

ATTACHMENTS TO REPORTS

(Under Separate Cover)

Part 3 of 3

Ordinary Council Meeting

14 December 2017

ATTACHMENTS TO REPORTS FOR ORDINARY COUNCIL MEETING THURSDAY 14 DECEMBER 2017

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Deed

Tyrolean Village Development Planning Agreement

Under s93F of the Environmental Planning and Assessment Act 1979

Snowy River Shire Council and Tyrolean Pty Ltd

October 2015

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Tyrolean Village Development Stage 3 Planning Agreement

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15.5 REQUEST FOR CONCLUSION OF THE TYROLEAN VILLAGE VOLUNTARY PLANNING AGREEMENT

ATTACHMENT 1 COPY OF VOLUNTARY PLANNING AGREEMENT

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Snowy River Shire Council
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Tyrolean Pty Ltd

Tyrolean Subdivision VPA

Summary Sheet

Council:

Name: Snowy River Shire Council

Address: PO Box 143, Berridale NSW 2628

Telephone: 02 6451 1195 **Facsimile**: 02 6456 3337

Email: records@snowyriver.nsw.gov.au **Representative**: Dennis Trezise

Developer:

Name: Tyrolean Pty Ltd

Address: c/- Millar Merrigan, 2/126 Merrindale Drive, Croydon

Telephone: 03 8720 9500 **Facsimile**: 03 8720 9501

Email: planning@millarmerrigan.com.au

Representative: Simon Merrigan

Land:

See definition of Land in clause 1.1.

Development:

See definition of Development in clause 1.1.

Development Contributions:

See Schedule 2.

Application of s94, s94A and s94EF of the Act:

See clause 8.

15.5 REQUEST FOR CONCLUSION OF THE TYROLEAN VILLAGE VOLUNTARY PLANNING AGREEMENT

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Tyrolean Village Development Planning Agreement					
Snowy River Shire Council					
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Security:

See clauses 24, 25 and 26.

Restriction on dealings:

See clause 34.

Dispute Resolution:

Expert determination and mediation. See clauses 32 and 33.



Tyrolean Village Development Stage 3 Planning Agreement

Under s 93F of the Environmental Planning and Assessment Act 1979

Parties

Snowy River Shire Council ABN 21 862 479 274 of 2 Myack Street BERRIDALE NSW (Council)

and

Tyrolean Pty Ltd (ACN 007 441 661) as Trustee for the Tyrolean Unit Trust (ABN 86 625 991 421) of 218 Great Alpine Road HARRIETVILLE VIC (The Developer)

Background

- A The Developer is the owner of the Land.
- B The Council has granted Development Consent for the carrying out of the Development.
- C Condition 37 of the Development Consent requires the Developer to make Monetary Contributions.
- D The Developer is prepared to make Development Contributions in connection with the carrying out of the Development in accordance with this Deed.
- E The Act authorises the Council to offset the Contribution Value of the Development Contributions against the Developer's obligation to pay the Monetary Contributions.
- F This Agreement makes provision for the Development Contributions to partially satisfy the Developer's obligation to pay the Monetary Contributions.

Part 1 - Preliminary

1 Definitions & Interpretation

1.1 In this Deed the following definitions apply:

Act means the Environmental Planning and Assessment Act 1979 (NSW).

Approval includes approval, consent, licence, permission or the like.

Authority means the Commonwealth or New South Wales government, a Minister of the Crown, a government department, a public authority established by or under any Act, a council or county council constituted under the *Local Government Act 1993*, or a person or body exercising functions under any Act including a commission, panel, court, tribunal and the like.

Bank Guarantee means an irrevocable and unconditional written undertaking without any expiry or end date in favour of the Council to pay an amount or amounts of money to the Council on demand issued by:

- (a) one of the following trading banks:
 - (i) Australia and New Zealand Banking Group Limited,
 - (ii) Commonwealth Bank of Australia,
 - (iii) Macquarie Bank,
 - (iv) National Australia Bank Limited,
 - (iv) St George Bank Limited,
 - (v) Westpac Banking Corporation, or
- (b) any other financial institution approved by the Council in its absolute discretion.

Bus Turn Around Facility means the facility on the Bus Turn Around Facility Land as varied by the terms of any Approval

Bus Turn Around Facility Land means the land specified or described in Schedule 4.

Claim includes a claim, demand, remedy, suit, injury, damage, loss, Cost, liability, action, proceeding or right of action but does not include proceedings to enforce this Deed in the Land and Environment Court or any Court on appeal from that Court.

Construction Certificate has the same meaning as in the Act.

Contribution Value means the amount of \$20,385.00 (being \$4,530 attributable to Stage 1 of the development and \$15,855 attributable to Stage 2, to be paid prior to the release of the subdivision certificate for the applicable stage), indexed from the date of this Deed in accordance with the Consumer Price Index (All Groups - Sydney) published by the Australian Bureau of Statistics.

Cost means a cost, charge, expense, outgoing, payment, fee and other expenditure of any nature.

Deed means this Deed and includes any schedules, annexures and appendices to this Deed.

Development means the development described in the Development Consent for Development Application DA0038/2013 granted on 23 July 2013 and as amended by the first amendment MOD0019/2014 granted 25 July 2014

Development Application means development application DA0038/2013 received by the Council.

Development Consent means the development consent granted by the Council under s80(1) of the Act to the Development Application.

Development Contribution means a monetary contribution, the dedication of land free of cost, the carrying out of a work or the provision of any other material public benefit or any combination of them that is required to be provided by the Developer under this Deed and used for, or applied towards, the provision of public infrastructure or another public purpose.

Dispute means a dispute or difference between the Parties under or in relation to this Deed.



Final Lot means a lot to be created in the Development for separate residential occupation and disposition, not being a lot created by a subdivision of the Land:

- (a) that is to be dedicated or otherwise transferred to the Council, or
- (b) that may be further subdivided, or
- on which is situated a dwelling-house that was in existence on the date of this Deed

Footpath Works means the works shown on the Footpath Works Plan as varied by the terms of any Approval.

Footpath Works Plan means the plan in Schedule 6.

Item means the object of a Development Contribution specified in Column 1 of Schedule 2.

Land means the land specified or described in Schedule 1.

Land Management Plan means the plan in Schedule 7.

Mill Creek Trail Extension means the works shown on the Mill Creek Trail Extension Plan as varied by the terms of any Approval.

Mill Creek Trail Extension Plan means the plan in Schedule 5.

Monetary Contributions means the monetary development contributions required to be paid to the Council under condition 37 of the Development Consent

Occupation Certificate has the same meaning as in the Act.

Party means a party to this Deed, including their successors and assigns.

Rectify means rectify, remedy or correct.

Regulation means the *Environmental Planning and Assessment Regulation* 2000.

Reserve Land means the land specified or described in Schedule 3.

Security means a Bank Guarantee, bond or other form of security to the satisfaction of the Council.

Stage 1 means Stage 1 of the Development as specified in Condition 3 of the Development Consent. This includes the creation of a separate titles for the two reserves, an electricity and gas reserve, and the developable area of Stage 2.

Stage 2 means Stage 2 of the Development as specified in Condition 3 of the Development Consent.

Subdivision Certificate has the same meaning as in the Act

Work means the physical result of any building, engineering or construction work in, on, over or under land, required to be carried out by the Developer under this Deed.

- 1.2 In the interpretation of this Deed, the following provisions apply unless the context otherwise requires:
 - 1.2.1 Headings are inserted for convenience only and do not affect the interpretation of this Deed.
 - 1.2.2 A reference to a business day means a day, other than a Saturday or Sunday, on which banks are open for business generally in Sydney.

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Tyrolean Village Development Planning Agreement Snowy River Shire Council Tyrolean Pty Ltd

- 1.2.3 If the day on which something is to be done under this Deed is not a business day, then it must be done on the next business day.
- 1.2.4 A reference to dollars or \$ means Australian dollars and all amounts payable under this Deed are payable in Australian dollars.
- 1.2.5 A reference in this Deed to a \$ value relating to a Development Contribution is a reference to the value exclusive of GST.
- 1.2.6 A reference to any legislation or legislative provision includes any statutory modification, amendment or re-enactment, and any subordinate legislation or regulations issued under that legislation or legislative provision.
- 1.2.7 A reference to any agreement, deed or document is to that agreement, deed or document as amended, novated, supplemented or replaced.
- 1.2.8 A reference to a clause, part, schedule or attachment is a reference to a clause, part, schedule or attachment of or to this Deed.
- 1.2.9 A reference to a person includes any company, trust, partnership, joint venture, association, body corporate or governmental agency.
- 1.2.10 Where a word or phrase is given a defined meaning, another part of speech or other grammatical form for that word or phrase has a corresponding meaning.
- 1.2.11 The singular includes the plural, and the plural includes the singular.
- 1.2.12 References to the word 'include' or 'including' are to be construed without limitation.
- 1.2.13 A reference to a Party to this Deed includes a reference to the Party's employees, agents and contractors, and the Party's successors and assigns.
- 1.2.14 Any schedules, appendices and attachments form part of this Deed.

2 Status of this Deed

2.1 This Deed is a planning agreement within the meaning of s93F(1) of the Act.

3 Commencement of this Deed

- 3.1 This Deed commences on the date on which it has been executed by all Parties.
- 3.2 The Party who executes this Deed last is to insert on the front page the date they did so and provide a copy of the fully executed and dated Deed to any other person who is a Party.

4 Application of this Deed

4.1 This Deed applies to the Development.

Tyrolean Village Development Planning Agreement Snowy River Shire Council

Tyrolean Pty Ltd

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4.2 The Parties acknowledge that the Development Contributions required to be made under this Deed are to meet the expected demand for public facilities arising from the Development.

5 Warranties

- 5.1 The Parties warrant to each other that they:
 - 5.1.1 have full capacity to enter into this Deed, and
 - 5.1.2 are able to fully comply with their obligations under this Deed.

6 Further agreements relating to this Deed

6.1 The Parties may, at any time and from time to time, enter into agreements relating to the subject-matter of this Deed that are not inconsistent with this Deed for the purpose of implementing this Deed.

7 Application of s 94, s 94A and s 94EF of the Act to the Development

- 7.1 This Deed does not exclude the application of s 94 of the Act to the Development.
- 7.2 This Deed does not exclude the application of s 94A of the Act to the Development.
- 7.3 This Deed does not exclude the application of s 94EF to the Development.

8 Provision of Development Contributions

- 8.1 The Developer is to make Development Contributions to the Council in accordance with Schedule 2, any other provision of this Deed relating to the making of Development Contributions and otherwise to the satisfaction of the Council acting reasonably.
- 8.2 The Council is to apply each Development Contribution made by the Developer under this Deed towards the public purpose for which it is made and otherwise in accordance with this Deed.

9 Effect of Developer's Compliance with this Deed

- 9.1 The Parties agree that the effect of compliance with this Deed by the Developer is that the Developer's obligation to pay the Monetary Contributions is offset to the amount of the Contribution Value.
- 9.2 The Developer is not required to pay the Monetary Contributions to that extent.

Part 2 - Provisions relating to dedication of land

10 Procedures relating to the dedication of land

- 10.1 A Development Contribution comprising the dedication of land is made for the purposes of this Deed when:
 - 10.1.1 a deposited plan is registered in the register of plans held with the Registrar General that:
 - (a) dedicates land as a public road (including a temporary public road) under the Roads Act 1993, or
 - (b) creates a public reserve or drainage reserve under the Local Government Act 1993, or
 - 10.1.2 the Council is given an instrument in registrable form under the Real Property Act 1900 duly executed by the Developer as transferor that is effective to transfer the title to the Land to the Council when executed by the Council as transferee and registered.
- 10.2 For the purposes of clause 10.1.2:
 - 10.2.1 the Developer is to give the Council, for execution by the Council as transferee, an instrument of transfer under the *Real Property Act 1900* relating to the Land to be dedicated, and
 - 10.2.2 within 7 days of receiving it from Developer, the Council is to execute it and return it to Developer, and
 - 10.2.3 within 7 days of receiving it from the Council (properly executed), the Developer is to lodge it for registration with the Registrar General, and
 - 10.2.4 the Developer is to do all things reasonably necessary to enable it to be registered.
- 10.3 Land required to be dedicated under this Agreement is to be dedicated free of all registered and unregistered encumbrances and affectations.
- 10.4 If, having used all reasonable endeavours, the Developer cannot comply with clause 10.3, the Developer may request that Council agree to accept the land subject to those encumbrances and affectations, and:
 - 10.4.1 Council cannot withhold its agreement unreasonably if the encumbrance or affectation does not prevent the future use of the Land for the public purpose for which it is to be dedicated under this Deed, unless the encumbrance or affectation is a charge arising as a result of unpaid taxes or charges, and
 - 10.4.2 in all other cases, Council may withhold its agreement in its absolute discretion.

11 Condition and management of the Reserve Land

- 11.1 Prior to the transfer of the Reserve Land the Developer agrees to:
 - 11.1,1 undertake weed removal works to the satisfaction of Council; and
 - 11.1.2 complete bushfire mitigation works to the satisfaction of Council.

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Tyrolean Village Development Planning Agreement Snowy River Shire Council Tyrolean Pty Ltd

- 11.2 Prior to the transfer of the Reserve Land, the Developer agrees to manage the Reserve Land in accordance with the Land Management Plan.
- 11.3 The Developer will continue to manage the Reserve Land in accordance with the Land Management Plan for a period of 12 months from the release of the subdivision certificate for Stage 2.

Part 3 – Provisions relating to the carrying out of Work

12 Maintenance and management of Works

- 12.1 The Parties may, by agreement in writing, specify Work to which the Maintenance Period applies and the standard and other particulars of maintenance required.
- 12.2 If the Maintenance Period applies to a Work, the Developer is to maintain the Work during that Period, in accordance with the standard and other particulars of maintenance agreed between the Parties.
- 12.3 Despite any other provision of this Deed, if the Developer has complied with its obligations under this clause, the Council cannot make any claim, objection or demand about the state or condition of a Work referred to in clause 12.1 after the end of the Maintenance Period for that Work.
- 12.4 In this clause, Maintenance Period means the period of 12 months commencing on and from the date a Work is completed and only if accepted and agreed upon by Council that the work or works is/are satisfactorily completed for the purposes of this Deed.

13 Standard of construction of Work

- 13.1 Any Work that the Developer is required to carry out under this Agreement is to be carried out in accordance with:
 - 13.1.1 the requirements of any relevant Approval issued by a relevant Authority,
 - 13.1.2 any Australian standards and other laws applicable to the Work, and
 - 13.1.3 in a proper and workmanlike manner, complying with current industry practice and standards relating to the Work.

14 Variation to Work

- 14.1 The design or specification of any Work that is required to be carried out by the Developer under this Deed may be varied in accordance with this clause without the necessity for an amendment to this Deed.
- 14.2 For the purposes of clause 14.1, the Developer may make a written request to the Council to approve a variation to the design or specification of a Work in order to enable it to comply with the requirements of any Authority imposed in connection with any Approval relating to the carrying out of the Work.

14.3 The Council is not to unreasonably delay or withhold its approval to a request made by the Developer under clause 14.2.

15 Acceptance of risk in Works

- 15.1 Subject to anything to the contrary in this Agreement, the Council accepts responsibility for a Work on the later of:
 - 15.1.1 when Work is completed for the purposes of this Deed in accordance with clause 21, or
 - 15.1.2 when land on which that Work is located is dedicated to the Council.
- 15.2 The Developer, at its own cost, is to repair and make good to the satisfaction of the Council (acting reasonably) any loss or damage to a Work from any cause whatsoever which occurs before Completion of the Work.

16 Public access to Land

- 16.1 Until the dedication of any part of the Land required to be dedicated under this Deed, the Developer:
 - 16.1.1 may, subject to a written agreement between applicable parties, allow members of the public to have access to that part of the Land;
 - 16.1.2 such an agreement would proceed on the basis that personnel entering the Land accept all risks in relation to that access.

17 Access to land by Council

- 17.1 The Developer is to permit the Council, its officers, employees, agents and contractors to enter the Land or any other land at any time, upon giving reasonable prior notice, to:
 - 17.1.1 inspect, examine or test any Work, or
 - 17.1.2 remedy any breach by the Developer in carrying out a Work.

18 Access to land by Developer

- 18.1 The Council is to permit the Developer its officers, employees, agents and contractors to enter and occupy any land owned or controlled by the Council, including any part of the Land dedicated to the Council, to
 - 18.1.1 enable the Developer to carry out any Work under this Agreement that is required to be carried out on that land, or
 - 18.1.2 perform any other obligation imposed on the Developer by this Agreement.

19 Council's obligations relating to Work

19.1 The Council is not to unreasonably delay, hinder or otherwise interfere with the performance by the Developer of its obligations under this Deed in relation

to Work, and is to use its reasonable endeavours to ensure third parties unrelated to the Developer do not unreasonably delay, hinder or otherwise interfere with the performance of those obligations.

20 Protection of people and property

- 20.1 The Developer is to ensure to the fullest extent reasonably practicable in carrying out any Work that:
 - 20.1.1 all necessary measures are taken to protect people and property, and
 - 20.1.2 unnecessary interference with the passage of people and vehicles is avoided, and
 - 20.1.3 nuisances and unreasonable noise and disturbances are prevented.

21 Completion of Work

- 21.1 Work is completed for the purposes of this Agreement when the Council at the request of the Developer, acting reasonably, gives a certificate to the Developer to that effect or the Developer gives the Council a Compliance Certificate to that effect.
- 21.2 In this clause, Compliance Certificate has the same meaning as in the Act.

22 Rectification of Defects

- 22.1 During the Defects Liability Period, the Council may give to the Developer a Rectification Notice.
- 22.2 The Developer is to comply with a Rectification Notice at its own cost according to its terms and to the satisfaction of the Council.
- 22.3 The Council is to do such things as are reasonably necessary to enable the Developer to comply with a Rectification Notice that has been given to it under clause 23.1
- 22.4 In this clause:
 - 22.4.1 Defect means anything that adversely affects, or is likely to adversely affect, the appearance, structural integrity, functionality or use or enjoyment of a Work or any part of a Work.
 - 22.4.2 Defects Liability Period means the period of 12 months commencing on the day immediately after a Work is completed and only if accepted and agreed upon by Council that the work or works is/are satisfactorily completed for the purposes of this Deed.
 - 22.4.3 Rectification Notice means a notice in writing
 - (a) identifying the nature and extent of a Defect,
 - (b) specifying the works or actions that are required to Rectify the Defect,
 - specifying the date by which or the period within which the Defect is to be rectified.

23 Works-as-executed-plan

- 23.1 No later than 60 days after a Work is completed, or prior to Council approval of the subdivision certificate, which ever comes first, for the purposes of this Deed, the Developer is to submit to the Council a full works-as-executed-plan for the Work in accordance with the requirements and format as specified in Council's Development Design and Construction Specifications.
- 23.2 The Developer, being the copyright owner in the plan referred to in clause 24.1, gives the Council a non-exclusive licence to use the copyright in the plans for the purposes of this Deed.

Part 4 - Security and Enforcement

24 Security for dedication of land

- 24.1 If the Developer does not dedicate the land required to be dedicated under this Deed, or any part thereof, at the time at which it is required to be dedicated, the Developer consents to the Council compulsorily acquiring that land for compensation in the amount of \$1 without having to follow the preacquisition procedures under the Just Terms Act.
- 24.2 The Council is to only acquire land pursuant to clause 24.1 if it considers it reasonable to do so having regard to the circumstances surrounding the failure by the Developer to dedicate the land required to be dedicated under this Deed.
- 24.3 Clause 24.1 constitutes an agreement for the purposes of section 30 of the Just Terms Act.
- 24.4 If, as a result of an acquisition referred to in clause 24.1, the Council is required to pay compensation to any person other than the Developer, the Developer is to reimburse the Council for that amount upon a written request being made by the Council or the Council can call on any Security for that purpose.
- 24.5 The Developer indemnifies and keeps indemnified the Council against all claims made against the Council as a result of any acquisition by the Council of the whole or any part of the land that is required to be dedicated under this Deed.
- 24.6 The Developer is to promptly do all things necessary, and consents to the Council doing all things necessary, to give effect to this clause 24, including without limitation:
 - 24.6.1 signing any documents or forms,
 - 24.6.2 giving land owner's consent for the lodgement of any Development Application,
 - 24.6.3 producing certificates of title to the Registrar-General under the Real Property Act 1900, and
 - 24.6.4 paying the Council's costs arising from this clause 24.
- 24.7 In this clause, Just Terms Act means the Land Acquisition (Just Terms Compensation) Act 1991.

25 Security for the carrying out of Works

- 25.1 Not less than 14 days before the time specified in Column 5 of the Table to Schedule 2 for provision of a Work, the Developer is to notify the Council in writing whether the Work will be provided by that time.
- 25.2 If the Developer notifies the Council under clause 25.1 that a Work will not be provided by the time so specified, the Developer is to provide the Council with Security equal to 130% of the full value of any uncompleted part of the Work by not later than that time.
- 25.3 The Developer's obligation under clause 25.2 may be satisfied by the roll-over of an existing Security provided by the Developer to the Council for another purpose if the Council agrees to the roll-over.
- 25.4 The amount of the Security is to be indexed quarterly in accordance with the Consumer Price Index (All Groups Canberra) as provided by the Australian Bureau of Statistics and the Developer must ensure that the Security held by the Council at all times equals the indexed amount notified to the Developer by Council.

26 Release & return of Security

- 26.1 Council is to release and return any Security held under this Deed if the obligation or obligations that are secured by that Security have been performed to the satisfaction of the Council.
- At any time following the provision of the Security, the Developer may provide the Council with a replacement Security in the amount of the Security required to be provided under this Deed.
- 26.3 On receipt of a replacement Security, the Council is to release and return to the Developer as directed, the Security it holds which has been replaced.

27 Call-up of Security

- 27.1 The Council may call-up the Security if, in its absolute discretion and despite clauses 32 and 33, it considers that the Developer has breached this Deed.
- 27.2 If the Council calls on the Security, it may use the amount so paid to it in satisfaction of any costs incurred by it in remedying the Developer's breach including but not limited to:
 - 27.2.1 the reasonable costs of the Council's servants, agents and contractors reasonably incurred for that purpose,
 - 27.2.2 all fees and charges necessarily or reasonably incurred by the Council in order to have the Work carried out, completed or rectified, and
 - 27.2.3 without limiting clause 27.2.2, all legal costs and expenses reasonably incurred by the Council, by reason of the Developer's breach.
- 27.3 If the Council calls on the Security in accordance with this Deed, the Council may, by notice in writing to the Developer, require the Developer to provide a further or replacement Security in an amount that, when added to any unused portion of any existing Security, does not exceed the amount of the Security the Council is entitled to hold under clauses 24 and 25.

28 Breach of obligations

- 28.1 If the Council considers that the Developer is in breach of any obligation under this Deed it may give the Developer a notice to the Developer.
 - 28.1.1 specifying the nature and extent of the breach,
 - 28.1.2 requiring the Developer to Rectify the breach to the Council's satisfaction, and
 - 28.1.3 specifying the period within which the breach is to be rectified, being a period that is reasonable in the circumstances.
- 28.2 A notice given under clause 28.1 is to allow the Developer not less than 28 days (or such further period as the Council considers reasonable in the circumstances) to Rectify the breach.
- 28.3 If the Developer does not comply with the notice given under clause 28.1 relating to the carrying out of Work under this Deed, the Council may step-in and remedy the breach.
- 28.4 Nothing in clause 28.3 affects the Council's other rights to enforce this Deed.
- 28.5 Any costs incurred by the Council in remedying a breach in accordance with clause 28.3 may be recovered by the Council by calling up the Security provided by the Developer under this Deed or as a debt due in a court of competent jurisdiction.
- 28.6 For the purpose of clause 28.3, the Council's costs of remedying a breach the subject of a notice given under clause 28.1 include, but are not limited to:
 - 28.6.1 the costs of the Council's servants, agents and contractors reasonably incurred for that purpose,
 - 28.6.2 all fees and charges necessarily or reasonably incurred by the Council in remedying the breach, and
 - 28.6.3 all legal costs and expenses reasonably incurred by the Council, by reason of the breach.

29 Council to consult before enforcing this Deed

- 29.1 This clause applies to any of the Developer's obligations under this Deed.
- 29.2 If the Council reasonably forms the opinion that the Developer has failed to comply with an obligation to which this clause applies, it is not to enforce this Deed against the Developer unless it has first notified the Developer in writing of its intention to do so and has consulted with the Developer as to:
 - 29.2.1 the reason for the non-compliance,
 - 29.2.2 the likely effects of the non-compliance, and
 - 29.2.3 the Developer's capacity in all of the circumstances to reasonably Rectify the non-compliance.
- 29.3 The Council is not to enforce this Deed against the Developer unless, after having consulted with the Developer:
 - 29.3.1 it has reasonably formed the opinion the Developer has no reasonable excuse for the non-compliance,

- 29.3.2 it has notified the Developer in writing that it intends to enforce the Deed not earlier than 14 days from the date of the notice, and
- 29.3.3 the notice specifies the enforcement action it intends to take.
- 29.4 At any time between the date of the notice referred to in clause 29.3 and the time when the Council takes action to enforce this Deed, the Developer may notify the Council of a Dispute under clause 32 or 33.
- 29.5 If the Developer notifies the Council in accordance with in clause 29.4, the Council is not to enforce this Deed against the Developer in relation to the relevant non-compliance unless and until the dispute resolution process under clause 33 or 34 has been exhausted without resolution between the parties.

30 Enforcement in court

- 30.1 Without limiting any other provision of this Deed, the Parties may enforce this Deed in any court of competent jurisdiction.
- 30.2 For the avoidance of doubt, nothing in this Deed prevents:
 - 30.2.1 a Party from bringing proceedings in the Land and Environment Court to enforce any aspect of this Deed or any matter to which this Deed relates,
 - 30.2.2 the Council from exercising any function under the Act or any other Act or law relating to the enforcement of any aspect of this Deed or any matter to which this Deed relates.

31 Registration of this Agreement

- 31.1 The Parties agree to register this Agreement on the title to the Land subject to obtaining the agreement of the persons specified in s93H(1) of the Act to registration.
- 31.2 The Developer is to use its best endeavours to obtain the consent of the persons specified in s93H(1) of the Act to registration of this Agreement on the Land and to cause this Agreement to be registered on the title to the Land or so much of the Land as is possible having regard to its obligation under this
- 31.3 If the agreement of the persons specified in s93H(1) of the Act to registration of this Agreement is obtained, the Council is to do such things as are reasonably necessary to enable registration to occur.
- 31.4 Subject to this clause, within 60 days of commencement of this Agreement, the Developer is to provide the Council with the following documents to enable registration of this Agreement:
 - 31.4.1 an instrument requesting registration of this Agreement on the title to the Land in registrable form duly executed by the Landowner, and
 - 31.4.2 the written irrevocable consent of each person referred to in s93H(1) of the Act to that registration.
- 31.5 Subject to this clause, the Council is to do such things as are reasonably necessary as requested by the Developer to facilitate the lodging of a request for the registration of this Agreement to be removed from the title to a Residential Lot.

- 31.6 If the Developer makes a request referred to in clause 31.5 but the Landowner's obligations under this Agreement are not complete, the Council is to notify the Developer of the Security (if any) that it requires in respect of the removal of the registration of the agreement over the Residential Lot.
- 31.7 The amount of the Security that the Council may require under clause 31.6 is not to exceed the Council's reasonable estimate of:
 - 31.7.1 the value of Land of the Developer required to be dedicated to the Council; and
 - 31.7.2 any Development Contributions required to be made by the Developer.
- 31.8 If the Security required by the Council is provided by the Developer the Council is to do all things necessary as requested by the Developer to enable the lodging of a request for the registration of this Agreement to be removed from the title of the Residential Lot.
- 31.9 The Council is to promptly agree to a request by the Developer for the lodging of a request for the registration of this Agreement to be removed from the title of any part of the Land once the Developer has made all of the Development Contributions required of it under this Agreement.
- 31.10 The Parties are to agree to the lodging of a request for the registration of this Agreement to be removed from the titles to any part of the Land if this Agreement is terminated.

Part 5 - Dispute Resolution

32 Dispute resolution - expert determination

- 32.1 This clause applies to a Dispute between any of the Parties to this Deed about a matter arising in connection with this Deed that can be determined by an appropriately qualified expert (Expert Determination Dispute) if:
 - 32.1.1 the Parties to the Dispute agree that it can be so determined, or
 - 32.1.2 the Chief Executive Officer of the professional body that represents persons who appear to have the relevant expertise to determine the Dispute gives a written opinion that the Dispute can be determined by a member of that body.
- 32.2 Such a Dispute is taken to arise if one Party gives another Party a notice in writing specifying particulars of the Dispute.
- 32.3 If a notice is given under clause 32.2, ,the Parties are to meet within 14 days of the notice to try to resolve the Dispute.
- 32.4 If the Dispute is not resolved within a further 28 days, the Dispute must be referred to the President of the NSW Law Society to appoint an expert to determine the Dispute.
- 32.5 The expert determination binds the Parties, except in the case of the expert's fraud or misfeasance.
- 32.6 Each Party must bear its own costs arising from or in connection with the appointment of the expert and the expert determination.

32.7 The Parties are to share equally the costs of the President, the expert, and the expert determination.

33 Dispute resolution - mediation

- 33.1 This clause applies to any Dispute under this Deed other than a Dispute to which clause 33 applies.
- 33.2 Such a Dispute is taken to arise if one Party gives another Party a notice in writing specifying particulars of the Dispute.
- 33.3 If a notice is given under clause 33.2, the Parties are to meet within 14 days of the notice to try to resolve the Dispute.
- 33.4 If the Dispute is not resolved within a further 28 days, the Parties must mediate the dispute in accordance with the Mediation Rules of the Law Society of New South Wales published from time to time, and must request the President of the Law Society, or the President's nominee, to select a mediator.
- 33.5 If the Dispute is not resolved by mediation within a further 28 days, or any longer period that may be needed to complete any mediation process which has been started, then the Parties may exercise their legal rights in relation to the Dispute, including by taking legal proceedings in a court of competent jurisdiction in New South Wales.
- 33.6 Each Party is to bear its own costs arising from or in connection with the appointment of a mediator and the mediation.
- 33.7 The Parties are to share equally the costs of the President, the mediator, and the mediation.

Part 6 -Restriction on Dealings

34 Assignment, sale of Land, etc

- 34.1 The Developer is not to:
 - 34.1.1 sell or transfer the Land, other than a Final Lot, or
 - 34.1.2 assign its rights or obligations under this Deed, or novate this Deed, to any person unless:
 - 34.1.3 the Developer has, at no cost to the Council, first procured the execution by the person to whom the Land or part is to be sold or transferred or the Developer's rights or obligations under this Deed are to be assigned or novated, of a deed in favour of the Council on terms satisfactory to the Council, and
 - 34.1.4 the Council has given written notice to the Developer stating that it reasonably considers that the purchaser, transferee, assignee or novatee is reasonably capable of performing its obligations under the Deed, and
 - 34.1.5 the Developer is not in breach of this Deed, and

- 34.1.6 the Council otherwise consents to the transfer, assignment or novation, such consent not to be unreasonably withheld.
- 34.2 Clause 34.1 does not apply in relation to any sale or transfer of any land if this Deed is registered on the title of that land at the time of the sale or transfer.

Part 7 - Indemnities & Insurance

35 Release

35.1 Each Party releases the other Party from any Claim it may have against the other Party arising in connection with the performance of their obligations under this Deed except if, and to the extent that, the Claim arises because of the other Party's negligence or default.

36 Indemnity

36.1 Each Party indemnifies the other Party from and against all Claims that may be sustained, suffered, recovered or made against the other Party arising in connection with the performance of their obligations under this Deed except if, and to the extent that, the Claim arises because of the other Party's negligence or default.

37 Insurance

- 37.1 The Developer is to, or is to ensure its contractors, take out and keep current to the satisfaction of the Council the following insurances in relation to Work required to be carried out by the Developer under this Deed up until the Work is taken to have been completed in accordance with this Deed:
 - 37.1.1 contract works insurance, noting the Council as an interested party, for the full replacement value of the Works (including the cost of demolition and removal of debris, consultants' fees and authorities' fees), to cover the Developer's liability in respect of damage to or destruction of the Works,
 - 37.1.2 public liability insurance for at least \$20,000,000.00 for a single occurrence, which covers the Council, the Developer and any subcontractor of the Developer, for liability to any third party,
 - 37.1.3 workers compensation insurance as required by law, and
 - 37.1.4 any other insurance required by law.
- 37.2 If the Developer fails to comply with clause 37.1, the Council may effect and keep in force such insurances and pay such premiums as may be necessary for that purpose and the amount so paid shall be a debt due from the Developer to the Council and may be recovered by the Council as it deems appropriate including:
 - 37.2.1 by calling upon the Security provided by the Developer to the Council under this Deed, or

37.2.2 recovery as a debt due in a court of competent jurisdiction.

Part 8 - Other provisions

38 Review of Deed

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- 38.1 The Parties, acting in good faith, are to review this Deed if either Party considers that any change of circumstance has occurred, or is imminent, that materially affects the operation of this Deed.
- 38.2 For the purposes of clause 38.1, the relevant changes include (but are not limited to) any change to a law that restricts or prohibits, or enables the Council or any other planning authority to restrict or prohibit, any aspect of the Development.
- 38.3 For the purposes of addressing any matter arising from a review of this Deed referred to in clause 38.1, the Parties are to use all reasonable endeavours to agree on and implement appropriate amendments to this Deed.
- 38.4 A Party's failure to agree to take action requested by the other Party as a consequence of a review referred to in clause 38.1 is not a Dispute for the purposes of this Deed, and is not a breach of this Deed.

39 Notices

- 39.1 A notice, consent, information, application or request (Notification) that must or may be given or made to a Party under this Deed is only given or made if it is in writing and sent in one of the following ways:
 - 39.1.1 delivered or posted to that Party at its address set out in the Summary Sheet.
 - 39.1.2 faxed to that Party at its fax number set out in the Summary Sheet, or
 - 39.1.3 emailed to that Party at its email address set out in the Summary Sheet.
- 39.2 A Party may change its address or fax number by giving the other Party 3 business days' notice of the change, in which case the new address or fax number is treated as the address or number in the Summary Sheet.
- 39.3 A Notification is to be treated as given or made if it is:
 - 39.3.1 delivered, when it is left at the relevant address,
 - 39.3.2 sent by post, 2 business days after it is posted,
 - 39.3.3 sent by fax, as soon as the sender receives from the sender's fax machine a report of an error-free transmission to the correct fax number, or
 - 39.3.4 sent by email and the sender does not receive a delivery failure message from the sender's internet service provider within a period of 24 hours of the email being sent.
- 39.4 If a Notification is delivered, or an error-free transmission report in relation to it is received, on a day that is not a business day, or if on a business day, after

5pm on that day in the place of the Party to whom it is sent, it is to be treated as having been given or made at the beginning of the next business day.

40 Approvals and consent

- 40.1 In this clause, a reference to an approval or consent does not include a reference to a Development Consent.
- 40.2 Except as otherwise set out in this Deed, and subject to any statutory obligations, a Party may give or withhold an approval or consent to be given under this Deed in that Party's absolute discretion and subject to any conditions determined by the Party.
- 40.3 A Party is not obliged to give its reasons for giving or withholding consent or for giving consent subject to conditions.

41 Costs

41.1 The Parties are each to pay their own costs of preparing, negotiating, executing and stamping this Deed and any document related to this Deed.

42 Entire Deed

- 42.1 This Deed contains everything to which the Parties have agreed in relation to the matters it deals with.
- 42.2 No Party can rely on an earlier document, or anything said or done by another Party, or by a director, officer, agent or employee of that Party, before this Deed was executed, except as permitted by law.

43 Further acts

43.1 Each Party must promptly execute all documents and do all things that another Party from time to time reasonably requests to effect, perfect or complete this Deed and all transactions incidental to it.

44 Governing law and jurisdiction

- 44.1 This Deed is governed by the law of New South Wales.
- 44.2 The Parties submit to the non-exclusive jurisdiction of its courts and courts of appeal from them, and are not to object to the exercise of jurisdiction by those courts on any basis.

45 Joint and individual liability and benefits

45.1 Except as otherwise set out in this Deed:

Tyrolean Village Development Planning Agreement Snowy River Shire Council

Tyrolean Pty Ltd

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- 45.1.1 any agreement, covenant, representation or warranty under this Deed by 2 or more persons binds them jointly and each of them individually, and
- 45.1.2 any benefit in favour of 2 or more persons is for the benefit of them jointly and each of them individually.

46 No Fetter

46.1 Nothing in this Deed shall be construed as requiring Council to do anything that would cause it to be in breach of any of its obligations at law, and without limitation, nothing shall be construed as limiting or fettering in any way the exercise of any statutory discretion or duty.

47 Illegality

47.1 If this Deed or any part of it becomes illegal, unenforceable or invalid as a result of any change to a law, the Parties are to co-operate and do all things necessary to ensure that an enforceable agreement of the same or similar effect to this Deed is entered into.

48 Severability

- 48.1 If a clause or part of a clause can be read in a way that makes it illegal, unenforceable or invalid, but can also be read in a way that makes it legal, enforceable and valid, it must be read in the latter way.
- 48.2 If any clause or part of a clause is illegal, unenforceable or invalid, that clause or part of it is to be treated as removed from this Deed, but the rest of this Deed is not affected.

49 Amendment

49.1 No amendment of this Deed has any force or effect unless it is in writing and signed by the Parties to this Deed in accordance with clause 25D of the Regulation.

50 Waiver

- 50.1 A Party does not waive any of the other Party's obligation or breach of obligation merely by failing to do, or delaying in doing, something under this Deed.
- 50.2 A waiver by a Party is effective only if it is in writing.
- 50.3 A written waiver by a Party is effective only in relation to the particular obligation or breach for which it is given. It is not to be taken as an implied waiver of any other obligation or breach, or as an implied waiver of that obligation or breach in relation to any other occasion.

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Tyrolean Pty Ltd

51 GST

51.1 In this clause:

Adjustment Note, Consideration, GST, GST Group, Margin Scheme, Money, Supply and Tax Invoice have the meaning given by the GST Law.

GST Amount means in relation to a Taxable Supply the amount of GST payable for the Taxable Supply.

GST Law has the same meaning as in *A New Tax System (Goods and Services Tax) Act 1999* (Cth) and any other Act or regulation relating to the imposition or administration of the GST.

Input Tax Credit has the meaning given by the GST Law and a reference to an Input Tax Credit entitlement of a Party includes an Input Tax Credit for an acquisition made by that Party but to which another member of the same GST Group is entitled under the GST Law.

Taxable Supply has the meaning given by the GST Law, excluding (except where expressly agreed otherwise) a supply for which the supplier chooses to apply the Margin Scheme in working out the amount of GST on that supply.

- 51.2 Subject to clause 52.4, if GST is payable on a Taxable Supply made under, by reference to or in connection with this Deed, the Party providing the Consideration for that Taxable Supply must also pay the GST Amount as additional Consideration.
- 51.3 Clause 52.4 does not apply to the extent that the Consideration for the Taxable Supply is expressly stated in this Deed to be GST inclusive.
- 51.4 No additional amount is payable by the Council under clause 52.4 unless, and only to the extent that, the Council (acting reasonably and in accordance with the GST Law) determines that it is entitled to an Input Tax Credit for its acquisition of the Taxable Supply giving rise to the liability to pay GST.
- 51.5 If there are Supplies for Consideration which is not Consideration expressed as an amount of Money under this Deed by one Party to the other Party that are not subject to Division 82 of the *A New Tax System (Goods and Services Tax) Act 1999*, the Parties agree:
 - 51.5.1 to negotiate in good faith to agree the GST inclusive market value of those Supplies before issuing Tax Invoices for those Supplies;
 - 51.5.2 that any amounts payable by the Parties in accordance with clause 52.2 (as limited by clause 52.4) to each other for those Supplies will be set off against each other to the extent that they are equivalent in amount.
- 51.6 No payment of any amount under this clause 52, and no payment of the GST Amount where the Consideration for the Taxable Supply is expressly agreed to be GST inclusive, is required until the supplier has provided the recipient with a Tax Invoice or Adjustment Note as the case may be.
- 51.7 Any reference in the calculation of Consideration or of any indemnity, reimbursement or similar amount to a cost, expense or other liability incurred by a Party, must exclude the amount of any Input Tax Credit entitlement of that Party in relation to the relevant cost, expense or other liability.
- 51.8 This clause continues to apply after expiration or termination of this Deed.

Tyrolean Village Development Planning Agreement Snowy River Shire Council Tyrolean Pty Ltd

52 Explanatory Note Relating to this Deed

- 52.1 The Appendix contains the Explanatory Note relating to this Deed required by clause 25E of the Regulation.
- 52.2 Under clause 25E(7) of the Regulation, the Parties agree that the Explanatory Note in the Appendix is not to be used to assist in construing this Deed

Schedule 1

(Clause 1.1)

Land

Lot 56 DP818775 and Lot 2 DP1182278

Tyrolean Village Development Planning Agreement Snowy River Shire Council Tyrolean Pty Ltd

Schedule 2

(Clause 9)

Development Contributions

Column 1	Column 2	Column 3	Column 4	Column 5
Item	Public Purpose	Manner & Extent	Contribution Value	Timing
A. Dedication	of land			
1. Reserve Land	Open space	Dedication of the Reserve Land as shown in Schedule 3		Before the release of a Subdivision Certificate for Stage 2
2. Bus Turn Around Facility Land	Transport infrastructure	Dedication of the Bus Turn Around Facility Land as shown in Schedule 4		Before the release of a Subdivision Certificate for Stage 1
B. Carrying out	of Works			
1. Mill Creek Trail Extension	Public amenities	Construction of single track cross country shared trail of approximately 1.1km incorporating one raised bridge platform carried out to the satisfaction of Council within Lot 2 DP 1182278, in accordance with condition 4 of DA0038/2013.		Before the release of a Subdivision Certificate for Stage 2

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Tyrolean Pty Ltd

2.	Bus Turn Around Facility	Transport infrastructure	Construction of Bus Turn Around Facility, including weed eradication works, relocation of existing gas tank and installation of electrical substation, carried out to the satisfaction of Council. This work will include the creation of separate titles in favour of Council, Origin Energy, and Essential Energy (respectively).	Before the release of a Subdivision Certificate for Stage 1
3.	Footpath Works	Public amenities	Construction of concrete footpath to	Before the release of a Subdivision

service bus stop

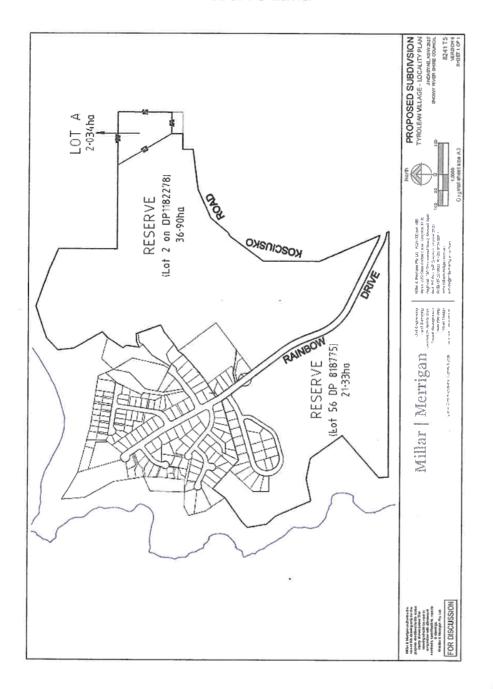
carried out to

the satisfaction of Council

Stage 1

Certificate for

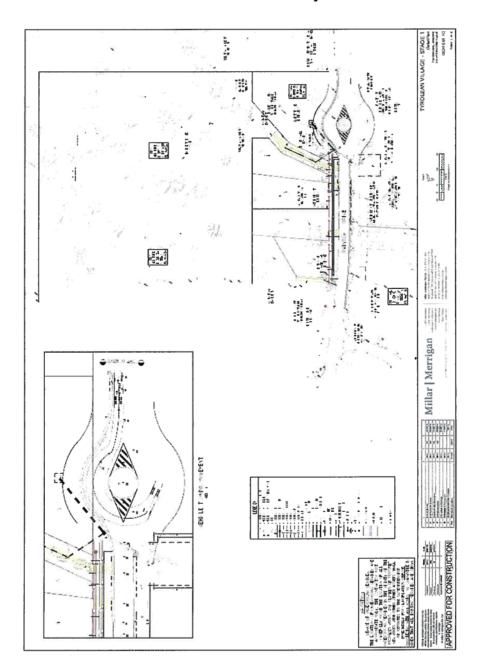
Schedule 3
Reserve Land



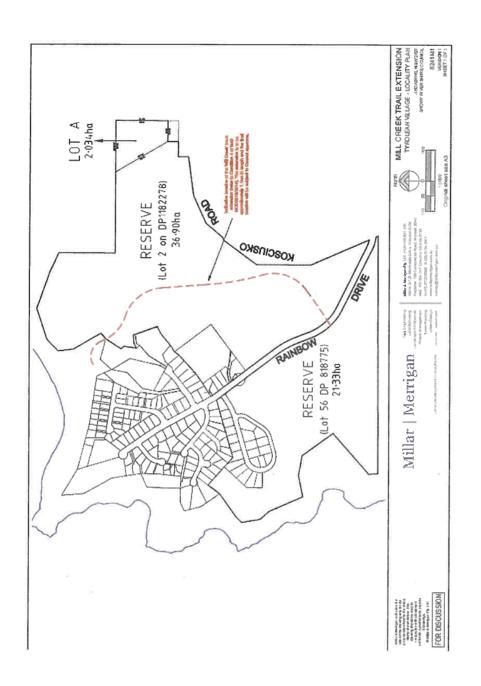
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Schedule 4

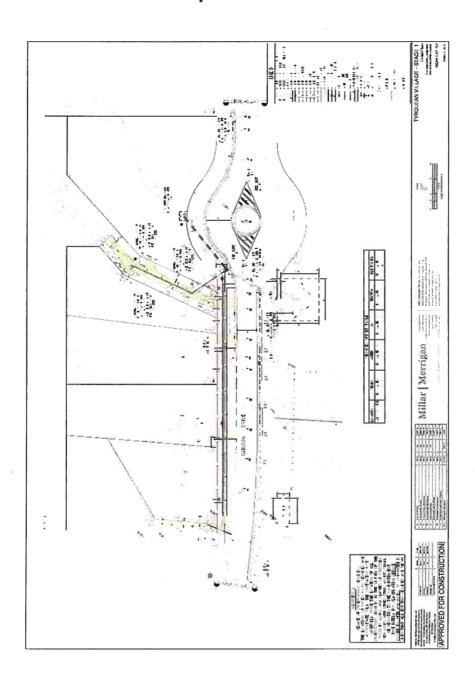
Bus Turn Around Facility Land



Schedule 5
Mill Creek Trail Extension Plan



Schedule 6
Footpath Works Plan

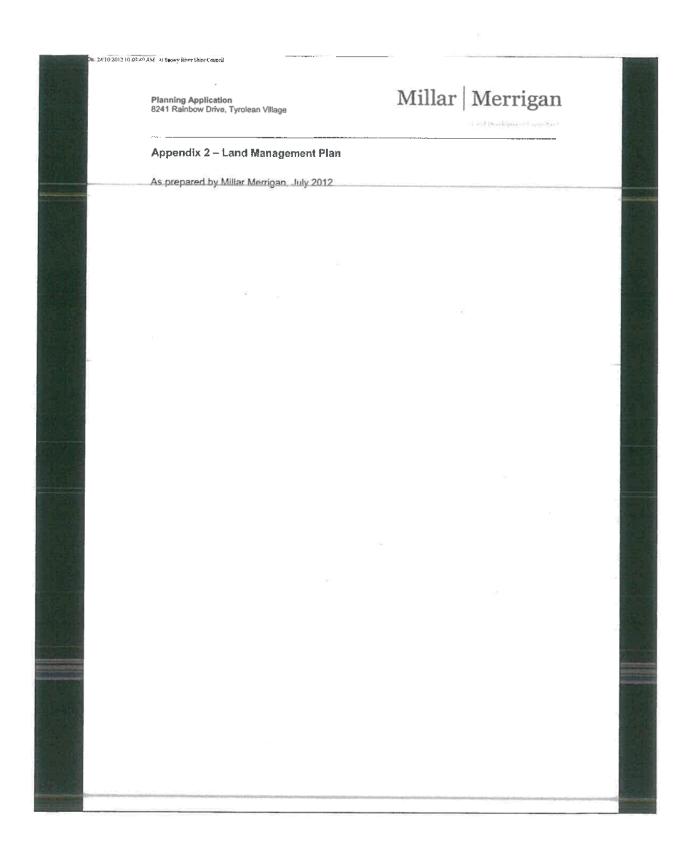


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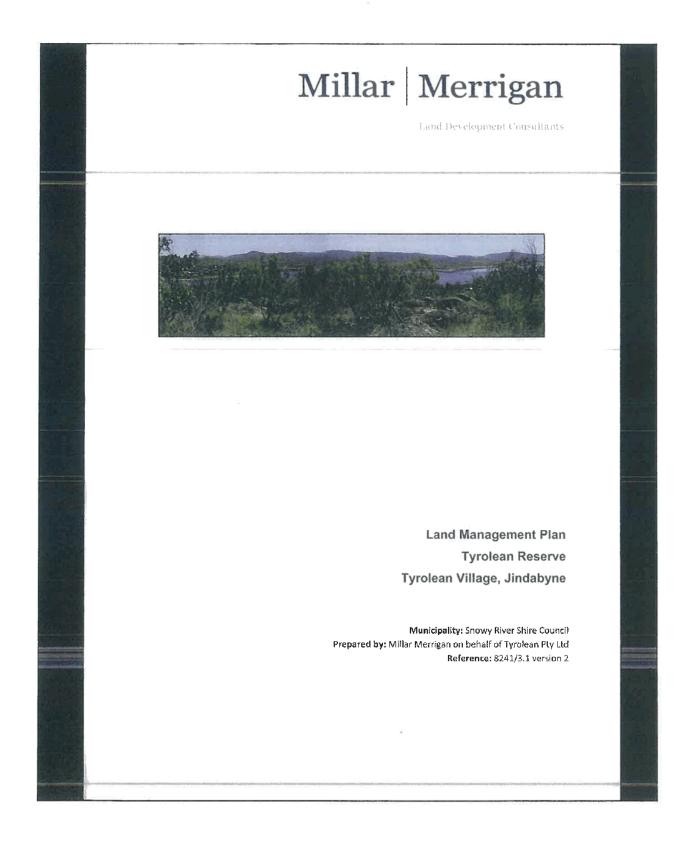
Tyrolean Village Development Planning Agreement
Snowy River Shire Council
Tyrolean Pty Ltd

Schedule 7

Land Management Plan



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Millar | Merrigan

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Document Status

Version	Date	Description	Prepared By	Approved By
1	July 2011	Preliminary	Michael Treadwell	Simon Merrigan
2	October 2012	Final	Michael Treadwell	Lynne Pepper

Reference: 8241/3.1

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Appendix 2. Land Classification Map
Appendix 3. Archaeological Review: Tyrolean Village Estate, East Jindabyne Nsw (Navin
Officer Heritage Consultants Pty. Ltd., 2006).
Appendix 5. Flora And Found Accessments Appendix 5. Flora And Fauna Assessments Appendix 6. Snowy River Weed Management Plans For: Blackberry, St. John's Wort And Serrated Tussock. Reference: 8241/3.1 V2 - October 2012



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1 Introduction

The site is located to the east of Jindabyne township between the Kosciuszko Road and the shore of Lake Jindabyne (see figure 1). The proposed 58.23ha reserve, referred to in the rest of this document as Tyrolean Reserve, is divided between two existing titles, 21.33ha on lot 56 (western side of Rainbow Drive), and 36.90ha of public open space within Lot 74 (eastern side of Rainbow Drive). The Southern boundary of Lot 56 is formed by an unmade road reservation that runs east-west from the lake to Kosciuszko Road, while the north western boundary of Tyrolean Reserve is bordered in part by both the existing Tyrolean Village and areas that have now been earmarked for future development.

Tyrolean Reserve was rezoned to public open space as part of Amendment 15 to Snowy River Local Environment Plan 1997 (LEP). The amendment was gazetted in June 2010 and consequently accepted as law under the *Environmental Planning and Assessment Act 1979* (EPA Act). Amendment 15 requires that a Land Management Plan (LMP) must be submitted and approved by council for any land proposed to be used for open space prior to the further development of Tyrolean Village. This LMP provides the framework for the management of Tyrolean Reserve, identifying the key goals and strategies for ongoing management of the reserve.

It is noted that there have been numerous reports developed detailing the environmental, cultural and landscape characteristics of Tyrolean Reserve. These reports have been extensively utilised for the formation of this plan and include:

- Assessment of Significance, Ecological Australia (2012).
- Aboriginal Cultural Heritage Assessment Report, NSW Archaeology (2012);
- Draft Local Environmental Study, GHD (2008);
- Flora and Fauna assessment, GHD (2007);
- Threatened species assessment, NGH Environmental (2003);
- Archaeological Review, Navin officer (2003);



Figure 1. Location plan showing the approximate site of Tyrolean Reserve

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1.1 Site characteristics

Tyrolcan Reserve is a combination-of-remnant-vegetation-separated-by-pockets-that have been extensively disturbed through poor land management practices. There is a wide diversity of indigenous flora and fauna within the reserve with many species recorded onsite. Soils comprise of thin and heavily weathered granite that are low in nutrients and highly erodible. The fragile nature of the soil is evident within Tyrolean Reserve, with erosion causing significant degradation in areas where vegetation has been removed. Major gullies are present throughout the reserve and range from approximately 2 to 8 metres deep with very steep side slopes in some locations (see

Granite rock outcrops scatter the landscape and provide important habitat for indigenous fauna. There are also a number of sites of cultural significance scattered throughout the reserve (as outlined within various archaeological reports prepared for this site) although it is worth noting that artefacts are present in low or very low densities only. The site is also important in the context of the broader landscape, with distant views from within Tyrolean Reserve considered exceptional and the south facing slopes of the reserve being visible from Jindabyne Township.



Figure 2. Significant erosion within Tyrolean Reserve.

1.2 Aims and objectives

The aim of the LMP is to identify the key management objectives for Tyrolean Reserve which will protect and promote existing environmental, landscape and cultural values at the site. The plan provides a framework for sustainable land use practices within the reserve and establishes guidelines for the management of recreation, conservation and cultural values within the reserve.

The following steps have guided the preparation of this LMP:

- Section 2.0 Land Description and Planning

 Identify current tenure and zoning of the land;

 Stablish community land categories in accordance with the Local Government (General) Regulation 1999 and identify the core objectives for each of these categories;

Reference: 8241/3.1

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Land Development Commitment

Identify other important pieces of legislation which are applicable to Tyrolean Reserve.

Section 3.0 Identify the basis for management

Detail the cultural and environmental characteristics of Tyrolean Reserve.

Section 4.0 Identify management strategies

- Establish a management framework;
- Detail how catchment processes are going to remain protected;
- Outline the protection and promotion of environmental characteristics within the reserve;
- Detail community considerations;
- Establish guidelines for the protection and promotion of cultural values within the reserve;
- Establish the framework for sustainable management strategies in accordance with the Local Government Act 1993:
 - o Schedule of core objectives;
 - o Action plan;
 - Address future permitted uses and development (including intensity and scale) within the Tyrolean Reserve.

2 Land Description and Planning

2.1 Land tenure, description and existing uses

The reserve is located within the Parish of Jinderboine, County of Wallace. As mentioned above, Tyrolean Reserve is classified as Open Space within Amendment 15 of the Snowy River LEP. The two parcels which the LEP apply to are (see figure 3):

- Lot 56 DP 818775;
- Lot 74 DP 837036.

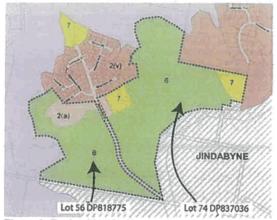


Figure 3. Zoning Map for Tyrolean Reserve and surrounding lands: Zone 2(a): General Residential, Zone 2(v): Village, Zone 6: Open Space, Zone 7: Environmental Protection.

Reference: 8241/3.1

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As shown in figure 3, the land is irregular in shape and part of each of the two existing lots is zoned either General Residential (2a) or Environmental Protection (7), the LMP does not apply to these areas of the allotments. Current land uses within Tyrolean Reserve include mountain bike riding and bush walking along the Mill-Greek-Trail, which starts on lot 56 and continues south to the Jindabyne Township (refer to Appendix 1).

2.2 Public land management and classification

Division 2 of the Local Government Act 1993 (LG Act) provides Councils with a specific framework for the use and management of community land. As detailed within Practice Note No. 1 - Public Land Management (Department of Local Government, May 2000), all public land must be classified as either community or operational land. Operational land has no special restrictions other than those that apply to any piece of land. The classification of community land is different however and must be further classified in a manner which reflects the importance of the cultural and/or environmental characteristics. As shown in figure 4, it is recommended that section of Tyrolean Reserve be classified as both community and operational land.

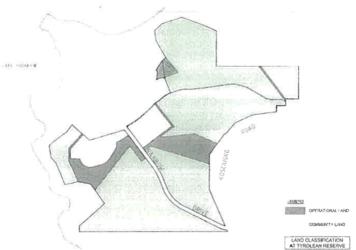


Figure 4. Public land classification within Tyrolean Reserve (see appendix 2 for scaled plan).

2.2.1 Community land

In accordance with the Local Government Act 1993 (LG Act) all community land must be categorised as either a natural area, a sportsground, a park, an area of cultural significance or for general community use, or a combination of these categories. According to this criterion it is recommended that community land within Tyrolean Reserve be classified as a natural area. It is also recommended that known sites of cultural significance be classified under the LG Act as an area of cultural significance.

