



**KEMPSEY**  
Shire Council



# Annual Report 2008-2009

*building relationships with our community*

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Section 3 of this Annual Report provides a concise overview of Council's financial performance in 2008-09.  
A complete set of Council's Financial Statements is available as a separate document which forms PART B of this report.

## About this Report

Welcome to Kempsey Shire Council's Annual Report for the 2008-09 financial year.

### Accountability

The Annual Report is Kempsey Shire Council's document of accountability which discloses its financial position and performance achievements to the local community and other key stakeholders such as the Minister for Local Government. It also serves as a corporate scorecard, which Council uses as a tool for planning strategies that will maximise new opportunities, improve areas of weakness, and minimise potential threats to the financial health of the organisation.

Kempsey Shire Council is committed to continuous improvement. As part of this commitment, Council has consulted with the Australasian Reporting Awards (ARA) criteria to present this statutory report in a format that seeks to achieve best practice reporting standards.

### Background

The goals to which Council aspires and the principal activities Council undertakes to work towards them are outlined in its community strategic plan titled 'Kempsey Shire - Our Twenty Year Vision', which was adopted by Council in April 2007.

The 2008-09 Management Plan was developed based on this community strategic plan. Council has aligned its operations to the five corporate goals through five principal activities:

- Ecological & Economic Sustainability
- Social, Culture & Community
- Infrastructure Services
- Relationship with Others
- Effectiveness Efficiency & Accountability

The theme of this report, '*Building relationships with our Community*', reflects Council's efforts to build positive relationships with its community to enhance the delivery of excellent customer service and to promote mutually beneficial interaction between both parties.

This Annual Report is broken into four sections:

- Council Overview
- Principal Activities
- Financial Reporting
- Statutory Reporting

### Compliance

The Local Government Act and General Regulations require that Council's Annual Report be completed within 5 months after the end of the

financial year. A copy of Council's Annual Report must be provided to the Minister for Local Government by 30 November 2009.

The Act and Regulations set out a number of specific items which must be reported on.

This report has been prepared to comply with those requirements and covers the period 1 July 2008 to 30 June 2009.

Wherever possible the applicable section of the Act or Regulations has been noted near the reporting item.

### Availability

This concise report and/or a full set of financial statements can be downloaded from Council's Website ([www.kempsey.nsw.gov.au](http://www.kempsey.nsw.gov.au)) or you can obtain a copy from Council's Customer First Centre at 22 Tozer Street West Kempsey (phone 02 65 663200).



## About the Shire

Kempsey Shire covers an area of 335,000 hectares from the Pacific Ocean in the east to Five Day Creek in the west; from Grassy Head in the north to Kundabung in the south.

It is an area rich in beautiful coastal beaches and natural bush hinterland.

Central to the lifeblood of the Shire is the Macleay River, which is surrounded by a wide floodplain of rich pastoral land and productive farms, and overlooked by stunning mountain country.

Situated approximately halfway between Sydney and Brisbane, Kempsey Shire is in an excellent strategic position for businesses wishing to access both these lucrative markets.

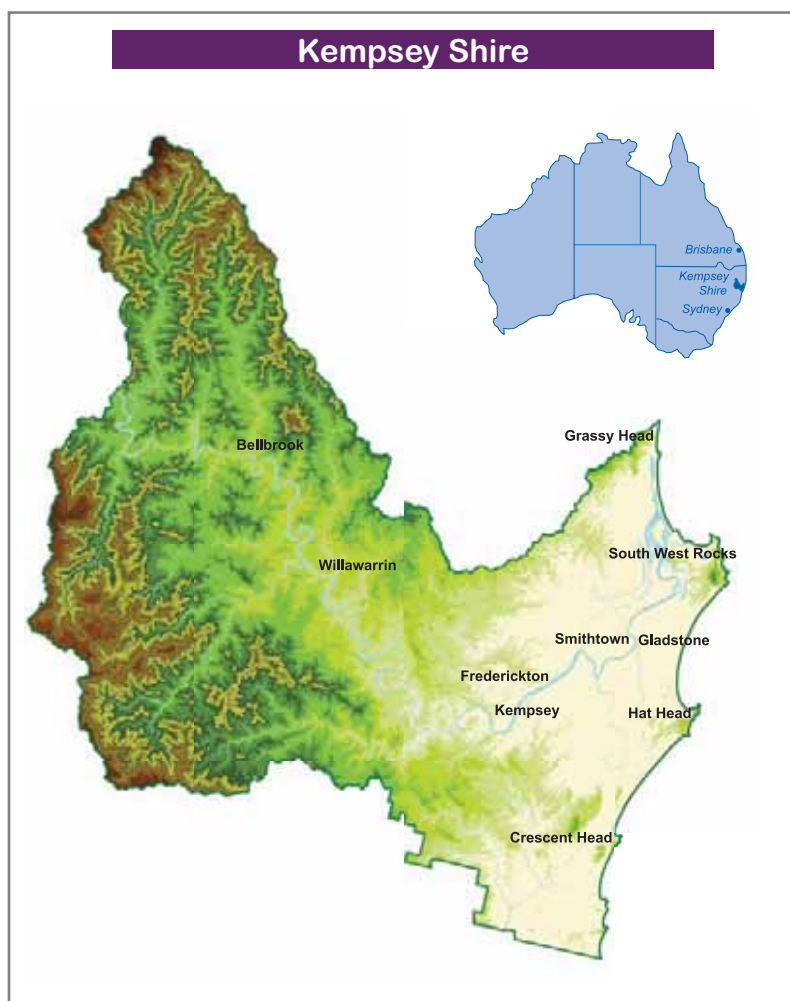
Key industries in the Shire are agribusiness, manufacturing, tourism, construction, retail, property and business services.

Kempsey, located on the banks of the Macleay River, is the largest town in the Shire.

It is a hub of retail and business activity with the main north-south railway line bisecting the town. Kempsey is surrounded by pleasant rural villages such as Frederickton, Smithtown, Gladstone, Willawarrin and Bellbrook which provide residents with delightful alternatives for enjoying country living.

The temperate climate and the natural beauty of the environment have contributed much to the region's relaxed coastal lifestyle, which is highly prized by both residents and visitors to the Shire.

Add to this the coastal resort areas of South West Rocks, Crescent Head, Hat Head and Stuarts Point, which are a magnet for holidaymakers and it is easy to see why an increasing number of people opt for a seachange to make Kempsey Shire their permanent home.



### Shire Facts

<b>Location:</b>	<b>Halfway between Sydney and Brisbane</b>
<b>Area:</b>	<b>335,000 hectares</b>
<b>Coastline:</b>	<b>80kms</b>
<b>Average Maximum Temperature:</b>	<b>24° Celsius</b>
<b>Average Annual Rainfall:</b>	<b>1,282 mm</b>
<b>Population:</b>	<b>27,982</b>
<b>Number of Dwellings:</b>	<b>13,249</b>
<b>Council maintains:</b>	<b>33 playgrounds</b>
	<b>13 sporting fields</b>
	<b>98 reserves</b>
	<b>4 library branches</b>
	<b>1,163 kms of roads</b>

# Mayor's Message

## Council Elections

Local Council Elections were held in September 2008, which saw three new Councillors elected. Welcome to Councillors Liz Campbell, Jenny Sproule and Alan Snowsill. I commend and thank former Councillors Terry Hunt, Brian Sowter and Bob McWilliam for their service to our Community.

At that election a referendum was conducted to determine the way the Mayor will be elected in the future. The referendum was successful and from the 2012 Council elections, the Mayor will be elected for a 4 year term by popular vote.

In the first nine months of its term the new Council held two meetings outside its Council Chambers at West Kempsey. The first was held at Stuarts Point in February and the second at Bellbrook in June. Thank you to the people in those locations who took the time to come along and see Council in session. This is a practice that will be continued in 2009-10.

## Highway Bypass

In September 2008 the RTA was granted planning approval for Kempsey to Eungai Pacific Highway upgrade which involves 40kms of dual carriageway, by passing Kempsey and Frederickton.

In May 2009 the Federal Government announced that funding for Stage One of the Bypass had been included the 2009-10 budget.

As a result, Council has allocated \$150,000 to developing a highway bypass strategy.

## Youth Advisory Council

The Youth Advisory Council (YAC) had a very successful year. Not only did the YAC host an exciting and innovative range of events during Youth Week in April, it has also worked tirelessly towards the establishment of a Youth Access Centre which was to officially open in July 2009.

As Mayor, it is very pleasing to see

these young people developing their understanding of civic responsibility to contribute in such tangible ways to our community.

## Bellbrook Water

After much lobbying Council was successful in attracting \$700,000 in funding under the Federal government's 'National Water Security Plan for Cities and Towns' to build a new water treatment plant in Bellbrook. The first sod was turned on the project in June 2009.

Planning is underway to include the Bellbrook Aboriginal Community (Thungutti) within this program.

## New General Manager

With the pending resignation of Allan Burgess after 10 years service, Council began the process of recruiting for appointing a new general manager in February.

In May the appointment of David Rawlings, who will commence duties with Council on 6 July 2009, was announced.

## Closing the Gap

One issue which I have taken a particular interest in during 2008-09 is 'Closing the Gap'.

It is vital for our Aboriginal community that programs are established in areas such as employment, health, education and housing to help close the gap between indigenous and non-indigenous Australians.

Council will continue to lobby on behalf of the Aboriginal people in our community to achieve help achieve this.

## Water Enquiry

Water is an issue which will continue to grow in importance. In early 2009, the results of the Independent Inquiry into Secure and Sustainable Urban Water Supply and Sewerage Services for Non-Metropolitan NSW was released.

Council met with Nambucca Shire and Port Macquarie Hastings Councils to discuss the implications of this report.

## Floods

Flood events experienced in the Macleay Valley in February, March and May 2009 had a significant impact on the Shire's infrastructure and on Council's ability to complete its planned works for the 2008-09 year. The final damage bill will be in the millions of dollars.

Council has lobbied both the State and Federal Government, on behalf of residents and ratepayers, for financial support to help in the Shire's recovery from these events.

## The Year Ahead

The year ahead promises to be one of change for Kempsey Shire Council. To be successful in managing this change Council needs to adopt more open approach to community engagement and social inclusion. The newly elected Council is now settled in, and the new General Manager decided, so I am confident that together we can achieve positive outcomes for our Shire.



COUNCILLOR  
JOHN BOWELL  
Mayor



# About Council

## Our Vision

“The value of our natural environment and lifestyle is preserved and enhanced by the community and council.”

## Achieving our Vision

“Council provides high quality services and facilities through strong leadership which considers the needs of our community, the environment and future generations.”

## Our Values

### • Trust

We earn trust by being honest, respecting differences and by encouraging open communication.

### • Co-operation

We achieve the best for our community through effective teamwork.

### • Service

We value our community by providing quality professional service to all.

### • Innovation

We encourage creative and visionary thinking to achieve sustainable outcomes.

### • Pride

We take pride in Kempsey Shire Council's contribution to our community.

## Main Locations

The administrative headquarters of Kempsey Shire Council and its Council Chambers are located at the Civic Centre on the corner of Tozer and Elbow Streets, West Kempsey with the Customer First Centre next door at 22 Tozer Street.

Council's Works Depot is located in Thompson Street, West Kempsey and its main waste receipt and disposal facility is located on Crescent Head Road.

## Facilities

Council provides a number of facilities for the community including libraries, cemeteries, waste transfer stations, water and sewerage treatment plants, tourist parks, airport, saleyards, the visitor information centre and auspices a number of other services, such as, Macleay Community Care Options which assists the frail and aged in our community.

## Community Strategic Plan & Goals

In April 2007, after extensive consultation with the community, Council adopted a Community Strategic Plan titled 'Kempsey Shire - Our 20 Year Vision' to reflect its community ownership. The plan incorporates the following five goals:

### Goal 1

To facilitate ecological and economic sustainable development in the Shire.

### Goal 2

To foster and enhance effective social, cultural and community relations, building respect and civic pride.

### Goal 3

To plan and fund the Shire's infrastructure and service needs.

### Goal 4

To pursue beneficial relationships with regional neighbours and other levels of Government.

### Goal 5

To ensure leadership and effective, efficient accountable management.

Council, in accordance with the Department of Local Government (DLG) 'Promoting Better Practice Review', has been working to align its principal activities with these corporate goals to ensure a more integrated approach to its planning.

Strategies have been developed and are being implemented for each principle activity so that Council is working towards achieving the five goals from the Community Strategic Plan. The success of these strategies is measured by performance indicators and the achievement of objectives.

The Community Strategic Plan is reviewed every four (4) years, and will undergo review in the 2009-10 financial year.



# Council's Planning & Reporting Framework

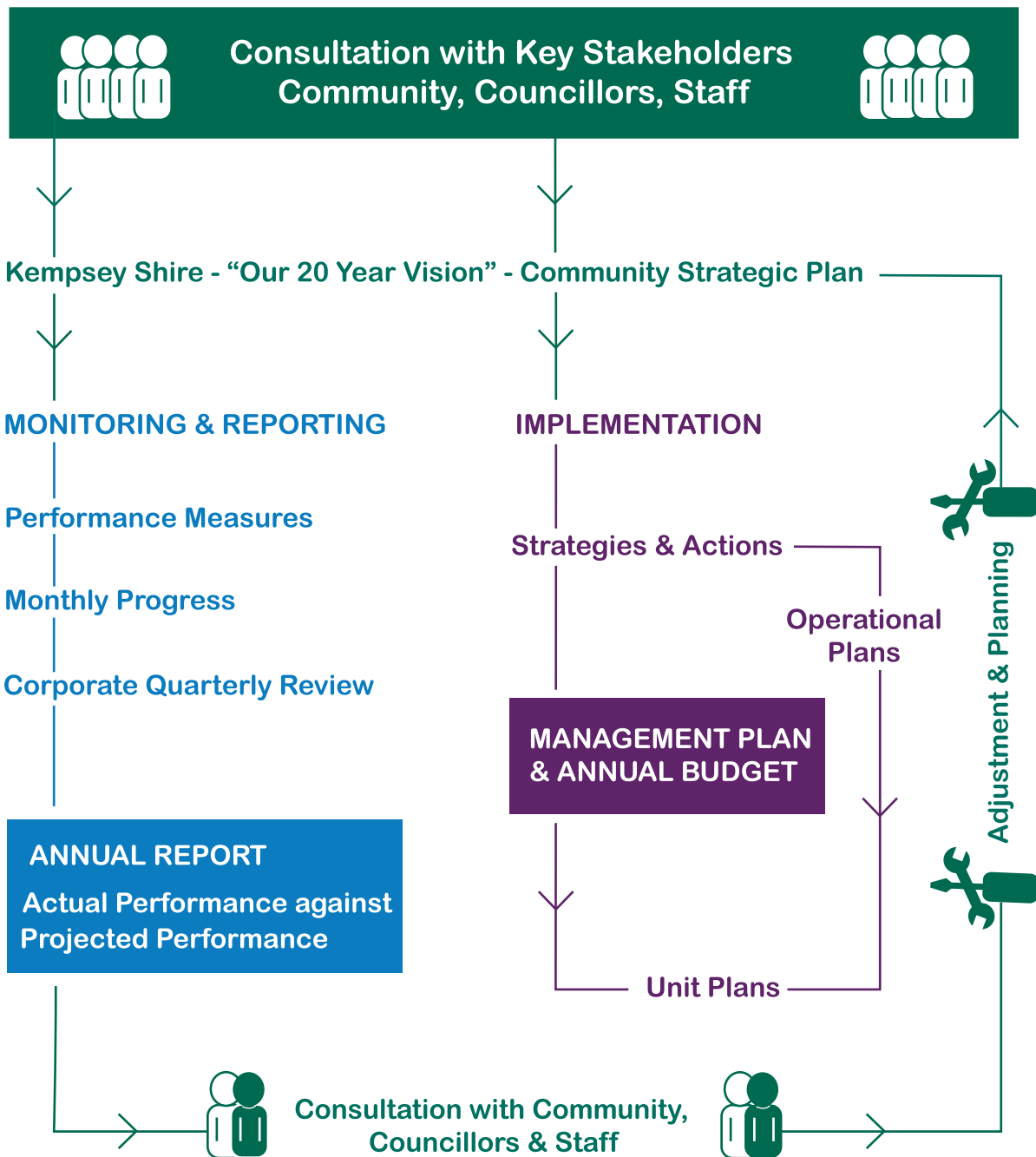
The diagram below shows how Council works with key stakeholders to plan, action, monitor, measure and review its performance in working towards its community strategic plan goals (page 6).

The linchpin in the process is the ideal of continuous improvement. Viewed in conjunction with the organisational structure on page 8 it provides a good overview of Council's operational configuration.

Through its Corporate Image, Communications and Customer Service Strategy, which incorporates a consultation matrix based on the principles of International Association of Public Participation (IAP2), Council aims to become a truly customer-focussed organisation.

Council uses triple bottom line reporting for all matters to be considered at Council meetings. Report recommendations include

information on the economic, environmental and social impact of the report. Council's planning and reporting framework is also influenced by the need to comply with the Local Government Act and Regulations and its desire to be open and accountable to its community.



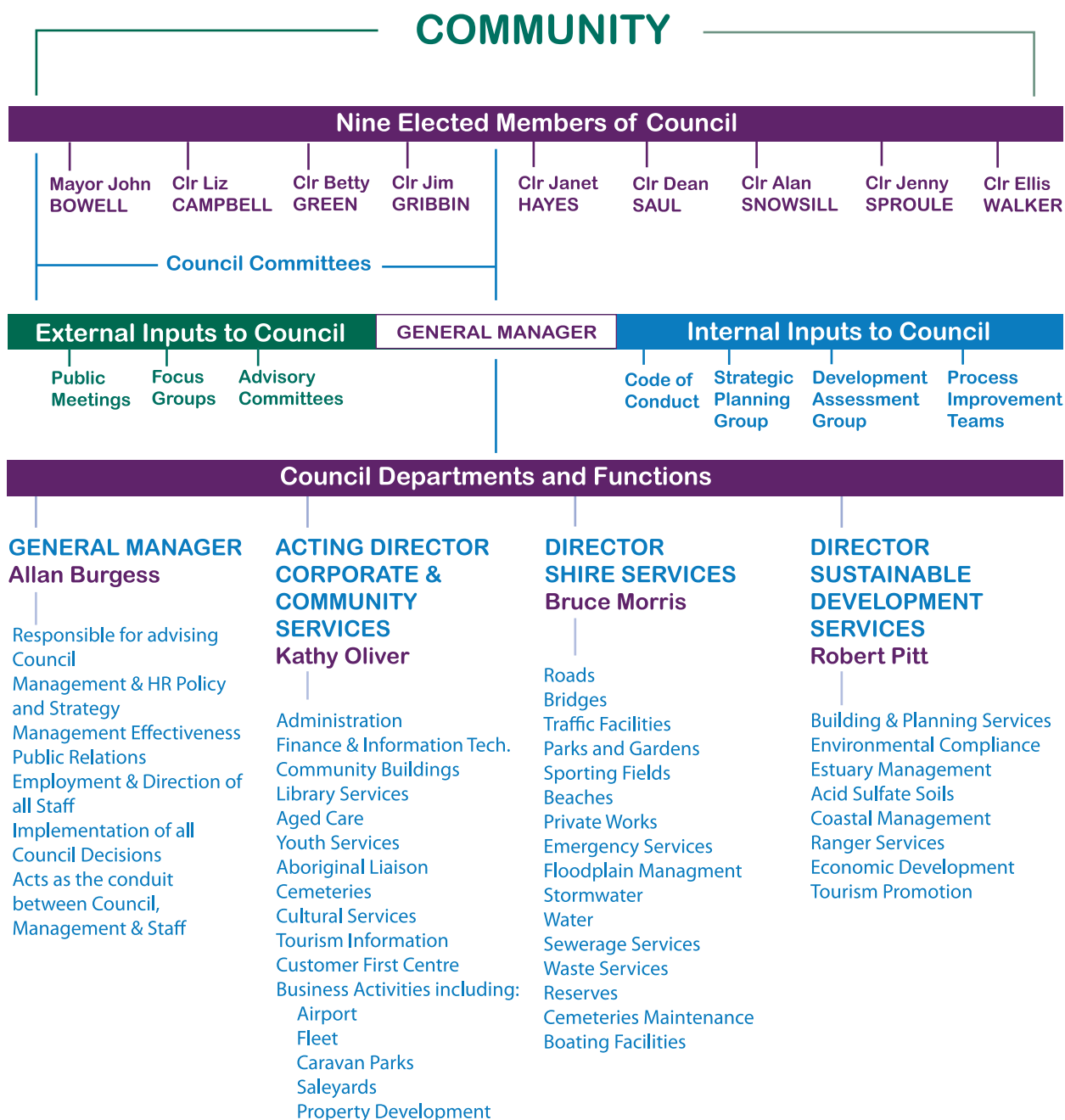
# Organisational Structure

Council's organisational structure was determined in September 2004 after local government elections in March of that year.

As shown in the diagram below the community elects nine councillors who employ the General Manager to manage the operational function of Council which is broken into three departments: Corporate and Community Services, Shire Services and Sustainable Development Services.

At the beginning of 2006/07 Council reviewed its reporting systems and an organisational restructure was undertaken in September 2006 to facilitate an internal audit process and to address the size and manageability of the Shire Services Department. In addition, Community Service operations are now incorporated into the Corporate and Community Services Department, leaving Shire Services to focus on its specialised service areas.

The Local Government Act (1993) requires that Council's organisational structure must be determined within 12 months after any ordinary election of the Council. A full review of the current organisational structure will be completed by the end of 2009.



# Executive Management Structure

**GENERAL MANAGER**  
Allan Burgess



*Fellow of Local Government Management Australia*

Joined Council in November 1998 after being externally recruited to the position of General Manager under a five year contract which was renewed in 2003 for a further five years.

Allan's major achievements at Council have included: Initiating and overseeing the development of Council's Community Strategic Plan; Introducing Service Standards and Key Performance Indicators to measure efficiency and the achievement of corporate goals, long term financial planning and the introduction of workplace process improvements.

**Areas of experience:** Accounting and Management

**DIRECTOR CORPORATE & COMMUNITY SERVICES (Acting)**  
Kathy Oliver



*Master of Business Administration*

Joined Council in 2003, has worked across the organisation in areas of economic and community development, planning, customer services and most recently corporate services. Key areas of interest are strategic planning, community development and corporate governance.

