency cannot be accurately calculated as the scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils.

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

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

For this reason, no liability for the deficiency has been recognised in these financial statements.

Council has, however, disclosed a contingent liability in Note 18 to reflect the possible obligation that may arise should the scheme require immediate payment to correct the deficiency.

#### Defined contribution plans

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

#### (iv) Employee Benefit On-Costs

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

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

#### (w) Allocation between current and Non-current assets and liabilities

In the determination of whether an asset or liability is classified as current or non-current, consideration is given to the time when each asset or liability is expected to be settled.

The asset or liability is classified as current if it is expected to be settled within the next 12 months being the Council's operational cycle.

#### Exceptions

In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months (such as vested long service leave) the liability is classified as current even if it is not expected to be settled within the next 12 months.

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

#### (x) Taxes

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

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

#### Goods and Services Tax (GST)

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

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

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

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

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

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

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

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

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

Council has not adopted any of these standards early.

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

Note 1. Summary of significant accounting policies (continued)

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

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

#### AASB 9 – Financial Instruments

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

At this stage there is no specific date of release for a standard nor a date of applicability.

#### AASB16 - Leases

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

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

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

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

'low value'. There will also be detailed disclosure requirements for all lessees.

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

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

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

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

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

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

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

#### (z) Rounding of amounts

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

#### (aa) 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.

#### (ab) Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance. Financial Statements 2016

# Nambucca Shire Council

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

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

000, \$			Income	, expenses D	and assets letails of the	have been d	lirectly attrib s/activities a	uted to the re provided	following fu in Note 2(b)	nctions/acti	vities.		
Functions/activities	Income	from cont operations	inuing	Expense	s from cor operations	tinuing	Operat	ting result uing opera	from tions	Grants inc income contin operat	from trom uing ions	Total ass (curr non-cu	ets held ent & urrent)
	Original budget 2016	Actual 2016	Actual 2015	Original budget 2016	Actual 2016	Actual 2015	Original budget 2016	Actual 2016	Actual 2015	Actual 2016	Actual 2015	Actual 2016	Actual 2015
Governance		1	1	698	560	505	(698)	(560)	(505)	1	1	1	1
Administration	126	252	372	2,435	2,149	3,893	(2,309)	(1,897)	(3,521)	32	40	16,280	17,310
Public order and safety	406	379	485	672	1,280	1,172	(266)	(901)	(687)	211	342	3,039	3,064
Health	170	121	173	88	238	228	82	(117)	(55)			50	49
Environment	5,395	6,711	5,504	5,268	6,274	6,382	127	437	(878)	967	361	26,715	28,789
Community services and education	220	320	303	425	475	423	(205)	(155)	(120)	320	303	827	1,162
Housing and community amenities	551	260	371	1,328	1,205	1,476	(177)	(945)	(1,105)			2,556	1,581
Water supplies	5,620	5,847	6,505	5,450	5,262	4,837	170	585	1,668	32	743	108,681	107,484
Sewerage services	4,976	5,115	5,078	4,715	4,586	4,670	261	529	408	68		81,293	81,615
Recreation and culture	195	568	1,320	2,580	3,356	3,383	(2,385)	(2,788)	(2,063)	163	1,036	38,485	35,052
Mining, manufacturing and construction	122	158	169	120	416	373	2	(258)	(204)	1	1	T	1
Transport and communication	4,418	5,004	13,573	10,531	11,815	12,691	(6,113)	(6,811)	882	1,691	760	190,691	185,595
Economic affairs	454	212	102	248	495	452	206	(283)	(350)		-	2,153	913
Total functions and activities	22,653	24,947	33,955	34,558	38,111	40,485	(11,905)	(13,164)	(6,530)	3,484	3,586	470,770	462,614
General purpose income <sup>1</sup>	13,200	13,797	13,331			1	13,200	13,797	13,331	4,084	4,098		1
Operating result from continuing operations	35,853	38,744	47,286	34,558	38,111	40,485	1,295	633	6,801	7,568	7,684	470,770	462,614

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

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

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

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

#### GOVERNANCE

Includes costs relating to Council's role as a component of democratic government, including elections, members' fees and expenses, subscriptions to local authority associations, meetings of Council and policy-making committees, area representation and public disclosure (e.g. GIPA), and legislative compliance.

#### ADMINISTRATION

Includes corporate support and other support services, (not otherwise attributed to the listed functions/activities), and any Council policy compliance.

#### PUBLIC ORDER AND SAFETY

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

#### HEALTH

Includes inspection, immunisation, food control, health centres, other administration etc.

#### ENVIRONMENT

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

#### COMMUNITY SERVICES AND EDUCATION

Includes administration and education; social protection (welfare); Aboriginal and other community services and administration; youth services; aged and disabled persons services; and other family and children services.

#### HOUSING AND COMMUNITY AMENITIES

Includes housing, public cemeteries; public conveniences; street lighting; town planning; other community amenities,

#### 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, other.

#### TRANSPORT AND COMMUNICATION

Urban roads, sealed rural roads, unsealed rural roads, bridges, footpaths, parking areas, bus shelters and services, water transport, RMS works, other.

#### ECONOMIC AFFAIRS

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

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

# Note 3. Income from continuing operations

		Actual	Actual
\$ '000	Notes	2016	2015
(a) Rates and annual charges			
Ordinary rates			
Residential		7,153	6,721
Farmland		877	821
Business		1,060	1,013
Total ordinary rates	_	9,090	8,555
Special rates			
Environmental		376	356
Total special rates		376	356
Annual charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic waste management services		3,541	3,409
Water supply services		850	865
Sewerage services		3,511	3,345
Drainage		142	142
Waste management services (non-domestic)		863	813
Total annual charges	-	8,907	8,574
TOTAL RATES AND ANNUAL CHARGES	-	18,373	17,485

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

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

		Actual	Actual
\$ '000	Notes	2016	2015
(b) User charges and fees			
Specific user charges (per s.502 – specific 'actual use' charges)			
Water supply services		3,901	3,614
Sewerage services		844	751
Waste management services (non-domestic)		1,079	813
Library		5	4
Other		9	9
Total user charges		5,838	5,191
Other user charges and fees			
(i) Fees and charges - statutory and regulatory functions (per s.608)			
Building regulation		155	164
Planning and building regulation		158	196
Private works – section 67		40	73
Regulatory/ statutory fees		226	233
Section 149 certificates (EPA Act)		49	49
Section 603 certificates		42	34
Town planning-Environmental Compliance Fees		29	-
Septic tank income		73	28
Total fees and charges – statutory/regulatory	_	772	777
(ii) Fees and charges – other (incl. general user charges (per s.608))			
Cemeteries		90	87
Total fees and charges – other		90	87
TOTAL USER CHARGES AND FEES	-	6,700	6.055

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

	Actual	Actual
\$ '000 Notes	2016	2015
(c) Interest and investment revenue (including losses)		
Interest		
- Interest on overdue rates and annual charges (incl. special purpose rates)	178	78
- Interest earned on investments (interest and coupon payment income)	1,116	1,189
Fair value adjustments		
- Fair valuation movements in investments (at fair value or held for trading)	59	322
TOTAL INTEREST AND INVESTMENT REVENUE	1,353	1,589
Interest revenue is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	178	78
General Council cash and investments	608	847
Restricted investments/funds - external:	000	011
Development contributions		
- Section 94	30	49
- Section 64	164	194
Water fund operations	309	470
Severage fund operations	195	182
Domestic waste management operations	23	16
Pactricted investments/fundeinternal:	20	10
Internally restricted assets	(163)	(247)
Total interest and investment revenue recognised	1 353	1 590
	1,000	1,505
(d) Other revenues		
Fines – parking	86	49
Fines – other	18	17
Legal fees recovery – rates and charges (extra charges)	1	4
Legal fees recovery – other	<u> </u>	30
Administration	7	3
Bank merchant service fees	16	16
Diesel rebate	59	45
Environmental services	14	15
Insurance – premium rebates	63	97
Lease rentals	300	299
Road closure/compulsory acquisition	23	16
Sales – general	25	5
Special meter reading fees	5	3
Libraries	8	6
Tourism	20	20
Other	2	12
TOTAL OTHER REVENUE	647	637

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

	2016	2015	2016	2015
\$ '000	Operating	Operating	Capital	Capital
(e) Grants				
General purpose (untied)				
Financial assistance - general component	2,469	2,505	-	-
Financial assistance - local roads component	1,132	1,139	-	-
Pensioners' rates subsidies - general component	483	454	-	-
Total general purpose	4,084	4,098	-	-
Specific purpose				
Water supplies	_	2	32	743
Bushfire and emergency services	180	274	- <u>1</u>	-
Community care	211	184		_
Community centres	5	16	_	-
Cycleways	-	_	-	103
Economic development	—	2	_	_
Employment and training programs	133	119	-	-
Environmental protection	627	105	-	-
Library	63	63	-	
LIRS subsidy	130	106	_	
Museums	9	-	-	-
Noxious weeds	256	172	-	-
Public halls	17	-		-
Recreation and culture	69	50	67	908
Street lighting	19	19	<u> </u>	_
Transport (roads to recovery)	1,535	531	-	-
Transport (other roads and bridges funding)	7	-	-	
Other - better waste and recycling	85	84	-	-
Other - responsible pet ownership	30	15	<u>~</u> :	-
Other - reimbursement - insurance	3	33	-	-
Other - foreshore/beach	-	-	-	53
Other	6	6	-	-
Total specific purpose	3,385	1,779	99	1,807
Total grants	7,469	5,877	99	1,807
Grant revenue is attributable to:				
- Commonwealth funding	5.210	4,341	32	743
- State funding	2,127	1,442	67	1.064
- Other funding	132	94		0.072(5).0
	7,469	5,877	99	1,807

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

\$ '000	2016 Operating	2015 Operating	2016 Capital	2015 Capital
(f) Contributions				
Developer contributions:				
(s93 & s94 - EP&A Act, s64 of the LGA):				
S 94 - contributions towards amenities/services		-	116	99
S 94A - fixed development consent levies	-	-	267	140
S 64 - water supply contributions	0.22	<u></u>	236	382
S 64 - sewerage service contributions	-	-	238	354
Total developer contributions	-	( <del>4</del>	857	975
Other contributions:				
Kerb and gutter	9	-	10	-
Recreation and culture	4	10	_	-
RMS contributions (regional roads, block grant)	1,210	1,686	934	4,891
Sewerage (excl. section 64 contributions)	_	-	6	8
Subdivider dedications	·	-	267	2,301
Water supplies (excl. section 64 contributions)	-	-	58	34
Other - landslip restoration	748	3,900	-	-
Libraries	122	1	-	-
Other - water and sewer cont. to works depot	-	29	-	-
Other – environmental protection	-	1	-	-
Total other contributions	1,971	5,627	1,275	7,234
Total contributions	1,971	5,627	2,132	8,209
TOTAL GRANTS AND CONTRIBUTIONS	9,440	11,504	2,231	10.016

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

	Actual	Actual
\$ '000	2016	2015
(g) Restrictions relating to grants and contributions		
Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:		
Unexpended at the close of the previous reporting period	8,914	7,655
Add: grants and contributions recognised in the current period but not yet spent:	1,274	3,044
Less: grants and contributions recognised in a previous reporting period now spent:	(3,427)	(1,785)
Net increase (decrease) in restricted assets during the period	(2,153)	1,259
Unexpended and held as restricted assets	6,761	8,914
Comprising:		
- Specific purpose unexpended grants	515	2,231
- Developer contributions	6,246	6,683
7	6,761	8,914

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

# Note 4. Expenses from continuing operations

		Actual	Actual
\$ '000	Notes	2016	2015
(a) Employee benefits and on-costs			
Salaries and wages		6,842	6,975
Employee termination costs (where material - other than vested leave paid)		48	328
Travel expenses		456	464
Employee leave entitlements (ELE)		1,226	1,589
Superannuation		895	923
Workers' compensation insurance		217	312
Fringe benefit tax (FBT)		69	58
Training costs (other than salaries and wages)		130	91
Other		46	19
Total employee costs		9,929	10,759
Less: capitalised costs		(766)	(547)
TOTAL EMPLOYEE COSTS EXPENSED	_	9,163	10,212
Number of 'full-time equivalent' employees (FTE) at year end		113	108
Number of 'full-time equivalent' employees (FTE) at year end (incl. vacancies)		116	114
(b) Borrowing costs			
(i) Interest bearing liability costs			
Interest on loans		2,538	2,611
Total interest bearing liability costs		2,538	2,611
Less: capitalised costs	_		-
Total interest bearing liability costs expensed	-	2,538	2,611
(ii) Other borrowing costs			
Discount adjustments relating to movements in provisions (other than E	ELE)	-	-
<ul> <li>Remediation liabilities</li> </ul>	26	11	23
Interest applicable on interest free (and favourable) loans to Council	_	308	362
Total other borrowing costs		319	385
TOTAL BORROWING COSTS EXPENSED		2,857	2,996

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

# Note 4. Expenses from continuing operations (continued)

		Actual	Actual
\$ '000	Notes	2016	2015
(c) Materials and contracts			
Raw materials and consumables		924	1,560
Contractor and consultancy costs		4.386	3.519
- Beach inspections		65	63
- Contractor and consultancy costs - environmental		187	38
- Contractor and consultancy costs - community consultation		15	6
- Contractor and consultancy costs (Water)		75	-
- Contractor and consultancy costs (Sewer)		56	-
- Contractor and consultancy costs -(Labour Hire)		717	211
- Town planning		4	7
- Financial		25	24
- Computer system - civica - authority		176	116
- Waste collection contract		2,888	2,925
- Equipment hire		1,097	722
- Cleaning of council buildings		117	110
Auditors remuneration (1)		45	37
Legal expenses:			
- Legal expenses: planning and development		16	62
- Legal expenses: other		165	127
Total materials and contracts		10,958	9,527
TOTAL MATERIALS AND CONTRACTS	_	10,958	9,527
<ol> <li>Auditor remuneration         During the year, the following fees were incurred for services provided by         the Council's Auditor:     </li> </ol>			
(i) Audit and other assurance services			
- Audit and review of financial statements: Council's Auditor		45	37
Remuneration for audit and other assurance services		45	37
(ii) Taxation services	-		
Remuneration for taxation services			-
(iii) Other non-assurance services	_		
Remuneration for other services	-	-	-
Total Auditor remuneration	-	45	37
2. Operating lease payments are attributable to:			

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

# Note 4. Expenses from continuing operations (continued)

	Impairment costs		Depreciation/amortisation	
	Actual	Actual	Actual	Actual
\$ '000 Notes	2016	2015	2016	2015
(d) Depreciation, amortisation and impairme	int			
Plant and equipment	-	-	747	676
Office equipment	<del></del>	-	138	139
Furniture and fittings		-	12	13
Land improvements (depreciable)	-	-	15	15
Infrastructure:				
<ul> <li>Buildings – non-specialised</li> </ul>	-	-	455	480
<ul> <li>Buildings – specialised</li> </ul>		-	344	324
- Other structures	-	<u> </u>	105	103
- Roads	226	-	2,500	4,151
- Bridges	-	128	627	542
- Footpaths	-	-	97	127
<ul> <li>Stormwater drainage</li> </ul>	-	-	433	412
<ul> <li>Water supply network</li> </ul>		-	1,555	1,008
<ul> <li>Sewerage network</li> </ul>			1,514	1,620
<ul> <li>Swimming pools</li> </ul>	224	-	53	53
<ul> <li>Other open space/recreational assets</li> </ul>	-		111	107
- Other infrastructure	-	-	106	56
Other assets				
<ul> <li>Heritage collections</li> </ul>	24	-	1	3
<ul> <li>Library books</li> </ul>	-		57	-
- Other	—	-	1	38
Asset reinstatement costs 9 & 26	-	-	42	42
Total depreciation and impairment costs	226	128	8,913	9,909
Less: capitalised costs	-	-	(95)	(77)
Less: IPP&E impairments (to)/from equity Sa	-	(128)	_	-
TOTAL DEPRECIATION AND				
IMPAIRMENT COSTS EXPENSED	226	-	8,818	9,832

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

# Note 4. Expenses from continuing operations (continued)

		Actual	Actual
\$ '000	Notes	2016	2015
(e) Other expenses			
Other expenses for the year include the following:			
Advertising		100	91
Bad and doubtful debts		12	20
Bank charges		54	54
Contributions/levies to other levels of government		54	58
<ul> <li>Bushfire fighting fund</li> </ul>		267	211
- Waste levy		475	349
- Other contributions/levies		44	45
Councillor expenses – mayoral fee		24	23
Councillor expenses - councillors' fees		102	99
Councillors' expenses (incl. mayor) - other (excluding fees above)		28	32
Donations, contributions and assistance to other organisations (Section 356)		181	102
<ul> <li>SES vehicle expenses</li> </ul>		35	32
Electricity and heating		568	663
Fair value decrements – I,PP&E	9(31)	140	3,137
Insurance		645	609
Insurance excess (PI/PL)		10	15
Office expenses (including computer expenses)		118	177
Postage		45	41
Printing and stationery		71	75
Street lighting		221	249
Subscriptions and publications		62	69
Telephone and communications		72	66
Valuation fees		60	59
Total other expenses		3,388	6,276
Less: capitalised costs		-	-
TOTAL OTHER EXPENSES		3,388	6,276

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

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

A144	2016	Actual 2015
iules.	2010	2015
	244	176
	(117)	(160)
-	127	16
	90	
	(2,918)	(1,658)
-	(2,828)	(1,658)
-	(2 701)	(1.642)
	otes	2016 244 (117) 127 90 (2,918) (2,828) (2,701)

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

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

	2016	2016	2015	2015
	Actual	Actual	Actual	Actual
\$ '000 Notes	Current	Non-current	Current	Non-current
Cash and cash equivalents (Note 6a)				
Cash on hand and at bank	1,464	-	2,204	-
Cash-equivalent assets 1				
- Deposits at call	1,928		3,063	-
- Short-term deposits	3,412	5 <del></del>	3,393	-
Total cash and cash equivalents	6,804	-	8,660	
Investments (Note 6b)				
- Managed funds	4,373	-	4,331	-
- Long term deposits	9,943	7,634	8,356	11,101
- NCD's, FRN's (with maturities > 3 months)	-	3,000		-
– Tcorp	1,480	1 <del></del>	1,474	-
Total investments	15,796	10,634	14,161	11,101
TOTAL CASH ASSETS, CASH				
EQUIVALENTS AND INVESTMENTS	22,600	10,634	22,821	11,101

<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:

Cash and cash equivalents a. 'Held to Maturity At Cost'	-	6,804		8,660	-
	-				
Investments					
a. 'At fair value through the profit and loss'					
- 'Held for trading'	6(b+))	-	-	-	-
- 'Designated at fair value on initial recognition'	B(b-i)	5,853	-	5,805	-
b. 'Held to maturity'	6(6-4)	9,943	10,634	8,356	11,101
c. 'Loans and receivables'	(G(Q-++))	-	-	-	-
d. 'Available for sale'	8(b+W)		-	-	-
Investments		15,796	10,634	14,161	11,101

Refer to Note 27. Fair value measurement for information regarding the fair value of investments held.
Notes to the Financial Statements for the year ended 30 June 2016

## Note 6b. investments (continued)

	2016	2016	2015	2015
	Actual	Actual	Actual	Actual
\$ '000	Current	Non-current	Current	Non-current
Note 6(b-i)				
Reconciliation of investments classified as				
'at fair value through the profit and loss'				
Balance at the beginning of the year	5.805	-	6 035	_
Revaluations (through the Income Statement)	59	-	322	_
Additions	1,989		532	-
Disposals (sales and redemptions)	(2,000)		(1,084)	
Balance at end of year	5,853	-	5,805	-
Comprising:				
- Managed funds	4,373	-	4,331	-
- Other long term financial assets	1,480	-	1,474	-
Total	5,853		5,805	-
Note 6(h-iii)				
Reconciliation of investments				
classified as 'held to maturity'				
Balance at the beginning of the year	8 356	11 101	10 771	14 946
Additions	2,850	2 500	3.086	1 500
Disposals (sales and redemptions)	(1,263)	(2,967)	(5,501)	(5.345)
Balance at end of year	9,943	10,634	8,356	11,101
Comprising:				
- Other long term financial assets	9,943	10,634	8,356	11,101
Total	9,943	10,634	8,356	11,101
Note 6(b-iii)				

Reconciliation of investments classified as 'loans and receivables' Nil Note 6(b-iv) Reconciliation of investments classified as 'available for sale' Nil

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

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

2016	2016	2015	2015
Actual	Actual	Actual	Actual
Current	Non-current	Current	Non-current
22,600	10,634	22,821	11,101
15,813	10,634	16,830	11,101
3,772	10 See	4,940	-
3,015	÷	1,051	-
22,600	10,634	22,821	11,101
	2016 Actual Current 22,600 15,813 3,772 3,015 22,600	2016         2016           Actual         Actual           Current         Non-current           22,600         10,634           15,813         10,634           3,772         -           3,015         -           22,600         10,634	2016         2016         2015           Actual         Actual         Actual           Current         Non-current         Current           22,600         10,634         22,821           15,813         10,634         16,830           3,772         -         4,940           3,015         -         1,051           22,600         10,634         22,821

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

## Details of restrictions

lities				
ieral (A)	1,592	1,500	(2,163)	929
12 81	689	264	(392)	561
lities _	2,281	1,764	(2,555)	1,490
(D)	1,360	422	(731)	1,051
(D)	3,687	356	-	4,043
(D)	1,636	281	(765)	1,152
(F)	2,231	215	(1,931)	515
(G)	10,584	1,240	(622)	11,202
(G)	5,683	1,789	(1,213)	6,259
(G)	469	266		735
	25,650	4,569	(5,262)	24,957
	27,931	6,333	(7,817)	26,447
	ities eral (A) ities (D) (D) (D) (F) (G) (G) (G) (G)	ities         ieral (A)       1,592         689         ities       2,281         (D)       1,360         (D)       3,687         (D)       1,636         (F)       2,231         (G)       10,584         (G)       5,683         (G)       469         25,650       27,931	ities         ieral (A)       1,592       1,500         689       264         ities       2,281       1,764         (D)       1,360       422         (D)       3,687       356         (D)       1,636       281         (F)       2,231       215         (G)       10,584       1,240         (G)       5,683       1,789         (G)       469       266         25,650       4,569         27,931       6,333	Interal (A)         1,592         1,500         (2,163)           689         264         (392)

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

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

2016	Opening	Transfers to	Transfers from	Closing
\$ '000	balance	restrictions	restrictions	balance
Internal restrictions				
Plant and vehicle replacement	311	-	(18)	293
Employees leave entitlement	1,758	330	(336)	1,752
Waste management	1,505	250	(880)	875
Swimming pool	78	35	(21)	92
Stormwater management	135	20	-	155
Public road/reserve sales	45	_	_	45
Other contributions	136	16	(5)	147
On site sewer management	13	-	(13)	-
Office equipment	142	25	(40)	127
Lawn cemetery	8	_	1.00	8
Land development	(120)	-	(429)	(549)
Environment rate unallocated	628	534	(666)	496
Election	87	30	-	117
Council building reserve	214	-	_	214
Total internal restrictions	4,940	1,240	(2,408)	3,772
TOTAL RESTRICTIONS	32,871	7,573	(10,225)	30,219

A Loan moneys which must be applied for the purposes for which the loans were raised.