The guidelines for classifying and managing land as a *natural area* and *area of cultural significance* are as follows:

Reference: 8241/3.1

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Natural area:

The guidelines for categorising community land have been outlined in the *Local Government (General) Regulation Act 2005*. Under section 102 of the *Local Government (General) Regulation Act 2005* a natural area must meet the following requirements:

Land should be categorised as a natural area under s.36(4) of the Act if the land, whether or not in an undisturbed state, possesses a significant geological feature, geomorphological feature, landform, representative system or other natural feature or attribute that would be sufficient to further categorise the land as bushland, wetland, escarpment, watercourse or foreshore under section 36(5) of the Act.

Cultural Significance:

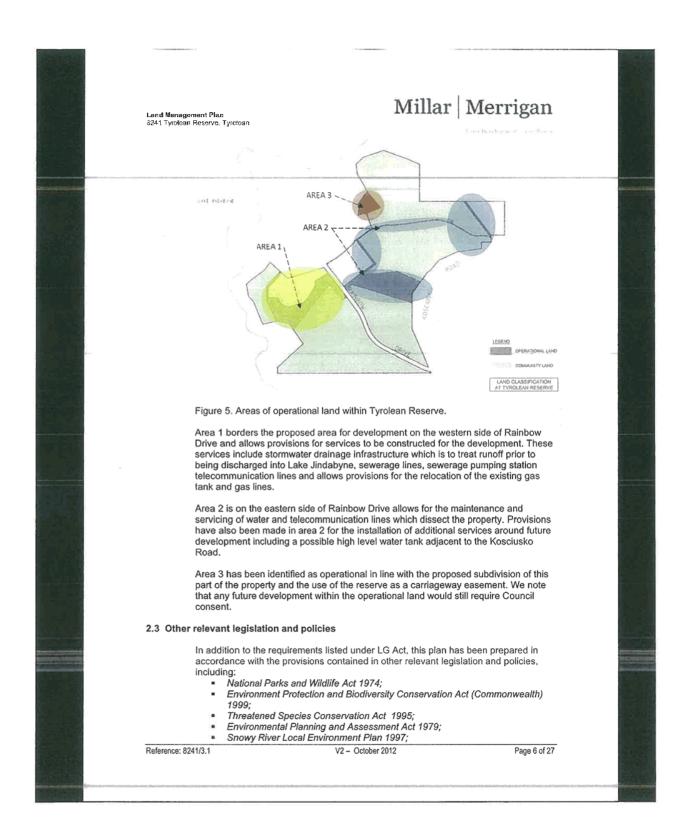
The guidelines for categorising community land have been outlined in the *Local Government (General) Regulation Act 2005*. Land should be categorised as an area of cultural significance under section 36 (4) of the Act if the land is:

(a) an area of Aboriginal significance, because the land: (iv) displays physical evidence of Aboriginal occupation (for example, items or artefacts such as stone tools, weapons, engraving sites, sacred trees, sharpening grooves or other deposits, and objects or materials that relate to the settlement of the land or place)...

2.2.2 Operational Land

Operational land has been allocated within Tyrolean Reserve to allow for existing infrastructure to be maintained and for new infrastructure to be installed. Three areas of operational land have been recommended within Tyrolean Reserve. These areas have been depicted in figure 5 below. We note that the exact configuration of servicing within Tyrolean Reserve will not be fully known until the development plans have been completed however the allocated area allows sufficient space and flexibility to ensure that areas zoned community land will not be adversely affected by any future development.

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- Snowy River Development Control Plan 1998;
- Noxious Weeds Act 1993;
- Catchment Management Authorities Act 2003;

Acts particularly applicable to this land management plan include:

National Parks and Wildlife Act 1974 (NPW Act)

The NPW Act provides the primary basis of the legal protection and management of Aboriginal sites within NSW. An Aboriginal Heritage Impact Permit must be sought under section 90A of the NPW Act for applications that may cause harm to Aboriginal objects or places.

Environment Protection and Biodiversity Conservation Act (Commonwealth) 1999 (EPBC Act)

The EPBC Act provides a mechanism for assessing the environmental impacts of activities which concern *matters of national environmental significance*. The EPBC Act, amongst other things, lists ecological communities as well as individual species which are recognised as being of national significance and outlines the process to follow when an activity may impact on such matters.

Threatened Species Conservation Act (State) 1995 (TSC Act)

TSC Act provides legislative mechanisms for dealing with flora and fauna that is significant to New South Wales and subsequently listed under the act. This piece of legislation outlines the process to be followed when an area or species of state significance is identified on a property. The TSC Act provides the legislative mechanisms for dealing with listed species. Tyrolean Reserve supports a range of vegetation communities and habitats including one endangered ecological community listed under Part 2, Schedule 2 of the TSC Act. The TSC Act also details Key Threatening Processes (KTP's) under Part 2, Schedule 3. A KTP is a process that threatens, or could threaten the survival or evolutionary development of species populations or ecological communities and includes impacts such as bushrock removal and clearing of native vegetation.

Environmental Planning and Assessment Act (State) 1979 (EPA Act)
The EPA Act forms the basis of statutory planning in New South Wales. The EPA Act controls development and the use of land within parks and reserves in the Snowy River Shire Council local government area. In relation to this LMP, the EPA Act outlines Key Threatening Processes (KTP's) and the likely impact of these on species considered likely to occur within the study area and hence identifies key management objectives for the Tyrolean Reserve. KTP's are addressed under section 4 of this management plan.

Snowy River Local Environment Plan (LEP) 1997

Local Environmental Plans are planning instruments that are able to change to reflect changing community expectations and environmental legislation. The Snowy River LEP outlines the land use zoning for within the Snowy River Shire. This land management plan has been developed in accordance with Clause 66 of the Snowy River LEP.

Snowy River Development Control Plan (DCP) 1998

The Snowy River DCP outlines the relevant considerations that must be made by a development proposal. The document outlines the objectives, performance criteria and potential solutions for developments. We note that the DCP contains more detailed provisions than in the LEP.

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Noxious Weeds Act 1993

Under the provision of the Noxious Weeds Act 1993 it is the occupiers' responsibility to continuously suppress and destroy declared noxious weeds on lands. This includes land owned or occupied by the local authority.

Catchment Management Authorities Act 2003;

The Catchment Management Authorities Act 2003 establishes 13 catchment authorities throughout NSW. The specific functions of catchment management authorities are described within the act. The key function of catchment management authorities is managing natural resources at the catchment scale. Under this legislation Tyrolean Village is the responsibility of Southern Rivers Catchment Management Authority.

3 Basis for Management

The LMP provides a framework for protecting and managing the subject site, while also allowing appropriate use of Tyrolean Reserve by the community.

3.1 Cultural setting

Numerous archaeological reports have been undertaken which identify sites of cultural significance within Tyrolean Reserve and its immediate surrounds. This includes an in-depth Archaeological Review conducted by Navin Officer Heritage Consultants Pty Ltd in 2003 which has been included as Appendix 3 to this report. We note that an Aboriginal Cultural Heritage Assessment Report was also prepared in 2012 by NSW Archaeology Pty Ltd for the proposed expansion of Tyrolean Village however this report focused predominantly on areas outside of Tyrolean Reserve thus a copy of this report hasn't been included within the appendices.

The Navin Officer's report provides the most detailed assessment of sites of cultural significance within Tyrolean Reserve. In total fourteen of which have been identified within Tyrolean Reserve and an additional 15 sites (29 in total) have been located in surrounding area (see figure 6). As detailed within Appendix 3, the majority of artefacts within Tyrolean Reserve are classified as disturbed, small, and low-density surface scatters of stone artefacts which reflects the notion that Aboriginal use of the landscape would most likely have been sparse, of low intensity, and restricted to a limited range of activities.

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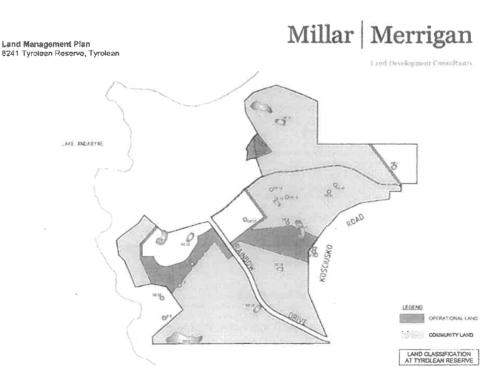
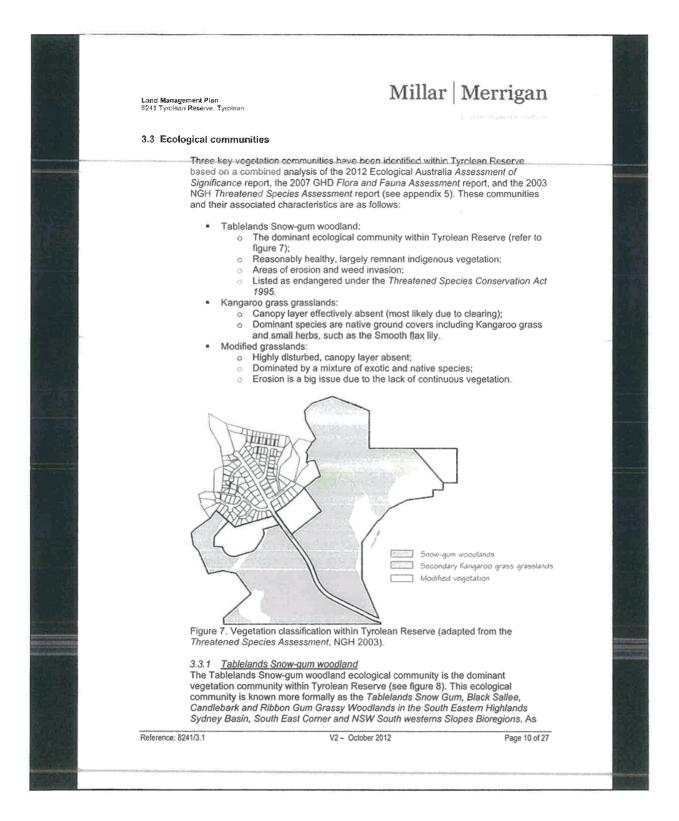


Figure 6. Location of cultural sites within or in close proximity to Tyrolean Reserve (see appendix 4 for scaled plan).

3.2 Environment and Biodiversity

Two extensive environmental assessments have been undertaken within the reserve. The most recent of these reports was an extensive flora and fauna assessment which was conducted by GHD (2007) as part of the preparation of the LES. The other report was a threatened species assessment conducted by NGH Environmental (2003). In preparing this LMP Millar Merrigan has also engaged the services of *Enviroworks* (a company who are expert in land management, re-vegetation and weed eradication) to undertake an assessment of exotic species within the proposed reserve and comment in relation to identifying appropriate management actions to control these species. The results of the *Enviroworks* assessment have been incorporated into this LMP.

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detailed within the 2012 Ecological Australia Assessment of Significance report, this ecological community is listed as endangered under the TSC Act. The canopy vegetation within this ecological community is dominated by White sally (Eucalyptus pauciflora) or snow-gum; although there are occurrences where Black sally (Eucalyptus stellata) and/or Candlebark (Eucalyptus rubida) are the dominant canopy species.

In most areas this community has a mixed shrubby and grassy understorey or largely shrubby understorey with numerous outcrops of granite boulders. Shrubs that are widespread include Tree violet (*Hymenanthera dentata*), Burgan (*Kunzea erlcoldes*), Dogwood (*Cassnia uncata*), Ozothamnus conditus, Poison rice flower (*Pimelea pauciflora*), and Silver wattle (*Acacia dealbata*). Less common shrubs include Daphne heath (*Brachyloma daphnoides*), Bitter cryptandra (*Cryptandra amara*), Woody grevillia (*Grevillia lanigera*), *Merbelia oxylobioides*, Sticky Cassinia (*Cassinia uncata*), and Anchor plant (*Discaria pubescens*).

The groundcover in less disturbed woodland patches is dominated by Kangaroo grass (Themeda triandra) and Snow grass (Poa sieberiana var sieberiana). Less common grasses include Common wheat grass (Elymus scaber), Niggerheads (Enneapogon nigricans) and Wallaby grasses (Austrodanthonia spp.). Other groundcover species include Wattle mat rush (Lomandra filiformis), Blue flax-lily (Dianella spp.), Bulbine lily (Bulbine bulbosa), Stinking pennywort (Hydrocotyle laxiflora), and Cotton fireweed (Senecio quadridentatus).

Weed species identified within the Tablelands Snow-gum woodland include the Briar rose (Rosa rubiginosa), Hawthorn (Crataegus monogyna), Common elder (Sambucus nigra), Blackberry (Rubus fruticosus) and the common apple tree (Malus spp.). For further details on other flora species identified within Tyrolean Reserve refer to the Flora and Fauna Assessment by GHD (2007) included as Appendix 5.

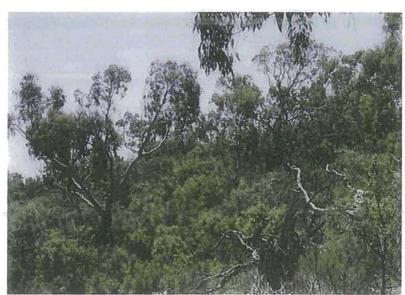
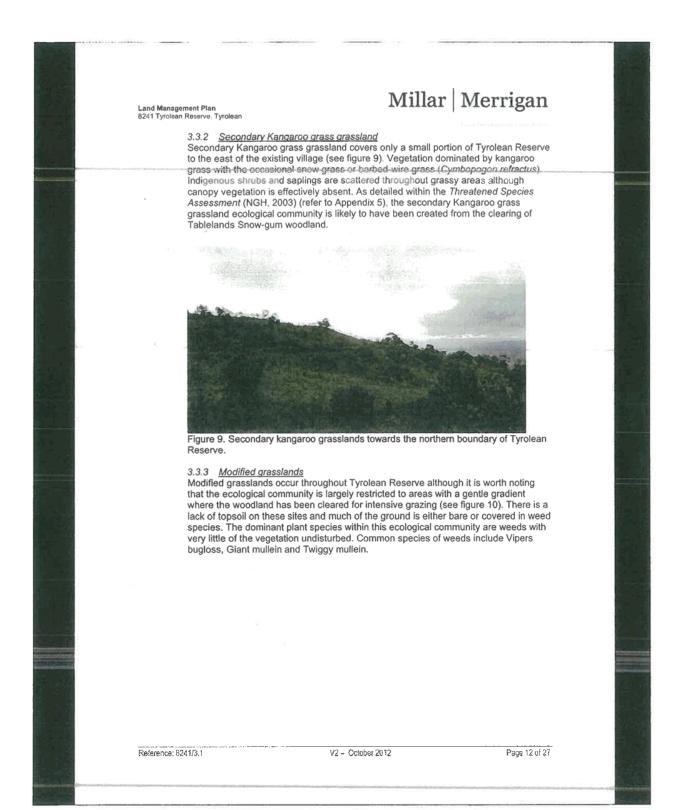


Figure 8. Vegetation within the snow-gums woodland





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Figure 10. Modified grasslands adjacent to the western area zoned for residential purposes

3.4 Native flora

Fórty-nine native flora species have been identified within the reserve or immediate surrounds. A list of these species, as identified within the flora and fauna assessment by GHD (2007), is included in the appendix of the report (see Appendix 5).

Although the Tablelands Snow-gum woodland ecological community is listed as endangered under the *Threatened Species Conservation Act 1995*, no flora species listed as threatened in Schedules 1 and 2 of the *Threatened Species Conservation Act 1995* have been identified within the reserve. Table 1 outlines threatened plant species found within Tablelands Snow-gum woodlands which are listed under State and Commonwealth threatened species legislation. None of these species have been identified within Tyrolean Reserve.

Table 1. Threatened plant species list under Commonwealth or State legislation.

Scientific Name	Common Name	Status
Amphibromus fluitans	River Swamp Wallaby- grass	Vulnerable
Baloskion longipes	Dense cord rush	Vulnerable
Caladenia tessellata	Thick-lipped Spider-orchid	Endangered
Calòtis glandulosa	Mauve Burr-daisy	Vulnerable
Discaria nitida	Shining Anchor Plant	Vulnerable
Diuris aequalis	Buttercup Doubletail	Endangered
Diuris ochroma	Pale Golden Moths Orchid	Endangered
Diuris pedunculata	Small Snake Orchid	Endangered
Dodonaea procumbens	Table Hop-bush	Vulnerable
Eucalyptus aggregata		Vulnerable
Eucalyptus parvula	Small-leaved Gum	Endangered

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	anagement Plan rrolean Reserve, Tyrolean	Milla	ar Merrigan	
	Eucalyptus saxicola	1	Endangered	
	Euphrasia collina ssp. muelleri		Endangered	
	Euphrasia scabra		Endangered	
	Leucochrysum albicans var tricolor	Hoary Sunray	Endangered (EPBC)	
	Monotoca rotundifolia		Endangered	
	Prasophyllum canaliculatum		Critically Endangered	
	Prasophyllum petilum		Endangered	
	Prasophyllum sp. 'Majors Creek'		Critically Endangered	
	Rulingia prostrata	Dwarf Kerrawang	Endangered	
	Rutidosis leiolepis	Monaro Golden Daisy	Vulnerable	
	Rutidosis leptorrhynchoides		Endangered	
	Swainsona sericea		Vulnerable	
	Thesium australe	Austral Toadflax	Vulnerable	
	Xerochrysum palustre		Vulnerable (EPBC)	
3.5 N	3.5.1 <u>Mammals</u> Studies within Tyrolean Reserventhe reserventhe possum and or investigations have determined figure 11).	ommon wombat (Vombatus	s ursinus). Further site	
3.5 N	3.5.1 <u>Mammals</u> Studies within Tyrolean Reserve, the possum and or investigations have determined	ommon wombat (Vombatus	s ursinus). Further site	
	3.5.1 <u>Mammals</u> Studies within Tyrolean Reserve, the possum and or investigations have determined	ed within Tyrolean Reserve	s ursinus). Further site within the reserve (see	



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the Eastern Pygmy possum, which has been sighted in close proximity and suitable habitat has been identified within the reserve.

3.5.2 Avian

Sixteen species of native birds have been observed within Tyrolean Reserve. These include sightings of the Brown tree creeper (*Climacteris picumnus victoriae*), which is a species listed as threatened under NSW TSC Act. Other species of native birds observed within the reserve include:

- Crimson Rosella;
- Pled Currawong;
- New Holland Honey Eater;
- Gallah;
- White Cheeked Honeveater:
- Spotted Pardalote;
- Superb Fairy Wren.

3.5.3 Reptiles and amphibians

Various reports indicate that no reptile or amphibian species listed under the TSC Act are likely to occur within Tyrolean Reserve. Non-listed species observed onsite include the common skink along with various species of snakes. Amphibians are likely to be found in the gullies and in close proximity to Lake Jindabyne, although there are no records of any observations of amphibians within the reserve.

3.5.4 Threatened species likely to be found within Tyrolean Reserve

There are nine threatened species listed under the TSC Act which are likely to frequent the reserve (along with the confirmed sightings of the brown tree creeper):

- Diamond firetail;
- Gang-gang cockatoo;
- Koala:
- Hooded robin;
- Eastern Pygmy possum;
- Speckled warbler;
- Olive whistler;
- Turquoise parrot;
- Common Bentwing-bat.

Species listed under the Commonwealth EPBC Act that are likely to utilize habitat within the Tyrolean Reserve include:

Rainbow bee-eater (listed migratory species).

Other species listed under the TSC Act which may occur within the reserve include:

- Tiger Quoll (Vulnerable under EPBC act);
- Little-whip snake;
- Eastern Earless Dragon (listed as endangered under EPBC act);
- Masked owl;
- Rosenbergs Monitor.

3.6 Non-native flora species

Twenty eight non-native flora species have been identified within Tyrolean Reserve. These species account for a large percentage of the groundcover within the reserve. The vast majority of the exotic species are listed as a class 4 noxious weed within the Snowy River Shire. Class 4 noxious weeds are defined within the Noxious Weeds Act 1993 as:

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... plants that pose a threat to primary production, the environment or human health, are widely distributed in an area to which the order applies and are likely to spread in the area or to another area.

Dominant weed species within the reserve include:

- Blackberry (Rubus fruticosus)*;
- Sweet briar (Rosa rubiginosa)*;
- Saint john's wort (Hypericum perforatum)*;
- Scotch thistle (Onopordum species)*;
- Hawthorn (Crataegus monogyna).

*Listed as a class 4 weed

Other weeds species observed onsite include:

- African boxthorn (Lycium ferocissimum)*;
- Vipers Bugloss (Echium species) *;
- Serrated tussock (Nassella trichotoma)*;
- Giant Mullein (*Verbascum Thapsus*); Twiggy Mullein (*Verbascum virgatum*). *Listed as a class 4 weed

The Snowy River Shires Local Management Plan for Weeds outlines the specific management practices for the control of: Blackberries, Saint John's wort, and Serrated tussock (see Appendix 6). This management plan will guide the approach for controlling other Class 4 weeds on the property.

3.7 Non-native fauna species

3.7.1 Mammals

Rabbits have been observed within the reserve, with scats and burrows common. Domestic cats and dogs are a potential issue within the reserve given the proximity of the reserve to the existing village. Foxes have also been identified in the Jindabyne area and are very likely to exist within Tyrolean Reserve.

3.7.2 Avian

Two introduced bird species have been identified onsite:

- House Sparrow;
- Common Starling.

3.8 Other environment issues and existing management practices:

3.8.1 Environmental issues

Erosion control (storm water/erosion issues)

As mentioned above, Tyrolean Reserve comprises of heavily wooded slopes with numerous granite rock outcrops and soils that comprise of heavily weathered granite that is thin and highly erodible. The major gullies are relatively stable and do not show signs of recent erosion, with the exception of instances where the sides of gullies have been disturbed by rabbits, wombats and mountain bike trails. In areas recently disturbed, erosion from surface water runoff is a major problem, with concentrated stormwater flows eroding the bare ground and leaving small gullies which scar the landscape. Provisions within the reserve are required to address any likely drainage issues associated with any proposed development, which includes the allocation of land within Tyrolean Reserve to deal with stormwater management.

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Addressing unregulated activities

There is evidence of unregulated activities occurring within Tyrolean Reserve, which include firewood collection, dumping of garden waste and other rubbish and motorbike/mountain bike tracks. Guidelines need to be developed to ensure that these activities are no longer undertaken within the reserve.

3.8.2 Key Threatening Processes (KTP's) identified within the reserve (as listed under part 2 of the TSA Act) include:

As identified within the NSW Environment and Heritage website, a key threatening process Is something that threatens or could potentially threaten the evolutionary development of a species, population or ecological community. A threat is listed under the TSA Act as a KTP if it adversely affects threatened species, populations or ecological communities or if it could cause species, populations or ecological communities that are not threatened to become threatened. KTP's identified within Tyrolean Reserve include the following:

- Competition and grazing by feral rabbits;
- Predation by the feral cats (Felis catus);
- Removal of bush rock;
- Removal of hollow bearing trees;
- Clearing of native vegetation;
- Removal of dead wood and dead trees:
- Invasion of native plant communities by exotic perennial grasses (Serrated tussock).
 Practicing

3.8.3 Existing land management practices

Weed management has been undertaken within Tyrolean Reserve by a private contractor who has been targeting the removal of Serrated tussock from within the reserve. This land management work appears to have been effective in reducing the dominance of the target species, with an ecological assessment by *Enviroworks* noting that this species is no longer prominent within the reserve.

4 Management Strategies and core objectives

The core objectives for managing Tyrolean Reserve reflect its classification as both a Natural Area as well as an area of Cultural Significance. There are six key objectives for land classified as a Natural Area and culturally significant which have informed the management strategy detailed below (LGA 1993, 36E & H). The six core objectives are:

- To conserve biodiversity and maintain ecosystem function in respect of the land, or the feature or habitat in respect of which the land is categorised as a natural area:
- To maintain the land, or that feature or habitat, in its natural state and setting;
- To provide for the restoration and regeneration of the land;
- To provide for community use of and access to the land in such a manner as will minimise and mitigate any disturbance caused by human intrusion;
- To assist in and facilitate the implementation of any provisions restricting the use and management of the land that are set out in a recovery plan or threat abatement plan prepared under the Threatened Species Conservation Act 1995 or the Fisheries Management Act 1994.
- To retain and enhance the cultural significance of the area (namely its Aboriginal, aesthetic, archaeological, historical, technical or research or social

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significance) for past, present or future generations by the active use of conservation methods.

Based on these objectives, the broad aim of the Land Management Plan is to:

Create a community asset that protects and promotes conservation and cultural values within Tyrolean Reserve and the broader catchment.

To help achieve this aim, five sections for managing Tyrolean Reserve have been created. The five sections address management objectives, actions and means of assessment for the ongoing maintenance and management of Tyrolean Reserve. These sections help to establish the strategies and priorities for protecting and promoting conservation and cultural values within Tyrolean Reserve. These sections

- Section 4.1: Establishing a management framework;
- Section 4.2: Protecting water quality flowing into Lake Jindabyne;
- Section 4.3: Ongoing environmental improvement works (restoration, regeneration and addressing key threatening processes);
- Section 4.4: Community considerations;
- Section 4.5: Protecting cultural sites.

4.1 Establishing a management framework.

The management framework provides the template for permitted activities and infrastructure within Tyrolean Reserve. We note that the LG Act is very restrictive on activities and infrastructure to be installed on community land thus the measures outlined below have been divided into two sections: activities permissible on operational land and activities permissible throughout Tyrolean Reserve.

Activities permissible within operational land:

Easements

This LMP authorises the lease, licence or grant of any other estate over parks for the purpose of providing easements for public utilities, providing pipes, conduits or other connections under the surface of the ground for the connection of premises adjoining the operational land provided that:

- It is within existing designated easements or, where there is no feasible alternative, it is located so that there is no significant impact on the park; and,
- in all cases, the applicant is to be responsible for all costs incurred by Council in the creation of the easement.

 $\underline{\textit{New services}}$ This LMP authorises the construction of relevant structures for the purposes of delivering adequate services to areas proposed for development around Tyrolean Village. This provision includes gas, sewer, telecommunication, electricity, water and any other services that may need to be installed within Tyrolean Reserve to service any adjacent residential land. This includes provisions for stormwater treatment and a retention basin to treat runoff from any new development which is to be discharged into Lake Jindabyne.

This plan also authorises the installation of sewerage infrastructure, including a sewer pumping station, within operational land provided that it is appropriately sited away from remnant vegetation. This land management plan also supports the relocation of the existing gas facilities.

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Telecommunications towers

This LMP authorises the granting of a lease or licence for the erection and use of telecommunications towers on operational land provided the proposal is put on public exhibition prior to a council resolution permitting the use. A rental fee will be payable to Council and that fee is to be used for the improvement of the park in which the facility is located.

Activities permissible throughout Tyrolean Reserve

Permitted uses

In addition to the uses requiring a lease or licence, this LMP authorises the following uses, to be leased or licensed as appropriate:

- Signage: This LMP authorizes the erection of regulatory, interpretive and directional signage within parks.
- Stormwater: This LMP authorizes the construction of relevant structures for the purposes of stormwater treatment and/or retention. This plan authorizes the continued use of drains, channels and easements and creation of new drains, channels and easements.
- Structures: This LMP authorizes the building or use of the following structures:
 - o Walkways;
 - o Pathways (including mountain bike tracks);
 - Signs;
 - o Picnic tables;
 - o Bins for the disposal of litter;
 - o Toilet facilities;
- Tourism: This LMP authorizes the granting of a lease or license for the purpose of tourism activities. Such activities may include guided walks and bicycle tours.

Conditions of approval

Any approval for leases or licences must include, but not be limited to, the following provisions:

- No significant damage to the park is anticipated as a result of the proposed activity;
- A bond in respect of potential damage is held by Council;
- The activity is permissible under the objectives identified for parks;
- The use or occupation does not involve the erection of any building or structure of a permanent nature within community land and that any permanent structure is located within operational land;
- There is anticipated to be no significant disturbance to adjacent property owners;
- There is no interference with other users;
- All litter is removed;
- The activity must not disturb culturally sensitive sites and must detail any new findings of cultural significance to the responsible authority.

Restrictions within the park

This LMP prohibits the following activities within the reserve:

- Playing golf;
- Drinking alcohol;
- Four wheel driving;

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- Motorbike riding;
- Horse riding
- Hunting;
- Off-track mountain bike and-bmx-riding;
- Unauthorised removal of bush rock, native vegetation and dead trees

Additionally dogs must be walked on a lead.

Schedule of core objectives and actions.

- Action 1. Establish an appropriate management framework for assessing land uses and activities within the reserve;
- Action 2. Determining future development, land uses and activities.

4.2 Protecting water quality flowing into Lake Jindabyne.

This LMP recognises the strategic importance of reserves and vegetated areas surrounding the Lake Jindabyne thus this plan aims to protect water entering the broader catchment through detailing stormwater treatment and dispersal requirements within the reserve. We note that this is a particularly important consideration given that surface runoff flowing through Tyrolean Reserve ends up in Lake Jindabyne, an important drinking water supply for surrounding towns. We also note that soils are highly friable and prone to gully erosion thus existing gullies within the reserve will need to be managed to prevent siltation of Lake Jindabyne.

Infrastructure installed within the reserve as part of any adjacent development will need to adequately slow water running through the reserve and treat runoff. Thus this LMP, as detailed above, permits the installation of drainage infrastructure within operational land that will improve the quality of water entering Lake Jindabyne. The following measures are recommended for installation within Tyrolean Reserve if future development is to proceed on adjacent land zoned for residential purposes. We note that this list is not extensive and that additional measures could be required to ensure that water runoff from any adjacent development is treated to the best standard possible.

Infrastructure:

- Contour drain:
 - Collect storm water coming from the development;
 - Slow the water flow and reduce the potential for soil erosion.
- Stormwater retention basin:
 - Collect water at the end of the contour drain to further slow water runoff into Lake Jindabyne and improve the treatment process.
- Sewer pumping station
 - To prevent effluent from future residential development from entering Lake Jindabyne by ensuring that it can be pumped into existing pipe systems and taken to a treatment facility.

Other measures to improve water quality include erosion stabilisation works around identified eroded gullies to prevent further channelization. The Tyrolean Reserve landscape is to be constantly monitored to identify any new drainage patterns which may cause long term erosion problems in the future. Unauthorised activities are to also be monitored within the reserve including off track mountain bike riding and illegal vegetation removal to ensure that they do not create further erosion issues and thus negatively impact on water quality entering Lake Jindabyne (see above for permitted activities).

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Schedule of core objectives and actions

- Action 3. Protect, manage and enhance water quality entering Lake Jindabyne.
- 4.3 Environmental Management (restoration, regeneration and addressing key threatening processes).

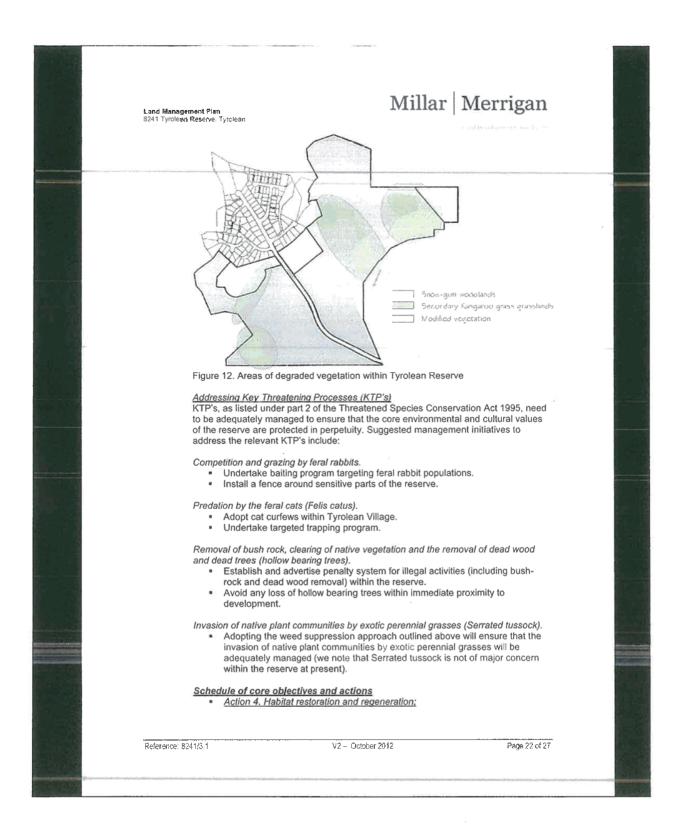
Restoration

The key restoration objective within the area zoned community land is to manage the growth and spread of weed species to ensure that native vegetation is promoted and enhanced within the reserve. It is proposed that an intensive 5 year treatment period be undertaken with the priority being on reducing weed cover within regions that are hard to get to. We suggest a maintenance program be prescribed outlining a minimum of 4 weed passes annually during the initial management period, with a shift towards biannual weed passes once the intensive program has been undertaken.

The goal of the weed management within the reserve will be to achieve a 90% reduction in weed cover after the first 2 years as a direct consequence of the management initiatives outlined in this plan. It is proposed that different strategies be adopted for different weed species given that there are both woody and non-woody species present within the reserve. For the majority of weed species, which are low, small non-woody species, it is proposed that the management approach revolves around foliage spraying. For the larger woody species, most notably hawthorn, it is suggested that the strategy focus on poisoning in-situ (drill and fill), and the species be allowed to stand as a dead tree. For Hawthorne the ideal time for this to be undertaken is in autumn as it is a deciduous species meaning it will be poisoned during draw down (~3 month period for this work). It is noted by Environworks that the issue of weed control needs to be addressed as soon as possible, as a few wet years running could see a significant increase in the cover of weed species on the property, particularly within the more degraded patches of the reserve. We note that weed management is to be undertaken in accordance with the Snowy River Shire's Local Weed Management Plans.

Regeneration

Areas of Tyrolean Reserve identified as degraded are to be regenerated with species common to the Tablelands Snow-gum woodlands ecological community (see figure 12). The key areas for regeneration are highlighted in the plan below, noting that the most degraded vegetation is identified within the secondary Kangaroo grass grasslands and the modified vegetation ecological communities. Regeneration activities are to focus on increasing habitat quality and connectivity across the landscape to improve fauna links and habitat quality within the listed Tablelands Snow-gum woodlands ecological community.



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4.4 Community considerations

Tyrolean Reserve is to be managed in a manner that promotes a park that is both safe and accessible to the whole community.

Ensuring the safety of all park users

Measures of achieving a safe recreation area within Tyrolean include ensuring that all works undertaken within the park are to comply with Councils occupational health and safety policy and guidelines, and through restricting and monitoring unpermitted activities.

All existing infrastructure within the reserve is to be regularly monitored with issues to be addressed when identified and all new infrastructure located within operational land is to be designed in a way that promotes safety. New development on adjacent land is to be designed to maximise surveillance of open space to act as a deterrent for anti-social behaviour. External lighting is to be shielded and triggered by sensors to limit extraneous light where necessary to reduce the potential for light interference on native flora and fauna. New paths are also to be designed to foster casual surveillance. In addition to this, adequate signage is to be installed on walking tracks detailing permitted and unpermitted activities.

Providing access for the whole community

Adequate car parking is to be allocated for users of the reserve and this is to be monitored to ensure that it does not create a traffic hazard. A park management plan for people with limited mobility is to be designed and implemented by the Council to ensure that the park provides unrestricted access to all members of the community.

Schedule of core objectives and actions

- Action 5. Safety and risk management;
- Action 6. Access and parking;
- Action 7. Recreation and land use.

4.5 Cultural considerations

The park is to be managed in a manner that protects and promotes cultural considerations within the reserve. Key management strategies that will protect and promote culturally significant sites within the reserve include:

- Development of an education program which educates the local community about the significance of the area to the traditional owners of Jindabyne, the Ngarigo people;
- Erection of signs identifying culturally significant sites to inform people of their location and to minimise disturbance.

Schedule of core objectives and actions

Action 8. Protecting and promoting Cultural considerations within the reserve.

Millar Merrigan Land Management Plan 8241 Tyrolean Reserve, Tyrolean 4.6 Summary of actions Establish a management framework Action 1. Establish an appropriate management framework for assessing land uses and activities within the reserve; Action 2. Determining future development, land uses and activities. Protecting water quality flowing into Lake Jindabyne Action 3. Protect, manage and enhance water quality entering Lake Jindabyne. Ongoing environmental improvement works Action 4. Habitat restoration and regeneration. Community considerations Action 5. Safety and risk management; Action 6. Access and parking, Action 7. Recreation and land use. **Cultural Considerations** Action 8. Protecting and promoting Cultural considerations within the reserve. Actions table The following details the implementation and monitoring process for achieving the actions as detailed above. Detailed under each action is the method of achieving the objective, means of assessment and priority of each of the actions listed under section 4 of this report. **Guiding management framework** Action 1. Establish an appropriate management framework for assessing land uses and activities within the reserve. Management 1.1 Ensure that reserves planning and management are in objectives accordance with relevant legislation and policy Means of Implement actions in accordance with the LGA 1993 achievement and all other relevant legislation. Means of Level of implementation over 5-years. assessment Priority High. Action 2. Determining future development, land uses and activities. Management 2.1 Ensure land use is consistent with community land objectives categories and core objectives. 2.2 To protect the reserve's values from inappropriate uses and activities 2.3 To implement actions that will prevent incremental impacts. 2.4 To restrict threatening processes. 2.5 Provide opportunities for recreation. Means of Land use proposals must: achievement Demonstrate consistency with community land core objectives. Protect and enhance the natural and cultural setting, Page 24 of 27 Reference: 8241/3.1 V2 - October 2012

Millar | Merrigan

Land Development Consultants

	 and promote environmental sustainability. Implement Councils bike and pedestrian pathways walking paths and cycling tracks.
Means of assessment	Monitor trends over time.
Priority	High.

Catchment management and water quality: Protecting water quality flowing into Lake Jindabyne

Action 3. Protect, m.	anage and enhance water quality entering Lake Jindabyne.
Management	3.1 Promote strategies which improve water quality flowing into
objectives	Lake Jindabyne.
	3.2 Protect bank stability.
	3.3 Monitor unauthorised activities.
Means of	Land use proposals must:
achievement	 Protect and enhance diversity of natural landforms
	and restrict further channelization.
	 Implement stormwater strategy for dealing with
	runoff from the new estate.
	 Includes provisions for the installation of a water
	retention basin within the reserve.
	 Put in measures that prevent activities that are to be
	restricted within the reserve.
	 Includes ensuring that mountain bike use is
	restricted to the proposed paths within the reserves.
	 Ensure that all landscaping and additional planting is
	consistent with the weed management plan.
Means of	Works implemented in accordance with this plan.
assessment	Monitoring, maintenance and remedial works implemented.
Priority	Ongoing

Environmental management

Action 4.Habitat r	egeneration and restoration.		
Management	4.1 Ensure implementation of best practice standards for the		
objectives	management of natural areas.		
	4.2 To improve quality, extent and connectivity of native habitat		
	and enhance biodiversity.		
	4.3 To protect and restore natural areas and to promote long term		
	sustainability.		
	4.4 Identify and address KTP's within the reserve		
Means of	Land use proposals must;		
achievement	Ensure that Tyrolean Reserve is managed in		
	accordance with best practice standards.		
	Management in accordance with the Florabank		
	Guidelines for native seed collection, production.		
	handling and storage.		
	Greening Australia's Management principles to guide		
	the restoration and rehabilitation of indigenous		
	vegetation.		
	Implement an integrated strategy focused on the		
	recovery, recruitment, and long term durability of the		
	recovery, recruitment, and long term durability of the		

Reference: 8241/3.1 V2 - October 2012

Page 25 of 27

Eand N 3241 T	fanagement Plan grotean Reserve, Tyrolean	Millar Merrigan	
enantario escolo es		degraded ecological communities. Use a minimal disturbance bush regeneration regime to habitat restoration. Selectively terget and control-nexious and	
		environmental weeds. Undertake five year intensive weed management strategy. Manage key threatening processes. Address current land use activities that are contributing to land degradation. In-particular, unauthorised BMX and mountain-bike use within Tyrolean	
	Means of assessment	To be assessed during site inspections by Council officers. Key areas for assessment include: Area of bush regeneration per annum. Weed management reports. How successful the revegetation program has been.	
	Priority	Ongoing Ongoing	
	Community con	siderations	
3,0	•		
40	Action 5. Safety a	and risk management. 6.1 To ensure the safety of public/staff when visiting the park.	
	objectives	6.2 Ensure that all works carried out within parks complies with Councils occupation health and safety policy. 6.3 Encourage community involvement in the recognition and remediation of public risk. 6.4 Prevent unsafe usage of the reserve. 6.5 Protect users from hazards.	
	Means of achievement	Land use proposals must: Conduct quarterly inspections of infrastructure. Install appropriate signage. All dogs must be walked on a lead. Provide appropriate lighting to act as a deterrent for anti-social behaviour. Design paths to foster casual surveillance. Implement a safe maintenance program in accordance with Council rules and regulations	
	Means of	To be assessed during site inspections by Council officers.	
	Priority	Ongoing	
	1 Honey		
	Action 6. Access Management objectives	7.1 Provide access to the park for the whole community. 7.2 Ensure that essential pedestrian and vehicular access through or into parkland areas minimises the impact on the area.	
	Means of achievement	 Restrict access to sensitive (cultural sites) and hazardous (gullies) areas. Appropriately maintain paths to ensure safety and prevent erosion. 	
	Means of assessment	To be assessed during site inspections by Council officers.	T de
	nce: 8241/3.1	V2 - October 2012 Page 26 of 27	



		Land Development Consultanty
Priority	Ongoing	

Action 7. Recrea	tion and land use.
Management objectives	8.1 To enhance the recreational opportunities by providing appropriate amenities for a wide range of activities. 8.2 Involve the community in the management of the park.
Means of achievement	 Permit passive recreation activities such as; walking, bird watching and other unstructured activities provided they do not interfere with other park objectives. Prohibit unauthorized vehicles from parks. Ensure that the landscape character of the park is retained and enhanced. Encourage the community to establish a 'People for Parks' program.
Means of assessment	To be assessed during site inspections by Council officers.
Priority	Ongoing

Cultural considerations

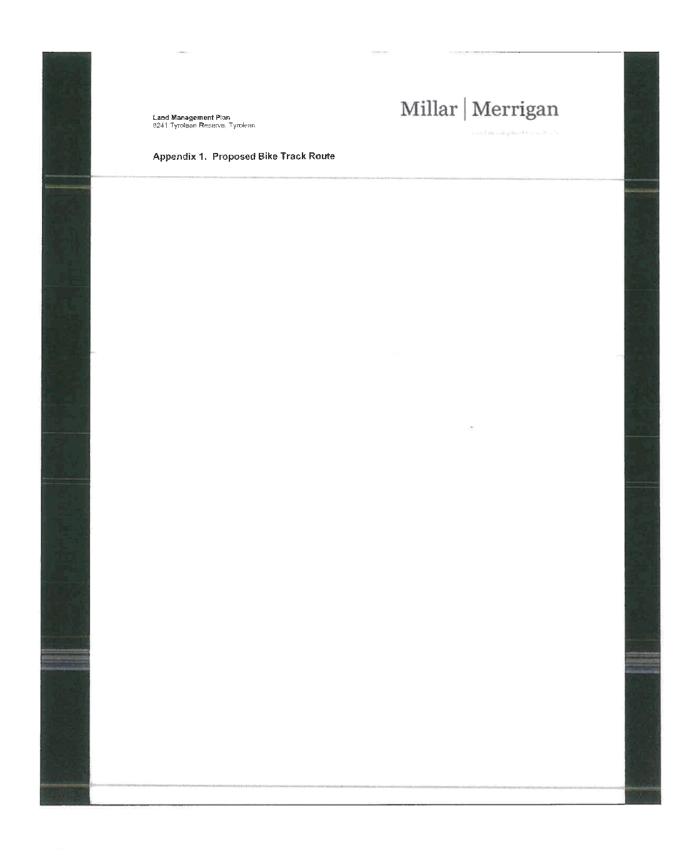
Action 8. Protecting and promoting Cultural considerations within the reserve

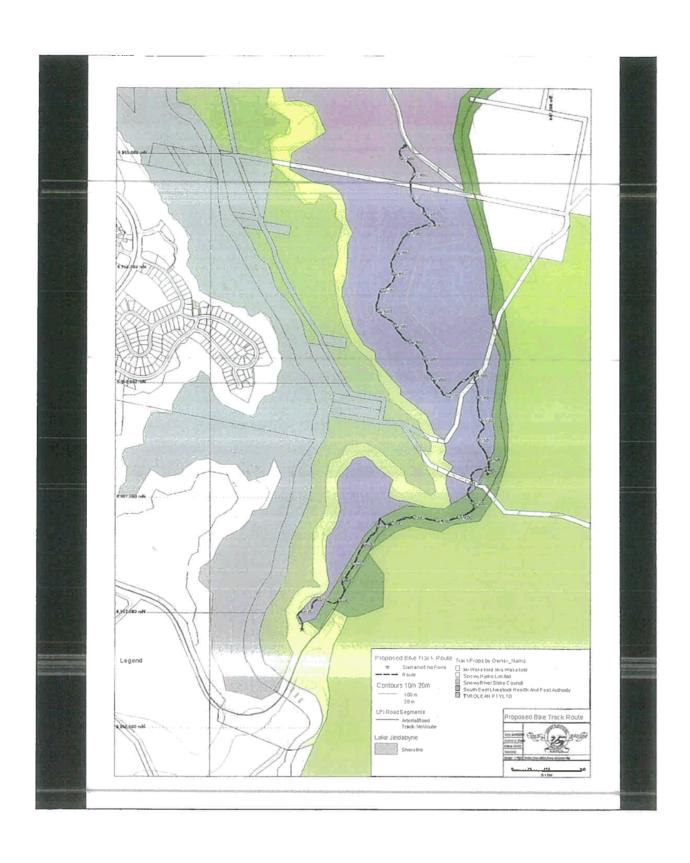
Management	9.1 To manage the known and unknown components of
objectives	indigenous archaeological records and areas.
2.5	9.2 To educate the community about the presence and
	importance of cultural heritage within the reserve.
Means of achievement	 New infrastructure installed within Tyrolean Reserve is to avoid, where practicable, impacting on known locations of cultural significance; If artefacts are to be disturbed a permit is to be sought in accordance with the Section 90A of the National Parks and Wildlife Act 1974. Details of all new cultural sites are to be lodged with the NSW Office of Environmental and Heritage. Council is to devise a cultural education plan looking
	at methods of educating the community about the significance of cultural sites within Tyrolean Reserve.
Means of assessment	To be assessed during site inspections by Council officers.
Priority	Ongoing

6 Conclusion

The future management of the site will be measured by the performance of the management issues and strategies in this LMP. The ongoing management of the site will require flexibility to ensure that changing needs and expectations of the community can be met in a timely and coordinated way. This LMP is designed for regular review. Achievements of outcomes should only be measured as milestones and not a completion of the document's objectives. New and innovative approaches to the management of the land should be incorporated into the LMP and an update completed, following a process similar to the process undertaken in preparing this document.

Reference: 8241/3.1 V2 - October 2012 Page 27 of 27





9.5	
	Tyrolean Village Development Planning Agreement
	Snowy River Shire Council
	Tyrolean Pty Ltd
	Execution
	Executed as an Deed
	Dated: 8 January 2016
	Snawy River Shire Council Executed on behalf of the Council
	J
	General Manager
	Jenny Beaumont Witness/Name/Position Executive Assistant.
	Witness/Name/Position Executive Assistant.
	Executed on behalf of the Developer in accordance with s127(1) of the Corporations Act (Cth) 2001
	(DIRECTOR)
_	Name/Position
	Soft M. Jannet - Civil Engineer
	Witness/Name/Position

Tyrolean Village Development Planning Agreement Snowy River Shire Council Tyrolean Pty Ltd

Appendix

(Clause 53)

Environmental Planning and Assessment Regulation 2000 (Clause 25E)

Explanatory Note

Draft Planning Agreement

Under s93F of the Environmental Planning and Assessment Act 1979

Parties

Snowy River Shire Council (ABN 21 862 479 274) of 2 Myack Street BERRIDALE NSW (Council)

Tyrolean Pty Ltd (ACN 007 441 661) as Trustee for the **Tyrolean Unit Trust** (ABN 86 625 991 421) of 218 Great Alpine Road HARRIETVILLE VIC (**The Developer**)

Description of the Land to which the Draft Planning Agreement Applies

Lot 56 DP818775 and Lot 2 DP1182278 (Land).

Description of Development

Subdivision of the Land into 29 residential lots, 2 reserve lots and 1 balance lot.

Summary of Objectives, Nature and Effect of the Draft Planning Agreement

Objectives of Draft Planning Agreement

The objectives of the Draft Planning Agreement are to provide open space, facilities and infrastructure in connection with the Development and to provide for the

Tyrolean Village Development Planning Agreement Snowy River Shire Council Tyrolean Pty Ltd

dedication of land by the Developer to Council. Specifically, the Developer will make the following contributions:

- a) Dedication of the Reserve Land to Council;
- b) Construction of the extension of the Mill Creek Trail within lot 2 DP1182278;
- Dedication of land for a Bus Turn Around Facility, construction of the facility and associated works including the provision of a concrete footpath to service the facility.

Nature of Draft Planning Agreement

The Draft Planning Agreement is a planning agreement under s93F of the Act. It is a voluntary agreement, under which the Developer makes Development Contributions for various public purposes.

Effect of the Draft Planning Agreement

The Draft Planning Agreement:

- · relates to the carrying out of the Development by the Developer;
- does not exclude the application of s94, s94A and s94EF to the Development;
- · requires the dedication of land and carrying out of works
- the Developer is to provide security as follows:
 - o (insert details)
- is to be registered on the title of the Land;
- imposes restrictions on the Developer transferring the Land or part of the Land or assigning an interest under the Agreement;
- provides a dispute resolution method where a dispute arises under the agreement, being mediation and expert determination;
- provides that the agreement is governed by the law of New South Wales;
- provides that the A New Tax System (Goods and Services Tax) Act 1999 (Cth) applies to the agreement.

Assessment of the Merits of the Draft Planning Agreement

The Planning Purposes Served by the Draft Planning Agreement

In accordance with section 93F (2) of the Act, the Draft Planning Agreement has the following public purposes:

Tyrolean Village Development Planning Agreement Snowy River Shire Council Tyrolean Pty Ltd

- the provision of (or the recoupment of the cost of providing) public amenities or public services
- the provision of (or the recoupment of the cost of providing) transport or other infrastructure relating to land
- the conservation or enhancement of the natural environment

The Draft Planning Agreement will allow for the transfer of land to Council for use as a public recreational reserve and the construction of associated infrastructure which will service the development and surrounding area.

How the Draft Planning Agreement Promotes the Public Interest

The Draft Planning Agreement promotes the public interest by promoting the objects of the Act as set out in subsection 5(a)(ii), (a)(iv), (a)(v) namely:

- the promotion and co-ordination of the orderly and economic use and development of land
- the provision of land for public purposes,
- the provision and co-ordination of community services and facilities

For Planning Authorities:

How the Draft Planning Agreement Promotes the Elements of the Council's Charter

The Draft Planning Agreement promotes the elements of the Council's charter by:

- · providing adequate, equitable and appropriate facilities for the community.
- · ensuring those facilities are managed efficiently and effectively.

Whether the Draft Planning Agreement Conforms with the Authority's Capital Works Program

The works proposed are not inconsistent with the Snowy River Shire Council's Capital Works Program.

Whether the Draft Planning Agreement specifies that certain requirements must be complied with before issuing a construction certificate, subdivision certificate or occupation certificate

The Draft Planning Agreement requires that the following works are completed prior to the issue of the subdivision certificate for Stage 1 of the development:

- Construction of Bus Turn Around Facility, including weed eradication works, relocation of existing gas tank and installation of electrical substation, carried out to the satisfaction of Council. This work will include the creation of separate titles in favour of Council, Origin Energy, and Essential Energy (respectively).
- Construction of concrete footpath to service bus stop carried out to the satisfaction of Council

Tyrolean Village Development Planning Agreement Snowy River Shire Council Tyrolean Pty Ltd

The Draft Planning Agreement requires that the following works are completed prior to the issue of the subdivision certificate for Stage 2 of the development:

 Construction of single track cross country shared trail of approximately 1.1km incorporating one raised bridge platform carried out to the satisfaction of Council within Lot 2 DP 1182278, in accordance with condition 4 of DA0038/2013.

The Draft Planning Agreement requires that the following dedication of land be completed prior to the issue of the subdivision certificate for Stage 1 of the development:

Dedication of the Bus Turn Around Facility Land as shown in Schedule 4

The Draft Planning Agreement requires that the following dedication of land to be carried out prior to the issue of the subdivision certificate for Stage 2 of the development:

• Dedication of the Reserve Land as shown in Schedule 3



PHONE: 02 6457 2481 FAX: 02 6457 2482 MOBILE: 0407 926 752

EMAIL: buckleysrural@outlook.com "Highland Grange"

Kosciuszko Rd Jindabyne NSW 2627

Miller and Merrigan

19 November 2017

RE: Weed control for Miller and Merrigan

Dear Scott

Great to catch up on site at Tyrolean Village - I have inspected the area with Brett Jones regarding the weeds maintenance works required for the next 18 months. The maintenance work scheduled over this time will meet the Snowy Monaro Regional Councils control requirements. As per Brett Jones email – 8 Nov 2017.

Re assessment of current works to be carried out by November/December 2017

- Sweet Briar Quote \$30,000 including GST and chemical
- St Johns Wort Quote \$14,000including GST and chemical Total \$44,000

Follow up control work to be carried out in March 2018.

 African Lovegrass and Serrated Tussock Quote \$14,000 including GST and chemical Total \$14,000

Follow up control work to be carried out in November/December 2018.

- St Johns Wort Quote \$9,900 including GST and chemical
- Sweet Briar Quote \$7,500 including GST and chemical
- Blackberry Quote \$6,500 including GST and chemical Total \$23,900

Follow up control work to be carried out in March 2019.

 African Lovegrass and Serrated Tussock Quote \$10,500 including GST and chemical Total \$10,500

To carry out the weed control as per Snowy Monaro Regional Councils requirements the full cost of the program for the next $18^{\rm th}$ is \$92,400

Full payment will be required before the $18^{\rm th}$ program will commence. Should you require any further information, please do not hesitate to contact me. Kind Regards

Jim Buckley
CEO Buckley's Rural Services

Specialising in

Snowy Monaro Regional Council

GENERAL PURPOSE FINANCIAL STATEMENTS for the period 13 May 2016 to 30 June 2017



A trusted community partner

Snowy Monaro Regional Council

General Purpose Financial Statements

for the period 13 May 2016 to 30 June 2017

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2. Statement by Administrator and Management	3
3. Primary Financial Statements:	
 Income Statement Statement of Comprehensive Income Statement of Financial Position Statement of Changes in Equity Statement of Cash Flows 4. Notes to the Financial Statements	4 5 6 7 8
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Overview

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

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

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

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

- (iii) All figures presented in these financial statements are presented in Australian currency.
- (iv) These financial statements were authorised for issue by the Council on 22 November 2017. Council has the power to amend and reissue these financial statements.

Snowy Monaro Regional Council

General Purpose Financial Statements for the period 13 May 2016 to 30 June 2017

Understanding Council's financial statements

Introduction

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

What you will find in the statements

The financial statements set out the financial performance, financial position and cash flows of Council for the period 13 May 2016 to 30 June 2017.

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

About the Councillor/Management Statement

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

About the primary financial statements

The financial statements incorporate five 'primary' financial statements:

1. The Income Statement

Summarises Council's financial performance for the year, listing all income and expenses.

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

Council's annual financial statements are required to be audited by the NSW Audit Office. In NSW the auditor provides 2 audit reports:

- an opinion on whether the financial statements present fairly the Council's financial performance and position, and
- their observations on the conduct of the audit, including commentary on the Council's financial performance and financial position.

Who uses the financial statements?

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

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

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

Snowy Monaro Regional Council

General Purpose Financial Statements for the period 13 May 2016 to 30 June 2017

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

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

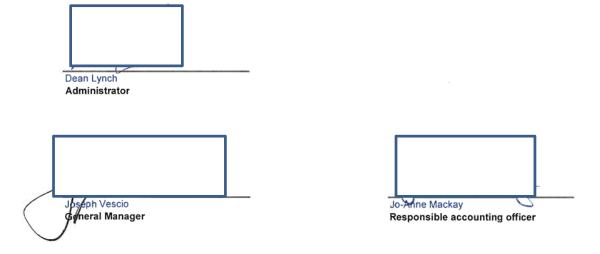
- the Local Government Act 1993 (NSW) (as amended) and the regulations made thereunder,
- the Australian Accounting Standards and professional pronouncements, and
- the Local Government Code of Accounting Practice and Financial Reporting.

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

- present fairly the Council's operating result and financial position for the period 13 May 2016 to 30 June 2017, and
- · accord with Council's accounting and other records.

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

Signed in accordance with a resolution of Council made on 06 September 2017.



