



Coffs Harbour City Council

19 February 2014

ORDINARY MEETING

The above meeting will be held in the Council Chamber, Administration Building, corner Coff and Castle Streets, Coffs Harbour, on:

THURSDAY 27 FEBRUARY 2014

The meeting commences at **5.00pm** and your attendance is requested.

AGENDA

1. Opening of Ordinary Meeting
2. Acknowledgment of Country
3. Disclosure of Interest
4. Apologies
5. Public Addresses / Public Forum
6. Mayoral Minute
7. Mayoral Actions under Delegated Authority
8. [Confirmation of Minutes of Ordinary Meeting – 13 February 2014](#)
9. Notices of Motion
10. [General Manager's Reports](#)
11. [Consideration of Officers' Reports](#)
12. Requests for Leave of Absence
13. Matters of an Urgent Nature
14. Questions On Notice
15. Consideration of Confidential Items (if any)
16. Close of Ordinary Meeting.

Steve McGrath
General Manager



COFFS HARBOUR CITY COUNCIL
ORDINARY MEETING
COUNCIL CHAMBERS
COUNCIL ADMINISTRATION BUILDING
COFF AND CASTLE STREETS, COFFS HARBOUR
27 FEBRUARY 2014

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ITEM DESCRIPTION

GENERAL MANAGER'S REPORTS

GM14/7 2014 NATIONAL GENERAL ASSEMBLY OF LOCAL GOVERNMENT - CALL FOR MOTIONS

The following item either in whole or in part may be considered in Closed Meeting for the reasons stated.

GM14/8 LEGAL APPEAL - DEVELOPMENT APPLICATION NO. 119/13 - LOT 26 DP 1001621, NO. 1 BREAKERS WAY KORORA - MULTI-UNIT HOUSING (ONE ADDITIONAL NEW DWELLING) AND STRATA SUBDIVISION

A portion of this report is confidential for the reason of Section 10A (2):

(g) advice concerning litigation, or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege, and in accordance with Section 10A (1) the meeting may be closed to the public.

CITY INFRASTRUCTURE SERVICES DEPARTMENT REPORTS

CIS14/3 WATER EFFICIENCY STRATEGIC AND WATER EFFICIENCY IMPLEMENTATION PLANS - ADOPTION OF REVIEWED PLANS

CIS14/4 RELEASE OF EASEMENT FOR DRAINAGE OF SEWAGE - 1 SIXTEENTH AVENUE, SAWTELL

CORPORATE BUSINESS DEPARTMENT REPORTS

CB14/7 FINANCIAL REPORTS 2012-2013

CB14/8 QUARTERLY BUDGET REVIEW STATEMENT FOR DECEMBER 2013

CB14/9 BANK BALANCES AND INVESTMENTS FOR JANUARY 2014

COMMUNITY DEVELOPMENT DEPARTMENT REPORTS

CD14/3 COUNCIL SISTER CITY DELEGATION TO SASEBO, JAPAN, 2014

CD14/4 COFFS HARBOUR INTERNATIONAL BUSKERS AND COMEDY FESTIVAL
2013

CITY PLANNING DEPARTMENT REPORTS

CP14/4 DEVELOPMENT APPLICATION 121/13 - DEMOLITION OF EXISTING
DWELLING, ATTACHED DUAL OCCUPANCY AND STRATA SUBDIVISION –
LOT A DP 390197, 8 SOLITARY ST, COFFS HARBOUR

CP14/5 DEVELOPMENT APPLICATION 939/13 – 2 LOT SUBDIVISION – LOT 2 DP
732048, 20B WILLIAM HAWORTH DRIVE, KORORA

CP14/6 DEVELOPMENT APPLICATION NO. 876/12 – SUBDIVISION INTO 1
RESIDENTIAL TORRENS TITLE LOT PLUS 13 RESIDENTIAL COMMUNITY
TITLE LOTS AND 1 COMMUNITY LOT - LOT 19 DP 1126372, 45 RUTLAND
STREET, BONVILLE

The following document is the minutes of the Council and Committee meeting held on 13 February 2014. These minutes are subject to confirmation as to their accuracy at the next meeting to be held on 27 February 2014 and therefore subject to change. Please refer to minutes of 27 February 2014 for confirmation.



**COFFS HARBOUR CITY COUNCIL
ORDINARY MEETING
COUNCIL CHAMBERS
COUNCIL ADMINISTRATION BUILDING
COFF AND CASTLE STREETS, COFFS HARBOUR
13 FEBRUARY 2014**

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COFFS HARBOUR CITY COUNCIL

ORDINARY MEETING

13 FEBRUARY 2014

Present: Councillors D Knight (Mayor), J Arkan, N Cowling, R Degens, G Innes, B Palmer, K Rhoades, M Sultana and S Townley

Staff: General Manager, Director City Infrastructure Services, Director City Planning, Director Community Development, Director Corporate Business and Executive Assistant

The meeting commenced at 5.00 pm with the Mayor, Cr D Knight in the chair.

We respectfully acknowledge the Gumbayngirr Country and the Gumbayngirr Aboriginal peoples who are traditional custodians of the land on which we meet and their Elders both past and present.

The Mayor reminded the Chamber that the meeting was to be recorded, and that no other recordings of the meeting would be permitted.

DISCLOSURES OF INTEREST

The General Manager read the following disclosure of interest to inform the meeting:

Councillor	Item	Type of Interest
Cr Palmer	CP14/3 Jetty4Shores Project Update	Non Pecuniary - Less than Significant Conflict as the foreshore development is approximately 100 metres from place of business which will be relocating at the end of June 2014.

APOLOGY

No apologies.

PUBLIC FORUM

Time	Speaker	Item
5.00 pm	Kelly Fitzgerald	Procedure for Applying for Licenses on Commercial Fitness Activities on Council Controlled Beaches and Parks
5.05 pm	Cathy Constantine	The Community Garden in Review 2013 and Plans for 2014

PUBLIC ADDRESS

Time	Speaker	Item
5.10 pm	Craig Golding	CP 14/2 - North Boambee Valley (West) Investigation Area – Update
5.15 pm	Adam Bradfield	CB14/5 – Financial Reports – 2012-2013

CONFIRMATION AND ADOPTION OF MINUTES

- 1 **RESOLVED** (Degens/Palmer) that the minutes of the Ordinary meeting held on 12 December 2013 be confirmed as a true and correct record of proceedings.

NOTICES OF MOTION

NOM14/1 RENAMING OF HOCKEY COMPLEX

MOVED (Cowling/Degens) that the Hockey Complex be renamed “The Bruce Barnier Memorial Sports Park”.

AMENDMENT

- 2 **RESOLVED** (Knight/Innes) that the matter be deferred to the next meeting regarding the legalities of the naming rights.

The **AMENDMENT** on being put to the meeting was declared **CARRIED**. It then became the **MOTION** and on being put to the meeting was declared **CARRIED**.

NOM14/2 SNAP SEND SOLVE WEBSITE APPLICATION

MOVED (Cowling/Townley) that a report be brought back to Council by 13 March 2014 on how to utilise a free download App from the internet and to link with CHCC website for use by the residents of the LGA. The App’s website link is: <http://www.snapsendsolve.com/>. Snap Send Solve has over fifty thousand users Australia wide.

The **MOTION** on being put to the meeting was declared **LOST**.

CITY PLANNING DEPARTMENT REPORT

CP14/2 NORTH BOAMBEE VALLEY (WEST) INVESTIGATION AREA - UPDATE

The purpose of this report is to provide an update on a Planning Proposal, draft Development Control Plan (DCP) and draft Contributions Plan for the North Boambee Valley (NBV) (West) Investigation Area.

The report recommends Council resolve to defer the progression of the NBV (West) Planning Proposal until the adoption of the forthcoming Boambee - Newports Creek Flood Risk Management Plan (FRMP). The contents and actions recommended by the Boambee - Newports Creek FRMP may change the contents (including proposed land use zones) of the NBV (West) Planning Proposal in terms of flood mitigation infrastructure requirements.

The findings of the Boambee - Newports Creek FRMP are critical to the recommendations of the NBV (West) Planning Proposal, hence the recommendation to defer the Planning Proposal's progression at this point in time.

The report acknowledges that construction of a flood mitigation detention basin is required before any development in NBV (West) can be undertaken.

3 RESOLVED (Palmer/Degens) that:

1. Council defer the progression of the North Boambee Valley (West) Planning Proposal until the outcomes of the Boambee - Newports Creek Flood Risk Management Plan and further consultation with RMS on Pacific Highway traffic impacts have been considered.
2. A further report be presented to Council following the finalisation of the Boambee - Newports Creek Flood Risk Management Plan, concerning the progression of the North Boambee Valley (West) Planning Proposal.
3. Landowners in the North Boambee Valley (West) Planning Proposal area be informed of Council's decision.

VOTED FOR

Cr Rhoades
Cr Townley
Cr Palmer
Cr Degens
Cr Knight
Cr Arkan
Cr Innes
Cr Sultana
Cr Cowling

VOTED AGAINST

Nil

CORPORATE BUSINESS DEPARTMENT REPORT

CB14/5 FINANCIAL REPORTS - 2012-2013

To receive and approve the financial statements for the year ended 30 June 2013 for signature.

- 4 RESOLVED** (Innes/Sultana) that:
1. The report on the audited 2012-13 Financial Statements be received and noted.
 2. The 'Statement by Councillors and Management' for the General Purpose Financial Statements and the Special Purpose Financial Statements be approved for signature.

GENERAL MANAGER'S REPORTS

GM14/1 COFFS HARBOUR CITY COUNCIL RESOURCING STRATEGY 2014/2015 TO 2023/2024

To present the Draft 2014-2024 Coffs Harbour City Council Resourcing Strategy.

- 5 RESOLVED** (Townley/Palmer) that For the purposes of the Special Rate Variation, Council adopt the 2014/2024 Resourcing Strategy acknowledging that it may need to be refined when the full suite of integrated Planning and Reporting documents are presented for adoption by Council.

**Cr Degens left the meeting, the time being 6.16pm.
Cr Degens returned to the meeting, the time being 6.17pm.**

GM14/2 APPLICATION FOR SPECIAL RATE VARIATION

To seek Council's endorsement to apply to the Independent Pricing and Regulatory Tribunal (IPART) for a community wide Special Rate Variation (SRV) over three years commencing 2014/2015.

MOVED (Palmer/Innes) that Council makes a Special Rate Variation Application to IPART for a permanent rate increase to be phased in over three years, pursuant to Section 508(A) of the Local Government Act, 1993 which will result in Council's Notional General Income increasing by 7.90% for 2014/15, 8.14% for 2015/16 and 7.75% for 2016/17.

Cont'd

GM14/2 Application for Special Rate Variation ...(Cont'd)

AMENDMENT

6 **RESOLVED** (Townley/Innes) that:

1. Council makes a Special Rate Variation Application to IPART for a permanent rate increase to be phased in over three years, pursuant to Section 508(A) of the Local Government Act, 1993 which will result in Council's Notional General Income increasing by 7.90% for 2014/15, 8.14% for 2015/16 and 7.75% for 2016/17.
2. Management bring a report back to Council prior to the end of year 2 of the Special Rate Variation period summarising the overall results from the Special Rate Variation, transformation to sustainability project and other initiatives thus enabling Council to determine whether or not to continue with Year 3 of the Special Rate Variation.

The **AMENDMENT** on being put to the meeting was declared **CARRIED**, it then became the **MOTION**.

AMENDMENT

MOVED (Cowling/) that the Special Rate Variation Application to IPART for a permanent rate increase be postponed until December 2014 to allow time for all the efficiency, sustainability and current programs to be evaluated to gauge the revenue from these sources.

The **AMENDMENT** lapsed in the absence of a seconder.

The **MOTION** on being put to the meeting was declared **CARRIED**.

DIVISION

7 **MOVED** (Cowling/Townley) that a division be called, and those members voting for and against the motion were recorded:

FOR

Cr Rhoades
Cr Innes
Cr Sultana
Cr Degens
Cr Knight
Cr Townley
Cr Palmer

AGAINST

Cr Arkan
Cr Cowling

GM14/3 LOCAL GOVERNMENT ACTS TASKFORCE - RELEASE OF FINAL REPORT

To report to Council the recommendations and findings for a new Local Government Act for NSW by the Local Government Acts Taskforce.

- 8 RESOLVED** (Arkan/Sultana) that Council note the invitation of submissions to the Final Report of the Local Government Acts Taskforce.

GM14/4 REVITALISING LOCAL GOVERNMENT FINAL REPORT ON THE NSW INDEPENDENT LOCAL GOVERNMENT REVIEW PANEL, OCTOBER 2013

The objective of this report is to formally report to Council the release of the Final Report of the NSW Independent Local Government Review Panel (ILGRP) – Revitalising Local Government (October 2013) and to ascertain the need to prepare a submission to the NSW Government in this matter.

- 9 RESOLVED** (Sultana/Palmer) that the matter be deferred.

GM14/5 COFFS COAST REGIONAL PARK TRUST BOARD - COUNCILLOR NOMINATIONS

The objective of this report is to seek the nomination of four (4) Councillors, by Council, for the consideration of appointment to the Coffs Coast Regional Park Trust Board by the Minister for the Environment, as the term of the Board expired on 31 December 2013.

- 10 RESOLVED** (Townley/Arkan) that Council consider nominations for the Coffs Coast Regional Park Trust Board and provide four (4) Councillor nominations for the consideration of the Minister for the Environment.

Cr Knight nominated Cr Arkan
Cr Townley nominated
Cr Palmer nominated
Cr Cowling nominated

An open vote was conducted and the Mayor declared Cr Arkan, Cr Townley, Cr Palmer and Cr Cowling the four Councillor nominations.

GM14/6 DEVELOPMENT APPLICATION NO. 119/13 - LOT 26 DP 1001621, NO. 1 BREAKERS WAY KORORA - MULTI-UNIT HOUSING (ONE ADDITIONAL NEW DWELLING) AND STRATA SUBDIVISION - APPEAL

To consider legal advice provided by Council's legal representative in relation to a Land and Environment Court appeal against Council's refusal of a development application for multi-unit housing (one additional new dwelling) and strata subdivision at 1 Breakers Way, Korora.

- 11 **RESOLVED** (Palmer/Innes) that the matter be deferred.

CITY PLANNING DEPARTMENT REPORTS

CP14/1 DEVELOPMENT APPLICATION 121/13 - DEMOLITION OF EXISTING DWELLING, ATTACHED DUAL OCCUPANCY AND STRATA SUBDIVISION LOT A DP 390197, 8 SOLITARY ST, COFFS HARBOUR

To consider Development Application No. 121/13 for demolition of an existing dwelling, construction of an attached dual occupancy and strata subdivision at 8 Solitary Street, Coffs Harbour.

- 12 **RESOLVED** (Degens/Palmer) that the matter be deferred.

VOTED FOR

Cr Rhoades
Cr Townley
Cr Palmer
Cr Degens
Cr Knight
Cr Innes
Cr Cowling

VOTED AGAINST

Cr Arkan
Cr Sultana

CP14/3 JETTY4SHORES PROJECT UPDATE

To present Council with an update of progress on the Jetty4Shores Project and to seek delegations to obtain loan funds.

13 RESOLVED (Innes/Sultana) that:

1. Offers for a loan totaling \$2.2M be sought from appropriate lending institutions towards the Jetty4Shores Project.
2. Delegated approval be given to the General Manager to accept the most suitable offer in relation to the loan.
3. The Mayor and General Manager be authorised to execute all documents associated with the loan under common seal of Council.

DIVISION

14 MOVED (Cowling/Rhoades) that a division be called, and those members voting for and against the motion were recorded:

FOR

Cr Knight
Cr Arkan
Cr Degens
Cr Innes
Cr Palmer
Cr Rhoades
Cr Sultana
Cr Townley

AGAINST

Cr Cowling

CORPORATE BUSINESS DEPARTMENT REPORTS

CB14/1 ACCEPTANCE OF PUBLIC RESERVES MANAGEMENT FUND PROGRAM LOANS FOR COFFS COAST STATE PARK TRUST AND WOOLGOOLGA BEACH RESERVE TRUST

To accept the offer of Public Reserves Management Fund (PRMF) Program Loans from the department of Trade and Investment, Crown Lands, for Woolgoolga Beach Reserve Trust and Coffs Coast State Park Trust.

15 RESOLVED (Palmer/Arkan) that:

1. Council as Corporate Manager of the Coffs Coast State Park Trust, accept the Public Reserves Management Fund loan offer of \$1,500,000 for 'installation of nine holiday villas (including two disabled villas) and extension to camp kitchen at Park Beach Holiday Park and five holiday villas (including two disabled villas) at Sawtell Beach Holiday Park'
2. Council as Corporate Manager of the Woolgoolga Beach Reserve Trust, accept the Public Reserves Management Fund loan offer of \$400,000 for 'a new reception/manager's residence, three upgraded villas, improved electrical, water and sewer infrastructure and sealing of roadways at Woolgoolga Lakeside Caravan Park'.

CB14/2 MONTHLY BUDGET REVIEW FOR NOVEMBER 2013

To report on the estimated budget position as at 30 November 2013.

16 RESOLVED (Innes/Palmer) that:

That the budget adjustments be approved and the current budget position be noted.

Estimated Budget Position as at 30 November 2013:

	General Account \$	Water Account \$	Sewer Account \$
Original Budget adopted 13 June 2013	426,307 (D)	4,553,442 (D)	3,165,226 (D)
Approved Variations to 31 October 2013	(410,044) (S)	Nil	Nil
Recommended variations November 2013	1,337 (D)	Nil	Nil
Estimated result as at 30 November 2013	<u>17,600 (D)</u>	<u>4,553,442 (D)</u>	<u>3,165,226 (D)</u>

CB14/3 BANK BALANCES AND INVESTMENT FOR NOVEMBER AND DECEMBER 2013

To list Council's Bank Balances and Investments as at 30 November 2013 and 31 December 2013.

17 RESOLVED (Palmer/Innes) that:

1. The bank balances and investments totaling (from loans, Section 94 and other avenues that form the restricted accounts and are committed for future works) one hundred and fifty seven million, eighty three thousand, and seventy four dollars (\$157,083,074) as at 30 November 2013 be noted.
2. The general fund unrestricted cash and investments totaling one hundred and twenty one thousand, two hundred and seventeen dollars (\$121,217) as at 30 November 2013 be noted.
3. The bank balances and investments totaling (from loans, Section 94 and other avenues that form the restricted accounts and are committed for future works) one hundred and fifty five million, four hundred and fifteen thousand, and three hundred and twenty two dollars (\$155,415,322) as at 31 December 2013 be noted.
4. The general fund unrestricted cash and investments totaling one hundred and twenty one thousand, two hundred and seventeen dollars (\$121,217) as at 31 December 2013 be noted.

CB14/4 ENVIRONMENTAL LEVY PROJECTS QUARTERLY REPORT TO 31 DECEMBER 2013

To provide Council with a quarterly status report to 31 December 2013 on the projects funded under the Environmental Levy (EL) Program.

18 RESOLVED (Sultana/Palmer) that:

1. Council notes the status of the Environmental Levy Projects as at 31 December 2013 as outlined in the report.
2. Council continues to monitor the Environmental Levy Program to ensure earliest completion of projects.

CB14/6 TENDER: RFT-619-TO MANAGEMENT OF COFFS HARBOUR REGIONAL AIRPORT

To report on tenders received for Contract No. RFT-619-TO for the provision of Management Services for the Coffs Harbour Regional Airport and to obtain approval to accept a tender.

19 RESOLVED (Sultana/Innes) that:

1. Council accept the tender of Coffs Aviation & Travel Services Pty Ltd, ABN 56 079 203 437, for Contract RFT-619-TO Management of Coffs Harbour Regional Airport, for the lump sum of \$689,260 (inclusive of GST) for a period of five years, on the basis that:
 - 1.1 The tender is the most advantageous tender following the application of Council's Tender Value Selection System.
 - 1.2 The Tenderer has the necessary experience in similar works, and its ability and performance are satisfactory.
 - 1.3 The Tenderer's financial capacity is acceptable.
2. The contract documents be executed under the Seal of Council.

COMMUNITY DEVELOPMENT DEPARTMENT REPORTS

CD14/1 THE MULTICULTURAL REFERENCE GROUP - UPDATE REPORT

To request Council's adoption of the updated Guidelines of Operation for the Multicultural Reference Group (MRG) 2013 – 2018, affirmation of current members and recognition of resigning foundation member.

20 RESOLVED (Sultana/Degens) that:

1. Council adopt the updated Multicultural Reference Group's Guidelines of Operation 2013 – 2018 and that they be implemented immediately.
2. The following members be re-affirmed as members of the Multicultural Reference Group as at February, 2014:

Amanda Jennings, Bill Van Den Bosch, Cheryl Nolan, Dave Fish, Deborah Ngubia/Vigeeta Chauhan, Dianne Jacobus, Gai Newman, Jorgette Sonter, Ted Greenwood, Erna O'Dell, Hilary Davies, My Holland, Rebecca Graham and Yarob Haddad.
3. Mrs Jackie Lloyd, in line with Council Policy, be awarded a plaque in recognition of her years of contribution and dedication to the Multicultural Reference Group at the 2014 Multicultural Harmony Festival by the Mayor or her nominee.

CD14/2 COUNCIL SISTER CITY DELEGATION TO SASEBO, JAPAN, 2014

To propose that Council send a delegation to Sasebo, Japan, in 2014 to consolidate Coffs Harbour's Sister City relationship with Sasebo City and to explore new opportunities for cultural and economic development between the two cities.

- 21 RESOLVED** (Palmer/Innes) that the matter be deferred to the next meeting.

CITY INFRASTRUCTURE SERVICES DEPARTMENT REPORTS

CIS14/1 CONTRACT NO. RFT-604-TO - TENDER FOR THE RECLAIMED WATER MAIN DUPLICATION AT DIAMOND HEAD DRIVE, SANDY BEACH

To report on tenders received for Contract RFT-604-TO, for the construction of 200m of reclaimed water main duplication and to gain Council approval to accept a tender.

- 22 RESOLVED** (Palmer/Arkan) that:

1. Council accept the tender of Coffs Coast Under Road Boring P/L, ABN 74 088 387 384, for Contract No. RFT – 604 - TO, for the Lump Sum amount \$208,028 including GST on the basis that:
 - 1.1 The tender is the most advantageous tender following the application of Council's Tender Value Selection System
 - 1.2 The Tenderer has the necessary experience in similar works and his ability and performance are satisfactory
 - 1.3 The Tenderer's financial capacity is acceptable
2. The contract documents be executed under the Seal of Council.

**CIS14/2 CONTRACT NO. RFT-621-TI - COOK DRIVE/PACIFIC HIGHWAY,
COFFS HARBOUR INTERSECTION UPGRADE - TELSTRA
RELOCATIONS**

To report to Council on Telstra relocations charges associated with Cook Drive intersection works and to gain Council approval to enter into a contract with the Telstra recommended relocation subcontractor.

23 RESOLVED (Rhoades/Arkan) that:

1. Council enter into a contract with Telstra Network Integrity Service, Contract No. RFT-621-TI, Pacific Highway/Cook Drive Intersection Upgrade – Telstra Relocations for the lump sum quotation of \$283,889.62 (GST Inclusive), on the basis that:
 - a) The tender quotation process follows Telstra Network Integrity’s tendering policy.
 - b) The successful tenderer, Central Coast Telephone Systems is one of the Telstra preferred industry experts and has been selected by Telstra Network Services to carry out the work.

REQUESTS FOR LEAVE OF ABSENCE

No requests for leave of absence.

MATTERS OF AN URGENT NATURE

No matters of an urgent nature.

Cr Palmer left the meeting, the time being 7.54pm.

Cr Palmer returned to the meeting, the time being 7.55pm.

QUESTIONS ON NOTICE

No questions on notice.

This concluded the business and the meeting closed at 7.56 pm.

Confirmed: 27 February 2014

.....
Denise Knight
Mayor

2014 NATIONAL GENERAL ASSEMBLY OF LOCAL GOVERNMENT - CALL FOR MOTIONS

Purpose:

Report advising that conference motions to be considered at the next National General Assembly of Local Government are to be matters of policy significance to local government nationally.

Description of Item:

The 2014 National General Assembly (NGA) of Local Government will be held at the National Convention Centre in Canberra between 15 and 18 June 2014.

As the major event on the annual local government events calendar, the National General Assembly (NGA) typically attracts more than 800 mayors, councilors and senior officers from Councils across Australia. The National General Assembly (NGA) is an opportunity for Council to contribute to the development of national local government policy and receive updates on the top policy issues facing local government nationally.

The Australian Local Government Association (ALGA) Board is calling for motions for the 2014 National General Assembly (NGA) under this year's theme "Getting Down to Business". This reflects the renewed focus across all levels of Government on the roles and responsibilities of the public sector and the challenge of meeting our community's needs.

To be eligible for inclusion in the National General Assembly (NGA) Business Papers motions must follow the principles as listed below:

1. Fall under the National General Assembly (NGA) theme;
2. Be relevant to the work of local government nationally; and
3. Complement or build on the policy objectives of state and territory local government associations.

To assist Councils in preparing motions, a Discussion Paper has been prepared and is provided as an attachment to this report.

The Australian Local Government Association (ALGA) seeks all conference motions no later than close of business Thursday 17 April 2014.

Sustainability Assessment:

- **Environment**

Issues dealing with the environment are a regular feature on the agenda of the conference. The annual conference debates changes to policy and strategy.

- **Social**

Social issues are also debated and policy and strategy adopted. Councillors attending are able to network socially with their colleagues from councils across the state and interchange ideas and best practice.

- **Economic**

Broader Economic Implications

There are no economic implications associated with this report.

Delivery Program/Operational Plan Implications

There are no Delivery Program or Operational Plan implications.

Risk Analysis:

There are no Delivery Program or Operational Plan implications.

Consultation:

Council has submitted motions to previous conferences.

Related Policy and / or Precedents:

Council considers the need for conference motions each year.

Statutory Requirements:

There are no statutory requirements associated with this report.

Issues:

Council representatives have in the past attended the National General Assembly Conference.

As conference motions are due on 17 April 2014, Councillors should give consideration to any matters they wish to raise with a view to submitting any proposed NGA Motions as a Notice of Motion for Council's consideration at its meeting of 10 April 2014 at the latest. This means that any Notices of Motion in respect of this matter will need to be with the General Manager by close of business on Thursday, 27 March 2014.

For further information please refer to the attached Guidelines and Background Information.

Recommendation:

1. **That Councillors submit any motions in line with the Australian Local Government Association Discussion Paper to the General Manager by Thursday, 27 March 2014.**
2. **That a separate report of any motions received be submitted for Council Meeting of 10 April 2014.**



AUSTRALIAN LOCAL GOVERNMENT ASSOCIATION

5 February 2014

Coffs Harbour City Council
 Locked Bag 155
 COFFS HARBOUR NSW 2450

To the Mayor, Councillors and CEO

2014 National General Assembly of Local Government – Call for Motions

The 2014 National General Assembly of Local Government (NGA), which will be held at the National Convention Centre in Canberra on 15 - 18 June, is an opportunity for local government to identify and discuss issues which it believes should be addressed by the new Federal Government. Every council has the opportunity to raise relevant issues for debate at the Assembly and I invite your council to participate in the 2014 NGA by submitting a motion for consideration.

As the major event on the annual local government events calendar, the NGA typically attracts more than 800 mayors, councillors and senior officers from councils across Australia. The NGA is your opportunity to contribute to the development of national local government policy and receive updates on the major policy issues facing local government nationally.

The Australian Local Government Association (ALGA) Board is calling for motions for the 2014 NGA under the theme of 'Getting Down to Business'. This theme reflects the renewed focus across all levels of government on the roles and responsibilities of the public sector and the challenged of meeting our communities' needs.

To be eligible for inclusion in the NGA Business Papers motions must follow the principles:

1. Fall under the NGA theme
2. Be relevant to the work of local government nationally; and
3. Complement or build on the policies of state and territory local government associations.

To assist councils in preparing motions, a Discussion Paper has been prepared and is enclosed with this letter. It is also available on the ALGA website at www.alga.asn.au.

Motions should be submitted electronically via the online form on the website www.alga.asn.au and should be received by ALGA no later than 17 April 2014.

Any administrative inquiries can be directed to Josh Thompson, ALGA's Director of National Events on 02 6122 9400 or josh.thompson@alga.asn.au.

I would encourage you to make sure the views of your Council and your community are represented at the 2014 NGA.

Yours sincerely

Mayor Felicity-ann Lewis
 President

**RETURN REPLY
 TO THE MAYOR
 BEFORE POSTING
 PLEASE**

Call for Motions Guidelines and Background Information

The theme for this year's National General Assembly of Local Government (NGA) is '*Getting down to Business*'. The NGA theme reflects current issues being debated nationally and priority issues facing local government.

The NGA is your opportunity to contribute to the development of national local government policy and currently the ALGA Board is calling for motions for the 2014 NGA.

To assist Councils in preparing motions, a Discussion Paper has been prepared and is available at www.alga.asn.au.

To be eligible for inclusion in the NGA Business Papers motions must follow the following principles:

1. Fall under the NGA theme;
2. Be relevant to the work of local government nationally; and
3. Complement or build on the policy objectives of state and territory associations.

Motions submitted will be reviewed by the National General Assembly Committee as well as by State and Territory Local Government Associations to determine their eligibility for inclusion in the NGA Business Papers. When reviewing motions, the Committee considers the importance and relevance of the issue to local government. Please note that motions should not be prescriptive in directing how the matter should be pursued. Any motion deemed to be primarily concerned with local or state issues will be referred to the relevant state/territory local government association, and will not be included in the Business Papers.

Through the review process, minor edits may be made to motions to ensure they can be included in the Business Papers. These edits will change the motion to call for action, for example to 'call on the Australian Government' to do something, to ensure relevance to local government nationally by removing state specific references, or to ensure the wording is consistent with current conventions such as referring to the Australian Government instead of the Federal Government.

To assist in facilitating efficient and effective debate, motions that cover similar matters will appear grouped together in the Business Papers and the matter will be debated only once with the lead or strategic motion being that which is debated.

Motions that are agreed to at the National General Assembly become Resolutions. These Resolutions are then considered by the ALGA Board when setting national local government policy, when the Board is making representations to the Federal Government at Ministerial Councils, during meetings and in ALGA publications. The ALGA Board is not bound by any Resolution passed at the NGA.

Motions are to be submitted online at www.alga.asn.au and should be received by **ALGA no later than 17 April 2014**.

The following information will be required when you submit a motion using the online form.

Motion

- Text of the Motion

National Objective

- Why is this a national issue and why should this be debated at the NGA?
- Maximum 100 words

Summary of Key Arguments

- Background information
- Supporting arguments
- Maximum of 300 words (additional information should be provided as speaking notes to the council representative who will move the motion at the NGA)

Declaration

You will need to declare that the motion has been endorsed by your Council.

For further information please contact Josh Thompson, Director National Events, on (02) 6122 9400 or josh.thompson@alga.asn.au

**National General Assembly of Local
Government**

15 - 18 June 2014

Call for Motions

'Getting Down to Business'

Discussion Paper

Purpose

The National General Assembly of Local Government is an important opportunity for you and your council to influence the national policy agenda.

Your council is invited to submit notices of motion/s that can be debated on the floor of the National General Assembly (NGA) that can assist councils nationally to meet the needs of local communities across the country.

To assist you and your council to identify motions that address the theme of the NGA the ALGA Secretariat has prepared this short discussion paper. You are encouraged to read all of the sections of the Paper, but are not expected to respond to every question contained in them. Your motion/s can address one or all of the issues identified in the discussion paper.

To be eligible for inclusion in the NGA Business Papers, motions must follow the following principles:

1. Be relevant to the work of local government nationally;
2. Complement or build on the policy objectives of your state and territory local government association; and
3. proposes a clear action and outcome.

The Process

Motions should be lodged electronically using the online form available on the National General Assembly Website at: www.alga.asn.au. All motions require among other things: a contact officer; a clear national objective; a summary of the key arguments in support of the motion, and endorsement of your council. Motions should be received by ALGA no later than Friday 17 April 2014, electronically in the prescribed format.

All motion submitted will be reviewed by the National General Assembly Committee as well as by State and Territory Local Government Associations to determine their eligibility for inclusion in the NGA Business Papers. When reviewing motions, the Committee considers the importance and relevance of the issue to local government. Please note that motions should not be prescriptive in directing how the matter should be pursued. Any motion deemed to be primarily concerned with local or state issues will be referred to the relevant state/territory local government association, and will not be included in the Business Papers.

For more information, please contact the 2014 Director National Events, Josh Thompson, on (02) 6122 9400.

Preamble

The 2014 NGA is being held against a backdrop of several key developments. Each of them could profoundly redefine the operation of Australia's system of government. These include

- the establishment, by the Commonwealth Government, of a National Commission of Audit;
- a promise within two years of coming to office to develop a White Paper on the Reform of the Federation;
- a commitment by all jurisdictions including the Australian Local Government Association (ALGA) through the Council of Australian Government's (COAG), to reduce duplication between governments; and
- a promise to develop a White Paper on Taxation within two years of coming to office.

Each of these are significant undertakings in their own right, but taken together, they could substantially help reshape the operation of the Australia federated system of government.

It is imperative that local government is an active participant in these processes and that we take every opportunity to influence the outcomes of these White Paper processes. The 2014 NGA is a great opportunity to commence this discussion.

The theme of the 2014 National General Assembly is 'Getting Down to Business'. It is a theme that invites NGA delegates, councils and interested stakeholders to reflect on the roles and responsibilities of local government, its funding and relative place in the Federation. It's a theme that enables local government to define for itself:

- what business local government is in;
- the resources we need to do it; and
- what we should expect from the Commonwealth and what we should expect from state and territory governments. In short how local government should fit in the Federation.

It's a theme that enable your council to engage with other councils from across the country to inform the national debate, and ALGA, on the issues contained in these important national processes, in particular the Government's White papers.

National Fiscal Settings

On 14 September 2013 the Federal Coalition was elected to Government. In coming to office the Government foreshadowed a deterioration in the federal budget position since the 2013 Pre-Election Economic and Fiscal Outlook (PEFO) and the need for a review of the current split of roles and responsibilities between levels of government. In December 2013 the Government's budget position was confirmed with the release of the 2013 - 14 Mid-Year Economic and Fiscal Outlook (MYEFO) which reported budget deficits totalling \$123 billion across the forward estimates. Further it suggests that '... Without policy change and taking no remedial action, deficits would be projected in each and every year to 2023-24'.

While the Commonwealth expressed concern about the sustainability of its budget position, in particular revenues, state, territories and local government have similar concerns. State and territory governments regularly report financial constraints and the limitation of, and distribution of, the Goods and Services Tax (GST), the inadequate intergovernmental

financial transfers to meet growing demand for their services and conditions placed upon national reforms, such as school and hospital funding.

Further, local government itself, that has well documented financial sustainability challenges included in a number of independent reports including the PricewaterhouseCoopers, National Financial Sustainability Study of Local Government commissioned by ALGA in 2006. The latter report highlighting the financial challenges councils face in particular in meeting the infrastructure backlog and underspend.

As a consequence, coupled with Australia's highly centralised taxation collection system, all state and territory governments and local government have sought changes to intergovernmental financial transfers from the Commonwealth, as well as options for increasing own source revenues.

QUESTIONS?

Are there things that the could be done to assist local government to expand own-source revenues?

Are there specific initiatives the Commonwealth can implement that improve the financial sustainability of local government?

Are there things that the Commonwealth could do to assist local government nationally to improve its efficiency and effectiveness?

The Commonwealth National Commission of Audit

In addressing the Commonwealth's challenges, the Government foreshadowed the establishment of a National Commission of Audit which would in broad terms, examine the details of what the Commonwealth Government does and whether it could be done better and more cost effectively.

The National Commission of Audit was established in October 2013 and required to complete its work in two Phases. The report on the first Phase being due to the Prime Minister, Treasurer and Minister for Finance by the end of January 2014.¹ This Phase was among other matters to "... assess the current split of roles and responsibilities between and within the Commonwealth government and State and Territory governments, including areas of duplication. In relation to activities performed by the Commonwealth, the Commission is asked to identify:

- whether there remains a compelling case for the activity to continue to be undertaken; and if so,
- whether there is a strong case for continued direct involvement of government, or whether the activity could be undertaken more efficiently by the private sector, the not-for-profit sector, the States, or local government.

¹¹ This Report is not available publicly.

This second dot point is particular relevant for the NGA with the direct reference to local government but it does not address the resourcing issues involved if the Commonwealth decided to transfer a specific role or a responsibility to the other potential service providers.

A full copy of the National Commission of Audit Terms of Reference is included as Attachment 1.

At the time of writing it is expected that the Commission will have completed or almost completed its Phase 1 Report to the Government. Unfortunately, the Commission's Phase 1 Report will not be a public document and therefore we cannot provide any specific information on the outcomes of the Commissions' deliberations. The Phase 2 Report focuses on the internal managerial matters and Commonwealth controls of its own financial expenditure. Both Phase 1 and 2 will presumably be directly relevant to the Federal Budget which will be brought down in May 2014 prior to the NGA.

The Budget therefore will be the first opportunity for the Government to flag to the Australian people how it proposes to address financial sustainability challenges in the short to medium term. However, more importantly for the longer term, the Government has committed to develop a White Paper on the Reform of the Federation and a separate White Paper on Taxation. The Government has set itself 2 years to complete these tasks and has indicated that it will take the outcome of these important processes to the next election.

The 1996 National Commission of Audit

As previously mentioned, the current Commission of Audit reports are not public documents and therefore this paper cannot provide insight into the Audit's content. However, for illustrative purposes it may be instructive to highlight the approach taken by the National Commission of Audit conducted for the Government led by the Prime Minister the Hon. John Howard Government in 1996. In particular, to highlight the findings of this Commission in relation to local government and regional development matters. The 1996 commission's report was essentially based on a strict interpretation of constitutional authority of the Commonwealth and its responsibilities. In doing so, it should be noted that the 1996 Audit Commission Report was an independent report and was not Government policy. Indeed several aspects of the 1996 Report were considered by the Government and rejected, including the view that the Commonwealth did not have a role in regional development.

The 1996 National Commission of Audit was asked to examine a wide range of matters which are substantially similar to of the current Audit. That Commission was Chaired by Professor Bob Officer and in relation to regional development, urban management and local government found: '.... Current (1996) arrangements for regional development and urban management involve overlap with State and local government responsibilities. **There is no clear rationale or constitutional basis for Commonwealth involvement.** Further, whatever the objectives behind Commonwealth involvement in these areas, they are not being achieved under current arrangements.'

The Commission recommended that these programs (the Regional Development Program, Better Cities Program and Urban Flood Mitigation Program) be abolished, and while there were changes made, the Commonwealth Government continued to be involved in regional development and subsequently introduced a number of initiatives including the Sustainable Regions Program in 2001.

In relation to local government financial assistance grants, the 1996 Commission recommended that these payments be integrated into revised State payments. This was also rejected, albeit that the FAGs were to be including in the original Good and Services Tax proposal, but were subsequently excluded in the final negotiated agreement between the Howard Government and the Democrats to pass the legislation. The system of FAGs continued and the current Government has given an undertaking to maintain the current system of FAGs and other direct funding to local government such as Roads to Recovery (R2R) and the new Bridge Renewal Program.

The 1996 Commission of Audit highlights a particular view of how the Federation and the Commonwealth should work. It took the view that the Commonwealth should only deal with national matters and the states and local government should deal with everything else. It also took the view that local government is a state responsibility and while accepting the legitimacy of providing FAGs, implied they should be integrated into revised state payments. While the continued recognition of the need for FAGs by the Commonwealth is welcome, it begs the question as to what support, in particular through untied grants, should local governments expect from state and territory governments?

QUESTIONS?

In thinking about the 1996 Commission of Audit are there any specific proposals your council has on Commonwealth - local government relations.

Should state and territory Governments do more to support councils including through providing direct untied funding to local government? If so what relationship would this have to Commonwealth provided FAGs?

Are the specific state and territory services that are Commonwealth or state responsibilities, that councils undertake that should be undertaken by the private sector or other levels of government on equity grounds? e.g. market failure?

Note: it should be noted that the NGA should deal with national issues and that motions related to specific state matters must be addressed through state and territory local government associations. NGA Motions should focus on funding for the system of local government in Australia, and therefore apply to all states and territories.

Regulation Reform

Over recent decades governments at all levels have acknowledge the importance microeconomic reform, including regulatory reform. The purpose of regulatory reform is to enhance Australia's productivity and competitiveness, raising potential growth rates, living standards, and better enable Australia to deal with difficult international economic circumstances.

At the December 2013 COAG meeting, first ministers, including the President of ALGA agreed unnecessary regulation is holding back Australia's economic prosperity and development. Cutting excessive red tape and improving the efficiency and effectiveness of regulation are important parts of the productivity story.

By way of example, the COAG Communiqué highlights the following: In '... running a cafe that serves alcohol and provides outdoor dining illustrates Australia's current problems with regulation. For example, it can require the operator to navigate around 21 local, 29 State and 25 Commonwealth regulations, or sets of regulations — 75 hoops to jump through. All governments acknowledged this is not good enough, and that collective action is needed to remove the excessive burden currently placed on small business'.

In coming to office the Government has set itself a target of reducing the red tape which impacts on business, individuals and the community by at least \$1 billion per year, and that this would complement existing State deregulation activity. COAG agreed to work together on reducing red tape in four areas — manufacturing, higher education, early childhood and 'end-to-end' regulation of small businesses, with each State to target specific small business sectors.

In July 2012 the Productivity Commission Reported on its study 'Performance Benchmarking of Australian Business Regulation, Role of Local Government as Regulator'. The report notes that local laws, quasi-regulatory instruments, rules, as well as delays, information requirements, restrictions on approvals, fees and penalties can be imposed costs on business and/or be anti-competitive. However, it suggests that 'implementing and enforcing state and territory laws, rather than local laws, dominates local governments' regulatory work.

In regard to support from states to local governments it identifies the following gaps:

- insufficient consideration of local governments' capacity to administer and enforce regulation before a new regulatory role is delegated to them ;
- limited guidance and training on how to administer and enforce regulations; and
- no clear indication and ranking of state regulatory priorities.

QUESTIONS?

Are there areas of unnecessary areas of unnecessary regulation that impose costs on manufacturing, business and residents that can be reformed?

What support do councils need to implement and enforce regulation, often on behalf of states and territory government?

Are there areas of regulation which local government are involved that could be streamlined and how?

What Business is Local Government in?

Local government is a pragmatic and hands-on level of government. It's focus is the provision of selected services, infrastructure, planning and coordination at the local level. In short local government is the level of government that responds to local needs, challenges and opportunities. The roles and responsibilities of local government are assigned to it through respective state and territory legislation and in all jurisdictions the relevant Local Government Acts are broadly consistent with the power of general competence, in general

terms the legislation require local government to provide for the good governance of the 'district'. In practise however, local governments roles and responsibilities are broadly confined to property services and specific policy choices to meet local community needs. They are sometime specified by statute, e.g. environmental health, constrained by access to resources, community expectations, the capacity to pay, and roles and function of the private sector and other levels of government. In simple terms councils cannot be held responsible for everything that occurs at the local level.

States and territory governments, for example, are responsible for a range of services and infrastructure at the local, regional and state level, including schools, hospitals and policing. Increasingly, over time, the Commonwealth has assumed policy, planning and funding responsibility for a range of activities including income and welfare support and selected national infrastructure such as the Auslink road network, major projects identified through Infrastructure Australia and the National Broadband Network, which have profound impacts on local communities.

While this complex stratification, and mix of roles, responsibilities and services, including those provided by the private sector contributed significantly to Australia having one of the highest standards of living in the world, it begs the question of whether there should be greater clarity in the roles and responsibilities of governments, and who should do what in the Federation. Indeed, the current system is frequently criticised as perpetuating duplication, inefficiency, cost and blame shifting between levels of government and policy and service delivery gaps. Moreover, all levels of governments face financial sustainability challenges which significantly impact on their capacity to deliver government services and infrastructure.

Examination of ABS General Government Expenses (2011 - 12) shows that local government spends around \$30.5 billion. Almost half of total local government expenditure i.e. 46 per cent is on 'Transport and Communications (primarily local roads) and 22 per cent of on 'Housing and Community Amenity, which includes waste services and in some states water and sewerage. The next highest area of expenditure is on General Public Services (which includes legislative and executive affairs and government superannuation benefits) at 18 per cent. This is followed by Recreation and Culture spending, which includes public halls and civic centres, swimming pools and beaches, national parks and wildlife, cultural institutions, etc, which is at 15 per cent.

While national averages are informative, broadly indicating the areas of local government activity state difference is also interesting. For example while the national average of spending on Transport and Communications is 24 percent, expenditure ranges from 34 per cent of total local government expenditure in Queensland and 28 per cent in Tasmania, down to 9 per cent in the Northern Territory.

Expenditure on Housing and Community Amenity nationally is 22 per cent but in NSW councils spend around 27 per cent of total expenditure in this area while in Western Australia it is 16 per cent.

Expenditure on Recreation and Culture nationally is 15 per cent of total expenditure but in Western Australia's local government expenditure it runs as high as 24 per cent and in South Australia around 22 per cent.

While this variation reflect different responsibilities, policy choices and priorities in respective states and territories, it makes defining the role of local government difficult in the

context of a review of the roles and responsibilities of each level of government. It is also sometimes criticised as causing duplication and inefficiency.

QUESTIONS?

What should the core business of local government be?

How should the Commonwealth support that role?

Are the specific services including state and territory or / and Commonwealth responsibilities, that councils undertake that should be undertaken by the private sector or other levels of government on equity grounds? e.g. market failure?

Are there services that local government is providing that could be provided by the private sector?

Regulation Reduction

The Coalition will streamline COAG meeting agendas and focus on concrete outcomes that will contribute to a Coalition government meeting the annual \$1 billion red and green tape reduction target.

We intend to make deregulation and red tape reduction a standing agenda item at COAG meetings.

Within two years of a change of government, working with the states, the Coalition will produce a White Paper on Reform of the Federation, and the responsibilities of different governments, to ensure that, as far as possible, the states are sovereign in their own sphere. The objective will be to reduce and end, as far as possible, the waste, duplication and second guessing between different levels of government that has resulted, for instance, in the Commonwealth employing 6,000 health bureaucrats even though it doesn't run a single hospital.

National Commission of Audit Terms of Reference

CONTEXT

- It is almost 20 years since there has been a thorough review of the scope, efficiency and functions of the Commonwealth government. During this time the size of the Commonwealth government has expanded significantly, as has the remit of some of its activities.

- It is also essential that the Commonwealth government live within its means and begin to pay down debt.

- It is therefore timely that there should be another full-scale review of the activities of the Commonwealth government to:
 - ensure taxpayers are receiving value-for-money from each dollar spent;
 - eliminate wasteful spending;
 - identify areas of unnecessary duplication between the activities of the Commonwealth and other levels of government;
 - identify areas or programs where Commonwealth involvement is inappropriate, no longer needed, or blurs lines of accountability; and
 - improve the overall efficiency and effectiveness with which government services and policy advice are delivered.

- Accordingly, the Commission of Audit ('the Commission') has a broad remit to examine the scope for efficiency and productivity improvements across all areas of Commonwealth expenditure, and to make recommendations to achieve savings sufficient to deliver a surplus of 1 per cent of GDP prior to 2023-24.

- In carrying out its work, the Commission may wish to invite submissions, consult key stakeholders and seek information from persons or bodies, where this will assist its deliberations.

- The Commission should also be guided in its work by the principles that:
 - government should have respect for taxpayers in the care with which it spends every dollar of revenue;
 - government should do for people what they cannot do, or cannot do efficiently, for themselves, but no more; and
 - government should live within its means.

SCOPE

Phase 1

Scope of government

- The Commission is asked to assess the current split of roles and responsibilities between and within the Commonwealth government and State and Territory governments, including areas of duplication.

- In relation to activities performed by the Commonwealth, the Commission is asked to identify:
 - whether there remains a compelling case for the activity to continue to be undertaken; and
 - if so, whether there is a strong case for continued direct involvement of government, or whether the activity could be undertaken more efficiently by the private sector, the not-for-profit sector, the States, or local government.
- The Commission may consider and comment upon the current architecture of Commonwealth-State relations. The Commission's views on this issue will help to inform the Government's forthcoming White Paper on the Reform of the Federation.

Efficiency and effectiveness of government expenditure

- The Commission is asked to report on efficiencies and savings to improve the effectiveness of, and value-for-money from, all Commonwealth expenditure across the forward estimates and in the medium term, including:
 - options for greater efficiencies in the Australian Government, such as:
 - : increasing contestability of services;
 - : adoption of new technologies in service delivery and within government;
 - : consolidation of agencies and boards;
 - : rationalising the service delivery footprint to ensure better, more productive and efficient services for stakeholders;
 - : flattening organisational structures and streamlining lines of responsibility and accountability;
 - : consolidating government support functions into a single agency; and
 - : privatisation of Commonwealth assets.
 - potential improvements to productivity, service quality, and value for money across the public sector, including better delivery of services to the regions; and
 - anything that is reasonably necessary or desirable to improve the efficiency and effectiveness of government generally.
- The Commission is asked to review and report on:
 - options to manage expenditure growth, including through reviewing existing policy settings, programs and discretionary spending (such as grants);
 - savings and appropriate price signals – such as the use of co-payments, user-charging or incentive payments – where such signals will help to ensure optimal targeting of programs and expenditure (including to those most in need), while addressing the rising cost of social and other spending;
 - mechanisms that allow for the periodic evaluation of the effectiveness of all areas of expenditure in meeting their announced objectives; and

– other savings or matters that the Commission considers should be brought to the Government’s attention.

State of the Commonwealth’s finances and medium-term risks to the integrity of the budget position

- The Commission is asked to assess the financial position of the Commonwealth, including the state of the balance sheet, including all assets and liabilities, and Commonwealth risk expenditures.
- The Commission is asked to review and report on the long-term sustainability of the budget position, identifying key policy areas where trends in expenses and revenue pose risks to the structural integrity of the budget.
- Where possible, the Commission should identify options to address any such budget risks in the medium to long term, including by introducing appropriate incentives to encourage self-provision of services by individuals over time.

Adequacy of existing budget controls and disciplines

- The Commission is asked to assess the adequacy of current budgetary practices and rules (including specified timeframes and targets) in promoting efficient and effective government, disciplined expenditure, long-term fiscal sustainability and budget transparency.

Phase 2

Commonwealth infrastructure

- The Commission is asked to review and report on the extent, condition and adequacy of Commonwealth sector infrastructure and, if found to be deficient, factors that may have contributed to the current situation and possible remedies.

Public sector performance and accountability

- The Commission is asked to:
 - identify options for continuous assessment of programs, agencies and performance;
 - identify options for strengthening Commonwealth budgeting arrangements by:
 - : increasing independent and credible scrutiny;
 - : examining the role of the Parliamentary Budget Office, the Australian National Audit Office and the Intergenerational Report; and
 - : reviewing the way risk expenditures are accounted for.
 - report on a methodology for developing and implementing financial performance targets for Commonwealth departments and agencies (having regard to international experience and Australian best-practice, including by government business enterprises);
 - review and report on the effectiveness of existing performance metrics and options for greater transparency and accountability through improved public reporting;
 - identify options for a clearer delineation of responsibilities for policy and service delivery; and

– identify other savings or matters that the Commission considers should be brought to the Government's attention.

Reporting

- The Commission will report to the Prime Minister, Treasurer and Minister for Finance with:
 - the first phase due by the end of January 2014; and
 - the second phase due by no later than the end of March 2014.

GENERAL GOVERNMENT EXPENSES BY PURPOSE, Local

	NSW	Vic	Qld	SA	WA	Tas	NT	ACT	Total
	2011–	2011–	2011–	2011–	2011–	2011–	2011–	2011–	2011–
	12	12	12	12	12	12	12	12	12
	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m	\$m
General public services	1 680	1 044	1 953	130	400	111	144	–	1044
Public order and safety	311	169	124	33	117	7	19	–	779169
Education	72	79	7	–	4	–	5	–	166
Health	81	120	50	50	57	10	5	–	374
Social security and welfare	361	884	69	115	142	30	25	–	1 626
Housing and community amenities	2 590	1 433	1 681	434	498	136	99	–	6 872
Recreation and culture	1 321	1 184	837	392	727	104	57	–	4 622
Fuel and energy	–	–	10	13	–	–	1	–	25
Agriculture, forestry and fishing	–	3	15	12	1	–	–	–	31
Mining, manufacturing and construction	214	–	91	35	32	–	–	–	373
Transport and communications	1 871	1 266	2 740	416	783	182	41	–	7 297
Other economic affairs	313	356	187	58	111	30	38	–	1 093
Public debt transactions	227	52	277	40	32	4	1	–	633
Other	546	209	135	93	188	23	22	–	1 215
Total	9 588	6 796	8 176	1 821	3 092	639	457	–	30 569

– nil or rounded to zero (including null cells)

Cat 5512.0 Government Finance Strategic, Australia 2011 - 12

LEGAL APPEAL - DEVELOPMENT APPLICATION NO. 119/13 - LOT 26 DP 1001621, NO. 1 BREAKERS WAY KORORA - MULTI-UNIT HOUSING (ONE ADDITIONAL NEW DWELLING) AND STRATA SUBDIVISION

Purpose:

To consider legal advice provided by Council's legal representative in relation to a Land and Environment Court appeal against Council's refusal of a development application for multi-unit housing (one additional new dwelling) and strata subdivision at 1 Breakers Way, Korora.

Description of Item:

Development Application 119/13 for multi-unit housing (one new additional dwelling) and subdivision was considered at Council's meeting on 14 February 2013. The report recommended that the application be approved.

At the meeting, Council resolved the following:

1. *Development Application No. 119/13 for multi-unit housing (one additional new dwelling) and a strata subdivision at Lot 26 DP 1001621, No. 1 Breakers Way, Korora be refused as the proposed development would have negative impact to the neighbourhood amenity.*
2. *Persons who made a submission on Development Application No. 119/13 be informed of Council's decision.*

A refusal was issued to the applicant on 15 February 2013.

On 23 April 2013, the applicant wrote to Council seeking a review of Council's refusal. The applicant was advised by Council that as the application was an integrated development, the Act does not permit a S82A review of determination.

An appeal against Council's determination of refusal was filed with the Land and Environment Court on 13 August 2013.

As the respondent, Council engaged the services of a legal representative in the appeal.

Legal advice in relation to the Land and Environment Court Proceedings is a confidential attachment to this report (Attachment 1).

Background:

This matter was last considered by Council at its meeting of 13 February 2014, where it was resolved:

That the matter be deferred.

Sustainability Assessment:

- **Environment**

These issues were considered by Council when this matter was reported to Council on 14 Feb 2013. They have also been addressed in the planning consultant's report (Attachment 2).

- **Social**

These issues were considered by Council when this matter was reported to Council on 14 Feb 2013. They have also been addressed in the planning consultant's report (Attachment 2).

- **Civic Leadership**

The proposed development has been assessed in accordance with the provisions of the Environmental Planning and Assessment Act 1979 and all relevant Council controls and policies.

- **Economic**

Broader Economic Implications

Construction of the proposal will assist employment to the building industry.

Delivery Program/Operational Plan Implications

The proposal will be subject to developer contributions and rates. To continue with the appeal, Council will incur legal representation costs which have not been allowed for in the operational budget.

Risk Analysis:

This is addressed within the confidential legal advice (Attachment 1).

Consultation:

During the appeal process, Council engaged the services of an external legal representative and a town planning consultant.

At the initial Section 34 conference, the Commissioner directed that the conference be adjourned until 21 February 2014 in order to allow for the applicant to provide "without prejudice" amended plans and for the notification of the amended plans to adjoining owners.

Following notification of the amended plans, two (2) submissions were received from adjoining property owners. A full copy of the submissions is a confidential attachment to this report (Attachment 3) as the submissions may contain personal or private information or other considerations against disclosure as prescribed under the *Government Information (Public Access) Act 2009*.

As the subject report was prepared prior to the Section 34 conference set down for 21 February 2014, a verbal update will be provided.

Related Policy and / or Precedents:

Council has consented to other additional dwellings and the subdivision of lots within this estate.

Statutory Requirements:

Section 79C of the Environmental Planning and Assessment 1979, specifies the matters which a consent authority must consider when determining a development application. The consideration of matters is limited in so far as they must be of relevance to the particular application being examined.

Relevant Statutory Instruments:

- Coffs Harbour Local Environmental Plan 2000
- Coffs Harbour Local Environmental Plan 2013
- State Environmental Planning Policy (SEPP) 71
- North Coast Regional Environmental Plan (deemed State Environmental Planning Policy)
- Low Density Housing Development Control Plan
- Coffs Harbour Development Control Plan 2013
- Notification Development Control Plan
- Subdivision Development Control Plan

Implementation Date / Priority:

A development consent is valid for five years from the date of issue. The consent may or may not be acted upon. The consent may be acted upon immediately following issue date or delayed until closer to the expiry date of the consent. When the consent is acted upon is a matter of the discretion of the property owner/developer.

Recommendation:

That Council consider the advice provided and move the motion as detailed in the confidential attachment.

WATER EFFICIENCY STRATEGIC AND WATER EFFICIENCY IMPLEMENTATION PLANS - ADOPTION OF REVIEWED PLANS

Purpose:

The objective of this report is to inform Council that no submissions were received from the Coffs Harbour community as a result of the public exhibition of the draft Water Efficiency Strategic Plan (WESP) and Water Efficiency Implementation Plan (WEIP). Two submissions were received from the Clarence Valley Council community with some changes being made to the draft WESP and WEIP. It is recommended that Council adopt the amended WESP and WEIP.

Description of Item:

At its meeting of 26 September, 2013, Council resolved to call for comments from the Coffs Harbour community on the draft reviews of the Water Efficiency Strategic Plan and Water Efficiency Implementation Plan being placed on public exhibition by our Regional Water Supply Scheme (RWSS) partners, Clarence Valley Council. During the public exhibition period from 21 October, 2013 to 15 November, 2013, no submissions were received from the Coffs Harbour community, however Clarence Valley Council received two submissions from the Clarence Valley community (see Attachment 1). Some minor formatting changes and inclusions were subsequently made to the WESP (Attachment 2) and WEIP (Attachment 3).

The WESP and WEIP form the major non-build component of the RWSS. WESP and WEIP have now been in place and operating for approximately 15 years. They ensure our commitment to a more ecologically sustainable use and management of Council's water supply, and a framework for a range of key action plans, which address how Council and the community manage and use water.

Fully functional WESP and WEIP are a requirement of our Shannon Creek Dam License (No 66010).

Sustainability Assessment:

- **Environment**

The WESP and WEIP form Council's blueprint for minimising water consumption into the future, with links to the Sewerage Strategy for water reclamation and re-use. They also aim to enhance river health in the Orara and Nymboida catchments through protecting environmental flows, or by investigation and implementation of alternate water sources. Effective implementation of the WESP through the WEIP reduces demand for water and therefore increases the useful life of the Shannon Creek Storage Dam and other water infrastructure, and delays the need and expense of further augmentation and the associated environmental consequences.

- **Social**

WESP and WEIP have been developed, reviewed and updated from active community input. This helps to understand how our community presently uses water, what the community knows about ecologically sustainable water use, and what measures they will accept. The WESP and WEIP also have a role to play in Council strategies to provide for healthy, livable communities. Water efficiency as a social responsibility is recognised at national and international levels.

- **Economic**

Broader Economic Implications

As stated previously, a reduction in water usage will delay the need for expensive Water Infrastructure augmentation. However a reduction in water usage may also mean a reduction in water sales income.

Delivery Program/Operational Plan Implications

WESP and WEIP have been budgeted into Council's Water Supply budget as an integral component of its operations for many years and are accounted for in the 2013/2014 Water Fund Budget.

Risk Analysis:

The WESP and WEIP address and mitigate many enterprise risks including:

- Compliance with the Shannon Creek Dam License conditions

- Financial risk of infrastructure augmentation

- Environmental risk of over extraction of water sources and/or infrastructure augmentation

- Social risk of lifestyle impacts on the community associated with high level/frequent water restrictions, drought pricing or other severely onerous demand management strategies

Consultation:

The aim of the Regional Water Supply Strategy (RWSS), including the WESP and WEIP, is to promote and support Clarence Valley and Coffs Harbour Council's working together to ensure security of water supply for residents of their respective areas. The success of the overall program depends on active and meaningful community involvement and productive partnerships between government, community interests and water users.

A broad cross section of community representatives have been involved from the beginning, starting with the workshop to provide foundation material for the WESP, held in Grafton in November, 1997. Regular meetings with the Water Efficiency Team (WET) since that time have been invaluable opportunities for community input. Both the June 2006 and April 2013 WESP reviews have been held as open community workshops in Grafton. The previous WESP review was also put on exhibition to call for public comment prior to adoption by both Councils.

Related Policy and / or Precedents:

WESP has been in use by Coffs Harbour Water and Clarence Valley Council since 1998. WESP was reviewed last in 2007, with Council adoption in 2008.

Statutory Requirements:

The WESP and WEIP assist Council to comply with the NSW Department of Water and Energy **Best Practice Management of Water Supply and Sewerage Guidelines (2004)** in that they play integral roles in the **Water Supply Demand Management Plan**.

License requirements relevant to community involvement in the Water Efficiency Implementation Plan (WEIP), as per the Shannon Creek Dam License No 66010, reads "*The WEIP shall be prepared with a view to achieving the following objectives:*

- (iv) favourable community attitude towards resource conservation*
- (v) community involvement in it's development*
- (vi) acceptance of the WEIP by the community*

Issues:

The WESP was established to cover a fifty-year time period to 2046. It has now been in place and operating for the first fifteen years of this period. It is a commitment to a more ecologically sustainable future in the way the Coffs Harbour community use and manage water in the region, and a framework for a range of key action plans to address these issues. To remain relevant to the Coffs Harbour community, the WESP needs to be regularly updated with stakeholder involvement.

Implementation Date / Priority:

It is proposed that the amended documents be immediately adopted as the final WESP and WEIP.

Recommendation:

That the Water Efficiency Strategic Plan and Water Efficiency Implementation Plan be adopted by Council with a review to be undertaken in five years time.

Attachment 1

Review of Submissions received during public exhibition of Water Efficiency Strategic Plan and Water Efficiency Implementation Plan (20/10/13 to 15/11/13)

From: Peter Cuming, Sustainable Futures Australia

Here are some points to consider for the draft Plan: feel free to contact me to discuss.

1) Why has the key purpose #5 of Sec 1.2 in the 2007 plan gone? This purpose is to make sure the SC Dam as designed for 2021 will remain this size due to the demand management program success and other sources (eg recycled water) rather than be increased ...ie to keep the focus on alternatives to dam size increase.? This has been a critical element of the Plan since its inceptionit is good to have a key target such as this to work towards.

Comment: Purpose #5 from 2007 plan added as #6 in Section 1.3.

2) Sec 1.5 heading ... where is the global to regional context gone from the 2007 plan (sec 1.3 p6) - it has just been deleted rather than updated ... so the plan now just has regional to localso the heading would now need to be Local to Regional (rather than Local to Global). I feel the broader context is really important showing that we (CVC CHCC and communities) are working at best practice and part of a broadly acknowledged approach.

Comment: Heading changed to “Strategic Planning Links” (“Local to Global” removed). State, regional and national links referred to but focus is on local and regional links.

3) Page 12 - The Plan achieved an award **1998 NSW RAPI Award for Excellence in Community Planning** to Sustainable Futures Australia and Lower Clarence County Council for the Regional Water Efficiency Strategic Plan: Coffs Harbour and Clarence Valley. The Plan also won a gold level award from Rivercare Australia in 2000 (North Coast Water had the certificate on the wall of the office for a long time.

Comment: Awards added to document.

4) I recommend reinstating the graphics which were very much a part of the community based approach including the award winning use of the Planning Web and have been part of the Plan for 16 years are now not part of the document. Whilst the Planning Web process/graphic are copyright to me as IP I have indicated that it can be used subject that it is suitable acknowledged and this can be done discreetly. There are no IP or copyright issues in the material being used

The goals vision and guiding principles remain the same so I can't see why the graphics can't remain in the plan. I am happy for the Planning Web to be used. Likewise the graphics we created through the artwork of local artist Joanna Terpstra can be reused at any time (subject to suitable acknowledgement which is simple to do). I believe they add value to the plan document in terms of the presentation of key information (otherwise it is all written word). The choice of animals for the Key Elements of the Plan were chosen and supported by the WESP working group as they represent specific challenges ... the pelican as a top level feeder representing the need for integrated mgmt; the endangered clarence river cod for water source mgmt as it is susceptible to water quantity and quality for its survival and regeneration; and the green tree frog for demand mgmt again due to its need for dependable water as part of its lifecycle. I am sure CVC has an electronic copy of the graphics ... if not I can look at our files and find a copy for you.

Attachment 1

5) Similarly I recommend the goals (and guiding principles) be placed into boxes in the layout and spread out over 2 pages with Sec 2.5 Strategic Action Plans starting on a new page.. its not hard to do even with a Word doc. It helps for them to be clearly read and understood. You have the Review Process in boxes (p28) so it should be able to be done with the goals anf GPs. Having Goals 1-7 on one page and Goal 8 on one page on its own means that a photocopy or pdf of the page 24 misses the 8th goal

Comment:Document modified as suggested.

6) The Action Plans look fine.

7) the WEIP looks good ... my suggestion would be to consider reprinting the Current Status landscape pages so that all pages read from left to right (ie at the moment the double side printing has every 2nd page reading right to left causing considerable inconvenience to the reader.

Comment:Document modified as suggested.

From: Annie Wolff, Glens Creek Road Nymboida

I wish to comment briefly on 1.4 Guiding Principles, specifically *Healthier rivers and catchments* and *Health of our communities*.

The upper Nymboida River catchment is currently subject to exploration by miners seeking to extract antimony. If mining this metal is allowed to proceed, there is real and serious danger of toxic contamination of the Little Nymboida River, the Nymboida River, and consequently the Mann River and the Clarence River. Antimony contamination is total and permanent. Antimony mining exposes this river system – Clarence Valley's and Coffs Harbour's water supply – to unacceptable and irreparable risk.

I quote from your Draft Water Efficiency Strategic Plan:

"Our careful management of river catchments is vital to water quality." – 1.4 *Healthier rivers and catchments*

"We need to keep our water supply as natural as possible to ensure our drinking water meets health standards." – 1.4 *Health of our communities*

Comment:Comment referred to the River Monitoring Committee as it is not a role of the Water Efficiency Plans. The issue has been discussed by the River Monitoring Committee and they are aware of the potential for pollution of the river system.

Clarence Valley Council & Coffs Harbour City Council



Regional Water Efficiency Strategic Plan



2013

Attachment 2

Mission Statement

“Clarence Valley Council and Coffs Harbour Water are committed to meeting our customer’s long-term needs for a quality, affordable water supply with highest respect to environmental protection.”



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1.0 Introduction

1.1 Background

Action in the Clarence Valley and Coffs Harbour region to use water more efficiently on an organised scale has occurred in various forms since the 1970's. This includes the introduction of universal water metering by the former Lower Clarence County Council (LCCC) and Coffs Harbour City Council (CHCC) in the early 1980's and the introduction of user pays pricing in the late 1980's. CHCC also had to introduce other measures, such as water restrictions, early on to deal with periods of low water supply and to encourage community water efficiency.

In July 1997, the LCCC and CHCC decided to prepare the Regional Water Efficiency Strategic Plan (WESP) with a long term timeframe. A planning workshop, held in Grafton in November 1997, involved a wide cross section of our community and provided the foundation material for the Plan.

The WESP (also called 'The Plan' from herein) was prepared with extensive input from community interests, business and government agencies. The Plan was adopted by the then five councils of the Clarence Valley and Coffs Harbour City Council. Amalgamation of the Clarence Valley councils occurred in 2004 to form Clarence Valley Council. Prior to amalgamation LCCC had adopted a trading name "North Coast Water" and this trading name was retained for a business unit of Clarence Valley Council undertaking the previous LCCC functions. North Coast Water ceased to exist as a business unit in 2009, and all water supply and sewerage functions are managed by Clarence Valley Council's Water Cycle section. Coffs Harbour Water was established in 2002 as the water and sewerage business unit within CHCC and continues to manage these services for residents in the Coffs Harbour LGA today.

The Plan is one of two key parts of the Regional Water Supply Strategy (RWSS) being implemented by Clarence Valley and Coffs Harbour City Councils, the other being construction of a major water storage facility at Shannon Creek, west of Coutts Crossing, filled from the Nymboida River catchment and interconnecting pipelines. Water efficiency, as a major strategy, plays a vital role in reducing the need for a much larger water storage facility than the 30,000ML Shannon Creek Dam. The Plan was established to cover a fifty year time period to 2046. It has now been in place and operating for the first fifteen years of this period. It is a real commitment to a more ecologically sustainable future in the way we use and manage water in the region. It is a framework for a range of key action plans, which address how we gain and use water.

The WESP was reviewed in 2006 as part of the Plan's aim to remain both effective and relevant. A team of people representing community, councils and government stakeholders carried out the review. They considered the range of achievements to date and identified future challenges. They confirmed the Plan's intent and updated its action plans in line with current, and future needs.

The Water Efficiency Team (WET) continues to engage community interests alongside council and government agency representatives. Regular meetings are held to review the progress of implementing the water efficiency strategies and to provide community direction.

This 2013 Plan is an updated version on the WESP (1998) and the WESP (2006), developed by Sustainable Futures Australia.

1.2 Working Together: The Evolution of WESP

Community involvement and consultation has been, and remains a key driver and an important outcome of the Plan. This ranges from being part of decision-making and review, to being encouraged through education and awareness to embrace water efficiency and sustainable behaviours. From the beginning, the Plan has been developed from community effort and support, and is reviewed with community input. This input involves a wide range of representative interests, willing to work together. Ongoing and comprehensive community involvement is a hallmark of this Plan.

- 1996 – Community Advisory Group (CAG) established by Lower Clarence County Council to review proposals, discuss issues and provide input to water storage planning for the region
- 1997 – Community-driven strategy sought, so planning workshop held with 37 community representatives who identified the key aspects of the strategy
- 1998 (early) – Draft Plan produced by smaller CAG working group, then further input from CAG as a whole to ensure community approval and acceptance
- 1998 (mid) – Draft on public exhibition for wider community review
- 1998 (late) – Plan adjusted according to community input and adopted on 5th August. Resources then allocated for preparation and delivery of Implementation Plan.
- 2001 – North Coast Water and Coffs Harbour City Council appoint respective Water Efficiency Coordinators to take an integrated approach to implementing the Plan, particularly the education and demand management elements
- 2001-2006 – Water Efficiency Team (WET) formed from the CAG held regular meetings to review progress of implementing the water efficiency strategies and provide community direction for future strategies.
- 2006 – Review workshop involving community, Council and government agency representatives to update the progress to date on action plans and strategic intent of the Plan. Participants acknowledged the completed actions and developed a range of new actions alongside those which were ongoing.
- 2007 – Revised WESP adopted by both Clarence Valley Council and Coffs Harbour City Council.
- 2009 – The build component of the RWSS, including Shannon Creek Dam and the associated pipelines, completed. The major “build” component of the Regional Water Supply Strategy relies for its longevity on the success of the WESP. Shannon Creek Dam is projected to supply water until 2021, or an extra 25 years to 2046, with effective water conservation.
- 2007-2012 – WET meetings continue to review implementation progress and provide direction from the community.

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1.3 Purpose of the Plan

Aims

The purpose of the Plan is to develop and support an ongoing co-operative approach and range of integrated actions to use and manage water in an ecologically sustainable manner in our region. In this regard there are a number of interrelated and important aims that the Plan is seeking to achieve. These aims are:

1. Effectively co-ordinate water efficiency programs and actions for Council, community, and government agencies.

2. Manage water efficiently and carefully from its supply sources, to its return to the natural environment.

3. Reduce reliance on water from rivers, by using existing and emerging technologies for improving water efficiency.

4. Encourage a water saving and resource conservation ethic in the community through education, information programs and participation.

5. Utilize pricing and regulatory mechanisms to reduce and manage the demand for water especially during dry periods.

6. Make sure the Shannon Creek dam and pipelines designed for the estimated demand for year 2021, when combined with other sources and demand management, will provide a safe and secure supply until at least year 2046, and beyond.

1.4 Guiding Principles – What is This Plan About?

➤ Our ongoing Commitment

An essential part of this Plan is having ongoing commitment from all key stakeholders. Councils cannot achieve all the goals of this Plan alone. The Plan requires and promotes a committed co-operative approach from the local councils, state government, industry and business, residents and communities of the region.

➤ Effective partnerships

This Plan is about the Councils continuing to work together and helping to create and foster partnerships, so that we share the responsibilities, costs and benefits of wise water use and management. These partnerships have been effective to date and they are vital to enable the collective value of our knowledge, ideas, viewpoints and experience to be brought to bear on future challenges.

➤ Expanding our future options

Broadening our attitudes to using and managing water, including the range of water sources we might be able to use, gives us greater adaptability and flexibility for the future. In the face of the challenges of this changing world, we need to be open to opportunities which previously we may have disregarded, and emerging technologies once seen as unworkable. We need to encourage and value creative ideas as well as the rational process of investigating and evaluating them.

➤ Real community involvement

Real involvement relies on having a range of meaningful opportunities to participate in planning and creating the future. This Plan encourages ongoing community involvement to help identify issues and challenges, to create and explore options, to help decide on courses of action, and to evaluate progress towards our agreed goals, and keep abreast of what's happening.

➤ Educating ourselves and expanding awareness

We need to learn more about water, and ways to better manage our use of this valuable resource. A key to this is learning to understand water and its myriad of values. We need to understand how our community presently uses water, how to manage water use in an ecologically sustainable way, and what measures are acceptable to the community. We need to look nationally and globally for examples of best practice and see if they can apply to us. We need to share our challenges and successes. It is important to educate our children and youth, as they are consumers and decision-makers of the future.

➤ Healthier rivers and catchments

Our methods and rates of water extractions from rivers to serve large populations have environmental impacts. We are finding out what these are and working out ways to rectify and avoid them. A key part of this is designing our extraction to maintain appropriate environmental flows in our rivers and waterways throughout seasons, whilst ensuring a reliable water supply to our residents. We are investigating and implementing emerging technologies, which can reduce our dependence on rivers for urban freshwater use, for example, re-use of reclaimed water and stormwater run-off. Achieving and maintaining healthier rivers also means good water quality for our use. Our careful management of river catchments is vital to

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water quality. Sensible management will result in a wide range of environmental, social and economic benefits.

➤ **Health of our communities**

Good water quality for the environment also means good water quality for drinking and other potable uses. We need to keep our water supply as natural as possible to ensure our drinking water meets health standards. In applying alternative supply options, like using rainwater tanks, we need to minimise potential health risks from poor management. This Plan provides for emerging technologies and ongoing education to play important roles in maintaining good quality natural water for our use and for future generations, as well as protecting the environment.

