



**ATTACHMENTS TO REPORTS OF THE BLAYNEY SHIRE COUNCIL MEETING
HELD ON MONDAY 20 NOVEMBER 2017**

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**TDO LIMITED
AGREEMENT WITH
BLAYNEY SHIRE COUNCIL
1 JULY 2017 – 30 JUNE 2020**



1 | TDO/BSC Agreement – Revised 3 August 2017



AGREEMENT

Parties

The Parties to this agreement are:

TDO Limited
t/as Orange Region Tourism Ltd

14 Sale Street
PO Box 8567
ORANGE NSW 2800
ABN: 30 616 158 822

And:

Blayney Shire Council

91 Adelaide Street
PO Box 62
BLAYNEY NSW 2799
ABN: 47 619 651 511



BACKGROUND

TDO Limited (TDO) is an independent not for profit regional tourism organisation with the primary purpose of developing tourism-focussed strategic destination marketing and community benefits to the Orange Region. TDO will form Orange Region Tourism Limited (ORT), an industry lead tourism enterprise combining Cabonne, Blayney and Orange Councils together with Brand Orange members and industry representatives.

Blayney Shire Council (BSC) is a Local Government Authority centred on the town of Blayney (population 3,000) as serving the historic villages of Barry, Carcoar, Lyndhurst, Mandurama, Millthorpe, Neville and Newbridge. It is a key stakeholder in the development of Orange Region Tourism and the strategic plan for regional tourism development.

At the Council meeting on 15 May 2017, it was resolved:

1. That Council supports the development of collaborative regional tourism promotions, branding and marketing of the Orange Region which includes Cabonne Shire, Blayney Shire and Orange City Council Local Government Areas.
2. That Council provides an additional \$50,000 in the draft 2017/18 Operational Plan for the Orange Region Tourism Ltd organisation.
3. That this financial commitment to the Operational Plan's Tourism and Economic Development section be made for an initial 3 years commencing from 2017/18 to 2019/20.

PRINCIPLES

The overriding principle of this Agreement is to create a good working relationship and effective partnership between the parties in the best interest of the parties and the communities of Blayney, Cabonne and Orange.

The parties:

- Agree to the spectrum of activities as outlined in the Strategic Plan of TDO, the terms of which have been supplied to BSC and are incorporated in this Agreement by reference.
- Acknowledge TDO will be an organisation built of the need to cooperate on a regional basis to achieve greater tourism outcomes for the communities of Blayney, Cabonne and Orange.
- Agree to share information, work in co-operation with the other parties and actively promote the objectives of the Agreement within their own organisation.
- Agree to speak with 'one' united voice on regional tourism industry issues and opportunities
- Agree to appoint one Blayney Shire Council representative to the Board.
- Establish a Consultative Committee of Tourism Managers meets regularly with direct access to the Board.



TERMS OF AGREEMENT

1. Agreement

BSC will provide money to TDO and ORT to implement the objectives of the Strategic Plan and, in particular, the Specifications referred to in Schedule B. The amount and timing of payments shall be in accordance with Schedule A.

2. Term

This Agreement commences on that date it is signed and ends on 30 June 2020. The term of the Agreement may be varied and extended by agreement between the parties.

3. Representations & Warranties

The parties each represent and warrant to the other that: (a) it has all necessary power and legal authority to enter into and perform its obligations hereunder; and (b) it is not party to any other written or oral agreement that conflicts with the obligations to the other or restricts the performance of this Agreement.

4. Confidentiality

All the terms and conditions of this Agreement are confidential and neither party shall disclose any term herein without the prior written consent of the other party unless disclosure is required by applicable law.

5. No Partnership

This Agreement is not intended to (and does not) create an agency, joint venture partnership or similar relationship between the parties. Each party will act solely as an independent contractor and neither party will have the right to act for or bind the other party in any way.

6. Indemnification

The parties hereby agree to defend and indemnify each other and their respective affiliates, officers, directors and employees harmless from and against all claims, demands, damages, losses or expenses of any nature arising from or related to any breach by that party of this Agreement or its negligence or wilful misconduct except to the extent attributable to the negligence or wilful misconduct of the other party.

7. Miscellaneous

This Agreement may only be amended by mutual written agreement between the parties; the failure of either party to enforce any provision or condition contained in this Agreement at any time will not be construed as a waiver of that condition or provision nor will it operate as a forfeiture of any right of future enforcement of the condition or provision. TDO Limited may assign this Agreement to the new regional tourism entity upon formation.

8. Termination

Either party shall have the right to terminate this Agreement if: (a) the other party breaches the Agreement and such breach remains for fifteen (15) days of written notice from the non-breaching party; or (b) either party becomes bankrupt, insolvent or if such party's business shall be placed in the hands of a receiver, assignee or trustee whether by voluntary act or otherwise; Upon any termination of this Agreement BSC shall have no further obligation or liability of any kind to TDO including any obligation to make any further payments.



SCHEDULE A

Payment Schedule (ex-GST)

<i>Payments</i>		<i>First</i>	<i>Second</i>
		<i>1 July Annually</i>	<i>1 January Annually</i>
<i>Year 1: 2017/18</i>		<i>25,000</i>	<i>25,000</i>
<i>Year 2: 2018/19</i>		<i>25,000</i>	<i>25,000</i>
<i>Year 3: 2019/20</i>		<i>25,000</i>	<i>25,000</i>

Report Schedule

<i>Report</i>	<i>Annual Operational Plan</i>	<i>Agreement Renegotiated</i>	<i>Annual Report</i>	
<i>Year 1: 2017/18</i>	<i>1 July 2017</i>		<i>28 September 2018</i>	
<i>Year 2: 2018/19</i>	<i>1 June 2018</i>		<i>27 September 2019</i>	
<i>Year 3: 2019/20</i>	<i>1 June 2019</i>	<i>30 April 2020</i>	<i>25 September 2020</i>	



SCHEDULE B

TDO Limited recognises that Blayney Shire Council and the other stakeholders, the Councils of Cabonne & Orange and the regional tourism industry represented by the membership of Brand Orange, are investing to deliver specific outcomes outlined in the Orange Region Tourism Strategic Plan. In consideration of this investment, TDO Limited understands the importance to deliver those outcomes and commits to support the drive and delivery of those outcomes.

OUTCOME

To position the region as a destination of choice with appeal for both visitors and residents alike. This includes continuing support of local festivals and events, providing high-level destination marketing support for new and emerging festivals and events, as well as providing support for additional tourism activities and attractions that will benefit from a unified and targeted regional destination marketing approach.

CREATIVE

Develop creative that supports the TDO deliverables and stakeholder expectations as per Orange Region Tourism Strategic Plan and subsequent contracts.

Blayney Shire Council and other partners are recognised as supporters of the organisation but do not necessarily have individual logos and branding attached to marketing collateral.

SPECIFICATIONS – Key projects included but not limited to: (as defined in the strategic plan)

- 1. Website Development**
Linkage of regional website to Blayney Tourism and other subsidiary sites (eg. Millthorpe Village)
- 2. Tourism Packages & Marketing Campaigns**
Develop Spring & Summer Harvest packages (including pick your own promotion)
Develop in consultation with key stakeholders Historic Village experiences, Agritourism experiences and packages to boost visitation
Campaign aimed at converting visitors who transit or shop in the region to overnight stays
- 3. Media and Journalist famils**
One famil with ad hoc media visits to be hosted and dissemination of information
- 4. General Marketing**
Marketing activities including monthly consumer news with destination updates
- 5. Member Development and Forums**
Ongoing servicing of members, weekly enews and two Member Forums to be held in September and December 2017
- 6. VIC famils x 4**
To be held in September, November, February & May. TDO/BOL to negotiate itinerary with LGA Tourism Managers
- 7. Survey data collection and annual visitor profile review and update**
Develop in consultation with key stakeholders appropriate survey instrument.
Collation of data from Out-of-Region and In-Region event surveys from both attendees and businesses



8. Out-of-Region events run by TDO (acknowledging Blayney Shire Council support as appropriate)

Taste Orange @ Lane Cove (November)
Taste Orange @ Barangaroo (November)
Taste Orange @ Watson's Bay (May)

9. Support of In-Region events

Orange Wine Festival 13 – 22 October 2017

10. Marketing and promotion

FOOD Week marketing
Support marketing and promotion of key events including Carcoar Running Festival, B2B Cycling Festival and Blayney Hay Bale Challenge.