**Areas of experience:** Management and administration.

*Note: Bruce Snape retired from this position in January 2009.*

**DIRECTOR SUSTAINABLE DEVELOPMENT SERVICES**  
Robert Pitt



*Bachelor of Arts (Geog), Graduate Diploma of Natural Resources, Graduate Diploma of Urban and Regional Planning*

Joined Council in 1992 as Senior Town Planner. Promoted to Strategic Planning/Development Control Coordinator in 1998. Appointed as Director Sustainable Development Services in 2004.

**Areas of experience:** Town planning and Management.

**DIRECTOR SHIRE SERVICES**  
Bruce Morris



*Bachelor of Engineering (Civil) Hons, Diploma of Personnel and Resource Management, Member of Institution of Engineers Australia, Chartered Professional Engineer, Member Institute of Public Works Engineering Australia, Member Local Government Engineers Association*

Prior to his appointment to Council on 10 December 2007 Bruce worked in senior management with Forbes, Narromine and Cessnock Councils. Prior to working with local government Bruce was an Army Officer for 24 years.

**Areas of experience:** Civil Engineering Construction & Maintenance, Emergency, Project & Contract Management, Asset & Fleet Management, Business & Quality Management and Occupational Health & Safety.

# Elected Representatives

Councillors who sit on Kempsey Shire Council do not represent specific areas or wards of the shire. Nine councillors are elected by popular vote and each has a duty to consider the needs of the whole shire during his or her term of office. Councillors may nominate, or be nominated by other Councillors, to be part of various sub-committees of Council which fall into specific areas of interest or experience. In September 2008 Council elections were held with Councillor Terry Hunt retiring and Councillor Bob McWilliam and Councillor Brian Sowter not re-elected to office. At 30 June 2009, Kempsey Shire Council was composed as follows:

**MAYOR**  
Councillor John  
Bowell



**First elected:** 1995  
**Resides:** Kempsey  
**Areas of interest:** Health services, Kempsey hospital, mental health; the community; youth issues; closing the gap; employment; economic development and golf.  
**Occupation:** Retired - Former Director Environmental Health and Planning with Kempsey Shire Council. 47½ years in local government (Newcastle, Tweed & Kempsey)

**DEPUTY MAYOR**  
Councillor Dean  
Saul



**First elected:** 2004  
**Resides:** Seven Oaks  
**Areas of interest:** Kempsey by pass, flooding issues, the rural road network; cultural diversity; economic development; town improvements; and extending the tar seal.  
**Occupation:** Dairy Farmer

**COUNCILLOR**  
Liz Campbell



**First elected:** 2008  
**Resides:** East Kempsey  
**Areas of interest:** Administration, economic development, infrastructure and social responsibility.  
**Occupation:** Company Secretary with a background in Tourism. Currently studying Bachelor of Arts (majoring in sociology).

**COUNCILLOR**  
Betty Green



**First elected:** 2004  
**Resides:** Kempsey  
**Areas of interest:** Strategic planning and development, social cohesion, employment biodiversity and the environment, Deputy Chair Floodplain Management Authority.  
**Occupation:** Registered nurse 50 years, certified midwife 49 years, Director of Nursing 24 years/Executive Officer 11 years. Former Executive Director of Care Booroongen Djugen Aged Care.

**COUNCILLOR**  
Jim Gribbin



**First elected:** 2004  
**Resides:** South West Rocks  
**Areas of interest:** Community and ratepayer concerns; surf club and motorcycling.  
**Occupation:** Retired - former mine manager.

**COUNCILLOR**  
Janet Hayes



**First elected:** 1998  
**Resides:** East Kempsey  
**Areas of interest:** Executive, National Seachange Taskforce; Vice President, Shires Association; represents LGSA on the Regional Communities Consultative Council, the National Parks & Wildlife Advisory Council and more.  
**Occupation:** Member -Serious Offenders' Review Council, Member - Country Energy Advisory Group, Administrator Kempsey Showground.

**COUNCILLOR**  
Alan Snowsill



**First elected:** 2008  
**Resides:** East Kempsey  
**Areas of interest:** Social responsibilities; law and order; developing Kempsey Shire.  
**Occupation:** Retired from Sales & Marketing but now in the Hospitality industry.

**COUNCILLOR**  
Jenny Sproule



**First elected:** 1999 -2004  
Re-elected 2008  
**Resides:** Dondingalong  
**Areas of interest:** Ecologically Sustainable Development, Arts & Culture, Heritage, and maintaining our natural environment.  
**Occupation:** Project Manager

**COUNCILLOR**  
Ellis Walker



**First elected:** 2004  
**Resides:** Kempsey  
**Areas of interest:** Development of industrial land and an indoor sports/ civic centre; reviewing flood policy; town centre improvement; Kempsey Showground; farming; swimming and surf club.  
**Occupation:** Builder

# Corporate Governance

Governance is about being informative about what Council does and how it does it. Council needs to be accountable for its performance in achieving the required results. It needs to function effectively and in doing so needs to be transparent with its customers both external and internal.

Good governance means that the structures, activities, and operations of the organisation are conducted in accordance with the principles of legal compliance, probity, transparency, accountability, and respect for people within the organisation and for other stakeholders. Sound ethical principles such as honesty, fairness and respect should be followed at all times.

## Decision Making & Management

Kempsey Shire Council comprises nine Councillors who are popularly elected for a four year term. The Councillors are the governing body of the corporation and they have the responsibility of directing and controlling the affairs for the Council in accordance with the Local Government Act 1993.

The role of a Councillor is, as a member of the governing body of the Council:

- to direct and control the affairs of the Council in accordance with the Local Government Act 1993
- to participate in the optimum allocation of the Council's resources for the benefit of the area
- to play a key role in the creation and review of the Council's policies and objectives and criteria relating to the exercise of the Council's regulatory functions
- to review the performance of the Council and its delivery of services, and the management plans and revenue policies of the Council.

The role of a Councillor is, as an elected person:

- to represent the interests of the residents and ratepayers
- to provide leadership and guidance to the community
- to facilitate communication between the community and the Council.

The Mayor is currently elected by the

Councillors for a twelve month term and:

- exercises, in cases of necessity, the policy-making functions of the governing body of the Council between meetings of the Council
- exercises such other functions of the Council as the Council determines
- presides over meetings of the Council
- carries out the civic and ceremonial functions of the Mayoral office.

From 2012, the Mayor will be popularly elected at Council elections for a four year term.

Decisions of Council are made by resolution at a Council meeting. Ordinary meetings of Council are held on the second Tuesday of each month and commence at 9.00am. Committee meetings are also held. Committees can be comprised entirely of councillors or can comprise a mix of councillors, staff and members of the public. Where committees have delegated authority their decisions are final and they do not have to come to Council for confirmation. Where committees do not have delegated authority they make recommendations to Council or the appropriate director.

Public notice is given of Council meetings and of committee meetings where all members of the committee are councillors. Members of the public are invited to be in attendance except during discussion of confidential items as defined under section 10A of the Local Government Act 1993.

The conduct of meetings is governed by Council's Code of Meeting Practice. The Code incorporates provisions of the Local Government Act 1993, the Local Government (General) Regulation 2005 and Council policy. Members of the public can obtain permission to address Councillors at the ordinary meeting of Council on an item that is on the agenda for that meeting.

A councillor or a member of a Council Committee, who has a pecuniary interest in any matter with which the Council is concerned and who is present at a meeting of the Council or committee at which the matter is being considered, must disclose the interest to the meeting as soon as practicable. The councillor or the member of a Council committee must also disclose the nature of

that interest and not take part in discussion of the matter and must leave the meeting room and not vote on any question relating to the matter.

## Clarity of Roles & Responsibilities Between Elected Members & Staff

Based on the provisions in the Local Government Act, councillors and staff have distinctly different roles to play in Council.

The Council is responsible for the strategic direction, for determining the policy framework of Council, for monitoring management's performance and for monitoring financial performance and reporting. The Council also has a statutory role as the consent authority, under both the Environmental Planning and Assessment Act and the Local Government Act, for applications for development consent and local approvals.

The General Manager is responsible for the effective management of the organisation, for the carrying out of Council's policies and strategic objectives and for ensuring Council is provided with accurate and clear information in a timely manner to promote effective decision making.

Council only employs the General Manager and it is the performance of the General Manager that it monitors. All other staff are employed by the General Manager and it is his responsibility to monitor their performance. Council cannot direct any staff member other than the General Manager.

## Code of Conduct

Kempsey Shire Council is committed to maintaining a reputation for fair dealing and high standards of ethical behaviour.

The Code of Conduct applies equally to everyone – Councillors, staff and delegates on committees of Council. The Code of Conduct outlines the standards of behaviour that are important if Council is to pursue a reputation of always acting in the best interests of its community.

The community is entitled to expect that the business of Council will be conducted with efficiency,

# Corporate Governance

impartiality and integrity and that duty to the public will always have absolute priority over private interests.

Council's Code of Conduct reflects its determination to act in away that will create the highest level of confidence from the community.

## Communication

Council has a Corporate Image, Communication and Customer Service Strategy that is reviewed on a regular basis.

In respect of communication, the strategy aims to:

- a) improve the level of internal and external communication of Council;
- b) consult with the community, identify opportunities and methods for effective consultation, encourage public participation and provide feedback to the community; and
- c) develop a strong and co-operative relationship with local and regional media and enhance the media skills of management and staff.

Council communicates with its customers through media releases, mayoral column, newsletters, web page or email, by conducting questionnaires, public meetings, mail outs, by inviting the public to make submissions, letterbox drops,



*Above: Councillor Terry Hunt retired from office and did not seek re-election at the 13 September 2008 Council Elections. He was presented with a certificate of appreciation at his last Council meeting in early September 2008.*

displays, radio, by forming focus groups and through the publication of the Management Plan and Annual Report. Residents also have the opportunity to address Council about issues included in the ordinary council meeting business paper.

Council communicates with staff by distributing the minutes of Management meetings, Council meetings, and Joint Safety and Consultative Committee meetings.

Team meetings are held on a monthly basis. Information is also distributed to staff rooms, attached to pay slips and via email.

A staff newsletter, Inbiz, is distributed to all staff on a monthly basis and the development of the Intranet has provided staff with access to data, policies, award information, procedures, plans and strategies.

## Payment of Expenses & Provision of Facilities to Councillors

Councillors are required to attend meetings of Council and its committees, to represent Council at public functions, to attend training and professional development sessions and to attend conferences that relate to the business of Council.

These meetings are not only held in Kempsey Shire but are often held in Sydney or in regional New South Wales. The attendance at meetings can involve expenses relating to travel, accommodation and sustenance. Under these circumstances Council pays these expenses up to the limits outlined in the Policy.

Council provides the Mayor with a vehicle and mobile phone if required. Each Councillor is provided with a fax, a telephone answering machine and computer facilities.

Telephone expenses are also paid to each Councillor and Councillors are provided with a corporate wardrobe.

Each Councillor receives an allowance within a range set by the Local Government Remuneration Tribunal. The Mayor receives a Mayoral Allowance within a range set by the Local Government Remuneration Tribunal.

## Accountability – Performance Management

Within Council's Community Strategic Plan there are a number of strategies that cover a longer term, each with their own measures and performance indicators. Council determines whether these measures are being achieved through the collection of data or through a survey questionnaire. Council's bi-annual survey (last conducted in October 2008) is conducted by a professional survey company and participants to the survey are selected at random. Many of the questions posed to participants relate to the performance indicators in the Council's Community Strategic Plan. The General Manager reports the results to Council.

Council is responsible for assessing the performance of the General Manager. Each year the General Manager and Council agree on the outcomes to be achieved. Outputs to deliver those outcomes are prepared with performance measures. Council appoints a General Manager's Performance Review Panel comprising Councillors and a representative of the General Manager and this meets with the General Manager on a quarterly basis. A report on the results of those meetings is presented to Council. The annual performance appraisal of the General Manager is conducted by the full Council. This appraisal is facilitated by an external consultant mutually agreed to by Council and the General Manager.

Each year Council prepares a Management Plan, which details what Council hopes to achieve in each of its principal activity areas. The Management Plan outlines Council's operational plans, objectives, strategies and performance measures for a particular financial year. Objectives, strategies and performance measures are developed for each of the principal activities in Council's operations.

The General Manager reports to Council at the end of each quarter as to the extent to which the Performance Targets set by the Council's current Management Plan have been achieved during the quarter.

The General Manager requires all

# Corporate Governance

managers to develop outputs and performance measures in respect of their areas of operation. These outputs include the outputs in the Management Plan as well as outputs relating to their work programs.

The Directors report on the progress of the attainment of these outputs to the General Manager on a monthly basis.

## Risk Management

We are continually endeavoring to minimise, and where possible eliminate, Council's risk exposure in the injury, non-injury and public liability areas.

All employees are risk managers and they are trained to report damage as a pro-active measure to minimise the possibility of claims. Council is committed to protecting as well as possible the health of the public utilising its facilities and infrastructure.

Council has a staff safety committee that meets on a quarterly basis and investigates safety issues in the workforce. The committee makes recommendations direct to the General Manager. A greater part of Council's training budget is utilised in training staff on the safe use of machinery, vehicles and on safe work procedures. Council employs a Safety Officer who has introduced new work methods and ensures their continued implementation and compliance with the Occupational Health and Safety Act.

Each month the Executive Management Team, made up of the General Manager, Directors and the Human Resources Manager review safety statistics and the results of internal benchmarking of frequency rates, lost time injuries, lost time days and cumulative workers compensation claims.

## Access to Documents

Section 12 of the Local Government Act 1993 outlines the documents that Council must make available for inspection. Council will allow documents to be taken away in certain circumstances to allow a person to photocopy the document. If Council is required to photocopy a document a photocopying charge in accordance with our Fees and Charges is payable by the applicant in accordance with section 12B of the Act.

Members of the public can access information through the Freedom of Information (FOI) Act. In respect of an FOI application Council charges the maximum fee prescribed by the legislation.

Council endeavors to assist persons seeking information under FOI by providing informal access to certain documents rather than requiring formal FOI applications.

In accordance with section 33 of the Privacy and Personal Information Protection Act 1998, Council has adopted a Privacy Management Plan.

Council's actions are also governed by the Privacy Code of Practice for Local Government.

Council has appointed a Privacy Contact Officer who has been delegated authority to handle enquiries from the public and to conduct training and mentoring of staff within Council on the Act.

## Complaints Handling

Members of the public can make complaints by contacting Council personally, by telephone, faxing or emailing Council or by writing to the General Manager.

Council strives to provide its services efficiently and effectively to minimise any causes for complaints. Kempsey Shire Council recognises that any complaints received provide the organisation with an opportunity to identify and resolve issues of concern raised by members of the community.

If a complaint is received procedures are in place to ensure that the complaint is managed so that a proper outcome is achieved within a minimum of time.



Left: In June 2009 Council conducted its Ordinary meeting at Bellbrook in the community hall.

# 2008-09 Year in Review

## 2008

### July

- Macleay Water's "Pot Trailer" highly commended in Occupation Health & Safety category of IPWEA Awards.
- \$19m South West Rocks sewage treatment plant upgrade and water recycling plant commences.
- Council hosts the National Conference for Saleyard Operators of Australia.
- Kempsey Showground pavilion restoration underway.

### October

- 2nd "Waste into Art" exhibition at Macleay Valley Community Art Gallery.
- Boyters Lane Wetlands project, funded by the Australian Government Water Grants Scheme, officially handed over to Council.
- \$5.1million Maria River Bridge, 8km south of Kempsey, opened.
- Aldavilla and Stuarts Point Primary Schools accredited as "Waterwise Schools".
- "River of Life" Community Art Project held at Stuarts Point.

### August

- Shire Library launches 'Living Library'.
- Extra leash free areas for dogs trialed in Kempsey and South West Rocks.
- New Stuarts Point Footbridge opened.
- Yarrahappini Festival held for first time in 9 years.
- Macleay Valley showcased at Country Week Expo at Rosehill Racecourse, Sydney.

### November

- Community Survey conducted by Micromex Research to identify ratepayers needs.
- Kempsey McElhone Memorial Pool celebrates 70th Anniversary with opening of the heating of the 25m pool.
- Council receives \$595,000 from Federal Government's Regional and Local Community Infrastructure Program (RLCIP).

### September

- Council elections held – three new councillors elected.
- Cr John Bowell elected Mayor with Cr Dean Saul elected Deputy Mayor.
- Council approves \$5million Aged Care Facility for South West Rocks.
- Youth Advisory Council hosts a Forum for Youth.
- Planning approval granted for highway bypass.

### December

- Horseshoe Bay runner-up in the Environmental Protection Award at State level in the Keep Australia Beautiful NSW Clean Beach Challenge.
- \$14m Riverfront Plaza opens.
- Visitor Information Centre Gallery used to display the artwork of local Aboriginal artists.
- Council receives \$700,000 in Federal funding to construct Bellbrook water treatment plant.
- Council establishes Sherwood Road Environmental Improvement Precinct.

## 2009

### January

- Australia Day award celebrations held.
- Shire's Australia Day ambassador, Warren Mundine.
- Report released on Independent Inquiry into Secure and Sustainable Urban Water Supply and Sewerage Services for Non-Metropolitan NSW.
- Action on Ageing Strategy on public exhibition.

### April

- Council introduces a new green waste collection service.
- Youth Week celebrations include art and performance nights at Melville High School and skate competitions.
- Council and Macleay Landcare host "Caring for Our Country" weed identification program.
- Kempsey Regional Saleyard ranked in top 20 saleyards in NSW for 2007-08.

### February

- Macleay Valley declared natural disaster area after flood causes \$7m damage.
- Medical scholarships awarded to 2 local high school students.
- Council rezones 76ha of land in South Kempsey for future industrial development.
- Council marks World Wetlands Day by hosting "Breakfast with the Birds" at Boyters Lane wetlands, South West Rocks.
- Council Meeting held at Stuarts Point Community Hall.

### May

- Macleay Valley residents isolated for several days after major flooding on May 25.
- Macleay Valley Recovery Centre established to help flood-affected residents.
- Federal Government announces \$618m funding for Stage One of Kempsey to Frederickton highway bypass.
- Council announces appointment of new general manager, David Rawlings to commence 6 July 2009.
- Construction commences on \$13.9 m Kempsey Police Station.

### March

- Council hosts Seniors Expo at Kempsey Showground during Seniors Week.
- Kempsey Library hosts "In Living Memory" photographic exhibition.
- Council assists with funding for cricket nets at the Frederickton Sporting Complex.
- Macleay Tourism receives \$70,000 funding as part of the State Government's \$40m tourism strategy.

### June

- Council Meeting held at Bellbrook Community Hall.
- Waste Watchers Program visits schools across the shire.
- Council coordinates community project to repaint Crescent Head water tower.
- Kinchela Public School and Kempsey Adventist School receive "Waterwise" accreditation.
- Human Sign project undertaken by local schools with support from Council.

# Community Survey Results

The 2008 Community Survey was conducted by Micromex Research using a structured questionnaire, developed in conjunction with Council Officers, and administered on a computer aided telephone system. It was conducted during the period 7-14 October 2008 from 4.30pm to 8.30pm, Monday to Thursday in the Kempsey Shire Local Government Area.

The Survey used a sample size of 300 residents, providing a maximum sampling error of plus or minus 5.8% at 95% confidence. The survey was conducted in accordance with IQCA (Interview Quality Control Australia) Standards and the Market Research Society code of Professional Conduct.

This year's Survey was based on a quadrant formula which enabled Council's key services in areas such as Community Facilities, Infrastructure,

Human Services, and Corporate Services and Management to be analysed and ranked according to the importance and level of satisfaction to survey participants. The table below shows the results of this quadrant analysis.

This format also enabled Council to compare its performance in key areas with that of other Councils. For example, the survey showed that 58% of survey respondents were 'satisfied' or 'very satisfied' with council's performance, 23% were neutral and 18% were 'dissatisfied' or 'very dissatisfied'. This level of satisfaction is marginally lower than the Local Government Area (LGA) Benchmark developed by Micromex using results from twenty councils.

In the areas of general garbage collection, libraries, recycling and satisfaction with community

consultation/communication, however, Council performed better than the developed LGA Benchmark.

Overall, the survey identified the current high priorities for the community as follows:

- 1) Community safety and law and order initiatives
- 2) Rural roads
- 3) Financial management
- 4) Town roads
- 5) Public toilets
- 6) Land use planning
- 7) Economic development
- 8) Footpaths
- 9) Affordable housing
- 10) Environmental and sustainability initiatives.

Council will use the information provided by this survey for future planning and resource management.

<b>Kempsey Shire Council Community Survey</b> <i>results compiled by Micromex Research, November 2008</i>			
<b>Importance and satisfaction ratings on services and facilities</b>			
<b>Higher priorities</b>	<b>Higher importance Lower satisfaction</b>	<b>Higher importance Higher satisfaction</b>	<b>Council's strengths</b>
	Community safety and law and order initiatives Town roads Financial management Rural roads Public toilets Environmental and sustainability initiatives Affordable housing Footpaths Land use planning Economic development	Water supply General garbage collection Recycling Aged services Disability access Sewerage management Parking Drainage/flood management Council's customer service Libraries Tourism management Landfill sites/Waste transfer stations	
<b>Lower priorities</b>	<b>Lower importance Lower satisfaction</b>	<b>Lower importance Higher satisfaction</b>	<b>Council's strengths</b>
	Youth services Relationship with indigenous community Quality of town centre and public spaces Development & building controls Opportunities to participate in Council decision making Youth facilities Kerb and guttering Cycleways and bicycle facilities Arts, culture and entertainment facilities	Day visitor areas Parks Swimming pools Sporting facilities Community halls Boat ramps, jetties & wharves Caravan parks Saleyards	

## Delivery of Service Standards

Council has adopted service standards to ensure that a high quality of service is provided to our customers. These standards also help our organisation cultivate a culture of continuous improvement.

The service standards are monitored and performance against these standards is reported to Council on a quarterly basis. Council is very proud of the results achieved in delivering service standards this year. The performance results achieved for the 2008/09 year were:

- ***When you write to Council you can expect a reply or an acknowledgement letter relating to your enquiry within 14 days of receipt.***

74.7% of correspondence was replied to or acknowledged within 14 days of receipt.

...

- ***When you make a complaint to Council you can expect that your complaint is investigated and replied to within 10 working days.***

76.57% of complaints were investigated and replied to within 10 working days.