➤ **A Coordinating Strategy**

This Plan is not meant to set out all the detail about saving water, protecting river catchments, which technologies to use, or how we should work together. Rather, this Plan maps out our general direction, providing some certainty about where we are heading – ecologically sustainable water use and management – whilst providing the flexibility for us to adapt to conditions along the way.

Where to Now?

This Plan establishes a clear pathway to more ecologically sustainable water use in our region. It is up to us: our community, Councils and government agency stakeholders to keep searching for practical solutions and to make the necessary changes that benefit us, future generations and our environment.

1.5 Key Achievements to Date

Since the adoption of the original WESP in 1997, Clarence Valley and Coffs Harbour City Councils and our communities have achieved some major milestones and actions in sustainable water management.

➤ Efficient water consumption

Regular reporting to state government agencies show that Coffs Harbour City and Clarence Valley LGA households are among the most water efficient in NSW, without being on the severe water restrictions of some other Councils with comparable household consumption. Water use data indicates that there has also been a consistent reduction in both household water use and total water supplied over the past decade.

➤ Partnerships

Clarence Valley and Coffs Harbour City Council are working together in partnership with a number of organisations. Ongoing relationships currently include the Waterwise Schools coordination committee, the Water Efficiency Team, and North East Water Efficiency (NEWE). Both councils have an ongoing partnership with the Savewater Alliance and the Cascade Environmental Education Centre (NSW Department of Education). Liaison with other water authorities and government agencies occurs as opportunities arise.

➤ Public education programs

Public awareness is maintained with a wide range of public education programs using various media. These include advertising campaigns, website information, water bill inserts, newspaper articles, competitions, bus shelter advertising, talks to interest groups, and dam tours. National Water Week in October and World Water Day in March are an annual focus of promotional activities. Water efficient demonstration gardens have also been established in both councils to encourage waterwise gardening.

➤ School education programs

The "Waterwise Schools" program has been running since 2007 and more than 40 schools have been trained and accredited. This represents the majority of primary schools in the Coffs Harbour and Clarence Valley council areas. Dam and treatment plant tours are also run on demand for schools. The Waterwise Schools program is a cooperative project between several North Coast councils and the Cascade Environment Centre run by the Department of Education. The Department of Education employs professional staff to continuously work with schools in the region.

➤ Water audits for high water users

Most high use commercial industries and caravan parks have been water audited in the past. There has been varying levels of success, depending upon the commitment of management and staff to water use efficiency.

➤ Rebates and incentives

Each Council area autonomously manages their own respective rebate programs. In CVC, there are ongoing tank and dual flush toilet rebate programs and showerhead exchange programs.

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CHC continues to offer a dual flush toilet rebate and showerhead exchange and showerhead rebate programs.

➤ **Water pricing mechanisms to reduce water demand**

Best practice pricing including an inclining block tariff and a price path has been adopted following a community consultation process.

➤ **Permanent level 1 water restrictions**

There are permanent level 1 water restrictions in place in both Coffs Harbour and Clarence Valley Council areas.

➤ **Re-use of water**

Both Councils are strongly committed to using reclaimed water, not only to replace the use of potable water extracted from the natural environment, but also to reduce the release of reclaimed water back into the natural environment. Both councils have assessed opportunities for water reuse, and implemented programs in viable locations. Most current sewerage capital works programs have major re-use elements integrated into them and there is substantial re-use of water by golf clubs, sporting fields, open space, schools and industry in both Council areas. Dual reticulation water services have also been incorporated into several new sewerage infrastructure projects in CVC.

➤ **Pressure reduction, leak detection, and telemetry**

Leak detection and pressure reduction aims to reduce water losses from water supply systems by monitoring and adjusting the water pressure in mains. It's a proven technique adopted by many water supply authorities, which saves millions of litres of water by reducing leakage. It also reduces damage to water infrastructure from high pressure. Water pressure reduction has occurred in viable locations and further opportunities are being assessed. Both Clarence and Coffs Harbour have also recently carried out leak reduction programs along council pipelines. Telemetry has been implemented in both council areas to allow automatic detection of system leaks and facilitate fast repairs.

➤ **Links**

Since the inception of WESP, Commonwealth and State legislation has supported water efficiency. The programs and requirements flowing from these initiatives, have been taken up by our local communities. For example, the Water Efficient Labeling Scheme (WELS) was brought in by the Commonwealth government to allow consumers to see how water efficient the products were that they were purchasing. The Building Sustainability Index, or BASIX, was introduced by the NSW State government, which mandated that all new homes, and existing homes undergoing major renovations should reduce their household water consumption by 40% against the state average and the Residential Tenancies Act 2010 mandated water efficiency improvements in rental housing.

Awards

The WESP and Regional Water Supply Scheme have helped earn the Councils major accolades from various government and industry bodies since the last review in 2007. These include:

1998 - *NSW RAPI Award for Excellence in Community Planning* to Sustainable Futures Australia and Lower Clarence County Council for the Regional Water Efficiency Strategic Plan: Coffs Harbour and Clarence Valley.

2000 - Gold level award from Rivercare Australia.

2007 - *Excellence in Environmental Management Award*, presented by the United Nations Association of Australia for a range of environmental management projects undertaken by CHCC, including the Coffs Harbour Water strategies for reclaimed water and the Regional Water Supply Scheme.

Commendation – Water Saving – National Awards for Local Government, presented by Commonwealth Department of Infrastructure, Transport, Regional Development and Local Government for Coffs Harbour Water Reclaimed Water Strategy.

2008 - *Merit Award – Corporate Sustainability in Local Government*, presented by Local Government Managers Australia for a range of environmentally sustainable initiatives undertaken by CHCC, including the Coffs Harbour Water Strategies for water quality, water efficiency, reclaimed water and enhanced sewage treatment systems.

2009 - *Building NSW Regions Award*, presented by Local Government Managers Australia for being the most proactive Council in NSW for building regional communities in 2008/2009, specifically the Coffs Harbour Water Projects: Regional Water Supply Scheme, Water Reclamation Plant and Water Filtration Plant.

Engineering Excellence Award, presented by Engineers Australia for Shannon Creek Dam and the Regional Water Supply Scheme.

Engineering Excellence Award – Innovation in Water and Wastewater, presented by Institute of Public Works Engineering Australia NSW for the Regional Water Supply Scheme and Shannon Creek Dam.

NSW Water Industry Award for Infrastructure Construction, presented by Australian Water Association for the Regional Water Supply Scheme partnership between the NSW Government, Clarence Valley Council and Coffs Harbour Water.

2010 - *Project Innovation Award*, presented by International Water Association for the Regional Water Supply Scheme and Shannon Creek Dam.

2011 - *Water Conservation Award (Joint Winner) – Excellence in the Environment Awards*, presented by Local Government and Shires Association for NSW for the Water Loss Management Program.

Attachment 2

2.0 The Strategic Plan

This WESP is a framework for creating, implementing and coordinating a range of measures over a long time period to achieve the healthy and secure water supply our communities have advised they want. This section sets out the working part of the strategic plan. The key aspects of Plan are shown below.

2.1 Our Regional Water Supply Vision

“Use and manage our water in an efficient and ecologically sustainable manner”

Our Approach

Our Vision will be achieved through:

- maintaining and enhancing healthy rivers and waterways
- cooperation and coordination of all stakeholders
- timely implementation of cost effective and equitable programs
- developing community awareness
- monitoring and reporting progress and taking actions for continuous improvement
- implementing total water cycle planning and decision-making.

Our Commitment

Clarence Valley and Coffs Harbour City Councils will:

- actively engage all levels of government
- play a leadership role in working in partnership with the community
- promote appropriate existing and emerging technologies
- ensure our water management enables people now, and in the future, to have a secure, good quality water supply and healthy environment.

2.2 Our Planning Framework

This Plan is a framework for creating, implementing and adjusting a coordinated range of measures and programs, implemented in a prioritised manner over a long time period. The framework has helped us work together to identify what we ultimately want to achieve, a range of the ways to go about it, and how best these ways can be combined together in our actions.

The Strategic ‘Planning Web’

The Plan is designed as an integrated web of goals, strategies and actions to achieve a specific Vision for the future. Clarence Valley and Coffs Harbour City Councils, in cooperation with the wider community, have established a vision for the Plan. This vision is our central focus, supported by the Planning Web approach. Key Goals have been identified together by the councils, community and other key stakeholders. These goals, based on the values and challenges associated with the vision, surround and focus on the vision, establishing anchor points to help create a strong web of strategic actions. The goals reflect the key aims of the water efficiency strategy, and can be linked outwardly from the Web to similar broader regional, national and global goals of sustainability and efficient water resource management. Each goal has a number of issues and tasks to address through Strategies with a range of Actions to meet these challenges and achieve the goal. Many of these are required to be carried out successfully to achieve a number of the other goals, showing how interlinked they are.

These goals are grouped into three key Elements of the strategic plan, the main planning and management areas, where strategies and actions are required and our performance and progress needs to be measured in order to achieve our vision.

The key elements of the strategic plan which are:




- (1) Institutional and Regulatory Arrangements
- (2) Water Source Management Goals
- (3) Water Demand Management Goals

Targets, Priorities and Timelines can be set for the strategic actions to help us meet the goals, and measure our success in achieving our vision. Woven together these strands establish the integrated Planning Web. A number of Guiding Principles have been adopted to use in our planning and decision-making, as well as consider when we are carrying out actions, to help weave a strong Web. The Planning Web, however, is only as strong as its weakest strand. It reminds us that all goals are important to achieve, and therefore all actions. We should seek to successfully put into place the strategies and actions proposed for each goal, as well as review them. Over time, new tasks and targets will be set reflecting our learning and changing awareness and views, as well as new ideas and ways of thinking, and the long-term nature of the Plan.

Attachment 2

The Regional Efficiency Strategic 'Planning Web'



-  REGULATORY AND INTEGRATED APPROACH
-  WATER SOURCE MANAGEMENT
-  WATER DEMAND MANAGEMENT

PLANNING WEB © PETER CUMING 1996

2.3 Strategic Planning Links

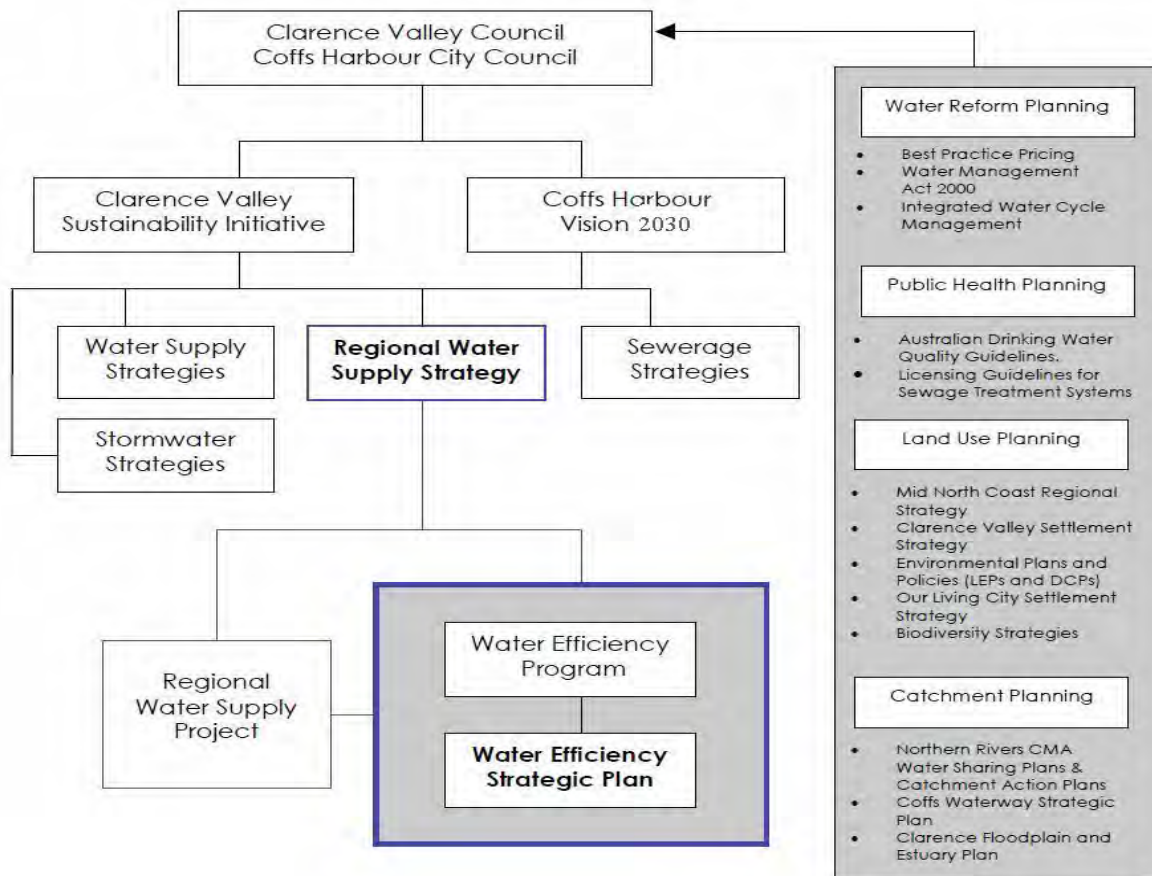
The Plan is a major part of the Regional Water Supply Strategy (RWSS), which has two integrated parts:

- the built component: the Regional Water Supply Project, including the Shannon Creek water storage facility and associated pipelines
- the non-built component: the Water Efficiency Program

Our WESP is a key aspect of the Councils' strategic planning frameworks including helping work towards achieving major council/community aims and goals in their respective long term strategic plans and guiding documents, such as Clarence Valley Council's Sustainability Initiative 'Our Heritage, Our Lifestyle, Our Future', and Coffs Harbour City Council's Vision 2030. The Plan is also directly linked to other Council strategic plans such as the sewerage and wastewater management strategies, and a number of land-use plans, planning instruments and development guidelines.

Sustainable water management not only has a high priority in our region, but also across the state, nationally and on a global level. This Plan needs to be linked to a range of relevant planning initiatives from the global to regional level.

The flowchart on the next page shows how the WESP, prepared as part of the Water Efficiency Program, fits into Clarence Valley and Coffs Harbour City Council strategic planning frameworks, and links to relevant key aspects of state government policy and planning.



Attachment 2

2.3 Guiding Principles

Identified as vital to always be considered in developing and implementing the Plan, these five guiding principles form the basis of our long-term thinking and are core aspects that need to be considered in all our decisions and actions taken to help achieve our goals.

1) Sustainability

We must ensure that the water we need is harvested and used without detrimental impact to other lifeforms and ecosystems. The costs, benefits and responsibility for managing our water need to be shared equitably by all users. We have a responsibility to ensure future generations have access to quality water supplies and a robust natural environment, and that wherever possible we enhance these.

2) Integrated water cycle approach

We must plan for and manage our urban water supply, knowing it is part of the total water cycle. Our harvesting and use of water needs to ensure it will be recycled, both by us and back into the natural environment. Maintaining good water quality and near natural environmental flows in our rivers are critical aspects to always consider and work towards achieving.

3) Community involvement and partnerships

The success of the overall program depends on active and meaningful community involvement and productive partnerships between government, community interests and water users. The whole community needs to accept and understand the responsibility for using and managing water in an ecologically sustainable manner.

4) Recognising influences and constraints

It is important in advance to identify constraints and influences which could limit, or enhance, effective, efficient and ecologically sustainable water use and management practice, and to incorporate measures and account for them in supply design, use and management programs.

5) Performance evaluation, feedback and review

We need to monitor and gain feedback on our performance in aiming for targets and meeting agreed timelines to implement programs. We need to review this Plan and its implementation to make sure we are on track, to see if strategies need adjusting and, where necessary, establish new actions. Partnerships need review to see if they are working effectively, and whether new ones can be established. We need to make sure our actions reflect community views and values.

2.4 Key Elements

The main aims of the Plan relate to the three key elements: (1) institutional and regulatory arrangements, (2) water supply management, and (3) water demand management. These are the main outcome areas where change needs to occur to become more efficient with our water use and to establish an ecologically sustainable management approach. Strategies and actions to meet the goals of the Plan are therefore focused on these three key elements.

1) Water Source Management

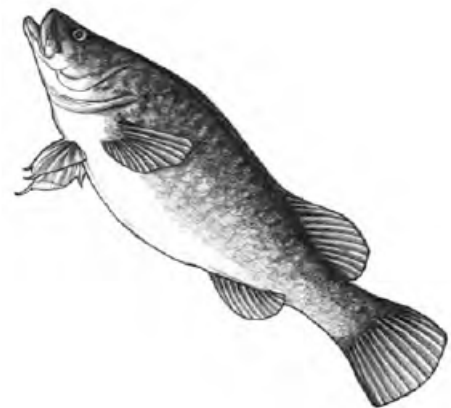
Currently the region relies on surface water supplies from the Orara and Nymboida Rivers as the almost exclusive sources of water for our urban communities. These sources need to be carefully managed so that water quality is the highest standard for human consumption. Water extraction must have a minimal impact on the river environment. Other supply sources and better technologies need to be identified such as stormwater, reclaimed water and grey water re-use, and rainwater tanks.



2) Water Demand Management

People use water in many different ways. Demand management is about encouraging use of water of a suitable standard, as efficiently as possible for the task required. It involves a range of measures including:

- changing our everyday practices
- using best and most cost-effective technology
- suitable pricing and incentives
- changes to council's policies and building codes
- education programs and continuing awareness.



3) Regulatory and Integrated Approach

Regulatory arrangements include changing and updating relevant planning and building regulations. This ensures that new buildings, and older buildings that are retrofitted/redeveloped are as water efficient as possible. An integrated approach involves forming partnerships with all service providers and planning and building regulators in the region, to facilitate a coordinated approach to urban water-cycle management.



Attachment 2

2.5 Our Key Goals

The Plan has eight key goals. These goals reflect the main concerns of our community in managing our urban water supply system. They all need to be achieved to help create an ecologically sustainable water supply and management system. Connected together by strategies and actions they create an integrated approach, which will help achieve our regional vision.

Goal 1 A Cooperative and Coordinated Regional Approach

Clarence Valley Council and Coffs Harbour City Council commit to working co-operatively with each other and other key stakeholders, in an integrated regional approach implementing the Plan and its actions.

Goal 2 Common Regulatory Measures for Efficient and Careful Water Use

Adopt and implement council regulations and policies that maximise the effectiveness of regional councils in achieving efficient and sustainable water use and management.

Goal 3 Helping Enhance Health of Rivers and Waterways

Implement programs that monitor the health of the Nymboida and Orara Rivers and their catchments, to assist in minimising or ameliorating impacts on river health and support a healthy and secure water supply system.

Goal 4 Cost Effective and Environmentally Appropriate Water Sources

Identify appropriate water sources through gauging the attitudes of an informed community towards water source issues, so that a wide range of acceptable and appropriate water sources can be identified for inclusion in the water supply strategies prior to 2021.

Goal 5 Effective and Efficient Management of Water Supply Systems

We work towards increasing ecologically sustainable operational practices through management processes that assess, monitor and minimise losses from leakage and overflows, ensure effective water metering and restrictions to minimise inappropriate water use in times of drought, and maximise efficiency of our supply operations.

Goal 6 Consumer Water Use is Efficient and Environmentally Sound

Develop and implement a range of approaches such as pricing policies, education programs, research on community attitudes to water, and specific planning such as matching water sources to suitable uses, and introducing new technology or better ways of providing water supply whilst using less water.

Goal 7 Incentives and Pricing Policies Support Efficient, Environmentally Sound Water Use

A common, well-understood approach for water pricing supports creation of a range of incentives that are effective in having people use water more efficiently and sustainably.

Goal 8 A Heightened Awareness For Efficient and Careful Water Use

We focus on our community having a better understanding of efficient and ecologically sustainable urban water use, supporting and reviewing actions in the Plan, resulting in greater community awareness and helping to meet the other goals of the Plan.

Attachment 2

2.6 Strategic Action Plans

A range of action plans set out tasks to deal with important strategic issues that have been identified. These action plans include strategies and actions focused on achieving the goals. Key partnerships are identified to oversee or provide the leadership for the strategies and actions. Timelines and priorities are identified for each action and task. These actions and their implementation may need to be adapted due to changing circumstances, and further agreed tasks may be added at any time.

2.6.1 Local Context for Strategic Action Plan Implementation

The Regional Water Supply Scheme (RWSS), including the WESP, is an excellent example of regional cooperation between Coffs Harbour and Clarence Valley Councils, to ensure security of water supply for residents of both areas. On all other governance matters, the two local councils retain autonomy from each other in all respects. This partnership provides the foundation for the build and non-build components of the RWSP. It also allows for some flexibility in individual priorities for each respective Council, specifically with regard to the non-build strategies in the WESP. The value in retaining this avenue of flexibility is that it allows each Council to integrate the WESP with other relevant plans, policies or initiatives that may be in place.

3.0 Action Plans

The following strategic action plans represent ways to move towards achieving the goals of our integrated planning approach. In relation to each **goal** the following objectives are considered in developing the strategies and actions:

- identify key issues and challenges and seek possible options and solutions to them
- develop an approach to plan, carry out and manage the required actions.
- identify and involve key players and stakeholders.
- establish a suitable process of review and evaluation to learn from experience and when necessary, adjust for better outcomes.

In relation to each **strategy** and its key actions the following aspects have been identified to help choose and implement them at the right time:

- having in place key partnerships that will assist in carrying out the actions,
- the considered priority of the actions in relation to each other,
- including matters such as sense of urgency, resources available, and potential/actual partnership support
- the proposed or likely timeframe that is outlined for carrying out the actions, within the context of the life of this Plan.

Priorities

High = HP of critical importance to the immediate success of the Plan

Moderate = MP would benefit the immediate success of the Plan, but not presently essential

Low = LP not presently essential to the immediate success of the Plan

Uncertain = U requires more detailed investigation, or consideration, as its priority and/or the importance is not presently known

Note: These priorities may change due to changing circumstances which may result in a review, and adjustment.

Attachment 2

Goal 1: A cooperative and coordinated regional approach.

Strategies Key	Actions	Partnerships	Priority	Timeframe
Strategy 1.1 Monitor new opportunities not previously considered in the Montgomery Watson Report.	Action 1.1.1 Actively pursue water recycling and re-use opportunities	Participant businesses and communities	HP	Ongoing
	Action 1.1.2 Partnering with private industry to reduce water use.	CVC/CHCC Businesses and industry	MP	Ongoing
	Action 1.1.3 Deliver Waterwise Schools Program	CVC/CHCC/Dept.E&C – Cascade Environmental Education Centre	HP	Ongoing
	Action 1.1.4 Engage with other water authorities on a Regional basis	CVC, CHCC and Kempsey Shire Council NEWWE Councils	HP	Ongoing
Strategy 1.2 Implement and monitor relevant mandatory and voluntary guidelines	Action 1.2.1 Implement & monitor (eg BASIX, Water Sensitive Urban Design, Plumbing and Drainage codes, Water Efficient Labeling Scheme, NABERS Home & Office)	CVC / CHCC Participant Agencies	MP	Ongoing
Strategy 1.3 Maintain community input and consultation	Action 1.3.1 Maintain annual meeting, reporting and feedback with WET	CVC/ CHCC Participant community groups and individuals	HP	Ongoing

Goal 2: Common regulatory measures for efficient and careful water use.

Strategies Key	Actions	Partnerships	Priority	Timeframe
Strategy 2.1 Build on existing partnership between constituent Councils to develop water efficiency through an efficient planning, building and approvals process.	Action 2.1.1 Monitor and review permanent Level 1 water conservation measures	CVC/CHCC	MP	Ongoing
Strategy 2.2 Review and update the Regional Water Efficiency Strategic Plan and Implementation Plan.	Action 2.2.1 CVC and CHCC jointly upgrade WESP every 5 years	CVC/CHCC	MP	Update due - 2018
	Action 2.2.3 Release updated WESP for public exhibition	CVC/CHCC	MP	2018
Strategy 2.3 Adequately resource the Water Efficiency Team meetings and input into the WEIP including progressive review of WESP implementation	Action 2.3.1 Provide relevant administrative support for the annual meeting in a timely manner	CVC/CHCC	MP	Ongoing
Strategy 2.4 Create and use existing Frameworks, policies, Development Control Plans and Strategies to implement water efficiency	Action 2.4.1 Integrate water efficiency into policies and mechanisms eg. IWCM, re-use schemes. The CHCC 'Vision 2030' and the CVC 'Sustainability Initiative'	CVC/CHCC	MP	Ongoing

Goal 3: Helping enhance river health.

Strategies Key	Actions	Partnerships	Priority	Timeframe
Strategy 3.1 Implement the water extraction plan for the Nymboida River in accordance with Shannon Creek licencing.	Action 3.1.1 Work in partnership with the river monitoring committee to enhance river health.	CVC/ CHCC	HP	Ongoing

Attachment 2

Goal 4: Cost effective and environmentally appropriate water sources.

Strategies Key	Actions	Partnerships	Priority	Timeframe
Strategy 4.1 Collate & report on any relevant information on community attitudes & a range of alternative water sources (eg. recycled water, stormwater harvesting, desalination)	Action 4.1.1 Participate in relevant community consultation opportunities and forums. Attend relevant conferences and report findings and information	CVC/ CHCC	LP	Ongoing
	Action 4.1.2 Undertake ongoing community surveys if appropriate	Appropriate Organisations (eg AWA, NEWE, savewater)	LP	Ongoing
	Action 4.1.3 Monitor regulatory requirements for recycled water and investigate new opportunities.	CVC/ CHCC NSW Gov't	MP	Ongoing
Strategy 4.2 Monitor technological changes and modify implementation plan as required.	Action 4.2.1 Where practical ensure capital works programs reflect technological changes and try to adapt to new changes, eg. grey water, recycled water, pressure reduction etc.	CVC/ CHCC	MP	Ongoing
Strategy 4.3 Explore and identify opportunities for integration within an urban water management plan.	Action 4.3.1 Review ICWM plan	CVC/ CHCC/ DWE	MP	Ongoing

Goal 5: Effective and efficient management of water supply systems.

Strategies Key	Actions	Partnerships	Priority	Timeframe
Strategy 5.1 Complete leakage assessment studies to assess leakage.	Action 5.1.1 Conduct ongoing reservoir drop tests and/or water balances	CVC	LP	Ongoing
Strategy 5.2 Complete a pressure survey to assess possible leakage reduction possibilities through pressure reduction.	Action 5.2.1 Undertake active leakage detection programs	CVC/ CHCC NSW Government	MP	Ongoing
	Action 5.2.2 Assess pressure reduction opportunities	CVC/CHCC	MP	Ongoing
	Action 5.2.3 Complete NOW Annual Performance Reports	CVC/CHCC/NOW	MP	Annual
Strategy 5.3 Implement metering program	Action 5.3.1 Maintain meter exchange program, include Fire service metering and ensure meter calibration	CVC/ CHCC	MP	Ongoing
Strategy 5.4 Investigate alternative methods to reduce flushing of mains	Action 5.4.1 Investigate new technologies for mains flushing (eg ice pigging, air scouring) and use of recycled water for fire fighting hydrants (dependant on State Government health legislation) Estimate costs/ benefits	CVC	LP	Ongoing CVC Complete CHCC (Filtration in 2009)
Strategy 5.5 Utilise modern technology to reduce maintenance and leakage losses.	Action 5.5.1 Locate and repair leaks as soon as possible	CVC/ CHCC	MP	Ongoing
	Action 5.5.2 Use Telemetry to assess leakage on a daily basis	CVC	LP	Daily
Strategy 5.6 Apply restrictions as per policy and licence dependent upon Nymboida River flows	Action 5.6.1 Maintain permanent water conservation measures	CVC/CHCC	LP	Ongoing
Strategy 5.7 Carry out secure yield review for forward planning	Action 5.7.1 Monitor yield and forward plan accordingly including impact of climate change	CVC/CHCC	MP	Ongoing

Attachment 2

Goal 6: Consumer water use is efficient and environmentally sound.

Strategies Key	Actions	Partnerships	Priority	Timeframe
Strategy 6.1 Implement a community education program	Action 6.1.1 Use advertising, website newspaper articles, dam tours, letter drops, events, awareness campaigns etc.	Savewater, CVC/CHCC	HP	Ongoing
	Action 6.1.2 Carry out market research and undertake surveys & review programs using Community Based Social Marketing (CBSM) where appropriate	AWA, local media, Savewater	LP	Ongoing
	Action 6.1.3 Provide transparent information to the public on water pricing mechanisms, and service costs.	CVC/CHCC	MP	Ongoing
Strategy 6.2 Monitor consumer water use	Action 6.2.1 Complete annual performance WEIP report with consumer classification water use statistics	CVC/CHC	HP	Ongoing
	Action 6.2.2 Implement National Guidelines for Residential Customer's Water Accounts	AWA	MP	Ongoing
	Action 6.2.3 Complete NOW Annual Performance Report	CVC/CHC	HP	Ongoing
Strategy 6.3 Implement appropriate outcomes from Montgomery Watson Report.	Action 6.3.1 Continue with plan elements (residential water audit, showerhead replacement program, landscape use efficiency, landscape regulation for non-residential- new development, tourist sector water audits, commercial industrial audits/incentives, regulations, pricing and billing)	CVC/CHCC	HP	Ongoing
Strategy 6.4 Evaluate community attitudes and awareness of usage and technologies	Action 6.4.1 Keep abreast of community attitudes and awareness of technological developments	CVC/CHCC	MP	Ongoing

Goal 7: Supportive incentives and pricing policies.

Strategies Key	Actions	Partnerships	Priority	Timeframe
Strategy 7.1 Implement selected incentives through WEIP – eg. shower head rebate.	Action 7.1.1 Maintain current rebate programs.	CVC/ CHCC	MP	Ongoing
Strategy 7.2 Evaluate success of incentive programs & investigate other possible incentives and their cost effectiveness.	Action 7.2.1 Use surveys and evaluation forms. Determine cost/benefit referring to Montgomery Watson formula.	CVC / CHCC	LP	Ongoing
Strategy 7.3 Develop common approach through an appropriate forum and establish an implementation program for this taking into consideration different Council needs/positions.	Action 7.3.1 Collaborate with Regional Councils	North East Water Efficiency (NEWE)	MP	Ongoing
	Action 7.3.2 Maintain best practice water pricing	CVC/ CHCC	HP	Ongoing

Attachment 2

Goal 8: A heightened awareness for efficient water use.

Strategies Key	Actions	Partnerships	Priority	Timeframe
Strategy 8.1 Assess the WESP as developments in water efficiency awareness take place.	Action 8.1.1 Provide for assessment and feedback through the Water Efficiency Team	CVC/ CHCC/WET	HP	Annual
	Action 8.1.2 Conduct opportunistic assessment when working with all community sectors	CVC/ CHCC	LP	Ongoing
Strategy 8.2 Regularly survey to assess performance of the WEIP.	Action 8.2.1 Review performance at annual WET meeting.	CVC/ CHCC/WET	MP	Ongoing
Strategy 8.3 Conduct regular school program, including lectures, visits and tours of sites.	Action 8.3.1 Implement Waterwise schools program and regular tours	CVC/ CHCC/Dept. E&C	HP	Ongoing
	Action 8.3.2 Capitalise on opportunities as they arise eg. CHCC community education trailer	CVC/ CHCC/ Savewater/Peak industry bodies	LP	Ongoing
Strategy 8.4 Investigate and Implement education program for plumbers, retailers and nurseries.	Action 8.4.1 Investigate the feasibility of and implement program where practical, including liaison with peak industry bodies.	CVC/ CHCC/ Savewater	MP	Ongoing
Strategy 8.5.1 Promote home water audit packages	Action 8.5.1 Promote existing home water audit packages.	CVC/ CHCC/ Savewater	LP	Ongoing
Strategy 8.5.2 Monitor new products and assess promotion possibilities and relevant requirements.	Action 8.5.2 Continue ongoing monitoring and liaise with industry and peak bodies e.g. WELS.	CVC/ CHCC/ Savewater	MP	Ongoing
Strategy 8.6 Regularly report on strategic outcomes	Action 8.6.1 Reporting for annual Management Review on WEIP	CVC/ CHCC	HP	Annual
	Action 8.6.2 Review WESP and WEIP every 5 years	CVC/ CHCC	MP	Next 2018

4.0 Implementation and Review

4.1 Implementation

An Implementation Plan is prepared setting out actions to complete based on the Strategic Action Plans (SAPs). This includes the setting out of specific tasks related to the SAPs in more detail, identifying what the priorities are for each council and the cooperative partnership. The Implementation Plan provides direction on the allocation of responsibilities, time and resources to manage and complete the agreed tasks. This implementation process is linked to the reporting cycle set out in Section 4.2. The Implementation Plan is established in conjunction with community group representatives and relevant state government representatives. Resources needed for the Plan come from revenue raised by Council in the sale of water to consumers and other means through grants and at times possibly loans. Priorities are set, budgets estimated and funds allocated on an annual basis. Councils adopt and establish these budgets through their Strategic Business and Management Plans.

The main purpose of the Implementation Plan is to:

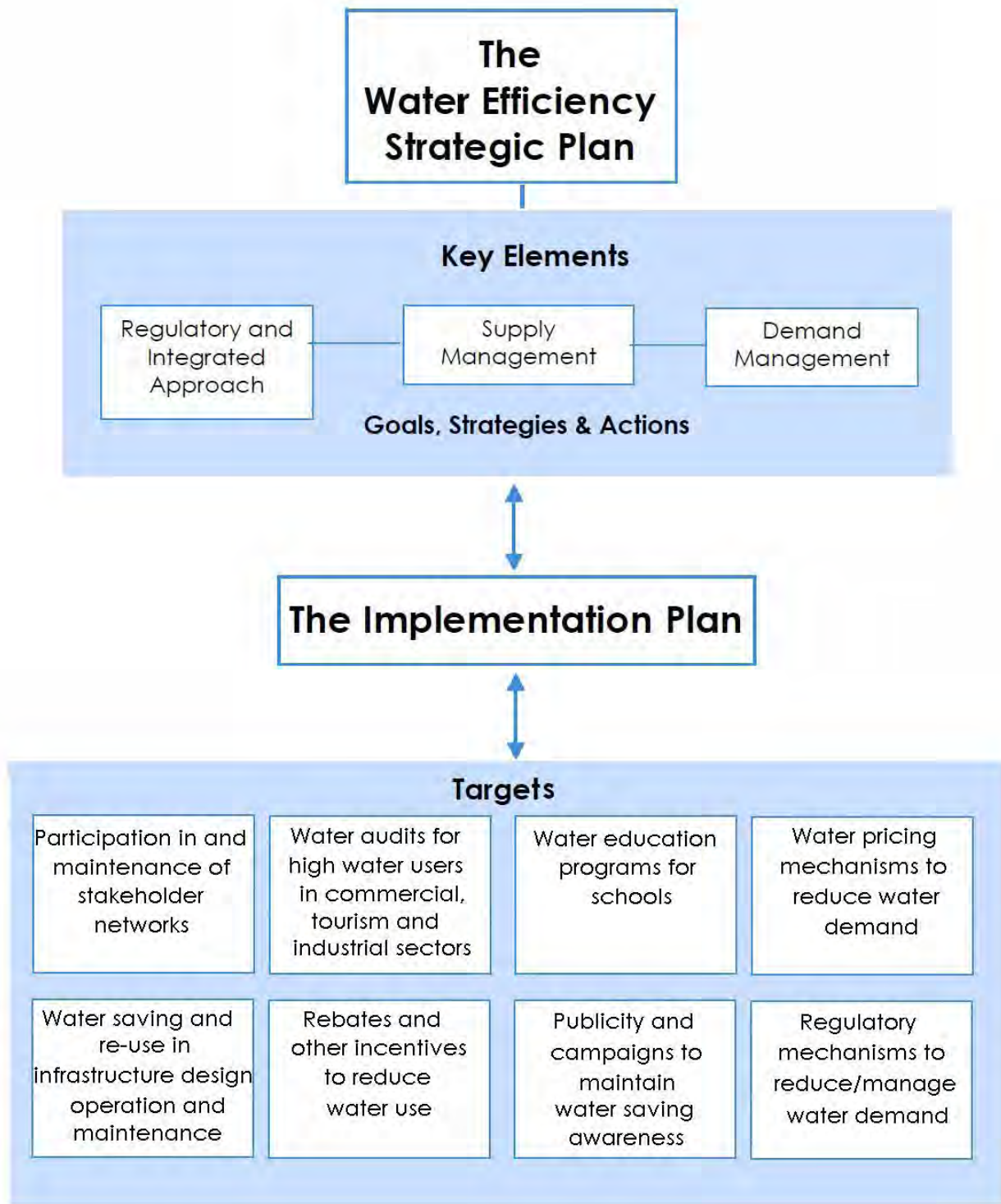
- 1) Develop new, and support existing, partnerships and promote a cooperative and integrated approach
- 2) Ensure that resources are available and matched to tasks and actions
- 3) Gather information from community and other relevant sources to help make better informed decisions on programs and other actions
- 4) Provide information to the wider community to promote water efficiency and keep people informed of progress; and
- 5) Review and evaluate progress and provide a means to adjust programs and actions where necessary.

The flow chart on the following page shows the Target Areas to be focused on in the Implementation Plan. These Target Areas are related to the three Key Elements of WESP.

4.2 Role of Water Efficiency Team in Planning and Review

The planning approach adopted in the Plan enables and encourages evaluation and review of our progress. Review of the Plan and its implementation is done by annual community consultation through a Water Efficiency Team (WET). The WET is involved in reviewing the year's work and timelines, reporting on financial and partnership aspects, and identifying budget requirements. Every 5 years the WET also reviews updates the Plan and the WEIP.

Attachment 2



Our approach is to make sure we meet the Guiding Principles of the Plan, and that we are working meaningfully towards our goals and vision, and our actions are accountable. The Implementation Plan enables us to carry out reviews at appropriate stages to measure our progress and overall success. We can carry out this review by developing strategic questions to look at how we are performing in regard to the Key Elements and Target Areas. These questions could include for example:

Key Element: Regulatory and Integrated Approach

Is our regulatory and integrated approach helping achieve water efficiency and ecologically sustainable water management, through:

- supporting common action such as drought management policies, catchment management and pricing of water, which includes the real costs of providing it?
- requiring urban, rural and commercial development to be designed on ESD principles?
- supporting best practice water source and supply system management?
- adopting and encouraging demand management programs?
- cooperative action and effective partnerships at a range of levels?

Key Element: Water Source Management

Is our Supply Management System:

- using the most ecologically sustainable supply source(s)?
- reducing leakage and other water losses in the system to least possible levels?
- using the best, most cost-effective technological practices available?
- investigating emerging ideas, innovation and technologies?

Key Element: Water Demand Management

Are people aware of, and actively involved in efficient use of water, including:

- through participation in our Demand Management programs?
- using water in an efficient and ecologically sustainable way?
- if our community are not being efficient enough, where and how can we improve?
- are our education and awareness raising programs effective and covering key areas of business, community, residents, visitors, schools and public institutions?

Our Implementation Plan will work on a SMART approach to actions. The **SMART** principles are:

Specific - we will set clear tasks and programs that we want to achieve

Measurable - we can set targets and check on our progress

Achievable - we believe we can do what we've set out to do

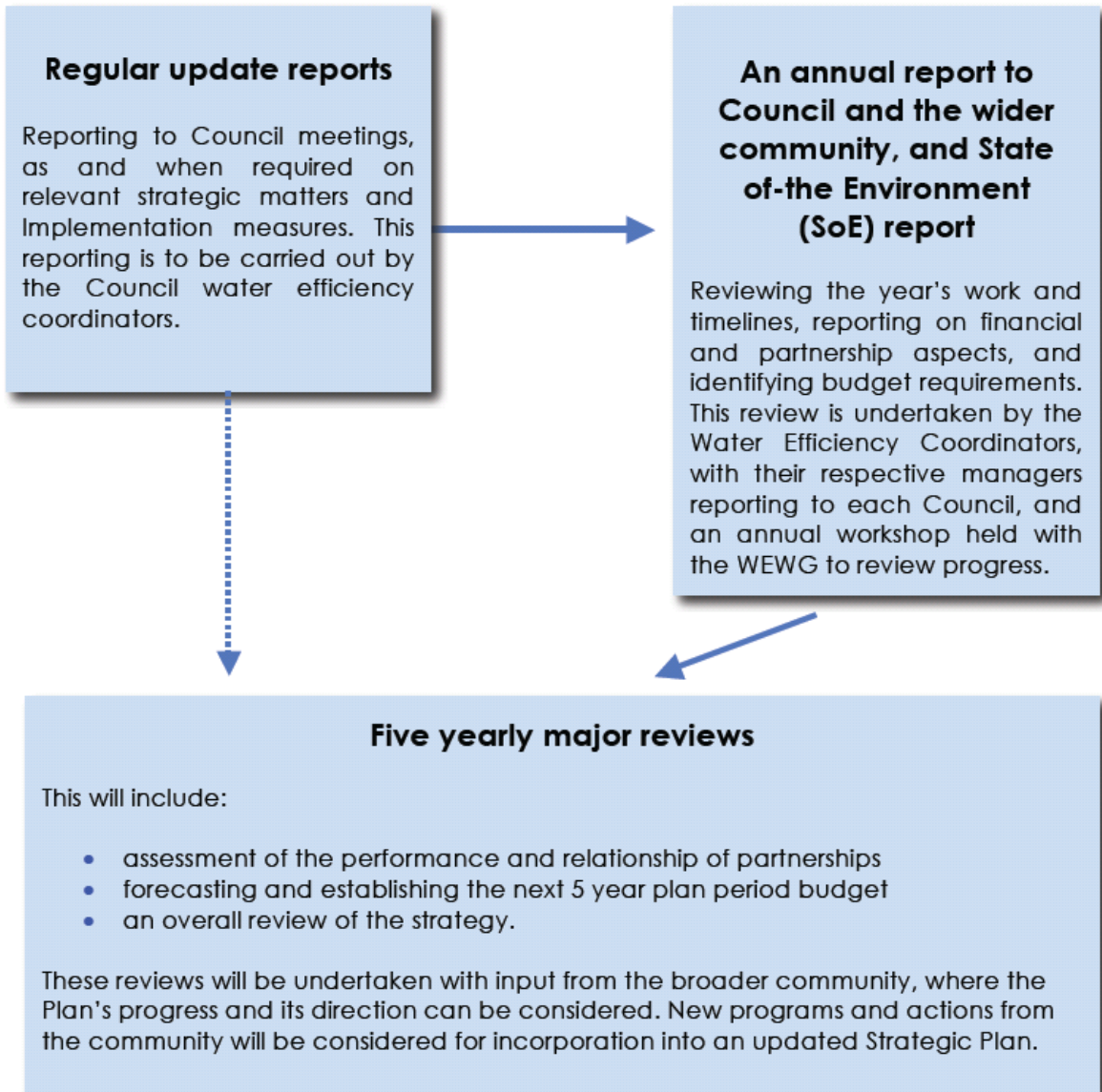
Realistic - we will set ourselves practical and meaningful tasks

Time-oriented - we will seek to get tasks completed within an agreed time-frame.

Attachment 2

4.2 The Review Process

The Strategic Plan is an accountable and practical plan supporting the implementation of ecologically sustainable water efficiency and management programs. The planning approach adopted in the Plan enables and encourages evaluation and review of our progress. Review of the Plan and its implementation happens in the following ways, which includes annual community involvement through a Water Efficiency Team (WET).



In summary...

The review and evaluation process will ensure the Strategic Plan, its key goals and programs can be adapted to new information and understanding, and updated regularly ensuring its application for many years to come - a key aspect of sustainability planning.

Abbreviations

To assist the reading of the Plan, the following list outlines abbreviations used in this document:

AWA - Australian Water Association
CBSM – Community Based Social Marketing
CHCC - Coffs Harbour City Council
CHW - Coffs Harbour Water, a business unit of CHCC
CVC - Clarence Valley Council
DCP - Development Control Plan
DECC - Department of Environment and Climate Change (now Environment and Heritage)
DNR - Department of Natural Resources (now Environment and Heritage)
E&C – NSW Department of Education and Communities
F/Y - Financial year
LEP - Local Environment Plan
LGSA - Local Government Shires Association
MW - Report Clarence Valley/Coffs Harbour Water Efficiency Strategic Plan (Volume 1 & Appendices), prepared by Montgomery Watson in August 2000, and later updated by review in 2001
NEWE - North East Water Efficiency
NRCMA - Northern Rivers Catchment Management Authority
NCW - North Coast Water: a former business unit of Clarence Valley Council
NOW – NSW Office of Water
SEPP - State Environment Protection Policy
WEIP - Water Efficiency Implementation Plan
WESP - The Regional Water Efficiency Plan
WET - Water Efficiency Team (comprises representatives of Councils, Community, State Government Agencies)

Attachment 2

Acknowledgements

The Planning Process and Preparation of the Water Efficiency Strategic Plan (1997) - Strategic Planning Workshop November 1997:

The Community Advisory Group for their work at planning workshops providing the basis for, reviewing and signing off on the draft Plan. These included:

- The Councils of the Clarence Valley, and Coffs Harbour City Council
- Clarence Valley residents and resident groups
- Coffs Harbour and Orara Valley resident groups and residents
- Youth representatives from high schools
- Community groups including conservation and farming interests
- Clarence Valley and Coffs Harbour Building & Plumbing Industry
- State government agencies including: Dept of Land & Water Conservation, Dept Public Works, Dept Local Government and Environment Protection Agency
- NSW Healthy Rivers Commission

Initial Plan Preparation Working Group: Jim Fear (project co-ordinator), Gary Kennedy, Ian Preston, Cr Fred Morgan, Cr Bruce Tucker, (the late) Cr Joy Mathews, Simon Thorn, FrankVaarwerk, Kevin Warner, Nerise Windsor (minute secretary)

Sustainable Futures Australia: Peter Cuming, facilitator of Community Planning Workshop and Plan Working Group, preparation of Strategy Plan, concepts for graphics and report layout. Joanna Terpestra, graphics except for the Waterwise logo. Desk Top Publishing, by Osprey Design and Sustainable Futures.

The Water Efficiency Team; the WESP Review, 2006; and updated WESP, 2007.

WET and Review process: Participants in the WET through the years of initial plan implementation, at the WESP Review 2006, and final updated Plan preparation, including the following interests: Clarence Valley Council and Coffs Harbour City Council, Clarence Valley and Coffs Harbour and Orara Valley resident groups, Clarence Valley National Parks Association, Clarence Valley Conservation Coalition, Clarence Environment Centre, State government agencies including: Department of Infrastructure Planning & Natural Resources, Department of Commerce, and NSW Public Health, Clarence Valley Council and Coffs Harbour City Council, Martin Duyker (North Coast Water) and Melissa Hinkley, (Coffs Harbour Water) for their contribution at the review workshop and providing information and photographs to update the WESP document.

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The WESP Review and updated WESP, 2013 - The Water Efficiency Team for review of the document, Sustainable Futures Australia (and Peter Cuming) for providing the planning document that the 2013 version of the WESP is largely based upon. Matt Foley (Clarence Valley Council) and Melissa Hinkley (Coffs Harbour Water) for their providing information to update the WESP document, contribution during the review workshop and updating the WESP document including layout.

Clarence Valley Council & Coffs Harbour City Council



Water Efficiency Implementation Plan



2013

Attachment 3

PURPOSE

The purpose of the plan is to support an ongoing co-operative approach and range of integrated actions to use and manage water in an ecologically sustainable manner in the region.

The Water Efficiency Implementation Plan will give direction to the water efficiency programs in the Clarence/Coffs Harbour region.

AIMS

1. Effectively co-ordinate water efficiency programs and actions for Council, community, and government agencies.
2. Manage water efficiently and carefully from its supply sources, to its return to the natural environment.
3. Reduce reliance on water from rivers, by using existing and emerging technologies for improving water efficiency.
4. Encourage a water saving and resource conservation ethic in the community through education, information programs and participation.
5. Utilize pricing and regulatory mechanisms to reduce and manage the demand for water especially during dry periods.



TARGETS

Participation in and maintenance of stakeholder networks

- Liaison with the community on water conservation issues through community committees and public consultation.
- Participation in joint water efficiency and education initiatives with other regional councils.
- Provide information and involve government agencies in water efficiency initiatives within the region.
- Engage with other water authorities on a regional basis.
- Identify and involve key stakeholders and establish partnerships.

Related to Aims – 1,2,4,5

Identification of opportunities for water saving and re-use in infrastructure design, operation and maintenance.

- Continue to carry out water loss programs as required and assess pressure reduction opportunities.
- Water main surveys - proactive detection and repair of water main leaks.
- Telemetry Implementation - automatic detection of system leaks to facilitate fast repairs.
- Continued evaluation of opportunities for integrated water solutions in the design of infrastructure.
- Water meter exchange.
- Water audit guide/s.

Related to Aims - 2,3

Water audits for high water users in commercial, tourism and industrial sectors.

- Water audits with committed high use industries/ properties.
- Promotion of retrofitting to privately operated parks and motels, and rebates available.
- Tourism advertising (incl. water restrictions advertising)

Related to Aims - 3,4,5

Rebates and other incentives to reduce water use.

- Tank, and dual flush toilet rebate programs.
- Program to swap to new min. 9l/min showers and replace old inefficient showers

Related to Aims - 3,4

Attachment 3

Water education programs for Schools

- Deliver Waterwise Schools program.
- In-school visits.
- School resource kit with more local content.
- Ongoing provision of school dam / water treatment plant / water reclamation plant tours.
- Refresher courses for already Waterwise accredited schools.

Related to Aim - 4

Publicity and campaigns to maintain water saving awareness.

- Advertising, website newspaper articles, dam tours, letter drops, events, awareness campaigns.
- National Water Week activities and World Water Day activities.
- Promotion of Water Efficient electrical appliances (i.e clothes washing machines & dishwashers).
- Demonstration of water efficient gardening principles through Waterwise gardens.
- Waterwise garden walks.
- Sponsorship of Waterwise activities and events.
- Bus shelter advertising
- Savewater Alliance membership - to allow residents access to national website, regular competitions and specifically designed bill inserts, etc.

Related to Aim - 4

Water pricing mechanisms to reduce water demand.

Implement best practice in water pricing.

Related to Aim – 5

Regulatory mechanisms to reduce/manage water demand.

- Permanent water conservation measures.
- Advertise and enforce water restrictions particularly in dry times.
- Tourism advertising (incl. water restrictions advertising).
- BASIX Implementation

Related Aim - 5

Current Status

Targets	Target Description	Outcomes	Current Status (January 2013)
<p>Participation in and maintenance of stakeholder networks.</p>	<ul style="list-style-type: none"> • Liaison with the community on water conservation issues through community committees and public consultation. • Participation in joint water efficiency and education initiatives with other regional councils. • Provide information and involve government agencies in water efficiency initiatives within the region. • Engage with other water authorities on a regional basis. • Identify and involve key stakeholders and establish partnerships. 	<ul style="list-style-type: none"> • Maintenance of networks and partnerships. 	<ul style="list-style-type: none"> • Ongoing committees currently include the Waterwise Schools coordination committee, the Water Efficiency Team, and NEWE. • Both councils have an ongoing partnership with the Savewater Alliance and the Cascade Environmental Education Centre (NSW Department of Education). • Liaison with other water authorities and government agencies occurs as needed.
<p>Identification of opportunities for water saving and re-use in infrastructure design, operation and maintenance.</p>	<ul style="list-style-type: none"> • Continue to carry out water loss programs as required and assess pressure reduction opportunities. • Water main surveys - proactive detection and repair of water main leaks. • Telemetry Implementation - automatic detection of system leaks to facilitate fast repairs. • Continued evaluation of opportunities for integrated water solutions in the design of infrastructure. • Water meter exchange. • Water audit guide/s. 	<ul style="list-style-type: none"> • Integrated water cycle management principles incorporated into the design of infrastructure. • Proactive and early detection and repair of water leaks, reducing water system losses. 	<ul style="list-style-type: none"> • Both Clarence and Coffs Harbour have assessed opportunities for water pressure reduction, and implemented programs in viable locations. • Telemetry has been implemented in both council areas. • Opportunities for water re-use are routinely assessed and incorporated into the design of all new sewerage treatment plants. • Many existing plants have been upgraded to allow re-use.

Attachment 3

<p>Water audits for high water users in commercial, tourism and industrial sectors.</p>	<ul style="list-style-type: none"> • Water audits with committed high use industries/ properties. • Promotion of retrofitting to privately operated parks and motels, and rebates available. • Tourism advertising (incl. water restrictions advertising) 	<ul style="list-style-type: none"> • Reduced water consumption by tourist and commercial facilities. 	<ul style="list-style-type: none"> • Most high use commercial industries and caravan parks have been water audited in the past. There has been varying levels of success, depending upon the commitment of management and staff to water use efficiency.
<p>Rebates and other incentives to reduce water use.</p>	<ul style="list-style-type: none"> • Tank and dual flush toilet rebate programs. • Program to swap to new min. 9l/min showers and replace old inefficient showers. 	<ul style="list-style-type: none"> • Reduction in water demand from more water efficient toilets showerheads. • Water conservation supported and encouraged in households through tanks supplementing town water supplies and increasing awareness of water use in residents. 	<ul style="list-style-type: none"> • There are ongoing tank and dual flush toilet rebate programs and showerhead exchange programs in both council areas. • There have also been showerhead exchange programs run by energy efficiency companies in both council areas. • The demand for dual flush toilets and showerheads is likely to decrease over time with ongoing replacement in older buildings. New toilets and showerheads on the market are nearly all water efficient.
<p>Water education programs for Schools</p>	<ul style="list-style-type: none"> • Deliver Waterwise Schools program. • In-school visits. • School resource kit with more local content. • Ongoing provision of school dam / water treatment plant / water reclamation plant tours. • Refresher courses for already Waterwise accredited schools. 	<ul style="list-style-type: none"> • School community involved in ongoing water education – raising awareness of water issues and appreciation of local water supply. • Greater understanding of water supply system and importance of water conservation by students. • Identification of water use and possible water saving opportunities in educational institutions. 	<ul style="list-style-type: none"> • The waterwise Schools program has been running since 2007 and more than 40 schools have been trained and accredited as “Waterwise Schools”. This represents the majority of primary schools in the Coffs Harbour and Clarence Valley council areas. • Dam and treatment plant tours are run on demand for schools. • Refresher courses have begun in already accredited schools.

<p>Publicity and campaigns to maintain water saving awareness.</p>	<ul style="list-style-type: none"> • Advertising, website newspaper articles, dam tours, letter drops, events, awareness campaigns. • National Water Week activities and World Water Day activities. • Promotion of Water Efficient electrical appliances (i.e clothes washing machines & dishwashers). • Demonstration of water efficient gardening principles through Waterwise gardens. • Waterwise garden walks. • Sponsorship of Waterwise activities and events. • Bus shelter advertising • savewater! Alliance membership - to allow residents access to national website, regular competitions and specifically designed bill inserts, etc. 	<ul style="list-style-type: none"> • Awareness of water use and possible household water savings and costs. • Increased local resident understanding of water issues. • Residents adopting waterwise gardening principles in their gardens. • Incentives for local residents and businesses to reduce water consumption in their gardens. • Water saving message visible to community on bus shelters. • Resident access to Savewater national website, regular competitions and specifically designed bill inserts, etc. that councils alone could not provide. 	<ul style="list-style-type: none"> • Both Councils have regular newspaper articles, dam tours, letter drops, events, awareness campaigns. • National water week activities are run annually. • Water efficient demonstration gardens established in both councils. • Bus shelter advertising in both councils. • Websites promoting water efficiency with links to the "Savewater Alliance" web site established. • Water efficiency labeling (WELS) regularly promoted through the media.
<p>Water pricing mechanisms to reduce water demand.</p>	<ul style="list-style-type: none"> • Implement best practice in water pricing. 	<ul style="list-style-type: none"> • Cost incentives for consumers to reduce water use. 	<ul style="list-style-type: none"> • Best practice pricing including an inclining block tariff and a price path has been adopted following a community consultation process.
<p>Regulatory mechanisms to reduce/manage water demand.</p>	<ul style="list-style-type: none"> • Permanent water conservation measures. • Advertise and enforce water restrictions particularly in dry times. • Tourism advertising (incl. water restrictions advertising). • BASIX Implementation 	<ul style="list-style-type: none"> • Reduced water use in dry times. • Visitors to resorts, motels, caravan parks, etc, have increased awareness of water use. • Water efficient design principles included in new houses and developments. 	<ul style="list-style-type: none"> • There are permanent level 1 water restrictions in place in both Coffs Harbour and Clarence Valley Council areas. • BASIX is being implemented by planning departments in both councils.

Attachment 3

Actions 2013-2018

Targets	Target Description	Actions 2013-2018
<p>Participation in and maintenance of stakeholder networks.</p>	<ul style="list-style-type: none"> • Liaison with the community on water conservation issues through community committees and public consultation. • Participation in joint water efficiency and education initiatives with other regional councils. • Provide information and involve government agencies in water efficiency initiatives within the region. • Engage with other water authorities on a regional basis. • Identify and involve key stakeholders and establish partnerships. 	<ul style="list-style-type: none"> • Maintain current networks, • More liaison and talks to community groups (eg gardening clubs, U3A, Tourism Associations)
<p>Identification of opportunities for water saving and re-use in infrastructure design, operation and maintenance.</p>	<ul style="list-style-type: none"> • Continue to carry out water loss programs as required and assess pressure reduction opportunities. • Water main surveys - proactive detection and repair of water main leaks. • Telemetry Implementation - automatic detection of system leaks to facilitate fast repairs. • Continued evaluation of opportunities for integrated water solutions in the design of infrastructure. • Water meter exchange. • Water audit guide/s. 	<ul style="list-style-type: none"> • Implement current strategies • Audit council public toilets and facilities • Investigate new technologies for mains flushing (eg ice pigging, air scouring) and use of recycled water for fire fighting hydrants (dependant on State Gov't health legislation)
<p>Water audits for high water users in commercial, tourism and industrial sectors.</p>	<ul style="list-style-type: none"> • Water audits with committed high use industries/ properties. • Promotion of retrofitting to privately operated parks and motels, and rebates available. • Tourism advertising (incl. water restrictions advertising) 	<ul style="list-style-type: none"> • Regular water audits of tourist parks • Liaise with high water use industries and advise of specialist water audit consultancies.

<p>Rebates and other incentives to reduce water use.</p>	<ul style="list-style-type: none"> • Tank and dual flush toilet rebate programs. • Program to swap to new min. 9l/min showers and replace old inefficient showers. 	<ul style="list-style-type: none"> • Continue with existing programs. • Extend rainwater tank rebates to rural agricultural sheds currently connected to town water (CVC only).
<p>Water education programs for Schools</p>	<ul style="list-style-type: none"> • Deliver Waterwise Schools program. • In-school visits. • School resource kit with more local content. • Ongoing provision of school dam / water treatment plant / water reclamation plant tours. • Refresher courses for already Waterwise accredited schools. 	<ul style="list-style-type: none"> • Continue with existing Waterwise Schools program • Modify Waterwise Schools Program to tie in with national schools curriculum. • More focus on education for high schools and TAFE
<p>Publicity and campaigns to maintain water saving awareness.</p>	<ul style="list-style-type: none"> • Advertising, website newspaper articles, dam tours, letter drops, events, awareness campaigns. • National Water Week activities and World Water Day activities. • Promotion of Water Efficient electrical appliances (i.e clothes washing machines & dishwashers). • Demonstration of water efficient gardening principles through Waterwise gardens. • Waterwise garden walks. • Sponsorship of Waterwise activities and events. • Bus shelter advertising • savewater! Alliance membership - to allow residents access to national website, regular competitions and specifically designed bill inserts, etc. 	<ul style="list-style-type: none"> • Continue with existing publicity programs. • Promote water saving at building exhibits/events and any other local events where there is likely to be a high level of interest.
<p>Water pricing mechanisms to reduce water demand.</p>	<ul style="list-style-type: none"> • Implement best practice in water pricing. 	<ul style="list-style-type: none"> • In place – adjust in response to government pricing policies and council business plans.
<p>Regulatory mechanisms to reduce/manage water demand.</p>	<ul style="list-style-type: none"> • Permanent water conservation measures. • Advertise and enforce water restrictions particularly in dry times. • Tourism advertising (incl. water restrictions advertising). • BASIX Implementation 	<ul style="list-style-type: none"> • Permanent water conservation measures in place. • Replace “permanent water restrictions” with “permanent water conservation measures” in policies. • WELS labeling and BASIX in place – need identified to monitor BASIX compliance.

Attachment 3

APPENDIX I

Annual Reporting Template – Water Efficiency Annual Report Coffs Harbour/Clarence Valley Council

Reviewed Targets – Coffs Harbour/Clarence Valley Council (Year)				
Targets	Target Description	Outcomes	Comments	Budget Requirements
Participation and maintenance in stakeholder networks.	<ul style="list-style-type: none"> • Liaison with the community on water conservation issues through community committees and public consultation. • Participation in joint water efficiency and education initiatives with other regional councils. • Provide information and involve government agencies in water efficiency initiatives within the region. • Engage with other water authorities on a regional basis. • Identify and involve key stakeholders and establish partnerships. 	<ul style="list-style-type: none"> • Maintenance of networks and partnerships. 		
Identification of opportunities for water saving and re-use in infrastructure design, operation and maintenance.	<ul style="list-style-type: none"> • Continued evaluation of opportunities for integrated water solutions in the design of infrastructure. • Continue to carry out water loss programs as required and assess pressure reduction opportunities. • Water main surveys - proactive detection and repair of water main leaks. • Telemetry Implementation - automatic detection of system leaks to facilitate fast repairs. • Water meter exchange. 	<ul style="list-style-type: none"> • Integrated water cycle management principles incorporated into the design of infrastructure. • Proactive and early detection and repair of water leaks, reducing water system losses. 		
Water audits for high water users in commercial, tourism and industrial sectors.	<ul style="list-style-type: none"> • Water audits with committed high use industries/ properties. • Promotion of retrofitting to privately operated parks and motels, and rebates available. • Tourism advertising (incl. water restrictions advertising) 	<ul style="list-style-type: none"> • Reduced water consumption by tourist and commercial facilities. 		
Rebates and other incentives to reduce water	<ul style="list-style-type: none"> • Tank, and dual flush toilet rebate programs. • Program to swap to new min. 9l/min showers and replace old 	<ul style="list-style-type: none"> • Reduction in water demand from more water efficient toilets 		

<p>use.</p>	<p>inefficient showers</p>	<p>showerheads.</p> <ul style="list-style-type: none"> Water conservation supported and encouraged in households through tanks supplementing town water supplies and increasing awareness of water use in residents. 		
<p>Water education programs for Schools</p>	<ul style="list-style-type: none"> Deliver Waterwise Schools program. In-school visits. School resource kit with more local content. Ongoing provision of school dam / water treatment plant / water reclamation plant tours. Refresher courses for already Waterwise accredited schools. 	<ul style="list-style-type: none"> School community involved in ongoing water education – raising awareness of water issues and appreciation of local water supply Greater understanding of water supply system and importance of water conservation by students Identification of water use and possible water saving opportunities in educational institutions. 		
<p>Publicity and campaigns to maintain water saving awareness.</p>	<ul style="list-style-type: none"> Advertising, website newspaper articles, dam tours, letter drops, events, awareness campaigns. National Water Week activities and World Water Day activities. Promotion of Water Efficient electrical appliances (i.e clothes washing machines & dishwashers). Demonstration of water efficient gardening principles through waterwise gardens. Waterwise garden walks. 	<ul style="list-style-type: none"> Awareness of water use and possible household water savings and costs. Increased local resident understanding of water issues. Residents adopting waterwise gardening principles in 		

Attachment 3

	<ul style="list-style-type: none"> • Sponsorship of Waterwise activities and events. • Bus shelter advertising • Savewater Alliance membership - to allow residents access to national website, regular competitions and specifically designed bill inserts, etc. • Water audit guide/s. 	<p>their gardens.</p> <ul style="list-style-type: none"> • Incentives for local residents and businesses to reduce water consumption in their gardens. • Water saving message visible to community on bus shelters. • Resident access to Savewater national website, regular competitions and specifically designed bill inserts, etc. that councils alone could not provide. 		
Water pricing mechanisms to reduce water demand.	<ul style="list-style-type: none"> • Implement best practice in water pricing. 	<ul style="list-style-type: none"> • Cost incentives for consumers to reduce water use. 		
Regulatory mechanisms to reduce/manage water demand.	<ul style="list-style-type: none"> • Permanent water conservation measures. • Advertise and enforce water restrictions particularly in dry times. • Tourism advertising (incl. water restrictions advertising). • BASIX Implementation 	<ul style="list-style-type: none"> • Reduced water use in dry times. • Visitors to resorts, motels, caravan parks, etc, have increased awareness of water use. • Water efficient design principles included in new houses and developments. 		
Sub Total				
Administration and miscellaneous				
TOTAL				

(Council Name) Water Use Statistical Information (Year/period)

Total Annual Consumption (Date)		Number of properties connected	
Average Daily Consumption		Average annual residential household consumption	

Water Usage by Category Type

Category	No. Accounts	Total Consumption (kl)	Category	No. Accounts	Total Consumption (kl)
Residential			Industrial		
Commercial			Rural		
Recreational			Raw		

RELEASE OF EASEMENT FOR DRAINAGE OF SEWAGE - 1 SIXTEENTH AVENUE, SAWTELL

Purpose:

To obtain Council approval to execute the necessary documents to release an easement for drainage of sewage encumbering 1 Sixteenth Avenue, Sawtell. The easement is surplus to Council requirements.

Description of Item:

This report is required to authorise the release of an easement and obtain Council's authority to execute a legal document under seal. Currently Council is the party which is legally empowered to release, vary or modify an existing easement which impacts on 1 Sixteenth Avenue, Sawtell which is legally described as Lot 35 Section 10 DP 14800. The property comprises an urban residential allotment which is currently vacant. The land was originally owned by Council, however, was sold in 1998 as it was considered surplus to Council requirements.

The easement is noted on the Second Schedule of Title as dealing 5191292 "*Easement for drainage of sewage affecting the part of the land shown as 'proposed easement for pipeline 2 wide' in DP 643535*". The plan attached to this report shows the property and the location in hatching of the easement to be released.

Sustainability Assessment:

- **Environment**

There are no environmental issues.

- **Social**

There are no social impacts.

- **Civic Leadership**

There are no major impacts in relation to this private matter.

- **Economic**

Broader Economic Implications

The removal of the easement may enhance the development potential of the land. It should be noted that the land is heavily constrained in relation to flood issues. Any application for development of the site will be subject to the Development Application process.

Delivery Program/Operational Plan Implications

All costs in relation to the matter will be borne by the owners of Lot 35 Section 10 DP 14800.

Risk Analysis:

The risk in relation to this matter has been assessed as minor and insignificant.

Consultation:

Coffs Harbour Water advise that the subject easement was created for a sewer rising main that has since been decommissioned and replaced in another location. The easement is no longer needed by Coffs Harbour Water operations and will not be needed for future strategies. Coffs Harbour Water has no objection to the extinguishment of the easement.

Related Policy and / or Precedents:

Council has in the past consented to the release of easements when considered appropriate.

Statutory Requirements:

Council cannot affix its seal without a resolution of Council. This requirement has generated the need for this report.

Issues:

The only issue for Council to consider is whether it should consent to the proposed release of the easement. In the circumstances there is no reason why Council should not grant approval.

Implementation Date / Priority:

The matter will be dealt with immediately following Council's resolution.

Recommendation:

1. That Council agree to release the easement as described in this report.
2. That Council execute under Seal all necessary documents to release the existing easement for drainage of sewage shown as *"proposed easement for pipeline 2 wide in DP 643535 over Lot 35 Section 10 DP 14800"*.
3. That all costs associated with this matter be borne by the owners of Lot 35 Section 10 DP 14800.

FINANCIAL REPORTS 2012-2013

Purpose:

Consideration of the audited financial reports for the year ended 30 June 2013 including the Auditor's report.

Description of Item:

A set of certified and audited financial reports, including the signed Auditor's Report for the year ended 30 June 2013 is attached. These reports were emailed to the Division of Local Government on 17 February 2014.

At the Council meeting on 13 February 2014 a report relating to the audited financial reports including the draft Auditor's Report (which was circulated to councillors for information), for the year ended 30 June 2013 was presented. A resolution was passed to receive the audited Financial Reports for the year ended 30 June 2013 and approve the signing of the Statements by Councillors and management. There have been no changes between the draft version of the Auditor's Report and the final version.

Section 419 of the Local Government Act requires a council to present its audited financial reports, together with the auditor's reports, at a meeting of the council held on the date fixed for the meeting. Public notice of the presentation of the financial reports, to this meeting, has been given in accordance with Section 418.

Summary:

The annual financial reports for the year ended 30 June 2013 are finalised.

Sustainability Assessment:

- **Environment**

There are no perceived current or future environmental impacts.

- **Social**

There are no perceived current or future social impacts.

- **Civic Leadership**

There are no civic leadership impacts as a result of the recommendation in this report.

- **Economic**

Broader Economic Implications

There are no perceived current or future broader economic implications.

Delivery Program/Operational Plan Implications

The operational plan process through budget reviews have reflected the financial results achieved in Council's Annual Financial Reports.

Risk Analysis:

A risk analysis is not applicable in this instance.

Consultation:

The New South Wales Division of Local Government through the Code of Accounting Practice Update number 21 and Thomas Noble & Russell (Council's auditors) have provided advice to assist Council in the preparation of the Annual Financial Reports.

Related Policy and / or Precedents:

Financial reports are prepared and presented on an annual basis as per statutory and regulatory requirements.

Statutory Requirements:

The financial reports have been prepared in accordance with:

1. The Local Government Act 1993 and amendments
2. Local Government Regulations
3. Australian Accounting Standards (AASB's).
4. The "Local Government Code of Accounting Practice and Financial Reporting" published by the Division of Local Government.
5. The "Asset Accounting Manual" published by the Division of Local Government.
6. Instructions issued in circulars released by the Division of Local Government.
7. NSW Government Policy Statement "Application of National Competition Policy to Local Government".
8. Division of Local Government guidelines "Pricing & Costing for Council Businesses: A guide to Competitive Neutrality".

Section 419 of the Local Government Act requires a council to present its audited financial reports, together with the auditor's reports, at a meeting of the Council held on the date fixed for the meeting.

Issues:

Prudent financial management needs to be exercised for all funds of Council to maintain an acceptable financial position.

Implementation Date / Priority:

Under Section 416(1) of the Local Government Act 1993, Council's financial reports for a year must be prepared and audited within the period of four months after the end of that year, ie by 31 October and submitted to the Division of Local Government by 7 November. Matters related to the capture of asset data have meant that Council was unable to meet these deadlines for the 2012-13 Annual Financial Reports.

Recommendation:

That the final audited 2012-13 Annual Financial Reports be received and noted.

Coffs Harbour City Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2013

“Coffs Harbour - the Healthy City, the Smart
City, the Cultural City for a Sustainable Future”



Attachment**Coffs Harbour City Council****General Purpose Financial Statements**

for the financial year ended 30 June 2013

Contents	Page
1. Understanding Council's Financial Statements	2
2. Statement by Councillors & Management	3
3. Primary Financial Statements:	
- Income Statement	4
- Statement of Comprehensive Income	5
- Statement of Financial Position	6
- Statement of Changes in Equity	7
- Statement of Cash Flows	8
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5. Independent Auditor's Reports:	
- On the Financial Statements (Sect 417 [2])	88
- On the Conduct of the Audit (Sect 417 [3])	90

Overview

(i) These financial statements are General Purpose Financial Statements and cover the consolidated operations for Coffs Harbour City Council.

(ii) Coffs Harbour 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 (LGA) 1993 of NSW.

Council's Statutory Charter is detailed in Paragraph 8 of the LGA and includes giving Council;

- the ability to provide goods, services & facilities, and to carry out activities appropriate to the current & 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 13 February 2014. Council has the power to amend and reissue these financial statements.

Attachment**Coffs Harbour City Council****Notes to the Financial Statements**

for the financial year ended 30 June 2013

Understanding Council's Financial Statements**Introduction**

Each year, individual Local Governments across NSW are required to present a set of audited financial statements to their Council & Community.

What you will find in the Statements

The financial statements set out the financial performance, financial position & cash flows of Council for the financial year ended 30 June 2013.

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

About the Primary Financial Statements

The financial statements incorporate 5 "primary" financial statements:

1. The Income Statement

Summarises Council's financial performance for the year, listing all income & 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 values of Council's Infrastructure, Property, Plant & Equipment.

3. The Statement of Financial Position

A 30 June snapshot of Council's financial position indicating its Assets, Liabilities & "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 5 primary financial statements.

About the Auditor's Reports

Council's financial statements are required to be audited by external accountants (that generally specialize in Local Government).

In NSW, the Auditor provides 2 audit reports:

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

Who uses the Financial Statements ?

The financial statements are publicly available documents & must be presented at a Council meeting between 7 days & 5 weeks after the date of the Audit Report.

Submissions from the public can be made to Council up to 7 days subsequent to the public presentation of the financial statements.

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

Coffs Harbour City Council

General Purpose Financial Statements
for the financial year ended 30 June 2013

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

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

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

To the best of our knowledge and belief, these Financial Statements:

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

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

Signed in accordance with a resolution of Council made on 13 February 2014.