KEY PERFORMANCE INDICATORS

1. Annual Report on outcomes against Strategic Plan by September of each year; Report to include comment on the specific elements relevant to Blayney Shire Council
2. Audited accounts by September of each year
3. Report on membership numbers & income (target 15% increase in each category)
4. Report \$ for \$ income secured for general or specific campaigns/packages (target \$10,000 cash plus in kind component)
5. Report data on attendance at Out-of-Region Events and In-Region Event enumerating the level of success increasing visitation from regional promotion (target is increasing overnight stays from 2.9 to 3.5 by June 2020)
6. Report on the increase in visitation attributable to marketing/advertising campaigns measured through surveys from accommodation providers (target is increasing overnight stays from 2.9 to 3.5 by June 2020)



SIGNATORIES

Peter Robson
Chairperson
TDO Limited

Date

In the presence of

(Print Name)

Witness

Rebecca Ryan
General Manager
Blayney Shire Council

Date

In the presence of

(Print Name)

Witness



ORANGE REGION TOURISM Ltd

STRATEGIC AND OPERATIONAL PLAN

A COLLABORATIVE APPROACH TO REGIONAL TOURISM

Prepared by:
TDO Limited, Orange NSW

Date:
8 June 2017

vs.10

FINAL DRAFT STRATEGIC PLAN – ORANGE REGION TOURISM

1

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1:0 EXECUTIVE SUMMARY

The Orange Tourism sector, Orange City Council and the NSW Government, established an independent, industry-led organisation, *taste orange*, in 2008 to contribute to elevating the Orange region as a Destination of Choice, focusing on food, wine and the abundance of local produce.

It has been a successful business model, led by a diverse and skills-based Board on a not-for-profit basis, with a strong working budget of approximately \$800k per annum comprising of a 50:50 split between Orange City Council tourism funding and contributions from local industry, partners, Cabonne Council, Blayney Council and State Government.

Now is the time to build on the successful destination marketing platform established nearly ten years ago, and move towards a new, unified regional tourism entity that will take the brand positioning of the Orange region to the next level – with a vision to establish its reputation as a Destination of Choice to visit, live and invest.

TDO Limited was established as an interim organisation to facilitate the transition to a regional destination marketing organisation. A cooperative relationship between Orange City, Cabonne, Blayney Shire Councils and the Tourism Sector has been proposed and approval of the new regional entity's Strategy and Operational Plan is the next step towards formation by the industry in July 2017.

VISION

FINAL DRAFT STRATEGIC PLAN – ORANGE REGION TOURISM

The following Vision and Mission, drafted by TDO Limited, will be finalised once the new Board is operational.

VISION: Promote the Orange Region as a destination of choice so that it becomes a leading Australian regional destination.

MISSION: Orange Region Tourism will manage all strategic and operational activities related to Orange Region tourism development, marketing, promotion and information services. It will be a robust, nimble, strategic and responsive organisation.

REGIONAL COLLABORATION

The motivation for the Vision and Mission of Orange Region Tourism is that industry and Local Government working together will bring significant gains.

The development of a new regional tourism entity focuses on the key features of regional tourism development:

- regional collaboration &
- industry engagement

GOVERNANCE

The governance structure of Orange Region Tourism is a not-for-profit company limited by guarantee with a pro-bono Board, to be agreed by the stakeholders. The Board will be established by the industry and will invite participation from stakeholders. The choice of a not-for-profit Company limited by guarantee will ensure

Directors execute their responsibilities with regard to the objects of the entity. The principal objective of the new entity will be the tourism promotion of the Orange region.

The Board structure at establishment of Orange Region Tourism Ltd will be:

- **Independent Chair from industry (1)**
- **Blayney Shire Council will nominate one (1) representative**
- **Brand Orange Ltd will nominate one (1) representative**
- **Cabonne Council will nominate one (1) representative**
- **Orange City Council will nominate four (4) representatives**
- **All parties to agree on three (3) industry representatives**

The intention is that the Board will move to a member-elected, skills-based Board within a period of two years.

ROLES & RESPONSIBILITIES

TDO Ltd is the management vehicle to bring the collaborating stakeholders together and manage the transition to the new regional tourism entity.

Brand Orange currently continues business-as-usual operations under its contract with Orange City Council. Once this plan is approved and funding levels are confirmed, the new entity will sub-contract projectse new entity is with an extension for delivery of marketing activities expected to be given until 31 December 2017.

TDO Ltd will negotiate with Brand Orange for its' industry membership to transition to the new entity from 1 July 2017.

FINAL DRAFT STRATEGIC PLAN – ORANGE REGION TOURISM

The three Councils will provide financial support for the new regional tourism entity at an agreed funding level per Council, as well as contributing human resources support through collaboration between the three Council Tourism Officers and the Executive Officer and staff of the new entity. Brand Orange Ltd (BOL) will contribute its intellectual property (IP) and assets to the new entity, including (but not limited to):

- Server containing 8 years of IP and data
- Office & event equipment
- Event Partnership Agreements/Contracts
- Industry Members base (200 existing members)
- Volunteer Member base (50 members)
- Stakeholder Database (600 contacts)
- Consumer Database (6k+ contacts)
- @TasteOrange social media (17k+ followers)
- #OrangeNSW mobile app

BOL has existing contracts with event partners that will be rolled over to the new entity (including a 3-year agreement Watsons Bay Hotel until 2019, a 2-year agreement with Lane Cove Council until 2018 and a 3-year agreement with Barangaroo until 2019).

FUNDING

The funding contributions of Orange City, Cabonne and Blayney Shire Councils respectively will be defined in the contract with the new regional tourism entity. In this Strategic Plan the likely annual contributions to progressing regional tourism are:

4

Orange City Council	\$377,000
Cabonne Council	\$64,000
Blayney Shire Council	\$50,000

Funding for the existing business model has centered on a 50:50 contribution from industry stakeholders and Orange City Council, with a total operating budget of approx. \$800k per annum. It is proposed that this model continues with additional revenue provided by Cabonne and Blayney Shire Councils, as well as additional revenue streams being developed by the new entity to ensure adequate funding is available for the destination marketing deliverables set out in this document.

The accompanying Financial Masterplan outlines a statement of cashflows covering the annual position. It is expected that a schedule of payments from funders will be negotiated, ideally quarterly in advance with an initial tranche of \$100,000 to cover, amongst other things: organisation establishment costs (legals, insurance etc), office set-up, recruitment costs, initial web development, member development and initial marketing planning.

MEASURING SUCCESS

It is generally agreed that whilst the *National and International Visitor Surveys*, conducted by Tourism Research Australia provide a sound basis for measuring success, it is in the region's interest to improve the visitor metrics. Improved visitor metrics is a key performance indicator for Orange Region Tourism and will be part of the Destination Marketing Plan to be developed by the new organisation.