Snowy Monaro Regional Council

Income Statement

for the period 13 May 2016 to 30 June 2017

\$ '000	Notes	Actual 13/5/16 to 30/6/17
	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	10 00/0/11
Income from continuing operations		
Revenue:	2-	20.204
Rates and annual charges User charges and fees	3a 3b	30,281 14,700
Interest and investment revenue	3c	2,549
Other revenues	3d	2,206
Grants and contributions provided for operating purposes	3e,f	32,321
Grants and contributions provided for capital purposes	3e,f	17,864
Other income:		ŕ
Net gains from the disposal of assets	5	_
Net share of interests in joint ventures and		
associates using the equity method	19	
Total income from continuing operations	_	99,921
Expenses from continuing operations		
Employee benefits and on-costs	4a	31,780
Borrowing costs	4b	524
Materials and contracts	4c	19,045
Depreciation and amortisation	4d	20,963
Other expenses	4e	11,371
Net losses from the disposal of assets	5	768
Total expenses from continuing operations	_	84,451
Operating result from continuing operations		15,470
Discontinued operations		
Net profit/(loss) from discontinued operations	24	_
Net operating result for the period		15,470
Gain on local government amalgamation		
Assets and liabilities transferred from former councils	29	1,170,081
Net result for the period		1,185,551
Net operating result attributable to Council		1,185,551
Net operating result for the period before grants and	-	(0.004)
contributions provided for capital purposes	-	(2,394)

Snowy Monaro Regional Council

Statement of Comprehensive Income for the period 13 May 2016 to 30 June 2017

\$ '000	Notes	Actual 13/5/16 to 30/6/17
Net result for the year (as per Income Statement)		1,185,551
Other comprehensive income:		
Amounts which will not be reclassified subsequently to the operating result		
Gain (loss) on revaluation of I,PP&E	20b (ii)	14,705
Total items which will not be reclassified subsequently to the operating result		14,705
Amounts which will be reclassified subsequently to the operating result when specific conditions are met Nil		
Total other comprehensive income for the period		14,705
Total comprehensive income for the period		1,200,256
Total comprehensive income attributable to Council		1,200,256

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Snowy Monaro Regional Council

Statement of Financial Position

This statement should be read in conjunction with the accompanying notes.

as at 30 June 2017

		Actua
\$ '000	Notes	201
ASSETS		
Current assets		
Cash and cash equivalents	6a	11,790
Investments	6b	43,984
Receivables	7	10,767
Inventories	8	974
Other	8	185
Non-current assets classified as 'held for sale'	22	-
Total current assets		67,700
Non-current assets		
Investments	6b	22,000
Receivables	7	137
Inventories	. 8	-
Infrastructure, property, plant and equipment	9	1,131,697
Investments accounted for using the equity method	19	-,,,,,,,,,
Investment property	14	_
Intangible assets	25	382
Total non-current assets		1,154,216
TOTAL ASSETS		1,221,916
LIABILITIES		
Current liabilities		
Payables	10	7,195
Income received in advance	10	402
Borrowings	10	575
Provisions	10	6,712
Total current liabilities		14,884
Non-current liabilities		
Payables	10	-
Income received in advance	10	-
Borrowings	10	3,445
Provisions	10	3,331
Total non-current liabilities		6,776
TOTAL LIABILITIES		21,660
Net assets		1,200,256
EQUITY		4 405 55
	20	1,185,55
Retained earnings		44 = 0.0
Retained earnings Revaluation reserves	20	14,705
EQUITY Retained earnings Revaluation reserves Other reserves Total equity		14,705 1,200,256

Snowy Monaro Regional Council

Statement of Changes in Equity for the period 13 May 2016 to 30 June 2017

13/5/16 to 30/6/17			Asset				
			revaluation	Other		Non-	
		Retained	reserve	reserves	Council	controlling	Total
\$ '000	Notes	earnings	(Refer 20b)	(Refer 20b)	interest	interest	equity
Allot would for the com-		4 405 554			4 405 554		4 405 554
a. Net result for the year		1,185,551	_	_	1,185,551	_	1,185,551
b. Other comprehensive income							
 Revaluations: IPP&E asset revaluation reserve 	20b (ii)	_	14,705	_	14,705	_	14,705
Other comprehensive income		_	14,705	-	14,705	_	14,705
Total comprehensive income (c&d)		1,185,551	14,705	_	1,200,256	_	1,200,256
Equity – balance at end of the reporting period		1,185,551	14,705	_	1,200,256	_	1,200,256

Snowy Monaro Regional Council

Statement of Cash Flows

for the period 13 May 2016 to 30 June 2017

¢ 1000	Natas	Actual 13/5/16
\$ '000	Notes	to 30/6/17
Cash flows from operating activities		
Receipts:		
Rates and annual charges		33,075
User charges and fees		15,747
Investment and interest revenue received		2,447
Grants and contributions		50,643
Bonds, deposits and retention amounts received		433
Other		2,963
Payments:		
Employee benefits and on-costs		(31,034)
Materials and contracts		(21,475)
Borrowing costs		(298)
Other		(7,038)
Net cash provided (or used in) operating activities	11b	45,463
	-	
Cash flows from investing activities		
Receipts:		
Sale of infrastructure, property, plant and equipment		1,061
Payments:		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Purchase of investment securities		(41,984)
Purchase of infrastructure, property, plant and equipment		(19,233)
Purchase of real estate assets		(1)
Net cash provided (or used in) investing activities		(60,157)
	-	
Cash flows from financing activities		
Receipts:		
Nil		
Payments:		
Repayment of borrowings and advances		(1,080)
Net cash flow provided (used in) financing activities		(1,080)
Net increase/(decrease) in cash and cash equivalents		(15,774)
Plus: cash transferred on amalgamation of councils	29	27,564
	_	44.700
Cash and cash equivalents – end of the year	11a =	11,790
Additional Information:		
Additional information.		
plus: Investments on hand – end of year	6b	65,984
Total cash, cash equivalents and investments	-	77,774
-	-	
Please refer to Note 11 for information on the following: - Non-cash financing and investing activities		

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

This statement should be read in conjunction with the accompanying notes.

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Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

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Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 1. Summary of significant accounting policies

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

(a) Basis of preparation

The local government (Council Amalgamations) Proclamation 2016 ('the Proclamation') under the Local Government Act 1993 (NSW) transferred the assets and liabilities of former councils:

- Snowy River Shire Council
- Cooma Monaro Shire Council
- Bombala Council

To Snowy Monaro Regional Council as at 13th May 2016

Pursuant to the Proclamation, financial statements have been prepared for the period commencing on the date of establishment of Snowy Monaro Regional Council, being 13th May 2016 and ending on 30 June 2017.

Future reporting periods will be from 1 July to 30 June of the relevant year.

Assets and liabilities of Snowy River Shire Council, Cooma Monaro Shire Council and Bombala Council acquired as a result of amalgamation/boundary changes have been recognised by the Snowy Monaro Regional Council at the carrying amount recorded by the former councils.

Snowy Monaro Regional Council believes the carrying amounts are not materially different from their fair values as at the date of transfer 13th May 2016.

The fair value of the net assets has been shown as a gain on local government amalgamation in the income statement and further information is provided in Note 29.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the Local Government Act 1993 (NSW) and Regulations, and the Local Government Code of Accounting Practice and Financial

Reporting. Council is a not for-profit entity for the purpose of preparing these financial statements.

(i) New and amended standards adopted by Council

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

(ii) Early adoption of standards

Council has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 13th May 2016.

(iii) Historical cost convention

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

(iv) Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies.

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

(i) Estimated fair values of infrastructure, property, plant and equipment,

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 1. Summary of significant accounting policies (continued)

(ii) Estimated tip remediation provisions.

Significant judgements in applying the Council's accounting policies

(i) Impairment of Receivables

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Council has made a significant judgement about the impairment of a number of its receivables in Note 7.

(b) Revenue recognition

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Council and specific criteria have been met for each of the Council's activities as described below.

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

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

(i) Rates, annual charges, grants and contributions

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

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

Control over granted assets/contributed assets are normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and is valued at their fair value at the date of transfer.

Where grants or contributions recognised as revenues during the financial year were obtained on

condition that they be expended in a particular manner or used over a particular period and those conditions were un-discharged at reporting date, the unused grant or contribution is disclosed in Note 3(g). The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

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

(ii) User charges and fees

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

(iii) Sale of infrastructure, property, plant and equipment

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

(iv) Interest

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

(v) Rent

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

(vi) Dividend income

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

(vii) Other income

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

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 1. Summary of significant accounting policies (continued)

(c) Principles of consolidation

(i) The Consolidated Fund

In accordance with the provisions of Section 409(1) of the Local Government Act 1993 (NSW), all money and property received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund.

Cash and other assets of the following entities have been included as part of the Consolidated Fund:

- General Purpose Operations
- Water services
- Sewerage services
- Waste Services
- Jindabyne Holiday Park
- Snowy River Health Centre
- Quarry Operations
- Yallambie Lodge.
- Monaro Regional Library
- Snowy River Hostel

Due to their immaterial value and nature, most Section 355 Committees entities and operations have been excluded from consolidation

(ii) The Trust Fund

In accordance with the provisions of Section 411 of the Local Government Act 1993 (NSW) (as amended), a separate and distinct Trust Fund is maintained to account for all money and property received by the Council in trust which must be applied only for the purposes of, or in accordance with the trusts relating to those monies. Trust monies and property subject to Council's control have been included in these reports.

Trust monies and property held by Council but not subject to the control of Council have been excluded from these reports. A separate statement of monies held in the Trust Fund is available for inspection at the Council office by any person free of charge.

(iii) County Councils

Council is not a member of any county councils.

(iv) Interests in other entities

Subsidiaries

Council has no interest in any subsidiaries.

Joint arrangements

Council has no interest in any joint arrangements.

(d) Leases

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

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

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

Leases in which a significant portion of the risks and rewards of ownership are not transferred to Council as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

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

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 1. Summary of significant accounting policies (continued)

(e) Impairment of assets

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

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

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

(f) Cash and cash equivalents

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

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

(g) Inventories

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

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

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

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

(ii) Inventory held for distribution

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

(iii) Land held for resale/capitalisation of borrowing costs

Land held for resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development. When development is completed borrowing costs and other holding charges are expensed as incurred.

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

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

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

They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets; assets arising from employee benefits; financial assets; and investment properties that are carried at fair value

Snowy Monaro Regional Council

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Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 1. Summary of significant accounting policies (continued)

and contractual rights under insurance contracts, which are specifically exempt from this requirement.

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

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

(i) Investments and other financial assets

Classification

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

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

(i) Financial assets at fair value through profit or

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

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities

greater than 12 months after the reporting date which that are classified as non-current assets.

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

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date.

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

Recognition and de-recognition

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

Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 1. Summary of significant accounting policies (continued)

fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement.

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

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

Subsequent measurement

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

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

Impairment

Council assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

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

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

(i) Assets carried at amortised cost

For loans and receivables the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Council may measure impairment on the basis of an instrument's fair value using an observable market price.

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

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

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

Investment Policy

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

Investments are placed and managed in accordance with that policy and having particular regard to authorised investments prescribed under the Ministerial Local Government Investment Order. Council maintains an investment policy that complies with the Act and ensures that it, or its

Snowy Monaro Regional Council

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Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 1. Summary of significant accounting policies (continued)

representatives, exercise the care, diligence and skill that a prudent person would exercise in investing Council funds.

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

(j) Fair value estimation – financial instruments

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments

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

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

Externally valued:

- · Operational land
- Buildings specialised/non-specialised
- Roads assets including roads, bridges and footpaths
- Bulk earthworks
- · Stormwater drainage
- Swimming pools
- · Other open space/recreational assets

Internally valued:

- · Community land
- Water and sewerage networks

As approximated by depreciated historical cost:

- Plant and equipment
- Land improvements
- Other structures
- · Other infrastructure
- Other assets

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

Water and sewerage network assets are indexed annually between full revaluations in accordance with the latest indices provided in the NSW Office of Water Rates Reference Manual.

For all other asset classes, Council assesses at each reporting date whether there is any indication that a revalued asset's carrying amount may differ materially from that which would be determined if the asset were revalued at the reporting date. If any such indication exists, Council determines the asset's fair value and revalue the asset to that amount. Full revaluations are undertaken for all assets on a five-year cycle.

Increases in the carrying amounts arising on revaluation are credited to the asset revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss relating to that asset class, the increase is first recognised as profit or loss.

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

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 1. Summary of significant accounting policies (continued)

5 to 15 years

other decreases are charged to the Income Statement.

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

Depreciation

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Land is not depreciated.

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

Plant and equipment

 Office equipment 	3 to 10 years
- Office furniture	5 to 30 years
- Computer equipment	2 to 10 years
- Vehicles	2 to 8 years
- Heavy plant/road making equipment	5 to 20 years
 Other plant and equipment 	5 to 20 years

Other equipment Playground equipment

- Benches, seats etc.	5 to 15 years

Buildings

 Buildings: masonry 	50 to 100 years
- Buildings: other	10 to 128 years

Water and sewer assets

- Dams and reservoirs - Bores	80 to 100 years 20 to 40 years
Reticulation pipes: PVCReticulation pipes: otherPumps and telemetry	70 to 80 years 25 to 75 years 15 to 20 years

Stormwater assets

- Drains	30 to 100 years
- Culverts	30 to 100 years
 Flood control structures 	100 years

Transportation assets	
- Sealed roads: surface	10 to 20 years
 Sealed roads: structure 	30 to 100 years
- Unsealed roads	30 to 100 years
- Bridge: concrete	25 to 100 years
- Bridge: other	25 to 100 years
- Kerb, gutter and footpaths	30 to 100 years

Other infrastructure assets Bulk earthworks

- Bulk earthworks	Infinite
- Swimming pools - Other open space/	5 to 100 years
recreational assets	5 to 100 years

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

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

(I) Investment property

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

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

Properties that are under construction for future use as investment properties are regarded as investment properties. These are also carried at fair value unless the fair value cannot yet be reliably determined. Where that is the case, the property will be accounted for at cost until either the fair value becomes reliably determinable or construction is complete.

(m) Payables

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

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 1. Summary of significant accounting policies (continued)

(n) Borrowings

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

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

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

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

(o) Borrowing costs

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

(p) Provisions

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

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

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

(q) Employee benefits

(i) Short-term obligations

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

The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations

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

Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with

Snowy Monaro Regional Council

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Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 1. Summary of significant accounting policies (continued)

terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

(iii) Retirement benefit obligations

All employees of the Council are entitled to benefits on retirement, disability or death. Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

Defined Benefit Plans

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the Statement of Financial Position, and measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less unrecognised actuarial losses) less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost.

The present value of the defined benefit obligation is based on expected future payments that arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method.

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

Defined Contribution Plans

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(r) Land under roads

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

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

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

(s) Self-insurance

Council does not self-insure.

(t) Intangible assets

IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service, direct payroll, and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight line basis over periods generally ranging from three to five years.

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility, and where Council has an intention and ability to use the asset.

Hostel Bed Licences

Aged Hostel bed licences held by the entity have been recognised at their fair value as at 30 June 2008. The hostel has held these licences for a number of years; however they were not recognised at cost previous to 2008 as no consideration was paid.

The fair value amount for bed licences is based on the lowest limit of the range of values as provided by

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 1. Summary of significant accounting policies (continued)

the industry association representing aged care in NSW.

The bed licences have an infinite life; accordingly no amortisation has been applied to these values.

(u) Crown reserves

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Crown Reserves under Council's care and control are recognised as assets of the Council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated.

Improvements on Crown Reserves are also recorded as assets, while maintenance costs incurred by Council and revenues relating to the reserves are recognised within Council's Income Statement.

(v) Rural fire service assets

Under section 119 of the Rural Fire Services Act 1997 (NSW), "all firefighting equipment purchased or constructed wholly or from money to the credit of the Fund is to be vested in the council of the area for or on behalf of which the firefighting equipment has been purchased or constructed".

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

Until such time as discussions on this matter have concluded and the legislation changed, Council will exclude these assets, their values and depreciation charges from these financial statements.

(w) Goods and Services Tax (GST)

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

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

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

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

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

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

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

AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15

AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15

AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112]

AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107

AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities

AASB 2016-7 Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities

Snowy Monaro Regional Council

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Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 1. Summary of significant accounting policies (continued)

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

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

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

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

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

AASB 9 Financial Instruments (December 2009)

AASB 15 Revenue from Contracts with Customers

AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)

AASB 2014-1 Amendments to Australian Accounting Standards (Part E)

AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) AASB 1057 Application of Australian Accounting Standards

AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15

AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions

AASB 2016-6 Amendments to Australian Accounting Standards - Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts

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

AASB 16 Leases

AASB 16 Leases (Appendix D)

AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Nor-for-Profit Entities AASB 1058 Income of Not-for-Profit Entities

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

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

(y) Rounding of amounts

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

(z) Comparative figures

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

(aa) Disclaimer

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

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

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

\$ '000		Income, expens	es and assets hav	ve been directly	
		attributed to the following functions/activities.			
	Deta	ils of these functi	ons/activities are	provided in Note	2(b).
Functions/activities	Income from continuing operations	Expenses from continuing operations	Operating result from continuing operations	Grants included in income from continuing operations	Total assets held (current and non- current)
	Actual	Actual	Actual	Actual	Actual
Governance	20,125	3,233	16,892	20,214	4
Administration	5,437	10,962	(5,525)	492	103,205
Public order and safety	949	2,021	(1,072)	32	3,027
Health	161	220	(59)	_	11
Environment	6,959	8,018	(1,059)	1,856	22,359
Community services and education	6,258	7,536	(1,278)	3,012	10,698
Housing and community amenities	1,125	4,560	(3,435)	62	6,704
Water supplies	8,063	7,389	674	1,174	99,101
Sewerage services	8,348	10,345	(1,997)	52	79,878
Recreation and culture	957	6,335	(5,378)	229	25,754
Mining, manufacturing and construction	683	666	17	_	1,047
Transport and communication	8,119	20,069	(11,950)	6,571	861,833
Economic affairs	2,662	3,097	(435)	85	8,295
Total functions and activities	69,846	84,451	(14,605)	33,779	1,221,916
General purpose income 1	30,075	_	30,075	13,498	_
Operating result from					
continuing operations	99,921	84,451	15,470	47,277	1,221,916

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

Snowy Monaro Regional Council

Notes to the Financial Statements

for the period 13 May 2016 to 30 June 2017

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

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

GOVERNANCE

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Includes costs relating to Council's role as a component of democratic government, including elections, members' fees and expenses, subscriptions to local authority associations, meetings of Council and policy-making committees, public disclosure (e.g. GIPA), and legislative compliance.

ADMINISTRATION

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

PUBLIC ORDER AND SAFETY

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

HEALTH

Includes food control and health centres etc.

ENVIRONMENT

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

COMMUNITY SERVICES AND EDUCATION

Includes administration and education; social protection (welfare); migrant, Aboriginal and other community services and administration (excluding accommodation – as it is covered under 'housing and community amenities'); youth services; aged and disabled persons services;

HOUSING AND COMMUNITY AMENITIES

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

WATER SUPPLIES

SEWERAGE SERVICES

RECREATION AND CULTURE

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

MINING, MANUFACTURING AND CONSTRUCTION

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

TRANSPORT AND COMMUNICATION

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

ECONOMIC AFFAIRS

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

Snowy Monaro Regional Council

Notes to the Financial Statements

for the period 13 May 2016 to 30 June 2017

Note 3. Income from continuing operations

		Actual
\$ '000	Notes	13/5/16 to 30/6/17
(a) Rates and annual charges		
(a) Nation and annual orial goo		
Ordinary rates		
Residential		7,792
Farmland		4,715
Business		2,345
Total ordinary rates		14,852
Special rates		
Nil		
Annual charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)		
Domestic waste management services		2,591
Stormwater management services		17
Water supply services		3,768
Sewerage services		7,600
Waste management services (non-domestic)		1,277
Liquid trade waste		73
Onsite sewerage system management		103
Total annual charges		15,429
TOTAL RATES AND ANNUAL CHARGES	,	30,281

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

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

		Actual 13/5/16
\$ '000	Notes	to 30/6/17
(b) User charges and fees		
Specific user charges (per s.502 – specific 'actual use' charges)		
Water supply services		4,085
Sewerage services		267
Waste management services (non-domestic)		773
Total user charges		5,125
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s.608)		
Inspection services		81
Planning and building regulation		551
Private works – section 67		140
Regulatory fees		397
Section 149 certificates (EPA Act)		61
Section 603 certificates		48
Road opening permits		2
Animal control		7
Noxious weeds regulation		5
Sewerage inspection and application fees		17
Total fees and charges – statutory/regulatory		1,309

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

		Actual 13/5/16
\$ '000	Notes	to 30/6/17
(b) User charges and fees (continued)		
(ii) Fees and charges – other (incl. general user charges (per s.608))		
Cemeteries		353
Fire and emergency services levy (FESL) implementation		78
Lease rentals		64
Leaseback fees – Council vehicles		183
Recycling income (non-domestic)		57
Swimming centres		121
Waste disposal tipping fees		1,276
Water connection fees		16
Sewer connection fees		4
Snowy river health centre		126
Community services		407
Laundromat		7
Animal control		16
Holiday park fees		137
RMS - Road Maintenance Council Contract Routine Services		651
RMS - Road Maintenance Council Contract Ordered Works		2,999
Sale from stores		2
Residential Aged Care - Snowy River Hostel		254
Residential Aged Care - Yallambee Lodge		958
Saleyard dues and rents		401
Visitor centre sales		75
Library fees		15
Other		66_
Total fees and charges – other		8,266
TOTAL USER CHARGES AND FEES		14,700

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

		Actual 13/5/16
\$'000	Notes	to 30/6/17
(c) Interest and investment revenue (including losses)		
Interest		
 Interest on overdue rates and annual charges (incl. special purpose rates) 		237
 Interest earned on investments (interest and coupon payment income) 		2,210
- Interest (other)		59
Other		43
TOTAL INTEREST AND INVESTMENT REVENUE		2,549
Interest revenue is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)		106
General Council cash and investments		1,619
Restricted investments/funds – external:		
Development contributions		
- Section 94		16
- Section 64		25
Water fund operations		308
Sewerage fund operations		355
Domestic waste management operations		120
Total interest and investment revenue recognised		2,549
(d) Other revenues		
Rental income – other council properties		576
Fines – parking		34
Fines – other		42
Legal fees recovery – rates and charges (extra charges)		94
Legal fees recovery – other		9
Commissions and agency fees		63
Diesel rebate		173
Insurance claim recoveries		58
Sales – general		13
Reimbursement of expenses		70
Quarry sales		679
Tourism events		13
Insurance rebates		289
RFS expenses reimbursed		37
Other TOTAL OTHER REVENUE		2,206
TOTAL OTHER REVENUE		2,200

Snowy Monaro Regional Council

Notes to the Financial Statements

for the period 13 May 2016 to 30 June 2017

	13/5/16 to 30/6/17	13/5/16 to 30/6/17
\$ '000	Operating	Capital
(e) Grants		
General purpose (untied)		
Financial assistance – general component	9,435	_
Financial assistance – local roads component	3,901	_
Pensioners' rates subsidies – general component	162_	_
Total general purpose	13,498	_
Specific purpose		
Pensioners' rates subsidies:		
– Water	55	_
- Sewerage	52	_
Domestic waste management	53	_
Water supplies	_	1,119
Bushfire and emergency services	12	_
Community care	1,653	_
Economic development	90	_
Employment and training programs	24	_
Flood restoration	79	_
Heritage and cultural	33	_
Library	118	_
Noxious weeds	296	_
NSW rural fire services	20	_
Public halls	5	_
Recreation and culture	_	18
Street lighting	19	_
Transport (roads to recovery)	3,375	_
Transport (other roads and bridges funding)	2,157	1,039
Community transport	533	_
Youth services	6	31
Planning and building regulation	38	_
Snowy River Hostel	430	_
Yallambee lodge residential aged care	1,658	_
Parks, sportsfields and reserves	_	89
Tourism	_	85
Domestic waste management	_	11
Stronger Communities Fund	1,000	14,000
New Council Implementation Fund	5,000	_
Boco Rock Community Fund	213	_
Other	246	222
Total specific purpose	17,165	16,614
Total grants	30,663	16,614
Grant revenue is attributable to:	00.400	-
- Commonwealth funding	20,186	16.470
- State funding	10,000	16,478
- Other funding	477	129
	30,663_	16,614

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

		13/5/16	13/5/16
\$ '000	Notes	to 30/6/17 Operating	to 30/6/17 Capital
V V V V V V V V V V	140163	Operating	Oupitui
(f) Contributions			
Developer contributions:			
(s93 & s94 – EP&A Act, s64 of the LGA):			
S 94 – contributions towards amenities/services		-	435
S 64 – water supply contributions		8	381
S 64 – sewerage service contributions		1	397
Total developer contributions	17	9	1,213
Other contributions:			
Bushfire services		65	_
Other councils – joint works/services		26	_
Roads and bridges		5	_
RMS contributions (regional roads, block grant)		606	_
Tourism		1	_
Noxious weeds		2	_
Fire and emergency		778	_
Community care services		106	_
Residential Aged Care		_	37
Library		36	_
Risk management		5	_
Yallambee lodge residential aged care		3	_
Other		16	
Total other contributions		1,649	37
Total contributions		1,658	1,250
TOTAL GRANTS AND CONTRIBUTIONS		32,321	17,864

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

	Actual 13/5/16
\$ '000	to 30/6/17
(g) Unspent grants and contributions	
Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:	
Unexpended at the close of the previous reporting period (former Councils)	4,292
Add: grants and contributions recognised in the current period but not yet spent:	2,326
Less: grants and contributions recognised in a previous reporting period now spent:	(1,595)
Net increase (decrease) in restricted assets during the period	731
Unexpended and held as restricted assets	5,023
Comprising:	
 Specific purpose unexpended grants 	1,188
- Developer contributions	3,835
	5,023

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 4. Expenses from continuing operations

		Actual 13/5/16
\$ '000	Notes	to 30/6/17
(a) Employee benefits and on-costs		
Salaries and wages		26,773
Travel expenses		43
Employee leave entitlements (ELE)		1,252
ELE on-costs		387
Superannuation		2,854
Workers' compensation insurance		569
Fringe benefit tax (FBT)		89
Payroll tax		119
Training costs (other than salaries and wages)		351
Protective clothing		59
Uniforms		50
Vehicle allowance		97
Recruitment expenses		314
Other		77
Total employee costs		33,034
Less: capitalised costs		(1,254)
TOTAL EMPLOYEE COSTS EXPENSED		31,780
(b) Borrowing costs		
(i) Interest bearing liability costs		
Interest on loans		325
Total interest bearing liability costs expensed		325
(ii) Other borrowing costs		
Discount adjustments relating to movements in provisions (other than ELE)		
- Remediation liabilities	26	172
Other borrowing costs		27
Total other borrowing costs		199
TOTAL BORROWING COSTS EXPENSED		524

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	Actual 13/5/16 to 30/6/17
(c) Materials and contracts		
Raw materials and consumables		8,573
Contractor and consultancy costs		
- Weeds management		260
– Waste services		508
- RMS road maintenance council contracts		2,094
 Contractor and consultancy costs other 		6,656
Auditors remuneration (1)		200
Legal expenses:		
 Legal expenses: planning and development 		143
- Legal expenses: debt recovery		71
- Legal expenses: other		278
Operating leases:		
Operating lease rentals: minimum lease payments (2)		233
Operating lease rentals: sub lease payments (2)		29
Total materials and contracts		19,045
TOTAL MATERIALS AND CONTRACTS		19,045
Auditor remuneration During the year, the following fees were incurred for services provided by the other Council's Auditors:		
(i) Audit and other assurance services - Audit and review of financial statements: Council's Auditor Remuneration for audit and other assurance services		184 184
(ii) Tayatian carviaga		
(ii) Taxation services - Tax compliance services		16
Remuneration for taxation services		16
Remuneration for taxation services		10
Total remuneration of other Council's Auditors		200
Total Auditor remuneration		200
2. Operating lease payments are attributable to:		
Computers		262
•		262

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 4. Expenses from continuing operations (continued)

		Actual 13/5/16
\$ '000	Notes	to 30/6/17
(d) Depreciation, amortisation and impairment		
Depreciation and amortisation		
Plant and equipment		1,827
Office equipment		325
Furniture and fittings		72
Land improvements (depreciable)		8
Infrastructure:		
- Buildings - non-specialised		1,200
- Buildings - specialised		985
- Other structures		624
- Roads		7,239
– Bridges		1,640
- Footpaths		463
- Stormwater drainage		711
– Water supply network		2,309
- Sewerage network		2,703
– Swimming pools		280
- Other open space/recreational assets		136
Other assets		
– Library books		85
- Other		214
Asset reinstatement costs	9 & 26	111
Intangible assets	25	31
Total depreciation and amortisation costs		20,963
		,
Impairment		
Nil		
TOTAL DEPRECIATION AND		
IMPAIRMENT COSTS EXPENSED		20,963

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	Actual 13/5/16 to 30/6/17
\$ 000	Notes	10 30/0/17
(e) Other expenses		
Advertising		163
Bad and doubtful debts		5
Bank charges		130
Cleaning		7
Computer software charges		95
Contributions/levies to other levels of government		
– NSW fire brigade levy		79
 NSW rural fire service levy 		796
 NSW State Emergency Services 		42
Councillor expenses – mayoral fee		3
Councillor expenses – councillors' fees		21
Council Administrator		192
Local Representative Council Fees		141
Councillors' expenses (incl. mayor) – other (excluding fees above)		55
Donations, contributions and assistance to other organisations (Section 356)		
 Tourism development 		10
– SEWOL		4
 South east arts 		16
 Boco Rock community grants 		98
 Tourism snowy mountains 		61
- Other		105
Electricity and heating		1,829
Fair value decrements – I,PP&E	9(a)	2,886
Insurance		1,371
Office expenses (including computer expenses)		10
Postage		98
Printing and stationery		325
Street lighting		125
Subscriptions and publications		73
Telephone and communications		635
Tourism expenses (excluding employee costs)		30
Valuation fees		105
Motor vehicle registration		28
Memberships and subscriptions – other		41
Community Projects		1,000
Licence fees – other		19
Marketing expenses		7
Quality monitoring		59 596
Software licences Memberships		596 44
Memberships Other		67
TOTAL OTHER EXPENSES		11,371
TO THE OTHER PARTIES	:	11,071

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 5. Gains or losses from the disposal of assets

		Actual
		13/5/16
\$ '000	Notes	to 30/6/17
Property (excl. investment property)		
Proceeds from disposal – property		34
Less: carrying amount of property assets sold/written off		(369)
Net gain/(loss) on disposal		(335)
Plant and equipment		
Proceeds from disposal – plant and equipment		1,012
Less: carrying amount of plant and equipment assets sold/written off		(922)
Net gain/(loss) on disposal		90
Infrastructure		
Proceeds from disposal – infrastructure		_
Less: carrying amount of infrastructure assets sold/written off		(523)
Net gain/(loss) on disposal		(523)
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		(768)

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Investments

Note 6a. - Cash assets and Note 6b. - investments

		20	017
		Actual	Actual
\$ '000	Notes	Current	Non-current
Cash and cash equivalents (Note 6a)			
Cash on hand and at bank		2,931	_
Cash-equivalent assets 1			
- Deposits at call		7,779	_
- Short-term deposits		1,080	_
Total cash and cash equivalents		11,790	_
Investments (Note 6b)			
- Long term deposits		43,984	22,000
Total investments		43,984	22,000
TOTAL CASH ASSETS, CASH			
EQUIVALENTS AND INVESTMENTS		55,774	22,000
¹ Those investments where time to maturity (from date of purchase) is < 3 mths.			
Cash, cash equivalents and investments were			
classified at year end in accordance with			
AASB 139 as follows:			
Cash and cash equivalents			
a. 'At fair value through the profit and loss'		11,790	
Investments			
a. 'At fair value through the profit and loss'			
'Held to maturity'		43,984	22,000

22,000

43,984

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

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

\$ '000				13/5/16 to 30/6/17 Actual Current	13/5/16 to 30/6/17 Actual Non-current
				Current	14011-0diTCIT
Total cash, cash equivalents and investments				55,774	22,000
attributable to:					
External restrictions (refer below)				22,180	18,000
Internal restrictions (refer below)				33,362	4,000
Unrestricted				232	
				55,774	22,000
40/5/4C to 00/5/47		Transferred		Transfers	
13/5/16 to 30/6/17		from former	Transfers to	from	Closing
\$ '000		Councils	restrictions	restrictions	balance
Details of restrictions					
External restrictions – included in liabilities	•				
Yallambee lodge accommodation bonds		1,602	1,262	(384)	2,480
External restrictions – included in liabilities	•	1,602	1,262	(384)	2,480
External restrictions – other					
Developer contributions – general	(D)	1,201	494	(206)	1,489
Developer contributions – water fund	(D)	1,097	393	_	1,490
Developer contributions – sewer fund	(D)	480	376	_	856
Specific purpose unexpended grants	(F)	1,199	_	(11)	1,188
Specific purpose unexpended grants-waste fund	(F)	103	_	(103)	-
Water supplies	(G)	9,814	2,057	_	11,871
Water supplies – other	(G)	185	_	(185)	-
Sewerage services	(G)	12,392	2,061	_	14,453
Sewerage services – other	(G)	95	_	(95)	_
Domestic waste management	(G)	3,153	671	(15)	3,809
Snowy River Hostel Accomodation Bonds		432	596	(235)	793
Crown land reserves		30	1	(10)	21
Jindabyne beautification special rate		248	_	(152)	96
Crown land – holiday parks		788	133	_	921
Emergency services special rate		14	_	(14)	-
Home and community care		292	77	_	369
Boco rock community reserve		166	6	(27)	145
Kamoto-cooma friendship scholarship fund		38	153	_	191
Waste fund – employee leave entitlements		157	_	(157)	_
Other		8			8
External restrictions – other		31,892	7,018	(1,210)	37,700
Total external restrictions		33,494	8,280	(1,594)	40,180

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

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

13/5/16 to 30/6/17	Transferred from former	Transfers to	Transfers from	Closing
\$ '000	Councils	restrictions	restrictions	balance
Internal restrictions				
Plant and vehicle replacement	2.740	503	_	3,243
Infrastructure replacement	578	_	(578)	_
Employees leave entitlement	2,958	385	_	3,343
Carry over works	1,355	_	(1,355)	_
Deposits, retentions and bonds	76	606	_	682
Property development	415	_	(415)	_
Jindabyne childcare centre	14	_	(14)	_
HACC vehicle replacement	197	180	(224)	153
Parks and gardens	26	_	(26)	_
Quarry operations	33	63	(20)	96
Infrastructure and facilities	472	_	(472)	_
Uncompleted works	378	3,232	(378)	3,232
Jindabyne holiday park property	260	- 0,202	(260)	0,202
Council elections	17	_	(17)	_
Waste management	1,815		(852)	963
Green team revolving energy	34		(34)	303
Rural fire service	31		(31)	
	15	_	, ,	_
Community development	20	_	(15)	_
Emergency services	80	_	(20)	_
Economic development		_	(80)	_
IR – bundian way infrastructure	100	_	(100)	_
IR – delegate main street upgrade	119	_	(119)	_
IR – bombala pool complex	300	_	(300)	_
IR – seal racecourse road	50	_	(50)	_
IR – town and villages drainage	200	_	(200)	-
IR – town and villages shared pathways	60	_	(60)	_
IR – town and villages urban reseals	300	_	(300)	_
IR – upgrade sport and recreation facilities	25	-	(25)	-
IR – saleyards infrastructure	100	_	(100)	-
Delegate disadvantaged units	38	_	(38)	-
SRWI – bombala cbd	300	_	(300)	-
SRWI – bombala river park	150	_	(150)	-
SRWI – community buildings	57	_	(57)	-
SRWI – delegate main street upgrade	60	_	(60)	_
SRWI – endeavour reserve viewing platform	40	_	(40)	-
SRWI – seal racecourse road	200	-	(200)	_
SRWI – sport and recreation facilities	115	_	(115)	-
SRWI – town and villages shared pathways	43	_	(43)	-
Business incentive scheme	49	_	(49)	-
Cemetery	173	_	(173)	_
Community services building	79	_	(79)	_
continued				

Snowy Monaro Regional Council

Notes to the Financial Statements

for the period 13 May 2016 to 30 June 2017

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

13/5/16 to 30/6/17	Transferred		Transfers	
	from former	Transfers to	from	Closing
\$ '000	Councils	restrictions	restrictions	balance
Internal restrictions (continued)				
Development	329	_	(329)	_
Election	80	_	(80)	_
Quarries	32	_	(32)	_
Risk management program	113	_	(113)	-
Yallambee lodge building/equipment replacement	1,632	_	_	1,632
Yallambee lodge employee leave entitlements	135	_	(135)	-
Strategic planning	40	_	(40)	_
Saleyards	53	_	(53)	_
Former Bombala LGA	_	3,270	_	3,270
Former Cooma-Monaro LGA	_	890	_	890
Former Snowy River LGA	_	906	_	906
Stronger Communities Fund	_	15,366	(1,004)	14,362
Merger Implementation Funding	_	5,152	(2,040)	3,112
Other	230	1,478	(230)	1,478
Total internal restrictions	16,716	32,031	(11,385)	37,362
TOTAL RESTRICTIONS	50,210	40,311	(12,979)	77,542

- A Loan moneys which must be applied for the purposes for which the loans were raised.
- B Advances by roads and maritime services for (RMS) works on the State's classified roads.
- C Self insurance liability resulting from reported claims or incurred claims not yet reported.
- **D** Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans (refer Note 17).
- **E** RMS contributions which are not yet expended for the provision of services and amenities in accordance with those contributions.
- F Grants which are not yet expended for the purposes for which the grants were obtained. (refer Note 1 (b))
- **G** Water, sewerage, domestic waste management (DWM) and other special rates/levies/charges are externally restricted assets and must be applied for the purposes for which they were raised.

Snowy Monaro Regional Council

Notes to the Financial Statements

for the period 13 May 2016 to 30 June 2017

Note 7. Receivables

		2017		
\$ '000	Notes	Current	Non-current	
Purpose				
Rates and annual charges		5,245	_	
Interest and extra charges		375	_	
User charges and fees		2,772	_	
Loans Receivable		19	137	
Accrued revenues				
- Interest on investments		398	_	
- Other income accruals		566	_	
Government grants and subsidies		978	_	
Net GST receivable		541	_	
Other debtors		14	_	
Total		10,908	137	
Less: provision for impairment				
Rates and annual charges		(65)	_	
User charges and fees		(76)	_	
Total provision for impairment – receivables		(141)	_	
TOTAL NET RECEIVABLES		10,767	137	
Externally restricted receivables				
Water supply				
- Specific purpose grants		11	_	
Rates and availability charges		1,097	_	
- Other		1,154	_	
Sewerage services				
- Specific purpose grants		10	_	
Rates and availability charges		2,338	_	
- Other		196	137	
Domestic waste management		597	_	
Total external restrictions		5,403	137	
Internally restricted receivables		-		
Nil				
Unrestricted receivables		5,364	_	
TOTAL NET RECEIVABLES		10,767	137	

Notes on debtors above:

- (i) Rates and annual charges outstanding are secured against the property.
- (ii) Doubtful rates debtors are provided for where the value of the property is less than the debt outstanding.

 An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.
- (iii) Interest was charged on overdue rates and charges at 8.50% (2016 8.50%). Generally all other receivables are non-interest bearing.
- (iv) Please refer to Note 15 for issues concerning credit risk and fair value disclosures.

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 8. Inventories and other assets

		20	17	
\$ '000	Notes	Current	Non-current	
(a) Inventories				
(i) Inventories at cost				
Real estate for resale (refer below)		441	-	
Stores and materials		487	-	
Trading stock		46_		
Total inventories at cost		974		
(ii) Inventories at net realisable value (NRV) Nil				
TOTAL INVENTORIES		974		
(b) Other assets				
Prepayments		185	_	
TOTAL OTHER ASSETS		185	_	
Externally restricted assets				
Water				
Stores and materials		61		
Total water		61	_	
Sewerage				
Stores and materials		35_		
Total sewerage		35		
Total externally restricted assets		96	_	
Total unrestricted assets		1,063	_	
TOTAL INVENTORIES AND OTHER ASSETS	,	1,159	_	
(i) Other disclosures				
(a) Details for real estate development				
Residential		441_		
Total real estate for resale (Valued at the lower of cost and net realisable value)		441		
Represented by:		444		
Acquisition costs Total real estate for resale		441 441		
Total real estate for resale		441		
Movements:				
Real estate assets at beginning of the year (former Councils)		440	-	
- Purchases and other costs		1		
Total real estate for resale		441		

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 9a. Infrastructure, property, plant and equipment

Asset class	Asset class IPP&E transferred from former Councils Asset movements during the reporting period												
		as at 13/5/2016										as at 30/6/2017	
\$ '000	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Revaluation decrements to P&L	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
Capital work in progress	9,307	_	9,307	2,586	947	_	_	(8,468)	_	_	4,372	_	4,372
Plant and equipment	22,196	10,630	11,566	2,433	_	(921)	(1,827)	(=,,	_	_	23,708	12,457	11,251
Office equipment	2,754	1,878	876	178	11	_	(325)	467	_	_	3,410	2,203	1,207
Furniture and fittings	856	478	378	5	18	_	(72)	19	_	_	898	550	348
Land:							` ′						
- Operational land	20,883	_	20,883	_	_	(90)	_	13	_	_	20,806	_	20,806
- Community land	11,254	_	11,254	_	_	` _	_	_	_	_	11,254	_	11,254
Land improvements – depreciable	1,896	130	1,766	_	_	_	(8)	_	_	_	1,896	138	1,758
Infrastructure:													
Buildings – non-specialised	41,577	24,199	17,378	242	1,686	(156)	(1,200)	119	_	_	43,468	25,399	18,069
- Buildings - specialised	41,719	23,950	17,769	336	155	(123)	(985)	910	_	-	42,997	24,935	18,062
- Other structures	13,630	5,855	7,775	646	49	_	(624)	203	_	_	14,528	6,479	8,049
- Roads	410,176	150,925	259,251	5,377	716	(339)	(7,239)	2,792	_	-	418,722	158,164	260,558
- Bridges	112,345	51,745	60,600	632	-	-	(1,640)	177	_	-	113,154	53,385	59,769
- Footpaths	16,359	7,992	8,367	96	182	-	(463)	-	_	-	16,637	8,455	8,182
Bulk earthworks (non-depreciable)	515,157	_	515,157	130	61	-	_	254	_	-	515,602	_	515,602
 Stormwater drainage 	31,147	13,635	17,512	213	-	-	(711)	29	_	-	31,389	14,346	17,043
 Water supply network 	152,875	77,993	74,882	2,075	5	(145)	(2,309)	2,979	-	14,705	196,222	104,030	92,192
Sewerage network	151,431	73,983	77,448	330	-	(38)	(2,703)	407	(2,886)	-	136,933	64,375	72,558
- Swimming pools	13,644	8,359	5,285	-	_	-	(280)	-	_	-	13,644	8,639	5,005
Other open space/recreational assets	4,894	2,874	2,020	4	-	-	(136)	99		-	4,997	3,010	1,987
Other assets:													
 Library books 	1,279	935	344	96	_	-	(85)	-	_	-	1,375	1,020	355
- Other	4,161	1,351	2,810	3	-	(2)	(214)	-	_	-	4,162	1,565	2,597
Reinstatement, rehabilitation and restoration assets (refer Note 26):													
- Tip assets	1,784	1,054	730	-	21	-	(111)	-	_	-	1,804	1,164	640
- Quarry assets	38	5	33	_	_	_	-	-	_	_	38	5	33
TOTAL INFRASTRUCTURE, PROPERTY, PLANT AND EQUIP.	1,581,362	457,971	1,123,391	15,382	3,851	(1,814)	(20,932)	_	(2,886)	14,705	1,622,016	490,319	1,131,697

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

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

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

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

\$ '000		Actual	
Class of coast	Gross carrying	2017 Accumulated depn.	Not corning
Class of asset	amount	and impairment	Net carrying amount
Water supply			
WIP	670	_	670
Plant and equipment	878	352	526
Office equipment	11	5	6
Land			
- Operational land	1,611	_	1,611
- Improvements - depreciable	109	26	83
Buildings	363	279	84
Other structures	177	35	142
Infrastructure	196,223	104,030	92,193
Total water supply	200,042	104,727	95,315
Sewerage services			
WIP	809	_	809
Plant and equipment	946	500	446
Land			
- Operational land	1,156	_	1,156
- Community land	55	_	55
- Improvements - depreciable	85	20	65
Buildings	72	35	37
Other structures	125	31	94
Infrastructure	136,822	64,365	72,457
Other assets	8	4	4
Total sewerage services	140,078	64,955	75,123
Domestic waste management			
WIP	1,020	_	1,020
Plant and equipment	4,527	2,600	1,927
Office equipment	71	71	_
Land			
- Operational land	479	_	479
- Community land	167	_	167
- Improvements - depreciable	527	_	527
Buildings	708	263	445
Other structures	1,467	506	961
Infrastructure	203	49	154
Other assets	4,498	2,117	2,381
Total DWM	13,667	5,606	8,061
TOTAL RESTRICTED I,PP&E	353,787	175,288	178,499

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

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

Council has recognised no impairment losses during the reporting period nor reversed any prior period losses.

Note 10a. Payables, borrowings and provisions

		20)17
\$ '000	Notes	Current	Non-current
Payables			
Goods and services – operating expenditure		1,617	_
Accrued expenses:		•	
- Borrowings		112	_
 Salaries and wages 		745	_
- Other expenditure accruals		45	_
Advances		308	_
Security bonds, deposits and retentions		1,095	_
Yallambee lodge accommodation bonds		2,480	_
Snowy river hostel accommodation bonds		793	_
Total payables		7,195	_
Income received in advance			
		402	
Payments received in advance			
Total income received in advance		402	
Borrowings			
Loans – secured 1		575	3,445
Total borrowings		575	3,445
Provisions			
Employee benefits:			
Annual leave		2,195	_
Long service leave		3,918	_
Other leave		34	_
Other leave – TIL and flex		230	_
ELE on-costs		335	_
Sub-total – aggregate employee benefits		6,712	
Asset remediation/restoration (future works)	26	0,712	3,331
·		6,712	
Total provisions		0,712	3,331
TOTAL PAYABLES, BORROWINGS			
AND PROVISIONS		14,884	6,776

Loans are secured over the general rating income of Council Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note 15.

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

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

\$ '000		
(i) Liabilities relating to restricted assets		
	20)17
	Current	Non-current
Externally restricted assets		
Water	209	349
Sewer	176	1,613
Domestic waste management	290	4,387
Yallambee lodge accomodation bonds	2,480	-
Snowy river hostel accomodation bonds	793	_
Liabilities relating to externally restricted assets	3,948	6,349
Internally restricted assets		
Nil		
Total liabilities relating to restricted assets	3,948	6,349
Total liabilities relating to unrestricted assets	10,936	427
TOTAL PAYABLES, BORROWINGS AND PROVISIONS	14,884	6,776

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

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

\$ '000

(ii) Current liabilities not anticipated to be settled within the next twelve months

Note 10b. Description of and movements in provisions

	2016		1	3/5/16 to 30/6/17		
Class of provision	Opening balance (former Councils)	Additional provisions	Decrease due to payments	Remeasurement effects due to discounting	Unused amounts reversed	Closing balance as at 30/6/17
Annual leave	2,195	_	_	_	_	2,195
Long service leave	3,937	_		(19)	_	3,918
Other leave	98	166	_	_	_	264
ELE on-costs	101	234	_	_	_	335
Asset remediation	3,159	172	_	_	_	3,331
TOTAL	9,490	572	_	(19)	_	10,043

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

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 11. Statement of cash flows – additional information

\$ '000	Notes	Actual 2017
(a) Reconciliation of cash assets		
Total cash and cash equivalent assets	6a	11,790
Less bank overdraft	10	_
Balance as per the Statement of Cash Flows	-	11,790
(b) Reconciliation of net operating result		
to cash provided from operating activities		
Net result from Income Statement		15,470
Adjust for non-cash items:		
Depreciation and amortisation		20,963
Net losses/(gains) on disposal of assets		768
Losses/(gains) recognised on fair value re-measurements through the P&L:		
- Write offs relating to the fair valuation of I,PP&E		2,886
Unwinding of discount rates on reinstatement provisions		172
+/- Movement in operating assets and liabilities and other cash items: *		
Decrease/(increase) in receivables		4,568
Increase/(decrease) in provision for doubtful debts		(11)
Decrease/(increase) in inventories		138
Decrease/(increase) in other assets		292
Increase/(decrease) in payables		(2,568)
Increase/(decrease) in accrued interest payable		54
Increase/(decrease) in other accrued expenses payable		340
Increase/(decrease) in other liabilities		2,010
Increase/(decrease) in employee leave entitlements		381
Net cash provided from/(used in)		
operating activities from the Statement of Cash Flows		45,463

^{*} Movements exclude transfers from the former Councils

Snowy Monaro Regional Council

Notes to the Financial Statements

for the period 13 May 2016 to 30 June 2017

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

	Actual
\$ '000	2017

(c) Non-cash investing and financing activities

Nil

(d) Financing arrangements

Nil

Note 12. Commitments for expenditure

(a) Capital commitments (exclusive of GST)

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

Property, plant and equipment

roporty, plant and oquipmont	
Water mains	383
Water treatment	536
Total commitments	919
These expenditures are payable as follows:	
Within the next year	919
Total payable	919

Sources for funding of capital commitments:

Total sources of funding	919
Externally restricted reserves	919
Sources for furtuing of capital commitments.	

Details of capital commitments

Balance of contract 2970221 and 007/2017 for water main replacements across the region. Balance of contract 10005871 for Bombala water treatment plant controls system upgrade.

(b) Finance lease commitments

Nil

(c) Operating lease commitments (non-cancellable)

Nil

(d) Investment property commitments

Nil

Snowy Monaro Regional Council

Notes to the Financial Statements

for the period 13 May 2016 to 30 June 2017

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

\$ '000	Amounts 2017	Indicator 2017	Benchmark
Local government industry indicators – consolidated			
Operating performance ratio Total continuing operating revenue (1) excluding capital grants and contributions less operating expenses Total continuing operating revenue (1) excluding capital grants and contributions	1,260 82,057	1.54%	>0.00%
2. Own source operating revenue ratio Total continuing operating revenue (1) excluding all grants and contributions Total continuing operating revenue (1)	49,736 99,921	49.78%	>60.00%
3. Unrestricted current ratio Current assets less all external restrictions (2) Current liabilities less specific purpose liabilities (3, 4)	40,021 10,936	3.66x	>1.5x
4. Debt service cover ratio Operating result (1) before capital excluding interest and depreciation/impairment/amortisation Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	22,747 1,604	14.18x	>2x
5. Rates, annual charges, interest and extra charges outstanding percentage Rates, annual and extra charges outstanding Rates, annual and extra charges collectible	5,555 38,917	14.27%	< 5% Metro <10% Rural
6. Cash expense cover ratio Current year's cash and cash equivalents plus all term deposits Payments from cash flow of operating and financing activities	77,774 5,077	15.32 mths	> 3 mths

Notes

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

⁽²⁾ Refer Notes 6-8 inclusive.
Also excludes any real estate and land for resale not expected to be sold in the next 12 months.

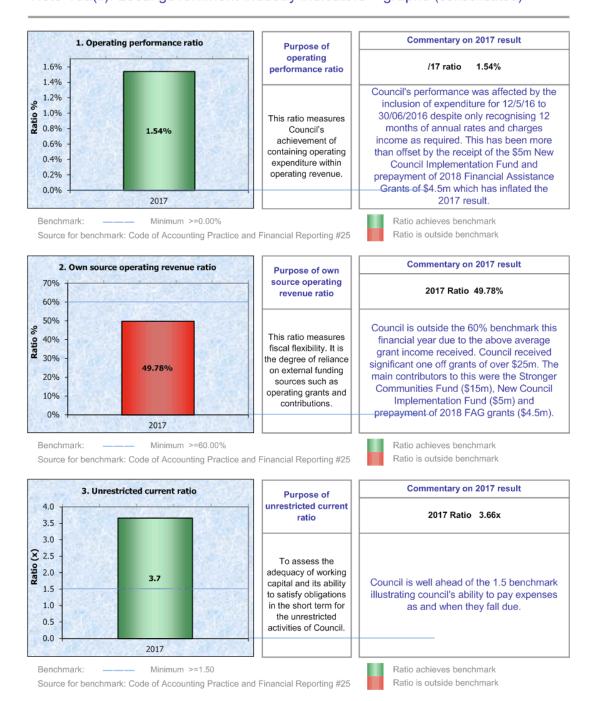
⁽³⁾ Refer to Note 10(a).

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

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

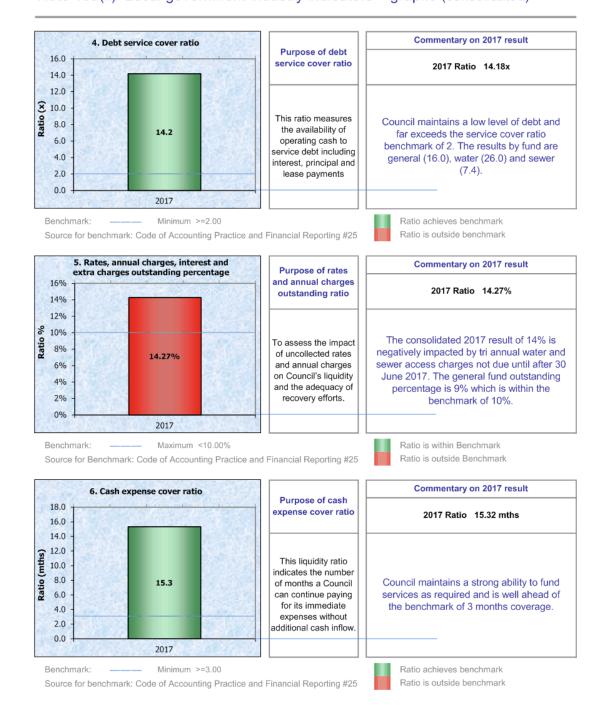
Note 13a(ii). Local government industry indicators - graphs (consolidated)



Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

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



Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

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

\$ '000	General ⁵ 2017	Water 2017	Sewer 2017	Benchmark
Local government industry indicators – by fund				
Operating performance ratio Total continuing operating revenue (1) excluding capital grants and contributions less operating expenses Total continuing operating revenue (1) excluding capital grants and contributions	-0.76%	11.91%	8.55%	>0.00%
2. Own source operating revenue ratio Total continuing operating revenue (1) excluding all grants and contributions Total continuing operating revenue (1)	40.42%	84.54%	94.99%	>60.00%
3. Unrestricted current ratio Current assets less all external restrictions (2) Current liabilities less specific purpose liabilities (3, 4)	3.66x	43.25x	68.76x	>1.5x
4. Debt service cover ratio Operating result (1) before capital excluding interest and depreciation/impairment/amortisation Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	16.04x	25.96x	7.39x	>2x
Rates, annual charges, interest and extra charges outstanding percentage Rates, annual and extra charges outstanding Rates, annual and extra charges collectible	9.06%	20.77%	22.84%	< 5% Metro <10% Rural
6. Cash expense cover ratio Current year's cash and cash equivalents plus all term deposits Payments from cash flow of operating and financing activities x12	17.51 mths	4.64 mths	5.11 mths	> 3 mths

Notes

^{(1) - (4)} Refer to Notes at Note 13a(i) above.

⁽⁵⁾ General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 14. Investment properties

\$ '000

Council has not classified any land or buildings as 'investment properties'.

Note 15. Financial risk management

Risk management

Council's activities expose it to a variety of financial risks including (1) price risk, (2) credit risk, (3) liquidity risk and (4) interest rate risk.

The Council's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by Council's finance section under policies approved by the Council.

The fair value of Council's financial assets and financial liabilities approximates their carrying amount.

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 15. Financial risk management (continued)

\$ '000

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital.

Council has an investment policy which complies with the *Local Government Act* 1993 and Minister's investment order. This policy is regularly reviewed by Council and it's staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance.

The risks associated with the investments held are:

- Price risk the risk that the capital value of Investments may fluctuate due to changes in market prices, whether there changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- Interest rate risk the risk that movements in interest rates could affect returns and income.
- Credit risk the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council – be it of a capital or income nature.

Council manages these risks (amongst other measures) by diversifying its portfolio and only purchasing investments with high credit ratings or capital guarantees.

(a) Market risk – price risk and interest rate risk

The following represents a summary of the sensitivity of Council's Income Statement and accumulated surplus (for the reporting period) due to a change in either the price of a financial asset or the interest rates applicable.

It is assumed that the change in interest rates would have been constant throughout the reporting period.

	Increase of va	ues/rates	Decrease of values/rates		
13/5/16 to 30/6/17	Profit	Equity	Profit	Equity	
Possible impact of a 10% movement in market values	247	247	(247)	(247)	
Possible impact of a 1% movement in interest rates	778	778	778	778	

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 15. Financial risk management (continued)

\$ '000

(b) Credit risk

Council's major receivables comprise (i) rates and annual charges and (ii) user charges and fees.

The major risk associated with these receivables is credit risk – the risk that debts due and payable to Council may not be repaid in full.

Council manages this risk by monitoring outstanding debt and employing stringent debt recovery procedures. It also encourages ratepayers to pay their rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of Council to secure a charge over the land relating to the debts – that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates which further encourages the payment of debt.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subjected to a re-negotiation of repayment terms.

A profile of Council's receivables credit risk at balance date follows:

		2017	2017
		Rates and	
		annual	Other
		charges	receivables
(i) Ageing of receivables – %			
Current (not yet overdue)		0%	87%
Overdue		100%	13%
		100%	100%
		Rates and	
(ii) Ageing of receivables - v	alue	annual	Other
Rates and annual charges	Other receivables	charges	receivables
Current	Current	-	5,026
< 1 year overdue	0 - 30 days overdue	3,807	521
1 – 2 years overdue	31 – 60 days overdue	746	24
2 – 5 years overdue	61 – 90 days overdue	523	10
> 5 years overdue	> 91 days overdue	169_	219
		5,245	5,800
(iii) Movement in provision for receivables	or impairment		2017
Balance at the beginning of the	year (former Councils)		152
+ new provisions recognised d	uring the year		(11)
Balance at the end of the year			141

Snowy Monaro Regional Council

Notes to the Financial Statements

for the period 13 May 2016 to 30 June 2017

Note 15. Financial risk management (continued)

\$ '000

(c) Liquidity risk

Payables and borrowings are both subject to liquidity risk – the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.

Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

Payment terms can (in extenuating circumstances) also be extended and overdraft facilities utilised as required.