Denise Knight
MAYOR


Rodney Degens
COUNCILLOR


Steve McGrath
GENERAL MANAGER


Dale Allen
RESPONSIBLE ACCOUNTING OFFICER

Attachment

Coffs Harbour City Council

Income Statement

for the financial year ended 30 June 2013

Budget ⁽¹⁾ 2013	\$ '000	Notes	Actual 2013	Actual 2012
Income from Continuing Operations				
<i>Revenue:</i>				
71,889	Rates & Annual Charges	3a	71,430	66,452
26,188	User Charges & Fees	3b	26,493	26,482
5,438	Interest & Investment Revenue	3c	15,419	10,877
4,796	Other Revenues	3d	7,365	6,227
14,729	Grants & Contributions provided for Operating Purposes	3e,f	17,388	18,240
12,683	Grants & Contributions provided for Capital Purposes	3e,f	11,143	16,809
<i>Other Income:</i>				
-	Net gains from the disposal of assets	5	-	17
-	Net Share of interests in Joint Ventures & Associated Entities using the equity method	19	-	-
135,723	Total Income from Continuing Operations		149,238	145,104
Expenses from Continuing Operations				
26,073	Employee Benefits & On-Costs	4a	37,716	36,739
16,257	Borrowing Costs	4b	16,355	17,465
56,590	Materials & Contracts	4c	43,314	37,040
44,970	Depreciation & Amortisation	4d	45,479	37,781
-	Impairment	4d	-	-
5,532	Other Expenses	4e	10,781	9,777
-	Net Losses from the Disposal of Assets	5	2,419	-
149,422	Total Expenses from Continuing Operations		156,064	138,802
(13,699)	Operating Result from Continuing Operations		(6,826)	6,302
Discontinued Operations				
-	Net Profit/(Loss) from Discontinued Operations	24	-	-
(13,699)	Net Operating Result for the Year		(6,826)	6,302
(13,699)	Net Operating Result attributable to Council		(6,826)	6,302
-	Net Operating Result attributable to Non-controlling Interests		-	-
(26,382)	Net Operating Result for the year before Grants and Contributions provided for Capital Purposes		(17,969)	(10,507)

(1) Original Budget as approved by Council - refer Note 16

Attachment

Coffs Harbour City Council

Statement of Comprehensive Income

for the financial year ended 30 June 2013

\$ '000	Notes	Actual 2013	Actual 2012
Net Operating Result for the year (as per Income statement)		(6,826)	6,302
Other Comprehensive Income:			
Amounts which will not be reclassified subsequently to the Operating Result			
Gain (loss) on revaluation of I,PP&E	20b (ii)	82,009	115,185
Impairment (loss) reversal relating to I,PP&E	20b (ii)	96	(2,689)
Total Items which will not be reclassified subsequently to the Operating Result		82,105	112,496
Amounts which will be reclassified subsequently to the Operating Result when specific conditions are met			
Realised (gain) loss on available-for-sale investments recognised in P&L	20b (ii)	-	(176)
Gain (loss) on revaluation of available-for-sale investments	20b (ii)	157	488
Total Items which will be reclassified subsequently to the Operating Result when specific conditions are met		157	312
Total Other Comprehensive Income for the year		82,262	112,808
Total Comprehensive Income for the Year		75,436	119,110
Total Comprehensive Income attributable to Council		75,436	119,110
Total Comprehensive Income attributable to Non-controlling Interests		-	-

Attachment

Coffs Harbour City Council

Statement of Financial Position

as at 30 June 2013

\$ '000	Notes	Actual 2013	Actual 2012
ASSETS			
Current Assets			
Cash & Cash Equivalents	6a	11,827	13,372
Investments	6b	39,578	37,618
Receivables	7	18,979	16,406
Inventories	8	1,512	1,501
Other	8	781	668
Non-current assets classified as "held for sale"	22	77	431
Total Current Assets		72,754	69,996
Non-Current Assets			
Investments	6b	114,423	119,220
Receivables	7	2,227	1,357
Inventories	8	-	-
Infrastructure, Property, Plant & Equipment	9	1,861,262	1,733,143
Investments accounted for using the equity method	19	-	-
Investment Property	14	1,596	1,433
Intangible Assets	25	66,656	67,282
Total Non-Current Assets		2,046,164	1,922,435
TOTAL ASSETS		2,118,918	1,992,431
LIABILITIES			
Current Liabilities			
Payables	10	10,474	10,535
Borrowings	10	18,618	17,312
Provisions	10	13,195	12,311
Total Current Liabilities		42,287	40,158
Non-Current Liabilities			
Payables	10	644	678
Borrowings	10	208,464	222,352
Provisions	10	5,293	5,435
Total Non-Current Liabilities		214,401	228,465
TOTAL LIABILITIES		256,688	268,623
Net Assets		1,862,230	1,723,808
EQUITY			
Retained Earnings	20	1,196,670	1,140,510
Revaluation Reserves	20	665,560	583,298
Council Equity Interest		1,862,230	1,723,808
Non-controlling Interests		-	-
Total Equity		1,862,230	1,723,808

This Statement should be read in conjunction with the accompanying Notes.

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Coffs Harbour City Council

Statement of Changes in Equity

for the financial year ended 30 June 2013

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
2013						
Opening Balance (as per Last Year's Audited Accounts)		1,140,510	583,298	1,723,808	-	1,723,808
a. Correction of Prior Period Errors	20 (c)	62,986	-	62,986	-	62,986
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/12)		1,203,496	583,298	1,786,794	-	1,786,794
c. Net Operating Result for the Year		(6,826)	-	(6,826)	-	(6,826)
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	82,009	82,009	-	82,009
- Revaluations: Other Reserves	20b (ii)	-	157	157	-	157
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	96	96	-	96
- Other Movements	20b (ii)	-	-	-	-	-
Other Comprehensive Income		-	82,262	82,262	-	82,262
Total Comprehensive Income (c&d)		(6,826)	82,262	75,436	-	75,436
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		1,196,670	665,560	1,862,230	-	1,862,230
2012						
Opening Balance (as per Last Year's Audited Accounts)		1,048,891	470,490	1,519,381	-	1,519,381
a. Correction of Prior Period Errors	20 (c)	85,317	-	85,317	-	85,317
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/11)		1,134,208	470,490	1,604,698	-	1,604,698
c. Net Operating Result for the Year		6,302	-	6,302	-	6,302
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	115,185	115,185	-	115,185
- Revaluations: Other Reserves	20b (ii)	-	488	488	-	488
- Transfers to Income Statement	20b (ii)	-	(176)	(176)	-	(176)
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	(2,689)	(2,689)	-	(2,689)
- Other Movements	20b (ii)	-	-	-	-	-
Other Comprehensive Income		-	112,808	112,808	-	112,808
Total Comprehensive Income (c&d)		6,302	112,808	119,110	-	119,110
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		1,140,510	583,298	1,723,808	-	1,723,808

This Statement should be read in conjunction with the accompanying Notes.

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Coffs Harbour City Council

Statement of Cash Flows

for the financial year ended 30 June 2013

Budget 2013	\$ '000	Notes	Actual 2013	Actual 2012
Cash Flows from Operating Activities				
Receipts:				
71,889	Rates & Annual Charges		71,161	66,031
26,188	User Charges & Fees		27,722	27,170
5,438	Investment & Interest Revenue Received		8,568	10,024
27,412	Grants & Contributions		23,263	28,170
-	Bonds, Deposits & Retention amounts received		88	8
4,796	Other		12,807	10,774
Payments:				
(26,073)	Employee Benefits & On-Costs		(37,169)	(35,480)
(56,590)	Materials & Contracts		(47,004)	(42,244)
(16,370)	Borrowing Costs		(17,027)	(17,040)
(5,532)	Other		(14,868)	(12,845)
<u>31,158</u>	Net Cash provided (or used in) Operating Activities	11b	<u>27,541</u>	<u>34,568</u>
Cash Flows from Investing Activities				
Receipts:				
13,644	Sale of Investment Securities		90,188	75,369
1,390	Sale of Infrastructure, Property, Plant & Equipment		796	1,200
30	Deferred Debtors Receipts		35	30
Payments:				
-	Purchase of Investment Securities		(85,144)	(72,842)
(34,771)	Purchase of Infrastructure, Property, Plant & Equipment		(22,212)	(20,323)
(250)	Deferred Debtors & Advances Made		(167)	-
<u>(19,957)</u>	Net Cash provided (or used in) Investing Activities		<u>(16,504)</u>	<u>(16,566)</u>
Cash Flows from Financing Activities				
Receipts:				
7,750	Proceeds from Borrowings & Advances		5,000	-
Payments:				
(17,399)	Repayment of Borrowings & Advances		(17,582)	(16,874)
<u>(9,649)</u>	Net Cash Flow provided (used in) Financing Activities		<u>(12,582)</u>	<u>(16,874)</u>
1,552	Net Increase/(Decrease) in Cash & Cash Equivalents		(1,545)	1,128
3,573	plus: Cash & Cash Equivalents - beginning of year	11a	13,372	12,244
<u>5,125</u>	Cash & Cash Equivalents - end of the year	11a	<u>11,827</u>	<u>13,372</u>
Additional Information:				
	plus: Investments on hand - end of year	6b	154,001	156,838
	Total Cash, Cash Equivalents & Investments		<u>165,828</u>	<u>170,210</u>

Please refer to Note 11 for additional cash flow information

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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n/a - not applicable

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements are set out below in order to assist in its general understanding.

Under Australian Accounting Standards (AASBs), accounting policies are defined as those specific principles, bases, conventions, rules and practices applied by a reporting entity (in this case Council) in preparing and presenting its financial statements.

(a) Basis of preparation**(i) Background**

These financial statements are general purpose financial statements which have been prepared in accordance with;

- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board,
- the Local Government Act (1993) & Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

For the purpose of preparing these financial statements, Council has been deemed to be a not-for-profit entity.

(ii) Compliance with International Financial Reporting Standards (IFRSs)

Because AASBs are sector neutral, some standards either:

- (a) have local Australian content and prescription that is specific to the Not-For-Profit sector (including Local Government) which are not in compliance with IFRS's, or
- (b) specifically exclude application by Not for Profit entities.

Accordingly in preparing these financial statements and accompanying notes, Council has been unable to comply fully with International Accounting Standards, but has complied fully with Australian Accounting Standards.

Under the Local Government Act (LGA), Regulations and Local Government Code of Accounting Practice & Financial Reporting, it should be noted that Councils in NSW only have a requirement to comply with AASBs.

(iii) New and amended standards adopted by Council

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2013 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

(iv) Early adoption of Accounting Standards

Refer to paragraph (ab) relating to a summary of the effects of standards with future operative dates.

(v) Basis of Accounting

These financial statements have been prepared under the **historical cost convention** except for:

- (i) financial assets and liabilities at fair value through profit or loss, available-for-sale financial assets and investment properties which are all valued at fair value,
- (ii) the write down of any Asset on the basis of Impairment (if warranted) and
- (iii) certain classes of Infrastructure, property, plant & equipment that are accounted for at fair valuation.

The accrual basis of accounting has also been applied in their preparation.

(vi) Changes in Accounting Policies

Council's accounting policies have been consistently applied to all the years presented, unless otherwise stated.

There have also been no changes in accounting policies when compared with previous financial statements unless otherwise stated [refer Note 20(d)].

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

(vii) Critical Accounting Estimates

The preparation of financial statements requires the use of certain critical accounting estimates (in conformity with AASBs).

Accordingly this requires management to exercise its judgement in the process of applying the Council's accounting policies.

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

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

Critical judgements in applying the entity'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.
- (ii) Projected Section 94 Commitments - Council has used significant judgement in determining future Section 94 income and expenditure in Note 17.

(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 entity and specific criteria have been met for each of the Council's activities as described below.

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

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is measured on major income categories as follows:

Rates, Annual Charges, Grants and Contributions

Rates, annual charges, grants and contributions (including developer contributions) are recognised as revenues when the Council obtains control over the assets comprising these receipts.

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

A provision for the impairment on rates receivables has not been established as unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

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

Revenue from Contributions is recognised when the Council either obtains control of the contribution or the right to receive it, **(i)** it is probable that the economic benefits comprising the contribution will flow to the Council and **(ii)** the amount of the contribution can be measured reliably.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 3(g).

Note 3(g) also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

The Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of S94 of the EPA Act 1979.

Whilst Council generally incorporates these amounts as part of a Development Consents Order, such developer contributions are only recognised as income upon their physical receipt by Council, due to the possibility that individual Development Consents may not be acted upon by the applicant and accordingly would not be payable to Council.

Developer contributions may only be expended for the purposes for which the contributions were required but the Council may apply contributions according to the priorities established in work schedules.

A detailed Note relating to developer contributions can be found at Note 17.

User Charges, Fees and Other Income

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

A provision for the impairment of these receivables is recognised when collection in full is no longer probable.

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

Sale of Infrastructure, Property, Plant and Equipment

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

Interest and Rents

Rents are recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

Interest Income from Cash & Investments is accounted for using the Effective Interest method in accordance with AASB 139.

(c) Principles of Consolidation

These financial statements incorporate **(i)** the assets and liabilities of Council and any Entities (or operations) that it **controls** (as at 30 June 2013) and **(ii)** all the related operating results (for the financial year ended the 30th June 2013).

The financial statements also include Council's share of the assets, liabilities, income and expenses of any **Jointly Controlled Operations** under the appropriate headings.

In the process of reporting on Council's activities as a single unit, all inter-entity year end balances and reporting period transactions have been eliminated in full between Council and its controlled entities.

(i) The Consolidated Fund

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

The Consolidated Fund and other entities through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this report.

The following entities have been included as part of the Consolidated Fund:

- *General Purpose Operations*
- *Water Supply*
- *Sewerage Service*
- *Airport Operations*

Attachment

Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

Due to their immaterial value and nature, the following Committees, Entities & Operations have been excluded from consolidation:

- *Sportz Central Management Committee*
- *Woolgoolga Community Village Management Committee*
- *Nana Glen Sport, Rec. & Equestrian Centre Management Committee*
- *Bayldon Community Centre Management Committee*
- *Eastern Dorrigo Showground Management Committee*
- *Ayrshire Park Management Committee*
- *Lowanna Hall Management Committee*
- *Lower Bucca Community Centre Management Committee*
- *Coramba Hall Management Committee*

The **(i)** total income and expenditure from continuing operations and **(ii)** the net assets held by these excluded Committees & Operations is as follows:

Total income from continuing operations	\$363,169
Total expenditure from continuing operations	\$326,714
Total net assets held (i.e. Equity)	\$388,505

Note:

Where actual figures are not known, best estimates have been applied.

(ii) The Trust Fund

In accordance with the provisions of Section 411 of the Local Government Act 1993 (as amended), a separate and distinct Trust Fund is maintained to account for all money and property received by the Council in trust 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 statements.

Trust monies and property held by Council but not subject to the control of Council, have been excluded from these statements.

A separate statement of monies held in the Trust Fund is available for inspection at the Council office by any person free of charge.

(iii) Joint Ventures

Council has no interest in any Joint Venture Entities, Assets or Operations.

Jointly Controlled Entities

Any interests in Joint Venture Entities & Partnerships are accounted for using the equity method and is carried at cost.

Under the equity method, the share of the profits or losses of the partnership is recognised in the income statement, and the share of movements in retained earnings & reserves is recognised in the statement of financial position.

(iv) Associated Entities

Where Council has the power to participate in the financial and operating decisions (of another entity), ie. where Council is deemed to have "significant influence" over the other entities operations but neither controls nor jointly controls the entity, then Council accounts for such interests using the equity method of accounting – in a similar fashion to Joint Venture Entities & Partnerships.

Such entities are usually termed Associates.

(v) County Councils

Council is not a member of any County Councils.

(vi) Additional Information

Note 19 provides more information in relation to Joint Venture Entities, Associated Entities and Joint Venture Operations where applicable.

(d) Leases

All Leases entered into by Council are reviewed and classified on inception date as either a Finance Lease or an Operating Lease.

Attachment

Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

Finance Leases

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

Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments.

The corresponding rental obligations, net of finance charges, are included in borrowings.

Each lease payment is allocated between the liability outstanding and the recognition of a finance charge.

The interest element of the finance charge is costed to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance leases is depreciated over the shorter of each leased asset's useful life and the lease term.

Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Lease income from operating leases is recognised in income on a straight-line basis over the lease term.

(e) Cash and Cash Equivalents

Cash and cash equivalents includes;

- cash **on hand**,
- deposits held **at call** with financial institutions,
- other short-term, highly liquid investments **with original maturities of three months or less** that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and

- bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities on the balance sheet but are incorporated into Cash & Cash Equivalents for presentation of the Cash Flow Statement.

(f) Investments and Other Financial Assets

Council (in accordance with AASB 139) classifies each of its investments into one of the following categories for measurement purposes:

- **financial assets at fair value through profit or loss,**
- **loans and receivables,**
- **held-to-maturity investments,** and
- **available-for-sale financial assets.**

Each classification depends on the purpose/intention for which the investment was acquired & at the time it was acquired.

Management determines each Investment classification at the time of initial recognition and 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 include financial assets that are "held for trading".

A financial asset is classified in the "held for trading" category if it is acquired principally for the purpose of selling in the short term.

Derivatives are classified as held for trading unless they are designated as hedges.

Assets in this category are primarily classified as current assets as they are primarily held for trading &/or are expected to be realised within 12 months of the reporting date.

Attachment**Coffs Harbour City Council****Notes to the Financial Statements**

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies**(ii) Loans and receivables**

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They arise when the Council provides money, goods or services directly to a debtor with no intention (or in some cases ability) of selling the resulting receivable.

They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity.

In contrast to the "Loans & Receivables" classification, these investments are generally quoted in an active market.

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

(iv) Available-for-sale financial assets

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

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

Accordingly, this classification principally comprises marketable equity securities, but can include all types of financial assets that could otherwise be classified in one of the other investment categories.

They are generally included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date or

the term to maturity from the reporting date is less than 12 months.

Financial Assets – Reclassification

Council may choose to reclassify a non-derivative trading financial asset out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near term.

Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term.

Council may also choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if it has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made.

Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

General Accounting & Measurement of Financial Instruments:**(i) Initial Recognition**

Investments are initially recognised (and measured) at fair value, plus in the case of investments not at "fair value through profit or loss", directly attributable transactions costs

Purchases and sales of investments are recognised on trade-date - the date on which the Council commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Council has

Attachment

Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

transferred substantially all the risks and rewards of ownership.

(ii) Subsequent Measurement

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value.

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

Realised and unrealised gains and losses arising from changes in the fair value of the financial assets classified as "**fair value through profit or loss**" category are included in the income statement in the period in which they arise.

Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as "**available-for-sale**" are recognised in equity in the available-for-sale investments revaluation reserve.

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

Impairment

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

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

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired.

If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as

the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement.

Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(iii) Types of Investments

Council has an approved Investment Policy in order to undertake its investment of money in accordance with (and to comply with) Section 625 of the Local Government Act and S212 of the LG (General) Regulation 2005.

Investments are placed and managed in accordance with the Policy and having particular regard to authorised investments prescribed under the Ministerial Local Government Investment Order.

Council maintains its investment Policy in compliance with the Act and ensures that it or its representatives exercise care, diligence and skill that a prudent person would exercise in investing Council funds.

(g) Fair value estimation

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.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held.

Attachment**Coffs Harbour City Council****Notes to the Financial Statements**

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

If the market for a financial asset is not active (and for unlisted securities), the Council establishes fair value by using valuation techniques.

These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

(h) Receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less any provision for impairment.

Receivables (excluding Rates & Annual Charges) are generally due for settlement no more than 30 days from the date of recognition.

The collectibility of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off in accordance with Council's policy.

A provision for impairment (ie. an allowance account) relating to receivables is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of each receivable.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Impairment losses are recognised in the Income Statement within other expenses.

When a receivable for which an impairment allowance had been recognised becomes

uncollectible in a subsequent period, it is written off against the allowance account.

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

(i) Inventories**Raw Materials and Stores, Work in Progress and Finished Goods**

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

Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Costs are assigned to individual items of inventory on the basis of weighted average costs.

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

Inventories held in respect of non-business undertakings have been valued at cost subject to adjustment for loss of service potential.

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.

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

(j) Infrastructure, Property, Plant and Equipment (I,PP&E)**Acquisition of assets**

Council's non current assets are continually revalued (over a 5 year period) in accordance with the fair valuation policy as mandated by the Division of Local Government.

At reporting date, the following classes of I,PP&E were stated at their Fair Value;

- **Investment Properties** – refer Note 1(p),
- **Water and Sewerage Networks**
(External Valuation except for Dams which have been valued internally)
- **Operational Land** (External Valuation)
- **Buildings – Specialised/Non Specialised**
(External Valuation)
- **Plant and Equipment**
(as approximated by depreciated historical cost)
- **Roads Assets incl. roads, bridges & footpaths**
(Internal Valuation)
- **Drainage Assets** (Internal Valuation)
- **Bulk Earthworks** (Internal Valuation)
- **Community Land** (External Valuation)
- **Land Improvements**
(as approximated by depreciated historical cost)
- **Other Structures**
(as approximated by depreciated historical cost)
- **Other Assets**
(as approximated by depreciated historical cost)

Initial Recognition

On initial recognition, an assets cost is measured at its fair value, plus all expenditure that is directly attributable to the acquisition.

Where settlement of any part of an asset's cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of recognition (ie. date of exchange) of the asset to arrive at fair value.

The discount rate used is the Council's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Where infrastructure, property, plant and equipment assets are acquired for no cost or for an amount other than cost, the assets are recognised in the financial statements at their fair value at acquisition date - being the amount that the asset could have been exchanged between knowledgeable willing parties in an arm's length transaction.

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Asset Revaluations (including Indexation)

In accounting for Asset Revaluations relating to Infrastructure, Property, Plant & Equipment:

- Increases in the combined carrying amounts of asset classes arising on revaluation are credited to the asset revaluation reserve.
- To the extent that a net asset class increase reverses a decrease previously recognised via the profit or loss, then increase is first recognised in profit or loss.
- Net decreases that reverse previous increases of the same asset class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset, with all other decreases charged to the Income statement.

Water and sewerage network assets are indexed annually between full revaluations in accordance with

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

the latest indices provided in the NSW Office of Water - Rates Reference Manual.

For all other assets, Council assesses at each reporting date whether there is any indication that a revalued asset's carrying amount may differ materially from that which would be determined if the asset were revalued at the reporting date.

If any such indication exists, Council determines the asset's fair value and revalues the asset to that amount.

Full revaluations are undertaken for all assets on a 5 year cycle.

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
<hr/>	
Plant & Equipment	
Office Furniture	> \$2,000
Office Equipment (ex IT Hardware)	> \$2,000
Office Equipment - IT Hardware	> \$500
Other Plant & Equipment	> \$2,000
<hr/>	
Buildings & Land Improvements	
Park Furniture & Equipment	> \$5,000
<hr/>	
Building	
- construction/extensions	100% Capitalised
- renovations	> \$5,000
Other Structures	> \$5,000
<hr/>	
Water & Sewer Assets	
Reticulation extensions	> \$5,000
Other	> \$5,000
<hr/>	
Stormwater Assets	
Drains & Culverts	> \$5,000
Other	> \$5,000
<hr/>	
Transport Assets	
Road construction & reconstruction	> \$5,000
Reseal/Re-sheet & major repairs:	> \$5,000
Bridge construction & reconstruction	> \$5,000

Library Assets	
Reference Collection in its entirety	> \$1,000,000
Heritage Items	> \$5,000

Note common use library items will be expensed.

Depreciation

Depreciation on Plant and Equipment, Office Equipment, Furniture and Fittings, and Water and Sewer Network Assets is calculated using the straight line method in order to allocate an assets cost (net of residual values) over its estimated useful life. All other Infrastructure, Property, Plant and Equipment assets have been depreciated on a condition based method.

Land is not depreciated.

Estimated useful lives for Council's I,PP&E include:

Plant & Equipment	
- Office Equipment	3 to 7 years
- Office furniture	5 to 25 years
- Computer Equipment	3 years
- Vehicles	5 to 8 years
- Heavy Plant/Road Making equip.	5 to 8 years
- Other plant and equipment	5 to 15 years

Other Equipment	
- Playground equipment	5 to 10 years
- Benches, seats etc	10 to 20 years

Buildings	
- Buildings	25 to 50 years

Stormwater Drainage	
- Drains	80 to 100 years
- Pipes, Pits & Culverts	60 to 80 years
- Gross Pollutant Traps	30 years

Transportation Assets	
- Sealed Roads: Surface	18-22 years
- Sealed Roads: Structure	40 years
- Unsealed roads	20 years
- Bridge: Concrete	100 years
- Bridge: Other	60 years
- Road Pavements	40 years
- Kerb, Gutter & Paths	60 years

Water & Sewer Assets	
- Dams and reservoirs	80 to 90 years

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

- Reticulation pipes: PVC	80 years
- Reticulation pipes: Other	50 to 100 years
- Telemetry	15 to 25 years
- Pumping Stations	15 to 80 years

Other Infrastructure Assets

- Bulk earthworks	Infinite
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All asset residual values and useful lives are reviewed and adjusted (where appropriate), at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount – refer Note 1(s) on Asset Impairment.

Disposal and De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Council's Income Statement in the year the asset is derecognised.

(k) Land

Land (other than Land under Roads) is in accordance with Part 2 of Chapter 6 of the Local Government Act (1993) classified as either Operational or Community.

This classification of Land is disclosed in Note 9(a).

(l) Land under roads

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

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

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

(m) Intangible Assets

IT Development and Software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems.

Costs capitalised include external direct costs of materials and service, direct payroll and payroll related costs of employees' time spent on the project.

Amortisation is calculated on a straight line bases over periods generally ranging from 3 to 5 years.

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

Regional Water Supply

Coffs Harbour City Council and Clarence Valley Council have signed an agreement which provides for Coffs Harbour City Council's entitlement to a non-cumulative permanent right to receive bulk raw water from Clarence Valley Council. This is considered to be a separate intangible asset, being a licence, and will be amortised over 100 years commencing from the date that the infrastructure being provided is operational, being equivalent to the average depreciation of infrastructure provided.

(n) Crown Reserves

Crown Reserves under Council's care and control are recognised as assets of the Council.

While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated.

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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

Representations are currently being sought across State and Local Government to develop a consistent accounting treatment for Crown Reserves across both tiers of government.

(o) Rural Fire Service assets

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

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

Until such time as discussions on this matter have concluded and the legislation changed, Council will continue to account for these assets as it has been doing in previous years, which is to incorporate the assets, their values and depreciation charges within these financial statements.

(p) Investment property

Investment property comprises land &/or buildings that are principally held for long-term rental yields, capital gains or both that is not occupied by Council.

Investment property is carried at fair value, representing an open-market value determined in 2012/13 by external valuers.

Annual changes in the fair value of Investment Properties are recorded in the Income Statement as part of "Other Income".

Full revaluations are carried out every five years with an appropriate index utilised each year in between the full revaluations.

The last full revaluation for Council's Investment Properties was dated 30/06/2009.

(q) Provisions for close down, restoration and for environmental clean up costs – including Tips and Quarries

Close down, Restoration and Remediation costs include the dismantling and demolition of infrastructure, the removal of residual materials and the remediation of disturbed areas.

Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs.

Provisions for close down and restoration costs do not include any additional obligations which are expected to arise from future disturbance.

Costs are estimated on the basis of a closure plan.

The cost estimates are calculated annually during the life of the operation to reflect known developments, eg updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

Close down, Restoration and Remediation costs are a normal consequence of tip and quarry operations, and the majority of close down and restoration expenditure is incurred at the end of the life of the operations.

Although the ultimate cost to be incurred is uncertain, Council estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques.

The amortisation or 'unwinding' of the discount applied in establishing the net present value of provisions is charged to the income statement in each accounting period.

This amortisation of the discount is disclosed as a borrowing cost in Note 4(b).

Other movements in the provisions for Close down, Restoration and Remediation costs including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations and revisions to discount rates are capitalised within property, plant and equipment.

Attachment**Coffs Harbour City Council****Notes to the Financial Statements**

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

These costs are then depreciated over the lives of the assets to which they relate.

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

Provision is made for the estimated present value of the costs of environmental clean up obligations outstanding at the reporting date. These costs are charged to the income statement.

Movements in the environmental clean up provisions are presented as an operating cost, except for the unwind of the discount which is shown as a borrowing cost.

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

As noted above, the ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other locations.

The expected timing of expenditure can also change, for example in response to changes in quarry reserves or production rates.

As a result there could be significant adjustments to the provision for close down and restoration and environmental clean up, which would affect future financial results.

Specific Information relating to Council's provisions relating to Close down, Restoration and Remediation costs can be found at Note 26.

(r) Non-Current Assets (or Disposal Groups) "Held for Sale" & Discontinued Operations

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of

either **(i)** their carrying amount and **(ii)** fair value less costs to sell, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The exception to this is plant and motor vehicles which are turned over on a regular basis. Plant and motor vehicles are retained in Non Current Assets under the classification of Infrastructure, Property, Plant and Equipment - unless the assets are to be traded in after 30 June and the replacement assets were already purchased and accounted for as at 30 June.

For any assets or disposal groups classified as Non-Current Assets "held for sale", an impairment loss is recognised at any time when the assets carrying value is greater than its fair value less costs to sell.

Non-current assets "held for sale" are not depreciated or amortised while they are classified as "held for sale".

Non-current assets classified as "held for sale" are presented separately from the other assets in the balance sheet.

A Discontinued Operation is a component of the entity that has been disposed of or is classified as "held for sale" and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operations are presented separately on the face of the income statement.

(s) Impairment of assets

All Council's I,PP&E is subject to an annual assessment of impairment.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Attachment**Coffs Harbour City Council****Notes to the Financial Statements**

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Where an asset is not held principally for cash generating purposes (for example Infrastructure Assets) and would be replaced if the Council was deprived of it then depreciated replacement cost is used as value in use, otherwise value in use is estimated by using a discounted cash flow model.

Non-financial assets (other than goodwill) that suffered a prior period impairment are reviewed for possible reversal of the impairment at each reporting date.

Goodwill & other Intangible Assets that have an indefinite useful life and are not subject to amortisation are tested annually for impairment.

(t) Payables

These amounts represent liabilities and include goods and services provided to the Council prior to the end of financial year which are unpaid.

The amounts for goods and services are unsecured and are usually paid within 30 days of recognition.

(u) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred.

Borrowings are subsequently measured at amortised cost.

Amortisation results in any difference between the proceeds (net of transaction costs) and the redemption amount being recognised in the Income Statement over the period of the borrowings using the effective interest method.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired.

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

(v) Borrowing costs

Borrowing costs are expensed.

(w) Provisions

Provisions for legal claims, service warranties and other like liabilities are recognised when:

- Council has a present legal or constructive obligation as a result of past events;
- it is more likely than not that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date.

The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

The increase in the provision due to the passage of time is recognised as interest expense.

(x) Employee benefits**(i) Short Term Obligations**

Short term employee benefit obligations include liabilities for wages and salaries (including non-monetary benefits), annual leave and vesting sick

Attachment**Coffs Harbour City Council****Notes to the Financial Statements**

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

leave expected to be settled within the 12 months after the reporting period.

Leave liabilities are recognised in the provision for employee benefits in respect of employees' services up to the reporting date with other short term employee benefit obligations disclosed under payables.

These provisions are measured at the amounts expected to be paid when the liabilities are settled.

Liabilities for non vesting sick leave are recognised at the time when the leave is taken and measured at the rates paid or payable, and accordingly no Liability has been recognised in these reports.

Wages & salaries, annual leave and vesting sick leave are all classified as Current Liabilities.

(ii) Other Long Term Obligations

The liability for all long service and annual leave in respect of services provided by employees up to the reporting date (which is not expected to be settled within the 12 months after the reporting period) are recognised in the provision for employee benefits.

These liabilities are measured at the present value of the expected future payments to be made using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are then discounted using market yields at the reporting date based on national government bonds with terms to maturity and currency that match as closely as possible the estimated future cash outflows.

Due to the nature of when and how Long Service Leave can be taken, all Long Service Leave for employees with 4 or more years of service has been classified as Current, as it has been deemed that Council does not have the unconditional right to defer settlement beyond 12 months – even though it is not anticipated that all employees with more than 4 years service (as at reporting date) will apply for and take their leave entitlements in the next 12 months.

(iii) Retirement benefit obligations

All employees of the Council are entitled to benefits on retirement, disability or death.

Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

Defined Benefit Plans

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the 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 which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

However, when this information is not reliably available, Council can account for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans – i.e. as an expense when they become payable.

Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named the "Local Government Superannuation Scheme – Pool B"

This Scheme has been deemed to be a "multi employer fund" for the purposes of AASB 119.

Sufficient information is not available to account for the Scheme as a defined benefit plan (in accordance with AASB 119) because the assets to the scheme are pooled together for all Councils.

Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils.

Attachment**Coffs Harbour City Council****Notes to the Financial Statements**

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

Accordingly, Council's contributions to the scheme for the current reporting year have been recognised as an expense and disclosed as part of Superannuation Expenses at Note 4(a).

The Local Government Superannuation Scheme has advised member councils that, as a result of the global financial crisis, it has a significant deficiency of assets over liabilities.

As a result, they have asked for significant increases in future contributions to recover that deficiency.

Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils.

For this reason, no liability for the deficiency has been recognised in these financial statements.

Council has, however, disclosed a contingent liability in Note 18 to reflect the possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

Defined Contribution Plans

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

(iv) Employee Benefit On-Costs

Council has recognised at year end the aggregate on-cost liabilities arising from employee benefits, and in particular those on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include Superannuation and Workers Compensation expenses which will be payable upon the future payment of certain Leave Liabilities accrued as at 30/6/13.

(y) Self insurance

Council does not self insure.

(z) Allocation between current and non-current assets & liabilities

In the determination of whether an asset or liability is classified as current or non-current, consideration is given to the time when each asset or liability is expected to be settled.

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle.

Exceptions

In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months (such as vested long service leave), the liability is classified as current even if not expected to be settled within the next 12 months.

In the case of inventories that are "held for trading", these are also classified as current even if not expected to be realised in the next 12 months.

(aa) Taxes

The Council is exempt from both Commonwealth Income Tax and Capital Gains Tax.

Council does however have to comply with both Fringe Benefits Tax and Goods and Services Tax (GST).

Goods & Services Tax (GST)

Income, expenses and assets are all recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).

In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the revenue / expense.

Receivables and payables within the statement of financial position are stated inclusive of any applicable GST.

The net amount of GST recoverable from or payable to the ATO is included as a current asset or current liability in the statement of financial position.

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

Operating cash flows within the Cash Flow Statement are on a gross basis, ie. they are inclusive of GST where applicable.

Investing and Financing cash flows are treated on a net basis (where recoverable from the ATO), ie. they are exclusive of GST. Instead, the GST component of investing and financing activity cash flows which are recoverable from or payable to the ATO are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from (or payable to) the ATO.

(ab) New accounting standards and UIG interpretations

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2013.

Council has not adopted any of these standards early.

Council's assessment of the impact of these new standards and interpretations is set out below.

Applicable to Local Government with implications:

AASB 9 Financial Instruments, associated standards, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and transitional disclosures (effective from 1 January 2015)

AASB 9 Financial Instruments addresses the classification, measurement and de-recognition of financial assets and financial liabilities.

The standard is not applicable until 1 January 2015 but is available for early adoption.

When adopted, the standard will affect in particular Council's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading.

Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss although there is currently a proposal by the IASB to introduce a Fair value through Other Comprehensive Income category for debt instruments.

There will be no impact on Council's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and Council does not have any such liabilities.

The de-recognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013)

AASB 13 explains how to measure fair value and aims to enhance fair value disclosures.

Council has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance.

It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements.

However, application of the new standard will impact the type of information disclosed in the notes to the financial statements.

Council does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

Applicable to Local Government but no implications for Council;

AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 132 & AASB 7] (effective 1 January 2013)

This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements,

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This Standard also amends AASB 132 to refer to the additional disclosures added to AASB 7 by this Standard.

The adoption of this standard will not change the reported financial position and performance of the entity, there are no impact on disclosures as there are no offsetting arrangements currently in place.

AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132] (effective 1 January 2014).

This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

The adoption of this standard will not change the reported financial position and performance of the entity, there are no impact on disclosures as there are no offsetting arrangements currently in place.

Applicable to Local Government but not relevant to Council at this stage;

AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (effective 1 January 2013)

This suite of five new and amended standards address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 Consolidated and Separate Financial Statements, and Interpretation 12 Consolidation – Special Purpose Entities.

The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities.

It focuses on the need to have both power and rights or exposure to variable returns.

Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both.

Control exists when the investor can use its power to affect the amount of its returns.

There is also new guidance on participating and protective rights and on agent/principal relationships. Council does not expect the new standard to have a significant impact on its composition.

AASB 11 introduces a principles based approach to accounting for joint arrangements.

The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement.

Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture.

Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted.

Parties to a joint operation will account their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard.

AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control.

Council's investment in the joint venture partnership will be classified as a joint venture under the new rules.

As Council already applies the equity method in accounting for this investment, AASB 11 will not have

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

any impact on the amounts recognised in its financial statements.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128.

Application of this standard by Council will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to Council's investments.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa.

The amendments also introduce a "partial disposal" concept.

Council is still assessing the impact of these amendments.

Council does not expect to adopt the new standards before their operative date.

They would therefore be first applied in the financial statements for the annual reporting period ending 30 June 2014.

Revised AASB 119 Employee Benefits, AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) and AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements (effective 1 January 2013)

This revised standard on accounting for employee benefits requires the recognition of all re-measurements of defined benefit liabilities/assets immediately in other comprehensive income (removal of the so-called 'corridor' method) and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset.

This replaces the expected return on plan assets that is currently included in profit or loss.

The standard also introduces a number of additional disclosures for defined benefit liabilities/assets and could affect the timing of the recognition of termination benefits.

The amendments will have to be implemented retrospectively.

Council does not recognise defined benefit assets and liabilities for the reasons set out in Note 1 (x) (iii) and so these changes will not have an impact on its reported results.

Not applicable to Local Government per se;

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle (effective 1 January 2013)

AASB 1 - this standard clarifies that an entity can apply AASB 1 more than once. An entity can elect to apply AASB 123 from the transition date or an earlier date.

AASB 101 - clarifies that a third statement of financial position is required when the opening statement of financial position is materially affected by any adjustments.

AASB 116 - clarifies the classification of servicing equipment.

AASB 132 and Interpretation 2 - clarifies that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with AASB 112 Income Taxes

AASB 134 - provides clarification about segment reporting.

The amendments arising from this standard are not expected to change the reported financial position or performance of the Council.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

(ac) Rounding of amounts

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

(ad) Comparative Figures

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

(ae) Disclaimer

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

Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 2(a). Council Functions / Activities - Financial Information

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 2(b).												
	Income from Continuing Operations			Expenses from Continuing Operations			Operating Result from Continuing Operations			Grants included in Income from Continuing Operations		Total Assets held (Current & Non-current)	
	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Actual	Actual	Actual	Actual
	2013	2013	2012	2013	2013	2012	2013	2013	2012	2013	2012	2013	2012
Governance	-	-	-	1,298	1,241	1,172	(1,298)	(1,241)	(1,172)	-	-	15,926	-
Civic Management	3	11	1	1,098	983	750	(1,095)	(972)	(749)	(1)	-	8	74
Community Facilities	1,752	1,814	1,691	566	415	469	1,186	1,399	1,222	-	-	9	123
Coffs Coast Marketing	691	995	1,069	1,922	2,191	1,964	(1,231)	(1,196)	(895)	20	81	33	97
Land Use Planning	118	108	106	1,644	1,160	1,059	(1,526)	(1,052)	(953)	35	53	34	46
Land Use Assessment and Management	1,480	1,803	1,906	2,231	2,330	2,134	(751)	(527)	(228)	99	244	52	25
Environmental Management	227	608	424	1,369	2,179	2,423	(1,142)	(1,571)	(1,999)	361	105	689	758
Public Health and Safety	158	192	180	1,125	1,204	1,168	(967)	(1,012)	(988)	-	3	87	111
Ranger Control	417	463	391	815	824	782	(398)	(361)	(391)	-	-	20	23
Domestic Waste Management	13,294	13,671	11,391	13,406	13,906	11,339	(112)	(235)	52	1	9	17,500	20,942
Non Domestic Waste Management	4,956	4,756	4,625	4,771	4,742	4,712	185	14	(87)	441	407	409	482
Property and Commercial Services	112	2,030	5,504	514	478	442	(402)	1,552	5,062	-	-	40,092	40,452
Leasing and Asset Management	1,115	1,376	1,398	2,214	2,301	2,232	(1,099)	(925)	(834)	(100)	26	99,562	100,138
Swimming Pools	-	-	-	534	462	458	(534)	(462)	(458)	-	-	124	70
Airport	4,599	5,791	3,989	3,550	3,595	3,071	1,049	2,196	918	-	-	72,948	54,751
Sports Development	516	536	605	2,283	1,955	1,898	(1,767)	(1,419)	(1,293)	-	-	8,892	11,449
Administration	42	52	53	1,021	1,034	971	(979)	(982)	(918)	-	-	1,305	1,185
Legal and Audit Services	97	223	116	1,730	1,698	1,765	(1,633)	(1,475)	(1,649)	-	-	-	-
Rural Fire Services	2,147	1,528	1,394	1,422	1,436	1,390	725	92	4	1,525	1,390	5,427	5,158
Information Services	41	10	8	3,965	3,348	3,181	(3,924)	(3,338)	(3,173)	-	-	1,230	1,471
Technology Group	1,307	1,587	1,575	1,081	1,582	1,248	226	5	327	-	-	1,237	1,561
Finance	327	460	348	3,863	3,680	3,490	(3,536)	(3,220)	(3,142)	-	-	69,797	70,619

Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 2(a). Council Functions / Activities - Financial Information

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 2(b).												
	Income from Continuing Operations			Expenses from Continuing Operations			Operating Result from Continuing Operations			Grants included in Income from Continuing Operations		Total Assets held (Current & Non-current)	
	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Actual	Actual	Actual	Actual
	2013	2013	2012	2013	2013	2012	2013	2013	2012	2013	2012	2013	2012
Plant	403	1,013	683	5,704	5,713	4,796	(5,301)	(4,700)	(4,113)	-	-	9,820	12,257
Program Support	78	-	1	169	158	159	(91)	(158)	(158)	-	-	-	-
Human Resources & Organisational Development	55	254	168	1,347	1,553	1,379	(1,292)	(1,299)	(1,211)	7	-	557	63
City Services Support	-	-	1	876	565	607	(876)	(565)	(606)	-	-	8	10
Asset Systems	-	-	-	328	448	292	(328)	(448)	(292)	-	-	6	11
Library	220	418	250	1,741	1,798	1,749	(1,521)	(1,380)	(1,499)	381	213	144	112
Community Development	285	591	530	2,645	2,226	2,485	(2,360)	(1,635)	(1,955)	75	121	19,540	12,954
Economic Development	266	391	279	928	1,078	1,000	(662)	(687)	(721)	137	18	18	30
Environmental Laboratory	319	399	438	508	507	452	(189)	(108)	(14)	-	-	184	226
City Services Operational Administration	12	35	51	896	819	848	(884)	(784)	(797)	-	-	2,798	442
Recreational Services	656	2,699	2,246	5,112	8,843	7,743	(4,456)	(6,144)	(5,497)	648	402	44,527	29,428
Regional Roads	1,255	2,476	1,458	2,271	3,266	2,282	(1,016)	(790)	(824)	2,446	1,455	99,013	59,662
Local Roads	896	2,724	2,802	19,300	13,588	11,631	(18,404)	(10,864)	(8,829)	1,439	2,027	417,300	423,749
Bridges	795	896	908	644	1,281	840	151	(385)	68	101	140	59,182	50,868
Footpaths and Cycleways	25	24	(75)	827	843	638	(802)	(819)	(713)	7	12	29,431	24,923
Parking	-	154	23	1,066	1,010	935	(1,066)	(856)	(912)	-	-	24,347	22,545
Quarries	208	(33)	36	208	147	165	-	(180)	(129)	-	-	283	230
Street and Toilet Cleaning	-	-	-	816	668	651	(816)	(668)	(651)	-	-	-	-
Drainage	2,130	3,473	4,362	3,495	3,961	3,662	(1,365)	(488)	700	193	2,136	172,224	171,260
Harbour and Jetty	-	7	-	185	119	128	(185)	(112)	(128)	15	1	7	40
City Works Private Works	276	2,721	3,230	502	1,581	2,599	(226)	1,140	631	-	5	678	1,359

Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 2(a). Council Functions / Activities - Financial Information

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 2(b).												
	Income from Continuing Operations			Expenses from Continuing Operations			Operating Result from Continuing Operations			Grants included in Income from Continuing Operations		Total Assets held (Current & Non-current)	
	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Actual	Actual	Actual	Actual
	2013	2013	2012	2013	2013	2012	2013	2013	2012	2013	2012	2013	2012
Survey and Design	104	362	968	1,839	1,989	2,301	(1,735)	(1,627)	(1,333)	180	762	967	1,644
Street Lighting	147	148	158	768	840	762	(621)	(692)	(604)	148	158	-	37
Contracts and Subdivisions	104	53	70	482	351	442	(378)	(298)	(372)	-	-	4	6
General Fund Untied Funding	43,075	38,801	39,973	90	169	165	42,985	38,632	39,808	7,665	9,551	-	-
Water Supplies	21,832	22,213	20,023	19,248	21,130	18,352	2,584	1,083	1,671	250	245	387,735	375,516
Sewer Services	29,183	31,321	29,635	25,005	29,314	23,929	4,178	2,007	5,706	764	633	514,764	495,524
Oncost Recoveries	-	84	112	-	(645)	(308)	-	729	420	-	110	-	-
Operating Result from Continuing Operations	135,723	149,238	145,104	149,422	156,064	138,802	(13,699)	(6,826)	6,302	16,837	20,307	2,118,918	1,992,431

Attachment

Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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

Costs relating to the Council's role as a component of democratic government, including elections, members' fees and expenses, subscriptions to local authority associations, meetings of council and policy making committees, area representation and public disclosure and compliance.

CIVIC MANAGEMENT

Sister City Exchange programs, naturalisations, donations to community groups, Australia Day Committee, Web and Media Services, Election Expenses, Civic Receptions, Elected Member Expenses.

COMMUNITY FACILITIES

Provision of major infrastructure i.e. regional roads, jetty structure, from special rate variation funding.

COFFS COAST MARKETING

South Sydney Rugby League Club sponsorship, Trade Exhibitions, Travel Shows, Tourism Promotion, Advertising and Promotions

LAND USE PLANNING

Local Environment Plan reviews, heritage programs, planning studies.

LAND USE ASSESSMENT AND MANAGEMENT

Compliance for construction and development. Drainage diagrams, sewer inspections, building inspections.

ENVIRONMENTAL MANAGEMENT

Domestic Sewage supervision and administration, water quality monitoring, sustainability services, environmental levy projects, parks and street litter bins contract.

PUBLIC HEALTH AND SAFETY

Beach patrols, sullage collection, public pools inspection.

RANGER CONTROL

Rangers, stray animal management, parking inspectors.

DOMESTIC WASTE MANAGEMENT

Recycling, waste collection and processing, tip facilities.

NON DOMESTIC WASTE MANAGEMENT

Recycling, waste collection and processing, tip facilities, hazardous material disposal, concrete crushing, Clean Up Australia Day, tip fees.

PROPERTY AND COMMERCIAL SERVICES

Valuation Services, land acquisition and development.

LEASING AND ASSET MANAGEMENT

Maintenance, repair and operation of Council buildings. Management of leased facilities.

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 2(b). Council Functions / Activities - Component Descriptions (continued)

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

SWIMMING POOLS

Contractor costs for operation of swimming pools, pumps and equipment maintenance and repair.

AIRPORT

Maintenance, repair, operation and development of Regional Passenger Terminal, General Aviation Area and Aerodrome facilities.

SPORTS DEVELOPMENT

Stadium Operations, Sports Facilities and Ovals Maintenance, Sports Events.

ADMINISTRATION

Provision of administration services, office equipment, furniture and fittings.

LEGAL AND AUDIT SERVICES

Internal audit, legal advice, insurance services.

RURAL FIRE SERVICES

Hazard reduction, brigade station operations, fire attendances.

INFORMATION SERVICES

Hardware and software acquisition and maintenance, rural house numbering, information technology conference, geographical information services, records management.

TECHNOLOGY GROUP

Telemetry Switchboard construction and sales, optical fibre provision, consultancy income.

FINANCE

Procurement, customer services, accounts payable, accounts receivable, investment management, asset accounting, water meter reading and billing, rates management, tax management.

PLANT

Fleet management, plant hire, mechanical workshop operations.

PROGRAM SUPPORT

Developer Contributions administration, environmental levy administration, budgeting.

HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT

Payroll services, training, selection, recruitment, induction, Occupational Health and Safety, Workers Compensation management, health and wellbeing program.

CITY SERVICES SUPPORT

Two way radio operations, SES contributions.

Attachment

Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 2(b). Council Functions / Activities - Component Descriptions (continued)

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

ASSET SYSTEMS

Development of asset management plans and strategies. Recording, monitoring and reviewing all assets disposed and acquired.

LIBRARY

Development, maintenance, and operation of library facilities. Collection processing.

COMMUNITY DEVELOPMENT

Museum, Theatre, Art Gallery and Community Centre operations. Aboriginal services and youth projects.

ECONOMIC DEVELOPMENT

Marketing, Buskers Festival, Farmers Markets, Investment Attraction, Business Development.

ENVIRONMENTAL LABORATORY

Water, waste water, soil, swimming pool testing for public and private sectors.

CITY SERVICES OPERATIONAL ADMINISTRATION

Works depots operations, development, maintenance and repairs.

RECREATIONAL SERVICES

Reserves, street trees and gardens maintenance. Noxious weeds control, cemeteries operations, nursery operations, tree farm operations, environmental levy projects, playgrounds, footbridges and boardwalks.

REGIONAL ROADS

Development and maintenance of regional roads, RTA block grant funding.

LOCAL ROADS

Urban Roads, rural roads sealed and unsealed maintenance, reseals, resheeting and rehabilitation. Roads and traffic Signs, transfer bins, kerb and gutter repairs.

BRIDGES

Maintenance and repair of concrete and timber bridges.

FOOTPATHS, CYCLEWAYS AND BUS SHELTERS

Footpaths, cycleways, bus shelters and street furniture construction, maintenance and repairs.

PARKING

Multi level and ground level car park construction, maintenance and repairs.

QUARRIES

Extraction, production and distribution of quarry materials.

STREET AND TOILET CLEANING

Street and toilet cleaning (including Marina public toilets).

DRAINAGE

Stormwater drainage improvement and nuisance flooding construction, maintenance and repair.

Attachment

Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 2(b). Council Functions / Activities - Component Descriptions (continued)

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

HARBOUR AND JETTY

Boat ramp dredging and maintenance. Historical jetty maintenance and repair.

CITY WORKS PRIVATE WORKS

External works undertaken to return a profit to the community by way of investment in local infrastructure and services.

SURVEY AND DESIGN

Road safety officer program, flood mitigation and stormwater works, coastal hazard and estuary studies, traffic safety works, private footpath crossings, road surveys.

STREET LIGHTING

Operations of street lighting.

CONTRACTS AND SUBDIVISION

Contracts management, supervision of subdivision works.

GENERAL FUND UNTIED FUNDING

General rates, environmental levy, investment, financial assistance grants and pensioner subsidy income.

WATER SUPPLIES

Maintenance, operation and construction of dams, reservoirs, pump stations, mains, chlorination plants, fluoridation plants, telemetry, regional water supply, standpipes and meters. Water quality monitoring & public awareness campaigns.

SEWER SERVICES

Maintenance, operation and construction of treatment works, pumping stations, sewers, sullage collection, reclaimed water, ocean outfall, biosolids disposal and reuse management. Public awareness campaigns.

ONCOST RECOVERIES

Employee Leave Entitlements, Workers Compensation Insurance, Superannuation Contributions.

Attachment

Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2013	Actual 2012
(a) Rates & Annual Charges			
Ordinary Rates			
Residential		23,861	22,762
Farmland		1,144	1,046
Business		6,299	6,221
Total Ordinary Rates		31,304	30,029
Special Rates			
Environmental		1,080	1,034
Total Special Rates		1,080	1,034
Annual Charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic Waste Management Services		12,497	10,572
Stormwater Management Services		667	660
Water Supply Services		3,736	3,575
Sewerage Services		20,759	19,387
Waste Management Services (non-domestic)		1,254	1,067
Other		133	128
Total Annual Charges		39,046	35,389
TOTAL RATES & ANNUAL CHARGES		71,430	66,452

Council has used 2011 year valuations provided by the NSW Valuer General in calculating its rates.

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2013	Actual 2012
(b) User Charges & Fees			
Specific User Charges (per s.502 - Specific "actual use" charges)			
Water Supply Services		12,040	11,149
Sewerage Services		2,145	2,223
Waste Management Services (non-domestic)		2,523	2,736
Other		95	83
Total User Charges		16,803	16,191
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s.608)			
Building Regulation		853	803
Construction Certificates		53	68
Domestic Sewerage System Approval		187	186
Private Works - Section 67		1,108	2,694
Section 149 Certificates (EPA Act)		143	144
Section 603 Certificates		110	102
Town Planning		594	602
Other		219	177
Total Fees & Charges - Statutory/Regulatory		3,267	4,776
(ii) Fees & Charges - Other (incl. General User Charges) (per s.608)			
Aerodrome		3,803	3,416
Cemeteries		240	295
Community Village Income		64	69
Laboratory Income		352	438
Sports Stadium		213	213
Trade Waste Application Fee		13	14
Water Supply Recovery Charges		146	115
Watermain Connections		191	279
Back Feed Water Charges - Clarence Valley Council		1,001	348
Other		400	328
Total Fees & Charges - Other		6,423	5,515
TOTAL USER CHARGES & FEES		26,493	26,482

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2013	Actual 2012
(c) Interest & Investment Revenue (incl. losses)			
Interest & Dividends			
- Interest on Overdue Rates & Annual Charges (incl. Special Purpose Rates)		393	405
- Interest earned on Investments (interest & coupon payment income)		9,280	9,686
- Interest on Deferred Debtors		16	11
Fair Value Adjustments			
- Fair Valuation movements in Investments (at FV or Held for Trading)*		4,818	599
Available for Sale Revaluation Reserves realised on Investment sale		-	176
Fair Valuation of Financial Liabilities on recognition			
- Interest Free (or favourable) Loans & Advances Received		912	-
TOTAL INTEREST & INVESTMENT REVENUE		<u>15,419</u>	<u>10,877</u>

*** Significant Item**

During 2012-13 Council received insurance payments for some CDO's which were previously written down to fair value. The net total of these payments amounted to \$2,576,000.

Interest Revenue is attributable to:

Unrestricted Investments/Financial Assets:

Overdue Rates & Annual Charges (General Fund)	393	405
General Council Cash & Investments	1,048	956

Restricted Investments/Funds - External:

Development Contributions		
- Section 94	1,121	626
- Section 64	12	11
Water Fund Operations	3,177	2,539
Sewerage Fund Operations	5,326	4,373
Domestic Waste Management operations	55	67
Local Infrastructure Renewal Scheme - Interest Subsidy	912	-
Other Externally Restricted Assets	1	2

Restricted Investments/Funds - Internal:

Internally Restricted Assets	3,374	1,898
Total Interest & Investment Revenue Recognised	<u>15,419</u>	<u>10,877</u>

(d) Other Revenues

Fair Value Adjustments - Investment Properties	14	163	-
Rental Income - Investment Properties	14	61	66
Rental Income - Other Council Properties		1,668	1,600
Fines - Parking		93	89
Fines - Other		240	217
Banana Sales from Reuse Trial		135	236

(continued on the next page...)

Attachment

Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2013	Actual 2012
(d) Other Revenues (continued)			
Commissions & Agency Fees		207	149
Airport Paking		131	112
Conferences		624	502
ICT Projects & Consultancy		412	443
Jetty Theatre Income		233	157
Nursery Sales		226	180
Optical Fibre Lease		81	57
Reimbursements		949	489
Sale of Switchboards		1,093	1,010
Sports Stadium Food & Drink		368	250
Recoverable Rates Legals		133	140
Other		548	530
<u>TOTAL OTHER REVENUE</u>		<u>7,365</u>	<u>6,227</u>

Attachment

Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 3. Income from Continuing Operations (continued)

\$ '000	2013 Operating	2012 Operating	2013 Capital	2012 Capital
(e) Grants				
General Purpose (Untied)				
Financial Assistance	6,828	8,731	-	-
Pensioners' Rates Subsidies - General Component	837	819	-	-
Total General Purpose	7,665	9,550	-	-
Specific Purpose				
Pensioners' Rates Subsidies:				
- Water	250	245	-	-
- Sewerage	245	240	-	-
- Domestic Waste Management	1	4	-	-
Sewerage Services	-	-	519	393
Bushfire & Emergency Services	609	651	917	739
Community Care	60	101	(100)	50
Cycleways	-	-	-	(2)
Economic Development	137	60	-	-
Employment & Training Programs	-	119	-	-
Environmental Protection	789	492	27	55
Flood Studies & Mitigation Works	45	149	(177)	2,373
Heritage & Cultural	12	65	1	11
Library	136	135	245	78
Natural Disaster	2,266	1,043	192	(81)
Noxious Weeds	131	135	-	-
Orara River Health	30	75	-	-
Street Lighting	148	158	-	-
Transport (Roads to Recovery)	-	-	896	896
Transport (Other Roads & Bridges Funding)	1,020	1,027	543	1,281
Other	173	258	57	7
Total Specific Purpose	6,052	4,957	3,120	5,800
Total Grants	13,717	14,507	3,120	5,800
Grant Revenue is attributable to:				
- Commonwealth Funding	236	305	816	926
- State Funding	13,481	14,192	2,304	4,869
- Other Funding	-	10	-	5
	13,717	14,507	3,120	5,800

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 3. Income from Continuing Operations (continued)

\$ '000	2013 Operating	2012 Operating	2013 Capital	2012 Capital
(f) Contributions				
Developer Contributions:				
(s93 & s94 - EP&A Act, s64 of the LGA):				
S 94 - Contributions towards amenities/services	-	-	1,550	1,101
S 64 - Water Supply Contributions	-	-	1,405	1,240
S 64 - Sewerage Service Contributions	-	-	1,342	1,203
Total Developer Contributions	17 -	-	4,297	3,544
Other Contributions:				
Caravan Parks	129	130	-	-
Contributions to Works	2,926	2,838	-	-
Diesel Fuel Rebate	108	221	-	-
Kerb & Gutter	-	-	29	-
RMS Contributions - Pine Creek Handover	-	12	-	(12)
Section 355 Committee - Payroll Processing	18	16	-	-
Subdivider Dedications (other than by S94)	-	-	2,508	6,981
Vehicle Lease Payments	371	349	-	-
Watermain Relocation	-	-	1,046	-
Other	119	167	143	496
Total Other Contributions	3,671	3,733	3,726	7,465
Total Contributions	3,671	3,733	8,023	11,009
TOTAL GRANTS & CONTRIBUTIONS	17,388	18,240	11,143	16,809

\$ '000	Actual 2013	Actual 2012
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(g) Restrictions relating to Grants and Contributions

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

Unexpended at the Close of the Previous Reporting Period	25,946	19,657
add: Grants & contributions recognised in the current period but not yet spent:	10,201	14,089
less: Grants & contributions recognised in a previous reporting period now spent:	(13,789)	(7,800)
Net Increase (Decrease) in Restricted Assets during the Period	(3,588)	6,289
Unexpended and held as Restricted Assets	22,358	25,946
Comprising:		
- Specific Purpose Unexpended Grants	5,661	8,521
- Developer Contributions	13,885	14,220
- Other Contributions	2,812	3,205
	22,358	25,946

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2013	Actual 2012
(a) Employee Benefits & On-Costs			
Salaries and Wages		27,846	26,961
Travelling		80	89
Employee Leave Entitlements (ELE)		5,668	5,632
Superannuation - Defined Contribution Plans		2,267	2,095
Superannuation - Defined Benefit Plans		1,531	1,583
Workers' Compensation Insurance		1,433	1,935
Fringe Benefit Tax (FBT)		62	52
Payroll Tax		476	387
Training Costs (other than Salaries & Wages)		903	884
Protective Clothing		162	162
Other		56	51
Total Employee Costs		40,484	39,831
less: Capitalised Costs		(2,768)	(3,092)
TOTAL EMPLOYEE COSTS EXPENSED		37,716	36,739
Number of "Equivalent Full Time" Employees at year end		521	509
(b) Borrowing Costs			
(i) Interest Bearing Liability Costs			
Interest on Loans		16,003	16,987
Total Interest Bearing Liability Costs Expensed		16,003	16,987
(ii) Other Borrowing Costs			
Discount adjustments relating to movements in Provisions (other than ELE)			
- Remediation Liabilities	26	212	339
Interest applicable on Interest Free (& favourable) Loans to Council		140	139
Total Other Borrowing Costs		352	478
TOTAL BORROWING COSTS EXPENSED		16,355	17,465

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2013	Actual 2012
(c) Materials & Contracts			
Raw Materials & Consumables		12,523	10,450
Contractor & Consultancy Costs		30,320	25,958
Auditors Remuneration ⁽¹⁾		70	73
Legal Expenses:			
- Legal Expenses: Planning & Development		164	304
- Legal Expenses: Other		194	211
Operating Leases:			
- Operating Lease Rentals: Minimum Lease Payments ⁽²⁾		43	44
TOTAL MATERIALS & CONTRACTS		43,314	37,040
1. Auditor Remuneration			
During the year, the following fees were incurred for services provided by the Council's Auditor (& the Auditors of other Consolidated Entities):			
(i) Audit and Other Assurance Services			
- Audit & review of financial statements: Council's Auditor		70	73
Remuneration for audit and other assurance services		70	73
Total Auditor Remuneration		70	73
2. Operating Lease Payments are attributable to:			
Buildings		39	36
Other		4	8
		43	44

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2013	Actual 2012	Actual 2013	Actual 2012
(d) Depreciation, Amortisation & Impairment					
Plant and Equipment		-	-	3,921	3,717
Office Equipment		-	-	546	621
Furniture & Fittings		-	-	221	214
Land Improvements (depreciable)		-	-	2,245	2,331
Buildings - Non Specialised		-	-	601	788
Buildings - Specialised		-	96	338	372
Other Structures		-	-	317	277
Infrastructure:					
- Roads, Bridges & Footpaths		-	2,593	14,920	13,491
- Stormwater Drainage		-	-	3,028	2,634
- Water Supply Network		-	-	5,859	4,675
- Sewerage Network		-	-	11,324	6,410
Other Assets					
- Other		-	-	660	574
Asset Reinstatement Costs	9 & 26	-	-	770	784
Intangible Assets	25	-	-	906	1,096
Total Depreciation & Impairment Costs		-	2,689	45,656	37,984
less: Capitalised Costs		-	-	(177)	(203)
less: Impairments (to)/from ARR [Equity]	9a	-	(2,689)	-	-
TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED		-	-	45,479	37,781

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2013	Actual 2012
(e) Other Expenses			
Other Expenses for the year include the following:			
Bad & Doubtful Debts		1	-
Bank Charges		250	255
Contributions/Levies to Other Levels of Government			
- NSW Fire Brigade Levy		426	433
- NSW Rural Fire Service Levy		446	387
- Contributions to State Parks		982	744
- Contributions to Regional Parks		217	127
- Other Contributions/Levies		189	204
Councillor Expenses - Mayoral Fee		37	36
Councillor Expenses - Councillors' Fees		149	150
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		41	32
Donations, Contributions & Assistance to other organisations (Section 356)		952	1,096
Electricity & Heating		3,612	2,974
Insurance		2,111	2,136
Street Lighting		846	764
Telephone & Communications		346	341
Other		176	98
TOTAL OTHER EXPENSES		10,781	9,777

Note 5. Gains or Losses from the Disposal of Assets

Property (excl. Investment Property)			
Proceeds from Disposal - Property		140	98
less: Carrying Amount of Property Assets Sold / Written Off		(143)	(149)
Net Gain/(Loss) on Disposal		(3)	(51)
Plant & Equipment			
Proceeds from Disposal - Plant & Equipment		656	1,102
less: Carrying Amount of P&E Assets Sold / Written Off		(672)	(1,034)
Net Gain/(Loss) on Disposal		(16)	68
Infrastructure			
Proceeds from Disposal - Infrastructure		-	-
less: Carrying Amount of Infrastructure Assets Sold / Written Off		(2,400)	-
Net Gain/(Loss) on Disposal		(2,400)	-
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		(2,419)	17

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 6a. - Cash Assets and Note 6b. - Investments

\$ '000	Notes	2013	2013	2012	2012
		Actual Current	Actual Non Current	Actual Current	Actual Non Current
Cash & Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		2,651	-	4,077	-
Cash-Equivalent Assets ¹					
- Deposits at Call		1,027	-	4,667	-
- Managed Funds		49	-	112	-
- Short Term Deposits		8,100	-	4,516	-
Total Cash & Cash Equivalents		11,827	-	13,372	-
Investments (Note 6b)					
- Managed Funds		-	-	3,138	-
- Long Term Deposits		29,800	66,079	25,667	52,066
- Floating Rate Term Deposits		4,000	3,500	-	4,018
- NCD's, FRN's (with Maturities > 3 months)		3,752	35,999	2,394	52,281
- CDO's		-	-	1,024	-
- Constant Protection Portfolio Notes		995	-	5,395	964
- Other Long Term Financial Assets		1,031	8,845	-	9,891
Total Investments		39,578	114,423	37,618	119,220
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS		51,405	114,423	50,990	119,220

¹ Those Investments where time to maturity (from date of purchase) is < 3 mths.

Cash, Cash Equivalents & Investments were classified at year end in accordance with AASB 139 as follows:

Cash & Cash Equivalents					
a. "At Fair Value through the Profit & Loss"		11,827	-	13,372	-
Investments					
a. "At Fair Value through the Profit & Loss"					
- "Held for Trading"	6(b-i)	2,236	-	6,132	-
- "Designated at Fair Value on Initial Recognition"	6(b-i)	2,547	44,844	940	62,172
b. "Held to Maturity"	6(b-ii)	33,800	69,579	25,667	56,084
c. "Available for Sale"	6(b-iii)	995	-	4,879	964
Investments		39,578	114,423	37,618	119,220

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 6b. Investments (continued)

\$ '000	2013	2013	2012	2012
	Actual Current	Actual Non Current	Actual Current	Actual Non Current
Note 6(b-i)				
Reconciliation of Investments classified as "At Fair Value through the Profit & Loss"				
Balance at the Beginning of the Year	7,072	62,172	27,148	35,374
Revaluations (through the Income Statement)	1	755	719	(120)
Additions	-	29,944	-	38,142
Disposals (sales & redemptions)	(6,469)	(43,848)	(27,082)	(3,642)
Transfers between Current/Non Current	4,179	(4,179)	7,582	(7,582)
Balance at End of Year	4,783	44,844	7,072	62,172
Comprising:				
- Managed Funds	-	-	3,138	-
- NCD's, FRN's (with Maturities > 3 months)	3,752	35,999	1,912	52,281
- CDO's	-	-	1,024	-
- Constant Protection Portfolio Notes	-	-	998	-
- Other Long Term Financial Assets	1,031	8,845	-	9,891
Total	4,783	44,844	7,072	62,172
Note 6(b-ii)				
Reconciliation of Investments classified as "Held to Maturity"				
Balance at the Beginning of the Year	25,667	56,084	34,295	53,218
Additions	23,900	31,300	12,700	22,000
Disposals (sales & redemptions)	(34,866)	-	(40,465)	-
Transfers between Current/Non Current	17,805	(17,805)	19,136	(19,136)
Balance at End of Year	32,506	69,579	25,667	56,084
Comprising:				
- Long Term Deposits	29,800	66,079	25,667	52,066
- Floating Rate Term Deposits	4,000	3,500	-	4,018
Total	33,800	69,579	25,667	56,084
Note 6(b-iii)				
Reconciliation of Investments classified as "Available for Sale"				
Balance at the Beginning of the Year	4,879	964	2,646	6,891
Revaluation - transfer gain (loss) to ARR in Equity	157	-	415	73
Disposals (sales & redemptions)	(5,005)	-	(2,801)	(1,381)
Transfers between Current/Non Current	964	(964)	4,619	(4,619)
Balance at End of Year	995	-	4,879	964
Comprising:				
- NCD's, FRN's (with Maturities > 3 months)	-	-	482	-
- Constant Protection Portfolio Notes	995	-	4,397	964
Total	995	-	4,879	964

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 6c. Restricted Cash, Cash Equivalents & Investments - Details

\$ '000	2013	2013	2012	2012
	Actual Current	Actual Non Current	Actual Current	Actual Non Current
Total Cash, Cash Equivalents and Investments	51,405	114,423	50,990	119,220
attributable to:				
External Restrictions (refer below)	45,638	65,055	43,723	74,596
Internal Restrictions (refer below)	5,626	49,368	5,181	44,624
Unrestricted	141	-	2,085	-
	51,405	114,423	50,990	119,220

2013 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
-----------------	--------------------	------------------------------	--------------------------------	--------------------

Details of Restrictions

External Restrictions - Included in Liabilities

Specific Purpose Unexpended Loans-Water (A)	24,283	-	(293)	23,990
Specific Purpose Unexpended Loans-Sewer (A)	42,418	-	(4,830)	37,588
External Restrictions - Included in Liabilities	66,701	-	(5,123)	61,578

External Restrictions - Other

Developer Contributions - General (D)	14,051	2,676	(2,970)	13,757
Developer Contributions - Water Fund (D)	105	1,412	(1,450)	67
Developer Contributions - Sewer Fund (D)	64	1,347	(1,350)	61
Water Supplies (G)	14,265	7,562	(9,625)	12,202
Sewerage Services (G)	21,945	23,739	(23,242)	22,442
Domestic Waste Management (G)	1,141	14,199	(14,813)	527
Other	47	39	(27)	59
External Restrictions - Other	51,618	50,974	(53,477)	49,115
Total External Restrictions	118,319	50,974	(58,600)	110,693

A Loan moneys which must be applied for the purposes for which the loans were raised.

D Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans (refer Note 17).

G Water, Sewerage, Domestic Waste Management (DWM) & other Special Rates/Levies/Charges are externally restricted assets and must be applied for the purposes for which they were raised.

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 6c. Restricted Cash, Cash Equivalents & Investments - Details (continued)

2013 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
Internal Restrictions				
Plant & Vehicle Replacement	4,338	7,851	(6,043)	6,146
Employees Leave Entitlement	4,281	14,151	(14,642)	3,790
General Fund Revotes	2,580	4,489	(2,580)	4,489
EDP Equipment	154	83	(88)	149
Non Domestic Waste Management	1,312	5,730	(5,693)	1,349
Other Contributions	3,205	85	(478)	2,812
Airport	1,714	9,992	(5,959)	5,747
RTA Contributions - Pacific Highway Garden Works	183	14	(46)	151
Unexpended Loans	12,895	-	(2,311)	10,584
Unexpended Grants	8,521	4,680	(7,540)	5,661
Open Space Land	307	192	(39)	460
Jetty M&R	201	17	-	218
Asset Replacement	183	544	(327)	400
Rural Fire Services	14	1	-	15
Future Road Network	1,041	200	-	1,241
Environmental Levy	496	1,397	(1,513)	380
Community Facilities	563	2,076	(1,662)	977
Moonee Beach Road Upgrade	163	14	-	177
Environmental Laboratory	471	729	(557)	643
Car Parking Upgrade	2,144	184	-	2,328
Future Fund	564	662	(264)	962
Business Development	1,065	1,096	(949)	1,212
Project Contingency	955	119	-	1,074
RTA Contributions - Pine Creek Hand Over	303	262	-	565
Projects - Private Works Funding	994	1,813	(1,730)	1,077
Flood Mitigation Works	1,159	1,045	-	2,204
Technology Group	-	1,557	(1,374)	183
Total Internal Restrictions	49,805	58,983	(53,795)	54,993
TOTAL RESTRICTIONS	168,125	109,957	(112,395)	165,687

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 7. Receivables

\$ '000	Notes	2013		2012	
		Current	Non Current	Current	Non Current
Purpose					
Rates & Annual Charges		3,427	782	3,219	721
Interest & Extra Charges		309	433	283	404
User Charges & Fees		1,762	47	1,491	46
Private Works		113	2	1,129	23
Contributions to Works		-	-	81	-
Accrued Revenues					
- Interest on Investments		2,361	-	1,295	-
- User Charges & Fees		1,621	-	1,896	-
- Other Income Accruals		1	-	-	-
Government Grants & Subsidies		4,286	679	2,429	-
Deferred Debtors		37	266	29	142
Net GST Receivable		393	-	217	-
Airport Landing Charges		777	-	605	-
Caravan Parks		615	-	1,062	-
Economic Development Unit		4	1	15	1
Environmental Lab		41	-	78	1
Lease Rentals		235	5	261	5
Tip Charges		399	2	337	2
Watermain Relocation		-	-	40	-
Workers Comp. Premium reduction		509	-	-	-
Switchboard Sales		688	-	555	-
Back Feed Water Charges		377	-	350	-
Other Debtors		1,039	10	1,052	12
Total		18,994	2,227	16,424	1,357
less: Provision for Impairment					
Other Debtors		(15)	-	(18)	-
Total Provision for Impairment - Receivables		(15)	-	(18)	-
TOTAL NET RECEIVABLES		18,979	2,227	16,406	1,357
Externally Restricted Receivables					
Water Supply					
- Specific Purpose Grants		60	-	62	-
- Rates & Availability Charges		176	55	173	53
- Other		3,315	26	3,190	-
Sewerage Services					
- Specific Purpose Grants		989	-	414	-
- Rates & Availability Charges		940	292	905	268
- Other		891	51	674	35
Domestic Waste Management		590	190	517	158
Stormwater Management		22	16	21	15
- Other - Environmental Levy		58	42	55	40
Total External Restrictions		7,041	672	6,011	569
Internally Restricted Receivables - Nil					
Unrestricted Receivables		11,938	1,555	10,395	788
TOTAL NET RECEIVABLES		18,979	2,227	16,406	1,357

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 7. Receivables (continued)

\$ '000

Notes on Debtors from the previous page

- (i) Rates & 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 & charges at 10.00% (2012 11.00%).
Generally all other receivables are non interest bearing.
- (iv) Please refer to Note 15 for issues concerning Credit Risk and Fair Value disclosures.