KEY PERFORMANCE INDICATORS

FINAL DRAFT STRATEGIC PLAN – ORANGE REGION TOURISM

The new regional tourism entity will consider the operational plan and the associated Key Performance Indicators with a view to establishing agreement with stakeholders on KPIs for regional tourism. The principle being that metrics be established and then KPIs agreed. The three top-level measures are:

- Increasing average visitor spend
- Increasing average stay to 3.5 nights over 3 years
- Increasing the total number of bed nights

These Key Performance Indicators will be quantified with appropriate percentage growth in the negotiated agreement(s). Additionally, project and event metrics and KPIs will flow from the destination marketing plan. It needs to be acknowledged that good metrics and measurable KPIs are critical there will always be externalities that influence outcomes in the tourism and marketing.

TIMELINE

- TDO Limited established 1 December 2016 on a transitional basis
- Memorandum of Understanding presented to Orange City, Cabonne and Blayney Councils in March 2017 (see below)
- Formation of new regional tourism entity (*Orange Region Tourism Limited*) completed by 30 June 2017
- The interim TDO Ltd Board dissolved at formation of new entity and no later than 31 December 2017
- Orange Region Tourism Ltd Board formed by industry by July 2017
- Essential project management and delivery tasks sub-contracted by new entity to enable smooth transition

- Recruitment process for new entity to commence from 1 September 2017, led by Orange Region Tourism Ltd Board
- Orange Region Tourism Ltd to be fully operational as soon as possible and no later than 31 December 2017

MOU

A Memorandum of Understanding was drafted as a mechanism to achieve shared understanding. It has been superseded by this Strategic and Operational Plan.

CONSULTATION

In developing this Strategic Plan, the TDO has consulted the sector and the parties. It has referenced the existing strategies and plans for local and regional tourism, particularly the Orange Regional Tourism Engagement Report 2016. It has undertaken its own strategic planning process drawing on the expertise of the TDO Ltd Board.

The Board brings connection to a wide group of stakeholders who have also been consulted in developing this plan.

The Board has also provided updates to the sector via partners and held several meetings to update progress and provide a forum for information and comment. The Brand Orange membership and other key groups focused on tourism have been consulted and informed of this development.

EVENTS

Popular, well-organised and high quality events based on the region's natural advantages has separated the Orange Region from its competitors. This is widely acknowledged. It will be a priority for the new organisation to review out-of-region events and to develop metrics to better demonstrate the success of regional strategy.

Better metrics – surveys, campaigns with defined calls-to-action and consumer research – will underpin the next phase of development.

Council has indicated an interest in engaging directly with local volunteer committees (FOOD, Banjo etc) a role that previously had been outsourced. The Financial Masterplan assumes \$377k (i.e. \$400k less \$23k).

It is generally agreed that, whilst very successful, the Taste Orange @ Sydney (Martin Place) event is very expensive and cannot continue until and unless a significant sponsor is found. Whilst it is the province of the new organisation to review the event, it is expected that other strategies will be pursued in 2017.

BRANDING

It is expected the new entity will develop an over-arching regional brand that would work in conjunction with existing brands. The TDO has agreed that any new brand would have Orange as the hero but this does not preclude considering new creative. The brief development and consultation process will involve all Councils and industry stakeholders.

ADDITIONAL REVENUE STREAMS

The TDO Board is approaching the potential to raise significant additional revenue with caution. The Board's view is that the budget is appropriately conservative given that Orange Region Tourism will need to kick some goals in the first 6-12 months before expecting that it can attract significant new buy-in. Several additional revenue opportunities have been identified for the Executive Officer of the new regional tourism entity to take into consideration on appointment. These are:

i. Industry Memberships

An augmented membership program, expanded to business, sports, arts and tourism industry members across the region could realistically contribute positively to the bottom line of the new regional tourism entity. This model has proved successful for Brand Orange Ltd operations, and should be emulated.

Brand Orange currently has some 200 paid industry members, on annual memberships of \$330 per business and representing annual income of \$82,000. It would be realistic to target an increase of at least 40 new members per year for the new regional tourism entity, with a view to doubling membership within five years.

ii. Government Funding

It will be the responsibility of the new regional tourism entity to ensure all available Government tourism and event marketing funding opportunities are fully leveraged on behalf of the regional tourism industry.

iii. Other Sources

The new entity will move to broaden the income base by seeking new partners and supporters in the public and private sectors.

iv. Bookeasy Destination Management Online System

Currently there is very little stakeholder engagement with the Bookeasy online tourism management system, however this could be attributed to the system not being fully leveraged or utilised for its accommodation, tour and packages booking facilities and marketing opportunities through its distribution system to travel agents across Australia.

With the appointment of a dedicated resource within the new regional tourism entity to manage the content, marketing and stakeholder uptake of the Bookeasy system on a regional basis, this could realistically become a highly profitable income stream.

v. Ticket Packages at Events

The pre-sale of ticket or coupon packages for events such as Taste Orange @ Watsons Bay has proved to be a successful approach for generating additional revenue, and this could be further built on and extended to other promotional events.

vi. Marketing Services Packages

This could include 1:1 training and marketing services for social media marketing strategy and implementation for local businesses, as well as 1:1 training and management of the Bookeasy system and Get Connected. A minor amount of expected income has been budgeted until the staffing situation is finalized.

ORANGE REGION TOURISM LTD BOARD

At the establishment of the new Orange Region Tourism LTD Board the first tasks will be:

1. Office set-up, including legal paperwork and office equipment purchase/hire
2. Business set-up: bank accounts, insurances etc
3. Ensure continuity of tourism services contract outcomes (in-region & out-of-region events) through a sub-contract with Brand Orange through to December 2017
4. Develop communications plan to announce new entity and outline the plan for partners and key stakeholders
5. Establish consultative sub-Committee involving the major stakeholders – Councils and Brand Orange

6. Develop unified Regional Brand ID, logo, tagline and brand guidelines for new entity
7. Develop position descriptions for new regional tourism entity Executive Officer and staff
8. Lead the recruitment process for the new regional tourism entity Board and Staff, to be operational by 1 January 2018.

RISK

The TDO Limited Board has considerable experience in managing risk and establishing suitable governance structures. Several members have many years experience on corporate, University and private sector Boards of Governance and, of course, in Local Government and understand the roles and responsibility of independent Directors.

The Risk Analysis will be reviewed quarterly by the Board and will be modified as appropriate.

2:0 Introduction

Tourism has been identified globally as a key driver of economic diversification in the 21st century. The World Tourism & Travel Council (WTTC) released research in March 2017¹ showing that 1 in 10 jobs worldwide are generated by the travel and tourism industry.

In New South Wales, domestic and international tourism is an industry worth over \$26.5 billion and contributes around \$191 million to the economy of the Orange region each year. The NSW Minister for Tourism and Major Events, Adam Marshall, announced visitor data statistics from Destination NSW² revealing a record \$16.7 billion was spent by domestic tourists in regional NSW in 2016.

“These results show that record levels of tourism dollars are flowing to rural and regional NSW turbocharging local economies, generating jobs and driving investment in local communities.”

Orange has been very successful over the past twenty-five years in its positioning as a desirable tourism destination, evidenced by the success and positive economic impact of local festivals and events,

¹ WTTC Economic Impact Report 2017 [<https://www.wttc.org/media-centre/press-releases/press-releases/2017/tourism-supports-1-in-10-jobs-outpacing-global-economy-for-6th-consecutive-year-wttc/>]

² Rural and Regional NSW Tourism Bonanza [<http://www.destinationnsw.com.au/news-and-media/media-releases/rural-regional-nsw-tourism-bonanza>]

impressive growth in visitor numbers and high destination awareness. It now ranks amongst the leading regional destinations in Australia as a ‘must visit’ food and wine destination.