The contractual undiscounted cash outflows (ie. principal and interest) of Council's payables and borrowings are set out in the maturity table below:

\$ '000	Subject							Total	Actual
	to no			payal	ole in:			cash	carrying
	maturity	≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs	outflows	values
13/5/16 to 30/6/17									
Trade/other payables	1,095	6,100	-	-	-	-	-	7,195	7,195
Loans and advances		808	752	701	648	593	1,177_	4,679	4,020
Total financial liabilities	1,095	6,908	752	701	648	593	1,177	11,874	11,215

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. Council manages this risk through the diversification of borrowing types, maturities and interest rate structures.

The following interest rates were applicable	2017	
to Council's borrowings at balance date:	Carrying	Average
	value	interest rate
Trade/other payables	7,195	0.00%
Loans and advances – fixed interest rate	4,020	7.33%
	11,215	

Loan agreement breaches

Nil

Note 16. Material budget variations

In accordance with the Supplementary Code 25, this note is not required for new Councils.

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 17. Statement of developer contributions

\$ '000

Council recovers contributions, raises levies and enters into planning agreements on development works that are subject to a development consent issued by Council.

All contributions must be spent/utilised for the specific purpose they were levied and any interest applicable to unspent funds must be attributed to remaining funds.

The following tables detail the receipt, interest and use of the above contributions and levies and the value of all remaining funds which are 'restricted' in their future use.

SUMMARY OF CONTRIBUTIONS AND LEVIES

PURPOSE	S94 Funds transferred from	Contrib		Interest earned	Expenditure during	Internal borrowing	Held as restricted	Cumulative internal
7 51.11 552	former Councils	Cash	Non-cash	in year	year	(to)/from	asset	borrowings due/(payable)
Roads	422	297	_	7	(25)	-	701	
Parking	36	_	_	_	_	_	36	_
Open space	83	4	_	1	_	_	88	_
Community facilities	29	_	_	_	_	_	29	_
Public parking	4	_	_	_	_	_	4	_
Roadworks	228	4	_	3	_	_	235	_
Open space and public art	12	4	_	_	_	_	16	_
Sport and recreation facilities	23	12	_	_	_	_	35	_
Community services and facilities	171	28	_	2	_	_	201	_
Shared pathways - Jindabyne area	4	2	_	_	_	_	6	_
Regional waste management	65	40	_	1	(106)	_	_	_
Bushfire services	21	_	_	_	_	_	21	_
S94 contributions – under a plan	1,098	404	_	14	(144)	_	1,372	_
S94A levies – under a plan	22	_	_	_	_	_	22	_
Total S94 revenue under plans	1,120	404	_	14	(144)	_	1,394	_
S94 not under plans	81	31	_	2	(21)	_	93	_
S64 contributions	1,577	787	_	25	(41)	_	2,348	
Total contributions	2,778	1,222	-	41	(206)	-	3,835	-

Snowy Monaro Regional Council

Notes to the Financial Statements

for the period 13 May 2016 to 30 June 2017

Note 17. Statement of developer contributions (continued)

\$ '000

S94 CONTRIBUTIONS – UNDER A PLAN

CONTRIBUTION PLAN NUMBER (former Cooma-Monaro)

PURPOSE	S94 Funds transferred from former Councils	received du	,	Interest earned	Expenditure during	Internal borrowing	Held as restricted	Cumulative internal borrowings
	Torrifer Couriciis	Cash	Non-cash	in year	year	(to)/from	asset	due/(payable)
Roads	422	297	_	7	(25)	_	701	_
Parking	36	_	_	_	_	_	36	_
Open space	83	4	_	1	_	_	88	_
Community facilities	29	_	_	_	_	_	29	_
Total	570	301	_	8	(25)	_	854	_

CONTRIBUTION PLAN NUMBER (former Snowy River)

PURPOSE	S94 Funds transferred from former Councils	Contrib received du Cash	outions ring the year Non-cash	Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
Public parking	4	_	_	_	_	_	4	_
Roadworks	228	4	_	3	_	_	235	_
Open space and public art	12	4	_	_	_	_	16	_
Sport and recreation facilities	23	12	_	_		_	35	_
Community services and facilities	171	28	_	2	_	_	201	_
Shared pathways - Jindabyne area	4	2	_	_	_	_	6	_
Shared trails - Jindabyne area	_	13	_	_	(13)	_	_	_
Regional waste management	65	40	_	1	(106)	_	_	_
Bushfire services	21	_	_	_	_	_	21	_
Total	528	103	_	6	(119)	_	518	_

Snowy Monaro Regional Council

Notes to the Financial Statements

for the period 13 May 2016 to 30 June 2017

Note 17. Statement of developer contributions (continued)

\$ '000

S94A LEVIES – UNDER A PLAN

CONTRIBUTION PLAN NUMBER 1 (former Bombala)

	PURPOSE	S94 Funds transferred from		outions	Interest earned	Expenditure during	Internal borrowing	Held as restricted	Cumulative internal
1 3111 332	former Councils		Non-cash	in year	year	(to)/from	asset	borrowings due/(payable)	
Other		22		_	_	_	_	22	_
Total		22	_	_	_	_	_	22	_

S94 CONTRIBUTIONS - NOT UNDER A PLAN

(former Snowy River)

(vermer error)								
	S94 Funds	Contril	outions	Interest	Expenditure	Internal	Held as	Cumulative internal
PURPOSE	transferred from	i eccived du	ring the year	earned	during	borrowing	restricted	borrowings
	former Councils	Cash	Non-cash	in year	year	(to)/from	asset	due/(payable)
Community facilities	30	_	_	_	(6)	_	24	_
Kerb and gutter	28	_	_	1	_	_	29	_
Voluntary payment agreement	23	31	_	1	(15)	_	40	_
Total	81	31	_	2	(21)	_	93	_

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 18. Contingencies and other assets/liabilities not recognised

\$ '000

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but their knowledge and disclosure is considered relevant to the users of Council's financial report.

LIABILITIES NOT RECOGNISED:

1. Guarantees

(i) Defined benefit superannuation contribution plans

Council participates in an employer-sponsored defined benefit superannuation scheme, and makes contributions as determined by the superannuation scheme's trustees.

Member councils bear responsibility of ensuring there are sufficient funds available to pay out the required benefits as they fall due.

The schemes most recent full actuarial review indicated that the net assets of the scheme were not sufficient to meet the accrued benefits of the schemes defined benefit member category with member councils required to make significantly higher contributions in future years.

The Local Government Superannuation Scheme however is unable to provide Council with an accurate estimate of its share of the net deficit and accordingly Council has not recorded any net liability from it's defined benefit scheme obligations in accordance with AASB 119.

Future contributions made to the defined benefit scheme to rectify the net deficit position will be recognised as an expense when they become payable – similar to the accounting for defined contributions plans.

(ii) Statewide Limited

Council is a member of Statewide Mutual, a mutual pool scheme providing liability insurance to local government.

Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. Council's share of the net assets or liabilities reflects Council's contributions to the pool and the result of insurance claims within each of the fund years.

The future realisation and finalisation of claims incurred but not reported to 30/6 this year may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

(iii) StateCover Limited

Council is a member of StateCover Mutual Limited and holds a partly paid share in the entity.

StateCover is a company providing workers compensation insurance cover to the NSW local government industry and specifically Council.

Council has a contingent liability to contribute further equity in the event of the erosion of the company's capital base as a result of the company's past performance and/or claims experience or as a result of any increased prudential requirements from APRA.

These future equity contributions would be required to maintain the company's minimum level of net assets in accordance with its licence requirements.

(iv) Other guarantees

Council has provided no other guarantees other than those listed above.

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 18. Contingencies and other assets/liabilities not recognised (continued)

\$ '000

LIABILITIES NOT RECOGNISED (continued):

2. Other liabilities

(i) Third party claims

The Council is involved from time to time in various claims incidental to the ordinary course of business including claims for damages relating to its services.

Council believes that it is appropriately covered for all claims through its insurance coverage and does not expect any material liabilities to eventuate.

(ii) S94 plans

Council levies section 94/94A contributions upon various development across the Council area through the required contributions plans.

As part of these plans, Council has received funds for which it will be required to expend the monies in accordance with those plans.

As well, these plans indicate proposed future expenditure to be undertaken by Council, which will be funded by making levies and receipting funds in future years or where a shortfall exists by the use of Council's general funds.

These future expenses do not yet qualify as liabilities as of the reporting date, but represent Council's intention to spend funds in the manner and timing set out in those plans.

(iii) Potential land acquisitions due to planning restrictions imposed by Council

Council has classified a number of privately owned land parcels as local open space or bushland.

As a result, where notified in writing by the various owners, Council will be required to purchase these land parcels.

At reporting date, reliable estimates as to the value of any potential liability (and subsequent land asset) from such potential acquisitions has not been possible.

ASSETS NOT RECOGNISED:

(i) Land under roads

As permitted under AASB 1051, Council has elected not to bring to account land under roads that it owned or controlled up to and including 30/6/08.

(ii) Infringement notices/fines

Fines and penalty income, the result of Council issuing infringement notices is followed up and collected by the Infringement Processing Bureau.

Council's revenue recognition policy for such income is to account for it as revenue on receipt.

Accordingly, at year end, there is a potential asset due to Council representing issued but unpaid infringement notices.

Due to the limited information available on the status, value and duration of outstanding notices, Council is unable to determine the value of outstanding income.

Note 19. Interests in other entities

Council has no interest in any controlled entities, joint arrangements or associates.

Snowy Monaro Regional Council

Notes to the Financial Statements

for the period 13 May 2016 to 30 June 2017

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

\$ '000	Notes	Actual 2017
	110100	2011
(a) Retained earnings		
Movements in retained earnings were as follows:		4.405.554
a. Net result for the year Balance at end of the reporting period		1,185,551 1,185,551
(b) Revaluation reserves		
(i) Reserves are represented by:		
 Infrastructure, property, plant and equipment revaluation reserve Total 		14,705 14,705
(ii) Reconciliation of movements in reserves:		
Infrastructure, property, plant and equipment revaluation reserve – Opening balance (former Councils)		_
- Revaluations for the year	9(a)	14,705
– Balance at end of year		14,705
TOTAL VALUE OF RESERVES		14,705

(iii) Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

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

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

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

(d) Voluntary changes in accounting policies

Council made no voluntary changes in any accounting policies during the year.

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 21. Financial result and financial position by fund

Income Statement by fund	Actual	Actual	Actual
	13/5/16	13/5/16	13/5/16
\$ '000	to 30/6/17	to 30/6/17	to 30/6/17
Continuing energtions	Water	Sewer	General ¹
Continuing operations	water	Sewer	General
Income from continuing operations Rates and annual charges	3,768	7,667	18,846
User charges and fees	4,120	314	
Interest and investment revenue	326	362	10,266 1,861
Other revenues	289	197	1,720
	209 88	53	32,180
Grants and contributions provided for operating purposes			
Grants and contributions provided for capital purposes	1,468	397	15,999
Other income			
Net gains from disposal of assets			
Total income from continuing operations	10,059	8,990	80,872
Expenses from continuing operations			
Employee benefits and on-costs	1,802	1,489	28,489
Borrowing costs	35	141	348
Materials and contracts	1,448	1,843	15,754
Depreciation and amortisation	2,409	2,793	15,761
Other expenses	1,846	4,478	5,047
Net losses from the disposal of assets	166	40	562
Total expenses from continuing operations	7,706	10,784	65,961
Operating result from continuing operations	2,353	(1,794)	14,911
operation ground transfer and a personal control of the control of		(1,101)	,.
<u>Discontinued operations</u>			
Not profit//local from dispositioned approxima			
Net profit/(loss) from discontinued operations	- 2.252	(4.704)	
Net operating result for the year	2,353	(1,794)	14,911
Gain on local government amalgamation			
Assets and liabilities transferred from former councils	93,383	93,151	983,547
Net result for the year	95,736	91,357	998,458
Trot room for the your			
Net result attributable to each council fund	95,736	91,357	998,458
Net operating result for the year before grants			
and contributions provided for capital purposes	885	(2,191)	(1,088)

General fund refers to all Council's activities other than Water and Sewer.
NB. All amounts disclosed above are gross – that is, they include internal charges and recoveries made between the funds.

Snowy Monaro Regional Council

Notes to the Financial Statements as at 30 June 2017

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

Statement of Financial Position by fund \$'000	Actual 2017	Actual 2017	Actual 2017
ACCETC	Matar	Samar	General ¹
ASSETS	Water	Sewer	General
Cosh and cosh aguivalente	2.024	2 224	7 115
Cash and cash equivalents Investments	2,024 7,557	2,321 8,658	7,445 27,769
Receivables	2,262	2,544	5,961
Inventories	61	35	878
Other	-	-	185
Total current assets	11,904	13,558	42,238
Non-current assets			
Investments	3,780	4,330	13,890
Receivables	-	137	_
Infrastructure, property, plant and equipment	95,315	75,123	961,259
Intangible assets			382_
Total non-current assets	99,095	79,590	975,531
TOTAL ASSETS	110,999	93,148	1,017,769
LIABILITIES			
Current liabilities			
Payables	130	57	7,008
Income received in advance	-	_	402
Borrowings	79	119	377
Provisions			6,712
Total current liabilities	209	176	14,499
Non-current liabilities			
Payables	_	_	_
Income received in advance	-	_	-
Borrowings	349	1,613	1,483
Provisions			3,331
Total non-current liabilities	349	1,613	4,814
TOTAL LIABILITIES	558	1,789	19,313
Net assets	110,441	91,359	998,456
EQUITY			
Retained earnings	95,736	91,359	998,456
Revaluation reserves	14,705	-	-
Other reserves			
Total equity	110,441	91,359	998,456

¹ General Fund refers to all Council's activities other than Water and Sewer.

NB. All amounts disclosed above are gross – that is, they include internal receivables and payables between the funds.

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 22. 'Held for sale' non-current assets and disposal groups

\$ '000

Council did not classify any non-current assets or disposal groups as 'held for sale'.

Note 23. Events occurring after the reporting date

Events that occur between the end of the reporting period (30 June 2017) and the date when the financial statements are 'authorised for issue' have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the applicable 'authorised for issue' date relating to these General Purpose Financial Statements.

Accordingly, the 'authorised for issue' date is 22/11/17.

Events that occur after the reporting period represent one of two types:

(i) Events that provide evidence of conditions that existed at the reporting period

These financial statements (and the figures therein) incorporate all 'adjusting events' that provided evidence of conditions that existed at 30 June 2017.

(ii) Events that provide evidence of conditions that arose after the reporting period

These financial statements (and figures therein) do not incorporate any 'non-adjusting events' that have occurred after 30 June 2017 and which are only indicative of conditions that arose after 30 June 2017.

Council is unaware of any material or significant 'non-adjusting events' that should be disclosed.

Note 24. Discontinued operations

Council has not classified any of its operations as 'discontinued'.

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 25. Intangible assets

\$ '000	Actual 2017
Intangible assets represent identifiable non-monetary assets without physical substance.	
Intangible assets are as follows:	
Opening values (former Councils):	
Gross book value	488
Accumulated amortisation	(75)
Accumulated impairment	
Net book value – opening balance (former Councils)	413
Movements for the year	
- Amortisation charges	(31)
Closing values:	
Gross book value (30/6)	488
Accumulated amortisation (30/6)	(106)
Accumulated impairment (30/6)	-
TOTAL INTANGIBLE ASSETS – NET BOOK VALUE 1	382
1. The net book value of intangible assets represent:	
- Software	32
- Hostel bed licences	350
	382

Snowy Monaro Regional Council

Notes to the Financial Statements

for the period 13 May 2016 to 30 June 2017

Note 26. Reinstatement, rehabilitation and restoration liabilities

\$ '000

Council has legal/public obligations to make restore, rehabilitate and reinstate the following assets/operations:

	Estimated year of	NPV of provision
Asset/operation	restoration	2017
Jindabyne Landfill	2021	1,674
Adaminaby Landfill	2020	863
Cooma Landfill	2027	592
Bombala Quarries	2056	36
Bombala Landfill	2031	166
Balance at end of the reporting period	10(a)	3,331

Under AASB 116 – Property, Plant and Equipment, where the use of an asset results in the obligation to dismantle or remove the asset and restore the site on which the asset stands, an estimate of such costs is required to be included in the cost of the asset.

An equivalent liability must be recognised under AASB 137 – Provisions, Contingent Liabilities and Contingent Assets.

The provision has been calculated by determining the present value of the future expenditures expected to be incurred. The discount rate used is the risk free borrowing rate applicable to Council.

Reconciliation of movement in provision for year:

Balance at beginning of year (former Councils)	3,159
Amortisation of discount (expensed to borrowing costs)	172
Total – reinstatement, rehabilitation and restoration provision	3,331

Amount of expected reimbursements

Of the above provisions for reinstatement, rehabilitation and restoration works, those applicable to garbage services and waste management are able to be funded through future charges incorporated within Council's annual domestic waste management charge.

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 26. Reinstatement, rehabilitation and restoration liabilities (continued)

\$ '000

Provisions for close down and restoration and for environmental clean up costs - tips and quarries

Restoration

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs.

Provisions for close down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The costs are estimated on the basis of a closure plan. The cost estimates are calculated annually during the life of the operation to reflect known developments, eg updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals

Close down and restoration costs are a normal consequence of tip and quarry operations, and the majority of close down and restoration expenditure is incurred at the end of the life of the operations. Although the ultimate cost to be incurred is uncertain, Council estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques.

Other movements in the provisions for close down and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations and revisions to discount rates are capitalised within property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate.

Rehabilitation

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work at each reporting date and the cost is charged to the Income Statement.

Provision is made for the estimated present value of the costs of environmental clean up obligations outstanding at the reporting date. These costs are charged to the Income Statement. Movements in the environmental clean up provisions are presented as an operating cost, except for the unwinding of the discount which is shown as a borrowing cost.

Remediation procedures generally commence soon after the time the damage, remediation process and estimated remediation costs become known, but may continue for many years depending on the nature of the disturbance and the remediation techniques.

As noted above, the ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other locations. The expected timing of expenditure can also change, for example in response to changes in quarry reserves or production rates. As a result there could be significant adjustments to the provision for close down and restoration and environmental clean up, which would affect future financial results.

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 27. Fair value measurement

\$ '000

The Council measures the following asset and liability classes at fair value on a recurring basis:

- Infrastructure, property, plant and equipment

The fair value of assets and liabilities must be estimated in accordance with various accounting standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a 'level' in the fair value hierarchy as follows:

- **Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- **Level 2:** Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(1) The following table presents all assets and liabilities that have been measured and recognised at fair values:

		Fair value measurement hierarchy			
13/5/16 to 30/6/17		Level 1	Level 2	Level 3	Total
	Date	Quoted	Significant	Significant	
Recurring fair value measurements	of latest	prices in	observable	unobservable	
	valuation	active mkts	inputs	inputs	
Infrastructure, property, plant and equipment	nt				
Plant & Equipment	30/06/15	_	_	11,251	11,251
Office Equipment	30/06/15	_	_	1,207	1,207
Furniture & Fittings	30/06/15	_	_	348	348
Operational Land	30/06/13	_	20,806	_	20,806
Community Land	30/06/11	_	_	11,254	11,254
Land Improvements	30/06/14	_	_	1,758	1,758
Buildings - Specialised	30/06/13	_	_	18,062	18,062
Buildings - Non Specialised	30/06/13	_	18,069	_	18,069
Other Structures	12/05/16	_	_	8,049	8,049
Road infrastructure	30/06/15	_	_	260,558	260,558
Bridges	30/06/15	_	_	59,769	59,769
Footpaths	30/06/15	_	_	8,182	8,182
Bulk Earthworks	30/06/15	_	_	515,602	515,602
Stormwater Drainage	30/06/15	_	_	17,043	17,043
Water Supply Network	30/06/17	_	_	92,192	92,192
Sewerage Network	30/06/17	_	_	72,558	72,558
Swimming Pools	30/06/13	_	_	5,005	5,005
Other Open Space/Recrational Assets	30/06/13	_	_	1,987	1,987
Library Books	30/06/13	_	_	355	355
Tip Restoration Asset	30/06/14	_	_	640	640
Quarry Restoration Asset	30/06/14	_	_	33	33
Other Assets	30/06/11	_	-	2,597	2,597
Total infrastructure, property, plant and equ	ipment	_	38,875	1,088,450	1,127,325

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 27. Fair value measurement (continued)

\$ '000

(2) Transfers between level 1 and level 2 fair value hierarchies

During the year, there were no transfers between level 1 and level 2 fair value hierarchies for recurring fair value measurements.

(3). Fair value measurements using significant unobservable inputs (level 3)

a. The following tables present the changes in level 3 fair value asset classes.

	Level 3	
	I, PP and E	Total
Balance on transfer from former Councils	1,075,823	1,075,823
Purchases (GBV)	13,772	13,772
Disposals (WDV)	(1,568)	(1,568)
Depreciation and impairment	(19,732)	(19,732)
FV gains – other comprehensive income	14,705	14,705
FV gains – Income Statement	(2,886)	(2,886)
WIP transfers	8,336	8,336
Closing balance – 30/6/17	1,088,450	1,088,450
Closing balance – 30/0/17	1,000,430	1,000,400

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 27. Fair value measurement (continued)

\$ '000

(3). Fair value measurements using significant unobservable inputs (level 3) (continued)

b. Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving the various level 3 asset class fair values.

Class	Fair value (30/6/17) \$'000	Valuation technique/s	Unobservable inputs
I,PP&E			
Plant & Equipment	11,251	Depreciated replacement cost	Cost per unit, useful life, residual value, condition of asset
Office Equipment	1,207	Depreciated replacement cost	Cost per unit, useful life, residual value, condition of asset
Furniture & Fittings	348	Depreciated replacement cost	Cost per unit, useful life, residual value, condition of asset
Community Land	11,254	Current replacement cost	Cost per sq metre, Valuer General's Valuation
Land Improvements	1,758	Depreciated replacement cost	Useful life, residual value, condition of asset
Buildings - Specialised	18,062	Depreciated replacement cost	Cost per sq metre, dimensions & specification, pattern of consumption, components, useful life, condition of asset
Other Structures	8,049	Depreciated replacement cost	Cost per unit rates, pattern of consumption, components, useful life, asset condition
Road infrastructure	260,558	Depreciated replacement cost	Cost per sq metre, dimensions & specification, pattern of consumption, components, useful life, condition of asset
Bridges	59,769	Depreciated replacement cost	Cost per sq metre, dimensions & specification, pattern of consumption, components, useful life, condition of asset
Footpaths	8,182	Depreciated replacement cost	Cost per sq metre, pattern of consumption, components, useful life, condition of asset
Bulk Earthworks	515,602	Current replacement cost	Cost per sq metre
Stormwater Drainage	17,043	Depreciated replacement cost	Unit rates, cost per metre, useful life, condition of asset
Water Supply Network	92,192	Depreciated replacement cost	Unit rates, pattern of consumption, components, useful life, asset condition
Sewerage Network	72,558	Depreciated replacement cost	Unit rates, pattern of consumption, components, useful life, asset condition
Swimming Pools	5,005	Depreciated replacement cost	Cost per unit, useful life, condition of asset
Other Open Space/Recrational	1,987	Depreciated replacement cost	Cost per unit, useful life, condition of asset
Library Books	355	Depreciated replacement cost	Cost per unit, useful life, condition of asset
Tip Restoration Asset	640	Depreciated replacement cost	Cost per cubic / square metre, useful life
Quarry Restoration Asset	33	Depreciated replacement cost	Cost per cubic / square metre, useful life
Other Assets	2,597	Depreciated replacement cost	Unit rates, asset condition, useful life

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 27. Fair value measurement (continued)

\$ '000

(3). Fair value measurements using significant unobservable inputs (level 3) (continued)

c. The valuation process for level 3 fair value measurements

Council uses the following processes for the fair valuation of Level 3 Infrastructure, Property, Plant and Equipment:

Plant & Equipment, Furniture & Fittings, Office Equipment, Other Assets - Actual cost less accumulated depreciation.

Community Land - Land values obtained by the NSW Valuer-General.

Specialised Buildings - Valued at Depreciated Replacement Cost by an independent qualified valuer.

Other Structures - Valued at Depreciated Replacement Cost by qualified Council staff.

Roads infrastructure and stormwater assets - Valued at Depreciated Replacement Cost by a combination of qualified Council staff and independent qualified valuer.

Water Supply Network - Valued at Depreciated Replacement Cost by qualified Council staff.

Sewerage Network - Valued at Depreciated Replacement Cost by qualified Council staff.

Recreational Assets (other than buildings) - Valued at Depreciated Replacement Cost by qualified Council staff.

Depreciated Replacement Cost is calculated from the current replacement value less the accumulated depreciation to account for the consumption of the service potential of the asset. The asset age is determined from the date of acquisition. If the date is not known, the asset age is determined by estimating the remaining life from an assessment of the asset condition, and subtracting the remaining life from the useful life of the asset.

The Current Replacement Value is the cost of a standard modern asset that would be installed if Council were deprived of the existing asset. Where specific estimates are available, these are used to determine the replacement values. In the absence of detailed estimates, unit rates are obtained from a recognised source and are appropriately factored to reflect the regional location of the asset.

Where appropriate, disposal costs are taken into account when calculating the Depreciated Replacement Cost.

(4). Highest and best use

All of Council's non-financial assets are considered as being utilised for their highest and best use.

Note 28. Related party disclosures

In accordance with the Supplementary Code 25, this note is not required for new Councils.

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 29. Local Government amalgamation

\$'000 Notes

The local government (Council Amalgamations) Proclamation 2016 ('the Proclamation') under the Local Government Act 1993 (NSW) transferred the assets and liabilities of the former councils Bombala Council, Cooma-Monaro Shire Council and Snowy River Shire Council to Snowy Monaro Regional Council as at 12 May 2016

Actual 13/5/16 to 30/6/17

Gain on local government amalgamation

Assets and liabilities transferred from former councils Accounting policy adjustments

a 1,170,070 b 11 1,170,081

a. Assets and liabilities transferred from former councils

(i) Carrying amount of assets and liabilities transferred

Assets and liabilities of:

- Former Bombala Council
- Former Cooma-Monaro Shire Council
- Former Snowy River Shire Council

have been recognised by the Council at \$1,170,070,000

Council believes the carrying amounts are not materially different from their fair values as at the date of transfer 12 May 2016.

The fair value of the net assets has been shown as a gain on local government amalgamation in the income statement and further information is provided on the next page.

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 29. Local Government amalgamation (continued)

\$ '000

a. Assets and liabilities transferred from former councils (continued)

(i) Carrying amount of assets and liabilities transferred (continued)

Current assets		Former Bombala Council	Former Cooma- Monaro Shire Council	Former Snowy River Shire Council	Gain on local government amalgamation
Cash and cash equivalents 2,395 5,979 19,190 27,564 Investments 9,000 11,000 — 20,000 Receivables 2,142 5,733 7,448 15,323 Inventories 307 224 580 1,111 Other 50 154 273 477 Total current assets 13,894 23,090 27,491 64,475 Non-current assets — 4,000 — 4,000 Receivables — — 153 153 Infrastructure, property, plant and equipment 267,734 441,818 413,838 1,123,391 Investments accounted for using the equity method — — — — — Intagible assets 63 — 350 413 Total non-current assets 267,797 445,818 414,341 1,127,957 TOTAL ASSETS 281,691 468,909 441,832 1,192,432 LIABILITIES Current liabilities — 139	ASSETS				· ·
Investments	Current assets				
Receivables 2,142 5,733 7,448 15,323 Inventories 307 224 580 1,111 Other 50 154 273 477 Total current assets 13,894 23,090 27,491 64,475 Non-current assets	Cash and cash equivalents	2,395	5,979	19,190	27,564
Inventories 307 224 580 1,111 Other 50 154 273 477 Total current assets 13,894 23,090 27,491 64,475 Non-current assets Investments - 4,000 - 4,000 Receivables - - 153 153 Infrastructure, property, plant and equipment 267,734 441,818 413,838 1,123,391 Investments accounted for using the equity method - - - - Intangible assets 63 - 350 413 Total non-current assets 267,797 445,818 414,341 1,127,957 TOTAL ASSETS 281,691 468,909 441,832 1,192,432 LIABILITIES	Investments	9,000	11,000	_	20,000
Other 50 154 273 477 Total current assets 13,894 23,090 27,491 64,475 Non-current assets Investments - 4,000 - 4,000 Receivables 153 153 Infrastructure, property, plant and equipment Investments accounted for using the equity method Investments accounted for using the equity method Interest In	Receivables	2,142	5,733	7,448	15,323
Total current assets 13,894 23,090 27,491 64,475 Non-current assets Investments - 4,000 - 4,000 - 4,000 Receivables - 153 153 153 Infrastructure, property, plant and equipment 267,734 441,818 413,838 1,123,391 Investments accounted for using the equity method	Inventories	307	224	580	1,111
Non-current assets Investments	Other	50	154	273	477
Investments	Total current assets	13,894	23,090	27,491	64,475
Receivables	Non-current assets				
Infrastructure, property, plant and equipment 267,734 441,818 413,838 1,123,391	Investments	_	4,000	_	4,000
Investments accounted for using the equity method	Receivables	_	_	153	153
Intangible assets 63 - 350 413 Total non-current assets 267,797 445,818 414,341 1,127,957 TOTAL ASSETS 281,691 468,909 441,832 1,192,432 LIABILITIES Current liabilities Payables (excluding bank overdraft) 608 3,351 3,802 7,761 Borrowings - 139 937 1,076 Provisions 1,297 2,874 1,731 5,902 Total current liabilities 1,905 6,364 6,470 14,739 Non-current liabilities - - 4,024 4,024 Provisions 239 831 2,518 3,588 Total non-current liabilities 239 831 6,542 7,612 TOTAL LIABILITIES 2,144 7,195 13,012 22,351	Infrastructure, property, plant and equipment	267,734	441,818	413,838	1,123,391
Total non-current assets 267,797 445,818 414,341 1,127,957 TOTAL ASSETS 281,691 468,909 441,832 1,192,432 LIABILITIES Current liabilities Payables (excluding bank overdraft) 608 3,351 3,802 7,761 Borrowings - 139 937 1,076 Provisions 1,297 2,874 1,731 5,902 Total current liabilities 1,905 6,364 6,470 14,739 Non-current liabilities 239 831 2,518 3,588 Total non-current liabilities 239 831 6,542 7,612 TOTAL LIABILITIES 2,144 7,195 13,012 22,351	Investments accounted for using the equity method	_	_	_	_
TOTAL ASSETS 281,691 468,909 441,832 1,192,432 LIABILITIES Current liabilities Payables (excluding bank overdraft) 608 3,351 3,802 7,761 Borrowings - 139 937 1,076 Provisions 1,297 2,874 1,731 5,902 Total current liabilities 1,905 6,364 6,470 14,739 Non-current liabilities - - 4,024 4,024 Provisions 239 831 2,518 3,588 Total non-current liabilities 239 831 6,542 7,612 TOTAL LIABILITIES 2,144 7,195 13,012 22,351	Intangible assets	63		350	413
LIABILITIES Current liabilities Payables (excluding bank overdraft) 608 3,351 3,802 7,761 Borrowings - 139 937 1,076 Provisions 1,297 2,874 1,731 5,902 Total current liabilities 1,905 6,364 6,470 14,739 Non-current liabilities 239 831 2,518 3,588 Total non-current liabilities 239 831 6,542 7,612 TOTAL LIABILITIES 2,144 7,195 13,012 22,351	Total non-current assets	267,797	445,818	414,341	1,127,957
Current liabilities Payables (excluding bank overdraft) 608 3,351 3,802 7,761 Borrowings - 139 937 1,076 Provisions 1,297 2,874 1,731 5,902 Total current liabilities 1,905 6,364 6,470 14,739 Non-current liabilities 239 831 2,518 3,588 Total non-current liabilities 239 831 6,542 7,612 TOTAL LIABILITIES 2,144 7,195 13,012 22,351	TOTAL ASSETS	281,691	468,909	441,832	1,192,432
Current liabilities Payables (excluding bank overdraft) 608 3,351 3,802 7,761 Borrowings - 139 937 1,076 Provisions 1,297 2,874 1,731 5,902 Total current liabilities 1,905 6,364 6,470 14,739 Non-current liabilities 239 831 2,518 3,588 Total non-current liabilities 239 831 6,542 7,612 TOTAL LIABILITIES 2,144 7,195 13,012 22,351	LIABILITIES				
Borrowings - 139 937 1,076 Provisions 1,297 2,874 1,731 5,902 Total current liabilities 1,905 6,364 6,470 14,739 Non-current liabilities - - - 4,024 4,024 Provisions 239 831 2,518 3,588 Total non-current liabilities 239 831 6,542 7,612 TOTAL LIABILITIES 2,144 7,195 13,012 22,351	Current liabilities				
Borrowings - 139 937 1,076 Provisions 1,297 2,874 1,731 5,902 Total current liabilities 1,905 6,364 6,470 14,739 Non-current liabilities - - - 4,024 4,024 Provisions 239 831 2,518 3,588 Total non-current liabilities 239 831 6,542 7,612 TOTAL LIABILITIES 2,144 7,195 13,012 22,351	Payables (excluding bank overdraft)	608	3,351	3,802	7,761
Non-current liabilities 1,905 6,364 6,470 14,739 Non-current liabilities - - - 4,024 4,024 Provisions 239 831 2,518 3,588 Total non-current liabilities 239 831 6,542 7,612 TOTAL LIABILITIES 2,144 7,195 13,012 22,351	Borrowings	_	139	937	
Non-current liabilities Borrowings - - 4,024 4,024 Provisions 239 831 2,518 3,588 Total non-current liabilities 239 831 6,542 7,612 TOTAL LIABILITIES 2,144 7,195 13,012 22,351	Provisions	1,297	2,874	1,731	5,902
Borrowings - - 4,024 4,024 Provisions 239 831 2,518 3,588 Total non-current liabilities 239 831 6,542 7,612 TOTAL LIABILITIES 2,144 7,195 13,012 22,351	Total current liabilities	1,905	6,364	6,470	14,739
Borrowings - - 4,024 4,024 Provisions 239 831 2,518 3,588 Total non-current liabilities 239 831 6,542 7,612 TOTAL LIABILITIES 2,144 7,195 13,012 22,351					
Provisions 239 831 2,518 3,588 Total non-current liabilities 239 831 6,542 7,612 TOTAL LIABILITIES 2,144 7,195 13,012 22,351	Non-current liabilities				
Total non-current liabilities 239 831 6,542 7,612 TOTAL LIABILITIES 2,144 7,195 13,012 22,351	Borrowings	_	_	4,024	4,024
TOTAL LIABILITIES 2,144 7,195 13,012 22,351	Provisions	239	831	2,518	3,588
Net assets transferred 279,547 461,714 428,820 1,170,081					
	Net assets transferred	279,547	461,714	428,820	1,170,081

Actual

Snowy Monaro Regional Council

Notes to the Financial Statements for the period 13 May 2016 to 30 June 2017

Note 29. Local Government amalgamation (continued)

\$ '000

(ii) Adjustments between former council carrying amount of assets and fair values recognised

The following adjustments were made to the carrying amount of the assets and liabilities received as part of the amalgamation in order to recognise them at fair value at the proclamation date.

Adjustments made to recognise net assets at fair value	2017
Recognition of assets not recorded by former council	11
Total adjustments	11

(iii) Rates and Non-Reciprocal Grants income

The rates and non-reciprocal grants revenue for the period from [commencement date] to 30 June 2016 were recorded in the financial statements of the former councils in accordance with AASB 1004 Contributions.

The assets transferred to Council include a portion of rates and non-reciprocal grants that were received but related to the period after the former councils ceased to exist.



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements **Snowy Monaro Regional Council**

To the Councillors of the Snowy Monaro Regional Council

Opinion

I have audited the accompanying financial statements of Snowy Monaro Regional Council (the Council), which comprise the statement of financial position as at 30 June 2017, the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the period 13 May 2016 to 30 June 2017, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Councillors and Management.

In my opinion,

- the Council's accounting records have been kept in accordance with the requirements of the Local Government Act 1993, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
 - have been presented, in all material respects, in accordance with the requirements of this
 - are consistent with the Council's accounting records
 - present fairly, in all material respects, the financial position of the Council as at 30 June 2017, and of its financial performance and its cash flows for the period 13 May 2016 to 30 June 2017 in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

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

Basis for Opinion

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

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

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

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

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

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

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

The Councillors' Responsibility for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

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

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

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

My opinion does *not* provide assurance:

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



Lawrissa Chan Director, Financial Audit Services

22 November 2017 SYDNEY



Lawrissa Chan

02 9275 7255

D1730322/1787

Contact:

Our ref:

Phone no:

John Rooney Mayor Snowy Monaro Regional Council PO Box 143 BERRIDALE NSW 2628

Dear Cr Rooney

Report on the Conduct of the Audit for the Period 13 May 2016 to 30 June 2017 Snowy Monaro Regional Council

We have audited the general purpose financial statements of Snowy Monaro Regional Council (the Council) for the period 13 May 2016 to 30 June 2017 as required by section 415 of the *Local Government Act 1993* (the Act). We expressed an unmodified opinion on the Council's general purpose financial statements.

This Report on the Conduct of the Audit (the Report) for the Council for the period 13 May 2016 to 30 June 2017 is issued in accordance with section 417 of the Act. Section 417(3) requires us to consider and report on matters pertinent to the Council's financial statements and audit. This Report should be read in conjunction with our audit opinion on the general purpose financial statements issued under section 417(2) of the Act.

INCOME STATEMENT

The operating results represent Council's activities for the period 13 May 2016 to 30 June 2017.

Operating result

	2017
	\$'000
Rates and annual charges	30,281
Grants and contributions (capital and operational)	50,185
Operating result for the period	15,470
Net result for the period (after assets and liabilities transferred from former Councils)	1,185,551
Net operating result before capital amounts	(2,394)



The following comments are made in respect of Council's operating result for the period:

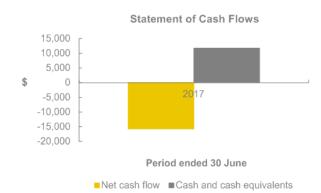
- Council's operating surplus for the period was \$15.5 million. The operating result for the period included:
 - revenue from rates and annual charges of \$30.3 million
 - user charges and fees of \$14.7 million
 - grants and contributions of \$50.2 million
 - expenses for employee benefits and on-costs of \$31.8 million
 - materials and contracts of \$19 million.
- Council recorded a net result for the period after assets and liabilities transferred from former councils of \$1,185.6 million.
- The net operating result before capital contributions was a deficit of \$2.4 million.
- Grants and contributions (capital and operational) was \$50.2 million. Grant income included \$15 million Stronger Communities Fund and \$5 million New Council Implementation Fund, which are both non-recurring. In addition, Council received \$13.3 million Financial Assistance Grants, of which \$4.5 million related to 2017–18 and booked as income in June 2017.
- Council's depreciation and amortisation expense for the period ended 30 June 2017 was \$21 million.

STATEMENT OF CASH FLOWS

- Council recorded a net decrease in cash and cash equivalents of \$15.8 million in 2017 before cash transferred on amalgamation. Cash transferred on amalgamation of former Councils was \$27.6 million.
- Net cash provided by operating activities amounted to \$45.5 million. Council recorded:
 - \$33.1 million cash receipts from rates and annual charges
 - \$15.7 million cash receipts from user charges and fees
 - \$50.6 million cash receipts from grants and contributions.

This was offset by \$31.0 million of cash payments on employee benefits and on-costs and \$21.5 million of cash payments for materials and contracts.

Net cash used in investing activities totalled \$60.2 million. This is largely due to the purchase of investment securities of \$42.0 million and the purchase of infrastructure, property, plant and equipment of \$19.2 million.





FINANCIAL POSITION

Cash and Investments

Restricted Cash and Investments	2017		Commentary
	\$'000		
External restrictions	40,180	0	Externally restricted cash and investments are
Internal restrictions	37,362		restricted in their use by externally imposed requirements. Externally restricted cash includes
Unrestricted	232		\$14.5 million for sewerage services, \$11.9 million
Cash and investments	77,774		for water suppliers, \$3.8 million for domestic waste management and 2.5 million for Yallambee lodge accommodation bonds.
		0	Internally restricted cash and investments have been restricted in their use by resolution or policy of Council to reflect identified programs of works and any forward plans identified by Council. Internally restricted cash includes:
			 \$14.4 million for the Stronger Communities Fund
			 \$5.1 million from the former LGAs (Bombala, Cooma-Monaro and Snowy River)
			- \$3.4 million for employee leave entitlements
			 \$3.2 million for plant and equipment replacement
			 \$3.2 million for uncompleted works
			- \$3.1 million for Merger Implementation Funding.

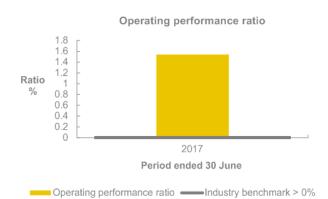
Debt

The Council had borrowings of \$4 million at 30 June 2017. All loans are secured over general rating income of Council.

PERFORMANCE RATIOS

Operating performance ratio

- The 'operating performance ratio' measures how well Council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by the Office of Local Government (OLG) is greater than zero per cent.
- The operating performance ratio was 1.54 per cent which is above the industry benchmark of > 0 per cent.

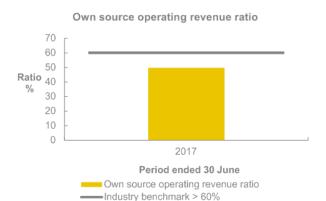




 The operating performance ratio was impacted by the receipt of \$5 million New Council Implementation Fund and \$4.5 million Financial Assistance Grants for 2017–18, which was booked as income in June 2017.

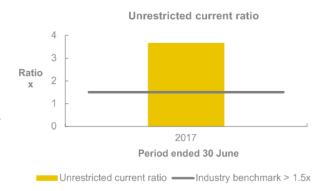
Own source operating revenue ratio

- The 'own source operating revenue ratio' measures Council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.
- The Council's own source operating revenue ratio of 49.78 per cent is below the industry benchmark of 60 per cent.
- This is largely due to the increased level of grant activity at Council during the period. Council received \$15 million for the Stronger Communities Fund, \$5 million for the New Council Implementation Fund and \$4.5 million Financial Assistance Grants for 2017–18, which was booked as income in June 2017.



Unrestricted current ratio

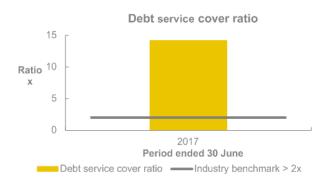
- The 'unrestricted current ratio' is specific to local government and represents Council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.
- The Council's liquidity ratio of 3.66 times is greater than the industry benchmark minimum of > 1.5 times.
- This indicates that Council has sufficient liquidity to meet its current liabilities as and when they fall due.





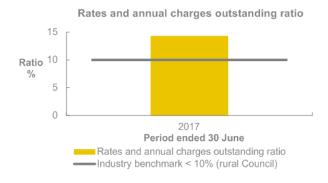
Debt service cover ratio

- The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments.
 The benchmark set by OLG is greater than two times.
- The Council's debt service cover ratio of 14.18 times is greater than the industry benchmark of > 2 times.
- This ratio indicates that Council has 14.18 times in operating cash available to service its debts. Council generates sufficient cash from its operations to fund its debt obligations.



Rates and annual charges outstanding ratio

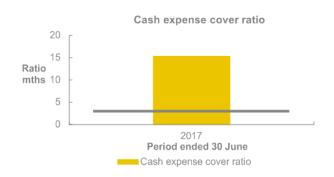
- The 'rates and annual charges outstanding ratio' assesses the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for rural councils.
- The Council's rates and annual charges outstanding ratio of 14.27 per cent is outside the industry benchmark of < 10 per cent for rural councils.
- This indicates that the Council needs to improve its debt collection processes.





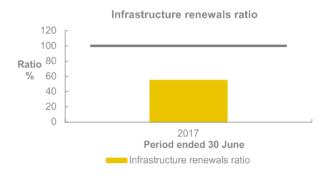
Cash expense cover ratio

- This liquidity ratio indicates the number of months the Council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by OLG is greater than three months.
- The Council's cash expense cover ratio was 15.32 months, which is above the industry benchmark of > 3 months.
- This indicates that Council had the capacity to cover 15.32 months of cash expenditure without additional cash inflows at 30 June 2017.



Building and infrastructure renewals ratio

- The 'building and infrastructure renewals ratio' represents the rate at which assets are being renewed relative to the rate at which they are depreciating.
- The ratio of 55.12 per cent is below the industry benchmark of greater than 100 per cent.
- Council need to be aware of the deteriorating impact on infrastructure assets if this underperformance is sustained over an extended period.





Other Matters

Legislative compliance

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

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



Lawrissa Chan Director, Financial Audit Services

22 November 2017 SYDNEY

Cc: Joseph Vescio, General Manager Peter Cannizzaro, Director Corporate and Community Services Max Shanahan, Chair of Audit and Risk Improvement Committee

Tim Hurst, Acting Chief Executive, Office of Local Government

Snowy Monaro Regional Council

SPECIAL PURPOSE FINANCIAL STATEMENTS for the period 13 May 2016 to 30 June 2017



A trusted community partner

Snowy Monaro Regional Council

Special Purpose Financial Statements

for the period 13 May 2016 to 30 June 2017

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Statement of Financial Position – Water Supply Business Activity Statement of Financial Position – Sewerage Business Activity Statement of Financial Position – Other Business Activities	6 7 8
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Background

- (i) These Special Purpose Financial Statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.
- (ii) The principle of competitive neutrality is based on the concept of a 'level playing field' between persons/entities competing in a market place, particularly between private and public sector competitors.
 - Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.
- (iii) For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.
 - These include (a) those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, and (b) those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities).
- (iv) In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must (a) adopt a corporatisation model and (b) apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).

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SPFS 2017

Snowy Monaro Regional Council

Special Purpose Financial Statements

for the period 13 May 2016 to 30 June 2017

Statement by Administrator and Management

made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

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

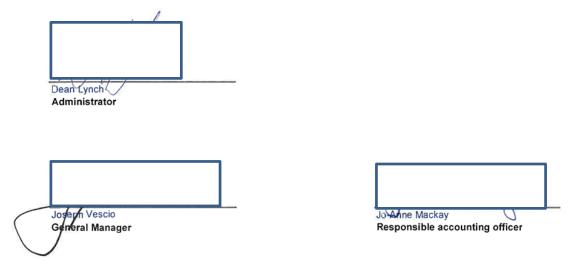
- the NSW Government Policy Statement 'Application of National Competition Policy to Local Government',
- the Division of Local Government Guidelines 'Pricing and Costing for Council Businesses A Guide to Competitive Neutrality',
- the Local Government Code of Accounting Practice and Financial Reporting,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

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

- present fairly the operating result and financial position for each of Council's declared business activities for the period 13 May 2016 to 30 June 2017, and
- accord with Council's accounting and other records.

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

Signed in accordance with a resolution of Council made on 06 September 2017.



Snowy Monaro Regional Council

Income Statement of Council's Water Supply Business Activity for the period 13 May 2016 to 30 June 2017

	Actual 13/5/16
\$'000	to 30/6/17
Income from continuing operations	
Access charges	3,768
User charges	4,028
Fees	92
Interest	326
Grants and contributions provided for non-capital purposes	88
Profit from the sale of assets	=
Other income	289
Total income from continuing operations	8,591
Expenses from continuing operations	
Employee benefits and on-costs	1,802
Borrowing costs	35
Materials and contracts	1,448
Depreciation, amortisation and impairment	2,409
Water purchase charges	_
Loss on sale of assets	166
Calculated taxation equivalents	_
Debt guarantee fee (if applicable)	_
Other expenses	1,846
Total expenses from continuing operations	7,706
Surplus (deficit) from continuing operations before capital amounts	885
Grants and contributions provided for capital purposes	1,468
Surplus (deficit) from continuing operations after capital amounts	2,353
Surplus (deficit) from discontinued operations	
Surplus (deficit) from all operations before tax	2,353
Less: corporate taxation equivalent (30%) [based on result before capital]	(266)
SURPLUS (DEFICIT) AFTER TAX	2,088
Plus Assets and liabilities transferred from former councils	93,383
Plus/less: prior period adjustments	-
Plus adjustments for amounts unpaid: - Taxation equivalent payments	_
Debt guarantee fees	_
Corporate taxation equivalent	266
Less:	
 Tax equivalent dividend paid Surplus dividend paid 	_
Closing retained profits	95,736
Return on capital %	1.0%
Subsidy from Council	1,348
Calculation of dividend payable:	0.000
Surplus (deficit) after tax Less: capital grants and contributions (excluding developer contributions)	2,088 (1,468)
Surplus for dividend calculation purposes	620
Potential dividend calculated from surplus	310
	page 3

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Snowy Monaro Regional Council

Income Statement of Council's Sewerage Business Activity for the period 13 May 2016 to 30 June 2017

ncome from continuing operations	to 30/6/17
ncome from continuing operations	
Access charges	7,667
Jser charges	276
iquid trade waste charges	-
Fees	38
nterest	362
Grants and contributions provided for non-capital purposes	53
Profit from the sale of assets	-
Other income	197
Total income from continuing operations	8,593
Expenses from continuing operations	
Employee benefits and on-costs	1,489
Borrowing costs	141
Materials and contracts	1,843
Depreciation, amortisation and impairment	2,793
Loss on sale of assets	40
Calculated taxation equivalents	-
Debt guarantee fee (if applicable)	-
Other expenses	4,478
Total expenses from continuing operations	10,784
Surplus (deficit) from continuing operations before capital amounts	(2,191)
Grants and contributions provided for capital purposes	397
Surplus (deficit) from continuing operations after capital amounts	(1,794)
Surplus (deficit) from discontinued operations	
Surplus (deficit) from all operations before tax	(1,794)
.ess: corporate taxation equivalent (30%) [based on result before capital]	-
SURPLUS (DEFICIT) AFTER TAX	(1,794)
Plus Assets and liabilities transferred from former councils	93,151
Plus/less: prior period adjustments	-
Plus adjustments for amounts unpaid:	
- Taxation equivalent payments - Debt guarantee fees	_
- Corporate taxation equivalent	-
Less:	
- Tax equivalent dividend paid	-
- Surplus dividend paid Closing retained profits	91,357
Return on capital %	-2.7%
Subsidy from Council	3,838
Calculation of dividend payable:	
Surplus (deficit) after tax	(1,794)
Less: capital grants and contributions (excluding developer contributions) Surplus for dividend calculation purposes	(397)
Potential dividend calculated from surplus	_

Snowy Monaro Regional Council

Income Statement of Council's Other Business Activities for the period 13 May 2016 to 30 June 2017

for the period 15 May 2010 to 50 dane 2017	10/	V-II
	Waste	Yallambee
	Management	Lodge
	Category 1	Category 1
	Actual 13/5/16	Actual 13/5/16
\$ '000	to 30/6/17	to 30/6/17
# 000	10 00/0/17	10 00/0/17
Income from continuing operations		
Access charges	3,748	-
User charges	893	_
Fees	1,892	958
Interest	120	107
Grants and contributions provided for non-capital purposes	60	1,661
Profit from the sale of assets	_	_
Other income	381	16
Total income from continuing operations	7,094	2,742
Expenses from continuing operations		
	2,614	2,296
Employee benefits and on-costs Borrowing costs	2,614	2,290
5		-
Materials and contracts	2,311	368
Depreciation, amortisation and impairment	819	243
Loss on sale of assets	8	_
Calculated taxation equivalents	-	-
Debt guarantee fee (if applicable)	_	_
Other expenses	911_	321
Total expenses from continuing operations	6,938	3,228
Surplus (deficit) from continuing operations before capital amounts	156	(486)
Grants and contributions provided for capital purposes	65	_
Surplus (deficit) from continuing operations after capital amounts	221	(486)
Surplus (deficit) from discontinued operations	_	_
Surplus (deficit) from all operations before tax	221	(486)
Less: corporate taxation equivalent (30%) [based on result before capital]	(47)	-
SURPLUS (DEFICIT) AFTER TAX	174	(486)
Plus Assets and liabilities transferred from former councils	8,838	6,251
Plus/less: prior period adjustments	0,000	0,231
Plus adjustments for amounts unpaid:		
 Taxation equivalent payments 	-	-
 Debt guarantee fees 	-	-
Corporate taxation equivalent	47	-
Add:		
 Subsidy paid/contribution to operations Less: 	_	_
– TER dividend paid	_	_
- Dividend paid	_	_
Closing retained profits	9,059	5,765
Return on capital %	5.3%	-10.9%
Subsidy from Council		592

Snowy Monaro Regional Council

Statement of Financial Position – Council's Water Supply Business Activity as at 30 June 2017

ASSETS Current assets Cash and cash equivalents Investments Receivables Inventories Other Non-current assets classified as held for sale Total current assets	2,024 7,557 2,262 61
Current assets Cash and cash equivalents Investments Receivables Inventories Other Non-current assets classified as held for sale	7,557 2,262
Cash and cash equivalents Investments Receivables Inventories Other Non-current assets classified as held for sale	7,557 2,262
Investments Receivables Inventories Other Non-current assets classified as held for sale	7,557 2,262
Receivables Inventories Other Non-current assets classified as held for sale	2,262
Inventories Other Non-current assets classified as held for sale	
Other Non-current assets classified as held for sale	-
Non-current assets classified as held for sale	
	_
	11,904
	- 1,
Non-current assets	
Investments	3,780
Receivables	_
Inventories	_
Infrastructure, property, plant and equipment	95,315
Investments accounted for using equity method	_
Investment property	_
Intangible assets	_
Other	_
Total non-current assets	99,095
TOTAL ASSETS	110,999
LIABILITIES Current liabilities Bank overdraft Payables Income received in advance Borrowings Provisions Total current liabilities	- 130 - 79 - - 209
Total current habilities	200
Non-current liabilities	
Payables	-
Income received in advance	_
Borrowings	349
Provisions	
Total non-current liabilities	349
TOTAL LIABILITIES	558
NET ASSETS	110,441
EQUITY	
Retained earnings	95,736
Revaluation reserves	14,705
Other reserves	14,700
TOTAL EQUITY	110,441
	110,111

Snowy Monaro Regional Council

Statement of Financial Position – Council's Sewerage Business Activity as at 30 June 2017

\$ '000	Actual 2017
ASSETS	
Current assets	
Cash and cash equivalents	2,321
Investments	8,658
Receivables	2,544
Inventories	35
Other	_
Non-current assets classified as held for sale	_
Total current Assets	13,558
Non-current coasts	
Non-current assets	4 220
Investments	4,330
Receivables	137
Inventories	75.400
Infrastructure, property, plant and equipment	75,123
Investments accounted for using equity method	-
Investment property	-
Intangible assets	_
Other	
Total non-current assets	79,590
TOTAL ASSETS	93,148
LIABILITIES	
Current liabilities	
Bank overdraft	_
Payables	57
Income received in advance	-
Borrowings	119
Provisions	
Total current liabilities	176
Non-current liabilities	
Payables	_
Income received in advance	_
Borrowings	1,613
Provisions	_
Total non-current liabilities	1,613
TOTAL LIABILITIES	1,789
NET ASSETS	91,359
EQUITY	
Retained earnings	91,359
Revaluation reserves	-
Other reserves	_
TOTAL EQUITY	91,359

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Snowy Monaro Regional Council

Statement of Financial Position – Council's Other Business Activities as at 30 June 2017

as at 30 June 2017	Waste	Yallambee
	Management	Lodge
	Category 1	Category 1
	Actual	Actual
\$ '000	2017	2017
ASSETS		
Current assets		
Cash and cash equivalents	2,083	_
Investments	2,996	3,720
Receivables	597	1
Inventories	_	-
Other	_	-
Non-current assets classified as held for sale		
Total Current Assets	5,676	3,721
Non-current assets		
Investments	_	-
Receivables	-	66
Inventories	_	_
Infrastructure, property, plant and equipment	8,061	4,458
Investments accounted for using equity method	_	_
Investment property	_	-
Intangible assets		
Total non-current assets	8,061	4,524
TOTAL ASSETS	13,737	8,245
LIABILITIES		
Current liabilities		
Bank overdraft	_	_
Payables	32	2,480
Income received in advance	_	-
Borrowings	257	_
Provisions		
Total current liabilities	289	2,480
Non-current liabilities		
Payables	_	_
Income received in advance	_	_
Borrowings	1,092	_
Provisions	3,294	
Total non-current liabilities	4,386	_
TOTAL LIABILITIES	4,675	2,480
NET ASSETS	9,062	5,765
EQUITY		
Retained earnings	9,062	5,765
Revaluation reserves	9,002	5,705
Other reserves		_
TOTAL EQUITY	9,062	5,765
, o , , in Edding		0,100

16.2 PRESENTATION OF 2017 FINANCIAL STATEMENTS ATTACHMENT 1 SNOWY MONARO REGIONAL COUNCIL - FINANCIAL STATEMENTS 2016-17 **571**

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Snowy Monaro Regional Council

Special Purpose Financial Statements for the period 13 May 2016 to 30 June 2017

Contents of the notes accompanying the financial statements

Note	Details	Page
1	Summary of significant accounting policies	10
2	Water Supply Business Best-Practice Management disclosure requirements	13
3	Sewerage Business Best-Practice Management disclosure requirements	15

Snowy Monaro Regional Council

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Notes to the Special Purpose Financial Statements for the period 13 May 2016 to 30 June 2017

Note 1. Significant accounting policies

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

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

The figures presented in these Special Purpose Financial Statements have been prepared in accordance with the recognition and measurement criteria of relevant Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

The disclosures in these Special Purpose Financial Statements have been prepared in accordance with the Local Government Act 1993 (NSW), the Local Government (General) Regulation, and the Local Government Code of Accounting Practice and Financial Reporting.

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

National Competition Policy

Council has adopted the principle of 'competitive neutrality' in its business activities as part of the National Competition Policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 NSW government policy statement titled 'Application of National Competition Policy to Local Government'.

The Pricing and Costing for Council Businesses, A Guide to Competitive Neutrality issued by the Office of Local Government in July 1997 has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to

activities and provide a standard for disclosure requirements.

