



Vincent Street
CESSNOCK

31 August 2017

ORDINARY MEETING OF COUNCIL

WEDNESDAY, 6 SEPTEMBER 2017

ENCLOSURES

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PLANNING AND ENVIRONMENT

PE47/2017 Cessnock Commercial Precinct Project - Post Exhibition of Draft Development Control Plan, Public Domain Plan and Implementation Plan

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- Enclosure2:** Cessnock Development Control Plan 2010 - Part E16: Cessnock Commercial Precinct - PROVIDED UNDER SEPERATE COVER 4
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Placeholder for Enclosure 2

Planning and Environment No. PE47/2017.DOC

Cessnock Commercial Precinct Exhibition of Draft
Public Domain Plan and DCP Engagement Outcomes
Report

Provided under Separate Cover

Placeholder for Enclosure 3

Planning and Environment No. PE47/2017.DOC

Cessnock Development Control Plan 2010 - Part E16:
Cessnock Commercial Precinct

Provided under Separate Cover

Placeholder for Enclosure 4

Planning and Environment No. PE47/2017.DOC

Cessnock Commercial Precinct Public Domain Plan
and Implementation Plan

Provided under Separate Cover



Local Government NSW Annual Conference 2017

Monday 4 – Wednesday 6 December 2017

Main conference venue is Hyatt Regency Sydney, 161 Sussex Street Sydney

This program is correct at the time of publication; speakers and program details may have changed due to unforeseen circumstances.

DRAFT PROGRAM (as of 11 August 2017)

MONDAY 4 December	
1.00pm – 4.00pm	Bump in sponsors to set up trade exhibition Bump in voting booths into Wharf 4 and 5
2.00pm – 4.45pm	Registration opens in Foyer
3.00pm – 4.00pm	Two optional concurrent councillor training/information sessions. Coming together post-amalgamation: lessons and next steps three case studies Peter Tegart , Interim General Manager, Queanbeyan Palerang Regional Council Ashley Hall , Administrator, Edward River Council Gail Connolly , General Manager, Georges River Council (invited) or Elected life and good governance: building your capabilities. A session for new councillors
4.00pm – 5.00pm	Sessions repeated above
5.00pm – 7.00pm	President's Opening Reception in Maritime Ballroom in the trade exhibition
TUESDAY 5 December – Business Session Day 1 / Grand Ballroom/Maritime Ballroom	
7.30am – 5.00pm	Registration opens on main landing
8.00am – 9.00am	Voting for LGNSW Board President, Vice Presidents, Treasurer and Directors (Voting for all positions at the one time) in Wharf 3, 4 and 5 (rooms)
8.15am – 9.00am	Distribution of voting materials and electronic handsets Trade exhibition opens in Maritime Ballroom
9.15am – 9.45am	Address from The Hon Gladys Berijikian MP , Premier of New South Wales (invited)
9.45am – 11.00am	Address from Cr Keith Rhoades AFSM , President, LGNSW Opening of the Federal Conference , chaired by Cr Keith Rhoades AFSM including demonstration of voting units, adoption of standing orders, presentation of the auditor's report, general financial report and operating report to members. Business session and consideration of motions.

	<p>Opening of the State Conference, chaired by Cr Keith Rhoades AFSM including adoption of standing orders. Presentation of the auditor's report, general financial and operating report to members.</p> <p>Business sessions and consideration of motions.</p>
11.00am – 11.30am	<p>Morning tea in trade exhibition area</p> <p>Voting for LGNSW Board President, Vice Presidents, Treasurer and Directors</p>
11.30am – 1.00pm	Consideration of Conference business continued, chaired by the President
1.00pm – 2.00pm	<p>Lunch in trade exhibition</p> <p>Voting for LGNSW Board President, Vice Presidents, Treasurer and Directors</p>
2.00pm – 3.30pm	Consideration of Conference business continued, chaired by the President
3.30pm – 4.00pm	<p>Afternoon tea in trade exhibition area</p> <p>Voting for LGNSW Board President, Vice Presidents, Treasurer and Directors</p>
4.00pm – 5.30pm	<p>Consideration of Conference business continued, chaired by the President</p> <p>Collection of all electronic handsets and motions voting cards</p> <p>Conference business session closes</p>
5.30pm – 6.30pm	<p>Voting for LGNSW Board President, Vice Presidents, Treasurer and Directors</p> <p>Voting closes</p>
6.00pm – 7.00pm	Delegate networking function in trade exhibition area
7.30pm	Trade exhibition closes. Free night for delegates.
Wednesday 6 December– Business Session Day 2 / Grand Ballroom/Maritime Ballroom/Wharf rooms	
7.30am – 5.00pm	Registration opens
7.30am – 8.45am	<p>Australian Local Government Women's Association (ALGWA NSW) Breakfast</p> <p>Special Guest Speaker Rhoda Roberts, Head of First Nation Programming, Sydney Opera House, Festival Director Boomerang, will speak on Accessing and Creating Relationships with Your Local Community.</p>
8.00am – 5.30pm	Trade exhibition open in Maritime Ballroom
9.00am – 9.05am	Introduction by Ellen Fanning , Master of Ceremonies
9.05am – 9.20am 9.20am – 9.35am	<p>Address from The Hon Gabrielle Upton MP, Minister for Local Government</p> <p>Facilitated questions from the conference to the Minister</p>
9.35am – 10.05am	<p>Keynote: Dr Jonathan Carr-West, Chief Executive, Local Government Information Unit UK presents on Transforming Local Government or the role of councils in economic development (invited)</p>
10.05am – 10.30am	Morning tea in trade exhibition area
10.30am – 10.45am 10.45am – 11.00am	<p>Address from The Hon Peter Primrose MLC, Shadow Minister for Local Government</p> <p>Facilitated questions from the conference to the Shadow Minister</p>
11.00am – 11.15am	Keynote: Short Address from The Hon Melinda Pavey MP , Minister for Roads,

11.15am – 11.30am	Maritime and Freight, Keynote: Short Address from Carolyn McNally , Secretary of the Department of Planning and Environment, on Housing Affordability and Partnerships with Councils.
11.30am – 11.40am	MC to facilitate Q and A to both speakers (10 mins only)
11.40am – 12.10pm	Address from Stuart Reeve , Managing Director, Micromex Research and Consulting on Community Perceptions of Local Government
12.10pm – 12.30pm	Presentation of the AR Bluett Awards (20 mins)
12.30pm - 12.40pm	Address from Cr Keith Rhoades AFSM , LGNSW President on Association Initiatives
12.40pm – 12:50pm	Treasurer's Report
12.50pm – 1.40pm	Lunch in the trade exhibition area General Managers Lunch sponsored by StateCover: a short update from StateCover, Local Government Super and LGP (30 mins)
1.40pm – 3.10pm	MOVE TO CONCURRENT SESSIONS
Environment and Planning 1.40pm – 1.45 intro 1.45pm – 2.05pm 2.05pm – 2.10 intro 2.10pm – 2.30pm 2.30pm – 2.35intro 2.35pm – 2.55pm 2.55pm – 3.10pm Q and A	Stream facilitated by Stephen Beaman PSM , Executive Director Waste and Resource Recovery, Environment Protection Authority (EPA). <ul style="list-style-type: none"> • Dr Bruce Christie, Deputy Director General, Biosecurity and Food Safety, Department of Primary Industries on The biosecurity framework and shared responsibilities • Stephen Beaman PSM, Executive Director Waste and Resource Recovery EPA on Introducing a Container Deposit Scheme • Tom Celebrezze, Director Biodiversity Policy, Office of Environment and Heritage Biodiversity reforms and Local Government
Infrastructure and Economics 1.40pm – 1.45 intro 1.45pm – 2.05pm 2.05pm – 2.10 intro 2.10pm – 2.30pm 2.30pm – 2.35intro 2.35pm – 2.55pm 2.55pm – 3.10pm Q and A	Stream facilitated by TBC <ul style="list-style-type: none"> • Greg Dyer, General Manager City of Parramatta, Case study on the Redevelopment of Parramatta Square • Susie Matthews, Director Small Business Engagement, NSW Department of Industry on In Support of night-time economies • Sean Gordon, Chief Executive Officer, Darkinjung Local Aboriginal Land Council on Building local economies and the economic development of aboriginal lands

People and Communities 1.40pm – 1.45 intro 1.45pm – 2.05pm 2.05pm – 2.10 intro 2.10pm – 2.30pm 2.30pm – 2.35intro 2.35pm – 2.55pm 2.55pm – 3.10pm Q and A	Stream facilitated by TBC <ul style="list-style-type: none"> • Jody Broun, Director NSW/ACT, Red Cross on Disaster Preparedness – council's building resilience with their communities in times of natural disaster or accident • Wendy Waller, Mayor and Shabnam Bhana, Community Development Worker, Liverpool City Council, and Cr Greg Conkey, Mayor, Wagga Wagga City Council on Refugee Resettlement • Mary Barry, Chief Executive Officer, Our Watch on the national framework for preventing violence against families and women,
3.10pm – 3.20pm 3.20pm 4.00pm 4.00pm – 4.30pm	RETURN TO PLENARY SESSION AND CLOSE OF CONFERENCE Keynote: Annabel Crabb , Walkley Award winning journalist on 'What the community wants and expects from government; what local government can learn from the international, national and state experience; and what it means for local government in the future'. Afternoon tea and delegate networking function in trade exhibition area
7.30pm – 11.00pm	CONFERENCE DINNER, Grand Ballroom Hyatt Regency (in the conference room)
7.30pm	Doors open
7.45pm	Delegates seated and entrée served
8.00pm	LGNSW President introduces Elite Sponsor, StateCover Mutual Limited
8.10pm	LGNSW President and Elite Sponsor present the Outstanding Service Awards Presentation of the Heart Foundation Local Government Awards National Winner by CEO Kerry Doyle (invited)
8.35pm	Main course served
9.35pm	Entertainment and dancing
11.00pm	Function finishes
CLOSE OF CONFERENCE	

This program is correct at the time of publication. Speakers and program details may change due to unforeseen circumstances.



COUNCILLOR REQUEST TO ATTEND CONFERENCE, SEMINAR OR TRAINING

COUNCILLOR DETAILS			
Name:			
Mobile Phone Number:		Dietary Requirements:	

CONFERENCE/SEMINAR/TRAINING DETAILS			
Course Name:			
Organiser:		Location:	
Date:		Cost:	Job Number:

Detail benefits to you and your role in Council			

Details of conferences / seminars / training already attended in this term of Council			

TRAVEL & ACCOMMODATION			
Accommodation			
Is Accommodation Required?	<input type="checkbox"/> Yes <input type="checkbox"/> No (if Yes please complete details below)		
Name:		Phone:	
Check in Date:		Check out Date:	
Travel			
Airfare Required?	<input type="checkbox"/> Yes <input type="checkbox"/> No (if Yes please complete details below)		
Other Transport Required?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Transport requirement:	
Special Requirements?			

AUTHORISATION			
Mayor / Councillor			
Name:		Signature:	Date:
General Manager			
Full Name:		Signature:	Date:
<input type="checkbox"/> Approved <input type="checkbox"/> Not Approved			

OFFICE USE ONLY					
	Date	Signature		Date	Reference / Reservation Number
Received by EA:			Registered in RM:		
TRIM link to HR:			Registration Booked:		
Clr Advised:			Accommodation Booked:		
			Travel Booked:		

Cessnock City Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2017

“...thriving, attractive and welcoming.”



Cessnock City Council

General Purpose Financial Statements for the year ended 30 June 2017

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Overview

- (i) These financial statements are General Purpose Financial Statements and cover the operations for Cessnock City Council.
- (ii) Cessnock City Council is a body politic of NSW, Australia – being constituted as a local government area by proclamation and is duly empowered by the *Local Government Act 1993* (LGA).
- Council's Statutory Charter is detailed in Paragraph 8 of the LGA and includes giving Council;
- the ability to provide goods, services and facilities, and to carry out activities appropriate to the current and future needs of the local community and of the wider public,
 - the responsibility for administering regulatory requirements under the LGA and
 - a role in the management, improvement and development of the resources in the area.
- A description of the nature of Council's operations and its principal activities are provided in Note 2(b).
- (iii) All figures presented in these financial statements are presented in Australian currency.
- (iv) These financial statements were authorised for issue by the Council on 04 October 2017. Council has the power to amend and reissue these financial statements.
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Cessnock City Council

General Purpose Financial Statements for the year ended 30 June 2017

Understanding Council's financial statements

Introduction

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

What you will find in the statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2017.

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

About the Councillor/Management Statement

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

About the primary financial statements

The financial statements incorporate five 'primary' financial statements:

1. The Income Statement

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

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

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

Who uses the financial statements?

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

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

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

More information

A review of Council's financial performance and position for the 2016/17 financial year can be found at Note 29 of the financial statements.

Financial Statements 2017

Cessnock City Council

General Purpose Financial Statements
for the year ended 30 June 2017

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

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

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

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

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

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

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

Councillor Bob Pynsent
Mayor

Councillor Allan Stapleford
Councillor

Mr Stephen Glen
General Manager

Mr Robert Maginnity
Responsible Accounting Officer

Cessnock City Council

Income Statement

for the year ended 30 June 2017

Budget ¹ 2017	\$ '000	Notes	Actual 2017	Actual 2016
Income from continuing operations				
Revenue:				
45,833	Rates and annual charges	3a	45,979	44,020
7,189	User charges and fees	3b	11,577	8,057
865	Interest and investment revenue	3c	1,051	1,515
1,078	Other revenues	3d	1,749	1,830
13,462	Grants and contributions provided for operating purposes	3e,f	15,728	14,000
7,007	Grants and contributions provided for capital purposes	3e,f	19,150	16,895
75,434	Total income from continuing operations		95,234	86,317
Expenses from continuing operations				
31,025	Employee benefits and on-costs	4a	30,065	29,186
542	Borrowing costs	4b	475	552
12,217	Materials and contracts	4c	20,541	19,841
10,115	Depreciation and amortisation	4d	9,637	9,608
–	Impairment	4d	57	361
13,210	Other expenses	4e	12,270	11,606
3,500	Net losses from the disposal of assets	5	2,953	3,536
70,609	Total expenses from continuing operations		75,998	74,690
4,825	Operating result from continuing operations		19,236	11,627
Discontinued operations				
–	Net profit/(loss) from discontinued operations	24	–	–
4,825	Net operating result for the year		19,236	11,627
4,825	Net operating result attributable to Council		19,236	11,627
–	Net operating result attributable to non-controlling interests		–	–
(2,182)	Net operating result for the year before grants and contributions provided for capital purposes		86	(5,268)

¹ Original budget as approved by Council – refer Note 16

Financial Statements 2017

Cessnock City Council

Statement of Comprehensive Income for the year ended 30 June 2017

\$ '000	Notes	Actual 2017	Actual 2016
Net operating result for the year (as per Income Statement)		19,236	11,627
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of I,PP&E	20b (ii)	—	5,927
Total items which will not be reclassified subsequently to the operating result		—	5,927
Amounts which will be reclassified subsequently to the operating result when specific conditions are met			
Nil			
Total other comprehensive income for the year		—	5,927
Total comprehensive income for the year		19,236	17,554
Total comprehensive income attributable to Council		19,236	17,554
Total comprehensive income attributable to non-controlling interests		—	—

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

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Financial Statements 2017

Cessnock City Council

Statement of Financial Position as at 30 June 2017

\$ '000	Notes	Actual 2017	Actual 2016
ASSETS			
Current assets			
Cash and cash equivalents	6a	7,039	8,610
Investments	6b	28,500	28,100
Receivables	7	5,941	3,110
Inventories	8	376	323
Other	8	197	206
Non-current assets classified as 'held for sale'	22	—	—
Total current assets		42,053	40,349
Non-current assets			
Investments	6b	1,000	1,300
Inventories	8	1,270	1,270
Infrastructure, property, plant and equipment	9	744,195	725,765
Investments accounted for using the equity method	19	—	—
Investment property	14	—	—
Intangible assets	25	—	—
Total non-current assets		746,465	728,335
TOTAL ASSETS		788,518	768,684
LIABILITIES			
Current liabilities			
Payables	10	7,976	6,756
Income received in advance	10	—	—
Borrowings	10	1,179	1,152
Provisions	10	8,959	8,661
Total current liabilities		18,114	16,569
Non-current liabilities			
Payables	10	1,915	1,629
Income received in advance	10	773	815
Borrowings	10	5,419	6,598
Provisions	10	11,386	11,398
Total non-current liabilities		19,493	20,440
TOTAL LIABILITIES		37,607	37,009
Net assets		750,911	731,675
EQUITY			
Retained earnings	20	432,613	413,377
Revaluation reserves	20	318,298	318,298
Other reserves	20	—	—
Council equity interest		750,911	731,675
Non-controlling equity interests		—	—
Total equity		750,911	731,675

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

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Cessnock City Council

Statement of Changes in Equity
for the year ended 30 June 2017

\$ '000	Notes	2017				2016					
		Retained earnings	Asset revaluation reserve (Refer 20b)	Other reserves (Refer 20b)	Non-controlling interest	Total equity	Retained earnings	Asset revaluation reserve (Refer 20b)	Other reserves (Refer 20b)	Non-controlling interest	Total equity
Opening balance (as per last year's audited accounts)											
a. Correction of prior period errors	20 (c)	413,377	318,298	—	731,675	—	731,675	—	714,121	—	714,121
b. Changes in accounting policies (prior year effects)	20 (d)	—	—	—	—	—	—	—	—	—	—
Revised opening balance											
		413,377	318,298	—	731,675	—	731,675	—	714,121	—	714,121
c. Net operating result for the year											
		19,236	—	—	19,236	—	19,236	—	11,627	—	11,627
d. Other comprehensive income											
– Revaluations: IPP&E asset revaluation rsve	20b (ii)	—	—	—	—	—	5,927	—	5,927	—	5,927
– Revaluations: other reserves	20b (ii)	—	—	—	—	—	—	—	—	—	—
– Transfers to Income Statement	20b (ii)	—	—	—	—	—	—	—	—	—	—
– Impairment (loss) reversal relating to I,PP&E	20b (ii)	—	—	—	—	—	—	—	—	—	—
– Joint ventures and associates	19b	—	—	—	—	—	—	—	—	—	—
– Other reserves movements	20b (ii)	—	—	—	—	—	—	—	—	—	—
Other comprehensive income											
		—	—	—	—	—	5,927	—	5,927	—	5,927
Total comprehensive income (c&d)											
		19,236	—	—	19,236	—	5,927	—	17,554	—	17,554
e. Distributions to/(contributions from) non-controlling interests											
		—	—	—	—	—	—	—	—	—	—
f. Transfers between equity											
		—	—	—	—	—	—	—	—	—	—
Equity – balance at end of the reporting period											
		432,613	318,298	—	750,911	—	318,298	—	731,675	—	731,675

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

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Financial Statements 2017

Cessnock City Council

Statement of Cash Flows for the year ended 30 June 2017

Budget 2017	\$ '000	Notes	Actual 2017	Actual 2016
Cash flows from operating activities				
Receipts:				
42,900	Rates and annual charges		46,225	44,186
8,400	User charges and fees		11,976	8,585
1,000	Investment and interest revenue received		1,033	1,143
25,700	Grants and contributions		27,811	21,820
–	Bonds, deposits and retention amounts received		249	311
4,100	Other		2,746	5,109
Payments:				
(27,700)	Employee benefits and on-costs		(29,580)	(28,577)
(16,800)	Materials and contracts		(21,794)	(22,653)
(400)	Borrowing costs		(475)	(552)
–	Bonds, deposits and retention amounts refunded		–	(323)
(14,100)	Other		(14,615)	(13,583)
23,100	Net cash provided (or used in) operating activities	11b	23,576	15,466
Cash flows from investing activities				
Receipts:				
–	Sale of investment securities		10,200	9,100
800	Sale of infrastructure, property, plant and equipment		1,122	1,259
Payments:				
–	Purchase of investment securities		(10,284)	(11,799)
(25,506)	Purchase of infrastructure, property, plant and equipment		(25,033)	(15,526)
(24,706)	Net cash provided (or used in) investing activities		(23,995)	(16,966)
Cash flows from financing activities				
Receipts:				
Nil				
Payments:				
(1,143)	Repayment of borrowings and advances		(1,152)	(1,143)
(1,143)	Net cash flow provided (used in) financing activities		(1,152)	(1,143)
(2,749)	Net increase/(decrease) in cash and cash equivalents		(1,571)	(2,643)
8,610	Plus: cash and cash equivalents – beginning of year	11a	8,610	11,253
5,861	Cash and cash equivalents – end of the year	11a	7,039	8,610
Additional Information:				
	plus: Investments on hand – end of year	6b	29,500	29,400
	Total cash, cash equivalents and investments		36,539	38,010

Please refer to Note 11 for information on the following:

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

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

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Cessnock City Council

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

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n/a – not applicable

Cessnock City Council

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

Note 1. Summary of significant accounting policies

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

(a) Basis of preparation

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

(i) New and amended standards adopted by Council

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

AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 and AASB 11]. This standard had no impact on reporting financial position or performance.

(ii) Early adoption of standards

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

(iii) Historical cost convention

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

(iv) Significant accounting estimates and judgements

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

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

Critical accounting estimates and assumptions

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

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

Significant judgements in applying the Council's accounting policies

- (i) Impairment of Receivables

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

(b) Revenue recognition

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

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

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

Cessnock City Council

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

Note 1. Summary of significant accounting policies (continued)

(i) Rates, annual charges, grants and contributions

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

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

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

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

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

(ii) User charges and fees

User charges and fees are recognised as revenue when the service has been provided. Infringement fines are recognised as revenue upon receipt.

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

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

(iv) Interest

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

(v) Rent

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

(vi) Dividend income

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

(vii) Other income

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

(c) Principles of consolidation

(i) The Consolidated Fund

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

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

- General purpose operations
- Section 355 Committees

(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

Cessnock City Council

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

Note 1. Summary of significant accounting policies (continued)

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

Nil

Joint operations

Joint operations represent operational arrangements where the joint control parties have rights to specific assets and obligations for specific liabilities relating to the arrangement rather than a right to the net assets of the arrangement.

The proportionate interests of Council in the assets, liabilities, income and expenses of all Joint Operation activities have been incorporated throughout the financial statements under the appropriate notes and line items.

Detailed information relating to Council's joint operations can be found at Note 19 (c).

(d) Leases

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

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

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

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

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

(e) Impairment of assets

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

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

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

(f) Cash and cash equivalents

For Statement of Cash Flow presentation purposes, cash and cash equivalents includes cash on hand; deposits held at call with financial institutions; other short-term, highly liquid investments with original

Cessnock City Council

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

Note 1. Summary of significant accounting policies (continued)

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 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

Cessnock City Council

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

Note 1. Summary of significant accounting policies (continued)

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 loss

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

(ii) Loans and receivables

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

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

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

Recognition and de-recognition

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

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

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

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

Subsequent measurement

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

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

Impairment

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

Cessnock City Council

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

Note 1. Summary of significant accounting policies (continued)

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

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

The amount of the impairment loss is recognised in the income statement within other expenses. When

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

Investment Policy

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

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

Council amended its policy following revisions to the Ministerial Local Government Investment Order (the Order) arising from the Cole Inquiry recommendations

(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

Cessnock City Council

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

Note 1. Summary of significant accounting policies (continued)

flows at the current market interest rate that is available to the Council for similar financial instruments.

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

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

Externally valued:

- Operational land
- Community land
- Buildings – specialised/non-specialised (both externally and internally)
- Roads assets including roads, bridges and footpaths (both externally and internally)
- Bulk earthworks (both externally and internally)
- Stormwater drainage

Internally valued:

- Land improvements
- Buildings – specialised/non-specialised
- Roads assets including roads, bridges and footpaths
- Bulk earthworks
- Runways and Taxiways
- Swimming pools
- Other open space/recreational assets

As approximated by depreciated historical cost:

- Plant and equipment
- 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.

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

amount. Full revaluations are undertaken for all assets on a five-year cycle.

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

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

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

Capitalisation thresholds

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

Land

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

Plant & Equipment

Office Furniture	> \$300
Office Equipment	> \$300
Other Plant & Equipment	> \$3,000

Buildings & Land Improvements

Building	
- new construction or upgrade	100% Capitalised
- renewal	Capitalised where restoration costs ≥ \$2000 or a complete component replacement

Stormwater Assets

Drains & Culverts	Capitalise if reconstruction is ≥ \$5,000 and / or more than 20% of asset
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Cessnock City Council

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

Note 1. Summary of significant accounting policies (continued)

Transport Assets

Roads Capitalise if pavement renewal to same standard, resurfacing with same standard, reconstruction is $\geq \$10,000$ and / or more than 20% of a segment area

Bridges Capitalise if reconstruction is $\geq \$10,000$ and / or more than 20% of a component

Traffic facilities $\geq \$3,000$

Other Infrastructure Assets

Swimming Pools and pool plant Capitalise if complete component is replaced or $\geq \$2,000$

Other Open Space/Recreational Assets Capitalise if complete component is replaced or $\geq \$2,000$

Runways and Taxiways Capitalise if pavement renewal to same standard, resurfacing with same standard, reconstruction is $\geq \$10,000$ and / or more than 20% of a segment area

Items of infrastructure, property, plant and equipment are not capitalised unless their cost of acquisition has been finalised, all invoices received and a finalisation report provided to the Asset Engineering Officer prior to 1 June of the current financial year.

Depreciation

Land is not depreciated.

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

Plant & Equipment

- Office Equipment	4 to 10 years
- Office furniture	4 to 10 years
- Computer Equipment	4 to 5 years
- Vehicles	4 to 8 years
- Heavy Plant/Road Making equip.	4 to 8 years
- Other plant and equipment	4 to 15 years

Other Assets

- Library Books	7 to 10 years
- Artworks	Indefinite

Buildings

- Sub-Structure	50-100yrs
- Superstructure	50-100yrs
- Roof	25-50yrs
- Electrical	25-50yrs
- Hydraulic	25-50yrs
- Mechanical	10-25yrs
- Fit-outs Fittings	10-25yrs
- Fit-outs Floor Coverings	10-25yrs

Drainage Assets

- Culverts	120 years
- Stormwater Pipes	120 years
- Stormwater Pits	120 years

Transportation Assets

- Sealed Roads Spray Seal Surface	24 years
- Sealed Roads Asphalt Surface	34 years
- Sealed Road Base	80 years
- Sealed Road Sub Base	1,000 years
- Sealed Road Formation	1,000 years
- Unsealed Roads Gravel Surface	25 years
- Unsealed Roads Gravel Base	80 years
- Unsealed Roads Gravel Formation	1,000 years
- Concrete Bridge - Sub Structure	120 years
- Concrete Bridge - Super Structure	120 years
- Concrete Bridge - Rails	50 years
- Timber Bridge - Sub Structure	120 years
- Timber Bridge - Super Structure	120 years
- Timber Bridge - Surface	60 years
- Timber Bridge - Rails	60 years
- Kerb and Gutter	120 years
- Footpaths and Cycleways	120 years

Other Infrastructure Assets

- Bulk earthworks	Infinite
- Swimming Pools	91 years
- Open Space/Recreational Assets	11 -120 years
-Playgrounds	23 years
-Runways and Taxiways Surface	20 years
-Runways and Taxiways Base	80 years
-Runways and Taxiways Sub-Base	1,000 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.

Cessnock City Council

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

Note 1. Summary of significant accounting policies (continued)

(l) Investment property

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

Council does not have any investment properties.

(m) Payables

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

(n) Borrowings

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

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

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

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

(o) Borrowing costs

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

(p) Provisions

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

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

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

(q) Employee benefits

(i) Short-term obligations

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

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

Cessnock City Council

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

Note 1. Summary of significant accounting policies (continued)

(ii) Other long-term employee benefit obligations

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

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

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

(iii) Retirement benefit obligations

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

Defined Benefit Plans

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

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

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

Council has not classified any assets as intangible.

(u) Crown reserves

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

Improvements on Crown Reserves are also recorded as assets, while maintenance costs incurred by

Cessnock City Council

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

Note 1. Summary of significant accounting policies (continued)

Council and revenues relating to the reserves are recognised within Council's Income Statement.

(v) Rural fire service assets

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

Until such time as discussions on this matter have concluded and the legislation changed, Council will not recognise rural fire service assets including land, buildings, plant and vehicles.

(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

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)

Cessnock City Council

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

Note 1. Summary of significant accounting policies (continued)

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

and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

AASB 1057 Application of Australian Accounting Standards

(aa) Disclaimer

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

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 Not-for-Profit Entities

AASB 1058 Income of Not-for-Profit Entities

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

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

(y) Rounding of amounts

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

(z) Comparative figures

To ensure comparability with the current reporting period's figures, some comparative period line items

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Cessnock City Council

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

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

Functions/activities	Income, expenses and assets have been directly attributed to the following functions/activities. Details of these functions/activities are provided in Note 2(b).										
	Income from continuing operations			Expenses from continuing operations			Operating result from continuing operations			Grants included in income from continuing operations	
	Original budget 2017	Actual 2017	Actual 2016	Original budget 2017	Actual 2017	Actual 2016	Original budget 2017	Actual 2017	Actual 2016	Actual 2017	Actual 2016
Governance	–	–	–	935	1,477	1,021	(935)	(1,477)	(1,021)	–	–
Administration	862	1,873	1,504	27,539	14,584	12,491	(26,677)	(12,711)	(10,987)	–	–
Public order and safety	628	525	429	2,035	2,716	2,312	(1,407)	(2,191)	(1,883)	–	7
Health	1,212	1,202	1,158	959	982	964	253	220	194	–	–
Environment	14,776	17,239	16,800	13,933	16,294	13,570	843	945	3,230	1,008	1,281
Community services and education	50	129	56	356	475	514	(306)	(346)	(458)	84	51
Housing and community amenities	1,043	1,520	1,487	4,412	5,595	6,417	(3,369)	(4,075)	(4,930)	115	225
Recreation and culture	888	2,658	3,156	5,933	10,305	11,704	(5,045)	(7,647)	(8,548)	540	365
Mining, manufacturing and construction	872	940	897	1,194	1,219	1,235	(322)	(279)	(338)	–	–
Transport and communication	12,679	23,686	19,423	11,620	20,966	23,175	1,059	2,720	(3,752)	9,139	5,140
Economic affairs	778	473	329	1,693	1,385	1,287	(915)	(912)	(958)	–	–
Total functions and activities	33,788	50,245	45,239	70,609	75,998	74,690	(36,821)	(25,753)	(29,451)	10,886	7,069
Share of gains/(losses) in associates and joint ventures (using the equity method)	–	–	–	–	–	–	–	–	–	–	–
General purpose income ¹	41,646	44,989	41,078	–	–	–	41,646	44,989	41,078	10,666	7,342
Operating result from continuing operations	75,434	95,234	86,317	70,609	75,998	74,690	4,825	19,236	11,627	21,552	14,411
										788,518	768,684

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

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Cessnock City Council

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

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

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

GOVERNANCE

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

ADMINISTRATION

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

PUBLIC ORDER AND SAFETY

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

HEALTH

Includes immunisation, food control, health centres etc.

ENVIRONMENT

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

COMMUNITY SERVICES AND EDUCATION

Includes administration and education, social protection (welfare), Aboriginal and other community services and administration, youth services, aged and disabled persons services, and other family and children services.

HOUSING AND COMMUNITY AMENITIES

Includes public cemeteries, public conveniences, street lighting, town planning, other community amenities.

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, and other sporting, recreational and cultural services.

MINING, MANUFACTURING AND CONSTRUCTION

Includes building control, quarries.

TRANSPORT AND COMMUNICATION

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

ECONOMIC AFFAIRS

Includes tourism and area promotion, industrial development promotion, real estate development, and other business undertakings.

Cessnock City Council

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

Note 3. Income from continuing operations

\$ '000	Notes	Actual 2017	Actual 2016
(a) Rates and annual charges			
Ordinary rates			
Residential		24,766	23,262
Farmland		3,023	3,469
Mining		1,046	1,095
Business		4,691	4,642
Total ordinary rates		33,526	32,468
Special rates			
Nil			
Annual charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic waste management services		11,057	10,207
Stormwater management services		500	493
Waste management services (non-domestic)		868	824
Section 611 charges		28	28
Total annual charges		12,453	11,552
TOTAL RATES AND ANNUAL CHARGES		45,979	44,020

Council has used 2015 year valuations provided by the NSW Valuer General in calculating its rates.

Cessnock City Council

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

Note 3. Income from continuing operations (continued)

\$ '000	Notes	Actual 2017	Actual 2016
(b) User charges and fees			
Specific user charges (per s.502 – specific 'actual use' charges)			
Nil			
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s.608)			
Building permits and fees		684	667
Inspection services		413	402
Private works – section 67		67	49
Regulatory/ statutory fees		90	84
Section 149 certificates (EPA Act)		198	201
Section 603 certificates		141	122
Town planning		1,413	1,073
Total fees and charges – statutory/regulatory		3,006	2,598
(ii) Fees and charges – other (incl. general user charges (per s.608))			
Aerodrome		169	163
Cemeteries		226	187
Cessnock performing arts centre		247	254
Fire and emergency services levy (FESL) implementation		137	–
Onsite sewerage management fees		450	419
RMS charges (state roads not controlled by council)		4,879	2,302
Swimming pool fees		229	204
Waste disposal tipping fees		2,067	1,813
Other		167	117
Total fees and charges – other		8,571	5,459
TOTAL USER CHARGES AND FEES		11,577	8,057

Fire and Emergency Services Levy income of \$137k was received from NSW State Government to fund Council's costs for the preparation and setup of the proposed levy which was to be effective from 1 July 2017.