...

- ***We will resolve enquiries at first point of contact to service level agreements in 70% of cases.***

77.40% of enquiries received by Customer First were resolved at first point of contact to Service Level Agreements.

...

- ***We will make the agendas for Council meetings available to the public at least 90 hours before the meeting.***

Agendas for Council meetings were available, on average, 120 hours prior to meetings.

...

- ***We will issue Section 603 Certificates in less than 3 days.***

Certificates were issued on average in 0.43 days.

...

- ***We will reduce the total number of staff lost time injuries to less than***

### ***21 per million hours worked.***

Staff lost time injuries were 16.20 per million hours worked.

...

- ***We will ensure that the AAAT rating of Council's holiday parks are at least maintained at 3.5 star for Crescent Head, Hat Head and for Stuarts Point and 2.5 star for Grassy Head.***

All four of the 4 Shore Holiday Parks retained their AAA and Gumnut Ratings at current levels.

...

- ***Water supply failures will be responded to within two (2) hours of being reported.***

98.5% of water supply failures were responded to within 2 hours.

...

- ***Sewerage service system failures will be responded to within 2 hours of being reported.***

86.3% of sewerage service system failures were responded to within 2 hours of being reported. Flood events caused delays in response times.

...

- ***Dangerous road hazards will be responded to within 5 working hours of being reported to Council except for severe weather or emergency conditions.***

100% of the 123 hazards reported were responded to within 5 working hours.

...

- ***Council maintained gravel roads will be graded at least once a year.***

48.8% of Council maintained gravel roads were graded. The result of this standard was affected by floods. All maintenance grading was suspended while crews attended to flood repairs.

...

- ***Blockages to Council's drainage system that are likely to cause property damage will be cleared within 24 hours of reporting.***

87.9% achievement.

...

- ***We will reply to all requests for work in public parks within 10***

### ***working days.***

71% of requests replied to within 10 working days.

...

- ***All domestic waste management collections provided to residential properties will be collected by 2.00pm on the respective collection day subject to no mechanical breakdown of equipment.***

Some runs were diverted due to floods and bridge damage but overall runs were still completed in correct time frames.

...

- ***We will respond to complaints relating to environmental quality within 7 days so as to avoid preventable harm to the environment.***

81.8% of complaints were responded to within 7 days.

...

- ***We will continue to develop procedures to approve construction certificates in accordance with Industry Best Practice within 30 days.***

92.6% construction certificates approved within 30 days.

...

- ***We will continue to develop procedures to approve development applications in accordance with industry Best Practice within 30 days.***

87.4% of Development Applications were approved within 30 days.

...

# Financial Trends & Future Directions

The following financial goals were set by Council in the 2008/09 Management Plan to:

- Increase the General Working Funds balance.
- Increase revenue gained from Council's Business Activities.
- Decrease the percentage of Outstanding Rates.
- Plan for effective management of our Debt Service Ratios.

The following comments are provided in respect of the significant progress made in the achievement of these goals during 2008/09.

## General Working Funds

General Fund working funds have increased by \$312,376 from \$610,516 to \$922,892. As a result of the global financial crisis Council adopted a budget deficit of \$142,277 in 2009-10, utilising working funds. This occurred through lower earning on investments and increased superannuation costs.

## Revenue from Council's Business Activities

Recurrent revenue from Council's Caravan Parks, Airport and Saleyards businesses grew to \$2,364,416 in 2008-09, an increase of 11.37 % over the previous year. This continues the trend of increasing revenue in the last

ten years.

## Outstanding Rates

The Outstanding Rates percentage dropped from 5.66% in 2007-08 to 4.75%, an indication of the effectiveness of Council's revenue collection.

## Debt Service Ratio

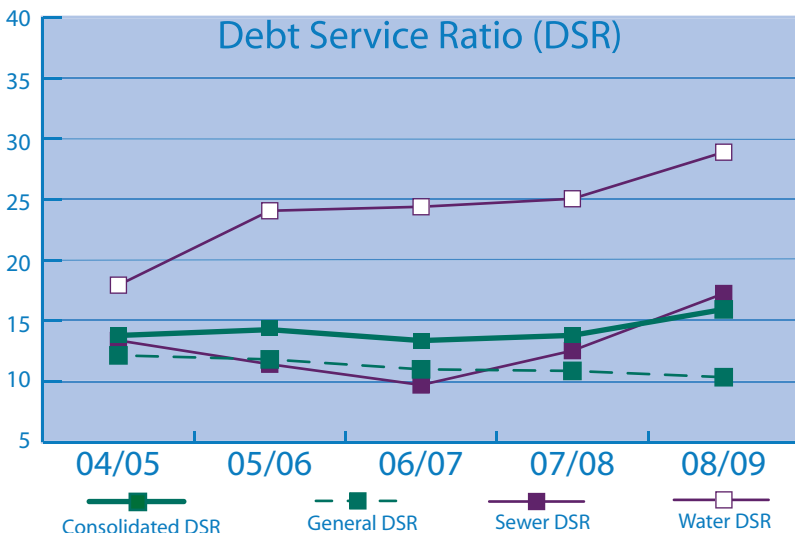
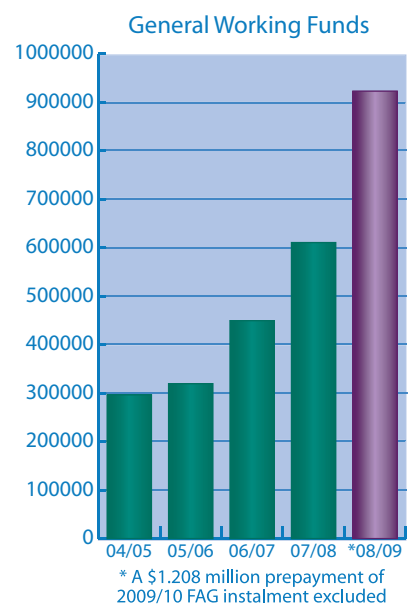
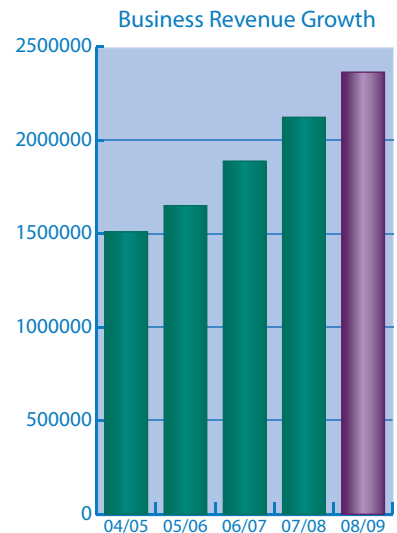
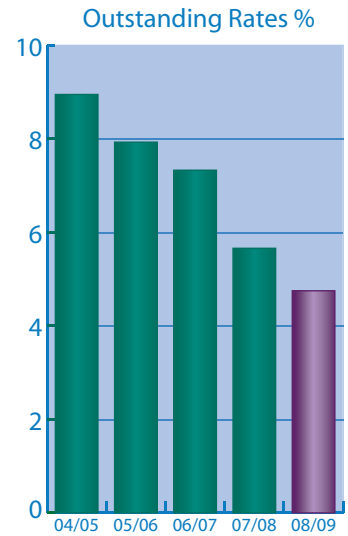
The Debt Service Ratio has increased from 13.81% to 15.95% in line with adopted budget projections. This reflects Council's decision to undertake investment through borrowing to fund new water and sewer projects and infrastructure renewal.

The graph below shows Council's Debt Service Ratio (DSR) for General Fund, Water, Sewer and the Consolidated DSR.

The graphs to the right show Council's progress in achieving its financial goals.

More detailed information on the results achieved in 2008-09 is on pages 34-44 of this report.

Alternatively, a complete set of financial statements is available separately which forms Part B of this report.



# Human Resources Activities

## Year in review

Council, through its Human Resources Strategy, endeavoured to manage the people involved in its business in a way that acknowledges their importance to the development of organisational capability and business success.

There has been continued support for staff undertaking tertiary training and existing Worker Traineeships; and support for work experience and compulsory work placement with programs through local high schools, TAFE and universities.

## Human Resources Outcomes

Council achieved an unplanned turnover rate of 4.93% for the 2008-09 year compared with an unplanned turnover rate of 4.13% for the 2007-08 year.

During the year the human resources focus was on recruitment with 51 positions being advertised and 42 positions filled. A total of 464 applications were received for the positions advertised.

### Employer of Choice

Council strives to be an employer of choice and a key indicator of its success in this ambition is its ability to attract and retain staff.

As a result, Council continues to embrace "good" employer of choice policies and processes as well as its

corporate responsibility. Council realises that its employees are best placed to be reputation champions for the organisation and we continue to develop our employer of choice program.

During 2008-09 the average number of days positions were vacant was 78.72.

Council's ability to attract and retain skilled and talented staff is fundamental to our approach to effective workforce planning. Strategies are in place to address the skills shortages which impact on town planning, engineering, finance, human resources and related disciplines.

### Workplace Equity & Diversity

Council continued its ongoing focus on fostering a culture that values and responds to the diversity of its staff and community.

Council's Equal Employment Opportunity (EEO) Reference Group continued to play an important role in promoting equity and diversity issues throughout the workplace and community. The EEO Reference Group met 4 times during the reporting year.

The aim is to achieve representation of EEO groups in our workforce that is equitable with their representation in the general community.

### Recruitment Statistics

All vacant positions were advertised and filled in accordance with the merit principle, the Local Government Act

1993, the Local Government (State) Award and the EEO Management Plan.

### Employment of Women

Council statistics on the employment of women for 2008-09 were as follows:

Number	Total
Positions Available	42
Applications received	464
Positions where females applied	29
Positions where females were successful	10

### Employment of people with Disabilities

During the 2008-09 year Council did not employ any staff with disabilities.

### Employment of people of Aboriginal and Torres Strait Islander Descent

Council employed one person of Aboriginal and Torres Strait Islander Descent during the reporting period. The criteria for this position was a designated aboriginal position which attracted 20 applications.

### Employment of people from Non English Speaking Backgrounds

Council employed one person from a non English speaking background.

### Flexibility for Work and Family Arrangements

Staff are informed of the opportunities for flexible working arrangements, with some staff taking up the opportunities of part time work on return from maternity leave.

### Senior Staff Remuneration

Consistent with Section 332 of the Local Government Act 1993, Council designates the Senior Staff positions within Council. The General Manager is the only designated Senior Staff member within Council's structure.

The total remuneration package for the General Manager in the reporting year was \$235,559.



Left: Staff were able to attend Cultural Awareness Training during 2008-09.

# Human Resources Activities

## Workforce Profile

As at 30 June 2009 Council employed 268 full time equivalent staff (FTE) with a head count of 281. This figure includes all full time, part time, temporary staff and apprentices/trainees as follows:

• Full time	233
• Part time	38
• Apprentices/trainees	4
• Temporary	6

Like most organisation within Australia, Council's workforce is maturing. The average age of Council's workforce as at 30 June 2009 was:

• Female	45.14
• Male	46.18

The average age of Council's management team was 49.27 years.

The average annual salary of Council employees was \$48,430 with the average salary by gender as follows:

• Female	\$46,860
• Male	\$49,273

The average length of employee service was 9.76 years with the length

of service by gender as follows:

• Female	6.18 years
• Male	10.50 years

## Health and Wellbeing

As previously stated, Council's workforce is getting older. This reflects the general ageing trend of the Australian population.

An older workforce represents a risk to any organisation in terms of the potential loss of experience and corporate knowledge and in maintaining the physical capability of employees to undertake their jobs, particularly where they involve physical demands.

A number of strategies have been developed to address this issue, including a workforce planning project and a Health and Wellbeing Program. These innovations will continue to be rolled out across the organisation in coming years. Throughout the 2008-09 year Council hosted information sessions for employees on Diabetes, Dementia Awareness, Hearing Awareness, Stroke, Skin Cancer and Superannuation.

## Employee Welfare

Council's Employee Assistance Program (EAP) assists in maintaining the health and wellbeing of its employees. The program assists employees who have experienced personal and/or work related problems that are affecting their performance.

Use of the EAP is voluntary and confidentiality is maintained to ensure job security and promotional opportunities are not jeopardised by participation.

## Occupational Health and Safety (OH&S)

The safety of employees is of paramount importance and Council aims to provide staff with a healthy, safe and injury-free work environment. It is committed to zero harm to all employees by providing a safe, healthy and injury free working environment.

During the previous 12 months, our OH&S system was reviewed to ensure that it allows employees, contractors and visitors to undertake their activities in a safe and healthy work

## Training Courses provided by Council for Staff in 2008-09

<p>ABDC Practical Tools for Engaging Communities</p> <p>Activated Sludge &amp; Aerated Lagoon</p> <p>NCAHS Aged Care Services</p> <p>Alcohol ,Other Drugs and Mental Health</p> <p>Alcohol Excessive Use-the Local Game Plan</p> <p>Accredited Visitor Information Centre</p> <p>Application &amp; Implementation of Drinking Water Recycled and Source</p> <p>Behavioural Interviewing</p> <p>Bonded Asbestos Removal</p> <p>Breathing Apparatus training</p> <p>Business Letter Writing</p> <p>Case Management</p> <p>Cultural Awareness</p> <p>Climate Change</p> <p>Chainsaw Levels 1 &amp; 2</p> <p>Chemical Handling &amp; Dosing training</p> <p>CivicView training</p> <p>Crisis Management training</p> <p>Conflict Resolution</p> <p>Confined Spaces training</p> <p>Crane and Plant Electrical Safety</p> <p>Dementia training</p> <ul style="list-style-type: none"> <li>• Dementia and Art for therapy</li> <li>• Dementia Aged Care</li> <li>• Living with Dementia</li> </ul> <p>Dangerous Goods</p> <p>Duty of Care and Dignity of Risk training</p> <p>Emergency Electrical Systems</p>	<p>Effective Investigations Process</p> <p>Employment Law</p> <p>Emergency Operations Centre training</p> <p>Epilepsy Awareness</p> <p>Evacuation Warden training</p> <p>First Aid</p> <ul style="list-style-type: none"> <li>• CPR</li> <li>• Defibrillator Training</li> </ul> <p>FBT Obligations</p> <p>Food Act Seizures</p> <p>Greywater- Domestic management</p> <p>Geometric Road Design</p> <p>Healthy Planning</p> <p>Healthy Soils &amp; Trees</p> <p>Heavy Vehicle Driver Fatigue awareness</p> <p>ICAC Corruption Prevention</p> <p>Local Govt Legislative training</p> <p>MapInfo Levels Basic &amp; Professional 1</p> <p>Meeting and Facilitation Skills</p> <p>Mental Health Awareness</p> <p>Microsoft Office Applications</p> <ul style="list-style-type: none"> <li>• Excel</li> <li>• Word</li> </ul> <p>Noise Management</p> <p>OHS Construction Induction</p> <p>Oiled Shoreline Clean up</p> <p>Planning Practices &amp; Reforms</p> <p>Plumbing Inspection Techniques</p> <p>Privacy &amp; Confidentiality in Community Care</p>	<p>Power and Energy Management</p> <p>PowerBudget</p> <p>Presentation Skills</p> <p>Preventing Bullying &amp; Harassment</p> <p>Rates Financial &amp; Property Controls</p> <p>Records Management Fundamentals</p> <p>Recycled Water &amp; Risk Assessment Process</p> <p>Respite and Carelink</p> <p>Responding to Abuse of Older People</p> <p>Report Writing</p> <p>Roads Unsealed</p> <p>Safe Home Visiting</p> <p>Stress Management</p> <p>Supporting Adults through Loss and Grief</p> <p>Sustainable Procurement</p> <p>Supervising a Safe Workplace</p> <p>Telemetry Basic Operations</p> <p>Telemetry Advanced Configuration</p> <p>Tender and Assistance Program Training</p> <p>Time Management</p> <p>Taking Care of Yourself When Working in Human Services</p> <p>Traffic Control</p> <p>Understanding &amp; Maintaining Boundaries in Aged Care</p> <p>Water and Sewer Systems</p> <p>Writing Proposals and Submission Applications</p> <p>Worksite Traffic Control</p>
--	--	--

## Human Resources Activities

environment.

An OH&S audit was conducted by Council's insurer StateCover which determined that Council had satisfactorily completed the three Key Performance Indicators of the audit. This achievement resulted in a \$40,041.39 incentive payment to assist Council with the implementation of further proactive OHS processes.

During the reporting period the Joint Safety and Consultative Committee, which meets every two months, met six times. All members of the committee were fully accredited with OH&S Committee member training. Regular workplace inspections were carried out throughout the year and reports acted upon. Promotion of OH&S issues/updates and safety messages continued through the staff newsletter as well as educational flyers attached to pay slips.

Council is pleased to report a downward trend in the number of workplace injuries due to the focus placed on OH&S awareness and skills development.

### Benchmarking OH&S Program

The OH&S Benchmarking Program continued against member Councils of the Mid North Coast Group of Councils. These included Coffs

Harbour, Bellingen, Nambucca, Port Macquarie Hastings, Greater Taree, Great Lakes and Gloucester Councils.

Regular meetings with the group facilitates better practice and information exchange, the comparison of OH&S data and intellectual property. The results of that benchmarking program highlight our significant results in OH&S compared with member Councils.

### Staff Training & Development

The table on the previous page lists the types of training Council provided to its staff during 2008-09.

Council also supported employees in continuing their professional development through their attendance at conferences and seminars such as those for:

- Australian Institute Building Surveyors
- Australian Water Association NSW
- Cemeteries and Crematoria Association
- COPS Community Options State Conference
- Floodplain Management,
- IPWEA State Conference
- Water and Wastewater Insight Technical Seminar
- Local Government Aboriginal Network,
- LGSA Tourism Conference,
- LGSA Water Management
- Local Government Sustainable Development Conference
- Mental Health Support Workers Conference
- National Fleet and Diverse Fleet

Conference

- Neighbour Aid and Social Support Annual Conference
- Local Government Finance Professionals Conference
- LGSA Personal Assistants/Executive Assistants Conference,
- Planning Institute Australia Conference,
- NSW Revenue Professionals Conference
- Waste 09 Annual Conference

Council also assisted staff in their external studies in:

- Certificate II Water Industry Operations
- Certificate III Asset Management (Waste)
- Certificate IV Website Design
- Certificate II Automotive Mechanical Air Conditioning
- Certificate IV Information Technology
- Certificate IV Fleet Management
- Certificate IV Business Management
- Bachelor Urban and Regional Planning
- Graduate Diploma in Management
- Bachelor Arts-Communication.



Above: The long service of several Council employees was recognised at an early morning Recognition Breakfast in June 2009. Warren Howe is pictured here receiving his award from General Manager, Allan Burgess.

# Principal Activities

Council's principal activities are the essential activities Council must undertake to successfully achieve its Community Strategic Plan (CSP) goals. While the CSP goals guide the organisational direction of Council, each of the principal activities, listed below, also have their own goals and supporting plans to ensure Council stays focused on its appropriate core functions.

Pages 21-33 of this Annual Report are dedicated to reporting on the performance outcomes and achievements of each of these principal activities for the 2008/09 year.

Principal Activity	Goal	Supporting Plans
<b>Ecological &amp; Economic Sustainability</b>	<ul style="list-style-type: none"> <li>To facilitate ecological and economical sustainable development in the Shire.</li> </ul>	<ul style="list-style-type: none"> <li>Solid Waste Management Plan</li> <li>Landfill Fire Management Plan</li> <li>Landfill &amp; Transfer Stations Operational Plan</li> <li>Industrial Land Strategy</li> <li>Residential Land Release Strategy</li> <li>Rural Residential Land Release Strategy</li> <li>Ecologically Sustainable Development Strategy</li> <li>Saltwater Creek Estuary Management Plan</li> <li>Killick Creek Estuary Management Plan</li> <li>Macleay Valley Coast Tourism Strategic Plan</li> <li>Strategic Plan for the Economic Development of Kempsey Shire</li> </ul>
<b>Social, Culture &amp; Community</b>	<ul style="list-style-type: none"> <li>To foster and enhance effective social, cultural and community relations, building respect and civic pride.</li> </ul>	<ul style="list-style-type: none"> <li>The Social Plan</li> <li>Sport &amp; Infrastructure Strategic Plan</li> <li>Community Safety and Crime Prevention Plan 2004-2009</li> <li>Cultural Plan</li> </ul>
<b>Infrastructure Services</b>	<ul style="list-style-type: none"> <li>To plan and fund the Shire's infrastructure and service needs.</li> </ul>	<ul style="list-style-type: none"> <li>Transportation Infrastructure Strategic Plan</li> <li>Pedestrian Access Mobility Plan,</li> <li>Road Safety Strategic plan</li> <li>Macleay Water Strategic Business Plan</li> <li>Macleay Water Development Servicing Plan</li> <li>Plans of Management for sporting fields and parks</li> <li>Fleet Business Plan</li> </ul>
<b>Relationships with Others</b>	<ul style="list-style-type: none"> <li>To pursue beneficial relationships with regional neighbours and other levels of government.</li> </ul>	
<b>Effectiveness Efficiency &amp; Accountability</b>	<ul style="list-style-type: none"> <li>To ensure leadership and effective, efficient accountable management.</li> </ul>	<ul style="list-style-type: none"> <li>Information Technology Strategy</li> <li>Occupational Health and Safety Plan</li> <li>Depot Management Plan</li> <li>Risk Management Plan</li> <li>Records Management Plan</li> <li>Human Resources Strategy 2007/08</li> <li>Occupational Health &amp; Safety Plan</li> <li>Corporate Image, Communications and Customer Service Strategy</li> <li>Caravan Parks Management Plan</li> <li>Macleay Water Strategic Business Plan</li> </ul>

# Ecological & Economic Sustainability

Significant progress has been made on a number of sustainability and community environmental projects during 2008-09 as well as integrating environmental management and sustainability reporting mechanisms into Council operations. The development and adoption of the Kempsey Shire Ecologically Sustainable Development (ESD) Strategy in 2007 was a significant achievement and has allowed for a more strategic approach to the delivery of various environmental and sustainability projects.