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

Declared business activities

In accordance with *Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality*, Council has declared that the following are to be considered as business activities:

Category 1

(where gross operating turnover is over \$2 million)

a. Water Supply

Water supply services

b. Sewerage Service

Sewerage reticulation, treatment and associated activities

c. Waste Management

Collection and disposal of garbage

d. Yallambie Lodge

Aged care services

Monetary amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest thousand dollars, except for Note 2 (Water Supply Best-Practice Management Disclosures) and Note 3 (Sewerage Best-Practice Management Disclosures).

As required by the NSW Office of Water (Department of Primary Industries) the amounts shown in Note 2 and Note 3 are disclosed in whole dollars.

(i) Taxation-equivalent charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs.

Snowy Monaro Regional Council

Notes to the Special Purpose Financial Statements for the period 13 May 2016 to 30 June 2017

Note 1. Significant accounting policies (continued)

However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in Special Purpose Financial Statements.

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council's non-business activities):

Notional rate applied (%)

Corporate income tax rate - 30%

<u>Land tax</u> – the first \$549,000 of combined land values attracts 0%. For the combined land values in excess of \$549,001 up to \$3,357,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$3,357,000 a premium marginal rate of 2.0% applies.

<u>Payroll tax</u> - **5.45%** on the value of taxable salaries and wages in excess of \$750,000.

In accordance with the Department of Primary Industries Water (DPIW), a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred to in the NSW Office of Water Guidelines to as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the *Local Government Act*, 1993.

Achievement of substantial compliance to the NSW Office of Water Guidelines is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

Income tax

An income tax equivalent has been applied on the profits of the business activities.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 30%.

Income tax is only applied where a gain/ (loss) from ordinary activities before capital amounts has been achieved.

Since the taxation equivalent is notional – that is, it is payable to Council as the 'owner' of business operations - it represents an internal payment and has no effect on the operations of the Council. Accordingly, there is no need for disclosure of internal charges in the SPFS.

The rate applied of 30% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

Local government rates and charges

A calculation of the equivalent rates and charges payable on all category 1 businesses has been applied to all land assets owned or exclusively used by the business activity.

Loan and debt guarantee fees

The debt guarantee fee is designed to ensure that council business activities face 'true' commercial borrowing costs in line with private sector competitors.

In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and Council's borrowing rate for its business activities.

(ii) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed.

Subsidies occur when Council provides services on a less-than-cost-recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations.

Accordingly, 'subsidies disclosed' (in relation to National Competition Policy) represents the

Snowy Monaro Regional Council

Notes to the Special Purpose Financial Statements for the period 13 May 2016 to 30 June 2017

Note 1. Significant accounting policies (continued)

difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by Council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported business activity.

(iii) Return on investments (rate of return)

The NCP policy statement requires that councils with Category 1 businesses 'would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field'.

Such funds are subsequently available for meeting commitments or financing future investment strategies.

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

The rate of return is calculated as follows:

Operating result before capital income + interest expense

Written down value of I,PP&E as at 30 June

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 2.38% at 30/6/17.

(iv) Dividends

Council is not required to pay dividends to either itself (as owner of a range of businesses) or to any external entities.

Local government water supply and sewerage businesses are permitted to pay an annual dividend from its water supply or sewerage business surplus.

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

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

In accordance with the DPIW guidelines a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the DPIW prior to making the dividend and only after it has approved the final payment.

Snowy Monaro Regional Council

Notes to the Special Purpose Financial Statements for the period 13 May 2016 to 30 June 2017

Note 2. Water supply business best-practice management disclosure requirements

Dolla	rs amounts shown below are in whole dollars (unless otherwise indicated)	2017
	Iculation and payment of tax-equivalents al government local water utilities must pay this dividend for tax equivalents]	
(i)	Calculated tax equivalents	_
(ii)	Number of assessments multiplied by \$3/assessment	25,830
(iii)	Amounts payable for tax equivalents [lesser of (i) and (ii)]	_
(iv)	Amounts actually paid for tax equivalents	_
2. Div (i)	ridend from surplus 50% of surplus before dividends [calculated in accordance with Best-Practice Management for Water Supply and Sewerage Guidelines]	309,750
(ii)	Number of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment	258,300
(iii)	Cumulative surplus before dividends for the 3 years to 30 June 2017, less the cumulative dividends paid for the 2 years to 13 May 2016 and 30 June 2015	2,582,600
	2017 Surplus 619,500	
(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	258,300
(v)	Dividend actually paid from surplus [refer below for required pre-dividend payment criteria]	
(vi)	Are the overhead reallocation charges to the water business fair and reasonable? ^a	YES
	quired outcomes for 6 criteria eligible for the payment of a 'dividend from surplus', all the criteria below need a 'YES']	
(i)	Completion of strategic business plan (including financial plan)	YES
(ii)	Full cost recovery, without significant cross subsidies [refer item 2 (a) in table 1 on page 22 of the Best-Practice Guidelines]	NO
	 Complying charges [item 2 (b) in table 1] DSP with commercial developer charges [item 2 (e) in table 1] If dual water supplies, complying charges [item 2 (g) in table 1] 	NO NO
(iii)	Sound water conservation and demand management implemented	YES
(iv)	Sound drought management implemented	YES
(v)	Complete performance reporting form (by 15 September each year)	YES
(vi)	a. Integrated water cycle management evaluation	NO
	b. Complete and implement integrated water cycle management strategy	NO
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Snowy Monaro Regional Council

Notes to the Special Purpose Financial Statements for the period 13 May 2016 to 30 June 2017

Note 2. Water supply business best-practice management disclosure requirements (continued)

Dollars an	nounts shown below are in whole dollars (unless otherwise indicated)		2017
National ¹	Water Initiative (NWI) financial performance indicators		
NWI F1	Total revenue (water) Total income (w13) – grants for the acquisition of assets (w11a) – interest income (w9) – Aboriginal Communities W&S Program income (w10a)	\$'000	8,564
NWI F4	Revenue from residential usage charges (water) Income from residential usage charges (w6b) x 100 divided by the sum of [income from residential usage charges (w6a) + income from residential access charges (w6b)]	%	27.28%
NWI F9	Written down replacement cost of fixed assets (water) Written down current cost of system assets (w47)	\$'000	94,782
NWI F11	Operating cost (OMA) (water) Management expenses (w1) + operational and maintenance expenses (w2)	\$'000	5,095
NWI F14	Capital expenditure (water) Acquisition of fixed assets (w16)	\$'000	2,854
NWI F17	Economic real rate of return (water) [total income (w13) – interest income (w9) – grants for acquisition of assets (w11a) – operating costs (NWI F11) – current cost depreciation (w3)] x 100 divided by [written down current cost of system assets (w47) + plant and equipment (w33b)]	%	1.11%
NWI F26	Capital works grants (water)	\$'000	1,174

Notes:

- References to w (e.g. w12) refer to item numbers within Special Schedules 3 and 4 of Council's Annual Financial Statements.
- The NWI performance indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators and Definitions.
- a refer to 3.2 (2) on page 15 of the Best-Practice Management of Water Supply and Sewerage Guidelines, 2007

Grants for the acquisition of assets (w11a)

Snowy Monaro Regional Council

Notes to the Special Purpose Financial Statements for the period 13 May 2016 to 30 June 2017

Note 3. Sewerage business best-practice management disclosure requirements

Dolla	rs amounts shown below are in whole dollars (unless otherwise indicated)	2017
	lculation and payment of tax-equivalents al government local water utilities must pay this dividend for tax equivalents]	
(i)	Calculated tax equivalents	_
(ii)	Number of assessments multiplied by \$3/assessment	22,857
(iii)	Amounts payable for tax equivalents [lesser of (i) and (ii)]	_
(iv)	Amounts actually paid for tax equivalents	_
2. Div	vidend from surplus	
(i)	50% of surplus before dividends [calculated in accordance with Best-Practice Management for Water Supply and Sewerage Guidelines]	_
(ii)	Number of assessments x (\$30 less tax equivalent charges per assessment)	228,570
(iii)	Cumulative surplus before dividends for the 3 years to 30 June 2017, less the cumulative dividends paid for the 2 years to 13 May 2016 and 30 June 2015	116,400
	2017 Surplus (2,191,000)	
(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	_
(v)	Dividend actually paid from surplus [refer below for required pre-dividend payment criteria]	_
(vi)	Are the overhead reallocation charges to the sewer business fair and reasonable? a	
	equired outcomes for 4 criteria eligible for the payment of a 'dividend from surplus', all the criteria below need a 'YES']	
(i)	Completion of strategic business plan (including financial plan)	YES
(ii)	Pricing with full cost-recovery, without significant cross subsidies [refer item 2 (a) in table 1 on page 22 of the Best-Practice Guidelines]	NO
	Complying charges (a) Residential [item 2 (c) in table 1] (b) Non-residential [item 2 (c) in table 1] (c) Trade waste [item 2 (d) in table 1] DSP with commercial developer charges [item 2 (e) in table 1] Liquid trade waste approvals and policy [item 2 (f) in table 1]	YES YES NO NO NO
(iii)	Complete performance reporting form (by 15 September each year)	YES
(iv)	a. Integrated water cycle management evaluation	NO
	b. Complete and implement integrated water cycle management strategy	NO
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Snowy Monaro Regional Council

Notes to the Special Purpose Financial Statements for the period 13 May 2016 to 30 June 2017

Note 3. Sewerage business best-practice management disclosure requirements (continued)

Dollars am	ounts shown below are in whole dollars (unless otherwise indicated)		13/5/16 to 30/6/17
	Vater Initiative (NWI) financial performance indicators		
NWI F2	Total revenue (sewerage) Total income (s14) – grants for acquisition of assets (s12a) – interest income (s10) – Aboriginal Communities W&S Program income (w10a)	\$'000	8,632
NWI F10	Written down replacement cost of fixed assets (sewerage) Written down current cost of system assets (s48)	\$'000	74,677
NWI F12	Operating cost (sewerage) Management expenses (s1) + operational and maintenance expenses (s2)	\$'000	4,938
NWI F15	Capital expenditure (sewerage) Acquisition of fixed assets (s17)	\$'000	505
NWI F18	Economic real rate of return (sewerage) [total income (s14) – interest income (s10) – grants for acquisition of assets (s12a) – operating cost (NWI F12) – current cost depreciation (s3)] x 100 divided by [written down current cost (i.e. WDCC) of system assets (s48) + plant and equipment (s34b)]	%	1.20%
NWI F27	Capital works grants (sewerage) Grants for the acquisition of assets (12a)	\$'000	_
	Vater Initiative (NWI) financial performance indicators I sewer (combined)		
NWI F3	Total income (water and sewerage) Total income (w13 + s14) + gain/loss on disposal of assets (w14 + s15) minus grants for acquisition of assets (w11a + s12a) – interest income (w9 + s10)	\$'000	16,998
NWI F8	Revenue from community service obligations (water and sewerage) Community service obligations (NWI F25) x 100 divided by total income (NWI F3)	%	0.64%
NWI F16	Capital expenditure (water and sewerage) Acquisition of fixed assets (w16 + s17)	\$'000	3,359
NWI F19	Economic real rate of return (water and sewerage) [total income (w13 + s14) – interest income (w9 + s10) – grants for acquisition of assets (w11a + s12a) – operating cost (NWI F11 + NWI F12) – current cost depreciation (w3 + s3)] x 10 divided by [written down replacement cost of fixed assets (NWI F9 + NWI F10) + plant and equipment (w33b + s34b)]	% 00	1.15%
NWI F20	Dividend (water and sewerage) Dividend paid from surplus (2 (v) of Note 2 + 2 (v) of Note 3)	\$'000	
NWI F21	Dividend payout ratio (water and sewerage) Dividend (NWI F20) x 100 divided by net profit after tax (NWI F24)	%	0.00%

Snowy Monaro Regional Council

Notes to the Special Purpose Financial Statements

for the period 13 May 2016 to 30 June 2017

Note 3. Sewerage business

best-practice management disclosure requirements (continued)

			13/5/16
Dollars am	ounts shown below are in whole dollars (unless otherwise indicated)		to 30/6/17
	Nater Initiative (NWI) financial performance indicators d sewer (combined)		
NWI F22	Net debt to equity (water and sewerage) Overdraft (w36 + s37) + borrowings (w38 + s39) – cash and investments (w30 + s31) x 100 divided by [total assets (w35 + s36) – total liabilities (w40 + s41)]	%	-13.14%
NWI F23	Interest cover (water and sewerage) Earnings before interest and tax (EBIT) divided by net interest		> 100
	Earnings before interest and tax (EBIT): 1,961 Operating result (w15a + s16a) + interest expense (w4a + s4a) – interest income (w9 + s10) – gain/loss on disposal of assets (w14 + s15) + miscellaneous expenses (w4b + w4c + s4b + s	4c)	
	Net interest: - 508 Interest expense (w4a + s4a) – interest income (w9 + s10)		
NWI F24	Net profit after tax (water and sewerage) Surplus before dividends (w15a + s16a) – tax equivalents paid (Note 2-1 (iv) + Note 3-1 (iv))	\$'000	(615)
NWI F25	Community service obligations (water and sewerage) Grants for pensioner rebates (w11b + s12b)	\$'000	108

Notes:

- References to w (eg. s12) refer to item numbers within Special Schedules 5 and 6 of Council's Annual Financial Statements.
- The NWI performance indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators and Definitions.
- a refer to 3.2 (2) on page 15 of the Best-Practice Management of Water Supply and Sewerage Guidelines, 2007



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements **Snowy Monaro Regional Council**

To the Councillors of the Snowy Monaro Regional Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Snowy Monaro Regional Council's (the Council) Declared Business Activities, which comprise the statement of financial position of each Declared Business Activity as at 30 June 2017, the income statement of each Declared Business Activity for the period 13 May 2016 to 30 June 2017, notes comprising a summary of significant accounting policies and other explanatory information for the Business Activities declared by Council, and the Statement by Councillors and Management.

The Declared Business Activities of the Council are:

- Water Supply
- Sewerage Service
- Waste Management
- Yallambie Lodge
- Saleyards
- Jindabyne Holiday Park
- Snowy River Health Centre

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's declared Business Activities as at 30 June 2017, and their financial performance for the period 13 May 2016 to 30 June 2017, in accordance with the Australian Accounting Standards described in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting (LG Code).

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

The Councillors' Responsibility for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

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

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

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

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

The description forms part of my auditor's report.

My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- · on the best practice management disclosures in Notes 2 and 3 of the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- · about any other information which may have been hyperlinked to/from the financial statements.



Lawrissa Chan Director, Financial Audit Services

22 November 2017 SYDNEY

Snowy Monaro Regional Council

SPECIAL SCHEDULES for the period 13 May 2016 to 30 June 2017



A trusted community partner

Snowy Monaro Regional Council

Special Schedules

for the period 13 May 2016 to 30 June 2017

Contents Page Special Schedules¹ Special Schedule 1 Net Cost of Services 2 4 Special Schedule 2(a) Statement of Long Term Debt (all purposes) Special Schedule 2(b) Statement of Internal Loans (Sect. 410(3) LGA 1993) n/a Special Schedule 3 Water Supply Operations - incl. Income Statement 5 Special Schedule 4 Water Supply - Statement of Financial Position 8 Special Schedule 5 Sewerage Service Operations - incl. Income Statement 9 Special Schedule 6 Sewerage Service - Statement of Financial Position 12 Notes to Special Schedules 3 and 5 13 Special Schedule 7 Report on Infrastructure Assets 14 Special Schedule 8 Permissible Income Calculation 19

Background

- (i) These Special Schedules have been designed to meet the requirements of special purpose users such as;
 - the NSW Grants Commission
 - the Australian Bureau of Statistics (ABS).
 - the NSW Office of Water (NOW), and
 - the Office of Local Government (OLG).
- (ii) The financial data is collected for various uses including;
 - the allocation of Financial Assistance Grants,
 - the incorporation of Local Government financial figures in national statistics,
 - the monitoring of loan approvals,
 - · the allocation of borrowing rights, and
 - · the monitoring of the financial activities of specific services.

Special Schedules are not audited (with the exception of Special Schedule 8).

Snowy Monaro Regional Council

Special Schedule 1 – Net Cost of Services for the period 13 May 2016 to 30 June 2017

\$'000

Function or activity	Expenses from continuing	Incom continuing	Net cost	
	operations	Non-capital	Capital	of services
Governance	3,233	6,125	14,000	16,892
Administration	10,962	5,412	25	(5,525)
Public order and safety				
Fire service levy, fire protection, emergency				
services	1,760	806	10	(944)
Beach control	_	_	-	
Enforcement of local government regulations	39	29	-	(10)
Animal control	222	78	_	(144)
Other Total public order and safety	2 024	26 939	10	26
Total public order and safety	2,021	939	10	(1,072)
Health	220	161	_	(59)
Environment				
Noxious plants and insect/vermin control	1,249	353	_	(896
Other environmental protection	25	_	_	(25
Solid waste management	5.848	6,484	105	741
Street cleaning	83	_	_	(83
Drainage	_	_	_	, , , ,
Stormwater management	813	17	_	(796
Total environment	8,018	6,854	105	(1,059
Community services and education				
Administration and education	218	95	31	(92)
Social protection (welfare)	-	_	_	
Aged persons and disabled	7,109	6,072	52	(985
Children's services	209	8	_	(201)
Total community services and education	7,536	6,175	83	(1,278)
Housing and community amenities				
Public cemeteries	220	348	_	128
Public conveniences	259	-	10	(249)
Street lighting	266	19	-	(247
Town planning	1,830	459	84	(1,287
Other community amenities	1,985	205		(1,780)
Total housing and community amenities	4,560	1,031	94	(3,435)
Water supplies	7,389	6,563	1,500	674
Sewerage services	10,345	7,991	357	(1,997)

Snowy Monaro Regional Council

Special Schedule 1 – Net Cost of Services (continued)

for the period 13 May 2016 to 30 June 2017

\$'000

Function or activity	Expenses from continuing	Incom- continuing		Net cost of services
	operations	Non-capital	Capital	or services
Recreation and culture				
	758	187		(571)
Public libraries	/58	187	_	(5/1)
Museums	-	-	_	_
Art galleries	803	123	_	(680)
Community centres and halls	003	123	_	(660)
Performing arts venues Other performing arts	_	_	_	_
Other cultural services	255	71	_	(184)
Sporting grounds and venues	961	26	24	(911)
Swimming pools	1,216	121	24	(1,095)
Parks and gardens (lakes)	1,821	75	151	(1,595)
Other sport and recreation	521	132	47	(342)
Total recreation and culture	6,335	735	222	(5,378)
Total recreation and culture	0,555	733	222	(3,370)
Fuel and energy	-	_	_	_
Agriculture	_	_	_	
Mining, manufacturing and construction				
Building control	_	_	_	_
Other mining, manufacturing and construction	666	683	_	17
Total mining, manufacturing and const.	666	683	_	17
Transport and communication				
Urban roads (UR) - local	2,421	44	53	(2,324)
Urban roads – regional	4	_	_	(4)
Sealed rural roads (SRR) – local	2,655	1,307	833	(515)
Sealed rural roads (SRR) - regional	2,138	1,446	245	(447)
Unsealed rural roads (URR) - local	5,872	458	205	(5,209)
Unsealed rural roads (URR) - regional	630	727	_	97
Bridges on UR - local	3	92	_	89
Bridges on SRR – local	719	_	_	(719)
Bridges on URR – local	184	_	_	(184)
Bridges on regional roads	1,188	12	_	(1,176)
Parking areas	206	1	_	(205)
Footpaths	472	7	20	(445)
Aerodromes	6	-	_	(6)
Other transport and communication	3,571	2,669	_	(902)
Total transport and communication	20,069	6,763	1,356	(11,950)
Economic affairs				
Camping areas and caravan parks	410	512	42	144
Other economic affairs	2,687	2,038	70	(579)
Total economic affairs	3,097	2,550	112	(435)
Totals – functions	84,451	51,982	17,864	(14,605)
General purpose revenues (1)		30,075		30,075
Share of interests – joint ventures and		55,376		25,070
associates using the equity method	_	_		_
NET OPERATING RESULT (2)	84,451	82,057	17,864	15,470

⁽¹⁾ Includes: rates and annual charges (including ex gratia, excluding water and sewer), non-capital general purpose (2) As reported in the Income Statement grants, interest on investments (excluding externally restricted assets) and interest on overdue rates and annual charges

Snowy Monaro Regional Council

Special Schedule 2(a) – Statement of Long Term Debt (all purpose) for the period 13 May 2016 to 30 June 2017

\$'000

		oal outstand g of the yea Councils)		New Ioans raised		lemption the year	Transfers	Interest applicable		ipal outstanding at the en of the year	
Classification of debt	Current	Non- current	Total	during the year	From revenue	Sinking funds	funds	for year	Current	Non- current	Total
[
Loans (by source)					l		l				
Commonwealth Government	-	_	_	-	-	_	-	-	_	-	-
NSW Treasury Corporation	-	-	-	-	-	-	-	-	-	-	-
Other State Government	_	-	-	-	-	_	-	-	-	_	-
Public subscription	-	-	_	-	-	-	-	-	_	-	-
Financial institutions	1,076	4,024	5,100	-	1,080	_	-	325	575	3,445	4,020
Other	_	_	_	_	_	_	_	_	_	_	_
Total loans	1,076	4,024	5,100	-	1,080	-	-	325	575	3,445	4,020
Other long term debt											
Ratepayers advances	_	_	_	_	-	_	_	_	_	_	_
Government advances	_	_	_	_	-	_	_	_	_	_	_
Finance leases	_	_	_	_	-	_	_	_	_	_	_
Deferred payments	_	_	_	_	_	_	_	_	_	_	_
Total long term debt	-	-	-	-	-	-	-	-	-	_	_
Total debt	1,076	4,024	5,100	-	1,080	_	-	325	575	3,445	4,020

Notes: excludes (i) internal loans and (ii) principal inflows/outflows relating to loan re-financing.

This schedule is prepared using the face value of debt obligations, rather than fair value (which are reported in the GPFS).

Snowy Monaro Regional Council

Special Schedule 3 — Water Supply Income Statement Includes all internal transactions, i.e. prepared on a gross basis for the period 13 May 2016 to 30 June 2017

\$'00	00	Actuals 13/5/16 to 30/6/17
Α	Expenses and income Expenses	
1.	Management expenses a. Administration b. Engineering and supervision	991 652
2.	Operation and maintenance expenses - dams and weirs a. Operation expenses b. Maintenance expenses	- 63
	Mainsc. Operation expensesd. Maintenance expenses	25 1,266
	Reservoirse. Operation expensesf. Maintenance expenses	75 123
	 Pumping stations g. Operation expenses (excluding energy costs) h. Energy costs i. Maintenance expenses 	181 290 129
	 Treatment j. Operation expenses (excluding chemical costs) k. Chemical costs l. Maintenance expenses 	305 464 301
	Otherm. Operation expensesn. Maintenance expenseso. Purchase of water	155 75 —
3.	Depreciation expenses a. System assets b. Plant and equipment	2,321 88
4.	Miscellaneous expenses a. Interest expenses b. Revaluation decrements c. Other expenses d. Impairment – system assets e. Impairment – plant and equipment f. Aboriginal Communities Water and Sewerage Program	35 - - - - -
5.	Total expenses	7,539

Snowy Monaro Regional Council

$Special\ Schedule\ 3-Water\ Supply\ Income\ Statement\ ({\tt continued})$ Includes all internal transactions, i.e. prepared on a gross basis

for the period 13 May 2016 to 30 June 2017

\$'00	0	Actuals 13/5/16 to 30/6/17
	Income	
6.	Residential charges	
	a. Access (including rates)	3,143
	b. Usage charges	1,179
7.	Non-residential charges	
	a. Access (including rates)	625
	b. Usage charges	2,914
8.	Extra charges	6
9.	Interest income	320
10.	Other income	316
10a	. Aboriginal Communities Water and Sewerage Program	-
11.	Grants	
	a. Grants for acquisition of assets	1,174
	b. Grants for pensioner rebates	55
	c. Other grants	_
12.	Contributions	
	a. Developer charges	326
	b. Developer provided assets	_
	c. Other contributions	_
13.	Total income	10,058
14.	Gain (or loss) on disposal of assets	(166)
15.	Operating result	2,353
15a	. Operating result (less grants for acquisition of assets)	1,179

Snowy Monaro Regional Council

$Special\ Schedule\ 3-Water\ Supply\ Income\ Statement\ ({\tt continued})$ Includes all internal transactions, i.e. prepared on a gross basis

for the period 13 May 2016 to 30 June 2017

\$'00	0	13	tuals 3/5/16 0/6/17
В	Capital transactions Non-operating expenditures		
16.	Acquisition of fixed assets a. New assets for improved standards b. New assets for growth c. Renewals d. Plant and equipment	1,	615 ,170 949 120
17.	Repayment of debt		92
18.	Totals	2	,946
	Non-operating funds employed		
19.	Proceeds from disposal of assets		15
20.	Borrowing utilised		-
21.	Totals		15
С	Rates and charges		
22.	Number of assessments a. Residential (occupied) b. Residential (unoccupied, ie. vacant lot) c. Non-residential (occupied) d. Non-residential (unoccupied, ie. vacant lot)	7	,389 292 918 11
23.	Number of ETs for which developer charges were received	37	ET
24.	Total amount of pensioner rebates (actual dollars)	\$ 102	,665

Snowy Monaro Regional Council

Special Schedule 4 - Water Supply Statement of Financial Position Includes internal transactions, i.e. prepared on a gross basis

as at 30 June 2017

		Actuals	Actuals	Actuals
\$'00	0	Current	Non-current	Total
	ASSETS			
25.				
	a. Developer charges	1,490	_	1,490
	b. Special purpose grants	_	-	-
	c. Accrued leave	_	-	-
	d. Unexpended loans	-	-	-
	e. Sinking fund f. Other	6 716	- - 155	44 074
	i. Other	6,716	5,155	11,871
26.	Receivables			
	a. Specific purpose grants	11	-	11
	b. Rates and availability charges	1,097	-	1,097
	c. User charges d. Other	882 272	_	882 272
	u. Other		_	
27.	Inventories	61	-	61
28.	Property, plant and equipment			
	a. System assets	-	94,782	94,782
	b. Plant and equipment	-	533	533
29.	Other assets	_	-	-
30.	Total assets	10,529	100,470	110,999
	LIABILITIES			
31.		_	_	_
32.	Creditors	130	-	130
33.	Borrowings	79	349	428
34.	Provisions a. Tax equivalents			
	b. Dividend	_	_	_
	c. Other	_	_	_
35.	Total liabilities	209	349	558
36.	NET ASSETS COMMITTED	10,320	100,121	110,441
	EQUITY			
37.	Accumulated surplus			95,736
38.	Asset revaluation reserve			14,705
39.	Other reserves		_	
40.	TOTAL EQUITY		_	110,441
	Note to system assets:			
41.	Current replacement cost of system assets			199,153
42.	Accumulated current cost depreciation of system assets			(104,371 94,782

Snowy Monaro Regional Council

Special Schedule 5 — Sewerage Service Income Statement Includes all internal transactions, i.e. prepared on a gross basis for the period 13 May 2016 to 30 June 2017

\$'0	00	Actuals 13/5/16 to 30/6/17
Α	Expenses and income	
	Expenses	
1.	Management expenses	
	a. Administration	760
	b. Engineering and supervision	305
2.	Operation and maintenance expenses	
	– mains	
	a. Operation expenses	87
	b. Maintenance expenses	505
	- Pumping stations	
	c. Operation expenses (excluding energy costs)	142
	d. Energy costs	131
	e. Maintenance expenses	222
	- Treatment	
	f. Operation expenses (excl. chemical, energy, effluent and biosolids management costs)	652
	g. Chemical costs	150
	h. Energy costs	314
	i. Effluent management	67
	j. Biosolids management	78
	k. Maintenance expenses	952
	- Other	
	I. Operation expenses	520
	m. Maintenance expenses	53
3.	Depreciation expenses	
	a. System assets	2,708
	b. Plant and equipment	85
4.	Miscellaneous expenses	
	a. Interest expenses	135
	b. Revaluation decrements	2,886
	c. Other expenses	_
	d. Impairment – system assets	_
	e. Impairment – plant and equipment	_
	f. Aboriginal Communities Water and Sewerage Program	_
	g. Tax equivalents dividends (actually paid)	_
5.	Total expenses	10,752
	•	,

Snowy Monaro Regional Council

Special Schedule 5 – Sewerage Service Income Statement (continued) Includes all internal transactions, i.e. prepared on a gross basis

for the period 13 May 2016 to 30 June 2017

\$'00	00	Actuals 13/5/16 to 30/6/17
	Income	
6.	Residential charges (including rates)	6,773
7.	Non-residential charges a. Access (including rates) b. Usage charges	842 299
8.	Trade waste charges a. Annual fees b. Usage charges c. Excess mass charges d. Re-inspection fees	99 18 - -
9.	Extra charges	4
10.	Interest income	358
	Other income a. Aboriginal Communities Water and Sewerage Program	147 -
12.	Grants a. Grants for acquisition of assets b. Grants for pensioner rebates c. Other grants	- 53 -
13.	Contributions a. Developer charges b. Developer provided assets c. Other contributions	397 - -
14.	Total income	8,990
15.	Gain (or loss) on disposal of assets	(32)
16.	Operating result	(1,794)
16a	. Operating result (less grants for acquisition of assets)	(1,794)

Snowy Monaro Regional Council

Special Schedule 5 – Sewerage Service Income Statement (continued) Includes all internal transactions, i.e. prepared on a gross basis

for the period 13 May 2016 to 30 June 2017

\$'00	0	13	uals 3/5/16 3/6/17
В	Capital transactions		
	Non-operating expenditures		
17.	Acquisition of fixed assets		
	a. New assets for improved standards		52
	b. New assets for growth		-
	c. Renewals		410
	d. Plant and equipment		43
18.	Repayment of debt		355
19.	Totals		860
	Non-operating funds employed		
20.	Proceeds from disposal of assets		15
21.	Borrowing utilised		_
22.	Totals		15
С	Rates and charges		
23.	Number of assessments		
	a. Residential (occupied)	6,	537
	b. Residential (unoccupied, ie. vacant lot)		321
	c. Non-residential (occupied)		751
	d. Non-residential (unoccupied, ie. vacant lot)		10
24.	Number of ETs for which developer charges were received	37	ET
25.	Total amount of pensioner rebates (actual dollars)	\$ 96,	291

Snowy Monaro Regional Council

Special Schedule 6 – Sewerage Service Statement of Financial Position Includes internal transactions, i.e. prepared on a gross basis

as at 30 June 2017

¢100°		Actuals	Actuals	Actuals
\$'000	J	Current	Non-current	Total
	ASSETS			
26.	Cash and investments			
	a. Developer charges	856	_	856
	b. Special purpose grants	-	-	-
	c. Accrued leave	_	_	-
	d. Unexpended loans	_	_	-
	e. Sinking fund f. Other	9,522	- 4,931	- 14,453
	1. Other	9,522	4,931	14,433
27.	Receivables			
	a. Specific purpose grants	10	-	10
	b. Rates and availability charges	2,338	_	2,338
	c. User charges	144	-	144
	d. Other	52	137	189
28.	Inventories	35	-	35
29.	Property, plant and equipment			
	a. System assets	-	74,677	74,677
	b. Plant and equipment	-	446	446
30.	Other assets	_	_	-
31.	Total assets	12,957	80,191	93,148
	LIABILITIES			
32.	Bank overdraft	_	_	_
33.	Creditors	57	_	57
34.	Borrowings	119	1,613	1,732
	Provisions			
33.	a. Tax equivalents	_	_	_
	b. Dividend	_	_	_
	c. Other	_	_	_
36.	Total liabilities	176	1,613	1,789
37.	NET ASSETS COMMITTED	12,781	78,578	91,359
• • •	EQUITY		,	
20	Accumulated surplus			91,359
				91,009
40.	Other reserves			_
	TOTAL EQUITY		-	91,359
71.	TOTAL EQUIT		=	91,000
42	Note to system assets:			420 400
42. 43.	Current replacement cost of system assets			139,133
40.	Accumulated current cost depreciation of system assets Written down current cost of system assets		_	(64,456 74,677

Snowy Monaro Regional Council

Notes to Special Schedules 3 and 5 for the period 13 May 2016 to 30 June 2017

Administration (1)

(item 1a of Special Schedules 3 and 5) comprises the following:

- · Administration staff:
 - Salaries and allowance
 - Travelling expenses
 - Accrual of leave entitlements
 - Employment overheads.
- Meter reading
- · Bad and doubtful debts
- · Other administrative/corporate support services

Engineering and supervision (1)

(item 1b of Special Schedules 3 and 5) comprises the following:

- Engineering staff:
 - Salaries and allowance
 - Travelling expenses
 - Accrual of leave entitlements
 - Employment overheads.
- · Other technical and supervision staff:
 - Salaries and allowance
 - Travelling expenses
 - Accrual of leave entitlements
 - Employment overheads.

Operational expenses (item 2 of Special Schedules 3 and 5) comprise the day to day operational expenses excluding maintenance expenses.

Maintenance expenses (item 2 of Special Schedules 3 and 5) comprise the day to day repair and maintenance expenses. (Refer to Section 5 of the Local Government Asset Accounting Manual regarding capitalisation principles and the distinction between capital and maintenance expenditure).

Other expenses (item 4c of Special Schedules 3 and 5) includes all expenses not recorded elsewhere.

Revaluation decrements (item 4b of Special Schedules 3 and 5) is to be used when I,PP&E decreases in FV.

Impairment losses (item 4d and 4e of Special Schedules 3 and 5) are to be used when the carrying amount of an asset exceeds its recoverable amount (refer to page D-31).

Aboriginal Communities Water and Sewerage Program (item 4f of Special Schedules 3 and 5) is to be used when operation and maintenance work has been undertaken on behalf of the Aboriginal Communities Water and Sewerage Program. Similarly, income for item 11a of Special Schedule 3 and item 12a of Special Schedule 5 are for services provided to the Aboriginal Communities Water and Sewerage Program and is not part of Council's water supply and sewerage revenue.

Residential charges ⁽²⁾ (items 6a, 6b and item 6 of Special Schedules 3 and 5 respectively) include all income from residential charges. Item 6 of Schedule 3 should be separated into 6a access charges (including rates if applicable) and 6b usage charges.

Non-residential charges⁽²⁾ (items 7a, 7b of Special Schedules 3 and 5) include all income from non-residential charges separated into 7a access charges (including rates if applicable) and 7b usage charges.

Trade waste charges (item 8 of Special Schedule 5) include all income from trade waste charges separated into 8a annual fees, 8b usage charges and 8c excess mass charges and 8d re-inspection fees.

Other income (items 10 and 11 of Special Schedules 3 and 5 respectively) include all income not recorded elsewhere.

Other contributions (items 12c and 13c of Special Schedules 3 and 5 respectively) including capital contributions for water supply or sewerage services received by Council under Section 565 of the *Local Government Act*.

Notes:

(1) Administration and engineering costs for the development of capital works projects should be reported as part of the capital cost of the project and not as part of the recurrent expenditure (ie. in item 16 for water supply and item 17 for sewerage, and not in items 1a and 1b).

⁽²⁾ To enable accurate reporting of residential revenue from usage charges, it is essential for councils to accurately separate their residential (item 6) charges and non-residential (item 7) charges.

Snowy Monaro Regional Council

Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2017

\$'000

		to bring assets to satisfactory	to bring to the agreed level of	2016/17 Required	2016/17 Actual	Net carrying	Gross replacement	replacement cost				
Asset class	Asset category	standard	service set by		maintenance	amount	cost (GRC)	1	2	3	4	5
			Council									
Buildings	Buildings	3,180	1,818	664	726	36,131	86,465	30.3%	10.5%	26.8%	22.0%	10.4%
	Sub-total	3,180	1,818	664	726	36,131	86,465	30.3%	10.5%	26.8%	22.0%	10.4%
041			074	400	200	2 2 4 2	44.500					
Other	Other structures Sub-total	530 530	271 271	100 100	260 260	8,049 8,049	14,528 14,528	28.2% 28.2%	23.1% 23.1%	38.2% 38.2%	7.0% 7.0%	3.5% 3.5%
						,,,,,,	- 1,0-0				71070	0.010
Roads	Sealed roads	11,743	5,653	3,062	2,634	121,310	200,272	15.7%	30.8%	43.5%	10.0%	0.0%
	Unsealed roads	11,395	7,338	2,367	2,737	90,709	160,459	15.5%	15.4%	46.8%	19.5%	2.8%
	Bridges	5,616	3,530	655	441	59,769	113,154	12.0%	32.3%	43.9%	4.3%	7.5%
	Footpaths	222	133	84	9	8,182	16,637	14.1%	24.3%	19.5%	41.5%	0.6%
	Other road assets	1,406	756	726	19	48,539	57,991	9.5%	47.7%	36.2%	6.2%	0.4%
	Bulk earthworks	_	_	_	_	515,602	515,602	98.2%	0.4%	1.4%		0.0%
	Sub-total	30,382	17,410	6,894	5,840	844,111	1,064,115	54.9%	14.7%	22.9%	6.3%	1.3%
Water supply	Water supply network	12,923	12,923	1,863	2,188	92,192	196,222	11.9%	17.5%	38.1%	31.9%	0.6%
Supply	Sub-total	12,923	12,923	1,863	2,188	92,192	196,222	11.9%	17.5%	38.1%	31.9%	0.6%
Sawara wa	Causana a a a tuank	17.050	17.050	1.010	2.070	70.550	126.022	40.00/	22.00/	20.00/	44.00/	0.00/
Sewerage Network	Sewerage network Sub-total	17,850 17,850	17,850 17,850	1,818 1,818	2,078 2,078	72,558 72,558	136,933 136,933	13.3% 13.3%	33.9% 33.9%	32.0% 32.0%	14.0% 14.0%	6.8% 6.8%

Snowy Monaro Regional Council

Special Schedule 7 - Report on Infrastructure Assets as at 30 June 2017 (continued)

\$'000

		Estimated cost to bring assets to satisfactory	Estimated cost to bring to the agreed level of	2016/17 Required	2016/17 Actual	Net carrying	Gross replacement	rep		on as a percentage of gross lacement cost		
Asset class	Asset category	standard	service set by	maintenance ^a	maintenance	amount	cost (GRC)	1	2	3	4	5
			Council									
Stormwater	Stormwater drainage	652	540	231	81	17,043	31,389	6.6%	61.2%	8.6%	17.2%	6.4%
drainage	Sub-total	652	540	231	81	17,043	31,389	6.6%	61.2%	8.6%	17.2%	6.4%
Open space/	Swimming pools	1,143	334	154	171	5.005	13.644	12.8%	3.7%	79.1%	3.4%	1.0%
	Other	333	143	38	57	1,987	4,997	4.4%	27.5%	46.4%	19.4%	2.3%
Assets	Sub-total	1,476	477	192	228	6,992	18,641	10.5%	10.1%	70.3%	7.7%	1.3%
	TOTAL – ALL ASSETS	66,993	51,289	11,762	11,401	1,077,076	1,548,293	42.6%	17.5%	26.3%	11.3%	2.3%

Notes:

Required maintenance is the amount identified in Council's asset management plans.

Infrastructure asset condition assessment 'key'

Excellent No work required (normal maintenance)

2 3 4 5 Good Only minor maintenance work required

Average Maintenance work required

Poor Renewal required

Very poor Urgent renewal/upgrading required

Snowy Monaro Regional Council

Special Schedule 7 - Report on Infrastructure Assets (continued)

for the period 13 May 2016 to 30 June 2017

\$ '000	Amounts 2017	Indicator 2017
Infrastructure asset performance indicators * consolidated		
1. Infrastructure renewals ratio Asset renewals (1) Depreciation, amortisation and impairment	10,081 18,290	55.12%
2. Infrastructure backlog ratio Estimated cost to bring assets to a satisfactory standard Net carrying amount of infrastructure assets	66,993 563,232	11.89%
3. Asset maintenance ratio Actual asset maintenance Required asset maintenance	11,401 11,762	0.97
4. Cost to bring assets to agreed service level Estimated cost to bring assets to an agreed service level set by Council Gross replacement cost	51,289 1,548,293	3.31%

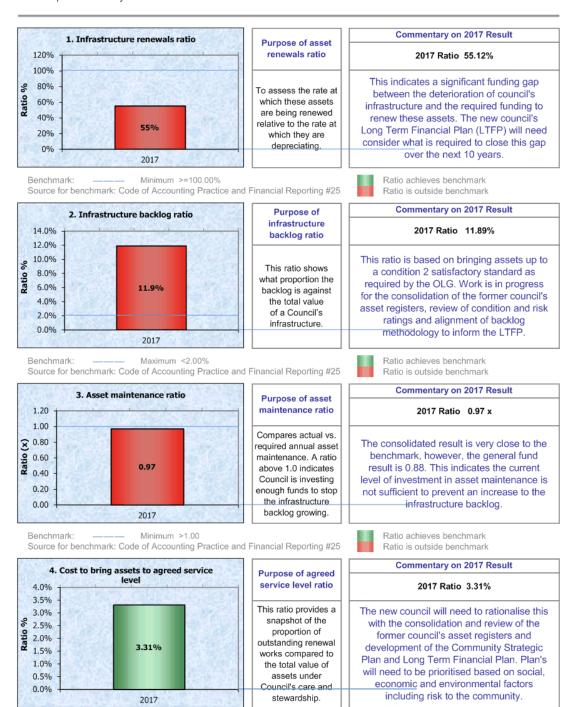
Notes

^{*} All asset performance indicators are calculated using the asset classes identified in the previous table.

⁽¹⁾ Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Snowy Monaro Regional Council

Special Schedule 7 – Report on Infrastructure Assets (continued) for the period 13 May 2016 to 30 June 2017



Snowy Monaro Regional Council

Special Schedule 7 – Report on Infrastructure Assets (continued) for the period 13 May 2016 to 30 June 2017

\$ '000		Water 2017	Sewer 2017	General (1) 2017
Infrastructure asset performance indicators by fund				
Infrastructure renewals ratio Asset renewals (2) Depreciation, amortisation and impairment		89.87%	12.21%	57.81%
Infrastructure backlog ratio Estimated cost to bring assets to a satisfactory standard Net carrying amount of infrastructure assets		14.02%	24.60%	9.09%
3. Asset maintenance ratio Actual asset maintenance Required asset maintenance		1.17	1.14	0.88
4. Cost to bring assets to agreed service level Estimated cost to bring assets toān agreed service level set by Council Gross replacement cost	prior period:	6.59% 0.00%	13.04%	1.69% 0.00%

Notes

⁽¹⁾ General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

⁽²⁾ Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Snowy Monaro Regional Council

Special Schedule 8 – Permissible Income Calculation

for the year ended 30 June 2018

\$'000		Calculation 2017/18	Calculation 2017/18	Calculation 2017/18	Calculation 2017/18
Notional general income calculation (1)		Bombala Council	Cooma-Monaro Shire Council	Snowy River Shire Council	Total
Last year notional general income yield	а	2.340	6,989	5.803	15,132
Plus or minus adjustments (2)	b	(10)	(11)	76	55
Notional general income	c = (a + b)	2,330	6,978	5,879	15,187
Permissible income calculation					
Special variation percentage (3)	d	0.00%	0.00%	0.00%	0.00%
Or rate peg percentage	е	1.50%	1.50%	1.50%	1.50%
Or crown land adjustment (incl. rate peg percentage)	f	0.00%	0.00%	0.00%	0.00%
Less expiring special variation amount	g	_	_	_	_
Plus special variation amount	$h = d \times (c - g)$	_	_	_	_
Or plus rate peg amount	$i = c \times e$	35	105	88	228
Or plus Crown land adjustment and rate peg amount	$j = c \times f$			_	_
Sub-total	k = (c + g + h + i + j)	2,365	7,083	5,967	15,415
Plus (or minus) last year's carry forward total	I	4	15	(65)	(46)
Less valuation objections claimed in the previous year	m				_
Sub-total	n = (I + m)	4	15	(65)	(46)
Total permissible income	o = k + n	2,369	7,098	5,902	15,369
Less notional general income yield	р	2,367	7,140	5,892	15,399
Catch-up or (excess) result	q = o - p	2	(42)	10	(30)
Plus income lost due to valuation objections claimed (4)	r	_	_	_	-
Less unused catch-up (5)	S				_
Carry forward to next year	t = q + r - s	2	(42)	10	(30)

page 19

Snowy Monaro Regional Council

Special Schedule 8 - Permissible Income Calculation

for the year ended 30 June 2018

Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the Valuation of Land Act 1916.
- (3) The 'special variation percentage' is inclusive of the rate peg percentage and where applicable Crown land adjustment.
- (4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- (5) Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- (6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the *Local Government Act 1993*. The OLG will extract these amounts from Council's Special Schedule 8 in the financial data return (FDR) to administer this process.



INDEPENDENT AUDITOR'S REPORT

Special Schedule No. 8

Snowy Monaro Regional Council

To the Councillors of Snowy Monaro Regional Council

Opinion

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

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Councillors' Responsibility for Special Schedule No. 8

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

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

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

My objectives are to:

605

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

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

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

My opinion does not provide assurance:

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



Lawrissa Chan Director, Financial Audit Services

22 November 2017 SYDNEY



Integrated Planning and Reporting Manual for local government in NSW







Planning a sustainable future

MARCH 2013

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INTRODUCTION

1

Planning requirements at a glance

Due dates/ frequency	Plan/strategy	Description/requirements	Legislative reference		
For use during development of the Community Strategic Plan and councils' other planning activities.	Community Engagement Strategy	A strategy based on social justice principles for engagement with the local community when developing the Community Strategic Plan.	s402(4) (Act)		
From 2012, endorsed by 30 June in year following election. Review every four years, and roll forward so remains at least 10 year horizon. Exhibit for at least 28 days, copy of plan and amendments to plan to DLG within 28 days of endorsement.	Community Strategic Plan (CSP)	Plan which identifies the main priorities and aspirations for the future of the local government area. Minimum 10 years.	s402(1)- (7) (Act)		
Review in detail every 4 years as part of CSP review. Update annually when developing the Operational Plan.	Long Term Financial Planning	Included in the council's Resourcing Strategy for the provision of resources required to implement the CSP. Minimum 10 years.	s403(2) (Act)		
	Workforce Management Planning	Included in the council's Resourcing Strategy for the provision of resources required to implement the CSP. Minimum 4 years.	s403(2) (Act)		
	Asset Management Planning	Included in the council's Resourcing Strategy for the provision of resources required to implement the CSP. Comprises an Asset Management Strategy and Plan/s. Minimum 10 years.	s403(2) (Act)		



Due dates/ frequency	Plan/strategy	Description/requirements	Legislative reference
From 2012, adopt by 30 June in year following election. Exhibit for at least 28 days.	Delivery Program	Details the principal activities to be undertaken by the council to implement strategies established by the CSP.	s404(1)- (5) (Act)
		Four years' duration.	
Adopt prior to beginning of financial year. Exhibit for at least 28 days. Post copy on website within 28 days of council endorsement.	Operational Plan	Details the activities to be engaged in by the council during the year, and annual budget. Annual sub-plan of Delivery Program.	s405(1)- (6) s532 s610B - s610F s706(2) (Act) cl201(1) (Reg)



Reporting requirements at a glance

Due dates/ frequency	Plan/strategy	Description/requirements	Legislative reference	
Within 5 months of the end of each	Annual report	Report on the achievements in implementing the Delivery Program and the effectiveness of the principal activities undertaken in achieving the objectives in the Community Strategic Plan at which those activities are directed.	s428 (Act) cl217(1)	
financial year (ie by 30 November)		Must be prepared in accordance with the Regulation and the Guidelines.	(Reg)	
		Must include a copy of the council's audited financial reports.		
		Must be posted on the council's website.		
Included in annual report due 30 Nov in year in which an ordinary election is held. (First one due by 30 November 2012)	End of term report	Report on the council's achievements in implementing the Community Strategic Plan over the previous four years.	s428(2) (Act)	
Included in annual report due 30 Nov in year in which an ordinary election is held	State of the Environment Report	Reports on environmental issues relevant to the objectives for the environment established by the Community Strategic Plan. Must be prepared in accordance with the Guidelines.	s428A (Act)	
At least every six months (Dates determined by the council)	Progress reports on Delivery Program	Report on progress with respect to the principal activities detailed in the Delivery Program.	s404(5) (Act)	



Due dates/ frequency	Plan/strategy	Description/requirements	Legislative reference
Not later than two months after the end of each quarter (except the June quarter) (ie by 1 December, 1 March, and 1 June)	Budget review statement	Shows, by reference to the estimate of income and expenditure set out in the statement of the council's revenue policy included in the Operational Plan for the relevant year, a revised estimate of the income and expenditure for that year.	cl203 (Reg)

This manual is designed to assist councils as they implement the Integrated Planning and Reporting framework. It's an important tool designed to help achieve best practice for councils and better outcomes for communities.

It is issued in line with s 406(5) of the *Local Government Act 1993* (the Act) to guide councils through the reasoning behind, and the general intent of the requirements of the legislation and the Integrated Planning and Reporting Manual (the Guidelines).

Because each council is different, the legislation and essential elements of the Guidelines will be applied in different ways. How they are applied will depend on the geographical location, demographics and culture of the council area. For example, a small rural council might carry out community engagement activities in a different manner to a large city council.

Why Integrated Planning and Reporting?

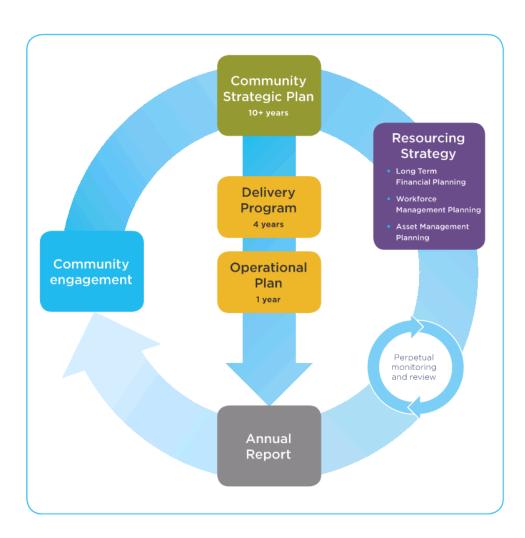
The Integrated Planning and Reporting framework recognises that most communities share similar aspirations: a safe, healthy and pleasant place to live, a sustainable environment, opportunities for social interaction, opportunities for employment and reliable infrastructure. The difference lies in how each community responds to these needs. It also recognises that council plans and policies should not exist in isolation and that they in fact are connected.

This framework allows NSW councils to draw their various plans together, understand how they interact and get the maximum leverage from their efforts by planning holistically for the future.

All councils in NSW are now (as at 1 July 2012) working within the Integrated Planning and Reporting framework (shown below).









1.1 Getting the most from integrated planning and reporting

The Integrated Planning and Reporting framework allows councils to build plans of appropriate size, scale and content for their communities. As each community in NSW is different, each council's Community Strategic Plan will be different. The most important thing is that the Community Strategic Plan, and the implementation structures that support it, are fit for purpose and appropriate to their communities.

The role of the Division of Local Government (DLG), Department of Premier and Cabinet in the planning process is to build the framework, provide guidance and assistance to councils in implementing it, and check that it is working. Each council's role is to use the planning process creatively, for the benefit of their community.

Apart from providing a clear picture for the future, the planning process can also help councils to better connect with their communities to gain a more detailed understanding of their area and its regional context. The process can also provide opportunities for councils to streamline their operations.

Key roles and responsibilities

The success of the planning process relies on the commitment of the mayor and the general manager as well as all councillors. Without strong support and commitment, the council will find it difficult to develop and implement a meaningful plan.

The mayor, as spokesperson for the council, is the public face of the planning process. The mayor is responsible for explaining the purpose of the Community Strategic Plan to the community and encouraging public support for the planning process. The ability of the mayor and the councillors to capture a vision for the community's future and inspire others to participate in that future, will be fundamental to the success of the project. It is important that all councillors support this aim and are fully committed to the value of the project.

Similarly, the general manager has a pivotal role to play in mapping out the council's approach to the planning process and ensuring the community receives the information it needs to participate in a meaningful way.

The general manager will also be responsible for guiding the preparation of the Community Strategic Plan and the council's response to it via the Delivery Program. The general manager is responsible for implementing the Delivery Program and will report to the council on its progress and ensure that it becomes a living document with regular updates and reviews.

The general manager will need to have a clear understanding of the planning process and the way the various components are integrated. The general manager has an important leadership role to play in ensuring that each member of council's staff understands how their particular work activity contributes to achieving the objectives of the Community Strategic Plan and what is expected of them in delivering its outcomes.



Summary of roles and responsibilities

•	
Mayor	 Act as the spokesperson for the council in promoting the Community Strategic Plan and lead community engagement in the development of the Plan.
Mayor and councillors	 Promote the Community Strategic Planning process to the community, and support and participate in community engagement for the development of the Community Strategic Plan
	Consider advice on resourcing implications of the Community Strategic Plan and present options to the community for consultation
	Endorse the Community Strategic Plan, on behalf of the community
	 Ensure the Community Strategic Plan is reviewed in accordance with the legislation and Guidelines
	 Work with the general manager and senior staff to develop a Delivery Program in accordance with the Guidelines
	 Oversee the implementation of the Delivery Program and receive and review reports from the general Manager on progress towards achieving its objectives
	Review the Delivery Program on an annual basis
	 Work with the general manager and senior staff to develop an agreed schedule of reporting to the council on the Operational Plan budget, ensuring compliance with the minimum standard specified in the legislation and the Guidelines
	• Ensure that the council reports to the community annually, as required by the legislation and the Guidelines
	 Work with the general manager and senior staff to develop and oversee the implementation of the Operational Plan in accordance with the Guidelines.



General manager

- Guide and advise councillors and council staff in developing the various plans and requirements of the framework
- Oversee the preparatory processes for the Community Strategic Plan
 to ensure adequate information/research is available to inform the Plan,
 the Community Engagement Strategy is prepared and approved by the
 council, and community members are given sufficient information to
 participate in the planning process in a meaningful way
- Ensure the Resourcing Strategy is being developed and is presented to the council where necessary
- Provide advice to councillors on resourcing implications of the Community Strategic Plan
- Work with councillors to develop the Delivery Program, in accordance with the Resourcing Strategy and the requirements in the Guidelines
- Ensure an annual Operational Plan is prepared and approved by the council
- Implement the Community Strategic Plan, Resourcing Strategy, Delivery Program and Operational Plan and advise the council of any matters that may affect the delivery of the plans, as appropriate
- Work with the council to develop an appropriate reporting schedule on the implementation of the Delivery Program and Operational Plan, ensuring compliance with the minimum standard specified in the legislation and Guidelines
- Ensure that council staff are aware of their responsibilities in implementing the Delivery Program and Operational Plan and monitor their performance through the council's staff performance system
- Oversee the preparation of the Annual Report to the community and the state of the environment report, in accordance with the legislation and Guidelines.

Staff in a senior role

- Senior staff, including deputy general managers, directors and/or executive managers, may take on these responsibilities, depending on the council's structure:
- Work with and support the general manager in the development of the plans and requirements of the framework
- Maintain a watching brief over the implementation of the Community Strategic Plan, Resourcing Strategy, Delivery Program and Operational Plan, and advise the general manager of any matters that may affect the delivery of the plans
- Undertake specific responsibilities allocated to them in the Delivery Program and Operational Plan
- Ensure staff fulfil responsibilities allocated to them in the Delivery Program and the Operational Plan
- Provide timely advice to the general manager on the progress of projects/activities included in the Delivery Program and the Operational Plan.

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1.3 Timeframes and sequencing

1. Scoping

The council gathers information about its community, the opportunities and pressures that might affect it in the future and any state and regional plans that are already in place. The council also considers what principles will guide the Community Strategic Plan. A community engagement strategy is prepared in a format that can be used for community consultation.

2. Engagement

The council leads community engagement to identify long term objectives of the community, strategies to achieve these objectives and the levels of service the community expects.

Consultation with relevant state agencies and Catchment Management Authorities to identify opportunities may also be undertaken. A draft Community Strategic Plan is then prepared.

3. Resourcing

The council sorts out which of the strategies outlined in the Community Strategic Plan are its direct responsibility and which are the responsibility of other agencies.

The council prepares long term financial plans for the strategies it is responsible for, and prepares projected costings based on the level of service expected by the community. The projections should consider matters such as the need for special variations to general income. Work commences on the development or review of the Asset Management Strategy. Other agencies are notified about the strategies they are responsible for and partnership arrangements are encouraged. A risk assessment process should also be developed.

4. Final plan

The draft Community Strategic Plan, with resourcing options, is presented back to the community for review and comment. Any amendments are made and the Community Strategic Plan is formally endorsed by the council on behalf of the community.

The council's Asset Management Strategy is finalised at this point. Possible impacts on the Local Environmental Plan are identified.



5. Delivery Program

The council uses the Community Strategic Plan, and resourcing options to prepare a four year Delivery Program for its term of office. Councillors allocate priorities to the objectives and strategies in the Community Strategic Plan and determine appropriate methods to measure the success of the Delivery Program. Internal reporting requirements are agreed between councillors and staff.

Financial plans are prepared for the four year period of the Delivery Program. These become the first four years of the council's 10 year Financial Plan. The Delivery Program is placed on public exhibition. The staff performance system for senior staff is aligned to Delivery Program objectives and performance measures.

6. Operational Plan

A detailed Operational Plan is prepared for each year of the Program. The Operational Plan sits under the Delivery Program and lists all the actions the council will undertake during the year to achieve its strategic goals. Performance measures are included and a detailed budget is prepared. This becomes the first year of the 10 year Financial Plan.

The staff performance system is aligned to the goals and measures in the Operational Plan. The council continues to set its rates and charges annually and place them on public exhibition.

7. Reporting

The general manager reports quarterly to the council on the budget in the Operational Plan.