Cessnock City Council

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

Note 3. Income from continuing operations (continued)

\$ '000	Notes	Actual 2017	Actual 2016
(c) Interest and investment revenue (including losses)			
Interest			
– Interest on overdue rates and annual charges (incl. special purpose rates)		141	145
– Interest earned on investments (interest and coupon payment income)		894	1,069
Fair value adjustments			
– Fair valuation movements in investments (other)		16	301
<u>TOTAL INTEREST AND INVESTMENT REVENUE</u>		<u>1,051</u>	<u>1,515</u>
Interest revenue is attributable to:			
Unrestricted investments/financial assets:			
Overdue rates and annual charges (general fund)		141	145
General Council cash and investments		178	625
Restricted investments/funds – external:			
Development contributions			
– Section 94		127	114
Domestic waste management operations		10	15
Other externally restricted assets		117	118
Restricted investments/funds – internal:			
Internally restricted assets		478	498
<u>Total interest and investment revenue recognised</u>		<u>1,051</u>	<u>1,515</u>
(d) Other revenues			
Rental income – other council properties		314	292
Fines		348	287
General administrative services		9	9
Legal fees recovery – rates and charges (extra charges)		533	417
Legal fees recovery – other		11	219
Commissions and agency fees		29	32
Insurance claim recoveries		124	200
Sales – general		108	35
Section 355 committees		130	176
Other		143	163
<u>TOTAL OTHER REVENUE</u>		<u>1,749</u>	<u>1,830</u>

Cessnock City Council

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

Note 3. Income from continuing operations (continued)

\$ '000	2017 Operating	2016 Operating	2017 Capital	2016 Capital
(e) Grants				
General purpose (untied)				
Financial assistance – general component	5,169	5,300	–	–
Advance of 2017/18 general component	2,672	–	–	–
Financial assistance – local roads component	1,579	1,594	–	–
Advance of 2017/18 local roads component	810	–	–	–
Pensioners' rates subsidies – general component	436	448	–	–
Total general purpose	10,666	7,342	–	–
Financial assistance – general and local roads components have been received in advance and is approximately 50% of the 2017/18 allocation being \$3.482M.				
Specific purpose				
Pensioners' rates subsidies:				
– Domestic waste management	207	205	–	–
Community centres	–	–	124	10
Drainage	58	64	232	326
Library – per capita	103	102	–	–
Library – special projects	8	5	246	45
LIRS subsidy	49	53	–	–
Noxious weeds	76	76	–	–
Recreation and culture	7	15	52	185
Street lighting	104	102	–	–
Transport (roads to recovery)	1,504	2,170	–	–
Transport (road safety)	67	67	–	–
Transport (flood works, other roads and bridges funding)	156	1,259	–	–
Transport (resources for regions)	–	–	7,364	1,591
Waste levy programs	322	337	–	190
Welfare services	58	50	–	–
Other	149	217	–	–
Total specific purpose	2,868	4,722	8,018	2,347
Total grants	13,534	12,064	8,018	2,347
Grant revenue is attributable to:				
– Commonwealth funding	12,170	9,063	5,864	1,591
– State funding	1,364	3,001	2,154	756
	13,534	12,064	8,018	2,347

Financial Statements 2017

Cessnock City Council

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

Note 3. Income from continuing operations (continued)

\$ '000	2017 Operating	2016 Operating	2017 Capital	2016 Capital
(f) Contributions				
Developer contributions: (s93 & s94 – EP&A Act, s64 of the LGA):				
S 93F – contributions using planning agreements	–	–	1,158	1,668
S 94 – contributions towards amenities/services	–	–	1,241	762
Total developer contributions 17	–	–	2,399	2,430
Other contributions:				
Bushfire protection	66	16	–	–
Dedications (other than by S94)	–	–	7,166	9,419
General admin services	129	105	–	–
Kerb and gutter	–	–	34	51
Motor vehicle leaseback	226	242	–	–
Recreation and culture	–	–	–	54
Road reinstatements	124	92	–	–
RMS contributions (regional roads, block grant)	1,202	1,195	1,507	2,549
Tourism	280	228	–	–
Transport	9	4	2	2
Hunter water corporation contribution	114	–	–	–
Other	44	54	24	43
Total other contributions	2,194	1,936	8,733	12,118
Total contributions	2,194	1,936	11,132	14,548
TOTAL GRANTS AND CONTRIBUTIONS	15,728	14,000	19,150	16,895

\$ '000	Actual 2017	Actual 2016
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(g) Unspent grants and contributions

Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:

Unexpended at the close of the previous reporting period	12,998	10,624
Add: grants and contributions recognised in the current period but not yet spent:	3,812	3,788
Less: grants and contributions recognised in a previous reporting period now spent:	(3,698)	(1,414)
Net increase (decrease) in restricted assets during the period	114	2,374
Unexpended and held as restricted assets	13,112	12,998
Comprising:		
– Specific purpose unexpended grants	2,023	2,869
– Developer contributions	8,380	6,854
– Other contributions	2,709	3,275
	13,112	12,998

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Cessnock City Council

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

Note 4. Expenses from continuing operations

\$ '000	Notes	Actual 2017	Actual 2016
(a) Employee benefits and on-costs			
Salaries and wages		21,547	20,937
Employee termination costs (where material – other than vested leave paid)		497	–
Travel expenses		515	567
Employee leave entitlements (ELE)		4,562	4,722
Superannuation		3,181	3,159
Workers' compensation insurance		629	546
Fringe benefit tax (FBT)		345	375
Training costs (other than salaries and wages)		385	429
Other		31	33
Total employee costs		31,692	30,768
Less: capitalised costs		(1,627)	(1,582)
TOTAL EMPLOYEE COSTS EXPENSED		30,065	29,186
Number of 'full-time equivalent' employees (FTE) at year end		294	291
(b) Borrowing costs			
(i) Interest bearing liability costs			
Interest on loans		475	552
Total interest bearing liability costs expensed		475	552
(ii) Other borrowing costs			
Nil			
TOTAL BORROWING COSTS EXPENSED		475	552

Cessnock City Council

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

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	Actual 2017	Actual 2016
(c) Materials and contracts			
Raw materials and consumables		14,353	13,462
Contractor and consultancy costs		5,262	4,949
Auditors remuneration ⁽¹⁾		44	48
Infringement notice contract costs (SEINS)		45	29
Legal expenses:			
– Legal expenses: planning and development		118	700
– Legal expenses: debt recovery		536	420
– Legal expenses: other		1	66
Operating leases:			
– Operating lease rentals: minimum lease payments ⁽²⁾		182	167
TOTAL MATERIALS AND CONTRACTS		20,541	19,841
1. Auditor remuneration			
a. During the year, the following fees were incurred for services provided by the Auditor-General:			
(i) Audit and other assurance services			
– Audit and review of financial statements: Auditor-General		5	–
Remuneration for audit and other assurance services		5	–
Total Auditor-General remuneration		5	–
b. 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		39	48
Remuneration for audit and other assurance services		39	48
Total remuneration of other Council's Auditors		39	48
Total Auditor remuneration		44	48
2. Operating lease payments are attributable to:			
Computers		152	132
Other		30	35
		182	167

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Cessnock City Council

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

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	Actual 2017	Actual 2016
(d) Depreciation, amortisation and impairment			
Plant and equipment		1,475	1,471
Office equipment		341	315
Furniture and fittings		20	24
Infrastructure:			
– Buildings – non-specialised		155	153
– Buildings – specialised		1,165	1,323
– Roads		4,471	4,290
– Bridges		356	354
– Footpaths		196	177
– Stormwater drainage		626	588
– Swimming pools		50	2
– Other open space/recreational assets		520	637
– Other infrastructure		37	52
Other assets			
– Library books		225	222
Total depreciation and amortisation costs		9,637	9,608
Impairment			
Infrastructure:			
– Bridges		57	357
– Other open space/recreational assets		–	4
Total impairment costs		57	361
TOTAL DEPRECIATION AND IMPAIRMENT COSTS EXPENSED		9,694	9,969

Cessnock City Council

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

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	Actual 2017	Actual 2016
(e) Other expenses			
Advertising		114	147
Bad and doubtful debts		8	41
Bank charges		46	37
Contributions/levies to other levels of government			
– Emergency services levy (includes FRNSW, SES, and RFS levies)		97	89
– NSW fire brigade levy		318	311
– NSW rural fire service levy		457	410
– Waste levy		6,899	6,534
Councillor expenses – mayoral fee		41	40
Councillor expenses – councillors' fees		231	220
Councillors' expenses (incl. mayor) – other (excluding fees above)		51	47
Donations, contributions and assistance to other organisations (Section 356)		75	80
Election expenses		300	–
Electricity and heating		484	453
Fire and emergency services levy (FESL) implementation costs		14	–
Insurance		1,129	1,132
Rate collection agency expenses		76	77
RSPCA contribution		297	294
Section 355 committees		151	183
Street lighting		862	896
Subsidies		31	28
Telephone and communications		368	358
Valuation fees		153	151
Other		68	78
TOTAL OTHER EXPENSES		12,270	11,606

Note 5. Gains or losses from the disposal of assets

Property (excl. investment property)			
Proceeds from disposal – property		–	70
Less: carrying amount of property assets sold/written off		–	(9)
Net gain/(loss) on disposal		–	61
Plant and equipment			
Proceeds from disposal – plant and equipment		1,122	1,189
Less: carrying amount of plant and equipment assets sold/written off		(1,091)	(788)
Net gain/(loss) on disposal		31	401
Infrastructure			
Less: carrying amount of infrastructure assets sold/written off		(2,984)	(3,998)
Net gain/(loss) on disposal		(2,984)	(3,998)
Financial assets			
Proceeds from disposal/redemptions/maturities – financial assets		10,200	9,100
Less: carrying amount of financial assets sold/redeemed/matured		(10,200)	(9,100)
Net gain/(loss) on disposal		–	–
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		(2,953)	(3,536)

Cessnock City Council

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

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

\$ '000	Notes	2017 Actual Current	2017 Actual Non-current	2016 Actual Current	2016 Actual Non-current
Cash and cash equivalents (Note 6a)					
Cash on hand and at bank		6,498	–	7,419	–
Cash-equivalent assets ¹					
– Deposits at call		541	–	1,191	–
Total cash and cash equivalents		7,039	–	8,610	–
Investments (Note 6b)					
– Long term deposits		28,500	–	27,600	800
– NCD's, FRN's (with maturities > 3 months)		–	1,000	500	500
Total investments		28,500	1,000	28,100	1,300
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS		35,539	1,000	36,710	1,300

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'

7,039	–	8,610	–
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Investments

b. 'Held to maturity'

Investments

28,500	1,000	28,100	1,300
28,500	1,000	28,100	1,300

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

Cessnock City Council

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

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

\$ '000	2017 Actual Current	2017 Actual Non-current	2016 Actual Current	2016 Actual Non-current
Total cash, cash equivalents and investments	35,539	1,000	36,710	1,300
attributable to:				
External restrictions (refer below)	12,606	1,000	12,192	1,300
Internal restrictions (refer below)	22,775	–	24,485	–
Unrestricted	158	–	33	–
	35,539	1,000	36,710	1,300

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

External restrictions – included in liabilities

Nil

External restrictions – other

Developer contributions – general	(A)	6,854	2,526	(1,000)	8,380
RMS contributions	(B)	3,275	–	(566)	2,709
Specific purpose unexpended grants	(C)	2,869	–	(846)	2,023
Domestic waste management	(D)	432	–	–	432
Other		62	–	–	62
External restrictions – other		13,492	2,526	(2,412)	13,606
Total external restrictions		13,492	2,526	(2,412)	13,606

- A** Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans (refer Note 17).
- B** RMS contributions which are not yet expended for the provision of services and amenities in accordance with those contributions.
- C** Grants which are not yet expended for the purposes for which the grants were obtained. (refer Note 1 (b))
- D** Domestic Waste Management (DWM) is an externally restricted asset and must be applied for the purposes for which it was raised.

Cessnock City Council

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

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

2017 \$ '000	Opening balance	Transfers to restrictions	Transfers from restrictions	Closing balance
Internal restrictions				
Plant and vehicle replacement	2,918	882	(1,252)	2,548
Employees leave entitlement	2,004	709	(611)	2,102
Carry over works	1,346	310	(1,346)	310
Bridge replacement	306	269	(14)	561
Cemetery	5	–	–	5
Computer services	333	210	(266)	277
Insurance provisions	302	324	(66)	560
Miscellaneous and property	2,210	1,065	(1,573)	1,702
Financial Assistance Grant in Advance	–	3,482	–	3,482
Operations and programs	688	185	(630)	243
Property investment fund	646	127	(41)	732
Rezoning fees	85	–	–	85
Sanitary operations	21	–	(21)	–
Single invitation contracts	669	177	–	846
Waste depot and rehabilitation	12,752	14,399	(18,004)	9,147
Energy efficiency reserve	200	1	(26)	175
Total internal restrictions	24,485	22,140	(23,850)	22,775
TOTAL RESTRICTIONS	37,977	24,666	(26,262)	36,381

Cessnock City Council

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

Note 7. Receivables

\$ '000	Notes	2017		2016	
		Current	Non-current	Current	Non-current
Purpose					
Rates and annual charges		719	—	875	—
Interest and extra charges		364	—	358	—
User charges and fees		10	—	12	—
Accrued revenues					
– Interest on investments		212	—	216	—
Community facilities		103	—	30	—
Garbage tipping fees		22	—	36	—
Government grants and subsidies		86	—	86	—
Insurance claim – recreation facilities		—	—	106	—
Kerb and gutter		47	—	35	—
Net GST receivable		617	—	491	—
Planning proposals		3	—	200	—
Premises inspections		92	—	71	—
Rental charges		82	—	46	—
Restoration charges		23	—	32	—
RMS debtors – state roads		2,470	—	114	—
Roadworks		898	—	304	—
Other debtors		359	—	256	—
Total		6,107	—	3,268	—
Less: provision for impairment					
Rates and annual charges		(110)	—	(106)	—
Other debtors		(56)	—	(52)	—
Total provision for impairment – receivables		(166)	—	(158)	—
TOTAL NET RECEIVABLES		5,941	—	3,110	—
Externally restricted receivables					
Domestic waste management		451	—	457	—
Stormwater management		18	—	19	—
Other restricted receivables		22	—	36	—
Total external restrictions		491	—	512	—
Internally restricted receivables					
Nil					
Unrestricted receivables		5,450	—	2,598	—
TOTAL NET RECEIVABLES		5,941	—	3,110	—

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 8.00% (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.

Cessnock City Council

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

Note 8. Inventories and other assets

\$ '000	Notes	2017		2016	
		Current	Non-current	Current	Non-current
(a) Inventories					
(i) Inventories at cost					
Real estate for resale (refer below)		–	1,270	–	1,270
Stores and materials		376	–	323	–
Total inventories at cost		376	1,270	323	1,270
(ii) Inventories at net realisable value (NRV)					
Nil					
TOTAL INVENTORIES		376	1,270	323	1,270
(b) Other assets					
Prepayments		197	–	206	–
TOTAL OTHER ASSETS		197	–	206	–

Externally restricted assets

There are no restrictions applicable to the above assets.

(i) Other disclosures

(a) Details for real estate development

Residential	–	1,270	–	1,270
Total real estate for resale	–	1,270	–	1,270

(Valued at the lower of cost and net realisable value)

Represented by:

Development costs	–	1,270	–	1,270
Total costs	–	1,270	–	1,270
Total real estate for resale	–	1,270	–	1,270

Movements:

Real estate assets at beginning of the year	–	1,270	–	1,270
Total real estate for resale	–	1,270	–	1,270

Financial Statements 2017

Cessnock City Council

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

Note 9a. Infrastructure, property, plant and equipment

Asset class \$ '000	as at 30/6/2016			Asset movements during the reporting period							as at 30/6/2017		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss (recognised in P/L)	WIP transfers	Adjustments and transfers	Gross carrying amount	Accumulated depreciation	Net carrying amount
Capital work in progress	6,205	—	6,205	—	10,629	—	—	—	(4,766)	—	12,068	—	12,068
Plant and equipment	19,862	12,965	6,897	2,992	—	(1,089)	(1,475)	—	34	—	20,199	12,840	7,359
Office equipment	3,408	2,762	646	118	241	—	(341)	—	39	—	3,783	3,080	703
Furniture and fittings	1,393	1,256	137	—	12	—	(20)	—	13	—	1,418	1,276	142
Plant and equipment (under finance lease)	281	281	—	—	—	—	—	—	—	—	281	—	—
Land:													
— Operational land	41,092	—	41,092	—	41	—	—	—	—	107	41,240	—	41,240
— Community land	24,295	—	24,295	—	—	—	—	—	—	(107)	24,188	—	24,188
— Land under roads (post 30/6/08)	1,868	—	1,868	—	480	—	—	—	—	—	2,348	—	2,348
Infrastructure:													
— Buildings – non-specialised	14,998	1,708	13,290	—	278	—	(155)	—	—	—	15,276	1,863	13,413
— Buildings – specialised	69,876	16,588	53,288	144	1,125	(899)	(1,165)	—	170	—	70,022	17,359	52,663
— Other structures	5,571	702	4,869	—	—	—	—	—	—	(4,869)	—	—	—
— Roads	563,684	99,356	464,328	5,975	4,729	(1,444)	(4,471)	—	3,281	—	574,349	101,894	472,388
— Bridges	38,300	12,240	26,060	1,348	—	(559)	(356)	(57)	1,109	—	39,270	11,725	27,545
— Footpaths	14,224	3,474	10,750	5	963	(19)	(196)	—	12	—	15,166	3,651	11,515
— Stormwater drainage	73,827	16,370	57,457	—	2,513	(1)	(626)	—	67	—	76,404	16,994	59,410
— Swimming pools	4,561	1,751	2,810	—	—	—	(50)	—	—	—	4,561	1,801	2,760
— Other open space/recreational assets	17,278	6,689	10,589	218	153	(61)	(520)	—	41	—	17,529	7,109	10,420
— Other infrastructure	—	—	—	—	—	—	(37)	—	—	4,869	5,572	740	4,832
Other assets:													
— Library books	5,410	4,229	1,181	—	235	—	(225)	—	—	—	5,645	4,454	1,191
— Other	3	—	3	—	—	(3)	—	—	—	—	—	—	—
Reinstatement, rehabilitation and restoration assets (refer Note 26):													
— Tip assets	8,400	8,400	—	—	—	—	—	—	—	—	8,400	8,400	—
TOTAL INFRASTRUCTURE, PROPERTY, PLANT AND EQUIP.	914,536	188,771	725,765	10,800	21,399	(4,075)	(9,637)	(57)	—	—	937,719	193,467	744,195

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.

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Cessnock City Council

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

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

\$ '000 Class of asset	Actual 2017			Actual 2016		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount
Domestic waste management						
Plant and equipment	2,187	939	1,248	2,236	861	1,375
Land						
– Operational land	1,586	–	1,586	1,586	–	1,586
Buildings	323	132	191	339	133	206
Total DWM	4,096	1,071	3,025	4,161	994	3,167
TOTAL RESTRICTED I,PP&E	4,096	1,071	3,025	4,161	994	3,167

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

\$ '000	Notes	Actual 2017	Actual 2016
(i) Impairment losses recognised in the Income Statement:			
– Frame Drive Bridge damaged in extreme weather event		–	(152)
– Cunneens Bridge – structurally unsound		–	(205)
– Kitchener Poppethead Park Jetty – structurally unsound		–	(4)
– Abbotsford Bridge Bellbird – structurally unsound		(57)	–
Total impairment losses		(57)	(361)
IMPAIRMENT OF ASSETS – GAINS/(LOSSES) in P/L	4(d)	(57)	(361)

Cessnock City Council

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

Note 10a. Payables, borrowings and provisions

\$ '000	Notes	2017		2016	
		Current	Non-current	Current	Non-current
Payables					
Goods and services – operating expenditure		5,611	–	4,760	–
Accrued expenses:					
– Salaries and wages		838	–	419	–
– Other expenditure accruals		686	–	714	–
Security bonds, deposits and retentions		675	1,915	712	1,629
Trust fund		166	–	138	–
Other		–	–	13	–
Total payables		7,976	1,915	6,756	1,629
Income received in advance					
Payments received in advance		–	773	–	815
Total income received in advance		–	773	–	815
Borrowings					
Loans – secured ¹		1,179	5,419	1,152	6,598
Total borrowings		1,179	5,419	1,152	6,598
Provisions					
Employee benefits:					
Annual leave		2,707	–	2,580	–
Sick leave		521	–	527	–
Long service leave		5,731	145	5,554	157
Sub-total – aggregate employee benefits		8,959	145	8,661	157
Asset remediation/restoration (future works)	26	–	11,241	–	11,241
Total provisions		8,959	11,386	8,661	11,398
TOTAL PAYABLES, BORROWINGS AND PROVISIONS					
		18,114	19,493	16,569	20,440

(i) Liabilities relating to restricted assets

	2017		2016	
	Current	Non-current	Current	Non-current
Externally restricted assets				
Domestic waste management	78	–	85	–
Liabilities relating to externally restricted assets	78	–	85	–
Internally restricted assets				
Nil				
Total liabilities relating to restricted assets	78	–	85	–
Total liabilities relating to unrestricted assets	18,036	19,493	16,484	20,440
TOTAL PAYABLES, BORROWINGS AND PROVISIONS	18,114	19,493	16,569	20,440

¹. 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.

Cessnock City Council

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

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

	Actual 2017	Actual 2016
\$ '000		
(ii) Current liabilities not anticipated to be settled within the next twelve months		
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	5,498	5,380
Payables – security bonds, deposits and retentions	665	2,333
Other Liabilities: Trust Fund Deposits	48	48
	6,211	7,761

Note 10b. Description of and movements in provisions

Class of provision	2016	2017				
	Opening balance as at 1/7/16	Additional provisions	Decrease due to payments	Remeasurement effects due to discounting	Unused amounts reversed	Closing balance as at 30/6/17
Annual leave	2,580	1,829	(1,702)	–	–	2,707
Sick leave	527	1,032	(1,038)	–	–	521
Long service leave	5,711	754	(589)	–	–	5,876
Asset remediation	11,241	–	–	–	–	11,241
TOTAL	20,059	3,615	(3,329)	–	–	20,345

- 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.

Cessnock City Council

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

Note 11. Statement of cash flows – additional information

\$ '000	Notes	Actual 2017	Actual 2016
(a) Reconciliation of cash assets			
Total cash and cash equivalent assets	6a	7,039	8,610
Less bank overdraft	10	—	—
Balance as per the Statement of Cash Flows		7,039	8,610
(b) Reconciliation of net operating result to cash provided from operating activities			
Net operating result from Income Statement		19,236	11,627
Adjust for non-cash items:			
Depreciation and amortisation		9,637	9,608
Net losses/(gains) on disposal of assets		2,953	3,536
Non-cash capital grants and contributions		(7,166)	(9,419)
Impairment losses recognition – I,PP&E		57	361
Losses/(gains) recognised on fair value re-measurements through the P&L:			
– Investments classified as 'at fair value' or 'held for trading'		(16)	(301)
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		(2,839)	648
Increase/(decrease) in provision for doubtful debts		8	(196)
Decrease/(increase) in inventories		(53)	20
Decrease/(increase) in other assets		9	(152)
Increase/(decrease) in payables		851	(848)
Increase/(decrease) in other accrued expenses payable		391	(245)
Increase/(decrease) in other liabilities		222	153
Increase/(decrease) in employee leave entitlements		286	674
Net cash provided from/(used in) operating activities from the Statement of Cash Flows		23,576	15,466

Cessnock City Council

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

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

\$ '000	Notes	Actual 2017	Actual 2016
(c) Non-cash investing and financing activities			
Other dedications		7,166	9,419
Total non-cash investing and financing activities		7,166	9,419
(d) Financing arrangements			
(i) Unrestricted access was available at balance date to the following lines of credit:			
Bank overdraft facilities ⁽¹⁾		1,000	1,000
Credit cards/purchase cards		100	100
Total financing arrangements		1,100	1,100

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

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

(ii) Secured loan liabilities

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

Cessnock City Council

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

Note 12. Commitments for expenditure

\$ '000	Notes	Actual 2017	Actual 2016
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(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

Williams bridge	—	67
Lomas Lane bridge	—	318
Frame Drive bridge	—	809
Deasys Road Rehabilitation	—	432
Birrilee Seniors Amenities Building	—	793
Whitburn Estate Drainage	119	—
Total commitments	119	2,419

These expenditures are payable as follows:

Within the next year	119	2,419
Total payable	119	2,419

Sources for funding of capital commitments:

Unrestricted general funds	—	432
Future grants and contributions	119	404
Sect 64 and 94 funds/reserves	—	600
Unexpended grants	—	512
Internally restricted reserves	—	66
New loans (to be raised)	—	405
Total sources of funding	119	2,419

(b) Finance lease commitments

Nil

(c) Operating lease commitments (non-cancellable)

a. Commitments under non-cancellable operating leases at the reporting date, but not recognised as liabilities are payable:

Within the next year	157	18
Later than one year and not later than 5 years	444	—
Later than 5 years	—	—
Total non-cancellable operating lease commitments	601	18

b. Non-cancellable operating leases include the following assets:

Computer and Photocopier Leases

Contingent Rentals may be payable depending on the condition of items or usage during the lease term.

Conditions relating to operating leases:

- All operating lease agreements are secured only against the leased asset.
- No lease agreements impose any financial restrictions on Council regarding future debt etc.

Cessnock City Council

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

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

\$ '000	Amounts 2017	Indicator 2017	Prior periods 2016 2015		Benchmark
Local government industry indicators – consolidated					
1. Operating performance ratio					
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions less operating expenses	3,023	3.97%	-2.94%	0.55%	>0.00%
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions	76,068				
2. Own source operating revenue ratio					
Total continuing operating revenue ⁽¹⁾ excluding all grants and contributions	60,340	63.37%	64.08%	65.85%	>60.00%
Total continuing operating revenue ⁽¹⁾	95,218				
3. Unrestricted current ratio					
Current assets less all external restrictions ⁽²⁾	28,956	2.45x	3.17x	2.94x	>1.5x
Current liabilities less specific purpose liabilities ^(3, 4)	11,825				
4. Debt service cover ratio					
Operating result ⁽¹⁾ before capital excluding interest and depreciation/impairment/amortisation	13,192	8.11x	5.01x	7.92x	>2x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	1,627				
5. Rates, annual charges, interest and extra charges outstanding percentage					
Rates, annual and extra charges outstanding	973	2.04%	2.46%	2.71%	< 5%
Rates, annual and extra charges collectible	47,780				Metro <10% Rural
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	35,539	6.31 mths	6.6 mths	7.5 mths	> 3 mths
Payments from cash flow of operating and financing activities	5,635				

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).

Cessnock City Council

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

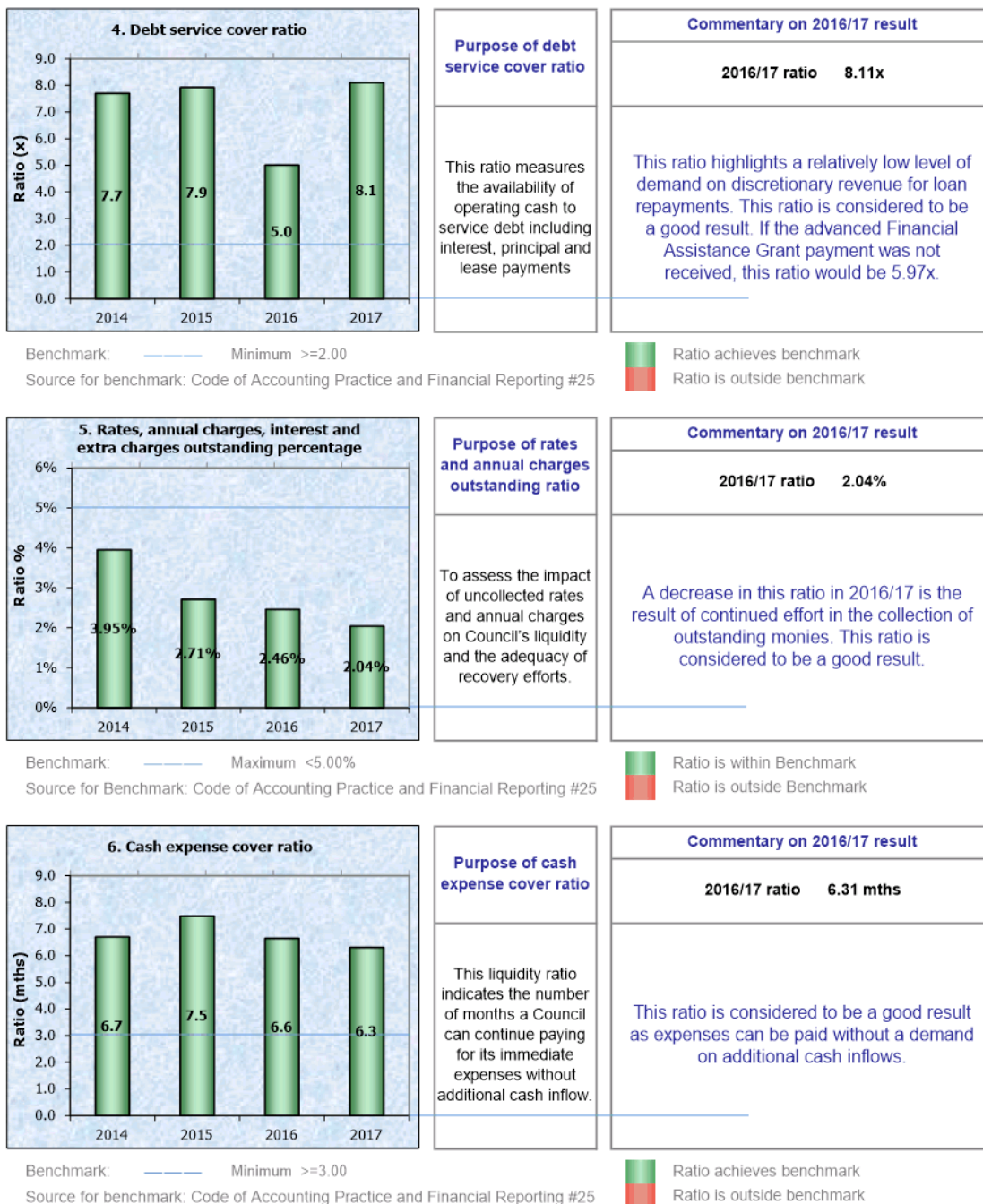
Note 13a(ii). Local government industry indicators – graphs (consolidated)

<p>1. Operating performance ratio</p> <p>Benchmark: — Minimum $\geq 0.00\%$ Source for benchmark: Code of Accounting Practice and Financial Reporting #25</p>	<p>Purpose of operating performance ratio</p> <p>This ratio measures Council's achievement of containing operating expenditure within operating revenue.</p>	<p>Commentary on 2016/17 result</p> <p>2016/17 ratio 3.97%</p> <p>Advance payment of 2017/18 Financial Assistance Grant received in June 2017 has greatly improved this ratio. If the advanced payment was not received, this ratio would be -0.60%.</p>
<p>Ratio achieves benchmark (green bar) Ratio is outside benchmark (red bar)</p>		
<p>2. Own source operating revenue ratio</p> <p>Benchmark: — Minimum $\geq 60.00\%$ Source for benchmark: Code of Accounting Practice and Financial Reporting #25</p>	<p>Purpose of own source operating revenue ratio</p> <p>This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.</p>	<p>Commentary on 2016/17 result</p> <p>2016/17 ratio 63.37%</p> <p>Council's dependence on rates, annual charges, user charges and fees compared to other sources of income is relatively high, and within the benchmark level.</p>
<p>Ratio achieves benchmark (green bar) Ratio is outside benchmark (red bar)</p>		
<p>3. Unrestricted current ratio</p> <p>Benchmark: — Minimum ≥ 1.50 Source for benchmark: Code of Accounting Practice and Financial Reporting #25</p>	<p>Purpose of unrestricted current ratio</p> <p>To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.</p>	<p>Commentary on 2016/17 result</p> <p>2016/17 ratio 2.45x</p> <p>This ratio has decreased slightly from that in 2015/16. This ratio represents a satisfactory level of working capital.</p>
<p>Ratio achieves benchmark (green bar) Ratio is outside benchmark (red bar)</p>		

Cessnock City Council

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

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



Cessnock City Council

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

Note 14. Investment properties

\$ '000

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

Note 15. Financial risk management

Risk management

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

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

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

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

A comparison by category of the carrying amounts and fair values of Council's financial assets and financial liabilities recognised in the financial statements is presented below.

	Carrying value		Fair value	
	2017	2016	2017	2016
Financial assets				
Cash and cash equivalents	7,039	8,610	7,039	8,610
Investments				
– 'Held to maturity'	29,500	29,400	29,500	29,400
Receivables	5,941	3,110	5,941	3,110
Total financial assets	42,480	41,120	42,480	41,120
Financial liabilities				
Payables	9,891	8,385	9,891	8,385
Loans/advances	6,598	7,750	6,598	7,750
Total financial liabilities	16,489	16,135	16,489	16,135

Fair value is determined as follows:

- **Cash and cash equivalents, receivables, payables** – are estimated to be the carrying value that approximates market value.
- **Borrowings and held-to-maturity** investments – are based upon estimated future cash flows discounted by the current mkt interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.
- Financial assets classified (i) '**at fair value through profit and loss**' or (ii) '**available-for-sale**' – are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

Refer to Note 27. Fair value measurement for information regarding the fair value of financial assets and liabilities.

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Cessnock City Council

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

Note 15. Financial risk management (continued)

\$ '000

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

Council 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 its staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance.

The risks associated with the investments held are:

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

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

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

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

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

	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
2017				
Possible impact of a 1% movement in interest rates	360	360	(360)	(360)
2016				
Possible impact of a 1% movement in interest rates	387	387	(387)	(387)

Cessnock City Council

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

Note 15. Financial risk management (continued)

\$ '000

(b) Credit risk

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

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

Council manages this risk by monitoring outstanding debt and employing stringent debt recovery procedures.

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 Rates and annual charges	2017 Other receivables	2016 Rates and annual charges	2016 Other receivables
(i) Ageing of receivables – %					
Current (not yet overdue)		0%	8%	0%	20%
Overdue		100%	92%	100%	80%
		100%	100%	100%	100%
(ii) Ageing of receivables – value					
Rates and annual charges	Other receivables	Rates and annual charges	Other receivables	Rates and annual charges	Other receivables
Current	Current	–	453	–	366
< 1 year overdue	0 – 30 days overdue	719	4,838	875	1,799
1 – 2 years overdue	31 – 60 days overdue	–	8	–	20
2 – 5 years overdue	61 – 90 days overdue	–	–	–	124
> 5 years overdue	> 91 days overdue	–	89	–	84
		719	5,388	875	2,393
(iii) Movement in provision for impairment of receivables					
				2017	2016
Balance at the beginning of the year				158	354
+ new provisions recognised during the year				8	43
– amounts already provided for and written off this year				–	(239)
Balance at the end of the year				166	158

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Cessnock City Council

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

Note 15. Financial risk management (continued)

\$ '000

(c) Liquidity risk

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

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

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

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

\$ '000	Subject to no maturity	≤ 1 Year	1-2 Yrs	payable in:				Total cash outflows	Actual carrying values
				2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
2017									
Trade/other payables	2,590	7,301	—	—	—	—	—	9,891	9,891
Loans and advances	—	71	108	193	695	1,025	4,506	6,598	6,598
Total financial liabilities	2,590	7,372	108	193	695	1,025	4,506	16,489	16,489
2016									
Trade/other payables	2,341	6,044	—	—	—	—	—	8,385	8,385
Loans and advances	—	51	136	163	248	841	6,311	7,750	7,750
Total financial liabilities	2,341	6,095	136	163	248	841	6,311	16,135	16,135

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

The following interest rates were applicable to Council's borrowings at balance date:

	2017		2016	
	Carrying value	Average interest rate	Carrying value	Average interest rate
Trade/other payables	9,891	0.00%	8,385	0.00%
Loans and advances – fixed interest rate	6,598	6.58%	7,750	6.60%
	16,489		16,135	

Cessnock City Council

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

Note 16. Material budget variations

\$ '000

Council's original financial budget for 2016/17 was adopted by the Council on 15 June 2016.

While the Income Statement included in this General Purpose Financial Report must disclose the original budget adopted by Council, the *Local Government Act 1993* requires Council to review its financial budget on a quarterly basis, so that it is able to manage the various variations between actuals versus budget that invariably occur throughout the year.

This note sets out the details of **material variations** between Council's original budget and its actual results for the year as per the Income Statement – even though such variations may have been adjusted for during each quarterly budget review.

Note that for variations* of budget to actual :

Material variations represent those variances that amount to **10%** or more of the original budgeted figure.