Note 8. Inventories & Other Assets

\$ '000	Notes	2013		2012	
		Current	Non Current	Current	Non Current
Inventories					
Stores & Materials		1,336	-	1,204	-
Trading Stock		176	-	297	-
Total Inventories		1,512	-	1,501	-
Other Assets					
Prepayments		781	-	668	-
Total Other Assets		781	-	668	-
TOTAL INVENTORIES / OTHER ASSETS		2,293	-	2,169	-

Externally Restricted Inventories and Other Assets

Water					
Stores & Materials		237	-	223	-
Total Water		237	-	223	-
Sewerage					
Prepayments		-	-	9	-
Total Sewerage		-	-	9	-
Domestic Waste Management					
Prepayments		253	-	485	-
Total Domestic Waste Management		253	-	485	-
Total Externally Restricted Assets		490	-	717	-
Total Internally Restricted Assets		-	-	-	-
Total Unrestricted Assets		1,803	-	1,452	-
TOTAL INVENTORIES & OTHER ASSETS		2,293	-	2,169	-

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Coffs Harbour City Council

Notes to the Financial Statements
for the financial year ended 30 June 2013

Note 9a. Infrastructure, Property, Plant & Equipment

\$ '000	as at 30/6/2012					Asset Movements during the Reporting Period						as at 30/6/2013					
	At	At	Accumulated		Carrying	Asset Additions	WDV of Asset Disposals	Depreciation Expense	Impairment Reversal (via Equity)	Adjustments & Transfers	Revaluation Increments to Equity (ARR)	At	At	Accumulated		Carrying	
	Cost	Fair Value	Dep'n	Impairment	Value							Cost	Fair Value	Dep'n	Impairment	Value	
Capital Work in Progress	10,617	-	-	-	10,617	7,670	-	-	-	(6,165)	-	12,122	-	-	-	-	12,122
Plant & Equipment	-	33,601	13,845	-	19,756	2,660	(655)	(3,921)	-	287	-	-	35,519	17,392	-	-	18,127
Office Equipment	-	3,077	1,494	-	1,583	62	-	(546)	-	-	-	-	3,139	2,040	-	-	1,099
Furniture & Fittings	-	3,487	1,226	-	2,261	-	-	(221)	-	-	-	-	3,487	1,447	-	-	2,040
Land:																	
- Operational Land	-	116,540	-	-	116,540	3,018	(140)	-	-	-	(6,058)	-	113,360	-	-	-	113,360
- Community Land	-	36,465	-	-	36,465	310	-	-	-	-	-	-	36,775	-	-	-	36,775
- Land under Roads (post 30/6/08)	-	1,483	-	-	1,483	469	-	-	-	-	(354)	-	1,598	-	-	-	1,598
Land Improvements - depreciable	-	15,647	8,976	-	6,671	83	-	(2,245)	-	722	-	-	16,452	11,221	-	-	5,231
Buildings - Non Specialised	-	52,032	10,919	-	41,113	80	-	(601)	-	264	5,542	-	57,182	10,784	-	-	46,398
Buildings - Specialised	-	30,265	4,793	96	25,376	843	(3)	(338)	96	1,345	18,090	-	50,063	4,654	-	-	45,409
Other Structures	-	10,477	4,054	-	6,423	190	(14)	(317)	-	520	71	-	11,280	4,407	-	-	6,873
Infrastructure:																	
- Roads, Bridges, Footpaths	-	585,229	153,376	2,593	429,260	6,339	(784)	(14,920)	-	8,654	35,928	-	627,200	160,130	2,593	-	464,477
- Bulk Earthworks (non-depreciable)	-	194,497	-	-	194,497	129	-	-	-	818	10,873	-	206,317	-	-	-	206,317
- Stormwater Drainage	-	213,788	43,609	-	170,179	3,879	-	(3,028)	-	14,179	1,318	-	226,921	40,394	-	-	186,527
- Water Supply Network	-	363,736	106,134	-	257,602	3,170	(1,056)	(5,859)	-	14,283	6,641	-	395,425	120,644	-	-	274,781
- Sewerage Network	-	545,085	142,970	-	402,115	1,653	(546)	(11,324)	-	27,755	9,958	-	599,814	170,203	-	-	429,611
Other Assets:																	
- Other	-	10,200	3,618	-	6,582	232	(17)	(660)	-	677	-	-	11,057	4,243	-	-	6,814
Reinstatement, Rehabilitation & Restoration Assets (refer Note 26)																	
- Tip Asset	-	5,404	784	-	4,620	-	-	(770)	-	(147)	-	-	5,257	1,554	-	-	3,703
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP.	10,617	2,221,013	495,798	2,689	1,733,143	30,787	(3,215)	(44,750)	96	63,192	82,009	12,122	2,400,846	549,113	2,593	-	1,861,262

Additions to Depreciable Land Improvements, Buildings, Other Structures & Infrastructure Assets are made up of Asset Renewals (\$7,806,000) and New Assets (\$13,189,000). Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 9b. Externally Restricted Infrastructure, Property, Plant & Equipment

\$ '000 Class of Asset	Actual 2013				Actual 2012			
	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value
Water Supply								
WIP	621	-	-	621	1,933	-	-	1,933
Plant & Equipment	-	3,466	1,798	1,668	-	3,269	1,493	1,776
Office Equipment	-	224	217	7	-	221	179	42
Land								
- Operational Land	-	4,375	-	4,375	-	3,863	-	3,863
Infrastructure	-	395,425	120,644	274,781	-	363,736	106,134	257,602
Total Water Supply	621	403,490	122,659	281,452	1,933	371,089	107,806	265,216
Sewerage Services								
WIP	8,609	-	-	8,609	6,292	-	-	6,292
Plant & Equipment	-	3,268	1,923	1,345	-	2,657	1,376	1,281
Office Equipment	-	42	18	24	-	30	9	21
Furniture & Fittings	-	78	73	5	-	78	68	10
Land								
- Operational Land	-	11,916	-	11,916	-	15,377	-	15,377
Infrastructure	-	599,814	170,203	429,611	-	545,085	142,970	402,115
Total Sewerage Services	8,609	615,118	172,217	451,510	6,292	563,227	144,423	425,096
Domestic Waste Management								
Plant & Equipment	-	314	201	113	-	314	171	143
Land								
- Operational Land'	-	10,253	-	10,253	-	13,111	-	13,111
Buildings	-	1,898	216	1,682	-	2,270	539	1,731
Other Structures	-	5,564	1,701	3,863	-	5,598	881	4,717
Other Assets	-	546	23	523	-	407	6	401
Total DWM	-	18,575	2,141	16,434	-	21,700	1,597	20,103
TOTAL RESTRICTED I,PP&E	9,230	1,037,183	297,017	749,396	8,225	956,016	253,826	710,415

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 9c. Infrastructure, Property, Plant & Equipment - Current Year Impairments

\$ '000	Notes	Actual 2013	Actual 2012
(i) Impairment Losses recognised direct to Equity (ARR) include:			
- Airport Runway		-	(2,593)
- Amenities buildings		-	(96)
Total Impairment Losses		-	(2,689)
(ii) Reversals of Impairment Losses previously recognised direct to Equity (ARR) include:			
- Amenities buildings		96	-
Total Impairment Reversals		96	-
<u>IMPAIRMENT of ASSETS - DIRECT to EQUITY (ARR)</u>	20 (ii)	<u>96</u>	<u>(2,689)</u>

NB. Impairment Adjustments relating to IPP&E assets may have been recognised direct to Equity - refer to Note 20 (ii)

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 10a. Payables, Borrowings & Provisions

\$ '000	Notes	2013		2012	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services - operating expenditure		4,285	-	4,359	-
Goods & Services - capital expenditure		1,810	-	1,271	-
Payments Received In Advance		1,116	-	1,654	-
Accrued Expenses:					
- Borrowings		2,001	-	2,113	-
- Salaries & Wages		232	-	147	-
- Other Expenditure Accruals		20	551	10	567
Security Bonds, Deposits & Retentions		429	93	323	111
Workers Compensation Premium Adjustme		-	-	86	-
Government Grants and Subsidies		354	-	346	-
Other		227	-	226	-
Total Payables		10,474	644	10,535	678
Borrowings					
Loans - Secured ¹		18,618	208,464	17,312	222,352
Total Borrowings		18,618	208,464	17,312	222,352
Provisions					
Employee Benefits;					
Annual Leave		3,322	-	3,305	-
Sick Leave		283	-	320	-
Long Service Leave		7,603	923	6,669	1,096
Accrued Leave		125	-	185	-
ELE On-Costs		1,862	162	1,832	196
Sub Total - Aggregate Employee Benefits		13,195	1,085	12,311	1,292
Asset Remediation/Restoration (Future Works) ²⁶		-	4,208	-	4,143
Total Provisions		13,195	5,293	12,311	5,435
Total Payables, Borrowings & Provisions		42,287	214,401	40,158	228,465
(i) Liabilities relating to Restricted Assets					
		2013		2012	
		Current	Non Current	Current	Non Current
Externally Restricted Assets					
Water		8,291	82,942	8,030	89,973
Sewer		10,242	101,559	9,163	109,628
Domestic Waste Management		67	4,208	-	4,143
Liabilities relating to externally restricted assets		18,600	188,709	17,193	203,744
Internally Restricted Assets					
Nil					
Total Liabilities relating to restricted assets		18,600	188,709	17,193	203,744
Total Liabilities relating to Unrestricted Assets		23,687	25,692	22,965	24,721
TOTAL PAYABLES, BORROWINGS & PROVISIONS		42,287	214,401	40,158	228,465

¹ Loans are secured over the General Rating Income of Council

Disclosures on Liability Interest Rate Risk Exposures, Fair Value Disclosures & Security can be found in Note 15.

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 10a. Payables, Borrowings & Provisions (continued)

\$ '000	Actual 2013	Actual 2012
(ii) Current Liabilities not anticipated to be settled within the next 12 months		
The following Liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions - Employees Benefits	9,171	7,759
	<u>9,171</u>	<u>7,759</u>

Note 10b. Description of and movements in Provisions

Class of Provision	2012		2013			Closing Balance as at 30/6/13
	Opening Balance as at 1/7/12	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	
Annual Leave	3,305	2,409	(2,392)	-	-	3,322
Sick Leave	320	117	(154)	-	-	283
Long Service Leave	7,765	1,644	(883)	-	-	8,526
Other Leave	185	178	(238)	-	-	125
ELE On-Costs	2,028	(4)	-	-	-	2,024
Asset Remediation	4,143	(147)	-	212	-	4,208
TOTAL	17,746	4,197	(3,667)	212	-	18,488

- a. Employees Leave Entitlements & On-Costs represents those benefits accrued and payable and an estimate of those that will become payable in the future as a result of past service.
- b. Asset Remediation, Reinstatement & Restoration Provisions represent the Present Value estimate of future costs Council will incur in order to remove, restore & remediate assets &/or activities as a result of past operations.

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 11. Statement of Cash Flows - Additional Information

\$ '000	Notes	Actual 2013	Actual 2012
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	11,827	13,372
Less Bank Overdraft	10	-	-
BALANCE as per the STATEMENT of CASH FLOWS		11,827	13,372
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		(6,826)	6,302
Adjust for non cash items:			
Depreciation & Amortisation		45,479	37,781
Net Losses/(Gains) on Disposal of Assets		2,419	(17)
Non Cash Capital Grants and Contributions		(3,539)	(10,602)
Investment Income relating to "Available for Sale" Investments sold		-	(176)
Losses/(Gains) recognised on Fair Value Re-measurements through the P&L:			
- Investments classified as "At Fair Value" or "Held for Trading"		(4,818)	(599)
- Investment Properties		(163)	-
- Favourable Financial Liabilities (ie. Initial Recognition at Fair Value)		(912)	-
Amortisation of Premiums, Discounts & Prior Period Fair Valuations			
- Interest Exp. on Interest Free Loans received by Council (previously Fair Valued)		(772)	139
Unwinding of Discount Rates on Reinstatement Provisions		212	339
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		(3,308)	278
Increase/(Decrease) in Provision for Doubtful Debts		(3)	(3)
Decrease/(Increase) in Inventories		(11)	(65)
Decrease/(Increase) in Other Assets		(113)	1,566
Increase/(Decrease) in Payables		(74)	42
Increase/(Decrease) in accrued Interest Payable		(112)	(53)
Increase/(Decrease) in other accrued Expenses Payable		79	131
Increase/(Decrease) in Other Liabilities		(527)	987
Increase/(Decrease) in Employee Leave Entitlements		677	1,320
Increase/(Decrease) in Other Provisions		(147)	(2,802)
NET CASH PROVIDED FROM/(USED IN)			
OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		27,541	34,568

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 11. Statement of Cash Flows - Additional Information (continued)

\$ '000	Notes	Actual 2013	Actual 2012
(c) Non-Cash Investing & Financing Activities			
Bushfire Grants		812	664
Other Dedications (Developer)		2,508	6,981
Future Reinstatement Costs Re-measurement		212	339
Artworks Donated		7	-
Total Non-Cash Investing & Financing Activities		3,539	7,984
(d) Financing Arrangements			
(i) Unrestricted access was available at balance date to the following lines of credit:			
Credit Cards / Purchase Cards		1,200	800
Loan Facilities		227,082	239,664
Total Financing Arrangements		228,282	240,464
Amounts utilised as at Balance Date:			
- Credit Cards / Purchase Cards		226	184
- Loan Facilities		227,082	239,664
Total Financing Arrangements Utilised		227,308	239,848
(ii) Secured Loan Liabilities			

Loans are secured by a mortgage over future years Rate Revenue only.

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2013	Actual 2012
(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 & Equipment			
Plant & Equipment		441	101
Water Network		-	285
Storm Water		-	2,696
Sewer Network		455	-
Transport Assets		6,114	-
Other		-	31
Total Commitments		7,010	3,113
These expenditures are payable as follows:			
Within the next year		7,010	3,113
Total Payable		7,010	3,113
Sources for Funding of Capital Commitments:			
Unrestricted General Funds		-	15
Internally Restricted Reserves		1,555	101
Unexpended Loans		5,455	2,827
Other Funding		-	170
Total Sources of Funding		7,010	3,113

(b) Finance Lease Commitments

Nil

(c) Operating Lease Commitments (Non Cancellable)

Nil

(d) Investment Property Commitments

Nil

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 13a(i). Statement of Performance Measurement - Indicators (Consolidated)

\$ '000	Amounts	Indicator	Prior Periods	
	2013	2013	2012	2011
Local Government Industry Indicators - Consolidated				
1. Unrestricted Current Ratio				
Current Assets less all External Restrictions ⁽¹⁾	<u>19,585</u>	1.35 : 1	1.29	3.22
Current Liabilities less Specific Purpose Liabilities ^(2,3)	<u>14,516</u>			
2. Debt Service Ratio				
Debt Service Cost	<u>33,585</u>	26.16%	28.31%	31.03%
Income from Continuing Operations (excl. Capital Items & Specific Purpose Grants/Contributions)	<u>128,372</u>			
3. Rates & Annual Charges Coverage Ratio				
Rates & Annual Charges	<u>71,430</u>	47.86%	45.80%	42.27%
Income from Continuing Operations	<u>149,238</u>			
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual & Extra Charges Outstanding	<u>4,951</u>	6.48%	6.52%	6.12%
Rates, Annual & Extra Charges Collectible	<u>76,450</u>			
5. Building & Infrastructure Renewals Ratio				
Asset Renewals ⁽⁴⁾	<u>7,806</u>	21.64%	23.58%	11.63%
Depreciation, Amortisation & Impairment	<u>36,070</u>			

Notes

(1) Refer Notes 6-8 inclusive.

Also excludes any Real Estate & Land for resale not expected to be sold in the next 12 months

(2) Refer to Note 10(a).

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

(4) Asset Renewals represent the replacement &/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. Asset Renewals include building and infrastructure assets only.

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 13a(ii). Local Government Industry Indicators - Graphs (Consolidated)

<p>1. Unrestricted Current Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio : 1</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>2.35</td> </tr> <tr> <td>2011</td> <td>3.22</td> </tr> <tr> <td>2012</td> <td>1.29</td> </tr> <tr> <td>2013</td> <td>1.35</td> </tr> </tbody> </table>	Year	Ratio : 1	2010	2.35	2011	3.22	2012	1.29	2013	1.35	<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 2012/13 Result</p> <p>2012/13 Ratio 1.35 : 1</p> <p>Unrestricted liabilities decreased by \$2,524,000 since 2011/12 attributable to a \$3,246,000 increase in current liabilities not expected to be settled in the next twelve months.</p>
Year	Ratio : 1											
2010	2.35											
2011	3.22											
2012	1.29											
2013	1.35											
<p>2. Debt Service Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>31.66%</td> </tr> <tr> <td>2011</td> <td>31.03%</td> </tr> <tr> <td>2012</td> <td>28.31%</td> </tr> <tr> <td>2013</td> <td>26.16%</td> </tr> </tbody> </table>	Year	Ratio %	2010	31.66%	2011	31.03%	2012	28.31%	2013	26.16%	<p>Purpose of Debt Service Ratio</p> <p>To assess the impact of loan principal & interest repayments on the discretionary revenue of council.</p>	<p>Commentary on 2012/13 Result</p> <p>2012/13 Ratio 26.16%</p> <p>An increase in income from continuing operations from \$119,605,000 before specific purpose operating and capital amounts in 2011/12 to \$128,372,000 in 2012/13 has improved the ratio. This is largely attributed to a \$4,542,000 increase in investment income.</p>
Year	Ratio %											
2010	31.66%											
2011	31.03%											
2012	28.31%											
2013	26.16%											
<p>3. Rates & Annual Charges Coverage Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>38.61%</td> </tr> <tr> <td>2011</td> <td>42.27%</td> </tr> <tr> <td>2012</td> <td>45.80%</td> </tr> <tr> <td>2013</td> <td>47.86%</td> </tr> </tbody> </table>	Year	Ratio %	2010	38.61%	2011	42.27%	2012	45.80%	2013	47.86%	<p>Purpose of Rates & Annual Charges Coverage Ratio</p> <p>To assess the degree of Council's dependence upon revenue from rates and annual charges and to assess the security of Council's income.</p>	<p>Commentary on 2012/13 Result</p> <p>2012/13 Ratio 47.86%</p> <p>This ratio has increased due to an increase in rates and annual charges of \$4,978,000 between 2011/12 and 2012/13 and a decrease in capital grants and contributions of \$5,666,000 between 2011/12 and 2012/13.</p>
Year	Ratio %											
2010	38.61%											
2011	42.27%											
2012	45.80%											
2013	47.86%											
<p>4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>5.65%</td> </tr> <tr> <td>2011</td> <td>6.12%</td> </tr> <tr> <td>2012</td> <td>6.52%</td> </tr> <tr> <td>2013</td> <td>6.48%</td> </tr> </tbody> </table>	Year	Ratio %	2010	5.65%	2011	6.12%	2012	6.52%	2013	6.48%	<p>Purpose of Rates & Annual Charges Outstanding Ratio</p> <p>To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.</p>	<p>Commentary on 2012/13 Result</p> <p>2012/13 Ratio 6.48%</p> <p>The Rates Outstanding ratio has slightly decreased due to a larger amount of debt being repaid through the proceeds of an increased volume of property sales.</p>
Year	Ratio %											
2010	5.65%											
2011	6.12%											
2012	6.52%											
2013	6.48%											
<p>5. Building & Infrastructure Renewals Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>24.06%</td> </tr> <tr> <td>2011</td> <td>11.63%</td> </tr> <tr> <td>2012</td> <td>23.58%</td> </tr> <tr> <td>2013</td> <td>21.64%</td> </tr> </tbody> </table>	Year	Ratio %	2010	24.06%	2011	11.63%	2012	23.58%	2013	21.64%	<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 2012/13 Result</p> <p>2012/13 Ratio 21.64%</p> <p>There has been an increase in infrastructure renewals of \$483,000 from 2011/12 to 2012/13. Sewer infrastructure renewals decreased by \$922,000, water infrastructure renewals increased by \$1,750,000 and Buildings, Roads, Bridges and Footpaths infrastructure renewals decreased by \$345,000 between 2011/12 and 2012/13. There has been increased infrastructure depreciation of \$5,011,000 resulting from council's 2011/12 revaluation process (\$4,914,000 increase for sewer infrastructure depreciation and \$1,184,000 increase for water infrastructure depreciation). There was no impairment expense in 2012/13 (\$2,593,000 in 2011/12 for Airport Runways).</p>
Year	Ratio %											
2010	24.06%											
2011	11.63%											
2012	23.58%											
2013	21.64%											

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 13b. Statement of Performance Measurement - Indicators (by Fund)

\$ '000	Water 2013	Sewer 2013	General ¹ 2013
Local Government Industry Indicators - by Fund			
1. Unrestricted Current Ratio			
<u>Current Assets less all External Restrictions ⁽¹⁾</u>	2.08 : 1	2.87 : 1	1.35 : 1
<u>Current Liabilities less Specific Purpose Liabilities ^(2,3)</u>			
prior period:	1.38 : 1	3.50 : 1	1.29 : 1
2. Debt Service Ratio			
<u>Debt Service Cost</u>	63.38%	52.95%	6.47%
<u>Income from Continuing Operations</u>			
(excl. Capital Items & Specific Purpose Grants/Contributions)	prior period: 71.80%	58.47%	7.39%
3. Rates & Annual Charges Coverage Ratio			
<u>Rates & Annual Charges</u>	15.41%	65.76%	50.33%
<u>Income from Continuing Operations</u>			
prior period:	17.89%	64.79%	45.72%
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage			
<u>Rates, Annual & Extra Charges Outstanding</u>	6.07%	5.89%	6.74%
<u>Rates, Annual & Extra Charges Collectible</u>			
prior period:	5.88%	5.70%	6.94%
5. Building & Infrastructure Renewals Ratio			
<u>Asset Renewals (Building & Infrastructure assets)</u>	37.09%	19.83%	17.94%
<u>Depreciation, Amortisation & Impairment</u>			
prior period:	9.05%	24.24%	26.76%

Notes

⁽¹⁾ General Fund refers to all of Council's activities except for its Water & Sewer activities which are listed separately.

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 14. Investment Properties

\$ '000	Notes	Actual 2013	Actual 2012
(a) Investment Properties at Fair value			
<u>Investment Properties on Hand</u>		<u>1,596</u>	<u>1,433</u>
Reconciliation of Annual Movement:			
Opening Balance		1,433	1,433
- Net Gain/(Loss) from Fair Value Adjustments		163	-
CLOSING BALANCE - INVESTMENT PROPERTIES		<u>1,596</u>	<u>1,433</u>

(b) Valuation Basis

The basis of valuation of Investment Properties is Fair Value, being the amounts for which the properties could be exchanged between willing parties in arms length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases.

The 2013 revaluations were based on Independent Assessments made by:
APV Valuers and Asset Management

(c) Contractual Obligations at Reporting Date

Refer to Note 12 for disclosures relating to any Capital and Service obligations that have been contracted.

(d) Leasing Arrangements

Details of leased Investment Properties are as follows;

Future Minimum Lease Payments receivable under non-cancellable Investment Property Operating Leases not recognised in the Financial Statements are due:

Within 1 year	58	57
Later than 1 year but less than 5 years	58	55
Later than 5 years	-	-
Total Minimum Lease Payments Receivable	<u>116</u>	<u>112</u>

(e) Investment Property Income & Expenditure - summary

Rental Income from Investment Properties:		
- Minimum Lease Payments	61	66
Direct Operating Expenses on Investment Properties:		
- that generated rental income	(7)	(7)
Net Revenue Contribution from Investment Properties	<u>54</u>	<u>59</u>
plus:		
Fair Value Movement for year	<u>163</u>	<u>-</u>
Total Income attributable to Investment Properties	<u>217</u>	<u>59</u>

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 15. Financial Risk Management

\$ '000

Risk Management

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

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

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

Financial risk management is carried out by Council's Finance Section under policies approved by the Council.

A comparison by category of the carrying amounts and fair values of Council's Financial Assets & Financial Liabilities recognised in the financial statements is presented below.

	Carrying Value		Fair Value	
	2013	2012	2013	2012
Financial Assets				
Cash and Cash Equivalents	11,827	13,372	11,827	13,372
Investments				
- "Held for Trading"	2,236	6,132	2,236	6,132
- "Designated At Fair Value on Initial Recognition"	47,391	63,112	47,391	63,112
- "Held to Maturity"	103,379	81,751	103,379	81,751
- "Available for Sale"	995	5,843	995	5,843
Receivables	21,206	17,763	21,206	16,469
Total Financial Assets	187,034	187,973	187,034	186,679
Financial Liabilities				
Payables	10,002	9,559	10,002	9,559
Loans / Advances	227,082	239,664	240,824	245,662
Total Financial Liabilities	237,084	249,223	250,826	255,221

Fair Value is determined as follows:

- **Cash & Cash Equivalents, Receivables, Payables** - are estimated to be the carrying value which approximates mkt value.
- **Borrowings & Held to Maturity Investments** - are based upon estimated future cash flows discounted by the current market interest rates applicable to assets & liabilities with similar risk profiles, unless quoted market prices are available.
- Financial Assets classified (i) "**at fair value through profit & 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.

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 15. Financial Risk Management (continued)

\$ '000

(a) Fair Value Measurements

The fair value of financial assets and financial liabilities must be estimated in accordance with Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 7 Financial Instruments: Disclosures, requires the disclosure of how fair valuations have been arrived at for all financial assets and financial liabilities that have been measured at fair value.

Arriving at fair values for financial assets & liabilities can be broken up into 3 distinct measurement hierarchies:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

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

The following table presents the financial assets and financial liabilities that have been measured & recognised at fair values:

2013	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments				
- "Held for Trading"	2,236	-	-	2,236
- "Designated At Fair Value on Initial Recognition"	45,371	2,020	-	47,391
- "Available for Sale"	-	995	-	995
Total Financial Assets	47,607	3,015	-	50,622
2012	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments				
- "Held for Trading"	5,051	347	734	6,132
- "Designated At Fair Value on Initial Recognition"	56,667	6,445	-	63,112
- "Available for Sale"	-	5,843	-	5,843
Total Financial Assets	61,718	12,635	734	75,087

The following table presents the movement in Level 3 financial instruments

	Assets 2013	Assets 2012
Opening Balance (of Level 3 fair values)	734	677
Gains/(Losses) recognised in the Income Statement	2,576	57
Disposals	(3,310)	-
Closing Balance	-	734

Attachment**Coffs Harbour City Council****Notes to the Financial Statements**

for the financial year ended 30 June 2013

Note 15. Financial Risk Management (continued)**\$ '000****(b) Cash & Cash Equivalents, Financial assets 'at fair value through the profit & Loss'
"Available-for-sale" financial assets & "Held-to-maturity" Investments**

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

Council's Finance area manages the Cash & Investments portfolio with the assistance of independent advisors.

Council has an Investment Policy which complies with the Local Government Act & Minister's Investment Order. This Policy is regularly reviewed by Council and it's staff and an Investment Report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance.

The major risk associated with Investments is 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.

Cash & Investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns and income.

A further risk associated with Cash & Investments is credit risk - the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council - be it of a capital or income nature.

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

Council also seeks advice from independent advisers before placing any funds in Cash Equivalents & Investments.

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
2013				
Possible impact of a 10% movement in Market Values	-	5,062	-	(5,062)
Possible impact of a 1% movement in Interest Rates	1,530	-	(1,530)	-
2012				
Possible impact of a 10% movement in Market Values	-	7,509	-	(7,509)
Possible impact of a 1% movement in Interest Rates	1,604	-	(1,604)	-

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 15. Financial Risk Management (continued)

\$ '000

(c) Receivables

Council's major receivables comprise (i) Rates & Annual charges and (ii) User Charges & Fees.

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

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

Credit risk on rates and annual charges is minimised by the ability of Council to secure a charge over the land relating to the debts - that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates & 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.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

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:

	2013	2013	2012	2012
	Rates & Annual Charges	Other Receivables	Rates & Annual Charges	Other Receivables
(i) Ageing of Receivables				
Current (not yet overdue)	0%	71%	0%	85%
Overdue	100%	29%	100%	15%
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
(ii) Movement in Provision for Impairment of Receivables			2013	2012
Balance at the beginning of the year			18	21
- amounts provided for but recovered during the year			<u>(3)</u>	<u>(3)</u>
Balance at the end of the year			<u>15</u>	<u>18</u>

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 15. Financial Risk Management (continued)

\$ '000

(d) Payables & Borrowings

Payables & 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 & overdraft facilities utilised as required.

The contractual undiscounted cash outflows (ie. principal and interest) of Council's Payables & Borrowings are set out in the Liquidity Table below:

\$ '000	Subject to no maturity	payable in:						Total Cash Outflows	Actual Carrying Values
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
2013									
Trade/Other Payables	522	10,045	551	-	-	-	-	11,118	10,002
Loans & Advances	-	33,673	32,094	29,871	25,219	24,321	196,827	342,005	227,082
Total Financial Liabilities	522	43,718	32,645	29,871	25,219	24,321	196,827	353,123	237,084
2012									
Trade/Other Payables	434	10,212	567	-	-	-	-	11,213	9,559
Loans & Advances	-	33,253	32,982	31,404	29,182	24,528	217,535	368,884	239,664
Total Financial Liabilities	434	43,465	33,549	31,404	29,182	24,528	217,535	380,097	249,223

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

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

	2013		2012	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Trade/Other Payables	10,002	0.0%	9,559	0.0%
Loans & Advances - Fixed Interest Rate	227,082	6.8%	239,664	6.8%
	<u>237,084</u>		<u>249,223</u>	

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 12/13 was adopted by the Council on 24 May 2012.

While the Income Statement included in this General Purpose Financial Report must disclose the Original Budget adopted by Council, the Local Government Act 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	2013 Budget	2013 Actual	2013 ----- Variance* -----		
REVENUES					
Rates & Annual Charges	71,889	71,430	(459)	(1%)	U
User Charges & Fees	26,188	26,493	305	1%	F
Interest & Investment Revenue	5,438	15,419	9,981	184%	F
Increases in market values of investment securities, insurance payments for Dante Series CDOs of \$2,576,000, and major sewerage project expenditures deferred to 2013/14 are attributable to this out performance.					
Other Revenues	4,796	7,365	2,569	54%	F
Increased sales of switchboards, CCTV systems, ICT projects, consultancy services, and reimbursement of costs associated with waste contract.					
Operating Grants & Contributions	14,729	17,388	2,659	18%	F
\$2.2M in natural disaster grants not included in original budget as they are only budgeted for once approved by funders.					
Capital Grants & Contributions	12,683	11,143	(1,540)	(12%)	U
Subdivision Dedications \$2,508,000 received not budgeted for. Bushfire Station grant budgeted but not received \$274,000. Grants received less than budgeted included; regional roads repair program \$143,000, detention basin \$298,000, and bushfire vehicles \$106,000. Developer contributions \$3,097,000 less than budgeted.					

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 16. Material Budget Variations (continued)

\$ '000	2013 Budget	2013 Actual	2013 ----- Variance* -----	
EXPENSES				
Employee Benefits & On-Costs	26,073	37,716	(11,643)	(45%) U
During the year Council employees are engaged in both maintenance and capital works, the proportions of which may vary from year to year. Costs in relation to the capital works are excluded from the income statement, and it is not Council's practice to make detailed calculations for this as part of its budgeting procedures.				
Borrowing Costs	16,257	16,355	(98)	(1%) U
Materials & Contracts	56,590	43,314	13,276	23% F
During the year Council employees are engaged in both maintenance and capital works, the proportions of which may vary from year to year. Costs in relation to the capital works are excluded from the income statement, and it is not Council's practice to make detailed calculations for this as part of its budgeting procedures. The variance to budget has also resulted from items for operational projects largely being budgeted as Material and Contracts rather than Other Expenses.				
Depreciation & Amortisation	44,970	45,479	(509)	(1%) U
Budgeted figures were based on 2011/12 actual costs and therefore do not take into account new assets purchased in 2011/12 and depreciated for the first time in 2012/13 nor does it include depreciation based on revalued assets as at 30 June 2012.				
Other Expenses	5,532	10,781	(5,249)	(95%) U
The variance to budget in other expenses has resulted from items for operational projects largely being budgeted as Materials and Contracts rather than Other Expenses. There were also increases in expenditure compared to budget attributable to private works.				
Net Losses from Disposal of Assets	-	2,419	(2,419)	0% U
Council does not budget for losses from disposal of assets				
Budget Variations relating to Council's Cash Flow Statement include:				
Cash Flows from Operating Activities	31,158	27,541	(3,617)	(11.6%) U
Bushfire Station grant budgeted but not received \$274,000. Grants received less than budgeted included; regional roads repair program \$143,000, detention basin \$298,000, and bushfire vehicles \$106,000. Developer contributions \$3,097,000 less than budgeted. There were also increases in expenditure compared to budget attributable to private works.				
Cash Flows from Investing Activities	(19,957)	(16,504)	3,453	(17.3%) F
Purchases and sales of investment securities are not budgeted for.				
Cash Flows from Financing Activities	(9,649)	(12,582)	(2,933)	30.4% U
\$2,500,000 Borrowings for compulsory acquisition of open space land scheduled for 2012/13, deferred until 2013/14.				

Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 17. Statement of Developer Contributions

\$ '000

Council recovers contributions, raises levies & 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 & levies and the value of all remaining funds which are "restricted" in their future use.

SUMMARY OF CONTRIBUTIONS & LEVIES

PURPOSE	Opening Balance	Contributions received during the Year		Income earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	1,618	130	80	136	(213)	-	1,671	2,718	(3,447)	942	-
Roads	3,905	635	(155)	302	(724)	(180)	3,938	31,406	(35,275)	69	(180)
Parking	280	127	-	28	-	-	435	6,372	(6,692)	115	-
Open Space	5,165	417	75	414	(1,239)	180	4,937	22,825	(26,538)	1,224	180
Community Facilities	1,198	78	-	101	(37)	-	1,340	2,673	(3,379)	634	-
Other	1,101	163	-	78	(529)	-	813	1,869	(2,538)	144	-
S94 Contributions - under a Plan	13,267	1,550	-	1,059	(2,742)	-	13,134	67,863	(77,869)	3,128	-
Total S94 Revenue Under Plans	13,267	1,550	-	1,059	(2,742)	-	13,134				-
S94 not under Plans	783	-	-	46	(207)	-	622	-	(497)	90	-
S93F Planning Agreements	1	-	-	-	-	-	1				
S64 Contributions	169	2,747	-	12	(2,800)	-	128				
Total Contributions	14,220	4,297	-	1,117	(5,749)	-	13,885	67,863	(78,366)	3,218	-

Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

PURPOSE	Opening Balance	Contributions received during the Year		Income earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	1,618	130	80	136	(213)	-	1,671	2,718	(3,447)	942	-
Roads	3,905	635	(155)	302	(724)	(180)	3,938	31,406	(35,275)	69	(180)
Parking	280	127	-	28	-	-	435	6,372	(6,692)	115	-
Open Space	5,165	417	75	414	(1,239)	180	4,937	22,825	(26,538)	1,224	180
Community Facilities	1,198	78	-	101	(37)	-	1,340	2,673	(3,379)	634	-
Other	1,101	163	-	78	(529)	-	813	1,869	(2,538)	144	-
Total	13,267	1,550	-	1,059	(2,742)	-	13,134	67,863	(77,869)	3,128	-

The following contribution plans have been adopted by Council and are available for public inspection free of cost:

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> a. Regional, District & Neighbourhood Facilities & Services b. Local Roads, Trunk Drainage & Mines and Extractive Industries c. West Coffs Harbour d. North Boambee Valley e. Moonee f. City Centre Car Parking g. Woolgoolga Town Centre Car Parking h. Coffs Harbour Road Network i. North Bonville j. Korora Rural Residential | <ul style="list-style-type: none"> k. Water Supply Developer Services Plan l. Waste Water Treatment & Carrier System Developer Services Plan m. Surf Rescue Equipment n. West Woolgoolga o. Hearn's Lake/Sandy Beach p. Corindi q. Park Beach Area r. South Coffs. s. Jetty Area Car Parking |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Coffs Harbour City Council

Notes to the Financial Statements
for the financial year ended 30 June 2013

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - NOT UNDER A PLAN

PURPOSE	Opening Balance	Contributions received during the Year		Income earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	121	-	-	10	-	-	131	-	(131)	-	-
Roads	5	-	-	-	-	-	5	-	(5)	-	-
Open Space	205	-	-	9	(205)	-	9	-	(9)	-	-
Community Facilities	164	-	-	14	-	-	178	-	(178)	-	-
Other	253	-	-	13	(2)	-	264	-	(174)	90	-
Total	748	-	-	46	(207)	-	587	-	(497)	90	-

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 18. Contingencies & 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 & disclosure is considered relevant to the users of Council's Financial Report.

LIABILITIES NOT RECOGNISED:**1. Guarantees****(i) Defined Benefit Superannuation Contribution Plans**

Council participates in an employer sponsored Defined Benefit Superannuation Scheme, and makes contributions as determined by the Superannuation Scheme's Trustees.

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

The Schemes most recent full actuarial review indicated that the Net Assets of the Scheme were not sufficient to meet the accrued benefits of the Schemes Defined Benefit member category with member Councils required to make significantly higher contributions in future years.

The Local Government Superannuation Scheme was able to provide Council with a broadly attributable share of the net deficit estimated to be in the order of \$2,916,540 as at June 2013. This deficit does not qualify for recognition as a liability under AASB 119 as it is not a reliable estimate.

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

(ii) Statewide Limited

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

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

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

(iii) State Cover Limited

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

State Cover is a company providing workers compensation insurance cover to the NSW Local Government Industry and specifically Council.

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

These future equity contributions would be required to maintain the company's minimum level of Net Assets in accordance with its Licence Requirements.

(iv) Other Guarantees

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

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 18. Contingencies & Other Assets/Liabilities Not Recognised (continued)

\$ '000

LIABILITIES NOT RECOGNISED (continued):

2. Other Liabilities

(i) Third Party Claims

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

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

(ii) S94 Plans

Council levies Section 94/94A Contributions upon various development across the Council area through the required Contributions Plans.

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

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

These future expenses do not yet qualify as liabilities as of the Reporting Date, but represent Councils intention to spend funds in the manner and timing set out in those Plans.

(iii) Potential Land Acquisitions due to Planning Restrictions imposed by Council

Council has classified a number of privately owned land parcels as Local Open Space or Bushland.

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

land parcels.

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

(iv) Legal Issues

Council can defend actions in Land & Environment Court. It is not practical to estimate the amount, if any, for which the Council could be liable thereof.

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 & including 30/6/08.

(ii) Infringement Notices/Fines

Fines & Penalty Income, the result of Council issuing Infringement Notices is followed up and collected by the Infringement Processing Bureau.

Councils 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

Note 19. Controlled Entities, Associated Entities & Interests in Joint Ventures

Council has no interest in any Controlled Entities, Associated Entities or Joint Ventures.

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2013	Actual 2012
(a) Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		1,140,510	1,048,891
a. Correction of Prior Period Errors	20 (c)	62,986	85,317
b. Net Operating Result for the Year		<u>(6,826)</u>	<u>6,302</u>
Balance at End of the Reporting Period		<u>1,196,670</u>	<u>1,140,510</u>
(b) Reserves			
(i) Reserves are represented by:			
- Infrastructure, Property, Plant & Equipment Revaluation Reserve		665,297	583,192
- "Available for Sale" Financial Investments Revaluation Reserve		263	106
Total		<u>665,560</u>	<u>583,298</u>
(ii) Reconciliation of movements in Reserves:			
Infrastructure, Property, Plant & Equipment Revaluation Reserve			
- Opening Balance		583,192	470,696
- Revaluations for the year	9(a)	82,009	115,185
- Impairment of revalued assets (incl. impairment reversals)	9(a),(c)	96	(2,689)
- Balance at End of Year		<u>665,297</u>	<u>583,192</u>
"Available for Sale" Financial Investments Revaluation Reserve			
- Opening Balance		106	(206)
- Unrealised Gain (Loss) in value for the year		157	488
- Transfer of "Available for Sale" values to the P&L for disposals		-	(176)
- Balance at End of Year		<u>263</u>	<u>106</u>
TOTAL VALUE OF RESERVES		<u>665,560</u>	<u>583,298</u>

(iii) Nature & Purpose of Reserves

Infrastructure, Property, Plant & Equipment Revaluation Reserve

- The Infrastructure, Property, Plant & Equipment Revaluation Reserve is used to record increments/decrements of Non Current Asset values due to their revaluation.

"Available for Sale" Financial Investments Revaluation Reserve

- The "Available for Sale" Financial Investments Revaluation Reserve is used to account for the Fair Value movements in all financial assets so classified that remain on hand at year end.

Upon sale, amounts in Reserves are recognised in the Income Statement (in full) by way of transfer from the Reserve.

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 20. Equity - Retained Earnings and Revaluation Reserves (continued)

\$ '000	Notes	Actual 2013	Actual 2012
---------	-------	----------------	----------------

(c) Correction of Error/s relating to a Previous Reporting Period

Correction of errors made in 2013 for 11/12 errors:

Council had revalued the following asset classes as at 30 June 2013:

- Buildings
- Operational Land

As part of the 2013 Buildings revaluation process, it has been discovered that some buildings were omitted in the previous valuation. The impact of recognising these additional assets is an increase to Opening Equity and an adjustment to Note 9 written down values, for the following asset categories:

Buildings:

- | | |
|-------------------|-------|
| - Specialised | 1,318 |
| - Non Specialised | 265 |

During 2012/13 assets were discovered in the following Note 9 categories (written down values disclosed) as a result of migrating relevant data to Council's corporate asset register:

- | | |
|---------------------------------------------|--------|
| - Bulk Earthworks | 818 |
| - Depreciable Land Improvements | 627 |
| - Other Structures | 165 |
| - Other Assets | 697 |
| - Roads, Bridges and Footpaths | 8,146 |
| - Water Network (for more detail see below) | 12,409 |
| - Sewer Network (for more detail see below) | 25,328 |

The impact of these changes is an increase to Opening Equity.

During the migration of data from the 2011/12 Water Network revaluation process to Council's corporate asset register, it was discovered that Water Service Mains assets have been omitted from the 2011/12 Valuation. These assets had a fair value at 30 June 2012 of \$18,388,000 and Accumulated Depreciation of of \$5,979,000.

During the reconciliation process of the 2011/12 Sewer Network valuation data to Council's separate Sewer Network asset register it was discovered that Sewer Rising mains were omitted from the data provided to the valuers in 2011/12. These assets had a fair value at 30 June 2012 of \$37,991,000 and Accumulated Depreciation of of \$12,663,000.

(continued on the next page...)

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Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 20. Equity - Retained Earnings and Revaluation Reserves (continued)

\$ '000	Notes	Actual 2013	Actual 2012
(c) Correction of Error/s relating to a Previous Reporting Period			
<p>During 2012/13 inspections and collection of updated GIS data was undertaken for selected Stormwater Drainage assets which resulted in improved attributes information (i.e. lengths, diameters etc). In addition there were also a number of discovered assets.</p>		13,567	
<p>Council deems it impracticable to restate comparative information. Adjustments have been made to the opening balances in the current financial year.</p>			
<p>As at 30 June 2012 Council recorded land as Non-current assets classified as "held for sale" in Note 22 of the Annual Financial Statements. A subsequent review of this land stock has discovered that 2 land parcels were sold in the 2010/2011 financial year. To correct this error a decrease to Opening Equity is required of:</p>		(354)	
Correction of errors made in 2012 for 10/11 errors:			
Council had revalued the following asset classes as at 30 June 2012:			
<ul style="list-style-type: none"> - Water Supply Network - Sewerage Network 			
<p>As part of the Water Network revaluation process, it was discovered Water Mains assets had been disposed of in the period between the last valuation period (i.e. 30 June 2007) and the current valuation period (i.e. 30 June 2012). To correct this error a reduction to Opening Equity was required. The written down value of these assets indexed from 30 June 2007 to 30 June 2011 were:</p>			(12,602)
<p>As part of the Sewer Network revaluation process, it was discovered that Sewer Treatment Plants were being carried at indexed replacement costs based on outdated construction costs (i.e. Woolgoolga 2004, Moonee and Corindi 2001). Additionally, Sawtell Treatment Plant had replacement cost calculated on construction costs for years between 1977 & 1986, indexed through to 30 June 2011. The outdated construction costs for Sawtell were not considered an issue for the 2007 valuation process as it was expected that the treatment plant would soon be decommissioned. However, this has not been the case and Sawtell Treatment Plant is still active. To correct this error an increase to Opening Equity was required to reflect the most recent construction costs for all of Council's Treatment Plants based on construction costs for Coffs Harbour Treatment Plant (construction period between 2008 and 2010). The increase required in replacement value of these assets as at 30 June 2011 was:</p>			61,522

(continued on the next page...)

Attachment

Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 20. Equity - Retained Earnings and Revaluation Reserves (continued)

\$ '000	Notes	Actual 2013	Actual 2012
(c) Correction of Error/s relating to a Previous Reporting Period			
<p>As a result of engaging a consultant in 2011/12 to reassess the costs to restore the England's Road Landfill site (previously determined by Council) it has been calculated that restoration costs have decreased materially due to a reduced area required for restoration and reduced material costs, thereby impacting the carrying value of Council's provision. To correct the error of the overvalued restoration provision at 30 June 2011, Opening Equity was increased by:</p>			
			5,759
<p>During 2011/12 assets were discovered in the following Note 9 categories as a result of migrating relevant data to Council's corporate asset register:</p>			
- Bulk Earthworks			1,536
- Other Structures			130
- Other Assets			379
<p>The impact of these changes was an increase to Opening Equity.</p>			
<p>During 2011/12 inspections and collection of updated GIS data was undertaken for selected assets which resulted in improved attributes information (i.e. lengths, diameters etc). Subsequently the old asset data was amended for this improved information. As a result, it was determined by Council that written down values of these assets were understated as at 30 June 2011. To correct this error an increase to Opening Equity was required. The Note 9 categories effected are as follows:</p>			
- Roads, Bridges and Footpaths			5,955
- Stormwater Drainage			22,638
<p>In accordance with AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors, the above Prior Period Errors have been recognised retrospectively to the extent described above.</p>			
<p>These amounted to the following Equity Adjustments:</p>			
- Adjustments to Opening Equity - 1/7/11 (relating to adjustments for the 30/6/11 reporting year end and prior periods)		-	85,317
- Adjustments to Closing Equity - 30/6/12 (relating to adjustments for the 30/6/12 year end)		62,986	-
Total Prior Period Adjustments - Prior Period Errors		62,986	85,317

(d) Voluntary Changes in Accounting Policies

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

Attachment

Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 21. Financial Result & Financial Position by Fund

Income Statement by Fund \$ '000	Actual 2013	Actual 2013	Actual 2013
<u>Continuing Operations</u>	Water	Sewer	General¹
Income from Continuing Operations			
Rates & Annual Charges	3,789	20,913	46,947
User Charges & Fees	13,494	2,482	13,970
Interest & Investment Revenue	3,184	5,331	6,904
Other Revenues	61	171	6,804
Grants & Contributions provided for Operating Purposes	290	451	21,558
<u>Grants & Contributions provided for Capital Purposes</u>	<u>3,768</u>	<u>2,456</u>	<u>7,218</u>
Total Income from Continuing Operations	24,586	31,804	103,401
Expenses from Continuing Operations			
Employee Benefits & on-costs	2,999	4,499	30,218
Borrowing Costs	6,448	7,795	2,112
Materials & Contracts	3,588	4,406	38,994
Depreciation & Amortisation	6,873	11,676	26,930
Other Expenses	3,129	4,904	10,442
<u>Net Losses from the Disposal of Assets</u>	<u>1,056</u>	<u>545</u>	<u>3</u>
Total Expenses from Continuing Operations	24,093	33,825	108,699
Operating Result from Continuing Operations	493	(2,021)	(5,298)
<u>Discontinued Operations</u>			
<u>Net Profit/(Loss) from Discontinued Operations</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Operating Result for the Year	493	(2,021)	(5,298)
Net Operating Result attributable to each Council Fund	493	(2,021)	(5,298)
Net Operating Result attributable to Non-controlling Interests	-	-	-
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	(3,275)	(4,477)	(12,516)

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

NB. All amounts disclosed above are Gross - that is, they include internal charges & recoveries made between the Funds.

Attachment

Coffs Harbour City Council

Notes to the Financial Statements

as at 30 June 2013

Note 21. Financial Result & Financial Position by Fund (continued)

Statement of Financial Position by Fund \$ '000	Actual 2013	Actual 2013	Actual 2013
ASSETS	Water	Sewer	General¹
Current Assets			
Cash & Cash Equivalents	824	792	10,211
Investments	12,721	25,819	1,038
Receivables	3,551	2,820	12,608
Inventories	237	-	1,275
Other	-	-	781
Non-current assets classified as 'held for sale'	-	-	77
Total Current Assets	17,333	29,431	25,990
Non-Current Assets			
Investments	22,714	33,480	58,229
Receivables	81	343	1,803
Infrastructure, Property, Plant & Equipment	281,452	451,510	1,128,300
Intangible Assets	66,155	-	501
Total Non-Current Assets	370,402	485,333	1,190,429
TOTAL ASSETS	387,735	514,764	1,216,419
LIABILITIES			
Current Liabilities			
Payables	1,261	2,174	7,039
Borrowings	7,030	8,068	3,520
Provisions	-	-	13,195
Total Current Liabilities	8,291	10,242	23,754
Non-Current Liabilities			
Payables	-	-	644
Borrowings	82,942	101,559	23,963
Provisions	-	-	5,293
Total Non-Current Liabilities	82,942	101,559	29,900
TOTAL LIABILITIES	91,233	111,801	53,654
Net Assets	296,502	402,963	1,162,765
EQUITY			
Retained Earnings	179,827	290,709	726,134
Revaluation Reserves	116,675	112,254	436,631
Council Equity Interest	-	402,963	1,162,765
Non-controlling Interests	-	-	-
Total Equity	296,502	402,963	1,162,765

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

NB. All amounts disclosed above are Gross - that is, they include internal receivables & payables between the Funds.

Attachment

Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 22. "Held for Sale" Non Current Assets & Disposal Groups

\$ '000	2013		2012	
	Current	Non Current	Current	Non Current
(i) Non Current Assets & Disposal Group Assets				
Non Current Assets "Held for Sale"				
Land	77	-	431	-
Total Non Current Assets "Held for Sale"	77	-	431	-
Disposal Group Assets "Held for Sale"				
None				
TOTAL NON CURRENT ASSETS CLASSIFIED AS "HELD FOR SALE"	77	-	431	-

(ii) Details of Assets & Disposal Groups

All land parcels currently classified as held for sale are expected to be sold during the 2013/14 financial year.

(iii) Disposal Group Liabilities

Nil

\$ '000	Assets "Held for Sale"	
	2013	2012
(iv) Reconciliation of Non Current Assets "Held for Sale" & Disposal Groups - i.e. Discontinued Operations		
Opening Balance	431	431
Balance still unsold after 12 months:	431	431
Adjustment for Prior Period Error (see Note 20 (c))	(354)	-
Closing Balance of "Held for Sale" Non Current Assets & Operations	77	431

Attachment

Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 23. Events occurring after the Reporting Period

\$ '000

Events that occur between the end of the reporting period (ending 30 June 2013) 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 13/02/14.

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 2013.

(ii) Events that provide evidence of conditions that arose after the Reporting Period

These financial statements (& figures therein) do not incorporate any "non-adjusting events" that have occurred after 30 June 2013 and which are only indicative of conditions that arose after 30 June 2013.

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".

Attachment

Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 25. Intangible Assets

\$ '000

Intangible Assets represent identifiable non-monetary asset without physical substance.

	Actual 2013 Carrying Amount	Actual 2012 Carrying Amount
Intangible Assets are as follows;		
Opening Values:		
Gross Book Value (1/7/12)	73,399	73,286
Accumulated Amortisation (1/7/12)	(6,117)	(5,021)
Accumulated Impairment (1/7/12)	-	-
Net Book Value - Opening Balance	67,282	68,265
Movements for the year		
- Purchases	280	113
- Amortisation charges	(906)	(1,096)
Closing Values:		
Gross Book Value (30/6/13)	73,679	73,399
Accumulated Amortisation (30/6/13)	(7,023)	(6,117)
Accumulated Impairment (30/6/13)	-	-
TOTAL INTANGIBLE ASSETS - NET BOOK VALUE ¹	66,656	67,282

¹ The Net Book Value of Intangible Assets represent:

- Software	501	413
- Regional Water Supply Scheme (right to receive water from Clarence Valley Council)	66,155	66,869
	66,656	67,282

Attachment

Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 26. Reinstatement, Rehabilitation & 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	
		2013	2012
Waste Facility	2019	4,208	4,143
Balance at End of the Reporting Period	10(a)	<u>4,208</u>	<u>4,143</u>

Under AASB 116 - Property, Plant & 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.

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

Reconciliation of movement in Provision for year:

Balance at beginning of year	4,143	6,606
Amounts capitalised to new or existing assets:		
Effect of a change in other calculation estimates used	(147)	(2,802)
Amortisation of discount (expensed to borrowing costs)	212	339
Total - Reinstatement, rehabilitation and restoration provision	<u>4,208</u>	<u>4,143</u>

Amount of Expected Reimbursements

Of the above Provisions for Reinstatement, Rehabilitation and Restoration works, those applicable to Garbage Services & Waste Management are able to be funded through future charges incorporated within Council's Annual Domestic Waste Management Charge.

Attachment

Coffs Harbour City Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 27. Council Information & Contact Details

Principal Place of Business:

Corner Coff & Castle Streets
Coffs Harbour NSW 2450

Contact Details

Mailing Address:

Locked Bag 155
Coffs Harbour NSW 2450

Opening Hours:

8:30am to 4:30pm
Monday to Friday

Telephone: 02 6648 4000

Facsimile: 02 6648 4199

Internet: www.coffsharbour.nsw.gov.au

Email: coffs.council@chcc.nsw.gov.au

Officers

GENERAL MANAGER

Steve McGrath

RESPONSIBLE ACCOUNTING OFFICER

Dale Allen

PUBLIC OFFICER

Lisa Garden

AUDITORS

Thomas Noble Russell
31 Keen Street
Lismore NSW 2480

Elected Members

MAYOR

Denise Knight

COUNCILLORS

Garry Innes
John Arkan
Bob Palmer
Sally Townley
Rodney Degens
Keith Rhoades
Mark Sultana
Nan Cowling

Other Information

ABN: 79 126 214 487



Attachment

**COFFS HARBOUR CITY COUNCIL
GENERAL PURPOSE FINANCIAL STATEMENTS
INDEPENDENT AUDIT REPORT**

We have audited the accompanying financial statements of Coffs Harbour City Council (the Council) which comprises the statement of financial position as at 30 June 2013, the income statement, the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Councillors' and Management.

Council's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Council, as well as evaluating the overall presentation of the financial statements.

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

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

- i -

31 Keen Street (PO Box 106) Lismore NSW 2480	Email: enquiries@tnr.com.au Phone: Business Services +61 (0)2 6621 8544 Audit & Assurance +61 (0)2 6626 3000	Website: www.tnr.com.au Facsimile: +61 (0)2 6621 9035
-------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------

Liability limited by a scheme approved under the Professional Standards Legislation.

Thomas Noble & Russell is a member of International. A world-wide organization of accounting firms and business advisers



Independence

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

Audit Opinion

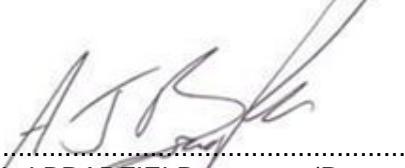
In our opinion:

- a) the Council's accounting records have been kept in accordance with the requirements of the Local Government Act 1993, Chapter 13 part 3 Division 2; and
- b) the Council's financial statements:
 - i) have been prepared in accordance with the requirements of this Division;
 - ii) are consistent with the Council's accounting records;
 - iii) present fairly the Council's financial position as at 30 June 2013, the results of its operations and its cash flows for the year then ended; and
 - iv) are in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations).
- c) all information relevant to the conduct of the audit has been obtained; and
- d) there are no material deficiencies in the accounting records or financial report that have come to light during the course of the audit.

Application of the requirements of section 416 of the Local Government Act 1993

Without qualification to the opinion expressed above, we draw your attention to the date of issue of the financial statements. We note that the financial statements have not been completed within four months of the end of the financial year, as required by section 416 (5). Accordingly, this aspect of the financial statements does not comply with the Local Government Act 1993, Chapter 13, part 3 Division 2 and Regulation 215 of the Local Government (General) Regulation 2005.

THOMAS NOBLE & RUSSELL CHARTERED ACCOUNTANTS



.....
A J BRADFIELD (Partner)
Registered Company Auditor

Dated at Lismore this 13th day of February 2014.

Coffs Harbour City Council

**Report to Council under s417 of
the Local Government Act 1993
for the year ended
30 June 2013**



COFFS HARBOUR CITY COUNCIL



Attachment



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1. COUNCIL'S FINANCIAL REPORTING REQUIREMENTS

Council is required to prepare two financial reports ready for audit each year:

General Purpose Financial Statements

These financial statements present the financial position and performance of Council on a consolidated basis and include all controlled Council operations such as general, water and sewer funds as well as airport activities. Council has prepared the general purpose financial statements in accordance with the Division of Local Government Code of Accounting Practice and Financial Reporting Manual which adopts applicable Australian Accounting Standards as the framework for financial reporting.

Special Purpose Financial Statements

These financial statements provide an understanding of the financial position and performance of Council's declared business activities as required under the National Competition Policy. Council's declared business activities for the 2013 financial year are:

- Water Fund operations
- Sewer Fund operations
- Airport operations

Council is not required to adopt Australian Accounting Standards when preparing these financial statements however the financial position and performance has been calculated by adopting applicable Accounting Standard requirements.

2. AUDITOR'S RESPONSIBILITIES

Council's annual financial audit engagement has been conducted in accordance with Australian Auditing Standards as well as Australian Professional and Ethical Standards. We advise that we have completed our audit of the Council's general purpose and special purpose financial statements for the year ended 30 June 2013. In accordance with section 417 of the Local Government Act 1993 we now report on the conduct of the audit.

Our audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our professional judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Council's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organisation's internal control. Our audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements.



Attachment

3. OPERATING RESULT

Council's deficit from all activities for 2013 totalled \$6,826,000. This compares to a surplus in 2012 of \$6,302,000. This result can be summarised as follows:

	2011 \$'000	2012 \$'000	2013 \$'000
Income from continuing operations	118,161	127,679	132,365
Expenses from continuing operations	(94,191)	(100,882)	(108,026)
Result from continuing operations before depreciation	23,970	26,797	24,339
Less Depreciation expense	(42,007)	(37,781)	(45,479)
Operating result before capital amounts	(18,037)	(10,984)	(21,140)
Capital Revenue & Other Non-Operating Items			
Capital grants and contributions	27,963	16,809	11,143
Fair value gains and losses on financial instruments	1,725	460	5,590
Gain / (loss) on disposal of assets	328	17	(2,419)
Surplus from all activities	11,979	6,302	(6,826)

3.1. Analysis of Result From Continuing Operations Before Capital Amounts

The result from continuing operations before capital amounts, gain/(loss) on disposal of property, plant and equipment and movements in fair value of financial instruments, has deteriorated from a deficit of \$10,984,000 for the 2012 year to a deficit of \$21,140,000 in the 2013 financial year. Significant changes in this result include:

Account	Increase / (Decrease) \$'000	Reason for Increase / Decrease
REVENUE		
Ordinary Rates	1,275	Ordinary rates have largely increased due to a rate-pegged increment of 3.6%.
Annual Charges	3,657	Annual charges in relation to Domestic Waste Services increased from \$400 per assessment in 2011/12 to \$460 per assessment in 2012/13. Sewer annual charges have increased by \$1,372,000 due to an increment in the annual charge per assessment from \$496 in 2011/12 to \$524 in 2012/13.



Attachment

Account	Increase / (Decrease) \$'000	Reason for Increase / Decrease
Water User Charges	891	Water user charges increased due to changes in Council's pricing schedule. Charges for both residential and non-residential assessments consuming <1K/L per day increased from \$2.36 K/L to \$2.48 K/L and residential assessments consuming >1K/L per day increased from \$3.54 K/L to \$3.72 K/L.
Other User Charges & Fees	(1,509)	Revenue from other user charges and fees decreased by \$1,509,000. The prior year included additional private works conducted by Council on Bellingen Shire Council infrastructure and for private sector firms for works in Graham Drive and Mackays Road.
EXPENSES		
Employee Costs	977	Employee costs increased by \$977,000. This is largely attributable to the increase in the number of full time equivalent employees during the year from 509 to 521.
Borrowing Costs	(1,110)	Principal repayments on existing loans have decreased Council borrowing costs during the year.
Materials & Contracts	6,274	Raw materials and consumables expenses have increased by \$2,073,000, largely driven by the increases in the cost of State Government Landfill Levy. Contractors & Consultancy Costs have increased by \$4,362,000. This is largely attributable to the fees charged for Biomass waste processing, which were not incurred in the prior year. Also contributing to the increase is the operational clean-up expense on regional and local roads under Natural Disaster Relief Arrangement (NDRA)
Depreciation	7,698	The increase in depreciation expense is largely attributable to Council's comprehensive revaluation of water and sewer infrastructure assets in 2012.



Attachment

REVENUES AND EXPENSES IMPACTING THE CONSOLIDATED OPERATING RESULT

Council's consolidated operating result can be influenced by transactions that may be unique or unrelated to core service delivery. The 2013 consolidated operating surplus has largely been impacted by the following revenue and expense items.

Account	\$'000	Reason for Increase / Decrease
Fair value movements of financial instruments	5,590	Council's has a number of financial instruments (investments and below-market interest borrowings) which are recorded at their fair value. The majority of fair value movements related to Council's investments which increased by \$4,818,000. This included insurance payments of \$2,576,000 in relation to CDO's which had been previously written down to their fair value (below cost).

3.2. Capital Grants & Contributions

Council receives capital grants and contributions from various sources. The extent of revenue received each year is influenced by the nature and extent of Council's capital improvements program and general economic activity.

Capital Grants

Capital grants received during the year amounted to \$3,120,000 and were largely attributable to:

- Funding of \$917,000 for bushfire & emergency services;
- Roads to Recovery funding of \$896,000; and
- Funding of \$543,000 for transport (other roads & bridges funding)

Capital Contributions

Capital contributions received during the period amounted to \$8,023,000. Capital contributions largely comprise section 94 and 64 developer contributions and dedications of infrastructure assets to Council upon the completion of residential and other developments.

	2011 \$'000	2012 \$'000	2013 \$'000
Non-cash developer infrastructure dedications	6,136	6,981	2,508
Section 94 contributions - cash	2,302	1,101	1,550
Section 64 contributions - cash	2,168	2,443	2,747
Watermain relocation	-	-	1,046
Other contributions	8,256	484	172
Total	18,862	11,009	8,023

The use of cash contributions received during each year is restricted and accordingly they are not available for use in Council's general operations.

4. SPECIAL PURPOSE FINANCIAL STATEMENTS

DECLARED BUSINESS ACTIVITIES UNDER THE NATIONAL COMPETITION GUIDELINES

Under the National Competition Guidelines, Council is required to apply taxation equivalent principles to each business similar to those that would apply if they were operating in the commercial sector. Council declared business activities have been reported with operating details and assets disclosed on a gross basis in Council's special purpose financial statements. Each non-core activity (commercial activities other than water and sewer) have a rate of return on their activities that is calculated as the operating result before capital income plus borrowing costs divided by the written down value of property, plant and equipment. Where the return on investment is below the required rate of return, the difference is disclosed as a notional subsidy from Council's General Fund activities. Dividends represent funds used from the relevant business activity for other functions of Council.

Water and Sewer Services

Council's water and sewer activities have returned deficits before capital grants and contributions for at least the last four years. One of the main reasons for the deficit is the impact of borrowing costs due to the significant infrastructure works undertaken by these funds in recent years. Depreciation expense also remains significant and likely to increase over time in conjunction with the revaluation of water and sewer infrastructure assets. Council has recognised the need to ensure revenue sources are sufficient to fund both short and long term infrastructure requirements.

Water and sewer operations are recognised as monopolies under the National Competition Policy guidelines. As a provider of essential services water and sewer funds should generate enough profits to enable it to replace its infrastructure as required.

Airport

The surplus before capital was \$1,239,000 for the financial year ended 30 June 2013.

The notional subsidy from Council's General Fund has decreased by \$398,000 to \$684,000 for 2013. The subsidy is calculated as a return on capital and has decreased largely due to the recognition of fair value adjustments associated with financial instruments.



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5. STATEMENT OF FINANCIAL POSITION

5.1. Cash and Investments

At balance date Council had \$165.8million in cash and investments. Council's cash and investments consist of:

	2012 \$'000	2013 \$'000
Cash on hand and at bank	4,077	2,651
Deposits at Call	4,667	1,027
Term Deposits	82,249	103,979
Floating Rate Term Deposits	4,018	7,500
Negotiable Certificate of Deposits / Floating Rate Notes	54,675	39,751
Managed Funds	3,250	49
Collateralised Debt Obligations	1,024	-
Constant Protection Portfolio Notes	6,359	995
Other Long Term Maturity Financial Instruments	9,891	9,876
	<u>170,210</u>	<u>165,828</u>

	2012 \$'000	2013 \$'000
--	----------------	----------------

Council's cash and investments are largely restricted in their use:

Externally restricted	118,319	110,693
Internally restricted	49,805	54,994
Unrestricted	2,085	141
	<u>170,209</u>	<u>165,828</u>

Unrestricted Cash

The above table illustrates that Council has \$141,000 in unrestricted cash at balance date. This money is used to conduct Council's day-to-day operations.

Externally Restricted Cash

Externally restricted cash consists of unspent monies such as developer contributions, grants and special rates as well as water and sewer funds. These funds are limited in their use under legislation or specific funding agreements and are not available for general Council operations.

Internally Restricted Cash

Internally restricted cash reserves are tied to specific Council projects under Council resolution and are generally not available to fund day-to-day operations.

Section 6 of this report comments on Council's performance indicator's which benchmark Council's overall short-term position taking into account external, internal and unrestricted cash, amongst other considerations.

5.2. Infrastructure, Property, Plant and Equipment

Asset Revaluations 2013

The NSW Division of Local Government has mandated that all infrastructure assets including land and buildings are to be recognised in Council's financial records at their fair value. Fair value of infrastructure assets largely represents the written-down replacement cost of each asset using modern day equivalent materials, design and capacity.

Council comprehensively revalues asset classes on a 5 year cycle, with appropriate indexation being applied between each revaluation cycle for specific asset categories.

Operational Land and Buildings Revaluation

As part of the fair value reporting programme introduced by the Division of Local Government, Council has comprehensively revalued its operational land and building assets as at 30 June 2013. This revaluation process has resulted in the asset revaluation reserve increasing by \$17,574,000.

Water and Sewer Infrastructure Revaluation

Water and sewer infrastructure assets were indexed by 2.5% in accordance with the NSW Office of Water guidelines, resulting in an increase in fair value of \$6,641,000 for water infrastructure and \$9,958,000 for sewer infrastructure assets.

Transport Infrastructure Revaluation

Council is required to annually reassess the fair value of all infrastructure assets. As a result, a 2012/2013 increment of \$35,928,000 for roads, bridges and footpaths was recognised. Fair value adjustments were also made to bulk earthworks and stormwater drainage assets, resulting in increments of \$10,873,000 and \$1,318,000 respectively.

Prior Period Error

In addition, Council has recognised a prior period error of \$62,896,000 as disclosed and described at Note 20c of the general purpose financial statements. The overall adjustment impacted retained earnings and has been made against the opening balance in the statement of changes in equity and is also reflected as an adjustment in Note 9a of the general purpose financial statements.

Asset Management

As at 30 June 2013 Council controls infrastructure, property, plant and equipment with a written down replacement cost of \$1.861 billion. Infrastructure, property, plant and equipment represent the largest asset group on the organisation's statement of financial position. To ensure Council is able to manage its large infrastructure portfolio it is important that it continues to develop asset management systems and associated resources so that revenue is utilised effectively and efficiently and integrated strategic planning goals are achieved.



Asset Management Systems

Council currently has the following classes of I,P,P,E assets recorded at fair value:

- Operational Land & Buildings
- Water and Sewer
- Roads, bridges, footpaths and bulk earthworks
- Stormwater drainage
- Community land and Land under roads
- Other Structures & Other Assets

As Council auditors, we have provided advice and assistance to management in relation to the land and buildings revaluation process for 2013. Council needs to ensure that adequate resources are allocated to asset information systems to facilitate best practice processes for asset management (including asset revaluations) being adopted and adhered to into the future.

As reported in the prior year, we noted that Council management needed to significantly improve the level of quality control and review of infrastructure revaluations and related asset management processes to ensure compliance with Australian Accounting Standards and the accuracy and integrity of such information required under the Integrated Planning and Reporting Framework. Whilst asset data continues to improve, this area still remains a significant issue for Council as prior period errors continue to occur and Council was not able to accurately reconcile and finalise infrastructure asset information to allow accurate and timely preparation and Council certification of financial statements in accordance with the timeframes required by section 416 (5) of the Local Government Act 1993, Chapter 13, part 3 Division 2 and Regulation 215 of the Local Government (General) Regulation 2005.

In accordance with Australian Auditing Standards, we have obtained sufficient appropriate audit evidence that Council’s infrastructure, property, plant and equipment balances are not materially misstated. Amongst other audit procedures in relation to these balances, we have also obtained written representation from Council management with respect to the completeness and accuracy of underlying asset records as well as a commitment to improve the internal control and related governance processes within the assets area during the 2014 financial year.

5.3. Loans Liability

Council has total borrowings as at 30 June 2013 of \$227,082,000. This loan liability comprises:

	\$'000
General Fund	27,482
Water Fund	89,973
Sewer Fund	109,627
	227,082

Council has entered into a new borrowing of \$5,000,000 in order to fund the project, Coffs Harbour Regional Airport Runway renewal. The funds were obtained under the Local Government Infrastructure Renewal Scheme (LIRS).



6. PERFORMANCE INDICATORS

Council's performance can be measured using selected financial indicators. The local government sector utilises certain key performance indicators to measure some aspects of its financial position and performance. Note 13 to the general purpose financial statements provides detail of local government sector key performance indicators. We provide an analysis of some of these key performance indicators on a fund-by-fund basis.

When interpreting the ratios below it is important to recognise that they represent a measure of certain aspects of Council's operations at a particular point in time and do not provide a complete assessment of Council's financial performance or position nor do they consider the plans Council has in place to manage its operations into the future.

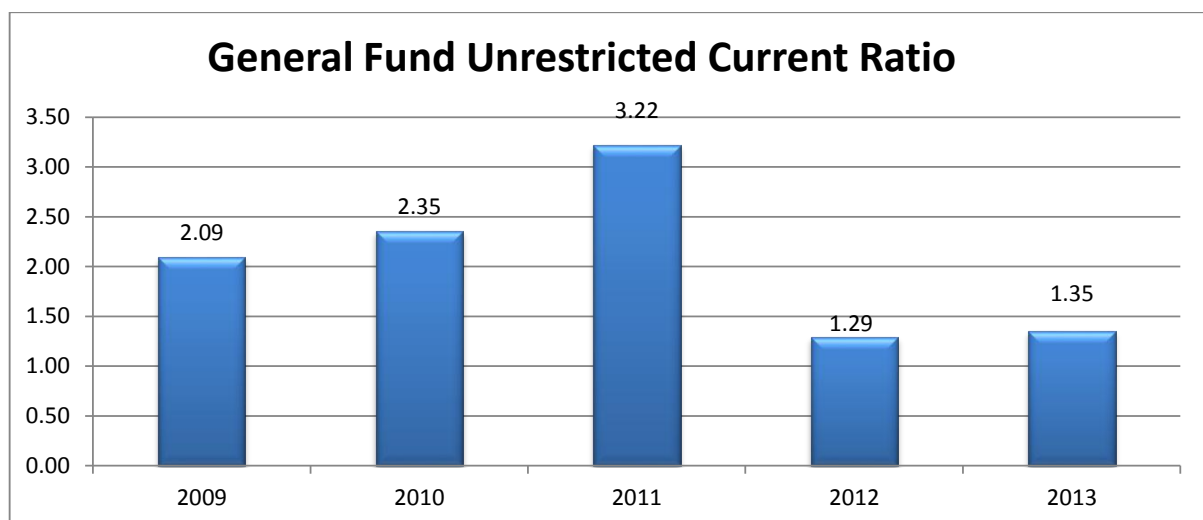
Unrestricted Current Ratio

The unrestricted current ratio represents Council's capacity to meet its commitments from current assets net of externally restricted cash, investments and receivables.

Factors influencing Council's unrestricted current assets ratio include:

- planning and budgetary controls
- cash management and the timing of cash flows
- the level of internally restricted assets
- credit management policies and economic circumstances

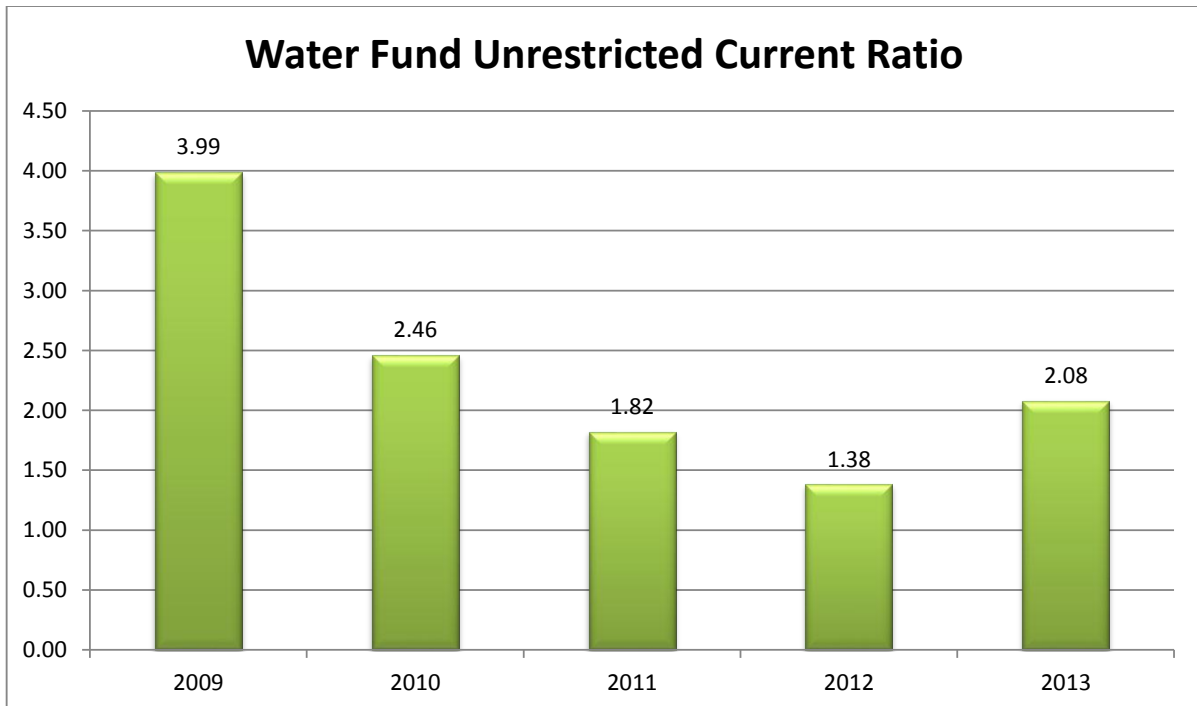
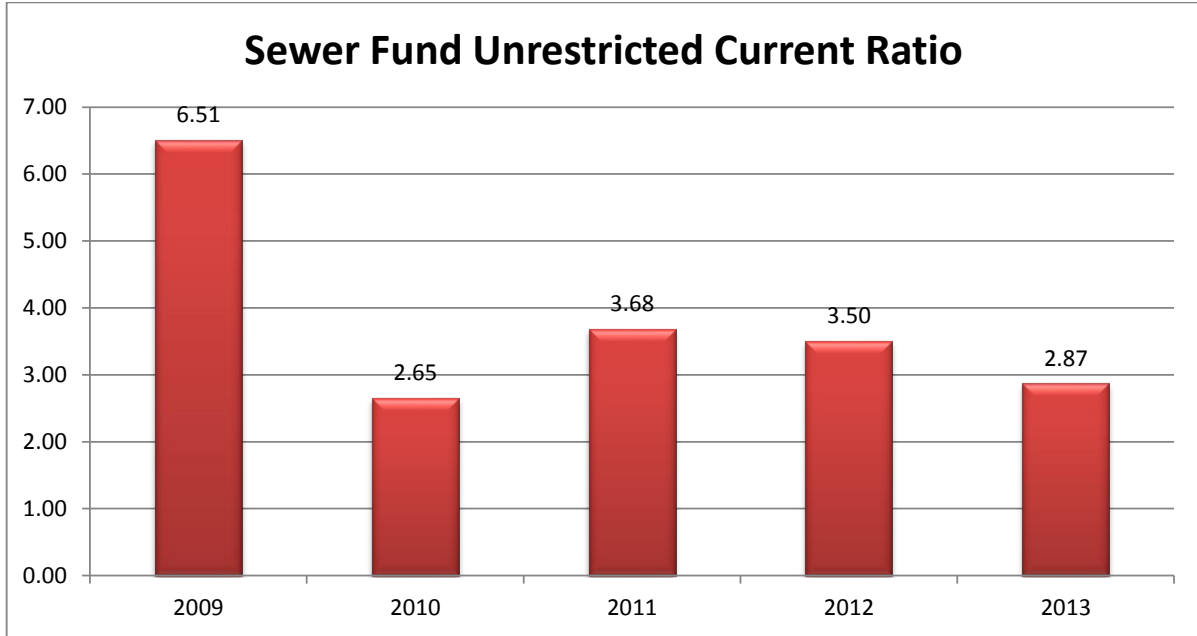
General Fund Unrestricted Current Ratio



Council's general fund unrestricted current ratio at balance date is 1.35. This means that Council has \$1.35 in liquid assets for every \$1 in current liabilities. An unrestricted current ratio of at least 1.5 is considered to be an appropriate level to allow Council to satisfy its day-to-day commitments and absorb any unforeseen expenses or reductions in revenue.