- B Advances by roads and maritime services for (RMS) works on the State's classified roads.
- C Self insurance liability resulting from reported claims or incurred claims not yet reported.
- D Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans (refer Note 17).
- E RMS contributions which are not yet expended for the provision of services and amenities in accordance with those contributions.
- F Grants which are not yet expended for the purposes for which the grants were obtained. (refer Note 1 (b))
- G Water, sewerage, domestic waste management (DWM) and other special rates/levies/charges are externally restricted assets and must be applied for the purposes for which they were raised.

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

## Note 7. Receivables

		2016	20	015
\$ '000	ictes Curre	nt Non-current	Current	Non-current
Purpose				
Nil				
Rates and annual charges	97	0 -	007	
Interest and extra charges	16	9	160	1.5
User charges and fees	1 95	5 -	1 676	
Accrued revenues	1,00		1,070	1.77
- Interest on investments	35	6 –	397	
- Other income accruals			9	
Government grants and subsidies	6	7 -	3 771	12
Net GST receivable	41	1 _	561	12
On site sewer m'ment	1	4 _	11	
Flood damage (RMS)	4	1 _	108	
General	21	4 -	175	
Cycleway (RMS)	21	1 1	19	
Other debtors - street lighting		1 2	10	
Other debtors - waste	11	9 -	122	
Other debtors			68	
Total	4 31	6	8 003	
1 dtal	4,01	-	0,003	
Less: provision for impairment				
Rates and annual charges	(2	6) -	(25)	
Total provision for impairment - receival	oles (2	6) -	(25)	-
TOTAL NET RECEIVABLES	4,29	0	7,978	
				04
Externally restricted receivables				
Water supply				
- Rates and availability charges	1 42	0	1 210	
Sewerane services	1,42	-	1,210	
- Rates and availability charges	48	1	406	
- Other	40	1	400	
Domestic waste management	40	4	316	-
Total external restrictions	2 62	5	2 264	
Internally restricted rescivelies	2,02		2,301	
Internative restricted receivables		-		-
Unrestricted receivables	1,66		5,617	
IOTAL NET RECEIVABLES	4,290	-	7,978	-

### Notes on debtors above:

(i) Rates and annual charges outstanding are secured against the property.

- (ii) Doubtful rates debtors are provided for where the value of the property is less than the debt outstanding. An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.
- (iii) Interest was charged on overdue rates and charges at 8.50% (2015 8.50%). Generally all other receivables are non-interest bearing.

(iv) Please refer to Note 15 for issues concerning credit risk and fair value disclosures.

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

## Note 8. Inventories and other assets

	20	016	20	015
\$ '000 Notes	Current	Non-current	Current	Non-current
(a) Inventories				
(i) Inventories at cost				
Real estate for resale (refer below)	1,927	21	363	21
Stores and materials	899		1,102	
Total inventories at cost	2,826	21	1,465	21
(ii) Inventories at net realisable value (NRV) Nil				
Total inventories at net realisable value (NRV	/)	-	-	-
TOTAL INVENTORIES	2,826	21	1,465	21
(b) Other assets				
Prepayments	78	÷ )	34	-
TOTAL OTHER ASSETS	78		34	
Externally restricted assets				
Water				
Stores and materials	37		40	-
Total water	37		40	
Sewerage				
Total sewerage	-		-	-
Domestic waste management Nil				
Total domestic waste management	-	-	( <b>H</b> )	-
Other				
Nil				
Total other	<u> </u>	27		
Total externally restricted assets	37	- 1	40	-
Total internally restricted assets			-	
Total unrestricted assets	2,867	21	1,459	21
TOTAL INVENTORIES AND OTHER ASSETS	2,904	21	1,499	21

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

## Note 8. Inventories and other assets (continued)

	20	016	20	015
\$ '000	Current	Non-current	Current	Non-current
(i) Other disclosures				
(a) Details for real estate development				
Residential	76	21	76	21
Industrial/commercial	1,851		287	-
Total real estate for resale	1,927	21	363	21
(Valued at the lower of cost and net realisable value)				
Represented by:				
Acquisition costs	1,703	21	134	21
Development costs	224		229	-
Total costs	1,927	21	363	21
Less: provision for under recovery	10-1-4			
Total real estate for resale	1,927	21	363	21
Movements:				
Real estate assets at beginning of the year	363	21	135	21
- Purchases and other costs	1,564	-	228	-
Total real estate for resale	1,927	21	363	21

## (b) Current assets not anticipated to be settled within the next 12 months

The following inventories and other assets, even though classified

as current are not expected to be recovered in the next 12 months;

	2016	2015
Real estate for resale		-
		-

(c) Inventories recognised as an expense for the year included:

- Real estate for resale	
- Stores and materials	-
- Trading stock	-

## (d) Inventory write downs

There were no amounts recognised as an expense relating to the write down of inventory balances held during the year.

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

Financial Statements 2016

## Nambucca Shire Council

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

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

								Asse	ot movements	during the r	sporting perio	p								
		<u>ی</u>	a at 30/6/2015							mpairment		and a state of the	Prior year	Revaluation			as at 30/6/20	9		
	¥	¥	Accumula	ted	Canying	Additions	Additions new assets	value Value	Depreciation () expense ()	loss recognised	Adjustments and transfers	focrymments to P&L	Earnings CritDri	Roserve Ciri(Dr)	¥	At	Accu	nutated	Carrying	
000, \$	cost	fair value	depreciation im	spairment	value					(Net u					cost	fair value	depreciatio	impairment	value	_
Capital work in progress	3,739	1	1	1	3,739	1,794	2,998	.1	1		(6,899)	1	1		1,632			'	1,632	_
Plant and equipment	1	11,693	7,951	1	3,742	197	462	(117)	(747)	1	1	1		1	1	12,245	8,108	'	4,137	
Office equipment	•	1,768	1,222	1	546	44	0	(2)	(138)		1	1	. 4	C) (	1	1,776	1,323	1	453	
Furniture and fittings	4	440	391	1	49	10	1	1	(12)	1	1	1	1	1	3	432	385	1	47	_
Land:									S			1	1	'			2			_
<ul> <li>Operational land</li> </ul>	0	6,700	)	1	6,700	1	135	(198)	1	.1	(83)	4	1	1	•	6,544	1	ł	6.544	
- Community land	Ĩ	16,077	i	1	16,077	1	1	(1,688)	ĵ.		93	T	2,787	365	1	17,634	'	'	17,634	
<ul> <li>Land under roads (post 30/6/08)</li> </ul>	1	2,784	1	1	2,784	1	t	1	1	1	1	1	T	1	1	2,784	1	1	2.784	-
Land improvements – depreciable	1	1,014	317	1	697	1	2	(154)	(15)	1	(326)	(55)	67	1	1	238	22	1	216	
Infrastructure:		Contraction of the second			100				1000			2022	ŝ.							_
<ul> <li>Buildings – non-specialised</li> </ul>	1	21,995	11,552	4	10,443	8	5	(144)	(455)	1	464	1	1	,	1	22,123	11,801	1	10,322	
<ul> <li>Buildings – specialised</li> </ul>	1	15,696	6,888	1	8,808	62	1	(21)	(344)	1	151	1		1		15,849	7,187	1	8,662	
- Other structures	1	5,536	980	ł	4,556	67	66	(115)	(105)	t	88	1	(887)	1,807	1	11,869	6.358	1	5,511	
- Roads	1	132,074	48,851	φ	83,217	3,313	313	(465)	(2,500)	(226)	1	1	1	1	1	133,397	49.513	232	83,652	
- Bridges	1	40,170	13,118	128	26,924	526	1	1	(627)	1	248	1	I	1	'	40,423	13,224	128	27,071	
- Footpaths	1	8,254	2,119	+	6,135	1	112	t	(97)	.1	190	3	.1	1	1	8,556	2,216	1	6,340	
<ul> <li>Bulk earthworks (non-depreciable)</li> </ul>	4	43,677	1	1	43,677	424	61	3	4		1	1	4	1		44,162	1	1	44,162	
<ul> <li>Stormwater drainage</li> </ul>	ť	42,011	11,986	4	30,021	15	24	ï	(433)	I.	1	1	1	1		42,092	12,419	4	29,669	
<ul> <li>Water supply network</li> </ul>	1	119,824	32,237	1	87,587	132	258	1	(1,555)	1	1	1		1,291	1	122,012	34,299	1	87,713	
<ul> <li>Sewerage network</li> </ul>	1	106,965	34,129	1	72,836	456	19	(46)	(1,514)	1	1	t		1,070		109,024	36,161	•	72,863	
<ul> <li>Swimming pools</li> </ul>	1	4,784	3,449	Ĩ	1,335	21	16	1	(53)	1	1	(85)	1,072	(1,186)	×.	2,257	1,137	1	1,120	
<ul> <li>Other open space/recreational assets</li> </ul>	1	3,340	1,442	1	1,896	24	100	(13)	(111)	1	402	1	673	560	*	5,425	1,892	1	3,533	
- Other infrastructure		7,398	612	1	6,786	1	510	(11)	(106)	1	5,675	Ĩ.	1,194	1,558	1	17,735	2,189	1	15,546	
Other assets:								0.0												
- Heritage collections	1	120	2	1	86	1	00000	ł	(1)	1	1	1	1	1	1	120	35	1	85	
- Library books	1	265	49	ţ	216	1	100	ł	(21)	1	8	1	T	1	1	384	105	8	259	
- Other	4	13	10	ŧ	6	1	1	0	(1)	1	1	ï	10	1		7	-	2	9	
Reinstatement, rehabilitation and restoration assets (refer Note 26):																			3	
- Tp assets	٢	434	310	1	124	1	1	•	(42)	ł	1	ł	1	ł		434	352	1	82	
TOTAL INFRASTRUCTURE, PROPERTY, PLANT AND EQUIP.	9CZ/C	593,032	177,647	138	418,986	2,736	6,259	(\$60'6)	(8,913)	(226)		(140)	4,911	5,465	1,632	\$17,502	188,727	364	430,043	

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

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

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

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

## \$ '000

\$ '000		Ac 20	tual 16			Ac 20	tual 15	
Class of asset	At cost	At fair value	A/Dep & impairm't	Carrying value	At cost	At fair value	A/Dep & impairm't	Carrying value
Water supply			and the state of the state of the					
Plant and equipment	-	815	210	605	-	747	160	587
Office equipment	-	10	10	-	-	10	10	12
Furniture and fittings		2	2	-	-	2	2	-
Land		100	1.00					
- Operational land	-	1,506	-	1,506	-	1,510	-	1,510
- Community land	-	27	-	27	-	20	-	20
Buildings		1,028	170	858	-	1.028	148	880
Other structures	-	98	7	91	-	108	2	106
Infrastructure	-	122,012	34,301	87,711	-	119.824	32.238	87,586
Other assets	_	2,577	52	2.525	-	2.577	27	2,550
Total water supply		128,075	34,752	93,323	-	125,826	32,587	93,239
Sewerage services								
WIP	105			105	36	_	-	36
Plant and equipment	2	617	366	251	-	572	327	245
Office equipment		7	7	-	-	7	7	-
Furniture and fittings	-	7	7		-	7	7	-
Land								
- Operational land	-	1,285	-	1,285	-	1,525	-	1,525
- Community land	-	669	-	669	-	45	-	45
Buildings	-	1,165	291	874	-	1,165	269	896
Other structures	-	24	1	23	1 L	23	-	23
Infrastructure	-	109.024	36,162	72,862	-	106,965	34,130	72,835
Total sewerage services	105	112,798	36,834	76,069	36	110,309	34,740	75,605
Domestic waste management								
Plant and equipment	-	615	609	6	-	615	609	6
Land								
- Operational land		625	1.1.2	625	-	625	_	625
- Improvements - depreciable		_		_	2	30	9	21
Buildings	-	201	92	109	-	201	88	113
Other structures	_	5 549	4 098	1,451		3 197	269	2.928
Total DWM	-	6,990	4,799	2,191	-	4,668	975	3,693
TOTAL RESTRICTED I,PP&E	105	247,863	76.385	171,583	36	240.803	68.302	172.537

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

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

\$ '000	Notes	Actual 2016	Actual 2015
(i) Impairment losses recognised in the Income Statement:			
- Flood Damage - June 2016 Various Roads		(226)	-
Total impairment losses		(226)	-
(ii) Reversal of impairment losses previously recognised in the Income Statement:			
Total impairment reversals			
IMPAIRMENT OF ASSETS - GAINS/(LOSSES) in P/L	4(d)	(226)	_
(iii) Impairment losses recognised direct to equity (ARR):			
<ul> <li>Bradley's Bridge - Bridge damage following severe storms</li> </ul>		-	(128)
Total impairment losses	_	-	(128)
(iv) Reversals of impairment losses previously recognised direct to equity (ARR):			
- Taylors Arm Road-Rural sealed road-Landslip following severe storms			10
<ul> <li>Lower Parkes Street-Urban sealed road-Landslip following severe storms</li> </ul>	_		9
Total impairment reversals	<u></u>		19
IMPAIRMENT OF ASSETS - DIRECT to EQUITY (ARR)	20 (11)	-	(109)

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

## Note 10a. Payables, borrowings and provisions

	201		016	20	2015	
\$ '000	Notes	Current	Non-current	Current	Non-current	
Payables						
Goods and services - operating expenditure		1,652	-	3,601	-	
Payments received In advance		310	-	235	-	
Accrued expenses:						
- Borrowings		276	-	272	-	
- Salaries and wages		148	-	-	-	
- Other expenditure accruals		20	-	18	-	
Security bonds, deposits and retentions		197	364	299	390	
Other		10	-	24	-	
Total payables		2,613	364	4,449	390	
Borrowings		2 954	43.246	2 864	44 393	
Total borrowings		2,954	43,246	2,864	44,393	
Provisions Employee benefits:						
Annual leave		726	-	655	-	
Sick leave		938	-	985		
Long service leave		2.032	57	2.005	39	
Other leave		156	-	174	-	
Sub-total – aggregate employee benefits		3,852	57	3,819	39	
Asset remediation/restoration (future works)	28	-	512	_	501	
Total provisions		3,852	569	3,819	540	
TOTAL PAYABLES, BORROWINGS	1				-	
AND PROVISIONS		9,419	44,179	11,132	45,323	

## (i) Liabilities relating to restricted assets

	2016		20	015
	Current	Non-current	Current	Non-current
Externally restricted assets				
Water	470	23,297	454	23,650
Sewer	1,620	6,215	1,672	7,476
Liabilities relating to externally restricted assets	2,090	29,512	2,126	31,126
Internally restricted assets Nil				
Liabilities relating to internally restricted assets	-			-
Total liabilities relating to restricted assets	2,090	29,512	2,126	31,126
Total liabilities relating to unrestricted assets	7,329	14,667	9,006	14,197
TOTAL PAYABLES, BORROWINGS AND PROVISIONS	9,419	44,179	11,132	45,323

<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.

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

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

	Actual	Actual
\$ '000	2016	2015

## (ii) Current liabilities not anticipated to be settled within the next twelve months

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

 Provisions – employees benefits
 2,568
 2,357

 2,568
 2,357

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

	2015			2016		
Class of provision	Opening balance as at 1/7/15	Additional provisions	Decrease due to payments	Remeasurement effects due to discounting	Unused amounts reversed	Closing balance as at 30/6/16
Annual leave	655	583	(512)			726
Sick leave	985	274	(321)			938
Long service leave	2,044	375	(330)			2,089
Other leave (enter details	174	(18)				156
Asset remediation	501	22	(11)			512
TOTAL	4,359	1,236	(1,174)	-	-	4,421

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. Self insurance provisions represent both (i) claims incurred but not reported and (ii) claims reported and estimated as a result of Council's being a self insurer up to certain levels of excess.
- c. 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.

d. Other provisions represent the AAS30 adjustment of ELE.

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

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

\$ '000	Notes	Actual 2016	Actual 2015
(a) Reconciliation of cash assets			
(a) Reconciliation of cash assets			
Total cash and cash equivalent assets	5a	6,804	8,660
Less bank overdraft	10	-	-
Balance as per the Statement of Cash Flows	_	6,804	8,660
(b) Reconciliation of net operating result			
to cash provided from operating activities			
Net operating result from Income Statement Adjust for non-cash items:		633	6,801
Depreciation and amortisation		8,818	9,832
Net losses/(gains) on disposal of assets		2,701	1,642
Non-cash capital grants and contributions		(267)	(2,301)
Impairment losses recognition – I,PP&E		226	<u>-</u>
Losses/(gains) recognised on fair value re-measurements through the	P&L:		
- Investments classified as 'at fair value' or 'held for trading'		(59)	(322)
- Write offs relating to the fair valuation of I,PP&E		140	3,137
Amortisation of premiums, discounts and prior period fair valuations			
- Interest exp. on interest-free loans received by Council (previously	fair valued)	308	362
Unwinding of discount rates on reinstatement provisions		11	23
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		3,687	(1,137)
Increase/(decrease) in provision for doubtful debts		1	2
Decrease/(increase) in inventories		203	-
Decrease/(increase) in other assets		(44)	83
Increase/(decrease) in payables		(1,949)	2,328
Increase/(decrease) in accrued interest payable		4	-
Increase/(decrease) in other accrued expenses payable		150	5
Increase/(decrease) in other liabilities		(67)	107
Increase/(decrease) in employee leave entitlements		51	144
Net cash provided from/(used in)			
operating activities from the Statement of Cash Flows	2.2	14,547	20,706

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

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

		Actual	Actual
\$ '000	Notes	2016	2015
(c) Non-cash investing and financing activities			
Subdivisions		267	2,301
Total non-cash investing and financing activities	-	267	2,301
(d) Financing arrangements			
(i) Unrestricted access was available at balance date to the following lines of credit:			
Credit cards/purchase cards		47	50
Total financing arrangements	_	47	50
Amounts utilised as at balance date:			
<ul> <li>Credit cards/Corporate cards</li> </ul>		7	7
Total financing arrangements utilised		7	7

 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

## (f) Net cash flows attributable to discontinued operations

Please refer to Note 24 for details of cash flows that relate to discontinued operations

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

## Note 12. Commitments for expenditure

\$ '000	Notes	Actual 2016	Actual 2015
(a) Capital commitments (exclusive of GST)			
Capital expenditure committed for at the reporting date but not			
recognised in the financial statements as liabilities:			
Property, plant and equipment			
Structures		2,005	2,510
Roads		3,227	-
Bridges		1,106	
Investment property			
Total commitments	_	6,338	2,510
These expenditures are payable as follows:			
Within the next year		6,338	2,510
Total payable	-	6,338	2,510
Sources for funding of capital commitments:			
Future grants and contributions		1,858	-
Sect 64 and 94 funds/reserves		251	-
Externally restricted reserves		-	154
Internally restricted reserves		2,479	
Unexpended loans			456
New loans (to be raised)		1,500	
Landslip – Transport NSW		250	1,900
Total sources of funding		6,338	2,510
Details of capital commitments			
* Landslip Remediation	* Switchboard & T	elemetry Systems	3
* South Nambucca Pressure System	* Road Construction	on	
* Upgrade Of Recycled Water System	* Bridge Construct	ion	
(b) Finance lease commitments			
Nil			
(c) Operating lease commitments (non-cancellable) Nil			
(d) Investment property commitments			

Nil

(e) Investment in joint operations - commitments

For capital commitments and other commitments relating to investments in joint operations, refer to Note 19 (c)

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

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

	Amounts	Indicator	Prior periods	
\$ '000	2016	2016	2015	2014
Local government industry indicators – c	onsolidated			
1. Operating performance ratio				
Total continuing operating revenue (1) excluding capital				
grants and contributions less operating expenses	1,184	2 25%	2.269/	14.000/
Total continuing operating revenue <sup>(1)</sup> excluding capital grants and contributions	36,454	3.23%	3.30%	-14.23%
2. Own source operating revenue ratio				
Total continuing operating revenue (1)				
excluding all grants and contributions	27,014	69.83%	54 18%	60.87%
Total continuing operating revenue (1)	38,685	00.0076	54.10%	00.07 /2
3. Unrestricted current ratio				
Current assets less all external restrictions (2)	11,319	2.20.	1.07.	0.70.
Current liabilities less specific purpose liabilities (3, 4)	4,761	2.30X	1.97X	2.70X
4. Debt service cover ratio				
Operating result (1) before capital excluding interest				
and depreciation/impairment/amortisation	13,085	2.29x	2 47x	1.59x
Principal repayments (Statement of Cash Flows)	5,722			1.004
plus borrowing costs (Income Statement)				
5. Rates, annual charges, interest and extra charges outstanding percentage				
Rates, annual and extra charges outstanding	1,113	5.68%	5.68%	4.42%
Rates, annual and extra charges collectible	19,594			
6. Cash expense cover ratio				
Current year's cash and cash equivalents				
plus all term deposits	24,381	0.7C millio	44.0	10.0 miles
Payments from cash flow of operating and X12	2,782	0.70 mths	11.6 mtns	10.9 mths
financing activities				
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).