The council reports to the community annually on its progress in achieving the Delivery Program objectives. In the last year of the council's term in office, an End of Term Report is prepared as an additional section for the Annual Report, outlining progress in achieving the objectives of the Community Strategic Plan during its term in office.

1.4 Top tips for implementing the Integrated Planning and Reporting framework

This manual provides a thorough discussion about each element of the Integrated Planning and Reporting framework. The 'top tips' described below have been prepared following the review of all councils' initial implementation of the Integrated Planning and Reporting framework, and describe some of the areas requiring further development by many councils. Used in conjunction with the Integrated Planning and Reporting self-assessment checklist, these tips may help councils strengthen their Integrated Planning and Reporting.

INTEGRATED PLANNING AND REPORTING (IP&R)

Top ten tips for councils

- Show the way in which goals, actions and timelines in the Community Strategic Plan, Resourcing Strategy and Delivery Program/Operational Plan fit together
- Consider colour coding or numbering to help navigation between the plans
- 3 Write all plans as clearly as possible try reading them from the perspective of a community member
- 4 Publish all plans, including the Resourcing Strategy, in an accessible location on the website
- 5 Show timeframes on each document eg Workforce Plan 2013-17
- Foster an ongoing internal conversation about IP&R, including education and information for new councillors and staff
- Include performance measures in all plans outcomes based for the Community Strategic Plan, outputs based for other plans and identify the baseline and target
- Share information and suggestions with neighbouring and like councils this conversation might also identify partnership opportunities (see good practice examples)
- 9 Show relationships between the Community Strategic Plan, State Plan and other relevant regional plans and how the council might work together with NSW Government agencies
- 10 If the council is considering applying for a special rate variation, demonstrate the need for this in all relevant plans

IP&R plans in a nutshell: key components to remember

Address four key questions: Community • Where are we now? How will we get there? Strategic Plans.. Where do we want to be in 10 years time? How will we know we've arrived? Show councillors and the community how the council will achieve financial sustainability over the long term **Long Term** Incorporate easy to read commentary to explain financial information, not just spreadsheets Financial Plans... Include different scenarios (eg planned, optimistic, conservative), as well as a sensitivity analysis · Demonstrate how the council's assets will enable the implementation of the Asset Community Strategic Plan Management Describe the condition of key assets, preferably using easily understandable maps or tables Policy, Strategy Identify acceptable levels of services as discussed with the community and Plans... Determine where the council will intervene to improve assets Workforce · Identify current and predicted workforce issues and explain what the council is going to do to address in order to achieve the Delivery Program Plans... Summarise the activities the council has prioritised over a four year term to achieve Delivery the Community Strategic Plan Address the full range of the council's operations Are the key 'go to' document for councillors Show detailed actions, which are clearly linked to the related activity area in the Delivery Program Include a Statement of Revenue Policy

Top tips for...integrating your plans

- Clearly link the goals in the Community Strategic Plan to the activities in the Delivery Program and Operational Plan
- Reflect specific asset, financial and workforce activities in the Resourcing Strategy in both the Delivery Program and the Operational Plan
- Identify strategies or activities in the Workforce Plan and Asset Plans which will have an impact on the council's finances

Top tips for...communicating and engaging about your planning

- Publish a separate Community Engagement Strategy, which demonstrates how the council will engage hard to reach groups and the general community, as well as NSW Government agencies and other stakeholders
- Consider how councillors can contribute to and support the engagement process
- Get creative with your consultation methods take a look at other Community Engagement Strategies for ideas
- Show how community engagement informed the goals, priorities and strategies in the Community Strategic Plan – demonstrate that it is a long term plan for the community, not simply the vision of the councillors
- Include contextual information about the local government area in the Community Strategic Plan, such as geographic boundaries and demographics
- Engage the community in identifying the acceptable level of service for each asset type in Asset Management Plans

In 2013, Community Engagement Strategies prepared by Group 3 councils may be less comprehensive than those prepared by other councils. Group 3 councils may be confident the priorities identified in 2012 remain relevant – and may therefore want to simply check in with the community.

It is up to the council to determine how extensive the community engagement program in 2013 will be. Remember that, at a minimum, the Community Strategic Plan will need to be publicly exhibited before being endorsed by the council.

Top tips for...measuring your performance

- Use outcome based performance indicators in the Community Strategic Plan for example, the proportion of people who feel safe in their community
- Use output based performance indicators in the Delivery Program/Operational Plan for example, the completion of the Safe Communities Action Plan by 30 June 2015
- Consider including measures or targets even when a strategy is not the responsibility of the council this
 will help in showing the progress in meeting broader community objectives and identifying when further
 negotiation with other service providers may be needed
- Include indicators for monitoring financial performance in the Long Term Financial Plan and for assessing progress against actions in Asset Management Plans and the Workforce Plan
- Ensure performance indicators are relevant, meaningful and provide valuable information about how the council and the community is tracking remember, quality over quantity

COMMUNITY STRATEGIC PLAN

2

The Community Strategic Plan sits above all other council plans and policies in the planning heirarchy.

The purpose of the Plan is to identify the community's main priorities and aspirations for the future, and plan strategies to achieve them. These strategies will take into consideration the issues and pressures that may affect the community and the level of resources that will realistically be available. While a council has a custodial role in initiating, preparing and maintaining the Community Strategic Plan on behalf of the local government area, it is not wholly responsible for its implementation. Other partners, such as state agencies and community groups may also be engaged in delivering the long term objectives of the Plan.



2.1 Community Strategic Plan

Local Government Act

Each council must develop and endorse a Community Strategic Plan, on behalf of its local government area. The plan must identify the community's main priorities and aspirations for the future.

Essential Element 1.1

The Community Strategic Plan should be developed and delivered as a partnership between council, state agencies, community groups and individuals. It should address a broad range of issues that are relevant to the whole community.

The Community Strategic Plan essentially addresses four key questions for the community:

- Where are we now?
- Where do we want to be in 10 years' time?
- How will we get there?
- How will we know we've arrived?

The council's role is to guide the community through these important discussions and to document the response in a meaningful plan. However, it should be clearly understood that it is not the council's responsibility to deliver every aspect of the Community Strategic Plan.

It is important to explain this during the engagement process, or the community may not take ownership of the document and may develop unreasonable expectations about the council's role in the delivery process.

The Community Strategic Plan should aim for its outcomes to be delivered by a partnership between individuals, community groups, state agencies and the council. Creating these partnerships will also help the Plan to be a live document that is constantly referred to and reviewed.

The Community Strategic Plan should address the entire local government area, although councils can focus on specific places throughout the Plan.

It is also possible for the Community Strategic Plan to be undertaken on a regional basis, in co-operation with a number of council areas. However, councils should bear in mind that they will be required to develop their own Resourcing Strategy and Delivery Program based on the regional plan.



Local Government Regulation

The Regulation provides the exemptions and modifications to the strategic planning provisions in Part 2 of Chapter 13 of the Act for county councils.

Requirements for county councils

It is not expected that county councils will prepare a Community Strategic Plan because this work will be undertaken by their constituent councils.

However, county councils will be required to prepare a minimum 10 year strategic plan for the activities undertaken by their organisation. This plan must give due regard to the Community Strategic Plan/s of their constituent councils and be developed in consultation with those councils. Community engagement will also be required on the issues specific to the county council's plan.

Specific exemptions and modifications to clarify the requirements for county councils are included in the *Local Government* (General) Regulation 2005 (the Regulation).

Councils under administration

In the event that a council is placed under administration, the Community Strategic Plan will continue to be implemented. It will be the administrator's responsibility to guide the community engagement process for the Plan and to work in co-operation with council staff to ensure the draft Community Strategic Plan, Resourcing Strategy and Delivery Program are developed.

2.2 Deciding on timeframes

Local Government Act

The Community Strategic Plan must cover a period of at least 10 years.

The minimum timeframe for a Community Strategic Plan is 10 years. This is based on accepted principles of strategic planning and reflects the requirements of the National Framework for Local Government Financial Sustainability which were signed off by all states and territories in 2007/08.

It can be challenging to envisage the future more than a few years ahead, so it is important to concentrate on general themes and objectives rather than specifics when preparing the Community Strategic Plan. For example, a Plan might say "we want to increase educational opportunities in our area" rather than "we want a new TAFE college or uni campus in a our town".



This allows the community to consider a wide range of options for a wider range of people and encourages a more innovative approach.

The actual details of projects and programs to support the community's strategic objectives will be spelled out in the council's Delivery Program and Operational Plans, or included in any partnerships established with other providers, such as state agencies.

The purpose of the Community Strategic Plan is to provide a road map of what is important to the community and where it wants to go.

Councils responsible for water supply and sewerage infrastructure

Councils that have responsibility for water supply and sewerage infrastructure need to comply with the requirements and timeframes of the NSW Government's *Best-practice Management of Water Supply and Sewerage Guidelines 2007.* These requirements include:

- Preparing and implementing a 30 year Integrated Water Cycle Management (IWCM) Strategy
- Preparing and implementing a 20-30 year Strategic Business Plan, Financial Plan and associated asset management plans

 Annual Performance Monitoring, including preparing an annual Action Plan to review the council's performance and to identify and address any areas of underperformance. The review also includes whether the current typical residential bill is in accordance with the projection in the Strategic Business Plan and any proposed corrective action.



2.3 **Getting started**

The effectiveness of the Community Strategic Plan and the implementation structures that support it (the Resourcing Strategy, Delivery Program and Operational Plans) will depend largely on the quality of information that is used to inform them and the way the plans are organised and presented to the community. It is important that everyone has a clear vision of what they are trying to create and how they are going to create it.

The council is responsible for managing the planning process, so that a wide range of community members have a chance to contribute to the Community Strategic Plan. Other partners, such as state agencies, also have a responsibility to assist the council with relevant, available data, and participate in consultation.

There are a number of preparatory processes to undertake before the council and the community can start setting long term objectives and devising strategies to achieve them.

These processes include:

- Deciding how the council will manage the project including who will be responsible for what and what timeframes will need to be worked to
- Agreeing on the principles that will underpin the Community Strategic Plan
- Identifying key issues affecting the area and possible impacts and opportunities
- Identifying existing plans that may relate to or inform the Community Strategic Plan
- Identifying how the council will involve the community in the development of the Community Strategic Plan.

Managing the project

It is recommended that councils use a multi-disciplinary team to manage the planning process.

Because the plans are integrated plans, it is important that community services, environmental management, asset management, planning, engineering and corporate services staff are involved.

Examples of good practice in delivering the full suite of plans

As of June 2012, the following councils can be considered good practice examples in the delivery of the full suite of plans:

- Ashfield
- Bega Valley
- Bellingen
- Canada Bay
- Gloucester
- Randwick
- · Snowy River
- Tamworth
- Tweed
- Waverley
- Wentworth

The following county councils can be considered good practice examples in the delivery of the full suite of plans:

- Far North Coast County
- Mid Coast County
- New England Weeds Authority
- Richmond River County



A suggested timeline for the planning process follows:

6 - 12 months before local government election	Outgoing council oversees a review of progress in implementing the Community Strategic Plan. The report is presented to the final meeting of the council and published in the Annual Report. Council officers begin a review of the information that informs the Plan and update statistics as required. Preliminary consultation with target groups or community satisfaction surveys may be conducted to improve the information base for the Plan.
First 3 months of new council October – December	New councillors undertake an induction program and become familiar with their responsibilities in the planning process, review the report on the Community Strategic Plan from the previous council and read the updated information that council officers have prepared. Council officers finalise the underpinning information for the Community Strategic Plan and present it to councillors via reports/discussion papers/workshops. The general manager oversees the preparation of the Community Engagement Strategy, in consultation with councillors.
3 - 9 months after election January - March	Community engagement program is undertaken and a draft Community Strategic Plan prepared. Resourcing Strategy is reviewed and updated and a draft Community Strategic Plan and resourcing options are presented to the community for further comment. Work commences on the Delivery Program.
6 - 9 months after election April - June	The Community Strategic Plan, Resourcing Strategy, Delivery Program and Operational Plan for the first year are finalised and adopted in time for the new financial year.



2.4 Agreeing on principles

The new planning framework does not prescribe a set of principles for communities (other than those already included in the Council Charter). It is up to each community to decide what the underpinning principles will be for its Community Strategic Plan. The principles chosen should aim to become a part of every day decision-making, actions and management.

The Council Charter (s 8 of the Act) comprises a set of principles that guide a council in carrying out its functions. A council may add its own principles as long as they are not inconsistent with those in the Charter.

One principle requires councils to "properly manage, develop, protect, restore, enhance and conserve the environment of the area for which it is responsible, in a manner that is consistent with and promotes the principles of ecologically sustainable development".

There are many different views on what constitutes a 'sustainable community'. Some councils are already involved in sustainability-based programs, such as Cities for Climate Protection or Local Agenda 21. Others have used commonly accepted definitions of sustainability to inform their long term plans and sustainability plans. Some have even developed their own definition of sustainability in partnership with the community.

Some principles councils may wish to consider include:

The 'Melbourne Principles' for Sustainable Cities. These were devised as part of the United Nations Environment Program (UNEP). Although they are nominally for 'cities', the principles apply equally to smaller communities. For more information, see the website http://www.iclei.org/fileadmin/user_upload/documents/ANZ/WhatWeDo/TBL/Melbourne_Principles.pdf.

The sustainability principles outlined in the NSW Local Government Sustainability Health Check, developed by Local Government Managers Australia, NSW and the former Department of Environment and Conservation. This is available from the LGMA website www.lgmansw.com.au.

The International Council for Local Environmental Initiatives (ICLEI) can also provide guidance. More information is available from the ICLEI website www.iclei.org.

The Protection of the Environment Administration Act 1991 (NSW) defines environmental sustainable development as requiring the effective integration of economic and environmental considerations in decision-making processes.

The National Strategy for Ecologically Sustainable Development defines ecologically sustainable development as: "using, conserving and enhancing the community's resources so that ecological processes, on which life depends, are maintained, and the total quality of life, now and in the future, can be increased".



This highlights that councils must consider different options for determining the principles that will guide the development of their Community Strategic Plan and choose the approach that best suits their community.

Councils need to take a long term view and consider social, economic and environmental aspects, and the needs of current and future generations when making decisions. This underpins the planning and reporting framework.

The importance of civic leadership, accountability and transparency in decision making should also underpin the Plan.

Communities require sound leadership to ensure their long term viability – it is a key factor in achieving an appropriate balance among the above considerations.

Community principles

Part of the community engagement process will be to agree upon the principles that will underpin the Community Strategic Plan.

While preparing for the planning process, the planning team should review a number of options and recommend which principles might be adopted. Depending on the approach chosen, the principles will give rise to a number of planning issues.

Examining the principles will help the team to identify possibly key issues. For example, one of the key principles of The Melbourne Principles is "Enable communities to minimise their ecological footprint". To work towards this aim, the community would need to have a picture of what its ecological footprint is currently like and an understanding of processes that could be used to reduce its impact on the environment.

This suggests that the evaluation of environmental considerations might include the current and future energy consumption, the number of vehicles in the city or shire, the volume of waste generated each year, etc.



Local Government Act

The Community Strategic Plan must be based on the social justice principles of equity, access, participation, and rights.

Social Justice principles

The NSW Government's social justice strategy is based on the following interrelated principles:

- Equity there should be fairness in decision making, and prioritising and allocation of resources, particularly for those in need.
 Everyone should have a fair opportunity to participate in the future of the community.
 The planning process should take particular care to involve and protect the interests of people in vulnerable circumstances
- Access all people should have fair access to services, resources and opportunities to improve their quality of life
- Participation everyone should have the maximum opportunity to genuinely participate in decisions which affect their lives
- Rights equal rights should be established and promoted, with opportunities provided for people from diverse linguistic, cultural and religious backgrounds to participate in community life.

Councils must ensure that their Community Strategic Plan reflects these four social justice principles and that social considerations are adequately addressed in the planning process.

They can do this by:

- Ensuring that a broad range of community members have input into developing the Community Strategic Plan
- Specifically consulting with those groups whose voice is often not heard in community discussions
- Testing the objectives of the Community Strategic Plan against the principles by checking whether the objectives are fair, if they exclude anyone from participating in the community's future and if anyone would be disadvantaged by the decisions
- Ensuring that the Community Strategic Plan is adequately informed by sound social research and needs analysis
- Ensuring that the Community Strategic
 Plan provides opportunities for community
 members to become involved in its delivery
 and assessment of its effectiveness in
 achieving its objectives.

In practice, this means that much of the work previously undertaken for the Social and Community Plan will now be incorporated into the Community Strategic Planning process. Councils should continue to refer to the guidance in the Social and Community Planning and Reporting Manual, DLG, 2002. In particular, the demographic profile needs assessment and consultation guidance remains relevant.



2.5 Addressing the quadruple bottom line

Local Government Act

The Community Strategic Plan must address social, environmental, economic and civic leadership issues in an integrated manner.

Each Community Strategic Plan must adequately address social, environmental, economic and civic leadership considerations. This approach is generally referred to as 'the quadruple bottom line'. In some models the fourth element is described as 'governance'. In the new planning framework, the term 'civic leadership' has been chosen to indicate that it relates not only to the way the council will interact with the Community Strategic Plan, but the way members of the community might become involved in delivering some of the Plan's objectives.

The quadruple bottom line approach was chosen to ensure that the Community Strategic Plan would be balanced and take a holistic view, rather than favouring one particular aspect. Councils can arrange their Community Strategic Plan in any way they like, as long as they can demonstrate that social, environmental, economic and civic leadership issues have been considered and are adequately addressed. There are a number of ways of doing this.

Basic approach

The simplest way is to group items that the council and the community want to consider under the four key headings to make sure there is an adequate range under each heading. For example, when setting out its Community Strategic Plan, a larger council might draw up a table like the one on the following page.

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Social	Environmental	Economic	Civic Leadership
 Access and equity issues Cultural activities Recreation and active living Built environment urban design and planning for growth Providing and maintaining community facilities Heritage issues Consultation networks Public health and safety Affordable housing Education Transport links between communities in our LGA 	 Total water cycle management Preserving biodiversity Waste management Protecting specific environmental features Climate change impacts and initiatives Alternative energy sources Air quality Environmental impact of development Environmentally sound operation of assets 	 Regional economic profiles and opportunities Economic sustainability strategies Commercial and industrial opportunities Small business strategies Tourism Providing vocational pathways Supply chain issues Transport and trade links with other centres Financial sustainability of the council 	 Policy frameworks Decision-making principles and allocation of priorities Leadership and representation Levels of service Council's role as a responsible employer Business efficiency and probity expectations of the council Ethical practices Consultation and community participation in decision making Community ownership and implementation of the strategic plan

This approach ensures that the four key areas are addressed and a variety of issues are considered, but it does not take into account that some issues are relevant to more than one key area. As a result, different councils will consider and classify them in different ways. For example, transport links within the LGA has been placed in the 'social' column above because this particular community felt it was about promoting a sense of wellbeing, allowing people to travel safely and easily to neighbouring settlements for social or recreational purposes and promoting active living.

Another council might place it in the 'environment' column because the community's priority is to provide transport links such as bicycle paths and walkways that reduce the amount of car movements and, consequently, the community's greenhouse gas emissions.

It doesn't matter how each issue is classified, as long as it is considered in the planning process, and adequate attention is given to each of the four key areas.



More comprehensive approach

A more comprehensive way of addressing the four key areas is to test each issue against them and consider the implications. For example, a council might draw up a table for each of its key objectives (for example, its top five priorities) like the one that follows.

Objective	Social issues	Environmental issues	Economic issues	Civic leadership issues
Developing tourism opportunities	 Employment opportunities Promoting a 'sense of place' and pride in the community Opportunities for cultural exchange, entertainment and events Equity - sharing facilities and balancing the needs of residents and visitors Public amenity and community safety impacts Development design and scale 	 Protecting environmentally sensitive areas from development and human activity Reducing environmental impacts of tourist operations eg water consumption, waste, energy Encouraging eco-tourism developments Impact of climate change on key tourist areas 	 Build a diverse economic base for the community Regional opportunities in cooperation with neighbouring LGAs Attracting outside investment Local business development strategies, links with existing businesses Sustainable income - seasonal trends and over-supply issues Opportunities for public/private partnerships 	 Opportunities to engage other agencies Governance structures for the city's tourist operations Managing volunteer programs for residents to welcome and assist tourists Level of council support for local tourist industry – what will be provided, what are the priorities?

This approach allows each objective to be considered thoroughly and opens the way for more innovative approaches in implementing it. It may also highlight unexpected consequences or issues that need to be addressed.



2.6 Identifying the big issues

Although the Community Strategic Plan is a community driven process, it is difficult for members of the community to make important long term decisions if they have no relevant information or evidence.

Strategic planning also requires a different type of thinking because it focuses on broad issues, such as social justice, human dignity, sustainability and social capital. Although people will have opinions on these issues, they may need some guidance to translate them into goals or objectives for the community.

To put the Community Strategic Plan together, the community will need to address four key questions:

- Where are we now?
- Where do we want to be in 10 years' time?
- How will we get there?
- How will we know we've arrived?

One of the most important roles for the council in the strategic planning process is to guide the community in identifying major issues and understanding how these issues may impact on the community. This is the 'where are we now?' part of the planning process.

Providing the community with relevant information

To get people thinking about future directions and solutions, it is necessary to do a stocktake on where the community is right now. One of the easiest ways to do this is to provide a series of discussion papers, workshops or lists of key local issues to encourage community discussion during the engagement process.

For example, when one council set out to prepare its first city plan, it prepared five background papers on key themes to assist the community. The themes that it chose were:

- A Sense of Community which looked at demographic trends and characteristics, and social needs within the city
- Places for People which considered issues relating to the built environment and urban design
- A Prospering City which focused on the city's local and regional economic context and economic development issues
- Moving Around which looked at transport issues and the social, land use, economic and sustainability issues that arise from how people move around
- Looking after our Environment which gave an overview of the city's local and regional natural environment and recreational context.

This was one way of providing a sound basis for community discussion on key issues. Some councils use a 'State of the Shire' report to highlight key local issues. Some smaller councils have used innovative approaches to start discussion on long term planning, such as collecting photos of what people like and don't like about their community.

Drawing all of this information together and presenting it in a user-friendly format is a considerable task and councils will need to approach the exercise according to their own particular circumstances. For example, a small rural council may only need one general discussion paper or presentation to support its discussions. A large metropolitan council would need to take a more comprehensive approach. The important thing to remember is that this is an integrated planning framework so relevant information will come from a variety of sources and the planning process will involve a variety of different people. Council should aim to gather the best available information.

Although many councils currently have a strategic planning team, the pre-plan work shouldn't be restricted to this team alone. The



Community Strategic Plan will ultimately affect everyone who works at the council, as well as the community, so it is best to get a variety of people involved in the process.

Part of the process will be to think about some of the possible implications of the issues that are identified. In this respect, it would be very valuable to have a range of people working on the project. For example, if you are considering waste management issues, engineering staff might highlight different implications to, say, community services practitioners, or financial managers, or members of a local environment group.

Gathering information

There are usually a couple of issues that are at the forefront of public debate. These generally relate to external pressures or changes that the community may be experiencing. For example, in metropolitan communities the concern may be about managing growth and development in the area. For rural communities, it might be about ensuring the long term survival of towns and industries. Both communities might be concerned about the impacts of climate change, but for different reasons.

Communities are also concerned with quality of life issues such as personal safety, open space and places for recreation, general amenity and aesthetics of the area, protection of the environment, and employment and educational opportunities.

The challenge is to drill down into these general issues and identify some specifically local concerns. For example, what is the current state of play, and what are the likely impacts and implications?

It is also important to identify and understand the drivers of change. For example, asking what the pressures or influences will affect the community and bring about expected changes be, if there is anything that can be done about them and if there are any opportunities to be explored. When identifying a community's key issues, the four key areas of the Community Strategic Plan should be used. The range of issues identified must broadly address all these key areas.

Gathering information from other plans

An important part of gathering information is to look at existing plans, strategies and other sources of information to see what has been highlighted before. Issues might be identified in these other plans and if they are relevant to the community, they might need to be incorporated into the Community Strategic Plan.

Under the framework, councils are required to give due regard to the State Plan and other relevant state and regional plans.

Councils are also required to consider relevant state or regional draft plans and strategies that are available.

Councils already have obligations in respect to land use planning, regional strategies and the Sydney Metropolitan Strategy (where applicable). These should be considered when preparing the Community Strategic Plan.

NSW 2021 (which replaces the previous NSW State Plan) sets clear priorities and goals (32 in total) for government action. Reviewing these may give the council a starting point to identifying relevant issues for its Community Strategic Plan. NSW 2021 will also provide a clear view of where the NSW Government will be focusing on in coming years.

NSW 2021 also includes Local and Regional Action Plans. Due regard must be given to these when preparing the Community Strategic Plan, particularly where the plans have mandatory targets, such as growth targets in Sydney metropolitan planning strategies. Go to the website for more information. http://www.2021.nsw.gov.au/

It's essential that the Community Strategic Pan recognises and connects with NSW planning goals in areas such as land use and ageing



populations. Towards 2030: Planning for our changing population and the NSW Ageing Strategy are useful references as are the individual Regional Strategies prepared by the Department of Planning and Infrastrucutre.

http://www.planning.nsw.gov.au/Home/tabid/471/language/en-AU/Default.aspx

Gathering information from council's existing plans

Councils already have a wide range of plans that will help identify key community issues. These include:

- Social and community plans
- State of the Environment reports
- Economic development strategies
- Cultural plans
- Transport studies
- Tourism plans
- Sustainability plans
- Environmental management plans
- Heritage studies
- Section 94 contributions plans
- Land use strategies, or conservation and development strategies
- · Local Environmental Plan

These plans are an excellent starting point for highlighting issues, considering local implications and suggesting priorities. Consider the recommendations that the various plans have made over the years. Have these been implemented? Are they still relevant?

Accessing data

This might include data gathered by other agencies eg the Australian Bureau of Statistics census figures, regional and LGA profiles; the NSW Bureau of Crime Statistics; State of the Catchment Report Cards; NSW Chief Health Officer's Report; and Department of Housing rent and sales reports. Analysing local trends in these figures may provide an indication of emerging issues. For example.

- · Is the local population increasing?
- Are there more people from a non-English speaking background moving to the area?
- Are average rental prices increasing?
- Has there been an increase or decrease in a particular type of crime?
- Are more people travelling outside the LGA to go to work?

It is also helpful to compare LGA figures with state or regional averages.

Gathering community feedback

There are a number of ways to sample community views before the formal engagement process. A good starting point is to discuss issues with council staff. Frontline workers, such as customer service staff and repair crews, are a good source of information because they get regular feedback from the public regarding council services, issues and concerns.

Councillors also talk to their constituents regularly and are involved in a range of community activities. One way to tap into councillors' knowledge is to hold a workshop or pre-planning day. Using a strategic planning tool such as a SWOT analysis will help get the workshop focused on broad issues and identify key community concerns. In this process, participants are asked to identify the strengths, weaknesses, opportunities and threats that they believe relate to the community. There are many variations of the SWOT analysis, any of which could be used as a good broad brush starting point.

Many councils also undertake regular customer satisfaction or community surveys. These are a valuable source of information to help the pre-planning process, as they provide a clear indication of residents' opinions and priorities.

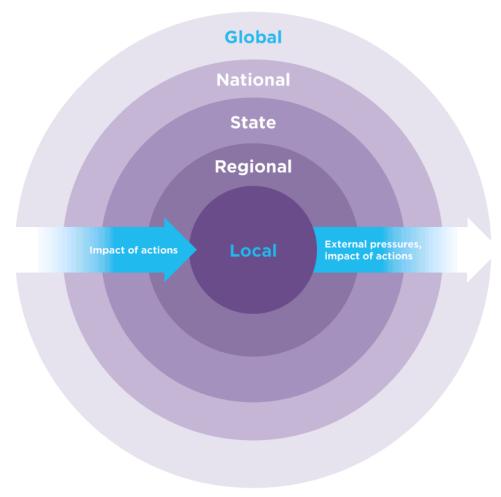


Understanding the big issues

Once the council has identified what it believes to be the key issues for the community's future, the next step is to provide a local focus on these issues and think about some of the possible implications for the community. In doing this, it is important to consider scale. Some issues will be mainly local. Some issues will be global, national, regional or catchment based. Understanding where an issue sits in the wider picture will help the community to determine a suitable response to it.

The following diagram illustrates the concept:

All issues will have multiple threads and connections because things don't work in isolation within a community. The environment, for example, is not a separate entity – it has connections with the built environment, social structures and the local economy. Infrastructure has links to community services, economic needs and environmental outcomes. Decisions about community services affect land use planning. Decisions about public health affect asset management, and so on. Exploring these connections will help to develop a more integrated planning framework.





Examples

The following examples suggest how councils might explore the various issues that are highlighted in the pre-plan process.

Assuming that climate change has been identified as a significant issue, it is important to understand not only the global implications, but also the possible local effects. Some of the information the council might draw on to help people understand this issue could include:

- Climate change models that relate to the local area or region (eg sea level projections)
- Population projections and demographic profiles
- State, national or global targets or policies that may be relevant
- Information on local greenhouse gas production eg energy consumption, number of vehicles in the LGA
- Projects that are already underway at local, regional, state or national level.

It is also important to consider some of the possible implications of this issue on the local community. For example, if the community were to reduce local vehicle usage as one of its climate change strategies, what impacts might this have on land use planning decisions, urban design, investment in new infrastructure, increased need for public transport etc? What are some of the financial implications of these impacts?

This is where the council will benefit from having a range of people on its planning team to consider the issue fully. If infrastructure has been identified as a key issue, the information that might be relevant includes:

- Condition assessments of the council's current assets
- Council's existing capital works program and s 94 plans
- Population projections and demographic profiles
- Projects identified in regional or state plans
- National infrastructure programs.

The social, environmental and financial implications of infrastructure provision and maintenance should also be considered, particularly if the need for major capital works has been identified.

If protection of the environment has been identified as a key issue, the information that might be relevant includes:

- Condition assessments and recommendations from State of the Environment Reports
- Previous environmental studies undertaken for the LEP
- Council's Environmental Management Plans
- Catchment Action Plans from relevant Catchment Management Authorities (CMAs)
- State of the Catchment Report Cards from relevant CMAs
- Regional environmental studies
- Studies undertaken by local environmental groups
- Coastal and floodplain management studies
- Heritage studies
- NSW State of the Environment Report
- State Plan environmental priorities, targets and progress reports.



When considering potential implications for this issue, it is particularly important to think about scale and connectivity. For example, is this a regional or catchment-based issue? Is it a state, national or global issue? How are the various systems connected? Will actions that affect one system also affect another? What social and financial impacts could environmental protection measures have?

If community services have been highlighted as an issue, the information that might be relevant includes:

- Previous needs analyses undertaken for the Social/Community Plan or other council plans
- Social trends identified in local demographic profiles, for example an ageing population
- Comparison of service/facilities demand data with current supply information involving council and non-council services
 are existing services currently at capacity, or under-utilised? Are they accessible to all members of the community?
- Comparison with established standards
 how does the area compare with State averages or benchmarks?
- Legislative requirements –are there specific requirements to provide certain services/ facilities that are currently not being met?
- NSW Government social policy frameworks for particular groups
- Results of previous community consultation and feedback.

When analysing the information it is important to consider not only broad issues and implications, but also the representation of particular groups who may have special needs or issues. These groups were formerly referred to as 'target groups' in the social planning process and include:

- Children
- Young people
- People with disabilities
- Older people
- Women
- Aboriginal and Torres Strait Islander people
- People from culturally and linguistically diverse backgrounds
- People from diverse sexualities

For example, Aboriginal people or people with disabilities may have different housing needs to those of the general community. Giving particular consideration to these groups will help to ensure that all members of the community receive a fair go in planning future services or facilities and that the council meets the requirement to ensure the Plan is founded on social justice principles.

Also consider how community services are interlinked with economic, environmental and urban design issues. This is particularly relevant, for example, if affordable housing is emerging as a key social issue for your area.



Deciding which information is important

In preparing its discussion papers or presentations on key issues, the council should consider both quantitative and qualitative information. For example, there may be crime statistics available for the local area, but there are also people's perceptions of community safety. Often the two won't completely align.

Community feedback might suggest that people feel unsafe when walking local streets at night, even though crime statistics for the area show there is a very low personal risk involved. The perception may originate from poor street lighting, seeing groups of drunk or disorderly people in the main street, neighbourhood hear-say, or reports on television or in the local newspaper.

Regardless of where the perception came from, it is very real to the people who hold that belief and affects the way that they participate in the community.

There will also be some aspects that hold particular or special values for your community which elevate their significance in the planning process. This might be a particular heritage building, a natural feature or a memorial park. In these cases, the way people feel about the feature, or the personal value they place on it, may be more relevant to long term decision making than the facts and figures that relate to it.

Presenting the information

The effectiveness of the Community Strategic Planning process relies on the way that information on issues, impacts and possible solutions is presented to the community. The community engagement process will serve as a testing point for the issues the council has identified – Are these the matters of key concern to the community? Are there other issues that should be highlighted? As the community works through the issues, long term goals will become clearer and strategies for achieving those goals can start to take form.

In presenting the information, the council may need to keep in mind that many members of the community aren't actually aware of what their council does, the range of services it provides, nor the various sources of its income. To help encourage informed community debate on long term objectives, strategies and resourcing, you may wish to provide some background information on council's role to residents. This information might include:

- An outline of the range of services the council currently provides
- An explanation of the council's regulatory functions and legislative responsibilities
- An outline of key sources of income
- An outline of key expenditure
- An explanation of how the Community Strategic Planning process works

It is important that the council also discusses future projections of income and expenditure with the community. What does it expect will happen in the next 10 years? What might happen, for example, if something changed eg signifiant population increases, changes to transport or local industry?



2.7 Engaging the community

Local Government Act

The council must prepare and implement a Community Engagement Strategy based on social justice principles for engagement with the local community in developing and reviewing the Community Strategic Plan.

Essential Element 1.5

As a minimum, the Community Engagement Strategy must identify relevant stakeholder groups within the community and outline methods of engaging each group.

Essential Element 1.4

Due consideration must also be given to the expected levels of service expressed by the community when preparing the Community Strategic Plan.

It is often challenging to involve the community in planning processes, but it is important for the long term success of the Community Strategic Plan that as many community members as possible are involved in its development.

To prepare for this, councils are required to devise a Community Engagement Strategy for the development and review of the Community Strategic Plan.

There is no prescribed format for the Strategy, but there is a general requirement to identify stakeholders and plan methods of engaging each of these groups. How this is done will depend on the individual characteristics of the community, its existing relationship with the council and the time and resources available for the process. It is important that sufficient time is allowed for community engagement.

It is also important to understand the difference between community consultation and community engagement. This is best illustrated by the scale that follows. The scale was developed by the International Association for Public Participation. (IAP2). The IAP2 website (https://www.iap2.org.au) is a useful resource for community engagement activities. The State Government's Community Builders website (www.communitybuilders.nsw.gov.au) is also helpful.



Inform Consult Involve Collaborate **Empower** To provide To obtain To work To partner To place public the public directly with with the final with balanced feedback the public public in decisionand objective throughout each aspect making in on information alternatives the hands the process of the to help them and/or of the to ensure decision understand decisions that public including the public a problem, concerns development alternatives, and opportunities aspirations alternatives and/or are and identification solutions consistently understood of the preferred and considered solution

Councils should aim

to achieve at least

Strategic Planning

this level in their

Process

Increasing level of public impact

Public Participation Goal

As the diagram shows, the previous level of participation required for the annual Management Plan could be described as 'informing' and 'consulting'. Each council was required by the Act to place a copy of the draft plan on public exhibition and to consider comments from the public before adopting the plan. Some councils voluntarily undertook a higher level of consultation with their communities.

were reflected in

developing the

previous legislative

Management Plan

The new requirements call for a more comprehensive approach, as they will result in the development of long term plans that will significantly affect all members of the community. The framework is built on the principle that all members of the community

have a right, and a responsibility, to contribute to their community's future. Community engagement also provides an opportunity to discuss how the agreed outcomes articulated in the Community Strategic Plan can be resourced, for example through a special rate variation.

These plans will span at least 10 years – well beyond the council term of office – so it is expected that people in the community will take some ownership of them and contribute to their delivery in some way. This is why the term 'engagement' has been used in the new legislation, rather than 'consultation'.

preferred level,

with structures established

for ongoing

engagement



To effectively engage the community, councils should be aiming for at least the 'involvement' level, shown in the diagram above, where they are actively working with the community to ensure its concerns and ideas are reflected in the Community Strategic Plan and providing feedback as to how their input influenced the final document.

Ultimately, councils should aim to achieve the 'collaboration' level where the community is involved in the ongoing delivery and monitoring of the Community Strategic Plan. This could be achieved by establishing consultative committees, or a special community taskforce, to have ongoing input into the process.

Over the years, many councils have become disenchanted with consultation attempts because "no-one shows up to the meetings or responds to the public exhibition". Moving from consultation to engagement requires a different approach and the need for more innovation in planning public participation.

For example, people may not be willing to come to a public meeting on a week night, but they might be happy to share their views at a shopping centre display on community issues, or contribute to a blog on a council website. Residents might not read the council information sheet that comes with their rates, but they might listen to a local radio program on community planning issues, or read a story in their local paper.

There is a wide range of resources available to help councils plan community engagement activities and develop their engagement strategies. A list of useful resources is included on the Integrated Planning and Reporting webpage at www.dlg.nsw.gov.au.

Preparing for public participation

One of the first stages of the Community Strategic Planning process is to prepare a Community Engagement Strategy. The Strategy should allow for public participation at various stages of the planning process and identify key stakeholder groups.

Some councils already have a general Public Participation or Consultation Strategy that covers all their activities. The Community Strategic Plan Engagement Strategy may be included in this document if the council wishes.

When preparing the Strategy, it is important to consider groups whose voice may not normally be heard in community discussions. This might include people with disabilities, Aboriginal communities, people from culturally or linguistically diverse backgrounds, young people, people in geographically isolated areas, single parents, and the elderly. The council is required to base the Community Engagement Strategy on social justice principles and this extends to the community engagement process.

As well as facilitating the participation of specific target groups in the planning process, councils may also find it useful to host some community planning forums which encourage cross-generational discussion and debate. Such forums provide an opportunity for people in one group of the community to hear first hand what some of the key issues are for another group in the community. This encourages a shared understanding of the issues, and promotes dicussion about priorities and resource allocation that councils may find helpful in the planning process.



The diagram following shows the main stages of the engagement process:

Stage One Preparing information	Stage Two Developing the Draft Community Strategic Plan	Stage Three Reviewing the Draft Community Strategic Plan, Resourcing Strategy & Delivery Program	Stage Four Reviewing the Community Strategic Plan at the end of each council term
Target discussions with particular groups and state agencies to help prepare discussion papers or 'State of the Shire' information, that will inform the Community Strategic Plan. These discussions may also identify relevant regional strategies or plans from other agencies and groups. The council may also seek to obtain feedback from particular stakeholders on the effectiveness of previous plans or strategies.	A series of engagement activities based on the discussion papers/ reports prepared in Stage One. This will be the most resource intensive stage, involving a range of activities for different groups, at different times. Discussions on levels of service and possible resourcing levels will be held at this stage. The aim is to prepare a Draft Community Strategic Plan.	This is the stage where the community will refine the Community Strategic Plan and consider the council's response to the Community Strategic Plan via the Delivery Program. The council will need to plan for broadrange information sessions to ensure as many community members as possible are aware of the draft Community Strategic Plan and the Delivery Program. Use of targetted discussions or focus groups may also be appropriate.	When there is a review of the Community Strategic Plan, the community gets an opportunity to review the council's performance in achieving the objectives in the Community Strategic Plan, and provide feedback on their appropriateness. It also provides an opportunity for the community to identify new issues to be included as the plan is rolled forward.

There is no standard format for the Community Engagement Strategy. It is up to each council to decide how the Strategy will be developed and implemented.



When developing the Strategy, the council should consider the various reasons why community members may wish to be involved in the planning process. For example:

- Some people will have 'place-based' interests - they are concerned for the future of their particular town, village or suburb
- Some will share a common interest, such as a business group, or a sporting organisation
- Others will share common needs, for example people who need child care or public transport
- Some will be motivated by negative experiences with the council or community organisations and will want to address specific issues
- Some will be motivated by philosophical commitments, for example, to sustainability or good governance.

The council should consider all these motivations when identifying stakeholders and determining how and when they may best be engaged in the planning process.

In developing the engagement program for the Community Strategic Plan, the council will essentially be undertaking three processes:

- Providing information to the community: this includes the information, statistics and discussion papers prepared by the council to inform the plan, as well as an outline of the planning process
- Seeking information from the community: obtaining feedback on levels of service the community wants and is willing to pay for, suggestions, opinions and other relevant information that may assist the planning process
- Involving the community: in working through the issues raised and developing objectives and strategies for the Plan.



The diagram following illustrates the process a council might undertake when developing its Community Engagement Strategy for the Community Strategic Plan.

All councils are encouraged to make their Community Engagement Strategy available to their community by including it on their website.

Scoping	What is the purpose of the engagement process? What are the 'deliverables'? What are the principles underpinning the process? What timeframes apply? What financial and human recourses are available, and what are the opportunities for resource sharing? Will consultants be required?
Stakeholders	Who are the main stakeholder groups both within and outside the LGA? What other groups would have an interest in the process?
Methods	Compile a list of engagement methods that may be used eg workshops, media community forums, surveys, focus or dropin groups, blogs, info kiosks.
Strategies	which methods will council use to engage each of these groups? How will it tail or that method to suit the group? Are multiple methods required?
Implementation	Develop an implementation schedule to ensure the various activities are conducted within the timeframe. Allocate responsibilities and recourses.
Review	How will Council review the effectiveness of the program both during and after its delivery? Are there opportunities to adjust the approach if it isn't working?

Levels of service

One of the most important discussions councils will have with their communities during the planning process is in regard to expected levels of service. Many councils find it challenging to meet the increasing expectations of their community – particularly in rural areas where changing demographics often bring different views of service standards. Although it may be difficult to gain consensus on levels of service, it is helpful to at least hold these discussions with the community.



What do people really expect in terms of rural roads or street cleaning or recreational facilities? Are they willing to meet the cost of increasing expectations? For example through a special rate variation. Can they identify priorities in service provision?

The Asset Management section of this manual contains further information on determining service levels specifically in relation to assets. However, this information is also relevant to the provision of services.

Working with NSW Government agencies

There are mutual benefits for local councils and NSW Government agencies in working together to deliver services for the community. To work effectively with state agencies, it is important to build on established relationships and utilise existing forums to identify areas in common and potential partnerships. Working on a regional basis, as part of a Regional Organisation of Councils for example, will be more efficient and effective than inviting state agencies to attend general community consultation sessions as part of the development of the council's Community Strategic Plan.

To obtain input from state agencies, in many cases it will be more effective to develop a draft Community Strategic Plan, or if working as a regional group, identify the priorities for the region, then convene a state agency forum that invites those agencies that have been identified as potential partners in the delivery of the community's or region's priorities and aspirations.

The Department of Premier and Cabinet (DPC) facilitates regional coordination of state agencies through the Regional Managers' Network. Councils within a particular region may find it beneficial to discuss with their DPC Regional Coordinator the best means of providing information to and seeking feedback from regional managers of state agencies. For example, if councils participate in a Regional Organisation of Councils or similar regional networks, they may be able to utilise a Regional Managers' Network meeting to provide information and obtain feedback on regional priorities and other community issues.

Further information on the NSW Government's Regional Coordination Program is available at www.dpc.nsw.gov.au.

Examples of good practice Community Engagement Strategies

While all Community Engagement Strategies have different strengths and weaknesses, as of June 2012 the following councils and county councils have delivered examples of good practice which can be used as a source of ideas:

- Fairfield
- Far North Coast
- Newcastle
- North Sydney
- Port Macquarie
- Randwick
- Rockdale
- Tamworth
- Willoughby
- Yass

2.8 **Building the plan**

Councils are free to organise and present their Community Strategic Plan in any way they choose, as long as the legislative requirements and Essential Elements are addressed. As this is a community based plan, the document should be easy to navigate and understood by a wide range of readers.

Local Government Act

The Community Strategic Plan identifies the main priorities and aspirations for the future of the local government area.

Essential Element 1.7

The Community Strategic Plan must include:

- · A community vision statement
- Strategic objectives for the community that address social, environmental, economic and civic leadership issues identified by the community
- Strategies for achieving each objective.

Vision statement

Providing a succinct vision statement for the Plan encourages community and council ownership and a sense of common purpose. It also helps people to focus on wider issues and aspirations for the community and to get in touch with the values and priorities that underpin the planning process. One of the easiest ways to develop a vision statement is to ask the community where it wants to be in 10 years' time.

Following are examples of vision statements from existing plans:

"Between the city and sea, Waverley will be a vibrant, welcoming and inspiring place to live, work and play with its diverse population, creative culture, enriching lifestyle, stunning natural features and distinctive neighbourhoods"

- Waverley Together Strategic Plan

"To be a vibrant sustainable community of connected villages inspired by bush, beach and water"

- Pittwater 2020 Strategic Plan

16.7 SNOW MONARO REGIONAL COUNCIL COMMUNITY STRATEGIC PLAN UPDATE ATTACHMENT 1 OFFICE OF LOCAL GOVERNMENT INTEGRATED PLANNING AND REPORTING MANUAL Page 651



"That the Liverpool Plains Shire achieves higher levels of growth and generates improved quality of life through expanded opportunities for economic and social development being realised within an ecologically and financially sustainable framework"

- Liverpool Plains Community Strategic Plan

Councils may also wish to include a statement of community values to support the vision statement.

Following is an example from The Hills Shire Council's Hills 2024 - Looking towards the future:

"Our values describe what we believe in, and how we aspire to live together. The Hills area will grow and develop characterised by the following key values defined by the community during the Hills 2024 engagement process:

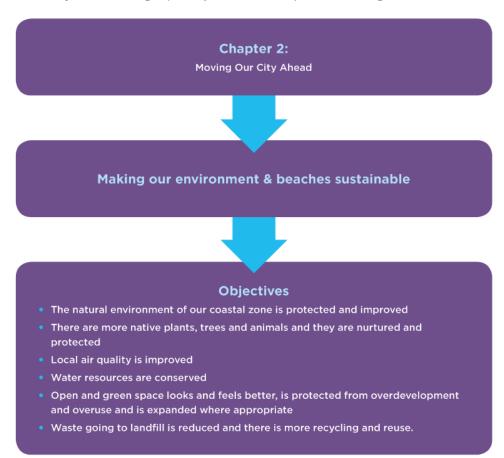
- · Community spirit
- Accessibility
- Sustainability
- Leadership
- Natural beauty
- Innovation
- Balance
- Proactivity
- Safety
- Families"



2.9 Setting objectives

This is the point where the Community Strategic Plan starts to take shape, by identifying the high level objectives or aspirations of the community. These are the things that define more specifically what the long term vision will look like. Councils can call them whatever they wish. Some councils currently use the terms strategic goals, strategic outcomes or strategic directions.

An example follows from a Community Strategic Plan prepared by a metropolitan council. The community has chosen to group its objectives under chapters and headings.



There is no set requirement for what the objectives should be, or how many each community should have. However, it is recommended that the objectives are kept to a manageable number and it may be helpful to group them under common headings or chapters.



2.10 **Developing strategies**

Each objective (or set of objectives) must be accompanied by a list of strategies that will be implemented to achieve the objective.

The new planning framework is designed to cascade into increasing levels of detail, to ensure that high level aspirations eventually result in some form of measurable action.

The objectives are the first cut – the broad directional statements. The strategies are the second cut – where the objectives start to take on more shape, how the objectives will be achieved and which areas need to be focused on.

Ultimately, the strategies will cascade down into the Delivery Program where they will be fleshed out with more specific timeframes and responsibilities added, and finally into the Operational Plan.

Using the example on the previous page, this is how the council expanded its objectives into strategies:

Objectives

- The natural environment of our coastal zone is protected and improved
- There are more native plants, trees and animals and they are nurtured and protected
- Local air quality is improved
- Water resources are conserved
- Open and green space looks and feels better, is protected from overdevelopment and overuse and is expanded where appropriate
- Waste going to landfill is reduced and there is more recycling and reuse

Strategies

- Improve the quality and reduce the quantity of stormwater discharged into the ocean and environment
- Improve the environmental performance of council operations and facilities
- Encourage less dependence on cars to reduce air pollution
- Carry out an education campaign to help reduce greenhouse gas emissions by council and the community
- Reduce the demand for water through more education and improving practices and technology
- Work with the community, especially businesses and visitors, to minimise negative environmental impacts
- Regenerate and link native vegetation to boost local populations of plants and animals
- Promote local biodiversity through community education
- Minimise the environmental impacts of usage on open or green space
- Connect reserves to create a network
- Create open and green spaces that are clean, green and well maintained with improved design and function
- Investigate opportunities to create more open space by acquiring more land or encouraging more flexible use of existing space
- Improve waste avoidance and resource recovery practices within council operations and in the community
- Reduce littering, illegal dumping and waste generation and improve recycling through community education and enforcement
- Participate in regional waste avoidance and recycling initiatives, and investigate new technologies to stop waste from ending up as landfill



Another example from a regional council's strategic plan:

Objectives

Developing and embracing diverse job opportunities for all ages and abilities

- Planning for a diversified economy which supports local employment
- Encouraging local employment opportunities
- Protecting economic assets
- Protecting employment generation lands
- Promoting retailing opportunities in the LGA
- Developing our natural and cultural assets for the tourism market

Strategies

- Prepare an economic development strategy and use the results to inform the LEP
- Consider employment of an economic development officer
- Partner with business, industry and government including the local business association
- Support the motorway extension and major road upgrades planned
- Identify skills shortages in conjunction with the business association
- Align employment opportunities with the skills required
- Encourage the establishment of post secondary school training facilities in the LGA
- Promote to stakeholders and organisations local employees of all ages and abilities
- Lobby governments to improve local employment opportunities
- Identify and protect known mineral deposits, forestry resources, electricity generation sites, environment protection licence sites and agricultural land in the LEP.
- Provide adequate buffer areas to mineral deposits, forestry resources and electricity generation sites in the LEP and develop control plans
- Use the findings of the Rural Lands Panel to plan for agriculture in the LEP
- Consult with the community on the management of rural lands.
- Determine the future use of the minerals processing park
- Continue to participate in government taskforces relating to economic development
- Identify employment generation lands in the Land Use Strategy and LEP
- Provide adequate buffer zones and design requirements in the LEP and/or development control plans
- Prepare a retail strategy and use the results to inform the LEP
- Foster partnerships between tourism service providers, the community and government
- Continue to develop cross LGA boundary tourism opportunities
- Strengthen brand identity
- Continue to establish tourist drives
- Provide indigenous experiences in consultation with the indigenous community



2.11 Connecting with the LEP and other land use planning mechanisms

The Community Strategic Plan will set high level objectives that relate to land use planning, but each council will still be required to prepare a Local Environmental Plan (LEP) in accordance with the *Environmental Planning and Assessment Act* 1979 (EP&A Act) and associated regulations.

The LEP is an important tool for mapping out the details of land use planning in the city or shire. Many councils already prepare Land Use Strategies or Conservation and Development Strategies to help capture the community's strategic objectives for land use and refine them into details which may ultimately be included in the LEP.

LEPs are the principal legal document for controlling development at the council level. In their preparation, councils must demonstrate consistency with relevant State Environmental Planning Policies (SEPPs), local planning directions (s 117 directions under the EP&A Act), relevant regional and sub-regional strategies, the Standard Instrument Order (state-wide template for LEPs), as well as the objects and provisions of the EP&A Act.

It is important to identify and make it clear that some issues identified in the planning and consultation processes will not be able to be reflected in the LEP due to these other statutory considerations. Other issues may only be able to influence its content (eg through the overall aim of the LEP, local zone objectives and non-mandatory permitted or prohibited land uses). This is particularly important as the new Gateway Test for the LEPs will consider whether a council's LEP is consistent with the Community Strategic Plan. Where an issue is not able to be included in the LEP, its inclusion in another appropriate manner should ensure the issue is addressed - for example in the Development Control Plan, through a council policy or council information leaflets.

The example on the previous page shows one of the methods councils can use to connect the Community Strategic Plan with other planning mechanisms, such as land use strategies, the LEP and Development Control Plans.

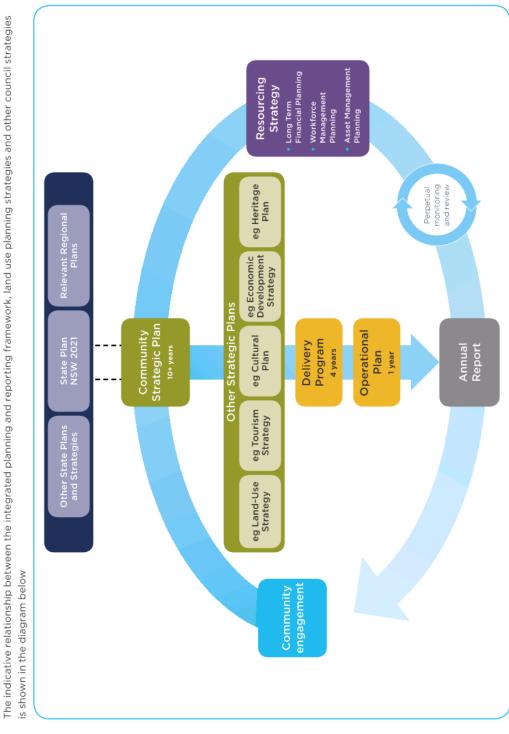
In this particular example, the community has identified some key result areas for employment that will have impacts on land use within the local government area. It has also identified that one method of meeting these objectives is via the LEP. In this case, specific actions relating to the LEP have been included in the Community Strategic Plan. Other councils may choose not to be so specific in the Community Strategic Plan and reference the detailed connections with the LEP in the Delivery Program instead.



The example following shows a method of linking the Community Strategic Plan with the LEP via the Delivery Program.









2.12 Deciding on assessment methods

Essential Element 1.8

The Community Strategic Plan must identify assessment methods for determining whether the objectives are being achieved.

The purpose of developing and implementing a Community Strategic Plan is to bring about some form of positive change or desired outcome within the community. So it is important to check, at regular intervals, whether or not the community is making progress towards achieving these goals.

Councils are required to undertake a review process every four years to assess the effectiveness of the Community Strategic Plan in achieving its objectives. However, it is important to have frameworks in place to monitor progress on an ongoing basis.

The type of monitoring councils do will depend on the principles they have chosen and the objectives and strategies that have been set. The aim of the assessment process is to answer a few key questions:

Are we starting to reflect our principles?

Are we moving towards achieving our long term objectives?

Are the various partners in the Plan doing what they said they would do?

A number of councils are already using sustainability indicators to assess their progress in delivering strategic outcomes. Others prefer to use frameworks developed through the Global Reporting Initiative (GRI) or assessment methods incorporated into the Business Excellence Framework.

All of these methods are appropriate and councils are free to choose the best approach for their particular circumstances. The only requirement is that each council must have

an assessment framework in place to test the effectiveness of its Community Strategic Plan – is it achieving the community's vision for the future?

A weakness identified in many council State of the Environment reports has been that the focus was on delivering the report (output) and not on whether council's environmental management was delivering better outcomes for the community. The assessment process should focus on outcomes rather than just outputs.

For example, if the strategic objective is to encourage recycling and one of the strategies chosen is community education, the assessment should not just focus on whether the education campaign was delivered, it should also seek to ascertain if the campaign actually achieved its aim – Did it change behaviours? Was there an increase, for example, in the amount of materials collected for recycling?

While it is not always possible to draw direct cause and effect correlations, the aim should be to gather as much information as practical to make an informed judgement on whether the plan actually worked, or is starting

It is also important to develop an assessment system that tests the quadruple bottom line - social, environment, economic and civic leadership - not just one particular area.

Monitoring systems should be designed for a particular purpose. They should focus on finding evidence of some form of change that



would indicate progress, or otherwise, towards a strategic goal, rather than just gathering scientific data.

Where a council decides to undertake its own monitoring programs, it is recommended that standard methodologies or protocols be used and that a suitable timeframe for the program is developed.

For example, if a council decides that monitoring water quality in the local lagoon is important for tracking its progress towards a strategic goal, it should carry out the process in the same way, at the same place/s, over a relevant period of time to ensure a reliable set of data. Following standard protocols may also allow a council to exchange data with other partners, such as CMAs.

Looking at other assessment mechanisms may also help a council to design its own particular approach. For example, the State Plan has a comprehensive range of targets in place and a system for monitoring progress towards those targets on a regional basis. This information is provided in regular progress reports. Could the council use any of this information to help inform its own assessment processes?

The assessment process should draw on both qualitative and quantitative data. The way that people feel or respond to issues is often a stronger indicator of progress than a list of facts and figures. Combining both types of data will help to give a more comprehensive picture.

Following is a list of some of the methods that councils currently use to test the effectiveness of their long term strategic plans:

- Community satisfaction ratings with various activities (determined by regular community surveys)
- Community perceptions (determined by regular community surveys)
- Housing affordability ratings eg the percentage of residents considered to be in mortgage or rental stress
- Local employment trends
- · Public health indicators
- Crime statistics
- Public transport usage and commuting distances
- Usage figures for key facilities eg sports fields and aquatic centres
- · Participation in cultural activities
- Progress towards waste reduction targets
- Progress towards water quality targets
- Water and energy consumption figures
- Economic indicators such as commercial rental rates, gross regional product, tourism spend, labour market trends, development figures, property market details, retail spending
- Educational enrolments
- Access to childcare
- Infrastructure condition assessments and improvement targets
- Sustainability indicators



Assessment example: Environmental Management

The new planning and reporting framework has elevated environmental management to a strategic level and extended the planning timeframe by including it as a key component of the 10-year (minimum) Community Strategic Plan.

It is important that councils recognise that they will still need to prepare a State of the Environment report at the conclusion of each council term. This will entail gathering information about the local environment, assessing this information, considering relevant issues and suggesting responses to these issues in order to inform the council's long term plans.