Sewer and Water Funds Unrestricted Current Ratio



The unrestricted current ratio for water and sewer activities may fluctuate significantly. Yearly variations in the ratio may result from the build-up of internal reserves and the impact of lower debt levels and will continue to fluctuate in the future as further funds are collected and expended on infrastructure improvements.



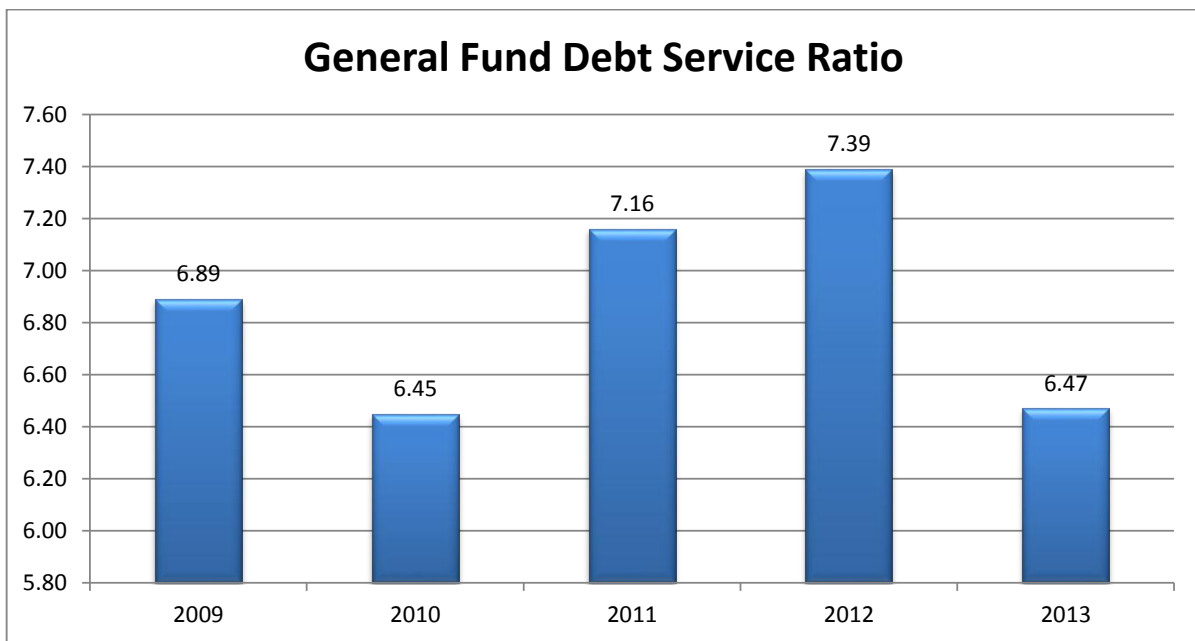
Attachment

Debt Service Ratio

This indicator assesses the degree to which revenues from continuing operations are committed to the repayment of debt. Factors influencing a council's debt service ratio include:

- the rate of new development in the region
- Council's debt policy
- interest rate movements and loan terms
- capital investment strategies and capital contributions policies
- the level of cash reserves available to reduce the level of borrowings
- the state of Council's infrastructure/age of assets.

General Fund Debt Service Ratio

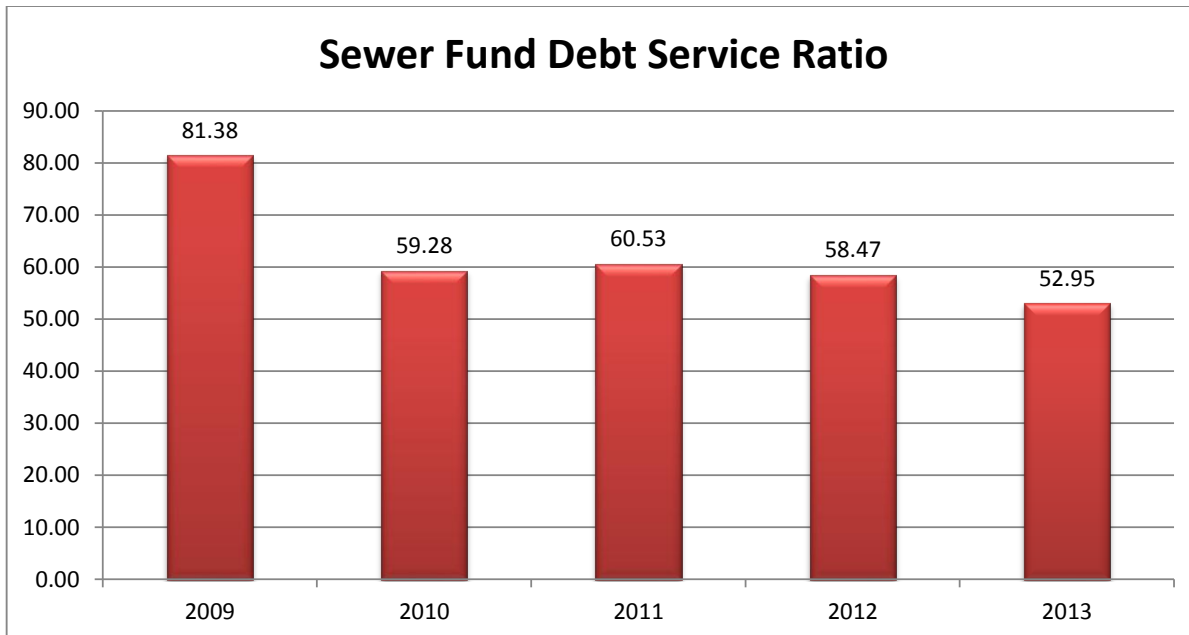
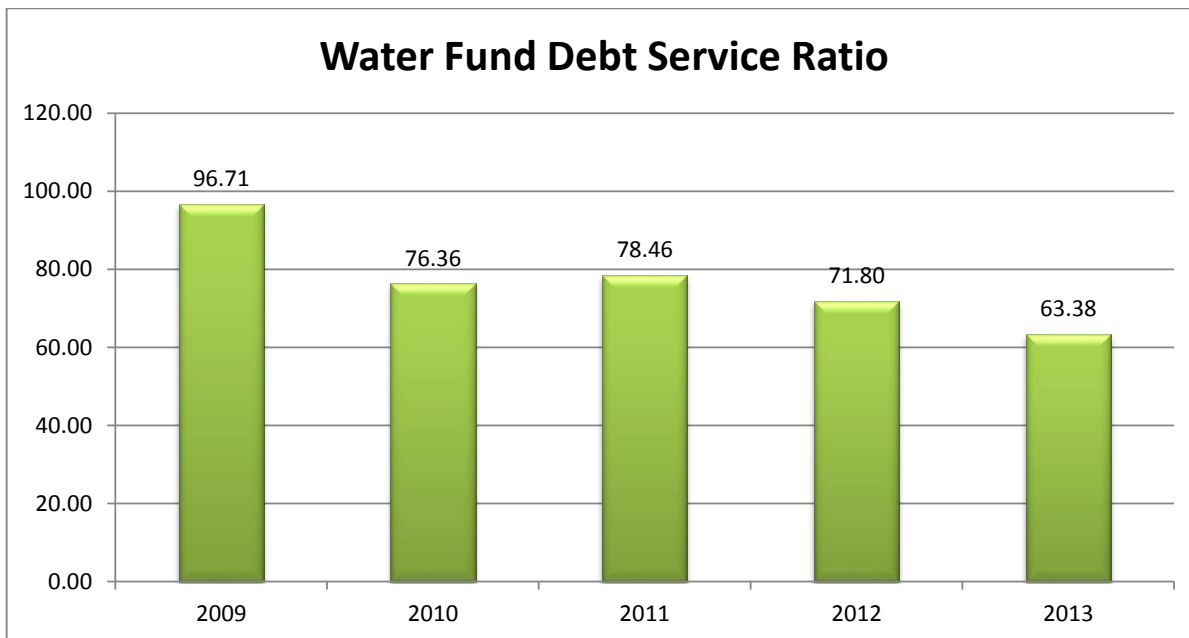


Council's debt service ratio represents total debt service costs as a percentage of revenues (excluding specific purpose grants and contributions as well as capital revenue) and has reduced to 6.47% for general fund at reporting date.

The NSW Division of Local Government suggested benchmark for the debt service ratio is <10 satisfactory, 10-20 is fair and >20 could be of concern when considered with other financial indicators. High growth coastal Council's often have a higher debt service ratio. Use of loan funds for infrastructure improvements and other capital purposes is considered to be a prudent financial strategy allowing for the contribution to the cost of the asset through its useful life by the community.



Water and Sewer Funds Debt Service Ratios



The above graphs illustrate the periodic borrowings to fund capital works programmes for water and sewer funds. Water and sewer fund’s debt service ratio have decreased due to a reduction in borrowing costs associated with Council’s debt reduction of these funds however they do exceed the suggested industry benchmarks.

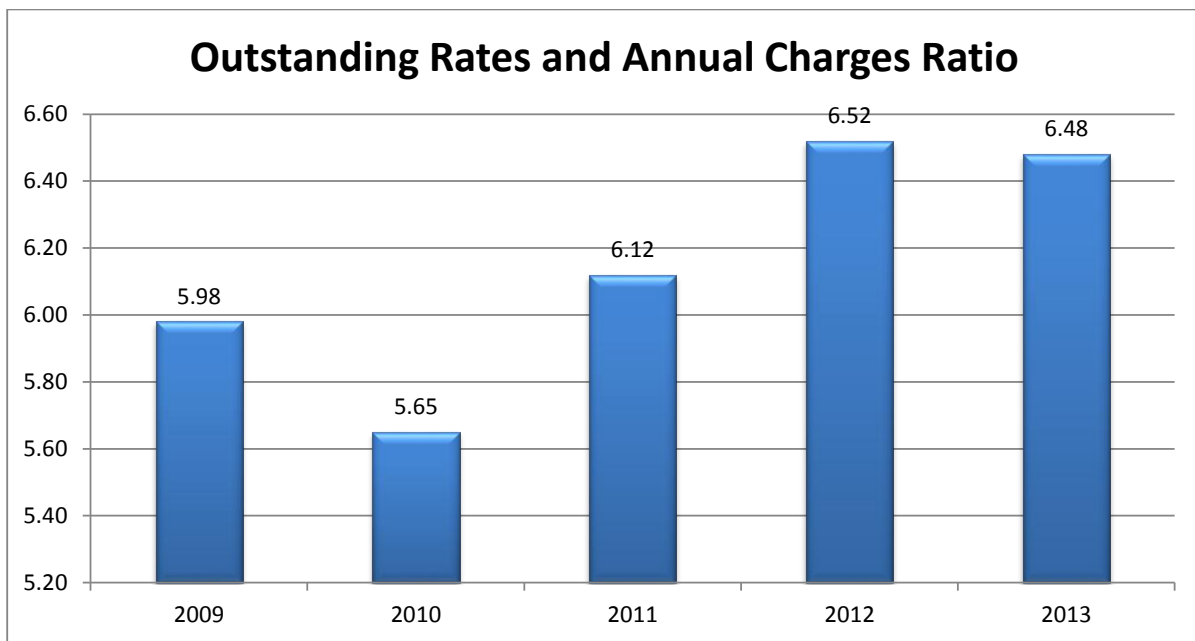


Attachment

Rates and Annual Charges Outstanding Percentage

This indicator assesses the effectiveness of Council’s revenue collection. Factors influencing Council’s rates and annual charges outstanding ratio include:

- Council’s rating policy
- credit management policies
- the socioeconomic characteristics of the area
- environmental factors influencing ratepayer’s ability to satisfy their obligations.



Council's rates and annual charges outstanding percentage has improved and stands at 6.48% as at 30 June 2013.

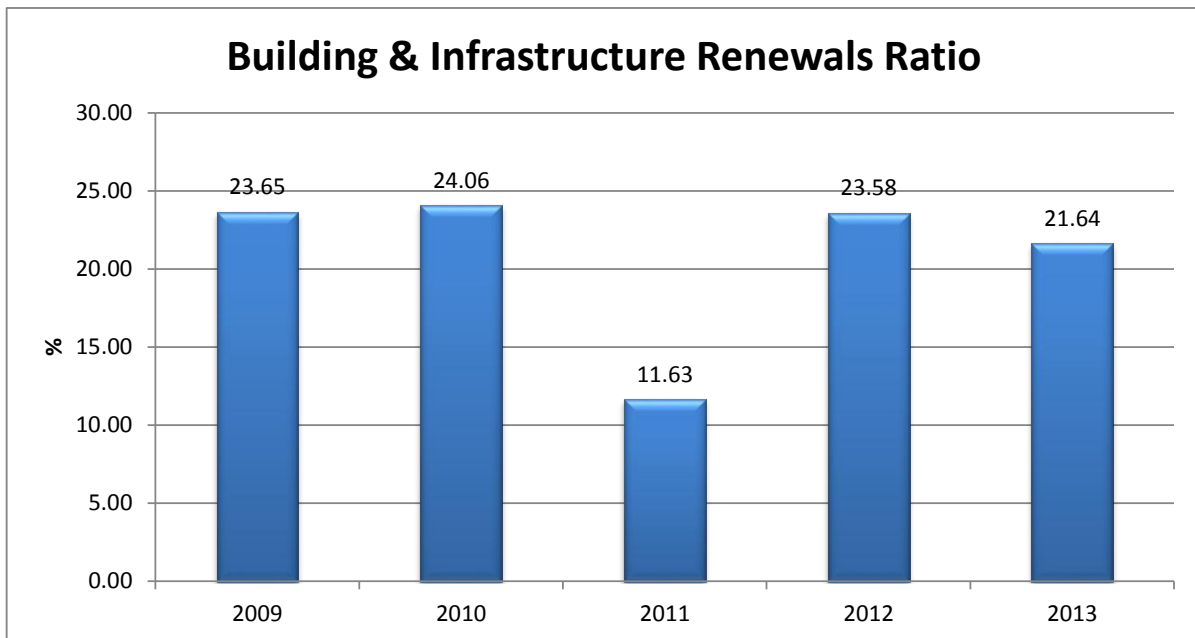
The NSW Division of Local Government benchmark is <5% for urban and coastal Council's and <10% for rural Council's. We recommend that Council continue to review and monitor its collection procedures to determine whether this ratio can be further reduced so that cash flow can be improved.



Attachment

Buildings & Infrastructure Renewals Ratio

The purpose of this ratio is to assess the rate at which buildings and infrastructure assets are being renewed against the rate at which they are depreciating. Renewal is defined as the replacement of existing assets of equivalent capacity or performance as opposed to the acquisition of new assets with additional capacity or performance. This performance indicator has only recently been introduced by the NSW Division of Local Government and has been mandatory for the last three years. The graph below has been prepared on a consolidated basis.



The graph above indicates that Council's asset renewal expenditure is not keeping pace with the rate at which these assets are depreciating. The asset renewal ratio for General, Water and Sewer funds for the 2013 financial year are 17.94%, 37.09% and 19.83% respectively.

This ratio is calculated based on replacement of existing assets with assets of equivalent capacity or performance. It should be noted that Council has incurred expenditure during the year to increase the capacity of existing assets. By definition, this type of expenditure is not included in the asset renewal ratio to the extent of the increased capacity.

Industry benchmarking recommends that asset renewals equate to the related depreciation expense, or be in the range of 90-100%. We recommend that Council review its asset information systems to ensure all asset renewal expenditure is captured as well as the organisation's capacity to achieve a higher asset renewal ratio as part of its asset management planning.



Attachment

7. INTERNAL CONTROL ENVIRONMENT

Results of Testing Council's Financial Reporting Systems

We draw your attention to our comments in relation to the weaknesses in Council's internal controls of infrastructure, property, plant and equipment and the related non-compliance with the Local Government Act 1993 as noted in the *Asset Management* section of this report. Our audit reports on the general purpose and special purpose financial statements contain an emphasis of matter in relation to Council not certifying their financial statements on a timely basis. We, as auditors, have also received correspondence from the NSW Division of Local Government indicating their concerns with Council governance processes in relation to this matter. We have previously included this issue as a High Risk item along with recommendations for improvement, in our audit management letters and will continue to do so until the matter is satisfactorily resolved by Council management.

We did not become aware of the existence of items comprising material error, sufficient to cause us to issue a qualified audit opinion.

Subject to the foregoing comments the books of account and records of the Council were maintained in good order and condition and the information and explanations required during the course of our work were readily supplied by the General Manager and his staff.

Yours faithfully

**THOMAS NOBLE & RUSSELL
CHARTERED ACCOUNTANTS**

Per:

.....
A J BRADFIELD (Partner)

Coffs Harbour City Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2013

“Coffs Harbour - the Healthy City, the Smart
City, the Cultural City for a Sustainable Future”



Attachment

Coffs Harbour City Council

Special Purpose Financial Statements

for the financial year ended 30 June 2013

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Background

(i) These Special Purpose Financial Statements have been prepared for the use by both Council and the Division 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 & 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 over \$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 & debt guarantee fees (where the business benefits from councils borrowing position by comparison with commercial rates).

Attachment

Coffs Harbour City Council

Special Purpose Financial Statements

for the financial year ended 30 June 2013

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 & Costing for Council Businesses - A Guide to Competitive Neutrality".
- The Local Government Code of Accounting Practice and Financial Reporting.
- The NSW Office of Water (Department of Environment, Climate Change and Water) Guidelines - "Best Practice Management of Water and Sewerage".

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 13 February 2014.


Denise Knight
MAYOR


Rodney Degens
COUNCILLOR


Steve McGrath
GENERAL MANAGER


Dale Allen
RESPONSIBLE ACCOUNTING OFFICER

Attachment

Coffs Harbour City Council

Income Statement of Council's Water Supply Business Activity

for the financial year ended 30 June 2013

\$ '000	Actual 2013	Actual 2012
Income from continuing operations		
Access charges	3,789	3,625
User charges	12,239	11,308
Fees	1,255	655
Interest	3,184	2,547
Grants and contributions provided for non capital purposes	290	276
Other income	61	75
Total income from continuing operations	20,818	18,486
Expenses from continuing operations		
Employee benefits and on-costs	2,999	2,773
Borrowing costs	6,448	6,892
Materials and contracts	3,588	2,780
Depreciation and impairment	6,873	5,885
Loss on sale of assets	1,056	-
Calculated taxation equivalents	33	32
Debt guarantee fee (if applicable)	900	965
Other NCP Imputation Payments	6	5
Other expenses	3,096	2,830
Total expenses from continuing operations	24,999	22,162
Surplus (deficit) from Continuing Operations before capital amounts	(4,181)	(3,676)
Grants and contributions provided for capital purposes	3,768	1,772
Surplus (deficit) from Continuing Operations after capital amounts	(413)	(1,904)
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	(413)	(1,904)
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-
SURPLUS (DEFICIT) AFTER TAX	(413)	(1,904)
plus Opening Retained Profits	166,925	180,461
plus/less: Prior Period Adjustments	12,409	(12,602)
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	33	32
- Debt guarantee fees	900	965
- Other NCP Imputation Payments	6	5
- Corporate taxation equivalent	-	-
less:		
- Tax Equivalent Dividend paid	(33)	(32)
- Surplus dividend paid	-	-
Closing Retained Profits	179,827	166,925
Return on Capital %	0.8%	1.2%
Subsidy from Council	n/a	n/a
Calculation of dividend payable:		
Surplus (deficit) after tax	(413)	(1,904)
less: Capital grants and contributions (excluding developer contributions)	(2,363)	(532)
Surplus for dividend calculation purposes	-	-
Potential Dividend calculated from surplus	-	-

Attachment

Coffs Harbour City Council

Income Statement of Council's Sewerage Business Activity

for the financial year ended 30 June 2013

\$ '000	Actual 2013	Actual 2012
Income from continuing operations		
Access charges	20,913	19,528
User charges	2,047	2,075
Liquid Trade Waste charges	422	470
Fees	13	14
Interest	5,331	4,376
Grants and contributions provided for non capital purposes	451	356
Other income	171	286
Total income from continuing operations	29,348	27,105
Expenses from continuing operations		
Employee benefits and on-costs	4,499	4,295
Borrowing costs	7,795	8,297
Materials and contracts	4,406	3,496
Depreciation and impairment	11,676	6,764
Loss on sale of assets	545	-
Calculated taxation equivalents	189	189
Debt guarantee fee (if applicable)	1,096	1,171
Other NCP Imputation Payments	9	9
Other expenses	4,829	4,338
Total expenses from continuing operations	35,044	28,559
Surplus (deficit) from Continuing Operations before capital amounts	(5,696)	(1,454)
Grants and contributions provided for capital purposes	2,456	3,035
Surplus (deficit) from Continuing Operations after capital amounts	(3,240)	1,581
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	(3,240)	1,581
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-
SURPLUS (DEFICIT) AFTER TAX	(3,240)	1,581
plus Opening Retained Profits	267,402	203,005
plus/less: Prior Period Adjustments	25,328	61,522
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	189	189
- Debt guarantee fees	1,096	1,171
- Other NCP Imputation Payments	9	9
- Corporate taxation equivalent	-	-
less:		
- Tax Equivalent Dividend paid	(75)	(75)
- Surplus dividend paid	-	-
Closing Retained Profits	290,709	267,402
Return on Capital %	0.5%	1.6%
Subsidy from Council	n/a	n/a
Calculation of dividend payable:		
Surplus (deficit) after tax	(3,240)	1,581
less: Capital grants and contributions (excluding developer contributions)	(1,114)	(1,832)
Surplus for dividend calculation purposes	-	-
Potential Dividend calculated from surplus	-	-

Attachment

Coffs Harbour City Council

Income Statement of Council's Other Business Activities

for the financial year ended 30 June 2013

\$ '000	Airport Category 1	
	Actual 2013	Actual 2012
Income from continuing operations		
Access charges	-	-
User charges	3,807	3,416
Fees	-	-
Interest	1,380	85
Grants and contributions provided for non capital purposes	-	-
Profit from the sale of assets	-	-
Other income	604	573
Total income from continuing operations	5,791	4,074
Expenses from continuing operations		
Employee benefits and on-costs	604	590
Borrowing costs	551	296
Materials and contracts	1,262	918
Depreciation and impairment	1,271	1,254
Calculated taxation equivalents	253	256
Debt guarantee fee (if applicable)	79	38
Other NCP Imputation Payments	5	4
Other expenses	527	424
Total expenses from continuing operations	4,552	3,780
Surplus (deficit) from Continuing Operations before capital amounts	1,239	294
Grants and contributions provided for capital purposes	-	-
Surplus (deficit) from Continuing Operations after capital amounts	1,239	294
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	1,239	294
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(372)	(88)
SURPLUS (DEFICIT) AFTER TAX	867	206
plus Opening Retained Profits	19,400	19,388
plus/less: Prior Period Adjustments	2,821	(350)
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	253	256
- Debt guarantee fees	79	38
- Other NCP Imputation Payments	5	4
- Corporate taxation equivalent	372	88
add:		
- Subsidy Paid/Contribution To Operations	-	-
less:		
- TER dividend paid	-	-
- Dividend paid	(265)	(230)
Closing Retained Profits	23,532	19,400
Return on Capital %	2.7%	1.1%
Subsidy from Council	684	1,082

Attachment

Coffs Harbour City Council

Statement of Financial Position - Council's Water Supply Business Activity

as at 30 June 2013

\$ '000	Actual 2013	Actual 2012
ASSETS		
Current Assets		
Cash and cash equivalents	824	2,087
Investments	12,721	5,425
Receivables	3,551	3,425
Inventories	237	223
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	17,333	11,160
Non-Current Assets		
Investments	22,714	31,141
Receivables	81	53
Inventories	-	-
Infrastructure, property, plant and equipment	281,452	265,216
Investments accounted for using equity method	-	-
Investment property	-	-
Other	66,155	66,869
Total non-Current Assets	370,402	363,279
TOTAL ASSETS	387,735	374,439
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	1,261	1,467
Interest bearing liabilities	7,030	6,563
Provisions	-	-
Total Current Liabilities	8,291	8,030
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	82,942	89,973
Provisions	-	-
Total Non-Current Liabilities	82,942	89,973
TOTAL LIABILITIES	91,233	98,003
NET ASSETS	296,502	276,436
EQUITY		
Retained earnings	179,827	166,925
Revaluation reserves	116,675	109,511
Council equity interest	296,502	276,436
Non-controlling interest	-	-
TOTAL EQUITY	296,502	276,436

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Coffs Harbour City Council

Statement of Financial Position - Council's Sewerage Business Activity

as at 30 June 2013

\$ '000	Actual 2013	Actual 2012
ASSETS		
Current Assets		
Cash and cash equivalents	792	2,194
Investments	25,819	27,956
Receivables	2,820	1,993
Inventories	-	-
Other	-	9
Non-current assets classified as held for sale	-	-
Total Current Assets	29,431	32,152
Non-Current Assets		
Investments	33,480	34,277
Receivables	343	303
Inventories	-	-
Infrastructure, property, plant and equipment	451,510	425,096
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
Total non-Current Assets	485,333	459,676
TOTAL ASSETS	514,764	491,828
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	2,174	1,658
Interest bearing liabilities	8,068	7,505
Provisions	-	-
Total Current Liabilities	10,242	9,163
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	101,559	109,628
Provisions	-	-
Total Non-Current Liabilities	101,559	109,628
TOTAL LIABILITIES	111,801	118,791
NET ASSETS	402,963	373,037
EQUITY		
Retained earnings	290,709	267,402
Revaluation reserves	112,254	105,635
Council equity interest	402,963	373,037
Non-controlling equity interest	-	-
TOTAL EQUITY	402,963	373,037

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Coffs Harbour City Council

Statement of Financial Position - Council's Other Business Activities

as at 30 June 2013

\$ '000	Airport Category 1	
	Actual 2013	Actual 2012
ASSETS		
Current Assets		
Cash and cash equivalents	5,747	1,714
Investments	-	-
Receivables	910	-
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	6,657	1,714
Non-Current Assets		
Investments	-	-
Receivables	679	-
Inventories	-	-
Infrastructure, property, plant and equipment	65,612	55,185
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
Total Non-Current Assets	66,291	55,185
TOTAL ASSETS	72,948	56,899
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	99	55
Interest bearing liabilities	1,037	613
Provisions	-	-
Total Current Liabilities	1,136	668
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	6,897	3,204
Provisions	-	-
Other Liabilities	-	-
Total Non-Current Liabilities	6,897	3,204
TOTAL LIABILITIES	8,033	3,872
NET ASSETS	64,915	53,027
EQUITY		
Retained earnings	23,532	19,400
Revaluation reserves	41,383	33,627
Council equity interest	64,915	53,027
Non-controlling equity interest	-	-
TOTAL EQUITY	64,915	53,027

Attachment

Coffs Harbour City Council

Special Purpose Financial Statements

for the financial year ended 30 June 2013

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	10
2	Water Supply Business Best Practice Management disclosure requirements	13
3	Sewerage Business Best Practice Management disclosure requirements	15

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Coffs Harbour City Council

Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2013

Note 1. Significant Accounting Policies

These financial statements are a Special Purpose Financial Statements (SPFS) prepared for use by Council and the Division of Local Government.

For the purposes of these statements, the Council is not a reporting not-for-profit entity.

The figures presented in these special purpose financial statements, unless otherwise stated, have been prepared in accordance with:

- the recognition and measurement criteria of relevant Australian Accounting Standards,
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB) &
- Australian Accounting Interpretations.

The disclosures in these special purpose financial statements have been prepared in accordance with:

- the Local Government Act and Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

The statements are also prepared on an accruals basis, based on historic costs and do not take into account changing money values nor current values of non-current assets (except where specifically stated).

Certain taxes and other costs (appropriately described) have been imputed for the purposes of the National Competition Policy.

National Competition Policy

Council has adopted the principle of 'competitive neutrality' to its business activities as part of the national competition policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 Government Policy statement on the "Application of National Competition Policy to Local Government".

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

The pricing & costing guidelines outline the process for identifying and allocating costs to activities and provide a standard of 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 & Costing for Council Businesses - A Guide to Competitive Neutrality*, Council has declared that the following are to be considered as business activities:

Category 1

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

a. Coffs Harbour City Council Water Supplies

Water supply activity servicing the Coffs Harbour local government area

b. Coffs Harbour City Council Sewerage Service

Sewerage reticulation & treatment activity servicing the Coffs Harbour local government area

c. Coffs Harbour Regional Airport

Airport activities carried out by Council in its own name

Category 2

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

Nil

Monetary Amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest one thousand dollars, with the exception of some figures disclosed in Note 2 (Water Supply Best Practice Management Disclosures) and Note 3 (Sewerage Best Practice Management Disclosures).

As required by the NSW Office of Water (Department of Primary Industries) the amounts shown in Notes 2 and Note 3 are disclosed in whole dollars.

Attachment

Coffs Harbour City Council

Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2013

Note 1. Significant Accounting Policies

(i) Taxation Equivalent Charges

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

However, where Council is exempt from paying taxes which are generally paid by private sector businesses (such as income tax), equivalent tax payments have been applied to all Council nominated business activities and are reflected in these financial statements.

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all council nominated business activities (this does not include council's non-business activities):

Notional Rate Applied %Corporate Income Tax Rate – 30%

Land Tax – The first **\$406,000** of combined land values attracts **0%**. From \$406,001 to \$2,482,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$2,482,000, a premium marginal rate of **2.0%** applies.

Payroll Tax – **5.45%** on the value of taxable salaries and wages in excess of \$689,000.

In accordance with the guidelines for Best Practice Management of Water Supply and Sewerage, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from Water Supply and Sewerage Business activities.

The payment of taxation equivalent charges, referred in the Best Practice Management of Water Supply and Sewerage Guides to as a "Dividend for Taxation equivalent", may be applied for any purpose allowed under the Local Government Act, 1993.

Achievement of substantial compliance against the guidelines for Best Practice Management of Water Supply and Sewerage is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

Income Tax

An income tax equivalent has been applied on the profits of each reported Business Activity.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account of 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 positive gain/(loss) from ordinary activities before capital amounts has been achieved.

Since this taxation equivalent is notional - that is, it is payable to the "Council" as the owner of business operations, it represents an internal payment and has no effect on the operations of the council. Accordingly, there is no need for disclosure of internal charges in Council's General Purpose Financial Statements.

The rate applied of 30% is the equivalent company tax rate prevalent as at balance date.

Local Government Rates & 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 & 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 the council's borrowing rate for its business activities.

Coffs Harbour City Council

Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2013

Note 1. Significant Accounting Policies

(ii) Subsidies

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

Subsidies occur where 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 the council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported Business Activity.

(iii) Return on Investments (Rate of Return)

The Policy statement requires that councils with Category 1 businesses "would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field".

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The Rate of Return on Capital is calculated as follows:

Operating Result before Capital Income + Interest Expense

Written Down Value of I,PP&E as at 30 June

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 3.77% at 30/6/13.

The actual rate of return achieved by each Business Activity is disclosed at the foot of each respective Income Statement.

(iv) Dividends

Council is not required to pay dividends to either itself (as owner of a range of businesses) or to any external entities.

Local Government Water Supply and Sewerage Businesses are permitted to pay an annual dividend from its water supply or sewerage business surplus.

The dividend, calculated and approved in accordance with the Best Practice Management Guidelines, must not exceed either:

- (i) 50% of this surplus in any one year, or
- (ii) the number of water supply or sewerage assessments at 30 June 2013 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the guidelines for Best Practice Management of Water Supply and Sewerage, a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the NSW Office of Water prior to making the dividend and only after it has approved the payment.

Coffs Harbour City Council

Notes to the Special Purpose Financial Statements
for the financial year ended 30 June 2013

Note 2. Water Supply Business
Best Practice Management disclosure requirements

Dollars Amounts shown below are in **WHOLE DOLLARS** (unless otherwise indicated) **2013**

1. Calculation and Payment of Tax-Equivalents

[All Local Government Local Water Utilities must pay this dividend for tax-equivalents]

(i)	Calculated Tax Equivalents	933,000
(ii)	No of assessments multiplied by \$3/assessment	78,993
(iii)	Amounts payable for Tax Equivalents [lesser of (i) and (ii)]	78,993
(iv)	Amounts actually paid for Tax Equivalents	33,316

2. Dividend from Surplus

(i)	50% of Surplus before Dividends [Calculated in accordance with Best Practice Management for Water Supply and Sewerage Guidelines]	-
(ii)	No. of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment	710,937
(iii)	Cumulative surplus before Dividends for the 3 years to 30 June 2013, less the cumulative dividends paid for the 2 years to 30 June 2012 & 30 June 2011	(8,500,000)

2013 Surplus	(2,776,000)	2012 Surplus	(2,436,000)
		2012 Dividend	-
		2011 Surplus	(3,288,000)
		2011 Dividend	-

(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	n/a
(v)	Dividend actually paid from surplus [refer below for required pre-dividend payment Criteria]	-

3. Required outcomes for 6 Criteria

[To be eligible for the payment of a "Dividend from Surplus", ALL the Criteria below need a "YES"]

(i)	Completion of Strategic Business Plan (including Financial Plan)	YES
(ii)	Full Cost Recovery, without significant cross subsidies [Refer Item 2(a) in Table 1 on page 22 of the Best Practice Guidelines]	YES
	- Complying charges [Item 2(b) in Table 1]	YES
	- DSP with Commercial Developer Charges [Item 2(e) in Table 1]	YES
	- If Dual Water Supplies, Complying Charges [Item 2(g) in Table 1]	NO
(iii)	Sound Water Conservation and Demand Management implemented	YES
(iv)	Sound Drought Management implemented	YES
(v)	Complete Performance Reporting Form (by 15 September each year)	YES
(vi)	a. Integrated Water Cycle Management Evaluation	YES
	b. Complete and implement Integrated Water Cycle Management Strategy	YES

Attachment

Coffs Harbour City Council

Notes to the Special Purpose Financial Statements
for the financial year ended 30 June 2013

Note 2. Water Supply Business
Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated) 2013

National Water Initiative (NWI) Financial Performance Indicators

NWI F1	Total Revenue (Water) Total Income (w13) - Grants for the Acquisition of Assets (w11a) - Interest Income (w9) - Aboriginal Communities W&S Program Income (w10a)	\$'000	21,396
NWI F4	Revenue from Residential Usage Charges (Water) Income from Residential Usage Charges (w6b) x 100 divided by the sum of [Income from Residential Usage Charges (w6a) + Income from Residential Access Charges (w6b)]	%	74.14%
NWI F9	Written Down Replacement Cost of Fixed Assets (Water) Written down current cost of system assets (w47)	\$'000	279,777
NWI F11	Operating Cost (OMA) (Water) Management Expenses (w1) + Operational & Maintenance Expenses (w2)	\$'000	9,599
NWI F14	Capital Expenditure (Water) Acquisition of fixed assets (w16)	\$'000	3,393
NWI F17	Economic Real Rate of Return (Water) [Total Income (w13) - Interest Income (w9) - Grants for acquisition of assets (w11a) - Operating Costs (NWI F11) - Current Cost Depreciation (w3)] x 100 divided by [Written Down Current Cost of System Assets (w47) + Plant & Equipment (w33b)]	%	1.75%
NWI F26	Capital Works Grants (Water) Grants for the Acquisition of Assets (w11a)	\$'000	-

- Notes:
1. References to w (eg. w12) refer to item numbers within Special Schedules No. 3 & 4 of Council's Annual Financial Statements.
 2. The NWI Performance Indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators & Definitions.

Coffs Harbour City Council

Notes to the Special Purpose Financial Statements
for the financial year ended 30 June 2013

Note 3. Sewerage Business
Best Practice Management disclosure requirements

Dollars Amounts shown below are in **WHOLE DOLLARS** (unless otherwise indicated) **2013**

1. Calculation and Payment of Tax-Equivalents

[All Local Government Local Water Utilities must pay this dividend for tax-equivalents]

(i)	Calculated Tax Equivalents	12,221,000
(ii)	No of assessments multiplied by \$3/assessment	75,468
(iii)	Amounts payable for Tax Equivalents [lesser of (i) and (ii)]	75,468
(iv)	Amounts actually paid for Tax Equivalents	75,468

2. Dividend from Surplus

(i)	50% of Surplus before Dividends [Calculated in accordance with Best Practice Management for Water Supply and Sewerage Guidelines]	-
(ii)	No. of assessments x (\$30 less tax equivalent charges per assessment)	679,212
(iii)	Cumulative surplus before dividends for the 3 years to 30 June 2013, less the cumulative dividends paid for the 2 years to 30 June 2012 & 30 June 2011	(4,246,000)

2013 Surplus	(4,354,000)	2012 Surplus	(251,000)	2011 Surplus	359,000
		2012 Dividend	-	2011 Dividend	-

(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	n/a
(v)	Dividend actually paid from surplus [refer below for required pre-dividend payment Criteria]	-

3. Required outcomes for 4 Criteria

[To be eligible for the payment of a "Dividend from Surplus", ALL the Criteria below need a "YES"]

(i)	Completion of Strategic Business Plan (including Financial Plan)	YES
(ii)	Pricing with full cost-recovery, without significant cross subsidies [Refer Item 2(a) in Table 1 on page 22 of the Best Practice Guidelines]	YES
	Complying charges (a) Residential [Item 2(c) in Table 1]	YES
	(b) Non Residential [Item 2(c) in Table 1]	YES
	(c) Trade Waste [Item 2(d) in Table 1]	YES
	DSP with Commercial Developer Charges [Item 2(e) in Table 1]	YES
	Liquid Trade Waste Approvals & Policy [Item 2(f) in Table 1]	YES
(iii)	Complete Performance Reporting Form (by 15 September each year)	YES
(iv)	a. Integrated Water Cycle Management Evaluation	YES
	b. Complete and implement Integrated Water Cycle Management Strategy	YES

Attachment

Coffs Harbour City Council

Notes to the Special Purpose Financial Statements
for the financial year ended 30 June 2013

Note 3. Sewerage Business
Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in **WHOLE DOLLARS** (unless otherwise indicated) **2013**

National Water Initiative (NWI) Financial Performance Indicators

NWI F2	Total Revenue (Sewerage) Total Income (s14) - Grants for Acquisition of Assets (s12a) - Interest Income (s10) - Aboriginal Communities W&S Program Income (w10a)	\$'000	25,954
NWI F10	Written Down Replacement Cost of Fixed Assets (Sewerage) Written down current cost of system assets (s48)	\$'000	450,136
NWI F12	Operating Cost (Sewerage) Management Expenses (s1) + Operational & Maintenance Expenses (s2)	\$'000	13,656
NWI F15	Capital Expenditure (Sewerage) Acquisition of Fixed Assets (s17)	\$'000	5,089
NWI F18	Economic Real Rate of Return (Sewerage) [Total Income (s14) - Interest Income (s10) - Grants for acquisition of Assets (s12a) - Operating cost (NWI F12) - Current cost depreciation (s3)] x 100 divided by [Written down current cost (ie. WDCC) of System Assets (s48) + Plant & Equipment (s34b)]	%	0.14%
NWI F27	Capital Works Grants (Sewerage) Grants for the Acquisition of Assets (12a)	\$'000	519

**National Water Initiative (NWI) Financial Performance Indicators
Water & Sewer (combined)**

NWI F3	Total Income (Water & Sewerage) Total Income (w13 + s14) + Gain/Loss on disposal of assets (w14 + s15) minus Grants for acquisition of assets (w11a + s12a) - Interest Income (w9 + s10)	\$'000	45,755
NWI F8	Revenue from Community Service Obligations (Water & Sewerage) Community Service Obligations (NWI F25) x 100 divided by Total Income (NWI F3)	%	1.08%
NWI F16	Capital Expenditure (Water & Sewerage) Acquisition of Fixed Assets (w16 + s17)	\$'000	8,482
NWI F19	Economic Real Rate of Return (Water & Sewerage) [Total Income (w13 + s14) - Interest Income (w9 + s10) - Grants for acquisition of assets (w11a + s12a) - Operating Cost (NWI F11 + NWI F12) - Current cost depreciation (w3 + s3)] x 100 divided by [Written down replacement cost of fixed assets (NWI F9 + NWI F10) + Plant & equipment (w33b + s34b)]	%	0.76%
NWI F20	Dividend (Water & Sewerage) Dividend paid from surplus (2(v) of Note 2 + 2(v) of Note 3)	\$'000	-
NWI F21	Dividend Payout Ratio (Water & Sewerage) Dividend (NWI F20) x 100 divided by Net Profit after tax (NWI F24)	%	0.00%

Coffs Harbour City Council

Notes to the Special Purpose Financial Statements
for the financial year ended 30 June 2013

Note 3. Sewerage Business
Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in **WHOLE DOLLARS** (unless otherwise indicated) **2013**

**National Water Initiative (NWI) Financial Performance Indicators
Water & Sewer (combined)**

NWI F22	Net Debt to Equity (Water & Sewerage) Overdraft (w36 + s37) + Borrowings (w38 + s39) - Cash & Investments (w30 + s31) x 100 divided by [Total Assets (w35 + s36) - Total Liabilities (w40 + s41)]	%	14.76%
NWI F23	Interest Cover (Water & Sewerage) Earnings before Interest & Tax (EBIT) divided by Net Interest Earnings before Interest & Tax (EBIT): Operating Result (w15a + s16a) + Interest expense (w4a + s4a) - Interest Income (w9 + s10) - Gain/Loss on disposal of assets (w14 + s15) + Miscellaneous Expenses (w4b + w4c + s4b + s4c) Net Interest: Interest Expense (w4a + s4a) - Interest Income (w9 + s10)		1
NWI F24	Net Profit After Tax (Water & Sewerage) Surplus before dividends (w15a + s16a) - Tax equivalents paid (Note 2-1(iv) + Note 3-1(iv))	\$'000	(2,156)
NWI F25	Community Service Obligations (Water & Sewerage) Grants for Pensioner Rebates (w11b + s12b)	\$'000	495

- Notes:
1. References to w (eg. s12) refer to item numbers within Special Schedules No. 5 & 6 of Council's Annual Financial Statements.
 2. The NWI Performance Indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators & Definitions.



Attachment

**COFFS HARBOUR CITY COUNCIL
SPECIAL PURPOSE FINANCIAL STATEMENTS
INDEPENDENT AUDIT REPORT**

We have audited the accompanying financial statements, being special purpose financial statements, of Coffs Harbour City Council (the Council), which comprises the statement of financial position as at 30 June 2013, the income statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Councillors' and Management.

Council's Responsibility for the Financial Statements

The Council is responsible for the preparation of the financial statements and has determined that the basis of preparation described in Note 1 to the financial statements is appropriate to satisfy the requirements of the *Local Government Act 1993* and meet the needs of the NSW Division of Local Government. The Council's responsibility also includes such internal control as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Council, as well as evaluating the overall presentation of the financial statements.

Our audit responsibility does not extend to the best practice management disclosures in note 2 and note 3 to the financial statements, and accordingly, we do not express an opinion on such. In addition, our audit did not include an analysis of the prudence of business decisions made by Council or management.

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

- i -

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Independence

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

Auditor's Opinion

In our opinion;

- a) the special purpose financial statements of Coffs Harbour City Council have been prepared in accordance with the requirements of those applicable Australian Accounting Standards detailed in note 1 and the Local Government Code of Accounting Practice and Financial Reporting:
 - i) are consistent with the Council's accounting records;
 - ii) present fairly, in all material respects, the financial position of Council's nominated Business Activities as at 30 June 2013 and the results of their operations for the year then ended;
- b) all information relevant to the conduct of the audit has been obtained; and
- c) there are no material deficiencies in the accounting records or financial statements that we have become aware of in the course of the audit.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial statements which describe the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the requirements of the NSW Division of Local Government. As a result, the financial statements may not be suitable for another purpose.

Application of the requirements of section 416 of the Local Government Act 1993

Without qualification to the opinion expressed above, we draw your attention to the date of issue of the financial statements. We note that the financial statements have not been completed within four months of the end of the financial year, as required by section 416 (5). Accordingly, this aspect of the financial statements does not comply with the Local Government Act 1993, Chapter 13, part 3 Division 2 and Regulation 215 of the Local Government (General) Regulation 2005.

**THOMAS NOBLE & RUSSELL
CHARTERED ACCOUNTANTS**

A handwritten signature in blue ink, appearing to read 'A J Bradfield', written over a dotted line.

A J BRADFIELD (Partner)
Registered Company Auditor

Dated at Lismore this 13th February 2014

Coffs Harbour City Council

SPECIAL SCHEDULES
for the year ended 30 June 2013

“Coffs Harbour - the Healthy City, the Smart
City, the Cultural City for a Sustainable Future”



Attachment

Coffs Harbour City Council

Special Schedules

for the financial year ended 30 June 2013

Contents		Page
Special Schedules¹		
- Special Schedule No. 1	Net Cost of Services	2
- Special Schedule No. 2(a)	Statement of Long Term Debt (all purposes)	4
- Special Schedule No. 2(b)	Statement of Internal Loans (Sect. 410(3) LGA 1993)	n/a
- Special Schedule No. 3	Water Supply - Income Statement	5
- Special Schedule No. 4	Water Supply - Statement of Financial Position	9
- Special Schedule No. 5	Sewerage Service - Income Statement	10
- Special Schedule No. 6	Sewerage Service - Statement of Financial Position	14
- Notes to Special Schedules No. 3 & 5		15
- Special Schedule No. 7	Condition of Public Works	16
- Special Schedule No. 8	Financial Projections	19

¹ Special Purpose Schedules are not audited.

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,
- the Department of Environment, Climate Change and Water, and
- the Division of Local Government (DLG).

(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.

Attachment

Coffs Harbour City Council

Special Schedule No. 1 - Net Cost of Services

for the financial year ended 30 June 2013

\$'000

Function or Activity	Expenses from Continuing Operations.	Income from continuing operations		Net Cost. of Services.
		Non Capital.	Capital.	
Governance	1,241	-	-	(1,241)
Administration	25,816	6,121	973	(18,722)
Public Order and Safety				
Fire Service Levy, Fire Protection, Emergency Services	1,613	610	918	(85)
Beach Control	618	29	-	(589)
Enforcement of Local Govt. Regulations	1,037	121	-	(916)
Animal Control	407	342	-	(65)
Other	5	158	-	153
Total Public Order & Safety	3,680	1,260	918	(1,502)
Health	-	-	-	-
Environment				
Noxious Plants and Insect/Vermin Control	221	215	-	(6)
Other Environmental Protection	1,194	1,694	-	500
Solid Waste Management	19,090	18,342	-	(748)
Street Cleaning	376	-	-	(376)
Drainage	4,672	181	366	(4,125)
Stormwater Management	-	667	-	667
Total Environment	25,553	21,099	366	(4,088)
Community Services and Education				
Administration & Education	777	57	-	(720)
Social Protection (Welfare)	861	132	78	(651)
Aged Persons and Disabled	-	1	-	1
Children's Services	31	2	-	(29)
Total Community Services & Education	1,669	192	78	(1,399)
Housing and Community Amenities				
Public Cemeteries	221	249	-	28
Public Conveniences	400	-	-	(400)
Street Lighting	-	-	-	-
Town Planning	1,291	319	46	(926)
Other Community Amenities	10	-	-	(10)
Total Housing and Community Amenities	1,922	568	46	(1,308)
Water Supplies	21,130	20,572	1,640	1,082
Sewerage Services	29,314	29,007	2,314	2,007

Attachment

Coffs Harbour City Council

Special Schedule No. 1 - Net Cost of Services (continued)

for the financial year ended 30 June 2013

\$'000

Function or Activity	Expenses from Continuing Operations.	Income from continuing operations		Net Cost. of Services.
		Non Capital.	Capital.	
Recreation and Culture				
Public Libraries	1,961	173	245	(1,543)
Museums	30	-	-	(30)
Art Galleries	91	38	-	(53)
Community Centres and Halls	672	292	-	(380)
Performing Arts Venues	493	249	-	(244)
Other Performing Arts	-	-	-	-
Other Cultural Services	89	103	(34)	(20)
Sporting Grounds and Venues	3,968	538	-	(3,430)
Swimming Pools	469	-	-	(469)
Parks & Gardens (Lakes)	5,758	2,084	417	(3,257)
Other Sport and Recreation	1,253	2	3	(1,248)
Total Recreation and Culture	14,784	3,479	631	(10,674)
Fuel & Energy	-	-	-	-
Agriculture	-	-	-	-
Mining, Manufacturing and Construction				
Building Control	1,990	1,690	-	(300)
Other Mining, Manufacturing & Construction	256	(31)	-	(287)
Total Mining, Manufacturing and Const.	2,246	1,659	-	(587)
Transport and Communication				
Urban Roads (UR) - Local	8,285	216	1,020	(7,049)
Urban Roads - Regional	1,905	1,094	376	(435)
Sealed Rural Roads (SRR) - Local	4,404	424	765	(3,215)
Sealed Rural Roads (SRR) - Regional	666	934	-	268
Unsealed Rural Roads (URR) - Local	1,488	2	-	(1,486)
Unsealed Rural Roads (URR) - Regional	-	-	-	-
Bridges on UR - Local	687	-	-	(687)
Bridges on SRR - Local	275	-	-	(275)
Bridges on URR - Local	158	100	-	(58)
Bridges on Regional Roads	160	-	-	(160)
Parking Areas	1,010	28	126	(856)
Footpaths	833	48	29	(756)
Aerodromes	3,600	5,324	-	1,724
Other Transport & Communication	1,118	617	21	(480)
Total Transport and Communication	24,589	8,787	2,337	(13,465)
Economic Affairs				
Camping Areas & Caravan Parks	1,879	354	-	(1,525)
Other Economic Affairs	2,241	1,213	1,840	812
Total Economic Affairs	4,120	1,567	1,840	(713)
Totals – Functions	156,064	94,311	11,143	(50,610)
General Purpose Revenues⁽²⁾		43,784		43,784
Share of interests - joint ventures & associates using the equity method	-	-		-
NET OPERATING RESULT⁽¹⁾	156,064	138,095	11,143	(6,826)

(1) As reported in the Income Statement

(2) Includes: Rates & Annual Charges (incl. Ex Gratia, excl. Water & Sewer), Non Capital General Purpose Grants, Interest on Investments (excl. Ext. Restricted Assets) & Interest on overdue Rates & Annual Charges

Coffs Harbour City Council

Special Schedule No. 2(a) - Statement of Long Term Debt (all purpose)

for the financial year ended 30 June 2013

\$'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)											
Other State Government	9	1,824	1,833	-	9	-	-	-	60	1,764	1,824
Financial Institutions	17,303	220,528	237,831	5,000	17,573	-	-	16,003	18,558	206,700	225,258
Total Debt	17,312	222,352	239,664	5,000	17,582	-	-	16,003	18,618	208,464	227,082

Notes: Excludes (i) Internal Loans & (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).

Attachment

Coffs Harbour City Council

Special Schedule No. 3 - Water Supply Income Statement

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2013

\$'000	Actuals 2013	Actuals 2012
A Expenses and Income Expenses		
1. Management expenses		
a. Administration	2,299	2,101
b. Engineering and Supervision	1,133	1,103
2. Operation and Maintenance expenses		
- Dams & Weirs		
a. Operation expenses	410	506
b. Maintenance expenses	280	379
- Mains		
c. Operation expenses	698	310
d. Maintenance expenses	1,590	1,179
- Reservoirs		
e. Operation expenses	197	184
f. Maintenance expenses	297	232
- Pumping Stations		
g. Operation expenses (excluding energy costs)	51	54
h. Energy costs	272	234
i. Maintenance expenses	31	33
- Treatment		
j. Operation expenses (excluding chemical costs)	1,050	971
k. Chemical costs	404	325
l. Maintenance expenses	281	254
- Other		
m. Operation expenses	345	335
n. Maintenance expenses	205	77
o. Purchase of water	56	43
3. Depreciation expenses		
a. System assets	6,572	5,579
b. Plant and equipment	301	306
4. Miscellaneous expenses		
a. Interest expenses	6,448	6,891
b. Revaluation Decrements	-	-
c. Other expenses	83	64
d. Impairment - System assets	-	-
e. Impairment - Plant and equipment	-	-
f. Aboriginal Communities Water & Sewerage Program	1	-
g. Tax Equivalents Dividends (actually paid)	33	32
5. Total expenses	23,037	21,192

Attachment

Coffs Harbour City Council

Special Schedule No. 3 - Water Supply Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2013

\$'000	Actuals 2013	Actuals 2012
Income		
6. Residential charges		
a. Access (including rates)	3,187	3,055
b. Usage charges	9,137	8,305
7. Non-residential charges		
a. Access (including rates)	602	571
b. Usage charges	3,102	2,999
8. Extra charges	14	14
9. Interest income	3,184	2,547
10. Other income	1,296	750
10a. Aboriginal Communities Water and Sewerage Program	6	-
11. Grants		
a. Grants for acquisition of assets	-	-
b. Grants for pensioner rebates	250	245
c. Other grants	-	-
12. Contributions		
a. Developer charges	1,405	1,240
b. Developer provided assets	235	501
c. Other contributions	2,168	31
13. Total income	<u>24,586</u>	<u>20,258</u>
14. Gain (or loss) on disposal of assets	(1,056)	-
15. Operating Result	<u>493</u>	<u>(934)</u>
15a. Operating Result (less grants for acquisition of assets)	493	(934)

Attachment

Coffs Harbour City Council

Special Schedule No. 3 - Water Supply Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2013

\$'000	Actuals 2013	Actuals 2012
B Capital transactions		
Non-operating expenditures		
16. Acquisition of Fixed Assets		
a. New Assets for Improved Standards	488	142
b. New Assets for Growth	509	972
c. Renewals	2,173	423
d. Plant and equipment	223	61
17. Repayment of debt		
a. Loans	6,563	6,183
b. Advances	-	-
c. Finance leases	-	-
18. Transfer to sinking fund	-	-
19. Totals	9,956	7,781
Non-operating funds employed		
20. Proceeds from disposal of assets	-	-
21. Borrowing utilised		
a. Loans	294	1,245
b. Advances	-	-
c. Finance leases	-	-
22. Transfer from sinking fund	-	-
23. Totals	294	1,245
C Rates and charges		
24. Number of assessments		
a. Residential (occupied)	23,646	23,513
b. Residential (unoccupied, ie. vacant lot)	981	1,056
c. Non-residential (occupied)	1,608	1,593
d. Non-residential (unoccupied, ie. vacant lot)	96	90
25. Number of ETs for which developer charges were received	150 ET	137 ET
26. Total amount of pensioner rebates (actual dollars)	\$ 249,993	\$ 244,890

Attachment

Coffs Harbour City Council

Special Schedule No. 3 - Water Supply Cross Subsidies

for the financial year ended 30 June 2013

\$'000	Yes	No	Amount
D Best practice annual charges and developer charges*			
27. Annual charges			
a. Does Council have best-practice water supply annual charges and usage charges*?	<input type="checkbox"/>	<input type="checkbox"/>	
If Yes, go to 28a.			
If No, please report if council has removed land value from access charges (ie rates)?			
	<input type="checkbox"/>	<input type="checkbox"/>	
NB. Such charges for both residential customers and non-residential customers comply with section 3.2 of Water Supply, Sewerage and Trade Waste Pricing Guidelines, NSW Office of Water, December, 2002. Such charges do not involve significant cross subsidies.			
b. Cross-subsidy from residential customers using less than allowance (page 25 of Guidelines)			<input type="text"/>
c. Cross-subsidy to non-residential customers (page 24 of Guidelines)			<input type="text"/>
d. Cross-subsidy to large connections in unmetered supplies (page 26 of Guidelines)			<input type="text"/>
28. Developer charges			
a. Has council completed a water supply Development Servicing** Plan?	<input type="checkbox"/>	<input type="checkbox"/>	
b. Total cross-subsidy in water supply developer charges for 2012/13 (page 47 of Guidelines)			<input type="text"/>
** In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, NSW Office of Water, December, 2002.			
29. Disclosure of cross-subsidies			
Total of cross-subsidies (27b +27c + 27d + 28b)			<input type="text" value="-"/>

* Councils which have not yet implemented best practice water supply pricing should disclose cross-subsidies in items 27b, 27c and 27d above.

However, disclosure of cross-subsidies is **not** required where a Council has implemented best practice pricing and is phasing in such pricing over a period of 3 years.

Attachment

Coffs Harbour City Council

Special Schedule No. 4 - Water Supply Statement of Financial Position

Includes INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
as at 30 June 2013

\$'000	Actuals Current	Actuals Non Current	Actuals Total
ASSETS			
30. Cash and investments			
a. Developer charges	67	-	67
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	8,887	15,103	23,990
e. Sinking fund	-	-	-
f. Other	4,591	7,611	12,202
31. Receivables			
a. Specific purpose grants	60	-	60
b. Rates and Availability Charges	176	55	231
c. User Charges	2,787	26	2,813
d. Other	528	-	528
32. Inventories	237	-	237
33. Property, plant and equipment			
a. System assets	-	279,777	279,777
b. Plant and equipment	-	1,675	1,675
34. Other assets	-	66,155	66,155
35. Total assets	<u>17,333</u>	<u>370,402</u>	<u>387,735</u>
LIABILITIES			
36. Bank overdraft	-	-	-
37. Creditors	1,261	-	1,261
38. Borrowings			
a. Loans	7,030	82,942	89,972
b. Advances	-	-	-
c. Finance leases	-	-	-
39. Provisions			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	-	-
40. Total liabilities	<u>8,291</u>	<u>82,942</u>	<u>91,233</u>
41. NET ASSETS COMMITTED	<u>9,042</u>	<u>287,460</u>	<u>296,502</u>
EQUITY			
42. Accumulated surplus			179,827
43. Asset revaluation reserve			116,675
44. TOTAL EQUITY			<u>296,502</u>
Note to system assets:			
45. Current replacement cost of system assets			400,421
46. Accumulated current cost depreciation of system assets			(120,644)
47. Written down current cost of system assets			<u>279,777</u>

Attachment

Coffs Harbour City Council

Special Schedule No. 5 - Sewerage Service Income Statement

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2013

\$'000	Actuals 2013	Actuals 2012
A Expenses and Income Expenses		
1. Management expenses		
a. Administration	2,903	2,680
b. Engineering and Supervision	1,384	1,434
2. Operation and Maintenance expenses		
- Mains		
a. Operation expenses	365	346
b. Maintenance expenses	928	402
- Pumping Stations		
c. Operation expenses (excluding energy costs)	1,096	1,002
d. Energy costs	578	482
e. Maintenance expenses	1,056	865
- Treatment		
f. Operation expenses (excl. chemical, energy, effluent & biosolids management costs)	1,212	1,208
g. Chemical costs	227	243
h. Energy costs	1,310	1,093
i. Effluent Management	330	334
j. Biosolids Management	871	745
k. Maintenance expenses	1,072	825
- Other		
l. Operation expenses	280	347
m. Maintenance expenses	44	19
3. Depreciation expenses		
a. System assets	11,324	6,410
b. Plant and equipment	352	354
4. Miscellaneous expenses		
a. Interest expenses	7,795	8,297
b. Revaluation Decrements	-	-
c. Other expenses	78	104
d. Impairment - System assets	-	-
e. Impairment - Plant and equipment	-	-
f. Aboriginal Communities Water & Sewerage Program	-	-
d. Tax Equivalents Dividends (actually paid)	75	75
5. Total expenses	33,280	27,265

Attachment

Coffs Harbour City Council

Special Schedule No. 5 - Sewerage Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2013

\$'000	Actuals 2013	Actuals 2012
Income		
6. Residential charges (including rates)	18,467	17,239
7. Non-residential charges		
a. Access (including rates)	2,446	2,289
b. Usage charges	1,937	1,987
8. Trade Waste Charges		
a. Annual Fees	95	91
b. Usage charges	327	379
c. Excess mass charges	14	5
d. Re-inspection fees	-	-
9. Extra charges	-	-
10. Interest income	5,331	4,376
11. Other income	280	663
11a. Aboriginal Communities Water & Sewerage Program	-	-
12. Grants		
a. Grants for acquisition of assets	519	393
b. Grants for pensioner rebates	245	240
c. Other grants	-	-
13. Contributions		
a. Developer charges	1,342	1,203
b. Developer provided assets	452	1,237
c. Other contributions	349	38
14. Total income	<u>31,804</u>	<u>30,140</u>
15. Gain (or loss) on disposal of assets	(545)	-
16. Operating Result	<u>(2,021)</u>	<u>2,875</u>
16a. Operating Result (less grants for acquisition of assets)	(2,540)	2,482

Attachment

Coffs Harbour City Council

Special Schedule No. 5 - Sewerage Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2013

\$'000	Actuals 2013	Actuals 2012
B Capital transactions		
Non-operating expenditures		
17. Acquisition of Fixed Assets		
a. New Assets for Improved Standards	612	176
b. New Assets for Growth	1,450	3,204
c. Renewals	2,245	1,554
d. Plant and equipment	782	67
18. Repayment of debt		
a. Loans	7,505	7,344
b. Advances	-	-
c. Finance leases	-	-
19. Transfer to sinking fund	-	-
20. Totals	12,594	12,345
Non-operating funds employed		
21. Proceeds from disposal of assets	-	-
22. Borrowing utilised		
a. Loans	4,831	8,237
b. Advances	-	-
c. Finance leases	-	-
23. Transfer from sinking fund	-	-
24. Totals	4,831	8,237
C Rates and charges		
25. Number of assessments		
a. Residential (occupied)	22,649	22,507
b. Residential (unoccupied, ie. vacant lot)	934	965
c. Non-residential (occupied)	1,469	1,462
d. Non-residential (unoccupied, ie. vacant lot)	104	101
26. Number of ETs for which developer charges were received	149 ET	137 ET
27. Total amount of pensioner rebates (actual dollars)	\$ 244,715	\$ 239,585

Attachment

Coffs Harbour City Council

Special Schedule No. 5 - Sewerage Cross Subsidies

for the financial year ended 30 June 2013

\$'000	Yes	No	Amount
D Best practice annual charges and developer charges*			
28. Annual charges			
a. Does Council have best-practice sewerage annual charges, usage charges and trade waste fees & charges*?	<input type="checkbox"/>	<input type="checkbox"/>	
If Yes, go to 29a.			
If No, please report if council has removed land value from access charges (ie rates)?			
	<input type="checkbox"/>	<input type="checkbox"/>	
NB. Such charges for both residential customers and non-residential customers comply with section 4.2 & 4.3 of the Water Supply, Sewerage and Trade Waste Pricing Guidelines, NSW Office of Water, December, 2002. Such charges do not involve significant cross subsidies.			
b. Cross-subsidy to non-residential customers (page 45 of Guidelines)			<input type="text"/>
c. Cross-subsidy to trade waste discharges (page 46 of Guidelines)			<input type="text"/>
29. Developer charges			
a. Has council completed a sewerage Development Servicing** Plan?	<input type="checkbox"/>	<input type="checkbox"/>	
b. Total cross-subsidy in sewerage developer charges for 2012/13 (page 47 of Guidelines)			<input type="text"/>
** In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, NSW Office of Water, December, 2002.			
30. Disclosure of cross-subsidies			
Total of cross-subsidies (28b + 28c + 29b)			<input type="text" value="-"/>

* Councils which have not yet implemented best practice sewer pricing & liquid waste pricing should disclose cross-subsidies in items 28b and 28c above.

However, disclosure of cross-subsidies is **not** required where a Council has implemented best practice sewerage and liquid waste pricing and is phasing in such pricing over a period of 3 years.

Attachment

Coffs Harbour City Council

Special Schedule No. 6 - Sewerage Service Statement of Financial Position

Includes INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.

as at 30 June 2013

\$'000	Actuals Current	Actuals Non Current	Actuals Total
ASSETS			
31. Cash and investments			
a. Developer charges	61	-	61
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	23,349	14,239	37,588
e. Sinking fund	-	-	-
f. Other	3,201	19,241	22,442
32. Receivables			
a. Specific purpose grants	989	-	989
b. Rates and Availability Charges	940	292	1,232
c. User Charges	584	16	600
d. Other	307	35	342
33. Inventories	-	-	-
34. Property, plant and equipment			
a. System assets	-	450,136	450,136
b. Plant and equipment	-	1,374	1,374
35. Other assets	-	-	-
36. Total Assets	<u>29,431</u>	<u>485,333</u>	<u>514,764</u>
LIABILITIES			
37. Bank overdraft	-	-	-
38. Creditors	2,174	-	2,174
39. Borrowings			
a. Loans	8,068	101,559	109,627
b. Advances	-	-	-
c. Finance leases	-	-	-
40. Provisions			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	-	-
41. Total Liabilities	<u>10,242</u>	<u>101,559</u>	<u>111,801</u>
42. NET ASSETS COMMITTED	<u>19,189</u>	<u>383,774</u>	<u>402,963</u>
EQUITY			
42. Accumulated surplus			290,709
44. Asset revaluation reserve			112,254
45. TOTAL EQUITY			<u>402,963</u>
Note to system assets:			
46. Current replacement cost of system assets			620,339
47. Accumulated current cost depreciation of system assets			(170,203)
48. Written down current cost of system assets			<u>450,136</u>

Attachment

Coffs Harbour City Council

Notes to Special Schedule No.'s 3 & 5

for the financial year ended 30 June 2013

Administration ⁽¹⁾

(item 1a of Special Schedules 3 and 5) comprises the following:

- Administration staff:
 - Salaries and allowance
 - Travelling expenses
 - Accrual of leave entitlements
 - Employment overheads.
- Meter reading.
- Bad and doubtful debts.
- Other administrative/corporate support services.

Engineering and supervision ⁽¹⁾

(item 1b of Special Schedules 3 and 5) comprises the following:

- Engineering staff:
 - Salaries and allowance
 - Travelling expenses
 - Accrual of leave entitlements
 - Employment overheads.
- Other technical and supervision staff:
 - Salaries and allowance
 - Travelling expenses
 - Accrual of leave entitlements
 - Employment overheads.

Operational expenses (item 2 of Special Schedules 3 and 5) comprise the day to day operational expenses excluding maintenance expenses.

Maintenance expenses (item 2 of Special Schedules 3 and 5) comprise the day to day repair and maintenance expenses. (Refer to Section 5 of the Local Government Asset Accounting Manual regarding capitalisation principles and the distinction between capital and maintenance expenditure).

Other expenses (item 4c of Special Schedules 3 and 5) includes all expenses not recorded elsewhere.

Revaluation decrements (item 4b of Special Schedules 3 and 5) is to be used when I,PP&E decreases in FV.

Impairment Losses (item 4d & 4e of Special Schedules 3 and 5) are to be used when the carrying amount of an asset exceeds its recoverable amount (refer to page D-31).

Aboriginal Communities Water and Sewerage Program (item 4f of Special Schedules 3 and 5) is to be used when operation and maintenance work has been undertaken on behalf of the Aboriginal Communities Water and Sewerage Program. Similarly, income for item 11a of Special Schedule 3 and item 12a of Special Schedule 5 are for services provided to the Aboriginal Communities Water and Sewerage Program and is not part of Council's water supply and sewerage revenue.

Residential charges ⁽²⁾ (items 6a, 6b and item 6 of Special Schedules 3 and 5 respectively) include all income from residential charges. Item 6 of Schedule 3 should be separated into 6a Access Charges (including rates if applicable) and 6b Usage Charges.

Non-residential charges ⁽²⁾ (items 7a, 7b of Special Schedules 3 and 5) include all income from non-residential charges separated into 7a Access Charges (including rates if applicable) and 7b Usage Charges.

Trade waste charges (item 8 of Special Schedule 5) include all income from trade waste charges separated into 8a Annual Fees, 8b Usage Charges and 8c Excess Mass Charges and 8d Re-inspection Fees.

Other income (items 10 and 11 of Special Schedules 3 and 5 respectively) include all income not recorded elsewhere.

Other contributions (items 12c and 13c of Special Schedules 3 and 5 respectively) incl. capital contributions for water supply or sewerage services received by Council under Section 565 of the Local Government Act.

Notes:

⁽¹⁾ Administration and engineering costs for the development of capital works projects should be reported as part of the capital cost of the project and not as part of the recurrent expenditure (ie. in item 16 for water supply and item 17 for sewerage, and **not** in items 1a and 1b).

⁽²⁾ To enable accurate reporting of **residential revenue from usage charges**, it is essential for councils to accurately separate their residential (item 6) charges and non-residential (item 7) charges.

Coffs Harbour City Council

Special Schedule No. 8 - Financial Projections

as at 30 June 2013

\$'000	Actual ⁽¹⁾ 12/13	Forecast ⁽³⁾ 13/14	Forecast ⁽³⁾ 14/15	Forecast ⁽³⁾ 15/16	Forecast ⁽³⁾ 16/17	Forecast ⁽³⁾ 17/18	Forecast ⁽³⁾ 18/19	Forecast ⁽³⁾ 19/20	Forecast ⁽³⁾ 20/21	Forecast ⁽³⁾ 21/22	Forecast ⁽³⁾ 22/23
(i) OPERATING BUDGET											
Income from continuing operations	149,238	133,146	135,734	140,600	144,925	149,899	155,089	160,600	164,903	170,843	177,095
Expenses from continuing operations	156,064	130,687	133,951	137,615	141,747	146,090	150,698	155,587	160,642	166,097	171,969
Operating Result from Continuing Operations	(6,826)	2,459	1,783	2,985	3,178	3,809	4,391	5,013	4,261	4,746	5,126
(ii) CAPITAL BUDGET											
New Capital Works ⁽²⁾	13,189	43,229	27,202	24,570	18,158	15,390	14,747	25,167	16,007	16,639	15,748
Replacement/Refurbishment of Existing Assets	17,598	12,512	9,050	9,245	9,220	9,287	8,996	10,120	9,791	9,478	10,286
Total Capital Budget	30,787	55,741	36,252	33,815	27,378	24,677	23,743	35,287	25,798	26,117	26,034
Funded by:											
– Loans	7,434	19,888	5,699	2,541	246	251	260	265	271	278	285
– Asset sales	796	1,707	2,271	1,832	1,522	1,177	1,300	2,477	1,369	1,362	1,141
– Reserves	6,270	9,163	5,957	6,256	4,245	3,736	3,092	9,164	4,259	3,892	3,593
– Grants/Contributions	11,405	20,021	16,717	17,874	15,824	14,161	13,719	18,159	15,379	15,998	16,373
– Recurrent revenue	4,882	4,962	5,608	5,312	5,541	5,352	5,372	5,222	4,520	4,587	4,642
	30,787	55,741	36,252	33,815	27,378	24,677	23,743	35,287	25,798	26,117	26,034

Notes:

- (1) From 12/13 Income Statement.
- (2) New Capital Works are major non-recurrent projects, eg new Leisure Centre, new Library, new Swimming pool etc.
- (3) Financial projections should be in accordance with Council's Integrated Planning and Reporting framework.

QUARTERLY BUDGET REVIEW STATEMENT FOR DECEMBER 2013

Purpose:

To provide the quarterly budget review statement and report on the estimated budget position as at 31 December 2013.

The following attachments are included with this report:

- Attachment 1 – General Budget Review Income and Expenses Statement by Program
- Attachment 2 – Sewer Budget Review Income and Expenses Statement by Program
- Attachment 3 – Water Budget Review Income and Expenses Statement by Program
- Attachment 4 – Budget Review Capital Budget
- Attachment 5 – Budget Review Cash and Investments position
- Attachment 6 – Budget Review Key Performance Indicators
- Attachment 7 – Part A Budget Review - Contracts
- Attachment 8 – Part B Budget Review - Consultancy and Legal Expenses.

Description of Item:

As part of the new Integrated Planning and Reporting (IP & R) framework for local government, the Division of Local Government has developed a minimum set of budget reports to assist Council in meeting their legislative requirements. These documents are collectively known as the Quarterly Budget Review Statement (QBRS) and form part of the framework of Clause 203 of the Regulation. This regulation requires a council's responsible accounting officer to submit quarterly budget review statements to the governing body of Council. These minimum statements are contained within Attachment 1 through 8 of this report. The table below summarises this month's budget variations.