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

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

\$ '000		Water 2016	Sewer 2016	General <sup>5</sup> 2016
Local government industry indicators - by fund				
1. Operating performance ratio				
Total continuing operating revenue (1) excluding capital				
grants and contributions less operating expenses		5 299/	4 10%	2 6 2 9/
Total continuing operating revenue (1) excluding capital		3.20 /0	4.1070	2.03%
grants and contributions	phar penda	9.96%	+3.00%	3 12%
2. Own source operating revenue ratio				
Total continuing operating revenue (1)				Constant of the second
excluding all grants and contributions	51	93.05%	93.49%	60.47%
Total continuing operating revenue (1)	andripenod	80.01%	86.82%	44 45%
3. Unrestricted current ratio				
Current assets less all external restrictions (2)		10.10		
Current liabilities less specific purpose liabilities (3, 4)		-10.12x	-0.93x	1.97x
	puor period	-9:54X	-):t3x:	1.7 <u>2</u> x
4. Debt service cover ratio				
Operating result (1) before capital excluding interest				
and depreciation/impairment/amortisation		1 57×	0.984	4 734
Principal repayments (Statement of Cash Flows)		1.01 A	0.504	4.1 54
plus borrowing costs (Income Statement)	andr denod	57/4	0.93x	5.70x
5. Rates, annual charges, interest and extra charges outstanding percentage				
Rates, annual and extra charges cultivations		6.14%	5.97%	5.58%
Nates, annual and exita charges collectible	onar period	5 82%	5.95%	5.60%
6. Cash expense cover ratio				
Current year's cash and cash equivalents				
plus all term deposits		27.41	13.79	4.82
Payments from cash flow of operating and		mths	mths	mths
financing activities	billion period	25.52 mtha	12:91	3.50 100%s

Notes

<sup>(1)-(4)</sup> Refer to Notes at Note 13a(i) above.
 <sup>(5)</sup> General fund refers to all of Counce

General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

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

## Note 14. Investment properties

		Actual	Actual
\$ '000	Notes.	2016	2015

Council has not classified any land or buildings as 'investment properties'.

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

## Note 15. Financial risk management

## \$ '000

## Risk management

Council's activities expose it to a variety of financial risks including (1) price risk, (2) credit risk, (3) liquidity risk and (4) interest rate risk.

The Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

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

Financial risk management is carried out by Council's finance section under policies approved by the Council.

A comparison by category of the carrying amounts and fair values of Council's financial assets and financial liabilities recognised in the financial statements is presented below.

Carrying value		Fair value	
2016	2015	2016	2015
6,804	8,660	6,804	8,660
5,853	5,805	5,853	5,805
20,577	19,457	20,577	19,457
4,290	7,978	4,290	7,978
37,524	41,900	37,524	41,900
2,667	4,604	2,667	4,604
46,200	47,257	46,200	47,257
48,867	51,861	48,867	51,861
	Carryi 2016 6,804 5,853 20,577 4,290 37,524 2,667 46,200 48,867	Carrying value           2016         2015           6,804         8,660           5,853         5,805           20,577         19,457           4,290         7,978           37,524         41,900           2,667         4,604           46,200         47,257           48,867         51,861	Carrying value         Fair v           2016         2015         2016           6,804         8,660         6,804           5,853         5,805         5,853           20,577         19,457         20,577           4,290         7,978         4,290           37,524         41,900         37,524           2,667         4,604         2,667           46,200         47,257         46,200           48,867         51,861         48,867

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 guoted 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.

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

## Note 15. Financial risk management (continued)

### \$ '000

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital.

Council's finance area manages the cash and Investments portfolio with the assistance of independent advisors.

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 or 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.

Council also seeks advice from independent advisers before placing any funds in cash equivalents and investments.

## (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 val	lues/rates	Decrease of va	lues/rates
2016	Profit	Equity	Profit	Equity
Possible impact of a 10% movement in market values	585	585	(585)	(585)
Possible impact of a 1% movement in interest rates	318	318	(318)	(318)
2015				
Possible impact of a 10% movement in market values	580	580	(580)	(580)
Possible impact of a 1% movement in interest rates	318	318	(318)	(318)

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

## Note 15. Financial risk management (continued)

### \$ '000

## (b) Credit risk

Council's major receivables comprise (i) rates and annual charges and (ii) user charges and fees.

The major risk associated with these receivables is credit risk – the risk that debts due and payable to Council may not be repaid in full.

Council manages this risk by monitoring outstanding debt and employing stringent debt recovery procedures. It also encourages ratepayers to pay their rates by the due date through incentives.

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

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

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

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

A profile of Council's receivables credit risk at balance date follows:

		2016	2016	2015	2015
		Rates and		Rates and	
		annual	Other	annual	Other
		charges	receivables	charges	receivables
(i) Ageing of receivables	- %				
Current (not yet overdue)		93%	96%	93%	44%
Overdue		7%	4%	7%	56%
		100%	100%	100%	100%
		Rates and		Rates and	
(ii) Ageing of receivables	- value	annual	Other	annual	Other
Rates and annual charges	Other receivables	charges	receivables	charges	receivables
Current	Current	905	3,227	847	3,209
< 1 year overdue	0 - 30 days overdue	65	95	60	3,615
1 - 2 years overdue	30 - 60 days overdue	-	3	-	74
2 - 5 years overdue	60 – 90 days overdue	-	9	-	3
> 5 years overdue	> 90 days overdue	-	12	÷.	195
		970	3,346	907	7,096
(iii) Movement in provision	on for impairment			2016	2015
Balance at the beginning of	of the year			25	23
+ new provisions recognis	ed during the year			1	2
Balance at the end of the	year			26	25

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

## Note 15. Financial risk management (continued)

### \$ '000

## (c) Liquidity risk

Payables and borrowings are both subject to liquidity risk – the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.

Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

Payment terms can (in extenuating circumstances) also be extended and overdraft facilities utilised as required.

The contractual undiscounted cash outflows (ie. principal and interest) of Council's payables and borrowings are set out in the maturity table below:

\$ '000	Subject			naval	ble in:			Total	Actual
	maturity	≤1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs	outflows	values
2016									
Trade/other payables	561	1,652	454	-	-	-	-	2,667	2,667
Loans and advances		2,954	3,046	2,967	2,836	1,659	32,738	46,200	46,200
Total financial liabilities	561	4,606	3,500	2,967	2,836	1,659	32,738	48,867	48,867
2015									
Trade/other payables	689	3,601	314	-	-	-	-	4,604	4,604
Loans and advances		2,865	2,902	2,992	2,911	2,778	32,809	47,257	47,257
Total financial liabilities	689	6,466	3,216	2,992	2,911	2,778	32,809	51,861	51,861

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	20	16	20	15
to Council's borrowings at balance date:	Carrying	Average	Carrying	Average
	value	interest rate	value	interest rate
Bank overdraft	-	7.22%	-	8.00%
Trade/other payables	2,667	0.00%	4,604	0.00%
Loans and advances – fixed interest rate	46,200	3.12%	47,257	3.70%
	48,867		51,861	

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

## Note 16 - Material Budget Variations

Council's Original Financial Budget for 15/16 was incorporated as part of its Operational Plan and was adopted by Council on 11 June, 2015.

The Income Statement and Note 2 (a) provides budget information of revenues and expenditures of each of the major activities of the council. Budget figures presented are those adopted by council for the 2015/16 financial year including transactions between activity areas and entities eliminated from the actual figure, and do not include council approved variations throughout the year.

Council continued its cautious approach to forecast Interest & Investment Revenue following the Global Financial Crisis. The original budget was based on a rate of return of 3.27%. In a falling interest rate environment, the diversity of Council's investment portfolio was able to return an average of 3.95% achieving \$288,000 above expected revenue for the year.

The variation in other revenues primarily came from a Workers Compensation Rebate of \$59,000 and additional to budget, Parking Infringement revenue of \$61,000 and POEO notices and orders revenue of \$7,000.

A variation also exists in operating and capital grants & contributions. With regard to grants the actual amount of grants received depends on decisions made by State and Federal Governments after Council's Original Budgets is adopted.

The expected original budget for Roads to Recovery was \$1,075,000 and although shown as a capital item in Council's budget relating to the rehabilitation of roads, is required to be shown as operating in the financial statements in accordance with the Code of Accounting Practice. The actual grant received for Roads to Recovery was \$1,535,000 which further impacted on the variance from the original budget.

Council received a further grant for Better Waste & Recycling of \$84,000 during the year and additional to budget of \$239,000 from the RMS for landslip remediation at Riverside Drive.

There were no net gains from the disposal of assets. Forecast Real Estate sales that were expected to occur again did not eventuate during the year. Therefore the \$430,000 gain expected for 2015/16 from these expected was not realised. This figure was offset slightly by additional \$120,000 profit on sale of plant to that budgeted for the year and the profit of \$32,000 on sale of a portion of EJ Biffin Fields. The loss on the disposal of assets shown in expenses was the net of the above and a loss on write off of assets, in particular \$1,620,000, \$144,000 and \$90,000 through the transfer of ownership of the Scotts Head Reserve, Eungai Community Centre and Reserve in Boundary Street Macksville respectively. In addition, \$773,000 was the written down value of infrastructure assets replaced during the year and not able to be offset via the revaluation reserve.

Variations in employee costs will often arise as employees are engaged in both maintenance and capital works, the proportions of which vary from year to year and some employee costs that were forecasted in relation to capital works were required for maintenance. It is not Council's practice to make detailed calculations between maintenance and capital employee costs as part of its budgeting process. Also, the timing of employees leaving Council's employ and the filling of their positions with a number being long term staff has resulted in a reduction in salary and superannuation costs for 2015/16.

In materials and contracts, the process of calling and accepting tenders during the year can result in substantial changes to the mix of self-constructed and contracted works. Work relating to the flood damage events also contributed to the variance in materials & contracts.

The primary reasons for the \$1,304,000 variation in Other Expenses was asset revaluation decrements for Infrastructure assets of \$660,000, various levies & licenses totaling \$520,000 incorrectly shown in original budget under Materials & Contracts and \$41,000 in additional Postage & Stationary.

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

# Note 17. Statement of developer contributions

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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	Contrib received dur Cash	utions ing the year Non-cash	Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative . internal borrowings due/(payable)
Open space	800	105	1	21	(358)	1	568	T
Surf club equipment	11	5	1	1	(3)	1	13	1
Section 94 planner	(87)	9	1	1	1	1	(81)	1
S94 contributions - under a plan	724	116	1	21	(361)	1	500	1
S94A levies - under a plan	636	267	1	18	(370)	1	551	1
Total S94 revenue under plans	1,360	383	1	39	(131)	1	1,051	1
S64 contributions	5,323	474	E	164	(766)	Ť.	5,195	- F
Total contributions	6,683	857	1	203	(1,497)	I	6,246	1

Financial Statements 2016

## Nambucca Shire Council

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

# Note 17. Statement of developer contributions (continued)

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# **S94 CONTRIBUTIONS – UNDER A PLAN**

# CONTRIBUTION PLAN - Public Recreation

Cumulative internal borrowings due/(payable)	1	1
Held as restricted asset	568	568
Internal borrowing (to)/from	T	1
Expenditure during year	(358)	(358)
Interest earned in year	21	21
utions ing the year Non-cash	1	1
Contrib received duri Cash	105	105
Opening balance	800	800
PURPOSE	Open space	Total

# CONTRIBUTION PLAN - Surf Club Equipment

PURPOSE	Opening balance	Contrib received dur Cash	outions ing the year Non-cash	Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	cumulative internal borrowings due/(payable)
nent	11	5	T	1.	(3)		13	1
	11	9	1	1	(3)	1	13	1

# **S94 CONTRIBUTIONS – UNDER A PLAN**

# CONTRIBUTION PLAN NUMBER Section 94

		Contrib	outions	Interest	Expenditure	Internal	Held as	Culturalive
PURPOSE	Opening	received dur	ing the year	earned	during	borrowing	restricted	borrowings
	balance	Cash	Non-cash	in year	year	(to)/from	asset	due/(payable)
Section 94 planner	(87)	9	П	1	1	1	(81)	1
Total	(87)	9	1	1	3	1	(81)	1

## **S94A LEVIES – UNDER A PLAN**

## CONTRIBUTION PLAN - STREETSCAPE

		Contrib	utions	Interest	Expenditure	Internal	Held as	Cumutative
PURPOSE	Opening	received duri	ng the year	earned	during	borrowing	restricted	borrowings
	balance	Cash	Non-cash	in year	year	(to)/from	asset	due/(payable)
Streetscape	636	267	.1	18	(370)	1	551	1
Total	636	267	1	18	(370)	1	551	1

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

## Note 18. Contingencies and other assets/liabilities not recognised

## \$ '000

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but their knowledge and disclosure is considered relevant to the users of Council's financial report.

## LIABILITIES NOT RECOGNISED:

- 1. Guarantees
- (i) Defined benefit superannuation contribution plans

"The Local Government Superannuation Scheme-Pool B (the Scheme) is a defined benefit plan that has been deemed to be a "multi-employer fund" for purposes of AASB119. Sufficient information under AASB119 is not available to account for the Scheme as a defined benefit plan, because the assets to the Scheme are pooled together for all employers.

The amount of employers contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2016 was \$287.056. The last valuation of the Scheme was performed by Mr. Richard Boyfield , FIAA on 24 February 2016. However the position is monitored annually and the Actuary has estimated that as at 30 June 2016 a deficit still exists. Effective from the 1 July 2009, employers are required to contribute additional contributions to assist in extinguishing this deficit. The annual amount of additional contributions payable until the deficit is extinguished is \$688,000 (until 30 June 2020). Council's expected contributions to the plan for the next annual reporting period is \$335,760.

The share of this deficit that is broadly attributed to Council is estimated to be in the order \$322,726 as at 30 June 2016.

## (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.

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

## Note 18. Contingencies and other assets/liabilities not recognised (continued)

## \$ '000

## LIABILITIES NOT RECOGNISED (continued):

## 2. Other liabilities

## (i) HIH Insurance

During the period 1988,1990, 1991-1993, a portion of Council's public liability cover was insured or re-insured with a member of the HIH Insurance Group of companies.

Council may have to defend public liability claims made during these periods and satisfy any judgements.

## (ii) 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.

## (iii) S94 and S94A 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 Councils intention to spend funds in the manner and timing set out in those Plans.

## (iv) Coffs Coast Waste Levy

Nambucca Shire, Bellingen Shire and Coffs Harbour City Council are party to a current agreement for the collection and disposal of waste. The NSW Government introduced a Waste Levy during the term of this agreement; to date Coffs Harbour City Council has paid the Levy. Who is responsible for the payment of the levy and the quantum of any liability is under negotiation. Based on these negotiations Nambucca Shire Council recognises a contingent liability of \$359,500 as at 30 June 2016.

## 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.

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

## Note 19. Interests in other entities

## \$ '000

Council has no interest in any controlled entities, joint arrangements or associates.

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

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

			Actual	Actual
\$ '000		Notes	2016	2015
(a) Retained earnings				
Movements in retained earnin	gs were as follows:			
Balance at beginning of year (fro	m previous years audited accounts)		292,150	240,399
a. Correction of prior period error	s	20 (c)	4,915	44,125
b. Changes in accounting policie	s (prior period effects)	20 (d)	_	-
c. Other comprehensive income	(excl. direct to reserves transaction	s)	-	-
d. Net operating result for the year	ar		633	6,801
e. Distributions to/(contributions I	rom) non-controlling Interests		-	-
f. Transfers between equity			2,098	825
g. Other changes (disclosure require	ed)			-
Balance at end of the repo	rting period		299,796	292,150
(b) Revaluation reserves				
(i) Reserves are represented b	y:		ç.	
- Infrastructure, property, pla	nt and equipment revaluation res	erve	117,376	114,009
Total			117,376	114,009
(ii) Reconciliation of movemer	its in reserves:			÷
Infrastructure, property, pla	int and equipment revaluation	reserve		
<ul> <li>Opening balance</li> </ul>			114,009	87,214
<ul> <li>Revaluations for the year</li> </ul>		9(a)	5,465	27,748
<ul> <li>– (Impairment of revalued as:</li> </ul>	sets)/impairment reversals	9(a).(c)	-	(128)
<ul> <li>Transfer to retained earning</li> </ul>	is for asset disposals		(2,098)	(825)
<ul> <li>Correction of prior period er</li> </ul>	rors	20(d)	-	
- Balance at end of year		-	117,376	114,009
TOTAL VALUE OF RESERV	ES	-	117,376	114,009
(iii) Nature and purpose of res	erves	1		

 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.

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

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

\$ '000 Note:	Actual 2016	Actual 2015
(c) Correction of error/s relating to a previous reporting period		
Correction of errors disclosed in this year's financial statements:		
- Not previously recognised:		7 702
Poads Kerb & Guttering Carpark		215
Community Land	2 788	210
Other Structures	1,350	
Open Space/Recreational Assets	381	
Other Infrastructure	1,637	
As part of Council's transition to measuring all it's I,PP&E at Fair		
Values, Council this year reviewed and brought to account Fair Values		
for the following Asset Classes:		
- Other Structures Asset Class		
- Other Open Space/Recreation Asset Class		
- Other Infrastructure Asset Class		
- Land Improvement Asset Class		
- Other Asset Class		
- Swimming Pools Asset Class		
As part of that evaluation & measurement process, the remaining useful life of each asset has been reassessed to actual.		
This successful has see that is a matrial difference on to obtain		
This reassessment has resulted in a material difference as to where		
what the value of accumulated descentation is Council's Einancial		
Reports had previously indicated.		
Council does not have sufficient and reliable information that will		
allow the restatement of information prior to 30/6/14 (the closing date		
for the comparative figures in this report).		
As a result, Council has adjusted the accumulated depreciation for		
the following asset classes as at 30/6/14 to reflect the correct value of accumulated depreciation;		
Roads,K & G Asset Class (increase)/decrease to accumulated depreciation		27,857
Stormwater Asset Class (increase)/decrease to accumulated depreciation	-	10,055
Bridges Asset Class (increase)/decrease to accumulated depreciation	-	(3,085)
Footpaths Asset Class (increase)/decrease to accumulated depreciation		1,300
Other Structures Class (increase)/decrease to accumulated depreciation	(2,237)	
Other Open Space/Recreation Asset Class (increase)/decrease to accumulat	ed ( 292	
Other Infrastructure Asset Class (increase)/decrease to accumulated depreciation	on (443)	
Land Improvement Asset Class (increase)/decrease to accumulated depreciatio	n 68	
Other Asset Class (increase)/decrease to accumulated depreciation Swimming Pools Asset Class //increase/idecrease to accumulated decreated	1 074	
Swimming Pools Asset Class (increase) decrease to accumulated depreciation	1,074	
In accordance with AASB 108 - Accounting Policies, Changes in		
Accounting Estimates and Errors, the above prior period errors have been recognised retrospectively.		
These amounted to the following equity adjustments:		
- Adjustments to opening equity - 1/7/14	2	44,125
(relating to adjustments for the 30/6/14 reporting year end and prior periods)		
<ul> <li>Adjustments to closing equity – 30/6/15</li> </ul>	4,915	-
(relating to adjustments for the 30/6/15 year end)		
Total prior period adjustments – prior period errors	4,915	44,125

(d) Voluntary changes in accounting policies

Council made no voluntary changes in any accounting policies during the year.