Over the past decade, the industry-led and independent local tourism organisation - Brand Orange Limited - has developed an enviable track record for best-practice destination marketing, and for implementing highly successful out-of-region promotional events. The organisation has also provided essential local promotional event and festivals development assistance, as well as contributing vital stakeholder support for the Orange region.

From this impressive position of strength now is the time to capitalise on the potential of the tourism industry for the Orange Region, encompassing not only Orange city and its surrounds but also the small towns and historic villages of Cabonne and Blayney Shires.

A collaborative approach to regional tourism is being put forward, through a cooperative relationship between the three Local Government Area Councils of Orange, Cabonne and Blayney as well as the Board of Brand Orange Limited and the interim Board of TDO Limited. The industry will form a new Regional Tourism entity and invite the participation of Local Government. The overarching objective of the new regional tourism entity will be aligned with the Destination NSW objective of doubling the visitor economy and the dollar spend of visitors to the region by 2020.

2:1 Strategic and Operational Plan Overview

The following Strategic and Operational Plan for Orange Region Tourism has been developed by the interim TDO Limited Board and Executive Officer, with a collaborative approach to the formation of a new regional tourism entity. It has been informed by the following existing strategic tourism documents:

- Draft Orange Region Tourism Strategy 2016/17 – 2018/19, developed by Orange City Council in September 2016.
- Orange Regional Tourism Engagement Report, developed by Orange City Council in August 2016.
- Brand Orange Joint Venture Proposal to Orange City Council, presented May 2016.
- Blayney Shire Destination Management Plan, developed by Blayney Shire Council in May 2016.
- Cabonne Council Tourism Plan 2012/13 to 2021/22, developed by Cabonne Shire Council in 2011.
- Central NSW Tourism Destination Management Plan Review 2016-2025, developed in January 2016.

For the purposes of this document, the **Orange Region** is considered as comprising the city of Orange, several small towns and a legion of

villages across the Local Government Areas (LGAs) of Orange, Cabonne Shire and Blayney Shire.

PURPOSE

The following Strategic and Operational Plans will be presented by the interim Board of TDO Limited to the respective Councils for consideration and approval to form the new Regional Tourism entity in April/May 2017, along with formalisation of a Memorandum of Understanding between all related Parties.

On approval, the Board of TDO Limited will commence recruiting for the representative Board members of the new Regional Tourism entity in May/June 2017, Executive Officer and staff from September 2017.

The purpose of this Strategic and Operational Plan is to provide a basis for the Board, Executive Officer and staff of the new Regional Tourism entity to commence implementing the identified strategic objectives as soon as it is operational from 1 January 2018.

This document also provides an outline of the proposed organisational structure of the new Regional Tourism Entity for Board discussion, and a summary of budget expectations required at launch.

A risk analysis of current and potential economic and situational scenarios is attached as an appendix of this document.

3:0 TDO Limited Overview

TDO Limited is an independent not-for-profit company formed in December 2016 on a transitional basis as an independent not-for-profit limited company, with a mandate to lead the establishment of a new regional tourism entity by 1 July 2017. It is led by a transitional board comprising 11 representative members from Local Government and Local Industry.

The impetus for forming the interim organisation - TDO Limited - came from the Board of Brand Orange and its Executive Officer, following an approach to Orange City Council in May 2016 to form a Joint Venture and establish a destination marketing organisation with greater scope and resources.

Following discussions with Orange City Council in the lead up to the proposed merger of Orange City Council with Cabonne Shire and Blayney Shire Councils, the concept for an integrated and collaborative approach to regional tourism was born.

Despite the Council mergers not going ahead, due to the progressive leadership of the region's Local Government stewards it was agreed that a collaborative approach to regional tourism was of paramount importance to increasing visitation, length-of-stay and spend of domestic visitors as well as solidly positioning the region for future potential in attracting high value international visitation to the region. This approach is viewed as providing vital economic diversification and job creation opportunities to a predominantly agricultural, viticulture and mining area of regional New South Wales.

3:1 Introduction to Major Stakeholders

I. TDO LIMITED

Formed in December 2016 on a transitional basis as an independent not-for-profit limited company, with a mandate to lead the establishment of a new regional tourism entity by 1 July 2017. The company's Board comprises representatives from Orange City Council (4), Brand Orange Limited (4), Blayney Shire Council (1), Cabonne Shire Council (1), and the business and sports industry sectors (1):

- Peter Robson, Brand Orange Limited – Chair
- Philip Shaw, Brand Orange Limited
- David Hoskins, Brand Orange Limited
- Tony Cheney, Brand Orange Limited
- John Davis, Orange City Council
- Garry Styles, Orange City Council
- Jason Hamling, Orange City Council
- Jeff Whitton, Orange City Council
- Ian Davison, Cabonne Shire Council
- Scott Ferguson, Blayney Shire Council
- Phillip Tudor, local industry

II. BRAND ORANGE LIMITED

Established in 2007, Brand Orange is an independent, not-for-profit industry-led organisation charged with the primary purpose of leading significant economic and tourism development, strategic marketing and community benefits to the district and surrounding region of Orange in New South Wales. As one of Australia's emerging wine growing, food producing and gourmet destinations, Brand Orange has been tasked with the promotion of the Orange region to continue to grow its appeal for visitors, promote its

attractiveness as a place to live and work for current and future residents, as well as encourage increased business investment and economic diversification.

Orange



III. ORANGE CITY COUNCIL

Orange City Council provides a wide range of services and facilities serving the Orange community and the wider region, including childcare, tourism support, sports fields and park and gardens, water storages and treatment, waste management and more than 500 kilometres of roads. The Orange Local Government Area is 290 sq. kms and includes the city of Orange (a significant regional centre with a population of 40,000+) as well as the historic villages of Lucknow, Spring Hill and Byng.

Blayney



IV. BLAYNEY SHIRE COUNCIL

Blayney Shire is a Local Government Area in the Central West region of New South Wales, Australia. The Shire is located adjacent to the Mid-Western Highway and the Main Western railway line, and is centered on the town of Blayney (population 3,000) as well as the historic villages of Barry, Carcoar, Lyndhurst, Manduruma, Millthorpe, Neville and Newbridge.

Cabonne



V. CABONNE COUNCIL

Cabonne Shire is a Local Government Area in the Central West region. The Shire is located adjacent to the Mitchell Highway and the Broken Hill railway line, partly surrounding the City of Orange. Cabonne Country, 'Australia's Food Basket' is a rich rural shire in central west NSW, covering the towns of Canowindra and Molong, and the historic villages of Borenore, Cargo, Cudal, Cumnock, Eugowra, Manildra, and Yeoval. The area is home to the site of Australia's first gold rush and is famous for ballooning, food and wine, agriculture and mining.

[Source: <http://www.rdacentralwest.org.au/map/>]

4:0 TDO Objectives & Timeline

TDO Limited has been formed on a transitional basis to deliver on the following objectives with regards to the establishment of the new regional tourism entity:

1. Facilitate collaboration and Memorandum of Understanding between the five major stakeholders
2. Develop the Draft Strategy, Organisational Structure and Operational Plan for the new regional tourism entity
3. Undertake the formation of the new regional tourism entity on approval from all parties (*provisionally Orange Region Tourism Limited*)
4. Commence development of the regional Brand ID and unified communications strategy
5. The interim TDO Limited Board will be dissolved at the formation of the new tourism entity's Board by 30 June 2017.



5:0 Unified Regional Brand and Communications

The unique selling propositions for the Orange Region are the varied seasons and the broad quality tourism offering – its natural attributes; food and wine; cultural & heritage experiences; and the community of Orange city, towns and villages. These together make up the regional brand 'Orange Region'.