Estimated Budget Position as at 31 December 2013:

	General Account \$	Water Account \$	Sewer Account \$
Original Budget adopted 13 June 2013	426,307 (D)	4,553,442 (D)	3,165,226 (D)
Approved Variations to September 2013	(335,000) (S)	Nil	Nil
Approved Variations for October 2013	(75,044) (S)	Nil	Nil
Approved Variations for November 2013	1,337 (D)	Nil	Nil
Recommended variations for quarter ending 31 December 2013	Nil	Nil	Nil
Estimated result 2013/14 as at 31 December 2013	<u>17,600 (D)</u>	<u>4,553,442 (D)</u>	<u>3,165,226 (D)</u>

General Account	Deficit/(Surplus)
<u>Approved Variations for October 2013</u>	
Southern Phone shareholder dividend not budgeted for, payment to be received in February 2014	(102,844) (S)
State Emergency Services (SES) subsidy reduced as local expenses are now funded directly from the Police & Emergency Services levy	(30,200) (S)
Roads & Maritime Services (RMS) approval received for \$3.08 million in grant funding for the storm events declared in January and February 2013. Council is required to contribute \$29,000 towards the restoration works for these storm events	58,000 (D)
<u>Approved Variations for November 2013</u>	
Transformation to Sustainability project engagement of consultant as approved Ordinary meeting 14 November 2013 GM 13/32, funded by Business Development Fund.	90,000 (D)
Transfer of funding from Business Development Fund per above	(90,000) (S)
Funds required to resource the Special Rate Variation (SRV) application and associated community engagement	25,000 (D)
Reallocation of 2030 implementation funding to SRV application costs	(25,000) (S)
Reflect RFS approved 13/14 allocations per Commissioner's letter against those applied for and originally budgeted	53,761 (D)
Savings in contribution to NSW Fire Brigades per advice of actual cost by Minister for Police and Emergency Services	(29,924) (S)
Savings in contribution to SES per advice of actual cost by Minister for Police and Emergency Services	(7,500) (S)
Projected extra income from Development Construction and Building Certification fees	(55,000) (S)
Funding required for building condition and maintenance plan reports	40,000 (D)
Drainage works on the Northern Warm Up Field at the C.ex Stadium Developer Contributions (s94) reserve funding for drainage works at warm up field	250,000 (D) (250,000) (S)
Tourism Marketing Models Consultation as approved Ordinary meeting 14 November 2013 CD13/5, funded by 2013/14 Events Marketing budget	20,000 (D)
Transfer of funding from Events Marketing as above	(20,000) (S)

Recommended variations for December 2013

Increase to MIDROC annual contribution due to change of fee structure now being a base rate plus 13¢ per capita per ABS data	7,480 (D)
Surplus funds in advertising budget to offset increased MIDROC fees	(7,480) (S)
Council loan to Sportz Central as contribution towards the upgrade of court lighting which is also part funded by external grant funds received (per council resolution at Ordinary meeting 14 February 2013 – CS13/5)	35,000 (D)
Council loan to Sportz Central funded internally from ELE Reserve	(35,000) (S)
Increase in Greenwaste voucher costs due to higher gate fees now being charged	85,000 (D)
Additional Greenwaste voucher income due to higher gate fees	(85,000) (S)
Reduction in anticipated tipping fees due to prohibition on disposal of NBN underboring mud	485,000 (D)
Offset waste budget adjustments to Reserve	(485,000) (S)
Total	<u>(73,707) (S)</u>

Water Account

Total **Nil**

Sewer Account

Total **Nil**

Sustainability Assessment:

This report is one of procedure only.

- **Environment**

There are no perceived short or long-term environmental impacts.

- **Social**

There are no perceived short or long term social impacts.

- **Civic Leadership**

Council strives to reach a balanced budget cash position by June 30 each year in conjunction with meeting its short term priorities.

- **Economic**

Delivery Program/Operational Plan Implications

The Original budget for the General Account adopted on the 13 June 2013 provided for a deficit of \$426,307.

For substantial budget adjustments the associated council reports have addressed the triple bottom line factors independently in 2013/14.

Risk Analysis:

Not applicable.

Consultation:

Managers and their relevant staff have been provided with electronic budget reports for each program on a monthly basis. Requested variations and variations adopted by Council have been included in the report.

Statutory Requirements:

As discussed above, under local government regulations the responsible accounting officer is required to submit a quarterly budget review to Council. There is no obligation to provide monthly reviews but as part of prudent financial management we have opted to do so, commencing October.

Responsible Accounting Officer's Statement

The responsible accounting officer believes the Quarterly Budget Review Statement indicates the financial position of the Council is satisfactory, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

Recommendation:

1. The Quarterly Budget Review Statements be noted.
2. That the budget adjustments be approved and the current budget position be noted.

Estimated budget position as at 31 December 2013:

	General Account \$	Water Account \$	Sewer Account \$
Original Budget adopted 13 June 2013	426,307 (D)	4,553,442 (D)	3,165,226 (D)
Approved Variations to September 2013	(335,000) (S)	Nil	Nil
Approved Variations for October 2013	(75,044) (S)	Nil	Nil
Approved Variations for November 2013	1,337 (D)	Nil	Nil
Recommended variations for quarter ending 31 December 2013	Nil	Nil	Nil
Estimated result 2013/14 as at 31 December 2013	<u>17,600 (D)</u>	<u>4,553,442 (D)</u>	<u>3,165,226 (D)</u>

COFFS HARBOUR CITY COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDED 31 DECEMBER 2013

INCOME & EXPENSES BY PROGRAM - GENERAL FUND

	ORIGINAL	Approved Changes		REVISED	Recommended	PROJECTED	ACTUAL
	Budget 2013/14	Other than by QBRs	Sept Rev	Budget	Changes for December	Budget 2013/14	YTD
INCOME							
Community Facilities	2,067,069	1,743,635		3,810,704	-	3,810,704	2,811,043
Corporate Planning	4,815	94,193		99,008	90,000	189,008	92,904
CBD Masterplan Works	4,723,640			4,723,640	496,785	5,220,425	2,940,033
Jetty4Shores Project	-	-	-	-	2,316,286	2,316,286	20,868
Coffs Coast Tourism & Marketing	726,100	117,319		843,419	40,000	883,419	457,624
Sustainable & Precinct Planning	8,884	532,538		541,422	616,942	1,158,364	459,843
Development Assessment & Building Services	1,846,483	212,771		2,059,254	55,000	2,114,254	1,060,925
Environmental Services	324,470	1,054,191	112,875	1,491,536	(525,511)	966,025	526,864
Public Health & Safety	281,665	23,874		305,539	-	305,539	216,415
Ranger Services	463,586			463,586	-	463,586	242,194
Domestic Waste Management	16,597,501			16,597,501	-	16,597,501	15,802,917
Non-Domestic Waste Management	5,936,011	627,309		6,563,320	(458,151)	6,105,169	3,539,483
Commercial Property	56,432	-		56,432	(56,432)	-	-
Property Assets	1,677,784	337,729		2,015,513	9,480	2,024,993	1,123,983
Swimming Pools	90,952	40,000	27,500	158,452	-	158,452	79,480
Airport	10,026,741	5,586,991	367,972	15,981,704	5,697,023	21,678,727	12,461,753
Sports Unit	741,500	177,827		919,327	171,175	1,090,502	529,195
Admin & Corp Governance	5,754,835	496,785		6,251,620	(496,785)	5,754,835	2,881,475
Governance & Legal Services	96,500	664,203		760,703	-	760,703	430,593
Rural Fire Service	3,301,272	47,540		3,348,812	(1,030,074)	2,318,738	342,876
Information Services	755,720	1,108,257		1,863,977	-	1,863,977	905,158
Technology Group	1,629,230			1,629,230	-	1,629,230	413,897
Finance	992,401	24,422		1,016,823	67,445	1,084,268	218,197
Plant	13,924,366	841,085	32,776	14,798,227	-	14,798,227	6,569,365
Program Support	117,260	3,725		120,985	-	120,985	78,713
HR & Organisational Development	55,298	22,592		77,890	-	77,890	3,485
City Services Support	19,491			19,491	-	19,491	9,746
Assets Systems	-	8,313		8,313	51,040	59,353	29,677
Library Services	259,154	327,824		586,978	(445)	586,533	381,480
Community Services	595,209	387,496	71,225	1,053,930	71,420	1,125,350	559,328
Economic Development	210,325	187,412		397,737	(25,000)	372,737	281,345
Environmental Lab	922,791			922,791	-	922,791	334,252
Operational Administration	126,000	66,384		192,384	-	192,384	36,222
Recreational Services	6,253,515	3,517,175		9,770,690	(185,405)	9,585,285	2,927,430
Regional Roads	2,780,152	417,247	67,000	3,264,399	1,231,945	4,496,344	1,863,493
Local Roads	10,641,409	4,265,235	534,000	15,440,644	1,635,697	17,076,341	7,845,941
Bridges	1,507,335	247,477		1,754,812	76,938	1,831,750	1,286,079
Footpaths, Cycleways & Bus Shelters	612,623	392,033	39,726	1,044,382	254,488	1,298,870	586,116
Parking	1,047,334	542,081	1,250,000	2,839,415	-	2,839,415	1,419,708
Quarries	213,900			213,900	-	213,900	108,590
Street & Toilet Cleaning	-			-	-	-	-
Drainage	5,374,681	8,850,059		14,224,740	-	14,224,740	8,281,164
Harbour & Jetty	26,741			26,741	-	26,741	13,371
CityWorks - Private Works	411,300	75,376		486,676	-	486,676	433,528
Survey & Design	548,610	2,124,366	424,320	3,097,296	(276,269)	2,821,027	1,247,940
Street Lighting	151,000	27,650		178,650	-	178,650	13,825
Subdivisions & Contracts	107,250	16,100		123,350	-	123,350	67,948
Untied Funding	46,711,583	316,122	(162,122)	46,865,583	102,844	46,968,427	35,727,958
TOTAL INCOME	150,720,918	35,525,336	2,765,272	189,011,526	9,930,436	198,941,962	117,664,411

COFFS HARBOUR CITY COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDED 31 DECEMBER 2013
INCOME & EXPENSES BY PROGRAM - GENERAL FUND

	ORIGINAL	Approved Changes		REVISED	Recommended	PROJECTED	ACTUAL
	Budget 2013/14	Other than by QBRs	Sept Rev	Budget	Changes for December	Budget 2013/14	YTD
EXPENSES							
Community Facilities	2,067,069	1,743,635		3,810,704	-	3,810,704	800,579
Corporate Planning	1,420,026	93,947		1,513,973	6,478	1,520,451	702,069
CBD Masterplan Works	4,723,640			4,723,640	496,785	5,220,425	875,185
Jetty4Shores Project	-			-	2,316,286	2,316,286	1,093,939
Coffs Coast Tourism & Marketing	2,061,318	117,319	(25,000)	2,153,637	40,000	2,193,637	779,467
Sustainable & Precinct Planning	1,195,301	532,538		1,727,839	1,092,203	2,820,042	933,129
Development Assessment & Building Services	2,869,110	212,771		3,081,881	-	3,081,881	1,297,788
Environmental Services	1,643,837	1,054,191	116,875	2,814,903	(990,772)	1,824,131	536,313
Public Health & Safety	1,317,696	23,874	246	1,341,816	-	1,341,816	636,469
Ranger Services	909,136			909,136	-	909,136	427,236
Domestic Waste Management	16,597,501			16,597,501	-	16,597,501	8,872,714
Non-Domestic Waste Management	5,936,011	627,309		6,563,320	(458,151)	6,105,169	1,647,129
Commercial Property	544,344	-	(7,174)	537,170	(75,840)	461,330	185,031
Property Assets	2,563,032	160,314	189,589	2,912,935	68,888	2,981,823	1,421,422
Swimming Pools	688,488	40,000	27,500	755,988	-	755,988	472,498
Airport	10,026,741	5,586,991	367,972	15,981,704	5,697,023	21,678,727	15,925,869
Sports Unit	2,343,291	74,002	128,825	2,546,118	171,175	2,717,293	1,219,848
Admin & Corp Governance	1,419,514	496,785		1,916,299	(527,595)	1,388,704	628,029
Governance & Legal Services	1,929,344	664,203		2,593,547	12,330	2,605,877	1,631,445
Rural Fire Service	3,634,502	27,540	20,000	3,682,042	(976,313)	2,705,729	969,070
Information Services	4,340,857	1,108,257	(50,000)	5,399,114	(29,000)	5,370,114	2,254,015
Technology Group	1,629,230			1,629,230	-	1,629,230	1,132,079
Finance	4,400,220	24,422		4,424,642	88,929	4,513,571	2,242,984
Plant	13,924,365	841,085	32,777	14,798,227	-	14,798,227	5,307,359
Program Support	419,584	3,725		423,309	-	423,309	203,271
HR & Organisational Development	1,446,780	22,592		1,469,372	-	1,469,372	767,166
City Services Support	716,144			716,144	(37,700)	678,444	371,019
Assets Systems	358,003	8,313		366,316	51,040	417,356	195,200
Library Services	1,994,975	327,824		2,322,799	(445)	2,322,354	989,528
Community Services	2,732,720	35,138	303,583	3,071,441	162,922	3,234,363	1,263,477
Economic Development	1,002,340	187,412		1,189,752	(25,500)	1,164,252	582,944
Environmental Lab	922,791			922,791	-	922,791	398,792
Operational Administration	1,075,177	66,384		1,141,561	(11,408)	1,130,153	497,139
Recreational Services	10,116,834	1,813,823	1,703,352	13,634,009	(185,405)	13,448,604	6,078,582
Regional Roads	2,885,007	417,247	67,000	3,369,254	1,231,945	4,601,199	2,396,380
Local Roads	16,231,709	4,265,235	554,000	21,050,944	1,693,697	22,744,641	8,216,836
Bridges	1,611,935	247,477		1,859,412	76,938	1,936,350	618,228
Footpaths, Cycleways & Bus Shelters	968,723	392,033	50,726	1,411,482	254,488	1,665,970	579,250
Parking	1,626,838	542,081	1,250,001	3,418,920	-	3,418,920	859,663
Quarries	213,900			213,900	-	213,900	161,190
Street & Toilet Cleaning	840,200			840,200	-	840,200	431,260
Drainage	5,664,481	8,850,059		14,514,540	-	14,514,540	2,979,578
Harbour & Jetty	196,641			196,641	-	196,641	88,546
CityWorks - Private Works	411,300	75,376		486,676	-	486,676	566,889
Survey & Design	2,492,806	2,124,366	378,320	4,995,492	(286,269)	4,709,223	1,734,873
Street Lighting	913,200	27,650		940,850	-	940,850	394,777
Subdivisions & Contracts	534,741	16,100		550,841	-	550,841	253,268
Untied Funding	7,580,823	316,122	(316,122)	7,580,823	-	7,580,823	3,790,412
TOTAL EXPENSES	151,142,225	33,168,140	4,792,470	189,102,835	9,856,729	198,959,564	86,409,926
NET OPERATING RESULT SURPLUS/(DEFICIT)	(421,307)	2,357,196	(2,027,198)	(91,309)	73,707	(17,602)	31,254,485

This document forms part of Coffs Harbour City Council's Quarterly Budget Review Statement for the quarter ended 31/12/13 and should be read in conjunction with other documents in the QBRs

COFFS HARBOUR CITY COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDED 31 DECEMBER 2013
INCOME & EXPENSES BY PROGRAM - GENERAL FUND

	ORIGINAL Budget 2013/14	Approved Changes		REVISED Budget	Recommended Changes for December	PROJECTED Budget 2013/14	ACTUAL YTD
		Other than by QBRs	Sept Rev				
Add Back:							
Capital Expenses	28,866,206	26,936,827	2,460,524	58,263,557	5,139,276	63,402,833	24,078,163
Less:							
Transfers to & from Reserves	29,198,992	24,326,339	9,513,398	63,038,729	- 1,067,510	61,971,219	30,985,610
Loan Drawdowns	-	2,500,000		2,500,000	4,800,000	7,300,000	4,800,000
Advance Repayments	54,609	-	4,320	50,289	-	50,289	25,922
Asset Sales	1,707,350	183,100		1,890,450		1,890,450	226,777
NET OPERATING RESULT FROM CONTINUING OPERATIONS	(2,516,052)	2,284,584	(9,075,752)	(9,307,220)	1,480,493	(7,826,727)	19,294,339
Less:							
Capital Grants	3,302,947		537,050	3,839,997	- 1,208,772	2,631,225	1,218,165
Capital Contributions	4,583,350		219,617	4,802,967	188,199	4,991,166	4,671,012
NET OPERATING RESULT BEFORE CAPITAL ITEMS	(10,402,349)	2,284,584	(9,832,419)	(17,950,184)	2,501,066	(15,449,118)	13,405,162

Note

ORIGINAL BUDGET +/- approved budget changes in previous quarters = REVISED Budget
 REVISED BUDGET +/- recommended budget changes this quarter = PROJECTED Budget

Recommended Changes for December

The detail of what recommended changes are requested are included in the Description of Item section in the report

COFFS HARBOUR CITY COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDED 31 DECEMBER 2013
INCOME & EXPENSES BY PROGRAM - SEWER FUND

	ORIGINAL	Approved Changes		REVISED	Recommended Changes for December	PROJECTED Budget 2013/14	ACTUAL YTD
	Budget 2013/14	Other than by QBRS	Sept Rev	Budget			
INCOME							
Management Expenses	1,093	94,610	-	95,703	-	95,703	48,627
Maintenance & Operating	7,998,492	-	-	7,998,492	-	7,998,492	3,925,333
Miscellaneous	-	-	-	-	-	-	-
Capital Expenses	20,985,443	11,316,825	-	32,302,268	-	32,302,268	12,998,864
Untied Funding	26,308,735	-	-	26,308,735	-	26,308,735	23,549,943
TOTAL INCOME	55,293,763	11,411,435	-	66,705,198	-	66,705,198	40,522,767
EXPENSES							
Management Expenses	4,441,721	94,610	-	4,536,331	-	4,536,331	2,078,772
Maintenance & Operating	16,543,749	-	-	16,543,749	-	16,543,749	7,315,526
Miscellaneous	15,678,076	-	-	15,678,076	-	15,678,076	7,055,780
Capital Expenses	20,985,443	11,316,825	-	32,302,268	-	32,302,268	6,003,319
Untied Funding	810,000	-	-	810,000	-	810,000	405,000
TOTAL EXPENSES	58,458,989	11,411,435	-	69,870,424	-	69,870,424	22,858,397
NET OPERATING RESULT SURPLUS/(DEFICIT)	(3,165,226)	-	-	(3,165,226)	-	(3,165,226)	17,664,370
Add Back:							
Capital Expenses	26,300,983	11,316,825	-	37,617,808	-	37,617,808	8,616,214
Less:							
Transfers to & from Reserves	19,457,744	10,073,877	-	29,531,621	-	29,531,621	14,765,811
Loan Drawdowns	-	-	-	-	-	-	-
Advance Repayments	-	-	-	-	-	-	-
Asset Sales	-	-	-	-	-	-	13,182
NET OPERATING RESULT FROM CONTINUING OPERATIONS	3,678,013	1,242,948	-	4,920,961	-	4,920,961	11,501,592
Less:							
Capital Grants	1,134,948	1,337,558	-	2,472,506	-	2,472,506	22,749
Capital Contributions	3,812,900	-	-	3,812,900	-	3,812,900	1,906,450
NET OPERATING RESULT BEFORE CAPITAL ITEMS	(1,269,835)	(94,610)	-	(1,364,445)	-	(1,364,445)	9,617,891

Note

ORIGINAL BUDGET +/- approved budget changes in previous quarters = REVISED Budget
 REVISED BUDGET +/- recommended budget changes this quarter = PROJECTED Budget

Recommended Changes for December

The detail of what recommended changes are requested are included in the Description of Item section in the report

COFFS HARBOUR CITY COUNCIL

BUDGET REVIEW FOR THE QUARTER ENDED 31 DECEMBER 2013

INCOME & EXPENSES BY PROGRAM - WATER FUND

	ORIGINAL	Approved Changes		REVISED	Recommended Changes for December	PROJECTED	ACTUAL
	Budget 2013/14	Other than by QBRS	Sept Rev	Budget		Budget 2013/14	YTD
INCOME							
Management Expenses	3,000	86,753		89,753		89,753	43,872
Maintenance & Operating	6,168,761	198,981		6,367,742		6,367,742	3,235,591
Miscellaneous	-			-		-	-
Capital Expenses	15,271,100	304,040		15,575,140		15,575,140	6,079,510
Regional Water Supply	-			-		-	-
Untied Funding	18,857,277			18,857,277		18,857,277	9,144,149
TOTAL INCOME	40,300,138	589,774	-	40,889,912	-	40,889,912	18,503,122

	ORIGINAL	Approved Changes		REVISED	Recommended Changes for December	PROJECTED	ACTUAL
	Budget 2013/14	Other than by QBRS	Sept Rev	Budget		Budget 2013/14	YTD
EXPENSES							
Management Expenses	4,040,852	86,753		4,127,605		4,127,605	1,676,300
Maintenance & Operating	12,052,561	198,981		12,251,542		12,251,542	5,435,448
Miscellaneous	13,179,067			13,179,067		13,179,067	5,799,116
Capital Expenses	15,271,100	304,040		15,575,140		15,575,140	2,212,599
Regional Water Supply	-			-		-	-
Untied Funding	310,000			310,000		310,000	155,000
TOTAL EXPENSES	44,853,580	589,774	-	45,443,354	-	45,443,354	15,278,463
NET OPERATING RESULT SURPLUS/(DEFICIT)	(4,553,442)	-	-	(4,553,442)	-	(4,553,442)	3,224,659
Add Back:							
Capital Expenses	19,371,168	304,040		19,675,208		19,675,208	4,195,519
Less:							
Transfers to & from Reserves	14,383,961	589,774		14,973,735		14,973,735	7,486,868
Loan Drawdowns	-	-		-		-	-
Advance Repayments	-	-		-		-	-
Asset Sales	-	-		-		-	10,909
NET OPERATING RESULT FROM CONTINUING OPERATIONS	433,765	(285,734)	-	148,031	-	148,031	(77,599)
Less:							
Capital Grants	-	-		-		-	-
Capital Contributions	3,428,000	-		3,428,000		3,428,000	1,714,000
NET OPERATING RESULT BEFORE CAPITAL ITEMS	(2,994,235)	(285,734)	-	(3,279,969)	-	(3,279,969)	(1,791,599)

Note

ORIGINAL BUDGET +/- approved budget changes in previous quarters = REVISED Budget

REVISED BUDGET +/- recommended budget changes this quarter = PROJECTED Budget

Recommended Changes for December

The detail of what recommended changes are requested are included in the Description of Item section in the report

COFFS HARBOUR CITY COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDED 31 DECEMBER 2013
CAPITAL BUDGET - GENERAL FUND

	ORIGINAL	APPROVED CHANGES		REVISED	RECOMMENDED	PROJECTED	ACTUAL
	Budget 2013/14	Other than by QBRs	Sept Rev	Budget	Changes for December	Budget 2013/14	YTD
CAPITAL FUNDING							
Rates and other Untied Funding	8,230,298	2,390,865	41,000	10,662,163	119,945	10,782,108	4,156,323
Internal Restrictions							
- Airport	2,045,000	571,041	142,838	2,758,879	432,829	3,191,708	2,146,005
- Bldg Maint Resv	-	-	-	-	-	-	-
- Non-Domestic Waste Management	100,000	-	-	100,000	-	100,000	3,366
- Community Facilities Reserve	400,000	518,574	-	918,574	-	918,574	585
- Car Parking Upgrade	-	-	1,250,000	1,250,000	-	1,250,000	114,001
- Environmental Levy	50,000	73,081	-	123,081	-	123,081	16,462
- Future Fund	-	-	-	-	-	-	-
- Jetty Maint Reserve	-	-	-	-	-	-	-
- Pine Creek Reserve	-	-	-	-	-	-	-
- Environmental Laboratory	50,000	-	-	50,000	-	50,000	-
- Grant in Advance	-	633,272	-	633,272	9,520	642,792	35,992
- Plant	3,468,250	598,900	-	4,067,150	-	4,067,150	794,735
- Private Works	-	18,574	-	18,574	-	18,574	-
- Land Sale Reserve	-	134,147	-	134,147	-	134,147	-
- Open Space Resv	-	265,967	-	265,967	-	265,967	2,736
- RFS Reserve	-	-	-	-	-	-	-
- ELE Reserve	2,975,000	1,562,000	-	1,413,000	-	1,413,000	67,345
- EDP Reserve	-	309,790	-	309,790	-	309,790	120,137
External Restrictions							
- Domestic Waste Management	100,000	-	-	100,000	-	100,000	4,143
- S94	1,859,361	2,847,165	539,000	5,245,526	229,948	5,475,474	898,788
- S94 - Inkind	4,500,000	-	-	4,500,000	-	4,500,000	4,500,000
- Contribution	78,000	1,508,419	-	1,586,419	101,020	1,687,439	370,884
- Grant	3,302,947	518,465	460,186	4,281,598	(920,214)	3,361,384	973,021
- Sales Income	1,707,350	183,100	-	1,890,450	-	1,890,450	-
- Loan	-	17,927,467	27,500	17,954,967	4,839,900	22,794,867	9,873,640
New Loans	-	-	-	-	-	-	-
Income from Sale of Assets	-	-	-	-	-	-	-
TOTAL CAPITAL FUNDING	28,866,206	26,936,827	2,460,524	58,263,557	4,812,948	63,076,505	24,078,163

This document forms part of Coffs Harbour City Council's Quarterly Budget Review Statements for the quarter ended 31/12/13 and should be read in conjunction with other documents in the QBRs

COFFS HARBOUR CITY COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDED 31 DECEMBER 2013
CAPITAL BUDGET - GENERAL FUND

	ORIGINAL	Approved Changes		REVISED	Recommended Changes for December	PROJECTED Budget 2013/14	ACTUAL YTD
	Budget 2013/14	Other than by QBRs	Sept Rev	Budget			
CAPITAL EXPENDITURE							
Loan Repayments (Principal)	3,699,068	-	-	3,699,068	121,051	3,820,119	1,756,658
New Assets							
Buildings	-	353,593	-	353,593	61,420	415,013	4,438
Furniture & Fittings	13,000	-	-	13,000	-	13,000	-
Land Improvements	100,000	27,255	-	127,255	5,062,745	5,190,000	4,803,149
Land - Operational	250,000	1,015,326	250,000	1,515,326	9,480	1,524,806	29,663
Community Land	-	-	-	-	-	-	-
Bulk Earthworks (non-depreciable)	-	-	-	-	-	-	-
Library Books	-	-	-	-	-	-	-
Office Equipment	7,400	400,887	-	408,287	8,500	399,787	83,159
Other Assets	1,189,594	1,093,896	126,663	2,410,153	599,334	1,810,819	207,040
Other Structures	2,056,000	1,340,855	32,500	3,429,355	-	3,429,355	289,020
Plant & Equipment	94,330	36,337	150,000	280,667	84,000	196,667	1,869
Water Supply Network	-	-	-	-	-	-	-
Roads, Bridges & Footpaths	5,947,000	2,900,944	1,584,726	10,432,670	364,488	10,797,158	5,006,127
Stormwater Drainage	771,605	9,800,319	-	10,571,924	29,302	10,542,622	555,874
Renewals (Replacement)							
Buildings	812,354	135,747	-	948,101	378,000	570,101	181
Furniture & Fittings	4,000	3,403	-	7,403	2,000	5,403	2,345
Land Improvements	100,000	843,765	-	943,765	1,855	945,620	598,628
Land - Operational	-	-	-	-	-	-	-
Community Land	-	-	-	-	-	-	-
Bulk Earthworks (non-depreciable)	-	-	-	-	-	-	-
Library Books	-	-	-	-	-	-	-
Office Equipment	550,691	625,469	-	1,176,160	11,000	1,165,160	147,900
Other Assets	650,000	777,565	-	1,427,565	421,589	1,849,154	358,566
Other Structures	155,000	376,890	-	531,890	-	531,890	236,951
Plant & Equipment	6,504,928	782,000	45,505	7,332,433	621,552	6,710,881	811,368
Water Supply Network	-	-	-	-	-	-	-
Roads, Bridges & Footpaths	5,961,236	6,422,576	271,130	12,654,942	504,008	13,158,950	9,185,227
Stormwater Drainage	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE	28,866,206	26,936,827	2,460,524	58,263,557	4,812,948	63,076,505	24,078,163

Note

ORIGINAL BUDGET +/- approved budget changes in previous quarters = REVISED Budget

REVISED BUDGET +/- recommended budget changes this quarter = PROJECTED Budget

Recommended Changes for December

The detail of what recommended changes are requested are included in the Description of Item section in the report

COFFS HARBOUR CITY COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDED 31 DECEMBER 2013
CAPITAL BUDGET - WATER FUND

	ORIGINAL	Approved Changes		REVISED	Recommended Changes for December	PROJECTED	ACTUAL
	Budget 2013/14	Other than by QBRs	Sept Rev	Budget		Budget 2013/14	YTD
<u>CAPITAL FUNDING</u>							
Water Fund	7,338,068	-	-	7,338,068	-	7,338,068	3,584,725
External Restrictions							
Unexpended Loan	8,445,600	304,040	-	8,749,640	-	8,749,640	59,500
S64	3,587,500	-	-	3,587,500	-	3,587,500	551,293
TOTAL CAPITAL FUNDING	19,371,168	304,040	-	19,675,208	-	19,675,208	4,195,518

	ORIGINAL	Approved Changes		REVISED	Recommended Changes for December	PROJECTED	ACTUAL
	Budget 2013/14	Other than by QBRs	Sept Rev	Budget		Budget 2013/14	YTD
<u>CAPITAL EXPENDITURE</u>							
Loan Repayments (Principal)	7,030,201	-	-	7,030,201	-	7,030,201	3,451,787
New Assets							
Office Equipment	-	-	-	-	-	-	-
Water Supply Network	10,843,100	199,923	-	11,043,023	-	11,043,023	233,204
Plant & Equipment	70,000	-	-	70,000	-	70,000	33,696
Other Assets	-	-	-	-	-	-	-
Renewals (Replacement)							
Office Equipment	7,867	-	-	7,867	-	7,867	133
Water Supply Network	1,420,000	104,117	-	1,524,117	-	1,524,117	476,698
Plant & Equipment	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE	19,371,168	304,040	-	19,675,208	-	19,675,208	4,195,518

Note
ORIGINAL BUDGET +/- approved budget changes in previous quarters = REVISED Budget
REVISED BUDGET +/- recommended budget changes this quarter = PROJECTED Budget

Recommended Changes for December

The detail of what recommended changes are requested are included in the Description of Item section in the report

COFFS HARBOUR CITY COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDED 31 DECEMBER 2013
CAPITAL BUDGET - SEWER FUND

	ORIGINAL	Approved Changes		REVISED	Recommended Changes for December	PROJECTED	ACTUAL
	Budget 2013/14	Other than by QBRS	Sept Rev	Budget		Budget 2013/14	YTD
<u>CAPITAL FUNDING</u>							
Sewer Fund	8,078,440	-	-	8,078,440	-	8,078,440	3,994,345
External Restrictions							
Unexpended Loan	11,441,995	11,316,825	-	22,758,820	-	22,758,820	4,392,128
S64	5,645,600	-	-	5,645,600	-	5,645,600	229,741
Grant	1,134,948	-	-	1,134,948	-	1,134,948	-
TOTAL CAPITAL FUNDING	26,300,983	11,316,825	-	37,617,808	-	37,617,808	8,616,214

	ORIGINAL	Approved Changes		REVISED	Recommended Changes for December	PROJECTED	ACTUAL
	Budget 2013/14	Other than by QBRS	Sept Rev	Budget		Budget 2013/14	YTD
<u>CAPITAL EXPENDITURE</u>							
Loan Repayments (Principal)	8,068,440	-	-	8,068,440	-	8,068,440	3,994,240
New Assets							
Office Equipment	20,000	20,000	-	40,000	-	40,000	-
Sewer Network	14,738,543	11,096,825	-	25,835,368	-	25,835,368	4,041,369
Plant & Equipment	110,000	-	-	110,000	-	110,000	92,991
Renewals (Replacement)							
Office Equipment	10,000	-	-	10,000	-	10,000	105
Sewer Network	3,354,000	200,000	-	3,554,000	-	3,554,000	487,509
Plant & Equipment	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE	26,300,983	11,316,825	-	37,617,808	-	37,617,808	8,616,214

Note

ORIGINAL BUDGET +/- approved budget changes in previous quarters = REVISED Budget

REVISED BUDGET +/- recommended budget changes this quarter = PROJECTED Budget

Recommended Changes for December

The detail of what recommended changes are requested are included in the Description of Item section in the report

COFFS HARBOUR CITY COUNCIL

BUDGET REVIEW FOR THE QUARTER ENDED 31 DECEMBER 2013

Attachment 5

CASH AND INVESTMENTS

Reserve Type	Opening Balance 7/1/2013	Add / (Subtract) ORIGINAL Budget Transfers 2013/14	Approved Changes		Add Interest Apportioned	REVISED Balance	Recommended Budget Transfers for Dec	PROJECTED Closing Balance 6/30/2014	YTD Actual
			Other than by QBRS	Sept Rev					
Total Cash and Investments	171,504,000	-	-	-	-	171,504,000	-	171,816,000	175,007,014
attributable to:									
External Restrictions (see below)	110,592,000	(8,669,493)	(30,341,531)	(587,000)	486,608	71,480,584	(183,963)	71,296,621	95,470,248
Internal Restrictions (see below)	51,401,977	(3,769,223)	(21,321,052)	(506,215)	693,058	26,565,108	(140,053)	26,425,055	37,801,579
Unrestricted	9,510,023	12,438,716	51,662,583	1,093,215	(1,179,666)	73,458,308	324,016	74,094,324	41,735,187
	171,504,000	-	-	-	-	171,504,000	-	171,816,000	175,007,014
External Restrictions									
General:									
Developer Contributions	13,757,000	(1,629,721)	(2,734,165)	(587,000)	-	8,806,114	(98,963)	8,707,151	413,715
Domestic Waste	527,000	371,303	-	-	2,622	900,925	(85,000)	815,925	462,595
Stormwater Management Levy	-	-	-	-	-	-	-	-	-
Other	32,000	-	-	-	-	32,000	-	32,000	-
Water:									
Unexpended Loans	23,990,000	(1,771,075)	(3,925,152)	-	-	18,293,773	-	18,293,773	23,989,797
Unexpended Grants	-	-	-	-	-	-	-	-	-
Developer Contributions	67,000	-	-	-	-	67,000	-	67,000	864,689
Water Supplies (Revenue)	12,164,000	-	(679,019)	-	163,648	11,648,629	-	11,648,629	10,123,131
Sewer:									
Unexpended Loans	37,588,000	(5,640,000)	(22,353,195)	-	-	9,594,805	-	9,594,805	38,981,829
Unexpended Grants	-	-	-	-	-	-	-	-	-
Developer Contributions	61,000	-	-	-	-	61,000	-	61,000	824,028
Sewer Services (Revenue)	22,406,000	-	(650,000)	-	320,338	22,076,338	-	22,076,338	19,810,464
Total External Restrictions	110,592,000	(8,669,493)	(30,341,531)	(587,000)	486,608	71,480,584	(183,963)	71,296,621	95,470,248
Internal Restrictions									
Airport	5,747,000	(266,632)	(652,820)	357,137	69,343	5,254,028	(369,194)	4,884,834	29,679
Asset Replacement & Maintenance	400,000	66,274	-	(129,017)	6,203	343,460	-	343,460	359,031
CBD Masterplan	-	1,433,640	-	-	-	1,433,640	-	1,433,640	-
Community Facilities	977,000	(204,301)	(518,574)	-	17,826	271,951	-	271,951	1,313,330
EDP Equipment	149,000	-	(309,790)	-	1,674	(159,116)	273,910	114,794	30,273
Technology Group	183,000	333,248	-	-	-792	515,456	-	515,456	19,663
Unexpended Contributions	2,811,000	-	-	-	-	2,811,000	-	2,811,000	10,818
Historical Jetty R & M	218,000	-	-	-	3,587	221,587	-	221,587	221,869
Future Fund	962,000	328,713	-	-	16,924	1,307,637	-	1,307,637	1,143,014
Business Development	1,212,000	36,000	(80,842)	-	19,212	1,186,370	(141,040)	1,045,330	1,154,488
Project Contingency	1,074,000	-	-	-	17,656	1,091,656	-	1,091,656	1,092,185
Private Works - General Fund Reserve	1,077,000	72,000	(18,574)	-	17,682	1,148,108	-	1,148,108	1,111,711
Non Domestic Waste	1,349,000	(124,560)	(58,151)	-	26,856	1,193,145	(400,000)	793,145	1,826,876
Employees Leave Entitlement	3,790,000	(4,260,124)	1,562,000	(300,000)	71,081	862,957	(31,555)	831,402	3,718,964
Revenue Revotes	4,489,000	-	(4,489,185)	-	-	(185)	(273,910)	(274,095)	-
Unexpended Grants	2,069,977	-	-	-	-	2,069,977	-	2,069,977	210,745
Open Space Land	460,000	-	(265,967)	-	7,544	201,577	-	201,577	465,040
Lab Equipment Replacement	643,000	264,526	-	-	10,989	918,515	-	918,515	708,059
Rural Fire Service	15,000	-	-	-	257	15,257	-	15,257	15,926
Plant Replacement	6,146,000	(1,172,929)	(657,985)	843,165	107,452	5,265,703	-	5,265,703	6,941,673
Environmental Levy	380,000	(181,537)	(269,550)	-	4,524	-	-	-	300,074
RTA Pine Creek Handover (Capital)	565,000	(33,000)	-	-	53,581	585,581	-	585,581	618,514
RTA - SH10 Garden Works	151,000	(60,541)	-	-	2,350	92,809	-	92,809	135,954
Moonee Beach Rd Upgrade	177,000	-	(134,147)	-	2,907	45,760	-	45,760	179,802
Unexpended Loan Funds	10,584,000	-	(15,427,467)	(27,500)	-	(4,870,967)	801,736	(4,069,231)	10,237,919
Car Parking Upgrade	2,328,000	-	-	(1,250,000)	37,132	1,115,132	-	1,115,132	2,251,132
Future Road Network	1,241,000	-	-	-	20,805	1,261,805	-	1,261,805	1,322,082
Flood Mitigation Works	2,204,000	-	-	-	178,265	2,382,265	-	2,382,265	2,382,758
	51,401,977	(3,769,223)	(21,321,052)	(506,215)	693,058	26,565,108	(140,053)	26,425,055	37,801,579

Investments

Per Council's monthly Bank Balances and Investments report the RAO provides a statement that Council's investments have been made in accordance with the Local Government Act 1993, Regulations and Council's investment policy

Reconciliation

Per Council's monthly Bank Balances and Investments report the total Cash and investments have been reconciled with funds invested and cash at bank

Cash

The last bank reconciliation was to the period ended 31/12/13 and was completed 31/1/14

Note

Opening Balances for Unexpended grants, Unexpended loans and unexpended contributions were extracted from Closing Balance at 30/6/13 per Note 6(c) of financial statements

COFFS HARBOUR CITY COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDED 31 DECEMBER 2013
KEY PERFORMANCE INDICATORS STATEMENT

RATIO	CALCULATION	WHAT IS BEING MEASURED	FIGURE	SUSTAINABLE TARGET
Sources of Revenue Ratio (Consolidated)	Own source revenue (all income excluding grants and contributions) divided by total income from continuing operations	Council's reliance on funding from sources other than grants and contributions. The greater the reliance on own source revenue the more control council has over its income stream	78.48%	> 65%
Rates and Annual Charges Coverage Ratio (Consolidated)	Rates and annual charges outstanding divided by income from continuing operations	The degree of dependence upon revenues from rates and annual charges and to assess the security of Council's income	51.83%	55% to 75%
Asset Sustainability Ratio (Consolidated)	Capital amounts spent on rehabilitation and replacement of existing assets divided by the level proposed in the infrastructure and asset management plan	The extent to which assets are being replaced at the rate they are wearing out	58.52%	90% to 110%
Debt Service Ratio (Consolidated)	Debt service cost divided by income from continuing operations excluding capital items and specific purpose grants and contributions	The impact of loan principal and interest repayments on the discretionary revenue of council	29.83%	< 10% Sustainable 10% to 15% Satisfactory > 15% Unsustainable
Rates and Annual Charges Outstanding (Consolidated)	Rates and annual charges outstanding divided by rates and annual charges collectable	The impact of uncollected rates and annual charges on liquidity and the adequacy of recovery efforts	7.14%	7%

This document forms part of Coffs Harbour City Council's Quarterly Budget Review Statement for the quarter ended 31/12/13 and should be read in conjunction with other documents in the QBRS

COFFS HARBOUR CITY COUNCIL
BUDGET REVIEW FOR THE QUARTER ENDED 31 DECEMBER 2013
PART A - CONTRACTS LISTING

CONTRACTOR	CONTRACT DETAIL & PURPOSE	CONTRACT VALUE (Ex GST)	COMMENCEMENT DATE	COMPLETION DATE	BUDGETED (Y/N)
Mid Coast Road Services	Deep Lift Asphalt, Coral St Corindi	57,589	11/5/2013	12/2/2013	Y
Piled Foundations Pty Ltd	Piling for Davies Bridge, Brooklana and Secombs Bridge Dairyville	47,750	1/14/2014	3/24/2014	Y
Global Synthetics Pty Ltd	Supply & Delivery of Geosynthetic Clay Liner	113,568	11/27/2013	2/25/2014	Y
Ware Building Pty Ltd	Coffs Harbour Regional Museum Redevelopment	644,453	11/22/2013	6/16/2014	Part
Leonard Williams P/L	Timber Supply for Davies Bridge, Brooklana and Secombs Bridge Dairyville	223,471	11/18/2013	4/1/2014	Y

Notes

1. Minimum reporting level is 1% of estimated income from continuing operations or \$50,000 whichever is the lesser
2. Contracts to be listed are those entered into during the quarter and have yet to be fully performed, excluding contractors that are on Council's preferred supplier list
3. Contracts for employment are not required to be included

COFFS HARBOUR CITY COUNCIL

BUDGET REVIEW FOR THE QUARTER ENDED 31 DECEMBER 2013

Attachment 8

PART B - CONSULTANCY AND LEGAL EXPENSES

EXPENSE	EXPENDITURE YTD	BUDGETED (Y/N)
Consultancies	501,574	Y
Legal Fees	357,964	Y

Definition of Consultant

A consultant is a person or organisation engaged under contract on a temporary basis to provide recommendations or high level specialist or professional advice to assist decision making by management. Generally it is the advisory nature of the work that differentiates a consultant from other contractors.

This document forms part of Coffs Harbour City Council's Quarterly Budget Review Statement for the quarter ended 31/12/13 and should be read in conjunction with the other documents in the QBRS

BANK BALANCES AND INVESTMENTS FOR JANUARY 2014

Purpose:

To list Council's Bank Balances and Investments as at 31 January 2014.

Description of Item:

A copy of the state of Bank Balances and Investments as at 31 January 2014 is attached.

It should be noted that Council is required to account for investments in accordance with the Australian International Financial Reporting Standards. Term deposits are shown at face value all other investment balances at the end of each month reflect market value movements which would be inclusive of accrued interest.

Interest when paid, say quarterly, would result in reductions in the market value of the investments.

The Investment Report reflects the above requirements and reflects the interest earned (or accrued) on each investment, based on the acquisition price.

Reports written by CPG Research & Advisory Pty Ltd (Council's investment portfolio advisors) which examine economic and financial markets data for January 2014 and review the performance of Councils investment portfolio for the month ended 31 January 2014 are available in the Councilors' Resource Centre.

Sustainability Assessment:

- **Environment**

There are no perceived current or future environmental impacts.

- **Social**

There are no perceived current or future social impacts.

- **Civic Leadership**

Council invests surplus funds to maximise investment income and preserve capital to assist with funding requirements for projects listed under the Coffs Harbour 2030 Community Strategic Plan.

- **Economic**

Broader Economic Implications

Council's investments are held according to the requirements stated within Council's investments policy and the returns are acceptable in relation thereto. In the long term earnings from investments can vary due to economic conditions and financial markets. Council constructs its investment portfolio with consideration of current conditions and to comply with the DLG investment policy guidelines.

Delivery Program/Operational Plan Implications

For January 2014 it is noted that after deducting, from the total bank and investment balances of \$150,136,893 the estimated restricted General, Trust, Water and Sewerage cash and investments (\$150,017,013) the Unrestricted Cash is \$119,880.

Risk Analysis:

The likelihood of risks associated with New South Wales Local Government's investing funds is now remote due to the conservative nature of investments permitted under statutory requirements. The risks of capital not being returned in relation to each individual investment Council owns is indicated in the attachment. The main risks for Council's investment portfolio are liquidity and credit risk, both of which are being managed under the advice of CPG Research & Advisory Pty Ltd.

Consultation:

Council's investment advisors, CPG Research & Advisory Pty Ltd have been consulted in the preparation of this report.

Related Policy and / or Precedents:

Council funds have been invested in accordance with Council's *Investment Policy* (POL-049), which was adopted on 22 August 2013.

Statutory Requirements:

Local Government Act 1993 – Section 625

Local Government Act 1993 – Investment Order (dated 12 January 2011).

Local Government General Regulation 2005

The Trustee Amendment (Discretionary Investments) Act 1997 – Sections 14A(2), 14C(1) and 14C(2).

Issues:

Nil.

Implementation Date / Priority:

Nil.


Further details are provided as a note on the attachment

Recommendation:

1. That the bank balances and investments totaling (from loans, Section 94 and other avenues that form the restricted accounts and are committed for future works) one hundred and fifty million, one hundred and thirty six thousand, eight hundred and ninety three dollars (\$150,136,893) as at 31 January 2014 be noted.
2. That the general fund unrestricted cash and investments totaling one hundred and nineteen thousand, eight hundred and eighty dollars (\$119,880) as at 31 January 2014 be noted.

BANK BALANCES AND INVESTMENTS AS AT 31 JANUARY 2014						Attachment		
Credit Rating at 31/1/14	Legal Maturity	Acquisition Price \$	Market Value as at 1/1/14 \$	Market Value as at 31/1/14 \$	Income Earned (net of fees) Financial Yr to Date \$	Annualised Monthly Return (Managed Funds) / Current Coupon	Risk of capital not being returned	
OVERNIGHT FUNDS:								
Cash - Fair Value movements through profit & loss								
NAB - Bank Accounts	AA-		3,284,268	4,054,939	52,308	2.33	Low	
UBS Cash Management Trust	AAA		2,642,642	2,718,266	14,733	1.55	Low	
Members Equity Bank - Business Investment Account	BBB+		71	71	1	3.10	Low	
NAB Professional Funds Account	AA-		4,625,103	10,453	59,457	2.90	Low	
Delphi Bank - Cash M'ment Acc't	A-		54,741	62,276	307	2.50	Low	
Rabo Bank - Premium Cash Management	AA		6,453	6,443	83	4.00	Low	
Suncorp Business Saver	A-		191,371	191,818	2,497	3.25	Low	
ANZ Negotiator Saver - Trust A/c	AA-		131,921	131,921	668	3.20	Low	
CUA Prime Access	NR		82	82	-	0.01	Low	
Total			10,936,652	7,176,268	130,055			
BENCHMARK RATE - 11 AM INDICATIVE CASH RATE						2.50		
BENCHMARK RATE - UBS BANK BILL INDEX						2.67		
Term Deposits - Fair Value movements through profit & loss								
Investec 17/11/14	BBB-	17/11/2014	8,000,000	8,000,000	8,000,000	354,838	7.53	Low
Investec 29/6/16	BBB-	29/06/2016	1,000,000	1,000,000	1,000,000	44,001	7.47	Low
Investec 8/7/15	BBB-	8/07/2015	1,000,000	1,000,000	1,000,000	42,470	7.21	Low
Investec 8/8/16	BBB-	8/08/2016	2,500,000	2,500,000	2,500,000	98,517	6.69	Low
Investec 6/6/17	BBB-	6/06/2017	2,000,000	2,000,000	2,000,000	64,088	5.44	Low
Investec 14/8/15	BBB-	14/08/2015	1,800,000	1,800,000	1,800,000	68,176	6.43	Low
AMP 24/5/16	A	24/05/2016	5,000,000	5,000,000	5,000,000	216,473	7.35	Low
AMP 10/3/14	A	10/03/2014	2,000,000	2,000,000	2,000,000	51,247	4.35	Low
Arab Bank 7/5/18	A-	7/05/2018	1,500,000	1,500,000	1,500,000	41,527	4.70	Low
Arab Bank 14/5/14	A-	14/05/2014	1,000,000	1,000,000	1,000,000	8,225	3.80	Low
Arab Bank 10/9/15	A-	10/09/2015	2,000,000	2,000,000	2,000,000	33,301	4.25	Low
Westpac 27/6/14	AA-	27/06/2014	1,000,000	1,000,000	1,000,000	38,288	6.50	Low
Westpac 6/5/14	AA-	6/05/2014	4,000,000	4,000,000	4,000,000	98,959	4.20	Low
NAB 9/3/15	AA-	9/03/2015	2,000,000	2,000,000	2,000,000	52,660	4.47	Low
NAB 12/3/15	AA-	12/03/2015	2,500,000	2,500,000	2,500,000	66,414	4.51	Low
Delphi Bank 29/1/15*	A-	29/01/2015	2,000,000	2,000,000	2,000,000	51,718	4.39	Low
Delphi Bank 14/2/14*	A-	14/02/2014	5,000,000	5,000,000	5,000,000	207,637	7.05	Low
Delphi Bank 5/8/15*	A-	5/08/2015	2,000,000	2,000,000	2,000,000	78,932	6.70	Low
Delphi Bank 7/3/14*	A-	7/03/2014	1,500,000	1,500,000	1,500,000	62,291	7.05	Low
Credit Union Australia 11/4/14	BBB+	11/04/2014	1,000,000	1,000,000	1,000,000	40,173	6.82	Low
Credit Union Australia 12/5/14	BBB+	12/05/2014	2,000,000	2,000,000	2,000,000	79,638	6.76	Low
Credit Union Australia 9/5/14	BBB+	9/05/2014	500,000	500,000	500,000	17,524	5.95	Low
Suncorp 11/8/14	A-	11/08/2014	3,000,000	3,000,000	3,000,000	111,329	6.30	Low
Bank of Queensland 4/9/17	BBB	4/09/2017	2,000,000	2,000,000	2,000,000	66,562	5.65	Low
Bank of Queensland 5/2/18	BBB	5/02/2018	3,000,000	3,000,000	3,000,000	91,007	5.15	Low
Bank of Queensland 5/3/18	BBB	5/03/2018	2,000,000	2,000,000	2,000,000	60,082	5.10	Low
Bank of Queensland 17/5/17	BBB	17/05/2017	1,000,000	1,000,000	1,000,000	27,390	4.65	Low
Rabo Direct 24/3/16	AA	24/03/2016	5,000,000	5,000,000	5,000,000	210,582	7.15	Low
Rabo Direct 10/8/15	AA	10/08/2015	1,000,000	1,000,000	1,000,000	39,466	6.70	Low
Rabo Direct 13/4/15	AA	13/04/2015	1,000,000	1,000,000	1,000,000	26,507	4.50	Low
ING 17/8/17	A	17/08/2017	2,000,000	2,000,000	2,000,000	70,803	6.01	Low
ING 6/9/17	A	6/09/2017	2,000,000	2,000,000	2,000,000	65,973	5.60	Low
ING 7/5/18	A	7/05/2018	1,500,000	1,500,000	1,500,000	41,174	4.66	Low
Wide Bay 29/7/16	BBB	29/07/2016	1,000,000	1,000,000	1,000,000	41,822	7.10	Low
Wide Bay 8/8/16	BBB	8/08/2016	1,000,000	1,000,000	1,000,000	41,822	7.10	Low
ME Bank 15/5/14	BBB+	15/05/2014	2,000,000	2,000,000	2,000,000	50,068	4.25	Low
ME Bank 2/6/14	BBB+	2/06/2014	2,000,000	2,000,000	2,000,000	49,479	4.20	Low
Police Credit Union 26/2/15	NR	26/02/2015	1,000,000	1,000,000	1,000,000	27,273	4.63	Low
Police Credit Union 17/5/16	NR	17/05/2016	500,000	500,000	500,000	13,283	4.51	Low
Bendigo & Adelaide Bank	A-	16/04/2014	2,800,000	2,800,000	2,800,000	70,921	4.30	Low
Bank of Sydney 12/5/14	NR	12/05/2014	1,000,000	1,000,000	1,000,000	8,767	4.00	Low
Bank of Sydney 11/2/14	NR	11/02/2014	2,000,000	2,000,000	2,000,000	17,096	3.90	Low
Bank of Sydney 10/2/14	NR	10/02/2014	1,000,000	-	1,000,000	2,244	3.90	Low
Bank of Sydney 14/4/14 - RPT	NR	14/04/2014	1,220,000	-	1,220,000	2,346	3.90	Low
CBA 16/5/16	AA-	16/05/2016	1,000,000	1,000,000	1,000,000	26,507	4.50	Low
CBA 17/5/16	AA-	17/05/2016	1,000,000	1,000,000	1,000,000	26,507	4.50	Low
CBA 23/5/16	AA-	23/05/2016	1,000,000	1,000,000	1,000,000	26,801	4.55	Low
CBA 30/5/16	AA-	30/05/2016	1,000,000	1,000,000	1,000,000	26,801	4.55	Low
CBA 6/6/16	AA-	6/06/2016	1,000,000	1,000,000	1,000,000	26,801	4.55	Low
CBA 29/10/17	AA-	29/10/2017	2,779,070	2,779,070	2,779,070	49,615	3.03	Low
Total			98,099,070	95,879,070	98,099,070	3,136,124		

Attachment

	Credit Rating at 31/1/14	Legal Maturity	Acquisition Price \$	Market Value as at 1/1/14 \$	Market Value as at 31/1/14 \$	Income Earned (net of fees) Financial Yr to Date \$	Annualised Monthly Return (Managed Funds) / Current Coupon	Risk of capital not being returned
Floating Rate Notes:								
<i>Fair Value through Profit & Loss Accounting - movements through profits & loss.</i>								
Bank of Queensland 7/12/15	BBB	7/12/2015	5,034,450	5,071,550	5,092,350	166,698	4.19	Low
Bank of Queensland 30/5/16	BBB	30/05/2016	3,000,000	3,029,040	3,041,130	101,327	3.96	Low
CBA	AA	24/12/2015	8,310,300	8,401,713	8,301,990	371,179	3.63	Low
Macquarie Bank 9/3/17	A	9/03/2017	5,000,000	5,251,465	5,260,555	143,370	5.47	Low
Macquarie Bank 24/2/14	A	24/02/2014	1,001,180	1,006,990	1,009,610	18,803	4.50	Low
Arab	A-	12/12/2014	5,000,000	5,018,095	5,016,715	115,449	4.11	Low
ME Bank	BBB+	28/11/2016	500,000	501,890	503,390	3,392	3.86	Low
Total			27,845,930	28,280,743	28,225,740	920,218		
Capital Protected Notes								
<i>Fair Value through Profit & Loss Accounting - movements through profits & loss.</i>								
Lehman #	D	15/06/2009	300,000	-	-	-	0.00	High
Lehman #^	D	15/06/2009	500,000	-	-	-	0.00	High
Total			800,000	-	-	-		
Floating Rate Term Deposits:								
Bank of Queensland	BBB	26/02/2016	1,500,000	1,500,000	1,500,000	36,241	4.10	Low
ING	A	27/02/2015	2,000,000	2,000,000	2,000,000	48,419	4.11	Low
Total			3,500,000	3,500,000	3,500,000	84,660		
Fixed Coupon Bonds								
Heritage Bank	BBB+	20/06/2017	7,787,748	9,067,410	9,084,438	396,572	7.25	Low
CBA	AA-	7/11/2018	1,000,490	1,005,070	1,015,820	18,628	4.50	Low
Total			8,788,238	10,072,480	10,100,258	415,201		
Covered Bonds								
ANZ	AAA	16/08/2023	995,350	996,155	1,019,275	9,514	5.00	Low
Total			995,350	996,155	1,019,275	9,514		
Floating Rate Transferrable Certificate of Deposit								
Greater Building Society	BBB+	15/04/2016	2,000,000	2,030,220	2,016,280	79,660	4.15	Low
Total			2,000,000	2,030,220	2,016,280	79,660		
Other:								
Southern Phone Company Shares	N/A	N/A	2	2	2	-	N/A	Low
			2	2	2	0		
Securities No Longer Held (excluding Managed Funds).								
Accumulated at December 2013			-	-	-	191,314		
Bank of Sydney 6/1/14	NR	6/01/2014	500,000	500,000	-	1,669	3.93	Low
IMB 10/1/14		10/01/2014	1,000,000	1,000,000	-	3,356	3.50	Low
Bank of Sydney 13/1/14 - RPT	NR	13/01/2014	1,220,000	1,220,000	-	12,167	4.00	Low
Beyond Bank 17/1/14		17/01/2014	1,000,000	1,000,000	-	4,734	3.60	Low
Total			3,720,000	3,720,000	-	213,240		
GRAND TOTAL (before fees)				155,415,322	150,136,893	4,988,672		
Less Portfolio Fees (Advice & Salary)						(96,900)		
GRAND TOTAL				155,415,322	150,136,893	4,891,772		
# Capital Guaranteed at maturity								
^ Ex Infrastructure IMP								
* Rated by Fitch								
The dates quoted alongside the name of the product for FRN's, CDO's and Fixed Bonds are first call dates.								
First call dates for FRN's & fixed bonds are the likely date of maturity because the investment issuer is severely penalised if monies are not redeemed by that date, via damage in the market to their reputation, increased coupon rates and additional capital requirements by APRA.								
Term deposits of \$250,000 or less per financial institution are covered under the Commonwealth Government Deposit Guarantee Scheme & therefore by default have the same credit rating as the Commonwealth Government i.e. AAA.								
Less Unrealised Capital Gains/(Loss) for Available For Sale Investments						\$ 4,700		
Income to Profit & Loss						\$ 4,887,072		
TOTAL CASH & INVESTMENTS AS AT 31 JANUARY 2014						\$ 150,136,893		
LESS ESTIMATED RESTRICTED EQUITY FOR WATER & SEWER FUNDS								
	Water Fund				\$ 32,939,845			
	Sewer Fund				\$ 54,348,254		\$ 87,288,098	
GENERAL FUND CASH & INVESTMENTS						\$ 62,848,794		
LESS TRUST FUND BALANCES AS AT 31 JANUARY 2014						\$ 1,470,133		
LESS ESTIMATED RESTRICTED EQUITY FOR GENERAL FUND (developer contributions, grants, reserves e						\$ 61,258,781		
ESTIMATED GENERAL FUND UNRESTRICTED CASH & INVESTMENTS AS AT 30 JUNE 2014								
Unrestricted Cash & Investments as at 30 June 2013						\$ 137,480		
Deduct - 2013/14 Budget Deficit (Budget Review - 30/11/13 - adopted 13/2)						\$ (17,600)		
ESTIMATED GENERAL FUND UNRESTRICTED CASH & INVESTMENTS AS AT 30 JUNE 2014						\$ 119,880		
I hereby certify that Council's investments have been made in accordance with the Local Government Act 1993, Regulations and Council's Investment Policy.								
 Responsible Accounting Officer.								

COUNCIL SISTER CITY DELEGATION TO SASEBO, JAPAN, 2014

Purpose:

To propose that Council send a delegation to Sasebo, Japan, in 2014 to consolidate Coffs Harbour's Sister City relationship with Sasebo City and to explore new opportunities for cultural and economic development between the two cities.

Description of Item:

2013/2014 marks the 25th anniversary of the establishment of the Sister City agreement between Coffs Harbour and Sasebo in Japan. This has been a very fruitful partnership with numerous educational, social, sporting and information exchanges that have helped to broaden the understanding and appreciation we have of our two separate cultures. The annual student exchange program - co-ordinated by local schools - has been particularly effective in this regard.

To demonstrate commitment to the Sister City relationship, and to maximise the possible benefits to be drawn from such an arrangement, it is essential that high-level, municipal delegations be undertaken on a regular basis. Council has hosted official delegations from Sasebo City Council in 2002, 2003, 2008 and 2013. In that time, two official Coffs Harbour City Council delegations have visited Sasebo - in 2002 and 2007.

In this 'silver anniversary' year of the Sister City relationship, it is considered appropriate for Council to send a reciprocal delegation to Sasebo in early 2014.

It would be appropriate that Council appoints the Mayor, another Councillor and the General Manager (or his delegate) as its representatives, and that they be accompanied by an experienced facilitator/interpreter and should they wish to be represented, a representative of the Coffs Harbour Branch of the Australia-Japan Society. The costs for airfares between Australia and Japan, accommodation, allowances and official gifts for the delegation are also recommended to be met by Council for the Mayor, Councillor, General Manager (or his delegate) and official interpreter.

Sustainability Assessment:

- **Environment**

There are no environmental impacts or issues.

- **Social**

There are a range of social and cultural benefits which can be derived from exchanges such as these. A comprehensive plan which draws data and direction from organisations such as Southern Cross University, Regional Development Australia, government agencies and the business sector would ensure a targeted exchange. This could then be used as the basis for predetermined industry sectors to be visited by the delegation therefore framing the itinerary and thus resulting in more valuable outcomes.

An effective strategy for communication both within Coffs Harbour and during the exchange would also help to build capacity and outcomes as a result of the Sister City relationship.

- **Civic Leadership**

Council demonstrates Leadership through the following relevant strategies in the Coffs Harbour 2030 Community Strategic Plan;

- LP 6.1 Develop strong and effective partnerships between business, the community, educational institutions and government
- LP 6.2 Support the provision of vocational education related to future
- LP 6.3 Increase access to educational opportunities for all.

- **Economic**

Broader Economic Implications

There are broad economic benefits which can be derived from a reciprocal visit to Sasebo at this time. The twenty five years since the establishment of the Sasebo – Coffs Harbour Sister City relationship have seen a range of friendship, trust and skills exchange established. Business opportunities should therefore now able to be pursued to achieve targeted and strategic outcomes.

Delivery Program/Operational Plan Implications

The 2013/2014 budget has provision of \$25,000 for a Sister City Visit.

Indicative only costs for flights would be in the vicinity of \$2,800 per person. The cost for accommodation has been estimated based on Council's staff travel expenditure policy which uses the Australian Taxation Office figures as a guide. Therefore accommodation between \$210 and \$230 per night is likely.

So indicative costs for a four person delegation is therefore as follows:

4 x Return Flights =	\$11,200
4 x 4 night's accommodation @ \$220/night =	\$ 3,520
4 x Incidental costs =	\$ 2,400
TOTAL likely costs	\$17,120

This proposed delegation represents a cost-effective and innovative action to further develop Coffs Harbour's profile and potential for advancement on an international scale, consistent with Council's vision of Coffs Harbour as the Healthy City, the Smart City, the Cultural City for a Sustainable Future.

Risk Analysis:

There is a reputational risk internationally and nationally should Council be unable to reciprocate with a visit to Sasebo in 2014.

Consultation:

Representatives from organisations such as Southern Cross University, TAFE NSW, the business sector and the Australia Japan society have expressed interest in this delegation to Sasebo.

There is a conference in April arranged by RDA MNC entitled Asia Century which has seen consultation regarding relationships such as the one between Coffs Harbour and Sasebo.

The office of the Mayor of Sasebo has also been consulted in relation to this proposed visit.

Related Policy and / or Precedents:

There are no related policy and/or precedents

Statutory Requirements:

There are no statutory requirements.

Issues:

While in Japan, the delegation would aim to strengthen the existing Sister City relationship from both a social and economic perspective by exploring a range of opportunities for business, environmental, educational and cultural exchange. This would be expected to include consultation with the Sasebo Chamber of Commerce, Austrade representatives, education, tourism and health agencies and others.

In Coffs Harbour, Southern Cross University and North Coast TAFE have already expressed interest in being involved in Sister City visits with the prospect of positive returns being generated from their participation in an official delegation. Representatives of other industry sectors may also see value in taking part.

Implementation Date / Priority:

Should Council resolve to send a delegation to Sasebo, the timing of this would be established in consultation with representatives of the City of Sasebo.

Recommendation:

That

- 1. Council sends an official delegation to Japan in early 2014 to strengthen the Sister City relationship with Sasebo City.**
- 2. The Mayor, a Councillor, the General Manager (or his delegate) and the official interpreter be accompanied in the delegation by suitable representatives of the Coffs Harbour Branch of the Australia-Japan Society should they wish to be represented.**
- 3. Council meet associated mission costs of the Mayor, Councillor, General Manager (or his delegate) and official Interpreter.**
- 4. Council advise Southern Cross University, North Coast TAFE and the Coffs Harbour industry sector of the delegation and the opportunity for their participation (at their own cost).**
- 5. The delegation explore opportunities for trade, cultural development, tourism and sporting exchanges while on its official mission to Japan.**

COFFS HARBOUR INTERNATIONAL BUSKERS AND COMEDY FESTIVAL 2013

Purpose:

The purpose of this report is to give Council a detailed report on the Buskers Festival for 2013 and to make recommendation on its future with reference to Council's adopted Events Strategy.

Description of Item:

At Council's meeting held on 10 October 2013 a response on the Coffs Harbour International Buskers and Comedy Festival was presented following a Question On Notice (QON) from Cr Mark Sultana. The information contained in that response was noted.

That information included the note that final financial information for the 2013 festival would not be available until all invoices had been received and paid. The financial outcome for the 2013 festival is now known and therefore forms part of this report.

In 1999 during the consultation phase of taking out the then Mall the community identified strongly that they wished to see the Buskers Festival previously coordinated by Rotary return as a City event.

The then Streets Ahead Place Committee, Palms Shopping and John Logan Entertainment responded to this by researching and then implementing the first 'new festival' in late 1999 to the delight of the traders and the community. The festival was not held in 2000 due to the Mall being removed and has been held in September / October since.

During the consultation and development stage of the Coffs Harbour City Council Events Strategy (Feb 2009) it was identified that three events currently being run by Council could be run by private enterprise or community group(s). They were Food and Wine Festival, Carols by Candlelight and Business Awards. This resulted in a saving to Council of approximately \$45,000 as these events are now run by alternative organisations with Council only making a financial sponsorship contribution.

The Coffs Harbour City Council *Events Strategy* (Feb 2009) recognises the important role that the Coffs Harbour International Buskers and Comedy Festival plays within our Community. It notes that some of the advantages of keeping this Festival include:

- It provides a provide high profile flagship event for marketing of Coffs Harbour brand.
- Events staff keep an on-the-ground approach to the assessment and evaluation of events, through practical experience.
- Council controls the image of this major festival.
- The image of celebration and fun fits into the brand of Coffs Harbour.
- An accessible festival to all, both participants and patrons as comedy and busking is open to all cultures and ages, amateurs and professionals.
- Flexibility of this festival to be able to grow and respond to new developments.

In 2009, the *Events Strategy* recommendation was for CHCC to "*continue to support the festival and develop the program to become a flagship event.*"

The Festival receives sponsorship support from the business community and media.

Sustainability Assessment:

- **Environment**

There are no environmental impacts or issues.

- **Social**

The social impacts / benefits of the festival are many and varied and meet the criteria identified in the Events Strategy 2009.

1. It adds colour and vibrancy contributing to the community wellbeing and happiness of residents and visitors.
2. Provides access to all sectors of the community to high quality performance at no cost.
3. Brings the community together in a joyful celebration of 'Place', fun and laughter.
4. Provides work experience for a range of young people in; event coordination and performance.
5. Creates a feeling of civic pride as the City plays host to an 'International Event'.
6. Increases the City's profile overseas through social media and word of mouth from performers.
7. Gives the City an identity of a fun place to live and / or visit.
8. Attracts international media to report on the festival i.e. in 2013 the BBC came to film children's day for a BBC program. A request has been had from a Hong Kong travel company (one of the world's largest) to promote the festival in 2014.

- **Civic Leadership**

Council demonstrates leadership as a provider of the festival that implements the following strategies in the Coffs Harbour 2030 Community Strategic Plan;

- LC1.1 – Build pride and identity in Coffs Harbour as a community and a place.
- LC 4.1 - Support local artistic and cultural expression.
- LC 4.2 – Support opportunities for artistic and cultural growth and enjoyment.
- LC4.4 – Develop inclusive community, supporting recreational events and activities.
- LP 3.2 - Develop the City Centre as a social and cultural focus for Coffs Harbour.

- **Economic**

Broader Economic Implications

The broader economic implications of the Festival include:

- Attracting visitors to Coffs Harbour which provides revenue to local businesses via spend on accommodation, food and activities.
- Increased activity and people to event sites translates to increased spend in surrounding retail premises.
- (Businesses that benefit most from this (or any event) are the ones who leverage off the event by doing their own marketing activities around it. Those that do this

report a growth in trade equal only to Christmas). (Refer to 2010 economic benefits report supplied to councilors previously.)

- Community organisations that partner with the Festival to deliver services and goods to festival attendees report substantial economic benefits which are then reinvested into community infrastructure (e.g. Friends of Botanic Gardens).
- National and International media reports on the Festival increase Coffs Harbor's profile and reputation which keeps Coffs Harbour top of mind as a holiday destination.

Removing the festival would have a negative effect on the business sector through loss of income and the community who would lose the sense of place and loss of happiness that each year the festival generates.

Delivery Program/Operational Plan Implications

Income and Expenses for 2013 festival.

Income = \$42,603

Expenses = \$94,378

Net loss = \$51,775

The Buskers Festival is budgeted within the Program/Operational Plan for a net loss to Council of \$55,000 per annum. Over the 10 year period of the festival, the average contribution of Council is \$35,000 per year.

As an annual event sometimes income and/or expenses fall across two reporting periods.

In the past three years expenses have risen and sponsorship has fallen due to a downturn in the economy however early indications are that sponsorship opportunities are on the rise for this and other events and programs.

Risk Analysis:

A risk analysis is completed and approved by risk assessor for all events and or activities before they are implemented.

Consultation:

Each year following the festival consultation takes place with partners, sponsors and traders to gather feed-back on the benefits of the festival and ways in which it could be improved to better benefit both them and the festival. In the main feed-back is positive and constructive and wherever possible suggestions are implemented.

Related Policy and / or Precedents:

There is no related policy or precedents.

Statutory Requirements:

There are no statutory requirements.

Issues:

Councilors have previously been given a survey report undertaken by the EDU following the 2010 festival where retailers in the City Centre confirmed their support for the festival.

A few retailers within the City Centre do not like to see the road closed during trading times for any reason. This year 2013 the coordinators were inclined not to close the road and many of the retailers objected to this as the foot traffic generated increases their sales not only on the day of the road closure but during the week long festival.

Buskers in the City Centre are primarily held as a retail event, held to increase foot traffic and sales while providing colour, vibrancy and happiness within the City.

The festival is highly regarded by the community with all shows well attended by all ages across the community.

The festival is a flagship event for Coffs Harbour as it "has high tourism potential and reflects the character and culture of an area" (Events Strategy February 2009).

Implementation Date / Priority:

Should Council decide to continue funding its Coffs Harbour International Buskers and Comedy Festival work will commence immediately.

Recommendation:

- 1. That Council fund the Coffs Harbour International Buskers and Comedy Festival to its current level of \$55,000 for 2014.**
- 2. That a review of the Event Strategy (February 2009) be undertaken to evaluate its relevance and the outcome of this be reported back to Council.**

Attachment

10 Year Income & Expenditure Breakdown for Coffs Harbour International Buskers and Comedy Festival.										
Operating Expenses	13/14	12/13	11/12	10/11	09/10	08/09	07/08	06/07	05/06	04/05
Ordinary Wages	367	121	127	707	378	389		131	(1,560)	
Allowances	9	1	13	24	14	11		10		
Overtime	246	130	148	2,708	461	4,005		114	919	
Oncosts	222	77	90	720	246	580		72	74	
Travelling Not Training		-	819	-	-	708		86	53	
Fringe Benefits Tax	722	1,822	1,358	1,055	2,194	1,294	1,693	1,202	871	
Training incl Accommodation		-	-	-	-	327			621	
Pipes & Fittings		-	-	4,341	-	-				
Signs & Barriers	960	-	485	409	522	750	73	1,298		
Hardware	59	-	11	-	-	-				
Fuels		41	222	109	-	-				
Consumables (mops & brooms)		-	-	52	-	7	327			
Wines, beers and soft drinks		57	14	252	1,375	1,937				
Food Costs - Morning Teas	97	29	288	60	521	83				
Food Costs (see catering services also)	560	531	9,033	1,789	2,590	889	1,339	1,159		111
Other Manufactured Products NOT Asset Purch<\$2k	1,559	523	742	1,178	417	786	3,913			66
Printing		3,770	4,708	3,530	-	2,213	1,195	1,559		
Stationery		1,500	-	63	43	-			1,685	
Protective Clothing & Safety Equip-Store		-	56	-	-	-	880			
Publications, Books, Minor Acquisitions		-	-	55	401	-				
Registrations/Permits		70	-	750	-	3,150		1,595		
Freight Cartage & Postage		60	-	136	5	1,386			91	
Other Materials		-	148	-	-	11				
Consultancy Services	5,000	5,000	10,000	-	-	-				
Advertising Services	19,546	17,347	16,274	21,702	11,580	11,943	10,208	10,173	6,130	2,350
Other Professional (NOT Consulting)	37,500	18,430	29,344	14,755	16,337	43,926	36,191	23,494	41,277	9,290
Electrical Tradesmen		-	-	1,269	-	-				
Other Tradesmen		-	-	-	-	-		420		
External Plant Hire	650	-	-	-	218	-		454		
Hire Equipment (Office)-External		-	-	91	-	-		250	417	
Other Equipment Hire	230	1,590	139	426	380	275			610	
Catering Services	1,006	6,042	-	1,369	4,944	4,140	966	3,945		
Other Services (NOT Consulting)	23,806	37,673	37,309	65,277	66,027	14,176	28,392	41,374	22,048	36,907
Employment Agency Staff	261	55	205	-	-	-				37
Event Management		13,500	-	-	-	-				

Attachment

Contributions/Donations to Local & Region	500	2,900	350	-	700	-				
Meeting Room Hire - Not Internal	900	-	-	-	455	-		274	193	
Printing & Stationery		-	-	-	175	-		-		
Registrations/Permits		-	-	-	-	330		123		
Other Admin/Financial Services		-	-	-	1	53	30	99		
Plant Oncosts - Internal	18	8	12	17	24	9		7		
Council Owned Plant - Internals	161	74	110	158	222	75	1,200	63		
Total Operating Expenses	94,378	111,353	112,005	123,001	110,229	93,453	86,406	87,901	73,428	48,760
Operating Revenue										
Other Fees	(7,067)	(643)	-	-	-	(45)		(162)		(9,982)
Other Vendors/Demonstrators		-	(749)	-	-	-		(2,016)		
Other Income		-	(3,113)	-	-	-		(91)		
Entry Fees		-	(100)	(2,234)	-	-				
Miscellaneous	(34,927)	(32,309)	-	-	-	-			(1,873)	
Contribution to Works - Operating	(609)	(8,048)	(54,273)	(75,376)	(70,077)	(56,150)	(54,544)	(25,900)	(27,361)	(29,909)
Other Operating Contributions - Op		(300)	-	-	-	(2,000)		(28,091)	(1,220)	
Miscellaneous		-	-	(552)	-	-	(1,800)	(764)		
Contribution to Works		(7,000)	-	-	-	-	(2,000)	(10,000)	(2,000)	(20)
Contributions/Donations to Local & Region		-	(5,000)	-	-	-	(200)			
Events Income	(42,603)	(48,300)	(63,235)	(78,162)	(70,077)	(58,195)	(58,544)	(67,024)	(32,454)	(39,911)
NET DEFICIT	51,775	63,053	48,770	44,839	40,152	35,258	27,862	20,877	40,974	8,849

DEVELOPMENT APPLICATION 121/13 - DEMOLITION OF EXISTING DWELLING, ATTACHED DUAL OCCUPANCY AND STRATA SUBDIVISION – LOT A DP 390197, 8 SOLITARY ST, COFFS HARBOUR

Purpose:

To consider Development Application No. 121/13 for demolition of an existing dwelling, construction of an attached dual occupancy and strata subdivision at 8 Solitary Street, Coffs Harbour.