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

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

\$ '000				
Income Statement by fund	Actual	Actual	Actual	Actual
\$ '000	2016	2016	2016	2016
Continuing operations	Other	Water	Sewer	General
Income from continuing operations				
Rates and annual charges		872	3,600	13,901
User charges and fees	-	3,921	796	1,983
Interest and investment revenue	-	430	238	685
Other revenues	-	257	189	201
Grants and contributions provided for operating purposes	-	83	74	9,283
Grants and contributions provided for capital purposes	-	326	262	1,643
Other income				
Net gains from disposal of assets		-	-	
Total income from continuing operations	-	5,889	5,159	27,696
Expenses from continuing operations				
Employee benefits and on-costs	-	1,218	1,351	6,594
Borrowing costs	-	1,530	236	1.091
Materials and contracts	5.22	863	1,460	8,635
Depreciation and amortisation	-	1,675	1,582	5,561
Impairment		1.0.99000000	- Martin Color	226
Other expenses	-	-	_	3.388
Net losses from the disposal of assets	-	18	46	2.637
Total expenses from continuing operations	-	5.304	4.675	28,132
Operating result from continuing operations		585	484	(436)
Discontinued operations				
Net profit/(loss) from discontinued operations	-	-	-	
Net operating result for the year		585	484	(436)
Net operating result attributable to each council fund	-	585	484	(436)
Net operating result attributable to non-controlling interests	-	-	-	-
Net operating result for the year before grants				
and contributions provided for capital purposes	-	259	222	(2,079)

<sup>1</sup> General fund refers to all Council's activities other than Water, Sewer and Other NB. All amounts disclosed above are gross – that is, they include internal charges and recoveries made between the funds.

Notes to the Financial Statements as at 30 June 2016

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

## \$ '000

Statement of Financial Position by fund	Actual	Actual	Actual	Actual
\$ '000	2016	2016	2016	2016
ASSETS	Other	Water	Sewer	General
Current assets			oonor	oonerar
Cash and cash equivalents		2,727	1.622	2.455
Investments	-	6.331	3,767	5,698
Receivables	· · · ·	1,429	511	2,350
Inventories	1	37	-	2,789
Other			-	78
Total current assets		10,524	5,900	13,370
Non-current assets				
Investments		6,187	2,022	2,425
Receivables	-	-	371	-
Inventories	-	-	-	21
Infrastructure, property, plant and equipment	_	93,323	76,069	260,651
Intangible assets		278	-	
Total non-current assets	-	99,788	78,462	263,097
TOTAL ASSETS		110,312	84,362	276,467
LIABILITIES				
Current liabilities				
Payables	-	117	50	2,446
Borrowings	-	353	1,570	1,031
Provisions			-	3,852
Total current liabilities		470	1,620	7,329
Non-current liabilities				
Payables	3. <del></del>	-	-	735
Borrowings	-	23,297	6,215	13,734
Provisions			-	569
Total non-current liabilities	-	23,297	6,215	15,038
TOTAL LIABILITIES		23,767	7,835	22,367
Net assets		86,545	76,527	254,100
EQUITY				
Retained earnings	-	60,290	53,215	186,291
Revaluation reserves		26,255	23,312	67,809
Council equity interest	-	86,545	76,527	254,100
Non-controlling interests		-	-	-
Total equity	-	86,545	76,527	254,100

<sup>1</sup> General Fund refers to all Council's activities other than Water, Sewer and Other

NB. All amounts disclosed above are gross - that is, they include internal receivables and payables between the funds.

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

## Note 22. 'Held for sale' non-current assets and disposal groups

\$ '000				
	2016	2016	2015	2015
\$ '000	Current	Non-current	Current	Non-current

Council did not classify any non-current assets or disposal groups as 'held for sale'.

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

## Note 23. Events occurring after the reporting date

## \$ '000

Events that occur between the end of the reporting period (30 June 2016) and the date when the financial statements are 'authorised for issue' have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the applicable 'authorised for issue' date relating to these General Purpose Financial Statements.

Accordingly, the 'authorised for issue' date is 16/09/16.

Events that occur after the reporting period represent one of two types:

(i) Events that provide evidence of conditions that existed at the reporting period

These financial statements (and the figures therein) incorporate all 'adjusting events' that provided evidence of conditions that existed at 30 June 2016.

## (ii) Events that provide evidence of conditions that arose after the reporting period

These financial statements (and figures therein) do not incorporate any 'non-adjusting events' that have occurred after 30 June 2016 and which are only indicative of conditions that arose after 30 June 2016.

Council is aware of the following 'non-adjusting events' that merit disclosure:

## Proposed "hand over" of maintenance responsibility for approximately 30km of the old (existing)

Pacific Highway upon completion of the Pacific Highway upgrade through the Nambucca Valley NSW Roads and Maritime Services has advised Council that they will withdraw their maintenance of the existing Pacific Highway when the new Highway alignment is completed in 2016/2017. On-going maintenance and liability will revert to Council as the roads authority pursuant to the NSW Road Act 1993. There are approximately 13 major bridges or culvert structures on the 30km section of road they intend to hand over. There are also a number of minor roads being constructed as part of the highway upgrade to provide local access which will also revert to Council to maintain. The length of road and bridges constitute about 10% of Council's existing sealed road and bridge infrastructure. The RMS advise there will be an opportunity for a fixed term funding package to be determined. It is unknown the extent to which a hand over funding package will be sufficient to offset the depreciation of this infrastructure. This is a major concern given the scale of the the proposed asset hand over and Council's difficulty in fully funding the depreciation of its assets. Whilst this matter was disclosed as a non-adjusting event in 2015, the RMS has still not determined the "hand over" package and the matter has not been brought to account in Council's budgets and financial statements.

## 2. Dividend to be sought from any 2015/2016 surplus in the Water Fund

In 2015/2016 the Council's General Fund appropriated a dividend of \$180,522 from the surplus of Council's water supply business. It is proposed to seek a dividend from any surplus from the Fund's 2015/2016 operations. At the date of this disclosure the surplus (if any) for 2015/16 had not been determined.

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

## Note 23. Events occurring after the reporting date

## \$ '000

## 3. Extension of waste services contract

Nambucca Shire Council is party to a contract with Coffs Harbour City Council and Bellingen Shire Council for the collection of domestic waste. The contract lapsed on 31 May 2016 and for various reasons there has been a delay in tendering for a new contract. Agreement has been reached for an extension of the existing contract. A tender is being prepared for a new contract.

## 4. "Fit for the Future" requirements

The NSW Government has required Councils to report on various key performance indicators to ascertain their current and future financial well-being. Councils' response to these indicators are being assessed by the independent Pricing and Regulatory Tribunal who will report to the NSW Government. The Government has proposed that many rural councils, including Nambucca Shire Council, be part of a new statutory body known as a Joint Organisations. The Joint Organisation is to be established by legislation and its primary functions will be regional strategic planning, intergovernmental collaboration and regional advocacy. The Government has announced that the Joint Organisations will be operating by September 2016. The Joint Organisations will require funding to operate but at this stage their boundaries and functions have not been finally determined and as such it is impossible to determine the funding commitment which will need to be made by Council.

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

## Note 24. Discontinued operations

\$ '000		
	Actual	Actual
\$ '000	2016	2015

Council has not classified any of its operations as 'discontinued'.

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

## Note 25. Intangible assets

	Actual	Actual
\$ '000	2016	2015

Intangible assets represent identifiable non-monetary assets without physical substance.

## Intangible assets are as follows:

Opening values:		
Gross book value (1/7)	208	-
Accumulated amortisation (1/7)	-	-
Accumulated impairment (1/7)	-	1
Net book value – opening balance	208	
Movements for the year		
- Purchases	70	208
Closing values:		
Gross book value (30/6)	278	208
Accumulated amortisation (30/6)	-	
Accumulated impairment (30/6)		7
TOTAL INTANGIBLE ASSETS - NET BOOK VALUE 1	278	208
<sup>1.</sup> The net book value of intangible assets represent:		

<ul> <li>Land Easements – Water Storage Dam</li> </ul>	278	208
	278	208
#### Notes to the Financial Statements for the year ended 30 June 2016

#### Note 26. Reinstatement, rehabilitation and restoration liabilities

#### \$ '000

Council has legal/public obligations to make restore, rehabilitate and reinstate the following assets/operations:

	Estimated year of	NPV of p	rovision
Asset/operation	restoration	2016	2015
Old Coast Road - Nambucca Heads		512	501
Balance at end of the reporting period	10(a)	512	501

Under AASB 116 – Property, Plant and Equipment, where the use of an asset results in the obligation to dismanti 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	501	478
Amortisation of discount (expensed to borrowing costs)	11	23
Total – Reinstatement, Rehabilitation and Restoration Provision	512	501

#### 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.

#### Provisions for close down and restoration and for environmental clean up costs - Tips

#### 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.

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

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

The Council measures the following assets and liabilities at fair value on a recurring basis.

- Infrastructure, property, plant and equipment
- Financial assets

#### Fair value hierarchy

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	Unobservable inputs for the asset or liability

The table below shows the assigned level for each asset and liability held at fair value by the Council.

2015	Note	Level 3 Significant unobservable inputs \$'000
Recurring fair value measurements		
Infrastructure, Property, Plant and Equipment		
Plant & Equipment, ,Office Equipment & Furniture & Fittings	9	4,637
Operational Land	9	6,544
Community Land	9	17,634
Land under Roads	9	2,784
Land Improvements-Depreciable	9	216
Buildings-Non Specialised & Specialised	9	18,984
Other Structures	9	5,511
Roads	9	83,652
Bridges	9	27,071
Footpaths	9	6,340
Bulk Earthworks-non depreciable	9	44,162
Stormwater Drainage	9	29,669
Water Supply Network	9	87,713
Sewer Supply Network	9	72,863
Swimming Pools	9	1,120
Other Open Space/Recreational Assets	9	3,533
Other Infrastructure	9	15,546
Heritage Collections	9	85
Other	9	265
Tip Remediation	9	82
Total		428,411

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

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

#### (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 (i.e. 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 3 inputs are as follows:

#### Infrastructure, property, plant and equipment

#### Plant & Equipment, Office and Furniture & Fittings

Plant & Equipment, Office Equipment and Furniture & Fittings are valued at depreciated 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. Examples of assets within these classes are as follows:

- Plant and Equipment Graders, trucks, rollers, tractors and motor vehicles.
- Office Equipment Computers, photocopiers.
- Furniture & Fittings Chairs, desks and display boards.

There has been no change to the valuation process during the reporting period.

#### **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 valuation is the price per square metre. Operational land was valued by Asset Val (registered valuer) in 2013.

Generally, fair value is the most advantageous price reasonably obtainable by the seller and the most advantageous price reasonably obtained by the buyer. This is not necessarily the market selling price of the asset, rather, it is regarded as the maximum value that Council would rationally pay to acquire the asset if it did not hold it, taking into account quoted market price in an active and liquid market, the current market price of the same or similar asset, the cost of replacing the asset, if management intend to replace the asset, the remaining useful life and condition of the asset; and cash flows from the future use and disposal. There has been no change to the valuation process during the reporting period.

#### Community Land

Community Land is based on either the Land Value provided by the Valuer-General's unimproved capital value or an average unit rate based on the Land Value for similar properties where the Valuer-General did not provide a Land Value having regard to the highest and best use for the land. As these rates were not considered to be observable market evidence they have been classified a Level 3. There has been no change to the valuation process during the reporting period. Community Land was valued in 2016.

#### Buildings – Non specialised and specialised

Non-Specialised & Specialised Buildings were valued externally by Aust Val in 2013. The buildings were inspected and construction method, materials used and condition where noted and considered when providing a value on a depreciated cost basis, useful life and residual value.

#### Notes to the Financial Statements

for the year ended 30 June 2016

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

No market based evidence (Level 2) could be established; as such these assets were classified as having been valued as Level 3 valuation inputs. Specialised buildings are typically of a unique value to Council and are therefore intrinsically valued at the highest and best purpose.

There has been no change to the valuation process during the reporting period.

#### Roads (including Bulk Earth Works), Bridges, Drainage and Footpaths

Valuations for this asset class were undertaken in-house by Council's Engineering Department as at 30 June 2015.

The assets included in this valuation include road carriageway which has been separated to its component parts being pavement and where appropriate seal, car parks, footpaths, guardrails, kerb and gutter, retaining walls, culverts, bridges and drainage structures.

No market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class. The cost approach was utilised with inputs such as estimated pattern of consumption, residual value, asset condition and useful life requiring extensive professional judgement which impacted significantly on the final determination of fair value. Additionally and 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. Bulk earthworks are considered to have an indefinite useful life and not depreciated. There has been no change to the valuation process during the reporting period.

#### 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<sup>st</sup> July 2008 in accordance with AASB 1051. The class was valued in 2014 using an average unit rate based on the land value provided by the Valuer-General for similar properties. As these rates were not considered to be observable market evidence they have been classified a Level 3 inputs.

#### Water Supply Network

Assets in this class comprise reservoirs, pumping stations, water treatment works, water bores, rising mains and the reticulation network.

These were valued externally by Collaborative Planning and Engineering Associates in 2012 using the written down replacement cost for each asset by component.

No market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class. Valuation took consideration of construction type and materials, age, condition, maintenance and break history. Valuation relies to a varying degree on professional judgement. This is because a substantial part of the network is underground. The available information is also limited by historical records of very long lived assets and there is some uncertainty regarding the actual design, specifications and dimensions of some assets.

These assets are indexed each year in line with the NSW Reference Rates Manual as publish by the Office of Water except the years the class is the subject of a full revaluation.

There has been no change to the valuation process during the reporting period.

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

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

#### Sewer Supply Network

Assets within this class comprise treatment works, pumping stations and sewerage mains. These were valued externally by Collaborative Planning and Engineering Associates in 2012 using the written down replacement cost for each asset by component.

No market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class. Valuation took consideration of construction type and materials, age, and maintenance and blockage history. Valuation relies to a varying degree on professional judgement. This is because a substantial part of the network is underground. The available information is also limited by historical records of very long lived assets and there is some uncertainty regarding the actual design, specifications and dimensions of some assets.

These assets are indexed each year in line with the NSW Reference Rates Manual as publish by the Office of Water except the years when the class is the subject of a full revaluation.

There has been no change to the valuation process during the reporting period.

#### Open Space/Recreational Assets/Other Structures/Other Infrastructure

Assets within this class comprise soft fall surfaces, lighting, playground and sporting equipment plus auxiliary structures. All assets in this class where valued in-house by experienced engineering staff in 2016.

While some elements of gross replacement values may be supported from market evidence (Level 2 input) other 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.

Assets in these classes are subject to regular inspection and maintenance and as such the age of asset typically reflects the condition of the asset and written down replacement cost based on age is not material different to fair value.

There has been no change to the valuation process during the reporting period.

#### Swimming Pool

Assets in this class comprise the Council's Aquatic Centre located at Macksville. The swimming pool was valued in house by experienced staff using the depreciated replacement cost approach in 2016. The approach estimated the replacement cost for each component. Other unobserved inputs (level 3 inputs) that were considered include pattern of consumption, residual value, asset condition and expected useful life. These inputs relied substantially on professional opinion.

These assets require regular extensive maintenance and the swimming pools are resurfaced periodically. These are highly visible assets and it is considered important to keep them in good repair. They have particular risks that can be partially mitigated through good maintenance. The maintenance program increases the probably of the asset achieving it designed life, but does not extend it. For this reason written down replacement cost based on age is not material different to fair value.

There has been no change to the valuation process during the reporting period.

#### Heritage Collections

Assets in this class were valued in house, based on historic values and limited indirect observable inputs. Council holds these assets for their cultural value within the community. These assets do have a market among collectors and market evidence (Level 2 input) is available, however this information is often limited to

#### Notes to the Financial Statements

for the year ended 30 June 2016

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

similar items and often relate to assets that are not directly comparable. This asset class has therefore been categorised as level 3 unobserved input.

#### Landfill Remediation

This asset class represents the value of works to remediate the Nambucca Landfill under the terms of the facility's licence. The future service potential of the asset is to enable Nambucca Shire to comply with the life-cycle responsibilities of the land fill operation. There is no market for the asset and it is therefore classed as having a level 3 fair value with unobserved inputs, principally cost, legislative requirements, estimated timing of expense, CPI and discount rules. The best and highest use for the asset is unique to Nambucca Shire Council as the Licence holder.

#### **Reconciliation of Movements**

A reconciliation of the movements in recurring fair value measurements allocated to Level 3 of the hierarchy is provided below:

	Note	2016 \$'000	2015 \$'000
Balance at 1 July 2015		419,194	292,686
Total gains or losses for the year			
Recognised in profit or loss - realised	5		
Recognised in profit or loss - unrealised	3&4		42,093
Recognised in other comprehensive income- Revaluation Surplus		8,674	68,736
Other movements			
Purchases	9a	12,995	26,541
Purchases – Work in Progress Transfer	9a	1,632	3,739
Sales	9a	(3,035)	(4,691)
Depreciation	9a	(8,913)	(9,910)
Impairment	9a	(226)	
Balance as at 30 June 2016		430,321	419,194

#### Unobservable Inputs and sensitivities

Asset/Liability Category	Carrying amount (at Fair Value) \$'000	Key unobservable inputs	Expected range of inputs	Description of how changes in inputs will affect the fair value
P & E, Office 4,63 Equipment & F & F		Gross Replacement Cost	t Varies significantly Significant char from asset to asset gross replacem pattern of cons	
		Remaining useful life	From 1 year to 20 years	affecting the remaining useful life or residual value
		Residual value	From 0% to 40%	would result in significant changes to fair value measurement.
Operational Land	6,544	Price per square metre, Local property prices,	From \$0.28 to \$355 per square metre	Significant changes in the price per square metre would result in significant

#### Notes to the Financial Statements

for the year ended 30 June 2016

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

	alternative use		changes to fair value measurement.	
17,634	Unimproved Capital Value (price per square metre)	From \$0.10 to \$411.40 per square metre	Significant changes in the price per square metre based on the unimproved capital value would result in significant changes to fair value measurement.	
2,784	Unimproved Capital Value (price per square metre)	From \$3.60 to \$217.59 per square metre	Significant changes in the price per square metre based on the unimproved capital value would result in significant changes to fair value measurement.	
216	Gross Replacement Cost	Varies significantly from asset to asset	Significant changes in the gross replacement value, asset condition, pattern of	
	Asset Condition	Very poor to excellent	consumption effecting the remaining useful life or	
		From 25 years to 100 years	residual value would result in significant changes to fair value measurement.	
		From 0% to 100%		
18,984	Gross Replacement Cost	Varies significantly from asset to asset	Significant changes in the gross replacement value, asset condition, pattern of	
	Asset Condition	Very poor to excellent	consumption effecting the remaining useful life or residual value would result in significant changes to	
	Remaining useful life	From 20 to 60 years		
	Residual value	From 5% to 21%	fair value measurement.	
Other 5,511 Structures		Varies significantly from asset to asset	Significant changes in the gross replacement value asset condition, pattern of	
	Asset Condition	Very poor to excellent	consumption effecting the remaining useful life or	
	Remaining useful life	From 3 years to 80 years	residual value would result in significant changes to	
	Residual value	From 0% to 15%	fair value measurement.	
83,652 Gross Repla		Varies significantly from asset to asset	Significant changes in the gross replacement value, asset condition, pattern of	
	Asset Condition	Very poor to excellent	consumption effecting the remaining useful life or residual value would result in significant changes to	
	Remaining useful life	From 2 years to 34 years		
		0%	fair value measurement	
	17,634 2,784 216 18,984 5,511 83,652	alternative use17,634Unimproved Capital Value (price per square metre)2,784Unimproved Capital Value (price per square metre)216Gross Replacement Cost Asset Condition216Bross Replacement Cost Asset Condition18,984Gross Replacement Cost Asset Condition18,984Gross Replacement Cost Asset Condition5,511Gross Replacement Cost Asset Condition5,511Gross Replacement Cost Asset Condition5,511Gross Replacement Cost Asset Condition83,652Gross Replacement Cost Asset Condition83,652Gross Replacement Cost Asset Condition83,652Gross Replacement Cost Asset ConditionRemaining useful life Residual value83,652Gross Replacement Cost Asset ConditionRemaining useful life Residual value83,652Gross Replacement Cost Asset Condition	alternative use17,634Unimproved Capital Value (price per square metre)From \$0.10 to \$411.40 per square metre2,784Unimproved Capital Value (price per square metre)From \$3.60 to \$217.59 per square metre216Gross Replacement CostVaries significantly from asset to asset216Gross Residual valueVaries significantly from asset to asset18,984Gross Residual valueVaries significantly from 25 years to 100 years18,984Gross Residual valueVaries significantly from asset to asset25,511Gross Residual valueVaries significantly from asset to asset25,511Remaining useful lifeFrom 20 to 60 yearsResidual valueFrom 5% to 21%5,511Gross Residual valueVaries significantly from asset to asset2,5511Gross Residual valueVaries significantly from 3 years to 80 years83,652Gross Asset ConditionVery poor to excellentRemaining useful lifeFrom 0% to 15% Varies significantly from asset to asset Cost83,652Gross Asset ConditionVery poor to excellentRemaining useful lifeFrom 2 years to 34 yearsResidual valueFrom 2 years to 34 years	

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

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

Bridges	27,071	Gross Replacement Cost	Varies significantly from asset to asset	Significant changes in the gross replacement value, asset condition, pattern of	
		Asset Condition	Very poor to excellent	consumption effecting the remaining useful life or	
		Remaining useful life	From 2 to 80 years	residual value would result in significant changes to	
	_	Residual value	0%	fair value measurement.	
Footpaths	6,340	Gross Replacement Cost	Varies significantly from asset to asset	Significant changes in the gross replacement value, asset condition, pattern of	
		Asset Condition	Very poor to excellent	consumption effecting the remaining useful life or	
		Remaining useful life	From 40 to 10 years	residual value would result in significant changes to	
		Residual value	0%	fair value measurement.	
Bulk Earthworks – non depreciable	44,162	Gross Replacement Cost	Varies significantly from asset to asset	Significant changes in the gross replacement value asset condition, pattern of	
		Asset Condition	Very poor to excellent	consumption effecting the remaining useful life or	
		Remaining useful life/ residual value Residual value	Held in perpetuity	residual value would result in significant changes to fair value measurement.	
Stormwater Drainage	29,669	Gross Replacement Cost	Varies significantly from asset to asset	Significant changes in the gross replacement value, asset condition, pattern of	
		Asset Condition	Very poor to excellent	consumption effecting the remaining useful life or residual value would resu in significant changes to	
		Remaining useful life	From 15 years to 30 years		
		Residual value	0%	fair value measurement.	
Water Supply Network	87,713	Gross Replacement Cost	Varies significantly from asset to asset	Significant changes in the gross replacement value, asset condition, pattern of	
		Asset Condition	Very poor to excellent	consumption effecting the remaining useful life or	
		Mean component remaining useful lives	From 3 years to 53 years	residual value would result in significant changes to fair value measurement.	
		Residual value	From 0% to 17%		

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

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

Sewer Supply 72,863 Network		Gross Replacement Cost	Varies significantly from asset to asset	Significant changes in the gross replacement value, asset condition, pattern of	
		Asset Condition Very poor to excellent		consumption effecting the remaining useful life or	
		mean component remaining useful lives	Fromm 11years to 50 years	residual value would result in significant changes to fair value measurement.	
		Residual value	0 to 47%		
Swimming Pools	1,120	Gross Replacement Cost	\$4,038,370	Significant changes in the gross replacement value, asset condition,	
		Asset Condition	Very poor to excellent	catastrophic failure effecting the remaining	
		Remaining useful life	14	useful life or residual value would result in significant	
		Residual value	Nil	changes to fair value measurement.	
Other Open 3,533 Space/Recreati onal Assets		Gross Replacement Cost	Varies significantly from asset to asset	Significant changes in the gross replacement value, asset condition, pattern of	
		Asset Condition	Very poor to excellent	consumption effecting th remaining useful life or	
		Remaining useful life	Year to 46 years	residual value would result in significant changes to	
		Residual value	0% to 66%	fair value measurement.	
Other Infrastructure	15,546	Gross Replacement Cost	Varies significantly from asset to asset	Significant changes in the gross replacement value, asset condition, pattern of	
		Asset Condition	Very poor to excellent	consumption effecting the remaining useful life or	
		Remaining useful life	From 8 years to 100 years	residual value would result in significant changes to	
		Residual value	From 5% to 10%	fair value measurement.	
Heritage Collections	85	Gross Replacement Cost	Total Current replacement value \$520,000	Significant changes in the gross replacement value, asset condition, pattern of	
		Asset Condition	Very poor to excellent	consumption effecting the remaining useful life or	
		Remaining useful life - Residual value	Held in perpetuity	residual value would result in significant changes to fair value measurement.	
Other	265	Gross Replacement Cost	Varies significantly from asset to asset	Significant changes in the gross replacement value, asset condition, pattern of	
		Asset Condition	Very poor to excellent	consumption effecting the remaining useful life or	
		Remaining useful	From 8 years to	residual value would result	
		life	100 years	in significant changes to	
		Residual value	From 5% to 10%	fair value measurement.	