ORANGE REGION TOURISM

As its first task, the newly created Orange Region Tourism Ltd Board will undertake the following steps to establish a unified regional brand, prior to the entity becoming fully operational with staff as soon as possible but no later than 31 December 2017:

- Develop communications plan to announce new entity and outline the plan for partners and key stakeholders.
- Review out-of-region events and develop metrics to better demonstrate the success of regional strategy.
- Work with key stakeholders to develop the regional Brand ID – logo, tagline and brand guidelines.
- Develop key messaging and brand positioning.
- Develop Service Level Agreements with each Local Government Authority to deliver visitor information services.
- Review the existing VisitOrange website platform for potential to redevelop into a single regional platform, with functionality for: a unified regional online tourism booking system (BookEasy or alternative); private membership section and online forum; online payments for memberships, festival program listings and advertising, visitor brochure advertising and promotional event participation; an online regional calendar of events; and potentially an online retail shop.
- Consider the development of a regional mobile app aimed at providing destination information using new technologies such as voice activation services (chatbots), location-based information (GPS) and augmented reality (AR). Otherwise, an optimised & responsive mobile website. Or augmenting existing #OrangeNSW app for online bookings capability.
- Investigate the development of electronic touch-screen Information Kiosks for deployment at Visitor Information Centres, transport hubs, shopping malls and main tourism attractions.

6:0 New Regional Tourism Entity

The success of Orange as a destination has centered on having one representative organisation with the ability to unite the destination's stakeholders into one representative group, and the new regional tourism entity will continue with this successful and effective strategy.

It is envisaged the new regional tourism entity (provisionally titled *Orange Region Tourism Limited*) will mirror the established business model of Brand Orange, extending that success to encompass the Orange Region to elevate the positioning and awareness of the region nationally and internationally.

This is based on being an independent organisation, able to bridge the gap between the public and private spheres and facilitate greater collaboration between industry stakeholders and community groups. It will be essential that the new regional tourism entity is a nimble, autonomous and adaptable organisation, empowered to make rapid decisions in response to industry initiatives and environmental change.

The new regional tourism entity will have a supporting and complementary role with the three Councils regarding industry development, investment and job creation.

The scope of the new Regional Tourism entity will include all destination marketing for the Orange region, as well as negotiating

and implementing all regional tourism advertising and marketing activities. Detail will be outlined in the Service Level Agreements.

The three Councils and their respective Tourism Officers will continue to deliver local community tourism services and civic events such as Australia Day, ANZAC Day, Carols by Candlelight, Sister Cities and general civic events. These items would remain in the roles of the respective Tourism Officers.

Overall **'Visit, Live and Invest'** objectives include:

- Increase overnight visitation to the Orange Region
- Increase visitor length-of-stay and dollar spend
- Raise destination awareness both nationally and internationally
- Facilitate increased local industry, government, community and tourism stakeholder engagement
- Drive industry membership and support for the new entity
- Attract new residents to the region
- Attract regional business investment
- Impact new job creation regionally across the tourism and business sectors

6:1 Strategic Objectives

The key strategic objectives of the new industry-led regional tourism organisation will be to build one brand and one cohesive call-to-action message for the region through a system of unified digital infrastructure, as well as building stakeholder knowledge and awareness of the destination and providing increased insights into visitation to inform all future strategies. In addition, developing revenue streams for the organisation's continued sustainability through industry membership, regional tourism booking systems and government funding.

1. Develop Unified Regional Brand, Message and Information Architecture

2. Develop a Regional Destination Marketing Plan

3. Position the Orange Region as a Destination of Choice for Visitors and Residents

4. Build Knowledge and Awareness Through Regional Stakeholder & Community Engagement, as well as Visitor Research

5. Develop Regional Industry Membership and Additional Revenue Streams

6. Maintain and Extend Relationships with Government and Tourism Industry

6:1 Strategic Objective

1. Develop a Unified Regional Brand, Message and Information Architecture

One of the key strategic objectives of the new industry-led regional tourism organisation is to build one brand and one unified message for the region, distributed through a single online platform, mobile app and social media channels. These will be based on the existing regional brand promise developed by Central NSW Tourism in its Destination Management Plan Review of 2016-2025, which identified three hero experience themes for regional collaboration:

- Culinary and Agritourism
- Nature and Magnificent Landscapes
- Rich Cultural Heritage

The new regional tourism entity will:

1. Implement a unified Regional Destination Brand and Communications Strategy, including positioning and key messaging for Orange Region Tourism.
2. Develop unified communication materials, including online content, visitor information brochures and regional Guides for Orange Region Tourism. Additionally, work with Councils to advise on tourism signage and wayfinding development across the region.
3. Collaborate with Councils to develop Service Level Agreements for the provision of Visitor Information services, including regional marketing collateral and regional monthly events calendar.
4. Establish unified tourism social media channels for the region – Facebook, Twitter, LinkedIn, Google+, Instagram, Snapchat, Pinterest.

5. Develop the unified regional online platform, with functionality for: regional online tourism booking system (BookEasy or alternative); private membership section and online forum; online payments for memberships, festival program listings and advertising, visitor brochure advertising and online promotional event participation forms; an online regional calendar of events; and potentially an online retail shop.
6. Review the existing visitor apps (#Orange NSW and #ExploreOrange) and develop a unified regional mobile app with expanded functionality for booking accommodation, tours, and packages.
7. Develop and distribute a monthly regional online calendar of festivals and events, as well as seasonal program of 'harvest' events with focus on provenance and 'pick-your-own' opportunities. Includes distribution to all Visitor Information Centres.
8. Audit existing Still and Moving Image Libraries and develop shared/reciprocal usage processes. Commission additional imagery as required.
9. Implement a Brand Awareness advertising campaign (PR as well as print, broadcast, digital and social media advertising) to launch the new regional tourism entity.
10. Implement a promotional campaign to increase uptake and usage of Communications infrastructure (web, apps., social).

6:2 Strategic Objective

2. Develop a Regional Destination Marketing Plan

A Regional Destination Marketing Plan will articulate and communicate the vision, values and unique tourism attributes of the Orange

region, as well as broaden the scope of marketing from the destination's food and wine 'hero' tourism products to an increased focus on supporting initiatives across many additional sectors including sports, recreation, wellness, as well as nature-based and cultural activities.

1. Analyse existing Destination NSW tourism quantitative research to identify target market segments with growth opportunities for further development to inform the Destination Marketing Plan. Develop and share visitor profile analysis. Target markets include: Visiting Friends and Relatives (VFR), Caravan and Camping, International Youth, Aboriginal Tourism, Food and Wine Tourism, Cultural and Heritage Tourism, Nature Tourism, Short Breaks, Over 55s Travel, NSW Family Market, Accessible Tourism as well as International Markets.
2. Analyse brand positioning of regional tourism marketing campaigns over past 12 months such as: #UnearthCentralNSW (Central NSW Tourism); #DiscoverTheRiches (Cabonne); #HistoricVillages and #WarmWelcome (Blayney Shire) to identify common threads to potentially inform and build upon through a regional destination marketing campaign.
3. In collaboration with partners, stakeholders and members develop both Local Visitor Data and Out-of-Region Data research mechanisms specific to the Orange Region, using qualitative methods such as focus groups, 1:1 interviews, visitor questionnaires (VICs) and quantitative methods such as online / iPad surveys and Visitor Arrival Forms for air, train and bus passengers as well as accommodation guests (including Hotels, Motels, Caravan Parks, B&Bs, Guesthouses, AirBnB and VFR Ambassadors). This will provide a more detailed snapshot into the region's current visitors, their motivations for visiting, influences in their decision-making, and how they can be encouraged to stay longer.
4. Develop specific and targeted integrated marketing campaigns for new and emerging market segments across sectors such as cycling, mountain biking, hiking and camping, heritage rail, golf, wellness, and cultural tourism.
5. Develop motivational narratives and market using Digital/Social Strategy, and engage national PR, social media and digital advertising agencies for this strategy.
6. Incorporate a Media Familiarisation Visit Strategy that identifies opportunities to have visiting media from various publication verticals (business, sports, travel, arts, food, wine etc) experience the region throughout the year and not just for selected festivals and events. This strategy would include management of partner and stakeholder inclusion in itineraries, to ensure maximum benefit for all industry members of the new entity.