F = Favourable budget variation, **U** = Unfavourable budget variation

\$ '000		2017 Budget	2017 Actual	2017 ----- Variance* -----	
REVENUES					
Rates and annual charges		45,833	45,979	146	0% F
User charges and fees		7,189	11,577	4,388	61% F
RMS Charges	2,799K (F)		FESL Implementation		137K (F)
Garbage Tipping Fees	846K (F)		Aerodrome Fees & Charges		36K (U)
Building Permits & Fees	44K (F)		Private Works		46K (F)
Swimming Pool Fees	39K (F)		Town Planning Fees		336K (F)
Interest and investment revenue		865	1,051	186	22% F
Interest on Investments	69K (F)				
Investment Fair Value Adjustment	16K (F)				
Other revenues		1,078	1,749	671	62% F
Insurance Claims	54K (F)		Section 355 Committees		130K (F)
Lease / Rentals	91K (F)		Other		172K (F)
Legal fees Recovery Rates & Charges	194K (F)		Fines		24K (F)
Operating grants and contributions		13,462	15,728	2,266	17% F
Road to Recovery Grant	1,002K (U)		Transport		37K (F)
Financial Assistance Grant	3,351K (F)		Tourism		500K (U)
RFS Reimbursement	129K (U)		Waste Levy Programs		322K (F)
Hunter Water Contribution	114K (F)		Drainage		175K (U)
Capital grants and contributions		7,007	19,150	12,143	173% F
Voluntary Planning Agreements	1,158K (F)		Kerb & Gutter Contributions		34K (F)
Section 94 Contributions	1,251K (F)		Resources for Regions		2,158K (F)
RMS Contributions	504K (F)		Recreation & Culture Grants		52K (F)
Drainage Works Grant	24K (U)		Library Special Projects Grant		246K (F)
Dedications	7,166K (F)		Community Centres		26K (U)

Cessnock City Council

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

Note 16. Material budget variations (continued)

\$ '000	2017 Budget	2017 Actual	2017 Variance*	
EXPENSES				
Employee benefits and on-costs	31,025	30,065	960	3% F
Borrowing costs	542	475	67	12% F
New loan planned to be taken out in 2016/17 deferred to 2017/18 resulting in saving in loan repayments.				
Materials and contracts	12,217	20,541	(8,324)	(68%) U
Expenses exceeded the original budget primarily due to extra works not forecast being undertaken as a result of additional grant funds and reserve funds being utilised after the budget was adopted. Eg RMS works. Also expenditure originally budgeted as capital expenditure was reclassified and recorded as operating expenditure.				
Depreciation and amortisation	10,115	9,637	478	5% F
Other expenses	13,210	12,270	940	7% F
Net losses from disposal of assets	3,500	2,953	547	16% F
Original budget based on historical data. Actual loss is less than budget.				

Budget variations relating to Council's Cash Flow Statement include:

Cash flows from operating activities	23,100	23,576	476	2.1% F
Rates and annual charges	3,325 (F)	Employee benefits and on-costs	1,880 (U)	
User charges and fees	3,576 (F)	Materials and contracts	4,995 (U)	
Grants and contributions	9,276 (F)	Other payments	515 (U)	
Other receipts	1,354 (U)	Bonds and deposits	249 (F)	
Cash flows from investing activities	(24,706)	(23,995)	711	(2.9%) F
Net Purchase / sale of infrastructure, property, plant and equipment			6,370 (U)	
Net Purchase / sale of investment securities			84 (U)	
Cash flows from financing activities	(1,143)	(1,152)	(9)	0.8% U

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Cessnock City Council

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

Note 17. Statement of developer contributions

\$ '000

Council recovers contributions, raises levies and enters into planning agreements on development works that are subject to a development consent issued by Council. All contributions must be spent/utilised for the specific purpose they were levied and any interest applicable to unspent funds must be attributed to remaining funds.

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

SUMMARY OF CONTRIBUTIONS AND LEVIES

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
Drainage	183	—	—	3	—	—	186	—
Roads	1,046	258	—	18	—	—	1,322	—
Traffic facilities	23	—	—	—	(23)	—	—	—
Parking	347	12	—	6	(65)	—	300	—
Open space	597	305	—	12	(600)	—	314	—
Community facilities	861	256	—	16	(107)	—	1,026	—
Tourist facilities	754	127	—	12	(8)	—	885	—
Transport	37	201	—	2	—	—	240	—
Other	445	82	—	8	(197)	—	338	—
S94 contributions – under a plan	4,293	1,241	—	77	(1,000)	—	4,611	—
Total S94 revenue under plans	4,293	1,241	—	77	(1,000)	—	4,611	—
S93F planning agreements	2,561	1,158	—	50	—	—	3,769	—
Total contributions	6,854	2,399	—	127	(1,000)	—	8,380	—

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Cessnock City Council

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

Note 17. Statement of developer contributions (continued)

\$ '000

S94 CONTRIBUTIONS – UNDER A PLAN

CONTRIBUTION PLAN NUMBER 1 - RESIDENTIAL DEVELOPMENT

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Other	25	–	–	–	(25)	–	–	–
Total	25	–	–	–	(25)	–	–	–

CONTRIBUTION PLAN NUMBER 2 - TOURIST DEVELOPMENT

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Tourist facilities	178	–	–	2	–	–	180	–
Total	178	–	–	2	–	–	180	–

CONTRIBUTION PLAN NUMBER 3 - COMMERCIAL, RETAIL & INDUSTRIAL DEVELOPMENT

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Traffic facilities	23	–	–	–	(23)	–	–	–
Total	23	–	–	–	(23)	–	–	–

CONTRIBUTION PLAN NUMBER 4 - NULKABA FLOOD MITIGATION

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Drainage	38	–	–	1	–	–	39	–
Total	38	–	–	1	–	–	39	–

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Cessnock City Council

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

Note 17. Statement of developer contributions (continued)

\$ '000

S94 CONTRIBUTIONS – UNDER A PLAN

CONTRIBUTION PLAN NUMBER 5 - CARPARKING CESSNOCK CBD

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Parking	347	12	–	6	(65)	–	300	–
Other	15	–	–	–	(15)	–	–	–
Total	362	12	–	6	(80)	–	300	–

CONTRIBUTION PLAN NUMBER 6 - RESIDENTIAL CONTRIBUTIONS PLAN

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Drainage	145	–	–	2	–	–	147	–
Roads	749	174	–	13	–	–	936	–
Open space	590	224	–	12	(600)	–	226	–
Community facilities	852	184	–	15	(107)	–	944	–
Other	331	62	–	6	(103)	–	296	–
Total	2,667	644	–	48	(810)	–	2,549	–

CONTRIBUTION PLAN NUMBER 7 - TOURISM CONTRIBUTIONS PLAN

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Roads	94	84	–	2	–	–	180	–
Tourist facilities	576	127	–	10	(8)	–	705	–
Other	73	14	–	2	(53)	–	36	–
Total	743	225	–	14	(61)	–	921	–

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Cessnock City Council

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

Note 17. Statement of developer contributions (continued)

\$ '000

S94 CONTRIBUTIONS – UNDER A PLAN

CONTRIBUTION PLAN NUMBER 8 - BLACKHILL QUARRY CONTRIBUTION PLAN

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
Roads	203	Cash	Non-cash					
Total	203	-	-	3	-	-	206	-

Site Specific Contributions Plan - Bellbird North

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
Open space	-	Cash	Non-cash					
Community facilities	-	76	-	-	-	-	76	-
Transport	-	65	-	1	-	-	66	-
Other	-	172	-	1	-	-	173	-
Total	-	6	-	-	-	-	6	-
		319	-	2	-	-	321	-

Site Specific Contributions Plan - Nulkaba

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
Open space	7	Cash	Non-cash					
Community facilities	9	5	-	-	-	-	12	-
Transport	37	7	-	-	-	-	16	-
Other	1	29	-	1	-	-	67	-
Total	54	41	-	1	(1)	-	95	-

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Cessnock City Council

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

Note 17. Statement of developer contributions (continued)

\$ '000

S93F planning agreements

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Drainage	1	-	-	-	-	-	1	-
Roads	172	-	-	5	-	-	177	-
Open space	25	-	-	-	-	-	25	-
Community facilities	2,334	886	-	44	-	-	3,264	-
Other	29	272	-	1	-	-	302	-
Total	2,561	1,158	-	50	-	-	3,769	-

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Cessnock City Council

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

Note 18. Contingencies and other assets/liabilities not recognised

\$ '000

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

LIABILITIES NOT RECOGNISED:

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

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

The Local Government Superannuation Scheme - Pool B (the Fund) is a defined benefit plan that has been deemed to be a "multi-employer fund" for purposes of AASB119. Sufficient information under AASB119 is not available to account for the Fund as a defined benefit plan, because the assets to the Fund are pooled together for all employers.

The amount of employer contributions to the defined benefit section of the Fund and recognised as an expense for the year ending 30 June 2017 was \$1,001,625. The last valuation of the Fund was performed by Mr Richard Boyfield, FIAA on the 2nd December 2016, relating to the period ending 30 June 2016. However the position is monitored annually and the Actuary has estimated that as at 30 June 2017 a deficit still exists, with member Councils required to maintain additional contributions to 30 June 2020.

The share of this deficit that can be broadly attributed to this organisation was estimated to be in the order of 0.99% as at 30 June 2017.

(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 June 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) Other guarantees

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

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.

Cessnock City Council

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

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

\$ '000

LIABILITIES NOT RECOGNISED (continued):

2. Other liabilities

(ii) Section 94 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) Rehabilitation Works

Council owns two properties that may be subject to rehabilitation works due to possible contamination. This may result in future liabilities, but until an investigation of these sites is carried out, Council is unable to determine the value of this liability.

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 June 2008.

(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.

Cessnock City Council

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

Note 19. Interests in other entities

\$ '000

Council's objectives can and in some cases are best met through the use of separate entities and operations.

These operations and entities range from 100% ownership and control through to lower levels of ownership and control via co-operative arrangements with other councils, bodies and other outside organisations.

The accounting and reporting for these various entities, operations and arrangements varies in accordance with accounting standards, depending on the level of council's (i) interest and (ii) control and the type (form) of entity/operation, as follows;

Controlled entities (subsidiaries)

Note 19(a)

Operational arrangements where Council's control (but not necessarily interest) exceeds 50%.

Joint ventures and associates

Note 19(b)

Joint ventures are operational arrangements where the parties that have joint control have rights to the net assets of the arrangement.

Associates are separate entities where Council has significant influence over the operations (but neither controls nor jointly controls them).

Joint operations

Note 19(c)

Operational arrangements where the parties that have joint control have rights to specific assets and obligations for specific liabilities relating to the arrangement rather than a right to the net assets of the arrangement.

Unconsolidated structured entities

Note 19(d)

Unconsolidated structured entities represent "special vehicles" that Council has an interest in but which are not controlled by Council and therefore not consolidated as a subsidiary, joint arrangement or associate. Attributes of structured entities include restricted activities, a narrow and well-defined objective and insufficient equity to finance its activities without financial support.

Subsidiaries, joint arrangements and associates not recognised

Note 19(e)

Accounting recognition:

(i) Subsidiaries disclosed under Note 19(a) and joint operations disclosed at Note 19(c) are accounted for on a 'line by line' consolidation basis within the Income Statement and Statement of Financial Position.

Cessnock City Council

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

Note 19. Interests in other entities (continued)

\$ '000

(a) Controlled entities (subsidiaries) – being entities and operations controlled by Council

Council has no interest in any controlled entities (subsidiaries).

(b) Joint ventures and associates

Council has no interest in any joint ventures or associates.

(c) Joint operations

(a) Council is involved in the following joint operations (JO's)

Name of joint operation	Principal activity	Place of business	Interest in ownership		Interest in voting	
			2017	2016	2017	2016
Strategic Services Australia Ltd	Local Government Services	Thornton	10%	10%	8%	8%

Council has an interest in Strategic Services Australia Ltd, along with other member Councils of Strategic Services Australia Ltd.

The activities of this organisation are not controlled by any one Council.

Strategic Services Ltd has been established to improve the quality and efficiency of local government service throughout the Hunter Region. One such service is the establishment and provision of a Record Repository Centre for the use of the Member Councils and to outsource this service to other organisations.

(b) Council assets employed in the joint operations	2017	2016
Council's share of assets jointly owned with other partners		
Current assets	166	131
Current liabilities	(315)	(372)
Property, plant and equipment	423	495
Non-current liabilities	(22)	(36)
Total net assets employed – Council and jointly owned	252	218

(d) Unconsolidated structured entities

Council has no unconsolidated structured entities

(e) Subsidiaries, joint arrangements and associates not recognised

None.

Cessnock City Council

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

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

\$ '000	Notes	Actual 2017	Actual 2016
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(a) Retained earnings

Movements in retained earnings were as follows:

Balance at beginning of year (from previous years audited accounts)		413,377	401,750
a. Net operating result for the year		19,236	11,627
Balance at end of the reporting period		432,613	413,377

(b) Revaluation reserves

(i) Reserves are represented by:

– Infrastructure, property, plant and equipment revaluation reserve		318,298	318,298
Total		318,298	318,298

(ii) Reconciliation of movements in reserves:

Infrastructure, property, plant and equipment revaluation reserve

– Opening balance		318,298	312,371
– Revaluations for the year	9(a)	–	5,927
– Balance at end of year		318,298	318,298

TOTAL VALUE OF RESERVES

318,298	318,298
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(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.

Note 21. Financial result and financial position by fund

Council utilises only a general fund for its operations.

Cessnock City Council

Notes to the Financial Statements for the year ended 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 04/10/17.

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

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

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

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

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

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'.

Note 25. Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance.

Council is unaware of any control over intangible assets that warrant recognition in the financial statements, including either internally generated and developed assets or purchased assets.

Cessnock City Council

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

Note 26. Reinstatement, rehabilitation and restoration liabilities

\$ '000

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

Asset/operation	Estimated year of restoration	NPV of provision	
		2017	2016
Tip site - Cessnock	2018	11,241	11,241
Balance at end of the reporting period	10(a)	<u>11,241</u>	<u>11,241</u>

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.

Council is required by law to restore the present tip site at Cessnock at the end of its useful life.

Specific uncertainties relating to the final costs and the assumptions made in determining the amounts of provisions include:

- the projected cost of restoration is based on feasibility and engineering studies and has been discounted to its present value at 6% per annum being the risk-free cost of borrowing to Council.

Reconciliation of movement in provision for year:

Balance at beginning of year	11,241	11,241
Total – reinstatement, rehabilitation and restoration provision	<u>11,241</u>	<u>11,241</u>

Cessnock City Council

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

Note 27. Fair value measurement

\$ '000

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

– Infrastructure, property, plant and equipment

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

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

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

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

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

2017	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring fair value measurements					
Infrastructure, property, plant and equipment					
Plant and Equipment	30/06/14	—	—	7,359	7,359
Office Equipment	30/06/14	—	—	703	703
Furniture and Fittings	30/06/14	—	—	142	142
Operational Land	30/06/13	—	—	41,240	41,240
Community Land	30/06/16	—	—	24,188	24,188
Land Under Roads (post 30/6/08)	30/06/14	—	—	2,348	2,348
Buildings – Non-Specialised	30/06/13	—	—	13,413	13,413
Buildings – Specialised	30/06/13	—	—	52,663	52,663
Other Structures		—	—	—	—
Roads	30/06/15	—	—	472,398	472,398
Bridges	30/06/15	—	—	27,545	27,545
Footpaths	30/06/15	—	—	11,515	11,515
Stormwater Drainage	30/06/15	—	—	59,410	59,410
Swimming Pools	30/06/16	—	—	2,760	2,760
Other Open Space / Recreational Assets	30/06/16	—	—	10,420	10,420
Library Books	30/06/14	—	—	1,191	1,191
Other Infrastructure	30/06/16	—	—	4,832	4,832
Total infrastructure, property, plant and equipment		—	—	732,127	732,127

Cessnock City Council

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

Note 27. Fair value measurement (continued)

\$ '000

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

Fair value measurement hierarchy		Total			
Level 1	Level 2		Level 3		
Date of latest valuation	Quoted prices in active mkts	Significant observable inputs	Significant unobservable inputs		
Recurring fair value measurements					
Infrastructure, property, plant and equipment					
Plant and Equipment	30/06/14	—	—	6,897	6,897
Office Equipment	30/06/14	—	—	646	646
Furniture and Fittings	30/06/14	—	—	137	137
Operational Land	30/06/13	—	—	41,092	41,092
Community Land	30/06/16	—	—	24,295	24,295
Land Under Roads (post 30/6/08)	30/06/14	—	—	1,868	1,868
Buildings – Non-Specialised	30/06/13	—	—	13,290	13,290
Buildings – Specialised	30/06/13	—	—	53,288	53,288
Other Structures	30/06/16	—	—	4,869	4,869
Roads	30/06/15	—	—	464,328	464,328
Bridges	30/06/15	—	—	26,060	26,060
Footpaths	30/06/15	—	—	10,750	10,750
Stormwater Drainage	30/06/15	—	—	57,457	57,457
Swimming Pools	30/06/16	—	—	2,810	2,810
Other Open Space / Recreational Assets	30/06/16	—	—	10,589	10,589
Library Books	30/06/14	—	—	1,181	1,181
Other Assets	30/06/16	—	—	3	3
Total infrastructure, property, plant and equipment	—	—	719,560	719,560	

(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.

Cessnock City Council

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

Note 27. Fair value measurement (continued)

\$ '000

(3) Valuation techniques used to derive level 2 and level 3 fair values (continued)

Infrastructure, property, plant and equipment

Plant & Equipment, Office Equipment and Furniture & Fittings

Plant & Equipment, Office Equipment and Furniture & Fittings are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items i.e. generally having shorter useful lives and a more frequent turnover. The key unobservable inputs to the valuations are useful lives and residual values. There have been no changes in the valuation technique during the reporting period.

Operational Land

This asset class comprises all of Council's land classified as Operational Land under the NSW Local Government Act 1993. The last valuation was undertaken at 30 June 2013 by APV Valuers and Asset Management.

Generally, fair value is the most advantageous price reasonably obtainable by the seller and the most advantageous price reasonably obtained by the buyer. This is not necessarily the market selling price of the asset, rather, it is regarded as the maximum value that Council would rationally pay to acquire the asset if it did not hold it, taking into account quoted market price in an active and liquid market, the current market price of the same or similar asset, the cost of replacing the asset, if management intend to replace the asset, the remaining useful life and condition of the asset and cash flows from the future use and disposal. The key unobservable input to the valuations is the price per square metre. There have been no changes in the valuation technique during the reporting period.

Community Land

The last valuation of community land was performed as at 30 June 2016. The valuations were based on either the land values provided by the Valuer General or, where these values were not available, an average unit rate based on the land values for similar assets taking into account the highest and best use of the assets. There have been no changes in the valuation technique during the reporting period.

Land Under Roads

Council has elected to recognise Land Under Roads where the road was acquired on or after 1 July 2008. Land Under Roads have been valued using the square metre rates applicable to the Local Government area having regard to the highest and best use for this land. There has been no change to the valuation process during the reporting period.

Cessnock City Council

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

Note 27. Fair value measurement (continued)

\$ '000

(3) Valuation techniques used to derive level 2 and level 3 fair values (continued)

Buildings - Non Specialised and Specialised

Council's buildings were valued utilising the cost approach by APV Valuers and experienced engineering and asset management staff in June 2013. For non-specialised buildings a market value has been provided by an external agency through level 2 inputs.

For specialised buildings the replacement cost of each building / building component with different useful lives has been established.

The unit rates are supported by market evidence, and professional judgement of inputs including:

estimated pattern of consumption, useful lives and asset condition, which impact significantly on the final determination of fair value.

As such, these assets have been valued using Level 3 inputs. There has been no change to the valuation techniques during the reporting period.

Other Structures

The cost approach has been utilised whereby the replacement cost was estimated for each asset by taking into account a range of factors. Inputs such as estimates of pattern of consumption, residual value, asset condition and useful life required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were all classified as having been valued using Level 3 valuation inputs. There has been no change to the valuation process during the reporting period.

Roads, Carparks, Bridges, Kerb and Gutter and Footpaths

The roads asset class includes roads, defined as the trafficable portion of a road. It also includes "other roads" assets including Carparks, Bridges and Major Culverts, Kerb and Gutter, Traffic facilities and Footpaths.

The 'Cost Approach' using Level 3 inputs was used to value the road carriageway and other road infrastructure. Valuations for the road carriageway, comprising surface, pavement base, subbase, and formation were based primarily on unit rates derived from the Councils schedule of rates tender. Other inputs (such as estimates pattern of consumption, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is some uncertainty regarding the actual design, specifications and dimensions of some assets. There has been no change to the valuation process during the reporting period.

Cessnock City Council

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

Note 27. Fair value measurement (continued)

\$ '000

(3) Valuation techniques used to derive level 2 and level 3 fair values (continued)

Stormwater Drainage

Assets within this class comprise pits, pipes, minor culverts, and various types of water quality devices.

While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar could be supported from market evidence (Level 2) other inputs (such as estimates of pattern of consumption, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value.

Therefore the 'Cost Approach' using Level 3 inputs is used to value stormwater assets, estimating the replacement cost for each asset by componentising it into significant parts with different useful lives and taking into account a range of factors.

Additionally due to limitations in the historical records of very long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets. There has been no change to the valuation process during the reporting period.

Swimming Pools

Assets within this class comprise Council's pool shells at their aquatic centre and outdoor swimming centres.

All assets in this class were valued in-house by experienced engineering & asset management staff.

While some elements of gross replacement values could be supported from market evidence (Level 2 input) other inputs (such as estimates of pattern of consumption, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value.

Therefore, the 'Cost Approach' using Level 3 inputs is used to value swimming pools.

There has been no change to the valuation process during the reporting period.

Other Open Space / Recreational Assets

Assets within this class include, but are not limited to; runways and taxiways, tennis courts/basketball courts, cricket wickets, BBQs, picnic shelters/settings, seats, benches, fencing, retaining walls, memorials and playgrounds.

All assets in this class were valued in-house by experienced engineering management staff.

While some elements of gross replacement values could be supported from market evidence (Level 2 input) other inputs (such as estimates of pattern of consumption, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Therefore, the 'Cost Approach' using Level 3 inputs is used to value open space assets.

There has been no change to the valuation process during the reporting period.

Library Books

Library Books are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items.

Council reviews the value of these assets against quoted prices for the gross current replacement cost of similar assets and by taking account of the pattern of consumption, estimated remaining useful life and the residual value. There has been no change to the valuation process during the reporting period.

Cessnock City Council

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

Note 27. Fair value measurement (continued)

\$ '000

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

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

	Plant and other equipment	Land	Buildings and other structures	Infra- structure	Other assets	Total
Opening balance – 1/7/15						
Purchases (GBV)	6,874	72,360	68,552	551,789	1,160	700,735
Disposals (WDV)	3,320	482	487	8,858	246	13,393
Depreciation and impairment	(788)	(9)	(198)	(3,800)	–	(4,795)
Transfers from WIP	(1,810)	–	(1,528)	(6,409)	(222)	(9,969)
Revaluation increments	84	–	2	7,350	–	7,436
Adjustments	–	(5,578)	3,396	13,454	–	11,272
	–	–	(941)	752	–	(189)
Closing balance – 30/6/16	7,680	67,255	69,770	571,994	1,184	717,883
Transfers from/(to) another asset class	–	–	(4,869)	4,869	–	–
Purchases (GBV)	3,363	521	1,547	15,904	235	21,570
Disposals (WDV)	(1,089)	–	(899)	(2,084)	(3)	(4,075)
Depreciation and impairment	(1,836)	–	(1,320)	(6,313)	(225)	(9,694)
Transfers from WIP	86	–	170	4,510	–	4,766
Adjustments	–	–	1,677	–	–	1,677
Closing balance – 30/6/17	8,204	67,776	66,076	588,880	1,191	732,127

b. The valuation process for level 3 fair value measurements

The financial valuations for Cessnock City Council's infrastructure assets for 2017 have been carried out internally by experienced engineering and asset management staff. This process and outcomes has been tested by various Council staff members to assess the integrity of the valuations that were developed.

(5). Highest and best use

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

Financial Statements 2017

Cessnock City Council

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

Note 28. Related party disclosures

\$ '000

a. Key management personnel

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

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

Compensation:	Actual
Short-term benefits	2017
	1,248,338
Total	1,248,338

Cessnock City Council

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

Note 29. Financial review

\$ '000

Key financial figures of Council over the past 5 years

Financial performance figures	2017	2016	2015	2014	2013
Inflows:					
Rates and annual charges revenue	45,979	44,020	42,162	41,263	40,078
User charges revenue	11,577	8,057	7,510	8,767	10,335
Interest and investment revenue (losses)	1,051	1,515	1,098	1,359	1,805
Grants income – operating and capital	21,552	14,411	10,610	9,759	9,187
Total income from continuing operations	95,234	86,317	79,466	73,172	69,712
Sale proceeds from I,PP&E	1,122	1,259	692	807	898
New loan borrowings and advances	–	–	–	2,000	–
Outflows:					
Employee benefits and on-cost expenses	30,065	29,186	27,084	25,078	23,451
Borrowing costs	475	552	627	607	671
Materials and contracts expenses	20,541	19,841	15,734	16,120	14,723
Total expenses from continuing operations	75,998	74,690	72,004	69,339	66,335
Total cash purchases of I,PP&E	25,033	15,526	19,321	15,371	17,894
Total loan repayments (incl. finance leases)	1,152	1,143	1,133	999	938
Operating surplus/(deficit) (excl. capital income)	86	(5,268)	(3,468)	(4,503)	(49)
Financial position figures	2017	2016	2015	2014	2013
Current assets	42,053	40,349	39,212	33,418	28,289
Current liabilities	18,114	16,569	17,184	15,473	16,363
Net current assets	23,939	23,780	22,028	17,945	11,926
Available working capital (Unrestricted net current assets)	(1,717)	(3,511)	(3,277)	(2,775)	(2,913)
Cash and investments – unrestricted	158	33	1,276	1,333	645
Cash and investments – internal restrictions	22,775	24,485	24,909	23,889	16,506
Cash and investments – total	36,539	38,010	37,653	30,823	22,716
Total borrowings outstanding (Loans, advances and finance leases)	6,598	7,750	8,893	10,026	9,025
Total value of I,PP&E (excl. land and earthworks)	869,943	847,281	816,789	774,268	765,415
Total accumulated depreciation	193,524	188,771	179,492	133,492	195,560
Indicative remaining useful life (as a % of GBV)	78%	78%	78%	83%	74%

Source: published audited financial statements of Council (current year and prior year)

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Cessnock City Council

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

Note 30. Council information and contact details

Principal place of business:

62 - 78 Vincent Street
Cessnock NSW 2325

Contact details

Mailing address:

PO Box 152
Cessnock NSW 2325

Opening hours:

9.00am - 5.00pm
Monday to Friday

Telephone: 02 4993 4100

Facsimile: 02 4993 2500

Internet: www.cessnock.nsw.gov.au

Email: council@cessnock.nsw.gov.au

Officers

GENERAL MANAGER

Mr Stephen Glen

RESPONSIBLE ACCOUNTING OFFICER

Mr Robert Maginnity

PUBLIC OFFICER

Mr Robert Maginnity

AUDITORS

Audit Office of New South Wales
Level 15, 1 Margaret Street
Sydney NSW 2000

GPO Box 12 Sydney NSW 2001

Other information

ABN: 60 919 148 928

Elected members

MAYOR

Councillor Bob Pynsent

COUNCILLORS (elected in September 2016)

Councillor Anthony Burke
Councillor Melanie Dagg
Councillor Rodney Doherty
Councillor Paul Dunn
Councillor John Fagg
Councillor Dianne Fitzgibbon
Councillor Darrin Gray
Councillor Mark Lyons
Councillor Ian Olsen
Councillor Anne Sander
Councillor Allan Stapleford
Councillor Jay Suvaal

COUNCILLORS (retired in September 2016)

Councillor Morgan Campbell
Councillor Bryce Gibson
Councillor James Hawkins
Councillor Catherine Parsons
Councillor James Ryan
Councillor Graham Smith
Councillor Cordelia Troy

Cessnock City Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2017

“...thriving, attractive and welcoming.”



SPFS 2017

Cessnock City Council

Special Purpose Financial Statements for the year ended 30 June 2017

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1. Statement by Councillors and Management

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2. Special Purpose Financial Statements:

Income Statement – Water Supply Business Activity

n/a

Income Statement – Sewerage Business Activity

n/a

Income Statement – Other Business Activities

3

Statement of Financial Position – Water Supply Business Activity

n/a

Statement of Financial Position – Sewerage Business Activity

n/a

Statement of Financial Position – Other Business Activities

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3. Notes to the Special Purpose Financial Statements

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4. Auditor's Report

9

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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Cessnock City Council

Special Purpose Financial Statements for the year ended 30 June 2017

Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

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

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

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

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

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

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

Councillor Bob Pynsent
Mayor

Councillor Allan Stapleford
Councillor

Mr Stephen Glen
General Manager

Mr Robert Maginnity
Responsible Accounting Officer

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Cessnock City Council

Income Statement of Council's Other Business Activities for the year ended 30 June 2017

Strategic Services
Australia Limited
Category 2

\$ '000	Actual 2017	Actual 2016
Income from continuing operations		
Access charges	—	—
User charges	517	715
Fees	—	—
Interest	—	—
Grants and contributions provided for non-capital purposes	123	62
Profit from the sale of assets	—	—
Other income	—	3
Total income from continuing operations	640	780
Expenses from continuing operations		
Employee benefits and on-costs	410	486
Borrowing costs	11	12
Materials and contracts	125	132
Depreciation, amortisation and impairment	23	38
Loss on sale of assets	—	—
Calculated taxation equivalents	—	—
Debt guarantee fee (if applicable)	3	3
Other expenses	71	65
Total expenses from continuing operations	643	736
Surplus (deficit) from continuing operations before capital amounts	(3)	44
Grants and contributions provided for capital purposes	—	—
Surplus (deficit) from continuing operations after capital amounts	(3)	44
Surplus (deficit) from discontinued operations	42	—
Surplus (deficit) from all operations before tax	39	44
Less: corporate taxation equivalent (30%) [based on result before capital]	—	(13)
SURPLUS (DEFICIT) AFTER TAX	39	31
Plus opening retained profits	60	13
Plus/less: prior period adjustments	—	—
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	—	—
– Debt guarantee fees	3	3
– Corporate taxation equivalent	—	13
Add:		
– Subsidy paid/contribution to operations	—	—
Less:		
– TER dividend paid	—	—
– Dividend paid	—	—
Closing retained profits	102	60
Return on capital %	1.9%	11.3%
Subsidy from Council	2	—

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Cessnock City Council

Statement of Financial Position – Council's Other Business Activities

as at 30 June 2017

Strategic Services Australia
Limited
Category 2

\$ '000	Actual 2017	Actual 2016
ASSETS		
Current assets		
Cash and cash equivalents	23	22
Investments	–	–
Receivables	81	104
Inventories	1	1
Other	10	4
Non-current assets classified as held for sale	51	–
Total Current Assets	166	131
Non-current assets		
Investments	–	–
Receivables	–	–
Inventories	–	–
Infrastructure, property, plant and equipment	423	495
Investments accounted for using equity method	–	–
Investment property	–	–
Total non-current assets	423	495
TOTAL ASSETS	589	626
LIABILITIES		
Current liabilities		
Bank overdraft	–	–
Payables	73	78
Borrowings	124	197
Provisions	69	66
Other Current Liabilities	49	31
Total current liabilities	315	372
Non-current liabilities		
Payables	–	–
Borrowings	17	25
Provisions	5	11
Other Liabilities	–	–
Total non-current liabilities	22	36
TOTAL LIABILITIES	337	408
NET ASSETS	252	218
EQUITY		
Retained earnings	102	60
Revaluation reserves	150	158
Council equity interest	252	218
Non-controlling equity interest	–	–
TOTAL EQUITY	252	218

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SPFS 2017

Cessnock City Council

Special Purpose Financial Statements for the year ended 30 June 2017

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3	Sewerage Business Best-Practice Management disclosure requirements	n/a

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Cessnock City Council

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

Note 1. Significant accounting policies

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

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

The figures presented in these Special Purpose Financial Statements have been prepared in accordance with the recognition and measurement criteria of relevant Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

The disclosures in these Special Purpose Financial Statements have been prepared in accordance with the Local Government Act 1993 (NSW), the Local Government (General) Regulation, and the Local Government Code of Accounting Practice and Financial Reporting.

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

National Competition Policy

Council has adopted the principle of 'competitive neutrality' in its business activities as part of the National Competition Policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 NSW government policy statement titled 'Application of National Competition Policy to Local Government'.

The Pricing and Costing for Council Businesses, A Guide to Competitive Neutrality issued by the Office of Local Government in July 1997 has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to

activities and provide a standard for disclosure requirements.

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

Declared business activities

In accordance with *Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality*, Council has declared that the following are to be considered as business activities:

Category 1

(where gross operating turnover is over \$2 million)

Nil

Category 2

(where gross operating turnover is less than \$2 million)

a. Strategic Services Australia Ltd

Activities include Environment Division, Screen Hunter, Regional Procurement, Records Repository Centre, Local Government Training Institute, Administration Services and Hunter Councils Legal Services.

Monetary amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest thousand dollars.

(i) Taxation-equivalent charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs.

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

Cessnock City Council

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

Note 1. Significant accounting policies (continued)

to all Council-nominated business activities (this does not include Council's non-business activities):

Notional rate applied (%)

Corporate income tax rate – 30%

Land tax – the first \$549,000 of combined land values attracts 0%. For the combined land values in excess of \$549,001 up to \$3,357,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$3,357,000 a premium marginal rate of 2.0% applies.

Payroll tax – 5.45% on the value of taxable salaries and wages in excess of \$750,000.

Income tax

An income tax equivalent has been applied on the profits of the business activities.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level - gain/ (loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 30%.

Income tax is only applied where a gain/ (loss) from ordinary activities before capital amounts has been achieved.

Since the taxation equivalent is notional – that is, it is payable to Council as the 'owner' of business operations - it represents an internal payment and has no effect on the operations of the Council. Accordingly, there is no need for disclosure of internal charges in the SPFS.

The rate applied of 30% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

Local government rates and charges

A calculation of the equivalent rates and charges payable on all category 1 businesses has been

applied to all land assets owned or exclusively used by the business activity.

Loan and debt guarantee fees

The debt guarantee fee is designed to ensure that council business activities face 'true' commercial borrowing costs in line with private sector competitors.

In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and Council's borrowing rate for its business activities.

(ii) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed.

Subsidies occur when Council provides services on a less-than-cost-recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations.

Accordingly, 'subsidies disclosed' (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of 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.

SPFS 2017

Cessnock City Council

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

Note 1. Significant accounting policies (continued)

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 2.41% 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.

Cessnock City Council

SPECIAL SCHEDULES
for the year ended 30 June 2017

“...thriving, attractive and welcoming.”



Cessnock City Council

Special Schedules for the year ended 30 June 2017

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Special Schedule 2(b)	Statement of Internal Loans (Sect. 410(3) LGA 1993)	n/a
Special Schedule 3	Water Supply Operations – incl. Income Statement	n/a
Special Schedule 4	Water Supply – Statement of Financial Position	n/a
Special Schedule 5	Sewerage Service Operations – incl. Income Statement	n/a
Special Schedule 6	Sewerage Service – Statement of Financial Position	n/a
Notes to Special Schedules 3 and 5		n/a
Special Schedule 7	Report on Infrastructure Assets	5
Special Schedule 8	Permissible Income Calculation	9

¹ Special Schedules are not audited (with the exception of Special Schedule 8).