The framework shifts the focus away from reporting on prescribed themes and moves the emphasis towards reporting in a way that adequately informs long term planning. Reporting is tied to whether or not strategic objectives are achieved. It will be up to councils to decide what are the most relevant environmental themes to consider when preparing information to inform the Community Strategic Plan.

A list of environmental themes that councils might consider to help them identify key local environmental issues follows. These themes should be used by councils as a starting point to identifying priorities when developing their Community Strategic Plan:

- Air
- Water
- Land
- Biodiversity
- Population and land use
- Energy
- Climate
- Transport
- Noise
- Waste
- Coastal and marine

Councils might also wish to consider the themes identified in the State Natural Resource Management targets, as well as themes that relate to other environmental issues. For example, these might include:

- Native vegetation
- Native fauna
- Threatened species
- Invasive species
- · Riverine ecosystems
- Groundwater
- Marine waters and ecosystems
- Wetlands
- · Estuaries and coastal lake ecosystems
- Urban water
- Soil condition
- · Land management
- · Population and settlement/land use
- Air
- Heritage
- Energy
- Climate
- Transport
- Waste

In determining whether they are achieving the desired outcomes of their Community Strategic Plan, councils will need to identify what environmental monitoring program is required. This program should inform council's State of the Environment report.

One of the problems identified with existing monitoring programs is that data collected at the local level is not used to inform environmental reporting at higher levels – regional, state and national. Some of the problems have been the use of different methodologies for data collection and inconsistency in collection.



Councils should engage with their local Catchment Management Authority and other relevant organisations in their area to come up with a system of monitoring, evaluation and reporting that involves collaboration across the various levels (local/regional/state).

The framework establishes a number of opportunities for councils to work with each other, and with other groups and agencies in environmental management, monitoring and reporting. For example, councils should consider participating in regional state of the environment-type reviews to help inform the Community Strategic Plan in their local government area.

There is also opportunity to draw from a wider range of data, to form partnerships or data-sharing arrangements for environmental monitoring across a region with shared environmental features.

An example of this approach is the 2007/08 Namoi Regional State of the Environment Report. The Namoi region includes five local government areas. The purpose of the Regional State of the Environment report is to provide relevant data and research, and assess environmental issues to inform the development of long term strategic plans and shorter term operational plans for councils in that area.

The Namoi Regional State of the Environment reports aim to:

- Promote a big picture understanding of the environmental issues across the region
- Identify external influences and pressures impacting on the environment
- Provide clarification of the roles and responsibilities for particular environmental issues, and the role that councils may play (advocate, service provider, regulator, or facilitator) in responding to these
- Identify links to the NSW State Plan and Namoi CMA targets
- To integrate with the Namoi Catchment Sustainability Plan

- Identify opportunities or appropriate responses
- Suggest processes to assess the effectiveness of responses and ensure an effective continual improvement loop.

It is essential that councils include sufficient emphasis on environmental assessment to satisfy their community that the environment is being effectively managed and protected.

Assessment example: Promoting Active Living

Many communities identify 'healthy active communities' as a key objective of their long term plans – but how does a community determine if its actions are actually having an effect?

The Premier's Council on Active Living (PCAL) has considered this issue and consulted with state and local government stakeholders to develop a list of 10 key areas that could be sampled. The list is based on the understanding that the physical environment of an area has an effect on the physical activity of its residents.

The indicators are comprehensive and it is not intended that councils should monitor everything on the list. Councils may wish to choose the measures that best suit their situation, priorities and resources. For example, one item from each of the 10 key areas would provide a good collection of evidence to indicate progress in promoting active living. As can be seen from the list, some evidence will be quantitative – facts and figures from various sources, and some will be qualitative – the way people feel about things.

Possible information sources include:

- Council's Geographic Information System (GIS) data for built environment features
- NSW Health surveys
- Australian Bureau of Statistics (ABS) census results
- Community surveys and consultations



The 10 key areas identified by the Premier's Council on Active Living (PCAL) are:

Land use environment

- Percentage of residents within 400m and 800m walk of town centres and/or transport hubs
- Degree of integration between residential and non-residential land uses, with measures of population and employment density per km²
- Measurement of land use mix (diversity of uses and accessibility)
- Number of dwelling units per km²
- Density within 400m and 800m of major transport stops

Facilities

- Number of supporting facilities, services and programs that promote active living (eg number and location of recreation facilities)
- Total amount of open space per population
- Percentage of residents within 400m of neighbourhood park and 800m from a district park
- Street and park furniture including benches, resting places and awnings for shade
- Lighting

Transport environment

- Footpaths (km of footpaths per km², total length of footpaths, footpath connections between residential areas and shopping)
- Footpath maintenance schedules
- Cycling infrastructure (km of continuous cycleways, total length of cycleways, bicycle parking facilities at major destinations)
- Infrastructure connections (integrated bicycle network access to major destinations)
- Development and implementation of local integrated transport plans
- Number and length of 40 km/h and 50 km/h speed limits to reduce accidents and improve local amenity
- Street connectivity measures including ratio
 of intersections to land area (eg number
 of intersections per km²) and similar ratios
 relating to number of blocks, cul de sacs
 and/or access units
- Frequency of public transport to major destinations

Aesthetics

- Landscaping, presence of grass, trees and shade
- Areas of interest
- Maintenance schedules for neighbourhood parks
- Amount of garbage or litter on a street segment
- · Total graffiti and its rate of removal

Travel patterns

- Use of bicycle facilities (eg road counters on cycleways)
- Commuter statistics indicating increased public transport use and percentage of active transport mode share



Social environments

- Development of strategic community safety plans including crime prevention strategies
- Crime Prevention Through Environmental Design guidelines incorporated within the council's Development Control Plans
- Number of health impact assessments completed
- Income inequality
- Number of people visibly active within a neighbourhood

Land use economic

- Amount of funding to enhance regional and local sport and recreation facilities
- · Amount of funds for new facilities

Transportation economic

Amount of funding for footpaths and bicycle lanes

Policies

- · Incentives to use public transport
- · Use of bicycle fleets
- Availability of end-of-trip facilities for cyclists
- Policies requiring sidewalks, cycleways and open space

Promotion

- Provision of education, promotion and driver awareness campaigns
- Brochures and signage to promote active living
- Community events such as walks or runs
- Local directories including local transport information, recreation facilities, walking/ cycling networks and trails.



2.13 Reviewing the plan

Essential Element 1.9

From 2012, each newly elected council must review the Community Strategic Plan within nine months of the local government elections and roll the planning period forward so that maintains a 10 year minimum horizon

Essential Element 1.10

A report on the progress on implementation of the Community Strategic Plan (End Of Term Report) must be presented at the final meeting of an outgoing council.

Essential Element 1.11

The review must include the following:

- A report from the outgoing council on the implementation and effectiveness of the Community Strategic Plan in achieving its social, environmental, economic and civic leadership objectives over the past four years.
- A review of the information that informed the original Community Strategic Plan.
- A community engagement program, as prescribed by the Local Government Act and Essential Element 1.5.

Although councils and their communities will plan ahead for 10 years, it is not expected that the plan will be set in stone for that period.

The community will have a chance to revisit the Community Strategic Plan every four years when its new council is elected. It may wish to change the priorities or objectives of the Community Strategic Plan if something significant has happened during that period, or revise the strategies if a particular course of action hasn't proved effective.

The review process will also roll the Community Strategic Plan forward by another four years, so that it is always a 10+ year plan. The community may wish to add new long term objectives, or change the timeframes originally planned for some projects.

From the 2012 council elections, the review must be completed within nine months of the election, to allow each council to prepare its Delivery Program, Operational Plan and budget for the coming financial year.

The review must include the following three stages as a minimum:

- Preparing a report on the implementation and effectiveness of the Community Strategic Plan over the past four years (to be completed by the outgoing council)
- Reviewing the information that informed the original Community Strategic Plan (to be undertaken by the incoming council)
- 3. Engaging with the community





The report on the implementation and effectiveness of the Community Strategic Plan must be prepared by the outgoing council and be included in the annual report for the election year, or as a supplement to the annual report. The report could be tabled by the outgoing council at its last meeting and published within the same calendar year as the election (ie for the 2016 council elections, it could be included in the annual report for 2015-16).

There is no specific requirement for the format or content of the report. However, councils must ensure that it is sufficiently comprehensive to allow for informed community discussion.

Some councils use a State of the Shire format to do a stocktake of the issues and pressures affecting their area and how effective particular programs have been in addressing the issues. The State of the Shire format is not mandatory, but is encouraged as a good practice approach.

The report should provide information about how effective the Community Strategic Plan has been in delivering the desired outcomes. To make this judgement, each council will need to revisit the assessment methods the community agreed on for the original plan.

The report should answer these questions:

- Did the council do what it said it would do towards achieving the objectives of the plan?
- Did other partners in the process do what they said they would do towards achieving the objectives of the plan?
- Were these actions effective did anything change or start to improve?

The incoming council will also be required to contribute to the review process by revisiting and updating the information that the previous council used to inform its Community Strategic Plan and considering whether anything has significantly changed.

For example, there may have been significant demographic, environmental or economic changes over the past four years. If these changes have implications for the Community Strategic Plan, they should be brought to the attention of the community during the engagement process.

The community engagement requirements for the review are the same as the requirements for the original development of the Community Strategic Plan. Each council must develop and implement a community engagement strategy.

It is also possible for the community to change the Community Strategic Plan within the council term if required, but this should only occur if there is a fundamental change that affects the whole community. An example might be a natural disaster such as a major storm, bushfire or flood that severely damages community infrastructure; or, if there was a significant change in a local government area's boundary.

Community engagement is required whenever significant changes are proposed to the Community Strategic Plan. 'Significant changes' would be those that require changes to the objectives of the plan, or the strategies outlined in the plan.



2.14 Submitting the plan

Local Government Act

Councils must provide the Director-General with a copy of the Community Strategic Plan and any amendment of the plan within 28 days of the Plan (or amendment) being endorsed.

Councils are required to submit the completed The purpose of submitting the Community Community Strategic Plan to DLG within 28 days of it being endorsed by the council. Councils are encouraged to complete the Integrated Planning and Reporting checklist and submit it to the Division of Local Government along with the Community Strategic Plan. The checklist can be found on the DLG website www.dlg.nsw.gov.au.

Strategic Plan to DLG is to assist in information sharing with other councils, state agencies and other interested organisations. All Community Strategic Plans will be available on DLG's website so councils should submit their plans in electronic format (PDF files).

All councils are required to make their Community Strategic Plan available to their community by including it on their website.

Examples of good practice Community Strategic Plans

While all Community Strategic Plans have different strengths and weaknesses, as of June 2012 the following councils and county councils have delivered examples of good practice which can be used as a source of ideas:

- Ashfield
- Bellingen
- Berrigan
- Canada Bay
- City of Sydney
- Eurobodalla
- Fairfield
- Gloucester
- Gosford

- Gunnedah
- Leeton
- Maitland
- Newcastle
- Randwick
- Shellharbour
- Snowy River
- Temora
- Tweed

RESOURCING STRATEGY

3

will not be achieved without sufficient resources - time, money, assets and people - to actually carry them out.

The Resourcing Strategy consists of three components:

- · Long Term Financial Planning
- Workforce Management Planning
- · Asset Management Planning

The Resourcing Strategy is the point where the council assists the community by sorting out who is responsible for what, in terms of the issues identified in the Community Strategic Plan. Some issues will clearly be the responsibility of the council, some will be the responsibility of other levels of government and some will rely on input from community groups or individuals.



3.1 **General requirements**

Local Government Act

A council must have a long term Resourcing Strategy for the provision of resources required to implement the strategies established by the Community Strategic Plan that the council is responsible for.

The strategy must include provision for long term financial planning, workforce management planning and asset management planning.

The Community Strategic Plan provides a vehicle for each community to express its long term aspirations. However, these aspirations will not be achieved without sufficient resources – time, money, assets and people – to carry them out. The Resourcing Strategy is a critical link when it comes to translating strategic objectives into actions.

It will also be one of the more challenging aspects of the new planning framework for councils to prepare, because the components cannot be completed in isolation and will take considerable time, especially asset management.

The integrated nature of the plans means that essentially they will all be developed concurrently, with cross-referencing and adjustment as the development of each plan progresses.

The community will need to have some basic information about community assets and their condition to help inform its strategic planning

process, but the final strategy for asset management can't be completed until the Community Strategic Plan has been finalised. The Community Strategic Plan can't be finalised until financial projections and options have been prepared and discussed with the community. The Long Term Financial Plan will not take on a level of detail until the Delivery Program and Operational Plans are developed.

The Resourcing Strategy process will allow communities to consider a wider range of options for delivering strategic outcomes.

Councils do not have full responsibility for implementing or resourcing all the community aspirations identified in the Community Strategic Plan. Other stakeholders, such as state agencies, non-government organisations, community groups and individuals also have a role to play in delivering these outcomes. The Resourcing Strategy process provides an opportunity to quantify what the council's contributions might be.

Examples of good practice Resourcing Strategies

While all Resourcing Strategies have different strengths and weaknesses, as of June 2012 the following councils have delivered examples of good practice which can be used as a source of ideas:

- Camden
- Kogarah
- Newcastle
- Tweed



3.2 Long Term Financial Planning

Local Government Act

Council's Resourcing Strategy must include provision for long term financial planning.

Essential Element 2.1

Each council must prepare a Long Term Financial Plan.

Essential Element 2.2

The Long Term Financial Plan must be used to inform decision making during the finalisation of the Community Strategic Plan and the development of the Delivery Program.

Essential Element 2.3

The Long Term Financial Plan must be for a minimum of 10 years.

The Long Term Financial Plan is an important part of council's strategic planning process. This is the point where long term community aspirations and goals are tested against financial realities. It is also where the council and the community may decide what resources councils need to influence and work with other parties so that they might deliver on responsibilities.

The Community Strategic Planning process will provide the council with valuable information about the future. From the exercise, both the council and the community will have a better understanding of:

- Expected pressures that will affect the community socially, environmentally and economically and the drivers behind this change
- Expected economic growth rates

- The community's aspirations and priorities for improving its economic, environmental and social outcomes
- The community's priorities in terms of expected levels of service and community projects.

The Long Term Financial Plan will seek to answer the questions:

- Can we survive the pressures of the future?
- What are the opportunities for future income and economic growth?
- Can we afford what the community wants?
- How can we go about achieving these outcomes?



The Long Term Financial Plan is a decision-making and problem-solving tool. It is not intended that the Long Term Financial Plan is set in concrete – it is a guide for future action. The modelling that occurs as part of the plan will help councils to weather unexpected events. It will also provide an opportunity for the council to identify financial issues at an earlier stage and gauge the effect of these issues in the longer term.

The longer the planning horizon, the more general the plan will be in the later years. For example, it is not expected that the 10th year of a 10 year plan will include specific detail.

As decisions are made, more detail can be added to the Long Term Financial Plan. For example, as the council finalises its Delivery Program, the first four years of the Long Term Financial Plan will become firmer. As the Operational Plan is completed, the detailed budget will form the first year of the Long Term Financial Plan. The diagram following shows the relationships.

Planning for major infrastructure, storm water drainage and water supply and sewerage may require a longer planning horizon. For example, the Integrated Water Cycle Management Guidelines (IWCM) required preparation of a 30 year IWCM strategy. Similarly, the planning horizon for water supply and sewerage strategic Business Plans must be at least 20 years.

Long Term Financial Plan - 10 years





3.2.1 Foundations of the Plan

Essential Element 2.6

The Long Term Financial Plan must include:

- · Planning assumptions used to develop the plan
- · Projected income and expenditure, balance sheet and cashflow statement
- Sensitivity analysis (factors/assumptions most likely to affect the plan)
- Financial modelling for different scenarios eg planned/optimistic/conservative
- Methods of monitoring financial performance.

Essential Element 2.4

The Long Term Financial Plan must be updated at least annually as part of the development of the Operational Plan.

Essential Element 2.5

The Long Term Financial Plan must be reviewed in detail as part of the four yearly review of the Community Strategic Plan.

The Long Term Financial Planning process is built on four foundations:

- Planning assumptions
- Revenue forecasts
- Expenditure forecasts
- Sensitivity analysis.

Planning assumptions

Many of the planning assumptions will come from the Community Strategic Planning process, others will be derived from general financial planning practices. Assumptions from the Community Strategic Plan might include:

- · Population forecasts
- · Anticipated levels of local economic growth
- · Major planned expenditure, such as capital works.

Other assumptions that should be included in the financial planning process include:

- · Federal, State and regional economic forecasts
- inflation forecasts
- · interest rate movements.



Revenue forecasts

In considering the likely revenue that will be available to meet the community's long term objectives, the Long Term Financial Planning process needs to consider:

Capacity for rating

This is a major component of any council's revenue base. The planning process should include an assessment of the community's capacity and willingness to pay rates and whether there is the potential for changes in that capacity. In making that judgement, the council might review information relating to:

- Separate or specific rates and charges
- The potential to reduce the reliance on rates through increased revenues from other sources eg fees and charges
- Potential growth/decline in rating revenues from changing demographic and industry makeup
- Possible need to increase reliance on rating due to reduction of revenues from other sources eg a decline in grants or subsidies
- Projected impact of the rate peg
- Opportunities for a special variation to general income
- Council's current rating policy and likely changes to that policy in the future.

Fees and charges

Many of the services provided by councils are offered on a 'user pays' basis. In preparing the Long Term Financial Plan, the council should consider possible future income from fees and charges, including opportunities to reduce reliance on other forms of income. It should also consider community members' future capacity and willingness to pay fees and charges and issues that may impact on that capacity.

Grants and subsidies

Councils receive general purpose Financial Assistance Grants from the Commonwealth Government and may also receive other grants and subsidies through specific programs. In preparing the Long Term Fiancial Plan, the council should consider the potential effects of these grants and subsidies being reduced and whether the council has the capacity to replace the revenue stream, or the ability to provide the same level of services without this source of funding.

Borrowings

Most councils finance some of their capital expenditure through borrowings. Generally these are for expenditures on major infrastructure projects. Borrowing the funds allows the cost of these projects to be spread over a number of years in order to facilitate inter-generational equity for these long-lived assets. Borrowings can also be used to smooth out long term expenditure peaks and troughs. Preparing the Long Term Financial Plan will help the council to identify these peaks and troughs more readily and plan strategies to address them

Cash reserves

An alternative to borrowing for expenditure peaks and troughs is to build up cash reserves in years when expenditure is lower, for use in years when higher expenditure will occur. The problem with cash reserves is that they can often be diverted to uses other than those originally intended, leaving the council short of funds for its other planned expenditures. Cash reserves need to be carefully managed to achieve optimum investment incomes and to be available when needed for planned expenditures.

Expenditure forecasts

The Community Strategic Plan will give the council a good idea of the amount of money required to meet the community's expectations for the future. This should be considered along with the information the council already has about its ongoing operational costs.



Balancing expectations, uncertainty of future revenue and expenditure forecasts will be one of the most challenging aspects of the financial planning process. The council should review the expenditure forecast several times as the Community Strategic Plan and Asset Management Strategy and Plan/s are finalised and more details are refined in the Delivery Program and Operational Plans.

There will be a point where the council goes back to the community to discuss the draft Community Strategic Plan and its financial implications. Are the objectives of the Community Strategic Plan achievable? How much is the community willing to pay to achieve these objectives? Are there other sources of revenue? What are the priorities?

In developing expenditure forecasts, it is important to consider not only the new expenditure items that are proposed in the draft Community Strategic Plan, but also the council's ongoing commitments. Relevant sources of information on ongoing commitments might include the draft asset management strategy, previous management plans and repayment schedules for long term borrowings. However, it shouldn't be assumed that expenditure patterns will continue exactly as they have in the past. The Community Strategic Planning process encourages decisions about future priorities and levels of service, so it may be that some existing services are no longer provided, or that new services are provided, or that different service standards will apply.

When considering new expenditure items, it is important to look at complete costings for capital and recurrent expenditures. Some commitments may extend beyond the life of the Long Term Financial Plan. For example, a masonry building that has a useful life of between 50-100 years will incur operational and maintenance costs beyond the life of the 10-year Long Term Financial Plan. The building will also require replacement at the end of its useful life and the anticipated cost of replacement will need to be considered

when developing future Long Term Financial Plans. Another example would be a bid for a specialist staff member (eg an Economic Development Officer or Road Safety Officer) which will require not only salary costs, but also salary on-costs, travel, training, support service, office space and other costs.

It is also important to ensure appropriate phasing of costs across the Long Term Financial Plan. For example, with capital projects which are to be completed during the Long Term Financial Plan, the cost should reflect when specific expenditure for planning, construction, implementation and maintenance is expected to occur.

The format for the projected income and expenditure, balance sheet and cash flow statement must be in accordance with the current Code of Accounting Practice.

Sensitivity analysis

Long term financial plans are inherently uncertain. They contain a wide range of assumptions, including assumptions about interest rates and the potential effect of inflation on revenues and expenditures. Some of these assumptions will have a relatively limited impact if they are wrong. Others can have a major impact on future financial plans.

It is important that:

- All the assumptions in the Long Term
 Financial Plan are documented. This should
 be contained in a Planning Assumptions
 Statement that accompanies the Plan
- Those matters which will have moderate to significant impacts are identified
- The Plan is tested by varying the parameters of moderate to significant assumptions (eg changing interest and inflation rates, changing the population growth rate, reducing or eliminating grants and subsidies, increasing taxation rates)



3.2.2 Risk assessment

Once the Long Term Financial Plan begins to take shape, it is important to continue testing the assumptions through a risk assessment process. This should consider questions such as:

- · How accurate are the projected estimates of expenditure?
- How certain is the revenue stream?
- What could impact on the expenditures?
- What could impact on the revenues?
- What other risks are associated with key projects eg loss of key staff, loss of subsidy?
- How reliable are investment options?
- Are ratepayers' funds at risk?
- · What are the potential liabilities for the council legal and financial if key projects fail?

Other means of testing the Long Term Financial Plan include:

- · Endertaking a cost/benefit analysis
- Conducting a SWOT analysis to ensure that problems can be anticipated and properly
 dealt with
- Rigorously considering all the options and alternatives to carry out a function, provide
 a service or raise funds and choosing the option that is the least risky or the most likely
 to succeed.

3.2.3 Financial modelling

The development process for the Long Term Financial Plan should include financial modelling of different scenarios eg planned/optimistic/conservative.

This will provide the council with an idea of how much flexibility is in the Plan and how much latitude it has with various projects and scenarios.

These models will be important when discussing the financial implications of the Community Strategic Plan with residents and will also assist councillors in developing suitable actions for the Delivery Program. If councils are considering applying for a special rate variation, one of the financial scenarios developed must address this option. This will help to enable the discussion with the community about the costs and benefits of any potential increases in rates.

The Independent Pricing and Regulatory Tribunal (IPART) assesses and determines applications by councils for rate variations. IPART expects that a council's Integrated Planning and Reporting documentation will support the application, providing a rationale for the proposed rate increase, include consideration of the impact of the increase on ratepayers, and providing evidence of the consultation the council has undertaken to obtain the community's views on the proposal. The Long Term Financial Plan is a tool for providing commentary that achieves this requirement and explains the rate variation scenario provided in the financial modelling.



3.2.4 Performance monitoring

An intrinsic part of building the Long Term Financial Plan is deciding how the council will monitor its performance against the Plan. The statement of performance measures should be in accordance with Note 13 - Statement of Performance Measures of the current Accounting Code.

The council should review the Long Term Financial Plan each year as part of the development of the Operational Plan. This review should include an assessment of the previous year's performance in terms of the accuracy of the projections made in the Long Term Financial Plan compared to the accural results. Were the estimates accurate? Were the assumptions underpinning the estimates appropriate? The assumptions may need to be adjusted to improve the accuracy of the Long Term Financial Plan over the longer term. Major differences between budget and actual figures should be documented with an explanation.

The review process should be repeated every four years, in line with the review of the Community Strategic Plan. The Long Term Financial Plan will need to be adjusted if there are any substantial changes to the Community Strategic Plan. It is also an appropriate time to test the underpinning assumptions and the accuracy of the estimates of the past four-year period.

The council should not only monitor its performance against the Long Term Financial Plan and the annual budget, but also develop measures to assess its long term financial sustainability. This might include reference to standard indicators such as debt service ratio, unrestricted current ratio, net current assets, and capital expenditure ratio. It might also include comparison of the council's proposed renewals expenditure over the next four years with the required renewals expenditure in its asset management plan.

3.2.5 Reporting

Councils are required to prepare Quarterly Budget Review Statements (QBRS). The QBRS present a summary of the council's financial position at the end of each quarter. It is the mechanism whereby councillors and the community are informed of the council's progress against the Operational Plan (original budget) and the last revised budget along with recommended changes and reasons for major variances.

The minimum requirements for the QBRS will be included in the Code of Accounting Practice and Financial Reporting and form part of the legislative framework in accordance with cl 203(3) of the Local Government (General) Regulation.

The Quarterly Budget Review Statement Guidelines can be found on the 'Publications' page of the Division's website at www.dlg.nsw.gov.au.

Examples of good practice Long Term Financial Plans

While all Long Term Financial Plans have different strengths and weaknesses, as of June 2012 the following councils and county councils have delivered examples of good practice which can be used as a source of ideas:

- Burwood
- Marrickville
- Mosman
- Randwick
- Warringah
- Warrumbungle
- Waverley

THINKING OF APPLYING FOR A SPECIAL RATE VARIATION?

Make sure the council has:

- modelled one of the scenarios in the Long Term Financial Plan to demonstrate what would be achieved by the rate variation
- had discussions with the community about service levels and funding priorities and, with the community, has determined that a rate variation is the best way to achieve financial sustainability
- documented the proposed rate variation in its Integrated Planning and Reporting documents
- documented the community engagement process and its outcomes that informed the council's decision to proceed with a rate variation application to IPART.

For more information go to the Division of Local Government's webpage (www.dlg.nsw.gov.au) or the Independent Pricing and Regulatory Tribunal's webpage (www.ipart.nsw.gov.au/Home/Industries/Local_Govt)



3.3 Workforce Management Planning

Essential Element 2.7

A Workforce Management Strategy must be developed to address the human resourcing requirements of a council's Delivery Program.

Essential Element 2.8

The Workforce Management Strategy must be for a minimum of four years.

Workforce planning will help to ensure that the community's strategic goals – as expressed in the Community Strategic Plan – will be met. The development of an effective workforce strategy will enable the council to focus on the medium- and long term and also provide a framework for dealing with immediate challenges in a consistent way.

An effective workforce strategy aims to provide the council with the people best able to inform its strategic direction, develop innovative approaches to complex issues and deliver appropriate services effectively and efficiently.

By approaching workforce planning in a strategic way a number of aims and statutory requirements can be addressed in a single process to ensure that all aspects of the council's operations are appropriate and effective. These include EEO management planning and practising the principles of multiculturalism.

The benefits of ensuring a diverse workforce include better local representation, improved communication and better understanding of the issues affecting local communities, as well as maximising the pool of workers from which to address the issues facing councils. Such issues could include skills shortages, ageing workforce and business succession planning, as well as invigorating local communities and economies.

Strategic issues to consider when developing the council's Workforce strategy include the analysis of the council's workforce requirements based on the commitments in the Community Strategic Plan and Delivery Program, developing an appropriate workforce structure to meet those objectives, workplace equity and diversity as a tool to benefit the council, strengthening the council's workplace governance, and supporting and developing the council's staff.

DLG has developing a web-based resource on workforce planning to assist councils, which will be included on the Integrated Planning and Reporting website at www.dlg.gov.nsw. au. Councils may also wish to consider the NSW Government's publication: Workforce Planning: A Guide, which can be found on the NSW Department of Premier and Cabinet's website: www.dpc.nsw.gov.au.



Step 1: Scoping the development of the Strategy

Workforce planning needs to incorporate a whole-of-council strategy of at least four years' duration and aim to provide to workforce needed to deliver the council's Delivery Program. Scoping the development of the workforce strategy should include:

- Analysis of each element of the Delivery Program by each manager to determine the current and future workforce needed to deliver the Delivery Program and the objectives in the Community Strategic Plan, including managing partners
- Details of how key stakeholders, including the council's consultative committee, employee representatives (eg OH&S representatives, women's representatives and union representatives) and management, are going to be engaged throughout the workforce planning process
- Key performance indicators and timetables for implementation
- A review of the strategy.

Workforce planning should not be considered solely the role of Human Resources and needs to be driven by all executives, managers and supervisors. Workforce planning issues should be driven by the Delivery Program, as well as used to inform the development of each Delivery Program.

Step 2: Analysing the current workforce and identifying gaps

Compile appropriate data to identify current workforce issues that require action, including business succession planning. Identify the council's strengths and weaknesses in relation to:

- How well service needs are currently being met
- Whether corporate objectives are met by the current workforce structure
- Logistical considerations such as matching appropriate staff numbers and skills in different areas of the council operations.

Analyse current workforce characteristics against community profile information to assess whether the council's workforce reflects the demographic characteristics of the community it serves. Identify areas where skills shortages exist, where business succession planning is needed and whether EEO requirements and objectives are currently being met.

Engaging with staff as well as managers when analysing current workforce issues will assist in identifying the widest range of issues requiring action and will lay a strong foundation for successful change management. Staff should be involved in developing the elements of the Integrated Planning and Reporting framework to improve the council's performance through people understanding their role in the big picture and having been involved in setting objectives and targets.



Step 3: Forecasting workforce requirements and identifying gaps

Compile labour demand information based on the Community Strategic Plan and Delivery Program. Identify internal and external changes and developments that the council is likely to face in the future in order to meet the community's long term objectives. Include the resources the council will need to develop, monitor and maintain partnerships to deliver parts of the Community Strategic Plan that will be delivered by partners other than the council.

This step includes developing an appropriate workforce operational structure, identifying the skills required to meet the Delivery Program and considering emerging technologies.

Engaging with staff representatives when developing an appropriate workforce structure for the council will benefit the change management process and improve ownership of the workforce strategy.

This information can then be used to identify a future demand/supply gap in terms of the council's workforce. Involve managers in the identification of future issues and the development of strategies to address them.

Review the council's EEO management plan to ensure that programs and targets continue to be relevant and include objectives in the forecast of workforce requirements.

Step 4: Identifying strategies to address identified gaps

Develop strategies designed to enable the council to achieve its future workforce needs identified in Steps 2 and 3 above. Include documented strategies that will result in the desired changes to the council's workforce profile, together with appropriate key performance indicators and timeframes. Strategies should include change management.

Engaging with staff in the development of strategies and Key Performance Indicators to fill workforce gaps will help to ensure their effectiveness and will assist in securing the workforce strategy's success.

Councils may also wish to plan together through their Regional Organisations of Councils where they operate in the same labour market.

This is the best opportunity to look at strategies to fill gaps which can also meet EEO objectives and fulfill the council's obligation to implement the principles of multiculturalism in conducting its affairs.

Apprenticeships and traineeships can be used to benefit the council to fill supply and demand gaps



Step 5: Implementing and workforce strategy

The introduction of new workforce planning strategies will require decisions to be made at strategic and operational levels. Responsibility for implementing the workforce strategy needs to be clear, with built-in reporting mechanisms.

Ensure the general manager's leadership and emphasise council-wide ownership of the strategy's implementation by ensuring directors and line managers have clear responsibilities, and that communication strategies are in place so that all staff are engaged in the process, can understand the benefits of the workforce strategy and can provide feedback. Implementing a workforce strategy can assist further with carrying out this step.

Step 6: Monitoring and evaluating the workforce strategy

Establish a regular monitoring and evaluation process which includes criteria to:

- measure the effectiveness of any strategy that is implemented
- determine the success or otherwise of strategies and key performance indicators
- incorporate recommendations into the workforce planning cycle.

An effective monitoring and evaluation process will include addressing feedback provided by key stakeholders as part of the implementation process.

Examples of good practice Workforce Management Plans

While all Workforce Management Plans have different strengths and weaknesses, as of June 2012 the following councils and county councils have delivered examples of good practice which can be used as a source of ideas:

- Bellingen
- Carrathool
- Far North Coast
- Greater Hume
- Lake Macquarie
- Maitland
- Randwick
- Rockdale
- Shellharbour
- Warringah
- Young



3.4 Asset Management Planning

NSW local government is the custodian of approximately \$50 billion of community assets which enable councils to provide services to their community. These assets include roads, water and sewerage assets, drains, bridges, footpaths, public buildings, recreational facilities and parks and gardens.

As custodian, councils are responsible for effectively accounting for and managing these assets and having regard for the long term and cumulative effects of the decisions. This is a core function of councils and is reflected in the Charter in s 8 of the Act.

Furthermore, a strong and sustainable local government system requires a robust planning process to ensure that these assets are managed in the most appropriate way on behalf of local communities.

Defining an asset

An asset is defined as "a resource controlled by a council as a result of past events and from which future economic benefits are expected to flow to the council." At this stage, councils are only required to specifically consider their physical assets. However, some councils currently choose to plan for the long term management of 'soft assets' (intangibles) such as intellectual property and natural assets.

Councils should ensure their asset management planning has a service delivery focus. In other words, the assets that are provided are necessary to meet the needs of the community as identified by the community.

Defining asset management

The term 'asset management' describes the process for 'whole of life' asset management from planning, purchase, operation, and maintenance to disposal of assets. It also encompasses integration of asset and service outcomes.

Under the Asset Management Standard Public Available Specification 55, asset management is defined as "...the systematic and coordinated activities and practices through which an organisation optimally manages its physical assets, and their associated performance, risks and expenditures over their lifecycle for the purpose of achieving its organisational strategic plan"².

Key components of an asset management system

The key components or tools in a council's asset management system should include:

- Asset registers
- · Asset condition assessments
- Asset maintenance and management systems
- Strategic planning capabilities
- Predictive modelling
- Deterioration modelling
- Risk analysis
- Lifecycle costing.

Asset management decisions should be informed by evaluation of alternative means of service provision (eg asset sharing), full lifecycle costing, and performance measurement and monitoring.

Informed decision-making recognises the long-lived character of infrastructure assets and the need to plan and budget for them on a full lifecycle basis beginning with the identification of a service need and the means to meet that need.



Essential Element 2.11

The Asset Management Strategy and Plan/s must be for a minimum timeframe of 10 years.

The planning horizon

The Asset Management Strategy and Plan/s will require three different but interlocking planning periods:

- A rolling 10-20+ years forecast, linked to the Community Strategic Plan and Long Term Financial Plan
- 4 years to guide asset decisions flowing from the Delivery Program
- An annual plan detailing the actions to be implemented in the Operational Plan.

As the Strategy is a 'living document' that will include benchmarks and milestones aimed at improving the council's asset management processes and procedures, it must be monitored regularly and amended to reflect progression in its implementation.

In addition, the Strategy and the Plan/s need to reflect any major changes in the council's asset portfolio. These changes may reflect asset investments or disposals that have resulted from, or are reflected in, the council's Delivery Program. Alternatively, these changes may result from unexpected major events, such as the decommissioning of a major asset due to severe storm damage or other natural disaster.

Asset Management Plans should also be subject to ongoing monitoring and regular review (at least annually) to reflect any changes in asset conditions and/or the asset portfolio.

With a 10 to 20+ year forward plan, elected members of council and staff are in a better position to appreciate their current position and to be in a position to ensure any decisions take into account the impact on future generations. A council should not face any surprises in managing its assets. The relationship between long term financial planning and asset management planning is discussed further on page 5 of the Australian Infrastructure Financial Management Guidelines ³ (AIFMG).

³ Australian Infrastructure Financial Management Guidelines – Version 1.0, 2009



3.4.1 Asset Management Strategy

Essential Element 2.12

The Asset Management Strategy must include an overarching council endorsed Asset Management Policy.

Essential Element 2.13

The Asset Management Strategy must identify assets that are critical to the council's operations and outline the risk management strategies for these assets.

Essential Element 2.14

The Asset Management Strategy must include specific actions required to improve the council's asset management capability and projected resource requirements and timeframes.

Starting with an Asset Management Policy

The Asset Management Policy is a council endorsed policy which sets the broad framework for undertaking asset management in a structured and coordinated way. It outlines why and how asset management will be undertaken. It provides a clear direction for asset management and defines key principles that underpin asset management for the council.

The Policy should set the framework for the preparation of the council's Strategy and Plan/s, while the Strategy will support and implement the council's Policy. In doing so, the Policy should:

- Establish the goals and objectives for asset management in terms of providing a platform for service delivery
- Integrate asset management with the council's strategic planning
- Maximise value for money by adoption of lifecycle costing, combined with performance measurement
- Assign accountability and responsibility for service delivery together with asset management
- Promote sustainability to protect the needs of future generations.



Issues to be addressed in council's Policy

Typically, a council's Asset Management Policy will contain information regarding:

- The organisational context and importance of asset management
- The organisation's overall vision and goals and supporting asset management vision and goals
- Asset management policies underpinning the strategic goals
- Key performance measures for policies, including broad timeframes and deadlines (eg frequency of Asset Management Plan reviews, timing of community consultation inputs)
- Asset management responsibilities and relationships
- How asset management integrates into the organisation's business processes
- Audit and review procedures.

Developing the Asset Management Strategy

The development of an Asset Management Strategy will enable councils to show how their asset portfolio supports the service delivery needs of their communities into the future.

It should include:

- A description of the current status of the council's asset management practices (processes, asset data and information systems)
- Specific actions to be undertaken to improve or enhance the council's asset management capability (a gap analysis), including resource requirements and timeframes
- Specific actions to be undertaken to achieve the council's strategic objectives.

When developing the Strategy, the council should address the following questions:

- What is the current situation?
- Where do we want to be?
- How will we get there?

Current situation analysis

The first step in developing an Asset Management Strategy4 is to develop a clear understanding of the current situation of the council's assets and their management. Issues to consider include:

- What is the current condition of the assets?
- Do they meet the council's and the community's current and forecast future needs?
- Is the funding base for their operation, maintenance and renewal appropriate and affordable?
- What is the state of the council's asset management procedures, systems and training?



These questions need to be answered from a strategic perspective – they are 'big picture' questions.

Then there are more 'micro' considerations. Questions which inform the main elements of a current situation analysis include:

- What is the council's current asset stock?
- What is the condition of the council's current assets?
- What is the value of the assets?
- What are the operating and maintenance costs of the assets?
- What is the level of utilisation of existing assets?
- What is the level of user satisfaction with service provision?
- What is the council's future renewal profile?
- What asset management procedures, systems and training does the council currently have in place?

Where do we want to be?

The council's Asset Management Strategy must fit within the vision and objectives of its Community Strategic Plan. If the Strategy does not fit within the vision and objectives set out in the Community Strategic Plan, it is on the wrong track. Similarly, the Community Strategic Plan needs to respond to the council's asset management realities.

Central to this process are forecasting the service delivery needs and the capacity to meet them on a short, medium and long term basis.

The answer to the question 'Where do we want to be?' lies in the outcomes wanted by the community and may challenge current attitudes and practices. The key outcome is the provision of services responsive to the community's needs within available resources. This outcome sets the framework for a council's strategic planning. It identifies the strategic considerations to be met.

This section of the Strategy should therefore address where the council wants to be both in terms of:

- Improving the council's asset management practices
- Aligning the council's asset profile and performance with its Community Strategic Plan.

It also requires an understanding of what 'good' or 'best practice' asset management is, in order to determine where the council wants to be and the areas where it believes it should focus its attention.

Typical elements of future considerations include:

- · Unchanged outcomes
- New outcomes
- · Outcomes that will cease to be met
- Broad information on changing demographics and industry
- Likely technological changes.

A council will have already identified many of these elements during the research and information gathering it has undertaken as part of its Community Strategic Planning process.



How will we get there - identifying and addressing the gaps

Once the council has identified its existing asset profile and performance and its current asset management practices, and where it wants these to be, it can then embark on identifying a path to addressing the gaps.

A 'gap analysis' would include a comparison between the current situation and future objectives to highlight where strategies will need to be developed to cater for any changes, in accordance with the council's evaluation of the relevant economic, social, environmental and civic leadership considerations.

The gap analysis should include:

- The results of any risk assessment undertaken to identify asset management improvement needs
- Details of the benefits and costs of addressing the gaps
- Realistic timeframes for addressing the gaps
- Identification of the priority actions to achieve the council's strategic goals and its Asset Management Policy.

The gap analysis will then form the basis of an improvement plan to address the gaps.



A suggested improvement plan

The International Infrastructure Management Manual suggests that improvement tasks can be grouped under the following six headings⁵. Under each heading are some typical improvement activities relating to these areas:

Asset Management Preparation/ Corporate Overview	4 Asset Management Data Improvements
 Confirm asset management team/coordinator roles Confirm corporate asset management objectives/programs Confirm Asset Management Plan formats/scope Prepare detailed activity asset management improvement plans Define current levels of services/performance measures List asset management policies (existing/required) Prepare initial Asset Management Plans Update existing/initial Asset Management Plans Review selected levels of service 	 Confirm data classification/identification system Confirm data collection priority Confirm data collection/recording contract requirements Collect and input priority asset management systems attribute data Collect/input priority geographic information systems spatial attribute data
2 Asset Management Process Improvement	Organisational/People Issues
 Confirm the following processes for each asset: Service delivery tendering Level of service review/service performance monitoring Asset condition assessment/performance monitoring Attribute data collection/validation/recording Customer enquiries Asset accounting and economics Renewal decision making/demand management Capital expenditure improvements QA/continuous improvement Include confirmed processes in Asset Management Plans Review asset management processes 	 Review of corporate asset management structure and project brief Review of training needs and revision of training program
Asset Management Information System Improvement	6 Asset Management Commercial Tactics
 Confirm asset management system development plan Asset management system purchase/training Develop a strategy for integrating mapping, financial and asset information systems Review asset management system development plan 	Core business review Review packaging and scope of contracts Review incentives to encourage desired contractor behaviour Review contract management/supervision processes Modify specifications to incorporate contract requirements associated with revised asset management processes Implement project management systems

⁵ International Infrastructure Management Manual, page 2.41



Implementing the Asset Management Strategy

Implementing the maintenance and improvement actions will have a strategic and corporate significance to the council and may involve significant resources. All councils, irrespective of size or location, need to ensure that the sustainable management of assets is a 'whole of council' responsibility, and that this is recognised at all levels within the council.

Implementing the Strategy will therefore require the council to:

- Identify and allocate responsibilities and accountabilities
- Define performance measures for each asset manager in terms of quality, quantity, timing and budget
- Train staff in asset management concepts and principles, software usage, data collection and data input
- Monitor and report on progress.

If it is to be implemented effectively and efficiently, the Strategy should include a risk assessment matrix that identifies:

- The actions to be undertaken
- Who is responsible for those actions
- The resources required to complete them
- · Linkages with other required actions
- The consequences for the council if those actions are not completed.

Such a matrix will assist the council in allocating its resources to the required actions and allocating appropriate timeframes for their completion.



3.4.2 Asset Management Plans

Essential Element 2.15

The Asset Management Plan/s must encompass all the assets under a council's control.

Essential Element 2.16

The Asset Management Plan/s must identify asset service standards.

Essential Element 2.17

The Asset Management Plan/s must contain long term projections of asset maintenance, rehabilitation and replacement costs.

Asset Management Plans are long term plans that outline the asset activities for each service. The International Infrastructure Management Manual defines an Asset Management Plan as "...a written representation of the intended asset management programs for one or more infrastructure networks based on the controlling organisation's understanding of customer requirements, existing and projected networks, and asset conditions and performance"⁶.

Councils may choose to have a single plan that encompasses all the assets under its control, or it may have a series of plans for each asset class or asset group (eg roads, buildings).

As an Asset Management Plan outlines actions and resources to provide a defined level of service in the most cost-effective way, it should include as a minimum (core) approach:

- The best available information and random condition/performance sampling
- A simple risk assessment to identify critical assets and strategies to manage those risks
- A description of existing levels of service
- Long-term cash flow predictions for asset operation, maintenance and renewals based on local knowledge of assets and options for meeting current or improved levels of service and for serving the projected population
- Financial and critical service performance measures against which trends and Asset Management Plan implementation and improvement can be monitored.

⁶ International Infrastructure Management Manual, page 2.39



There are specific asset management planning requirements for water supply and sewerage. They require compliance with the Best-Practice Management of Water Supply and Sewerage Guidelines 2007 and the NSW Reference Rates Manual for Valuation of Water Supply, Sewerage and Stormwater Assets. Further guidance for councils is provided in the Water Supply and Sewerage Asset Management Guidelines 1991.

These requirements include the need to prepare an Asset Register, a 20 to 30 year Operation Plan, Maintenance Plan and a Capital Works Plan which identifies the required renewals, works for improved levels of service and works for serving new growth. Councils must continue to meet these asset management planning requirements for their water supply and sewerage infrastructure.

Developing an Asset Management Plan

A major use for Asset Management Plan(s) is to communicate information about assets, including particular actions required to provide a defined level of service in the most cost-effective manner.

For those councils that are yet to develop Asset Management Plan(s), they may wish to start off the process by developing a first cut plan based on existing data and documenting existing levels of service and management strategy.

While there are likely to be many gaps identified, and it may not serve all the council's needs, this 'top down' approach will provide a basis upon which the council can develop its Asset Management Strategy and ensures that some progress on asset planning is being made. The approach may be particularly attractive to smaller councils with limited financial and human resources.

For many councils, the prospect of embarking on a comprehensive Asset Management Planning process is overwhelming. A number of councils that are now well advanced in their Asset Management Planning have advised that this type of 'one bite at a time' approach made Asset Management Planning far less daunting. It also allowed them to gradually, and incrementally, build the knowledge and corporate support within their council.

Another alternative is the 'bottom up' approach which starts off the process by preparing the Asset Management Strategy, and through the Strategy improving the data and systems, and then preparing the Plan.

The IIMM identifies the following advantages and disadvantages of each of these approaches?:

⁷ International Infrastructure Management Manual, page 2.41



	Top Down Analysis (Core)	Bottom Up Analysis (Advanced)
Advantages	Supports the 80/20 rule (get 80% of the results from the first 20% of effort) Identifies the weaknesses in the plan earlier and focuses on appropriate data as opposed to perceived data needs Initially less resource intensive	Outputs are data-driven with a high degree of confidence Data is of a high quality Ability to undertake data modelling and improve decision making Continuous plan revision is simpler
	Better use of limited resources and quick results	
Disadvantages	Potential for compromised quality and completeness of data Assumptions required to make decisions Potential for inappropriate decision making Inability to undertake detailed modelling and sensitivity analysis	Data collection takes time Time of production can impact on the ability to make urgent decisions Potential to lose focus on objectives – too focused on data issues Costly and time consuming Organisation can become data rich and information poor Lack of focus on supporting asset management activities

When preparing the Asset Management Plan, it is important to gather all the relevant information which informs the planning process. This includes information about the condition of assets, risks and how they might be managed, and probable lifecycle costs.

More detailed information on 'core' and 'advanced' asset management is discussed on page 4.6 of the Australian Infrastructure Financial Management Guidelines – Version 1.0, 2009.

Condition assessment

The condition of an asset will generally deteriorate more quickly when insufficient or less than normal maintenance is undertaken, and will improve when additional maintenance work is performed.

It is therefore important when assessing the condition of an asset to be aware of the maintenance program, and to make a distinction between maintenance expenditure and capital works improvements.

Asset condition assessment is particularly useful in identifying areas where there is insufficient maintenance. Regular assessment of condition levels of assets enables profiles of the deterioration of assets to be developed. It also enables assessments to be made of the costs to reinstate assets to a reasonable condition.



Such information is important for planning purposes, when developing budgets, Asset Management Plans and when making submissions for funding. Recording of asset condition assessments will enable councils to plan future maintenance. There are many computerised systems available to councils to help in this regard.

Consistent condition assessment

A consistent approach to the identification of asset conditions is a key objective of the NSW Government's integrated planning and reporting reforms. While the assignment of any asset to a particular asset category will

require the professional judgment of councils, a uniform grading framework will provide a better picture of the state of the asset stock within NSW councils. The condition levels should be applied universally to all assets and can be assigned judgmentally when determining the remaining useful life of particular assets.

It is recognised that condition assessment of all assets is a major task for councils to complete. Therefore the model for condition assessment has not been prescribed. However, councils are encouraged to adopt the following five category model.

Level	Condition	Description
1	Excellent	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Average	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required.

Within the useful life of an asset, the condition may fluctuate from one condition level to another. Judgment will need to be exercised to determine whether the condition of an asset has changed to such an extent as to justify assigning a new condition level for the asset.

If an asset's condition level increases, one of the following must have occurred:

- The original evaluation of condition level was incorrect, or
- Works of a capital nature were carried out on the asset improving its condition. (Any such works should be capitalised and added to the value of the asset).

It must be recognised that it is possible for an asset condition level to move to a nonadjacent condition level between valuations, either as a result of major works or as a consequence of deterioration due to lack of routine maintenance over a valuation period.

Suggested condition ratings

Suggested asset condition ratings for the major assets of a council (land, roads, bridges and culverts and urban stormwater drainage) are outlined below. However, the general condition ratings can be applied to any non-current assets.

It is appreciated that significant resources and skills are required in order to undertake condition assessments in a comprehensive manner. The suggested approaches outlined below could be considered as an approach relevant to a council at an advanced stage of asset management. Councils with more limited capacity will need to tailor their approach, particularly in the early years of implementation, to align their needs and abilities.



Roads

Conditions for roads are particularly important when considering the pavement structure and seal of the road. For these components, more specific descriptions of condition levels may include:

Level	Condition	Description
1	Excellent	Normal maintenance
2	Good	Some surface/pavement structure deterioration – patching only needed for repair
3	Average	Serious surface/pavement structure deterioration - requires resurfacing or recycling of pavement structure
4	Poor	Deterioration materially affecting entire surface/ pavement structure - requires renovation within 1 year
5	Very poor	Deterioration is of sufficient extent to render the surface/pavement structure unserviceable.

Due to the relatively long useful life of a road's earthworks component, it is expected that its condition level will remain at Level 1 or 2 for most of the road's useful life. There may be special circumstances, such as earthquake or flood damage, which will require consideration of a lower condition level for earthworks.

A similar approach to road condition level assessment can be readily applied for footpaths and car parks.

It is important that councils maximize their opportunities to secure funding for the maintenance and upgrading of their road network. The Australian and NSW Governments provide funding to councils for this purpose. For example, councils can seek funding for treatment of 'black spots' from either the Australian Government's Nation Building 'black spot' program, or the NSW Government's 'black spot' program. The NSW Roads and Traffic Authority provides information to support councils to seek funding to assist them to manage their road network. Councils should utilise the opportunities provided by these programs to assist with maintaining these important

community assets. For more information on these and other programs and tools for councils go to:

www.rta.nsw.gov.au/doingbusinesswithus/lgr/index.html

Bridges and culverts

To assess the condition of a bridge or culvert structure adequately it would normally be necessary to undertake some investigative work and testing of the structure, especially if the general condition is poor and the bridge or culvert is identified at being at condition level 3 or 4.

Condition as it relates to both structural and functional adequacy should be assessed. For large bridge structures, it may be necessary to divide the structure into sections for assessment, especially if the design type, type of condition, or the structure varies along its length.



Urban stormwater drainage

The urban stormwater drainage network will need to be carefully surveyed to ascertain its condition levels. Due to the nature of the main underground drainage network commonly in place in urban areas, it is likely that any one of the five condition levels recommended may apply. However, without substantial effort being put into a survey of underground drains, it may be difficult to ascertain which condition level is appropriate.

For drainage assets other than underground drains, condition should be readily assessed from visual inspection.

Risk assessment and management

Every council is exposed to considerable political, managerial and financial risks due to their scale of investment in infrastructure assets. The type of risk events that might impact on assets include:

- Natural events, for example, bushfires
- External impacts, for example, power supply failures
- Operational and physical failure risks.

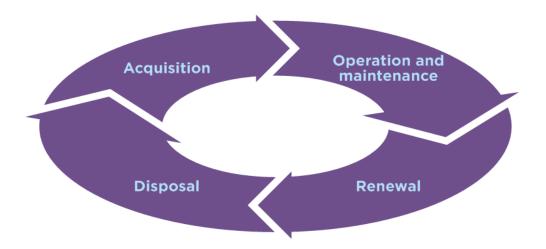
Through effective asset management planning, a council is better able to manage these risks, sustain business continuity and obtain better value for money in the delivery of services to the community.

A council's Asset Management Plan should therefore incorporate an assessment of the risks associated with the assets involved and the identification of strategies for the management of those risks. The strategies should be consistent with the overall risk policy of council. The International and Australian Standard AS/NZS/ISO/31000:2009 - Risk management - Principles and guidelines provides a useful guide.

Lifecycle costs

Costs occur in all phases of an asset's life. It is important to attribute the costs to each phase of an asset's lifecycle so that the total lifecycle costs can be determined to enable better management decision-making.

There are four key phases of the asset management lifecycle of a council's assets, namely: acquisition, operation and maintenance, renewal, and disposal.





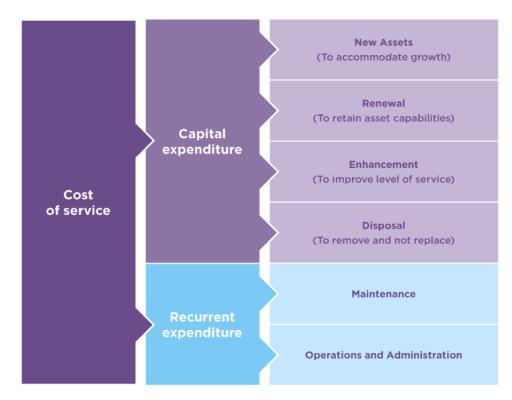
Sound and effective planning in all phases of the asset management cycle will assist in:

- Setting levels for service delivery
- Assessing the functional adequacy of existing assets
- Identifying surplus or underperforming assets
- Assessing the assets required for new policy initiatives
- Evaluating options for asset provision (for example, private versus public investment)
- Evaluating options for funding asset acquisition
- Ensuring funds are available when required
- Ensuring assets are maintained and disposed of in an optimum manner
- Evaluating asset management performance, with the goal of continuous improvement.

Lifecycle costs include:

- · Initial capital/investment costs
- · Operation and maintenance costs
- · Refurbishment and renewal costs
- Administration, overheads and taxes
- Depreciation
- · Capital use charges/rate of return
- End-of-life materials disposal costs.

These costs are generally separated into capital and recurrent expenditure, as illustrated here:





The initial capital cost constitutes a significant up-front cost and often dominates the decision as to whether to acquire a new asset. However, analysis of investment options should be based on total lifecycle costs, including ongoing operation and maintenance expenditure and future renewal of the asset.

Councils should also be mindful when considering major asset investments that they have considered the following:

- Is the proposal based on identified need and genuine community engagement (particularly where the costs are high)?
- What are the risks of the proposal? For example, are projected commercial revenue streams that will be relied upon to meet loan repayments and operating costs realistic?
- Are there probity issues around the origin of the proposal and the projected forecasts for the proposal? Has the proposal arisen from a clearly identified market and community need?
- Has a thorough project analysis been completed? This should include site acquisition, operating costs, potential revenue, skills within the council to properly assess the information, and tendering processes.

Further information can be sourced from the AIFMG8.

Five Steps in preparing an Asset Management Plan

The International Infrastructure Management Manual suggests the following five steps in preparing and updating an Asset Management Plan⁹:

Step 1: Identify objectives

Before starting to prepare an Asset Management Plan, it is necessary to understand who will read the Plan, what they already know about the council, what they want to know, and how they intend to use the information contained within the Plan.

The needs of the target audience should be combined with the communication objectives – eg the extent of the information that the reader should have access to. Having identified and resolved any conflicts between what the target audience wants to know and what they need to know, a start can be made.

Step 2: Outline the plan structure and content

The outline can be as general or as detailed as required. A decision must be made on how to group the assets to make it easier to present asset information and lifecycle tactics, and the issues impacting on their management. For example, park assets may be presented by asset type (eg horticulture, buildings, structures) or by site (eg by park or by complex).

Factors influencing this decision include the number and value of assets, scale of maintenance and operational costs, depth of asset information available, whether the assets are managed in a similar way, where the assets are in their lifecycle, and the structure of management and service delivery contracts.

- 8 Australian Infrastructure Financial Management Guidelines Version 1.0, 2009
- **9** International Infrastructure Management Manual, page 2.43

16.7 SNOW MONARO REGIONAL COUNCIL COMMUNITY STRATEGIC PLAN UPDATE ATTACHMENT 1 OFFICE OF LOCAL GOVERNMENT INTEGRATED PLANNING AND REPORTING MANUAL Page 700



Step 3: Write the plan

In writing the Plan, consider the following:

The order of the Plan preparation will depend on the data and information available, the sophistication of the council's asset management processes and the experience available for preparing the Plan.

It may be necessary to research many areas before there is enough information to write about it. At this initial stage, use mostly readily available information such as hard copy records, historical reports and staff knowledge.

Further investigation may be required, but do not spend too much time on extensive research and analysis, nor waiting to collect additional data. Once the Plan is completed there will be a clearer picture of the most important data to collect.

If information is unavailable, make the best assumptions based on current information. Write the Plan on this basis and state these assumptions clearly. The Plan is a living document and will be updated.

Make use of tables and graphs to present information and data to enhance the presentation, readability and understanding of the Plan.

Prepare initial drafts of prospective financial statements and cashflow projections after preparing the rest of the main body of the document.

The last element of an Asset Management Plan to be prepared is an Executive Summary. Plan to make this a stand-alone document that summarises clearly the main elements of the Plan.

Step 4: Have the plan reviewed

After completing and reviewing the draft of the Plan, have someone with expertise in asset management review the Plan's strengths and weaknesses and its ability to meet any disclosure or other criteria.

Step 5: Update the plan

Asset Management Plans are dynamic documents and need to be updated periodically to maintain relevance. As the objectives or customer expectations change, or asset management systems improve, update the Plan to reflect those changes.