7. Within resources allocated, identify national and international trade show opportunities and promotional events at which to launch and promote the Orange Regional Tourism brand, tourism products and members.

6:3 Strategic Objective

3. Position the Orange Region as a Destination of Choice for Visitors and Residents

Following global best-practice³, the new Regional Tourism entity will elevate the existing Festivals and Events destination marketing strategy to provide cyclic and compelling reasons to visit the region throughout the year, and to position the region as a Destination of Choice with appeal for both visitors and residents alike.

This includes continuing to support already highly successful local festivals and events, providing high-level destination marketing support for new and emerging regional festivals and events, as well as providing support for additional regional tourism activities and attractions that will benefit from a unified and targeted destination marketing approach with extra resources.

I. TOURISM PRODUCT DEVELOPMENT

Develop specific Tourism Products tailored to target market segments to evolve the broad spectrum of tourism offerings in the region, such as:

- Develop regional Festivals and Events Strategy, incorporating review of tourism products including Indigenous cultural tours and capacity building
- Develop Historic Villages Strategy and packages to promote village experiences and boost visitation & investment
- Develop packages for Golf Tourism, Nature Tourism, Wellness Tourism as well as Art/Culture Tourism to the region
- Develop Accommodation packages to promote through the Bookeasy (or alternative) online system
- Seasonal Harvest Strategy for promotion of 'pick-your-own' opportunities in the region, with seasonal produce guide

³ Events as a Differentiation Strategy for Tourist Destinations [www.emeraldinsight.com/doi/abs/10.1108/S1871-317320150000010011]
FINAL DRAFT STRATEGIC PLAN – ORANGE REGION TOURISM

- Investigate sectors including cycling, sport and adventure that have visitor growth potential

II. OUT-OF-REGION PROMOTIONAL EVENTS

Review in 2017 sponsorships, funding and logistics of existing regional and member promotional events for continued viability and value-for-money. Investigate potential new opportunities to reach emerging visitor segment markets. Review to establish priority of events. Current promotional events include:

- Taste Orange @ Watsons Bay
- Taste Orange @ Sydney (Martin Place) (not committed)
- Taste Orange @ Wahroonga (not committed)
- Taste Orange @ Lane Cove
- Taste Orange @ Barangaroo

III. HIGH PROFILE IN REGION FESTIVALS & EVENTS

Continue support of high profile local festivals and events such as:

- Banjo Paterson Australian Poetry Festival
- Orange FOOD Week
- Orange Apple Festival
- Orange Wine Festival
- Newcrest Orange Challenge

IV. REGIONAL FESTIVALS & EVENTS

Extend destination marketing support to regional Festivals and Events, including identifying government funding opportunities to lift the profile and awareness of additional arts, cultural, community and sporting events such as:

- Australian National Field Days
- B2B Cycling Festival
- Blayney Hay Bale Challenge
- Blayney and Orange Farmers Markets
- Canowindra Arts Trail
- Canowindra International Balloon Festival
- Carcoar Running Festival
- Christmas in July events
- Crafted Live
- Millthorpe Garden Ramble
- Millamolong Polo
- Millfest, Millthorpe
- Millthorpe Markets
- Newbridge Winter Solstice Market
- Orange Triathlon Festival

V. REGIONAL TOURISM ATTRACTIONS

Develop a dedicated Strategy, within the Destination Marketing Plan, aimed at raising the profile and awareness of regional tourism attractions to encourage increased visitation to the following (but not limited to):

- Age of Fishes Museum, Canowindra
- Banjo Paterson Museum, Yeoval
- Borenore Caves
- Carcoar Dam
- Carcoar Wind Farm
- Cobb & Co Trails
- Heritage Rail / Molong VIC
- Kinross Forest
- Lake Burrendong
- Lake Canobolas
- Mount Canobolas
- Regional Museums
- Regional Art Galleries & Events
- Autumn in the Orange Region

Strategy should take into account awareness of and collaboration with 'gateways' to the region such as Bathurst and Cowra (Canberra gateway) as well as Dubbo (Queensland gateway).

6:4 Strategic Objective

4. Build Knowledge and Awareness Through Regional Stakeholder & Community Engagement, and Visitor Research

Facilitate collaboration and build local awareness and knowledge of the destination through proactive local tourism, business and community group stakeholder engagement strategies. This includes Professional Industry Development and active stakeholder participation in assisting with collection of Visitor Research data.

The new Regional Tourism Entity will be one of the key parties responsible for relationship management with the following key local industry stakeholder and community groups:

- Orange, Cabonne and Blayney Shire Tourism Officers
- Council Business Development Managers
- Bathurst and Cowra Councils (gateways for domestic visitors)
- Orange Region Vignerons Association (ORVA)
- FOOD Week Inc
- Banjo Paterson Australian Poetry Festival Committee
- Canowindra International Balloon Festival Committee
- Farmers' Market Associations
- Historical Societies
- Rotary Club of Orange and other Service Clubs
- Local Business & Town Associations for Orange, Cabonne and Blayney
- Orange Young Professionals
- Millthorpe Village Association and other village associations
- Apple Industry Association
- Accommodation and hospitality providers
- Arts Associations – Canowindra Arts, Pop Art Collective, ORAF, Arts OutWest
- Sports Organisers

I. STAKEHOLDER ENGAGEMENT

Brand Orange has developed a solid platform of local industry stakeholder engagement. This will be built upon to extend more broadly to stakeholders across the region and across business and community groups beyond tourism. It will look to establish matching funding to leverage member buy-in. The new Regional Tourism entity will:

- Develop a Stakeholder & Community Engagement Plan, including annual forum to present results of destination marketing activities, and visitor data statistics.
- Continue proactive weekly email communications similar to existing Brand Orange stakeholder EDM, and quarterly forums.
- Consider the establishment of Industry Development Groups across the Accommodation, Hospitality, Festivals and Events, Producers (food & wine), Business, Transport, Tour Operator, Arts sectors and facilitate quarterly roundtable meetings as well as Industry Professional Development seminars (Digital Marketing, Social Media, Developing Tourism Packages etc).
- Manage and distribute a quarterly online industry magazine to promote new stakeholder tourism products, regional infrastructure developments, regional festivals and events, member profiles and operational activities of the new Regional Tourism entity.

II. COMMUNITY ENGAGEMENT

The tourism market in the Orange Region is characterised by the large percentage of Visiting Friends & Relatives (VFR) in the visitor mix. Further building strong volunteer support for activities, information and events will assist in engaging the community and building regional ambassadors.

The new Regional Tourism entity will:

- Build on the existing Volunteer Programs and extend to regional residents. Develop volunteer training, in concert with Councils, potentially using Visitor Information Centre staff as network leaders and training providers. Continue to develop the network of resident volunteers for major festivals and events.
- Initiate a Local Ambassador Program to educate local residents on the tourism offerings in their region – familiarisation trips, wine-tasting tours, monthly EDM/online magazine.

- Host half-year volunteer social gatherings, to present upcoming volunteer opportunities for festivals and events and hold an annual Community Engagement Forum to encourage more residents to join the Local Ambassador Program.

