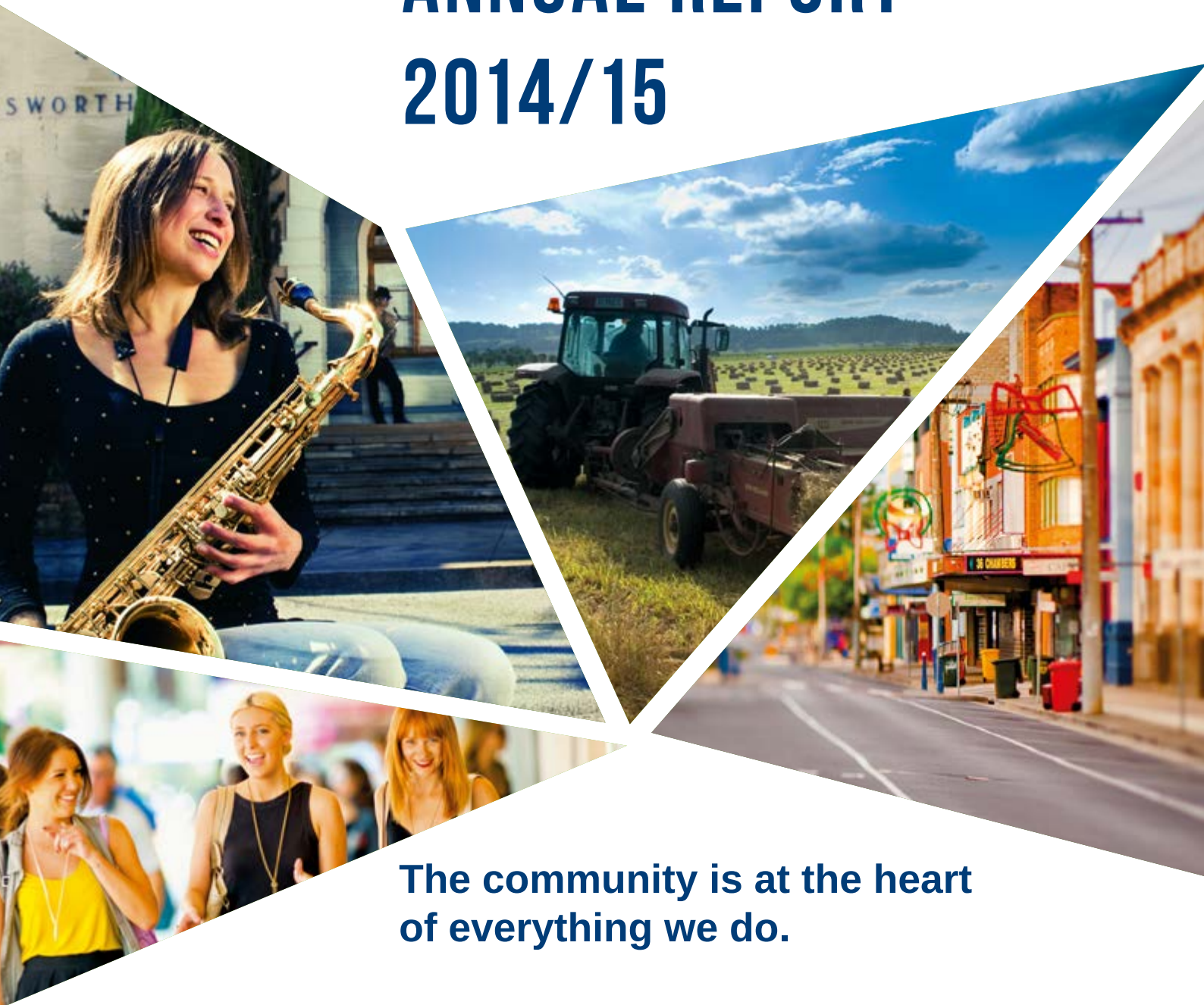
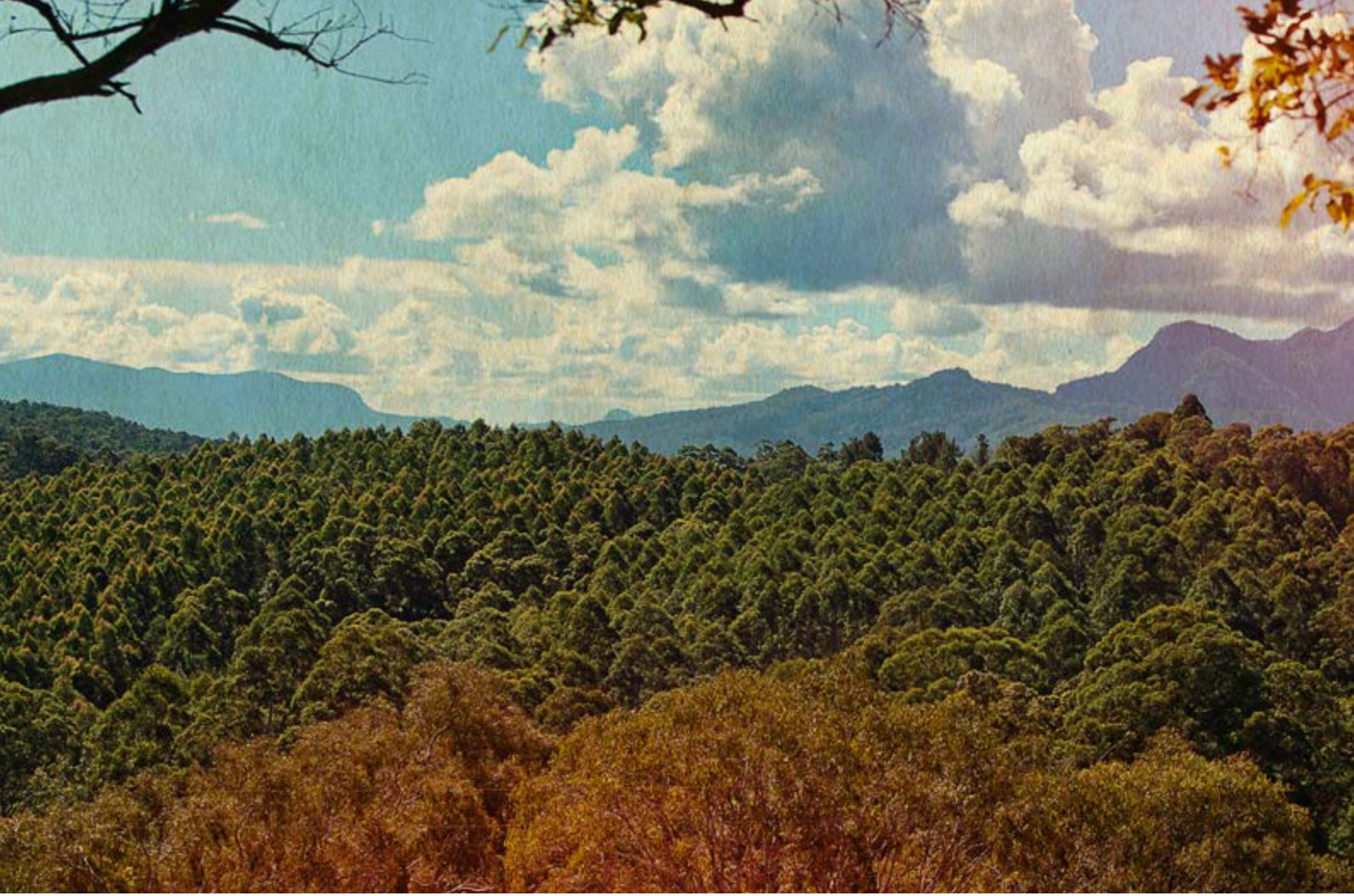




ANNUAL REPORT 2014/15



**The community is at the heart
of everything we do.**





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FROM THE MAYOR

I have pleasure in introducing Lismore City Council's Annual Report for 2014-15. In doing so, I acknowledge the local people of the Bundjalung Nation and thank Elders of the past and present for their custodianship of and enduring connection to this beautiful place.

Life in Local Government is never boring and the past year has been full of interesting and stimulating challenges. None is so large and potentially life-changing as the State Government's Fit for the Future reforms. Lismore City Council has taken the challenge seriously with a thorough assessment of options including the suggested merger with Kyogle Council.

Our Council, in working through the criteria as set by the Minister of Local Government, is of the firm belief that we have the scale and capacity to remain a stand-alone council. The efforts we continue to make along our pathway to long-term sustainability have continued this year with further budget reductions and efficiency measures to reduce costs.

Part of the plan involves developing and maintaining partnerships with other councils, business, government and not-for-profit organisations within our Local Government Area and, most importantly, with our communities. Our partnerships with the Northern NSW Local Health District for example, are resulting in much better outcomes for housing, parking and amenity around the most important facility in Lismore, our Base Hospital.

At the community level, we are in the process of engaging with people in seven rural localities to develop Community Plans and subsequent Community Panels to work on projects as prioritised by the relevant community. In the past year, four panels have been formed and the first budget application made for a community project.

Council continues to be a leader in waste minimisation and landfill diversion. In the last year a new landfill cell has opened using state-of-the-art lining methods, we have gained organic certification for our mulch and compost, increased public recycling facilities and are now recycling and using crushed glass to build our roads.

Council has also adopted some significant strategic plans in the past year. We have adopted our Growth Management Strategy that will guide development for the next decade along with a Biodiversity Management Strategy and a Renewable Energy Master Plan. Council has also worked with developers to refine and, in some cases, waive fees to encourage increased housing density in some areas of our city. These initiatives are setting Lismore City Council apart as a well-recognised leader.

Just prior to Christmas, Council appointed a new Executive Director in the Infrastructure Services directorate. We are pleased to see innovation and increased productivity in our roads section and the community is telling us we are on the right track.

Not all is rosy however. For the last two years, our Local Environmental Plan (LEP) Environmental (E) zones have been with the Minister for Planning. Unfortunately that is still the case. As a result of decisions at the State level, we have also seen delays in the approvals for North Lismore Plateau. We continue to hope that resolution of both these vital planning matters is close at hand.

I thank Councillors, General Manager Gary Murphy, senior management and all staff for their commitment to their roles and to our community.

No doubt 2015-16 will be a year of even greater change and challenge than this past year. Thank you again for the privilege of being Lismore's Mayor and I look forward to the year ahead.

**Jenny Dowell JP
Mayor of Lismore**

Council's mission

To work with the community to maintain Lismore as the regional centre in a healthy rural setting.

Council's values



- We cultivate a sense of belonging for everyone.
- We are honest and build trust between each other.
- We consider our actions and our reactions to others.
- We are understanding, caring and respectful of differences.
- We are accountable for all that we do and support others in their responsibilities.

Show mutual respect



- We are determined, disciplined, consistent and realistic.
- We plan, prepare and take ownership of our efforts.
- We show leadership through professionalism.
- We support each other to achieve our best.
- We work safely together.

Strive to do our best



- We are passionate about the work we do.
- We improve and look for better ways to do things.
- We care about each other and our community.
- We recognise and reward hard work.
- It's ok to have fun.

Love doing what we do



- We encourage participation and inclusion in all our communications.
- We are transparent, fair and accountable.
- We are trained to do our jobs well.
- We communicate respectfully.