Background

- (i) These Special Schedules have been designed to meet the requirements of special purpose users such as;
- the NSW Grants Commission
 - the Australian Bureau of Statistics (ABS),
 - the NSW Office of Water (NOW), and
 - the Office of Local Government (OLG).
- (ii) The financial data is collected for various uses including;
- the allocation of Financial Assistance Grants,
 - the incorporation of Local Government financial figures in national statistics,
 - the monitoring of loan approvals,
 - the allocation of borrowing rights, and
 - the monitoring of the financial activities of specific services.

Special Schedules 2017

Cessnock City Council

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

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
Governance	1,477	–	–	(1,477)
Administration	14,584	1,873	–	(12,711)
Public order and safety				
Fire service levy, fire protection, emergency services	1,131	66	10	(1,055)
Beach control	–	–	–	–
Enforcement of local government regulations	763	339	–	(424)
Animal control	822	110	–	(712)
Other	–	–	–	–
Total public order and safety	2,716	515	10	(2,191)
Health	982	1,202	–	220
Environment				
Noxious plants and insect/vermin control	222	94	–	(128)
Other environmental protection	512	112	–	(400)
Solid waste management	13,333	14,709	–	1,376
Street cleaning	561	–	–	(561)
Drainage	1,666	565	1,759	658
Stormwater management	–	–	–	–
Total environment	16,294	15,480	1,759	945
Community services and education				
Administration and education	265	48	–	(217)
Social protection (welfare)	–	–	–	–
Aged persons and disabled	7	5	–	(2)
Children's services	203	38	38	(127)
Total community services and education	475	91	38	(346)
Housing and community amenities				
Public cemeteries	279	226	–	(53)
Public conveniences	324	–	–	(324)
Street lighting	862	106	–	(756)
Town planning	4,120	1,106	82	(2,932)
Other community amenities	10	–	–	(10)
Total housing and community amenities	5,595	1,438	82	(4,075)
Water supplies	–	–	–	–
Sewerage services	–	–	–	–

Cessnock City Council

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

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
Recreation and culture				
Public libraries	1,799	163	284	(1,352)
Museums	153	–	–	(153)
Art galleries	35	–	–	(35)
Community centres and halls	476	83	735	342
Performing arts venues	817	295	–	(522)
Other performing arts	–	–	–	–
Other cultural services	48	18	–	(30)
Sporting grounds and venues	924	56	143	(725)
Swimming pools	1,662	229	–	(1,433)
Parks and gardens (lakes)	3,490	27	625	(2,838)
Other sport and recreation	901	–	–	(901)
Total recreation and culture	10,305	871	1,787	(7,647)
Fuel and energy	–	–	–	–
Agriculture	–	–	–	–
Mining, manufacturing and construction				
Building control	1,219	940	–	(279)
Other mining, manufacturing and construction	–	–	–	–
Total mining, manufacturing and const.	1,219	940	–	(279)
Transport and communication				
Urban roads (UR) – local	7,451	198	6,784	(469)
Urban roads – regional	358	207	–	(151)
Sealed rural roads (SRR) – local	2,840	134	6,096	3,390
Sealed rural roads (SRR) – regional	1,212	828	200	(184)
Unsealed rural roads (URR) – local	2,090	1,513	–	(577)
Unsealed rural roads (URR) – regional	–	–	–	–
Bridges on UR – local	762	49	1,500	787
Bridges on SRR – local	491	–	–	(491)
Bridges on URR – local	152	–	–	(152)
Bridges on regional roads	–	–	–	–
Parking areas	70	–	13	(57)
Footpaths	248	–	754	506
Aerodromes	464	297	–	(167)
Other transport and communication	4,828	5,113	–	285
Total transport and communication	20,966	8,339	15,347	2,720
Economic affairs				
Camping areas and caravan parks	–	–	–	–
Other economic affairs	1,385	346	127	(912)
Total economic affairs	1,385	346	127	(912)
Totals – functions	75,998	31,095	19,150	(25,753)
General purpose revenues ⁽¹⁾		44,989		44,989
Share of interests – joint ventures and associates using the equity method	–	–		–
NET OPERATING RESULT ⁽²⁾	75,998	76,084	19,150	19,236

(1) Includes: rates and annual charges (including ex gratia, excluding water and sewer), non-capital general purpose

grants, interest on investments (excluding externally restricted assets) and interest on overdue rates and annual charges

(2) As reported in the Income Statement

Special Schedules 2017

Cessnock City Council

Special Schedule 2(a) – Statement of Long Term Debt (all purpose) for the year ended 30 June 2017

\$'000

Classification of debt	Principal outstanding at beginning of the year			New loans raised during the year	Debt redemption during the year		Transfers to sinking funds	Interest applicable for year	Principal outstanding at the end of the year		
	Current	Non-current	Total		From revenue	Sinking funds			Current	Non-current	Total
Loans (by source)											
Commonwealth Government	—	—	—							—	—
NSW Treasury Corporation	—	—	—							—	—
Other State Government	—	—	—							—	—
Public subscription	—	—	—							—	—
Financial institutions	1,152	6,598	7,750	—	1,152	—	—	475	1,179	5,419	6,598
Other	—	—	—							—	—
Total loans	1,152	6,598	7,750	—	1,152	—	—	475	1,179	5,419	6,598
Other long term debt											
Ratepayers advances	—	—	—							—	—
Government advances	—	—	—							—	—
Finance leases	—	—	—							—	—
Deferred payments	—	—	—							—	—
Total long term debt	—	—	—	—	—	—	—	—	—	—	—
Total debt	1,152	6,598	7,750	—	1,152	—	—	475	1,179	5,419	6,598

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).

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Special Schedules 2017

Cessnock City Council

Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2017

\$'000		Asset category	Estimated cost to bring assets to satisfactory standard ^a	Estimated cost to bring to the agreed level of service set by Council	2016/17 Required maintenance ^b	2016/17 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
Asset class									1	2	3	4	5
Buildings	Buildings		4,750	10,793	1,345	1,001	66,076	85,298	8%	34%	51%	6%	1%
	Sub-total		4,750	10,793	1,345	1,001	66,076	85,298	8.0%	34.0%	51.0%	6.0%	1.0%
Roads	Sealed roads		13,258	56,437	2,688	2,977	374,364	452,565	69%	10%	14%	5%	2%
	Unsealed roads		1,346	3,014	2,006	2,221	57,420	63,909	85%	5%	6%	3%	1%
	Bridges		545	1,703	663	411	27,545	39,270	33%	50%	12%	2%	3%
	Footpaths		89	164	253	280	11,515	15,166	32%	54%	13%	1%	0%
	Other road assets		987	2,614	1,112	1,231	40,614	57,875	17%	62%	18%	3%	0%
	Sub-total		16,225	63,932	6,722	7,120	511,458	628,785	62.7%	17.8%	13.4%	4.3%	1.7%
Stormwater drainage	Stormwater drainage		282	497	1,002	1,110	59,410	76,405	30%	57%	12%	1%	0%
	Sub-total		282	497	1,002	1,110	59,410	76,405	30.0%	57.0%	12.0%	1.0%	0.0%
Open space/recreational assets	Swimming pools		26	—	308	326	2,760	4,561	0%	47%	53%	0%	0%
	Open Space		865	2,639	1,926	1,994	10,420	17,529	7%	45%	35%	8%	5%
	Sub-total		891	2,639	2,234	2,320	13,180	22,090	5.6%	45.4%	38.7%	6.3%	4.0%
Other infrastructure assets	Other		116	257	—	—	4,832	5,571	68%	25%	2%	0%	5%
	Sub-total		116	257	—	—	4,832	5,571	68.0%	25.0%	2.0%	0.0%	5.0%

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Special Schedules 2017

Cessnock City Council

Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2017 (continued)

\$'000		Assets in condition as a percentage of gross replacement cost					Gross replacement cost (GRC)		Net carrying amount		2016/17 Actual maintenance		2016/17 Required maintenance ^b		Estimated cost to bring to the agreed level of service set by Council		Estimated cost to bring assets to satisfactory standard ^a		Asset category	
		1	2	3	4	5														
TOTAL – ALL ASSETS		52.4%	24.0%	17.8%	4.2%	1.6%	818,149		654,956		11,551		11,303		78,118		22,264			

Notes:

- a \$10,389,943 of renewal work is being undertaken in the 2018 financial year per Council's Delivery Program, leaving a net to bring to satisfactory of \$11.9M.
b Required maintenance is the amount identified in Council's asset management plans.

Infrastructure asset condition assessment 'key'

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

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Special Schedules 2017

Cessnock City Council

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

\$ '000	Amounts 2017	Indicator 2017	Benchmark	Prior periods 20162015	
Infrastructure asset performance indicators * consolidated					
1. Infrastructure renewals ratio					
Asset renewals ⁽¹⁾	7,690	100.75%	>= 100%	160.79%	141.95%
Depreciation, amortisation and impairment	7,633				
2. Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	22,264	3.40%	< 2.00%	2.00%	0.49%
Net carrying amount of infrastructure assets	654,956				
3. Asset maintenance ratio					
Actual asset maintenance	11,551	1.02	> 1.00	1.41	0.71
Required asset maintenance	11,303				
4. Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	78,118	9.55%		0.00%	0.00%
Gross replacement cost	818,149				

Notes

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

⁽¹⁾ Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Special Schedules 2017

Cessnock City Council

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

<p>1. Infrastructure renewals ratio</p> <p>Benchmark: — Minimum $\geq 100.00\%$ Source for benchmark: Code of Accounting Practice and Financial Reporting #25</p>	<p>Purpose of asset renewals ratio</p> <p>To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.</p>	<p>Commentary on 2016/17 result</p> <p>2016/17 Ratio 100.75%</p> <p>This is a positive result for Council. This shows that Council is investing in renewing the current building and infrastructure assets to ensure sustainability of the assets.</p>
<p>2. Infrastructure backlog ratio</p> <p>Benchmark: — Maximum $< 2.00\%$ Source for benchmark: Code of Accounting Practice and Financial Reporting #25</p>	<p>Purpose of infrastructure backlog ratio</p> <p>This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.</p>	<p>Commentary on 2016/17 result</p> <p>2016/17 Ratio 3.40%</p> <p>Council has reviewed the current infrastructure data to identify assets with a condition rating of less than satisfactory. This ratio represents the cost to bring those identified assets back to a satisfactory condition.</p>
<p>3. Asset maintenance ratio</p> <p>Benchmark: — Minimum > 1.00 Source for benchmark: Code of Accounting Practice and Financial Reporting #25</p>	<p>Purpose of asset maintenance ratio</p> <p>Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.</p>	<p>Commentary on 2016/17 result</p> <p>2016/17 Ratio 1.02 x</p> <p>This is a positive result for Council.</p>
<p>4. Cost to bring assets to agreed service level</p> <p>Benchmark: — Minimum > 1.00 Source for benchmark: Code of Accounting Practice and Financial Reporting #25</p>	<p>Purpose of agreed service level ratio</p> <p>This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.</p>	<p>Commentary on 2016/17 result</p> <p>2016/17 Ratio 9.55%</p> <p>This ratio shows 9.55% of outstanding renewal works compared to the total value of assets.</p>

Special Schedules 2017

Cessnock City Council

Special Schedule 8 – Permissible Income Calculation

for the year ended 30 June 2018

\$'000		Calculation 2016/17	Calculation 2017/18
Notional general income calculation ⁽¹⁾			
Last year notional general income yield	a	33,841	34,920
Plus or minus adjustments ⁽²⁾	b	462	499
Notional general income	c = (a + b)	34,303	35,419
Permissible income calculation			
Special variation percentage ⁽³⁾	d	0.00%	0.00%
Or rate peg percentage	e	1.80%	1.50%
Or crown land adjustment (incl. rate peg percentage)	f	0.00%	0.00%
Less expiring special variation amount	g	—	—
Plus special variation amount	h = d x (c – g)	—	—
Or plus rate peg amount	i = c x e	617	531
Or plus Crown land adjustment and rate peg amount	j = c x f	—	—
Sub-total	k = (c + g + h + i + j)	34,920	35,950
Plus (or minus) last year's carry forward total	l	7	7
Less valuation objections claimed in the previous year	m	—	—
Sub-total	n = (l + m)	7	7
Total permissible income	o = k + n	34,927	35,957
Less notional general income yield	p	34,920	35,946
Catch-up or (excess) result	q = o – p	7	11
Plus income lost due to valuation objections claimed ⁽⁴⁾	r	—	—
Less unused catch-up ⁽⁵⁾	s	—	(6)
Carry forward to next year	t = q + r – s	7	5

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.

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Cessnock City Council

Special Schedule 8 – Independent Auditors Report for the year ended 30 June 2018

Report on Special Schedule 8

We have audited the accompanying special purpose financial statement comprising the reconciliation of total permissible general income (Special Schedule 8) of Cessnock City Council for the year ending 30 June 2018.

Responsibility of Council for Special Schedule 8

The Council is responsible for the preparation and fair presentation of Special Schedule 8 in accordance with the Local Government Code of Accounting Practice and Financial Reporting (Guidelines) Update No. 23. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Special Schedule 8 that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on Special Schedule 8 based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether Special Schedule 8 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in Special Schedule 8. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of Special Schedule 8, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of Special Schedule 8.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

In making our risk assessments, we consider internal controls relevant to the entity's preparation of Special Schedule 8 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Special Schedules 2017

Audit opinion

In our opinion, Special Schedule 8 of Cessnock City Council for 2017/18 is properly drawn up in accordance with the requirements of the Office of Local Government and in accordance with the books and records of the Council.

Basis of accounting

Without modifying our opinion, we advise that this schedule has been prepared for distribution to the Office of Local Government for the purposes of confirming that Council's reconciliation of Council's total permissible general income is presented fairly. As a result, the schedule may not be suitable for another purpose.

FIRM NAME

Partner Name here...

Partner

Dated at Sydney this XXth day of XXXXXXXX, 2017

Financial Statements 2017

Cessnock City Council

General Purpose Financial Statements for the year ended 30 June 2017

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

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

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

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

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

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

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

Councillor Bob Pynsent
Mayor

Councillor Allan Stapleford
Councillor

Mr Stephen Glen
General Manager

Mr Robert Maginnity
Responsible Accounting Officer

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SPFS 2017

Cessnock City Council

Special Purpose Financial Statements for the year ended 30 June 2017

Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

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

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

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

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

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

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

Councillor Bob Pynsent
Mayor

Councillor Allan Stapleford
Councillor

Mr Stephen Glen
General Manager

Mr Robert Maginnity
Responsible Accounting Officer

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Cessnock City Council Executive Summary June 2017 Quarter

Operational Highlights

- Building works at CYCOS are complete. The works provide two additional professional offices and will attract other youth services to the venue, providing a youth hub to young people in the Cessnock Local Government Area.
- The library was awarded \$200,000 in grant funds for the installation of an elevator at the Cessnock Library branch by the Minister for Resources, Minister for Energy and Utilities, Minister for the Arts.
- The number of visits to Kurri Kurri Aquatic & Fitness Centre in 2016/17 was 118,547. This result was well above the target of 113,000.
- Successful grant application for Community Drop-Off Centre under Waste Less Recycle More approved (\$200,000). Included as part of transfer Station.
- Successful grant application successful under Waste Less Recycle More program - Resource Recovery Extension and Enhancement Program as part of front end upgrade. Awarded \$375,000 included as part of site redevelopment.
- The online customer request system went live on the council website.
- The Customer Service Centre now has a digital display and public customer (kiosk style) computer, both of which will be utilised for promotional and educational purposes.

Operational Performance

Delivery Program

At 30 June 2017, 56 (or 93%) of the deliverables (from the Delivery Program) were achieved. The remaining 4 deliverables (or 7%) were carried forward to the 2017-21 Delivery Program.

	Connected Safe & Creative Community	Sustainable & Prosperous Economy	Sustainable & Healthy Environment	Accessible Infrastructure Services & Facilities	Civic Leadership & Effective Governance	Total	%
On track	14	9	12	9	12	56	93%
Not Achieved	-	-	2	2	-	4	7%
Total	14	9	14	11	12	60	100%

Operational Plan

At 30 June 2017, 55 (or 92%) of the deliverables (from the Operational Plan) were achieved. The remaining 5 deliverables (or 8%) were carried forward to the 2017-21 Delivery Program.

	Connected Safe & Creative Community	Sustainable & Prosperous Economy	Sustainable & Healthy Environment	Accessible Infrastructure Services & Facilities	Civic Leadership & Effective Governance	Total	%
On track	14	7	12	10	12	55	92%
Not Achieved	-	2	2	1	-	5	8%
Total	14	9	14	11	12	60	100%



Cessnock City Council Executive Summary June 2017 Quarter Financial Performance

The projected 2016-17 year-end operating result (after excluding capital grants and contributions) is a \$86,000 surplus (an improvement from the original budget deficit of \$2,182,000).

As the majority of the *Fit for the Future* measures are three-year averages, any deterioration in the 2016-17 results will negatively impact on the *Fit for the Future* projections.

Capital Works Highlights

Some of the projects undertaken during the June quarter were:

- Frame Drive Abermain roadwork – commenced.
- Greta/Anvil Creek flood study commenced.
- Stockyard Creek Bridge – completed.
- New England Hwy, Greta - Relocation of services at Whitburn Estate progressed. Construction of drainage culvert commenced.
- Hillview Road, East Branxton - Construction of major culvert upgrade complete.
- Dalwood Road, East Branxton - Construction of drainage and roadwork commenced.
- Gillies Bridge Rothbury – Conservation Management Plan Complete.
- Buchannan Road Buchannan – Replacement of drainage culvert commenced.
- New Waste Transfer Station – progressing.
- Hermitage Road Upgrade – progressing.

June 2017 Quarterly Review of 2013-17 Delivery Program
Final Summary of Progress – 2013-17 Delivery Program Deliverables

	Connected Safe & Creative Community	Sustainable & Prosperous Economy	Sustainable & Healthy Environment	Accessible Infrastructure Services & Facilities	Civic Leadership & Effective Governance	Total	%
Achieved	14	9	12	9	12	56	93%
Not Achieved	-	-	2	2	-	4	7%
Total	14	9	14	11	12	60	100%



Summary of Progress – 2016-17 Operational Plan Deliverables

	Connected Safe & Creative Community	Sustainable & Prosperous Economy	Sustainable & Healthy Environment	Accessible Infrastructure Services & Facilities	Civic Leadership & Effective Governance	Total	%
Achieved	14	7	12	10	12	55	92%
Not Achieved	-	2	2	1	-	5	8%
Total	14	9	14	11	12	60	100%



Final Summary of Progress - Measures






	Connected Safe & Creative Community	Sustainable & Prosperous Economy	Sustainable & Healthy Environment	Accessible Infrastructure Services & Facilities	Civic Leadership & Effective Governance	Total	%
Achieved	4	1	5	2	2	14	82%
Not Achieved	2	-	-	-	1	3	18%
Total	4	1	5	2	3	17	100%




Community's Desired Outcome: A Connected, Safe & Creative Community

OBJECTIVE 1.1: PROMOTING SOCIAL CONNECTIONS



- Our community is aware of and has access to community services.
- We are connected to others in our neighbourhood and across the Local Government Area.
- Our community has opportunities to celebrate together.
- Our communities are linked by walking and bike tracks.

DELIVERY PROGRAM 2013-17	DELIVERY PROGRAM STATUS	OPERATIONAL PLAN STATUS	COMMENT	RESPONSIBILITY
1.1.1		 Ongoing	<ul style="list-style-type: none"> Services are promoted in an ongoing way through Council's Community Directory and as other opportunities arise through meetings and information sharing. The Community Directory continues to be updated with entries revised further as additional information is received. 	Community & Cultural Engagement
1.1.2				
		 100%	<ul style="list-style-type: none"> A successful NAIDOC Week was delivered. 16 events and activities were held during the week, attended by 3,290 people. The RAP actions have all been addressed and were reported to Council on the 19 April 2017. A consultation session with Aboriginal and Torres Strait Islander people was held October 2016 and to inform the development of the next RAP (Innovate RAP). A Draft Innovate RAP is in the process of being prepared and discussed with the Aboriginal and Torres Strait Islander Committee. The re-established Aboriginal and Torres Strait Islander Committee membership was resolved by Council at its meeting on the 5 April 2017. The first meeting was held 28 April 2017. 	Community & Cultural Engagement
1.1.3			Develop a program and commence implementation to increase social connections across the Local Government Area.	

Community's Desired Outcome: A Connected, Safe & Creative Community









DELIVERY PROGRAM 2013-17	DELIVERY PROGRAM STATUS	OPERATIONAL PLAN STATUS	COMMENT	RESPONSIBILITY
<ul style="list-style-type: none"> - Organise and deliver a range of Seniors' Week events. - Organise and deliver a range of Youth Week events. - Organise and deliver the Spring Awakening Festival. - Organise other civic events – Australia Day, Carols in the Park, Citizenship Ceremonies, etc. - Support the Cessnock Chamber of Commerce Stomp Festival. - Support the Kurri Kurri Nostalgia Festival. - Complete development of the Pedestrian and Access Mobility Plan. - Finalise and adopt the Disability Inclusion Action Plan. 		 100%	<ul style="list-style-type: none"> Libraries - ongoing monthly program of rhymetime, storytime, knitting group, family history group, book clubs, creative writing groups, movie mornings, philosophy group, code club, french conversation classes, scrabble club, webwise classes film group, author talks, information sessions, history sessions and pathfinders. A program of activities was delivered during the school holidays. The Seniors Week Advisory Committee confirmed a calendar of events for Seniors Week 2017. Over 30 events were held and had a participation rate of over 1,933 people. Youth Week commenced on the 31 March and concluded on the 9 April. Over 22 events were listed on the Calendar. Participation rates were over 2,000 people. Spring Awakening was held September 2016 and the feedback has been extremely positive. Approximately 3,500 people participated in the event. The evening included a Lantern Parade, and students from local schools who created a lantern, marched in the Lantern Parade from CPAC to the grounds of Cessnock TAFE. The Disability Inclusion Action Plan was adopted by Council and lodged with the Disability Council NSW prior to the required legislative date. National Reconciliation Week was held from 27 May until 3 June. Communication to the community was disseminated about this event and its importance using a range of communications tools including social media and media releases. The community event included the Elders Morning Tea which was attended by community members and Council staff. Mayoral Academic Scholarships were held on 2 May, 2017. Microchip Month of May held providing residents with a free microchipping service and increasing positive image of Council's Ranger Team. Cessnock Cutenest Pets Competition commenced attracting over 200 entrants. The "Stomp" festival was held in April 2017 and was highly successful with around 11,000 people attending the event resulting in estimated \$3 million impact to the local economy. Planning for 2018 Stomp Festival has commenced, with preparation to expand the visitor offerings at the next event. DA and event coordination underway. Funding provided to support the Kurri Kurri Nostalgia Festival. Pedestrian Access & Mobility Plan adopted July 2016. 	<p>Community & Cultural Engagement</p> <p>Community & Cultural Engagement</p> <p>Cessnock Performing Arts Centre</p> <p>Mayor's Office</p> <p>Economic Development</p> <p>Economic Development</p> <p>Strategic Asset Planning</p>

Community's Desired Outcome: A Connected, Safe & Creative Community

DELIVERY PROGRAM 2013-17		DELIVERY PROGRAM STATUS	OPERATIONAL PLAN STATUS	COMMENT	RESPONSIBILITY
1.1.4	Commence implementation of the Cessnock City Bicycle Plan.			<ul style="list-style-type: none"> The Cycleway Strategy was adopted in June 2016 and the priority projects have been identified. 	
	<ul style="list-style-type: none"> Commence implementation of the priority projects from the Cessnock City Cycle Strategy. 		 100%	<ul style="list-style-type: none"> A new program inclusive of this strategy, the PAMP and current Pathways program is being developed for inclusion in the next Delivery Plan. Non-infrastructure items being implemented through Road safety Strategy (eg participation in Bike Week activities and installation of "A Metre Matters" sign on Mount View Road, Cessnock). 	Recreation Services

OBJECTIVE 1.2: STRENGTHENING COMMUNITY CULTURE

- Our residents show pride in our Local Government Area.
- Our community organisations have opportunities to work together to develop and deliver services.
- Our facilities are utilised by community groups.

DELIVERY PROGRAM 2013-17		DELIVERY PROGRAM STATUS	OPERATIONAL PLAN STATUS	COMMENT	RESPONSIBILITY
1.2.1	Collaborate with the community to develop and deliver services.		 Ongoing	<ul style="list-style-type: none"> The Community and Cultural Engagement Officer collaborated with external service providers to deliver a range of community initiatives and included International Day of People with Disabilities (December) and Cessnock Community Connected Day. Harmony Day events for 2017 were planned however due to weather some events were cancelled. 	Community Planning
1.2.2	Develop a strategic plan for social welfare and community facilities needs across the Local Government Area.		 100%	<ul style="list-style-type: none"> The 2031: A Vision for the Future, Community Infrastructure Strategic Plan was adopted by Council June 2016 and is in the process of being implemented. 	Community Planning Recreation Services
1.2.3	Support groups to manage and improve community and sporting facilities.				
	<ul style="list-style-type: none"> Continue to support community, cultural and sporting facilities and projects \$ for \$ grants. 		 100%	<ul style="list-style-type: none"> 15 projects were fully or partially funded via the \$ for \$ Cultural Grant Program. The total allocation for 2016/17 was \$26,399.70 Cheques were posted to community groups on the 23 June 2017 along with the new acquittal process. Grant schemes for Sporting Equipment, Community Facilities, Tidy Towns and School Environment projects are complete. 	Community & Cultural Engagement Recreation Services Environment & Waste
1.2.4	Commence implementation of the priority projects from the CYCOS Business Plan.		 100%	<ul style="list-style-type: none"> The Business Plan has been revised and implemented. This included a review and update of CYCOS procedures. 	Community & Cultural Engagement







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Community's Desired Outcome: A Connected, Safe & Creative Community

OBJECTIVE 1.3: PROMOTING SAFE COMMUNITIES







- Our residents and visitors feel safe in the Cessnock Local Government Area.
- Our CBD areas are safe at night.
- Our roads are safe for motorists and pedestrians.

DELIVERY PROGRAM 2013-17		DELIVERY PROGRAM STATUS	OPERATIONAL PLAN STATUS	COMMENT	RESPONSIBILITY
1.3.1	Participate in collaborative partnerships to prevent crime.		 Ongoing	<ul style="list-style-type: none"> Representatives from Cessnock City Council continue to attend the Community Safety Precinct Committee Meeting facilitated by the Central Hunter Local Area Command. 	Community Planning
1.3.2	Carry out regulatory and education programs to protect residential amenity and community health and safety.		 100%	<ul style="list-style-type: none"> Completion of key actions within Companion Animals Management Plan. 	Health & Building
1.3.3	Commence implementation of priority projects from the Road Safety Strategy.		 Ongoing	<p>Priority projects have been identified and commenced including:</p> <ul style="list-style-type: none"> Young Driver Workshops; Drink Drive – Alternative Transport; Drink Drive – Safer Sporting Events; Safer Seniors; Bicycle Safety; Safety Around Schools; Speed Management; and Safer Shift Workers (fatigue). 	Design Delivery

Community's Desired Outcome: A Connected, Safe & Creative Community






OBJECTIVE 1.4: FOSTERING AN ARTICULATE AND CREATIVE COMMUNITY

- We have thriving cultural precincts throughout the Local Government Area that celebrate our heritage and culture.
- We have a diverse range of cultural and heritage activities


DELIVERY PROGRAM 2013-17	DELIVERY PROGRAM STATUS	OPERATIONAL PLAN STATUS	COMMENT	RESPONSIBILITY
1.4.1		 100%	<ul style="list-style-type: none"> Continue implementation of the priority projects from the Cessnock Performing Arts Centre business plan. The Performing Arts Centre continues to promote performances via social media channels as well as print-based promotion. The 2017 performance program was confirmed and a promotional brochure was made available as part of the season launch. The CPAC business plan has been reviewed and is continually updated to ensure it reflects current community needs. 	Performing Arts Centre
1.4.2		 100%	<ul style="list-style-type: none"> Priority projects progressed include:-- <ul style="list-style-type: none"> A visioning brief for library services including new library infrastructure. The Visioning Brief has been discussed with Land Use Planning staff. With the completion of the review for staffing resources in relation to services and programs, a Local Studies Librarian Role and a Promotions and Programs Team Leader role were appointed. On the 10 April 2017, the library was awarded \$200,000 in grant funds for the installation of an elevator at Cessnock Library Branch by the Minister for Resources, Minister for Energy and Utilities, Minister for the Arts. 	Community & Cultural Engagement
1.4.3		 100%	<ul style="list-style-type: none"> Promote and participate in a range of cultural and heritage activities across the Local Government Area. The Spring Awakening festival was held and was a great success. Over 3,500 people attended the event. Services and programs continue to be promoted and participation in activities has occurred as opportunities arise. 	Community & Cultural Engagement

Community's Desired Outcome: A Connected, Safe & Creative Community

MEASURES

MEASURES	CONTEXT/BENCHMARK	BASE	TARGET	CURRENT	STATUS	COMMENT
Km of Cycleways in the LGA	This is a measure of the bitumen and concrete off-road linkages within and between the towns and villages of the Local Government Area. At 30 June 2012, there was 13.6km of sealed off-road cycleways in the Local Government Area.	13.6 km 2012	Increase	10.9kms 2017		Asset data collection for the asset revaluation process confirmed the length of off road cycleways. Note that off road cycleways are now defined as shared paths of 2m or more width.
Engagement with young people	This measure is the number of young people attending and participating in structured programs and drop-in services with CYCOS each year. This is a measure of the effectiveness of Council's provision of services to young people. This measure was 8,708 in 2010-11.	8,708 2010-11	>8,700 p.a.	11,574 2016-17 YTD = 133%		Target Exceeded
Completion of programmed health & safety inspections	This measure is the number of registered premises at 1 July, and the number of public health inspections carried out divided by the programmed public health inspections during a year. Public health inspections include food shop inspections, hairdressing shop inspections, and public swimming pool inspections. This is a measure of Council's contribution to the health of the community. In 2011-12 there were 658 premises and 100% of programmed inspections were carried out.	658 100% 2011-12	N/A 100%	918 100% 2016-17		Key performance indicator met.
Completion of water cooling system inspections	This measure is the number of registered premises at 1 July, and the number of water cooling towers inspected for legionnaires' disease divided by the programmed number of water cooling tower inspections during a year. This is a measure of Council's contribution to the health of the community. In 2011-12 there were 51 premises and 100% of programmed inspections were carried out.	51 100% 2011-12	N/A 100%	34 100% 2016-17		Key performance indicator met.
Library Utilisation	These measures are the number of visits to Council's libraries plus the number of hits on the library page of Council's website. This data is sourced from the counters at the entrances to the libraries and from Council's internal website analysis. This is a measure of the community's utilisation of Council's library resources for the purpose of both recreation and education.	206,485 visits 2011-12 25,814 hits 2011-12	> 235,000 p.a. Combined	181,415 visits 13,032 Hits = 194,447 Combined 83%		E-resources are not captured in the data as they are hosted off site. However they form part of Council's borrowing collection. The rise of E-resources and their increased usage/ access, impacts on the actual visits to the library.




Community's Desired Outcome: A Connected, Safe & Creative Community

MEASURES	CONTEXT/BENCHMARK	BASE	TARGET	CURRENT	STATUS	COMMENT
Cessnock Performing Arts Centre Audience	<p>This measure is the number audience members that have attended performances at the Cessnock Performing Arts Centre in a calendar year.</p> <p>This measure is sourced from the centre's tickeling system.</p> <p>This is a measure of the community's exposure to community events and cultural experiences at the centre.</p>	16,873 2012	18,500 p.a.	<p>13,849 CPAC Audience 2016-17</p> <p>3,500 Spring Awakening</p> <p>2,500 Carols in the Park</p> <p>= TOTAL 19,849</p>		The 2016-17 overall figure includes theatre attendances plus non-ticketed attendances, 3,500 for Spring Awakening and 2,500 for Carols in the Park. Total = 19,849







Community's Desired Outcome: A Sustainable & Prosperous Economy

OBJECTIVE 2.1: DIVERSIFYING LOCAL BUSINESS OPTIONS

- Our Local Government Area is attractive to and supportive of businesses.
- We have a diversity of businesses and industries across the Local Government Area.
- Our planning controls provide for adequate industrial and commercial lands.

DELIVERY PROGRAM 2013-17		DELIVERY PROGRAM STATUS	OPERATIONAL PLAN STATUS	COMMENT	RESPONSIBILITY
2.1.1	Continue to update marketing material for the Local Government Area.				
	<ul style="list-style-type: none"> - <i>Develop an Investment Prospectus for the Cessnock Local Government Area.</i> 		 90%	<ul style="list-style-type: none"> An interim stand-alone Investment Prospectus was drafted and available for download via Council's ongoing Advance Cessnock City website under dedicated Business Investment Attraction programming. Under sound strategic directions for business investment attraction, a full suite of materials titled the 'Business Investment Attraction Portfolio' is being prepared. The Business Investment Attraction Portfolio is informed by multiple studies and will drive how council channels resources into enticing jobs-rich future-proof industries into Cessnock LGA. The data collection and analysis for the Business Capability Study and Gap Analysis have been completed, research on future industries has been compiled, and the land zonings and regional advantages are being strategically assessed in order to determine specific industry and business to target. The release of official 2016 ABS/ABR data in October 2017 will compliment the portfolio. Multi-media has been procured and is being scheduled for development. Stakeholders are sidelined and supportive. Together, the Business Investment Attraction Portfolio will be a content rich, informed and up to date suite of materials that ensures Cessnock City Council's success and preparedness for attraction of significant and targeted investment into our city. Council will be recognised for its carefully considered informed approach and the portfolio will position Cessnock for investment that ensures economic sustainability and resilience. 	Economic Development
2.1.2.	Support local business support agencies.				


Community's Desired Outcome: A Sustainable & Prosperous Economy

DELIVERY PROGRAM 2013-17	DELIVERY PROGRAM STATUS	OPERATIONAL PLAN STATUS	COMMENT	RESPONSIBILITY
- Support the "mainstreet" programs.		100%	<ul style="list-style-type: none"> Business Networking functions held 8 November 2016, Meet the Councillors, 1 March – Ian Elliott, 23 May – Millenials, 30 May Networking and Tourism Product Development. Promoting chamber and business agency events and workshops via Advance Cessnock City. Supporting Main Street Projects where possible through Cessnock Chamber of Commerce, Branxton-Greta Business Chamber, Towns With Heart, Kurri Kurri District Business Chamber (e.g. events) as well as the provision of funding for the Main Street Coordinators, Kurri Kurri Visitor Centre, Branxton Greta Chamber and Customer Service Awards. 	Economic Development
2.1.3			Commence implementation of the Economic Development Strategy.	
- Develop a Business Investment Program. - Implement the Business Investment Program.		98%	<ul style="list-style-type: none"> The Business Investment Attraction portfolio is in the advanced stages of development, and is on track for launch with the formal roll over of official ABS /ABR data in October 2017. 	Economic Development
2.1.4			Commence implementation of the Cessnock CBD Masterplan.	
- Complete the development strategy for Cessnock CBD Commercial Precinct Project (including draft development control plan and draft contributions plan). - Commence implementation of Stage 1 of the Cessnock Precinct Revitalisation Project.		100%	<ul style="list-style-type: none"> In 2015 Council received a grant from the Federal Governments National Stronger Regions Fund to commence a project called the Cessnock Civic Precinct Revitalisation. The works are those listed in the CBD Masterplan Implementation Plan and specifically entailed installation of wayfinding signage, upgrades to car parks, roads and pathways to improve pedestrian safety and connectivity in and around the CBD, laneway upgrades, bicycle parking and lockup areas as well as upgrades to open spaces incorporating public art, lighting and signage. These works are underway and are scheduled to be completed by early 2019. The Cessnock Commercial Precinct Project documentation was completed in April 2017 and the drafts were placed on public exhibition on 3 May 2017. Whilst the project will be reported to Council in September the action was completed. Council report seeking endorsement of final plans scheduled for 6 September 2017 Council meeting. Successful in securing grant funding for the revitalisation of the CBD. Recreation Services implementing the Cessnock Civic Precinct Revitalisation Program. 	Recreation Services Strategic Land Use Planning Strategic Asset Planning Recreation Services
2.1.5			Prepare a Kurri Kurri CBD Masterplan.	