At its meeting of 22 August 2013, Council adopted *Development Applications - Consideration by Council Policy* which outlined:

That development applications for approval involving substantial aspects of the following elements be referred to Council for determination:

- *Significant public interest and community input;*
- *Substantial non-compliance with relevant strategic controls;*
- *Significant land use;*
- *Major environmental issue(s);*

In accordance with this resolution and Department of Planning Circular PS08-014 “Reporting Variations to Development Standards”, the application is reported to Council for determination given that the proposed development proposes a variation to maximum building heights.



Background:

This matter was last considered by Council at its meeting of 13 February 2014, where it was resolved:

That the matter be deferred.

Description of Item:

The proposed development site is 8 Solitary Street. It also has frontage to Jarrett Street. The allotment size is 542m² and is relatively steep, falling 9m from Solitary Street to Jarrett Street.

There is currently an existing, two storey, weatherboard dwelling on the site.

The proposed development consists of demolition of the existing dwelling and construction of a multi-level attached dual occupancy development, which will be subdivided into two strata units. The building will present a two storey façade to Solitary Street and the southern boundary, and three storeys from Jarrett Street and the northern boundary.

The development comprises the following:

- Ground Level - two bedroom dwelling with single garage and outdoor terrace (unit B) with vehicular access from Jarrett Street and garage for unit A with access from Solitary Street.
- Mid Level – three bedrooms, living area, dining, kitchen, decks and swimming pool associated with unit A.
- Top Level – bedroom, retreat, ensuite and deck associated with unit A.

The development has an estimated construction value of \$845,000. A copy of the plans is attached (Attachment 2).

The development site is adjoined by an existing 3/4 storey apartment building known as Horizons consisting of 10 residential units and a vacant lot. The vacant lot has an existing approval for a 4/5 storey apartment building comprising of 8 residential units. Both adjoining developments have heights greater than the proposed development.

Sustainability Assessment:

• **Environment**

The development site is within an established residential area, which is serviced by reticulated sewer and water. The land is devoid of significant native vegetation and has been previously developed. The existing dwelling may contain some asbestos that will need special handling and removal requirements. The proposal is accompanied by a Building Sustainability Index (BASIX) Certificate indicating the building's compliance with the NSW Government's requirements for sustainability. The proposed conditions of development consent will require appropriate sediment and erosion controls during construction and require asbestos to be handled in accordance with AS2601-2001 "Demolition of structures" and the Work Health and Safety Act. The proposal will contribute to urban consolidation.

• **Social**

The development seeks to provide accommodation for two families.

There is potential that the development will result in temporary impacts on the amenity of adjoining residents during construction of the building. A number of conditions of development consent are proposed to manage these impacts.

- **Civic Leadership**

The proposed development has been assessed in accordance with the provisions of the Environmental Planning and Assessment Act 1979 and all relevant Council controls and policies.

This proposal is consistent with the Coffs Harbour 2030 Community Strategic Plan, Places for Living.

- **Economic**

Broader Economic Implications

The proposal will provide construction related employment opportunities. No adverse economic impacts are likely from this proposal.

Delivery Program/Operational Plan Implications

There are no implications for Council's Delivery Program/adopted Operational Plan.

Risk Analysis:

A risk analysis has been undertaken and it is considered that approval of the development application as recommended does not pose a significant risk to Council.

Consultation:

The application was notified to adjoining and nearby property owners. Submissions were received from 7 representatives, which raised the following issues with the proposed development:

- Excessive height
- Loss of views
- Solar access
- Impact to values
- Reduced setbacks
- Sewer main location

A full copy of the submissions are a confidential attachment to this report (Attachment 4). They are a confidential attachment as they contain personal and private information that is not appropriate to be fully disclosed under the Privacy and Personal Information Protection Act. The 'Issues' section of this report considers these submissions.

- **Internal Consultation**

The application has been reviewed by a number of internal Council sections, including City Services (subdivision, access and services), Sustainable Planning (Airspace Operations Clause LEP) and Corporate Business (developer contributions, Airport concurrence) and no objections have been raised to the proposal, subject to imposition of appropriate conditions.

- **Statutory Consultation**

The application was also required to be referred to the Civil Aviation Safety Authority (CASA) in relation to the provisions of Clause 6.8 of the City Centre LEP 2011. The development as proposed will penetrate the Obstacles Limitations Surface for the Coffs Harbour Regional Airport. CASA has provided conditional support for the proposed height of the development, due to the height and shielding effect of the adjoining units at 4 Solitary Street.

Related Policy and / or Precedents:

There are no related policy or precedents for consideration in respect of the application.

Statutory Requirements:

Section 79C of the Environmental Planning and Assessment Act 1979, specifies the matters which a consent authority must consider when determining a development application. The consideration of matters is limited in so far as they must be of relevance to the particular application being examined.

The following planning controls are relevant to this application and are required to be considered as part of the assessment:

- State Environmental Planning Policy No. 71 - Coastal Development
- State Environmental Planning Policy (Building Sustainability Index: BASIX)
- Coffs Harbour City Centre Local Environmental Plan (LEP) 2011
- Coffs Harbour City Centre Development Control Plan (DCP)
- Coffs Harbour LEP 2013

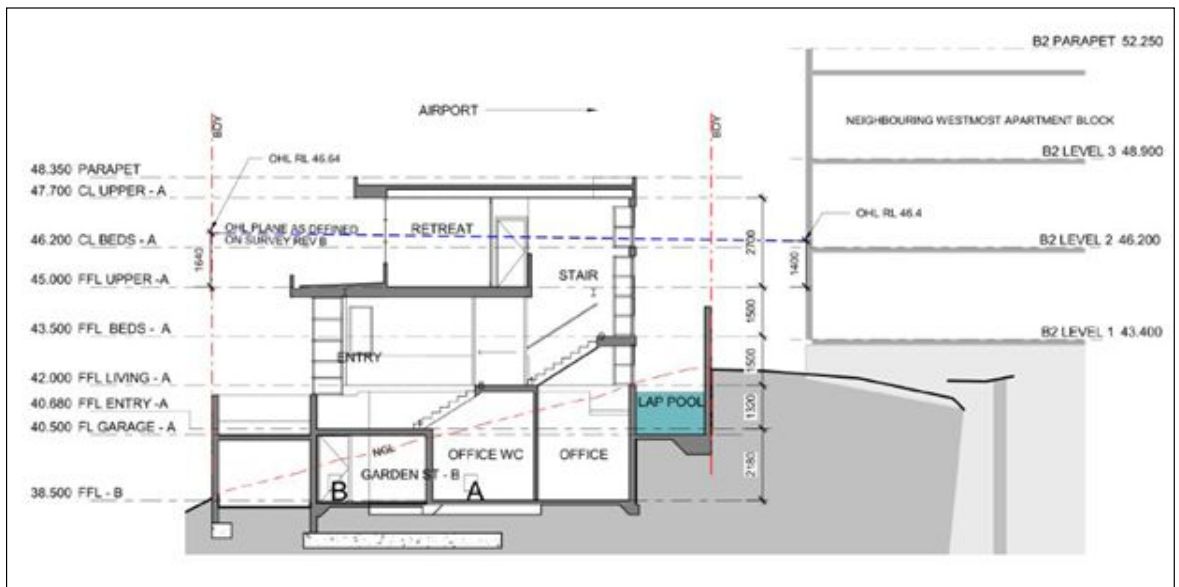
These statutory instruments and controls are considered in detail in the Section 79C assessment appended to this report (Attachment 1).

Issues:

This section discusses the issues raised during notification of the development.

- **Excessive Height**

The subject site is within an R3 zone under Councils City Centre LEP 2011. The maximum building height under the current LEP is 5.4m. This height restriction was adopted in the LEP following consultation with CASA, due to the properties in this location being close to the upper limit of the Obstacle Limitations Surface (OLS) from the Coffs Harbour Regional Airport. The 5.4m height was the lowest limit permissible under the standard LEP template. The methodology behind adopting a minimal height limit in this area was to ensure CASA could make informed decisions on the suitability of developments that are likely to penetrate the OLS.



Obstacle Limitations Surface Representation

Prior to the adoption of the City Centre LEP, the zoning of the land was 2C – Medium High Density. The height limit permissible under Councils previous controls (Medium High Density DCP) was 10m to the underside of the eaves. Referral of applications penetrating the OLS to CASA was still required.

The current proposal is for a building which, due to the sloping nature of the site, at its highest point is approximately 9.4m and well within the acceptable height range adopted under Councils previous development controls.

Given that CASA have shown no objection to the proposed height with respect to the development penetrating the OLS, it is not unreasonable to expect that a building of up to 10m in height may be proposed on this development site.

It should also be noted that there is a previous approval in place (BA 691/79) that proposed an additional storey that could be acted upon at any time. This previous approval also has a finished height consistent with what is proposed.

The major consideration is regarding the reasonableness of the proposal, taking into account the impacts caused by the height of the building, including any view loss, overshadowing and other amenity considerations.

- **Loss of Views**

A view sharing analysis was undertaken in accordance with the view sharing principles established under the Tenacity Consulting v Warringah case.

It should be noted that the view sharing principle states that views across side boundaries are less likely to be maintained and that views from areas other than living areas are of less significance. This section of the report therefore focuses on the impact of views from living areas.

Height profiles were erected on site and photographs were taken from a number of the units adjoining the development. It should be noted that Block A of 4 Solitary Street has unimpeded views to the Jetty and Coast to the east and is therefore not considered to be significantly impacted in terms of view sharing.

With respect to Block B of 4 Solitary Street, the views of significance include the Coast and Coffs Creek as applicable. The units that are considered to be impacted include Units 1, 2 and 3, with Units 4 and 5 able to view over the top of the proposed development.

Unit 1 is at ground level and will likely lose the existing view to the ocean from the living area and bedroom windows. Given this is a ground floor unit with side views, and any reasonable development would be likely to have a similar impact, this is considered acceptable from a view sharing perspective.

Unit 2 is on the second floor and will lose a portion of the existing view to the ocean from the bedroom window but will maintain these views from the living area window.

Unit 2 will also lose existing views of the hinterland to the north, due to the upper storey. Given that the primary view is to the coast, the impact is considered acceptable.

Unit 3 has existing view sharing of the coast over Block A of 4 Solitary Street. This will not be impeded by the proposal, however, there are also significant views to Coffs Creek from the living area window that are likely to be impacted upon. The impact however, is not considered to be significant.

It should be noted that the application was amended to improve the view of Coffs Creek from unit 3 and be more consistent with the existing approval under BA 691/79 by moving the eastern wall and parapet of the upper floor to the west by 1.2m.

- **Solar Access**

Shadow diagrams have been prepared by the applicant that shows the extent of over shadowing during the winter solstice at 9.00am, 12.00pm and 3.00pm. The shadow plans indicate that the required minimum 2hrs of sunlight to living areas and outdoor deck areas will be achieved.

- **Impact to Values**

It is a generally accepted legal view that property values should not be considered in isolation of other potential impacts (such as amenity impacts). Council is required to consider likely impacts of a proposal and not perceived impacts which may be a component in determining a property's value.

- **Reduced Setbacks**

The setbacks required for an R3 Medium Density site are contained within the City Centre DCP. The development site is considered to be within the Jetty area for the purpose of applying the controls.

The setback to Solitary Street is considered to be the front, with required setbacks of 3.5m for single storey, 5.0m for 2nd storey and 6.5m for 3rd storey. The front setback generally complies, with a minor variation to the 2nd storey being proposed. The majority of the 2nd storey is compliant at 5.0m.

The eastern boundary, fronting Jarrett Street is considered to be a rear boundary. The proposed setbacks are compliant.

The northern boundary requires a setback of 3m for heights up to 8.5m and 6m for heights above 8.5m. A minor variation to the upper storey is proposed at 5.2m. This variation has minimal impact to adjoining properties and is considered acceptable.

The southern boundary also requires setbacks of 3m for heights up to 8.5m and 6m for heights above 8.5m, however, zero setbacks are also allowed for wall heights up to 3m where there are minimal impacts to neighbourhood amenity.

A setback of 3.5m is proposed to the upper floor which is a 2.5m variation, however, the lot has a relatively narrow width of just over 15m which would only allow an upper floor of 3m wide if 6m setbacks were applied to both side boundaries. This would not provide a practical useable space and would not lend itself to maximising use of the land or encouraging higher density development to which the allotment is zoned for. The upper floor has only one window facing south which is from the stairwell void and is of little significance.

A zero setback is proposed for parts of the building along the south boundary also including boundary fencing.

The western portion of the main building with a zero setback comprises a garage at ground level and an ensuite and laundry on the 2nd floor. This wall will range from 3.0m to 3.8m above ground level. There are no windows in this wall.

The concrete block fence enclosing the pool is also significant. The height of the wall ranges from 1.2m to 3.4m at the highest point. It should be noted that pool fences on an adjoining boundary are required to be a minimum of 1.8m measured on the inside of the wall. As the pool runs east / west along the boundary, against the fall of the land, the height of the fence on the boundary is exacerbated by the pool fencing requirements.

Whilst there are significant variations to the southern boundary setbacks, the encroachments are not considered to promote unacceptable streetscape impacts, overshadowing or privacy impacts for adjoining developments and sufficient separation to surrounding development is still achieved by the existing setbacks of the adjoining residential flat building being approximately 3m from the southern boundary.

It should also be noted that the applicant has amended their proposal during the application process to provide a greater setback of the mid-level deck area from the south boundary at the eastern end to the building to improve privacy and visual impact.

- ***Sewer Main Location***

The proposed development is situated over an existing sewer main. The application has been reviewed in relation to Council's Building in the Vicinity of Sewer Mains Policy. Conditional approval to construct over the main was given provided that the portion of sewer main affected is upgraded to HDPE pipe.

Implementation Date / Priority:

In the event that Council adopts the recommendation, a formal notice of determination will be issued for the development application. Persons who made a submission will be notified at the same time.

With a formal notice of approval, the applicant can act on the development consent at any time, subject to meeting any relevant conditions of the approval.

Summary:

Whilst the development does not comply with the relevant height limits contained within the Coffs Harbour City Centre LEP 2011, the intent and purpose of the residential height limit will not be compromised by approving a variation in this instance. The development complies with all other development standards of the Coffs Harbour City Centre LEP 2011.

The development largely complies with the requirements of the City Centre DCP and is consistent with the intent of the plan. The key area of non-compliance with DCP controls is in relation to building setbacks. There is little to be gained from enforcing strict compliance with the setback provisions and the departures from the controls do not result in any significant impacts to neighbouring properties with respect to amenity and in this context, are considered acceptable.

Matters raised in submissions do not warrant refusal or change to the proposal. The development will replace a single dwelling with two separate dwellings; thereby adding to the City's housing mix. The proposal is considered suitable for conditional approval.

Recommendation:

- 1. That the written objection made pursuant to Clause 4.6 of Coffs Harbour City Centre Local Environmental Plan 2011 for the variation to the maximum building height under Clause 18(4A) of the Coffs Harbour City Centre Local Environmental Plan 2011 be supported in this particular case.**
- 2. That Development Application No. 121/13 for demolition and construction of a dual occupancy and strata subdivision on Lot A, DP 390197, No. 8 Solitary Street, Coffs Harbour, be approved subject to conditions as appended to the report (Attachment 3).**
- 3. That persons who made submissions in relation to the Development Application No. 121/13 be notified of the determination.**

**Development Application No. 121/13
Section 79C Assessment**

a. the provisions of,

i. any environmental planning instrument, and

- **State Environmental Planning Policy 71 – Coastal Protection**

This policy is relevant to the application as the land is within the Coastal Policy zone. There are no issues of note as effluent and storm water disposal have been adequately addressed.

***Clause 8 Matters:** aims of the Policy, existing public access to the coastal foreshore; opportunities for new public access to the coastal foreshore; the suitability of development and its relationship with the surrounding area; impacts on the amenity of the coastal foreshore; scenic qualities of the NSW coast; conservation of threatened flora and fauna and their habitats; conservation of fish species, marine vegetation and their habitats; impacts on existing wildlife corridors, impacts (or likely impacts) of coastal processes and coastal hazards; conflict between land-based and water-based coastal activities; protection of cultural places, values, customs, beliefs and traditional knowledge of Aboriginals; impacts on water quality of coastal water bodies; conservation and preservation of items of heritage, archaeological or historic significance; the cumulative impacts of the proposed development on the environment; water and energy efficiency.*

The matters specified in Clause (8) of the Policy have been considered in the assessment of this application. The development does not contravene any of the specified matters. Existing public access is not altered by the proposed development nor will it have an impact on threatened species or wildlife corridors.

- **State Environmental Planning Policy (Building Sustainability Index BASIX) 2004**

The proposal is accompanied by a Building Sustainability Index (BASIX) Certificate indicating the building's compliance with the State Policy. The proposed consent conditions aim to ensure these commitments are fulfilled.

- **Coffs Harbour City Centre LEP 2011**

The land is zoned R3 Medium Density. The proposal is for "demolition" and construction of a "dual occupancy" which is permissible with consent in this zone. The following clauses of the LEP are relevant to the proposal:

(2.6) Subdivision – consent requirements

The application seeks development consent for strata subdivision. The proposal is consistent with this provision.

(2.7) Demolition Requires Development Consent

The application seeks development consent for demolition of the existing dwelling on site; appropriate conditions have been applied to the development consent in this regard to ensure demolition works and management of demolition waste will accord with relevant standards. The proposal is consistent with this provision.

(4.1) Minimum subdivision lot size

The lot sizes will not be affected by a Strata Title subdivision. The proposal is consistent with this provision.

(4.3) Height of Buildings

The Maximum Building Height for this site as specified by the Height of Buildings Map is 5.4m; the total building height of the development is 9.4m. The building is proposed to exceed the height limit. See discussion in "Issues" section of main report.

(4.4) Floor Space Ratio

The Floor Space Ratio for this site as specified by the Floor Space Ratio Map is 1.8:1. The proposed Floor Space Ratio of the development is 0.7:1. The building will not exceed the FSR specified by the Floor Space Ratio Map. The proposal is consistent with this provision.

(4.6) Exceptions to development standards

A written request has been received from the applicant in accordance with this clause seeking to demonstrate that the development standard (i.e. height limit) is unreasonable and unnecessary and that there are sufficient planning grounds to justify the contravention. It should be noted that Planning Circular PS 08-003 allows Councils to assume the Director-Generals concurrence in respect to most applications made under this clause. The current application seeking contravention of Clause 4.3 is subject to assumed concurrence. The application is consistent with this provision.

(5.5) Development within the coastal zone

In accordance with this clause, development consent must not be granted to development on land that is wholly or partly within the coastal zone unless the consent authority has considered the matters outlined with Clause 5.5.

The development will not impede or diminish public access to (or along) the coastal foreshore, impact the amenity of the coastal foreshore, adversely impact the visual amenity of the coast or biodiversity and ecosystems. The proposed development will not be significantly affected by coastal hazards or have a significant impact on coastal hazards, or increase the risk of coastal hazards in relation to any other land.

The proposal is consistent with this provision.

(6.1) Acid Sulfate Soils

The proposed development is on land shown on the Acid Sulfate Soils (ASS) Map as being Class 5 potential acid sulfate soils. Clause 6.1(3) of the Coffs Harbour City Centre LEP states that development consent must not be granted under this Clause for the carrying out of works unless an acid sulfate soils management plan has been prepared for the proposed works in accordance with the *Acid Sulfate Soils Manual* and has been provided to the consent authority.

Attachment 1

The proposed works are unlikely to lower the water table below 1m AHD on adjoining Class 1 and 3 lands. In light of this, Clause 6.1(3) is not relevant to the proposed development and the preparation of an ASS Management Plan is not required in this instance.

(6.8) Airspace Operations

The proposed development will penetrate the Obstacle Limitations Surface for the Coffs Harbour Airport. Accordingly the application has been referred to CASA and concurrence has been granted. The development is consistent with this clause.

(6.11) Design Excellence

The proposed development addresses the design excellence provisions of this Plan.

The development is of contemporary design and style, incorporating a variety of external finishes including masonry, cladding and glazing. Existing view corridors are not significantly affected by the proposed development. (see "Issues" section of main report.) The proposed development is compatible with the context and land use mix of the locality and the intention for the desired future character of the area as guided by the City Centre LEP and DCP.

The development will incorporate a number of sustainable design features such as solar orientation, rainwater harvesting and reuse and energy and water efficient appliances and fixtures. The development will also contribute to public infrastructure with, new footpaths and kerb and gutter proposed for the full frontage of Solitary Street.

ii. any draft environmental planning instrument that is or has been placed on public exhibition and details of which have been notified to the consent authority, and

Coffs Harbour LEP 2013 was a Draft Environmental Planning Instrument (EPI) at the time this application was made in accordance with *Clause 1.8A - Savings provisions relating to development applications*, a development application that has been made before the commencement of LEP 2013 must be determined as if LEP 2013 had not commenced. As such, LEP 2013 must be considered as a draft LEP. In this regard, the subject property is zoned R3 Medium Density under the draft plan. LEP 2013 is consistent with the provisions of the City Centre LEP 2011 in relation to this site. As discussed above, it is considered the proposed development can be supported in relation to the provisions of the City Centre LEP 2011, the application can also be supported in relation to LEP 2013.

iii. any Development Control Plan (DCP)

• Coffs Harbour City Centre DCP

The following clauses of the DCP are relevant to the proposal:

(2.12) Jetty Character Area

The site is situated within the Jetty Character Precinct, the proposed development is consistent with the objectives of the character area.

(3.1) Building Alignment and Setback

Solitary Street is considered to be the front of the allotment, with a setback of 3.5m for single storey, 5.0m for 2nd storey and 6.5m for 3rd storey. The front setback generally complies, with a minor variation to the 2nd storey being proposed. The majority of the 2nd storey is compliant at 5.0m.

(3.4) Side and Rear Building Setbacks and Building Separation

The eastern boundary, fronting Jarrett Street is considered to be a rear boundary. The setbacks required are 3m for heights up to 8.5m and 6m for heights above 8.5m. The proposed setbacks are compliant.

The northern boundary requires a setback of 3m for heights up to 8.5m and 6m for heights above 8.5m. A minor variation to the upper storey is proposed at 5.2m. This variation has minimal impact to adjoining properties and is considered acceptable.

The southern boundary also requires setbacks of 3m for heights up to 8.5m and 6m for heights above 8.5m, however, zero setbacks are also allowed for wall heights up to 3m where there are minimal impacts to neighbourhood amenity.

A setback of 3.5m is proposed to the upper floor which is a 2.5m variation, however, the lot has a relatively narrow width of just over 15m which would only allow an upper floor of 3m wide if 6m setbacks were applied to both side boundaries. This would not provide a practical useable space and would not lend itself to maximising use of the land or encouraging higher density development to which the allotment is zoned for. The upper floor has only one window facing south which is from the stairwell void and is of little significance.

A zero setback is proposed for parts of the building along the south boundary also including boundary fencing.

The western portion of the main building with a zero setback comprises a garage at ground level and an ensuite and laundry on the 2nd floor. This wall will range from 3.0m to 3.8m above ground level. There are no windows in this wall.

The concrete block fence enclosing the pool is also significant. The height of the wall ranges from 1.2m to 3.4m at the highest point. It should be noted that pool fences on an adjoining boundary are required to be a minimum of 1.8m measured on the inside of the wall. As the pool runs east / west along the boundary, against the fall of the land, the height of the fence on the boundary is exacerbated by the pool fencing requirements.

Whilst there are significant variations to the southern boundary setbacks, the encroachments are not considered to promote unacceptable streetscape impacts, overshadowing or privacy impacts for adjoining developments and sufficient separation to surrounding development is still achieved by the existing setbacks of the adjoining residential flat building being approximately 3m from the south boundary.

It should also be noted that the applicant amended the plans to provide a greater setback of the mid-level deck area from the South boundary at the eastern end of the building to improve privacy and visual impact.

(3.6) Building Design and Materials

The proposed development is of contemporary design and style and satisfies this control.

The development will contribute positively to both street frontages and presents an appropriate design response for the site.

Balconies and terraces have been provide to maximise outlook without detrimentally impacting the amenity of adjoining buildings.

The development incorporates a myriad of glazed panels to take advantage of the views and allow the building to take advantage of the sun. External walls are of durable materials and finishes with self-cleaning attributes.

(3.7) Landscape Design

The proposed development is considered to be consistent with the objectives and provisions of this clause. Landscaping details have been provided indicating appropriate landscaping of the site.

(4.3) Safety and Security

The proposed development is considered to be consistent with the objectives and provisions of this clause.

(4.4) Front Fences and Boundary Treatments

The fencing proposed forward of the building alignment substantially complies with this clause. It is predominantly 1m in height with sufficient landscaping to separate the development from the public domain.

(5.2) Vehicular Driveways and Manoeuvring Areas

Whilst the development comprises two access driveways, one from each frontage, this arrangement is supported by Councils subdivision engineers and provides for better design flexibility of the units. Driveway design details are required prior to issue of a construction certificate.

(5.3) On-site Parking

Car parking has been provided for the development in accordance with Table 5-1. The proposed development is considered to be consistent with the objectives and provisions of this clause.

(5.4) Site Facilities and Services

The proposed development incorporates all necessary site facilities. The development is to be serviced by reticulated water, sewer and electricity.

(5.6) Subdivision

The proposed development proposes Strata Subdivision only and is an appropriate form of subdivision for the proposed development.

(5.6.7) Developer Contributions

Development contributions apply to this development and will be payable prior to the issue of a construction certificate.

(5.7) Notification

The development was notified in accordance with the provisions of Clause 5.7 of the DCP.

(6.1) Energy Efficiency and Conservation

It is considered the development is consistent with the objectives and provisions of this clause. A BASIX Certificate has been issued for the development and relevant conditions are attached to the consent to ensure compliance with the terms of the certificate.

(6.2) Water Conservation

The proposed development is considered to be consistent with the objectives and provisions of this clause. Rainwater harvesting and re-use is incorporated in the development.

(6.5) Waste and Recycling

Waste separation will be achieved on site. Individual waste storage facilities are provided for each dwelling. The proposed development is considered to be consistent with the objectives and provisions of this clause.

(6.6) Erosion and Sediment Control

Appropriate sediment and erosion controls are proposed to be attached as conditions on the development consent.

(6.7) Stormwater

Stormwater will be collected and reused onsite before being discharged to the kerb at Jarrett Street.

(7.3) Residential Design in a Subtropical Climate

The proposal provides an appropriate design response for a subtropical climate, the development incorporates solar orientation and shading of windows and provision for cross ventilation. Balconies and terraces are provided in ideal locations and sufficient private open space areas are provided with access available from living areas.

(7.4) Densities

The development achieves a dwelling density of 1 dwelling/ 271m², this does not exceed the density provisions of the DCP and provides for one large dwelling and one smaller dwelling. The development is consistent with this clause.

Attachment 1

iv. the regulations (to the extent that may prescribe matters for the purposes of this paragraph), that apply to the land to which the development application relates,

Clause 92 of the Environmental Planning and Assessment Regulation 2000 requires Council to consider the provisions of the Coastal Policy 1997 and AS2601-1991 - Demolition of Structures. As previously detailed, the proposal satisfies the relevant provisions of the Coastal Policy. Consent conditions to adequately cater for demolition are proposed, including asbestos removal as required.

b. the likely impacts of that development, including environmental impacts, on both the natural and built environments, and social and economic impacts in the locality,

This locality is one in transition as older dwellings and vacant sites are developed into higher density developments, in line with the medium density zoning which applies to this locality. The design character of this locality is highly varied, however, the proposal is not inconsistent with the existing adjoining block of units to the south and the proposed block of units adjoining to the north both of which are about 10m above natural ground level.

Access is to be provided from both Solitary Street and Jarrett Street and is supported by Councils subdivision and development engineers.

Sufficient on-site parking is to be provided to the development.

There are adequate services and facilities provided to support the development.

The proposal is unlikely to have any impacts on Acid Sulfate Soils.

The proposal is unlikely to result in any impacts on flora and fauna; the site is highly disturbed and is not identified as supporting any significant flora or fauna species.

There is sufficient area on site for waste storage facilities.

The potential exists for noise and amenity impacts to adjoining residents during construction. However, the imposition of proposed conditions in relation to sediment and erosion controls and hours of work seek to mitigate the potential for such impacts.

There are no geological hazards of note.

There are no cumulative issues of note given that the development is consistent with the objectives of the zone and the desired character of the locality.

c. the suitability of the site for the development,

The proposed development is compatible with the context of the site and the desired future character of the area as guided by the City Centre LEP and DCP.

The development responds to the growing need for higher densities in proximity to transport, infrastructure and services.

There are no major constraints to the proposed development with adequate access and services being available to the site.

The development will not result in any effects on any threatened species, populations, and/or their habitats or endangered ecological communities.

Attachment 1

The development proposes construction over an existing sewer main, however, Councils Sewer engineer has granted conditional approval for this requiring the main to be upgraded to HDPE pipe.

d. any submissions made in accordance with this Act or the regulations,

The application has been reviewed by the following sections within Council and recommended conditions / actions have been incorporated into the evaluation process and consent conditions:

- Sustainable Planning (LEP Provisions)
- City Infrastructure Services (access, services, subdivision)
- Corporate Business (developer contributions, Airport Operations)

The application was notified to adjoining and nearby property owners in accordance with the City Centre Development Control Plan.

Submissions were received from 7 representatives following the notification process raising issues of concern with the proposed development. The issues raised include:

- Excessive height
- Loss of views
- Shadowing
- Impact to values
- Reduced setbacks
- Sewer main location

These issues are considered in the report to Council and thereby form part of the evaluation. Matters raised in the submissions do not warrant change to or refusal of the proposal. A number of consent conditions address the potential for amenity impacts by the development on nearby residents.

e. the public interest,

The development is not contrary to the public interest. The proposal is compatible with the Jetty character, the development will contribute towards urban consolidation and provide housing for a number of families.

All issues raised by the community during the application process have been addressed in the report to Council.

DEVELOPMENT APPLICATION DRAWINGS

TWO UNITS FOR SIMMONDS

8 Solitary Street
Coffs Harbour 2450
Lot A DP 390197

JOB NO.: 1203



DRAWINGS

Sheet List

- DA 0-1 SITE ANALYSIS & DESIGN RESPONSE
- DA 0-2 AREA PLANS
- DA 0-5 PROPOSED STRATA SUBDIVISION
- DA 1-1 SITE PLAN
- DA 2-2 LOWER PLAN
- DA 2-3 MIDDLE LEVEL PLAN
- DA 2-4 UPPER FLOOR & ROOF PLANS
- DA 3-1 ELEVATIONS
- DA 4-1 TYPICAL SECTIONS
- DA 4-2 SECTIONS
- DA 4-3 SECTIONS
- DA 5-1 PERSPECTIVES
- DA 9-1 SHADOW STUDIES

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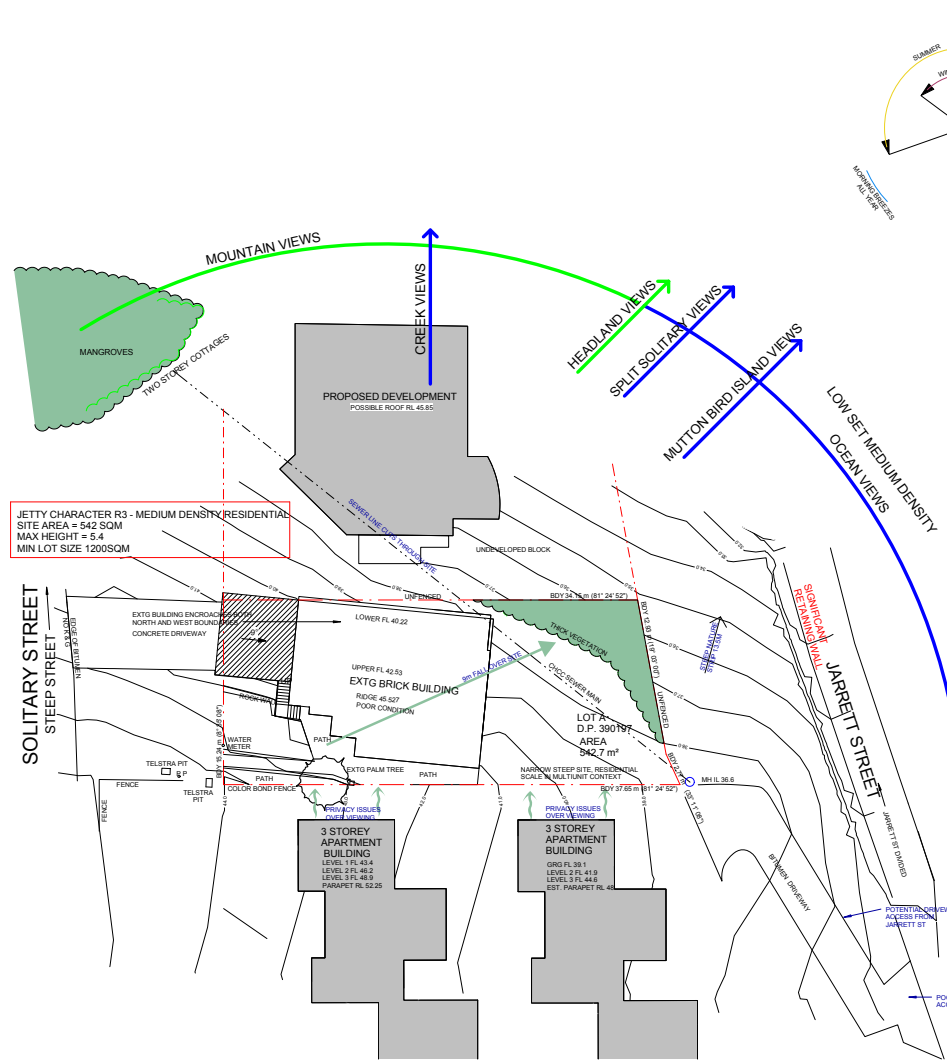
20 Eleventh Avenue Sawtell NSW 2452
Ph 02 6658 5544

Email info@g2architects.com.au

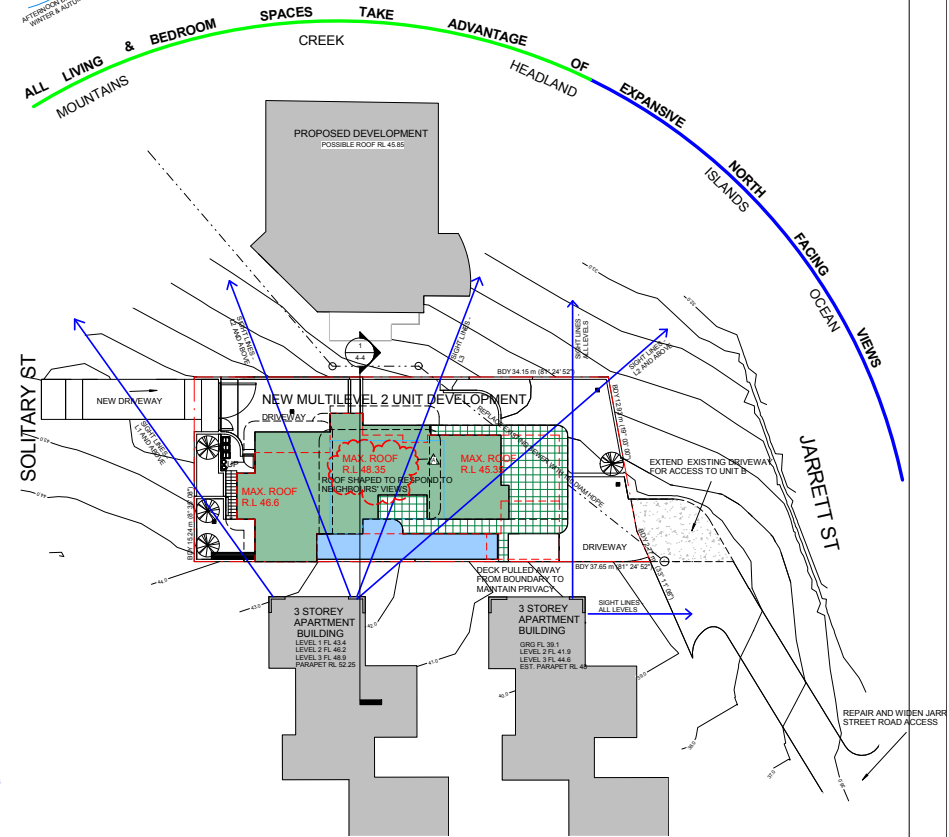
Web www.g2architects.com.au

Ann M Gee | NSW Arch. Reg. No. 8295 | AIA 48995
ACN 001 762 849 ABN 23001762849





1 SITE ANALYSIS
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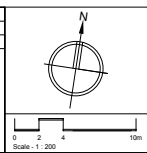


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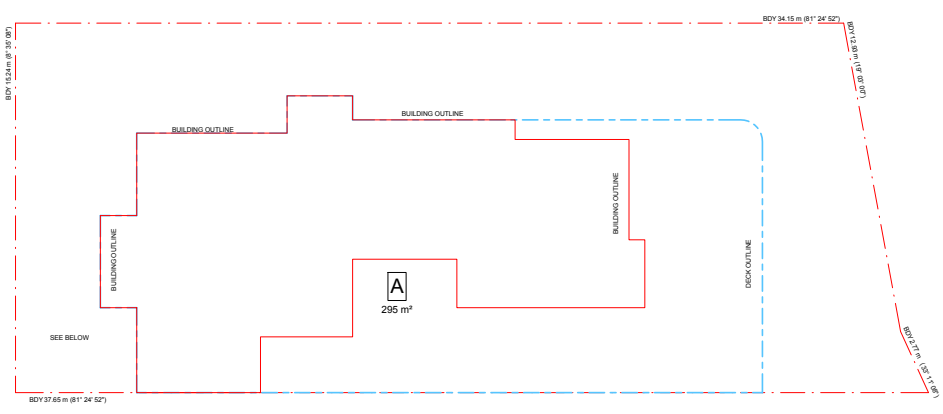
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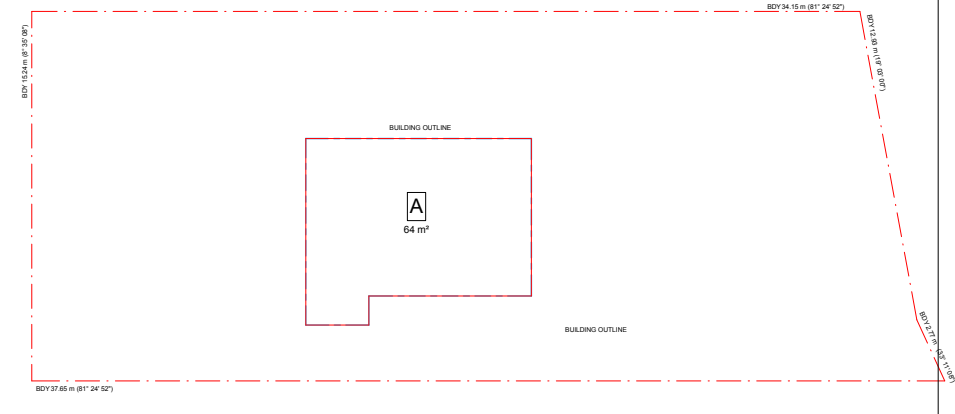
ISSUE	REVISION DESCRIPTION	DATE
A	Fix Max RL on Design Response	06-09-12



PROJECT: TWO UNITS FOR SIMMONDS 8 Solitary Street Coffs Harbour 2450 Lot A DP 390197			
SCALE:	DATE:	DWG NO.:	
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TITLE: SITE ANALYSIS & DESIGN RESPONSE			JOB NO.:
			ISSUE: 1203 A

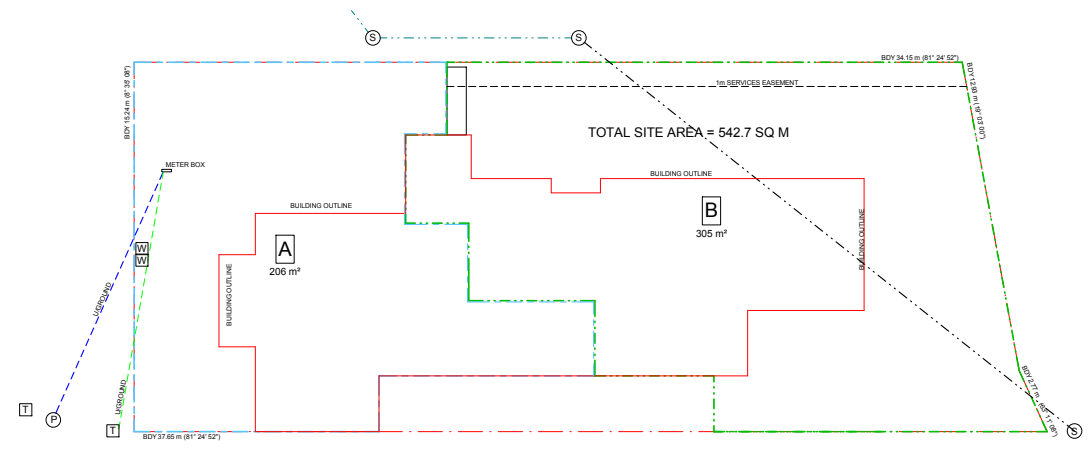


2 MIDDLE LEVEL
1 : 100



3 UPPER LEVEL
1 : 100

PROPOSED STRATA TOTAL LOT AREAS	
Lot	Area
A	564 m ²
B	305 m ²



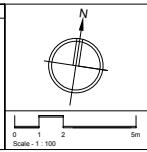
1 LOWER LEVEL
1 : 100

NOTE: STRATA SUBDIVISION TO BE VERIFIED BY SURVEYOR

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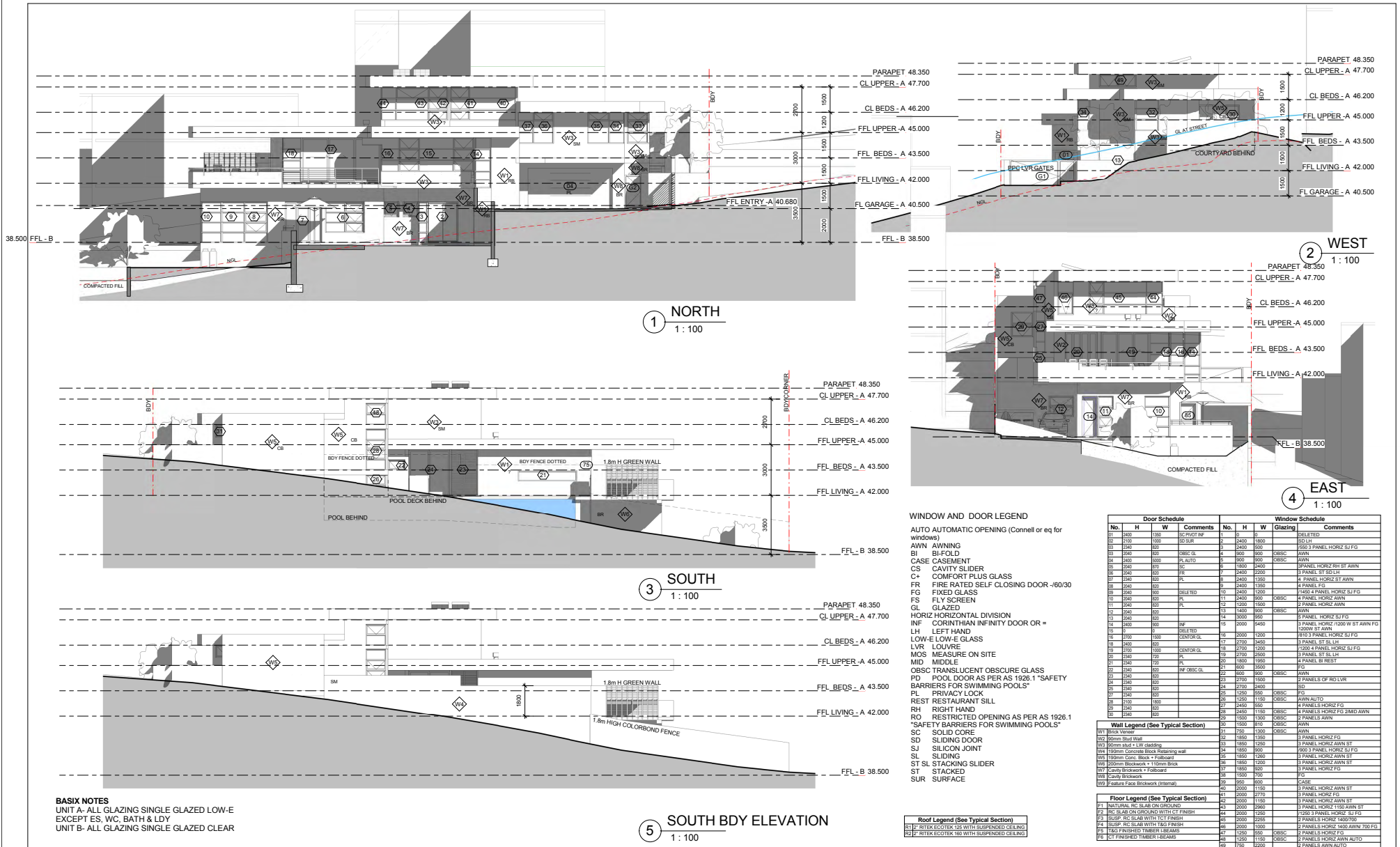
ISSUE	REVISION DESCRIPTION	DATE



PROJECT:
TWO UNITS FOR SIMMONDS
8 Solitary Street
Coffs Harbour 2450
Lot A DP 390197

SCALE: DATE: DWG NO.:
1 : 100 16/10/2013 11:01:04 AM DA 0-5

TITLE: JOB NO.: ISSUE:
PROPOSED STRATA SUBDIVISION 1203



WINDOW AND DOOR LEGEND

- AUTO AUTOMATIC OPENING (Connell or eq for windows)
- AWN AWNING
- BI BI-FOLD
- CB CASE CASSEMENT
- CS CAVITY SLIDER
- C+ COMFORT PLUS GLASS
- FR FIRE RATED SELF CLOSING DOOR -60/30
- FG FIXED GLASS
- FS FLY SCREEN
- GL GLAZED
- HORIZ HORIZONTAL DIVISION
- INF CORINTHIAN INFINITY DOOR OR =
- LH LEFT HAND
- LOW-E LOW-E GLASS
- LVR LOUVRE
- MOS MEASURE ON SITE
- MID MIDDLE
- OBSC TRANSLUCENT OBSCURE GLASS
- PD POOL DOOR AS PER AS 1926.1 "SAFETY BARRIERS FOR SWIMMING POOLS"
- PL PRIVACY LOCK
- REST RESTAURANT SILL
- RH RIGHT HAND
- RO RESTRICTED OPENING AS PER AS 1926.1 "SAFETY BARRIERS FOR SWIMMING POOLS"
- SC SOLID CORE
- SD SLIDING DOOR
- SJ SLIDION JOINT
- SL SLIDING
- ST SL STACKING SLIDER
- ST STACKED
- SUR SURFACE

Door Schedule				Window Schedule			
No.	H	W	Comments	No.	H	W	Comments
01	2400	1200	CL WOOD FR	1	2400	1800	SOLETTED
02	2100	1000	SD BAR	2	2400	1800	SD LH
03	2340	800	OBSC GL	3	2400	1800	0603 PANEL HORIZ SL FG
04	2040	800	OBSC GL	4	800	900	OBSC AWN
05	2040	800	FL AUTO	5	800	900	OBSC AWN
06	2040	800	FR	6	1800	2400	08 PANEL HORIZ RHT ST AWN
07	2340	800	FR	7	2400	2200	3 PANEL ST SD LH
08	2040	800	FR	8	2400	1350	4 PANEL HORIZ ST AWN
09	2040	800	SOLETTED	9	2400	1350	4 PANEL FG
10	2040	800	FL	10	2400	1350	1003 PANEL HORIZ SL FG
11	2040	800	FL	11	2400	900	4 PANEL HORIZ AWN
12	2040	800	FL	12	1800	900	3 PANEL HORIZ AWN
13	2040	800	FL	13	1400	900	OBSC AWN
14	2040	800	FL	14	3000	900	3 PANEL HORIZ 1000 W ST AWN FG
15	2040	800	SP	15	2000	2400	1200W ST AWN
16	0	0	SOLETTED	16	2000	1200	3 PANEL HORIZ SL FG
17	2700	3450	CENTOR GL	17	2700	3450	3 PANEL ST SL LH
18	2700	2000	CENTOR GL	18	2700	2000	2003 PANEL HORIZ SL FG
19	2700	2000	FL	19	2700	2000	3 PANEL ST SL LH
20	2340	720	FL	20	1800	1800	4 PANEL BI REST
21	2340	720	SP	21	800	3500	FG
22	2340	800	SP OBSC GL	22	800	900	OBSC AWN
23	2340	800	SP	23	2700	1500	2 PANELS OF ROLVLR
24	2340	800	FL	24	2700	2400	SD
25	2340	800	FL	25	2340	800	OBSC AWN
26	2340	800	FL	26	1250	1150	OBSC AWN AUTO
27	2340	800	FL	27	2400	900	4 PANELS HORIZ FG
28	2340	800	FL	28	2400	1150	4 PANELS HORIZ 1400 AWN 700 FS
29	1900	1300	OBSC AWN	29	1900	1300	2 PANELS AWN
30	1900	1300	OBSC AWN	30	1900	1300	2 PANELS AWN AUTO

Roof Legend (See Typical Section)

No.	Material	Thickness	Comments
W1	Black Vapour	3	OBSC AWN
W2	Bottom Stud Wall	2	3 PANEL HORIZ FG
W3	Bottom Stud + LV Gypsum	3	3 PANEL HORIZ AWN ST
W4	150mm Concrete Block Retaining wall	34	0603 PANEL HORIZ SL FG
W5	150mm Conc. Block + Fiberglass	15	3 PANEL HORIZ AWN ST
W6	200mm Blockwork + 100mm Brick	38	3 PANEL HORIZ AWN ST
W7	200mm Blockwork + Fiberglass	37	3 PANEL HORIZ FG
W8	200mm Blockwork	38	FG
W9	200mm Blockwork (Internal)	38	OBSC AWN
W10	200mm Blockwork (Internal)	38	3 PANEL HORIZ AWN ST
W11	200mm Blockwork (Internal)	38	3 PANEL HORIZ FG
W12	200mm Blockwork (Internal)	38	3 PANEL HORIZ 1150
W13	200mm Blockwork (Internal)	38	3 PANEL HORIZ 1150 AWN ST
W14	200mm Blockwork (Internal)	38	3 PANEL HORIZ 1150 AWN ST
W15	200mm Blockwork (Internal)	38	3 PANEL HORIZ 1150 AWN ST
W16	200mm Blockwork (Internal)	38	3 PANEL HORIZ 1150 AWN ST
W17	200mm Blockwork (Internal)	38	3 PANEL HORIZ 1150 AWN ST
W18	200mm Blockwork (Internal)	38	3 PANEL HORIZ 1150 AWN ST
W19	200mm Blockwork (Internal)	38	3 PANEL HORIZ 1150 AWN ST
W20	200mm Blockwork (Internal)	38	3 PANEL HORIZ 1150 AWN ST
W21	200mm Blockwork (Internal)	38	3 PANEL HORIZ 1150 AWN ST
W22	200mm Blockwork (Internal)	38	3 PANEL HORIZ 1150 AWN ST
W23	200mm Blockwork (Internal)	38	3 PANEL HORIZ 1150 AWN ST
W24	200mm Blockwork (Internal)	38	3 PANEL HORIZ 1150 AWN ST
W25	200mm Blockwork (Internal)	38	3 PANEL HORIZ 1150 AWN ST
W26	200mm Blockwork (Internal)	38	3 PANEL HORIZ 1150 AWN ST
W27	200mm Blockwork (Internal)	38	3 PANEL HORIZ 1150 AWN ST
W28	200mm Blockwork (Internal)	38	3 PANEL HORIZ 1150 AWN ST
W29	200mm Blockwork (Internal)	38	3 PANEL HORIZ 1150 AWN ST
W30	200mm Blockwork (Internal)	38	3 PANEL HORIZ 1150 AWN ST

Floor Legend (See Typical Section)

No.	Material	Thickness	Comments
F1	NATURAL RC SLAB ON GROUND	11	3 PANEL HORIZ FG
F2	RC SLAB ON GROUND WITH CT FINISH	12	3 PANEL HORIZ AWN ST
F3	SLIP RC SLAB WITH TCT FINISH	42	3 PANEL HORIZ 1150 AWN ST
F4	SLIP RC SLAB WITH TCT FINISH	42	3 PANEL HORIZ 1150 AWN ST
F5	SLIP RC SLAB WITH TCT FINISH	42	3 PANEL HORIZ 1150 AWN ST
F6	SLIP RC SLAB WITH TCT FINISH	42	3 PANEL HORIZ 1150 AWN ST
F7	SLIP RC SLAB WITH TCT FINISH	42	3 PANEL HORIZ 1150 AWN ST
F8	SLIP RC SLAB WITH TCT FINISH	42	3 PANEL HORIZ 1150 AWN ST
F9	SLIP RC SLAB WITH TCT FINISH	42	3 PANEL HORIZ 1150 AWN ST
F10	SLIP RC SLAB WITH TCT FINISH	42	3 PANEL HORIZ 1150 AWN ST
F11	SLIP RC SLAB WITH TCT FINISH	42	3 PANEL HORIZ 1150 AWN ST
F12	SLIP RC SLAB WITH TCT FINISH	42	3 PANEL HORIZ 1150 AWN ST
F13	SLIP RC SLAB WITH TCT FINISH	42	3 PANEL HORIZ 1150 AWN ST
F14	SLIP RC SLAB WITH TCT FINISH	42	3 PANEL HORIZ 1150 AWN ST
F15	SLIP RC SLAB WITH TCT FINISH	42	3 PANEL HORIZ 1150 AWN ST
F16	SLIP RC SLAB WITH TCT FINISH	42	3 PANEL HORIZ 1150 AWN ST
F17	SLIP RC SLAB WITH TCT FINISH	42	3 PANEL HORIZ 1150 AWN ST
F18	SLIP RC SLAB WITH TCT FINISH	42	3 PANEL HORIZ 1150 AWN ST
F19	SLIP RC SLAB WITH TCT FINISH	42	3 PANEL HORIZ 1150 AWN ST
F20	SLIP RC SLAB WITH TCT FINISH	42	3 PANEL HORIZ 1150 AWN ST

BASIS NOTES
 UNIT A- ALL GLAZING SINGLE GLAZED LOW-E EXCEPT ES, WC, BATH & LDY
 UNIT B- ALL GLAZING SINGLE GLAZED CLEAR

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ISSUE	REVISION DESCRIPTION	DATE

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 Aus Civil 100% Aus Made 100% ISO 9001:2008
 09/01/11 09/01/11 09/01/11 09/01/11

PROJECT:
TWO UNITS FOR SIMMONDS
 8 Solitary Street
 Coffs Harbour 2450
 Lot A DP 390197

SCALE: DATE: DWG NO.:
 As indicated 6/10/2013 11:01:25 AM DA 3-1

TITLE: JOB NO.: ISSUE:
 ELEVATIONS 1203

Attachment 2

-  Property House Numbers
-  Land Parcels
-  Road Names
-  Roads
-  Creeks
-  State Forest
-  National Parks
-  2009 50cm



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Created = 28/01/2014 9:48 AM

User = ctscath

Scale = 1:2,144



Projected Coordinate System- GDA 1994, MGA Zone 56



Proposed Conditions Development Application No. 121/13

Schedule of Conditions

ADMINISTRATIVE CONDITIONS

Development Description:

1. Development consent is granted only to carrying out the development described in detail below:
 - ***Demolition of existing dwelling, Dual Occupancy, Swimming Pool and 2 Lot Strata Subdivision***

Prescribed Conditions:

2. The proponent shall comply with the prescribed conditions of development approval under Clauses 97A, 98, 98A - E of Environmental Planning and Assessment Regulation 2000 as are of relevance to this development.

Development is to be in accordance with approved plans:

3. The development is to be implemented in accordance with the plans and supporting documents set out in the following table except where modified by any conditions of this consent (Development Consent No. 0121/13).

Plan No. / Supporting Document(s)	Issue	Prepared by	Dated
Plan Nos. DA 0-1, DA 0-2, DA 0-5, DA 1-1, DA 2-2, DA 2-3, DA 2-4, DA 3-1, DA 4-1, DA 4-2 and DA 4-3	A	G2 Architects Pty Ltd	16 October 2013

In the event of any inconsistency between conditions of this development consent and the plans/supporting documents referred to above, the conditions of this development consent prevail.

The approved plans and supporting documents endorsed with the Council stamp and authorised signature must be kept on site at all times while work is being undertaken.

PRIOR TO THE ISSUE OF CONSTRUCTION CERTIFICATE

Construction Certificate:

4. No building work is to commence on site until a Construction Certificate has been issued for the work and Council has been notified that a Principal Certifying Authority has been appointed.

Note: Separate Construction Certificates are to be obtained for the **building works** and any **civil works**.

Development Application No. 0121/13**Schedule of Conditions**

Stormwater Management Plan:

5. A Stormwater Management Plan complying with the relevant controls of Council's Water Sensitive Urban Design Policy being submitted to and approved by Council **prior to issue of the Construction Certificate**.

Please refer to the WSUD Information Sheet, Policy and Guideline available on Council's web site www.coffsharbour.nsw.gov.au.

The design is to incorporate a detention system that achieves compliance with the Coffs Harbour City Council WSUD Policy targets. Design details are to include calculations showing the effect of the proposed development on design stormwater run-off flow rates and the efficiency of proposed measures to limit the flows.

The design shall be accompanied by an Operation and Maintenance Plan for the system.

Road Design and Services (Subdivision):

6. The following works:

- Half road reconstruction for the full frontage of Solitary St
- Kerb and gutter for the full frontage of Solitary St
- Footpath for the full frontage of Solitary St
- Sewer main upgrade to HDPE
- Upgrade of the driveway intersection on Jarrett St
- Extension of the existing Jarrett St driveway to unit B
- Construct a driveway to unit A

shall be provided to serve the development with the works conforming with the standards and requirements set out in Council's Development Design and Construction specifications and relevant policies (Water Sensitive Urban Design).

Plans and specifications are to be submitted to Council and approved **prior to issue of the Construction Certificate**. Plan submissions are to be accompanied by payment of prescribed fee.

Plans and specifications submitted later than six (6) months from the date of development consent shall comply with Council's current specifications at a date six (6) months prior to submission.

All work is to be at the developer's cost.

Development Application No. 0121/13

Schedule of Conditions

Section 94 Monetary Contributions:

7. Payment to Council of contributions, at the rate current at the time of payment, towards the provision of the following public services or facilities:

Note 1 - The contributions are to be paid **prior to release of any Construction Certificate** unless other arrangements acceptable to Council are made.

Note 2 - The rates will be adjusted in accordance with the procedures set out in Council's Section 94 Contributions Plans. The applicant is advised to confirm the contribution rate applicable at the time of payment as rates are revised quarterly.

Note 3 - If the development is to be staged, contributions are to be paid on a pro rata basis in respect of each stage.

	\$ Per Small Unit	\$ Per Large Unit
- Coordination and Administration	235.33	366.08
- Coffs Harbour Road Network	1,289.97	2,006.62
- Surf Rescue Equipment	65.98	102.63
- District Open Space	497.24	773.49

The Section 94 contribution is currently \$2,088.53 for the 2 unit development. This includes a one lot rate credit of \$3,248.82

Contributions have been imposed under the following plans:

- Regional, District & Neighbourhood Facilities & Services 2008.
- Coffs Harbour Road Network 2008.
- Surf Rescue Equipment 2008.

The Contribution Plans may be inspected at the Council Administration Offices, 2 Castle Street, Coffs Harbour or on Council's web site, www.coffsharbour.nsw.gov.au.

Water Management Act 2000:

8. **The Construction Certificate not being released** until a Certificate of Compliance pursuant to Division 5 of Part 2 of Chapter 6 of the Water Management Act 2000 evidencing that adequate arrangements have been made for the provision of water and sewerage services to and within the development is produced to Council.

The current contribution rate is:

	Amount/ small unit \$	Amount/ large unit \$	Total \$
Works to satisfy increased demand within the area for 2 units			
Water	6,470.81	9,244.01	15,714.82
Sewer	6,187.93	8,839.90	15,027.83
Sub total			30,742.65
Less credit for 1 lot			18,083.91
TOTAL AMOUNT PAYABLE			12,658.74

Development Application No. 0121/13**Schedule of Conditions**

Retaining Works:

9. A construction certificate is required for retaining walls exceeding 600mm in height. Timber retaining walls exceeding 600mm in height are not to be permitted within 1 metre of the boundary.

PRIOR TO COMMENCEMENT OF WORKS**Removal of Hazardous Materials:**

10. All hazardous materials shall be removed from the site and shall be disposed of at an approved waste disposal facility in accordance with the requirements of the relevant legislation, codes, standards and guidelines, prior to the commencement of any building works. Details demonstrating compliance with the relevant legislative requirements, particularly the method of containment and control of emission of fibres to the air, are to be submitted to the satisfaction of the Principal Certifying Authority prior to the removal of any hazardous materials.

Asbestos removal

- (a) Work involving bonded asbestos removal work (of an area of more than 10 square metres) or friable asbestos removal work must be undertaken by a person who carries on a business of such removal work in accordance with a licence under clause 318 of the *Occupational Health and Safety Regulation 2001*.
- (b) The person having the benefit of the development consent must provide the Principal Certifying Authority with a copy of a signed contract with such a person **prior to the commencement of the proposed works**.
- (c) Any such contract must indicate whether any bonded asbestos material or friable asbestos material will be removed, and if so, must specify the landfill site (that may lawfully receive asbestos) to which the bonded asbestos material or friable asbestos material is to be delivered.

Demolition Works:

11. All works including (where relevant) the handling and disposal of materials containing asbestos, are to be undertaken in accordance with the relevant requirements of WorkCover NSW, the Occupational Health and Safety Act and Australian Standard AS 2601-2001 "The Demolition of Structures".

Prior to demolition all services are to be disconnected and capped off. Disconnection of any sewer drainage lines shall be sealed to prevent ingress of water and debris into the sewerage system.

Where water and sewerage services are no longer required the required fee for disconnection being paid to Coffs Harbour Water prior to the commencement of any demolition work.

/5

Development Application No. 0121/13

Schedule of Conditions

Demolition Bond:

12. A damage deposit and administration fee as determined by Council's Fees and Charges Schedule shall be lodged with Council as a bond to cover possible damage to Council's property that may result during the removal of demolition material from the site. The deposit is to be lodged with Council and arrangements made for a dilapidation survey to be undertaken to assess the condition of Council property adjoining the land prior to the commencement of demolition work.

Sanitary Plumbing and Draining:

13. A separate application is to be made to Council by the licensed plumber and drainer prior to the commencement of any sanitary plumbing and drainage work on site.

DURING CONSTRUCTION

Excavated Material:

14. Where excavated material is to leave the site it is to be disposed of at an approved landfill facility.

Alternatively, where it is proposed to dispose of the excavated material at another location no material is to leave the site until:

- Council has been advised in writing of the destination site(s); and
- Council has been advised of the quantity and makeup of the material; and
- Council has issued written approval for disposal to the alternate location(s).

Note: The exportation of fill or soil from the site must be in accordance with the provisions of the Protection of the Environment Operations Act (POEO) 1997 and the Office of Environment and Heritage "*Waste Classification Guidelines*" and shall comply with the terms of any approval issued by Council.

Erosion and Sediment Control (Minor Works):

15. Where excavation works or removal of vegetation is to take place on the site, control measures in accordance with the document Managing Urban Stormwater – Soils & Construction Volume 1 (2004) by Landcom are to be undertaken at each appropriate construction stage to prevent erosion of soil.

Hours of Work:

16. Construction works are to be limited to the following hours:

Monday to Friday	7.00 a.m. - 6.00 p.m.
Saturday	7.00 a.m. - 1.00 p.m. if inaudible from adjoining residential properties, otherwise 8.00 a.m. - 1.00 p.m.

No construction work is to take place on Sunday and Public Holidays.

Development Application No. 0121/13

Schedule of Conditions

Swimming Pool Fencing:

17. An inspection of the completed swimming pool barrier (complying with the Swimming Pools Act 1992) must be undertaken by the Principal Certifying Authority as soon as practicable after the barrier has been erected. No water shall be placed in the swimming pool unless appropriate temporary safety measures have been implemented pending the completion of a permanent complying safety barrier.

Swimming Pool Fencing:

18. The immediate surrounds of the pool are to be enclosed with fencing and gate(s) complying with the *Swimming Pools Act 1992*.

Suitable temporary fencing being installed around the pool during construction to prevent unauthorised entry to the pool area. Temporary fencing is to remain in place until permanent fencing is installed.

Height of Development:

19. The height of the development is not to exceed the design height as specified in the approved plans (48.35m AHD).

Written certification from a registered surveyor is to be submitted to the Principal Certifying Authority at the following stages:

- a) upon completion of basement slab formwork, prior to placement of concrete;
- b) upon completion of the building and **prior to issue of the Occupation Certificate.**

The certification is to address the height and location of the formwork to achieve the approved design height. Construction work is not to proceed beyond these stages until authorised to do so by the Principal Certifying Authority.

PRIOR TO ISSUE OF OCCUPATION CERTIFICATE OR COMMENCEMENT OF USE

Access Works:

20. Sealed driveways being constructed over the footpath at right angles to the road in accordance with Council's standard drawings. Any existing driveways which are not required for the development are to be removed and the footpath reinstated. All such work is subject to a separate driveway application, fees and approval by Council.

These works are to be completed **prior to the issue of an Occupation Certificate** for the development.

Individual Water Meters:

21. Individual Council water meters are to be provided to all units and common areas **prior to issue of an Occupation Certificate.**

Development Application No. 0121/13**Schedule of Conditions**

BASIX:

22. All of the commitments listed in each relevant BASIX Certificate for the development being fulfilled **prior to the issue of an Occupation Certificate**.

Pool Waste Water (Sewer Areas):

23. All wastewater must be connected and disposed to Council's sewer main **prior to the issue of Occupation Certificate** via a suitable 100mm diameter gully trap. A minimum air gap of 100mm is to be provided between the discharge outlet and the gully grate.

Swimming Pool Notice / Resuscitation Chart:

24. A warning notice, incorporating information detailed in Clause 10 of the Swimming Pools Regulation 2008, must be permanently fixed and displayed in a prominent position within the pool surrounds area **prior to issue of an Occupation Certificate**.

Rainwater Tanks:

25. A separate application being submitted to Coffs Harbour Water for approval of the rain water tank(s) prior to installation and any associated plumbing works. Evidence confirming such approval being submitted to the Principal Certifying Authority **prior to the issue of Occupation Certificate**.

Note: an application form may be downloaded from Council's web site www.coffsharbour.nsw.gov.au

PRIOR TO ISSUE OF SUBDIVISION CERTIFICATE**Strata Plan:**

26. The Subdivision Certificate for the strata plan not being released by Council prior to submission of a final works as executed plan prepared by a registered surveyor to clearly identify the boundaries of the individual lots, the utility lots and the common properties, easements, and services, as set out in the strata plan approved under this development consent.

Certification – Inspection requirements under Section 29A Strata Schemes (Freehold Development) Regulation 2007:

27. The **Subdivision Certificate for the strata plan not being released** until the Council or an Accredited Certifier issues a written certificate to the effect that:
- (i) The building and development common property areas around the building have been inspected by the relevant Council officer or Accredited Certifier.
 - (ii) The floors, external walls and ceilings depicted in the proposed strata plan for the building correspond to those of the building as constructed.

Development Application No. 0121/13

Schedule of Conditions

- (iii) The floors, external walls and ceilings of the building as constructed correspond to those depicted in the building plans that accompanied the Construction Certificate for the building; and
- (iv) Any facilities required by the relevant development consent (such as parking spaces, terraces and courtyards) have been provided in accordance with those requirements.

This certification is to accompany the application for Subdivision Certificate.

Access and Services:

28. The following works:
- Half road reconstruction for the full frontage of Solitary St
 - Kerb and gutter for the full frontage of Solitary St
 - Footpath for the full frontage of Solitary St
 - Sewer main upgrade to HDPE
 - Upgrade of the driveway intersection on Jarrett St
 - Extension of the existing Jarrett St driveway to unit B
 - Construct a driveway to unit A

being constructed in accordance with the approved plans and specifications and completed **prior to issue of the Subdivision Certificate.**

OPERATIONAL MATTERS

Noise – Swimming Pool:

29. Noise emanating from the swimming pool filter shall at all times be in accordance with the provisions of the *Protection of the Environment (Operations) Act 1997*.

ADVISORY NOTES

Crane activity:

30. The Civil Aviation Safety Authority (CASA) have advised that a separate Obstacle Limitations Survey (OLS) assessment is to be carried out prior to any crane activities above 49.85m AHD. Prior to commencement of any crane activities, notification is to be provided to Coffs Harbour Regional Airport (CHRA) via the CHRA Safety Officer.

DEVELOPMENT APPLICATION 939/13 – 2 LOT SUBDIVISION – LOT 2 DP 732048, 20B WILLIAM HAWORTH DRIVE, KORORA

Purpose:

The purpose of this report is to present Development Application No. 939/13 for Council's consideration, which is an application for subdivision of land into two (2) lots.

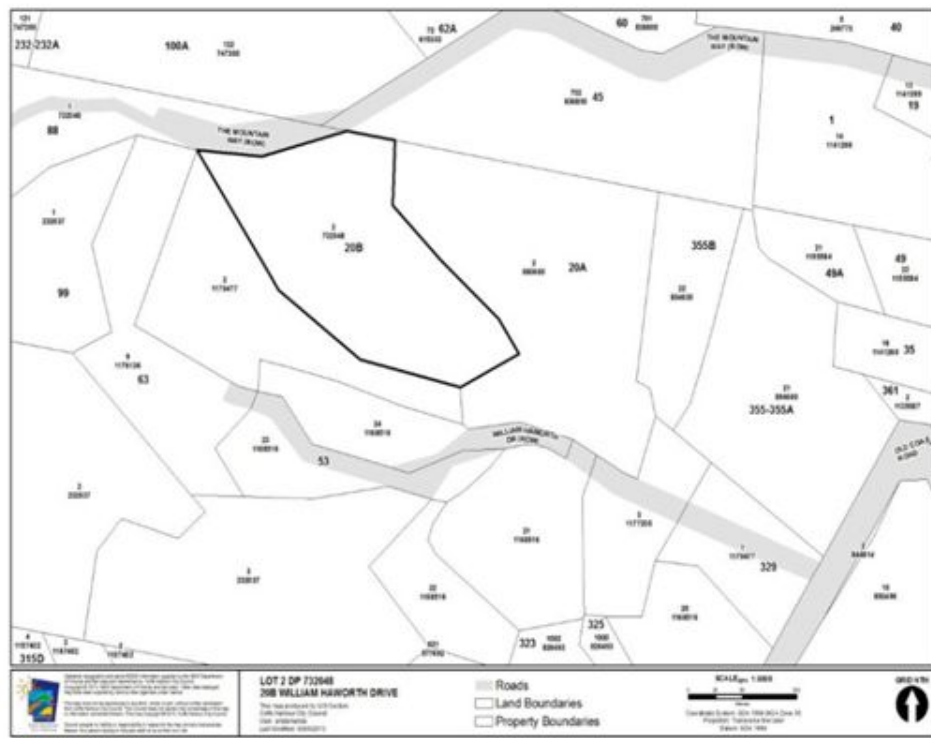
At its meeting of 22 August 2013, Council adopted *Development Applications - Consideration by Council Policy* which outlined:

That development applications for approval involving substantial aspects of the following elements be referred to Council for determination:

- Significant public interest and community input;
- Substantial non-compliance with relevant strategic controls;
- Significant land use;
- Major environmental issue(s);

In accordance with this resolution and Department of Planning Circular PS08-014 "Reporting Variations to Development Standards", the application is reported to Council for determination given that the proposed development proposes a variation to minimum lot sizes.

Conditional approval of the application is recommended. The following map illustrates the existing lot configuration.



Description of Item:

The proposal involves subdivision of the land into two (2) lots comprising 1.52ha and 1.55ha respectively. Proposed lot 22 will be accessed via a right of way from William Haworth Drive and contains an existing shed, which has been approved for conversion to a dwelling.

Proposed lot 23 will be accessed from The Mountain Way right of way and includes a building envelope for a future dwelling. The proposed subdivision is under the minimum lot size of 40 hectares as required by clause 18(4)(a) of the Coffs Harbour City Council Local Environmental Plan (LEP) 2000 and a variation to the development standard is proposed.

The application was submitted prior to the gazettal of Coffs Harbour Local Environmental Plan 2013 and therefore has been assessed pursuant to LEP2000.

A copy of the proposed subdivision is included in this report as Attachment 2.

Sustainability Assessment:

- **Environment**

The subdivision site contains land part zoned Environmental Protection 7A Habitat and Catchment under LEP2000, and includes areas of secondary and tertiary koala habitat. To offset any clearing impacts associated with the provision of asset protection zones (APZ's) and roads, a vegetation management plan is proposed to restore the riparian vegetation and provide a habitat corridor between existing areas of native vegetation. It is considered that the proposed development is unlikely to have a significant impact on threatened species, populations or ecological communities or their habitats.

- **Social**

The locality is characterised by low density rural residential development and the proposed subdivision is consistent with these dominant land uses and not likely to result in any adverse social impacts.

- **Civic Leadership**

The proposed development has been assessed in accordance with the provisions of the Environmental Planning and Assessment Act 1979 and relevant Council controls and policies. The proposed subdivision is consistent with the aims and objectives of the Coffs Harbour 2030 Community Strategic Plan.

- **Economic**

The proposed development will have positive economic impacts resulting from subdivision works and future construction of a dwelling.

Broader Economic Implications

The proposal will make a positive contribution to the supply of land for housing and rural residential living opportunities, in relatively close proximity to the city.

Delivery Program/Operational Plan Implications

There are no implications for Council's adopted Delivery Program.

Risk Analysis:

A risk analysis has been undertaken and it is considered that approval of the development application as recommended does not pose a significant risk to Council.

Consultation:

The application was notified to adjoining landowners for a period of 14 days. One submission was received, which raised concerns with the creation of an additional lot having access to the right of way and associated maintenance issues. In response it is noted that maintenance of rights of way is the responsibility of the property owners that utilise the right of way and is not a matter for Council.