Connect, Listen and learn

YOUR ELECTED COUNCILLORS



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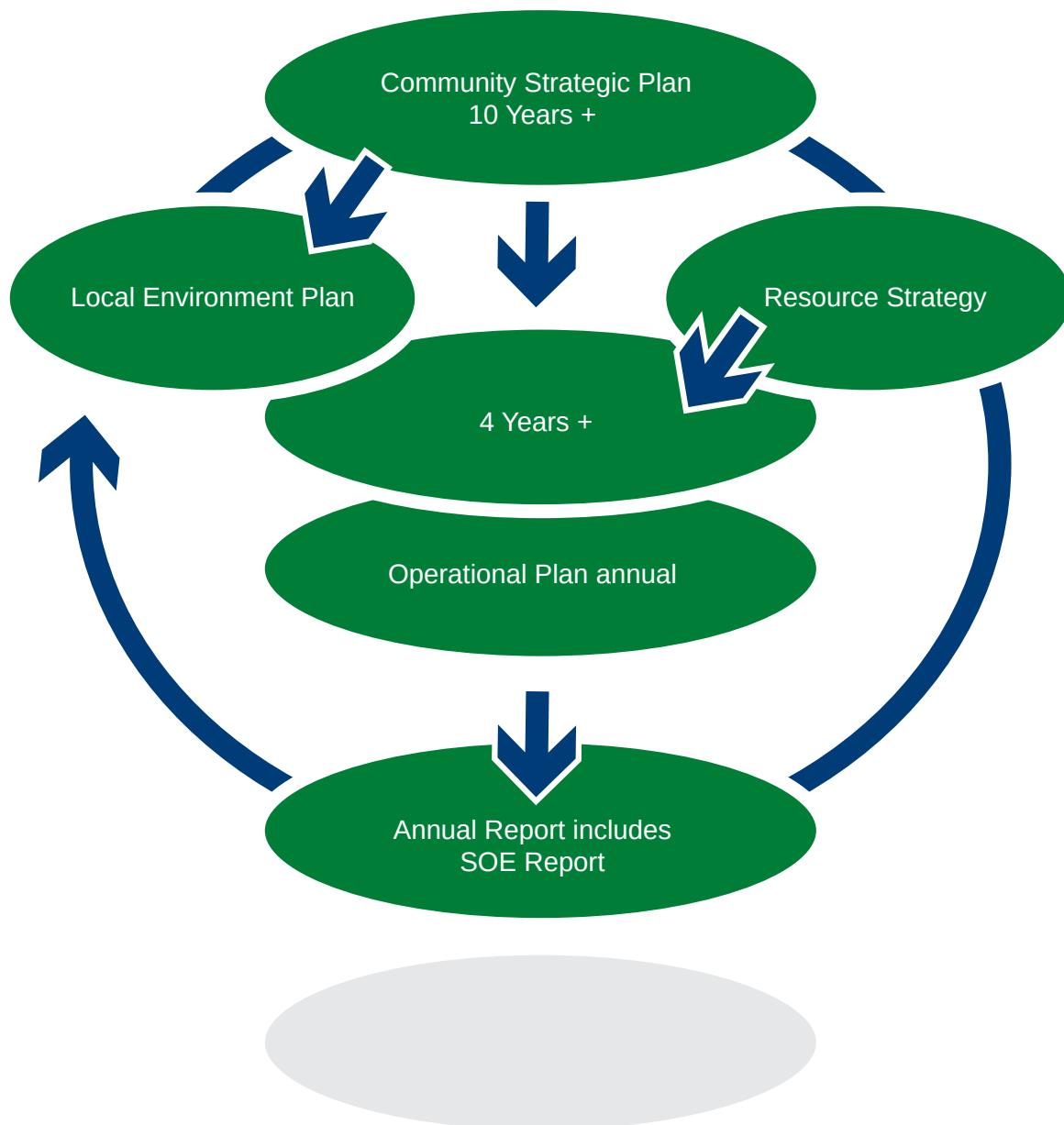
STRATEGIC FOCUS

Corporate planning

Lismore City Council is introducing a fully integrated corporate planning framework that will encompass all of our activity. Sustainability principles within this framework will drive our service provision as we strive to meet the demands of our environment, economy and community over the next 10 years.

The framework has four key elements:

- A 10-year Community Strategic Plan, which outlines our broad vision for the future;
- A four-year Delivery Plan, accompanied by a full budget, that details exactly what we will do to implement the Community Strategic Plan;
- An Operational Plan, which will record the planned activity and expenditure for each year; and
- An Annual Report, which provides the community with a detailed account of what we have achieved each year and the progress made towards the implementation of the Delivery Program and Community Strategic Plan.



Imagine Lismore



Community

- Aboriginal recognition
- An inclusive and aware community and community participation in decision making
- Safety and wellbeing
- Affordable health
- Lismore as a sporting centre
- Affordable housing
- Community cultural centre
- Transport



Environment

- Wilsons River
- Environmental leadership
- Lismore as a model of sustainability



Economy

- A vibrant CBD
- A resilient economy



Services

- Waste
- Strategic planning, assessment and construction
- Parks
- Water cycle management
- Transport and infrastructure
- Civic leadership/management



2014/15 IN REVIEW

SECTION 1

Delivery Plan Progress

Local Government Act 1993 – Section 428

We are changing the way that we are reporting on our performance both in terms of our progress on the Delivery Plan and our corporate performance. As a result the Delivery Plan progress is not available at the time of publishing. Once the changes have been made this report will be updated. In the meantime, if you have any specific questions about Council's Delivery Plan progress, phone Council's Manager Corporate Services Simon Adcock on 1300 87 83 87.

SECTION 2

Financial Summary and Asset Management Reporting

Local Government Act 1993 – Section 428

Overview

The 2014/15 Financial Reports show a net operating result for the year of an \$875,000 profit. While the net operating result is positive, the net operating result before capital amounts is a (\$3.26) million loss. This is considered a better reflection of the funding shortfall between operating revenues and the real cost to fully fund the current range of works, services and programs Council delivers.

Council's net assets decreased during 2014/15 by (\$13.14) million to \$1.055 billion. A relatively stable net assets position is essential to long-term financial stability, and management continues to look for new ways to improve this position.

To gain some perspective on the size of Council operations, total income from continuing operations was \$102.82 million and total expenses from continuing operations were \$101.94 million for the year.

Council continued to invest in infrastructure upgrading to bring long-term benefits to the community during 2014/15. Ongoing capital works for urban and rural roads, bridges, footpaths, cycleways, stormwater and the renewal of water and wastewater mains were highlights of Council's \$21.64 million investment in infrastructure, property, plant and equipment.

With the high importance placed on financial management and fiscal control, Council continues to strive to be in the best financial position to meet community expectations.

To assist in meeting this objective, the integration of the Imagine Lismore Community Strategic Plan, Asset Management Plans and Long Term Financial Plan that meet the State Government's Integrated Planning and Reporting requirements continues to be a priority. This is considered fundamental to Council achieving its long-term financial sustainability goal.



Key Financial Results

The following is a summary of the key financial results:

- Net Operating Result for the year is a \$875,000 surplus
- Net Operating Result for the year before Capital Grants and Contributions is a (\$3.26) million deficit
- Total Income from Continuing Operations increased by \$2.07 million to \$102.81 million
- Total Expenses from Continuing Operations increased by (\$6.94) million to (\$101.94) million
- Total Equity decreased by (\$13.14) million to \$1.055 billion
- Cash, Cash Equivalents and Investments total \$38.58 million
- Unrestricted Current Ratio 1.71x
- Debt Service Cover Ratio 3.26x
- Rates, Annual Charges, Interest & Extra Charges Outstanding 11.38%
- Building, Infrastructure & Other Structures Renewal Ratio 94.11%
- Infrastructure Backlog Ratio 23.64%
- Asset Maintenance Ratio 0.98

Generally, these indicators support the fact that Council is moving towards its goal of financial sustainability however significant ongoing work is still required to achieve this target by 2022/23.

Income Statement

The net operating result for 2014/15 is an \$875,000 surplus. The following table displays the summarised information from 2012/13 to 2014/15:

| Item | 2014/15 (\$'000) | % Change | 2013/14 (\$'000) | % Change | 2012/13 (\$'000) |
|--|---------------------|-------------|---------------------|-------------|---------------------|
| Income from continuing operations | 102,815 | 2.05% | 100,749 | (2.32%) | 103,142 |
| Expenses from continuing operations | 101,940 | 7.30% | 95,003 | (6.90%) | 102,039 |
| Net operating result for the year | 875 | (84.77%) | 5,746 | 420.94% | 1,103 |
| Net operating result before capital grants and contributions | (3,260) | 0.52% | (3,277) | 57.76% | (7,758) |

A summary of the major movements follows:

For income from continuing operations:

- Decrease in user charges and fees (\$1.16) million
- Increase in rates and annual charges \$1.88 million
- Decrease in interest and investment revenues (\$0.38) million
- Increase in grants and contributions for operating purposes \$2.88 million
- Decrease in grants and contributions for capital purposes (\$4.88) million
- Increase in other revenue of \$3.83 million

For expenses from continuing operations:

- **Increase in employee benefits & on-costs (\$1.31) million**
- **Increase in materials & contracts by (\$4.54) million**
- **Decrease in depreciation & amortisation by \$514,000.**

In general, income from continuing operations has increased by 2.05% or \$2.066 million with expenses from continuing operations increasing by 7.30% or \$6.937 million.

The significant increase in expenses reflects the fact that for 2014/15 expenses for materials and contracts and employee benefits and on-costs are primarily inflated due to the significant additional works undertaken for Road and Maritime Services (RMS) and the Building Better Regional Cities projects.

Statement of Financial Position

The Statement of Financial Position is used to summarise the total net assets (assets – liabilities = net assets/equity) under Council's control. As at 30 June 2015, total net assets were \$1.055 billion. During 2014/15, net assets decreased by (\$13.14) million from \$1.068 billion in 2013/14. The main contributor was the decrease in Infrastructure, Property, Plant & Equipment assets of (\$17.47) million for 2014/15. This was as a result of an adjustment to the revaluation of transport assets as at 30/6/2015.

The major component of Council's net assets is infrastructure assets. Net infrastructure assets total \$848.5 million and include the following categories and amounts:

| Infrastructure Assets | At Fair Value (FV) (\$m) | Accumulated Depreciation (\$m) | Written Down Value (\$m) | Accumulated Depreciation/ At FV % |
|---|--------------------------------|--------------------------------------|--------------------------------|--|
| Roads, Bridges, Footpaths & Earth-works | 731.7 | 203.2 | 528.5 | 27.8 |
| Stormwater Drainage | 76.7 | 26.6 | 50.1 | 34.7 |
| Water Supply Network | 125.2 | 52.4 | 72.8 | 41.9 |
| Wastewater Services Network | 310.4 | 127.4 | 183.0 | 41.0 |
| Swimming Pools | 5.2 | 0.7 | 4.5 | 13.5 |
| Other Open Space/Recreational Assets | 17.3 | 7.7 | 9.6 | 44.5 |
| Total Infrastructure Assets | 1,266.5 | 418.0 | 848.5 | 33.0 |

Income from continuing operations

Income from continuing operations increased by \$2.07 million or 2.05% compared to 2013/14.