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Community's Desired Outcome: A Sustainable & Prosperous Economy

DELIVERY PROGRAM 2013-17	DELIVERY PROGRAM STATUS	OPERATIONAL PLAN STATUS	COMMENT	RESPONSIBILITY
- Continue development of the Kurri Kurri CBD Masterplan.		 100%	<ul style="list-style-type: none"> The Project continued during the quarter and Council will be briefed in October with a view to reporting to Council in November 2017. Post community engagement Councilor briefing scheduled for October 2017 Council report seeking endorsement of final strategy and masterplans scheduled for November 2017. The action has been completed. 	Strategic Land Use Planning

OBJECTIVE 2.2: ACHIEVING MORE SUSTAINABLE EMPLOYMENT OPPORTUNITIES

- We have learning opportunities for people of all ages.
- We have employment opportunities in the Local Government Area.

DELIVERY PROGRAM 2013-17	DELIVERY PROGRAM STATUS	OPERATIONAL PLAN STATUS	COMMENT	RESPONSIBILITY
2.2.1 Support programs that promote education and training for local people.				
- Continue to award scholarships for academic, professional and trade excellence.		 100%	<ul style="list-style-type: none"> Mayoral Academic Scholarships were held seeing 12 scholarships awarded to local students and apprentices. 	Mayor's Office
2.2.2 Support programs that promote employment for local people.				
- Implement employment programs with a focus on youth unemployment.		 Ongoing	<ul style="list-style-type: none"> Supported Cessnock Connect Day. Hunter Valley Youth Employment program has progressed with 80% success rate to date. Program highlighted on SBS and 7.30 Report nationally. 	Economic Development

OBJECTIVE 2.3: INCREASING TOURISM OPPORTUNITIES AND VISITATION IN THE AREA




- We have a range of diverse visitor experiences across the entire Local Government Area.
- Our Local Government Area is attractive to visitors.

DELIVERY PROGRAM 2013-17	DELIVERY PROGRAM STATUS	OPERATIONAL PLAN STATUS	COMMENT	RESPONSIBILITY
2.3.1 Support programs that promote visitation across the Local Government Area.				

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Community's Desired Outcome: A Sustainable & Prosperous Economy

DELIVERY PROGRAM 2013-17	DELIVERY PROGRAM STATUS	OPERATIONAL PLAN STATUS	COMMENT	RESPONSIBILITY
- Continue to implement the Hunter Valley Visitor Centre Strategy and Action Plans.		Ongoing	<ul style="list-style-type: none"> Promotion of diverse tourism experiences with experiences exhibition in the Hunter Valley Visitor Centre. 151 Familiarisations of FFS businesses has been completed in the 2016/2017 year by staff of the Hunter Valley Visitor Centre. Centre fully leased. Increased FFS from previous years. Sustainability of the Centre meeting goals. Youth employment program being facilitated at the Centre. 	Economic Development
2.3.2				
- Support programs that promote a diversification of visitor experiences.				
- Continue implementation of relevant projects from the Destination Management Plan (within existing resources).		 100%	<ul style="list-style-type: none"> Council attended the Hunter Valley Wine and Tourism Association Marketing Committee. A new Destination Management Plan is being prepared to be finalised by September 2017. Information Bays designed, prioritised and commenced from Resources for Regions funding. Jets V Wanderers Game held at Cessnock Sportsground with 2000 attendees. Commenced preparing tourism packages. Undertaken survey of tourism businesses. 	Economic Development

Community's Desired Outcome: A Sustainable & Prosperous Economy

MEASURES

MEASURES	CONTEXT/BENCHMARK	BASE	TARGET	CURRENT	STATUS	COMMENT
Grants secured for the community	<p>These three measures are:</p> <ul style="list-style-type: none"> - the number of grants applied for; and - the number and value of grants and sponsorships that were secured for the community with assistance by Council. <p>This is a measure of Council's contribution to economic and community capacity building – by gaining funding for projects and services within the Local Government Area.</p> <p>For the period January 2012 to February 2013, 46 grants and sponsorships totalling \$2,318,041.04 were secured, with Council assistance, for the community.</p>	<p>94 Applied for 2012</p> <p>46 Secured 2012</p> <p>\$2.3m Secured 2012</p>	<p>Maintain</p> <p>Improve</p> <p>Improve</p>	<p>138</p> <p>93</p> <p>\$47,958m</p> <p>For period from 1 July 2015 to 30 June 2017</p>		<p>The funding secured comprised:</p> <p>Resources for Regions – Hermitage & Broke Road intersection - \$8,600,000</p> <p>Regional Road Repair Program - \$600,000</p> <p>Restart NSW Fixing Country Roads - \$4,450,000</p> <p>Federal Government Bridges Renewal Program - \$4,200,000</p> <p>Resources for Regions – intersection 15/16 - \$1,591,329</p> <p>Resources for Regions – Frame Drive Bridge 16/17 - \$1,500,000</p> <p>Financial Assistance Grant 16/17 - \$7,840,501</p> <p>Financial Assistance Grant 15/16 - \$5,299,979</p> <p>FAG – Local Roads 16/17- \$2,119,828</p> <p>FAG – Local Roads 15/16- \$1,409,800</p> <p>FAG – Local Bridges 16/17 - \$268,844</p> <p>FAG – Local Bridges 15/16 - \$184,175</p> <p>Pensioner Rates Subsidy Grant – General 16/17 - \$436,321</p> <p>Pensioner Rates Subsidy Grant – General 15/16 - \$448,377</p> <p>Pensioner Rates Subsidy Grant – Waste 16/17 - \$207,409</p> <p>Pensioner Rates Subsidy Grant – Waste 15/16 - \$204,613</p> <p>Community Builders Grant 16/17 - \$48,484</p> <p>Community Builders Grant 15/16 - \$47,347</p> <p>Youth Centre – Club Grant Income Program Activities 16/17 - \$4,100</p> <p>Youth Week 16/17 - \$1,537</p> <p>Youth Week 15/16 - \$436</p> <p>Community Programs NAIDOC Week Grant Income 16/17 - \$2,000</p> <p>Community Programs National Reconciliation Week Grant Income 16/17 - \$5,000</p> <p>Senior Citizens Week Grant 16/17- \$5,000</p> <p>Senior Citizens Week Grant 15/16- \$3,000</p> <p>Library Administration Code Club@Your Library Grant 16/17 - \$4,000</p> <p>Economic Development CC Youth First Initiative Partner Project Income 16/17 - \$25,000</p> <p>LIRS Subsidy 16/17- \$48,346</p> <p>LIRS Subsidy 15/16- \$53,411</p> <p>Library Per Capita Subsidy 16/17 - \$103,345</p> <p>Library Per Capita Subsidy 15/16 - \$101,711</p> <p>Kurri Library Country Art 16/17- \$3,500</p> <p>Kurri Library Country Art 15/16- \$5,062</p> <p>Safer Motorcycle Route – Wollombi 16/17 - \$3,355</p> <p>Speed Management Program 16/17- \$3,952</p> <p>Speed Management Program 15/16- \$5,444</p> <p>Safer Shift Workers 16/17 - \$3,408</p> <p>Safer Shift Workers 15/16 - \$3,783</p> <p>Safer Seniors Calander 16/17 - \$5,980</p> <p>Safer Seniors Calander 15/16 - \$1,000</p> <p>Safety Around Schools 16/17 - \$5,300</p> <p>Safety Around Schools 15/16 - \$6,413</p> <p>Helping Learner Drivers Become Safer Drivers 16/17 - \$1,200</p> <p>Helping Learner Drivers Become Safer Drivers 15/16 - \$1,200</p> <p>Road Safety Officer 16/17 - \$43,449</p> <p>Road Safety Officer 15/16 - \$47,614</p> <p>Drink Drive 15/16 - \$335</p> <p>Traffic Route Lighting 16/17 - \$104,000</p> <p>Traffic Route Lighting 15/16 - \$102,000</p> <p>Sporting Events 16/17 - \$294</p> <p>Sporting Events 15/16 - \$621</p>

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Community's Desired Outcome: A Sustainable & Prosperous Economy

MEASURES	CONTEXT/BENCHMARK	BASE	TARGET	CURRENT	STATUS	COMMENT
						<p>War Memorials 15/16 - \$15,314</p> <p>WAP Weeds Grant 16/17 - \$76,360</p> <p>WAP Weeds Grant 15/16 - \$76,072</p> <p>Responsible Pet Ownership 15/16 - \$10,000</p> <p>Waste Levy Programs Better Waste & Recycling 16/17 - \$172,231</p> <p>Waste Levy Programs Better Waste & Recycling 15/16 - \$149,837</p> <p>Waste Levy - Resource Recovery Facility 16/17 - \$150,000</p> <p>Waste Levy - Resource Recovery Facility 15/16 - \$187,500</p> <p>Waste Levy - Community Recycling Centre 15/16 - \$190,000</p> <p>Planning Proposal Braxton Area Sub-Regional 15/16 - \$95,552</p> <p>Heritage Advisor 16/17 - \$3,543</p> <p>Heritage Advisor 15/16 - \$2,761</p> <p>NSW Heritage Planning Studies Grant 15/16 - \$24,354</p> <p>Heritage & Civic Design Income Grants Local Heritage Fund 16/17 - \$7,500</p> <p>Illegal Dump Cleanups 16/17 - \$101,350</p> <p>Illegal Dump Cleanups 15/16 - \$149,837</p> <p>Environmental Planning Hunter Waste Educators Group 16/17 - \$10,377</p> <p>Environmental - Sustainability Grant Projects 15/16 - \$3,300</p> <p>RTA State Roads 3 x 3 16/17 - \$133,750</p> <p>RTA State Roads 3 x 3 15/16 - \$117,000</p> <p>Restoration Works 16/17 - \$21,850</p> <p>Restoration Works 15/16 - \$11,142,000</p> <p>Federal Government Road to Recovery Program 16/17 - \$1,504,405</p> <p>Federal Government Road to Recovery Program 15/16 - \$2,170,389</p> <p>Flood Study - Black Creek 15/16 - \$31,306</p> <p>Flood Study - Cessnock Floodplain Risk Management 15/16 - \$33,086</p> <p>Flood Studies Grants Swamp Fisheries Wallis Creek 16/17 - \$28,354</p> <p>Flood Studies Grants Flood Studies - Wollombi 16/17 - \$29,721</p> <p>Library - Local Priority Grant Service Desk Kurri Kurri 16/17 - \$46,100</p> <p>Library - Administration Grants Cessnock Library new lift 16/17 - \$200,000</p> <p>Library - Local Priority Grant Service Desk Kurri Kurri 16/17 - \$46,100</p> <p>Library - Administration Grants Cessnock Library New Lift 16/17 - \$200,000</p> <p>CYCOS Building Renovations Grant 16/17 - \$38,000</p> <p>Community Halls Grants Greta Pre-school 16/17 - \$20,000</p> <p>Community Halls Grants Kurri Kurri Ambulance Hall 16/17 - \$37,272</p> <p>Community Halls Bellbird Kitchen 15/16 - \$10,000</p> <p>Heritage Near Me Activation Grant - Kitchener Poppet Head Heritage Park 16/17 - \$40,000</p> <p>Kitchener Poppet Head Playground & Fence 15/16 - \$185,375</p> <p>Local Priority - Service Desk 15/16 - \$44,822</p> <p>NSRF Civic Revitalisation 16/17 - \$28,500</p> <p>North Rollbury Court Renewal 16/17 - \$12,000</p> <p>RMS - Whitburn Estate Trunk Drainage 16/17 - \$177,158</p> <p>RMS - Whitburn Estate Trunk Drainage 15/16 - \$300,000</p> <p>RMS - Buchanan Culvert Works 16/17 - \$55,027</p> <p>RMS - Buchanan Culvert Works 15/16 - \$25,530</p> <p>Elisa Dixon Scholarship 16/17 - \$14,000</p>








Community's Desired Outcome: A Sustainable & Healthy Environment

OBJECTIVE 3.1: PROTECTING & ENHANCING THE NATURAL ENVIRONMENT & THE RURAL CHARACTER OF THE AREA

- Our planning controls provide protection to the rural character and heritage of the area.
- Our community is aware of the value of natural resources and biodiversity.
- Our environmental amenity is protected and enhanced.
- Our waterways and catchments are maintained and enhanced.

DELIVERY PROGRAM 2013-17	DELIVERY PROGRAM STATUS	OPERATIONAL PLAN STATUS	COMMENT	RESPONSIBILITY
3.1.1			Prepare a City Wide Development Strategy	
			<ul style="list-style-type: none"> - Complete phase 1 of the City Wide Planning Strategy. (replacing the City Wide Settlement Strategy) 	Strategic Land Use Planning
3.1.2		100%	Commence implementation of the Biodiversity Strategy.	Natural Environment Planning
3.1.3			Complete further Flood Studies and Risk Management Plans for major catchments in the Local Government Area	
			<ul style="list-style-type: none"> - Finalise procurement of consultants for the Greta/Anvil Creek Flood Study. 	Strategic Asset Planning
3.1.4		100%	Commence implementation of Council's Trunk Stormwater Drainage Strategy.	Strategic Asset Planning
			<ul style="list-style-type: none"> - Complete Trunk Stormwater Drainage Strategy. - Complete the Trunk Stormwater Drainage Needs Analysis component of the City Wide Infrastructure Strategy. 	Strategic Asset Planning
3.1.5			Carry out regulatory and education programs to protect and enhance the natural environment.	
			<ul style="list-style-type: none"> - Continue implementation of the regional Weeds Action Plan. 	Recreation Services
3.1.6			Continue to efficiently and effectively process development applications and respond to planning-related enquiries.	









Community's Desired Outcome: A Sustainable & Healthy Environment

DELIVERY PROGRAM 2013-17	DELIVERY PROGRAM STATUS	OPERATIONAL PLAN STATUS	COMMENT	RESPONSIBILITY
<ul style="list-style-type: none"> - <i>Implement on-line applications relating to development assessment.</i> - <i>Continue to progress the integration and implementation of the on-line application module for development assessment.</i> 		100%	<p>Electronic lodgement of development applications has continued, streamlining a number of internal processes;</p> <ul style="list-style-type: none"> • Council is currently receiving 12% of Development Applications & Complying Development Certificates electronically from a range of stakeholders • 95% of all applications have the determination sent electronically • 2017 application now have the consent and conditions available to view on Application Tracker <p>Internal processes have continued to be streamlined including;</p> <ul style="list-style-type: none"> - review of workflow for electronic applications lodged - document management support for assessment officers - improved process for registering submissions lodged via mail - 56% of submissions lodged during the quarter using application tracker - Objective Connect has been implemented 	Business Support
3.1.7		 100%	<ul style="list-style-type: none"> • Carbon Management and Energy Reduction Plan adopted by Executive in May 2015. 	Natural Environmental Planning
3.1.8		 100%	<ul style="list-style-type: none"> • Priority projects from the Carbon Management and Energy Reduction Plan identified and commenced. • Fleet review underway as part of the Financial Sustainability. Initiative/Fit for the Future project delivery via the Management Team. • Revolving Energy Fund established – operational standard adopted and projects progressing. • Sustainability Team (Green Futures) met and have commenced project identification including energy related actions. • Climate Change Policy has been drafted and will be considered by Council in 2017. 	Natural Environmental Planning
3.1.9		 Ongoing	<ul style="list-style-type: none"> • Signage strategies both completed and commenced implementation. 	Economic Development

Community's Desired Outcome: A Sustainable & Healthy Environment

OBJECTIVE 3.2: BETTER UTILISATION OF EXISTING OPEN SPACE




- Our open spaces are distributed where people live.
- We have green corridors connecting our open space areas.
- We have high quality, centralised multi-purpose sporting and recreation facilities.
- Our open spaces have suitable amenities and plenty of shade.

DELIVERY PROGRAM 2013-17		DELIVERY PROGRAM STATUS	OPERATIONAL PLAN STATUS	COMMENT	RESPONSIBILITY
3.2.1	Complete the Recreation Needs Analysis and review the Recreation & Open Space Strategic Plan 2009-2014.				
	<ul style="list-style-type: none"> - <i>Complete the Open Space Needs Analysis.</i> - <i>Complete the review of the Recreation & Open Space Strategic Plan.</i> 		 80%	<ul style="list-style-type: none"> • Council was briefed on 10 May about the Recreation & Open Space Strategic Plan which will include the Recreation Needs Analysis. Report to Council seeking exhibition of Recreation & Open Space Strategic Plan in the first quarter of 2017/18. 	Recreation Services
3.2.2	Develop new Plans of Management.				
	<ul style="list-style-type: none"> - <i>Continue the development of the remaining generic community land Plans of Management.</i> 		 100%	<ul style="list-style-type: none"> • Generic Plans of Management for Community Use and Drainage have been prepared and will be presented to Council in the first quarter of 2017/18 seeking public exhibition. 	Recreation Services
3.2.3	Finalise implementation of the Recreation & Open Space Recreation Strategic Plan 2009-2014.		 Ongoing	<ul style="list-style-type: none"> • Ongoing implementation through the delivery of the Capital Works Program. 	Recreation Services
3.2.4	Continue to implement the adopted Masterplans for Council's recreation and community facilities.		 Ongoing	<ul style="list-style-type: none"> • Ongoing implementation through the delivery of the Capital Works Program. 	Recreation Services

Community's Desired Outcome: A Sustainable & Healthy Environment






OBJECTIVE 3.3: BETTER WASTE MANAGEMENT AND RECYCLING

- We divert more of our household waste for recycling.

DELIVERY PROGRAM 2013-17		DELIVERY PROGRAM STATUS	OPERATIONAL PLAN STATUS	COMMENT	RESPONSIBILITY
3.3.1	Commence implementation of the priority projects from the revised Waste Management Strategy.			<ul style="list-style-type: none"> Construction commenced January 2017 – 30 week build program. On track. 	
	<ul style="list-style-type: none"> Commence construction of stage 1 redevelopment of Waste Management & Reuse Centre extension project. Continue implementation of the priority projects from the revised Waste Management Strategy 2014-19. Implement the priority actions of the EPA – Waste Less Recycle More Program. 		100%	<ul style="list-style-type: none"> Operational plant for WTS underway (forklift, loader & trf truck). Plant Superintendent advises forklift & truck ordered loader to be inspected in Newcastle w/e 23/6/2017. Council resolved not to award operation of Reuse Centre at its meeting in May 2016. Site vacated 2/12/2016. Promotion of "upsized" 360 litre recycling bins undertaken via Go Transit (Back of bus advertising. Cost shared with Maitland Cnl & HRR. Over 1,000 360L bins taken up in LGA. Kerbside garden organics collection service commenced in LGA on 6/3/17. Audit program on-site (CCC) for 3mths 1,471T collected via kerbside service to-date Organics transfer from landfill commences 6/3/2017 (Part B) as part of organics contract aimed at reducing s88 levy via rebate. Metal management undertaken as part of regional contract via Regional Procurement with Matthews Metals; 1st transfer resulted in >20T with income rec'd approx. \$20,000. March 2017 >500T removed with \$20,000 return Grant application for Community Drop Off Centre under Waste Less Recycle More approved (\$200,000). Included as part of transfer Station Grant application successful under Waste Less Recycle More program - Resource Recovery Extension and Enhancement Program as part of front end upgrade. Awarded \$375,000 included as part of site redevelopment Mgr Env & Waste appointed as Chair of RID Mgt Comm (until 2017). Advice from EPA to continue WLRM funding; current funding expires June 2017 – Grant notification rec'd from EPA to refund RID for 2017 -21. Grant subject to conditions that present concern around responsibility, accountability etc. To be further considered and discussed with Dir/GM (probable report to Cnl). Mattress Muster event held 6/5/2017 - 596 collected Previous events held in August 2016 resulted in 277 mattresses rec'd at Kurri Kurri drop of day. Event held at Cessnock 22 Oct 2016 collected 367 mattresses. Event funded under EPA - Waste Less Recycle More program. Further events scheduled May 2017. Provision made in 2017/18 waste budget to continue program. 	Environment & Waste

Community's Desired Outcome: A Sustainable & Healthy Environment











MEASURES

MEASURES	CONTEXT/BENCHMARK	BASE	TARGET	CURRENT	STATUS	COMMENT
Development Application Processing Times	This measure is the mean and the median number of days to process Development Applications (for all DAs which have been determined). This data is sourced from the Local Development Performance Monitoring Report.	75 Mean 2011-12 31 Median 2011-12	Maintain Maintain	53.81 Mean 2016-17 30 Median 2016-17		Target Exceeded
Environmental health and protection inspections	This measure is the number of on-site sewage management inspections carried out in line with Council's On-Site Sewage Management System Strategy. This is a measure of Council's contribution to the health of the local environment. This measure was 1,193 in 2011-12.	1,193 2011-12	>900	1059 100%		Key performance indicator met.
Completion of Capital Works Program - Recreation	This measure is the number of completed projects divided by the total number of projects (in the CFR, CBR, CFP, CBC, and CFC sections) of the adopted Recreation & Buildings Capital Works Program.	N/A	>85%	85%		
Waste & Recycling	This is a measure of the number of tonnes recycled via the kerbside recycling service. The kerbside recycling service was provided to 18,881 properties in 2011-12. This measure is sourced from Hunter Resource Recovery.	4,447t 2011-12	>4,500t p.a.	4968t 2016-17 89,747t 2016 -17 1,701t March - June 2016		Volume continues to grow with increased population and service options. Service now covers 20,814 properties First Qtr on target to reach predicted diversion rate (6,000tpa)
Waste & Recycling	This is a measure of the number of domestic waste collection services provided by Council. In 2011-12 there were 23,781 rateable properties and approximately 17,500t of domestic waste (out of a total of 38,892t) was disposed of at Council's landfill site.	18,881 2011-12	Increase	21,230 2016-17		Waste to landfill volume remains steady despite increase in population. Reflects more service and diversion options. Expect greater diversion with introduction of planned front end transfer facility and introduction of kerbside organics collection scheduled for March 2017.

Community's Desired Outcome: Accessible Infrastructure, Services & Facilities

OBJECTIVE 4.1: BETTER TRANSPORT LINKS

- We have access to a range of public and community transport within the Local Government Area.
- We have access to a range of public and community transport beyond the Local Government Area.
- We have a new passenger train service in Cessnock.

DELIVERY PROGRAM 2013-17		DELIVERY PROGRAM STATUS	OPERATIONAL PLAN STATUS	COMMENT	RESPONSIBILITY
4.1.1	Contribute to the Transport for NSW's Hunter Regional Transport Masterplan.		 Ongoing	<ul style="list-style-type: none"> Information is provided as requested. 	Strategic Asset Planning
4.1.2	Advocate for increased transport funding.		 Ongoing	<ul style="list-style-type: none"> Liaison meetings with RMS held Applications for road funding grants through IF, Resources for Regions, Stronger Regions, Fixing Country Roads and Bridges Renewal Program. 	Strategic Asset Planning
4.1.3	Complete all components of the City Wide Infrastructure Strategy.			<p>Comprised</p> <ul style="list-style-type: none"> Pedestrian Access Mobility Plan (PAMP) - complete Cycle Strategy - complete Trunk Stormwater Drainage Strategy – draft Traffic & Transport Strategy – draft 	Strategic Asset Planning
	<ul style="list-style-type: none"> Complete the Transport & Land Use Planning Needs Analysis component of the City Wide Infrastructure Strategy. Complete the umbrella City Wide Infrastructure Strategy. 		80%	<ul style="list-style-type: none"> The adopted Community Strategic Plan is Council's overarching strategy for the provision of infrastructure, services and facilities. Traffic and Transportation Strategy Draft report presented to Council at a briefing. Report on results of public exhibition due to come back to Council in second quarter 2017/18. Pedestrian Access & Mobility Plan adopted July 2016. Cycleway Strategy completed in June 2016. 	Strategic Asset Planning
4.1.4	Commence implementation of priority projects from the City Wide Infrastructure Strategy.		 100%	<ul style="list-style-type: none"> Draft Traffic & Transport Strategy completed in 2016/17. Identification of projects in the next 4 Year Delivery Program. The adopted Cycleway Strategy and PAMP have been utilized to develop the Pathways Construction Program for the next 4 Year Delivery Program. Report to Council due in second quarter 2017/18. 	Strategic Asset Planning
4.1.5	Commence implementation of the Cessnock Airport Strategic Plan.				
	<ul style="list-style-type: none"> Continue implementation of the priority projects from the Airport Strategic Plan. 		100%	<ul style="list-style-type: none"> Final draft masterplan prepared incorporating constraints analysis, usage forecasts, detailed indicative layout plans and infrastructure development plan. Draft DCP (complementing the draft masterplan) to be prepared during 2016-17. Viability Review undertaken. 	Integrated Planning & Strategic Property











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Community's Desired Outcome: Accessible Infrastructure, Services & Facilities

OBJECTIVE 4.2: IMPROVING THE ROAD NETWORK



- We have a high quality road network.
- We have managed the traffic impact of the Hunter Expressway on local communities.

DELIVERY PROGRAM 2013-17		DELIVERY PROGRAM STATUS	OPERATIONAL PLAN STATUS	COMMENT	RESPONSIBILITY
4.2.1	Improve the corporate asset management system.		 Ongoing	<ul style="list-style-type: none"> Adopted Asset Management Plans reviewed and updated for 2017-21 Delivery Program (W/28/2017). Drainage, carpark and building data collection completed. Community Levels of Service completed. Level 3 Bridge completed. Asset Policy and Strategy review completed. 	Strategic Asset Planning
4.2.2	Advocate for road funding to better manage traffic impacts on the local road network.		 Ongoing	<ul style="list-style-type: none"> Grant funding spreadsheet prepared and distributed to Works & Infrastructure staff and others to identify possible funding opportunities. 	Strategic Asset Planning
4.2.3	Deliver prioritised capital works programs in line with adopted asset management plans.		 Ongoing	<ul style="list-style-type: none"> Ongoing through maintenance programs and the renewal components of the Capital Works Program. 	Works & Infrastructure
4.2.4	Improve support services and facilities to assist works delivery.		 100%	<ul style="list-style-type: none"> Next priority initiatives from Procurement Review are now being progressed under the Procurement and Purchasing Service Improvement Project. ArcBlue consultant engaged to conduct Leap program. Draft LEAP Action Plan completed ready for presentation to ELT. 	Depot Services
4.2.5	Adopt the City Wide Section 94 Contributions Plan.				
	<ul style="list-style-type: none"> Continue preparation and review of Section 94 Contributions Plans. 		 100%	<ul style="list-style-type: none"> During the quarter s94 plans continued to be prepared and reviewed as follows: <ul style="list-style-type: none"> Draft S94A Plan (applies city wide as outlined in plan) exhibited. Councillor briefing (Oct 2017) and report to Council seeking endorsement of the final s94A Plan scheduled, November 2017 Review of the Nulkaba S94 Plan undertaken in response to changes to RMS requirements. Draft Plan exhibited. Council report seeking endorsement of final Plan scheduled for September 2017 Council meeting Review of the existing Belbird North S94 Plan commenced (in response to substantial subdivision approval in the Urban Release Area). 	Strategic Land Use Planning



Community's Desired Outcome: Accessible Infrastructure, Services & Facilities

OBJECTIVE 4.3: IMPROVING ACCESS TO HEALTH SERVICES LOCALLY

- We have better availability of and access to hospitals and health services in the Local Government Area.
- We have better availability of and access to general practitioners and dental services in the Local Government Area.

DELIVERY PROGRAM 2013-17		DELIVERY PROGRAM STATUS	OPERATIONAL PLAN STATUS	COMMENT	RESPONSIBILITY
4.3.1	Advocate for health services on behalf of the community.				
	<ul style="list-style-type: none"> - Finalise the development of a Health Strategic Plan for the Cessnock Local Government Area. 		 100%	<ul style="list-style-type: none"> • Council at its meeting on the 5 April 2017 adopted the Health and Well-being Plan. 	Community Planning





MEASURES

MEASURES	CONTEXT/BENCHMARK	BASE	TARGET 2017	CURRENT	STATUS	COMMENT
Asset Management Maturity	This measure is the qualitative assessment of Council's Asset Management maturity. The measure is assessed on a scale of basic, core and advanced.	Basic	Core	Basic June 2016		Assessed annually in June. Asset Management Plans adopted by Council. Significant work undertaken towards achieving Core asset management by 2017.
Completion capital works program – roads, bridges and drainage	This measure is the number of completed projects divided by the total number of projects (in the CRL, CRR, CRV, CBS, CDR, RRL and RRR sections) of the adopted Roads, Bridges & Drainage Capital Works Program.	N/A	>85%	87%		

Community's Desired Outcome: Civic Leadership & Effective Governance

OBJECTIVE 5.1: FOSTERING AND SUPPORTING COMMUNITY LEADERSHIP





- We have well-trained and qualified leaders in our community and in our workforce.
- Our young people have aspirations to become leaders.

DELIVERY PROGRAM 2013-2017		DELIVERY PROGRAM STATUS	OPERATIONAL PLAN STATUS	COMMENT	RESPONSIBILITY
5.1.1	Establish a professional development program for Councillors.				
	<ul style="list-style-type: none"> - Develop and deliver pre and post Council-election training sessions and induction (for prospective and successful candidates). 		100%	<ul style="list-style-type: none"> • Councillor briefings continued to be held this quarter, together with the production of the Weekly Circular. This Circular contains updates relevant to the Local Government sector. • A Financial Issues in Local Workshop was delivered in this quarter. • A number of Councillors have registered for the Certificate in Local Government Course delivery through UTS. 	Governance & Business Services
5.1.2	Explore opportunities within the Council workforce for traineeships, apprenticeships and work experience programs.		100%	<ul style="list-style-type: none"> • Work experience students are continuing to be placed across the Council accommodating students from local High Schools and students completing undergraduate studies. Areas of interest continue to be Information Technology, Business Support and Ranger Services; however, we did receive a student from the Hunter Trade College looking at bridge construction. • Essential relationships and networks continue to be built our schools, TAFE's and Universities which will enable Council to continue to provide work experience placements, traineeships and apprenticeships. • Currently we have 7 apprentices working for Council in areas such as Recreation Services, Works Delivery (Bridge Construction), Mechanics and Painting. • Council has 3 School Based Trainees, including one funded under the Elsa Dixon Aboriginal Employment Scholarship, who commenced in February 2017. • Elsa Dixon Aboriginal Employment Scholarship funding was granted in June 2017, recruitment will commence by November 2017. 	Human Resources
5.1.3	Recognise the work of community leaders.		100%	<ul style="list-style-type: none"> • The Hall of Fame nomination process was considered by the Council Initiated Awards Committee and Council at its meeting on the 5 April 2017 resolved to induct two people in to the Hall of Fame. The ceremony took place on the 28 June 2017. 	Community & Cultural Engagement

Community's Desired Outcome: Civic Leadership & Effective Governance

OBJECTIVE 5.2: ENCOURAGING MORE COMMUNITY PARTICIPATION IN DECISION MAKING







- We are informed about our community.
- We are involved in decisions affecting our community.
- We have improved relationships between different levels of government.

DELIVERY PROGRAM 2013-2017		DELIVERY PROGRAM STATUS	OPERATIONAL PLAN STATUS	COMMENT	RESPONSIBILITY
5.2.1	Commence implementation of priority projects from the Communications & Engagement Strategy.		 100%	<ul style="list-style-type: none"> Communications and Engagement Strategy out for comment for managers. Website audit continuing: Companion Animals page improved, aquatic page currently being upgraded. Council template review underway. Social Media Policy reviewed by communications currently with Human Resources for review. 	Communications
5.2.2	Improve Council's use of technology to inform and engage the community.				
	<ul style="list-style-type: none"> Implement on-line customer requests Update Council's telephony products. Investigate the implementation of a Council app for smart devices to improve communication with the community. 		 100%	<ul style="list-style-type: none"> Council's new Call-Centre telephone products have been successfully implemented, enabling Council to capture greater levels of detail in relation to service data. Abandonment rates have dropped and Council continues to use the new system to drive service improvements. An online customer request system has been developed and implemented. Once confirmed to be functioning well, there will be expansion of the number of categories and a media campaign designed to raise public awareness and customer engagement. Investigation of implementing a Council app for smart devices is being developed through Hunter Councils on a regional basis, with \$50,000 contributed to fund the project. A joint meeting of Councils was held on Friday 30 June, 2017. 	Information Systems Governance & Business Services

Community's Desired Outcome: Civic Leadership & Effective Governance

OBJECTIVE 5.3: MAKING COUNCIL MORE RESPONSIVE TO THE COMMUNITY








- Our Council is responsive to the community.
- Our Council's processes are efficient and transparent.

DELIVERY PROGRAM 2013-2017		DELIVERY PROGRAM STATUS	OPERATIONAL PLAN STATUS	COMMENT	RESPONSIBILITY
5.3.1	Commence implementation of the priority projects from the Customer Service Strategy.			<ul style="list-style-type: none"> Revised draft Customer Service Strategy was finalised and endorsed by the Executive and will be further developed in the latter part of 2016. A review of service levels commenced and will continue to be reviewed in accordance with Council's service improvement projects and community engagement outcomes. 	Governance & Business Services
5.3.2	Implement systems and strategies to improve productivity across the organisation.			<ul style="list-style-type: none"> The Salary System Project team had further meetings in the June 2017 quarter to further discuss the development of a new salary system and job evaluation system at Cessnock City Council. In principal agreement was reached with the parties in June 2017 for the implementation of a new salary system for all staff at Council with final agreement reached in August 2017. Consultation on the Salary System and the Performance Management System has now commenced. The new Salary and Performance Management will commence on 1 October 2017. Negotiations for the new Enterprise Agreement have commenced with meetings scheduled until the end of the year. 	Human Resources
5.3.3	Develop and implement a strategic and operational internal audit program.			<ul style="list-style-type: none"> Three audits deferred to 2017-18. (Endorsed by the Audit Committee. Minutes to be adopted by Council). Three audits completed. One audit in progress. Three audits due to commence in May/June. Audit Committee agendas and minutes produced on time. Audit Committee Chair recruitment completed. Strategic Audit Plan 2017-2020 and Annual Audit Plan 2017-18 endorsed by the Audit Committee. 	Internal Audit


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Community's Desired Outcome: Civic Leadership & Effective Governance

DELIVERY PROGRAM 2013-2017		DELIVERY PROGRAM STATUS	OPERATIONAL PLAN STATUS	COMMENT	RESPONSIBILITY
5.3.4	Review and implement a revised Risk Management Strategy.				
	- Commence implementation of the Enterprise Risk Management Strategy.		 100%	<ul style="list-style-type: none"> The Draft Risk Management Framework, incorporating the Risk Management Policy, Risk Management Plan (RMP), Crisis Management Plan (CMP) and Business Continuity Sub-plans are 100 percent complete. All documents have been developed to meet Council's legislative responsibilities and industry best practice [ISO31000 – Risk Management]; however, some rework has resulted in a new revision which has a more simple structure. Giving regard to CCC's organisational and risk culture, the Risk Management Coordinator has recommended to implement the revised document/s and to continually improve these. The new Risk Management Plan and Crisis Management Plan are awaiting approval. The Business Impact Analysis (BIA) and Maximum Acceptable Outage assessment was compiled and integrated with CCC's Service Review Structure. This is to be workshopped with appropriate line managers and facilitated by the Risk Management Coordinator. The Risk Assessment (RA) template is awaiting formal approval. The current draft RA template has been used by various workgroups within CCC to assess its suitability, such as the Buchanan Mosque DA assessment. The Risk Management Coordinator has assisted a number of other CCC Stakeholders with guidance in the RA templates use for both operational and strategic risk management practices. A risk assessment of CCC's IT is currently being prepared ready to be workshopped on the RA template, facilitated by the Risk Management Coordinator. 	Governance & Business Services
5.3.5	Carry out governance functions, provide advice and conduct education programs to comply with legislation and best practice.		 100%	<ul style="list-style-type: none"> Governance functions undertaken this quarter include processing of all GPA applications (including informal), and ongoing provision of Code of Conduct staff inductions. Ongoing implementation of audit actions arising from records management audit have been undertaken this quarter. 	Governance & Business Services
5.3.6	Review the Community Strategic Plan.		 100%	<ul style="list-style-type: none"> Community Strategic Plan – Cessnock 2027 and Delivery Program 2017-21 adopted by Council June 2017. 	Integrated Planning & Strategic Property
5.3.7	Develop and implement a special rate variation strategy.				