III. **INDUSTRY PROFESSIONAL DEVELOPMENT**

Facilitate and assist Industry Professional Development for members, Visitor Information Centre (VIC) staff (in cooperation with Councils), volunteers and entity staff. This will include familiarisation visits for Orange VIC staff and be extended to encompass all regional VIC volunteers and staff and regional tourism offerings.

The new Regional Tourism entity will:

- Propose and assist the development of regional familiarisation itineraries for Visitor Information Staff and volunteers.
- Facilitate Industry Stakeholder and Member seminars on topics such as: Benefits of a Unified Regional Online Booking System, Developing Tourism Products, Leveraging Festivals and Events, Social Media Marketing, Digital Advertising, Optimising Websites.
- Attend and promote Destination NSW workshops, seminars and forums where topics offer value for the region.

6:5 Strategic Objective

5. Develop Regional Industry Membership and Additional Revenue Streams

A successful membership strategy is crucial for the collaborative marketing of the Orange Region. Membership provides the vehicle for engagement and communication of opportunities; promotes networking which then promotes business development, increased

collaboration between stakeholders and increased potential for tourism packaging. It can also be viewed as a vital two-way feedback channel for both qualitative and quantitative research into local visitor data for the new organisation.

Having a strong membership base is therefore crucial for successful collaborative marketing of the Orange region, and a membership model is perhaps the only way to successfully sustain a regional tourism strategy. Without an effective income stream from members, financial constraints will hamper development. The new Regional Tourism entity will:

1. Develop a Regional Industry Membership Strategy, outlining tiered membership levels and ROI - including no-cost entry level industry membership and basic support for all regional stakeholders to lift the profile of the destination.
2. Aim to increase by at least 10% entry-level membership enrolments by increment over the first three years of operation.
3. Foster and support tourism industry development throughout the Orange Region.
4. Aim to increase by at least 10% the revenue generation through paid membership tiered-levels, by increment over the first three years of operation.
5. Investigate a more comprehensive integration of all Bookeasy (or alternative) functionality and features in the new unified destination online platform.
6. Develop an Online Booking System Strategy, to better leverage functionality of existing Bookeasy system for commercial and marketing opportunities through development of packaged tourism products, Festivals and Events, and accommodation and distribution through the Bookeasy network of national travel agents.
7. Encourage increased stakeholder development of new and improved tourism products and provide support.
8. Increase, by at least 10%, regional stakeholder participation and commission-based revenue through the Bookeasy system.
9. Provide professional excellence opportunities for local industry through member development workshops such as:

- Benefits of a Unified Regional Online Booking System
- Bookeasy Introduction and Training
- Developing Tourism Products
- Leveraging Festivals and Events
- Social Media Marketing
- Digital Advertising
- Optimising Websites
- AirBnB Host Hospitality Training

6:6 Strategic Objective

6. Maintain and Extend Strategic Relationships with Government and Tourism Industry

Development of strong relationships with all spheres of Government and the tourism industry is vital to broadening the opportunities to grow tourism in the Orange Region. The new Regional Tourism entity will:

1. Work with Government and Tourism Industry stakeholders to identify industry trends and facilitate regional outcomes
2. Advocate jointly with partners, and separately where appropriate, on behalf of the Orange region for increased regional infrastructure development
3. Seek funding support for tourism product, infrastructure and destination marketing development
4. Increase the profile of the destination and local tourism stakeholders through Tourism Awards Submissions
5. Develop a targeted Funding & Awards Strategy (an action for year 3)

The Regional Tourism entity will be responsible, along with other stakeholders, for engaging with and facilitating dialogue with key government tourism stakeholders such as:

- Federal Government Tourism Minister
- NSW Government Tourism Minister
- AUSTRADE
- Tourism Australia
- Destination NSW
- NSW National Parks & Wildlife
- Destination Network Country & Outback NSW
- CENTROC
- Wine Australia
- NSW Wine Industry Association
- Caravan & Camping Association
- Tourism & Transport Forum (TTF)
- National Tourism Alliance (NTTC)
- Australian Tourism Export Council (ATEC)
- Australian Regional Tourism Network (ARTN)
- NSW AVIC Network
- TASAC (tourism signposting)

I. GOVERNMENT FUNDING SUBMISSIONS

Pursue and coordinate, jointly and independently, regional submissions for Federal and State Government Funding for Tourism Product Development, Destination Marketing and Tourism Infrastructure:

- Restart NSW (NSW Government)
- Building Better Regions Fund (NSW Government)
- Regional Cooperative Tourism Marketing Program (Destination NSW)
- Regional Tourism Product Development Program (Destination NSW)
- Festivals and Event Funding (Destination NSW)
- Wine Tourism and Cellar Door Grant – when launched (NSW Government)

II. TOURISM AWARDS SUBMISSIONS

Coordinate regional submissions for Tourism Awards to continue to set the benchmark for tourism in NSW. The new Regional Tourism entity will:

- Coordinate, with partners, NSW Tourism Awards submissions
- Travel Marketing Awards submission for the new entity within first 3 years of operation

A. MEMBERSHIP PAID TIERED LEVELS

Acknowledging that the region needs to offer an entry-level destination marketing service to all industry players, the proposed membership model for the new regional tourism entity also incorporates different tiered levels of paid membership opportunities. The new regional tourism entity will be required to develop the application for membership mechanism as part of its implementation and deliverables. Following is a draft outline* of the proposed levels of service for each tier (**subject to change*):

i. **Level 1 – Individual Membership (entry-level, no cost)**

- Quarterly e:newsletter and industry updates
- Invitation to free industry training seminars
- Invitation to member development workshops
- Invitation to Quarterly and Annual Forums

ii. **Level 1 – Business Standard Membership (entry-level, no cost)**

- Quarterly e:newsletter and industry updates
- Standard listing on online business directory - no image, logo or link
- Eligibility to promote tourism-related business through Visitor Information Centres (DL Flyers)
- Invitation to free industry training seminars
- Invitation to member development workshops
- Invitation to Quarterly and Annual Forums

iii. **Level 2 – Business Plus Membership (\$330 per annum)**

- Listing on online business directory, including logo, image and link
- Weekly stakeholder EDM newsletter and industry updates

- Benefits from extensive national public relations and social marketing campaigns
- Opportunity to advertise in information brochures, regional guides and festival programs
- Participation eligibility as a stallholder at major festivals such as Orange FOOD Week and Wine Festival
- Participation eligibility as a stallholder at out-of-region promotional events (Taste Orange)
- Promotion of your business activities through online calendar of events
- Eligibility to promote tourism-related business through Visitor Information Centres (DL Flyers)
- Referrals to your business
- DNSW Get Connected training, to assist in update your business listing
- Invitation to free industry training seminars
- Invitation to member development workshops
- Invitation to Quarterly and Annual Forums

iv. **Level 3 – Business Premium Membership (\$3,500 per annum)**

All benefits of Business Plus membership, as well as:

- Website Advertising Package
- Priority business listing
- Listing on regional mobile app (+ one month feature)
- Dedicated social media campaign - featured profile for one month with min. 10 posts
- Logo in Monthly Consumer EDM
- Featured profile in monthly news (valued at \$550)
- Logo in Information Brochures and Guides, plus Quarter page ad in one Guide (valued at \$550)

B. BOOKEASY (or alternative)

In a forward-thinking and progressive move towards supporting the evolution of the regional tourism industry and to create additional self-funding revenue streams for regional tourism promotion, Orange City Council has implemented the Bookeasy tourism and Destination Management software system on the VisitOrange website.

This commission-based online tourism software and mobile app is currently employed for accommodation bookings only, however it has the capacity to also handle bookings for Tourism Operators, Tourism Attractions and can be used to create and manage online campaigns and Tourism Packages, as well as manage an online retail shop.