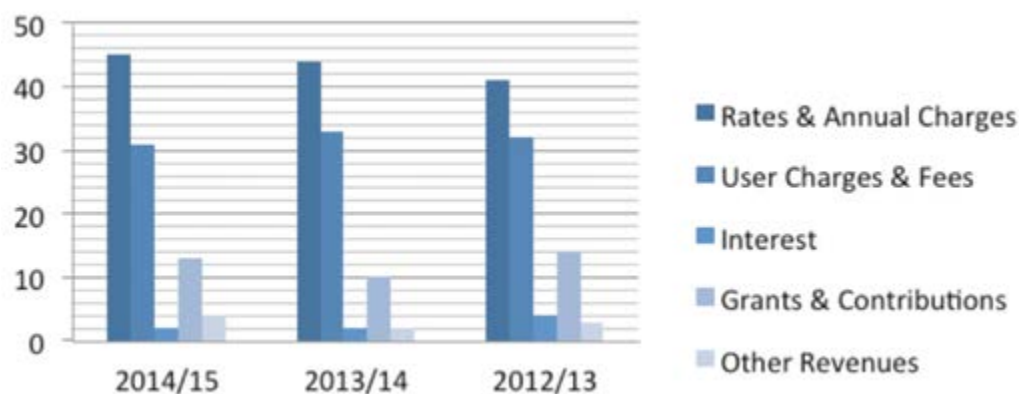
A summary of the individual categories and comparisons for the last three years is provided below:

| Type | 2014/15 (\$'000) | % Change | 2013/14 (\$'000) | % Change | 2012/13 (\$'000) |
|---|---------------------|-------------|---------------------|---------------|---------------------|
| Rates & Annual Charges | 45,443 | 4.32 | 43,562 | 5.29 | 41,375 |
| User Charges & Fees | 31,875 | (3.52) | 33,038 | 3.69 | 31,861 |
| Interest | 1,758 | (17.66) | 2,135 | (42.62) | 3,721 |
| Other revenues | 6,265 | 157.61 | 2,432 | (19.42) | 3,018 |
| Grants & Contributions – Operating | 13,339 | 27.58 | 10,455 | (26.92) | 14,306 |
| Grants & Contributions – Capital | 4,135 | (54.17) | 9,023 | 1.83 | 8,861 |
| Gain on Disposal of Assets | 0 | n/a | 0 | n/a | 0 |
| Net share of interests in Joint Ventures & Associated Entities | 0 | n/a | 104 | n/a | 0 |
| Total | 102,815 | 2.05 | 100,749 | (2.32) | 103,142 |

- Rates & Annual Charges:** Income from rates have increased by 2.51% which is in line with rate pegging and anticipated growth. Annual charges have increased by 6.81% or \$1.2 million with the major areas being Wastewater \$533,000, Water \$315,000, Waste Minimisation \$199,000 and Domestic Waste Management \$170,000. These increases are in line with the expectations from the 1 Year Plan – 2014/15.
- User Charges & Fees:** Decreased by (3.5%) or (\$1.16) million. The major movements in these incomes were attributable to an increase in Waste Disposal charges of \$460,000 and an increase in Water Supply service charges of \$630,000, offset by a decrease in Northern Rivers Quarry & Asphalt fees of (\$2.16) million and a decrease in Roads & Maritime Services (RMS) charges of (\$448,000) for works on roads undertaken on State roads not controlled by Council.
- Interest:** The interest and investment return comprises interest on investments of \$1.4 million and market value adjustments on investments held of \$12,000. There has been an overall decrease in investment returns of (\$351,000) compared to 2013/14. This is mainly attributable to reduced interest rates available in the market place.
- Other revenues:** The major movements from 2013/14 are an increase in income generated from recycling operations of \$1.37 million and the reassessment in the provision for waste facility remediation of \$2.30 million.
- Grants & Contributions – Operating:** Grants and contributions for operating purposes increased from 2013/14 by \$2.88 million. The major movement is an increase in the Financial Assistance Grants of \$3.20 million. This relates to the timing of payment from the Commonwealth which meant there was only 50% of the funding physically received in the 2013/14 year compared to the full amount in 2014/15. An increase of \$1.30 million in contributions for RMS is also a major factor in the overall increase. This was offset by a decrease in Natural Disaster Emergency Funding from RMS of (\$1.32) million.
- Grants & Contributions – Capital:** Grants and contributions for capital purposes decreased from 2013/14 by (\$4.89) million. The grant funding decrease was mainly due to the Building Better Regional Cities project of \$5.013 million being received in 2013/14. Developer contributions (Section 94/64) increased from last year by \$322,000 while other contributions decreased by (\$605,000).

The following graph represents the main types of income from continuing operations expressed as a percentage of total continuing operations for 2014/15, 2013/14 and 2012/13. It clearly shows Council's reliance on Rates & Annual Charges.

Major income types as a % of total income from continuing operations.



Expenses from continuing operations

Expenses from continuing operations have increased by (\$6.94) million or 7.3% from 2013/14 to 2014/15. A summary of the individual categories and comparisons for the last three years is provided below:

| Type | 2014/15 (\$'000) | % Change | 2013/14 (\$'000) | % Change | 2012/13 (\$'000) |
|--|---------------------|-------------|---------------------|---------------|---------------------|
| Employee Costs | 30,007 | 4.58 | 28,693 | (4.94) | 30,185 |
| Borrowing Costs | 3,278 | (11.41) | 3,700 | 3.53 | 3,574 |
| Materials & Contracts | 39,862 | 12.87 | 35,318 | (10.49) | 39,457 |
| Depreciation | 20,601 | 2.56 | 20,087 | (4.64) | 21,065 |
| Other | 4,984 | 2.09 | 4,882 | (0.65) | 4,914 |
| Loss on Disposal of Assets | 3,166 | 36.29 | 2,323 | (18.320) | 2,844 |
| Net share of interests in Joint Ventures & Associated Entities | 42 | n/a | 0 | n/a | 0 |
| Total | 101,940 | 7.30 | 95,003 | (6.90) | 102,039 |

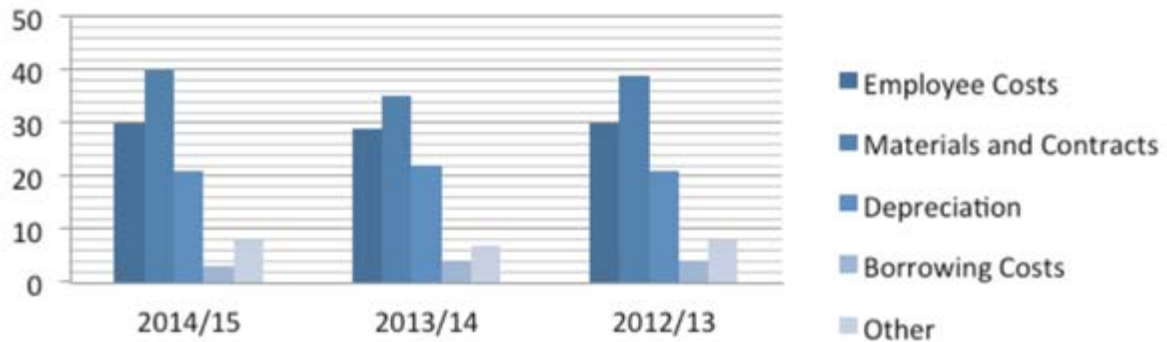
An increase compared to 2013/14 is shown for Employee Costs of (\$1.31) million. The majority of this increase was a result of costs relating to infrastructure works on roads not capitalised as they are not owned by Council. This mainly related to Building Better Regional Cities projects.

An increase is also shown for Materials & Contracts of (\$4.54) million. This increase is also mainly in relation to the Building Better Regional Cities projects.

An increase compared to 2013/14 is shown for Depreciation of (\$514,000). The main reason for the increase is the application of the transport assets revaluation completed in 2013/14 and reassessed in 2014/15. The reassessment carried out in 2014/15 was due to the 2013/14 revaluation not including all infrastructure assets and the roads sub-base being deleted for most sealed roads.

The following graph represents the types of expenses from continuing operations expressed as a percentage of total continuing expenses for 2014/15, 2013/14 and 2012/13:

Expenses from continuing operations



Cash, Cash Equivalents and Investments

Council has total cash, cash equivalents and investments of \$38.58 million as at 30 June 2015. Compared to 2013/14, this is an increase of \$3.74 million. Typically, Council's total cash, cash equivalents and investments are reasonably stable, but can fluctuate depending on the timing of cash flows and investment decisions.

Council is required to recognise investments held at 30 June each year at their market value. As with previous years, volatility within financial markets continued during 2014/15. Based on market values, the book value of Council's investments has increased by approximately \$12,000.

For 30 June 2015, all cash, cash equivalents and investments are either restricted by external legislation e.g. developer contributions – Section 94 \$4.38 million, Wastewater Services \$16.75 million, Water Supply Services \$4.57 million, Unexpended Grants \$1.49 million, Stormwater Management \$1.01 million, Domestic Waste Management \$154,000 and Trust Fund \$729,000, or by Council's internal policy e.g. unexpended loans \$1.57 million and internal reserves \$7.92 million.

Key Performance Indicators

To clarify the meaning and implication, a simple definition of each indicator is listed below:

- a. Operating Performance Ratio:** This ratio measures Council's achievement of containing operating expenditure within operating revenue. The benchmark is greater than 0%.
- b. Own Source Operating Revenue Ratio:** This ratio measures fiscal flexibility. It measures Council's reliance on external funding sources such as operating grants and contributions. Council's financial flexibility improves the higher the level of its own source revenue. The benchmark is greater than 60%.
- c. Unrestricted Current Ratio:** This ratio represents Council's ability to meet short term obligations as they fall due. It is the total cash or cash convertible assets available to meet liabilities within the next twelve months, or current period, expressed on a dollar for dollar basis excluding assets and liabilities. The benchmark is greater than 1.5.
- d. Debt Service Cover Ratio:** This ratio measures the availability of operating cash to service debt including interest, principal and lease payments. The benchmark is greater than 2.
- e. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage:** This ratio is to assess the impact of uncollected rates and annual charges on liquidity and the adequacy of recovery efforts. This percentage is based on the amount outstanding as a percentage of the amount to be collected for rates and annual charges for the current year and outstanding from previous years. The benchmark for this ratio is <10% for Council.
- f. Cash Expenses Cover Ratio:** This liquidity ratio indicated the number of months Council can continue paying for its immediate expenses without additional cash inflows. The benchmark is greater than 3 months.
- g. Building, Infrastructure & Other Structures Renewal Ratio:** To assess the rate at which these assets are being renewed against the rate at which they are depreciating.
- h. Infrastructure Backlog Ratio:** To show what proportion the backlog is against the total value of infrastructure.
- i. Asset Maintenance Ratio:** To compare actual versus required annual asset maintenance. A ratio of above 1.0 indicates that Council is investing enough funds within the year to stop the Infrastructure Backlog from growing.
- j. Capital Expenditure Ratio:** To indicate the extent to which Council is forecasting to expand its asset base with capital expenditure spent on both new assets, and replacement and renewal of existing assets. The benchmark is greater than 1.1.