The application was referred to the NSW Rural Fire Service (RFS) as integrated development. The RFS assessed the application and granted conditional approval which requires provision of APZ's and internal access roads to be constructed.

The application was referred to the NSW Department of Planning and Infrastructure seeking concurrence for a variation to the minimum lot size under State Environmental Planning Policy No. 1. The NSW Department of Planning and Infrastructure provided their concurrence to the application.

Related Policy and / or Precedents:

The application is reported to Council for determination as required by the Department of Planning Circular PS08-014 of 14 November 2008 "Reporting Variations to Development Standards".

Statutory Requirements:

• **Section 79C Evaluation**

Section 79C of the Environmental Planning and Assessment 1979, specifies the matters which a consent authority must consider when determining a development application.

A section 79C evaluation is provided as Attachment 1.

• **Relevant Statutory Instruments**

- North Coast Regional Environmental Plan (deemed State Environmental Planning Policy);
- State Environmental Planning Policy No. 1 – Development Standards;
- State Environmental Planning Policy No. 55 – Remediation of Land;
- State Environmental Planning Policy No.71 – Coastal Protection;
- Coffs Harbour City Local Environmental Plan 2000.

Each of these statutory instruments is considered in detail in the Section 79C assessment appended to this report.

• **State Environmental Planning Policy No. 1 Development Standards**

State Environmental Planning Policy No. 1 (SEPP1) Development Standards allows consideration of variations to a development standard.

In this case, the land is identified within the Korora Rural Release Area under the Coffs Harbour Rural Residential Strategy. The land is split zoned and the SEPP1 is requesting a variation to the minimum lot size of 40ha for part of the site which is zoned Rural 1A Agriculture and Environmental Protection 7A Habitat and Catchment.

The NSW Department of Planning and Infrastructure have provided their concurrence to the SEPP1 and it is recommended that Council support the application.

Issues:

- **Variation to Development Standard**

The application proposes a variation to the 40ha minimum subdivision size standard, which has the support of the concurrence authority. Council's Development Assessment section have reviewed the SEPP1 and recommend that it be supported

- **Potential Land Contamination**

The site was previously used for growing of bananas and therefore has the potential for residual contamination. A preliminary soil assessment was submitted with the application which concluded that any residual contaminants were below accepted threshold levels for residential development and no remediation was required. The report was reviewed by Councils Environmental Services section, who agreed that the site was suitable for residential development.

- **Bushfire Prevention**

The land is bushfire prone and the approval of the NSW RFS has been received, which requires provision of APZ's and internal access roads to be constructed.

- **Vegetation and Habitat Impacts**

The development will result in limited clearing to support APZ's and internal access roads, however a Vegetation Management Plan (VMP) is proposed to compensate for clearing and enhance environmental attributes and habitat connectivity.

Implementation Date / Priority:

The Development Consent is valid for five years from the date of issue. The consent may or may not be acted upon. The consent may be acted upon immediately following issue date or delayed until closer to the expiry date of the consent. When the consent is acted upon is a matter of the discretion of the property owner/developer.

Recommendation:

1. That the written objection made pursuant to Clause 6 of *State Environmental Planning Policy No. 1 - Development Standards* for the variation to the minimum allotment size under Clause 18(4)(a) of the Coffs Harbour City Local Environmental Plan 2000 be supported in this particular case.
2. That Development Application 939/13 for Subdivision involving Lot 2 DP 732048, 20B William Haworth Drive be approved, subject to conditions appended to this report (Appendix 3).
3. The person who made a submission on the application be advised of Council's determination.

**Development Application No. 939/13
Section 79C Assessment**

a. the provisions of,

i. any environmental planning instrument, and

- ***North Coast Regional Environmental Plan***

The proposal is considered to be consistent with the aims and objectives of the Plan. The relevant provisions of the Plan include:

Clause 12 – Impact of development on agricultural activities.

- The proposed subdivision will not result in a loss of prime crop or pasture land and will not have an adverse impact on the use of adjoining and adjacent agricultural land.

- ***State Environmental Planning Policy No.1 – Development Standards***

State Environmental Planning Policy (SEPP) No.1 aims to provide for flexibility in the application of planning controls and provide a mechanism by which a development standard may be varied where it can be shown that: strict compliance with the standard is unreasonable or unnecessary; the proposed development satisfies state, regional or local planning objectives; the proposed development is consistent with the underlying objective of the standard and must not “*hinder the attainment of the objects specified in section 5 (a) (i) and (ii) of the*” Environmental Planning and Assessment Act. Where Council is satisfied that the objection is well founded, having regard to the above considerations, consent may be granted to a development that does not meet the relevant development standard.

A variation to clause 18(4)(a) of the LEP 2000 is required for proposed lot 23, which is 1.55ha and therefore under the minimum lot size of 40 hectares for land zoned 1A and 7A. The applicant has submitted an objection to the standard, pursuant to State Environmental Planning Policy No.1.

In support of the proposal the applicant contends that the extent of land zoned 1A and 7A is already well below the 40ha minimum lot size for both zones and is not of a sufficient size to maintain long-term sustainable agriculture. The 1A zone is isolated from any adjacent or adjoining rural land and therefore any opportunity for contiguous broad scale agriculture is limited. Furthermore, the site is situated amongst other rural residential development and therefore the subdivision and construction of a dwelling on the site, would not be out of character with the area.

In addition, it is noted that the habitat values of the 7A zone will be protected by the implementation of a vegetation management plan and the proposed building envelope is located outside of the 7A zone.

In conclusion, the land is identified within the Korora Rural Release Area under the Coffs Harbour Rural Residential Strategy, which was endorsed by the former NSW Department of Planning on 3 May 2010. The proposal demonstrates that both lots are capable of supporting a dwelling in accordance with Council’s Korora Rural Residential Development Control Plan (see section on Korora Rural Residential DCP below). It is considered that the proposal and accompanying objection submitted, satisfy the requirements of SEPP No.1 and that the objection is well founded.

Attachment 1

- ***Planning Circular PS 08-014 – Reporting Variations to Development Standards***

In November 2008, the then Department of Planning (DoP) issued a Planning Circular outlining new requirements in relation to the determination and reporting of development applications, involving variations to development standards under State Environmental Planning Policy No.1 – Development Standards (SEPP No.1). The circular requires that all applications with a variation greater than 10 per cent to a development standards under State Environmental Planning Policy No.1 – Development Standards, be determined by full Council rather than under delegated authority.

- ***State Environmental Planning Policy No.71 – Coastal Protection***

The proposed development is considered to be consistent with the aims of the policy and satisfies the relevant matters for consideration under Clause 8 of the policy.

- ***State Environmental Planning Policy (SEPP) No. 55 – Remediation of Land***

The subject site is mapped as potentially contaminated land under Council's Agricultural Chemical Residues Policy, due to a history of banana farming. A preliminary soil assessment was submitted with the development application which concluded that the concentrations of primary contaminants associated with the previous use as a banana plantation, were less than the acceptable threshold levels for residential development and no remediation of the site is required.

The land is considered to be suitable in its current state for rural residential purposes in accordance with section 7(1)(b) of the SEPP.

- ***Coffs Harbour City Local Environmental Plan (LEP) 2000 (Repealed)***

Zoning

The subject site is currently zoned R5 Large Lot Residential, RU2 Rural Landscape and E2 Environmental Conservation under CHLEP2013. However the application was lodged while LEP2000 was in force and the land was zoned Rural 1B Living, Rural 1A Agriculture and Environmental Protection 7A Habitat and Catchment. Pursuant to the provisions of the LEP2000, subdivision is permissible, subject to compliance with minimum lot size standards.

Clause 18(4)(a) of the LEP specifies that if land in Zone 1A adjoins land in Zone 7A, consent may be granted to a subdivision of the composite parcel provided each resultant allotment contains at least 40 hectares of land within Zone 1A. Proposed lot 23 does not comply with the minimum lot size and a SEPP 1 objection has been submitted by the applicant which is supported (see section titled State Environmental Planning Policy No.1 – Development Standards).

Clause 18(4)(b) of the LEP specifies that:

(b) *if land in Zone 7A adjoins land in Zone 1B, 2A, 2B, 2C, 2D or 2E, consent may be granted to a subdivision of the composite parcel provided:*

(i) *each resultant allotment contains an adequate (in the opinion of the consent authority) building envelope outside the land in Zone 7A, and*

Attachment 1

- (ii) *the consent authority considers that the subdivision is desirable for achieving long term management of the land within Zone 7A, and*
- (iii) *if the composite parcel contains land in Zone 1B and 7A, each resultant allotment has an area of at least the greater of the following:*
 - (A) *the minimum area specified in Korora Rural Residential Development Control Plan as in force on the commencement of Coffs Harbour City Local Environmental Plan 2000 (Amendment No 28),*
 - (B) *one hectare.*

Proposed lot 22 is greater than one hectare and contains a building envelope outside of the area zoned 7A and therefore complies with clause 18(4)(b) of LEP2000.

Clause 18(5) of the LEP specifies that consent shall not be granted to a subdivision pursuant to sub clause (4)(a) where additional riparian access rights to streams, creeks, rivers and other waterways may be created. There will be no additional riparian rights created as a result of the proposed subdivision. While a drainage line runs adjacent to the southern boundary of the site, it is a second order (ephemeral) stream.

Clause 11 – Tree Preservation Order

Council's Tree Preservation Order applies to the subject land and vegetation removal is required to provide asset protection zones and access ways for bushfire protection. A vegetation management plan (VMP) has been submitted with the development application which has been reviewed and supported by Council's Biodiversity Officers. The VMP involves compensatory plantings and restoring riparian vegetation and enhancing habitat connectivity across the site. The location of building envelopes and access way is designed to minimise the impacts of clearing.

Clause 12 - Koala Habitat

The site has mapped areas of Secondary and Tertiary Koala Habitat. The clearing required to provide APZ's and access ways is generally located away from these areas and therefore the impacts are considered minor. The recommended VMP will require compensatory plantings, to enhance connectivity between vegetation communities.

Clause 23 – Environmental Hazards

Bushfire Prone Land

The site is identified as bushfire prone and the NSW RFS has issued a conditional Bushfire Safety Authority for the development, requiring APZ's to be created around building envelopes and a right of carriageway to be created over the land giving access to William Haworth Drive.

ii. The provisions of any draft environmental planning instrument

The development application was submitted prior to the gazettal of Coffs Harbour Local Environmental Plan 2013. Clause 1.8A of Coffs Harbour Local Environmental Plan 2013 is a savings provision that requires the consent authority to determine this application as if the Coffs Harbour Local Environmental Plan 2013 had not commenced.

iii. any Development Control Plan (DCP)

• **Korora Rural Residential DCP**

The proposal is considered to be generally consistent with the provisions of the Plan, noting a variation is proposed to the minimum lot size in accordance with State Environmental Planning Policy No. 1 (see section on State Environmental Planning Policy No. 1).

An On-Site Wastewater Treatment Assessment was submitted with the development application, which concluded that proposed lot 23 can accommodate an effluent disposal system in accordance with the DCP and Council's On-Site Sewage Management Strategy. Proposed lot 22 contains an existing shed and has a functioning effluent disposal system which has been approved by Council.

Driveway access to each lot will be required to be upgraded in accordance with the DCP and a condition is recommended accordingly. A new internal access will also be required to ensure that both lots have access to William Haworth Drive for bushfire safety purposes.

The subject site is mapped as potentially contaminated under Council's Agricultural Chemical Residues Policy, however this issue has been satisfactorily addressed by a Preliminary Soils Assessment being undertaken. The land is considered to be suitable in its current state to be used for rural residential purposes in accordance with the DCP and section 7(1)(b) of State Environmental Planning Policy No. 55.

A VMP has been submitted with the development application in accordance with the DCP and the revegetation works will be required to be completed, prior to the issue of the subdivision certificate.

iv. any planning agreement, and

The land is not subject to any planning agreements and no such agreements are proposed for this development.

v. any coastal zone management plan, and

Council at its meeting of 14 February 2013 adopted the Coffs Harbour Coastal Zone Management Plan (CZMP). The plan provides the basis for future management and strategic land use planning of the Coffs Harbour coastal zone.

The subject land is within the study area to which the CZMP applies, therefore the provisions of this Plan are relevant to the proposed development.

The Coffs Harbour Coastal Processes and Hazard Definition Study 2010 (Hazard Study) informs the CZMP and identifies the likelihood of hazards occurring, such as beach erosion, coastal inundation and the impacts of sea level rise on these hazards by 2100.

The Hazard Study does not identify any coast processes that would impact on the subject land.

Attachment 1

vi. the regulations (to the extent that may prescribe matters for the purposes of this paragraph), that apply to the land to which the development application relates,

The regulations do not prescribe any matters of relevance to the proposed development.

b. the likely impacts of that development, including environmental impacts, on both the natural and built environments, and social and economic impacts in the locality,

1. The natural environment

The proposed development will have impacts on the natural environment which have been detailed in this report. However the development has been designed to minimise these impacts and the recommended conditions of consent will assist in ensuring that the impacts are minimised and the development will not have any unacceptable adverse cumulative impact.

2. Social and Economic Impacts

The proposed development is not expected to result in any significant adverse social or economic impacts in the locality.

c. the suitability of the site for the development,

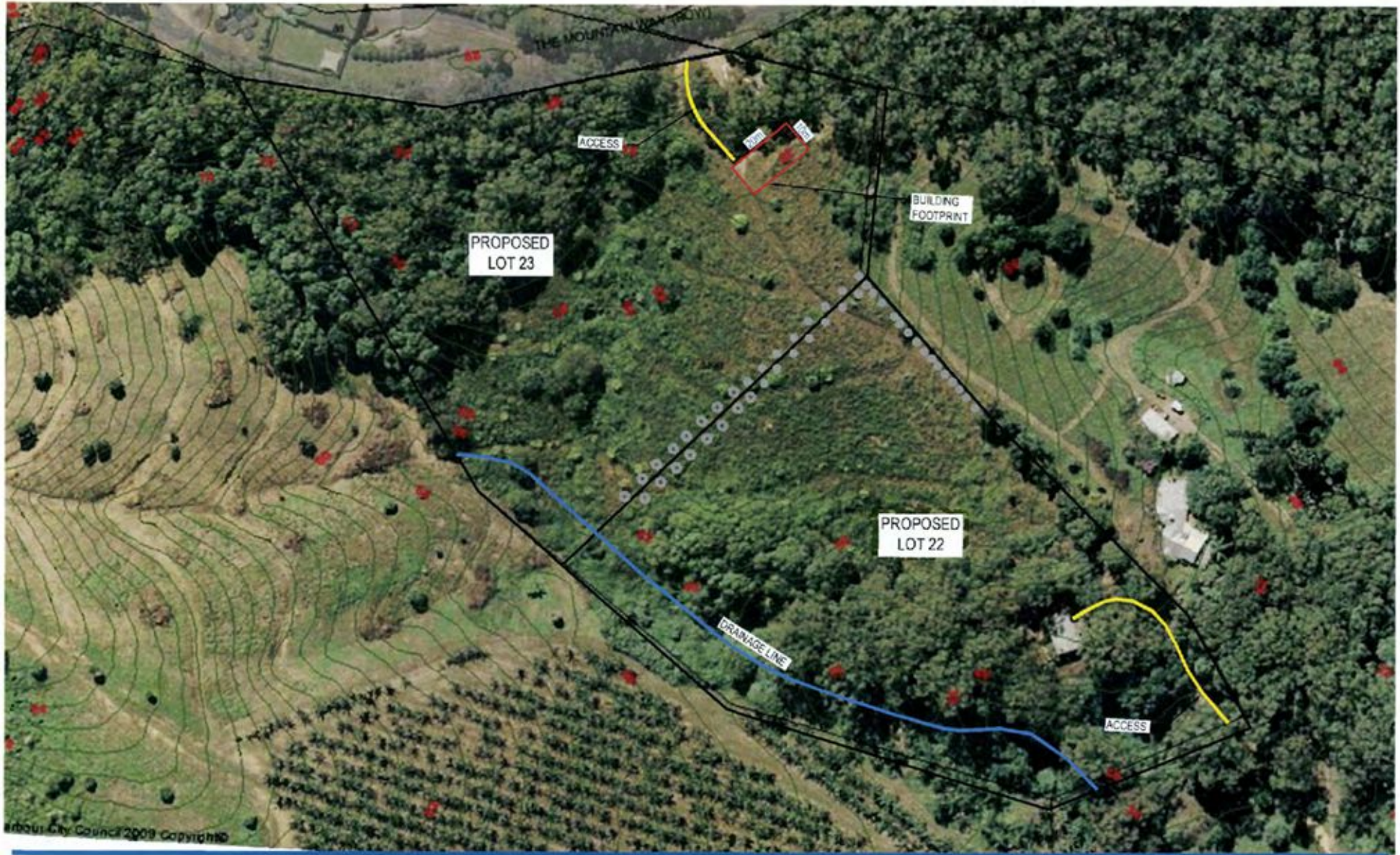
The application has demonstrated that each proposed lot is suitable for a dwelling-house in terms of effluent disposal, bushfire safety and access, without having an adverse impact on the natural environment.

d. any submissions made in accordance with this Act or the regulations,

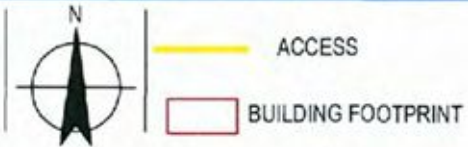
One submission was received by an adjoining landowner raising concerns that proposed Lot 23 did not have legal access and would not be contributing to the on-going maintenance of The Mountain Way right of way. In response, the applicant has supplied a statement, from a registered surveyor, stating that in his professional opinion proposed Lot 23 has frontage and legal access to The Mountain Way. It is noted that proposed Lot 23 will also have the benefit of a right of carriageway over proposed Lot 22 for access to William Haworth Drive. Maintenance of the right of way is the responsibility of the property owners that utilise the right of way and is not a matter for Council. It is considered that the traffic generated by the development is insufficient to warrant any upgrade of The Mountain Way or William Haworth Drive.

e. the public interest:

The proposed development does not result in any issues that are contrary to the public interest. The proposal generally complies with Councils planning standards and approval of the development is recommended.



Corrour City Council 2009 Copyright



ADOLF STERR
 PROPOSED 2 LOT SUBDIVISION
 THE MOUNTAIN WAY, KORORA

SUBDIVISION PLAN

Job Number 22-14804
 Revision A
 Date Mar 2010

Figure 02

230 Harbour Drive Coles Harbour NSW 2450 Australia T 61 2 6650 5600 F 61 2 6650 5601 E ds@mail@ghd.com W www.ghd.com

Proposed Conditions Development Application No. 939/13

Schedule of Conditions

ADMINISTRATIVE CONDITIONS

Development Description:

1. Development consent is granted only to carrying out the development described in detail below:
 - **Subdivision of Land (2 lots)**

Prescribed Conditions:

2. The proponent shall comply with the prescribed conditions of development approval under Clauses 97A, 98, 98A - E of Environmental Planning and Assessment Regulation 2000 as are of relevance to this development.

Development is to be in accordance with approved plans:

3. The development is to be implemented in accordance with the plans and supporting documents set out in the following table except where modified by any conditions of this consent (Development Consent No. 939/13).

Plan No. / Supporting Document(s)	Rev	Prepared by	Dated
Subdivision Plan, Job No. 22-14804, Figure 02	A	GHD	March 2010
Detailed Vegetation Management Plan, Job No. 22-14804, Figure 1a	A	GHD	April 2010
Detailed Vegetation Management Plan, Job No. 22-14804, Figure 01	B	GHD	June 2013

In the event of any inconsistency between conditions of this development consent and the plans/supporting documents referred to above, the conditions of this development consent prevail.

The approved plans and supporting documents endorsed with the Council stamp and authorised signature must be kept on site at all times while work is being undertaken.

PRIOR TO THE ISSUE OF CONSTRUCTION CERTIFICATE

Road Design and Services (Subdivision):

4. Driveway works to both Lots 22 and 23 shall be provided to serve the development with the works conforming with the standards and requirements set out in Council's Development Design and Construction specifications, Korora Rural Residential Development Control Plan, Planning for Bushfire Protection, 2006 and relevant policies (Water Sensitive Urban Design).

Development Application No. 0939/13

Schedule of Conditions

Note: Driveway for Lot 22 to be constructed from William Haworth Drive to the existing dwelling and driveway for Lot 23 to be constructed from The Mountain Way to the building envelope.

Plans and specifications are to be submitted to Council and approved **prior to issue of the Construction Certificate**. Plan submissions are to be accompanied by payment of prescribed fee.

Plans and specifications submitted later than six (6) months from the date of development consent shall comply with Council's current specifications at a date six (6) months prior to submission.

All work is to be at the developer's cost.

PRIOR TO ISSUE OF SUBDIVISION CERTIFICATE

Section 94 Monetary Contributions:

5. Payment to Council of contributions, at the rate current at the time of payment, towards the provision of the following public services or facilities:

Note 1 - The contributions are to be paid prior to release of any Subdivision Certificate unless other arrangements acceptable to Council are made.

Note 2 - The rates will be adjusted in accordance with the procedures set out in Council's Section 94 Contributions Plans. The applicant is advised to confirm the contribution rate applicable at the time of payment as rates are revised at least annually.

Note 3 - If the development is to be staged, contributions are to be paid on a pro rata basis in respect of each stage.

	\$ Per Lot
- Coordination and Administration	383.19
- Coffs Harbour Road Network	2,100.44
- Surf Rescue Facilities	68.68
- Transport & Traffic	18,059.82
- Bush Fire Protection	422.86
- Urban Planning	1,158.18

The Section 94 contribution is currently \$22,193.15 for the 1 additional lot proposed in the subdivision.

Development Application No. 0939/13**Schedule of Conditions**

Contributions have been imposed under the following plans:

- Regional, District & Neighbourhood Facilities & Services 2013.
- Coffs Harbour Road Network 2013.
- Surf Rescue Facilities 2012.
- Korora Rural Residential Release Area 2013.

The Contribution Plans may be inspected at the Council Administration Offices, 2 Castle Street, Coffs Harbour or on Council's web site, www.coffsharbour.nsw.gov.au.

Bushfire Safety:

6. A restriction to the land use pursuant to section 88B of the Conveyancing Act 1919 shall be placed on Proposed Lot 23, within the subdivision, requiring the provision of an asset protection zone (APZ) to the nominated building envelope and its perimeter as identified on the amended subdivision layout plan prepared by GHD, Job No. 22-14804, Figure 02, Revision A, dated March 2010 for the following distances;

- North for 21m as an Inner Protection Area (IPA)
- East for 45m as an Inner Protection Area (IPA)
- South for 12m as an Inner Protection Area (IPA)
- West for 21m as an Inner Protection Area (IPA)

The required APZ shall be managed in perpetuity and as outlined within section 4.1.3 and Appendix 5 of 'Planning for Bushfire Protection 2006' and the NSW Rural Fire Service's document 'Standards for asset protection zones'.

7. New electricity supply works are to comply with section 4.1.3 of 'Planning for Bush fire Protection 2006'.
8. Prior to issue of a subdivision certificate, a 3 metre wide gravel surface internal road (with appropriate soil erosion controls) shall be constructed adjacent to the north eastern boundary of Proposed Lot 22 from the building envelope on Proposed Lot 23 to William Haworth Drive.
9. A 4 metre 'Right of Way' (ROW) under s88B of the Conveyancing Act, 1919 shall be placed over the proposed internal access road within Proposed Lot 22. The ROW shall permit vehicle access, in times of bushfire threat, for the occupants of Lot 23 to gain vehicle access to William Haworth Drive.
10. Bushfire safety upgrading are to be completed **prior to the issue of the Subdivision Certificate** and are to be certified as to their satisfactory completion by the bushfire planning consultant with such verification being provided to Council **prior to the issue of the Subdivision Certificate**.

Development Application No. 0939/13

Schedule of Conditions

Services:

- 11. The Subdivision being provided with reticulated electricity and telephone cables. The applicant shall provide a letter from Country Energy stating that satisfactory arrangements have been made for the supply of electricity and a letter from Telstra stating that satisfactory arrangements have been made for telecommunications infrastructure in the subdivision. These letters are to be provided to Council **prior to release of the Subdivision Certificate.**

Road Design and Services (Subdivision):

- 12. Driveway works to both Lots 22 and 23 being constructed in accordance with the approved plans and specifications prior to the issue of a Subdivision Certificate.

Vegetation Management Plan:

- 13. The works (other than maintenance works) prescribed in the approved Detailed Vegetation Management Plan, Job No. 22-14804, Figure 1a, Revision A, prepared by GHD, dated April 2010 (VMP) and Detailed Vegetation Management Plan, Job No. 22-14804, Figure 01, Revision B, prepared by GHD, dated June, 2013 being completed **prior to the issue of the Subdivision Certificate.** A report from the consultant who prepared the VMP or other suitably qualified consultant being submitted to Council with the Subdivision Certificate application to the effect that the initial works have been completed in accordance with the approved VMP.

Vegetation Management – Positive Covenant Title:

- 14. The registered proprietor of the land must enter into positive covenants with Council to maintain the works as effected on each proposed lot in accordance with the Detailed Vegetation Management Plan, Job No. 22-14804, Figure 1a, Revision A, prepared by GHD, dated April 2010 (VMP) and Detailed Vegetation Management Plan, Job No. 22-14804, Figure 01, Revision B, prepared by GHD, dated June, 2013 as it affects that lot. The positive covenants shall be in, or to the effect of covenants approved by Council from time to time and be created pursuant to Section 88E of the Conveyancing Act 1919, generally in accordance with the attached draft covenant "A" and must be registered on the title to each lot. Registration must be affected in conjunction with the registration of the plan of subdivision.

"A"

**Terms of Public Positive Covenants intended to be created pursuant to Section 88E
Conveyancing Act 1919**

Plan: Plan of subdivision covered by the General Manager's Certificate No ** of ** regarding
Certificate of Title Folio Identifier **

Registered Proprietor: **

Public Authority: Coffs Harbour City Council

PART 1 (CREATION)

Number of item shown in the intention panel on the plan	Identity of easement, profit à pendre, restriction or positive covenant to be created and referred to in the plan	Burdened lot(s) or parcel(s):	Benefited lot(s), road(s), bodies or Prescribed Authorities
1.	Positive Covenants for maintenance of works created pursuant to s. 88E of the Conveyancing Act 1919	**	Coffs Harbour City Council

PART 2 (TERMS)

Terms of easement, profit à pendre, restriction or positive covenant numbered 1 in the plan.

The registered proprietor acknowledges works ("the works") have been effected on the land burdened in accordance with the Vegetation Management Plan (VMP) for this development held in the Office of Coffs Harbour City Council and numbered ** and covenants with the said Council:

- (a) to maintain the works in accordance with the VMP;
- (b) to do all things reasonably necessary to preserve the works;
- (c) for the purpose of ensuring observance of the covenants, the Council may, by its servants or agents, twice in every year at a reasonable time of the day and upon giving to the person against whom the covenant is enforceable not less than 2 days' notice, enter the land and view the condition of the works;
- (d) to remedy any default on its part to observe the requirements of the VMP within 28 days of service by the Council of written notice by the Council requiring such remediation;
- (e) that if remediation works are not effected within the said period of 28 days, or such longer period as the Council may allow in writing, the Council may by its servants or agents enter the land and effect the remediation works;
- (f) to pay to the Council on demand the cost of any remediation works so effected by the Council; and
- (g) to accept a certificate under the hand of the Council's General Manager as to the cost of such remediation works as conclusive evidence as to such cost.

This is the Annexure "A" referred to in Form 13PC between ** and Coffs Harbour City Council.

DATED

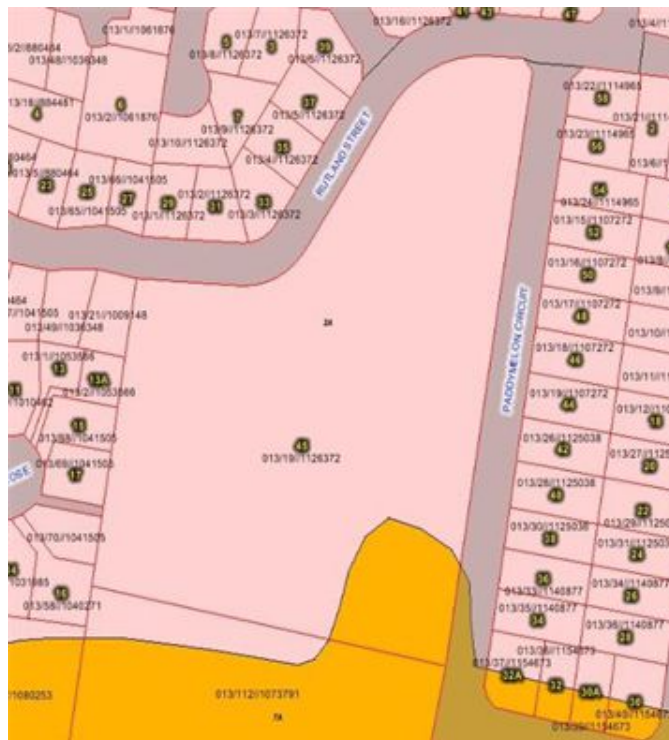
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DEVELOPMENT APPLICATION NO. 876/12 – SUBDIVISION INTO 1 RESIDENTIAL TORRENS TITLE LOT PLUS 13 RESIDENTIAL COMMUNITY TITLE LOTS AND 1 COMMUNITY LOT - LOT 19 DP 1126372, 45 RUTLAND STREET, BONVILLE

Purpose:

The purpose of this report is to present Development Application No. 876/12 for Council's consideration, which is an application for a subdivision into one (1) residential torrens title lot plus 13 residential community title lots and 1 community lot.

The following locality plan illustrates the existing lot configuration and zoning under Coffs Harbour LEP 2000.



At its meeting of 22 August 2013, Council adopted *Development Applications - Consideration by Council Policy* which outlined:

That development applications for approval involving substantial aspects of the following elements be referred to Council for determination:

- Significant public interest and community input;
- Substantial non-compliance with relevant strategic controls;
- Significant land use;
- Major environmental issue(s);

In accordance with this resolution, the application is reported to Council for determination, given that the proposed development has attracted significant public interest and community input following statutory notification of the application.

Description of Item:

- **The Site**

The site is identified as Lot 19 in DP 1126372, 45 Rutland Street, Bonville. The land has an area of 3.06ha, is currently undeveloped and vegetated, with public road frontage to Rutland Street and Paddymelon Circuit.

The development application was submitted prior to the gazettal of Coffs Harbour Local Environmental Plan (LEP) 2013 and has therefore been assessed under LEP 2000, utilising the relevant savings provisions. At the time of lodgement, the subject land was split zoned Residential 2A Low Density and Environmental Protection 7A Habitat and Catchment.

The site is identified in the North Bonville Development Control Plan (DCP) as *Precinct 4* with a minimum target density of 15 lots.

The Development

The proposal involves a residential subdivision of the land by excising proposed lot 1 located on the northern side of Rutland Street with a site area of 732m², from the remainder of the land, which will be further subdivided into thirteen (13) community title residential lots (proposed lots 2-13) with site areas ranging from 650m² - 880m². Proposed lot 14 will be a large residential community title lot with a building envelope and a site area of 1.9ha.

A community lot is proposed for the purposes of a bio-retention basin and fire trail, which is located along the rear of the residential community title lots and also provides access to the building envelope on the large residential lot. Maintenance of the bio-retention basin and fire trail will become the responsibility of the property owners within the community title scheme.

Vegetation clearing to a width of approximately 50m is proposed to provide cleared areas for future dwellings fronting Rutland Street.

The application has been submitted with a biobanking statement issued by the NSW Office of Environment and Heritage under the *Threatened Species Conservation Act 1995*. The proposed biobank area consists of approximately 1.63ha of native vegetation, located on proposed lot 14. The effect of the biobanking statement is that the Council is not required to take into consideration the likely impact of the development on biodiversity values.

The biobanking statement applying to the site is addressed in more detail in Attachment 1 of this report.

A plan of the proposed development is included in this report as Attachment 2.

Sustainability Assessment:

- **Environment**

Council's mapping indicates the site comprises high value habitat including an Endangered Ecological Community (EEC) and primary koala habitat. Ordinarily, Council would require an assessment of the impacts of the development on biodiversity, under Section 5A of the Environmental Planning and Assessment Act 1979, to determine if it is likely that the development will have a significant effect on threatened species, population or ecological communities or its habitat. However in this instance, the development is accompanied by a biobanking statement issued by the Office of Environment and Heritage (OEH), which has assessed the biodiversity impacts of the development and Council is not required to take into consideration the likely impact of the development on biodiversity values.

- **Social**

The development is consistent with current planning provisions and will provide additional residential land for housing in Bonville, in accordance with the minimum target density specified in the North Bonville DCP. The proposed subdivision layout is consistent with the existing subdivision pattern in the locality and will be compatible with the existing character of the locality.

The proposed development is not expected to result in any unacceptable social impacts and conditions are recommended to ensure that potential amenity impacts during construction are minimised and managed.

- **Civic Leadership**

The proposed development has been assessed in accordance with the provisions of the Environmental Planning and Assessment Act 1979 and all relevant Council controls and policies.

- **Economic**

Broader Economic Implications

There are no broader economic implications resulting from the proposal.

Delivery Program/Operational Plan Implications

There are no implications for Council's Delivery Program / adopted Operational Plan.

Risk Analysis:

A risk analysis has been undertaken and it is considered that approval of the development application as recommended does not pose a significant risk to Council.

Consultation:

The application was publicly exhibited and notified to adjoining and nearby property owners for a period of 30 days and a total of 150 submissions were received objecting to the development.

The issues raised, and a response to those concerns, is summarised in Attachment 1.

The application was referred to internal Council departments and external government agencies and comments were received as follows:

- **Internal Consultation**

Comments were received from City Infrastructure Services in relation to the subdivision design and servicing arrangements for the proposal and it was considered that the development was acceptable, subject to standard engineering conditions.

Comments were received from Sustainable Planning in relation to vegetation clearing, the Koala Plan of Management and the biobanking statement. The comments acknowledge that the biobanking statement addresses the relevant biodiversity issues and a condition was recommended for areas of retained vegetation to be clearly identified on a plan submitted to Council for approval, prior to any works commencing.

- **Statutory Consultation**

The application was reviewed by the NSW Rural Fire Service (RFS) as the land is bushfire prone. The RFS issued a conditional Bushfire Safety Authority in accordance with section 100B of the Rural Fires Act, 1997 and the recommended conditions have been included in the proposed notice of determination.

The application was referred to the NSW OEH for consideration of impacts on aboriginal cultural heritage and biodiversity issues. The OEH recommended standard conditions be imposed to address cultural heritage issues and the recommended conditions have been included in the recommended notice of determination. OEH also confirmed that a valid biobanking statement has been issued for the development.

The application was reviewed by the NSW Office of Water as the land contains a watercourse. The development requires a controlled activity approval under section 91 of the Water Management Act, 2000 and general terms of approval were issued and have been included in the recommended notice of determination.

Related Policy and / or Precedents:

There are no related policies or precedents relevant to this proposal.

Statutory Requirements:

- North Coast Regional Environmental Plan (deemed State Environmental Planning Policy)
- Coffs Harbour City Local Environmental Plan 2000
- Coffs Harbour City Local Environmental Plan 2013
- North Bonville Development Control Plan 2001
- Coffs Harbour Development Control Plan 2013

Each of these statutory instruments is considered in detail in the Section 79C assessment appended to this report as Attachment 1.

Issues:

- **Site History:**

The majority of the site has been zoned residential since 1988, consistent with the existing residential zoning of the locality.

However, the land was one of several parcels identified for potential rezoning by extending the 7A zone under draft Coffs Harbour LEP 2000 (Amendment No. 30) which was initially considered by Council at its meeting of 16 February 2006.

During the process of considering this amendment, the former Department of Planning raised concerns that the rezonings were not supported by detailed analysis. Council considered a further report on the matter at its meeting of 15 June 2006, which effectively removed this and several other proposed rezonings from the then draft Coffs Harbour LEP 2000 (Amendment No. 30).

A previous development application (242/11DA) for a similar fifteen (15) lot community title subdivision was refused by Council under delegated authority on 8 May 2012. The reasons for refusal were predominantly based on environmental and biodiversity concerns. The previous application was not supported by a species impact statement or a biobanking statement.

- **Permissibility under LEP 2000:**

The development application was submitted prior to the gazettal of Coffs Harbour LEP 2013 and has therefore been assessed under LEP 2000, utilising the relevant savings provisions.

The land is split zoned Residential 2A with a small area zoned Environmental Protection 7A under Coffs Harbour LEP 2000. Clause 18(4)(c) of LEP 2000 permits subdivision of the land as proposed.

The relevant provisions of the applicable planning requirements are addressed in detail in the Section 79C assessment report appended to this report as Attachment 1.

- **Biodiversity Considerations:**

The application has been submitted with a biobanking statement, issued by the NSW Office of Environment and Heritage. The biobanking statement provides an alternative pathway to the current threatened species assessment of significance process under the Environmental Planning and Assessment Act 1979.

The effect of issuing a biobanking statement is that the development is deemed not likely to significantly affect any threatened species, population or ecological community, or its habitat, under the Threatened Species Conservation Act, 1995. The biobanking statement has been issued on the basis that it will achieve a maintain or improve outcome for affected threatened species, populations, ecological communities or their habitats. As a result, Council cannot impose a condition in the notice of determination that contravenes the biobanking statement. However, Council can impose conditions that are not inconsistent with the conditions of a biobanking statement and can refuse development consent on matters not related to biodiversity.

- **Bushfire Considerations:**

The land is bushfire prone and bushfire considerations have been addressed by the provision of asset protection zones (APZ's, perimeter fire trail and construction standards in building design). The APZ's will reduce fuel loads at the rear of the residential lots and around the building envelope on the large lot. The fire trail will be constructed to an all-weather gravel standard 4m wide with gates at each entrance point to Rutland Street. The fire trail will be located within the community lot and maintenance will be the responsibility of the community association.

- **Stormwater Impacts:**

A concept stormwater management plan has been provided with the application which proposes to construct a bio-retention basin in the community lot and provide on-site storage within each lot for stormwater management. The concept plan has been endorsed by Council's City Infrastructure Services and the Department of Primary Industries has issued general terms of approval for any works within proximity to watercourse and wetland areas.

Implementation Date / Priority:

In the event that Council adopts the recommendation, a formal notice of determination will be issued for the development application. Persons who made a submission will be notified at the same time. With a formal notice of approval, the applicant can act on the development consent at any time, subject to meeting any relevant conditions of the approval.

Recommendation:

1. **That Development Application No. 876/12 for subdivision into one (1) residential torrens title lot plus 13 residential community title lots and 1 community lot, at Lot 19, DP 1126372, 45 Rutland Street, Bonville be approved subject to the conditions in Attachment 3.**
2. **That persons who made a submission on Development Application No. 876/12 be informed of Council's decision.**

**Development Application No. 876/12
Section 79C Assessment**

a. the provisions of,

i. any environmental planning instrument, and

• North Coast Regional Environmental Plan

The proposal is considered to be consistent with the aims and objectives of the Plan.

• State Environmental Planning Policy 55 – Remediation of land

The subject land has no previous history of land uses or activities that would contribute to any potential contamination concerns. The site is not identified in the North Bonville DCP as potentially contaminated. Further contamination assessment is not considered necessary.

• Coffs Harbour City Local Environmental Plan (LEP) 2000

Zoning

The development application was submitted prior to the gazettal of Coffs Harbour LEP 2013 and has therefore been assessed under LEP 2000, utilising the relevant savings provisions. At the time of lodgement, the subject land was split zoned Residential 2A Low Density and Environmental Protection 7A Habitat and Catchment. The proposed development is defined as 'subdivision of land', which is identified as permissible with consent in the 2A and 7A zone under LEP 2000.

Clause 18(4)(c) specifies that if land zoned 7A adjoins land zoned 2A, 2B, 2C, 2D or 2E, consent may be granted to a subdivision of the composite parcel provided:

- *each resultant allotment contains an adequate (in the opinion of the consent authority) building envelope outside the land in Zone 7A, and;*
- *the consent authority considers that the subdivision is desirable for achieving long term management of the land within Zone 7A.*

It is considered that each proposed residential lot contains an adequate building envelope outside of the land zoned 7A and is capable of supporting a future dwelling without compromising the environmental protection zone.

Clause 11 - Tree Preservation

The proposed development will require removal and disturbance of approximately 1ha of vegetation, comprising Blackbutt Tallowood open forest and Swamp Mahogany swamp forest and grasslands. The biobanking statement has calculated that the number of credits required to offset the impact of the development is 50 ecosystem credits for the Blackbutt Tallowood forest and 15 credits for the Swamp Mahogany forest. The credits can be retired for biobanking part of proposed Lot 14 or seeking credits from an alternate site that satisfies the biobanking statement conditions.

Attachment 1

Clause 12 – Koala Habitat

The clause requires development to be in accordance with Council's Koala Plan of Management. The land contains areas of mapped primary koala habitat which connect to larger areas to the south of the site. Vegetation removal for building envelopes and APZ's will be required to comply with Bushfire Protection standards.

The biobanking statement does not legally "turn off" the requirements for consideration of the Koala Plan of Management, however council cannot impose a condition in the development consent that is contrary to the biobanking statement or refuse the development on biodiversity grounds. The biobanking statement has assessed the removal of koala habitat and apportioned credits according to the biobanking methodology.

Clause 13 – Landform Modification

The proposed development does not require any landform modification that would have any adverse impact on the natural environment.

Clause 14 – Services

The proposed development is capable of being serviced with reticulated water, sewer, stormwater, electricity and telecommunications.

Clause 23 – Environmental Hazards

Bushfire Prone Land

The site is identified as bushfire prone. The proposed development constitutes 'integrated development' and was referred to the NSW Rural Fire Service (RFS) for general terms of approval. The RFS has issued a conditional Bushfire Safety Authority for the development.

Potential Acid Sulfate Soils

The subject land is identified as containing class 3 & 5 acid sulfate soils, however the proposed development does not propose any deep excavation or disturbance of soils that would have an impact in relation to acid sulfate soils.

Clause 23A - Development on Flood Prone Land

Part of the land is floodprone and the proposed development has been considered in the context of Council's Floodplain Development and Management Policy. The natural ground levels and building platforms of the proposed lots will be above the minimum level required under the flood policy.

ii. the provisions of any draft environmental planning instrument

The development application was submitted prior to the gazettal of Coffs Harbour LEP 2013 and has therefore been assessed under LEP 2000, utilising the relevant savings provisions.

Attachment 1

Notwithstanding, clause 4.1A provides for subdivision of land comprising multiple zones. The site is currently zoned R2 Low Density Residential and E2 Environmental Conservation under LEP 2013 with a minimum lot size of 400m² and 40ha respectively. The proposed subdivision is permissible with consent, pursuant to clause 4.1A of LEP 2013.

iii. any Development Control Plan (DCP)

• ***Notification DCP***

The application was publicly exhibited and notified to adjoining and nearby property owners for a period of 30 days from 15 August 2013 to 13 September 2013 and a total of 150 submissions were received.

• ***Subdivision DCP***

The proposal is considered generally consistent with the aims and objectives of the DCP. Each of the proposed lots complies with the minimum lot size requirements, has adequate frontage to a public road and can be serviced with reticulated water, sewer, electricity and telephone. Standard conditions of consent will be imposed to address erosion and sediment control during the clearing and construction phase of the development.

• ***North Bonville DCP***

The proposal is generally consistent with the aims and objectives of the DCP. The subdivision will be designed within the environment capacity of the land as confirmed by the biobanking statement and will satisfy the minimum target density of 15 lots for the precinct.

The development is consistent with the planning strategy and controls and environmental constraints identified within the DCP.

iv. any planning agreement, and

The land is not subject to any planning agreements and no such agreements are proposed in relation to this development.

v. any coastal zone management plan, and

Council at its meeting of 14 February 2013 adopted the Coffs Harbour Coastal Zone Management Plan (CZMP). The plan provides the basis for future management and strategic land use planning of the Coffs Harbour coastal zone.

The subject land is within the study area to which the CZMP applies, therefore the provisions of this Plan are relevant to the proposed development.

The Coffs Harbour Coastal Processes and Hazard Definition Study 2010 (Hazard Study) informs the CZMP and identifies the likelihood of hazards occurring, such as beach erosion, coastal inundation and the impacts of sea level rise on these hazards by 2100.

The Hazard Study does identify that the southern part of the site will be subject to coastal processes, however this does not extend to the identified lots and building envelopes.

Attachment 1

- vi. the regulations (to the extent that may prescribe matters for the purposes of this paragraph), that apply to the land to which the development application relates,**

Clause 92 of the Environmental Planning and Assessment Regulations 2000 requires that the NSW Coastal Policy 1997, be considered in the determination of development applications. The proposed development is outside of the coastal zone.

- b. the likely impacts of that development, including environmental impacts, on both the natural and built environments, and social and economic impacts in the locality,**

1. The Natural and Built Environment

The subject site comprises significant remnant vegetation, some of which will be removed to comply with bushfire safety conditions and facilitate the future residential development of the land. A larger proportion of the site comprising 1.63ha of native vegetation, will remain undisturbed and is a proposed biobank area, which may form part of a future biobanking agreement.

Biobanking enables 'biodiversity credits' to be generated by landowners who commit to enhance and protect biodiversity values on their land through a biobanking agreement. These credits can then be sold, generating funds for the management of the site. Credits can be used to counterbalance or offset the impacts on biodiversity values that are likely to occur as a result of development.

The amount of credits required to be obtained to remove vegetation varies depending on the significance of the vegetation proposed to be removed. In this instance, vegetation is proposed to be removed on proposed lots 2-14. Proposed lot 14 is a large lot that may become a future biobank site, subject to an agreement being made. A biobanking agreement over proposed lot 14 would not satisfy the total number of credits required to offset the impacts of the development. The developer has the ability to use the credits available from biobanking proposed lot 14 and acquiring additional credits from alternative sites or acquiring all of the credits from an alternative site. This process is administered by the Office of Environment and Heritage and is entirely separate from Council.

Council is required to incorporate a condition in the development consent (if granted) that requires retirement of credits in accordance with the statement, before any work commences. Once credits have been used to either offset development impacts or permanently secure conservation of biodiversity, they are retired so they can no longer be used for any other purpose.

All biobanking agreements are registered on the land title. The obligation to protect and manage the land is binding on both current and future owners of the site.

As part of a previous development application (DA464/04) for a 20 lot residential subdivision and the construction of Rutland Street, part of the subject site was set aside for compensatory plantings. Approximately 460 tubestock species were planted at a ratio of 5:1 in accordance with an approved VMP. The plantings were largely located external to the proposed lots and building envelopes. However, a small percentage of the plantings may be affected by the construction of the perimeter fire trail and asset protection zones for the current development application. The environmental impacts from the loss of these plantings has been considered through the biobanking statement.

2. Social and Economic Impacts

The proposed subdivision is consistent with the existing subdivision pattern in the locality in terms of lot design and layout and is not expected to result in any significant adverse social or economic impacts in the locality. The development will provide additional land for housing in the area consistent with councils planning provisions.

c. the suitability of the site for the development,

The current residential zoning and development controls adopted by Council for the precinct, recognise that it is suitable for residential development with a minimum target density of 15 lots. The environmental constraints regarding biodiversity have been addressed by the issue of a biobanking statement. Other environmental constraints such as bushfire, flooding and coastal processes, have been adequately addressed through the subdivision design or by recommended conditions of consent.

d. any submissions made in accordance with this Act or the regulations,

The application was publicly exhibited and notified to adjoining and nearby property owners for a period of 30 days from 15 August 2013 to 13 September 2013 and a total of 150 submissions were received objecting to the development.

The submissions comprise the following:

- Six (6) individual submissions
- One (1) submission containing 45 signatures
- One Hundred and Forty Three (143) pro-forma submissions

The issues raised and a response to those concerns is summarised below.

- ***Concerns regarding environmental impacts of clearing***

The necessity for clearing to facilitate development has been identified in previous sections of this report. It is noted that the clearing will be restricted to a relatively small part of the site and the biobanking statement has addressed all relevant biodiversity issues.

The consideration and approval of the biobanking statement and any future agreement is administered solely by OEH and Council has no ability to influence the process or outcomes.

- ***Concerns that the development is not in the public interest and is contrary to the previous council intention to rezone the land for environmental protection.***

Irrespective of Councils previous intention to rezone the land, the land has remained zoned residential since the implementation of the Coffs Harbour LEP 1988. The proposal to rezone the land in 2006, was not pursued due to concerns about the accuracy of environmental mapping and lack of detailed analysis.

- ***Concerns regarding bushfire safety***

Any future development of the land will be required to comply with Planning for Bushfire Protection guidelines.

Attachment 1

- ***Concerns regarding stormwater management and flooding***

A stormwater management plan has been submitted and approved by Council for the development, consistent with the DCP controls for water quality.

The development application was referred to the NSW Office of Water (NOW) due to the presence of a natural waterbody on the site and general terms of approval have been issued for the development to occur. Council's City Infrastructure Services have raised no issues with the proposal in relation to flooding.

- ***Concerns regarding impact on visual amenity and property values***

The proposed subdivision will create lots that are consistent with existing lots in the locality in terms of size, dimensions and layout. Each lot is likely to be developed for a single dwelling which is consistent with the residential character of the area.

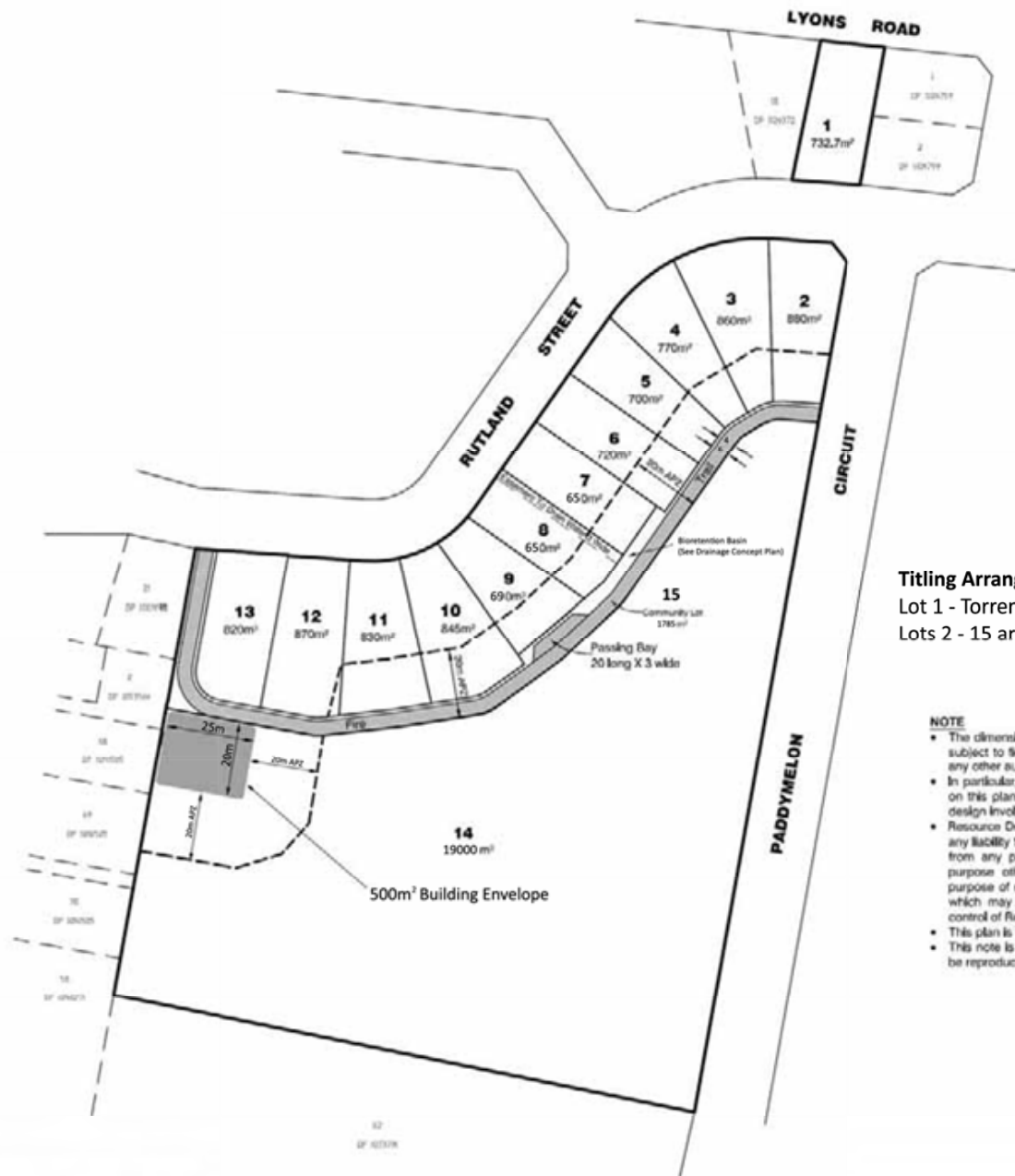
Council has no ability to predict the impact on property values resulting from the development.

- ***Concerns regarding increased traffic generation***

Council's North Bonville DCP anticipates a minimum density of 15 lots for the precinct and the number of lots is consistent with the traffic generation and road construction standards identified in the DCP.

e. the public interest:

The proposed development complies with relevant state and local planning policies. The land is capable of being developed for residential purposes without having an adverse cumulative impact through the implementation of a biobanking scheme which has been approved and is administered by OEH.



Titling Arrangements

Lot 1 - Torrens Title
 Lots 2 - 15 are Community Title (Lot 15 Community Lot)

NOTE

- The dimensions, areas and numbers of lots shown hereon are subject to field survey and to the requirements of Council and any other authority under any legislation.
- In particular, no reliance should be placed on the information on this plan for any financial dealings or detailed engineering design involving the land.
- Resource Design and Management Pty Ltd therefore disclaims any liability for any loss or damage whatsoever incurred arising from any party who uses or relies upon this plan for any purpose other than as a document prepared for the sole purpose of making a Development Application to Council and which may be subject to alteration for reasons beyond the control of Resource Design and Management Pty Ltd.
- This plan is not a plan of an approved subdivision.
- This note is an integral part of this plan and the plan must not be reproduced without this note.



- Attachment 2**
- Property House Numbers
 - Land Parcels
 - Road Names
 - Roads
 - Creeks
 - State Forest
 - National Parks
 - 2009 50cm

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Projected Coordinate System- GDA 1994, MGA Zone 56



Proposed Conditions of Development Consent 0876/12

Schedule of Conditions

ADMINISTRATIVE CONDITIONS

Development Description:

1. Development consent is granted only to carrying out the development described in detail below:
 - ***Subdivision into one (1) residential torrens title lot plus thirteen (13) residential community title lots and one (1) community lot.***

Prescribed Conditions:

2. The proponent shall comply with the prescribed conditions of development approval under Clauses 97A, 98, 98A - E of Environmental Planning and Assessment Regulation 2000 as are of relevance to this development.

Development is to be in accordance with approved plans:

3. The development is to be implemented in accordance with the plans and supporting documents set out in the following table except where modified by any conditions of this consent (Development Consent No. 0876/12).

Plan No. / Supporting Document(s)	Dated
Subdivision Plan, Drawing No. 10019/11, prepared by RDM.	30 November, 2013
BioBanking Statement ID 06 (modification)	31 May 2013

In the event of any inconsistency between conditions of this development consent and the plans/supporting documents referred to above, the conditions of this development consent prevail.

The approved plans and supporting documents endorsed with the Council stamp and authorised signature must be kept on site at all times while work is being undertaken.

PRIOR TO THE ISSUE OF CONSTRUCTION CERTIFICATE

Construction Certificate:

4. No subdivision work is to commence on site until a Construction Certificate has been issued for the work and Council has been notified that a Principal Certifying Authority has been appointed.

/2

- 2 -

Development Application No. 0876/12**Schedule of Conditions**

Stormwater Management Plan:

5. A Stormwater Management Plan complying with the relevant controls of Council's Water Sensitive Urban Design Policy being submitted to and approved by Council **prior to issue of the Construction Certificate.**

Please refer to the WSUD Information Sheet, Policy and Guideline available on Council's web site www.coffsharbour.nsw.gov.au.

Road Design and Services (Subdivision):

6. The following works:
- (a) footpath;
 - (b) water;
 - (c) sewer;
 - (d) stormwater including WSUD requirements;
 - (e) interallotment drainage;
 - (f) stormwater management plan works;
 - (g) construction of driveway (fire trail) and bio-retention basin on the community lot;

shall be provided to serve the development with the works conforming with the standards and requirements set out in Council's Development Design and Construction specifications and relevant policies (Water Sensitive Urban Design).

Erosion and Sedimentation Control Plan:

7. An erosion and sediment control plan, together with a management strategy, detailing soil erosion and sediment control measures, shall be prepared by a qualified environmental or engineering consultant in accordance with the document Managing Urban Stormwater – Soils & Construction Volume 1 (2004) by Landcom. Details being submitted and approved by the Certifying Authority **prior to issue of a Construction Certificate.**

Fill:

8. Contour plans indicating the location of proposed fill areas in the subdivision being submitted and approved by Council **prior to issue of the Construction Certificate.**

Contour plans are to include a clear description of impact of changes proposed on water movement both to and from the site on all adjacent land and to show stormwater discharge points.

PRIOR TO COMMENCEMENT OF WORKS**Credit Retirement (Bio-banking Conditions):**

9. All credits identified in Schedule 2 of the biobanking statement must be retired in respect of the development to which the biobanking Statement applies **prior to the commencement of any site works.**

/3

- 3 -

Development Application No. 0876/12**Schedule of Conditions**

Site Notice:

10. Prior to commencement of works a site notice(s) shall be prominently displayed at the boundaries of the site for the purposes of informing the public of the development details including but not limited to:
 - (1) Details of the Principal Contractor and Principal Certifying Authority for all stages of the development;
 - (2) The approved hours of work;
 - (3) The name of the site/project manager, the responsible managing company (if any), its address and 24 hour contact phone number for any inquiries, including construction noise complaints are to be displayed on the site notice; and
 - (4) To state that unauthorised entry to the site is not permitted.The Contribution Plans may be inspected at the Council Administration Offices, 2 Castle Street, Coffs Harbour or on Council's web site, www.coffsharbour.nsw.gov.au.

Aboriginal Cultural Heritage:

11. The applicant must comply with Part 6 of the National Parks & Wildlife Act 1974 (NPW Act), prior to commencing any ground disturbance or development works and during development works which is the subject of the development.
12. An Aboriginal Cultural Heritage Training and Communication Program must be developed for the induction of all personnel and contractors involved in the construction activities on site. Records are to be kept of which staff/contractors were inducted and when for the duration of the project. The program should be developed and implemented in collaboration with the representatives of the local Aboriginal community.

DURING CONSTRUCTION**Aboriginal Cultural Heritage:**

13. In the event that surface disturbance identifies a new Aboriginal object, all works must halt in the immediate area to prevent any further impacts to the object(s). A suitably qualified archaeological specialist and the representatives of the local Aboriginal community must be contacted to determine the significance of the object(s) and to develop an appropriate management strategy. The management strategy must comply with the provisions of the NPW Act. This may include avoiding impact, additional investigations and/or the submission of an Aboriginal Heritage Impact Permit application. The site is to be registered in the Aboriginal Heritage Information Management System (AHIMS) (managed by OEH) and the management outcome for the site included in the information provided to the AHIMS).

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Development Application No. 0876/12

Schedule of Conditions

14. If human remains are located following surface disturbance, all works must halt in the immediate area to prevent any further impacts to the remains. The NSW Police are to be contacted immediately. No action is to be undertaken until the NSW Police provide written notification to the proponent. If the skeletal remains are identified as Aboriginal, the proponent must contact OEH's Environmental Line on 131 555 and representatives of the local Aboriginal community. No works are to continue until OEH provides written notification to the applicant.

Erosion and Sediment Control:

15. All erosion and sediment control measures, as designed in accordance with the approved plans are to be effectively implemented and maintained at or above design capacity for the duration of the construction works for each stage of the project, and until such time as all ground disturbance by the works has been stabilised and rehabilitated so that it no longer acts as a source of sediment.

Hours of Work:

16. Construction works are to be limited to the following hours:
- | | |
|------------------|-----------------------------------------------------------------------------------------------------------|
| Monday to Friday | 7.00 a.m. - 6.00 p.m. |
| Saturday | 7.00 a.m. - 1.00 p.m. if inaudible from adjoining residential properties, otherwise 8.00 a.m. - 1.00 p.m. |

No construction work is to take place on Sunday and Public Holidays.

PRIOR TO ISSUE OF SUBDIVISION CERTIFICATE

Services:

17. The Subdivision being provided with reticulated electricity and telecommunication cables. The applicant shall provide a letter from the relevant electricity energy provider stating that satisfactory arrangements have been made for the supply of electricity and a letter from Telstra stating that satisfactory arrangements have been made for telecommunications infrastructure in the subdivision. These letters are to be provided to Council **prior to release of the Subdivision Certificate.**

Water and Sewerage Services – Developer Services Charges:

18. The **Subdivision Certificate not being released** until a Certificate of Compliance pursuant to Division 5 of Part 2 of Chapter 6 of the Water Management Act 2000 evidencing that adequate arrangements have been made for the provision of water and sewerage services to and within the development is produced to Council.

The current contribution rate is:

	Amount/Lot	Total
	\$	\$
Works to satisfy increased demand within the area for 13 Lots of residential subdivision.		
Water	9,676.21	125,790.73
Sewer	9,253.19	120,291.47
TOTAL AMOUNT PAYABLE		246,082.20

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Section 94 Monetary Contributions:

19. Payment to Council of contributions, at the rate current at the time of payment, towards the provision of the following public services or facilities:

Note 1 - The contributions are to be paid prior to release of any Subdivision Certificate unless other arrangements acceptable to Council are made.

Note 2 - The rates will be adjusted in accordance with the procedures set out in Council's Section 94 Contributions Plans. The applicant is advised to confirm the contribution rate applicable at the time of payment as rates are revised at least annually.

Note 3 - If the development is to be staged, contributions are to be paid on a pro rata basis in respect of each stage.

Stage 1	\$ Per Lot
- Coordination and Administration	383.19
- Coffs Harbour Road Network	2,100.44
- Surf Rescue Facilities	68.68
- District Open Space	2,566.20
- Transport & Traffic	5,488.06
- Stormwater Management	1,344.96
- Urban Planning	61.41
- Neighbourhood Open Space	509.38

The Section 94 contribution is currently \$162,790.16 for the 13 additional lots proposed in the subdivision.

Contributions have been imposed under the following plans:

- Regional, District & Neighbourhood Facilities & Services 2013.
- Coffs Harbour Road Network 2013
- Surf Rescue Facilities 2012.
- North Bonville 2013.

The Contribution Plans may be inspected at the Council Administration Offices, 2 Castle Street, Coffs Harbour or on Council's web site, www.coffsharbour.nsw.gov.au.

Access and Services:

20. The following works:

- (b) footpath;
- (c) water;
- (d) sewer;
- (e) stormwater including WSUD requirements;
- (f) interallotment drainage;
- (g) stormwater management plan works;
- (h) bio-retention basin and driveway/fire trail construction on community lot;

being constructed in accordance with the approved plans and specifications and completed **prior to issue of the Subdivision Certificate.**

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Stormwater Management Certification:

21. **Prior to issue of Subdivision Certificate** the consultant design engineer / landscape architect shall issue a certificate to the Principal Certifying Authority to the effect that the stormwater treatment system has been installed and complies with the approved design.

The maintenance of the stormwater system and bio-retention basin shall be detailed within the community management statement.

Fill - Certification:

22. **Prior to the release of the Subdivision Certificate**, a final contour plan is to be submitted to Council showing the location, depth, and type of fill located on the site. Alternatively, where no fill has been placed on the site, a written statement to that effect is to be submitted to Council.

Sediment and Erosion Control:

23. **Prior to the issue of a Subdivision Certificate** the site shall be stabilised to the Principal Certifying Authority's satisfaction which, as a minimum, shall be at least 50% grass cover or application of mulch or hydroseeding to all disturbed areas.

Bushfire Safety:

24. Bushfire safety upgrading works are to be completed **prior to the issue of the Subdivision Certificate** and are to be certified as to their satisfactory completion by the bushfire planning consultant with such verification being provided to Council **prior to the issue of the Subdivision Certificate**.

Certification (Bio-banking Conditions):

25. All works as required by the biobanking conditions are to be completed, with certification of completion being provided to the principal certifying authority, **prior to the issue of the Subdivision Certificate**.

BIO-BANKING CONDITIONS – NSW OFFICE OF ENVIRONMENT AND HERITAGE**Construction management at the development site: pre-construction phase:**

26. Prior to any construction (including clearing and earthworks) commencing on the development site, the following must occur:
- (a) Temporary fencing must be erected around the boundary of the development site to distinguish the development site from adjacent areas and to assist in keeping fauna away during the pre-construction phase.
 - (b) Retained vegetation within the development site must be delineated. Temporary fencing must be erected around retained vegetation, including individual trees, to protect it from construction activity.

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27. Fauna survey of the development site is to be undertaken by a suitably qualified ecologist (i.e. 'the ecologist') at least two weeks prior to commencing clearing in order to capture any fauna that is found within the development site. Any captured fauna is to be released appropriately into the adjacent natural area.

Construction management at the development site: construction phase:

28. Site sheds, materials, machinery or waste are to be located, stored or deposited, temporarily or otherwise, on the development site so that no impacts occur on retained vegetation or individual retained trees (taking account of drip-lines).
29. Fauna survey is to be undertaken by the ecologist throughout the development site for the first three mornings after active vegetation clearing has occurred to capture and remove any fauna present. Particular attention is to be paid to any trenches into which fauna may fall or where temporary habitats may be formed. Any captured is to be released appropriately into the adjacent natural area.

Construction management at the development site: post construction phase:

30. All temporary fencing is to be removed. Permanent low barrier fencing, bollards or similar are to be placed around retained area in order to prevent indirect impacts from any future building or maintenance access extending into the retained vegetation area.

Tree protection and management:

31. In the pre-construction phase of the development, a tree survey is to be undertaken over the whole development site to identify those trees to be retained, recruitment trees to provide long-term replacement hollows, possible tree planting areas and management measures to protect habitat resources from future potential issues relating to human safety.

Hollow bearing trees (including hollows that may be suitable as bat habitat) that are designated for removal must be identified and marked by a suitably qualified ecologist. These hollows are to be searched by the ecologist and any fauna removed prior to tree removal. Hollow habitat available from the clearing must be translocated by the ecologist and placed within the adjacent natural area.

Weed management:

32. Weeds must be managed throughout the development site, including the APZ, to minimize weed encroachment. Weed management must include establishment of appropriate native plants through local seed collection/propagation in areas where weeds are to be removed.

Noise, dust and light spill:

33. The APZ within the development site must be managed as a buffer between the subdivision development zone and the adjacent natural area to reduce the impacts of noise, dust and lights.

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Erosion and Stormwater Management:

- 34. Appropriate erosion and sedimentation management must be undertaken at the development site to control soil erosion during construction. This will include details and standards for all erosion control activities as well as an appropriate monitoring and response program.

The development must incorporate water sensitive design to mitigate the impacts of stormwater on the retained vegetation within the development site and adjacent areas.

Credit Retirement conditions:

- 35. The credits set out in Table 1 and Table 2 must be retired to ensure that the development to which this Biobanking Statement relates improves or maintains biodiversity values.
- 36. All credits required by this statement to be retired in respect of the development to which this Biobanking Statement applies must be retired at the same time.

Ecosystem credit retirement conditions:

- 37. The specified number of ecosystem credits in Table 1 must be retired to offset the impacts of the development on the Blackbutt – Tallowood dry grassy open forest of the Central parts North Coast vegetation type indicated on Map 2 in Annexure B of the biobanking statement. The ecosystem credits must be respect of any one or more of the vegetation types within the CMA subregions listed and meet, as a minimum, the surrounding vegetation and patch size criteria specified in Table 1. The credits must be retired before physical work can commence on the development site.
- 38. The specified number of ecosystem credits in Table 2 must be retired to offset the impacts the development on the Swamp Mahogany swamp forest of the coastal lowlands of the North Coast vegetation type indicated on Map 2. The ecosystem credits must be respect of any one or more of the vegetation types within the CMA subregions listed and meet, as a minimum, the surrounding vegetation and patch size criteria specified in Table 2. The credits must be retired before physical work can commence on the development site.

Table 1

Ecosystem credits required for the Blackbutt - Tallowood dry grassy open forest of the central parts North Coast indicated on Map 2

Number of ecosystem credits	50
Surrounding vegetation cover	minimum class 30%
Patch size including low condition	minimum class 100 ha
CMA sub-region (Catchment Management Authority)	Clarence Lowlands (Northern Rivers) Coffs Coast and Escarpments (northern Rivers)
Vegetation type(s) that can be used to offset the impacts from development	Blackbutt — Tallowood dry grassy open forest of the central parts North Coast (NR119)

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Table 2

Ecosystem credits required for the Swamp Mahogany swamp forest of the coastal lowlands of the North Coast indicated on Map 2

Number of ecosystem credits	15
Surrounding vegetation cover	minimum class 30%
Patch size including low condition	minimum class 100 ha
CMA sub-region (Catchment Management Authority)	Clarence Lowlands (Northern Rivers) Coffs Coast & Escarpment (Northern Rivers) Richmond – Tweed, QLD – Scenic Rim, Part A (Northern Rivers)
Vegetation type(s) that can be used to offset the impacts from development	Swamp Mahogany swamp forest of the coastal lowlands of the North Coast (NR254)

Species credit retirement conditions:

39. No species credits are required in relation to the development.

INTEGRATED TERMS OF APPROVAL CONDITIONS - NSW RURAL FIRE SERVICE

40. At the issue of subdivision certificate and in perpetuity, the entire area of proposed Lots 1 to 13 shall be managed as an inner protection area (IPA) as outlined within section 4.1.3 and Appendix 5 of 'Planning for Bush Fire Protection 2006' and the NSW Rural Fire Service's document 'Standards for asset protection zones'.
41. A restriction to the land use pursuant to section 88B of the 'Conveyancing Act 1919' or equivalent restriction within the community management statement, shall be placed on proposed Lots 2 to 12 prohibiting any habitable building within the area shown as an APZ on the drawing prepared by RDM (Resource Design & Management Pty Ltd) numbered 10019/11, dated 30 November 2013. The area of the restriction to use shall extend onto proposed lot 12 for not less than 20 metres from the southern boundary of proposed lot 15.
42. A restriction to the land use pursuant to section 88B of the 'Conveyancing Act 1919' or equivalent restriction within the community management statement shall be placed on proposed lot 14 to separately identify the building envelope and surrounding asset protection zone which shall extend for a distance of not less than 20 metres to the south and east of the building envelope. The building envelope and asset protection zone shall be managed as outlined as outlined within section 4.1.3 and Appendix 5 of 'Planning for Bushfire Protection 2006' and the NSW Rural Fire Service's document 'Standards for asset protection zones'.
43. Water and electrical services are to comply with section 4.1.3 of 'Planning for Bush Fire Protection 2006'.

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44. A fire hydrant shall be provided at one end of the passing bay along the fire trail.
45. Property access roads shall comply with section 4.1.3(2) of 'Planning for Bush Fire Protection 2006'.
46. A restriction to the land use pursuant to section 88B of the Conveyancing Act 1919' or equivalent restriction within the community management statement shall be placed on proposed lot 15 requiring the fire trail to be constructed and maintained in accordance with section 4.1.3(3) of 'Planning for Bush Fire Protection 2006' (except that a connection to the public road network is not required at 200m intervals, or less) and requiring the entire area of lot 15 to be managed as an inner protection area as outlined within section 4.1.3 and Appendix 5 of 'Planning for Bush Fire Protection 2006' and the NSW Rural Fire Service's document 'Standards for asset protection zones'.

INTEGRATED TERMS OF APPROVAL CONDITIONS - NSW OFFICE OF WATER

47. These General Terms of Approval (GTA) only apply to the controlled activities described in the plans and associated documentation relating to DA 876/12 and provided by Council.

Any amendments or modifications to the proposed controlled activities may render these GTA invalid. If the proposed controlled activities are amended or modified the NSW Office of Water must be notified to determine if any variations to these GTA will be required.

48. Prior to the commencement of any controlled activity (works) on waterfront land, the consent holder must obtain a Controlled Activity Approval (CAA) under the Water Management Act from the Office of Water. Water front land for the purposes of this DA is land and material in or within 40 metres of the top of the bank or shore of the river identified.
49. The consent holder must prepare or commission the preparation of:
 - i. Erosion and Sediment Control Plan; and
 - ii. Soil and Water Management Plan.
50. All plans must be prepared by a suitably qualified person and submitted to the NSW Office of Water for approval prior to any controlled activity commencing. The plans must be prepared in accordance with the NSW Office of Water's guidelines located at www.water.nsw.gov.au/Water-Licensing/Approvals/default.aspx.
 - (i) Outlet structures
51. The consent holder must (i) carry out any controlled activity in accordance with approved plans and (ii) construct and/or implement any controlled activity by or under the direct supervision of a suitably qualified professional and (iii) when required, provide a certificate of completion to the NSW Office of Water.
52. The consent holder must carry out a maintenance period of two (2) years after practical completion of all controlled activities, rehabilitation and vegetation management in accordance with a plan approved by the NSW Office of Water.

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- 53. The consent holder must reinstate waterfront land affected by the carrying out of any controlled activity in accordance with a plan design or approved by the NSW Office of Water.
- 54. The consent holder must use a suitably qualified person to monitor the progress, completion, performance of works, rehabilitation and maintenance and report to the NSW Office of Water as required.
- 55. The consent holder must ensure that no materials or cleared vegetation that may (i) obstruct flow, (ii) wash into the water body, or (iii) cause damage to river banks; are left on waterfront land other than in accordance with a plan approved by the NSW Office of Water.
- 56. The consent holder is to ensure that all drainage works (i) capture and convey runoffs, discharges and flood flows to low flow water in accordance with a plan approved by the NSW Office of Water; and (i) do not obstruct the flow of water other than in accordance with a plan approved by the NSW Office of Water.
- 57. The consent holder must stabilize drain discharge points to prevent erosion in accordance with a plan approved by the NSW Office of Water.
- 58. The consent holder must ensure that no excavation is undertaken on waterfront land other than in accordance with a plan approved by the NSW Office of Water.
- 59. The consent holder must ensure that (i) river diversion, realignment or alteration does not result from any controlled activity work and (ii) bank control or protection works maintain the existing river hydraulic and geomorphic functions, and (iii) bed control structures do not result in river degradation other than in accordance with a plan approved by the NSW Office of Water.