Community's Desired Outcome: Civic Leadership & Effective Governance

DELIVERY PROGRAM 2013-2017	DELIVERY PROGRAM STATUS	OPERATIONAL PLAN STATUS	COMMENT	RESPONSIBILITY
- Progress the Financial Sustainability Initiative/Council Improvement Proposal projects.		 100%	<ul style="list-style-type: none"> The initial scoping of the Financial Sustainability Initiative projects was adopted by Council in July 2014. The Financial Sustainability Initiative projects were included in Council's Improvement Proposal in response to the Fit for the Future reform package. Project leads have been identified and action plans have been developed. Project linkages have been mapped. Progress reporting has been incorporated into the IP&R framework from February 2016 (with the December Quarter Review). An outcome of the Service Review project was eight initial service improvement activities which commenced in the September 2016 quarter and concluded in the March 2017 quarter. 	Integrated Planning & Strategic Property

MEASURES

MEASURES	CONTEXT/BENCHMARK	BASE	TARGET 2017	CURRENT	STATUS	COMMENT
Satisfaction with Council's performance overall	This measure is from a random survey of residents where they are asked to rate their satisfaction with Council's performance overall on a scale of 1-5, where 1 = low satisfaction and 5 = high satisfaction. The benchmark in 2009 from similar surveys with over 15,000 residents across 25 local government was 3.5. Current Rating = 2.4 (compared with 3.2 in August 2009)	2.4 2012	>3	3.27 2016		The biennial community survey was carried out in May-June 2016. The latest benchmark for all NSW councils was 3.31.
Response to Telephone Calls	The number of telephone calls to the call centre that are not abandoned divided by the total number of telephone calls to the call centre. This data is sourced from Council's telephone system.	87.7% 2011-12	90%	90% 2016-17		In the June quarter, the Customer Service Centre was presented with 14,560 calls of which 13,690 were serviced, resulting in a service percentage of 93.5 percent. This compares with a service percentage of 85 percent for the same quarter last year. Overall for the year, the service percentage result is 91.1 percent.
Response to Customer Requests	The number of customer requests that are completed within agreed timeframes divided by the total number of customer requests completed. This data is sourced from the workflows in Council's Customer Request Management system.	N/A	80%	79.2% 2016-17		During 2016-17 19,461 customer requests were closed and 79.2% of these (15,422) were within agreed timeframes.

Community's Desired Outcome: Civic Leadership & Effective Governance

DELIVERY PROGRAM 2011-13	% COMPLETE	COMMENT	RESPONSIBILITY
2.1.2.2	50%	<ul style="list-style-type: none"> This review will be incorporated into the broader City Wide Planning Strategy. See 3.1.1 above for status of project. Draft Planning Strategy – December 2017 	Strategic Land Use Planning
3.2.1.1	5%	<ul style="list-style-type: none"> Programmed for a future amendment to the Local Environmental Plan following the review of the Open Space & Recreation Strategy (Item 3.2.1 of the 2013-17 Delivery Program). Provided feedback on the draft recreation and open space strategy (Recreation Needs Analysis) and draft Bicycle Strategy. Estimated completion – December 2018. 	Strategic Land Use Planning
4.1.1.3	95%	<ul style="list-style-type: none"> Review of Engineering Guidelines for Development draft documents completed – project completion expected in the second quarter 2017/18. Traffic and Transport Strategy draft completed. Public exhibition report due to back to Council in third quarter 2017/18. Aquatic Needs Analysis Study completed. Draft Trunk Stormwater Drainage Strategy prepared 2013-17 Delivery Program (Item 3.1.4). Timber Bridge Replacement Strategy (detailing bridge priorities for the next 10 years) completed. 	Strategic Asset Planning

CAPITAL WORKS PROGRAM

2016-17 Capital Works Program

	Asset Management	Roads, Bridges & Pathways	Drainage & Floodplain Management	Recreation & Buildings	Total	%
Achieved*	-	83	8	23	114	86%
Not Achieved	-	9	4	6	19	14%
Total Works	-	92	12	29	133	100%
No Funding Received	-	1	-	-	1	
Planning	14	-	6	-	20	
Total Program	14	93	18	29	154	

*Includes 49 new projects in the June quarter.

CAPITAL WORKS PROGRAM

2016-17 Capital Works Program

INFRASTRUCTURE FORWARD PLANNING			2016/17	
PROJECT NAME	PROJECT No.	STATUS	COMMENTS	
Road Administration	PFI-2017-011	Complete	Ongoing	
Masterplan – Mt View Park	PFI-2017-012	Not achieved	WIP roll into 17/18. Carry forward to the 2017-21 Delivery Program	
Masterplan – Turner Park	PFI-2017-013	Not achieved	WIP roll into 17/18. Carry forward to the 2017-21 Delivery Program	
Masterplan – Miller Park	PFI-2017-014	Not achieved	WIP roll into 17/18. Carry forward to the 2017-21 Delivery Program	
Cessnock Skatepark Feasibility Study	PFI-2017-015	Not achieved	WIP - Consultant engaged in June. Carry forward to the 2017-21 Delivery Program	
Strategic Investigations	PFI-2017-017	Complete	Ongoing	
Building Structural Assessment	PFI-2017-021	Complete		
Carpark Asset Data Collection	PFI-2017-022	Complete		
Community Level of Service (asset only)	PFI-2017-023	Complete		
Level 3 Bridge Inspections	PFI-2017-024	Complete		
Buildings Asset Data Collection (stage 1)	PFI-2017-025	Complete		
Richmond Main Reports	PFI-2017-026	Complete		
Stormwater Data Collections (remaining 30%)	PFI-2017-027	Complete		
Pre-construction Investigation, Survey and Design	PFI-2017-003	Complete		
Funding Source: General Fund	\$790,000	Original Budget		
LOCAL ROAD RENEWAL PROGRAM			2016/17	
PROJECT NAME	PROJECT No.	STATUS	COMMENTS	
Local Road Resurfacing Program	RRL-2017-001	Complete		
- Old Maitland Road, Sawyers Gully	RRL-2017-001a	Complete		
- Fairview Place, Cessnock	RRL-2017-001b	Complete		
- Perris Street	RRL-2017-001c	Complete		
- Ewall Street	RRL-2017-001d	Complete		
- Currawong Close	RRL-2017-001e	Complete		

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CAPITAL WORKS PROGRAM

- Daves Close	RRL-2017-001f	Complete	
- Fourth Street	RRL-2017-001g	Complete	
- Kelis Street	RRL-2017-001h	Complete	
- McBlane Street	RRL-2017-001i	Complete	
- O'Toole Street	RRL-2017-001j	Complete	
- Stringybark Place	RRL-2017-001k	Complete	
- Teece Street	RRL-2017-001l	Complete	
- Woodlands Drive	RRL-2017-001m	Complete	
- Desmond Street	RRL-2017-001n	Complete	
- Duguid Close	RRL-2017-001o	Complete	
- Lightfoot Street	RRL-2017-001p	Complete	
- Linderman Grove	RRL-2017-001q	Complete	
- Charles Street	RRL-2017-001r	Complete	
- Tamworth Street	RRL-2017-001s	Complete	
- Ferguson Street	RRL-2017-001t	Complete	
- Knox Street	RRL-2017-001u	Complete	
- Munro Street	RRL-2017-001v	Complete	
- Echidna Close	RRL-2017-001w	Complete	
- Lings Road	RRL-2017-001x	Complete	
- Belmont Avenue	RRL-2017-001y	Complete	
- Dover Street	RRL-2017-001z	Complete	
- Love Street	RRL-2017-001aa	Complete	
- Matthew Street	RRL-2017-001ab	Complete	
- Old Maitland Road	RRL-2017-001ac	Complete	
- Swansea Crescent	RRL-2017-001ad	Complete	
- George Street	RRL-2017-001ae	Complete	
- Glissan Street	RRL-2017-001af	Complete	

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CAPITAL WORKS PROGRAM

- Lindsay Street	RRL-2017-001ag	Complete	
- Middle Street	RRL-2017-001ah	Complete	
- Clift Street	RRL-2017-001ai	Complete	
- Sale Street	RRL-2017-001aj	Complete	
- Burns Street	RRL-2017-001ak	Complete	
- Greta Street	RRL-2017-001al	Complete	
- Stanford Street	RRL-2017-001am	Complete	
- Londons Road	RRL-2017-001an	Complete	
- Palmer Street	RRL-2017-001ao	Complete	
- Stone Street	RRL-2017-001ap	Complete	
- Kemp Street	RRL-2017-001aq	Complete	
- Reid Street	RRL-2017-001ar	Complete	
- Thomas Street	RRL-2017-001as	Complete	
- McDonalds Road	RRL-2017-001at	Complete	
- Richmond Vale Road	RRL-2017-001au	Complete	
- Maitland Street	RRL-2017-001av	Complete	
- Rawson Street	RRL-2017-001aw	Complete	
Rural Road Regravelling Program	RRL-2017-002	Complete	
Local Road Special Rate Variation Resurfacing Program	RRL-2017-009	Complete	
Railway Parade Kurri Kurri Rehabilitation	RRL-2017-003	Complete	
Anzac Avenue Cessnock Rehabilitation	RRL-2017-004	Complete	
Harle Street Weston Rehabilitation and Culvert Upgrade	RRL-2017-005	Complete	
Loxford to Cessnock Link – Investigation (Grant funding dependent)	RRL-2017-010	No funding	No grant funding available. Carry forward to the 2017-21 Delivery Program
Maitland Street Kurri Kurri Rehabilitation and Table Drain Improvement	RRL-2017-006	Complete	
Alexander Street Cessnock Rehabilitation	RRL-2017-007	Complete	
Wermol Street Kurri Kurri Rehabilitation and Table Drain Improvement	RRL-2017-008	Complete	
<i>Funding Source: General Fund, Special Rate Variation</i>	\$2,929,208	<i>Original Budget</i>	

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CAPITAL WORKS PROGRAM

LOCAL ROAD CONSTRUCTION PROGRAM		2016/17	
PROJECT NAME	PROJECT No.	STATUS	COMMENTS
James Street and Wollombi Road Cessnock Pedestrian Refuge	CRL-2017-001	Not achieved	Investigation complete. Concept Design complete. Preliminary Design complete. Final Design in complete.
Leonard Street and Boomerang Street Cessnock Pedestrian Refuge	CRL-2017-002	Complete	Investigation complete. Warrant for refuge not met. Finger island to remain. Complete
Congewal Street and Quarrybylong Street Aberdare Pedestrian Refuge	CRL-2017-003	Not achieved	Final Design complete.
Mavis Street and Lindsay Street Cessnock Traffic Island	CRL-2017-004	Not achieved	Final Design complete.
Gordon Avenue and Quarrybylong Street Cessnock Pedestrian Refuge	CRL-2017-005	Not achieved	Final Design complete.
Gallagher Street Cessnock Turning Head	CRL-2017-006	Not achieved	Investigation in progress. Concept Design in complete. Preliminary Design complete in progress.
Dalwood Road East Brantxton Parking Improvements	CPW-2015-006	Complete	Final Design complete. Stage 1 construction complete.
Funding Source: General Fund		\$185,000	Original Budget

REGIONAL ROAD CONSTRUCTION PROGRAM		2016/17	
PROJECT NAME	PROJECT No.	STATUS	COMMENTS
Great North Road (Lemming Corner) Laguna Stage 2 Construction	CRR-2016-001	Complete	
Funding Source: RMS Grant		\$795,000	Original Budget

REGIONAL ROAD RENEWAL PROGRAM		2016/17	
PROJECT NAME	PROJECT No.	STATUS	COMMENTS
Regional Road Resurfacing Program	RRR-2017-001	Complete	
Regional Road Special Rate Variation Resurfacing Program	RRR-2017-003	Complete	
Wollombi Road Millfield Rehabilitation Stage 3	RRR-2017-002	Complete	
Funding Source: Block Grant, Repair Program, SRV, General Fund		\$1,528,000	Original Budget

CAPITAL WORKS PROGRAM

VINEYARD ROADS CONSTRUCTION PROGRAM		2016/17	
PROJECT NAME	PROJECT No.	STATUS	COMMENTS
Hermilage Road Pokolbin Reconstruction and Widening Stage 1 (Construction)	CRV-2016-002	Complete	Investigation complete. Concept Design complete. Preliminary Design complete. Final Design complete. Construction complete.
Way finding and signage	CRV-2016-003	Not achieved	Investigation complete. Concept Design complete. Preliminary Design complete. Final Design in progress.
Funding Source: Part of the \$8.6m Resources for Region Grant		\$3,920,000	Original Budget

PATHWAYS CONSTRUCTION PROGRAM		2016/17	
PROJECT NAME	PROJECT No.	STATUS	COMMENTS
Paxton Public School, Anderson Avenue Paxton	CPW-2017-003	Complete	
O'Shea Circuit Cessnock	CPW-2017-004	Complete	
Allworth Street Kurri Kurri	CPW-2017-005	Complete	
Ferguson Street Cessnock	CPW-2017-006	Complete	
Hay Street Abermain	CPW-2017-007	Complete	
Gordon Avenue Cessnock	CPW-2017-008	Complete	
Funding Source: General Fund		\$255,000	Original Budget

BRIDGES CONSTRUCTION PROGRAM		2016/17	
PROJECT NAME	PROJECT No.	STATUS	COMMENTS
Paynes Crossing Bridge Replacement – Investigation and Design (funding dependent)	CBS-2017-006	Complete	Concept Design complete.
Frame Drive Bridge Abermain Replacement	CBS-2016-006	Complete	
Fosters Bridge Mount Vincent Replacement – Investigation and Design	CBS-2016-001	Not achieved	Design Delivery commenced initial investigations.
Sawpit Road Causeway Cedar Creek – Investigation and Design	CBS-2017-017	Complete	Investigation in progress. Concept Design complete. Preliminary Design in progress.

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CAPITAL WORKS PROGRAM

Milsons Arm Bridge Laguna – Refurbish/Replacement	CBS-2017-007	Not achieved	Survey and geotech completed.
Anvil Creek Bridge Greta – Investigation and Design (Stage 1)	CBS-2017-005	Complete	Design Delivery commenced initial investigations, concept options prepared and discussed.
Gillies Bridge Rolbury – Investigation and Design (Stage 1)	CBS-2017-008	Complete	
Dixon Street Bridge Cessnock - Refurbish	CBS-2017-009	Complete	
McFarlane Street Bridge Cessnock - Refurbish	CBS-2017-010	Complete	
Stockyard Creek Bridge Paynes Crossing - Refurbish	CBS-2017-011	Complete	
Neath Road Neath – Culvert Replacement	CBS-2017-012	Not achieved	Investigation in progress.
Watagan Creek #1 Bridge Laguna – Investigation and Design Refurbishment	CBS-2017-013	Complete	
Colliery Street Aberdare – Replacement Investigation and Design	CBS-2017-014	Complete	Concept drainage scoping completed. Project brief to Design Delivery in preparation for intersection design.
Galloway Street Kurri Kurri – Culvert Replacement and Design	CBS-2017-015	Complete	
Burgesses Bridge Congewai - Refurbishment	CBS-2017-016	Complete	
<i>Funding Source: Financial Assistance Grant, General Fund, Roads to Recovery, Bridges Renewal Program</i>	\$4,302,500	<i>Original Budget</i>	

FLOODPLAIN MANAGEMENT PROGRAM		2016/17	
PROJECT NAME	PROJECT No.	STATUS	COMMENTS
Cessnock Flood Risk Management Plan Priority Recommendations – South Cessnock Investigation (Grant funding dependent)	PMF-2017-003	Not achieved	Stage 1 - Concept Design completed. Stage 2 – Consultant procurement process underway for detailed design.
Cessnock Flood Risk Management Plan Priority Recommendations – Voluntary House Raising Scheme (Grant funding dependent)	PMF-2017-005	Complete	VHR Scheme established.
Swamp Creek Risk Management Plan Priority Recommendations – Abermain and Weston Investigation (Grant funding dependent)	PMF-2017-004	Complete	Draft REF underway. Vegetation management plan completed. Flora and fauna impact completed.
Swamp Creek Risk Management Plan Priority Recommendations – Voluntary House Raising Scheme (Grant funding dependent)	PMF-2017-006	Complete	VHR Scheme established.
Wollombi Flood Risk Management Plan Priority Recommendations – Wollombi Flood Warning System Investigation (Grant funding dependent)	PMF-2017-002	Complete	Flood warning concept options report finalized. Funding application for detailed design and construction submitted. Draft education pack prepared.
Greta/Anvil Creek Flood Study (Grant funding dependent) (consultant engagement)	PMF-2017-007	Complete	Consultant engagement completed
<i>Funding Source: OEH Grant, General Fund</i>	\$334,377	<i>Original Budget</i>	

CAPITAL WORKS PROGRAM

DRAINAGE CONSTRUCTION PROGRAM		2016/17	
PROJECT NAME	PROJECT No.	STATUS	COMMENTS
Whitburn Estate Greta – Trunk Drainage (Stage 2)	CDR-2017-002	Not achieved	Construction programed to commence June 2017.
Thomas Street North Rothbury - Drainage	CDR-2017-003	Not achieved	Investigation in progress. Easement acquisition stalled due to the sale of the development to another party.
Ridley Street Abermain – Investigation and Design Drainage	CDR-2017-004	Complete	Final Design complete.
Oliver Street South Cessnock – Investigation (Stage 1)	CDR-2017-005	Complete	Project in association with PMF-2017-003. The Oliver Street South Cessnock is aligned with outcomes from the South Cessnock Floodplain Management outcomes – presently underway with consultants via Martin Connor.
Railway Street Branxton – Investigation and Design (Stage 1)	CDR-2017-006	Complete	Investigation and Concept Design has been completed, awaiting final documentation receipt from Transport NSW (Sydney Trains) regarding Final stage regarding approval of Lease Agreement in favour of CCC.
Miscellaneous Drainage Projects	CDR-2017-007	Complete	No funding allocation.
Buchanan Road Buchanan – Culvert	CDR-2016-008	Not achieved	Construction commenced June 2017.
Hillview Road East Branxton – Culvert	CDR-2016-006	Complete	
Wine Country Drive Nulkaba – Kerb and Gutter	CDR-2017-008	Complete	RMS project.
Cooper Street Heddoo Greta – Investigation (Stage 1)	CDR-2016-003	Not achieved	Project investigation underway. Easement acquisition underway.
Anvil Street Greta – Investigation (Stage 1)	CDR-2016-004	Complete	Concept design complete.
Heddoo Street Kurri Kurri – Investigation (Stage 1)	CDR-2016-005	Complete	Concept options report complete.
<i>Funding Source: Drainage Loan, Stormwater Management Income</i>	\$2,132,500	<i>Original Budget</i>	

CAPITAL WORKS PROGRAM

RECREATION FACILITIES RENEWAL PROGRAM		2016/17	
PROJECT NAME	PROJECT No.	STATUS	COMMENTS
Kilchener Poppelhead Park – Walkway Renewal	RFR-2017-004	Complete	
Kurri Kurri Tennis Courts – Retaining Wall Renewal	RFR-2017-005	Complete	
Norman Brown Memorial Park (Greta) – Softfall Replacement	RFR-2017-006	Complete	
North Rothbury Multi-Purpose Court – Multi-Purpose Court Renewal	RFR-2017-007	Complete	
Parks and Reserves Asset Renewal Program	RFR-2017-008	Complete	
Playground Edging Program	RFR-2017-002	Complete	
Veterans Memorial Park (Aberdare) – Footpath Renewal	RFR-2017-009	Complete	
<i>Funding Source: General Fund</i>	\$158,300	<i>Original Budget</i>	

CESSNOCK CIVIC PRECINCT REVITALISATION PROGRAM		2016/17	
PROJECT NAME	PROJECT No.	STATUS	COMMENTS
Bridges Hill Park – Playground Renewal	RCC-2017-001	Not achieved	Consultant engaged to complete design.
Pathway Renewal and Access Improvements from CBD to Bridges Hill	RCC-2017-002	Not achieved	Consultant engaged to complete design.
CBD Wayfinding Signage	RCC-2017-003	Not achieved	Design briefs being developed
<i>Funding Source: General Fund</i>	\$158,300	<i>Original Budget</i>	

RECREATION FACILITIES CONSTRUCTION PROGRAM		2016/17	
PROJECT NAME	PROJECT No.	STATUS	COMMENTS
Centenary Park (Abermain) – Pathway Extension (Stage 1)	CFR-2017-001	Complete	
Cessnock Civic Park – Installation of Fencing	CFR-2017-007	Not achieved	WIP roll into 17/18. Carry forward to the 2017-21 Delivery Program
Kurri Kurri Central Park – RV Area (Stage 3)	CFR-2017-008	Complete	
MT View Park – Floodlight Pole Installation	CFR-2017-010	Not achieved	WIP roll into 17/18. Carry forward to the 2017-21 Delivery Program
Mulbring Park – New Shelter and Picnic Setting	CFR-2017-011	Complete	
Peace Park (Weston) – Installation of BBQ	CFR-2017-003	Complete	
Turner Park (Aberdare) – Fencing (Stage 1)	CFR-2017-013	Complete	
<i>Funding Source: Grants, S.94 Contributions, General Fund</i>	\$110,000	<i>Original Budget</i>	

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CAPITAL WORKS PROGRAM

RECREATION BUILDINGS RENEWAL PROGRAM		2016/17	
PROJECT NAME	PROJECT No.	STATUS	COMMENTS
Kurri Kurri Sportsground – Upgrade Ticket Booth	RBR-2017-007	Complete	
Mulbring Park – Grandstand Upgrade Stage 1	RBR-2017-008	Not achieved	WIP roll into 17/18. Carry forward to the 2017-21 Delivery Program
Stanford Merthyr Pony Ground – Facility renewal including new roof	RBR-2017-009	Complete	
Funding Source: General Fund		\$131,400	Original Budget

COMMUNITY BUILDINGS RENEWAL PROGRAM		2016/17	
PROJECT NAME	PROJECT No.	STATUS	COMMENTS
Grela Pre School – Roof and Gutter Replacement	CBC-2017-002	Complete	
Kurri Kurri Ambulance Hall – Toilet Refurbishment – Stage 1	CBC-2017-003	Complete	
Laguna Community Hall – Formalise Access/Seal Road	CBC-2017-004	Complete	
Kurri Kurri Senior Citizens Hall – Pathway Renewal	CBC-2017-005	Complete	
Belbird Community Hall – Kitchen Renewal (part grant funded)	CBC-2017-006	Complete	
Funding Source: General Fund		\$95,000	Original Budget

POOLS FACILITIES RENEWAL PROGRAM		2016/17	
PROJECT NAME	PROJECT No.	STATUS	COMMENTS
Branxton Pool – Facilities Renewal	RFP-2017-001	Complete	
Cessnock Pool – Facilities Renewal	RFP-2017-002	Complete	
Kurri Kurri Aquatic Centre – Facilities Renewal	RFP-2017-003	Complete	
Funding Source: General Fund		\$236,000	Original Budget

CEMETERIES FACILITIES CONSTRUCTION PROGRAM		2016/17	
PROJECT NAME	PROJECT No.	STATUS	COMMENTS
Gordon Williams Memorial Lawn Cemetery – Stage 1 Implementation of Masterplan	CFC-2017-002	Complete	
Funding Source: Cemeteries Reserve		\$40,000	Original Budget

June 2017 Quarterly Review of Financial Sustainability Initiative/Improvement Proposal Projects



Summary of Progress

SUSTAINABILITY – STRATEGIC PROPERTY REVIEW				
SCOPE	KEY MILESTONES	PROPOSED SAVING*	STATUS	COMMENTS
The <i>Strategic property review</i> will review Council's property portfolio to ensure it is being efficiently and effectively managed on behalf of the community. It will ensure that property assets are being appropriately utilised and will identify 'lazy' assets and convert them into sustainable revenue-generating assets through the establishment of a Property Investment Fund where 20% of the return on investment generated will be used to fund infrastructure, services and facilities in line with Council's adopted Delivery Program.	<ul style="list-style-type: none"> 2014-2015 – Phase 2 in progress – Investigate stage 1 properties, identify stage 2 properties and implement Property Investment Fund reporting. 2015-16 – Implement actions for stage 1 properties, investigate stage 2 properties, and identify stage 3 properties. 2016-17 – Implement actions for stage 1 properties, investigate stage 2 properties, and identify stage 3 properties. Further stages as required. 	\$50,000	In progress.	<p>Phase 1 – complete. Property Investment Policy adopted. Property Management Policy updated. Property Management Guidelines revised. Assessment criteria developed and Stage 1 properties identified.</p> <p>Phase 2 – complete. Councilors briefed and reports to Council prepared in 2015.</p> <p>The first report was considered by Council in February 2016 and the second report was considered in August 2016.</p> <p>A Councillor briefing was held in March 2017.</p> <p>The remaining two reports (regarding Phase 2) will be considered by the Strategic Property & Community Facilities Committee.</p>

SUSTAINABILITY – SPONSORSHIP & SUBSIDIES REVIEW				
SCOPE	KEY MILESTONES	PROPOSED SAVING*	STATUS	COMMENTS
The <i>Sponsorship and subsidies review</i> will identify all of the in-kind and monetary donations/sponsorships and other instances where market rates are not being charged to ensure there is transparency, equity and improved governance around these types of transactions.	<ul style="list-style-type: none"> 2015 – Project team to establish framework and commence review. 2016 – Continue review and incorporate results into 2017-21 Delivery Program and long-term financial plan forecasts. 	\$50,000	In progress.	<p>Initial data collected in November-December 2014 for the 2015-16 round of IP&R.</p> <p>The project team has held several meetings to develop criteria for recipients based on the Community Strategic Plan with the objective of increasing the transparency and equity around sponsorships and subsidies.</p> <p>Criteria for waiving fees was developed and included in the 2016-17 Operational Plan.</p>

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SUSTAINABILITY – FEES & CHARGES REVIEW				
SCOPE	KEY MILESTONES	PROPOSED SAVING*	STATUS	COMMENTS
The Fees & charges review will develop a consistent and transparent methodology for costing services, applying the principles of cost recovery and structuring charges.	<ul style="list-style-type: none"> 2015 – Project team to establish framework and commence review. 2015-16 – Incorporate phase 1 results in 2016-17 Operational Plan 2016 – Finalise review and incorporate results into 2017-21 Delivery Program and long-term financial plan forecasts. 	\$23,000	Commenced.	Initial data collected in November- December 2014 for the 2015-16 round of IP&R. Initial meeting held to discuss purpose and direction of project. A new software package was introduced to complete the 2016-17 fees and charges.
SUSTAINABILITY – INVESTMENT STRATEGY				
SCOPE	KEY MILESTONES	PROPOSED SAVING*	STATUS	COMMENTS
The Investment Strategy will complement Council's property investment portfolio and maximise the return on Council's financial investments.	<ul style="list-style-type: none"> 2015 – Commence review. 2016 – Implement and incorporate results into 2017-21 Delivery Program and long-term financial plan forecasts. 	\$92,000	Not yet commenced.	The Investment Strategy will be developed following the annual Investment Policy review (that was reported to Council in August 2016) in line with the risk appetite of the newly-elected Council.
SUSTAINABILITY – BUSINESS OPPORTUNITIES FRAMEWORK				
SCOPE	KEY MILESTONES	PROPOSED SAVING*	STATUS	COMMENTS
The Business opportunities framework will establish the basis for the operation of entrepreneurial activities to yield Council sustainable revenue streams in the medium to long term.	<ul style="list-style-type: none"> 2015 - Project team to scope project 2016 – Project team to commence development of framework. 	-	Commenced.	The 2015 Contributions Audit identified a potential opportunity to make money from the increasing number of regular "temporary events" (to offset the damage caused to the road network). Preliminary data capture undertaken and project team meetings held to commence scoping of the project.
SUSTAINABILITY – SPECIAL RATE VARIATION STRATEGY				
SCOPE	KEY MILESTONES	PROPOSED SAVING*	STATUS	COMMENTS
The Special Rate Variation Strategy will be re-visited in the medium-term, following the incorporation of the outcomes of the other (Financial Sustainability Initiative) strategies into Council's Long-Term Financial Plan, to determine whether Council needs to consider a further general rate increase to secure its financial position.	<ul style="list-style-type: none"> Post 2016-17 – Assess progress against Financial Sustainability Initiative projects and Fit for the Future benchmarks to determine the need for a special rate variation. 	-	N/A.	No actions programmed.

Quarterly Review of the Delivery Program 2013-2017

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INFRASTRUCTURE & SERVICE MANAGEMENT – SERVICE REVIEW				
SCOPE	KEY MILESTONES	PROPOSED SAVING*	STATUS	COMMENTS
The Service Review will examine each function that Council undertakes and assess whether Council should be providing this service and, if so, to what service standard and how it can be done most efficiently (including the potential for regional coordination and shared services).	<ul style="list-style-type: none"> 2015 – Project team to refine approach and prioritise services for review. 2015 – Commence review of services. 2016 – Continue review of services and incorporate results into 2017-21 Delivery Program and long-term financial plan forecasts. 	\$750,000	Commenced.	<p>Preliminary data collected in December 2013 for the 2014-15 round of IP&R.</p> <p>Draft Service Review strategy and templates adapted from ACELG manual (June 2014).</p> <p>Further data collected in November- December 2014 for the 2015-16 round of IP&R.</p> <p>Initial project team meeting held in mid-November 2015.</p> <p>During the March 2016 quarter a dedicated project management resource was engaged to manage this project.</p> <p>The project setup phase (including development of templates and plans) and information gathering phase was completed in early July 2016.</p> <p>The project identified 138 services and 270 opportunities for improvement.</p> <p>Following analysis of the information gathered, seven service improvement projects were prioritised and their implementation commenced in the September 2016 quarter:</p> <ul style="list-style-type: none"> - Establish a financial baseline for Certifying Authority activities; - Identify all compliance activities across Council; - Improve service delivery of heavy plant and equipment; - Improve service delivery of procurement and purchasing; - Improve service delivery of rural road maintenance; - Improve service delivery of landfill operations; and - Improve service delivery of Cessnock and Branxton swimming pools. <p>The outcomes of these improvement projects were reviewed by the Service Review Panel during the March 2017 quarter and then reported to the Executive.</p>

INFRASTRUCTURE & SERVICE MANAGEMENT – ASSETS, DEPRECIATION & CAPITAL COMMITMENTS REVIEW				
SCOPE	KEY MILESTONES	PROPOSED SAVING*	STATUS	COMMENTS
The assets, depreciation and capital commitments review will revise Council's accounting policies with regards to infrastructure assets, review asset management plans and re-examine the forecasts of future capital expenditure incorporated in Council's Long-Term Financial Plan.	<ul style="list-style-type: none"> 2015 – Community consultation to determine the meaning of satisfactory condition for infrastructure assets; and transfer asset management plans to new templates. 2016-17 – Community consultation to determine levels of service. 	-	In progress.	<p>Revised definitions of "useful lives" and "backlog" used to calculate figures for the 2013-14 Annual Financial Report.</p> <p>Completed community consultation to determine what is a "satisfactory" condition for infrastructure assets in 2015.</p> <p>Roads and stormwater assets were re-valued in 2014-15. Open space and other structures were re-valued in 2015-16.</p> <p>Asset Management Plans have been transferred to the new templates and were adopted by Council in June 2016. (They will be revised as part of the 2017-21 integrated planning and reporting cycle).</p> <p>Development of a four-year capital works program continued during the December quarter (as part of the 2017-21 integrated planning and reporting cycle).</p> <p>Consultation on asset service levels undertaken during the June quarter 2017.</p>

INFRASTRUCTURE & SERVICE MANAGEMENT – DEVELOPER CONTRIBUTIONS REVIEW			
SCOPE	KEY MILESTONES	PROPOSED SAVING*	STATUS
The <i>Developer contributions review</i> will progress the implementation of the development contributions framework (along with the outcomes of the recent internal audit) and re-assess the existing contributions plans including the infrastructure to be provided (as a result of development) and the apportionment of costs.	<ul style="list-style-type: none"> 2014-15 – Internal review of development contributions. 2015 – Commence implementation of review's recommendations. 	-	Commenced.
<p>Internal s94 Steering group established. New procedures and templates were developed to prepare the 2016-17 budget for s94 funded capital works projects.</p> <p>Section 94 work program being finalised (based on recommendations from a number of previous independent reviews and the internal auditor's report). A potential first action may be the development of an overarching s94 Policy.</p> <p>The internal auditor was scheduled to complete the independent forensic review of s94 revenues and expenditures by 30 June 2016.</p> <p>Input into the development of a four-year capital works program was provided during the December quarter (as part of the 2017-21 integrated planning and reporting cycle).</p> <p>Currently finalising the s94a Plan.</p>			






INFRASTRUCTURE & SERVICE MANAGEMENT – PLANT AND FLEET MANAGEMENT REVIEW			
SCOPE	KEY MILESTONES	PROPOSED SAVING*	STATUS
The <i>Plant and fleet management review</i> will ensure efficient and effective usage of resources in delivering infrastructure and services to the community.	<ul style="list-style-type: none"> 2015 – Commence review 2016 – Continue review and incorporate results into 2017-21 Delivery Program and long-term financial plan forecasts. 	\$150,000	In progress
<p>This project has been split into two sub-projects to separately review plant and fleet.</p> <p>The Fleet project team has been established and is meeting regularly.</p> <p>A vehicle logbook exercise was conducted during April–June 2016.</p> <p>The aim is to produce a suite of documents by December 2016, followed by consultation in the first half of 2017 with a view to implement on 1 July 2017.</p> <p>The Plant Review is now one of the Service Review's service improvement projects.</p>			

INFRASTRUCTURE & SERVICE MANAGEMENT – PROCUREMENT REVIEW				
SCOPE	KEY MILESTONES	PROPOSED SAVING*	STATUS	COMMENTS
The <i>Procurement review</i> will critically review spending on materials and contracts and ensure robust procurement practices.	<ul style="list-style-type: none"> 2015 – Implement new procedures and investigate opportunities for further efficiencies. 	-	Commenced	Project team established and project scoped. Implementation of "leading practice in procurement" program as part of the Service Review's service improvement project. Procurement Policy review commenced, with review of procedures to follow – in line with the outcomes of the Procurement & Purchasing service improvement project.
EFFICIENCY – PRODUCTIVITY IMPROVEMENTS & COST SAVINGS PROJECT				
SCOPE	KEY MILESTONES	PROPOSED SAVING*	STATUS	COMMENTS
The <i>Productivity improvements and cost savings project</i> complements the service review and is about reinforcing a culture among staff to actively seek out productivity improvements and cost savings.	<ul style="list-style-type: none"> 2015 – Project team to progress work on potential productivity improvements. 2016 – Incorporation of first round improvements into long-term financial plan forecasts. 	\$1,220,000	Commenced.	Preliminary work undertaken in this area (for the 2014-15 special rate variation application) identified 35 productivity improvements resulting in almost \$2m in one-off and over \$600,000 in ongoing annual savings. Further data was collected in November-December 2014 for the 2015-16 round of IP&R. Information gathering continues. The Service Review project identified a number of opportunities for improvement that will be managed through this project.
EFFICIENCY – PROJECT MANAGEMENT FRAMEWORK IMPROVEMENT				
SCOPE	KEY MILESTONES	PROPOSED SAVING*	STATUS	COMMENTS
The <i>Project management framework improvement project</i> will improve the robustness of Council's project management framework to more efficiently deliver infrastructure and services.	<ul style="list-style-type: none"> 2015-16 – Project team established to review framework and identify improvements. 2016-17 – Transition to improved project management framework commences. 	\$50,000	Commenced.	Project team established and project scoped. A draft framework and a number of template documents have been prepared. Work is now being undertaken on a further set of templates. Overlaps with the Procurement Project have been identified. Implementation of the project management framework will commence in 2016-17 with an initial emphasis on training.