The following table is a summary of the key performance indicators from 2012/13 to 2014/15:

| Performance Indicator | 2014/15 | 2013/14 | 2012/13 |
|--|---------|---------|---------|
| Operating Performance Ratio | (2.46%) | (1.54%) | (7.18%) |
| Own Source Operating Revenue Ratio | 82.61% | 80.58% | 77.16% |
| Unrestricted Current Ratio | 1.71x | 1.72x | 1.68x |
| Debt Service Cover Ratio | 3.26x | 2.25x | 2.93x |
| Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage | 11.38% | 11.45% | 11.62% |
| Cash Expense Cover Ratio (months) | 5.25 | 4.65 | 5.09 |
| Building, Infrastructure & Other Structures Renewal Ratio | 94.11% | 86.70% | 71.31% |
| Infrastructure Backlog Ratio | 23.64% | 3.70% | 3.18% |
| Asset Maintenance Ratio | 0.98 | 0.75 | 0.88 |
| Capital Expenditure Ratio | 0.84 | 1.36 | 1.17 |

Commentary on all performance indicator results is provided below:

- a.** Operating Performance Ratio: Unfavourable. The result is below the benchmark. On a three-year average basis, the trend is one of improvement. This reflects the financial sustainability and infrastructure assets focus adopted by Council in Imagine Lismore.
- b.** Own Source Operating Revenue: Favourable. The result is above the benchmark and has improved over the last three years.
- c.** Unrestricted Current Ratio: Favourable. This result is above the benchmark.
- d.** Debt Service Cover Ratio: Favourable. This result is above the benchmark.
- e.** Rates, Annual Charges, Interest and Extra Charges Outstanding Percentage: Unfavourable. This result is above the benchmark, but for 2014/15 there has been a small improvement. On a fund by fund basis the percentages are Rates 9.16%, Water 22.39% and Wastewater 13.81%. A comprehensive approach to debt recovery has been implemented and continued improvement is anticipated over time.
- f.** Cash Expenses Cover Ratio: Favourable. This result is above the benchmark.
- g.** Building, Infrastructure & Other Structures Renewal Ratio: Unfavourable. The result is below the benchmark of 100% which indicates that funds are not being expended in renewing existing assets at the same rate as depreciation. This is being addressed with the integration of the Asset Management and the Long Term Financial Plans.
- h.** Infrastructure Backlog Ratio: Unfavourable. Council has an infrastructure backlog of 23.64% of its total asset value. This is being addressed with changes to asset management practices, and the integration of the Asset Management and the Long Term Financial Plans.
- i.** Asset Maintenance Ratio: Unfavourable. This result is below the benchmark of 1.0. This has increased in 2014/15 which means that Council has invested more funds within the year to stop the Infrastructure Backlog from growing.
- j.** Capital Expenditure Ratio: Unfavourable. The result is below the benchmark of 1.1 which means Council is not forecasting the expansion of its asset base.

Asset Management Reporting

The summary of Council's financial position with regard to its infrastructure is included in the 2014/15 Financial Reports under 'Special Schedule No. 7 – Condition of Public Works'.

The information prepared for all assets is based on the outcomes of the fair value revaluation processes that Council has undertaken for all of its assets over the past five years in accordance with the requirements of the Office of Local Government. These processes have included a re-assessment of the asset inventory and a condition assessment at the times when revaluations were undertaken.

For the 2014/15 financial year a further revaluation of Council's Transport and Stormwater assets has been undertaken. Our Asset Management Plans for these asset groups were revised and adopted by Council. For the transport asset group, this represents significant progression from a core level of documentation to a more advanced plan. A key improvement in the transport asset area is the adoption of a new strategy for the expenditure of Council's allocated budgets on sealed roads. For the next 3-4 years Council will focus its spending on pavement re-seals. The objective is to ensure that a water-proof seal is maintained on roads with sound pavements, thus ensuring that those pavements last for their expected useful lives. This has required Council to divert some funding from its road reconstruction and rehabilitation programs.

To assist in its decision making processes on where to spend allocated budgets in the sealed roads program, Council has implemented and adopted an optimised decision making tool. This software system analyses all of our road condition data and can recommend which road segments should receive funding from the available amount of funding. It can also predict what level of funding is required to maintain the asset in a certain condition, or what level of improvement or decline will occur with a specific funding level. This tool has significantly improved Council's strategic decision making capabilities in this area and the software tool is being expanded for use with other asset groups. Water and wastewater assets are the next asset group where this capability will be implemented.

Council has a staff member chairing a national special interest group established by its corporate software systems provider to progressively develop and improve the asset management component of its corporate software package.

In 2014 Council appointed an Asset Systems Engineer, who has focussed on the development of Council's asset management systems and software. In the last year we have made significant progress with implementing changes to our work order structures to more accurately and easily capture relevant asset information into our asset management and financial systems. We have also mapped a number of our internal processes involving investigation, design and handover of assets to Council. One of these processes allows a more rigorous assessment of capital projects (new assets) before Council commits to proceeding and is designed to better capture ongoing maintenance, operating and renewal costs for inclusion in Council's forward financial plans.

A review of Council's Urban Stormwater Management Plan (USMP) commenced early in 2015 and is due for completion by the end of the calendar year. The review aims to bring together Council's previously disparate approaches to water quantity and water quality issues. This will feed into a further review of the Asset Management Plan for stormwater.

One matter highlighted by the progress with the review is that Council is not allocating any specific funding towards renewal of stormwater assets. Opportunities are often taken in conjunction with road rehabilitation and reconstruction projects to renew or augment stormwater drainage systems and fund those works for the project budget. Whilst Council does not yet have a significant renewal need within its trunk stormwater drainage network, this will be a challenge for the future and needs to be addressed.

A key indicator of the level of sustainability of services provided by infrastructure is the Asset Renewal Funding Ratio. A ratio of 100% indicates that the service is fully funded. The Asset Renewal Funding Ratios for the asset groups as per Council's adopted Asset Management Plans are shown in the table below.

| Asset Category | Asset Renewal Funding Ratio |
|--------------------------------------|-----------------------------|
| Buildings | 20% |
| Stormwater Drainage | 0% |
| Land Improvements & Other Structures | 31% |
| Water | 100% |
| Wastewater | 100% |
| Transport | 60% |

The Asset Renewal Funding Ratio reveals that over the next 10 years the organisation is forecasting that it will have only these percentages of funds required for the optimal renewal and replacement of its assets. This demonstrates a shortfall in the funding required to maintain the current service levels in those asset groups.

Council has reduced the gap between required funding levels and approved funding levels in the Long Term Financial Plan for transport assets over the last three years (2012/13 to 2014/15), however significant additional funding is still required. A focus for Council over the next 12 months is to review its service levels in consultation with the community in each of these asset groups. The outcome from the service review will be a key input to this ongoing process. This review, along with the change in strategy as outlined above, is expected to further improve Council's performance in this area.

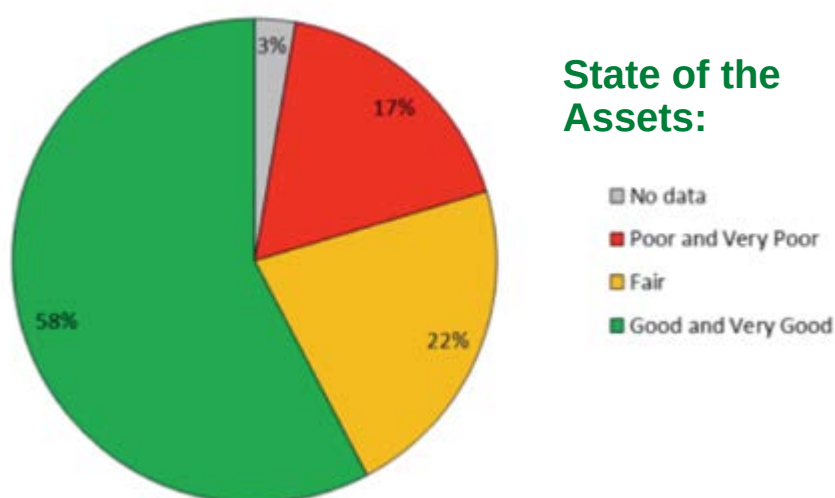
Annual Report 428

1. Council has not yet determined a clear definition of the satisfactory standard of infrastructure in terms of what the community is prepared to pay. Establishing these standards along with the corresponding cost implications to the community is a key component of Council's asset management improvement program. Council is undertaking a service review project including consultation with the community on service levels, which will be a key factor in determining satisfactory service levels and what is affordable.
2. The current Asset Management Plans for Council's infrastructure have identified the anticipated funds required to sustain the current standard of infrastructure and compares this to the available funding in the Long Term Financial Plan. The impact of this shortfall will be the basis of consultation with the community when determining the agreed and affordable service levels for infrastructure.

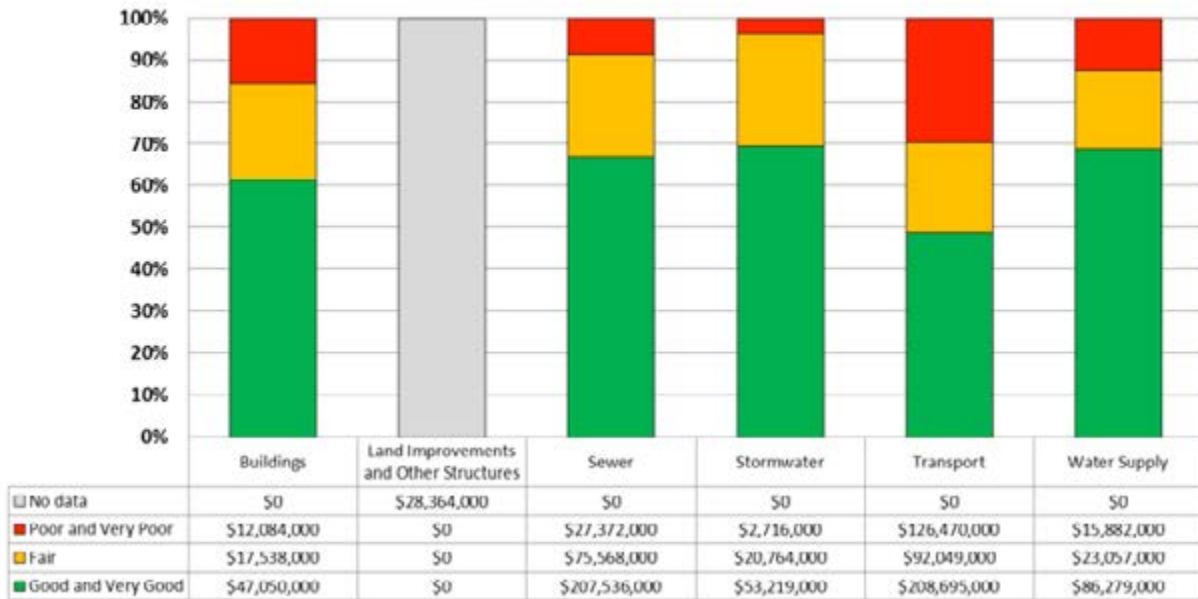
A summary of the required and available funding as described in the Asset Management Plans is shown in the table below:

| AMP Category | Annual average forecast requirements for the next 10 years (\$000s) | Annual average funding available over the next 10 years (\$000s) | Annual average shortfall for the next 10 years (\$000s) | 10-year Financing Indicator (LTFP Budget exp/10yr projected requirements) % |
|-------------------|---|--|---|---|
| Buildings | \$1,946 | \$1,866 | \$80 | 95.9 |
| Land Improvements | \$3,264 | \$3,164 | \$100 | 96.9 |
| Stormwater | \$2,316 | \$824 | \$1,492 | 35.6 |
| Transport | \$29,132 | \$18,562 | \$10,571 | 63.7 |
| Sewer | \$13,937 | \$13,648 | \$289 | 97.9 |
| Water | \$7,391 | \$7,259 | \$132 | 98.2 |
| Totals | \$44,470 | \$39,267 | \$5,203 | 88.3 |

3. The current state of the assets is summarised in the following figure. It is important that the extent and confidence in this information be improved. It is similarly important that additional information on the function and capacity of assets be determined to supplement what is already known about the condition of assets.