## ESD Strategy

The Kempsey Shire ESD Strategy is designed to facilitate sustainable development within the Shire. It proposes the implementation of a series of actions over a 5 year planning horizon. Since the plan was adopted in 2007, a number of high priority actions have commenced, are continuing and, in some cases have been completed, including:

- Community Environmental Survey.
- Environmental education material produced.
- Waterwatch Program for Primary Schools.
- Commitment to the Cities For Climate Protection (CCP) Program.
- Greenhouse gas inventory for Council operations and community contribution and the adoption of emissions reduction goals under the CCP Program.
- Gills Bridge Creek Rehabilitation Plan developed.
- Initial round of environmental reviews of South Kempsey industrial premises completed.
- Draft Comprehensive Koala Plan of Management prepared.
- Draft Estuary Management Plan for Korogoro Creek prepared.
- Process study for the Macleay River estuary completed.
- Implementation of Killick Creek and Saltwater Lagoon and Estuary Management Plans continuing.
- Draft Residential Land Release Strategy prepared.
- Review of Companion Animal Management Plan completed.
- Final Draft Sustainable Water and Infrastructure policy prepared.

- Potable water leak detection/prevention program undertaken.
- Water saving activities at caravan parks and Council's reserves.
- Implementation of Waste Management Strategy.
- Waste education programs continuing.
- Heritage study undertaken.
- Drafting of Indigenous Employment Program has commenced.
- Implementation of key actions of Crime Prevention Plan.
- Revision of Cultural Plan continuing.
- Revision of Community Plan has commenced.

## Climate Change Mitigation & Adaptation Activities

### Cities For Climate Protection Program

Kempsey Shire Council joined the Cities for Climate Protection (CCP) Australia Program in 2007. The CCP Program is a global initiative to assist local governments in reducing greenhouse gas emissions from their own operations and their community. The CCP program is based around five milestones that local government commits to strive towards. These milestones allow councils to better understand how their decisions affect energy use and how they can be used to mitigate global climate change, while improving community well being.

Since joining the CCP Council has progressed through the first two milestones by successfully completing an inventory and forecast for key sources of greenhouse emissions and, more recently, setting emission reduction goals. At its December 2008 meeting Council agreed to endorse the setting of medium and longer term emission reduction goals as follows:

- Medium Term Goals: reduce per capita Council greenhouse gas emissions from 2005 levels by 10% by 2014 and per capita community greenhouse gas emissions from 2006 levels by 5% by 2016.
- Long Term Goals: reduce per

capita Council greenhouse gas emissions from 2005 levels by 20% by 2020 and per capita community greenhouse gas emissions from 2006 levels by 15% by 2020.

### Local Adaptation Pathways Program

The Australian Government's Local Adaptation Pathways Program (LAPP) provides assistance to local governments to carry out a risk management process to identify likely impacts of climate change on council operations and to initiate the development of an adaptation plan.

Kempsey, Nambucca and Bellingen Shire Councils submitted a joint LAPP application and was successful in receiving funding from the Department of Environment, Climate Change & Water late in 2008-09.

## Waterway & Wetland Rehabilitation & Protection

### Nestle Community Vegetation Projects – Jerseyville & Smithtown

In partnership with Nestle and the local community, Council completed a riparian revegetation project on a section of Council managed road reserve, off Plummers Lane, near the Jerseyville Bridge. The project included planting of over 4,000 local native trees species and construction of a walking path.

Also in partnership with Nestle and local community members, including school children, Council undertook a riparian rehabilitation project along a section of riverbank at Smithtown Park, which involved the removal of 23.25 tonnes of invasive weed species and planting of 1,000 local native tree species.

### Boyers Lane Wetland & Riparian Rehabilitation Project

Two stormwater management wetlands are now complete and functioning. With the assistance of Rotary South West Rocks, a vegetation buffer between the sports field and the artificial wetlands has also been completed with more than 3,000 local

# Ecological & Economic Sustainability

native rainforest tree species planted. Further revegetation works and the design of an educational walkway has commenced. A birdhide/outdoor environmental educational facility has also been constructed adjacent to the wetlands.

## Gills Bridge Creek Rehabilitation Project

In June 2008 Council was notified that it was successful in attracting \$92,000 in grant funding through the NSW Environmental Trust over a 3 year period, to help implement the Gills Bridge Creek Catchment Rehabilitation plan. Since receiving this funding a number of strategies have been implemented including:

- Background and ongoing water quality sampling and analysis;
- Creek bed sediment sampling and analysis;
- A general rubbish clean up along the banks and within the main channel of the creek;
- A comprehensive riparian vegetation survey; and
- An environmental review and education program for local businesses.

Towards the end of 2008-09 Council engaged the services of a professional bush regenerator to begin work on weed suppression and removal at the site.

## Estuary Management

Council is committed to developing Estuary Management Plans (EMPs) for the systems within our Shire, in line with protocols and procedures set down in the NSW Estuary and Coastal Management Policy.

The data compilation and estuary processes studies have been completed for the Macleay River Estuary. The Estuary Management Study and Plan is expected to be completed by July 2010. While, Korogoro Creek EMP will be completed in July 2009.

## Catchment Education

### Waterwise Program

Macleay Water continued to roll-out the Waterwise Schools accreditation system as part of its partnership with

Coffs Harbour City Council, Clarence Valley Council and the Cascade Environmental Education Centre. This accreditation system delivers an education program to facilitate sustainable use of water resources, through a professional teacher and supported assistance to the school throughout the accreditation process. During 2008-09 Kinchela Primary School, Kempsey Adventist School, Aldavilla Primary School, South West Rocks Public School and Stuarts Point Public School all gained Waterwise accreditation.

### Waterwatch Program

Waterwatch is a national community-based water quality monitoring program, which promotes environmental awareness and action through involvement. Primary schools, high schools and community groups participate in the Waterwatch program.

To help facilitate the program on the Macleay a training team has been set up, made up of representatives from Kempsey Shire Council (KSC), Macleay Landcare Network (MLN), Northern Rivers Catchment Management Authority (NRCMA) and Cascade Environmental Education Centre. (CEEC).

In 2008-09 students and teachers from South West Rocks Public School and Aldavilla Primary School met on separate occasions with the Macleay Waterwatch Team to undertake a training program to support the

schools' ongoing testing of the water quality in nearby wetland and creek areas.

The results obtained by each of the schools will add to the baseline water quality data already collected by Council and the Waterwatch NSW statewide data base. It will also help provide a measure of any changes in the condition of the wetlands and creek systems as time goes by.

### World Wetlands Day

In partnership with the Northern Rivers Catchment Management Authority and Macleay Landcare Network, Council hosted a community environmental education event at Boyters Lane Wetlands to celebrate World Wetlands Day on 2 February 2009.

Titled 'Breakfast with the Birds', the event commenced at 6am with an early morning bird watching session utilising the newly constructed bird hide. Attendees enjoyed a free BBQ breakfast and listened to a few talks on local wildlife and native plant gardening. The event concluded with a number of water-watch activities, such as water quality testing, identification of water bugs and a stormwater wetland walk and talk, all to help raise awareness about the importance of wetlands.



Above: World Wetlands Day was celebrated with 'Breakfast with the Birds' at the Boyters Lane Wetlands.

# Ecological & Economic Sustainability

## Biodiversity Conservation & Management

### Koala Habitat Mapping and Management

During 2008-09 Council, in close consultation with the Koala Advisory Group, engaged a specialist koala ecologist to undertake a koala study to form the basis of a comprehensive koala plan of management.

A set of draft koala habitat maps and a Draft Comprehensive Koala Plan of Management (CKPoM) for the eastern portion of the Kempsey Shire have been produced.

The draft plan aims to provide for conservation of those areas of habitat most important to koala populations in the eastern portion of Kempsey Shire, to increase the extent and quality of koala habitat in key areas and to increase knowledge about the current distribution and abundance of koalas.

The draft CKPoM is consistent with the State Recovery Plan for the Koala approved in 2008 and has been prepared in accordance with State Environmental Planning Policy No 44 (Koala Habitat Protection).

## Council Actions to Improve Its Environmental Performance

### Emission Reduction Activities from Vehicle Fleet

Although Council is yet to formally adopt a strategy for emission reduction in its vehicle fleet, Council has adopted the following weighted criteria for the purchase decisions for light fleet vehicles; Annual Whole of Life Costs (incl FBT and Fuel Consumption) 70%, CO2 Emissions 10%, Air Pollution Rating 10% and Safety 10%.

The introduction of this weighting criteria and the subsequent purchase of smaller, more fuel efficient vehicles into the vehicle fleet, has already seen a reduction in greenhouse gas emissions from 2,154 tonnes in 2005-06 to 1,968 tonnes in 2008-09 which

represents a 9% reduction.

### Sustainable Choice Program

Council continued to be an active member of the Sustainable Choice Program. The program provides support and guidance to councils on products and services that save energy or water, contain recycled content, are non toxic, have greenhouse or biodiversity benefits, or advance Council's social or environmental objectives in some way. Sustainable purchasing assists Council meet its ESD obligations under the Local Government Act 1993 and addresses a number of the triple bottom line (environment, social and economic) outcomes outlined in the Kempsey Shire ESD Strategy.

## Waste Management

A total of 27,500 tonnes of waste material came into the Kempsey Waste Retrieval and Disposal Facility at Crescent Head Road (KWR&DF) during 2008-09. Of this 10,967 tonnes was diverted to recycling and 16,533 tonnes went into landfill.

Factors that impacted the amount of waste being received by the KWR&DF, included:

- the occurrence of significant illegal dumping for which cleanups were undertaken;
- the extra material generated from floods in the last quarter of the year.

Council has several strategies in place to assist in the process of minimising waste and protecting the

environment.

Since the KWR&DF landfill completed the Planet Footprint program, there has been a marked reduction in emissions. Improvements to the site during the 2008-09 financial year and better dispersal of waste has further increased the efficiency of the landfill operation. New cell designs and filling procedures have minimised costs and the potential pollution risk of discharges to the environment via water, dust and odour.

Council also engages the community regularly in educational discussions about waste disposal options by presenting information at community meetings and promoting Council's waste reduction activities through local radio, newspapers and Council's community newsletters.

### Recycling & Waste Minimisation

Since its introduction in 2006, the kerbside recycling service has continued to grow and has proven to be very successful and popular with the community.

The upward trend in the collection of kerbside recyclables has continued with last year's tonnage benchmark exceeded and contamination rates minimal compared to other local government areas.

During the reporting period Council continued with other types of recycling including: mobile phones, e-waste, styrene foam collection and household/domestic batteries. The

*Right: Students from Aldavilla School participate in the Waterwatch Program*



# Ecological & Economic Sustainability

investigation of recycling programs for the Shire's caravan parks, public places and events has also commenced.

The second annual "Waste into Art" competition was held, as part of Council's waste education program, in November 2008 to coincide with National Recycling Week. The competition, which is open to all local school students, is designed to help people think more creatively about waste and recyclable material. Council, and the Midwaste group of which Council is part, have received favourable recognition from the Department of Environment, Climate Change and Water for the "Waste into Art" Program.

The Midwaste group has also been recognised for its contribution to waste education through a series of television advertisements about illegal dumping, recycling and waste minimisation.

## Waste Management

The Land Environmental Management Plan (LEMP) was revised and reviewed in 2007-08. This plan has been implemented and will be reviewed in late 2009.

In 2008, Council called tenders for the provision of kerbside collection of general waste and green waste services. The successful tenderer was JR Richards & Sons. The service which commenced in April 2009 has been very positive.



*Above: In November 2008 a new Cell was prepared at the Kempsey Waste Disposal and Retrieval Facility on Crescent Head Road.*

The beneficial outcomes for the community and the environment by reducing material going to landfill will help Council meet its obligations under the State Government's new waste levy.

## New Waste Levy

In late 2008 the NSW Government introduced a new 'waste levy' which will require Council to pay \$10 per tonne for waste going landfill from 1 July 2009. In each of the subsequent six years the levy will increase by \$10 plus CPI.

Preparation to meet the challenge of this new levy has been very intense with the landfill having to meet many obligations under the Waste Avoidance & Resource Recovery Act. Council will be aiming to reduce the financial impact of this levy on ratepayers as much as possible.

The NSW Government will reimburse a percentage of the waste levy Council pays, based on the Shire's population, during the seven year phase-in period to promote community education and the introduction of sustainable waste programs.

The new waste levy re-imburements program will place Council in a position to explore innovative ways of waste handling well into the future while adding longevity to the current facilities.

## Noxious Weeds

During 2008-09 Council, in partnership with Macleay Landcare Network, held several 'What Does Your Garden Grow' training courses for local residents at Gladstone and South West Rocks, with positive outcomes for all involved.

Council's Weeds Officer participated in private property inspections for noxious weed infestations; liaised with landholders in the control of noxious weeds; and co-ordinated control programs, which targeted Giant Parramatta Grass, Groundsel Bush, Bitou Bush, Red Lantana, floating noxious aquatic weeds, Birdlolly Weeds; and an Alligator Weed education program.

A Giant Parramatta Grass spraying program was carried out in Kempsey and all villages including Willawarrin, Bellbrook, Frederickton, Gladstone, Smithtown, South West Rocks, Hat Head, Crescent Head, Grassy Head, Stuarts Point, and Kundabung.

Council continued its commitment to the Bitou Threat Abatement Plan (TAP) at Crescent Head's Big Nobby, which was funded by the Northern River CMA.

A large Salvinia infestation was successfully eradicated at Belmore River. Regular inspections will be undertaken in this area to prevent further outbreaks.

The Environmental Weed Program has been successful along main roads such as South West Rocks Road, Plummers Lane, Summer Island Road, Smithtown Road, Pacific Highway, Belmore River Roads, Kinchela Roads and Hat Head Road.

The ongoing coastal weed Control is targeted at Coastal Villages and natural reserves. Asparagus Fern, Bitou Bush, Ochna, Madeira Vine, Cocks Comb coral trees have been reduced in Crescent Head. In Hat Head controls have taken place against Glory Lilly, Lantana, Coral Trees, and Bitou Bush. Glory Lilly and Mother Of Millions were controlled at South West Rocks and significant controls of Bitou Bush in the Stuarts Point and Grassy Head area were undertaken.

# Ecological & Economic Sustainability

## 2008-09 Performance Report

Performance indicators	Comment	Achieved
• <b>Strategic Plans developed to ensure the Shire is developed in an ecologically sustainable manner</b>	During 2008-09 Council's Strategic Planning work included: Draft Residential Land Release Strategy; South Kempsey Industrial Land Release; Kempsey Town Centre Masterplan review; Heritage Study implementation - LEP & Draft DCP; South West Rocks Structure Plan review; Saltwater LEP; Ex-Oil Terminal LEP; Crescent Head expansion; and SWR Old School house draft LES prepared. Progress was also made on the Standard LEP and the strategic direction for Kempsey.	✓
• <b>Action Plan of the Kempsey ESD Strategy is monitored and reported to Council on a biannual basis</b>	Reported to Council in February and July 2009.	✓
• <b>Macleay River Estuarine Process Study is completed by December 2008</b>	Draft report received September 2008	✓
• <b>Macleay River Management Plan is substantially commenced by June 2009</b>	Brief prepared; work continuing in 2009-10.	✗
• <b>Councils Section 94 Plan for rural roads will be reviewed and replaced by a Shire Wide Roads Infrastructure Plan by December 2008</b>	Delayed due to lack of resources because of vacancies in Shire Services. Shared S94 Officer undertaking the review, which is now progressing.	✗
• <b>The Plummers Lane Corridor Contributions Plan to be adopted by August 2008</b>	Delayed while awaiting advice on the status of the Road. The RTA advised on 5 June that Plummers Lane has been reclassified as a regional road.	✗
• <b>A Heritage Development Control Plan will be prepared by June 2009</b>	Draft received June 2009.	✓
• <b>Spencerville New Entrance Masterplan is completed by December 2009</b>	Additional enquiries are required following initial investigations.	✗
• <b>Number of contacts made with potential and existing businesses to facilitate employment opportunities</b>	823 contacts made.	✓
• <b>A review of the Strategic Plan for the Economic Development of Kempsey is completed by March 2009</b>	Plan reviewed with progress reported to Council monthly.	✓
• <b>Investigations have been undertaken for the establishment of an Intermodal Transport Hub</b>	The Department of Planning has included details on transport hubs for Kempsey in Mid North Coast Growth Area maps. Project descriptions were submitted by the Economic Development Manager; focus groups were established and completed by November. A consultants brief was prepared and is awaiting Department of State and Regional Development agreement.	—
• <b>The feasibility of future use options for the airport have been determined</b>	Council proceeding with a subdivision proposal and disposal of surplus land. Concurrence from Department of Planning to SEPP 1 for boundary adjustment received.	—
• <b>Quantity of recycled material as a percentage of total material going to landfill</b>	Recycled material was 35.9% of the total material going to landfill.	✓

✓ = Action has been completed or performance target met.

✗ = Action not completed or performance target not met.

— = Action behind target, but expected to be completed.

## Social Cultural & Community

This principal activity helps Council work towards building a strong, cohesive community.

Services associated with this activity include community buildings, library services, open space and recreation, health, community protection culture, community services, planning and support for community organisations. It also incorporates many aspects of Council's access and equity responsibilities, which are detailed on pages 61 to 63 of this report.

### Open Spaces

Open Space and Recreation has enjoyed a busy, but stable, year.

The replacement of three ride-on mowers through the Plant Replacement Program, the purchase of an attachment for sporting field renovation and the replacement of the small catcher ride-on mower have reduced downtime and improved outcomes on the ground.

### Trees & Gardens

Tree replacements and new plantings continued with the replacement of trees along Sea Street with a small growing cultivar of Golden Penda, and the planting of shade trees at Willawarrin sports field of note. Trees were also supplied to schools for National Tree Day.

Response times to assess tree concerns and risks has continued to improve.

In 2008-09 garden bed renovations included Clyde Street Mall, a new garden in Gladstone Memorial Park (planted out with agapanthus and gardenias that suit the traditional nature of the village), and small garden beds in Stuarts Point shopping centre.

### Sporting Fields

Improvements to sporting fields included a new fence installed along the front of Birrallee Oval, Crescent Head, following damage to the fields by vandals.

The old flagpoles at Stuarts Point sporting fields were removed.

A new cricket stump set was installed at South Kempsey Oval cricket nets. A new training field was developed at Kemp Street for soccer.

New reversible basketball/netball hoops were installed at Crescent Head sporting fields.

In a partnership with the Smithtown Junior Rugby League, Council provided \$110,000 to rebuild storage, toilets and change rooms under the grandstand. Council also provided \$6,200 to assist with the erection of practice cricket nets at Frederickton sporting fields.

### Playgrounds

Improvements to playgrounds during 2008-09 included the removal of the old playground at Hat Head Caravan Park and laying almost 1,000 square metres of turf after its removal At

Frederickton Park the swing set was replaced and a slide installed to meet Australian Standards.

A new combination unit was also installed at Flanagan Park West Kempsey.

### Parks & Picnic Areas

New covered picnic settings were installed at Crescent Head near the Community Hall and in Flanagan Park West Kempsey.

An electric BBQ was bricked in and a bench top installed at Bellbrook CWA Park.

A picnic table was installed at Grassy Heads Caravan Park. A fish cleaning table and fencing was installed at Yakka Watson Park in Smithtown.

### Cemeteries

A cleanup of glass, ceramics and other breakable items was completed in all the Shire's cemeteries to improve occupational health and safety for both staff and visitors to the cemeteries.

Red flowering gums were planted at Crescent Head columbarium wall and landscaping of the new Arakoon cemetery toilet block at South West Rocks was completed.

### Floods



Above: New practice cricket nets were installed at Frederickton sporting fields.



Above: New playground equipment was installed in Flanagan Park, West Kempsey.

## Social Cultural & Community

Floods in February, March and May 2009 involved massive cleanups in riverside parks and sporting fields.

The clean up work involved pressure cleaning of seating, wharves, boat ramps, footpaths and hand removal of river weed from trees and infrastructure.

Playground softfall needed to be completely replaced twice in Riverside Park, Kempsey.

At Smithtown, the removal of flood damaged personal items continued for several weeks.



*Right: Council staff worked tirelessly during the flood cleanup at Smithtown in May 2009.*

## 2008-09 Performance Report

Performance indicators	Comment	Achieved
• A strategy for infrastructure improvements for Open Space and Recreation developed by 30 June 2009	A schedule of parks with playgrounds has been issued to staff for on-ground data collection, update on condition and community usage where possible. Data collection is progressing, although current staffing and budget has not permitted completion of this task in the nominated timeframe.	✗
• A draft Social Plan 2009 -14 developed by 30 June 2009	Preliminary community engagement strategy developed to progress the community consultations for the development of the Community Plan.	✗
• Number of registered library borrowers as a percentage of resident population	47.17% of the Shire's resident population are library borrowers.	✓
• Number of Actions of the Social Plan implemented	16 actions from the Social Plan have been implemented.	✓
• Number of indigenous programs developed	23 indigenous programs were developed.	✓
• Number of actions implemented from the Action on Ageing Strategy	Ageing 2022 ~ Action on Ageing Strategy was adopted by Council in June 2009. Implementation will be ongoing where funds permit.	✓
• Number of actions implemented from the Cultural Plan	15 actions from the Cultural Plan have been implemented.	✓

✓ = Action has been completed or performance target met.

✗ = Action not completed or performance target not met.

— = Action behind target, but expected to be completed.

# Infrastructure Services

This principal activity is designed to enable Council to deliver efficient, effective and financially viable infrastructure services to the Kempsey Shire community in a safe, sustainable and responsible manner.

Roads, bridges, stormwater drainage, footpaths and cycleways, car parks, boat ramps, wharves and jetties, ancillary road facilities, swimming pools, ablation servicing, garbage collection, building maintenance and flood mitigation are some of the services that fall under this activity.

## Operations

The three floods that occurred in the Shire between February and June this year resulted Council's Operations Section completing only 50% of its scheduled budgetary works for the reporting period. The remainder of the time Council's Operations crew were engaged in work which can, for the most part, be attributed to responding to, and recovering from, these floods.

The staff worked diligently all year to fulfill the requirements of Council and all stakeholders, paying particular attention to quality of workmanship and accountability. An emphasis was placed on community consultation, with prior advice of scheduled works to those affected by possible impositions caused by these projects. Improvements were also undertaken in response to customer requests, especially in regard to time-frames, which resulted in a greatly improved service in this area.

## Roads

Roads which benefited by work under the Roads to Recovery, Regional Roads and Auslink programs were: South West Rocks Road, Crescent Head Road, Armidale Road, Elbow Street / Tozer Street Intersection and Maria River Road.