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

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

Tip Remediation		Discount Rate, Regulation change, unit cost assumptions, CPI	6%	Significant changes in the discount rate or cost escalation rate would result in significant changes to fair value measurement. Also timing of work and regulation change.
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#### Transfers between levels of the hierarchy

There have been no movements between hierarchies in the 2015/2016 financial year.

#### (5). Highest and best use

All of Council's non-financial assets are considered to being utilised for their highest and best use.

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

#### Note 28. Council information and contact details

Principal place of business: 44 Princess Street MACKSVILLE NSW 2447

Contact details Mailing address: PO Box 177 MACKSVILLE NSW 2447

Opening hours: Monday to Friday - 8.30am to 4.00pm

Telephone:02 6568 2555Facsimile:02 6568 2201

Internet: www.nambucca.nsw.gov.au Email: council@nambucca.nsw.gov.au

#### Officers

GENERAL MANAGER Michael Coulter

RESPONSIBLE ACCOUNTING OFFICER Craig Doolan

PUBLIC OFFICER Michael Coulter

AUDITORS Forsyths Business Services Pty Ltd PO Box 114 ARMIDALE NSW 2350 Elected members MAYOR Rhonda Hoban

COUNCILLORS John Ainsworth Martin Ballangarry, OAM Brian Finlayson Paula Flack Kim MacDonald Bob Morrison Anne Smyth

Elaine South

Other information ABN: 71 323 535 981



#### Armidale

92 Rusden Street PO Box 114 Armidale NSW 2350

*p* +61 2 6773 8400 *f* +61 2 6772 9957 **email** armidale@forsyths.com.au

Forsyths Business Services Pty Ltd ABN 66 182 781 401

#### INDEPENDENT AUDIT REPORT Report on the general purpose financial statements

#### To Nambucca Shire Council

#### SCOPE

The financial statements comprise the income statement, statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, accompanying notes to the financial statements, and the Statement by Councillors and Management in the approved form as required by Section 413(2)(C) of the *Local Government Act 1993* for Nambucca Shire Council (the Council), for the year ended 30<sup>th</sup> June 2016.

#### Councils' responsibility for the financial statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1993* and regulations and the Local Government Code of Accounting Practice and Financial Reporting. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that is free of material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's responsibility

Our responsibility is to express an opinion on the financial statements to the Council based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Audit Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements is free from material misstatement. Our audit responsibility does not extend to the Original Budget figures included in the Income Statement and Statement of Cash Flows and the Original Budget disclosures in Notes 2 and 16 and accordingly, we express no opinion on them.

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

#### Knowledge with integrity

Liability limited by a scheme approved under the Professional Standards Legislation

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

#### INDEPENDENCE

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

#### AUDIT OPINION

In our opinion:

- (a) the accounting records of the Council have been kept in accordance with the requirements of Division 2 of Part 3 of the *Local Government Act 1993*:
- (b) the general purpose financial statements:
  - (i) have been prepared in accordance with the requirements of Division 2 of Part 3 of the *Local Government Act 1993*;
  - (ii) are consistent with the Council's accounting records; and
  - (iii) presents fairly, in all material respects, the Council's financial position as at 30<sup>th</sup> June 2016 and the results of its operations for the year then ended;
- (c) we have been able to obtain all information relevant to the conduct of our audit; and
- (d) no material deficiencies in the records or the financial statements were detected in the course of the audit.

Forsyths

Forsyths Business Services Pty Ltd

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**Geoffrey W Allen** Principal

31 October 201692 Rusden Street Armidale



#### Armidale

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**p** +61 2 6773 8400 **f** +61 2 6772 9957 **e** armidale@forsyths.com.au

Forsyths Business Services Pty Ltd ABN 66 182 781 401

31 October 2016

The Mayor Nambucca Shire Council PO Box 177 MACKSVILLE 2447

Dear Sir

#### AUDIT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30th JUNE 2016

We are pleased to report that we have completed the audit of Council's records for the year ended 30<sup>th</sup> June 2016 and have reported on the general purpose financial statements and special purpose financial statements and underlying accounting records as required by the provisions of Section 417(2) of the *Local Government Act 1993*.

Under Section 417(3) of the Local Government Act 1993 we are also required to report on the conduct of the audit.

#### Councils Responsibilities

The Council is responsible for preparing financial statements that gives a true and fair view of the financial position and performance of the Council, and that comply with Accounting Standards in Australia, in accordance with the *Local Government Act 1993*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

#### Audit Objectives

We conducted an independent audit of the financial statements in order to express an opinion on them to the Council. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our audit responsibility does not extend to the Original Budget figures included in the Income Statement and Statement of Cash Flows and the Original Budget disclosures in Notes 2 and 16 to the financial statements and accordingly, we express no opinion on them.

The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

#### Knowledge with integrity

Liability limited by a scheme approved under the Professional Standards Legislation



We performed procedures to assess whether in all material respects the financial statements presents fairly, in accordance with the *Local Government Act 1993*, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Council's financial position, and its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial statements, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Council.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial statements. These and other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the Council.

We have issued our audit opinion on the basis of foregoing comments.

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

This auditor's report relates to the financial statements of Nambucca Shire Council for the year ended 30<sup>th</sup> June 2016 included on Nambucca Shire Council's web site. Council is responsible for the integrity of it's web site. We have not been engaged to report on the integrity of the Council's web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements to confirm the information included in the audited financial statements presented on this web site.





#### Additional Reporting Requirements

In accordance with Section 417(3) of the *Local Government Act 1993* we make the following comments in relation to the results and financial trends.

The combined income statement for the year ended 30 June 2016 discloses the following result:

INCOME STATEMENT	Budget	Actual	Actual	Varia	ince
	2016	2016	2015	Actual	Budget
	\$'000	\$'000	\$'000	%	%
INCOME FROM CONTINUING OPERATIONS					
Rates & annual charges	18,549	18,373	17,485	5.1%	-0.9%
User charges & fees	6,189	6,700	6,055	10.7%	8.3%
Interest	1,195	1,353	1,589	-14.9%	13.2%
Other revenues from ordinary activities	463	647	637	1.6%	39.7%
Grants & contributions for operating purposes	7,719	9,440	11,504	-17.9%	22.3%
Grants & contributions for capital purposes	1,145	2,231	10,016	-77.7%	94.8%
Gain from sale of assets	593	0	0	0.0%	0.0%
Total income from continuing operations	35,853	38,744	47,286	-18.1%	8.1%
EXPENSES FROM CONTINUING OPERATIONS					
Employee benefits & oncosts	9,982	9,163	10,212	-10.3%	-8.2%
Borrowing costs	2,707	2,857	2,996	-4.6%	5.5%
Materials and contracts	10,819	10,958	9,527	15.0%	1.3%
Depreciation & amortisation	8,446	8,818	9,832	-10.3%	4.4%
Other expenses from ordinary activities	2,604	3,388	6,276	-46.0%	30.1%
Loss from disposal of assets	0	2,701	1,642	64.5%	0.0%
Impairment losses	0	226	0	0.0%	0.0%
Total Expenses from continuing operations	34,558	38,111	40,485	-5.9%	10.3%
NET OPERATING RESULT FOR YEAR	1,295	633	6,801	-90.7%	-51.1%
NET OPERATING RESULT BEFORE					
CAPITAL GRANTS AND CONTRIBUTIONS	150	(1,598)	(3,215)	-50.3%	-1165.3%



The operating result of \$0.6m is after recognising grants and contributions for capital expenditure purposes of \$2.2m. The expenditure of these grants is not recognised as part of the operating result but is recorded in the statement of financial position and when excluded council achieved a deficit of \$1.6m.







Operating revenues decreased by 18.1% during the year mainly as a result of deceases in operational grants & contributions, capital grants & contributions and interest which were partially offset by increases in rates & annual charges, user charges & fees and other revenue.

- Grants & contributions for operational purposes decreased mainly due to the receipt of contributions in relation to landslips in the prior year offset by an additional roads to recovery funding during the year.
- Capital grants & contributions decreased mainly due to a decrease in RMS contributions and subdivider dedications.
- Interest revenue decreased due to lower cash and investment balances during the year.
- Rates & annual charges increased due to rate pegging increases during the year and a special rate variation.
- User charges & fees increased due mainly to increased water usage charges and waste management charges as a result in increased dumping due to the State highway development.
- Other revenue increased slightly due to an increase in parking fines and increased diesel rebates.

Operating expenses decreased by 5.9% during the year due to decreases in employee benefits & on costs, borrowing costs, depreciation & amortisation and other expenses which were partially offset by increases in materials & contracts and losses on disposal of assets.

- Employee costs decreased mainly due to a reduction in the redundancy payments and a decrease leave expense during the year.
- Borrowing costs decreased due to the decrease in borrowings during the year.
- Depreciation & amortisation decreased as a result of the revaluation of roads and related infrastructure during the prior year.
- Other expenses decreased due to revaluation decrements in the prior year as a result of the revaluations of roads.
- The increase in the loss on the disposal of assets was mainly due to lower than expected real estate sales and the write off of the Scotts Head Reserve, Eungai Community Centre and Reserve during the year
- Materials and contracts increased mainly as a result of an increase in contractor work in relation to flood damage.

The operating surplus for the year of \$0.6m compares with the original budget deficit of \$1.3m. The variance between the actual results and the original budget is primarily due to the following:

Large Budget Variations >10% and > \$0.5m		Comment
Interest & Investment revenues	\$158,000	Favourable variance due to conservative budgeting.
Other revenues from ordinary activities	\$184,000	Favourable variance due to an unbudgeted workers compensation rebate and additional parking infringement revenue.
Operating Grants	\$1,721,000	Favourable variance to budget mainly due to the receipt of funding for flood damage works.
Capital Grants \$	\$1,086,000	Capital grants were favourable to budget mainly due to additional Roads to Recovery funding during the year.
Other expenses from ordinary activities (	(\$784,000)	Unfavourable to budget due to asset revaluation decrements for infrastructure assets during the year.
Loss from disposal of assets (\$2	2,701,000)	Unfavourable to budget mainly due to lower than expected real estate sales and the write off of the Scotts Head Reserve, Eungai Community Centre and Reserve during the year.





The following schedule of assets and liabilities has been extracted from the statement of financial position as at 30 June 2016. This schedule discloses the consolidated assets and liabilities of all functions.

SCHEDULE OF ASSETS & LIABILITIES	2016 \$'000	2015 \$'000	Variance
CURRENT ASSETS			
Cash and cash equivalents	6,804	8,660	-21.4%
Investments	15,796	14,161	11.5%
Receivables	4,290	7,978	-46.2%
Inventories	2,826	1,465	92.9%
Other	78	34	129.4%
TOTAL CURRENT ASSETS	29,794	32,298	-7.8%
CURRENT LIABILITIES			
Payables	2,613	4,449	-41.3%
Borrowings	2,954	2,864	3.1%
Provisions	3,852	3,819	0.9%
TOTAL CURRENT LIABILITIES	9,419	11,132	-15.4%
NET CURRENT ASSETS	20,375	21,166	-3.7%
NON-CURRENT ASSETS			
Cash and cash equivalents	10,634	11,101	-4.2%
Inventories	21	21	0.0%
Intangible Assets	278	208	33.7%
Infrastructure, Property Plant & Equipment	430,043	418,986	2.6%
TOTAL NON-CURRENT ASSETS	440,976	430,316	2.5%
NON-CURRENT LIABILITIES			
Payables	364	390	-6.7%
Provisions	569	540	5.4%
Borrowings	43,246	44,393	-2.6%
TOTAL NON-CURRENT LIABILITIES	44,179	45,323	-2.5%
NET ASSETS	417,172	406,159	2.7%



Cash and investments have decreased from \$33.9m to \$33.2m during the year. Inventory increased due to the purchase of real estate during the year. Receivables decreased due to a reduction in grant project debtors in relation to the land slip works at Riverside Drive at year end.

Payables have decreased mainly due to a reduction in payables in relation to project work activities at year end.





The total borrowings decreased by \$1.0m due to new borrowings of \$1.5m being off-set by scheduled repayments of \$2.9m during the year.

The increase in infrastructure, property, plant and equipment of \$10.9m is due to capital expenditure of \$13.0m (including the new dam project), revaluation of operational land and building of \$9.8m which were partially offset by depreciation, impairment and disposals of \$11.8m.

#### NET CURRENT ASSETS

The Net Current Asset position at year end is an important financial indicator as it discloses the working capital available to Council to fund day to day operations and finance infrastructure and new community projects. However, included in Current Assets are assets which are "Restricted" by regulation or other externally imposed requirements and therefore are not available other than for their restricted purpose. The following table discloses unrestricted net current assets by function:

	Water \$'000	Sewerage \$'000	Dom Waste \$'000	General \$'000	Total \$'000
Current Assets	10,524	5,900	1,049	12,321	29,794
Current Liabilities	470	1,620	-	7,329	9,419
Net Current Assets	10,054	4,280	1,049	4,992	20,375
Plus: Employee Entitlements Payable >12mths	_	-	-	2,568	2,568
Total Funds before Restrictions	10,054	4,280	1,049	7,560	22,943
LESS: Restricted Cash & Investments (Included in Revenue)					
Developer Contributions	4,043	1,152	-	1,051	6,246
Unexpended Loans	-	-	-	929	929
Security Deposits				561	561
Unexpended Grants		-	-	515	515
	4,043	1,152	-	3,056	8,251
NET FUNDS AVAILABLE	6,011	3,128	1,049	4,504	14,692
LESS Internal Restrictions		-		3,772	3,772
Net Funds After All Restrictions	6,011	3,128	1,049	732	10,920

INTERNAL RESTRICTIONS	Opening \$'000	Transfer to \$'000	Transfer from \$'000	Closing \$'000
Council Building Reserve	214	-	-	214
Election	87	30	-	117
Employee Entitlements	1,758	330	336	1,752
Environmental rate unallocated	628	534	666	496
Lawn cemeta <del>r</del> y	8	-	-	8
Onsite -sewer maintenance	13	-	13	-
Land Development	(120)	-	429	(549)
Office Equipment	142	25	40	127
Plant Replacement	311	-	18	293
Public Road/Reserves Sales	45	-	-	45
Stormwater Management	135	20	-	155
Swimming Pool	78	35	21	92
Waste Management	1,505	250	880	875
Other	136	16	5	147
	4,940	1,240	2,408	3,772







After Funding both external and internal restrictions Council's general fund has unrestricted funds of \$0.7m (2015: \$1.9m) which is considered adequate to cover working capital requirements.

Council has set aside \$1.8m to fund the employee leave entitlements provision. This amount represents 43% of the total liability and is considered adequate given the existing staff levels and age profiles.

#### LOCAL GOVERNMENT INDUSTRY PERFOMANCE INDICATORS

The Code of Accounting Practice requires the mandatory disclosure of certain performance indicators. These financial indicators are useful in assessing performance, financial position and the likely financial burden to be placed on ratepayers.

RATIO	PURPOSE	2016 2015 2014 2013 2012	Benchmarks
OPERATING PERFORMANCE RATIO	To assess councils ability to meet operating expenditure within operating reveune.	3.3%     3.4%       -14.2%     -13.3%	] >-4%
OWN SOURCE OPERATING REVENUE	To assess the degree of reliance on external funding sources.	69.8%     54.2%     60.9%     42.7%     55.3%	>60%
UNRESTRICTED CURRENT RATIO	To assess the adequacy of working capital after excluding all restricted assets and liabilities.	2.38 2.00 2.70 1.71 2.02	>1.5
DEBT SERVICE COVER RATIO	To assess the availability of operating cash to service debt including interest, principal and lease payments.	2.29 2.47 1.59 1.94 2.43	>2.0
OUTSTANDING RATES	To assess the impact of uncollected rates and charges on liquidity and the adequacy of recovery efforts.	5.7% 5.7% 4.4% 5.8%	<10%
CASH EXPENSE COVER RATIO	To assess the number of months council can pay its expenses without additional cash inflow.	8.76         11.61         10.89         15.88         5.38	>3

The key financial indicators disclosed in the Financial Statements are:

#### Operating performance

An operating performance surplus of 3.3% indicates that Councils operating revenue, excluding capital grants and contributions are sufficient to cover operating expenditure, especially depreciation of infrastructure assets. This compares to the Group 11 Councils average deficit of 0.36% and a State average deficit of 0.58% for 2015. The benchmark is that councils should average breakeven or better over a three year period.





#### Owned source operating revenue

A ratio of 69.8% for the 2016 year highlights Council's dependence on grants and contributions and compares to a Group 11 average of 66.8% and a State average of 67% for 2015. The benchmark is to average greater than 60% over a three year period.

#### Unrestricted Ratio

The unrestricted ratio excludes all current assets and liabilities that are restricted to specific purposes such as water, sewer, domestic waste management functions and specific purpose unexpended grants and contributions and adjusting for employee entitlements not expected to be settled within 12 months. This ratio is before setting aside cash to fund internal restrictions relative to the general function. The ratio of 2.38 as at 30 June 2016 indicates that there is \$2.38 of unrestricted current assets for every \$1.00 of current liabilities. Councils ratio of 2.38 compares to the average of 3.98 for the Group 11 Councils and is lower than the State average of 3.92 for 2015. However, the ratio is higher than the benchmark of greater than 1.5.

#### Debt service cover ratio

The debt service cover ratio of 2.29 times indicates that council has \$2.29 before interest and deprecation to pay interest and principal repayments on current borrowings. This compares to the Group 11 average of 9.4 and the State average of 104.1 for 2015. The benchmark for sustainability is to have a ratio of greater than 2.0.

#### Outstanding rate ratio

The outstanding rate ratio of 5.7% compares favourably to the average of 6.4% for Group 11 Councils and the State average of 5.91% and the State average of 6.25% for 2015. This ratio is an indicator of Councils activity to collect outstanding rate revenues. The benchmark for rural Council's is to have an outstanding rates ratio of less than 10%. The ratio is an indicator of Council's debt collection activities.

#### Cash expense ratio

The ratio indicates that Council can pay 8.76 months of its expenses without additional cash inflows. This compares to the Group 11 average of 13.5 and the state average of 11.4 for 2015. The benchmark is to have reserves to meet at least 3 months of operating expenditure.