EFFICIENCY – RATING STRUCTURE REVIEW				
SCOPE	KEY MILESTONES	PROPOSED SAVING*	STATUS	COMMENTS
The <i>Rating structure review</i> will reduce the number of rating categories and re-align all rates to the residential rates.	<ul style="list-style-type: none"> 2015-17 – Project team to develop framework and work up options. 2017-18 – Transition to new structure to be incorporated into Revenue Policy. 	-	Not yet commenced.	Scheduled to commence in 2017 following the release of the IPART Rating Review in December 2016 and the release of details regarding the implementation of the Emergency Services Property Levy. It is anticipated that a revised rating structure will be implemented in 2018-19.
EFFICIENCY – RECORDS MANAGEMENT REVIEW				
SCOPE	KEY MILESTONES	PROPOSED SAVING*	STATUS	COMMENTS
The <i>Records management review</i> will improve record keeping practices to minimise the organisation's risk exposure and enhance operational efficiency.	<ul style="list-style-type: none"> 2015 – Internal audit review. 2016 – Commence implementation of review recommendations. 	-	Commenced.	Project scoping undertaken in November 2015. The internal audit of records management was re-scheduled from the March 2016 quarter to the June 2016 quarter. Following a revision of the Internal Audit Plan the records management audit has been further re-scheduled to the December 2016 quarter. The internal audit commenced in the September quarter and was finalised in the March 2017 quarter (when it was reported to the Audit Committee).
EFFICIENCY – EMBED A CONTINUOUS IMPROVEMENT CULTURE				
SCOPE	KEY MILESTONES	PROPOSED SAVING*	STATUS	COMMENTS
The <i>Embed a continuous improvement culture</i> project will reinforce a culture among staff of doing the right things the best way to provide exceptional service to the community.	<ul style="list-style-type: none"> 2015 – Develop organisational values and agreed behaviours 2016 – Pilot ways to integrate a continuous improvement philosophy into day-to-day operations. 	\$30,000	In progress.	Final values signed-off by Executive in November 2015. Draft OI (Organisational Improvement) Cessnock Action Plan considered by Executive in May 2016 (with a view to it being rolled out to staff during 2016-17). Following a project scoping exercise in the September quarter, it was determined that each business unit would be responsible for continuous improvements in their own work area and that future work on embedding a continuous improvement culture will be part of the Productivity Improvements & Cost Savings project.













* Council advice provided to the IPART on 10 September 2015 regarding the contribution of each project to the improved financial result in 2019-20.









Summary of Progress against Fit for the Future Benchmarks





	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 LTFP Forecast	2018-19 LTFP Forecast	2019-20 LTFP Forecast
Operating Performance						
Own Source Revenue						
Building & Infrastructure Renewal						
Infrastructure Backlog						
Asset Maintenance						
Debt Service						
Real Operating Costs per Capita	N/A					



The following updated *Fit for the Future* criteria forecasts based on the actual results for 2014-15, 2015-16 and 2016-17, with the underlying financial figures from 2017-18 onwards remaining consistent with the Long-Term Financial Plan adopted in June 2015.

OPERATING PERFORMANCE		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
The operating performance ratio is calculated by dividing operating revenue (excluding capital grants and contributions) less operating expenses, by operating revenue (excluding capital grants and contributions). The benchmark is greater than or equal to break-even average over 3 years.							
Benchmark >0%							
Proposal		-0.002	-0.009	-0.003	0.007	0.011	0.017
Meets benchmark?							
2014-15 Actual		0.004					
2015-16 Actual			-0.014				
2016-17 Actual				0.004			
LTFP Forecast					0.002	0.017	0.017
Meets benchmark?							

OWN SOURCE REVENUE		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
The own source revenue ratio is calculated by dividing operating revenue (excluding all grants and contributions) by operating revenue (including capital grants and contributions). The benchmark is greater than 60% average over three years.							
Benchmark >60%							
Proposal		72.9%	71.9%	73.6%	77.9%	81.0%	82.8%
Meets benchmark?							
2014-15 Actual		71.6%					
2015-16 Actual			67.4%				
2016-17 Actual				63.37%			
LTP Forecast					73.2%	79.4%	82.8%
Meets benchmark?							

BUILDING & INFRASTRUCTURE ASSET RENEWAL						
The building and infrastructure asset renewal ratio is calculated by dividing asset renewal (buildings and infrastructure) expenditure by depreciation (buildings and infrastructure). The benchmark is greater than 100% average over three years.						
Benchmark >100%	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Proposal	142.9%	153.0%	154.4%	121.0%	106.7%	100.2%
Meets benchmark?						
2014-15 Actual	125.4%					
2015-16 Actual		142.1%				
2015-16 Actual			100.8%			
LTFP Forecast				127.7%	106.7%	100.2%
Meets benchmark?						

INFRASTRUCTURE BACKLOG									
The infrastructure backlog ratio is calculated by dividing the estimated cost to bring assets to a satisfactory condition, by the total written down value of infrastructure, buildings, other structures and depreciable land improvement assets. The benchmark is less than 2%.									
Benchmark <2%	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20			
Proposal	0.84%	1.11%	1.41%	1.59%	1.80%	1.80%			
Meets benchmark?									
2014-15 Actual	0.49%								
2015-16 Actual		2.00%							
2016-17 Actual			3.40%						
LTFP Forecast				1.59%	1.80%	1.80%			
Meets benchmark?									

ASSET MAINTENANCE		2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
The asset maintenance ratio is calculated by dividing the actual asset maintenance by required asset maintenance. The benchmark is greater than 100% average over 3 years.							
Benchmark > 100%							
Proposal		81.3%	98.4%	99.3%	102.5%	101.4%	100.8%
Meets benchmark?							
2014-15 Actual		74.4%					
2015-16 Actual			104.0%				
2016-17 Actual				102.2%			
LTFP Forecast					115.0%	101.4%	100.8%
Meets benchmark?							

DEBT SERVICE RATIO						
The debt service ratio is calculated by dividing the cost of debt service (interest and principal repayments), by operating revenue (excluding capital grants and contributions). The benchmark is greater than 0 and less than or equal to 20% average over 3 years.						
Benchmark >0 and <=20%	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Proposal	2.70%	2.77%	2.88%	2.76%	2.78%	2.81%
Meets benchmark?						
2014-15 Actual	2.50%					
2015-16 Actual		2.50%				
2016-17 Actual			2.14%			
LTFP Forecast				2.62%	2.71%	2.81%
Meets benchmark?						

REAL OPERATING EXPENDITURE PER CAPITA									
The real operating expenditure per capita result is calculated by dividing real operating expenditure (excluding net losses) by the estimated resident population. The benchmark is a real decrease over time.									
Benchmark - decreasing	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20			
Proposal	0.97	0.95	0.90	0.87	0.85	0.83			
Meets benchmark?									
2014-15 Actual	1.04								
2015-16 Actual		1.04							
2016-17 Actual			1.01						
LTP Forecast				0.87	0.85	0.83			
Meets benchmark?									

Facility	Area	Solar System Size (kW)	Equipment & Labour	Est. ESCs	Est. STCs	Net Cost (after rebate)	Est. Savings post 1/1/17 (\$pa)	Est. Savings (kWhrs pa)	Simple ROI Post 1/1/18
Council Sites									
Administration Building	Lighting		\$ 77,165	\$ 10,420		\$ 66,745	\$ 20,000	112,072	3.3
Administration Building	HVAC		\$ 97,000	\$ 15,615		\$ 81,385	\$ 15,000	83,636	5.4
CPAC	Lighting		\$ 13,913	\$ 1,600		\$ 12,313	\$ 2,600	14,206	4.7
CPAC	HVAC		\$ 245,000	\$ 17,816		\$ 227,184	\$ 17,500	95,426	13.0
Cessnock Library	Lighting		\$ 21,913	\$ 3,783		\$ 18,130	\$ 5,000	27,227	1.4
Cessnock Library	HVAC		\$ 150,000	\$ 10,287		\$ 139,713	\$ 10,000	55,100	14.0
HWC Tourist Info Centre	Lighting		\$ 15,435	\$ 3,783		\$ 11,652	\$ 5,555	27,227	2.1
HWC Tourist Info Centre	HVAC		\$ 15,000	\$ 2,035		\$ 12,965	\$ 3,052	10,900	4.2
Airport	Lighting (East & West Term.)		\$ 29,810	\$ 4,089		\$ 25,721	\$ 12,560	50,241	2.0
Airport	HVAC (West Term)		\$ 40,000	\$ 4,481		\$ 35,519	\$ 6,000	24,000	5.9
Works Depot	Lighting		\$ 41,010	\$ 7,950		\$ 33,060	\$ 13,000	70,614	2.5
Cessnock Pool	Pool Heating Solar System		\$ 59,000			\$ 59,000	\$ 6,200	46,850	9.5
Cessnock Pool	Pump VSD		\$ 5,800			\$ 5,800	\$ 4,100	31,000	1.4
Baddeley Park Stadium	Security Lighting		\$ 3,840	\$ 1,000		\$ 2,840	\$ 3,745		0.8
KK Library	HVAC		\$ 32,917	\$ 2,083		\$ 30,834	\$ 2,390	8,852	12.9
Subtotal			\$847,803	\$84,942	\$0	\$751,959	\$126,702	657,351	5.9
Leased Sites									
KK Community centre	Lighting		\$ 25,531	\$ 3,877		\$ 21,654	\$ 11,512	41,117	1.9
KK Community centre	Solar Whirlbirds		\$ 3,660			\$ 3,660			
KK Aquatic Centre	Lighting		\$ 15,492	\$ 4,065		\$ 11,427	\$ 3,690		3.1
KK Aquatic Centre	HVAC/ Humidifier		\$ 40,000	\$ 40,508		\$ -	\$ 23,470	172,134	0.0
KK Aquatic Centre	Pump VSD		\$ 10,000			\$ 10,000	\$ 12,400	82,600	0.8
Subtotal			\$ 94,683	\$ 48,450	\$ -	\$ 46,233	\$ 51,072	295,851	
Solar Installations									
Administration Building	Solar System	45	\$ 91,500		\$ 30,580	\$ 60,920	\$11,826		5.2
CPAC	Solar System	40	\$ 80,200		\$ 26,500	\$ 53,700	\$12,900		4.2
Cessnock Library	Solar System	20	\$ 39,600		\$ 12,745	\$ 26,855	\$6,044	6,044	4.4
HWC Tourist Info Centre	Solar System	10	\$ 21,300		\$ 6,430	\$ 14,870	\$3,345	3,345	4.4
Works Depot	Solar System (additional)	10	\$ 20,300		\$ 7,370	\$ 12,930	\$2,008		6.4
KK Aquatic Centre	Solar System	70	\$ 138,600		\$ 48,790	\$ 89,810	\$12,540	91,980	7.2
KK Library	Solar System	15	\$ 29,210		\$ 17,910	\$ 11,300	\$4,570		2.5
Subtotal		210	\$ 420,710	\$ -	\$ 150,325	\$ 270,385	\$ 53,233	9,389	5.1
Indirect Energy Saving Projects									
Cessnock Library	Ceiling Insulation		\$ 13,100			\$ 13,100			
HWC Tourist Info Centre	Automated Door Control		\$ 3,500			\$ 3,500			
HWC Tourist Info Centre	Reflective Blinds		\$ 4,500			\$ 4,500			
Cessnock Pool	Thermal Blanket Winder		\$ 5,000			\$ 5,000			
Subtotal			\$ 26,100	\$ -	\$ -	\$ 26,100			
Completed Projects									
Cessnock Library	Reflective Blinds		\$7,840			\$7,840			
KK Library	Lighting		\$17,712	\$2,119		\$15,593	\$2,829	18,000	5.5
Subtotal			\$25,552	\$2,119	\$0	\$23,433			5.5
Total			\$1,414,848	\$135,511	\$150,325	\$1,118,110	\$231,007	962,591	4.8

Bridges Hill Park Playground & Access Improvements

1

Introduction

Cessnock City Council is committed to ensuring residents and visitors have access to excellent parks and playgrounds.

Bridges Hill Park and Convent Hill provide the local community with a valued open green space, wooded bushland and playground in a peaceful neighbourhood area. The park is enjoyed by many different people including residents, school children, active fitness groups and recreational walkers.

It is anticipated the playground and access improvements works will be delivered in stages with grant funding. Council has successfully secured a grant for the first stage works and is also partnering with the Cessnock Wine Country Lions Club and the Rotary Club of Cessnock to deliver key components of the playground.

In March 2017, Council undertook consultation with local children from Cessnock West and St Patrick's Public Schools and Cessnock and Mount View High Schools to seek ideas and suggestions. Your feedback has helped us shape the concept plan and we are now seeking further input to refine the plans.

Have your say

The proposed design is now on exhibition and we would like to hear your comments.

Please review the concept plans and complete a feedback form by **TBC**.

The plans will be on display at Council Administration Building, the Cessnock Library and available on the Cessnock City Council website.

Contact

Matthew Gordon, Project Manager on (02) 4993 4100 or email Matt.Gordon@cessnock.nsw.gov.au

Postal Address

Box 152, Cessnock, NSW, 2325

Website

<https://www.cessnock.nsw.gov.au>

General Enquiries

Cessnock City Council
62-78 Vincent Street, Cessnock, NSW, Australia
(02) 4993 4100
council@cessnock.nsw.gov.au



Improvement Works focus on five key areas.

- 1 Cumberland Street to Convent Hill pedestrian link
- 2 Yango and Millfield Street lower to Millfield Street upper pedestrian link
- 3 Kings Street entry upgrade
- 4 Park links and path improvements
- 5 Bridges Hill Park Playground

INTRODUCTION

MASTER PLAN

ACCESS IMPROVEMENTS

PLAYGROUND



Bridges Hill + Convent Hill Access Improvements

2

Master Plan

Following extensive community consultation, Council endorsed the East End Oval, Bridges Hill and Convent Hill Master Plan in June 2016.

The Master Plan provides a vision to improve the quality and connection across the three parks. The Master Plan identified the need to upgrade Bridge Hill Park Playground and improve pedestrian access through the Cessnock Commercial Precinct and the parks.



Existing Convent Hill Site

- ① Edward Street upgrade
- ② Convent Hill Entry Sign
- ③ Convent Hill entry
- ④ East-west through link
- ⑤ Yango Street entry garden bed upgrade
- ⑥ Perimeter footpath to Bridges Hill
- ⑦ Lower route through to Bridges Hill
- ⑧ Secondary route through to Bridges Hill
- ⑨ Access upgrade to Millfield Street
- ⑩ Access upgrade to King Street
- ⑪ Location for Viewing
- ⑫ Weed management



Key Plan



Concrete footpath upper route.



Gravel track from King Street lower route.



Existing stairs and handrails to CBD.



Stair access to private property.



Existing Bridge Hill Site

- ① Centrally located Playground
- ② Toilet block
- ③ Free play space
- ④ Perimeter route - 2.5m wide
- ⑤ Lower route
- ⑥ Upper route
- ⑦ Hardcourt multi-use space
- ⑧ Victoria Street raised crossing
- ⑨ Formalise route to Millfield Street
- ⑩ Informal amphitheater
- ⑪ Stairs to upper Bridges Hill
- ⑫ Fitness stations
- ⑬ Signage and low fence
- ⑭ Entry feature - public art
- ⑮ Picnic shelters
- ⑯ BBQ facilities
- ⑰ Off street parking Millfield Street
- ⑱ Weed management
- ⑲ Yarning Circle
- ⑳ Green Corridor



Key Plan



Concrete footpath towards Yango St.



Victoria Street Edge



Existing Playground.



View towards Yango Street and Carpark.

INTRODUCTION

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PLAYGROUND



Bridges Hill + Convent Hill Access Improvements

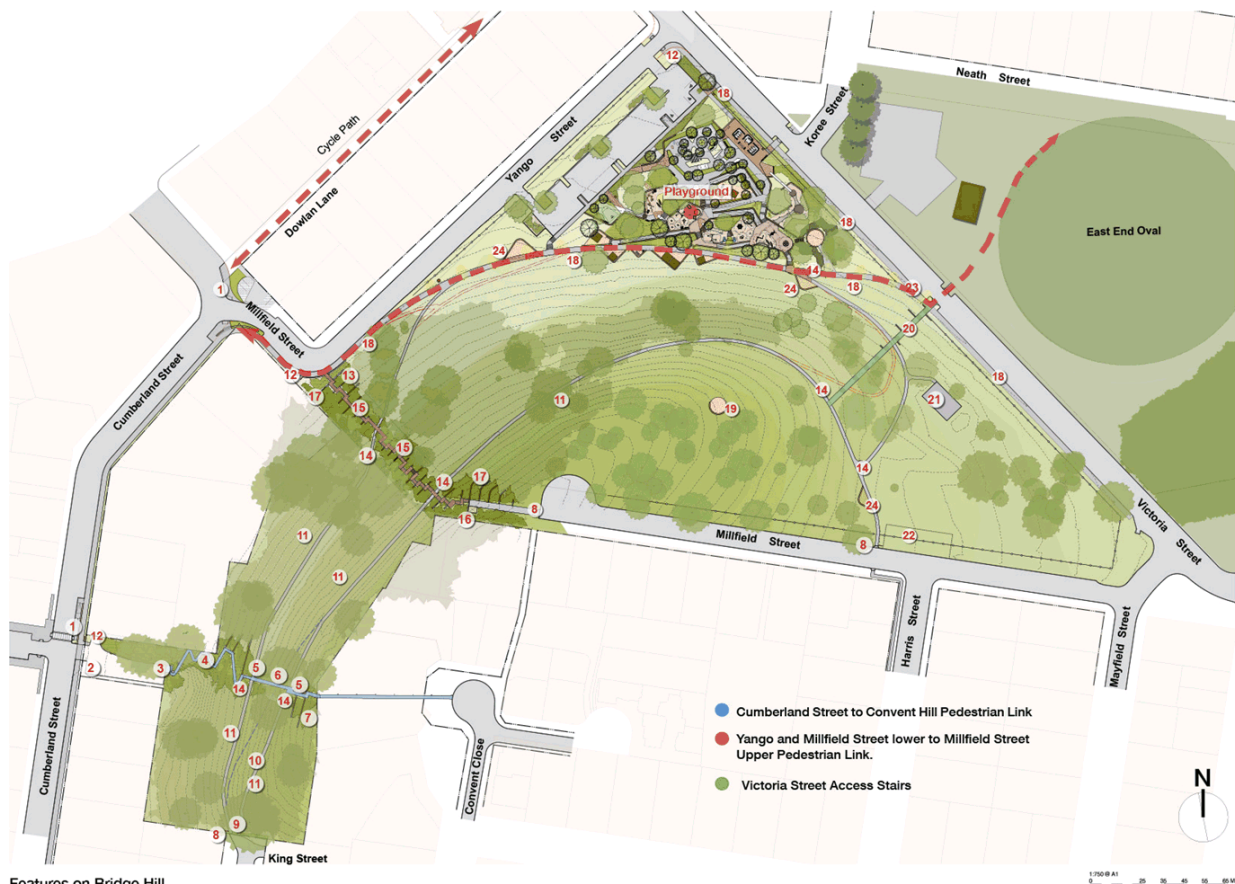
3

Concept Design

Bridges Hill Park and Convent Hill are significant open spaces with views across Cessnock to the Broken Back Ranges. The steep grades of the existing tracks have resulted in significant storm water scour and drainage problems. The existing route and paths are also often incomplete which currently restricts access and reduces usability.

Council recognises the importance of improving access to its open spaces and between its neighbourhoods for residents, workers and visitors.

The project aims to improve the pedestrian connections between Cessnock Commercial Precinct, the three parks and the surrounding neighbourhood. A new colour coded path and stair route will improve access, legibility and way finding. The proposal will address the drainage issues with terrace walls and rock-lined swales and native revegetation plantings. Viewing platforms, rest stops seating, heritage and interpretation signage are also proposed.



Features on Bridge Hill



Improved access on East-West links.



New handrails and footpath improvements



Replace timber edges with new sandstone logs terrace walls



Colourful metal handrail

Key Interventions

- 1 New kerb extensions to improve access and reduce the crossing distance
- 2 New LED lighting in car park and along the Cumberland Street to Convent Hill pedestrian link
- 3 New stair access, gantry bridge and viewing platform.
- 4 New handrails and footpath improvements
- 5 Bench seating +Viewing Platform
- 6 Coal mine portal and heritage interpretation Signage
- 7 Replace timber edges with new sandstone logs terrace walls
- 8 Park Entry paving and Wayfinding Signage
- 9 New Upper Path access stairs
- 10 1.5m Concrete Footpath upgrade
- 11 Rock lined swales and native revegetation works.
- 12 Park Entry Signage
- 13 Rain Garden and infiltration swale to reduce run-off and clean stormwater.
- 14 Directional Wayfinding Signage
- 15 Access stairs to Millfield Street- steel platform stairs and concrete landings.
- 16 Existing Telstra tower
- 17 Sandstone logs terrace walls and drainage improvement works
- 18 2.5m Concrete Shared Path
- 19 Scenic Picnic Lookout
- 20 Access stairs to Victoria street
- 21 Existing skate park upgraded to multi-purpose court and tennis hit up wall.
- 22 Proposed Future Car Park
- 23 New mid-block kerb extensions on Victoria Street to improve access, safety and reduce the crossing distance.
- 24 Fitness Stations

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Bridges Hill Park Playground

Preliminary Playground Concept Design

4

The purpose is to provide a regional scale playground for local residents and visitors which encourage children of all ages and abilities to be physically active and engage with the natural environment. A key aspect of the playground brief is to include Aboriginal theming in the playground.

The Cessnock Local Government Area lies on Wonnarua, Awabakal and Darkinjung People's Land, and the Bridges Hill and Convent Hill park is part of Wonnarua Land. The Wonnarua people have a deep connection to their country which is reflected in relationships to the landscape, flora and fauna. To respect and reflect this the playground will be designed around aspects of local Wonnarua culture. Some examples include; the use of the Wedge-tailed Eagle, (the totem for the Cessnock area), landscaping with native garden planting, artworks, sculpture, the incorporation of play elements such as traditional canoes and shelter structures.

The new adventure playground will provide a creative and imaginative play space that enhances the park. The aim is providing a beautiful and safe space with a mixture of play experiences including structured play equipment, imaginative, incidental and nature play which creates intrigue and encourages children to explore the natural environment and gain an understanding of native habitat.



- | | |
|--|--|
| 1 Main Entry and Park Signage | 14 Low Barrier Fence |
| 2 Rain Garden to clean storm water run-off | 15 Viewing Platform, Picnic and BBQ Areas |
| 3 2.5m concrete Shared Path | 16 Accessible parking |
| 4 Picnic Shelter and Tables | 17 Rotary Tree |
| 5 Rock Scramble Embankments | 18 Intermediate Play Space with swings, inclusive spinner and climbing decks. |
| 6 Embankment slide | 19 Minor Park and Playground Entry |
| 7 Fitness Equipment Station | 20 Shade Structure |
| 8 Basketball Hoop | 21 Enclosed Toddler Play Space |
| 9 Children's Bike Circuit and Obstacle Course with Open tunnel. | 22 Nature Play Area including: Balance beams, stepping stones and timber logs. |
| 10 Local Aboriginal artwork and sculpture | 23 Brick paved areas to denote low speed pedestrian environment. |
| 11 Advanced Adventure Climbing Structure | 24 Future Kerb and gutter upgrade on Victoria and Yango Street. |
| 12 Yarning Circle + Sensory Bush Tucker Garden | 25 Bus Parking |
| 13 Public Amenities including Male, Female, Unisex Accessible, baby Change and Communal Hand Basins. (future works). | |

Design Components



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MASTER PLAN

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PLAYGROUND



Bridges Hill Playground

Material Palette

5

Bikes



Playground Equipment



Nature Play



Fitness



Yarning Circle



Planting and Walls



Outdoor Furniture



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PLAYGROUND

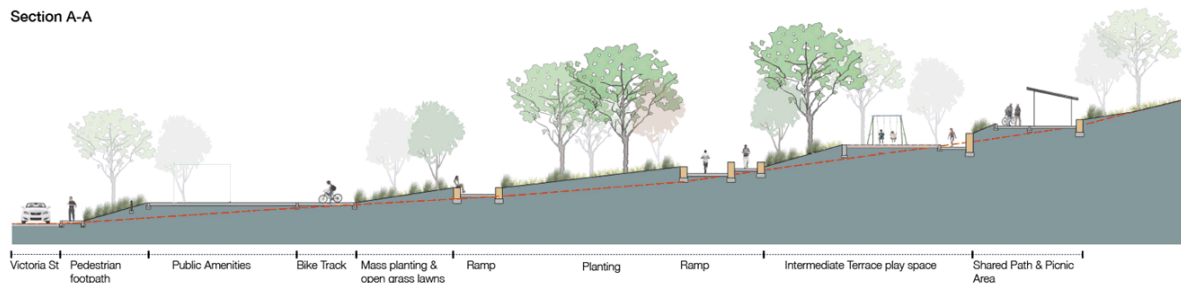


Bridges Hill Playground

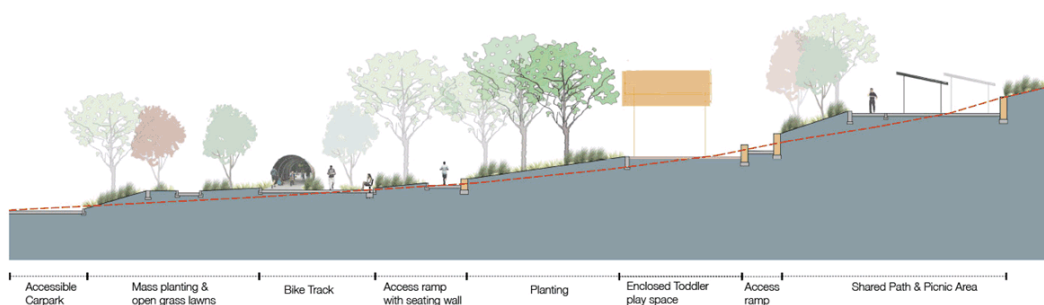
Playground Concept Design

6

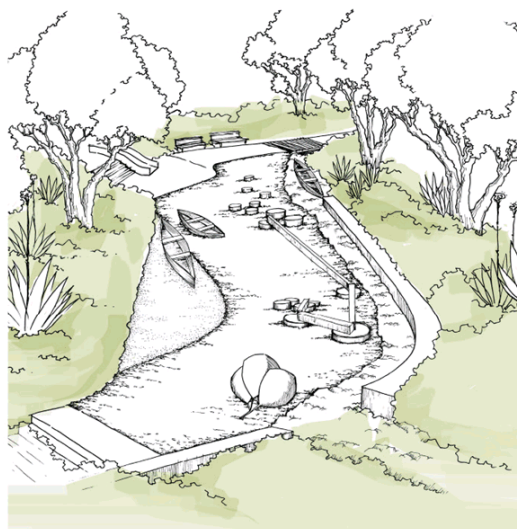
Section A-A



Section B-B



Nature Play Area



Adventure Climbing Nest



INTRODUCTION

MASTER PLAN

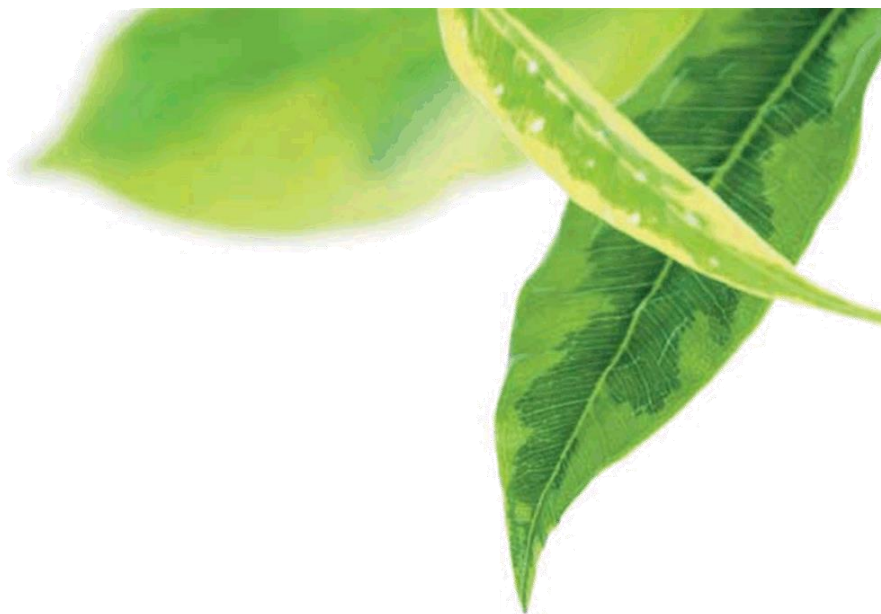
ACCESS IMPROVEMENTS

PLAYGROUND



landscape masterplan

millar park - braxnton



site:
braxnton
client:
cessnock city council
proposal:
landscape masterplan
project no:
11605.5
date:
02.08.2017
revision:
G



site analysis

miller park - branxton

01

august 2017

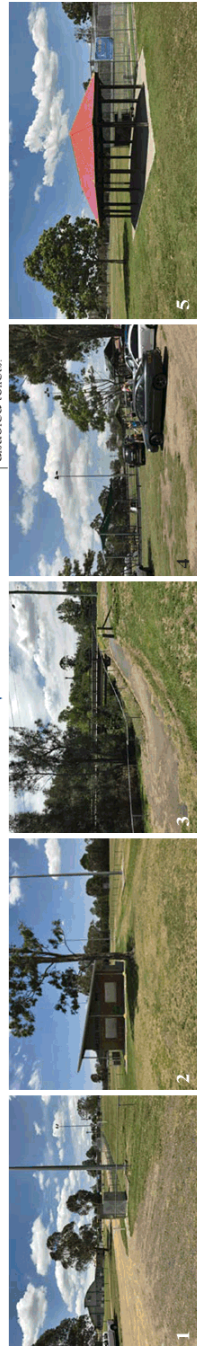


legend

- view point
- existing trees
- sports field
- unsealed car parking
- formalised car parking
- playground
- outdoor gym
- existing facility
- local off road cycleway
- project boundary
- powerline over
- gas main
- road reserve
- drainage line
- sewerage easement
- waterway
- main arrival
- existing pedestrian access
- existing discus throwing cage
- signage/wayfinding
- existing flood lighting

site details:
miller park, maitland st.
branxton
client:
cessnock city council
date:
02.08.2017
job number:
11605.5
scale:
1:1000
division:
G

terras
landscape architects
41/43 branxton rd
branxton, nsw 2100
ph: 49 264 936
fax: 49 263 569
www.terras.com.au



02

august 2017

opportunities

milller park - branxton



terras
landscape architects
41/43 cessnock rd
branxton nsw 2100
ph: 49 264 956
fax: 49 263 569
www.terras.com.au