State of the Assets:



4. Special Schedule 7 has been updated to reflect the recently adopted Asset Management Plans for each asset class. A number of assumptions pertaining to the estimated cost of the assets to be brought up to a satisfactory condition/standard and the required and current maintenance have been changed. These are noted below:

- **Estimated cost to bring up to a satisfactory condition/standard**

–Satisfactory refers to the estimated cost to bring the asset to a satisfactory condition as deemed by Council. It does not include any planned enhancements to the existing asset. According to the guidelines provided by the Division of Local Government, it is the estimate to bring any assets that are deemed to be in Condition 3, 4 or 5 back to a Condition 2. The methodology used to attain the figures are:

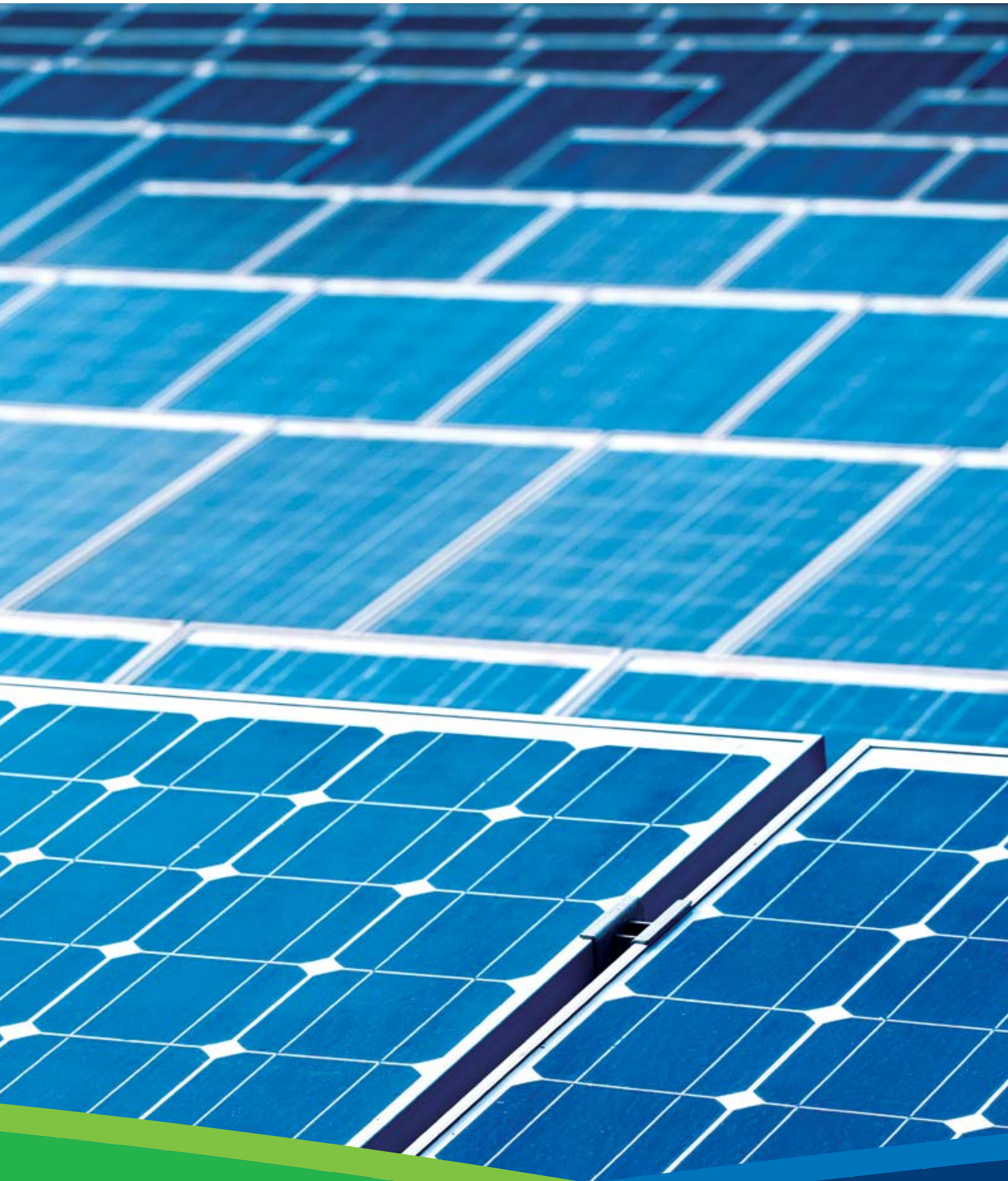
| Condition Rating | Useful Life Consumed | Cost to Bring to Satisfactory (Condition 2) |
|------------------|----------------------|---|
| 1 | 0-25% | 0 |
| 2 | 25-50% | 0 |
| 3 | 50-75% | 25% of Depreciable Amount |
| 4 | 75-100% | 50% of Depreciable Amount |
| 5 | 100% | 75% of Depreciable Amount |

- **Required Annual Maintenance**

–Required Annual Maintenance is what should be spent to maintain assets to a satisfactory standard. Maintenance is deemed to be the total of Operations, Maintenance and Renewals expenditure required to keep the assets at the current level of service as reported in Council’s Asset Management Plans and the Annual Report (428).

- **Current Annual Maintenance**

–Current Annual Maintenance is what has been spent in the current year to maintain assets. Maintenance is deemed to be the total of Operations, Maintenance and Renewals expenditure as reported in Council’s Asset Management Plans and the Annual Report (428).



SECTION 3

Statutory Report

Local Government Act 1993 Section 428

Councillor expenses and facilities

Clause 217 (1) (a1) (i) to (viii)

Council's Payment of Expenses and Provision of Facilities Policy lists the expenses that will be paid and the facilities provided to the Mayor, Deputy Mayor and Councillors in relation to discharging the duties of civic office. Our policy recognises that Councillors, in performing their civic functions, are entitled to be provided with certain facilities and be reimbursed for expenses noted in the policy. A listing of this policy can be read and downloaded from Council's website at www.lismore.nsw.gov.au. The following is a summary of Councillor expenses and facilities that were provided during the financial year.

| | 2014/15 | 2013/14 |
|---|-----------|-----------|
| Councillor Expenses & Facilities Expenses | \$'000 | \$'000 |
| Communication and Office Facilities | 18 | 19 |
| Conferences & Seminar Attendance | 11 | 7 |
| Total | 29 | 26 |

Contracts awarded by Council

Clause 217 (a2)

Procurement awarded from 1 July 2014 to 30 June 15

| Contract No. | Ongoing Contract Details | Contractor | Tender Amount excl GST |
|--------------|--|--|------------------------------|
| T09/17 | Health Services | Various Contractors for different services | Schedule of Rates |
| T2010-34 | Management of City Hall Lismore | NORPA | \$1,114,919.00 |
| T2011/14 | Security Services | Summerland Security | \$333,678.18 |
| T2011/17 | Lease of Nimbin Caravan Park | Peter Mann & Christine Seymour | \$14,000.00 |
| | Management of the Nimbin Public Pool | Peter Mann & Christine Seymour | \$ 27,000.00 |
| T2011/28 | Cleaning Services - Department of Commerce Contract | ISS under NSW Dept of Commerce Cleaning Contract | \$233,851.01 |
| | | | \$3,707.91 |
| T2012-5 | Lease - Lismore Caravan Park | Anmath Pty Ltd | Lease Agreement Profit Share |
| T2012-7 | Quarry Drill and Shot Firing | Various Contractors in order of priority | Schedule of Rates |
| T2012-26 | Selective Tender - Gingerbread House Occasional Care CLOSSES 21 May 2012 (lease) | Northern Rivers Child Care | Lease Agreement |
| T2013-9 | LGP Electricity Contract Small Large and Street Lighting | LGP Contract AGL Power Direct | \$2,500,000.00 |
| T2013-9 | Lismore Tennis Centre -Lease Management- Ballina Road | Raising Aces Tennis Academy | |

| TENDERS Year 2014 (July to December) | | | |
|---|---|---------------------------------|--------------------|
| T2014-7 | EOI 20 Gordon Blair Drive Land Disposal | North Coast Housing | |
| T2014-8 | Landfill Cell 2A Construction Waste Facility | Smith (Lismore) Plant Pty Ltd | Schedule of Rates |
| T2014-10 | Boatharbour Road Stage 4 (Alexander Lane) | Santin Earthmoving | Schedule of Rates |
| T2014-11 | Sale of Council Vehicles CLOSSES 8 AUGUST 2014 | Assorted buyers | Auction bid amount |
| T2014-14 | Sale of Council Vehicles CLOSSES 3 OCTOBER 2014 | Assorted buyers | Auction bid amount |
| T2014-16 | Clifford Park - Upgrade Works Main Contract | Bennett Constructions | \$ 1,055,629.00 |
| T2014-17 | EOI Architect C Block redevelopment Lismore Regional Gallery | 3 Architects | \$15,000.00 |
| T2014-18 | Sale of Council Vehicles CLOSSES 14 NOVEMBER 2014 | Assorted buyers | Auction bid amount |
| T2014-19 | Sale of Council vehicles CLOSSES 11 DECEMBER 2014 | Assorted buyers | Auction bid amount |
| T2014-20 | Lease or Purchase of Screens and Cone Crusher (Quarry) | Astec Australia | |
| T2014-21 | Lease of Articulated Wheel Loader (Quarry) | Komatsu | \$585,400.00 |
| T2014-23 | Water Main Replacement Panel | Panel of suppliers | Schedule of Roates |
| TENDERS Year 2015 (January to June) | | | |
| T2015-01 | Pavement Stabilisation | Panel of Suppliers | Schedule of Rates |
| T2015-02 | Asphalt Laying Services CLOSSES 20 MARCH 2015 | Panel of Suppliers | Schedule of Rates |
| T2015-03 | Concreting Works at Various Locations | Panel of Suppliers | Schedule of Rates |
| T2015-04 | Art Gallery Design | Dominic Finlay_jones Architects | \$350,000.00 |
| T2015-6 | Coraki Road (Park Road) Re-construction and Widening | Smith Plant Lismore Pty Ltd | Schedule of Rates |
| T2015-07 | Lismore Tennis Centre -Lease Management- Ballina Road REVIEW 30 JUNE 2016 | Raising Aces Tennis Academy | Lease agreement |
| T2015-08 | Two (2) Tipper Trucks (1151 & 1161) CLOSSES 13 FEBRUARY 2015 | Isuzu Trucks | \$294,124.36 |

| | | | |
|--|---|-------------------------------------|--------------------|
| T2015-10 | South Lismore STP Reference Design & Specifications | GHD Pty Ltd | \$307,390.00 |
| T2015-14 | Lease - Mobile Asphalt Plant NRQ CLOSSES 23 APRIL 2015 | Fulton Hogan | \$390,000.00 |
| T2015-15 | Electricity Supply - Large sites and Street Lighting | Origin, ERM | \$2,800,000.00 |
| T2015-16 | One (1) Fuel Truck (1212) CLOSSES 3 APRIL 2015 | Southside Truck Centre | \$306,421.82 |
| T2015-17 | One (1) Truck Mounted Suction Sweeper (1732) CLOSSES 3 APRIL 2015 | Bucher Municipal Pty Ltd | \$329,764.92 |
| T2015-18 | Sale of Council Vehicles - CLOSSES 26 MARCH 2015 | Assorted buyers | Auction bid amount |
| T2015-19 | Sale of Council Vehicles – CLOSSES 28 MAY 2015 | Assorted buyers | Auction bid amount |
| T2015-21 | Sale of Council Vehicles CLOSSES 25 JUNE 2015 | Assorted buyers | Auction bid amount |
| QUOTES Year 2014 (July to December) | | | |
| QT14/11 | Mower with 6.0'cut (2340) Crem Mower | Farm Moto PL | \$ 33,494.42 |
| QT14/12 | Community Consultation Services CLOSSES 30 September 2014 | Panel of Suppliers | Schedule of Rates |
| QT14/13 | Supervisor Leadership Development Program | Synergy Training | Schedule of Rates |
| QT14/16 | Forklift for Waste Facility Plant No. 2350 CLOSSES 11 JULY 2014 | Toyota Forklifts Australia | \$ 36,863.00 |
| QT14/17 | 7 x Skip Bins for Waste Facility CLOSSES 18 JULY | ACT Bins | \$ 51,441.20 |
| QT14/18 | External Painting Council Corporate Centre | Hewitt Painting | \$ 73,620.00 |
| QT14/19 | Supply Lighting Council Corporate Centre | Haymans Electrical & Data Suppliers | \$ 44,380.12 |
| QT14/20 | Business Plan Development - Commercial Services | Locale Consulting Pty Ltd | \$ 42,300.00 |
| QT14/21 | Riverbank Re-vegetation and Pathway Construction | Various Contractors | \$ 10,000.00 |
| QT14/22 | Urban Stormwater Management Plan | Hydrosphere Consulting | \$ 71,199.00 |
| QT14/23 | Architect Clifford Park Club House | | |
| QT14/24 | Demolition Scout Hall Clifford Park CLOSSES 1 October 2014 | TWCD | \$ 28,376.00 |