#### The key financial indicators by fund disclosed in the Financial Statements are:

RATIO	PURPOSE	Water	Sewer	General	
OPERATING PERFORMANCE RATIO	To assess councils ability to meet operating expenditure within operating reveune.	- 5.3% 10.0% -	4.2%	2.6% 3.1%	■ 2016 ■ 2015
OWN SOURCE OPERATING REVENUE	To assess the degree of reliance on external funding sources.	93.1% 80.0%	93.5% 86.6%	60.5%	■ 2016 ■ 2015
UNRESTRICTED CURRENT RATIO	To assess the adequacy of working capital after excluding all restricted assets and liabilities.	-10.12 -9.54	-0.93 -1.13	1.97 1.72	■ 2016 ■ 2015
DEBT SERVICE COVER RATIO	To assess the availability of operating cash to service debt including interest, principal and lease payments.	- 1.57 1.57	0.98 0.93	4.73 5.70	<b>2</b> 016 <b>2</b> 015
OUTSTANDING RATES	To assess the impact of uncollected rates and charges on liquidity and the adequacy of recovery efforts.	6.1% 5.8%	6.0% 6.0%	5.6% 5.6%	<b>2</b> 016 <b>2</b> 015
CASH EXPENSE COVER RATIO	To assess the number of months council can pay its expenses without additional cash inflow.	27.41 25.52	13.79 12.91	4.82 8.5	■ 2016 ■ 2015

#### Operating performance

An operating performance ratio by fund shows that the all funds have sufficient operating revenue, excluding capital grants and contributions to cover operating expenditure.

#### Owned source operating revenue

The ratios show the Councils reliance on grant and contribution funding. The water fund showing the impact of the off-river storage project in the prior year.

#### Unrestricted Ratio

The unrestricted ratios show that the general fund has sufficient working capital, however there is a need for the sewer and funds to build up reserves.

#### Debt service cover ratio

The debt service cover ratio by fund shows that the general fund may have potential to increase borrowings to fund infrastructure backlogs, but the water and sewer fund have limited potential.

#### Outstanding rate ratio

The outstanding rate ratio by fund shows that the outstanding rates are consistent across the funds.

#### Cash expense ratio

This ratio shows that the general fund has low cash reserves and there is a need to build up reserves.





#### Infrastructure Asset Performance Indicators

With the emphasis on "Fit for the Future" we have included comments on unaudited infrastructure asset performance measures disclosed in the Special Schedule 7 are as follows:

RATIO	PURPOSE	2016	2015	2014	2013	2012	Benchmarks
BUILDING AND INFRASTRUCTURE RENEWALS RATIO	To assess the proportion spent on infrastructure renewals vs infrastructure deterioration.	84.74%	59.57%	<b>49.97%</b>	67.03%	91.88%	>100%
INFRASTRUCTURE BACKLOG RATIO	To assess the infrastructure backlog against the total value of councils infrastructure.		3.4%	22.0%	31.0%	29.0%	<20%
ASSET MAINTENANCE RATIO	To assess the actual vs required annual maintenance expenditure.	181.0%	146.0%	93.0%	69.0%	55.0%	>100%

#### Building and Infrastructure renewals ratio

The building and infrastructure renewals ratio outlines Council's performance with renewing its infrastructure assets against the level of estimated infrastructure asset deterioration (as represented by depreciation expense). For 2016 Council spent \$0.85 for every \$1 in estimated asset deterioration. The Group 11 average for the asset renewal ratio was \$0.96 and the State average of \$0.92 for 2015. The benchmark is to have a three year average of greater than \$1.00.

The current trend in the ratio highlights that Council expended less on asset renewals compared to the estimated reduction in asset condition over the past five years and therefore, based on this ratio, Council's overall infrastructure has deteriorated over that period.

Council should aim to ensure infrastructure spending keeps pace with "wear and tear" and Council should seek to improve asset condition.

#### Infrastructure backlog ratio

An infrastructure backlog ratio 2.9% indicates that the infrastructure backlog represents 2.9% of the value of Councils infrastructure and compares to a Group 11 average of 3.1% and State average of 8.7% for 2015. The benchmark is a ratio less than 20% and greater than 2%.

#### Asset maintenance ratio

The Asset Maintenance ratio of 181% indicates that Council has been undertaking sufficient maintenance to keep pace with required maintenance requirements as determine by council's engineers and maintenance staff. This compares to a Group 11 average of 104.6% and State average of 100.7% for 2015. A ratio of greater than 100% is considered acceptable.

Changes in cash and investments reflected in the Statement of financial position is also evident in the following table extracted from the Statement of Cash Flows.





CASH MOVEMENTS	Actual 2016	Actual 2015	Variance
	\$'000	\$'000	%
CASH INFLOWS			
Operating Receipts	45,067	47,083	-4.3%
Proceeds from Assets Sales	334	176	89.8%
Proceeds form sale of investments	0	6,812	0.0%
Proceeds from Borrowings	1,500	2,263	-33.7%
TOTAL RECEIPTS	46,901	56,334	-16.7%
CASH OUTFLOWS			
Operating Payments	30,520	26,378	15.7%
Purchase of Assets	12,699	24,391	-47.9%
Purchase of investments	1,109	-	0.0%
Repayment of Loans	2,865	2,691	6.5%
Purchase of real estate assets	1,564	228	586.0%
TOTAL PAYMENTS	48,757	53,688	-9.2%
TOTAL CASH MOVEMENT	(1,856)	2,646	-170.1%
Cash and cash equivalents	6,804	8,660	-21.4%
Investments	26,430	14,161	86.6%
Total Cash & Investments on Hand	33,234	22,821	45.6%

Total cash and investments decreased from \$33.9m in 2015 to \$33.3m. Cash flow from operations of \$14.6m and borrowing of \$1.5m funded the purchase and construction of assets of \$12.7m, purchase of real estate of \$1.6m and loan repayments of \$2.9m.

Cash outflows for purchase and construction of assets of \$12.7m included \$4.1m for road and bridge construction, \$4.7m for capital work in progress, \$3.6m for other structures and \$1.1m on replacement plant.

In assessing the replacement rate of depreciating assets it is also important to note that Special Schedule No 7, which is an <u>unaudited</u> statement prepared in conjunction with the financial report, discloses that the estimated cost to all assets to a "satisfactory standard" is \$10.2m.

#### SPECIAL PURPOSE FINANCIAL STATEMENTS

Council is required to report the financial results of identified Business Units in accordance with National Competition Policy guidelines. The reports are known as Special Purpose Financial Statements and are subject to audit. Council has identified Water and Sewer functions as Category 1 Business Units.

#### WATER SUPPLY FUNCTION

The Special Purpose Financial Statements disclose that the Water Supply function recorded an operating deficit (before capital funding) of \$329,000 after allowing for depreciation of \$1,675,000.

The Net Current Asset position records a positive balance of \$10,054,000 (2015: \$9,525,000) which provides a strong working capital balance to meet medium term funding requirements and pay dividends.







#### SEWERAGE SERVICES

The Special Purpose Financial Statements disclose that the Sewerage Services function recorded an operating deficit (before capital funding) of \$3,000 after allowing for depreciation of \$1,582,000.

The current level of Net Current Assets of \$4,280,000 (2015: \$3,765,000) is very strong and is considered more than adequate to meet medium term funding requirements.

#### GENERAL

#### Reporting obligations under the Local Government Act

It is pleasing to report that Council's systems and records have been well maintained during the year and the audited financial statements will be submitted to the Office of Local Government within the prescribed time provided for in Division 2 of the *Local Government Act 1993*.

Matters of a technical nature have been documented in a management letter to the General Manager. We take this opportunity of thanking the General Manager and his staff for their co-operation and assistance during the course of the audit.

Under section 419 of the Local Government Act 1993, Council is required to give public notice of a Council meeting for the purpose of presenting the audited financial statements and the auditor's report. A principal of this firm is available to attend this meeting to address any questions in respect of the audit report or the conduct of the audit if the Council so determines.

Yours faithfully FORSYTHS BUSINESS SERVICES PTY LTD

will

Geoffrey W Allen Principal



SPECIAL SCHEDULES for the year ended 30 June 2016



"Nambucca Valley ~ Living at its best"

Special Schedules for the year ended 30 June 2016

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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.

### Special Schedule 1 – Net Cost of Services for the year ended 30 June 2016

#### \$'000

Function or activity	Expenses from continuing	Income fro continuing oper	m rations	Net cost
	operations	Non-capital	Capital	of services
Governance	560	-	-	(560)
Administration	2,149	246	6	(1,897)
Public order and safety				
Fire service levy, fire protection,				
emergency services	905	180	114	(611)
Beach control	146	17	5	(124)
Enforcement of local government regulations	-	- 1	-	_
Animal control	229	63	-	(166)
Other	-	-	-	1 1
Total public order and safety	1,280	260	119	(901)
Health	238	121	-	(117)
Environment				
Noxious plants and insect/vermin control	310	256	-	(54)
Other environmental protection	969	688	-	(281)
Solid waste management	4,792	5.624	-	832
Street cleaning	190	_	-	(190)
Drainage	13	143	_	130
Total environment	6,274	6,711	=	437
Community services and education				
Social protection (welfare)	337	193	-	(144)
Aged persons and disabled	4	18	-	14
Children's services	134	109	-	(25)
Total community services and education	475	320	-	(155)
Housing and community amenities				
Public cemeteries	117	90	-	(27)
Public conveniences	299	-	-	(299)
Street lighting	228	19	-	(209)
Town planning	561	151	-	(410)
Total housing and community amenities	1,205	260	-	(945)
Water supplies	5,262	5,521	326	585
Sewerage services	4,586	4,853	262	529

### Special Schedule 1 – Net Cost of Services (continued) for the year ended 30 June 2016

Function or activity	Expenses from continuing	Income from continuing oper	m ations	Net cost
	operations	Non-capital	Capital	of services
Recreation and culture				
Public libraries	669	77	-	(592)
Museums	45	5	-	(40)
Community centres and halls	361	36	-	(325)
Other cultural services	148	9	-	(139)
Swimming pools	614	-	-	(614)
Parks and gardens (lakes)	1,267	245	-	(1,022)
Other sport and recreation	252	23	173	(56)
Total recreation and culture	3,356	395	173	(2,788)
Fuel and energy	5. <del>4</del>	-	-	-
Agriculture	-	-	-	-
Mining, manufacturing and construction				
Building control	416	158		(258)
Total mining, manufacturing and const.	416	158		(258)
Transport and communication				
Urban roads (UR) - local	2,174	-	-	(2,174)
Urban roads - regional	372	419	192	239
Sealed rural roads (SRR) - local	3,382	3,083	761	462
Sealed rural roads (SRR) - regional	1,362	-	20	(1,342)
Unsealed rural roads (URR) - local	832	-		(832)
Unsealed rural roads (URR) - regional	1,177	-	17	(1,177)
Bridges on SRR – local	1,569	130	3	(1,436)
Parking areas	87	87	-	-
Footpaths	141	-	-	(141)
Aerodromes	-	-	10	10
Other transport and communication	11 815	3 794	1 210	(420)
For an a subsport and communication	11,010	0,104	1,210	(0,011)
Other economic affairs	105	77	105	(000)
Total according affairs	495	77	135	(283)
Totale functions	495	11	135	(283)
Totals - functions	38,111	22,716	2,231	(13,164)
General purpose revenues <sup>(1)</sup> Share of interests – joint ventures and associates using the equity method	-	13,797		13,797
NET OPERATING RESULT (2)	38,111	36,513	2.231	633

(1) Includes: rates and annual charges (including ex gratia, excluding water and sewer), non-capital general purpose (2) As reported in the Income Statement grants, interest on investments (excluding externally restricted assets) and interest on overdue rates and annual charges

Special Schedules 2016

## Nambucca Shire Council

Special Schedule 2(a) – Statement of Long Term Debt (all purpose) for the year ended 30 June 2016

Principal outstanding at beginning of the yearNew loans at beginning of the yearNew loans during the yearDebt redemption during the yearTransfers transfersInterest at the rend of the yearCurrentNon- currentTotalNon- tios sinkingTransfers to sinkingInterest at begind applicablePrincipal outstanding at the end of the yearCurrentNon- currentTotal tindsFrom fundsSinking fundsPrincipal outstanding applicableNon- to sinking applicablePrincipal outstanding at the end of the year1,57740,20641,783 5,110- 6,3971,5001,287 1,500- 1,287- -2,6501,620 38,58540; 4,3,8611,2875,1106,397 1,2871,5001,287   2,6501,62038,585 5,27640; 5,2761,2872,86445,31648,1801,5002,865- 2,6501,62038,58540; 5,2762,86445,31648,1801,5002,865 2,95443,86146; 46; </th <th></th> <th></th> <th>Classification of debt</th> <th>Loans (by source) Financial institutions</th> <th>Other</th> <th>Total loans</th> <th>Other long term debt</th> <th></th> <th>Total debt</th>			Classification of debt	Loans (by source) Financial institutions	Other	Total loans	Other long term debt		Total debt
pal outstanding     New     Debt redemption       nning of the year     loans     during the year       nning of the year     raised     From       Non-     Total       He year     From       Sinking     funds       for year     Current       A0,206     41,783       -     1,578       -     1,578       -     1,578       -     1,500       1,500     1,510       2,855     -       45,316     48,180       1,500     2,865       -     -       -     -       -     -       -     -       -     -       -     -       -     -       -     -       -     -       -     -       -     -       -     -       -     -       -     -       -     -  <	at begi	at begi	Current	1,577	1,287	2,864		1	2,864
Iding     New     Debt redemption       e year     loans     during the year       raised     From     Tansfers       notal     from     Sinking       applicable     From     Sinking       during     From     Sinking       the year     Index     Current       during     From     Sinking       the year     Index       during     From     Sinking       for year     Current       during     revenue       funds     for year       during     1,500       1,500     2,865       1,500     2,865       1,500     2,865       1,500     2,865       1,500     2,865       1,500     2,865       1,500     2,865       1,500     2,865       1,500     1,500       1,500     1,500       1,500     1,500       1,500     1,500	ipal outstar	nning of th	Non- current	40,206	5,110	45,316		1	45,316
New loans     Debt redemption during the year     Transfers     Interest at the end of the year       raised during the year     From from     Sinking sinking     Transfers     Interest at the end of the year       -     1,578     -     2,650     1,620     38,585     40,5       1,500     1,287     -     -     18     1,334     5,276     6,4       1,500     1,287     -     -     18     1,334     5,276     6,4       1,500     2,865     -     -     2,668     2,954     43,861     46,4       1,500     2,865     -     -     -     -     16     -     -       1,500     2,865     -     -     -     -     1,620     38,585     40,5       1,500     2,865     -     -     -     -     16     1,620     5,276     6,4       1,500     2,865     -     -     -     -     -     -     -     -       1,500     2,865     -     -     -     -     -     -     -     -       1,500     2,865     -     -     -     -     -     -     -     -       1,500     2,864     2,954     43,861	e year	e year	Total	41,783	6,397	48,180	1	t	48,180
Debt redemption during the year to sinking revenue     Transfers to sinking for year     Interest at the end of the year       From revenue     Sinking funds     Transfers to sinking for year     Interest at the end of the year       1,578     Vinds     Current     Non- to sinking       1,578     -     2,650     1,620     38,585     40,5       1,578     -     -     1334     5,276     6,4       1,287     -     -     2,650     1,620     38,585     40,5       2,865     -     -     2,668     2,954     43,861     46,4       -     -     -     2,668     2,954     43,861     46,4       -     -     -     -     -     -     -     -       2,865     -     -     -     2,954     43,861     46,4	loans	loans	during the year	1	1,500	1,500		1	1,500
Hemption     Transfers     Interest     Principal outstanding       the year     to sinking     Interest     at the end of the year       Sinking     funds     for year     Non-       -     -     2,650     1,620     38,585     40,3       -     -     18     1,334     5,276     6,4       -     -     18     1,334     5,276     6,4       -     -     2,668     2,954     43,861     46,4       -     -     -     -     -     -     -       -     -     -     1,334     5,276     6,4       -     -     -     1,334     5,276     6,4       -     -     -     -     -     -     -       -     -     -     -     -     -     -	Debt red during	during	From revenue	1,578	1,287	2,865		I.	2,865
Transfers Interest at the end of the year to sinking applicable for year funds for year Current Current Current Current A3,585 40,7 1,334 5,276 6,40,7 1,334 5,276 6,40,7 1,334 5,276 6,40,7 1,334 5,276 6,40,7 1,334 5,276 6,40,7 1,334 5,276 6,40,7 1,334 5,276 6,40,7 1,334 5,276 6,40,7 1,334 5,276 6,40,7 1,334 1,344 1,3	demption the year	the year	Sinking funds	t	1	1		I	1
Principal outstanding applicable     Principal outstanding       applicable     at the end of the year       for year     Non-       2,650     1,620       18     1,334       5,276     6,1       2,668     2,954       2,658     2,954       43,861     46,1       -     -       -     -	Transfers to sinking	Transfers to sinking	funds	1	1	ų.		1	1
Principal outstanding at the end of the year           Current         Non- current         Tot           1,620         38,585         40,3           1,334         5,276         6,4           2,954         43,861         46,4           -         -         -           2 054         43,861         46,4	Interest	Interest applicable	for year	2,650	18	2,668		1	2,668
e end of the year Non-Tot current Tot 5,276 6, 40,	Princ at the	at th	Current	1,620	1,334	2,954		1	2,954
40, 46, 46, 46, 46, 46, 46, 46, 46, 46, 46	cipal outsta e end of the	e end of the	Non- current	38,585	5,276	43,861		I	43,861
al al 815	year	year	Total	40,205	6,610	46,815		t	46,815

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).

Special Schedule 2(b) – Statement of Internal Loans [Section 410(3) of the Local Government Act 1993] for the year ended 30 June 2016

\$'000

## Summary of internal loans

Bridges 615	mount originary raised (principal and interest)	Principal outstanding at end of year
Totals 615	615 615 56	401 401

Note: the summary of internal loans (above) represents the total of Council's internal loans categorised according to the borrower.

# Details of individual internal loans

Borrower	Lender	Date of minister's	Date raised	Term	Dates of	Rate of	Amount originally	Total repaid during year	Principal outstanding
(by purpose)	(by purpose)	approval		(years)	maturity	interest	raised	(princ. and int.)	at end of year
Bridges	Sewer	30/06/06	30/06/06	20	30/06/26	6.50%	615	56	401
Totals							615	56	401

page 5

## Special Schedule 3 – Water Supply Income Statement Includes all internal transactions, i.e. prepared on a gross basis for the year ended 30 June 2016

		Actuals	Actuals
\$'0	00	2016	2015
Δ	Expanses and income		
~	Expenses		
1.	Management expenses		
	a. Administration	434	467
	b. Engineering and supervision	349	323
2.	Operation and maintenance expenses		
	- dams and weirs		
	a. Operation expenses		-
	b. Maintenance expenses	-	-
	- Mains		
	c. Operation expenses		
	d. Maintenance expenses	398	291
	- Reservoirs		
	e. Operation expenses	-	-
	f. Maintenance expenses	212	170
	- Pumping stations		
	<ul> <li>g. Operation expenses (excluding energy costs)</li> </ul>		
	h. Energy costs	231	265
	i. Maintenance expenses	31	79
	- Treatment		
	<ol> <li>Operation expenses (excluding chemical costs)</li> </ol>	-	-
	k. Chemical costs	-	-
	I. Maintenance expenses	114	99
	- Other		
	m. Operation expenses	268	489
	n. Maintenance expenses	46	32
	o. Purchase of water	-	-
3.	Depreciation expenses		
	a. System assets	1,623	1,024
	b. Plant and equipment	50	41
4.	Miscellaneous expenses		
25	a. Interest expenses	1 530	1 555
	b. Revaluation decrements	-	26
	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)	20	21
5.	Total expenses	5,306	4,882

## Special Schedule 3 – Water Supply Income Statement (continued) Includes all internal transactions, i.e. prepared on a gross basis for the year ended 30 June 2016

		Actuals	Actuals
\$.00	0	2016	2015
	Income		
6.	Residential charges		
	a. Access (including rates)	776	816
	b. Usage charges	2,823	2,690
7.	Non-residential charges		
	a. Access (including rates)	96	71
	b. Usage charges	1,098	946
8.	Extra charges	7	7
9.	Interest income	423	596
10.	Other income	257	213
10a	. Aboriginal Communities Water and Sewerage Program	-	-
11.	Grants		
	a. Grants for acquisition of assets	32	743
	b. Grants for pensioner rebates	83	50
	c. Other grants	-	-
12.	Contributions		
	a. Developer charges	236	382
	b. Developer provided assets		125
	c. Other contributions	58	34
13.	Total income	5,889	6,673
14.	Gain (or loss) on disposal of assets	(18)	(1)
15.	Operating result	565	1,790
15a	. Operating result (less grants for acquisition of assets)	533	1,047

## Special Schedule 3 – Water Supply Income Statement (continued) Includes all internal transactions, i.e. prepared on a gross basis for the year ended 30 June 2016

¢100	0		Ac	tuals		Ac	tuals
\$ 00	0			2016		_	2015
в	Capital transactions						
	Non-operating expenditures						
16.	Acquisition of fixed assets						
	a. New assets for improved standards			-			-
	b. New assets for growth			258		10	,817
	c. Renewals			132			358
	d. Plant and equipment			-			-
17.	Repayment of debt			332			314
18.	Totals			722	_	11	,489
	Non-operating funds employed						
19.	Proceeds from disposal of assets			-			-
20.	Borrowing utilised			-			-
21.	Totals				_		-
С	Rates and charges						
22.	Number of assessments						
	a. Residential (occupied)		5	,550		5	501
	b. Residential (unoccupied, ie. vacant lot)			668			656
	c. Non-residential (occupied)			482			471
	d. Non-residential (unoccupied, ie. vacant lot)			58			58
23.	Number of ETs for which developer charges were received		31	ET		52	ET
24.	Total amount of pensioner rebates (actual dollars)	s	149	,315	s	151	677