Suggested Asset Management Plan structure

While there is no single right way to structure an Asset Management Plan, it would typically include the following content:

- The purpose of the Plan, its relationship with other planning documents and timeframe of the Plan
- A description of the asset group(s) and the services delivered
- An outline of the type of information available on assets, information systems used and key standards and guidelines which influence asset management activities
- Levels of service (current and desired) and a system of performance measures
- Factors influencing future demand and impact of changing demand on assets
- Management of risk

- Summary of lifecycle management strategies (operations, maintenance and renewal/disposal of assets)
- Financial summary long term cash flow projections for each significant asset group
- Links to the Community Strategic Plan and Long Term Financial Plan, capital works and maintenance programs.

Developing an implementation schedule

To assist councils in aligning the development of their Asset Management Strategy and Plan with the three-year phased implementation program of the integrated planning and reporting reforms, councils should consider developing and documenting a schedule to guide their progress. One Sydney metropolitan council has developed the following schedule for its implementation program which other councils may find useful.



Step	Activity	Timeframe
1	Develop/document asset registers in line with 'minimum' data requirements for major asset classes – those representing greater than 80% of total asset portfolio.	Within 6 months
2	Develop asset management policy and strategy	Within 12 months
3	Develop/document asset registers in line with 'minimum' data requirements for other asset classes – i.e. representing the entire asset portfolio	Within 12 months
4	Develop basic Asset Management Plan (using minimum/core requirements) for major asset classes - i.e. those representing greater than 80% of total asset portfolio.	Within 18 months
5	Develop 10-year financial plans linked to the Asset Management Plans for major asset classes – i.e. those representing greater than 80% of total asset portfolio.	Within 18 months
6	Develop improvement program to build on initial Asset Management Plans	Within 24 months
7	Develop basic Asset Management Plan (using minimum/core requirements) for other asset classes – i.e. representing the entire asset portfolio	Within 24 months
8	Develop second stage Asset Management Plan (using more advanced information) for major asset classes – i.e. those representing greater than 80% of total asset portfolio	Within 30 months
9	Develop second stage Asset Management Plan (using more advanced information) for other asset classes – i.e. representing the entire asset portfolio.	Within 36 months

Defining levels of service

An Asset Management Plan should define the level of service required of the asset. Service levels are defined in the International Infrastructure Management Manual as '... defined service quality for an activity or service area (for example, the road network) against which service performance may be measured 10.

Defining levels of service can be complex and can potentially become an impediment to finalising a Plan. For many councils, simply focussing on maintaining existing levels of service is a reasonable assumption in the initial stages of planning. Furthermore, industry best practice in this area is still emerging, as are the tools to support it. However, if councils are at a more advanced stage of asset management planning, the following guidance on how to determine levels of service may be useful.

Service levels should be determined through community and/or customer consultation. This can be done as part of the council's Community Strategic Plan development process, or as separate exercises in the council's ongoing consultation process.

¹⁰ International Infrastructure Management Manual, page 3.3



Service levels relate to, for example:

- Quality
- Quantity
- Safety
- Capacity
- Fitness for purpose
- Aesthetics
- Reliability
- Responsiveness
- Environmental acceptability
- Costs.

The impact of changes in demand over time on service levels should be regularly established and accounted for to provide a clear understanding of cost implications across the whole lifecycle of a higher or lower service quality.

Expressing services and quantifying different levels of service in user terms helps to examine the range of service levels. The range of service levels provides a measure of the different levels of 'outcomes' that the council can provide recognising budgetary constraints.

Forecasting and managing demand

Changes in demand for an asset can have a significant impact on its lifecycle and an Asset Management Plan should therefore adequately forecast changes in demand.

The demands placed upon assets can change over time due to a number of factors. Population growth is a common factor influencing demand changes. However, in areas such as parks, changes in leisure trends are likely to have a far greater impact than a change in population growth.

Understanding the key drivers of demand is an important step in demand forecasting. Once the factors are understood, modelling processes can be used to assess the impact of these factors on future demand.

The model can be as simple as assuming a linear relationship with one variable, for example, assuming that water usage will increase in direct proportion to population growth. Such a minimalist approach would align with a 'core' asset management approach.

At the other extreme, sophisticated models assessing the impacts of a number of demand factors can be developed. This would be expected from a council that is capable of adopting an 'advanced' asset management approach.

By adequately forecasting demand, councils are better placed to respond to the likely impact on their asset base, either through better planning for future upgrades of assets or through the creation of new assets, or through demand management strategies (attempting to change the pattern of demand to minimise or eliminate the need to upgrade assets).



3.4.3 Reporting

Essential Element 2.18

Councils must report on the condition of their assets in their annual financial statements in line with the Local Government Code of Accounting Practice and Financial Reporting.

As the council is responsible for the custody of and is the trustee of public assets, it is responsible for the accounting and management of those assets.

Annual reporting to the community is an important part of transparent and accountable local government. The information provided should be simple, relevant and current. Determining satisfactory and sustainable levels of service will be subject to continual refinement and consultation between the council and the community through the Community Strategic Plan and the Delivery Program.

The council's achievements in implementing its Asset Management Strategy and Plan should be reported to the community in the context of how they have supported the council in meeting the Community Strategic Plan objectives, and the council's Delivery Program and Operational Plan outcomes.

For more information about reporting on assets, go to Chapter 6 of this manual.

Examples of good practice Asset Management Planning

While all Asset Management Planning has different strengths and weaknesses, as of June 2012 the following councils and county councils have delivered examples of good practice which can be used as a source of ideas:

- Ashfield
- Bombala
- Carathool
- Conargo
- Kyogle
- Lachlan
- Lake Macquarie
- Narromine
- Port Macquarie
- Waverley
- Willoughby

DELIVERY PROGRAM



This is the point where the community's strategic goals are systematically translated into actions. These are the principal activities to be undertaken by the council to implement the strategies established by the Community Strategic Plan within the resources available under the Resourcing Strategy.

The Delivery Program is a statement of commitment to the community from each newly elected council. In preparing the Delivery Program, the council is accounting for its stewardship of the community's long term goals, outlining what it intends to do towards achieving these goals during its term of office and what its priorities will be.

The Delivery Program replaces the former Management Plan requirements. It is designed as the single point of reference for all principal activities undertaken by the council during its term of office. All plans, projects, activities and funding allocations must be directly linked to this Program.



4.1 General requirements

Local Government Act

A council must have a Delivery Program, detailing the principal activities it will undertake to achieve the objectives of the Community Strategic Plan, within the resources available under the Resourcing Strategy.

The Delivery Program must cover a four-year period commencing on 1 July following each ordinary election.

Essential Element 3.1

Each council must prepare and adopt its Delivery Program by 30 June in the year following a local government ordinary election.

The Delivery Program is the point where the council takes ownership of Community Strategic Plan objectives that are within its area of responsibility.

The Program is designed as a fixed-term four year plan to align with the council electoral cycle.

Each new council is responsible for preparing a new Delivery Program, in response to the Community Strategic Plan.

There is a nine month overlap period to allow the new council to undertake community engagement and preparation for the Program. In this period, the council should continue to implement the final nine months of the previous council's Program.

The framework differs from the previous Management Plan requirements in that the Management Plan was a minimum three year rolling plan.

The Delivery Program is a fixed-term plan because each council will be held accountable for implementing the Program within its term. The outgoing council will report to the community on what it has achieved in this regard.



4.2 Single point of reference

Because the Delivery Program is the key accountability mechanism for each council, it is important that it embrace all aspects of the council's operations. The aim is to create a document that councillors and staff should regard as their central reference point for decision making and performance monitoring.

Although it may seem challenging to incorporate regulatory and business functions into the Program at first, these activities should be carried out in such a way as to achieve the council's wider strategic objectives. Examples of incorporating these areas into the Program are included in this section.

Essential Element 3.2

The Delivery Program must directly address the objectives and strategies of the Community Strategic Plan and identify specific actions that the council will undertake in response to the objectives and strategies.

Essential Element 3.4

The Delivery Program must address the full range of council operations.

Integrating the plans

It is important to remember that the Delivery Program is part of a larger process – the Community Strategic Plan sets the community's agenda for the future, the Resourcing Strategy identifies matters that are within the council's realm of responsibility, and the Delivery Program and Operational Plan spell out the council's plan of action for responding to these matters. The strategies identified in the Community Strategic Plan should be carried through to the Delivery Program and the actions identified in the Delivery Program should be carried through to the Operational Plan. The diagram that follows shows how the various levels of the planning framework connect.





4.3 **Deciding on structure**

There is no prescribed format for the Delivery Program. It is up to each council to decide how it will organise and present the information. It does not have to be arranged into Year One, Year Two etc. However, the following basic principles should be followed:

- The Delivery Program must comply with the Essential Elements in the Guidelines
- The Delivery Program is not a collection of associated plans that require crossreferencing
- There must be a clear link between the Community Strategic Plan, the Delivery Program and Operational Plan. The strategies identified in the Community Strategic Plan are carried through to the Delivery Program and expanded into actions and then provided in more detail in the Operational Plan
- The document should be presented in such a way that it is easy for a range of readers to follow and understand, as well as streamline a council's planning system.

As there is a direct link between the Community Strategic Plan and the Delivery Program, it is important to ensure that the objectives and strategies in the Community Strategic Plan are sufficiently broad to allow alignment with the council's full range of operations.

Developing the Resourcing Strategy will give each council a clear idea of which aspects of the Community Strategic Plan fall under its direct responsibilities and which aspects relate to other agencies and groups.

The Delivery Program should list all the strategies in the Community Strategic Plan, but focus specifically on the council's role. For example, there will be some strategies where the council will only play the role of advocate – say, lobbying for better public transport. This role should be acknowledged in the Delivery Program. There will be some strategies which

cannot be completed within the council's term of office. These should also be acknowledged in the Delivery Program.

When deciding what to include in the Program, the council should consider the following:

- The priorities identified by the community during the development of the Community Strategic Plan
- The levels of service expected by the community
- The resourcing options considered when preparing the Long Term Financial Plan
- Ongoing environmental, social/cultural or capital works programs
- Opportunities to link with Commonwealth, State or regional programs/projects
- Opportunities to work with other councils in providing services
- The council's legislative responsibilities and regulatory functions.

There may be some instances where a council identifies existing activities or directions that do not appear to align with the Community Strategic Plan's objectives and strategies. In this case, it may be appropriate to undertake a review of these activities to decide whether they should be discontinued or revised.

Covering a range of activities

Each council should aim to include a suitable range and proportion of activities in its Delivery Program. The key areas of the Community Strategic Plan – social, economic, environmental and civic leadership – should all be addressed in the range of activities chosen.

It is also important to undertake a representative proportion of Community Strategic Plan strategies. If the Community Strategic Plan covers the minimum timeframe of 10 years, then it is reasonable to expect that the Delivery Program, spanning four years will address a significant portion of the strategies.



4.4 Linking strategic objectives and operational matters

There are some activities that the council undertakes that may not, at first, appear to have a strategic focus – activities such as cemetery management, parking enforcement, food health inspections and footpath repairs. However, these activities are an important means of achieving a community's strategic objectives and they should be included in the appropriate place in the Delivery Program (and, ultimately, the Operational Plan).

For example, a council's street cleaning program may be a means of achieving the community's strategic objective of 'making our town centres attractive'.

Council's records management activities may be a means of achieving the community's strategic objective of 'open and effective local government in our shire'.

The following pages include some examples of how operational matters may fit in to the strategic picture. These are samples and are not necessarily comprehensive examples, but provide an overview of how issues can 'cascade' through the various plans.



Community Strategic Plan

Objective

A SAFE AND HEALTHY SHIRE

Strategies

- Develop crime prevention strategies
- Improve safety in town centres
- Promote road safety programs
- Promote active living options
- Provide quality recreational facilities
- Implement programs to protect public health
- Maintain and upgrade community water and sewerage schemes

Delivery Program

Actions (over 4 years)

- Develop and implement a crime prevention plan
- Lobby State Govt. for after-hours staffing of Surfside police station during holiday season
- Continue to support local liquor accords
- Undertake safety review of town centres and develop action plan
- Continue shared arrangements with Regional Organisation of Councils for road safety officer
- Prepare Active Living strategy for shire
- Support community education programs for active and healthy lifestyles
- Upgrade Jonestown recreational centre
- Maintain parks and sports fields to community standards
- Maintain drinking water monitoring program
- Ensure compliance with sewage treatment plant licence conditions
- Continue Water and Sewerage capital works program
- Maintain food premises inspections and education program

Operational Plan

Actions (this year)

- Undertake community consultation for crime prevention plan and CBD safety survey
- Meet with local MP and Police Minister re Surfside police station
- Attend all Liquor Accord meetings
- Undertake streetlighting audit of Smithtown, Jonestown and Surfside CBDs
- Assist local service clubs with Teen Driving Skills Program
- Pilot "Bike Right" program at two local schools
- Hold focus groups for Active Shire strategy
- Introduce Healthy Eating education program at Little Possum Child Care Centre
- Upgrade Oval No.1 at Jonestown recreation centre
- Review Plan of Management for Smithtown sports ground
- Continue the inspection and response program for council's parks, sporting fields and general open space



Community Strategic Plan

Objective

ENHANCE QUALITY EDUCATIONAL OPPORTUNITIES

Strategies

- Negotiate with Dept of Education, TAFE and local industry for improved trades training for local high school students
- Develop an information technology centre at council's Central Library
- Lobby for improved access to tertiary education facilities
- Develop a regional profile of formal and informal learning opportunities
- Provide WIFI hotspots in two village centres

Delivery Program

Strategy

Develop an information technology centre at council's Central Library

Actions (over 4 years)

- Review and update needs assessment conducted in 2006
- Review successful models from other council areas
- Consult with community on preferred options
- Prepare an IT centre development plan
- Consult with other stakeholders re partnerships and funding
- Complete IT centre project as part of library upgrade scheduled for Year 3

Operational Plan

Actions Year One

- Review needs assessment and update
- Collate and review usage figures for existing IT facilities at Central Library
- Review customer satisfaction survey from library
- Inspect IT centres at Brownstown and Smithville
- Participate in Libraries of the Future symposium
- Prepare a community consultation plan for project
- Form project reference group with key stakeholders
- Carry out consultation and report to council on community's preferred options



Community Strategic Plan

Objective

EXCELLENCE IN CIVIC LEADERSHIP

Strategies

- Strengthen ties between community and the 3 tiers of government
- Provide responsible, accountable and efficient local government
- Encourage greater community participation through volunteering
- Improve communication links between council and residents
- Encourage residents to participate in CSP delivery and review
- Develop Young Community Leaders program

Delivery Program

Actions (over 4 years)

- Identify partnership opportunities with state agencies on Community Strategic Plan priorities
- Continue to lobby all levels of government on community's behalf
- Provide support to form CSP community interest group
- Continue to work with Regional Organisation of Councils on appropriate programs and resource sharing
- Ensure responsible management of community assets and resources
- Promote excellence in delivery of services to the community
- Develop Council as an Employer of Choice
- Provide adequate support for councillors to perform their role
- Develop and implement a Community Consultation Strategy
- Participate in Young Community Leaders program steering group

Operational Plan

Actions (this year)

- Finalise partnership with TAFE re skills program
- Liaise with Area Health Service on hospital upgrade
- Host meetings of CSP interest group and appoint contact officer
- Continue to implement asset management strategy
- Continue to implement Long Term Financial Plan as per attached budget
- Undertake customer satisfaction survey and prepare draft customer service standards
- Continue frontline management training program for customer service staff
- Implement traineeship program for city planning and civic services groups
- Review Council's Social Justice Policy and EEO management plan
- Develop final proposal for flexible work time arrangements
- Continue to implement councillor professional development program



4.5 Linking with the resourcing strategy

Essential Element 3.3

The Delivery Program must inform and be informed by, the Resourcing Strategy.

Essential Element 3.6

Financial estimates of the income and expenditure for the four year period must be included in the Delivery Program, in line with its activities.

The work already undertaken for the Resourcing Strategy will provide the council with some important information to help it develop the Delivery Program. This will include:

- · The levels of service the community expects in terms of asset management
- The cost of any proposed major works or programs and the impact these may have on the council's financial sustainability
- · How much extra the community is willing to pay to achieve its strategic objectives
- Whether external funding may be available for some projects
- The implications of the Community Strategic Plan in terms of the council's workforce planning
- The ongoing operational costs of the council.

Using this information, the council can start to put its Delivery Program together. What is realistically achievable in the next four years? What are the priorities? How will programs be scheduled?

As the Delivery Program is developed, more details can be added to the Long Term Financial Plan. The relationship is shown in the next diagram:

Long Term Financial Plan - 10 years



Councils may, if they wish, prepare all four Operational Plans for their term of office at the same time. However, these plans will need to be reviewed, exhibited and amended annually, as appropriate. Where a council has applied for a special variation to general income to finance strategic objectives, it may be appropriate to prepare a set of Operational Plans.



4.6 Allocating responsibilities

Essential Element 3.5

The Delivery Program must allocate responsibilities for each action or set of actions.

One of the important requirements of both the Delivery Program and the Operational Plan is to identify who will be responsible within the council for completing the various projects or activities. This gives a clear picture of expectations, accountabilities and timeframes.

For the Delivery Program, the minimum requirement should be to allocate responsibilities to at least 'director' level, but it is preferable to allocate to a further level below this so that project managers, as well as their Directors, are held responsible for delivering outcomes.

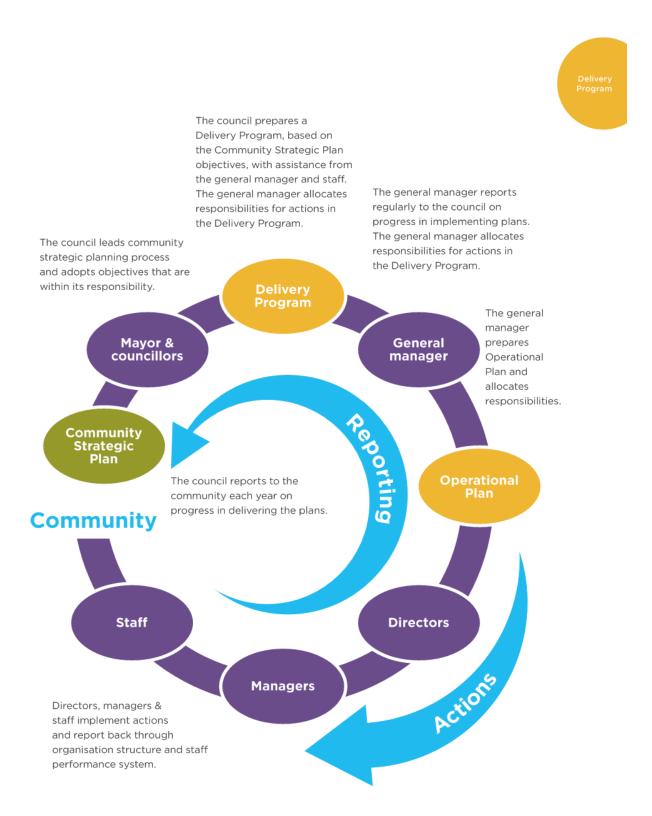
For example, if one of the strategies in the Delivery Program is "Ensure libraries are socially inclusive and user friendly" then the Program could nominate the Director of Community Services as being the responsible person for delivering this action. However, it would be preferable to also nominate the Manager of Library Services, as this makes it much clearer that responsibility for delivering the action sits within a particular section of the Community Services division.

For the Operational Plan, responsibilities should be allocated to at least 'middle management' level. Councils will need to interpret this within the context of their own organisational structures, but the intention is that, as the plans get more detailed, the allocation of responsibility will get more specific.

For example, it is not sufficient to nominate the Director of Works and Services as the sole person responsible for a list of proposed road maintenance works in the Operational Plan. At this level of detail, the allocation of responsibilty should be, for example, with the Manager of Roads.

One of the general manager's key responsibilities in implementing the plans is to ensure that council staff understand the bigger picture, including how their particular duties are helping to achieve strategic objectives and better outcomes for the community.

One way of doing this is to link Delivery Program and Operational Plan responsibilities to the staff performance system, so that they become an intrinsic part of a staff member's regular performance review with his or her supervisor/s. The diagram that follows shows how the relationships work.





4.7 **Determining assessment methods**

Local Government Act

The Delivery Program must include a method of assessment to determine the effectiveness of each activity detailed in the Delivery Program in achieving objectives.

As with the Community Strategic Plan, the council will need to develop methods to determine the effectiveness of the Delivery Program. The methods will focus on both outputs (the things we did) and outcomes (the results of what we did - Did it work? Was it beneficial?)

Assessing outcomes can be challenging because some things are simply difficult to measure, for example, changes in attitudes, improvements to ecosystems. Outputs are easier to determine – either something happened or it didn't.

At Delivery Program level, the main focus should be on outcomes. In this regard it is important to spell out exactly what the council hopes to achieve by implementing the Program. What are the anticipated results? What change do we want to see? How will we know we've arrived at our goal?

For example, if one of the Delivery Program strategies was "Encourage less dependence on cars to reduce air pollution", how would it be determined if this strategy had actually worked? Apart from undertaking rigorous scientific testing of air pollution levels and

counting all the cars every day throughout the council area it would be difficult to determine this definitively.

However, a range of information could be collected that would indicate the actions being undertaken are having a positive impact. Some of this information would include outputs from the Operational Plan. For example, in this case, the council had decided that constructing more cycleways was one of the actions that would help reduce car usage, so an output might be "10 km of new cycleways constructed over the past four years". This shows what the council did - but it doesn't really answer the question of whether building the cycleways reduced local dependence on cars. The council could install counters on the cycleways to see if usage increased over the four year period. This may indicate that there is less dependence on cars, but a direct correlation can't be drawn

Alternatively, the council could monitor traffic counts on a few major roads and carry out some modelling that may indicate trends throughout the city. This might show if there has been a reduction in car usage – but there's nothing to say that the council's strategies are directly responsible for this.

16.7 SNOW MONARO REGIONAL COUNCIL COMMUNITY STRATEGIC PLAN UPDATE ATTACHMENT 1 OFFICE OF LOCAL GOVERNMENT INTEGRATED PLANNING AND REPORTING MANUAL Page 718



Another approach could be to survey residents to find out if they are using their cars less now the cycleways are in place. This might provide an indication as to whether the strategy is working.

There really is no absolute way of measuring this particular strategy. But, there are lines of evidence that may lead to a logical conclusion that the strategy is on the right track.

The council will need to make a decision about how much time, money and effort it wants to devote to the monitoring process, taking into account the likely benefits it will produce. If this is an issue of critical importance to the community, then more sophisticated monitoring may be appropriate. If it is less important, then a collection of anecdotal evidence, and a list of outputs may be quite sufficient.

In determining the lines of evidence that could be gathered, the council should revisit its Community Strategic Plan assessment framework. Some of the indicators chosen to monitor progress for the Community Strategic Plan will also be useful for monitoring the Delivery Program.



4.8 **Community comment**

Essential Element 3.7

The council must consider the priorities and expected levels of service expressed by the community during the engagement process for the Community Strategic Plan when preparing its Delivery Program.

Essential Element 3.8

The draft Delivery Program must be exhibited for public comment for a minimum of 28 days and public submissions considered before the final program is adopted.

The community engagement process for the Community Strategic Plan should have provided the council with a clear view of what the community wants for its future and what its priorities are. There is no need to go to a second round of engagement to develop the Delivery Program, unless the council chooses to do so. However, it is important to keep faith with the community by ensuring that the Delivery Program reflects the sentiments and expectations expressed during the community engagement process.

The minimum requirement is that the Delivery Program is placed on public exhibition for 28 days and that comments received from the public are considered before the council formally adopts the Program.

In planning the public exhibition, the council should give consideration to the particular circumstances of its community. Will placing an advertisement in a newspaper be sufficient to let people know about the exhibition? How could people access the document outside of business hours? How could comments be collected?



4.9 Monitoring progress

Local Government Act

PLANNING AND REPORTING MANUAL

The General Manager must ensure that progress reports are provided to the council, with respect to the principal activities detailed in the Delivery Program, at least every 6 months.

As the council implements its Delivery Program and Operational Plan activities, it will need to keep track of progress. Are activities being delivered within the planned timeframes and budgets? Has anything happened that might affect the various activities?

Under the previous Management Plan requirements, the general manager prepared quarterly reports for the council on progress. The framework still requires quarterly reporting on the budget in the Operational Plan, but it is up to the council to decide the format and extent of that reporting. The minimum standard is 'exception reporting' on the budget – highlighting only the issues that are not running to time or budget. Some councils use 'traffic light' reports for their various activities, others have a system of 'cockpit charts'. The minimum standard for the Delivery Program is six-monthly progress reporting.

When deciding on the level of reporting, it is important to remember that these reports will be publicly available documents, included in the council business paper. They should be in a clear and easy to read format.

4.10 Reviewing the program

Essential Element 3.9

The council must review its Delivery Program each year, before preparing the Operational Plan.

Essential Element 3.10

The council may choose to roll the Delivery Program forward beyond its elected term to enable effective forward planning, provided it is consistent with its Community Strategic Plan and Resourcing Strategy. Where a council does this, it is still required to report on the implementation of its initial Delivery Program. The new council is also still required to prepare a new Delivery Program for its electoral term as per Essential Element 3.1.

Essential Element 3.11

Where an amendment to the Delivery Program is proposed, it must be included in a council business paper which outlines the reasons for the amendment and be tabled and resolved to be noted at that meeting and considered by the council at its next meeting.

Essential Element 3.12

Where significant amendments are proposed, the Program must be re-exhibited as per Essential Element 3.8.

Councils must review their Delivery Program each year before preparing the Operational Plan to ensure they are still moving in the right direction. Has anything happened that might affect the Program being delivered on time and budget? Has anything happened that might require a rework of the Program, eg a major flood, bushfire, significant failure of infrastructure, significant change in legislation?



Where a council decides to amend its Delivery Program in any way, it must include the changes in a council business paper, table and note it; and then consider it at its next meeting. This ensures that all councillors are aware of changes to the Delivery Program and that the community has the opportunity to be aware of any changes.

Where a council wants to signficantly change its Delivery Program, it must re-exhibit the document for public comment. A 'significant change' might include deleting proposed programs or activities or changing the actions the council proposes to achieve a particular strategy.

For example, if a council had included constructing a network of cycleways as one of its active living strategies and then decided mid-way through the Program that it would rather undertake health education programs instead (and use the money it saved on the cycleways for fixing bridges), this would be a 'significant change'. People would be expecting to get cycleways, not an education program. The matter should be made available for public debate – perhaps the community is willing to trade off another project so it can still have the cycleways.

Examples of good practice Delivery Programs

While all Delivery Programs have different strengths and weaknesses, as of June 2012 the following councils and county councils have delivered examples of good practice which can be used as a source of ideas:

- Canada Bay
- Dubbo
- Narromine
- Queanbeyan
- Randwick
- · Snowy River
- Tweed
- Waverley

OPERATIONAL PLAN

5

Supporting the Delivery Program is an annual Operational Plan. It spells out the details of the Delivery Program - the individual projects and activities that will be undertaken for the year to achieve the commitments made in the Delivery Program.



5.1 **Preparing the Operational Plan**

Local Government Act

The council must have an annual Operational Plan, adopted before the beginning of each financial year, outlining the activities to be undertaken in that year, as part of the Delivery Program.

Local Government Regulation

The Operational Plan will include the Statement of Council's Revenue Policy, in accordance with the Regulation.

Essential Element 3.13

The Operational Plan must be prepared as a sub-plan of the Delivery Program. It must directly address the actions outlined in the Delivery Program and identify projects, programs or activities that the council will undertake within the financial year towards addressing these actions.

Essential Element 3.14

The Operational Plan must allocate responsibilities for each activity.

Essential Element 3.16

The Operational Plan must include a detailed budget for the activities to be undertaken in that year.

The Operational Plan is a sub-set of the Delivery Program – not a separate entity. The framework calls for fully integrated plans, so the Delivery Program and the Operational Plan need to be wholly complementary. The Delivery Program spells out the strategies and the Operational Plan spells out the individual actions that will be undertaken in a financial year to achieve those strategies.

The Operational Plan must include the council's detailed annual budget and include the Statement of Council's Revenue Policy which includes the proposed rates, fees and charges.

For example, if one of the activities identified in the Delivery Program is "Continue sewerage capital works program" the Operational Plan would include details of which works will be constructed this financial year and the annual budget attached to the Operational Plan would spell out how much they will cost.



The examples in Section 4-Delivery Program show how activities can cascade from the Delivery Program to the Operational Plan. Because the Delivery Program must address all of the council's operations, the Operational Plan must also address all of the council's operations.

There is no set format for the Operational Plan, councils are free to develop the format that best suits their existing business systems.

Because the Operational Plan will, of necessity be a large and detailed document, it is important to organise it in a clear and accessible way. Activities should be presented in the same groupings as they are in the Delivery Program, so the cascade from one plan to the other is clear.

For example, if there are a series of actions grouped under the heading "A safe and healthy community" in the Delivery Program, this heading and the actions should be carried through to the Operational Plan, so people can see that they are connected.

Allocating responsibilities

As explained in Section 4-Delivery Program, the council will need to allocate responsibilities for the various activities in the Operational Plan.

As the detail gets more specific, so the allocation of responsibility should be more specific. It is not sufficient to nominate directors or executive managers as being responsible for Operational Plan activities. At Operational Plan level, the allocation of responsibilities should extend to Manager, or even Team Leader level, depending on the activities to be undertaken.

Operational Plan responsibilities should be linked to the staff performance system, so that they become an intrinsic part of a staff member's regular performance review with his or her supervisor/s (see the diagram in Section 4-Delivery Program).



5.2 **Community comment**

Local Government Act

The draft plan must be publicly exhibited for at least 28 days and public submissions considered before the final plan is adopted.

The exhibition must be accompanied by maps showing where the various rates will apply within the local government area.

The Operational Plan must be publicly exhibited to enable the community to provide comments to the council on the proposed rates, fees and charges for the next financial year. There is a requirement to provide maps showing where various rates will apply in a local government area to make it clear to the community what the proposed rates for their property will be.

Where councils have chosen to do all four Operational Plans in advance, it is important that they explain to the community that the latter three operational plans are draft plans and may be subject to change.

The council will still need to exhibit each Operational Plan annually because it contains proposed rates, fees and charges for the year.



5.3 **Measuring progress**

Local Government Regulation

The responsible accounting officer of the council must report quarterly (except the June quarter) to the council on the budget in the Operational Plan.

Essential Element 3.15

The Operational Plan must identify suitable methods to determine the effectiveness of the activities undertaken.

As discussed in Section 4-Delivery Program, it is important to develop some form of assessment system for the Delivery Program and Operational Plan. The Delivery Program assessment system will mainly focus on outcomes – did the actions have the desired effect?

At the Operational Plan level, the main focus will be on outputs because this Plan will involve multiple activities within the space of one year, which may only go part of the way to achieving higher level strategies and objectives. Therefore, it may be difficult to assess the achievement of outcomes at this level.

The achievenment of outcomes will be assessed over the four years of the Delivery Program. The sum of all the actions undertaken should move the council towards achieving its objectives.

Some councils prefer to combine targets and measures at Operational Plan level. For example, the measure might be to complete a certain task, the target might be to complete the task by a certain date. This combination allows the council to ascertain not only whether it delivered what it said it would do, but also whether it delivered it to the timeframes, costing and quality standards it expected.

Each council will make its own judgements on how detailed its measures or targets should be. The minimum expectation is that some form of assessment exists. Measurement Example 1 on the next page shows measures and targets from one metropolitan council's annual plan.

Other councils prefer to use a system of key performance indicators to determine if they are carrying out their annual activities within the cost range and quality standards required. An example of key performance indicators from a regional council's annual Operational Plan follows as Measurement Example 2.

Councils who use either of these measurement systems will find it easier to measure progress and report to the council. The minimum standard required is quarterly exception reporting (except the June quarter) on the budget in the Operational Plan. Councils may choose to report on the status of projects and activities that are not running to time, quality or budget.

Councils can, if they wish, adopt a more detailed form of reporting. However, they should carefully consider the benefits to be achieved by this and the resources required to compile the reports.



5.3.1 Measurement example 1

Creating a Cohesive, Healthy and Resilient Community (extract)

Activities	Measure	Target
Provide high quality affordable long day care and family day care for children aged 0-5 and holiday and recreation programs for preschool children	Percentage of services maintaining accreditation Number of children in long day care per day and % capacity used Number of children in family day care per day Number of children in holiday care	100% At least 173 or 97% More than 150 Minimum 40 per program
Develop a new fee structure so that child care services are affordable for target groups and sustainable for others	Council's fees as a percentage of average local fees Optioners for new fee structure developed	Within 15% of average of other providers November 2014
Operate a well-appointed seniors centre that offers recreational, physical, educational and social activities for the over fifties	Average monthly attendance at Seniors Centre Average monthly program/activity types provided	1500 monthly At least 23
Provide individual support and medium term accommodation places for people with mild intellectual disability	Percentage of customers expressing satisfaction Number of subsidised rental accommodation places for people with intellectual disability	90% 6 places



Activities	Measure	Target
Provide a range of current	Number of loans per capita	More than 9.6 per annum
and equitable information and recreational library	Enquiries successfully completed	90%
resources and services	Number of visits in person and via web	>450,000 visits in person per annum
	Library multicultural resources reviewed	> than 45,000 visits to library website per
	Public internet access benchmark	annum
	established	June 2014
		December 2014
Undertake Hunter Park stage 2 improvements	Time to complete and finished cost compared to adopted plan	Cost within 10% of agreed budget
		Time within 3 months of agreed timetable
Provide support, advice and affordable venues to assist artists and others to hold arts and cultural events and activities	Percentage of available hours used	More than 50%



5.3.2 Measurement example 2

Objective: To provide a cost effective and sympathetic cemetery service and facility to the community (extract)

Activity	Actions	Performance Targets
Cemetery internments	Provide timely interments upon request by funeral directors to public	No reasonable criticism of cemetery interments
	health standards	No instances of public health regulations being contravened
Management services	Review cemetery business plan, determine policy general and revenue policy, financial planning, administration of interment and maintenance contracts, determine capital works program	No reasonable criticism of overall cemetery management policies and decisions
Management services from other functions	Cost of services including: management, financial, technical, information technology and corporate overheads provided to this function	Amounts charged are accepted as reasonable for the level of service provided
Cemetery maintenance	Undertake regular maintenance program	No instances of cemeteries being in poor condition
		No written complaints regarding condition of cemeteries
Asset Management Program - routine	Undertake cemetery asset management program	Cemetery operational and presentable
Asset Management Program - cyclic	Undertake 20 year Cemetery Asset Management Program	Cemeteries maintained in a satisfactory condition



Key Performance Indicators

Workload	curr	est	Efficiency	curr	est	Effective	curr	est
No. of interments	68	70	Cost per interment	\$694	\$709	No. of complaints re cemetery interments	nil	nil
No. of hectares maintained at lawn cemetery	11.42	11.42	Cost per ha to maintain	\$4579	\$4856	No. of written complaints re condition of lawn cemetery	nil	nil
						No. reported complaints regarding vandalism at lawn cemetery	nil	nil
No. of hectares maintained at old town cemetery	6.5	6.5	Cost per ha to maintain	\$4579	\$4856	No. of written complaints re condition of old town cemetery	nil	nil
						No. reported complaints regarding vandalism at old town cemetery	nil	nil

Examples of good practice Operational Plans

While all Operational Plans have different strengths and weaknesses, as of June 2012 the following councils and county councils have delivered examples of good practice which can be used as a source of ideas:

- Berrigan
- Narromine
- · Rous Water
- Tweed
- Waverley
- Woollahra
- Willoughby

ANNUAL REPORT

6

The Annual Report is one of the key points of accountability between a council and its community.

It is not a report to DLG or the NSW Government, it is a report to the community.

The Annual Report focuses on the council's implementation of the Delivery Program and Operational Plan because these are the plans that are wholly the council's responsibility.

The report also includes some information that is prescribed by the Local Government (General) Regulation 2005. This information has been included in the Regulation because the Government believes that it is important for community members to know about it – to help their understanding of how the council has been performing both as a business entity and a community leader.



6.1 **General overview**

Local Government Act

The council must prepare an annual report within five months of the end of the financial year.

The report will outline the council's achievements in implementing its Delivery Program.

The annual report in the year of the ordinary election will also include an outline of achievements in implementing the Community Strategic Plan.

The report must contain the council's audited financial reports and any information required by the Regulation or the Guidelines.

The annual report in the year in which an ordinary election of councillors is held must include a state of the environment report relevant to the objectives for the environment established by the Community Strategic Plan.

The Annual Report is one of the key accountability mechanisms between a council and its community. As such, it should be written and presented in a way that is appropriate for each council's community.

Under the framework, a number of changes have been made to annual reporting requirements. The new Annual Report focuses mainly on a council's implementation of its Delivery Program and Operational Plan, as these are the plans that are wholly the council's responsibility in the new integrated planning framework.

The report also includes some information that is prescribed by the Regulation. These requirements have been included in the Regulation because the Government believes that it is important for community members to know about it – to help their understanding of how their council has been performing both as a service provider and a community leader.



There is no standard format for the Annual Report, but it could be presented as follows:

- Section One could contain a report on progress against the Delivery Program
- Section Two could contain the statutory information that is not directly relevant to the Delivery Program and a financial summary
- Section Three could contain the financial statements
- · State of the Environment Report (included in the year in which an ordinary election is held).

There is no requirement to present all the information in one document – it could be presented as a set of documents, so long as it is clear that each document is part of a set. For example, if the report is available electronically, it could be presented as four PDF files labelled "Annual Report Section One, Two, Three & State of the Environment Report" on the council's website.

If the report is presented as a set of hardcopy documents, Section One should contain a table of contents that clearly explains there are other sections in the set.

Where the report is presented as a mixture of hardcopy and electronic format, eg a hardcopy document with the financial statements on a CD, the hardcopy section should explain that a printed version of the material on CD is available from the council on request.

At least some hardcopy versions must be available to satisfy the requirements of s 12 of the Local Government Act. These versions should be kept at the council's offices and libraries, so that members of the public who don't have access to the internet can still view the report.

A checklist has been developed to help guide councils as they develp this report. It is available from the website www.dlg.nsw.gov.au



6.2 Reporting on progress

The main focus of the Annual Report is the council's progress in implementing its Delivery Program and Operational Plan. The report should address each of the strategies included in the Delivery Program and should answer the following key questions:

- Did the council do what it said it would do?
- · If not, why not?

In answering these questions, the council will refer to its achievements in relation to the Operational Plan. The next diagram provides an example:

Delivery Program

Strategy Reduce littering, illegal

dumping and waste generation and improve recycling through community education and enforcement

Operational Plan

Actions

- Undertake anti-littering 'blitzes' on key city roads
- Conduct four community workshops on recycling
- Extend kerbside recycling service to Smithtown
- Introduce trial green waste collection service for Jonestown
- Extend waste depot hours
- Introduce eco-friendly shopping bag program to reduce plastic bags going to landfill

Report on these actions

Were they carried out as planned?

(include some details of what happened)

Were they effective?

Did they help to reduce littering, illegal dumping and waste generation?

In the year of the ordinary election, the annual report must also include an outline of achievements in implementing the Community Strategic Plan. This is known as an End of Term Report.



6.3 Financial reporting

The Annual Report should also include a financial summary, showing key income and expenditure areas for the past financial year. Although full financial statements are included, many people find it challenging to read these statements, so it is helpful to provide some basic interpretive information for the community as well. Councils are encouraged to use diagrams and charts to help present the information in a user-friendly manner.

6.4 Asset reporting

Councils must continue to prepare asset reports in accordance with the requirements of the:

- · Local Government Act and Regulation
- NSW Local Government Code of Accounting Practice and Financial Reporting
- Australian Accounting Standards

Within five months after the end of each financial year, a council must prepare a report about its achievements with respect to the implementation of its Operational Plan.

The report must contain, among other things, a number of particulars applicable to asset management. These include:

- · The assets acquired by the council during that year, and
- The assets held by the council at the end of that year, for each of the council's principal activities.

Additionally, councils are also required to report on the condition of the public works (including public buildings, public roads; and water, sewerage and drainage works) under the control of the council as at the end of that year, together with:

- An estimate (at current values) of the amount of money required to bring the works up to a satisfactory standard, and
- An estimate (at current values) of the annual expense of maintaining the works at that standard, and
- The council's program of maintenance for that year in respect of the works.

The report on the condition of public works is also included in the financial reports and is known as Special Schedule 7. Councils must complete this Schedule each year.

Councils should endeavour to ensure that their asset management system can readily, if not automatically, prepare the annual reporting requirements pertaining to council assets. Explanatory notes should be included where necessary.

The report on the condition of public works (Special Schedule 7) should flow directly from the Delivery Program, which should define performance indicators for both existing and proposed levels of service. These performance measures can be used to quantify the upgrade costs (or degree of over-servicing) between existing and target service levels.



Prior to preparing the annual financial statements, it will be necessary to close off the asset register and reconcile the balances for acquisition cost, current cost, depreciation charged for the year, accumulated depreciation and net asset revaluation increments to the corresponding control accounts in the general ledger.

When this exercise is complete, it is suggested that councils prepare summaries of movements in each of the above-mentioned accounts, as they will greatly assist in the preparation of the financial statements. These summaries should be prepared for each asset category which will be disclosed in the financial statements. The following summaries are suggested:

- Asset revaluations
- Assets acquired
- Asset disposals (including profits/losses on sale)
- Depreciation charged for the reporting period
- Accumulated depreciation
- Written down current cost.

These summaries will need to agree to both the asset register and the general ledger controls. This data can easily be expressed on a spreadsheet. Disclosure of assets and depreciation will be required in a number of places within the financial statements. In summary, these are:

Balance sheet and related notes

- Total current cost of assets
- Total accumulated depreciation
- Total net asset revaluation increments.

Income statement and related notes

• Total depreciation charged for the year.

Statement of changes in equity

- Net movement in the asset revaluation reserve arising from asset revaluations during the reporting period
- Total increase in retained surpluses arising from recognition of assets for the first time.
 Note that this can only occur in relation to existing inventories of assets.

Cash flow statement

- Cash outflows on the acquisition of non current assets
- Cash inflows on the disposal of non current assets

Asset revaluation movements and depreciation charges are not disclosed in this statement as they are non-cash items.

Notes to financial statements

- Depreciation charged for the year (refer to comment above about disclosure of this item in the operating statement)
- Recorded asset values (acquisition or current cost), accumulated depreciation and written down current cost for each asset category. Separate disclosure within each asset category of the total value of assets recorded at cost of acquisition and current cost is required
- Date of valuations where classes of assets are recorded at valuation
- Details of valuations where the valuations have occurred in the reporting period
- Description of accounting policies for:
 - Recording and valuation of non-current assets
 - Depreciation of non-current assets
 - Leases
 - Joint ventures
 - Real estate assets held for resale
 - Employee entitlements.



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Special Schedules

- Depreciation charged for the year
- · Recorded value of asset
- Accumulated depreciation and impairment
- Asset condition
- Estimated cost to bring to a satisfactory standard (see below)
- Required annual maintenance
- Current annual maintenance.

Councils may find further information about asset reporting in the AIFMG¹¹.

Reporting on satisfactory standard of assets

In order to achieve consistency across the NSW local government sector it is necessary to define what is meant by 'satisfactory standard'.

Satisfactory is defined as "satisfying expectations or needs, leaving no room for complaint, causing satisfaction, adequate" 12. With this in mind, DLG has established that the level of satisfactory standard for public works should be good (level 2).

Councils should ensure that when they are considering the amount to bring assets to a satisfactory standard that it is the amount of money required to bring those assets up to a standard whereby they would have a condition rating of good (level 2). This should not include any planned enhancements or renewals.

In some asset management literature this is referred to as 'rehabilitation'. The IIMM defines rehabilitation as "Works to rebuild or replace parts or components of an asset, to restore it to a required functional condition and extend its life, which may incorporate some modification. Generally involves repairing the asset to deliver its original level of service without resorting to significant upgrading or renewal, using available techniques and standards"¹³

Required annual maintenance is the amount of money that should be spent to maintain assets in a satisfactory condition.

Current annual maintenance is the amount of money that has been spent in the current year to maintain the assets.

Renewal is defined by the IIMM as "works to upgrade, refurbish or replace existing facilities with facilities of equivalent capacity or performance capability".8

Enhancement means to heighten, intensify or improve the facilities.

For those councils that are at an advanced stage of asset management, they should undertake this assessment for all classes of assets under their control, not just those listed in Special Schedule 7.

¹¹ Australian Infrastructure Financial Management Guidelines - Version 1.0, 2009

¹² The Australian Concise Oxford Dictionary of Current English

¹³ International Infrastructure Management Manual, page xvi



6.5 Reporting on the State of the Environment

The State of the Environment report is now due once every four years. It is to be included in the Annual Report in the year of the ordinary election. It must report on the environmental objectives in the Community Strategic Plan.

The legislative requirements have been amended to provide councils with the flexibility to prepare their State of the Environment Report in a way that enables councils to focus their resources on monitoring and reporting on environment issues that are of concern to their community and where the council may influence their management.

Councils should ensure that their State of the Environment Reporting is integrated with the Community Strategic Plan. The information in the State of the Environment Report should be used to inform the council's preparation of the Community Strategic Plan and continue to inform the required reviews of the Community Strategic Plan.

Councils are also strongly encouraged to develop their State of the Environment report in partnership with other councils in their region and Catchment Management Authorities, as environmental monitoring and reporting is more useful when done at a regional and/or catchment scale. State of the Environment Reporting at a regional and/ or catchment scale provides opportunities to draw from a wider range of data, to form Memoranda of Understanding or datasharing arrangements, and to develop shared arrangements for environmental monitoring with state agencies and other organisations to achieve efficiencies and lead to more consistent environmental monitoring and reporting across NSW.

Regional State of the Environment reporting models have been established by regional groups of councils. An example of this is the Northern Sydney Regional Organisation of Councils State of the Environment reporting. A catchment based example is the Namoi Regional State of the Environment report (2009).

Councils are required to report on environmental indicators that they have established. This enables them to identify if they have achieved the environmental objectives in their Community Strategic Plan. Councils can use previous State of the Environment Reports to enable trends to be monitored over time, but it is important that councils critically review their current environment reporting system to ensure that it is integrated and relevant to the council's long term environmental objectives, and enables informed planning for the future.

Councils may choose to continue to apply the Pressure-State-Response (PSR) model to report on the environmental indicators that they establish (this model is explained in detail in the *Environmental Guidelines: State of the Environment Reporting by Local Government*, DLG, 2000).

Councils must consult with their community, and in particular, environmental groups in their area when preparing the report. Community involvement and monitoring of the environment can provide councils with useful environmental information to assist the development of the report. It also provides an opportunity for councils to educate the community and raise environmental awareness.

The second State of the Environment report under the new planning and reporting framework is due on 30 November 2016.



6.6 Other reporting requirements

There are also reporting requirements included in the Regulation. It is important not to simply present this report as a 'checklist'. Think about presenting the information in a way that is helpful to the reader. For example, some of the required information could be included as part of the council's reporting against relevant Delivery Program performance.

The requirements from the Regulation are:

Legal proceedings

Legal activities can involve considerable cost for councils. The community is interested in how the council is pursuing these matters, the results of the procedings and any lessons learned in the exercise. Registered companies are required to report on these aspects, so it is reasonable to expect that an organisation the size of a council will do so too.

In summarising legal procedings, it is not necessary to list, for example, every single traffic fine that was contested in court. These matters can be grouped together under headings such as "traffic matters", "companion animals".

Where there is a significant matter involving substantial sums of money, this should be described in more detail.

Contracts awarded

This provides residents with an overview of where major amounts of money (over \$150,000) are being spent and the goods and services that were received. It is an accountability requirement to demonstrate that the proper processes have been followed in awarding contracts. In reporting this information, councils should also consider reporting a group of contracts awarded for a particular project that together exceed \$150,000.

Private works and financial assistance

This gives a transparent view of any work that was carried out by the council on private land and how this work was paid for. It also covers grants of financial assistance to individuals. Residents and ratepayers are obviously interested in ensuring that individuals do not receive a special advantage at the expense of other ratepayers. However, there may be occasions where this work has been done for community benefit and it is important to share this information as well.

Details of external bodies, companies and partnerships

This provides residents and ratepayers with an overview of the type of business ventures that the council may be involved in with other organisations and how these arrangements operate.

Details of mayoral and councillor fees, expenses and facilities

Residents have a right to know about the community resources that are allocated to their elected representatives to help them carry out their civic role.

The requirements for reporting on these matters remain unchanged and are detailed in the Regulation. Similarly, the requirements to report on overseas trips by councillors and staff remain unchanged.

Senior staff salaries

There is a change to these reporting requirements. Previously, councils had to report on the salary package of each individual who met the definition of senior staff (see s 332 of the Act). Under the new requirements, councils must report specifically on the salary package of the general manager, as set out in the Regulation, but the remuneration for other senior staff may be reported as a group.



It is important to note that the technical definition of senior staff in the Act may differ from each council's definition of a senior staff member. Councils are only required to report on members who meet the definition in the Act. However, in the interests of transparency, councils may choose to report on the salary packages of everyone at Director level, even if they earn less than the amount specified in the Act.

Stormwater levies

Where the council has introduced a stormwater levy, the requirements for reporting remain unchanged. Where residents have paid an extra amount for a specific activity, it is reasonable to expect some details on how that money was spent. Councils may wish to include this information in Section One of the report if it fits in better with reporting on Delivery Program strategies.

Companion animals

The requirements for reporting on companion animals remain unchanged. This is an area of particular interest for residents and it is important to ensure they have adequate information about the activities and programs undertaken. The council may wish to include this information in Section One of its report if it is relevant to one of the Delivery Program strategies.

Financial statements

Councils must include a copy of their audited financial reports prepared in accordance with the Local Government Code of Accounting Practice and Financial Reporting. Providing full financial reports is standard practice for large organisations and companies. The council has a responsibility to demonstrate to the community that its finances are being managed in a professional manner to the standards required.

Equal Employment Opportunity Management Plan

The requirement to report on Equal Employment Opportunity management plans remains unchanged. This requirement is particularly relevant to the workforce planning component of the Resourcing Strategy.



6.7 Making the report available

Local Government Act

A copy of the council's annual report must be posted on the council's website and provided to the Minister and such other persons and bodies as the regulations may require.

A copy of a council's annual report may be provided to the Minister by notifying the Minister of the appropriate URL link to access the report on the council's website.

Although most councils now use their website as the main point of access for the Annual Report, some hardcopy versions of the report should also be available to assist those who don't have access to the internet.

The Local Government Act requires the council to submit its report (or its URL link) to the Minister. To satisfy this requirement, councils can provide the information to DLG by sending it to dlg@dlg.nsw.gov.au. There is no need to send it separately to the Minister's office.

Summary reports

Many councils choose to do a summary Annual Report to make the information more user friendly for residents. Summary reports are an effective way of communicating and they are encouraged as a better practice approach. However, a summary report does not, in itself, satisfy the requirements of the Act and Regulation.

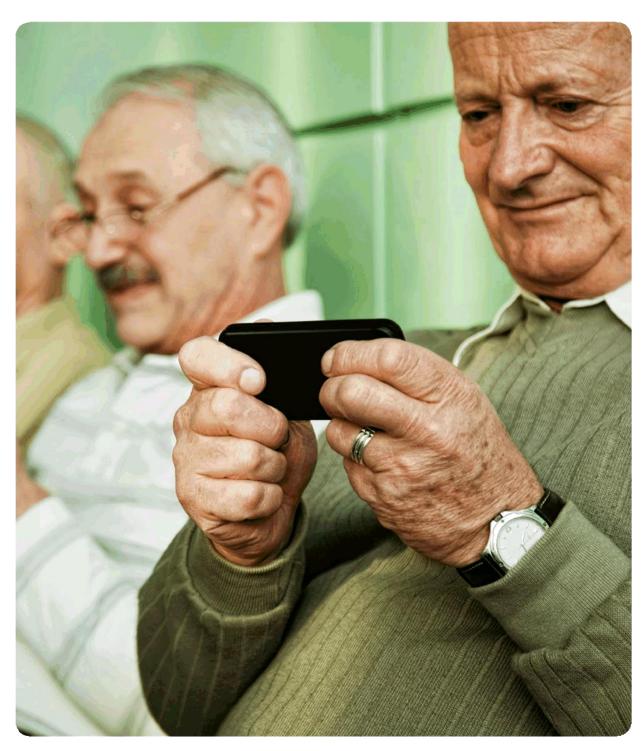
A full Annual Report must still be prepared and available to the public. For example, the council could send out its summary report with rates notices, but the summary should point residents to the full report on the council's website and explain that a full report is available from the council office or library. The Community Strategic Plan provides a vehicle for expressing long term community aspirations. However, these will not be achieved without sufficient resources – time, money, assets and people – to actually carry them out.

Examples of good practice integration

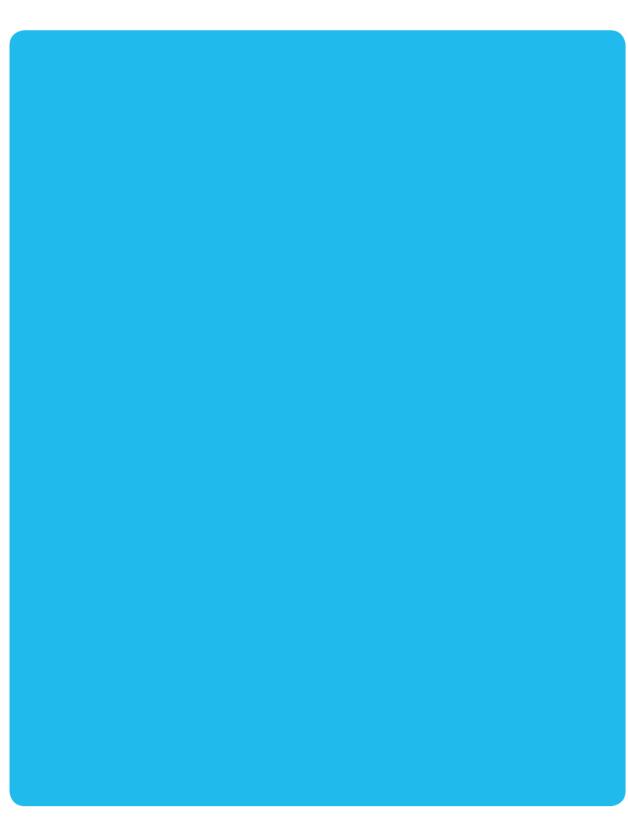
As of June 2012 the following councils can be considered good practice examples in the delivery an integrated suite of plans:

- Bankstown
- Berrigan
- Cabonne
- Gloucester
- Great Lakes
- Maitland
- Queanbevan
- Tweec
- Wagga Wagga
- Yass









ATTACHMENT 2 IPR ROLLOUT ACTIVITY SCHEDULE

	May 17	Jun 17	Jul 17	Aug 17	Sep 17	Oct 17	Nov	embe	r 17		Decem	nber 1	7		Janua	ary 18	}		Februa	ary 18			Marc	h 18				April 18	8			Ma	y 18			Ju	ıne 18		
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Develop and plan CSP Community engagement Community Engagement Strategy prepared and Adopted Workshops facilitated towns and schools Media releases Posters in public places Your Say online engagement and survey Photo competition IGA pop up stalls Attended community Events Staff emails and on line survey Facebook, Twitter, and Instagram CSP engagement presence Previous Disability Inclusion engagement Monaro Interagency Network meeting and emails Invitation to CWA meeting Feedback collation and data analysis	CSP Community Engagement Period	Council elections pre and post-election activities																																					
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Complete Desktop Research Collect and read community engagement information Review previous CSPs Identify and read relevant State Gov docs Commence summarise and theme completion process Commence drafting CSP Identify Key themes Objectives and Strategies Commence article preparation Prepare presentation to Council meeting 14 Dec 2017											*																												

ATTACHMENT 2 IPR ROLLOUT ACTIVITY SCHEDULE

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ATTACHMENT 2 IPR ROLLOUT ACTIVITY SCHEDULE

ATTACHMENT 2 IPR ROLLOU	May	Jun	Jul	Aug Sep Oct									1																		1								
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ACTIVITY							13 - 19 Nov 17	20 -26 Nov 17	27 -3 Dec 17	4-10 Dec 17	11 – 17 Dec 17	18 – 24 Dec 17	25 – 31 Dec 17	1 – 7 Jan 18	8 – 14 Jan 18	15 -21 Jan 18	22 – 28 Jan 17	29 – 4 Feb 18	5 -11 Feb 18	12 – 18 Feb 18	19 -25 Feb 18	26 – 4 Mar 18	5 -11 Mar 18	12 – 18 Mar 18	19 -25 Mar 18	26 – 1 Apr 18	2 – 8 Apr 18	9 – 15 Apr 18	16 – 22 Apr 18	23 – 29 Apr 18	30 – 6 May 18	7 - 13 May 18	14 – 20 May 18	21 – 27 May 18	28 – 3 Jun 18	4 – 10 Jun 18	11 – 17 Jun 18	18 – 24 Jun 18	25 – 1 Jul 18
Prepare Council 'For Information' report regarding the DP/OP approach to be taken																																							
Undertake Councillor workshop - 1st Feb 4-7pm																		1 st Feb																					
Prepare 2018/19 budget																																							<u> </u>
Prepare and finalise Capital Works Program																																							
Review 18/19-year Fees and Charges																																							
Develop Rating Charges (dependant on OLG advice of permissible % cap)																																	Mid May						
Review Revenue / Hardship policies – before end of year.																																							
ELT presentation and departmental Review period 27 Mar to 9 th Apr																																							
Complete Draft Delivery Program and Operational Plan desktop publishing document – 19 th																																							
Prepare Council Report and place on public exhibition and consider submissions 19 th April – 20 May 2018																													19th Apr										
Undertake Delivery Program and Ops Plan public engagement and invite submissions.																																							
Prepare DP/OP Council Report - Adopt Delivery Program and Operational Plan 21 June 2018																																						21 st Jun	