| | | | |
|---|---|--|--------------|
| QT14/25 | Refurbish of Playing Field Clifford Park | | |
| QT14/26 | Clifford Park Club Lighting Supply and Installation | MUSCO | \$ 94,000.00 |
| QT14/27 | EOI Joint Business Training Program-LCOC LBP 2015 - Closes 12 December 2014 | Mr Alan Glasby & Ms Sarah Biersteker | \$ 1,200.00 |
| QT14/28 | EOI Workforce Development Facilitator | Rajee Henderson Consulting | Sof Rates |
| QT14/29 | Electrical Upgrade of the Gordon Pavilion Oakes Oval | Thearle Electrical | \$ 68,400.00 |
| QT14/30 | Sustainable Development Consultancy Services | Various Panel | S of R |
| QT14/31 | Salary Sacrifice Service Provider CLOSSES 4 September 2014 | NLC Pty Ltd | S of R |
| QT14/32 | Training & Assessment for Major Plant Operation VOC | TAFE, Northern Rivers Training Solutions | S of R |
| QT14/33 | Trailer – Parks – Plant No. 5510 | | |
| QT14/34 | Digitisation Aquarian Archive | Grace | \$ 30,000.00 |
| QT14/35 | One (1) Cab Chassis Truck approx. 7,500kg GVM CLOSSES 28 NOVEMBER 2014 | Murwilimbah Truck Centre | \$ 48,680.00 |
| QT14/36 | Clifford Park Play and Exercise Equipment Supply and Installation | Australasian Playgrounds Pty Ltd trading as A-Play | \$131,015.00 |
| QUOTES Year 2015 (January to June) | | | |
| Q15-1 | CCTV and Condition Assessment of Sewer Mains CBD | Interflow | S of R |
| Q15-2 | REF NLP Water Infrastructure | Tim Fistroy | \$ 14,960.00 |
| Q15-3 | One (1) Set Portable Traffic Signals – Solar Powered (7371) CLOSSES 30 JANUARY 2015 | Date Signs PL | \$ 25,380.00 |
| Q15-4 | One (1) General Purpose (Mud) Bucket (2461A) CLOSSES 30 JANUARY 2015 | Express way Spares PL | \$4,526.80 |
| Q15-5 | Provision of Futsal Services Goonellabah Sports and Aquatic Centre | Futsal | S of R |
| Q15-6 | Esmonde Street Sewer Grit Removal | Interflow | S of R |
| Q15-8 | NLP Estimating Works | | |
| Q15-9 | One (1) Mulch Bucket for Hitachi Excavator – Waste (2411A) | Hitarch Construction Machinery | \$ 8,750.00 |

| | | | |
|--------|--|--|--------------|
| Q15-10 | Generator Set & Trailer (7010 & 792019) Sewer Section | Eneraque | \$ 48,750.00 |
| Q15-11 | License Plate Recognition System | Data base Consultants Australia | \$ 63,750.00 |
| Q15-12 | Events Cleaning Parks and Gardens | Mr Rodney Green | S of R |
| Q15-13 | Large Format Printer - Design Services | Plantech | \$ 8,540.00 |
| Q15-14 | Undertake Field Survey of RMS Project S/07976/D - MR 65 Lismore to Bangalow Road Bexhill | MNG Nolan Group | \$ 21,000.00 |
| Q15-15 | Master Key System | RE Condon | S of R |
| Q15-16 | Pest Protection Services | Elders | S of R |
| Q15-17 | Lift Service and Maintenance | Advance Group of Companies QLD Pty Ltd | S of R |
| Q15-18 | HVAC Service and Maintenance | Northernair Pty Ltd | S of R |
| Q15-19 | Digital Signatures & Electronic Plan Endorsing | LokallTy CoSign TME Consulting Ltd | \$ 52,300.00 |
| Q15-21 | Itemised Replacement of Council Multi-Function Devices | Xerox | S of R |

Legal Proceedings

Clause 217 (1) (a3)

Total legal expenses and costs incurred during the financial year 2014/15 were:

| Details | \$ Costs | Status | Result |
|-----------------------------------|----------|---------|----------------------|
| LCC v Jari Ihaianen & H Zenzmaier | 217,796 | Final | Unsuccessful |
| LCC v Ryan | 13,105 | Final | Unsuccessful |
| LCC v Treetops Lismore | 28,552 | Final | Successful |
| LCC v Kanaef | 10,232 | Final | Successful |
| LCC v ABC Asbestos & Demolition | 4,913 | Final | Successful |
| LCC v Tomkinson | 2,570 | Final | Successful |
| LCC v Purnell | 725 | Final | Successful |
| LCC v Hamshaw & Hamshaw | (16,782) | Final | Successful |
| IRC Proceedings | 26,850 | Final | Settled by Agreement |
| LCC v Bugden | 1,200 | Final | Settled by Agreement |
| LCC v Rainbow Environmental Group | 16,785 | Final | Settled by Agreement |
| LCC v Tutin | 1,715 | Ongoing | N/A |

| | | | |
|------------------------------|---------|-----|-----|
| Advice Galactica Tours | 8,173 | N/A | N/A |
| Advice Hensen Road | 7,863 | N/A | N/A |
| Advice Employment | 4,911 | N/A | N/A |
| Advice Rous Road Goonellabah | 3,718 | N/A | N/A |
| Advice Anti CSG | 3,400 | N/A | N/A |
| Advice Ward | 2,515 | N/A | N/A |
| Advice OEH Prosecution | 14,249 | N/A | N/A |
| Advice General | 14,446 | N/A | N/A |
| Total Legal Expenses | 396,936 | | |

Works carried out on private land (\$67)

Clause 217 (1) (a4)

There were no private works reported to Council this year.

Financial Assistance (\$356) provided by Council

Clause 217 (1) (a5)

During the year, Council resolved to make donations totalling \$201,819. These were allocated as follows:

| Beneficiary | Amount |
|-----------------------------------|--------|
| 1st Lismore Scout Group | 72 |
| Animal Rights Rescue | 229 |
| Anna - Leeza Hull | 397 |
| Australian Red Cross | 127 |
| Bexhill Public Hall Inc. | 2,000 |
| Bianca Kelly | 100 |
| Billen Cliffs Hall | 2,000 |
| Blue Knob Hall Inc. | 2,634 |
| C W A | 100 |
| Caniaba Springrove Community Hall | 3,010 |
| Caroona Opportunity Shop | 143 |
| CASPA | 893 |
| Clunes Coronation Hall Inc. | 2,936 |
| Clunes Pre-School | 2,200 |
| Coffee Camp Public Hall | 2,658 |
| Corndale Hall | 2,676 |
| COSA | 1,600 |
| Danielle Smith | 315 |
| Dorroughby/Glenview Centre | 2,000 |
| Dungarubba Memorial Hall | 2,000 |
| Dunoon Hall Committee | 2,000 |

| Beneficiary | Amount |
|-------------------------------------|--------|
| Dunoon Pre-School | 2,175 |
| Eltham Public Hall | 2,670 |
| Felicia J. Grimson | 100 |
| Five Loaves | 1,886 |
| Friends of Lismore Rainforest | 1,917 |
| Friends of Nimbin Pool | 350 |
| Friends of the Koala | 2,036 |
| Goolmangar Hall | 2,816 |
| Goonellabah Pre-School | 2,200 |
| Hayden Blanksby | 50 |
| Home Garden Education Club | 800 |
| Jiggi School Of Arts Inc. | 2,791 |
| Jye Beardow | 50 |
| Keerrong Public Hall Reserve Trust | 2,791 |
| Knitting Nannas Against Gas K | 100 |
| Koonorigan Hall | 2,770 |
| Lachlan Keyte | 50 |
| NSW Life Education Van | 3,129 |
| Lifline Northern Rivers | 5,473 |
| Lismore & District Police Boys Club | 25 |
| Lismore Soup Kitchen Inc. | 3,122 |

| Beneficiary | Amount |
|--|---------|
| Mayors for Peace 2020 Vision | 150 |
| Multitask | 2,467 |
| N O R W A C S | 100 |
| Nimbin Agricultural & Industrial Society | 1371.12 |
| Nimbin Aquarius Landcare Group | 382 |
| Nimbin Community Centre Inc. | 2,200 |
| Nimbin Headers Sports Club | 684.23 |
| Nimbin Pre-School | 100 |
| Nimbin School Of Arts | 3,711 |
| NORPA | 51,195 |
| North Coast Academy of Sport | 3,800 |
| North Coast National A & I Society | 16,000 |
| North Coast National Seniors | 100 |
| Northern Rivers Science Hub | 2,200 |
| Northern Rivers Community Trains | 2,000 |
| Numulgi Public Hall | 2,860 |
| On Track Community Programs | 1,000 |
| Police Citizens Youth Club | 1025.36 |
| Prajna King | 50 |
| RED Realising Every Dream Inc. | 769 |
| Remembering & Healing (RAH) | 200 |
| Repentance Creek Public Hall | 2,770 |
| Rock Valley Hall Incorporated | 4,953 |
| Rodney Sharpe | 100 |
| Rosebank Public Hall Committee | 2,964 |

| Beneficiary | Amount |
|--------------------------------------|--------|
| Roy Wardell Community Centre | 2,000 |
| Richmond River Historical Society | 600 |
| Ruthven Hall Committee Inc. | 2,576 |
| Salvation Army | 231 |
| SCU Science & Engineering Challenge | 100 |
| Shane McKay | 100 |
| Simon Mahony | 50 |
| South Gundurimba Public Hall Trust | 2,440 |
| St Vincent De Paul Society | 3,927 |
| The Channon Public Hall Trust | 2,000 |
| The Salvation Army | 100 |
| Tower Pre-School | 2,200 |
| Tregeagle Hall Inc. | 2,000 |
| Tullera Community Hall Inc. | 2,964 |
| Tuntable Creek Public Hall | 2,000 |
| Tyson Martin-Durrington | 315 |
| University Centre for Rural Health | 100 |
| Westpac Life Saver Rescue Helicopter | 435 |
| Whian Whian Hall | 2,846 |
| William J Townend Planning | 261 |
| WIRES Northern Rivers | 1,930 |
| Women Up North Housing Inc. | 100 |
| Wyrallah Hall Association Inc. | 2,000 |

External bodies – functions delegated by Council

Clause 217 (1) (a6)

Rous County Council – water supply

Rous County Council is commissioned to provide bulk water supply to its constituent councils. Lismore City Council, along with Ballina, Byron and Richmond Valley councils purchase water for reticulation to the residents of their respective urban areas. The County Council Executive is comprised of eight members elected from the participating councils. Each of the constituent councils appoints two representatives. Lismore City Council's representatives are Councillors Vanessa Ekins and Simon Clough.