## Special Schedule 4 – Water Supply Statement of Financial Position Includes internal transactions, i.e. prepared on a gross basis as at 30 June 2016

		Actuals	Actuals	Actuals
\$'00	0	Current	Non-current	Total
	ASSETS			
25	Cash and investments			
23.	a Developer charges	4.042		1.042
	a. Developer charges	4,043	-	4,043
	b. Special purpose grants	-	100	-
	c. Accrued leave		-	-
	d. Unexpended loans	-	-	-
	e. Sinking fund	-	-	-
	f. Other	5,015	6,187	11,202
26.	Receivables			
	a. Specific purpose grants	-	-	<u></u>
	b. Rates and availability charges	1,429	-	1,429
	c. User charges	-	-	-
	d. Other	-	-	
27.	Inventories	37	-	37
28.	Property, plant and equipment			
	a. System assets	-	92,983	92,983
	b. Plant and equipment	<u>-</u>	340	340
29.	Other assets		278	278
30.	Total assets	10,524	99,788	110,312
	LIABILITIES			
31	Bank overdraft	20		
32	Creditors	117		117
				117
33.	Borrowings	353	23,297	23,650
34.	Provisions			
	a. Tax equivalents	-	. –	-
	b. Dividend	-	-	_
	c. Other	-	-	-
35.	Total liabilities	470	23,297	23,767
36.	NET ASSETS COMMITTED	10,054	76,491	86,545
	EQUITY			
37.	Accumulated surplus			60,290
38	Asset revaluation reserve			26,255
39.	TOTAL EQUITY	17	_	86,545
	Note to system assets:			
40.	Current replacement cost of system assets			128,075
41.	Accumulated current cost depreciation of system assets			(34,752)
42.	Written down current cost of system assets			93.323

## Special Schedule 5 – Sewerage Service Income Statement Includes all internal transactions, i.e. prepared on a gross basis for the year ended 30 June 2016

		Actuals	Actuals
\$'0	00	2016	2015
۸	Expenses and income		
~	Expenses and income		
	Expenses		
1.	Management expenses		
	a. Administration	640	596
	b. Engineering and supervision	36	219
2.	Operation and maintenance expenses		
	– mains		
	a. Operation expenses	-	-
	b. Maintenance expenses	154	157
	- Pumping stations		
	c. Operation expenses (excluding energy costs)	-	-
	d. Energy costs	123	143
	e. Maintenance expenses	307	262
	- Treatment		
	f. Operation expenses (excl. chemical, energy, effluent and biosolids management costs)	-	_
	g. Chemical costs	-	-
	h. Energy costs	120	149
	i. Effluent management	4	1
	j. Biosolids management	63	15
	k. Maintenance expenses	820	602
	- Other		
	I. Operation expenses	236	261
	m. Maintenance expenses	-	-
3.	Depreciation expenses		
	a. System assets	1,551	1,655
	b. Plant and equipment	31	33
4.	Miscellaneous expenses		
	a. Interest expenses	544	622
	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)	23	20
5.	Total expenses	4,652	4,735
# Special Schedule 5 – Sewerage Service Income Statement (continued) Includes all internal transactions, i.e. prepared on a gross basis for the year ended 30 June 2016

\$'00	0	Actuals 2016	Actuals 2015
	Income		
6.	Residential charges (including rates)	3,156	3,043
7.	Non-residential charges		
	a. Access (including rates)	373	320
	b. Usage charges	773	686
8.	Trade waste charges		
	a. Annual fees	23	25
	b. Usage charges	71	65
	c. Excess mass charges	-	-
	d. Re-inspection fees	-	-
9.	Extra charges		4
10.	Interest income	238	243
11.	Other income	189	131
11a	Aboriginal Communities Water and Sewerage Program	-	-
12.	Grants		
	a. Grants for acquisition of assets		-
	b. Grants for pensioner rebates	74	75
	c. Other grants	-	-
13.	Contributions		
	a. Developer charges	238	354
	b. Developer provided assets	18	259
	c. Other contributions	6	9
14.	Total income	5,159	5,210
15.	Gain (or loss) on disposal of assets	(46)	-
16.	Operating result	461	475
16a	Operating result (less grants for acquisition of assets)	461	475

# Special Schedule 5 – Sewerage Service Income Statement (continued) Includes all internal transactions, i.e. prepared on a gross basis for the year ended 30 June 2016

			Act	uals		Act	tuals
\$'00	0			2016			2015
в	Capital transactions						
	Non-operating expenditures						
17.	Acquisition of fixed assets						
	a. New assets for improved standards			-			-
	b. New assets for growth			61			358
	c. Renewals			456			218
	d. Plant and equipment			-			-
18.	Repayment of debt		1,	619		1,	602
19.	Totals		2,	136	_	2	178
	Non-operating funds employed						
20.	Proceeds from disposal of assets			-			-
21.	Borrowing utilised			-			-
22.	Totals	_		<u> </u>			-
С	Rates and charges						
23.	Number of assessments						
	a. Residential (occupied)		5,	157		5	136
	b. Residential (unoccupied, ie. vacant lot)			350			322
	c. Non-residential (occupied)			452			534
	d. Non-residential (unoccupied, ie. vacant lot)			31			28
24.	Number of ETs for which developer charges were received		32	ET		61	ET
25.	Total amount of pensioner rebates (actual dollars)	\$	134,	982	\$	136	939

# Special Schedule 6 – Sewerage Service Statement of Financial Position Includes internal transactions, i.e. prepared on a gross basis as at 30 June 2016

i Canado		Actuals	Actuals	Actuals
\$'00	0	Current	Non-current	Total
	ASSETS			
26.	Cash and investments			
	a. Developer charges	1,152	-	1,152
	b. Special purpose grants	_	-	
	c. Accrued leave	23	-	-
	d. Unexpended loans	-	-	-
	e. Sinking fund	-	-	-
	f. Other	4,237	2,022	6,259
27.	Receivables			
	a. Specific purpose grants	-	-	-
	b. Rates and availability charges	481	-	481
	c. User charges	_	-	-
	d. Other	30	371	401
28.	Inventories	-	-	-
29.	Property, plant and equipment			
	a. System assets	-	75,939	75,939
	b. Plant and equipment	-	130	130
30.	Other assets	-	-	-
31.	Total assets	5,900	78,462	84,362
	LIABILITIES			
32.	Bank overdraft	-	-	-
33.	Creditors	50	14	50
34.	Borrowings	1,570	6,215	7,785
35.	Provisions			
	a. Tax equivalents	-	-	-
	b. Dividend	-		
	c. Other		-	-
36.	Total liabilities	1,620	6,215	7,835
37.	NET ASSETS COMMITTED	4,280	72,247	76,527
	EQUITY			
38.	Accumulated surplus			53,215
39.	Asset revaluation reserve			23,312
40.	TOTAL EQUITY		_	76,527
	Note to system assets:			
41.	Current replacement cost of system assets			112,903
42.	Accumulated current cost depreciation of system assets			(36,834)
43.	Written down current cost of system assets			76,069

Notes to Special Schedules 3 and 5 for the year ended 30 June 2016

#### Administration<sup>(1)</sup>

(item 1a of Special Schedules 3 and 5) comprises the following:

- Administration staff:
- Salaries and allowance
- Travelling expenses
- Accrual of leave entitlements
- Employment overheads.
- Meter reading
- · Bad and doubtful debts
- · Other administrative/corporate support services

#### Engineering and supervision (1)

(item 1b of Special Schedules 3 and 5) comprises the following:

- Engineering staff:
  - Salaries and allowance
  - Travelling expenses
  - Accrual of leave entitlements
  - Employment overheads.
- · Other technical and supervision staff:
  - Salaries and allowance
  - Travelling expenses
  - Accrual of leave entitlements
  - Employment overheads.

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 contributior 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.

Special Schedules 2016

# Nambucca Shire Council

Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2016 as at 30 June 2016

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		Estimated cost to bring assets to satisfactory	Estimated cost to bring to the agreed level of	2015/16 Required	2015/16 Actual	Carrying	Gross replacement	Assets i	n conditio repl	on as a per acement c	centage c ost	f gross
Asset class	Asset category	standard	service set by Council	maintenance <sup>a</sup>	maintenance	value	cost (GRC)	-	2	e	4	ω
Buildings	Council Ofices/Admin Centre	1	Ţ	20	20	1,465	3,085		%06		10%	%0
	Council Works Depot	1	1	10	18	702	1,594		25%	75%		%0
	Council Public Halls	1	I	48	48	4,200	10,181			100%		%0
	Libraries	I	1	53	38	1,036	1,669		100%			%0
	Museum	70	1	9	9	346	698		20%	70%	10%	%0
	Other - Buildings	1	1	18	18	3,278	4,882				100%	%0
	Other - Bush Fire/SES Bldgs	4	1	181	181	1,837	3,300		40%	%09		%0
	Other - Swimming Pool Bldgs	1	4	1	4	2,054	3,076		60%	40%		%0
	Other - Child Care Centres	3	1	5	5	547	841		60%	40%		%0
	Amenities/Toilets	140	1	15	15	3,519	8,645	15%	15%	65%	5%	%0
	Sub-total	210	3	356	353	18,984	37,971	3.4%	26.2%	55.4%	15.0%	0.0%
Other	Other structures	5	1	2	2	5,511	11,869	11%	26%	54%	8%	1%
	Sub-total	5	1	2	2	5,511	11,869	11.0%	26.0%	54.0%	8.0%	1.0%
Roads	Roads - Sealed	1,794	1	268	268	8,471	13,101	23%	31%	32%	14%	%0
	Roads - Pavement	4,334	1	1	1	60,153	93,546	5%	59%	29%	7%	%0
	Roads - Unsealed	1	1	467	532	3,009	7,438	11%	44%	44%		1%
	Kerk & Gutter	4	1	60	60	10,705	17,598	10%	31%	59%		%0
	Carparks	1	9	1	1	1,315	1,715	6%	89%	5%		%0
	Bulk earthworks	1	1	1	1	44,161	44,161	100%				%0
	Bridges - Concrete	1	1	1	1	11,378	16,611	4%	85%	11%		%0
	Bridges - Timber	2,108	1	338	315	2,596	7,445		38%	33%	29%	%0
	Bridges - Composite	162	1	1	28	13,097	16,367	18%	75%	6%		1%
	Footpaths	I	1	28	L	6,340	8,556	12%	69%	19%		%0
	Other (enter details)	45	I.	1	1	T	1	15%	20%	60%	5%	
	Sub-total	8,443	1	1,161	1,203	161,225	226,538	26.1%	46.2%	22.9%	4.7%	0.1%

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Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2016 (continued) as at 30 June 2016

\$'000

2,000												- 1
		Estimated cost to bring assets to satisfactory	Estimated cost to bring to the agreed level of	2015/16 Required	2015/16 Actual	Carrying	Gross replacement	Assets i	n conditio	on as a pe lacement o	rcentage	~
Asset class	Asset category	standard	service set by Council	maintenance <sup>a</sup>	maintenance	value	cost (GRC)	-	2	m	4	
Water supply	Reticulation	1	1	50	271	14,980	26,545		50%	30%	20%	
network	Trunk Mains	1	ł	50	127	15,332	27,120		9%6	85%	6%	
	Mains/Meters	1	1	I	46	3,636	3,698			100%		
	Pipelines/Pipes	T	1	T	1	1,127	1,156			100%		
	Reservoirs	1	1	34	86	6,115	11,118		8%	92%		
	Water Treatment Plant	1	1	1	114	1,646	5,219			100%		
	Bores	17	1	L	7	2,057	2,738		20%	80%		
	Dams	1	1	1	72	40,882	41,330	100%				
	Other (Pump Stations)	1	1	1	24	1,938	3,087		100%			
	Sub-total	11	3	134	747	87,713	122,011	33.9%	16.6%	43.9%	5.7%	-
Sewerage	Sewerage rising(Pipelines)	1	1	1	5	5,942	8,765		%06	10%		
network	Gravity/Rising Mains	1	1	50	149	37,342	48,494		80%	20%		
	Pump Stations	10	1	50	299	14,244	26,459		30%	65%	5%	
	Treatment Works	ī	J	1	563	15,307	25,193	20%		80%		
	Effluent Pumping Station	1	I.	E	4	28	112			100%		
	Sub-total	10	1	100	1,020	72,863	109.023	4.6%	50.1%	44.1%	1.2%	-

Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2016 (continued) as at 30 June 2016

\$1000

000 0			the second se									
		Estimated cost to bring assets to satisfactory	Estimated cost to bring to the agreed level of	2015/16 Required	2015/16 Actual	Carrying	Gross	Assets	n conditis	on as a per lacement o	rcentage	of gross
Asset class	Asset category	standard	service set by Council	maintenance <sup>a</sup>	maintonance	value	cost (GRC)	-	2	2	4	s.
Stormwater	Stormwater Conduits	1	t	1	1	17,714	24,944	3%	81%			0%
drainage	Inlets & Junction Pits.	1	1	10	10	3,960	5,541		50%	50%		9%0
100	Culverts	969	1	116	116	7,995	11,607	4%	39%	51%	6%	960
	Sub-total	696	t	126	126	29,669	42,092	2.9%	74.8%	20.6%	1.7%	0.0%
Open space	<ul> <li>Swimming pools</li> </ul>	1	1	T	1	1,120	2,257	27%	55%	18%		%0
recreational	Other Open Space	323		28	28	3,533	5,425	30%	22%	42%	5%	1%
	Sub-total	323	-1	28	28	4,653	7,682	29.1%	31.7%	34.9%	3.5%	0.7%
Other	Retaining Walls	1	1	1	3	6,874	7,292	44%	50%	6%		%0
infrastructur	e Boat Ramps/Jetties, Boardwal	344		31	30	1,779	2,644	1%	53%	35%	11%	%0
assets	Landslips	1	1	1	1	4,587	4,679	9/4/6	3%			9%0
	Other	84	1	ï	ł	2,306	3,120		22%	20%	58%	0%0
	Sub-total	428	1	31	30	15,546	17,735	43.8%	33.1%	11.2%	11.8%	0.0%
	TOTAL - ALL ASSETS	10,192	- 1	1,938	3,509	396,164	574,921	20.8%	40.4%	33.8%	5.0%	0.1%

Notes:

Required maintenance is the amount identified in Council's asset management plans. .

396,164

3,509

Infrastructure asset condition assessment 'key'

- 4 Good Unity minor maintenance work required
   3 Average Maintenance work required
   4 Poor Renewal required
   5 Very poor Urgent renewal/upgrading required

# Special Schedule 7 – Report on Infrastructure Assets (continued) for the year ended 30 June 2016

	Amounts	Indicator	Prior p	eriods
\$ '000	2016	2016	2015	2014
Infrastructure asset performance indicate consolidated	ors *			
1. Infrastructure renewals ratio Asset renewals (1)	6,886	94 749/	E0 E70/	40.07%
Depreciation, amortisation and impairment	8,126	04.7470	39.37 %	49,9770
2. Infrastructure backlog ratio				
Estimated cost to bring assets to a satisfactory standard Carrying value of infrastructure assets	10,192 352,218	2.89%	3.44%	21.76%
3. Asset maintenance ratio	2 500			
Required asset maintenance	1,938	1.81	1.46	0.93

#### 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.

# Special Schedule 7 – Report on Infrastructure Assets (continued) for the year ended 30 June 2016

\$ '000		Water 2016	Sewer 2016	General <sup>(1)</sup> 2016
Infrastructure asset performance indicators by fund				
1. Infrastructure renewals ratio Asset renewals (2)		40.400/	22.20%	100 070
Depreciation, amortisation and impairment	prior period	<b>10.48%</b> 35.52%	13.48%	<b>123.27%</b> 74.83%
2. Infrastructure backlog ratio				
Estimated cost to bring assets to a satisfactory standard		0.09%	0.01%	5.27%
ourrying value or initiastructure assets	prior period	1.65%	0.04%	5.68%
3. Asset maintenance ratio				
Actual asset maintenance		5.57	10.20	1.02
Neyuneu asset maintenance	prior period	2.66	7.09	1.00

#### Notes

<sup>(1)</sup> 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.

# Special Schedule 8 – Permissible Income Calculation

for the year ended 30 June 2017

\$'000		Calculation 2015/16	Calculation 2016/17
Notional general income calculation (1)			
Last year notional general income yield	3	9,436	9,905
Plus or minus adjustments (2)		(5)	23
Notional general income	$c=(\mathbf{a}+\mathbf{b})$	9,431	9,928
Permissible income calculation			
Special variation percentage (3)	a	5.00%	5.50%
Or rate peg percentage		2.40%	1.80%
Or crown land adjustment (incl. rate peg percentage)	. e .	0.00%	0.00%
Less expiring special variation amount	g	-	-
Plus special variation amount	$b = d \times (c - q)$	472	546
Or plus rate peg amount	(= c x =	-	_
Or plus Crown land adjustment and rate peg amount	1 = C x i	-	-
Sub-total	$\approx (a + g + h + (+))$	9,903	10,474
Plus (or minus) last year's carry forward total		13	12
Less valuation objections claimed in the previous year	177.	(4)	(6)
Sub-total	n = (1 + m)	9	6
Total permissible income	y = x + n	9,911	10,480
Less notional general income yield	0	9,905	10,441
Catch-up or (excess) result	$d=\sigma-b$	6	39
Plus income lost due to valuation objections claimed (4)		6	1
Less unused catch-up (5)	4	_	(9)
Carry forward to next year	$l \geq 3 + \ell - 1$	12	31

#### 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.



#### Armidale

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Forsyths Business Services Pty Ltd ABN 66 182 781 401

# NAMBUCCA SHIRE COUNCIL INDEPENDENT AUDITORS' REPORT - SPECIAL SCHEDULE No. 8

We have audited the accompanying special purpose financial statement comprising the reconciliation of total permissible general income (Special Schedule No. 8) of Nambucca Shire Council for the year ending 30 June 2017.

## Responsibility of Council for Special Schedule No. 8

The Council is responsible for preparation and fair presentation of Special No. 8 in accordance with the Local Government Code of Accounting Practice and Financial Reporting (Guidelines) Update No. 23. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant preparation and fair presentation of Special Schedule No. 8 that is free from material mistreatment, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's Responsibilities

Our responsibility is to express an opinion on Special Schedule No. 8 based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Audit Standard require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether Special Schedule No. 8 and is free from material misstatement.

An audit involves performing procedures to obtain audit evidences about the amounts and disclosures in Special Schedule No. 8. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement on Special Schedule No. 8, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of Special Schedule No. 8.

# Knowledge with integrity

Liability limited by a scheme approved under the Professional Standards Legislation

ARMIDALE | COONABARABRAN | GUNNEDAH | TAMWORTH

## Nambucca Shire Council INDEPENDENT AUDITORS' REPORT - SPECIAL SCHEDULE No. 8

Because of the inherent limitation of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

In making our risk assessments, we consider internal controls relevant to the entity's preparation of Special Schedule No. 8 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of the expressing an opinion on the effectiveness of the entity's internal control.

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

# Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

# Audit Opinion

In our opinion Special Schedule No. 8 of Nambucca Shire Council for the year ending 30 June 2017 is properly drawn up in all material respects, in accordance with the requirements of the Office of Local Government and in accordance with the books and records of the Council.

# **Basis of Accounting**

Without modifying our opinion, we advise that the Special Schedule No. 8 has been prepared for distribution to the Office of Local Government for the purposes of confirming the Council's reconciliation of Council's total permissible general income is presented fairly. As a result, the Special Schedule No. 8 may not be suitable for another purpose

Forsyths

Forsyths Business Services Pty Ltd

end life

Geoff Allen Principal

31 October 201692 Rusden Street Armidale



#### Armidale

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# **INDEPENDENT AUDIT REPORT** Report on the special purpose financial statements

#### To Nambucca Shire Council

#### SCOPE

We have audited the special purpose financial statements of Nambucca Shire Council for the year ended 30<sup>th</sup> June 2016 comprising the Statement by Councillors and Management, Income Statement of Business Activities, Balance Sheet by Business Activities, and Note 1 to the Financial Statements. The financial statements include the financial results of the business activities of the Council and the entities it controlled at the year's end or from time to time during the year.

#### Councils' responsibility for the financial statements

The Council is responsible for the preparation and fair presentation of the financial statements and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial statements, are appropriate to meet the requirements of the Division of Local Government and Council. The Councils' responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the Council or the Division of Local Government. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

# Knowledge with integrity

Liability limited by a scheme approved under the Professional Standards Legislation

The special purpose financial statements have been prepared for distribution to the Council and the Division of Local Government for the purpose of fulfilling the requirements of National Competition Policy reporting. We disclaim any assumption of responsibility for any reliance on this report or on the financial statements to which it relates to any person other than the Council or the Division of Local Government or for any purpose other than for which the report was prepared.

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

#### INDEPENDENCE

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

## AUDIT OPINION

In our opinion, the Special Purpose Financial Statements of the Nambucca Shire Council for the year ended 30<sup>th</sup> June 2016 are presented fairly, in all material respects, in accordance with the requirements of those applicable Accounting Standards detailed in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting.