CESSNOCK CITY COUNCIL

masterplan

miller park - branxton

03

august 2017



key notes

legend

- existing trees
- new street trees
- new general trees
- car parking
- pathway
- existing facilities
- new facilities
- relocated cricket net
- shade terrace seating
- relocated 2nd long jump
- existing long jump to be relocated
- wire fencing
- high chain link fence (2.4m height)
- security fence (1800mm height)
- chain wire fence
- cricket sight screen
- under path
- waterway
- existing drainage swale
- upgrade
- new concrete swale
- project boundary
- new flood lighting
- existing flood lighting
- lockable gate
- existing discus throwing cage
- new discus throwing cage
- signage/wayfinding
- pedestrian linkage

key notes

- children's bicycle circuit**
with trees and mass planting.
provide connection with existing playground and proposed shelter for better parental supervision.
- dog off-leash area**
with bus, shaded seats and fence.
- existing cricket field**
upgrade with auto irrigation, cricket sight screen, and new flood lighting.
- new cricket oval**
with irrigation.
- existing soccer field**
with bus, chain link fence at front and restricted access.
- existing junior soccer field**
with irrigation and flood lighting.
- new tennis courts**
with new LED flood lighting.
- 2.5m cycleway/ pedestrian footpath**
to connect existing city



scale 1:3000 @ a3



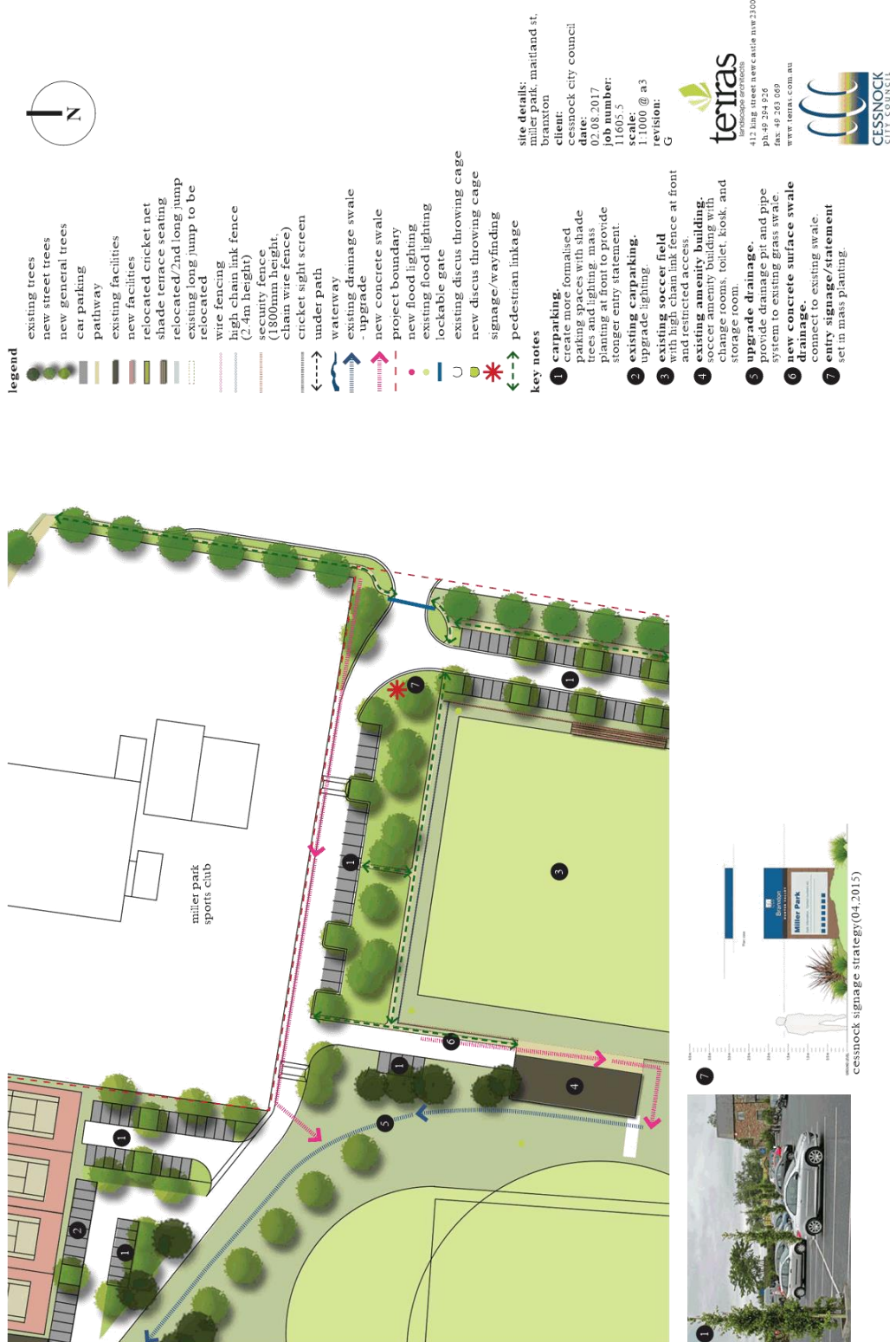
- new amenity building**
demolish existing building and relocate cricket nets to provide new building with change rooms (inc. female change room), shower, storage, lock, shaded seating and first aid room.
- new large shelter**
with bbq for community gathering.
- extension of shade**
extend existing club building with shade structure.
- carparking**
create more formalised parking spaces with shaded trees and lighting. entry area with garden at front to provide stronger entry statement.
- upgrade turf netball courts**
with new flood lighting. upgrade existing lighting to LED.
- streetscape**
improve streetscape with street planting to define edge of sustainable precinct (e.g. powerlines) upgrade unsealed path / cycleway with 2.5m bitumen surface.
- upgrade path under bridge**
with new 120 max. access ramp.
- new concrete pathway**
for disabled access to amenities.
- upgrade drainage**
provide drainage pit and ppe system to existing grass swale.
- new concrete surface swale drainage**
connect to existing swale.
- new bus terminal**
- new long jump pits / track**
- shade tiered seating**
- pump track**
- junior soccer fields**

04

august 2017

masterplan

milller park - branxton

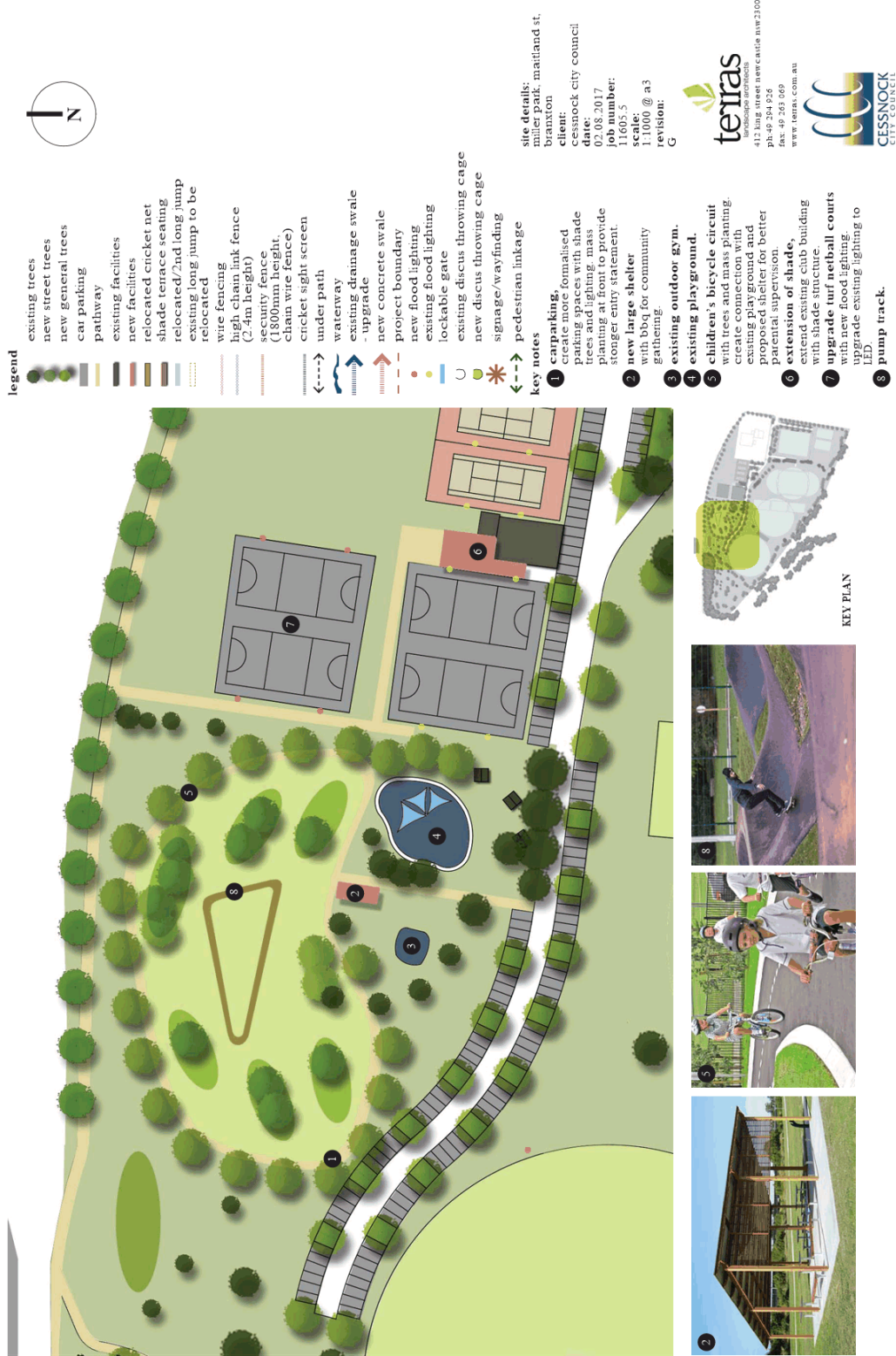


masterplan

miller park - branxton

05

august 2017




Site details:
 Miller park, maitland st,
 braxton
 Client:
 essnock city council
 Date:
 22.08.2017
 Job number:
 1605.5
 Scale:

revision:



landscape architects
12 king street newcastle nsw 2300
h: 49 294 926
fax: 49 263 069





terraS LANDSCAPE ARCHITECTS
10001 24th Ave S
Suite 200
Boulder, CO 80501
303.440.1234
www.terraS.com

MILLER PARK

Items listed below are inclusive of supply + install unless noted otherwise

Items listed below are exclusive of GST

Prices and costs outlined below are intended as an approximate indication of the probable costs involved for works to be undertaken as per associated landscape plans and specifications. Estimated quantities are provided for information only. Actual quantities may vary due to site conditions and other factors. All prices are inclusive of GST unless otherwise stated.

ITEM	SPECIFICATION	UNIT	QTY	RATE	COST
PAGE 1					
1	New cricket oval	cricket	1	\$1,000.00	\$1,000.00
2	Existing cricket field	cricket	1	\$1,000.00	\$1,000.00
3	Existing junior soccer field	cricket	1	\$1,000.00	\$1,000.00
4	Existing junior soccer field	cricket	1	\$1,000.00	\$1,000.00
5	Existing junior soccer field	cricket	1	\$1,000.00	\$1,000.00
6	Existing junior soccer field	cricket	1	\$1,000.00	\$1,000.00
7	Existing junior soccer field	cricket	1	\$1,000.00	\$1,000.00
8	Existing junior soccer field	cricket	1	\$1,000.00	\$1,000.00
9	Existing junior soccer field	cricket	1	\$1,000.00	\$1,000.00
10	Existing junior soccer field	cricket	1	\$1,000.00	\$1,000.00
11	Existing junior soccer field	cricket	1	\$1,000.00	\$1,000.00
12	Existing junior soccer field	cricket	1	\$1,000.00	\$1,000.00
13	Existing junior soccer field	cricket	1	\$1,000.00	\$1,000.00
14	Existing junior soccer field	cricket	1	\$1,000.00	\$1,000.00
15	Existing junior soccer field	cricket	1	\$1,000.00	\$1,000.00
16	Existing junior soccer field	cricket	1	\$1,000.00	\$1,000.00
17	Existing junior soccer field	cricket	1	\$1,000.00	\$1,000.00
18	Existing junior soccer field	cricket	1	\$1,000.00	\$1,000.00
19	Existing junior soccer field	cricket	1	\$1,000.00	\$1,000.00
20	Existing junior soccer field	cricket	1	\$1,000.00	\$1,000.00
21	Existing junior soccer field	cricket	1	\$1,000.00	\$1,000.00
22	Existing junior soccer field	cricket	1	\$1,000.00	\$1,000.00
23	Existing junior soccer field	cricket	1	\$1,000.00	\$1,000.00
24	Existing junior soccer field	cricket	1	\$1,000.00	\$1,000.00
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193	Existing junior soccer field	cricket	1	\$1,000.00	\$1,000.00
194	Existing junior soccer field	cricket	1	\$1,000.00	\$1

landscape masterplan

mount view park - cessnock



site:
cessnock
client:
cessnock city council
proposal:
landscape masterplan
project no:
11605.5
date:
31.07.2017
revision:
F



site analysis

mount view park - cessnock

01

july 2017



terras
landscape architects
41/43 The Esplanade
Cessnock NSW 2100
ph: 49 264 936
fax: 49 263 569
www.terras.com.au

CESSNOCK CITY COUNCIL

02

july 2017

opportunities

mount view park - cessnock



0m 50m 100m



03

july 2017

masterplan

mount view park - cessnock



masterplan b
mount view park - cessnock


site details:
 mount view park, mount
 view road, cessnock
client:
 cessnock city council
date:
 31.07.2017
job number:
 11605.5
scale:

revision:
F



landscape architects
412 king street newcastle nsw 2300
ph: 49 294 926
fax: 49 263 069
www.teras.com.au





TERRAS LANDSCAPE ARCHITECTS
12 MIDWAY STREET NEWCASTLE NSW 2060
(02) 9429 6428 terrass@terras.nsw.gov.au

AT VIEW PARK

Items listed below are inclusive of supply + install unless noted otherwise

Items listed below are exclusive of GST

Prices and costs outlined below are intended as an approximate indication of the probable costs involved for works to be undertaken as per associated Landscape Plans and Specifications. Estimated quantities and rates displayed below are variable and shall be confirmed on site prior to works being undertaken

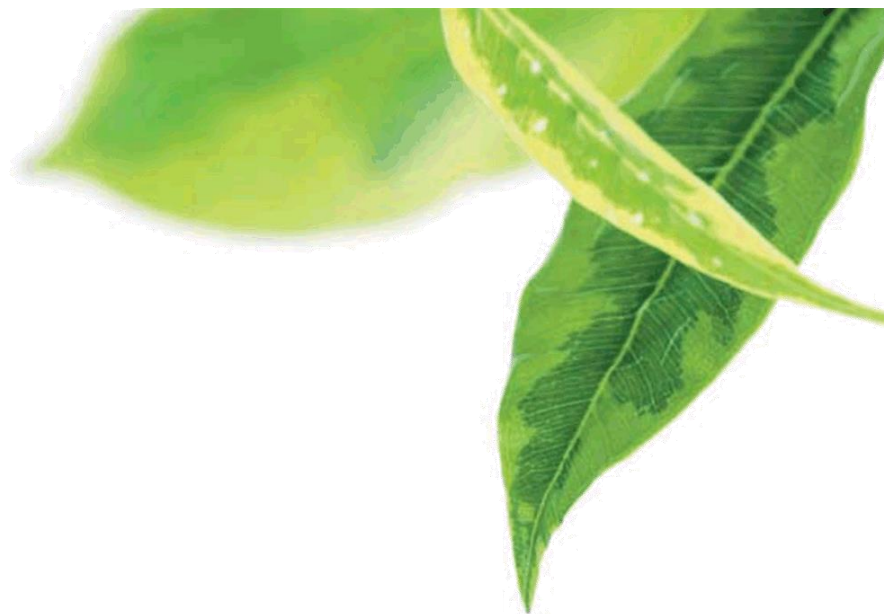
ITEM	SPECIFICATION	UNIT	QTY	RATE	COST
TAGE 1					
1	Way finding signage to the entry of sports field	item	1	\$1,000.00	\$1,000.00
2	Lockable gate to existing carpark	item	2	\$5,000.00	\$6,000.00
3	Existing carpark upgrade	item	1	\$200,000.00	\$200,000.00
4	New street trees on the western side of Mount View	item	6	\$300.00	\$1,800.00
5	Pedestrian bridge	item	1	\$500.00	\$500.00
6	Plant and soil structure	m2	372	\$10,000.00	\$3,720,000.00
7	Enrichment tree removal and remediation	item	1	\$600.00	\$600.00
8	Remediation of embankment sink holes	item	60	\$4,000.00	\$240,000.00
9	Remediation of embankment sink holes	item	10	\$2,000.00	\$20,000.00
10	Replace trees with lower height and faster rooted species 75L	item	100	\$300.00	\$30,000.00
SUB TOTAL:					\$488,600.00

TAGE 2					
1	Replay hedges field (international)	item	0.5	\$400,000.00	\$200,000.00
2	Replay hedges field (international)	item	1.5	\$1,000.00	\$1,500.00
3	Replay hedges field (international)	item	1.5	\$1,000.00	\$1,500.00
4	Replay hedges field (international)	item	1.5	\$1,000.00	\$1,500.00
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71	Replay hedges field (international)	item	1.5	\$1,000.00	\$1,500.00
72	Replay hedges field (international)	item	1.5	\$1,000.00	\$1,500.00
73	Replay hedges field (international)	item	1.5	\$1,000.00	\$1,500.00
74	Replay hedges field (international)	item	1.5	\$1,000.00	\$1,500.00
75	Replay hedges field (international)	item	1.5	\$1,000.00	\$1,500.00
76	Replay hedges field (international)	item	1.5	\$1,000.00	\$1,500.00
77	Replay hedges field (international)	item	1.5	\$1,000.00	\$1,500.00
78	Replay hedges field (international)	item	1.5	\$1,000.00	\$1,500.00
79	Replay hedges field (international)	item	1.5	\$1,000.00	\$1,500.00
80	Replay hedges field (international)	item	1.5	\$1,000.00	\$1,500.00
81	Replay hedges field (international)	item	1.5	\$1,000.00	\$1,500.00
82	Replay hedges field (international)	item	1.5	\$1,000.00	\$1,500.00
83	Replay hedges field (international)	item	1.5	\$1,000.00	\$1,500.00
84	Replay hedges field (international)	item	1.5	\$1,000.00	\$1,500.00
85	Replay hedges field (international)	item	1.5	\$1,000.00	\$1,500.00
86	Replay hedges field (international)	item	1.5	\$1,000.00	\$1,500.00
87	Replay hedges field (international)	item	1.5	\$1,000.00	\$1,500.00
88	Replay hedges field (international)	item	1.5	\$1,000.00	\$1,500.00
89	Replay hedges field (international)	item	1.5	\$1,000.00	\$1,500.00
90	Replay hedges field (international)	item	1.5	\$1,000.00	\$1,500.00
91	Replay hedges field (international)	item	1.5	\$1,000.00	\$1,500.00
92	Replay hedges field (international)	item	1.5	\$1,000.00	\$1,500.00
93	Replay hedges field (international)	item	1.5	\$1,000.00	\$1,500.00
94	Replay hedges field (international)	item	1.5	\$1,000.00	\$1,500.00
95	Replay hedges field (international)	item	1.5	\$1,000.00	\$1,500.00
96	Replay hedges field (international)	item	1.5	\$1,000.00	\$1,500.00
97	Replay hedges field (international)	item	1.5	\$1,000.00	\$1,500.00
98	Replay hedges field (international)	item	1.5	\$1,000.00	\$1,500.00
99	Replay hedges field (international)	item	1.5	\$1,000.00	\$1,500.00
100	Replay hedges field (international)	item	1.5	\$1,000.00	\$1,500.00
SUB TOTAL:					\$453,200.00

TAGE 3					
1	Regional basin park	item	1	\$800,000.00	\$800,000.00
2	New carpark	item	2000	\$110.00	\$220,000.00
3	Lockable gate to existing carpark	item	2	\$5,000.00	\$6,000.00
4	Existing carpark upgrade	item	1	\$200,000.00	\$200,000.00
5	New street trees on the eastern side of Mount View	item	150	\$200.00	\$30,000.00
6	Pedestrian bridge	item	1	\$500.00	\$500.00
7	Way finding signage to the new carpark	item	1	\$1,000.00	\$1,000.00
8	Plant and soil structure	m2	800	\$10,000.00	\$8,000,000.00
9	Enrichment tree removal and remediation	item	1	\$600.00	\$600.00
10	Remediation of embankment sink holes	item	60	\$4,000.00	\$240,000.00
11	Remediation of embankment sink holes	item	10	\$2,000.00	\$20,000.00
12	Replace trees with lower height and faster rooted species 75L	item	100	\$300.00	\$30,000.00
SUB TOTAL:					\$2,418,100.00
DEVELOPMENT ALLOWANCE					\$34,120.00

landscape masterplan

turner park - cessnock



site:
cessnock
client:
cessnock city council
proposal:
landscape masterplan
project no:
11605.5
date:
15.08.2017
revision:
H



site analysis

turner park - cessnock

01

august 2017



0m 50m 100m



site details:
turner park, aberdare rd, cessnock
cessnock city council
date: 15.08.2017
job number: 11605.5
scale: 1:1000
revision: H



02

august 2017

opportunities at turner park - cessnock



august 2017



masterplan a

turner park - cessnock

04

august 2017



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landscape architects
41/43 terrace street
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fax: 49 263 569
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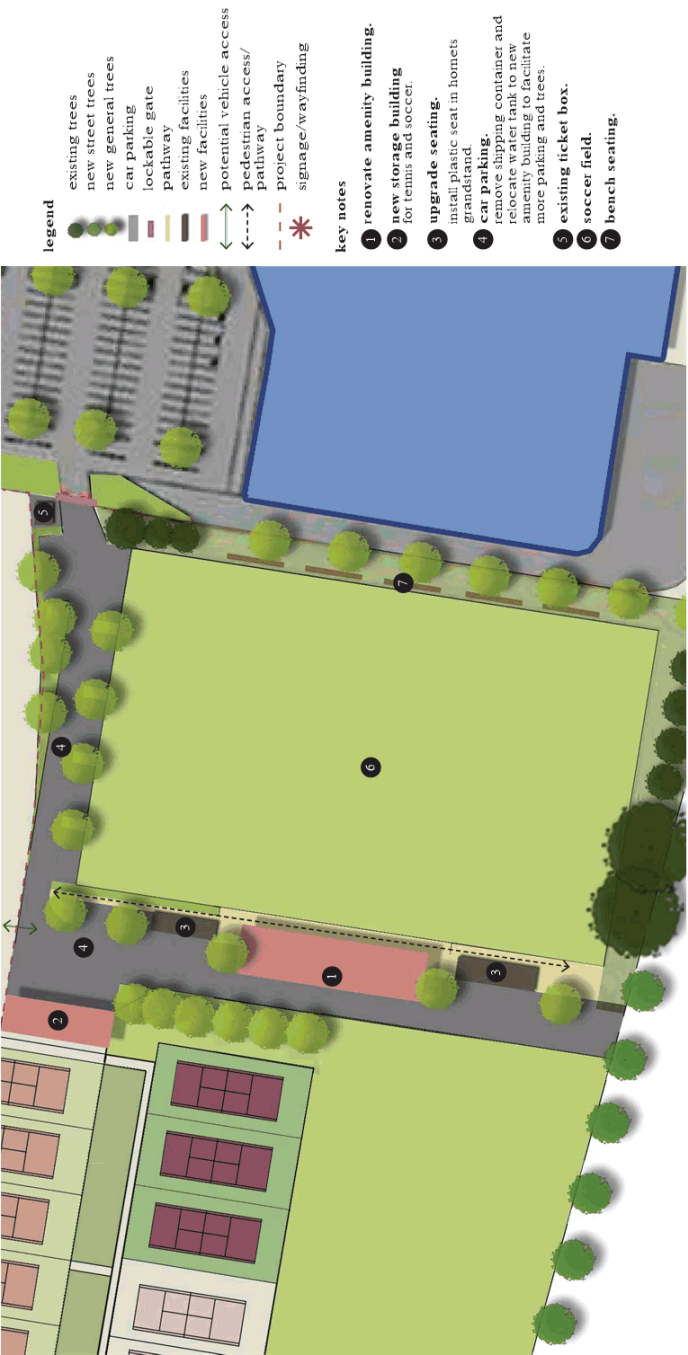
CESSNOCK CITY COUNCIL

masterplan

05

turner park - cessnock

august 2017



masterplan b

turner park - cessnock

06

august 2017



- key notes**
- 11 javelin, rubber surfacing.
 - 12 new street trees, provide streetscape character to the site, small trees under power lines.
 - 13 new storage building for tennis and soccer.
 - 14 tiered shaded seating.
 - 15 access linkage, access from proposed road, existing to carparked area.
 - 16 potential access linkage, possible easement over adjacent private land for access, subject to negotiation.
 - 17 relocated discus cages.
 - 18 amenity building with storage and seating.

- legend**
- existing trees
 - new street trees
 - new general trees
 - car parking
 - lockable gate
 - pathway
 - existing facilities
 - new facilities
 - potential vehicle access
 - pedestrian access/pathway
 - project boundary
 - signage/wayfinding
 - relocated discus cage
 - new lighting
 - existing lighting

- key notes**
- 1 upgrade tennis club to have front office and retail area, upgrade lighting to LED.
 - 2 soccer training field.
 - 3 new amenity building, demolish existing and build a new amenity building, contains storage room, female players & official facilities, and press box, relocate water tank next to new building.
 - 4 shade stands upgrade seating, metal/plastic seats in forents grandstand.
 - 5 soccer field.
 - 6a car parking, remove shipping container and relocate water tank to new amenity building to facilitate more parking and trees.
 - 6b car parking, with mass planting and trees.
 - 7 proposed aquatic center.
 - 8 athletic/ soccer field.
 - 9 lengthen the long jump.
 - 10 relocate the long jump.



site details:
turner park, aberdare road, cessnock
cessnock city council
date: 15.08.2017
job number: 11605.5
scale: 1:1000 @ a3
revision: H



costing a
turner park - cessnock

07
august 2017

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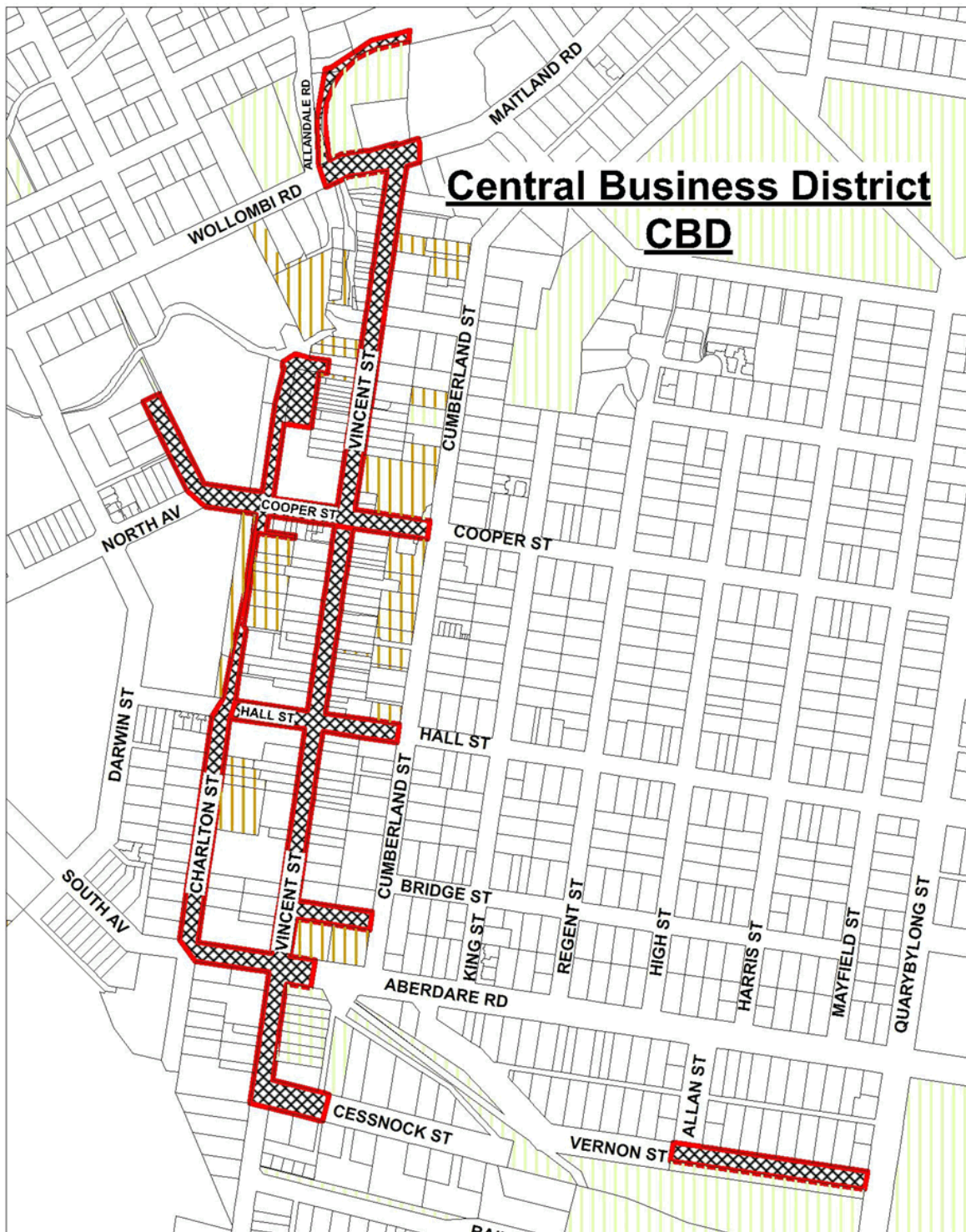
CSSNOCK
 CITY COUNCIL

site details:
 turner park, aberdare
 road, cessnock
client:
 cessnock city council
date:
 15.08.2017
job number:
 11605_5
scale:
 H
revision:

terras
landscape architects
412 king street newcastle nsw 2300
ph: 49 284 926
fax: 49 263 069
www.terras.com.au

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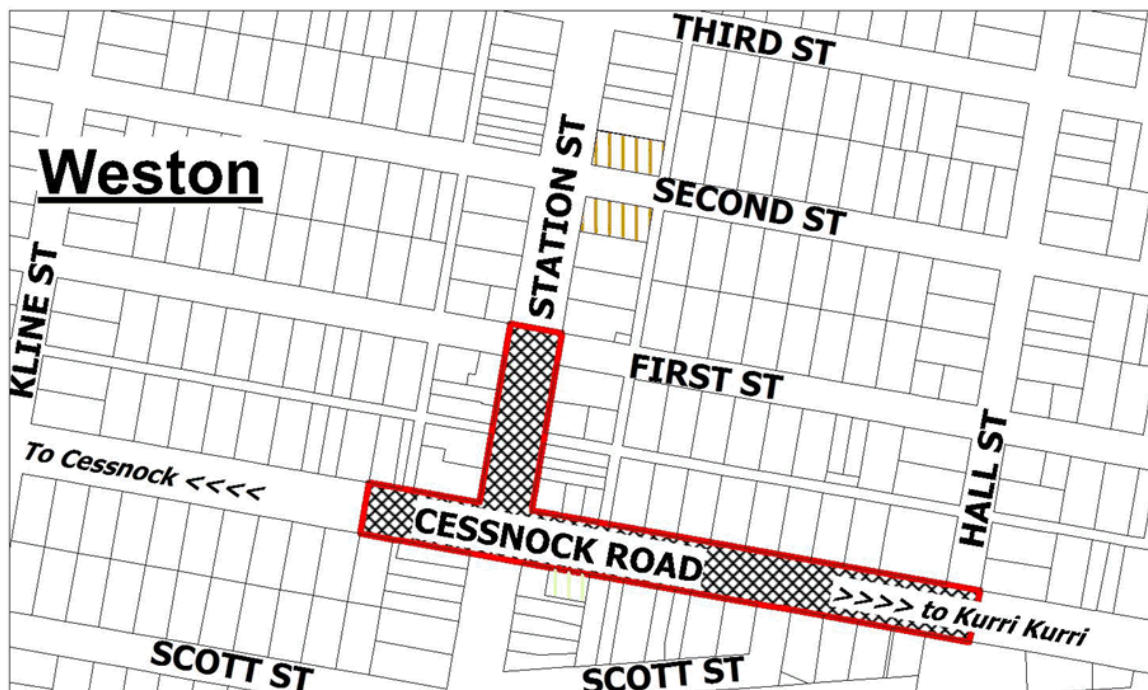
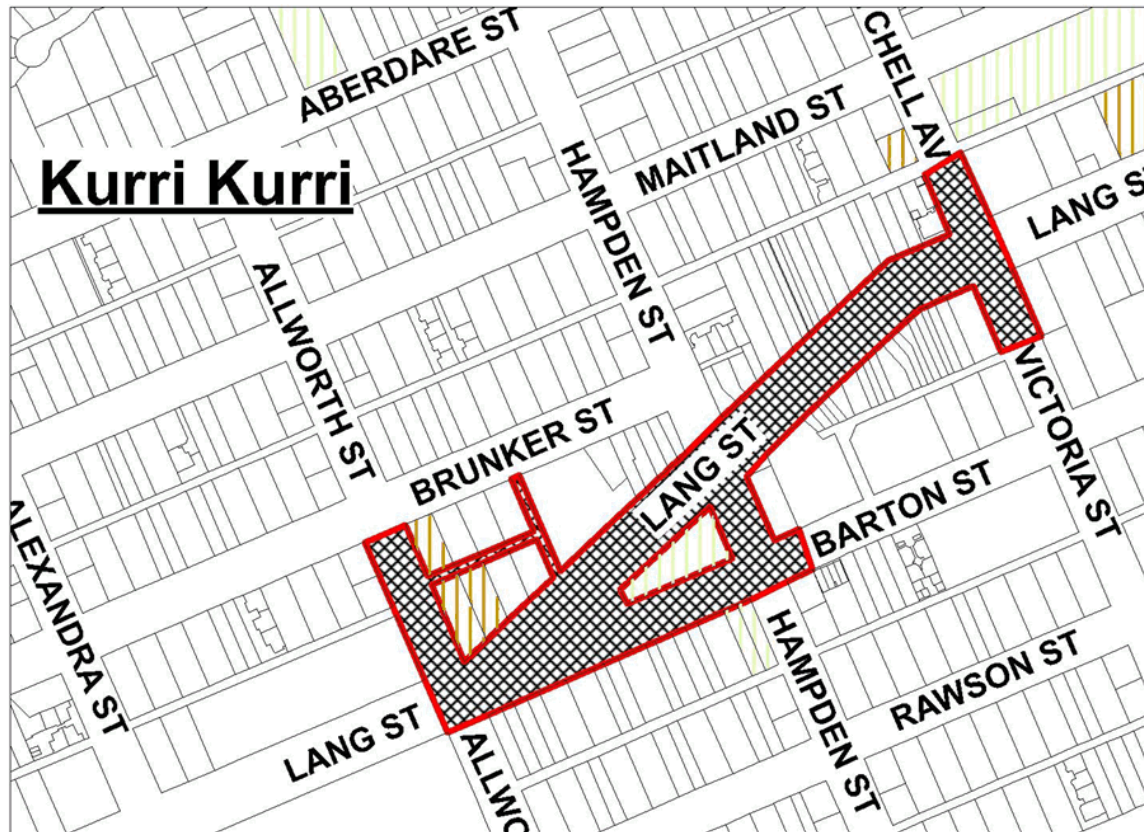
Proposed Alcohol Free Zone Renewal



Proposed Alcohol Free Zone Renewal 2017 - 2021



Proposed Alcohol Free Zone Renewal



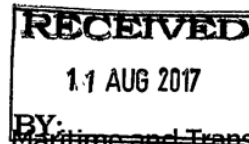
Proposed Alcohol Free Zone Renewal 2017 - 2021





Kevin Anderson MP

Parliamentary Secretary for Regional Roads, Maritime and Transport
Member for Tamworth



Our Ref 00333366

Your Ref CB2-CessnockCityCouncil-Roa170512-1521

Mr Clayton Barr MP
Member for Cessnock
PO Box 242
CESSNOCK NSW 2325

Dear Mr Barr *Clayton*

Thank you for your correspondence to the Minister for Roads, Maritime and Freight on behalf of Mr Stephen Glen, General Manager Cessnock City Council about a school zone on Wine Country Drive. Mr Glen also wrote to the Minister directly about this matter, and I trust he will accept this as a response to both approaches.

I appreciate Mr Glen's concerns for road safety and thank him for taking the time to write. Mr Glen can be assured the NSW Government is committed to improving road safety for all road users, especially for the most vulnerable members of our community, our children.

As you may be aware, school zones are in place to protect St Phillips Christian College students on Lomas Lane, and flashing lights are also in place in the school zone. Under the NSW School Zones program, 40 km/h school zones are provided on roads where there is an active, direct access point to the school, and where high numbers of schoolchildren are likely to be seen making their way to and from school. They are not typically intended for routes to school.

As the school does not have direct access to Wine Country Drive, Roads and Maritime Services believes that school-aged pedestrians are safer on the local road in lower-speed environments than heavily trafficked and higher-speed roads such as Wine Country Drive.

Mr Glen may be interested to know, the NSW Government invests in a range of programs to improve road safety around schools. For example, the new SafetyTown website features fun, interactive ways teachers, parents and kids can be safer on roads at www.safetytown.com.au.

In addition, the NSW Government is spending a record \$282 million in the 2017-18 NSW Budget to improve road safety. This will fund road safety projects including education campaigns, road upgrades and high-visibility police enforcement.

I hope this has been of assistance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kevin Anderson', written over a horizontal line.

Kevin Anderson MP
Parliamentary Secretary

3.8.2017

GPO Box 5341 Sydney NSW 2001 ■ P: (02) 8574 7300 ■ nsw.gov.au/ministerpavey