Richmond River County Council – flood mitigation

The Richmond River County Council is responsible for all flood mitigation within the council areas of Lismore, Ballina and Richmond Valley. The council comprises of four members elected from the participating councils. Lismore City representatives are Councillors Neil Marks and Graham Meineke.

Far North Coast County Council – weed control

The Far North Coast County Council is responsible for the eradication of noxious plants within the council areas of Lismore, Ballina, Byron, Kyogle, Richmond Valley and Tweed. Membership of the Far North Coast County Council comprises one representative from each constituent council. Lismore City Council's representative is Councillor Ray Houston.

Dorrroughby Glenview S355 Committee – Dorroughby Community Hall

Council has delegated the care, control and management of the Dorroughby Community Hall. Membership of the committee comprises nominated citizen representatives whose positions are endorsed by Council.

Lismore City Hall

Council engages Northern Rivers Performing Arts Inc (NORPA) to manage Lismore City Hall on its behalf. Council pays NORPA a management fee to operate, manage and maintain the building, and Council pays the rates and major building maintenance, and maintains the surrounds. The contract is currently being renegotiated to reflect a major upgrade of the facility which was completed in June 2013. The current contract ends 31 December 2015.

Nimbin Caravan Park and Pool

The Nimbin Caravan Park is leased to a third party under a lease agreement. The Nimbin Pool is managed for a fee by the same party that leases the caravan park. The pool is a free public facility and, as such, is a budgeted cost to Council. Council receives a lease fee from the caravan park operators and the operators are carrying out infrastructure improvements as part of the terms of their lease. The agreement was reviewed in June 2012 and provides options for a total potential lease period of 21 years.

Controlling interest held by Council in corporations, partnerships, trusts, joint ventures, syndicates or other bodies*Clause 217 (1) (a7)*

Council did not hold a controlling interest in any corporations, partnerships, trusts, joint ventures syndicates or other bodies during the financial period.

Council participation in corporations, partnerships, trusts, joint ventures, syndicates or other bodies*Clause 217 (1) (a8)***Richmond Tweed Regional Library**

Lismore City Council has separate agreements with Ballina Shire Council, Byron Shire Council and Tweed Shire Council to operate a regional library service known as the Richmond Tweed Regional Library (RTRL). Lismore City Council is the 'Executive Council' for the regional library service and all financial reporting for RTRL is consolidated into Council's financial reports.

In the event Council withdrew from the regional library service, its share of regional library assets and liabilities would be determined by the RTRL Committee. If agreement was not reached, the NSW State Library would be asked to determine.

Residential Land

Council is party to a joint venture with Chevina Pty Ltd and John Newton for the development of residential land. A total of 47 lots have been created and 46 sold.

In brief, the agreement between Council, Chevina and Newton is:

- Council holds title to the land.
- Chevina and Newton develop and professionally market the developed lots for sale.
- Council receives an agreed land value amount for each lot sold and one half of the profit from each lot after development, sale and legal costs are deducted.

North East Weight of Load Group

Lismore City Council, in conjunction with Ballina, Byron, Clarence Valley, Kyogle, Richmond Valley, Tenterfield and Tweed councils, is members of NEWLOG.

NEWLOG operates with the objective to generally advance the aims of reducing damage to Council and classified roads and promotion of road safety, by policing of vehicle weights as prescribed in the Acts and Regulations pertinent to overloading.

NEWLOG's equity at 30 June 2015 is \$189,789.

The existing Deed of Agreement, which details the management and functions of NEWLOG, has been extended on a month by month basis.

Equal Employment Opportunity

Reference Section 428 (2) (n)

In alignment with the review of People Services, Council's recruitment and harassment prevention procedures were updated and training provided to all staff. This is in alignment with the relevant legislation and supports Council's commitment to provide, model and encourage a workplace free from all forms of discrimination, harassment, bullying and victimisation.

Recruitment procedure changes have been implemented to ensure our recruitment processes include representation on decision-making panels to reflect the diversity of our region and the general community, including our Aboriginal and Torres Straight Island communities. Our commitment is reflected in our Aboriginal Employment Strategy, Reconciliation Action Plan and Equal Employment Opportunity Policy. Our focus on supporting internal recruitment has been implemented. This approach will require review during 2015/16 to ensure EEO principles are being adhered to.

Human Resource Activities

As mentioned above there have been changes to our recruitment, performance management and training processes.

A number of specific initiatives implemented during 2014/15 include:

- Building the skill set of supervisors to improve skills in performance management.
- Further refinement of the Corporate Training Plan to ensure value for money.
- Continued implementation of the Human Resource Information System (HRIS) to have comprehensive information on all staff in terms of qualifications and skills.
- Streamlining job evaluation and sizing to provide a database within the HRIS and enable us to make informed decisions.
- Participating in the establishment of benchmarking data via the Local Government Effectiveness Survey enabling comparison of People Services metrics with other councils statewide and regionally.
- Full implementation of the eRecruitment system Scout.
- Leadership development programs for all senior management and frontline leaders.
- Automating and updating manual People Services related processes and procedures to allow faster decision-making at the operational level.

Enhanced Work Health and Safety (WHS) initiatives and incident prevention measures

The WHS team continued working on the review of Council's WHS Management System and a number of new protocols have been adopted.

Council's overall improvement in its WHS performance was reflected in the results of a StateCover Audit during the period that showed significant compliance improvement across a number of areas.

The WHS team also commenced a program of WHS audits across Council's fixed worksites and continued to undertake ad-hoc audits of Council's mobile sites. This has also been effective in assisting with continuous improvement in all aspects of safety, particularly for outdoor workers undertaking high risk construction work.

The team continues to have a strong working relationship with WorkCover to ensure that safety is a prime consideration in all Council works.

EEO Awareness

Reference Section 428 [2] [n]

The EEO Management Plan 2012-2016 is in a review phase with the majority of the strategies and key action plans achieving results. Work is ongoing with policy/procedure reviews and updates to ensure there is alignment with EEO principles in achieving social inclusion and participation for current and future staff. Structured cultural awareness and competence training, bullying and harassment training, and mental health training has been identified to be delivered to all staff in 2015/16.

Aboriginal Employment Strategy

Council continues to encourage and support initiatives to promote Aboriginal employment opportunities. The revision and redevelopment of the Aboriginal Employment Strategy is a key focus area within Council's Reconciliation Action Plan (RAP). One of the initiatives is to increase Aboriginal employment participation to reflect the total percentage of Aboriginal community members. Council successfully applied for Federal Government support through the Indigenous Employment Program. This has supported the employment of nine Aboriginal trainees.

As we enter the third year of our RAP, Councillors and staff believe our RAP activities continue to make a positive contribution to their understanding of reconciliation. Council is committed to achieving an improvement in participation rates and outcomes.

Council continues to work with the local community in raising awareness and understanding about Indigenous culture for staff.

Total remuneration package – General Manager

Clause 217 (1) (b)

For 2014-15, remuneration applicable to the General Manager's was:

| | 2014/15 | 2013/14 |
|-----------------------------|---------|---------|
| Salary | 216,035 | 219,079 |
| Bonus/Performance payments | 0 | 0 |
| Superannuation | 21,333 | 20,337 |
| Non-cash benefit | 17,653 | 9,749 |
| Fringe Benefits Tax payable | 8,923 | 7,320 |
| Total Remuneration | 263,945 | 257,776 |

Total remuneration package – senior staff

Clause 217 (1) (c)

For 2014-15, remuneration applicable to the three senior officers was:

| | 2014/15 | 2013/14 |
|-------------------------------|---------|---------|
| Salary | 294,363 | 298,956 |
| Bonus/Performance payments | 0 | 0 |
| Superannuation | 35,910 | 51,251 |
| Transfer of Leave Entitlement | 77,957 | 0 |
| Non-cash benefit | 4,356 | 10,633 |
| Fringe Benefits Tax | 4,259 | 10,209 |
| Total Remuneration | 416,846 | 371,049 |

Stormwater levies

Clause 217 (1) (e)

The Stormwater Management Services (SMS) charge provides funds to deliver Council's Cleaner Waterways Program (the program). The program focuses on improving stormwater quality in the Wilsons River and Tucki Tucki Creek catchments of Lismore's urban area. The program has enabled Council to construct and maintain stormwater treatment devices, remediate stormwater channels and undertake community education.

The major activity for 2014/15 was to revise the current Urban Stormwater Management Plan 2007. The aim of this revision is to develop a plan that considers holistic and long-term approaches to urban stormwater management. The revised plan will integrate both stormwater quality and quantity objectives to be delivered within the context of Council's asset management framework. Work on this revision is well advanced and is expected to be presented to Council for adoption in early 2016.

Under the 2013/14 program, construction of the flagship Slaters Creek Constructed Wetland at North Lismore was completed in November 2013. Successful establishment of the wetland vegetation has also been a focus of work in 2014/15.

Moreover, in partnership with EnviTE and supported by the Work for the Dole program, on-ground works have been undertaken including weeding, mulching and revegetation of natural stormwater treatment sites including Nesbitt Park, Albert Park, Gasworks Creek, Keen Street and Magellan Street.

Supported by the program and in partnership with Rous Water, Southern Cross University and Big Scrub Landcare, Council took part in the 2015 Arts Vs Science Festival. Council promoted 'Landscaping for Water Quality' through information stalls, workshop presentations and a design competition.

Companion animals

Clause 217 (1) (f)

The *Companion Animals Act* was introduced into New South Wales on 1 July 1999 to protect pets, people and the wider community. The principle objective of the *Companion Animals Act* is to provide for the effective and responsible care and management of companion animals. This also extends to councils providing appropriate management and care for animals that come into their custody, including accurately managing records of these animals. Enforcement, education and information service expectations of the *Companion Animals Act* and associated regulation are delivered through resources of Council's Compliance and Administration groups.

The following matters are relevant to this reporting period:

- In accordance with Section 67A of the Act, pound data collection return (reporting on the seizing and holding of companion animals) has been reported to the department.
- In accordance with clause 33A of the regulation, Council's Compliance Officers (Law Enforcement) report any relevant information regarding a dog attack incident using the dog incident reporting module of the Companion Animals Register. Further reporting is provided quarterly to the department. For the reporting period, a total of 63 attacks were reported.
- Council funded companion animal management (enforcement, education and information service) activities to the value of \$349,000.
- Council currently provides three (3) off-leash areas – Riverside Park South (fenced area), Lismore Gasworks and Elizabeth Gardens. Investigations have been initiated for the establishment of a further area within Goonellabah.
- The following companion animal community education programs were promoted by and participated in by Council to promote and assist in the de-sexing of dogs and cats: North Coast National (Lismore Show).
- The following arrangements are employed by Council for complying with Section 64 of the Act to seek alternatives to euthanasia for unclaimed animals in Council's control:
- Maintenance of a database of customers currently seeking to re-home a companion animal from Council's pound. Re-homing is facilitated where an animal is declared suitable (successful temperament and health assessment) and an appropriate match is identified.
- Maintenance of relationships with the Animal Rights and Rescue Group, Animal Welfare League NSW, Companion Animals Welfare Inc, 11 Hour Rescue, Australian Working Dogs Rescue and Wally's Rescue to facilitate the re-homing of suitable animals.