Road Rehabilitation works carried out on: Summer Island Road, Mooneba Road and Gowings Hill Road.

Council's Gravel Resheeting program in 2008/2009 included work on: Blair's Lane; Old Station Road; Pola Creek Road; Boyters Lane; Verges Creek Road; Church Lane; Croads Lane; Fairweathers Lane; Rainbow

Reach Road; Two Hills Lane; Collombatti Road; First Lane; Battles Outlet Road; West End Road; Smiths Creek Road; Point Plomer Road; Five Day Creek Road; Nulla Nulla Creek Road; Armidale Road; Carrai Road; Fifes Creek Road; Toose road; Warbro Brook Road; Willi Willi Road.

Bitumen Resealing work was carried out on: Belmore Right Bank road; Chain O' Ponds Road; Channells Way; Collombatti Road; Everinghams Lane; Francis Conn Place; Fraser Close; Gowings Hill Road; Summer Island Road and various urban and village streets.

## Bridges

Bridge replacement and maintenance works were carried out on: Temagog Road, Willi Willi Road, Turners Flat Road and Stuarts Point Bridge.

The flood event in May 2009 resulted in three sections of the Turners Flat bridge being washed away. The reinstatement of this bridge will be a priority in 2009-10.

## Flood Mitigation

In the flood mitigation area bank protection was carried out on Killick Creek and floodgate restoration was undertaken on McCabe's drain and Belmore River.

## Footpaths

New footpaths were installed along Elbow Street, Kemp Street in West Kempsey and Mitchell Street in South West Rocks.

## Kerb & Guttering

Kerb and Guttering replacements were undertaken at Hill Street in South West Rocks and Skyline

Crescent in Crescent Head.

## Town Improvements

In Kempsey, town improvements were undertaken at the intersection of Smith Street and Belgrave Street.

At South West Rocks, town improvements were completed in Pacific Street and Sturt Street.

In other areas, works were undertaken at Skyline Crescent, Crescent Head; Kinchela Street, Gladstone and Great North Road, Frederickton.

It is worth noting that under the town improvement program, work is based on a cumulative funding approach with major projects being budgeted for and executed in different villages. There is an annual budget allocation to Kempsey, South West Rocks and Crescent Head and a rolling program over five years for Frederickton, Smithtown, Hat Head, Gladstone and Stuarts Point.

## Water & Sewer

In the 2008-09 year, the toll of older water supply and sewerage infrastructure created impacts felt directly by Macleay Water customers. Up until last year the impacts, though numerous, were relatively minor and could be lessened by rerouting services or short interruptions to services. This year, in some instances, smaller towns or sectors of larger towns were left without water.

## Floods

Three floods (February, March & May) resulted in natural disaster declarations and stretched resources beyond Council's local capabilities. Assistance was gratefully accepted

*Right: A new roundabout was installed at the intersection to Tozer and Elbow Streets in West Kempsey.*



## Infrastructure Services

from neighbouring water utilities.

During the floods sewerage services were substituted with portable toilets at Hat Head and safe drinking water was trucked into smaller villages such as Willawarrin.

Despite the difficulties experienced, the extensive knowledge gathered during this year has been translated into new designs and/or changed practices that have assisted in the progressive recovery of infrastructure. It is projected that this recovery will take up to 8 years.

The impact of weather on water supply, raw water quality and sewage treatment processing has been well recognised and as has the need for early alerts to be established with local information to enhance Bureau of Meteorology information. Telemetry linked weather stations have been purchased and have been progressively connected for this purpose.

### Asset Management

The establishment of an asset management system linked with work being completed in the field has improved programming of infrastructure renewals, construction of new infrastructure and addressed OH&S issues.

The current deteriorating state of water and sewerage infrastructure poses an environmental and financial risk to Council, as well as a heightened risk of increasing service interruption to customers. The failure of the Crescent Head water supply rising main in early August 2008, which lead to loss of water supply to that

town for a full day is only one example of such asset failure.

As detailed investigations progress, knowledge of the status of particular assets improves. The overall asset status, however, continues to be indicated as poor or at failure point. Council's focus is on establishing a plan for progressive rectification.

Any new or renewed infrastructure is being built to standard and being thoroughly researched prior to being put in place.

Water storage assets are now being more closely managed with the programmed internal assessment of all reservoirs and dams by specialist divers.

Co-operation between Macleay Water staff and the retained Fire Brigades (Kempsey and South West Rocks) has improved management of Council's hydrant assets. Fire Brigade crews conduct exercises at high fire risk locations and relay their findings to Macleay Water. Any concerns raised are now feeding directly to the asset system and given high priority for the maintenance and renewals of these assets. The success of this program means that it will be expanded to include NSW Rural Fire Services.

### Hat Head Sewage Treatment Works

The Hat Head sewer treatment works (STW) continues to present challenges to the Macleay Water team. The failure of the aeration grids, a critical component of the sewage treatment process, in August 2008, meant that the plant was offline for 5 days. The successful replacement of these grids was achieved by careful planning, the negotiation of the environmental

licensing outcomes with the DECC (EPA) and the transportation of sewage from Hat Head to Gladstone sewer treatment works via truck.

### Bellbrook Water Supply

During 2008-09 Council received grant funding approval for the construction of a water treatment plant at Bellbrook. Council is also investigating whether the Thunghutti community can be interconnected with the Bellbrook water supply.

### Steuart McIntyre Dam

Results from a program of monitoring the interactions between river water quality, aquifer raw water quality and water quality within the Steuart McIntyre Dam has identified better ways to manage water quality within the Dam to enable more consistent use of the Dam.

### Efficiency & Productivity

The successful outsourcing of water meter reading and the printing of accounts has enabled staff to better focus on the reduction in the frequency of infrastructure failure, maintenance backlogs and improvements to customer service.

To improve the efficiency of chemical management, several water and sewer operators obtained Dangerous Goods transport licences enabling bulk supply of chemicals to a central point with redistribution of smaller amounts to the other sites.

### Environmental management

Construction commenced on the Sherwood Road Environmental Project with an innovative trial plant to deliver zero effluent sewage treatment for a group of 30 small residential lots with failing septic systems.

During 2008-09 five primary schools achieved accreditation as 'Waterwise' schools. Several post-accreditation projects have also been conducted with schools including the Human sign project and vegetation planting at the Sherwood Road Environmental project.

Council has worked to establish customer agreements for recycled and reclaimed water, which will help achieve good environmental outcomes for the community.



*Left: Construction commenced on the South West Rocks Sewage Treatment Plant.*

# Infrastructure Services

## 2008-09 Performance Report

Performance indicators	Comment	Achieved
<ul style="list-style-type: none"> <li>The five (5) year Infrastructure Delivery Program developed by 30 June 2009</li> </ul>	A consolidated program has been developed for the 2009-10. The five year delivery program will be determined after the Council adopts the Asset Plan and determines levels of service.	—
<ul style="list-style-type: none"> <li>A strategy for asset data collection requirements developed by 31 December 2008</li> </ul>	A strategy has been developed and a process team has been formed to implement the procedures.	✓
<ul style="list-style-type: none"> <li>Capital works processes and procedures reviewed by 31 March 2009</li> </ul>	The review of capital works processes and procedures was completed for Macleay Water. It has highlighted the need for additional technically skilled staff to enable improved monitoring of capital works. There is also a need to further train existing Macleay Water leaders to better participate in program development and reporting. The review was deferred for the Works section, subject to completion of the Operations Strategic Plan.	✗
<ul style="list-style-type: none"> <li>Number of project plans developed for major capital projects</li> </ul>	A total of 26 project plans were developed. Wet weather caused delays on capital projects.	✓
<ul style="list-style-type: none"> <li>A drainage strategy for the Shire developed by 31 December 2008</li> </ul>	Roadnet has been engaged to conduct a drainage study of West Kempsey. Survey is completed and it is expected that the West Kempsey Strategy will be completed in July 2009. A budgetary allocation has not been provided to develop a Shire-wide strategy.	✗
<ul style="list-style-type: none"> <li>Matty's Flat Plan of Management finalised by 28 February 2009</li> </ul>	Awaiting confirmation of status of draft Plan of Management from consultants. Funding grant from NSW Maritime has been approved and accepted. A meeting has been organised in August with Department of Lands to overcome issues in the Plan of Management and a report was prepared for the July 2009 Council meeting to establish a Mattys Flat Implementation Committee.	—
<ul style="list-style-type: none"> <li>Kempsey Urban Stormwater Management Plan reviewed by 30 June 2009</li> </ul>	Funding has not been provided for this output. Storm water data is being collated in conjunction with infrastructure asset plans and a cost estimate will be provided for funding in the 2010-11 budget.	✗
<ul style="list-style-type: none"> <li>A system is developed to benchmark Open Space and Recreation services against that of similar councils in the region</li> </ul>	This item was discussed at the Sport and Recreation forum in April 2009. A new web-based program called 'Parks Base - Open Space Planning and Management Comparison' was investigated. Funding would be required for data collection, user surveys and the cost of membership for the program.	—
<ul style="list-style-type: none"> <li>Percentage of unscheduled fleet maintenance</li> </ul>	43.11% of fleet maintenance was unscheduled.	—
<ul style="list-style-type: none"> <li>Fleet utilisation</li> </ul>	91.88%	✓

✓ = Action has been completed or performance target met.

✗ = Action not completed or performance target not met.

— = Action behind target, but expected to be completed.

## Relationships with Others

During 2008-09 Council has worked at developing beneficial relationships with its regional neighbours and other levels of Government by participating in resource sharing and developing networks for lobbying, sharing ideas and information.

Council's major resource sharing initiatives include the Mid North Coast Group of Councils (MIDGOC) alliance between Coffs Harbour, Bellingen, Nambucca, Kempsey, Port Macquarie Hastings, Greater Taree, Great Lakes and Gloucester councils; Midwaste; Mid North Coast Library Service; the Risk Management and Governance Group; using the Hunter Training and Local Government Procurement; and use of Cairncross Material Recycling Facility for green waste and recycling.

Council maintained alliances with the Weight of Loads Group to monitor road compliance and through MIDGOC in the following areas: purchasing, human resources, works, development contributions, information technology, planning, occupational health and safety and asset management.



Above: A meeting of the Mid North Coast Group of Councils.

### 2008-09 Performance Report

Performance Indicator	Comment	Achieved
<b>Joint activities pursued with other agencies</b>	<ul style="list-style-type: none"> <li>• Sharing of equipment, staff and information.</li> <li>• Five tenders (Fuel &amp; Traffic Signage, Traffic Control, Ready Mix concrete &amp; EOI Fleet).</li> <li>• Section 94 Contributions Officer shared with Bellingen and Nambucca Shire Council's.</li> <li>• Discussion with Nambucca Shire's Manager of Economic Development and Tourism to work jointly on marketing opportunities and consumers shows.</li> <li>• Discussion with Regional Tourism Association to work jointly on marketing opportunities and consumers shows.</li> <li>• Nambucca and Kempsey Councils have entered into a reciprocal arrangement to the Joint Regional Planning Panel (JRPP).</li> </ul>	✓
<b>Number of meetings attended with professional bodies</b>	• 46 Meetings were attended throughout the year.	✓
<b>Number of submissions made</b>	<ul style="list-style-type: none"> <li>• 30 submissions were made including:               <ul style="list-style-type: none"> <li>- A submission on Waste Levy accounting process to Minister Carmel Tebbut.</li> <li>- Macleay Water Grant submission to Bureau of Meteorology to assist with the modernisation of data transfer to real time.</li> <li>- Department Water &amp; Energy estimating costing to complete infrastructure assessments for Thunghutti Water supply &amp; sewerage.</li> <li>- JRPP Reform</li> </ul> </li> </ul>	✓
<b>• Number of deputations/ meetings attended</b>	<ul style="list-style-type: none"> <li>• 48 deputations/meetings attended including:               <ul style="list-style-type: none"> <li>- Meeting with Senator Michael Forshaw to turn first sod for Bellbrook Water Treatment Plant</li> <li>- Several meetings/during May flood event with State Politicians including Premier, Minister for emergency Services, Opposition Leader, Leader of National Party, Deputy Commissioner of Police &amp; others.</li> </ul> </li> </ul>	✓
<b>• Number of Regional Meetings attended</b>	• 82 meetings attended for the year.	✓

✓ = Action has been completed or performance target met.

✗ = Action not completed or performance target not met.

— = Action behind target, but expected to be completed.

# Effectiveness, Efficiency & Accountability

The purpose of this principal activity is to ensure that Council is open and accountable to its community and working consistently to provide value to ratepayers through the services it provides and receives. Council's civic leadership responsibilities are also captured in this area.

During 2008-09 Council aimed to fulfil its statutory obligations in a timely manner whilst endeavouring to provide a safe workplace for its employees and to minimise risks to members of the public utilising council-owned facilities. Council continued to strive of continuous improvement in all areas, in particular to expand its consultation with the community through focus groups and surveys.

*Right: During Local Government Week in July 2008 residents and ratepayers were given the opportunity to tour the Manufacturing Recycling Facility at Cairncross, where Council's kerbside recycling (and from April 2009 green waste) is processed.*



## 2008-09 Performance Report

Performance Indicators	Comment	Achieved
• <b>Number of benchmark targets achieved</b>	235 out of 305 benchmarks were achieved (77%)	✗
• <b>Savings/increased service levels achieved through Resource sharing</b>	\$18,932 was saved through resource sharing in corporate services; joint training saved \$50,000; the provision of payroll services to Bellingen Shire Council yielded \$20,000. While joint employment of a Section 94 officer with Port Macquarie Hastings Council provided further savings.	✓
• <b>Number of community and Council meetings attended by Councillors</b>	165 community and Council meetings attended by Councillors.	✓
• <b>Number of focus groups established and meetings held</b>	4 focus groups were established (Heavy Vehicle, Saleyards, Learn to Surf Schools and Resident Land Release) with 7 meetings held.	✓
• <b>Number of issue communications forwarded to the press</b>	Information on 12 issues from the council meeting agenda was forwarded to the press.	✓
• <b>Number of community newsletters prepared</b>	6 community newsletters were produced and distributed to the community; 2 via the Mid Coast Observer and 4 with rate assessment notices.	✓
• <b>Profits from business enterprises allocated to general revenue</b>	\$659,444 was allocated from Fleet to general revenue.	✓
• <b>Number of service standard targets achieved</b>	29 out of 35 service standard targets were achieved.	✗
• <b>Number of training hours provided is an average of a minimum 750 hours per month</b>	An average of 965.25 hours of training was provided per month to staff.	✓
• <b>Percentage of staff lost time injuries is less than 19 per million man hours worked</b>	The percentage of staff lost time injuries for 2008-09 was 16.77% per million man hours worked.	✓
• <b>Residents consulted prior to and after completion of works</b>	Wherever possible residents were advised/consulted prior to works being undertaken by letterbox drops, internet radio and newspaper. Some of the projects where residents were consulted were: Elbow Street Roadworks, Water main replacements, location of hydrants in Verge Street Kempsey, tree removal off Gregory Street SWR and in Smith Street Kempsey,	✓

✓ = Action has been completed or performance target met.

✗ = Action not completed or performance target not met.

— = Action behind target, but expected to be completed.

# Financial Overview

**Council's financial result for 2008-09 reflected another year of solid financial performance with Council recording working fund surpluses in two funds as outlined below:**

Fund	Adopted Budget	2008-09 Result
General	\$5,655 (Surplus)	\$312,376 (Surplus)*
Water	\$0	\$69,685 (Surplus)
Sewer	\$0	\$13,694 (Deficit)

\* Balance adjusted to discount the prepayment of Council's 2009-10 Financial Assistance Grant instalment of \$1,208,229.

**Explanations of the key financial reports and outcomes for the 2008-09 year are set out below.**

## Audit Report

Council's 2008-09 Financial Statements have been audited by Thomas Noble & Russell Chartered Accountants. The Audit Report for 2008-09 is unqualified; the reports are included in Council's Financial Statements.

## Financial Statements

The financial statements are prepared by Council to provide information in relation to Council's financial performance and position.

The financial statements are prepared on a consolidated basis incorporating the General, Water, Sewer and Domestic Waste Management Funds. The statements are made up of four key financial reports and explanatory notes supporting the reports. The key reports are:

- Income Statement
- Balance Sheet
- Statement of Change in Equity
- Cash Flow Statement

## Income Statement

The Income Statement measures Council's financial performance over the year and shows whether or not Council has earned sufficient revenues to support its activities during the year, and whether or not it has created surpluses to fund additional or replacement assets to service community needs.

The Income Statement shows where Council's money comes from (revenue) and how that revenue is consumed (expenses) in providing the ordinary activities and services of the Council.

If the Income Statement is in a loss situation, this means that Council is not earning sufficient revenue to cover the costs of its consumption of cash and other assets in providing community amenity and services. A continued trend of loss results will mean that over a period of time Council will not be able to carry out its existing levels of service, and maintain and replace its assets (predominantly infrastructure assets such as roads, bridges, drainage, parks, buildings, etc) at the time when they need to be replaced.

## Kempsey Shire Council's Income Statement

The Income Statement reveals a net operational deficit for the year of \$1.615 million as compared to a deficit of \$0.926 million in the previous year.

Total income was \$47.549 million with 44.81% of income being generated from rates and annual charges. Operating expenses totalled \$49.164 million comprising in part employee costs of \$16.670 million and depreciation expenses of \$14.075 million.

The major factor contributing to the deficit in the 2008-09 year is the increase in depreciation expense on building and land improvements of \$0.777 million following the revaluation of land and buildings.

## Balance Sheet

The Balance Sheet discloses Council's net accumulated financial worth at the end of the financial year. It shows the "value" of assets that Council holds as well as liabilities or claims against

these assets.

The assets and liabilities are expressed as current or non-current.

Assets and liabilities expected to be settled within the following twelve month period are classified as current.

In general, Council's most significant assets are Infrastructure, Property, Plant and Equipment. This asset category includes all of Council's infrastructure assets (such as roads, bridges, drainage, water and sewerage networks), playing fields, parks and buildings are detailed in Note 9 in the financial statements.

Kempsey Shire Council's Balance Sheet as at 30 June 2009 is highlighted by the following:

## Current Assets & Current Liabilities

Current assets total \$44.892 million whilst the current liabilities total \$16.078 million. The ratio of current assets to current liabilities of 2.66:1 indicates Council's excellent short term liquidity position.

## Cash Assets

Council's cash assets which comprise cash and investments increased from \$31.514 million as at 30 June 2008 to \$39.287 million as at 30 June 2009.

Note 6(c) of the Financial Statements provides a breakdown of the cash position and reveals that Council's unrestricted cash (a primary component of Council's working fund balance) has increased from \$1.100 million as at 30 June 2008 to \$3.394 million as at 30 June 2009. The increase in unrestricted cash delivered a key outcome identified in the 2008-09 budget i.e. an increase in Council's working funds position.

The working funds balances represent Council's accumulated operational surplus which provide Council with the capacity to respond to opportunities or react to unforeseen commitments that may arise.

Working funds by nature are convertible to cash in the short term and comprise current assets including unrestricted cash and investments, debtors and stock on hand less current liabilities, principally current creditors.

# Financial Overview

Working Funds balances at 30 June 2009 are:

- General \$922,892\*
- Water \$327,276
- Sewer \$694,454

\*Balance adjusted to discount the prepayment of Council's 2009-10 Financial Assistance Grant instalment of \$1,208,229.

Council's General Fund internally restricted cash has increased to \$8.719 million. Council's internally restricted cash represents money set aside by Council in reserves to fund the cost of future works and or to meet financial obligation's including employee leave entitlements.

Funding of Council's Employee Leave Entitlements Reserve decreased by \$64,000 to \$747,000 as at 30 June 2009, this represents 11.31% of the total liability of \$6.606 million. The 2008-09 result reflects some of Council's long serving employees departing. Council is still committed to a long term strategy, incorporated within Council's long term budget, to increase the reserve funding to a level equating to 20% of the assessed liability within the next ten years.

In addition to the General Fund, other reserve balances were: Water Fund \$2.804 million and Sewer Fund \$5.558 million. The Domestic Waste Management reserve and Tourist Parks reserve, which form part of the General Fund, were \$784,000 and \$271,000 respectively.

## Infrastructure, Property Plant & Equipment

Council's fixed assets were valued at \$616.366 million as at 30 June 2009. During 2008-09 Council, in accordance with the accounting code, indexed the values of its water and sewer infrastructure assets, which resulted in an increase in the value of these assets by \$9.423 million this year.

Council in accordance with the Department of Local Government will continue to progressively revalue all assets at fair value over the next two years.

Note 9a provides details of Council assets and discloses that Council expended \$16,329 million on new and replacement assets whilst depreciation charges representing

the consumption of assets during 2008-09 totalled \$14.075 million.

The total value of asset disposals totalled \$1.457 million.

## Interest Bearing Liabilities – Loans

Council's net loan liability increased by \$9.160 million to \$47.604 million as at 30 June 2009. A summary of loans by fund is set out in the table below.

Council has adopted a philosophy whereby loan borrowings are used for infrastructure enhancements and renewals thus allowing for a contribution to the cost of the asset to be shared by the community both current and future generations.

## Statement of Changes in Equity

The Statement of Changes in Equity summarises the change in Council's net worth. Council's net worth can only change as a result of:

- A 'profit' or 'loss' as recorded in the income statement; or
- An increase in the value of non-current assets resulting from a revaluation of those assets.

Kempsey Shire Council's Statement of Change in Equity Statement shows an increase in net worth of \$7.808 million comprising:

- **Income Statement deficit** (\$1.615 million)
- **Asset Revaluation** \$9.423 million

## Cash Flow Statement

The Cash Flow Statement summarises Council's cash receipts and payments for the financial year together with Council's cash position.

It differs from the Income Statement in that it:

- Excludes non-cash expenses such

as depreciation.

- Excludes the accruals taken into account in the Income Statement.
- Includes payments or receipts in relation to capital items.
- Includes any 'financing' activities such as loan funds received and paid.

The Cash Flow Statement has three sections:

### 1) Cash Flows from Operating Activities –

Summarises all of the income and expenses in relation to Council's ongoing service delivery. It is essential that Council has a cash surplus to ensure that it can maintain its day-to-day operations as well as provide funds for community assets.

### 2) Cash Flows from Investing Activities –

Refers to payments for purchases and receipts for sales of property, plant and equipment and investments as well as any receipts for interest earned on investments.