## **BASIS OF ACCOUNTING**

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

Forsyths

Forsyths Business Services Pty Ltd

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Geoffrey W Allen Principal

31 October 201692 Rusden Street Armidale

SPECIAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2016



"Nambucca Valley ~ Living at its best"

Special Purpose Financial Statements for the year ended 30 June 2016

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3. Notes to the Special Purpose Financial Statements	8-15

## 4. Auditor's Report

#### 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).

Special Purpose Financial Statements for the year ended 30 June 2016

# Statement by Councillors and Management

made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

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

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

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

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

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

Signed in accordance with a resolution of Council made on 14 September 2016.

m thole

Rhonda Hoban Mayor

John Ainsworth

Councillor

marcauset

Michael Coulter General manager

Craig Doolan Responsible accounting officer

Income Statement of Council's Water Supply Business Activity for the year ended 30 June 2016

	Actual	Actual
\$ '000	2016	2015
Income from continuing energiance		
Access charges	972	997
Access charges	2 024	007
User charges	3,921	3,636
Interest	430	603
Grants and contributions provided for non-capital purposes	83	50
Other income	257	213
Total income from continuing operations	5,563	5,389
Expenses from continuing operations		
Employee benefits and on-costs	1,218	1,119
Borrowing costs	1,530	1,555
Materials and contracts	863	1,096
Depreciation and impairment	1,675	1,065
Loss on sale of assets	18	1
Calculated taxation equivalents	20	21
Debt guarantee fee (if applicable)	568	259
Other expenses	_	26
Total expenses from continuing operations	5.892	5.142
Surplus (deficit) from continuing operations before capital amounts	(329)	247
Grants and contributions provided for capital purposes	326	1.284
Surplus (deficit) from continuing operations after capital amounts	(3)	1 531
ourplus (denerty nom continuing operations after capital amounts	(0)	1,001
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from all operations before tax	(3)	1,531
Less: corporate taxation equivalent (30%) [based on result before capital]	-	(74)
SURPLUS (DEFICIT) AFTER TAX	(3)	1,457
Plus opening retained profits	59.951	58,156
Plus/less: other adjustments – T'fer to Ret.Earnings-Asset Disposals/Sales	(46)	5
- Taxation equivalent navments	20	21
- Debt guarantee fees	568	259
<ul> <li>Corporate taxation equivalent</li> </ul>		74
Less:		
<ul> <li>Tax equivalent dividend paid</li> </ul>	(20)	(21)
- Surplus dividend paid	(180)	-
Closing retained profits	60,290	59,951
Return on capital %	1.3%	1.9%
Subsidy from Council	656	1,014
Calculation of dividend payable:	102.01	100000000
Surplus (deticit) after tax	(3)	1,457
Surplus for dividend calculation purposes	(90)	(902)
Potential dividend calculated from surplus	-	277

# Income Statement of Council's Sewerage Business Activity for the year ended 30 June 2016

	Actual	Actual
\$ '000	2016	2015
Income from continuing operations		
Access charges	3.600	3,429
User charges	773	686
Liquid trade waste charges	23	24
Interest	238	243
Grants and contributions provided for non-capital purposes	74	75
Other income	189	131
Total income from continuing operations	4,897	4,588
Expenses from continuing operations		
Employee benefits and on-costs	1,351	1,494
Borrowing costs	236	259
Materials and contracts	1,460	1,274
Depreciation and impairment	1,582	1,688
Loss on sale of assets	46	-
Calculated taxation equivalents	23	20
Debt guarantee fee (if applicable)	202	108
Total expenses from continuing operations	4,900	4,843
Surplus (deficit) from continuing operations before capital amounts	(3)	(255)
Grants and contributions provided for capital purposes	262	622
Surplus (deficit) from continuing operations after capital amounts	259	367
Surplus (deficit) from discontinued operations		-
Surplus (deficit) from all operations before tax	259	367
Less: corporate taxation equivalent (30%) [based on result before capital]	-	-
SURPLUS (DEFICIT) AFTER TAX	259	367
Plus opening retained profits	52,719	52,244
Plus/less: other adjustments – T'fer to Ret.Earnings-Asset Disposals/Sales Plus adjustments for amounts unpaid:	35	-
- Taxation equivalent payments	23	20
- Debt guarantee fees	202	108
- Corporate taxation equivalent	-	-
- Tax equivalent dividend paid	(23)	(20)
- Surplus dividend paid	1	-
Closing retained profits	53,215	52,719
Return on capital %	0.3%	0.0%
Subsidy from Council	1,281	2,279
Calculation of dividend payable:		
Surplus (deticit) after tax	259	367
Surplus for dividend calculation purposes	235	(208)
Potential dividend calculated from surplus	118	50

Statement of Financial Position – Council's Water Supply Business Activity as at 30 June 2016

	Actual	Actual
\$ '000	2016	2015
ASSETS		
Current assets		
Cash and cash equivalents	9,058	8,729
Receivables	1,429	1,210
Inventories	37	40
Total current assets	10,524	9,979
Non-current assets		
Investments	6,187	5,542
Infrastructure, property, plant and equipment	93,323	93,239
Intangible assets	278	208
Total non-current assets	99,788	98,989
TOTAL ASSETS	110,312	108,968
LIABILITIES		
Current liabilities		
Payables	117	122
Borrowings	353	332
Total current liabilities	470	454
Non-current liabilities		
Borrowings	23,297	23,650
Total non-current liabilities	23,297	23,650
TOTAL LIABILITIES	23,767	24,104
NET ASSETS	86,545	84,864
EQUITY		
Retained earnings	60,290	59,951
Revaluation reserves	26.255	24,913
Council equity interest	86,545	84,864
TOTAL EQUITY	86,545	84.864

# Statement of Financial Position – Council's Sewerage Business Activity as at 30 June 2016

	Actual	Actual
\$ '000	2016	2015
ASSETS		
Current assets		
Cash and cash equivalents	5.389	5.003
Receivables	511	434
Total Current Assets	5,900	5,437
Non-current assets		
Investments	2,022	2,316
Receivables	371	401
Infrastructure, property, plant and equipment	76,069	75.605
Total non-current assets	78,462	78,322
TOTAL ASSETS	84,362	83,759
LIABILITIES		
Current liabilities		
Payables	50	53
Borrowings	1,570	1,619
Total current liabilities	1,620	1,672
Non-current liabilities		
Borrowings	6,215	7,476
Total non-current liabilities	6,215	7,476
TOTAL LIABILITIES	7,835	9,148
NET ASSETS	76,527	74,611
FOUITY		
Retained earnings	52 045	50 740
Revaluation researce	53,215	52,719
Council equity interest	23,312	21,892
	76,527	74,011
IOTAL LOUTT	/0,52/	74,011

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

# Contents of the notes accompanying the financial statements

Note	Details	Page
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2	Water Supply Business Best-Practice Management disclosure requirements	11-12
3	Sewerage Business Best-Practice Management disclosure requirements	13-15

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

# Note 1. Significant accounting policies

These financial statements are a Special Purpose Financial Statements (SPFS) prepared for use by Council and the Office of Local Government.

For the purposes of these statements, the Council is not a reporting not-for-profit entity.

The figures presented in the SPFS, unless otherwise stated, have been prepared in accordance with:

- the recognition and measurement criteria of relevant Australian Accounting Standards,
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB), and
- Australian Accounting Interpretations.

The disclosures in the SPFS have been prepared in accordance with:

- the Local Government Act (1993) NSW.
- the Local Government (General) Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

The statements are also prepared on an accruals basis, based on historic costs and do not take into account changing money values nor current values of non-current assets (except where specifically stated).

Certain taxes and other costs (appropriately described) have been imputed for the purposes of the National Competition Policy.

#### National Competition Policy

Council has adopted the principle of 'competitive neutrality' to its business activities as part of the national competition policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 government policy statement, *Application of National Competition Policy to Local Government*.

The Pricing and Costing for Council Businesses, A Guide to Competitive Neutrality, issued by the Office of Local Government in July 1997, has also been adopted. The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide standards for disclosure. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, return on investments (rate of return), and dividends paid.

#### **Declared business activities**

In accordance with *Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality,* Council has declared that the following are to be considered as business activities:

#### Category 1

(where gross operating turnover is over \$2 million)

#### a. Water Supplies

Comprising the whole of the operations and assets of the water supply function.

#### b. Sewerage Service

Comprising the whole of the operations and assets of the sewerage reticulation and treatment service.

#### 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.

As required by the NSW Office of Water (Department of Primary Industries) the amounts shown in Note 2 and Note 3 are disclosed in whole dollars.

#### (i) Taxation-equivalent charges

Council is liable to pay various taxes and financial duties in undertaking its business activities. Where this is the case, they are disclosed in these statements as a cost of operations just like all other costs.

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

# Note 1. Significant accounting policies (continued)

However, where Council is exempt from paying taxes which are generally paid by private sector businesses (such as income tax), equivalent tax payments have been applied to all Councilnominated business activities and are reflected in these financial statements.

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council's non-business activities):

#### Notional rate applied (%)

#### Corporate income tax rate - 30%

Land tax – the first \$482,000 of combined land values attracts 0%. For that valued from \$482,001 to \$2,947,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$2,947,000, a premium marginal rate of 2.0% applies.

In accordance with the Best-Practice Management of Water Supply and Sewerage Guidelines, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred in the Best-Practice Management of Water Supply and Sewerage Guidelines to as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the *Local Government Act*, 1993.

Achievement of substantial compliance against the Best-Practice Management of Water Supply and Sewerage Guidelines is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

#### Income tax

An income tax equivalent has been applied on the profits of each reported business activity.

While income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level (gain or loss from ordinary activities before capital amounts) as would be applied by a private sector competitor – that is, it should include a provision equivalent to the corporate income tax rate, currently 30%.

Income tax is only applied where a positive gain/ (loss) from ordinary activities before capital amounts has been achieved.

Since this taxation equivalent is notional – that is, it is payable to Council as the 'owner' of business operations, it represents an internal payment and has no effect on the operations of the Council. Accordingly, there is no need for disclosure of internal charges in Council's General Purpose Financial Statements.

The 30% rate applied is the equivalent company tax rate prevalent as at balance date.

#### 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.

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

# Note 1. Significant accounting policies (continued)

Accordingly, 'subsidies disclosed' (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by Council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported business activity.

#### (iii) Return on investments (Rate of Return)

The policy statement requires that councils with category 1 businesses 'would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field'.

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The rate of return on capital is calculated as follows:

Operating result before capital income + interest expense

Written down value of I,PP&E as at 30 June

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 1.99% at 30/6/16.

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

#### (iv) Dividends

Council is not required to pay dividends to either itself (as owner of a range of businesses) or to any external entities.

Local government water supply and sewerage businesses are permitted to pay an annual dividend from its water supply or sewerage business surplus.

The dividend, calculated and approved in accordance with the Best-Practice Management of Water Supply and Sewerage Guidelines, must not exceed either:

- (i) 50% of this surplus in any one year, or
- (ii) the number of water supply or sewerage assessments at 30 June 2016 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the Best-Practice Management of Water Supply and Sewerage Guidelines, a Dividend Payment Form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the NSW Office of Water prior to making the dividend and only after it has approved the payment.

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

# Note 2. Water supply business best-practice management disclosure requirements

Dolla	rs amounts shown below are in whole dollars (unless otherwise indicated)	2016
1. Ca	Iculation and payment of tax-equivalents	
[all loc	al government local water utilities must pay this dividend for tax equivalents]	
(i)	Calculated tax equivalents	588,000
(ii)	Number of assessments multiplied by \$3/assessment	20,274
(iii)	Amounts payable for tax equivalents [lesser of (i) and (ii)]	20,274
(iv)	Amounts actually paid for tax equivalents	19,598
2. Di	vidend from surplus	
(i)	50% of surplus before dividends	-
	[calculated in accordance with Best-Practice Management for Water Supply and Sewerage Guidelines]	
(ii)	Number of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment	182,466
(111)	Cumulative surplus before dividends for the 3 years to 30 June 2016 Joss the	
(111)	cumulative dividends paid for the 2 years to 30 June 2015 and 30 June 2014	897,120
	2016 Surplus         (93,000)         2015 Surplus         554,900         2014 Surplus         435,400           2015 Dividend         180         2014 Dividend         1	
(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	-
(v)	Dividend actually paid from surplus [refer below for required pre-dividend payment criteria]	180
(vi)	Are the overhead reallocation charges to the water business fair and reasonable? <sup>a</sup>	YES
2	and and an end of the design o	
Ito be	equired outcomes for 6 criteria eligible for the payment of a 'dividend from surplus', all the criteria below need a 'YES']	
(i)	Completion of strategic business plan (including financial plan)	YES
(ii)	Full cost recovery, without significant cross subsidies [refer item 2 (a) in table 1 on page 22 of the Best-Practice Guidelines]	YES
	- Complying charges [item 2 (b) in table 1]	YES
	- DSP with commercial developer charges [item 2 (e) in table 1]	YES
	- If dual water supplies, complying charges [item 2 (g) in table 1]	YES
(iii)	Sound water conservation and demand management implemented	YES
(iv)	Sound drought management implemented	YES
(v)	Complete performance reporting form (by 15 September each year)	YES
(vi)	a. Integrated water cycle management evaluation	YES
	b. Complete and implement integrated water cycle management strategy	YES

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

# Note 2. Water supply business best-practice management disclosure requirements (continued)

Dollars am	nounts shown below are in whole dollars (unless otherwise indicated)		2016
National	Water Initiative (NWI) financial performance indicators		
NWI F1	Total revenue (water) Total income (w13) – grants for the acquisition of assets (w11a) – interest income (w9) – Aboriginal Communities W&S Program income (w10a)	\$'000	5,434
NWI F4	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)]	%	78.44%
NWI F9	Written down replacement cost of fixed assets (water) Written down current cost of system assets (w47)	\$'000	93,323
NWI F11	Operating cost (OMA) (water) Management expenses (w1) + operational and maintenance expenses (w2)	\$'000	2,083
NWI F14	Capital expenditure (water) Acquisition of fixed assets (w16)	\$'000	390
NWI F17	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)]	%	1.79%
NWI F26	Capital works grants (water) Grants for the acquisition of assets (w11a)	\$'000	32

 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.

a refer to 3.2 (2) on page 15 of the Best-Practice Management of Water Supply and Sewerage Guidelines, 2007

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

# Note 3. Sewerage business best-practice management disclosure requirements

Dolla	rs amounts shown below	are in whole dollars (unless otherwise indicated)	2016
1. Ca	Iculation and payment	of tax-equivalents	
(i)	Calculated tax equivale	ents	225.000
(ii)	Number of assessmen	ts multiplied by \$3/assessment	17 970
()		is mulpied by consists ment	[ 17,570]
(111)	Amounts payable for ta	ax equivalents [lesser of (i) and (ii)]	17,970
(iv)	Amounts actually paid	for tax equivalents	22,669
2. Di	vidend from surplus		
(i)	50% of surplus before [calculated in accordance w	dividends ith Best-Practice Management for Water Supply and Sewerage Guidelines]	117,500
(ii)	Number of assessmen	ts x (\$30 less tax equivalent charges per assessment)	161,730
(iii)	Cumulative surplus be cumulative dividends p	fore dividends for the 3 years to 30 June 2016, less the aid for the 2 years to 30 June 2015 and 30 June 2014	19,000
	2016 Surplus 235,00	0 2015 Surplus 99,000 2014 Surplus (315,000) 2015 Dividend – 2014 Dividend	
(iv)	Maximum dividend from	n surplus [least of (i), (ii) and (iii) above]	19,000
(v)	Dividend actually paid	from surplus [refer below for required pre-dividend payment criteria]	
(vi)	Are the overhead reall	ocation charges to the sewer business fair and reasonable? <sup>a</sup>	YES
3. Re [to be	equired outcomes for 4 eligible for the payment of a 'd	criteria ividend from surplus', all the criteria below need a 'YES']	
(i)	Completion of strategic	business plan (including financial plan)	YES
(ii)	Pricing with full cost-re [refer item 2 (a) in table 1 on	covery, without significant cross subsidies page 22 of the Best-Practice Guidelines]	YES
	Complying charges (a	a) Residential [item 2 (c) in table 1]	YES
	(1	b) Non-residential [item 2 (c) in table 1]	YES
	(	c) Trade waste [item 2 (d) in table 1]	YES
	DSP with commercial of	developer charges [item 2 (e) in table 1]	YES
	Liquid trade waste app	rovals and policy [item 2 (f) in table 1]	YES
(iii)	Complete performance	e reporting form (by 15 September each year)	YES
(iv)	a. Integrated water cyc	le management evaluation	YES
	b. Complete and imple	ment integrated water cycle management strategy	YES

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

# Note 3. Sewerage business best-practice management disclosure requirements (continued)

Dollars an	nounts shown below are in whole dollars (unless otherwise indicated)			2016
National	Water Initiative (NWI) financial performance indicators			
NWI F2	Total revenue (sewerage)	\$'000	_	4 921
	Total income (s14) – grants for acquisition of assets (s12a) – interest income (s10)	\$ 000		4,021
	- Aboriginal Communities W&S Program income (w10a)			
NWI F10	Written down replacement cost of fixed assets (sewerage)	\$'000		76,069
	Written down current cost of system assets (s48)			
NWI F12	Operating cost (sewerage)	\$'000		2,503
	Management expenses (s1) + operational and maintenance expenses (s2)		-	
NWI F15	Capital expenditure (sewerage)	\$'000		517
	Acquisition of fixed assets (s17)			
NWI F18	Economic real rate of return (sewerage)	%		1.10%
	[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)]			
NWI F27	Capital works grants (sewerage)	\$'000		-
	Grants for the acquisition of assets (12a)			
National Water and	Water Initiative (NWI) financial performance indicators d sewer (combined)			
NWI F3	Total income (water and sewerage)	\$'000	<u> </u>	10 291
	Total income (w13 + s14) + gain/loss on disposal of assets (w14 + s15)	\$000		10,201
	minus grants for acquisition of assets (w11a + s12a) - interest income (w9 + s10)			
NWI F8	Revenue from community service obligations (water and sewerage) Community service obligations (NWI F25) x 100 divided by total income (NWI F3)	%		1.53%
NWI F16	Capital expenditure (water and sewerage)	\$'000		907
	Acquisition of fixed assets (w16 + s17)			
NWI F19	Economic real rate of return (water and sewerage)	%		1.48%
	[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 *	00		
	divided by [written down replacement cost of fixed assets (NWI F9 + NWI F10) + plant and equipment (w33b + s34b)]			
	Dividend (water and environme)			
NVVI F20	Dividend paid from surplus (2 (v) of Note 2 + 2 (v) of Note 3)	2.000		-
		9.397	_	
NVVI F21	Dividend payout ratio (water and sewerage)	%		0.00%

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

# Note 3. Sewerage business best-practice management disclosure requirements (continued)

Dollars am	ounts shown below are in whole dollars (unless otherwise indicated)		2016
National N Water and	Water Initiative (NWI) financial performance indicators d sewer (combined)		
NWI F22	Net debt to equity (water and sewerage) Overdraft (w36 + s37) + borrowings (w38 + s39) – cash and investments (w30 + s31) x 100 divided by [total assets (w35 + s36) – total liabilities (w40 + s41)]	%	5.38%
NWI F23	Interest cover (water and sewerage) Earnings before interest and tax (EBIT) divided by net interest Earnings before interest and tax (EBIT): 2,514 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 + Net interest: 1,413 Interest expense (w4a + s4a) – interest income (w9 + s10)	s4c)	1.78
NWI F24	Net profit after tax (water and sewerage) Surplus before dividends (w15a + s16a) – tax equivalents paid (Note 2-1 (iv) + Note 3-1 (iv))	\$'000	952
NWI F25	Community service obligations (water and sewerage) Grants for pensioner rebates (w11b + s12b)	\$'000	157

Notes: 1. References to w (eg. s12) refer to item numbers within Special Schedules 5 and 6 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.
- a refer to 3.2 (2) on page 15 of the Best-Practice Management of Water Supply and Sewerage Guidelines, 2007



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Forsyths Business Services Pty Ltd ABN 66 182 781 401

# **INDEPENDENT AUDIT REPORT** Report on the special purpose financial statements

#### To Nambucca Shire Council

#### SCOPE

We have audited the special purpose financial statements of Nambucca Shire Council for the year ended 30<sup>th</sup> June 2016 comprising the Statement by Councillors and Management, Income Statement of Business Activities, Balance Sheet by Business Activities, and Note 1 to the Financial Statements. The financial statements include the financial results of the business activities of the Council and the entities it controlled at the year's end or from time to time during the year.

#### Councils' responsibility for the financial statements

The Council is responsible for the preparation and fair presentation of the financial statements and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial statements, are appropriate to meet the requirements of the Division of Local Government and Council. The Councils' responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the Council or the Division of Local Government. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

# Knowledge with integrity

Liability limited by a scheme approved under the Professional Standards Legislation

The special purpose financial statements have been prepared for distribution to the Council and the Division of Local Government for the purpose of fulfilling the requirements of National Competition Policy reporting. We disclaim any assumption of responsibility for any reliance on this report or on the financial statements to which it relates to any person other than the Council or the Division of Local Government or for any purpose other than for which the report was prepared.

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

#### INDEPENDENCE

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

## AUDIT OPINION

In our opinion, the Special Purpose Financial Statements of the Nambucca Shire Council for the year ended 30<sup>th</sup> June 2016 are presented fairly, in all material respects, in accordance with the requirements of those applicable Accounting Standards detailed in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting.

## **BASIS OF ACCOUNTING**

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

Forsyths

Forsyths Business Services Pty Ltd

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Geoffrey W Allen Principal

31 October 201692 Rusden Street Armidale