Rates and charges written off

Clause 132

The amount of rates and charges written off during 2014-15 are as follows:

| | 2014/15 | 2013/14 |
|-------------------------------|------------------|------------------|
| Pensioner Abandonments | | |
| General | 726,405 | 716,140 |
| Water | 237,836 | 237,591 |
| Wastewater | 226,594 | 224,240 |
| Domestic Waste | 183,720 | 172,836 |
| Sub Total | 1,374,555 | 1,350,810 |

| | | |
|-----------------------------|------------------|------------------|
| Other Abandonments | 19,186 | 15,907 |
| Postponed Rates & Interest | 8,054 | 15,425 |
| Written off due to hardship | 5,557 | 351 |
| Total | 1,407,352 | 1,382,493 |



2013-14 to 2017-18 Special Rate Variation Approval

Instrument under Section 508 (2)

The Independent Pricing and Regulatory Tribunal (IPART) approved a special rate variation (SRV) application for the 2013-14 to 2017-18 rating years. In addition to the rate peg, the SRV comprised a business promotion component of \$106,500. The business promotion component continues to be collected from business-rated properties in the Lismore urban area. For 2014-15, this equated to approximately \$108,900.

For 2014-15, the following table represents the total income received, expenditure per project/program and outcomes achieved.

| Projects/ Programs | Income | Spend | Purpose | Amount | Outcomes |
|-----------------------|----------|----------|--------------------------------|----------|--|
| 1 Marketing | \$35,800 | \$38,657 | CBD Magazine | \$23,556 | Published quarterly, the magazine showcases our diverse and dynamic community with feature stories on local businesses and identities plus news, events and interesting snippets. It encourage locals to shop locally and entice visitors and residents from throughout the wider region to discover the delights of our city. It provides Lismore business with an opportunity to promote their products and services directly to a very targeted audience – avid shoppers. The magazine is distributed in the Lismore CBD, urban fringe, other Northern Rivers towns and villages and through cafes, restaurants, retailers, medical and dental surgeries, professional offices, the Lismore Visitor Information Centres around the region, travel agencies, hotels and clubs, accommodation houses, all major events and festivals, consumer and trade shows. |
| | | | 12 Days of Christmas Promotion | \$11,778 | The 12 days of Christmas marking campaign involved newspaper promotion, on street sales, Santa, stilt walkers and roller skating elves, as well as candy elves to attract shoppers into the CBD for a Christmas experience. |
| | | | Woodlark Street Promotion | \$3,323 | The Woodlark Street promotion was a joint venture with the Lismore Business Panel and the Woodlark Street Businesses involving on street sales, radio and media promotion. This promotion was very successful with 19 businesses involved. |

| Projects/ Programs | Income | Spend | Purpose | Amount | Outcomes |
|-----------------------------------|----------|----------|--|----------|--|
| Events – 3 Signature Events | \$35,800 | \$48,587 | Thread 'It's a Fashion Thing' Back Alley Gallery Event | \$27,412 | A new fashion event held in the Back Alley Gallery against the backdrop of our colourful laneways with former Big Brother host and fashionista Gretel Killeen as the celebrity MC. Thread 2014 is a runway spectacular that showcased 20 of our region's best and brightest fashion designers and also featured local retailers with new-season looks as well as fashions by young up-and-coming designers from TAFE's Fashion and Costume Course. The No Frills Twins plus Byron's dancing man and happiness generator, the inspiring Tommy Franklin, provided entertainment on the night. The event was sold out with excellent feedback and generated great publicity. |
| | | | Eat the Street Food Festival | \$11,175 | Eat the Street displayed some 60 regional stallholders with more than 80% coming from the 2480 postcode and attracting approx. 8-10,000 people to celebrate local and global food at the inaugural festival. The festival's variety of food and drink stalls, cooking demonstrations and entertainment turned the CBD into a thriving and bustling environment. The event offered tasting plates of different flavours from across the world including India, Japan, Persia, Mexico, Italy, Thailand, Indonesia and Africa. Most stalls ran out of food by the end of the day and this event will now be an annual signature event for Lismore, after rave reviews from all who attended. |
| | | | Lismore Lantern Parade | \$10,000 | The Lismore Lantern Parade, now in its 21st year, continues to grow each year. The Fiery Finale is now held at Oakes Oval, which is located in the Lismore CBD, and this continues to be of benefit by assisting in businesses becoming more directly involved in both the lead-up and parade night itself, as well as selling tickets in the grandstand for the event. Food and beverage retailers did particularly well with approximately 20,000 people being in the streets for the parade and a further 3000 waiting at Oakes Oval for the parade entry. This year the Viking Village was set up for two days for patrons to enjoy Viking life (arts, crafts, sword, axe and archery demonstrations) as well as Lantern Workshops, Market Delight and the popular Enchanted Windows with Lismore businesses competing for the title of best dressed window display. |

| Projects/ Programs | Income | Spend | Purpose | Amount | Outcomes |
|------------------------|----------|----------|---|----------|---|
| Placemaking | \$16,400 | \$17,579 | Back Alley Gallery Art & Food Event | \$5,853 | Eggin Lane was transformed into a demonstration and showcase of local Indigenous art and food. The event attracted more than 100 guests. |
| | | | Back Alley Gallery Street Party | \$11,726 | The Back Alley Gallery is a free open air, art gallery showcasing street artworks by artists from across the country and the globe. It has transformed the laneways from drab, vandalised, unwelcoming places to a tourist destination, with people coming from across Australia to see the art and locals enjoying and using the unique laneways as a way to move throughout the city. Since the artworks have been in place limited graffiti has been done over them. The project is still ongoing and each year a Street Party is held with bands and entertainment and further art being added. This is a popular youth event and activates the back alleys of Lismore. |
| Business and Community | \$15,300 | \$15,328 | Sponsorship Chamber of Commerce Business Awards | \$2,500 | The Lismore Business Panel sponsored the 2014 Retail Gold Category Retail Award at the Annual Chamber of Commerce Business Awards. This is a great night to network with members of the business community who pay the Business Rate. |
| | | | A League Football Match | \$7,500 | Australian A League Footballers Melbourne vs Brisbane showcased a major match in Lismore with players signing autographs and conducting other promotional activities in the streets of the CBD. |
| | | | Arts in August | \$5,000 | Now in its second year, the Arts in August program features world-class performance, productions and works in poetry, visual arts, live theatre, music and dance, and includes guided arts and heritage trails, exhibitions, gallery tours, live shows, pop-up shops, street parties, celebrations and creative workshops. Arts in August showcases why Lismore, Nimbin and villages are famous for being a creative hotspot. Arts in August brings together some of our finest art with something for all ages and all interests. |
| | | | Arts vs Science Festival Prize Sponsorship | \$328 | The Arts vs Science Festival is a major feature of Arts in August. Coordinated by the Northern Rivers Science Hub and celebrating National Science Week, the Arts vs Science Festival explores science, creativity and sustainability in partnership with the Big Scrub Rainforest Day. |

| Projects/ Programs | Income | Spend | Purpose | Amount | Outcomes |
|-----------------------|------------------|------------------|--|------------------|--|
| Contingency | \$5,600 | \$5,680 | Traffic control plans for events (BAG Street Party, Thread, Lismore Show, BAG Food Event, street performances) | \$1,700 | Traffic control plans were developed for all City Centre Manager signature events for traffic control, road closures and safety for submission with Events Applications. |
| | | | Come to the Heart banner supplies and repairs | \$894 | Come to the Heart banners are used by recipients of Events Application funding, by the City Centre Manager and by Council's Events and other teams as promotion for the Come to the Heart brand. |
| | | | Banner materials, installation costs | \$756 | Lismore has several banner locations and Council's sign shop creates and installs the banners to promote Come to the Heart sponsored events and signature events. |
| | | | Come to the Heart promotional material (badges, signage, copying) | \$912 | Come to the heart promotion material (badges, signage supplies, paper, printing, copying, T-shirts and the like) |
| | | | Catering and room hire for South Lismore Forum | \$468 | Catering and room hire for first South Lismore business forum. |
| | | | Mail outs and vacancy on Panel advertising | \$950 | Mail outs regarding Lismore Business Panel vacancy, brand procedure, Eat the Street and CBD magazine. Advertising for vacancy on Panel. |
| Totals | \$108,900 | \$125,831 | | \$125,831 | |

SECTION 4

Section 428 (4) (a)

The audited 2014-15 Financial Reports were finalised on 20 October 2015 and these documents can be found at www.lismore.nsw.gov.au/cp_themes/default/page.asp?p=DOC-PYZ-34-28-00



SECTION 5

State of the Environment Report

Section 428 (1)

Council has moved to developing only four-year regional State of the Environment Reports (SoEs). The first regional SoE report was developed for 2011-12 and includes a detailed Report Card for the Lismore LGA. This report can be found on the Northern Rivers Local Land Services website.

A summary of progress in 2013-14 against objectives detailed in the *Imagine Lismore 4 Year Plan 2013-2017* is listed below. It should be noted that this list does not include recurrent activities that Council conducts to manage the environment.

| Project | 4 Year Plan reference | Progress 2013/14 |
|---|-----------------------|---|
| Wilsons River Regeneration and River Walk | 12.1 | <ul style="list-style-type: none"> Steering Group established and the scope of three project options was defined. One option was selected for funding under the CBD/Riverbank Citizens Jury process in May 2014. Primary restoration/revegetation works from Rowing Club to Fawcetts Bridge has commenced, planting commenced in March 2014. |
| River restoration and education | 12.3 | <ul style="list-style-type: none"> Priority restoration area analysis completed in December 2013. Education Toolkit has been drafted and is expected to be completed in 2014/15. |
| Rural partnering initiative | 13.1 | <ul style="list-style-type: none"> Currently conducting a joint research project with Southern Cross University to identify rural landholder needs as a basis for developing a targeted incentives program. |
| Koala Plan of Management implementation | 13.2 | <ul style="list-style-type: none"> The plan identifies 38 management actions: <ul style="list-style-type: none"> Completed – 1, 8, 9 and 21. Commenced – 2, 3, 4, 5, 6, 12, 13, 20, 27. Commenced and ongoing – 10, 15, 16, 17. |
| Biodiversity Management Strategy | 13.3 | <ul style="list-style-type: none"> Development of the BMS at an advanced stage at end 2013/14. Expect Draft BMS to be exhibited late 2014/early 2015. Community consultation for a Special Rate Variation to fund implementation of the BMS to be conducted concurrently |
| Farming the Sun | 14.1 | <ul style="list-style-type: none"> Feasibility assessment and preliminary modelling at an advanced stage of development at end of 2013/14. Should the feasibility assessment be mutually satisfactory a further in-principle Heads of Agreement to be entered into in 2014/15 in order to undertake final project costing and business modelling. |

| | | |
|--|-------------|--|
| <p>100% self-sufficiency in electricity generation</p> | <p>14.2</p> | <ul style="list-style-type: none"> • Development of a Renewable Energy Master Plan (REMP). At an advanced stage at end 2013/14. <ul style="list-style-type: none"> ·REMP to be put to Council for adoption in late 2014. • Local Government Energy Efficiency Program <ul style="list-style-type: none"> ·Installed solar hot water systems on 10 Council facilities. Completed on-schedule in 2013/14. • Community Energy Efficiency Program <ul style="list-style-type: none"> ·Memorial Baths and GSAC energy efficiency upgrades completed on-schedule 2013/14. ·Corporate Centre and former CBD office energy efficiency upgrades at an advanced stage of installation and expect completion on-schedule in 2014/15. ·Community education program underway and expect completion on-schedule in 2014/15. |
|--|-------------|--|