### 3) Cash Flows from Financing Activities –

Sets out all activities from 'Financing' which may include receipts and repayment of loans.

Kempsey Shire Council's Cash Flow Statement reveals that cash assets (cash and short term investments) increased by \$7.773 million to \$39.287 million as at 30 June 2009.

In addition to operating activities, which contributed net cash of \$14.141 million, were the proceeds from the sale of assets \$0.893 million and new loan borrowings of \$12.750 million. Cash outflows were used to purchase and construct assets \$16.329 million, \$0.092 million for deferred debtor advances and repay loans \$3.590 million.

Summary of Loans by Fund Type			
Fund	New Borrowings	Repayments	Balance
General Fund	\$2,650,500	\$2,173,868	\$15.252 m
Water Fund	\$900,000	\$1,007,721	\$14.366 m
Sewer Fund	\$9,200,000	\$407,790	\$17.886 m
<b>Total</b>	<b>\$12,750,000</b>	<b>\$3,589,379</b>	<b>\$47.504 m</b>

# Financial Overview

## Performance Measurements

Note 13 to the financial statements provide details of Council's performance measures:

### Unrestricted Current Ratio

- assesses the adequacy of the Council's liquidity position and therefore its ability to satisfy obligations in the following year.

Kempsey Shire Council's ratio is 2.03, meaning that Council has \$2.03 in liquid assets for every \$1.00 of current liabilities and illustrates Council's sound short-term financial position.

### Debt Service Ratio

- assesses the degree to which revenues are committed to the repayment of debt.

Kempsey Shire Council's ratio is 15.95%. A breakdown of the ratio by fund is set out below:

**General Fund** **10.36%**

*(2.15% is attributed to self funding loans provided for Tourist Parks and the Environmental Levy Program with the balance of 8.21% attributed to other general purpose services).*

**Water Fund** **28.91%**

**Sewer Fund** **17.26%**

Council is embarking on a major capital works program within the Water and Sewer Funds over the next ten years requiring the raising of substantial loan funds which will result in an increase in the debt service ratio.

### Rates & Annual Charges Coverage Ratio

- measures the degree of dependence upon revenues from rates and annual charges and assesses the security of Council's income.

Kempsey's ratio is 44.81% which is comparable with the NSW Local Government Rate of 49% for the 2007-08 year.

### Rates & Annual Charges Outstanding Percentage

- assesses the effectiveness of Council's revenue collection. The preferred level of outstanding rates and charges is lower than 5%.

Kempsey Shire Council's percentage is 4.75%. Council continues to focus on the recovery of overdue accounts and it is pleasing to note the percentage declined by 0.91% in 2008-09.

### Building & Infrastructure Renewal Ratio

- assesses Council's expenditure on the renewal of building and infrastructure assets compared with the consumption (depreciation) of assets, the ratio should exceed 100%.

Kempsey Shire Council's ratio of 43.31% indicates that Council is not renewing assets at a rate equivalent to their deterioration.

Local Government as a whole recognises the current shortfall and backlog in the renewal of community infrastructure. Council estimates that \$109 million is required to be invested in order to renew assets to a satisfactory standard.

## Conclusion

The 2008-09 Financial Statements provide testimony to Council's resolve in improving its Working Fund and Employee Entitlement reserve balances whilst reducing the level of outstanding rates and charges.

Council recognises the need to increase the level of spending on asset renewal. Rate pegging coupled with restrictions on the community's capacity to fund works dramatically impact upon Council's ability to address the issue.

# Statement by Councillors & Management

Financial Report 2009

Kempsey Shire Council

General Purpose Financial Report  
for the financial year ended 30 June 2009

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

**The attached General Purpose Financial Report has been prepared in accordance with:**

- The Local Government Act 1993 (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, this Report:**


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

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

**Signed in accordance with a resolution of Council made on 13 October 2009.**

  
John Bowen  
MAYOR

  
E A Campbell  
DEPUTY MAYOR

  
David Rawlings  
GENERAL MANAGER

  
Tony Curtin  
RESPONSIBLE ACCOUNTING OFFICER

# Independent Audit Report



## KEMPSEY SHIRE COUNCIL GENERAL PURPOSE FINANCIAL REPORT INDEPENDENT AUDIT REPORT

### Report on the Financial Report

We have audited the accompanying general purpose financial report of Kempsey Shire Council (the Council), which comprises the balance sheet as at 30 June 2009, the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the statement by Councillors' and Management.

### Council's Responsibility for the Financial Report

The Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1993. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, 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 report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 report.

Our audit responsibility does not extend to the original budget information included in the income statement, cash flow statement, note 2(a), note 16 budget variation explanations, note 17 forecast information and note 21, and accordingly, we do not express an opinion on such. In addition, our audit did not include an analysis of the prudence of business decisions made by Council or management.

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

# Independent Audit Report



## Independence

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


## Audit Opinion

In our opinion:

- (a) Council's accounting records have been kept in accordance with the requirements of the Local Government Act, 1993, Chapter 13, Part 3, Division 2;
- (b) The Council's financial report:
  - i. has been prepared in accordance with the requirements of that Division;
  - ii. is consistent with the Council's accounting records;
  - iii. presents fairly, in all material respects, the Council's financial position as at 30<sup>th</sup> June 2009, the results of its operations and cash flows for the year then ended; and
  - iv. is in accordance with applicable Accounting Standards, Interpretations and other mandatory professional reporting requirements in Australia.
- (c) all information relevant to the conduct of the audit has been obtained; and
- (d) there are no material deficiencies in the accounting records or financial reports that we have become aware of in the course of the audit.

Dated at Lismore this 30<sup>th</sup> day of October 2009.

## THOMAS NOBLE & RUSSELL CHARTERED ACCOUNTANTS



G W DWYER (Partner)  
Registered Company Auditor

# Income Statement

## INCOME STATEMENT for the year ended 30 June 2009

	Original Budget* 2008/09 (\$'000)	Actual 2008/09 (\$'000)	Actual 2007/08 (\$'000)
<b>INCOME FROM CONTINUING OPERATIONS</b>			
<i>Revenue:</i>			
Rates and Annual Charges	21,292	21,309	20,274
User Charges & Fees	8,799	8,996	8,510
Interest and investment revenue	1,648	1,873	1,801
Other Revenues	-	89	77
Grants & contributions provided for operating purposes	8,907	11,392	9,073
Grants & contributions provided for capital purposes	6,302	3,890	1,604
<i>Other Income:</i>			
Net gain from the disposal of assets	-	-	521
Net Shared of interests in Joint Ventures & Associated Entities using the Equity Method	-	-	-
<b>TOTAL INCOME FROM CONTINUING OPERATIONS</b>	<b>46,948</b>	<b>47,549</b>	<b>41,860</b>
<b>EXPENSES FROM CONTINUING OPERATIONS</b>			
Employee benefits and on-costs	18,159	16,670	15,170
Borrowing costs	3,025	2,565	1,995
Materials & Contracts	10,079	12,351	10,153
Depreciation and amortisation	9,707	14,075	12,793
Impairment	-	-	-
Other expenses	2,831	2,939	2,675
Interest & Investment Losses	-	-	-
Net Losses from the Disposal of Assets	-	564	-
Net Share of interests in Joint Ventures & Associated Entities using Equity Method	-	-	-
<b>TOTAL EXPENSES FROM CONTINUING ACTIVITIES</b>	<b>43,801</b>	<b>49,164</b>	<b>42,786</b>
<b>OPERATING RESULT FROM CONTINUING OPERATIONS</b>	<b>3,147</b>	<b>(1,615)</b>	<b>(926)</b>
<b>OPERATING RESULT FROM DISCONTINUED OPERATIONS</b>	-	-	-
<b>NET OPERATING RESULT FOR THE YEAR</b>	<b>3,147</b>	<b>(1,615)</b>	<b>(926)</b>
Net operating result attributable to Council	3,147	(1,615)	(926)
Net Operating Result attributable to Minority Interests	-	-	-
<b>NET OPERATING RESULT FOR THE YEAR BEFORE GRANTS &amp; CONTRIBUTIONS PROVIDED FOR CAPITAL PURPOSES</b>	<b>(3,155)</b>	<b>(5,055)</b>	<b>(2,530)</b>

\* Original budget approved by Council

# Balance Sheet

## BALANCE SHEET for the year ending 30 June 2009

	Actual 2008/09 (\$'000)	Actual 2007/08 (\$'000)
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	39,287	31,514
Investments	-	-
Receivables	5,073	4,242
Inventories	461	525
Other	71	19
Non-current assets classified as "held for sale"	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>44,892</b>	<b>36,300</b>
<b>NON-CURRENT ASSETS</b>		
Investments	-	-
Receivables	121	36
Inventories	-	-
Infrastructure, Property, Plant & Equipment	616,366	606,146
Investments accounted for using the equity method	-	-
Investment Property	-	-
Intangible Assets	-	-
Non-current assets classified as "held for sale"	-	-
Other	-	-
<b>TOTAL NON-CURRENT ASSETS</b>	<b>616,487</b>	<b>606,182</b>
<b>TOTAL ASSETS</b>	<b>661,379</b>	<b>642,482</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Payables	5,590	3,405
Borrowings	4,129	3,581
Provisions	6,359	6,653
<b>TOTAL CURRENT LIABILITIES</b>	<b>16,078</b>	<b>13,639</b>
<b>NON-CURRENT LIABILITIES</b>		
Payables	495	564
Borrowings	43,375	34,763
Provisions	247	140
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>44,117</b>	<b>35,467</b>
<b>TOTAL LIABILITIES</b>	<b>60,195</b>	<b>49,106</b>
<b>NET ASSETS</b>	<b>601,184</b>	<b>593,376</b>
<b>EQUITY</b>		
Retained Earnings	371,748	373,363
Revaluation Reserve	229,436	220,013
Council Equity Interest	601,184	593,376
Minority Equity Interest	-	-
<b>TOTAL EQUITY</b>	<b>601,184</b>	<b>593,376</b>

The Financial figures shown in this Concise Annual Report are extracts from the complete Audited Financial Statements which are available under separate cover as Part B of this Annual Report.

# Summary of Council Functions

## SUMMARY OF COUNCIL FUNCTIONS for the year 1 July 2008 -30 June 2009

	Income from Continuing Operations			Expenses from Continuing Operations			Operating Result from Continuing Operations			Grants included in Income from Continuing Operations		Total Assets Held (Current & Non-Current)	
	Original Budget 2008-09 \$'000	Actual 2008-09 \$'000	Actual 2007-08 \$'000	Original Budget 2008-09 \$'000	Actual 2008-09 \$'000	Actual 2007-08 \$'000	Original Budget 2008-09 \$'000	Actual 2008-09 \$'000	Actual 2007-08 \$'000	Actual 2008-09 \$'000	Actual 2007-08 \$'000	Actual 2008-09 \$'000	Actual 2007-08 \$'000
<b>FUNCTIONS/ACTIVITIES</b>													
• Sustainability	5,173	4,785	4,653	7,395	8,056	7,764	(2,222)	(3,271)	(3,111)	394	426	50,659	51,892
• Social, Culture & Community	2,425	2,971	2,467	5,236	5,965	5,157	(2,811)	(2,994)	(2,690)	2,356	1,968	12,942	9,413
• Infrastructure Services	22,944	21,714	18,385	29,054	32,363	29,661	(6,110)	(10,649)	(11,276)	2,681	1,114	573,576	564,601
• Relationships with Others	-	-	-	43	36	33	(43)	(36)	(33)	-	-	-	-
-													
• Effectiveness, Efficiency & Accountability	16,406	18,378	16,355	953	1,865	(857)	15,453	16,513	17,212	6,486	4,840	24,202	16,576
• Governance	-	-	-	1,120	1,178	1,028	(1,120)	(1,178)	(1,028)	-	-	-	-
<b>Total Functions &amp; Activities</b>	<b>46,948</b>	<b>47,848</b>	<b>41,860</b>	<b>43,801</b>	<b>49,463</b>	<b>42,786</b>	<b>3,147</b>	<b>(1,615)</b>	<b>(926)</b>	<b>11,917</b>	<b>8,348</b>	<b>661,379</b>	<b>642,482</b>
<b>Operating Result from Continuing Operations</b>	<b>46,948</b>	<b>47,848</b>	<b>41,860</b>	<b>43,801</b>	<b>49,463</b>	<b>42,786</b>	<b>3,147</b>	<b>(1,615)</b>	<b>(926)</b>	<b>11,917</b>	<b>8,348</b>	<b>661,379</b>	<b>642,482</b>

# Condition of Public Works

## Condition Of Public Works

(Extract from Special Schedule 7 Financial Statements to 30 June 2009)  
as at 30 June 2009

Asset Category	Carrying Value WDV	Asset Condition	Estimated cost to bring to a satisfactory condition Standard	Required Annual Maintenance	Current Annual Maintenance
<b>Buildings</b>					
Aerodrome, Caravan Parks & Saleyards	8,062	Fair	2,349	140	13
Amenties/toilets	7,280	Fair	3,511	150	94
Fire & Emergency	2,018	Fair	795	40	9
Community Buildings	6,640	Fair	2,740	130	68
Council Offices & Depot	6,579	Fair	2,612	130	110
Rental Properties	316	Fair	262	50	66
	<b>30,895</b>	<b>Fair</b>	<b>12,269</b>	<b>640</b>	<b>360</b>
<b>Public Roads</b>					
Sealed Roads	58,004	Fair	18,610	4,775	2,863
Unsealed Roads	2,355	Fair	12,470	3,381	1,741
Kerb & Gutter	6,543	Fair	3,250	200	24
Footways/Ancillary	3,773	Fair	1,220	567	292
Culverts	2,073	Fair	570	30	10
Bridges	12,385	Fair	2,250	360	153
Non- Depreciable Earth Works	66,204	Fair	-	-	-
	<b>151,337</b>	<b>Fair</b>	<b>38,370</b>	<b>9,313</b>	<b>5,083</b>
<b>Water</b>					
Infrastructure	222,869	Fair	13,767	4,360	1,236
<b>Sewerage</b>					
Infrastructure	110,455	Fair	29,521	2,640	1,146
<b>Drainage Works</b>					
Drainage	11,549	Fair	7,172	338	135
Flood Mitigation Works	40,601	Fair	8,100	1,050	213
	<b>52,150</b>	<b>Fair</b>	<b>15,272</b>	<b>1,388</b>	<b>348</b>
<b>Total All Assets</b>	<b>567,706</b>	<b>Fair</b>	<b>109,199</b>	<b>18,341</b>	<b>8,173</b>

**Asset Condition has been assessed in accordance with the following:**

**Poor** - Asset is nearing the end of its useful life and requires major maintenance.

**Fair** - Asset condition is acceptable for usage, the asset is aged or basic in so far as current community expectations are concerned

**Good** - Asset is meeting current community expectations and require only scheduled maintenance.

Per Section 428(2d)

# Environmental Levy

Council pursuant to section 508(2) of the Local Government Act 1993 received a variation to its general purpose income (7.7%) for a ten year period commencing from 1 July 2008 to enable identified environmental works to be undertaken.

The following expenditures in respect works identified under the Environmental Levy were undertaken during the 2008/09 year:

Program	Amount
<b>Environmental Works &amp; Studies</b>	
<b>Revenue Expenditure</b>	
Korogora Creek Estuary Process Study	\$14,873.35
Koala Plan	\$2,716.07
Gills Creek Rehabilitation Project	\$3,230.73
Killick Creek Strategy	\$19,316.57
Killick Creek EMP Implementation	\$2,792.66
Saltwater Creek EMP Implementation	\$32.18
ESD Policy Implementation	\$8,067.96
Saleyards Environmental Works	\$19,786.93
Macleay River Management Plan	\$20,503.47
Beachwatch	\$19,797.71
Loan Repayments	\$333,237.00
<b>Loan Expenditure</b>	
Flood Mitigation	\$28,128.25
<b>TOTAL EXPENDITURE</b>	<b>\$472,482.88</b>

## Environmental Levy Reserve

A summary of income and expenditure for the year ended 30 June 2009 is as follows:

Environmental Reserve cash balance 30 June 2008	\$438,531.85
Environmental Reserve loan balance 30 June 2008	\$80,317.16
Environmental Levy Income 2008-09	\$468,300.00
<i>Expenditure 2008-09:</i>	
Works & Studies (Reserve Funded)	\$111,117.63
Loan Repayments	\$333,237.00
Loan Expenditure	\$28,128.25
<i>Balance 30 June 2009:</i>	
Environmental Reserve Cash Assets	\$462,477.22
Environmental Reserve Loan Funds	\$52,188.91

Below are some of the projects which have produced positive outcomes as a result of the introduction of the Environmental Levy:

- **Gills Bridge Creek Rehabilitation Project** - A number of high priority actions listed in the Gills Bridge Creek Rehabilitation Plan were implemented during the reporting period, including: On-going water quality monitoring; a general rubbish clean up along the banks of the creek; a comprehensive riparian vegetation survey to document areas of important remnant habitat and areas of weed infestation to prioritise areas for rehabilitation; and the delivery of a Waterwatch Program for local primary school students. Towards the end of the 2008-09 reporting period Council also engaged the services of a professional bush regenerator to commence weed suppression and removal works along the creek.
- **Estuary Management** - Korogoro Creek Estuary Management Plan (EMP) was completed during the reporting period. The Process Study component of the Macleay River Estuary Management Plan was completed during the reporting period and work has commenced on the Macleay River Estuary Study and Plan.
- **Acid Sulfate Soils Management** - In 2008-09 further work was undertaken on the following Acid Sulfate Soils.(ASS) management projects :
  - **Mitchell's Drain Management Project** - Modification of the backswamp lateral drain by installing drop boards and floodgates to reduce drainage of acidic groundwater from the adjacent soil profile and also aid in wet pasture and backswamp management.
  - **Union Floodgate Project** - Developed to improve water quality within the drain, and allow better fish passage and aquatic habitat by modifying and equalising the levee banks along the drain so as flood gates can be left open allowing full exchange of water from Belmore River.

*Details of other environmental projects carried out by Council can be found on pages 22-26 of this report.*

# State of the Environment

## Comprehensive Report 2008-09

(Section 438 2[b] Cl 218-226)

The 2008/09 Comprehensive State of the Environment (SoE) Report has been prepared for the Kempsey Shire Local Government Area for the period from 1 July 2008 to 30 June 2009, in accordance with the requirements of the Local Government Act (1993), taking into account the 1997 amendments to the Act.

This report builds on the last Comprehensive SoE Report prepared in 2003-04 and associated Supplementary Reports prepared in the intervening period from 2004-05 to 2007-08.

The aim of the 2008-09 SoE Report is to provide an update on Kempsey Shire's progress towards sustainability and the trends in environmental indicators of the core environmental sectors; the land, water, atmosphere (encompassing noise), biodiversity, human settlements (encompassing waste) and aboriginal and non-aboriginal heritage.

While doing so the report will provide a "snapshot" of the present day environment in Kempsey Shire with that of previous years and identify any new environmental pressures since the previous report.

### Structure of 2008/09 Report

The core structure of the 2008-09 Comprehensive Report has remained fundamentally the same as the previous comprehensive and associated supplementary SoE Reports, but will see an expansion on some key topics such as progress towards sustainability and Council's environmental performance. With this in mind the Report has been organised into the following Chapters:

- Chapter 1 – Towards Sustainability
- Chapter 2 – Land
- Chapter 3 – Water
- Chapter 4 – Atmosphere
- Chapter 5 – Biodiversity
- Chapter 6 – Human Settlements
- Chapter 7 – Aboriginal and Non-Aboriginal Heritage
- Chapter 8 – Council Environmental Performance

### Adopted Reporting Model

The Pressure-State-Response (PSR) Model has been retained in the 2008-09 Comprehensive SoE Report. The PSR Model was developed by the Organisation for Economic Co-operation and Development (OECD), and has been adopted, with some variations, in national and most state SoE reporting frameworks. The PSR model considers that human activities exert pressures on the environment that affect its quality and the quantity of natural resources (state). Society then responds to these changes through environmental, general economic and sectoral policies, and through changes in awareness and behaviour or activities (societal response).

### Integration of SoE Report into Council's Planning Framework

In order for the data, information and trends presented through the SoE Report to be effectively integrated into Council's long term planning and annual operating activities, it is essential that the SoE Report is linked to a number of other key Council Strategies and Plans. As indicated in the recent review of local government planning and reporting framework, Councils should ensure that information presented in the SoE

Report is used to inform Council's preparation of the Community Strategic Plan and continue to inform the required reviews of the Community Strategic Plan.

In light of this, it is proposed that the SoE Report form part of a feedback loop, where the SoE Report identifies environmental issues that need addressing, the Kempsey Shire Ecologically Sustainable Development Strategy (ESD) Strategy provides the action plan to address the issues and Council's annual management plan outlines the resources, including staff and budgetary matters, to implement the actions. Progress on the implementation of actions will then be reported through annual 'State of' reporting, completing the loop. Central to the entire process is the Community Strategic Plan, as shown in the diagram below.



Above: Proposed integration of State of Environment report with key Council plans and strategies.

# Statutory Reporting

## Freedom of Information applications 2008-09

(Section 4282r)

The Freedom of Information Act provides the public with a legal right to ask for access to documentation and information held by the Council. In the spirit of open government Council will whenever possible allow access to documents without a formal FOI application being required. A formal application however will generally be required if documents contain information on other persons. In the 2008-09 year Council received 11 FOI applications, a decrease from 13 applications in the previous year. Council received no applications for internal reviews of its FOI determinations in the 2008-09 year. The following schedule sets out the statistical information on FOI applications received for the 2008-09 year. The information is provided in the format shown in accordance with the requirements of the NSW Premier's Department Freedom of Information guidelines.

### SECTION A – NEW FOI APPLICATIONS

How many FOI applications were received, discontinued or completed?	NUMBER OF FOI APPLICATIONS					
	PERSONAL		OTHER		TOTAL	
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
A1 New	4	2	9	9	13	11
A2 Brought forward	0	1	0	1	0	2
<b>A3 Total to be processed</b>	<b>4</b>	<b>3</b>	<b>9</b>	<b>10</b>	<b>13</b>	<b>13</b>
A4 Completed	3	3	8	9	11	12
A5 Discontinued	0	0	0	1	0	1
<b>A6 Total processed</b>	<b>3</b>	<b>3</b>	<b>8</b>	<b>10</b>	<b>11</b>	<b>13</b>
A7 Unfinished (carried forward)	1	0	1	0	2	0

### SECTION B – DISCONTINUED APPLICATIONS

What happened to completed FOI applications?	NUMBER OF DISCONTINUED FOI APPLICATIONS					
	PERSONAL		OTHER		TOTAL	
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
B1 Request transferred out to another agency (s.20)	0	0	0	0	0	0
B2 Applicant withdrew request	0	0	0	1	0	1
B3 Applicant failed to pay advance deposit (s.22)	0	0	0	0	0	0
B4 Applicant failed to amend a request that would have been an unreasonable diversion of resources to complete	0	0	0	0	0	0
<b>B5 Total discontinued</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>

Note: If request discontinued for more than one reason, select the reason first occurring in the above table. The figures in B5 should correspond to those in A5.

### SECTION C – COMPLETED APPLICATIONS

What happened to completed FOI applications?	NUMBER OF COMPLETED FOI APPLICATIONS					
	PERSONAL		OTHER		TOTAL	
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
C1 Granted or otherwise available in full	2	0	5	4	7	4
C2 Granted or otherwise available in part	1	2	2	1	3	3
C3 Refused	0	1	1	4	1	5
C4 No documents held	0	0	0	0	0	0
<b>C5 Total completed</b>	<b>3</b>	<b>3</b>	<b>8</b>	<b>9</b>	<b>11</b>	<b>12</b>

Note: A request is granted or otherwise available in full if all documents requested are either provided to the applicant (or the applicant's medical practitioner) or are otherwise publicly available. The figures in C5 should correspond to those in A4.

# Statutory Reporting

## Freedom of Information (FOI) 2008-09 (continued)

(Section 4282i)

### SECTION D – APPLICATIONS GRANTED OR OTHERWISE AVAILABLE IN FULL

How were the documents made available to the applicant?	NUMBER OF FOI APPLICATIONS (Granted or otherwise available in full)					
	PERSONAL		OTHER		TOTAL	
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
<b>All documents requested were:</b>						
D1 Provided to the applicant	1	0	5	3	6	3
D2 Provided to the applicant's medical practitioner	0	0	0	0	0	0
D3 Available for inspection	1	0	0	1	1	1
D4 Available for purchase	0	0	0	0	0	0
D5 Library material	0	0	0	0	0	0
D6 Subject to deferred access	0	0	0	0	0	0
D7 Available by a combination of any of the reasons listed in D1 – D6 above	0	0	0	0	0	0
<b>D8 Total granted or otherwise available in full</b>	<b>2</b>	<b>0</b>	<b>5</b>	<b>4</b>	<b>7</b>	<b>4</b>

Note: The figures in D8 should correspond to those in C1.

### SECTION E – APPLICATIONS GRANTED OR OTHERWISE AVAILABLE IN PART

How were the documents made available to the applicant?	NUMBER OF FOI APPLICATIONS (Granted or otherwise available in part)					
	PERSONAL		OTHER		TOTAL	
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
<b>Documents made available were:</b>						
E1 Provided to the applicant	1	2	1	1	2	3
E2 Provided to the applicant's medical practitioner	0	0	0	0	0	0
E3 Available for inspection	0	0	1	0	1	0
E4 Available for purchase	0	0	0	0	0	0
E5 Library material	0	0	0	0	0	0
E6 Subject to deferred access	0	0	0	0	0	0
E7 Available by a combination of any of the reasons listed in E1 – E6 above	0	0	0	0	0	0
<b>E8 Total granted or otherwise available in part</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>3</b>

Note: The figures in E8 should correspond to those in C2.

### SECTION F – REFUSED FOI APPLICATIONS

Why was access to the documents refused?	NUMBER OF REFUSED FOI APPLICATIONS					
	PERSONAL		OTHER		TOTAL	
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
F1 Exempt	0	1	1	2	1	3
F2 Deemed refused	0	0	0	2	0	2
<b>F3 Total refused</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>4</b>	<b>1</b>	<b>5</b>

Note: The figures in F3 should correspond with those in C3.

# Statutory Reporting

## Freedom of Information (FOI) 2008-09 (continued)

(Section 4282i)

### SECTION G – EXEMPT DOCUMENTS

Why were the documents classified as exempt?	NUMBER OF FOI APPLICATIONS (Refused or access granted or otherwise available in part only)					
	PERSONAL		OTHER		TOTAL	
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
<b>Restricted documents:</b>						
G1 Cabinet documents (Clause 1)	0	0	0	0	0	0
G2 Executive Council documents (Clause 2)	0	0	0	0	0	0
G3 Documents affecting law enforcement and public safety (Clause 4)	0	0	0	0	0	0
G4 Documents affecting counter terrorism measures (Clause 4A)	0	0	0	0	0	0
<b>Documents requiring consultation:</b>						
G5 Documents affecting intergovernmental relations (Clause 5)	0	0	0	0	0	0
G6 Documents affecting personal affairs (Clause 6)	0	1	2	1	2	2
G7 Documents affecting business affairs (Clause 7)	0	0	1	1	1	1
G8 Documents affecting the conduct of research (Clause 8)	0	0	0	0	0	0
<b>Documents otherwise exempt:</b>						
G9 Schedule 2 exempt agency	0	0	0	0	0	0
G10 Documents containing information confidential to Olympic Committees (Clause 22)	0	0	0	0	0	0
G11 Documents relating to threatened species, Aboriginal objects or Aboriginal places (Clause 23)	0	0	0	0	0	0
G12 Documents relating to threatened species conservation (Clause 24)	0	0	0	0	0	0
G13 Plans of management containing information of Aboriginal significance (Clause 25)	0	0	0	0	0	0
G14 Private documents in public library collections (Clause 19)	0	0	0	0	0	0
G15 Documents relating to judicial functions (Clause 11)	0	0	0	0	0	0
G16 Documents subject to contempt (Clause 17)	0	0	0	0	0	0
G17 Documents arising out of companies and securities legislation (Clause 18)	0	0	0	0	0	0
G18 Exempt documents under interstate FOI Legislation (Clause 21)	0	0	0	0	0	0
G19 Documents subject to legal professional privilege (Clause 10)	0	1	0	0	0	1
G20 Documents containing confidential material (Clause 13)	1	1	0	1	1	2
G21 Documents subject to secrecy provisions (Clause 12)	0	0	0	0	0	0
G22 Documents affecting the economy of the State (Clause 14)	0	0	0	0	0	0
G23 Documents affecting financial or property Interests of the State or an agency (Clause 15)	0	0	0	0	0	0
G24 Documents concerning operations of agencies (Clause 16)	0	0	0	0	0	0
G25 Internal working documents (Clause 9)	0	0	0	0	0	0
G26 Other exemptions (e.g. Clauses 20, 22A and 26)	0	0	0	0	0	0
<b>G27 Total applications including exempt documents</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>6</b>

Note: Where more than one exemption applies to a request select the exemption category first occurring in the above table. The figures in G27 should correspond to the sum of the figures in C2 and F1.

# Statutory Reporting

## Freedom of Information (FOI) 2008-09 (continued)

(Section 4282i)

### SECTION H – MINISTERIAL CERTIFICATES (S.59)

Nil

### SECTION I – FORMAL CONSULTATIONS

How many formal consultations were conducted?	NUMBER	
	2007-08	2008-09
I1 Number of applications requiring formal consultation	3	0
I2 Number of persons formally consulted	3	0

Note: Include all formal offers to consult issued irrespective of whether a response was received.

### SECTION J – AMENDMENT OF PERSONAL RECORDS

Nil

### SECTION K – NOTATION OF PERSONAL RECORDS

Nil

### SECTION L – FEES AND COSTS

What fees were assessed and received for FOI applications processed (excluding applications transferred out)?	ASSESSED COSTS		FEES RECEIVED	
	2007-08	2008-09	2007-08	2008-09
L1 All completed applications	\$1,300	\$1,200	\$435	\$690

### SECTION M – FEE DISCOUNTS

How many fee waivers or discounts were allowed and why?	NUMBER OF FOI APPLICATIONS (Where fees were waived or discounted)					
	PERSONAL		OTHER		TOTAL	
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
M1 Processing fees waived in full	0	0	0	0	0	0
M2 Public interest discounts	0	0	0	0	0	0
M3 Financial hardship discounts – pensioner or child	1	1	0	2	1	3
M4 Financial hardship discounts – non profit organisation	0	0	0	1	0	1
<b>M5 Total</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>4</b>

### SECTION N – FEE REFUNDS

Nil

### SECTION O – DAYS TAKEN TO COMPLETE REQUEST

How long did it take to process completed applications? (Note: calendar days)	NUMBER OF COMPLETED FOI APPLICATIONS					
	PERSONAL		OTHER		TOTAL	
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
O1 0-21 days – statutory determination period	0	2	2	4	2	6
O2 22-35 days – extended statutory determination period for consultation or retrieval of archived records (S.59B)	1	1	1	2	2	3
O3 Over 21 days – deemed refusal where no extended determination period applies	1	0	5	3	6	3
O4 Over 35 days – deemed refusal where extended determination period applies	1	0	0	0	1	0
<b>O5 Total</b>	<b>3</b>	<b>3</b>	<b>8</b>	<b>9</b>	<b>11</b>	<b>12</b>

Note: Figures in O5 should correspond to figures in A4.

# Statutory Reporting

## Freedom of Information (FOI) 2008-09 (continued)

(Section 4282i)

### SECTION P – PROCESSING TIME: HOURS

How long did it take to process completed applications?	NUMBER OF COMPLETED FOI APPLICATIONS					
	PERSONAL		OTHER		TOTAL	
	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
P1 0-10 hours	2	3	8	8	10	11
P2 11-20 hours	1	0	0	1	1	1
P3 21-40 hours	0	0	0	0	0	0
P4 Over 40 hours	0	0	0	0	0	0
<b>P5 Total</b>	<b>3</b>	<b>3</b>	<b>8</b>	<b>9</b>	<b>11</b>	<b>12</b>

Note: Figures in P5 should correspond to figures in A4.

### SECTION Q – NUMBER OF REVIEWS

How many reviews were finalised?	NUMBER OF COMPLETED REVIEWS	
	2007-08	2008-09
Q1 Internal reviews	0	0
Q2 Ombudsman reviews	0	0
Q34 ADT reviews	0	0

### SECTION R – RESULTS OF INTERNAL REVIEWS

What were the results of internal reviews finalised?

Grounds on which the internal review was requested?	NUMBER OF INTERNAL REVIEWS					
	PERSONAL		OTHER		TOTAL	
	Original Agency Decision upheld	Original Agency Decision varied	Original Agency Decision upheld	Original Agency Decision varied	Original Agency Decision varied	Original Agency Decision upheld
R1 Access refused	0	0	0	0	0	0
R2 Access deferred	0	0	0	0	0	0
R3 Exempt matter deleted from documents	0	0	0	0	0	0
R4 Unreasonable charges	0	0	0	0	0	0
R5 Failure to consult with third parties	0	0	0	0	0	0
R6 Third parties views disregarded	0	0	0	0	0	0
R7 Amendment of personal records refused	0	0	0	0	0	0
<b>R8 Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

# Statutory Reporting

## External Bodies that exercised functions delegated by the Council

(Section 428 2o)

External Bodies that exercised functions delegated by the Council in 2008-2009 were:

External Body	Function	
<b>Corporate and Community Services</b>		
Kempsey Living Legend Festival & Country Music Fair	Organise Country Music Festival & Promote Country Music	
Kempsey District Silver Band	Provide a Town Band	
Kempsey Singers Inc - Bandbox Theatre Committee	Care control and management of Bandbox Theatre	
Macleay River Historical Society	Management of Museum	
Kempsey Eisteddfod Society	Organise Kempsey Eisteddfod	
Kempsey Community Gallery Committee	Management of Kempsey Community Gallery at Gladstone	
Bellbrook Hall Committee	Management of Public Halls	
Crescent Head Hall Committee		
Millbank Hall Committee		
Stuarts Point Community Hall Committee		
Sherwood Hall Committee		
SWR School of Arts and Community Hall Committee		
Gladstone Youth & Community Hall Committee		
Smithtown Hall Committee		
Willawarrin Hall Committee		
Frederickton Hall Committee		
<b>Shire Services</b>		
Melville High Sports & Entertainment Centre		Management of Sporting Facilities
Gladstone Tennis Club	Management of Tennis Courts	
Hat Head Tennis Club		
South Kempsey Tennis Club		
Stuarts Point & District Tennis Club		
Willawarrin Tennis Club		
Kempsey Tennis Club		
Bellbrook Tennis Club		
<b>Sustainable Development Services</b>		
Hat Head Community Dune Care	Management of Dune Care Program	

### Statement Of Partnerships, Cooperatives or other Joint Ventures to which Council was a party

(Section 428 2q)

Council has a partnership with Insight Informatics Pty Ltd of Brisbane and Dulconghi Investments Pty Ltd in the development of a computer software package for Local Government known as CivicView.

### Rates & Charges Written Off

(Section 428 2r)

A summary of rates and charges written off during the year 2008-09 is shown below:

Pensioner Rates	\$1,262,921.84
Postponed Rates - Section 585	
Local Government Act	\$2,004.20
<b>Total:</b>	<b>\$1,264,926.04</b>

### Statement of Companies in which Council held a Controlling Interest

(Section 428 2p)

There was no company in which Council held a controlling interest during the 2008-09 year.

# Statutory Reporting

## Legal Proceedings

(Section 428 2e)

A summary of amounts incurred for legal proceedings by and against Council during the 2008-2009 year is as follows:

Particulars	Finalised	Expenses	Receipts
Appeal against Court conviction for failure to pay clean up notice fee – verdict for Council	No	\$17,089.50	\$4,720.00
Public liability claim – injury at land fill site	No	\$10,124.04	
Public liability claim – injury in motor vehicle accident	No	\$ 9,497.31	
Public liability claim – injury in fall on sea breakwall	No	\$ 4,127.00	
Court Hearing – dangerous dog conviction	Yes	\$ 600.00	
Legal advices and opinions		\$57,092.91	
Recovery of unpaid rates with costs recovered from ratepayers and debtors		\$108,313.09	\$133,057.46

## Privacy And Personal Information Protection Act 1998

(Section 428 2r)

Council's use of personal information it holds is governed by the Privacy and Personal Information Protection Act 1998. This Act provides for the protection of personal information and for the protection of privacy of individuals. Council has adopted a Privacy Management Plan.

The Privacy Management Plan sets out how Council will comply with the Act in relation to protecting the personal information held by Council and how this information will be used and what access, if any, will be given to others. A copy of Council's Privacy Management Plan is available on Council's website.

Persons seeking access to personal information held by Council are required to complete a statutory declaration stating the reasons why the information is sought.

Council received 92 applications for personal information from its registers in the 2008-09 year.

There were no internal reviews required to be conducted by Council in the 2008-09 year in relation to its handling of personal information.

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## Section 356 Contributions

(Section 428 2l)

Council provided the following contributions and donations during 2008-09:

• Public Halls	\$6,294.66
• Surf Clubs	\$13,945.28
• Slim Dusty Foundation	\$5,000.00
• Medical Scholarships	\$5,000.00
• Westpac Rescue Helicopter	\$1,000.00
• North Coast Academy of Sport	\$2,874.00
• Arts Mid North Coast	\$5,063.64
• Macleay River Historical Society	\$1,000
• Kempsey Siver Band	\$4,500.00
• Macleay District Motorcycle Club	\$3,000.00
• Kempsey Eisteddfod Society	\$1,000.00
• Yarrahapinni Community House	\$2,500.00
• Stuarts Point & District Community Org.	\$1,500.00
• Victorian Bushfire Appeal	\$5,000.00
• Life Education	\$3,318.03
• Other Donations	\$12,135.75
<b>Total:</b>	<b>\$73,131.36</b>

## Planning Agreements- Environmental Planning & Assessment Act 1998

(Section 93G 5)

Council did not enter into any planning agreements during 2008-09.

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## Private Works

(Section 428 2k)

Council fixes its rates to be charged for the carrying out of works on private land in conjunction with the adoption of the Management Plan. The rates for the year 2008-2009 were:

### 1 Sporting bodies – works on council reserves

Wages: actual cost plus current on cost  
Stores and Materials: actual cost + 5%  
Plant Hire: internal hourly hire rate as per Fleet Business Plan.

### 2 Sporting bodies – for work on private lands

Actual cost as in (3) below.

### 3 All other private works

As per Fleet Business Plan external hire rates.

Where a charge of less than the approved fee is proposed, a resolution of Council is required in accordance with section 67(2)(b) of Local Government Act 1993.

During 2008-09 there were no works carried out requiring a resolution of the Council in accordance with section 67(2)(b).

# Statutory Reporting

## Contracts Awarded by the Council

The following is a list of contracts awarded by the Council during the 2008-09 year other than employment contracts or contracts less than \$150,000.

Tender File Number	Name of Contractor	Nature of Goods and Services Supplied	Total Amount Payable under the Contract (excluding GST)
T2008-04	A and S Arthur	Management contract of Horseshoe Bay caravan park for 16 month period to 30 June 2011.	49.4% of gross revenue retained by contractor, balance payable to Council.
300	Soul	Communications data network and internet services.	Amount payable based on Council's requirements during tender period.
300	CallTime	Supply and install PABX communications.	Amount payable based on Council's requirements during tender period.
1013	Onesteel Recycling	Scrap metal collection for one year period.	Amount payable based on quantities collected during tender period.
T2008-01	J R Richards Pty Ltd	Collection of mixed solid waste and green waste for a term of seven years eight months.	Amount payable based on number of collections required during tender period.
T2008-08	Timberline	Supply five cabins for Horseshoe Bay caravan park.	\$264,500
264	Boral Country Resources and Hurd Haulage on panel basis	Supply ready mix concrete for two year period.	Amount payable based on council's requirements during tender period.
264	Caltex and Reliance Petroleum on a panel basis	Supply and delivery of bulk diesel fuel for three year period.	Amount payable based on council's requirements during tender period.
1105	Fulton Hogan Pty Ltd	Replace Nulla Nulla Creek Bridge.	\$1,526,872
1105	Civilbuild	Replace Mungay Creek Bridge and Devils Nook Creek Bridge.	\$2,378,000
T2008-09	A J Lucas Operations	Construct South West Rocks recycled water pipelines.	\$770,000
264	Midcoast Traffic Services and Clearwater Asset Services on a panel basis	Traffic Management Services for three year period.	Amount payable based on council's requirements during tender period.
T2009-03	CJD Equipment Pty Ltd	Supply two graders	\$634,000
T2009-03	Dynapac Australia Pty Ltd	Supply two rollers	\$317,300
T2009-03	CJD Equipment Pty Ltd	Supply one excavator	\$254,600
T2009-02	Volvo Commercial Vehicles	Supply one prime mover	\$214,792

# Statutory Reporting

## Statement of Activities relating to Companion Animals Act & Regulation

(Section 428 2f)

Council strives for a harmonious co-existence between residents and animals to provide a nuisance-free environment for all residents. Dog and cat owners in the Shire are responsible for the care and welfare of their animal and its existence in the community.

Council is responsible for the implementation of the NSW Companion Animals Act and associated regulations. The Act has been produced by the Government to ensure that the harmonious co-existence between residents and animals is achieved. Council's Rangers implement the requirements of the Act and Regulations. The details below provide information about Council's activities relating to enforcing and ensuring compliance with the Companion Animals Act and Regulation:

- Pound collection data is lodged with the Department of Local Government on an annual basis. The 2008-09 return was lodged prior to the 30 September statutory deadline.
- Council has a close liaison with the RSPCA within the Shire and has been successful in rehousing some animals. The table below details activities in this area for 2008-09:

2008-09 Animal Seizure Activity			
Activity	Cats	Dogs	Total
Seized (Section A)	131	315	446
Released to Owner (Section J)	3	87	90
Sold (Section N)	0	11	11
Released to organisations for rehousing (Section O)	5	34	39

- Council staff have the appropriate password to enable access to the dog attack data base. Council Rangers ensure that the data base is updated as required under the Companion Animal Act.
- Council spent \$28,029 on direct Companion Animal Management and Activities including the operation and maintenance of the pound, together with the employment of two (2) rangers, whose major responsibility is companion animal issues, and associated management costs.
- Council spent \$13,388 of Companion Animal Fund money for management and control of companion animals in the area.
- A 'Companion Animal Management Plan' was developed in the later half of the 2006-07 year. It was on public exhibition in August and adopted by Council in September 2007. This management plan identifies strategies to be implemented to assist in the desexing of dogs and cats.
- The Companion Animals Advisory committee held 4 meetings during the year which have dealt with such issues as leash free areas and systems for operation of Council's pound.

## Bushfire Hazard Reduction Activities

(Section 4282i)

The Kempsey Rural Fire Service has continued to supply a service to the community and Kempsey Shire Council in line with the Service Level Agreement; this was achieved by participating in fire suppression and mitigation, community education and public advice in relation to hazard reduction and development applications.

The community education team completed 27 activities throughout the year including Street Walks in Crescent Head, Stuarts Point and Hat Head. Brigades also attended the Kempsey Agricultural Show and held various static displays encouraging fire safety awareness. Members of the community education team also attended conferences and training to increase their skills and knowledge in community education.

In 2008-09 staff received and actioned 14 hazard complaints across the Kempsey Shire and received and gave advice or bushfire safety authority to 37 development applications.

Volunteer Rural Fire Service brigades assisted with a total of 5 hazard reduction burns encompassing an area of approximately 25 ha and volunteers issued 717 permits during last years bushfire danger period. Local brigades attended 245 incidents across the Kempsey Shire from 01 January 2008 to 27 July 2009. With a total area burnt of 2,500 hectares burnt across the shire. Within that 245 incident local brigades attended 50 Motor Vehicle Accidents, 7 Car fires, 4 Hazmat, 24 False Alarms, 7 Structural Fires and assist SES with 3 Flood incidents.

Training was carried out for all brigades as per the Zone Training Program with all targets being met. Problems are being encountered with a decline in the number of instructors and assessors.

Without the dedication of the volunteers and the assistance given by Kempsey Shire council to provide plant and equipment as required, the 2008-09 season would have been significantly worse.

# Statutory Reporting

## Payment of Fees & Expenses & Provision of facilities to the Mayor & Councillors

(Section 428 2f)

### Councillors fees

Annual fees payable to the mayor and councillors are set annually by the Council prior to 30 June. The fee must be within the range for a category three council as determined by the Local Government Remuneration Tribunal. The total mayoral and councillor fees paid in the 2008-09 year were:

Mayor	\$ 33,010
Councillors (9)	\$ 135,350

...

### Overseas Visits

No overseas visits, on behalf of Council, were made by the Mayor or Councillors during 2008-09.

...

### Councillors meeting attendances for 2008-09

The number of meetings attended by Councillors during the 2008-09 year is shown on the following table:

	Council Meetings & Workshops	Committee & Community Meetings
Councillor J Bowell (mayor from Sept 2008)	39	157
Councillor L Campbell (from Sept 2008)	29	32
Councillor B Green (mayor to Sept 2008)	38	124
Councillor J Gribbin	33	22
Councillor J Hayes	36	17
Councillor T Hunt (to Sept 2008)	10	5
Councillor R McWilliam (to Sept 2008)	10	9
Councillor D Saul	37	34
Councillor A Snowsill (from Sept 2008)	29	20
Councillor B Sowter (to Sept 2008)	9	7
Councillor J Sproule (from Sept 2008)	24	21
Councillor E Walker	28	6

### Councillors expenses & provision of facilities

Council has adopted a policy covering the payment of expenses and provision of facilities to the mayor and councillors. Council's policy was developed in accordance with the Department of Local Government's guidelines. The policy provides for reimbursement of reasonable expenses incurred up to a limit per month set by the policy.

The mayor is provided with a vehicle and a mobile telephone, if required, for council business use. From September 2008 the mayor elected not to have a vehicle or mobile phone provided.

All councillors are provided with a laptop computer, internet connection, a printer and facsimile for use on council business. A corporate wardrobe is provided for councillors and meals are provided on council meeting days when required. A councillor's interview room is provided at the Civic Centre. Councillors are reimbursed for travel when using their private vehicles, at a per kilometre rate adopted as part of the policy.

Details on the total costs incurred in relation to each expense or facility provided to councillors in the 2008-09 year are detailed here under:

Expense	Annual Cost
Motor vehicle for mayor	\$ 7,701.67
Mobile telephone for mayor	\$ 334.91
Travelling expenses	\$ 15,577.58
Telephone calls, internet and facsimile expenses	\$ 10,959.83
Laptop computer expenses	\$ 13,466.54
Conference and seminar attendance (excluding interstate visits)	\$ 31,521.65
Interstate visits by councillors	\$ 1,671.00
Meals and refreshments for council & committee meetings	\$ 12,338.35
Training for councillors	\$ 2,058.35
Councillors corporate wardrobe	\$ 253.12
Overseas visits by councillors	Nil
Councillors spouse or partner expenses	Nil
Care of child or family member	Nil

# Statutory Reporting

## Stormwater Management Services

Stormwater Management Services were implemented in the 2008-09 Management Plan to identify and address stormwater issues throughout the Kempsey urban areas.

Council is currently reviewing and updating the Kempsey Stormwater Management Plan over a number of years. The first stage of updating the plan was to analyse the West Kempsey catchment area which, ultimately, drains to a single location at the railway underpass in Kemp Street. The analysis of the system will identify any drainage lines that may require upgrading due to insufficient capacity and/or hydraulic grade.

This study utilises historical data maintained by Council in conjunction with additional surveying of the existing pipe and open channels network throughout West Kempsey.

After the gathering the base information, the required drainage system modifications will be recalculated using a computer modeling program, which will determine the capacity and sizing of the pipes and open drains that are required to successfully manage storm water run-off within the Kempsey urban area.

The next stage will be the compilation of a comprehensive report, which will prioritise all required works to upgrade the existing system and identify associated costings to undertake any works identified in the study.

The final stage will be to schedule and finance all works identified within this study as high priority.

## Competitive Neutrality Pricing Requirements

*(Section 428 2r)*

Council's Annual Management Plan has been prepared on a receipts and payment basis. Financial statements, as at June 30, 2009,

have been prepared in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting. The pricing policy for each business activity is identified in Council's Fees and Charges document. Council's Water Pricing Policy has been reviewed and Council has commenced with the introduction of best-practice pricing. Sewerage and Liquid Trade Waste pricing were reviewed in 2004-05 and a new pricing structure commenced a 3-year phase in on 1 July 2005.

## Summary of Competitive Neutrality Complaints

*(Section 428 2r)*

There have been no complaints made against Council during the year.

## Complaints Handling Mechanism

Council has developed a comprehensive computerised complaints handling mechanism which is utilised by all staff who deal with complaints.

The system, known as CARE (Customer Action Request and Enquiry), is a fully integrated software package which enables organisations to register, maintain, report, job cost and file customer requests and complaints.

The initial request/complaint is made, a work order is created and forwarded to the relevant officer who undertakes the required work. A reporting system can assess actual performance against key performance indicators.

To complement this system, Council has adopted a Complaints Policy, developed a procedure for use by staff to assist them when dealing with complaints and produced a brochure which outlines the procedure for people wishing to make a complaint, give a compliment or make a suggestion to Council.

## Progress in implementing Principles of Competitive Neutrality

In April 1995, the Council of Australian Governments ratified the National Competition Policy. The Policy is aimed at:

- increasing consumer and business choice,
- reducing production and transportation costs in an effort to lower prices for goods and services, and
- creating an overall business environment in which to improve Australia's international competitiveness.

The Policy also applies the Trade Practices Act to State and Local Government business activities.

Council is implementing the principles of competitive neutrality. All businesses have been categorised as '1' or '2' and business plans have been developed for Water, Waste Water, Caravan Parks and Fleet.

1. Category 1 Businesses  
(\$2,000,000 And Above)

Kempsey Shire Council classifies Water and Waste Water (Sewerage) business activities as Category 1 Business Units. The tables on the following 2 pages present a statement of expenses, revenues and assets in relation to each of these business activities as at 30 June 2009.

2. Category 2 Businesses  
(Less Than \$2,000,000)

Kempsey Shire Council has classified Waste Services, Kempsey Saleyards, Caravan Parks and Private Works as Category 2 businesses.

# Statutory Reporting

## Income Statement of Business Activities for the year ended 30 June 2008

	Water \$'000			Sewerage \$'000		
	2009	2008	2007	2009	2008	2007
<b>Income from continuing operations</b>						
Access charges	3,617	3,441	3,280	5,429	5,188	4,788
User charges	3,065	2,835	2,768	421	435	437
Liquid Trade Waste Charges				160	145	160
Fees	-	123	117	-	19	-
Interest	168	111	8	189	159	-
Grants & contributions provided for non-capital purposes	200	158	175	104	104	103
Profit from the sale of assets	-	126	82	-	-	-
Other income	102	35	31	51	23	50
<b>Total income from continuing operations</b>	<b>7,152</b>	<b>6,829</b>	<b>6,461</b>	<b>6,354</b>	<b>6,073</b>	<b>5,538</b>
<b>Expenses from continuing operations</b>						
Employee benefits and on-costs	1,297	1,203	848	1,251	882	916
Borrowing Costs	1,002	800	737	671	429	281
Materials & Contracts	1,604	1,227	1,370	1,468	1,654	1,440
Depreciation and Impairment	4,347	3,949	1,338	2,504	2,338	1,186
Water purchase charges	-	-	-	-	-	-
Loss of sale of assets	473	-	-	23	-	-
Calculated Taxation Equivalent	12	8	8	22	12	12
Debt Guarantee Fee	72	72	54	89	45	28
Other Expenses	1,461	1,409	1,329	1,196	1,161	1,083
<b>Total expenses from continuing operations</b>	<b>10,268</b>	<b>8,668</b>	<b>5,684</b>	<b>7,224</b>	<b>6,521</b>	<b>4,946</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>(3,116)</b>	<b>(1,839)</b>	<b>777</b>	<b>(870)</b>	<b>(448)</b>	<b>592</b>
Grants & contributions provided for capital purposes	335	113	251	249	210	167
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>(2,781)</b>	<b>(1,726)</b>	<b>1,028</b>	<b>(621)</b>	<b>(238)</b>	<b>759</b>
Surplus (deficit) from Discontinued Operations	-	-	-	-	-	-
<b>Surplus (deficit) from all operations before tax</b>	<b>(2,781)</b>	<b>(1,726)</b>	<b>1,028</b>	<b>(621)</b>	<b>(238)</b>	<b>759</b>
Less: Corporate Taxation Equivalent (30%) <i>[based on result before Capital]</i>	-	-	(233)	-	-	(178)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>(2781)</b>	<b>(1,726)</b>	<b>795</b>	<b>(621)</b>	<b>(238)</b>	<b>581</b>
Plus: Opening retained profits	72,321	73,975	72,893	59,401	59,594	58,807
Plus/Less: Prior Period Adjustments	-	-	-	-	-	-
Plus: Adjustments for Amounts Unpaid						
- Taxation equivalent payments	12	8	8	22	12	12
- Debt Guarantee Fees	72	72	54	89	45	28
- Corporate Taxation Equivalent	-	-	233	-	-	178
<b>Less:</b>						
- Tax Equivalent dividend paid	-	(8)	(8)	-	(12)	(12)
- Surplus dividend payment	-	-	-	-	-	-
<b>Closing retained profits</b>	<b>69,624</b>	<b>72,321</b>	<b>73,975</b>	<b>58,891</b>	<b>59,401</b>	<b>59,594</b>
<b>Return on capital %</b>	<b>-0.9%</b>	<b>-0.5%</b>	<b>0.7%</b>	<b>-0.2%</b>	<b>0.0%</b>	<b>0.9%</b>
<b>Subsidy from council</b>	<b>7,751</b>	<b>6,570</b>	<b>3,805</b>	<b>3,023</b>	<b>2,629</b>	<b>1,590</b>
<b>Calculation of dividend payable:</b>						
Surplus (deficit) after tax	(2,781)	(1,726)	795	(621)	(238)	581
Less: Capital grants and contributions <i>[excluding Developer contributions]</i>	(335)	(113)	(251)	(249)	(210)	(167)
<b>Surplus for dividend calculation purposes</b>	<b>-</b>	<b>-</b>	<b>544</b>	<b>-</b>	<b>-</b>	<b>414</b>
<b>Potential Dividend calculated from surplus</b>	<b>-</b>	<b>-</b>	<b>272</b>	<b>-</b>	<b>-</b>	<b>207</b>

# Statutory Reporting

## Balance Sheet of Council's Water & Sewer Business Activities as at 30 June 2009

	Water \$'000		Sewer \$'000	
	2009	2008	2009	2008
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	6,427	7,063	13,782	11,028
Investments	-	-	-	-
Receivables	1,080	1,426	552	568
Inventories	-	-	-	-
Other	-	-	-	-
Non-Current assets classified as held for sale	-	-	-	-
<b>Total Current Assets</b>	<b>7,507</b>	<b>8,489</b>	<b>14,334</b>	<b>11,596</b>
<b>Non-Current Assets</b>				
Investments	-	-	-	-
Receivables	-	-	2	2
Inventories	-	-	-	-
Infrastructure, Property, Plant & Equipment	225,518	221,243	112,961	104,410
Investments accounted for using equity method	-	-	-	-
Investment property	-	-	-	-
Other	-	-	-	-
<b>Total Non-Current Assets</b>	<b>225,518</b>	<b>221,243</b>	<b>112,963</b>	<b>104,412</b>
<b>TOTAL ASSETS</b>	<b>233,025</b>	<b>229,732</b>	<b>127,297</b>	<b>116,008</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables	122	487	134	87
Interest bearing liabilities	1,075	1,008	695	408
Provisions	-	-	-	-
<b>Total Current Liabilities</b>	<b>1,197</b>	<b>1,495</b>	<b>829</b>	<b>495</b>
<b>Non-Current Liabilities</b>				
Payables	-	-	-	-
Interest bearing liabilities	13,291	13,466	17,191	8,686
Provisions	-	-	-	-
<b>Total Non-Current Liabilities</b>	<b>13,291</b>	<b>13,466</b>	<b>17,191</b>	<b>8,686</b>
<b>TOTAL LIABILITIES</b>	<b>14,488</b>	<b>14,961</b>	<b>18,020</b>	<b>9,181</b>
<b>NET ASSETS</b>	<b>218,537</b>	<b>214,771</b>	<b>109,277</b>	<b>106,827</b>
<b>EQUITY</b>				
Retained earnings	69,624	72,321	58,891	59,401
Revaluation Reserve	148,913	142,450	50,386	47,426
Council Equity interest	218,537	214,771	109,277	106,827
Minority equity interest	-	-	-	-
<b>TOTAL EQUITY</b>	<b>218,537</b>	<b>214,771</b>	<b>109,277</b>	<b>106,827</b>

# Statutory Reporting

## Comparison of Performance to Budget Category 1- Business Activities

This note sets out the details of material variations between the budget and the actual results for the Income Statement for category 1 business activities. Materially favourable (F) and unfavourable (U) variances represent amounts of generally 10% or more of the budgeted amount.

	Water \$,000		Sewer \$,000	
	Budget	Actual	Budget	Actual
Operating Revenues	6,851	7,152	6,149	6,354
Operating Expenses	6,393	10,268	6,082	7,224
Surplus from Continuing Operations before Capital Amounts	458	-3,116	67	- 870
Plus: Grants & Contributions provided for Capital Purposes	1,100	335	937	249
Surplus from all activities after Tax	1,558	-2,781	1,004	-621
Plus: Adjustments for Imputation Taxes Unpaid	13	84	13	111
Net Operating Result	1,571	-2,697	1,017	-510

## Explanatory Notes

### Water Fund

#### Operating Expenses

Operating Expenses are over budget by \$3,875K (U). The significant variations include increased depreciation expenses of \$3,247K (U) following the valuation of water infrastructure at "fair value", and loss on disposal of assets \$473 (U) attributed to the write off of water mains. As a consequence of flooding, operating and maintenance expenses are over budget by \$76K principally related to the operation of Bellbrook Water Treatment facility whilst taxation equivalents are over budget by \$72K being the debt guarantee expenses.

#### Grants & Contributions provided for Capital Purposes

Revenue is under budget by \$765K (U). The significant variations were that Contributions are \$108K (U)

under budget on expected estimates; and Council's budget provided for a capital grant of \$700K for the Bellbrook Water Treatment Plant while only \$7K was recognised in the year with the balance of the funding to be provided in the 2009-10 year.

### Sewer

#### Operating Expenses

Operating expenses were over budget by \$1,142K (U). The significant variations include increased depreciation expenses \$1,204K (U) arising from the revaluation of sewer infrastructure assets. Sewer operational, maintenance and repairs were over budget \$277K (U) (including \$138K attributed to the floods in 2009). Taxation equivalent payments were up by \$98K (U). These increases are offset by a reduction in loan interest expenses of \$456K (F) as a result of the timing of borrowing caused by delays in the completion of major capital projects.

#### Grants & Contributions provided for Capital Purposes

Grants and contributions are under budget by \$688K (U). Council's budget provided for expenditure of \$937K (U) from section 64 contributions while only \$249K (F) was received during the year.

# Access & Equity Activities

## Overview

Access and equity activities benefit the broad community and/or particular groups, and help 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 improve their quality of life.
- Give people better opportunities for genuine participation and consultation about decisions affecting their lives.

In 2008-09 Kempsey Shire Council maintained its commitment to the principles of Access & Equity (A & E) as it worked towards improving access to services, facilities and decision-making processes on an equitable basis for all who work in, live in or visit the area.

## Social & Community Plan

Council's Social Plan is prepared in accordance with the relevant guidelines set out by the NSW Department of Local Government.

A full copy of the Social Plan 2004-2009 is available at Council's website ([www.kempsey.nsw.gov.au](http://www.kempsey.nsw.gov.au), go to Communications, Documents).

### Target Groups

The Department of Local Government requires that the Social Plan specify the needs of seven mandatory target groups:

- **Children** (0-11 years)
- **Youth** (12-24 years)
- **Women**
- **Older People**  
(Aboriginal people aged 45 years and over and non-Aboriginal people aged 55 years and over)
- **People with Disabilities**  
(covering people with all types of disabilities, including those with HIV/AIDS)
- **Aboriginal and Torres Strait Islander People**
- **People from Culturally & Linguistically Diverse Backgrounds (CALD)**

While the Department of Local Government specifies these seven mandatory target groups councils are encouraged to identify any other groups within the community and to include them in their Social Plan.

Kempsey Shire Council has chosen to

include the additional group of Men.

The Kempsey Shire Council Social Plan was developed in cooperation with key stakeholder groups and resident representatives in 2004.

This report represents the last full year of the current plan's operation with a new Community Plan being developed to become operational from 2010.

The information on the following pages (and on pages 27-28) accounts for progress made against the actions identified in Council's 2008-09 Management Plan in relation to the access and equity target groups.

## Report on 2008-09 Activities

### Children (aged 0 – 11 years)

During 2008-09 progress was made in this area by:

- Continuing to provide financial and in-kind support for children's services in Kempsey Shire.
- Continuing to provide lifesavers on nominated beaches during school holiday periods.
- Continuing to promote and maintain safe play equipment and environments by undertaking regular safety checks in Council parks.
- Assisting the community in providing positive images of children,



Above: Kempsey Shire Library hosted a Seniors week morning tea which was also attended by Councillors.



Above: The Youth Advisory Council hosted a successful Forum for Youth in September 2008 to assist in development of a Youth Social Plan for Kempsey Shire and the Department of Community Services Mid North Coast Youth Social Plan.

## Access & Equity Activities

families and services through 19 events held in the financial year from Midnight Basketball, Healthy eating program to the Crescent Head Water Tower Project.

- Continuing to provide holiday programs and activities for Children at the Shire library and its branches.

### Young People (aged 12-24 years)

During 2008-09 progress was made in this area by:

- Continuing to provide financial assistance to youth based events.
- Facilitating and coordinating the Youth Advisory Council.
- Networking with youth service providers, community organisations and young people, in relation to youth week, cultural projects and school holiday activities.
- Refurbishing and redeveloping the old SES Headquarters into the Youth Access Centre for information and referral of youth to services.
- Facilitating Rock and Water Training at Melville High School.

### Women

During 2008-09 progress was made in this area by:

- Promoting equal employment opportunity initiatives in the workplace.
- Commencing investigations into

the establishment of out of town accommodation for men who are violent in the home.

### Men

During 2008-09 progress was made in this area by:

- Providing financial and in-kind assistance to the Kempsey Men's Shed.
- Investigating the provision of suitable housing and a safe house for men.
- Continuing to provide financial and in-kind support for men's services in Kempsey Shire.

### People from Culturally and Linguistically Diverse Backgrounds

During 2008-09 progress was made in this area by:

- Continuing to promote Australian Citizenship to all residents.
- Continuing to provide resources for people from Culturally and Linguistically Diverse Backgrounds in the Library.

### People with Disabilities including those with HIV / AIDS

During 2008-09 progress was made in this area by:

- Providing safe pedestrian access and seating facilities and promotion

of disabled access in new buildings and public spaces.

- Continuing to provide infrastructure for people with disabilities.
- Providing support to Workpool Inc to host the 2008 DisAbility Expo at the Kempsey Showground.

### Older People

During 2008-09 progress was made in this area by:

- Continuing to operate residential accommodation in Kempsey and South West Rocks for people on the aged and disabilities pensions.
- Providing assistance to the Stuarts Point Seniors Citizen Association.
- Providing financial support for Seniors week activities in the Shire.
- Continuing to provide aged care services under Macleay Community Care Options.
- The development and adoption of the Ageing 2022 ~ Kempsey Shire Council's Action on Ageing Strategy.

### Aboriginal & Torres Strait Islander People

During 2008-09 progress was made in this area by:

- Continuing to encourage Aboriginal People to actively participate in mainstream committees through Council's Community Development Worker - Aboriginal.



Above: The Mens Shed has provided valuable assistance on a number of community projects.



Above: After many months of planning, work to establish the Barrunbatayi (Dreamtime) section at East Kempsey Cemetery was well underway in May 2009.

## Access & Equity Activities

- Continuing to support activities to celebrate NAIDOC Week, National Sorry Day and National Harmony Day.
- Council representation on the Dunghutti Aboriginal Justice Group.
- Providing signage to the entry of the Shire indicating that people are entering the Home of the Dunghutti Nation.
- Commencing the development of the Barrunbatayi (Dreamtime) Reconciliation Project at the East Kempsey Cemetery.
- Developing a partnership with Boral Industries for twelve (12) Aboriginal students to attend the Outward Bound Leadership Program at Kyogle.

### Cultural Services

The Macleay Valley Community Art Gallery and Shire Libraries continue to be the main focal areas of Council's cultural services within the Macleay.

During the 2008-09 financial year 8,048 people visited the Macleay Valley Community Art Gallery.

#### Exhibitions

Exhibitions at the Gallery this year included:

- Walala Wasala: The Fabric of African Politics Exhibition - Textiles which capture the vibrancy and vitality of African cultures and reflect the changing face of post-colonial

Africa.

- The Inaugural Exhibition of the Macleay Art Collective.
- The Waste into Art Exhibition which featured artwork made from recycled material by local students.
- Several artists exhibitions which proved very successful both financially and professionally for the artists.

#### Library

While the Kempsey Shire Library provides valuable resources to all the access and equity target groups it also remains a hub of cultural activity within the Macleay Valley.

During 2008-09 one of the highlights for the library was being able to present the "In Living Memory" touring exhibition. This exhibition featured photos from the Aborigines Welfare Board between 1919 and 1966, and contemporary photos of indigenous communities by Mervyn Bishop.

The exhibition was even more poignantly significant to members of the local Aboriginal community because many of the photos were of children from the stolen generation who resided at the Kinchela Boys Home.

## Children's Services

Activities undertaken by Council to develop and promote services and programs that provide for the needs of the children included:

- Providing skate parks within Kempsey, South West Rocks and Crescent Head.
- Financial subsidies to community based pre-schools.
- Providing lifesavers at nominated beaches during holidays periods.
- Providing safe play environments in the village and town communities.
- Providing school holiday activities for children at the Kempsey Shire Library and its branches.



Above: The 'River of Life' community art project was a huge success at Stuarts Point in November 2008. The participants created many colourful flags which were used to decorate the new Stuarts Point Footbridge.



Above: The Questacon science fair visited Kempsey Shire Library in February 2009. The interactive science exhibits and displays were enjoyed by many local children.

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Shire Council

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*building relationships with our community*