There is real opportunity for the new regional tourism entity to collaborate with local tourism providers to create an Orange Region Destination Feature to further promote tourism packages, tours, events and products to an engaged audience of Australian Travel Agents through the Bookeasy distribution network or a similarly functional system.

Currently, stakeholder participation with the Online Booking System has been minimal, and the recommendation for the new regional entity in the first instance would be to provide an introduction seminar to the system to clearly explain its benefits to providers and the region. A promotional campaign would be required to increase consumer awareness of the Orange region's profile on the Bookeasy system. These steps would be taken before considering an alternative system.

C. TICKET PACKAGES FOR EVENTS

The pre-sale of ticket or coupon packages for events such as Taste Orange @ Sydney and Taste Orange @ Watsons Bay has proved to be a successful approach for generating additional revenue, and this could be further built on and extended to other promotional events.

D. GOVERNMENT FUNDING

It will be the responsibility of the new regional tourism entity to assist access to all available Government tourism infrastructure and event marketing funding opportunities with a view to fully leveraging on behalf of the regional tourism industry.

E. MARKETING SERVICES PACKAGES

With the addition of an in-house online/social media resource within the new entity's proposed organisational structure, it could be possible to scope and develop marketing services as an additional tiered level membership fee offer.

This could perhaps focus on providing social media management, online content and website development for individual businesses, who are not confident in fulfilling these functions in-house but who are also nervous about engaging a professional services firm charging national consultancy level fees.

Dedicated training sessions could also be offered as a paid service, including 1:1 training on the Bookeasy online booking system and Tourism Package development.

7:0 Governance & Engagement

ORANGE REGION TOURISM BOARD

The governance structure of Orange Region Tourism is a not-for-profit company limited by guarantee with a pro-bono Board, to be agreed by the stakeholders. The Board will be established by the industry and will invite participation from stakeholders. The principal objective of the new entity will be the tourism promotion of the Orange region.

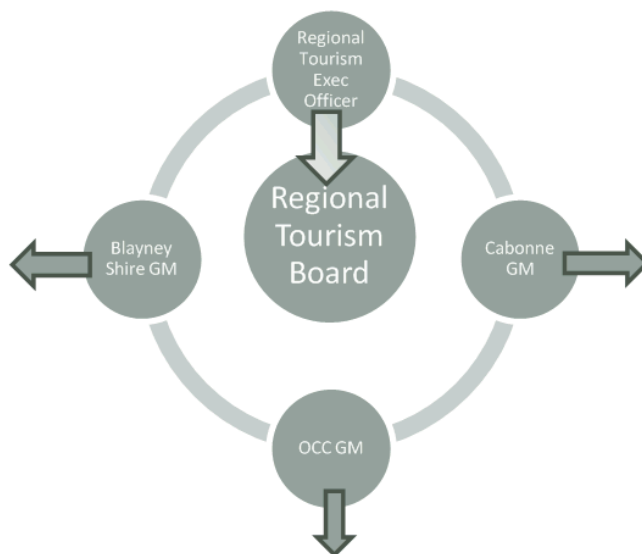
The choice of a not-for-profit Company limited by guarantee will ensure Directors execute their responsibilities with regard to the objects of the entity, due diligence with regard to financial monitoring, reporting and risk management and other requirements of the Corporations Act including Director induction, code of conduct and an annual assessment of Board performance by Directors. The Board will meet monthly and receive reports on operations and financial position including Profit & Loss, Balance Sheet and Cashflow. The Board will exercise its fiduciary duty at all times.

Once in place, the new Regional Tourism Board will comprise: an Independent Chair (1), Industry Representatives (3) and representatives from Brand Orange Ltd (1), Orange City Council (4), Blayney Shire Council (1) and Cabonne Council (1). The intention is that the Board will move to a member-elected, skills-based Board over time.

The approach will be five (5) Board Directors to be appointed for eighteen (18) months and the balance, six (6), for three (3) years to enable continuity of experience. The entity will seek new Board Directors from the membership and beyond, noting the need to receive nominations that meet skills matrix requirements and in particular local industry leaders and entrepreneurs with regional, national and international market knowledge. The Constitution of the new entity will detail membership categories, nomination and election process. All Directors, whilst being in some cases nominees of stakeholders, will be bound to act according to the Corporations Act.

ENGAGEMENT

The Executive Officer of the new regional tourism entity reports to the Regional Tourism Board. Further engagement (beyond the Board Directors) will be provided by the three General Managers of each respective Council as demonstrated in the figure below.



TOURISM OFFICERS AND EXECUTIVE OFFICER ENGAGEMENT

The Council Tourism Officers will be responsible for continuing to manage their respective Visitor Information Centres (VICs), and will play a strategic role in liaison with the Executive Officer of the new regional tourism entity to provide input and advice on regional destination marketing and advertising campaigns.

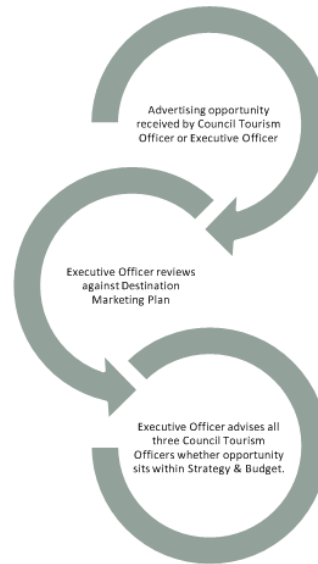
The scope of the new Regional Tourism entity includes all regional destination management marketing and regional tourism advertising, led by the Executive Officer. It excludes civic events such as Australia Day, ANZAC Day, Carols by Candlelight, Sister Cities and general civic events, and also excludes general community advertising. These items remain as the roles of the respective Council staff.



WORKING TOGETHER

It will be important to establish a Working Together Strategy to facilitate a positive relationship between the three Council Tourism Officers and the Executive Officer of the new regional tourism entity, and to ensure clear and open lines of communication between all parties for enabling collaborative decisions to be made on regional tourism and advertising campaigns.

The following flowchart for decision making on regional destination marketing is suggested:



It is suggested that the collaborative working group of Council Tourism Officers and regional tourism Executive Officer conduct monthly strategy meetings, at which to bring up tourism marketing and advertising opportunities and discuss the merit of opportunities based on the established strategic objectives of the Destination Marketing Plan and budget availability. These meetings will also be an opportunity to share ideas and empower individuals to take ownership and leadership of joint regional tourism projects, and would be held on a rotating basis between the three LGAs.

REGIONAL TOURISM ENTITY RESOURCING

It is envisaged that the new regional tourism entity will be staffed by specialists in destination marketing, events, communications, and digital media. This will be a flexible team with ability and willingness to work in line with industry expectations, particularly providing assistance for promotional and community events and supporting a significant community volunteer force. The new regional tourism entity will be headed by an Executive Officer, reporting to the Regional Tourism Board. TDO proposes viewing the organisational structure as collaborative. Comprising:

- Executive Officer, reporting to Regional Tourism Board
- 2x Full Time Employees
- 1x Part Time Employee
 - The above totaling 3.4FTE
- 2x Contractors

8:0 Organisational Structure

NEW ENTITY STRUCTURE

TDO proposes a flat organisational structure for the new regional tourism entity, with all roles viewed as contributing equal value to the organisation to facilitate a dynamic and collaborative working environment. All roles report to the Executive Officer, however work together to achieve the best possible results for the organisation.



RECRUITMENT

The new entity will consider engaging outside support with recruitment, particularly for the Executive Officer position in order to attract a strong national field. It will develop fixed term staff contracts to match the organisation funding cycle.

8:1 Roles & Responsibilities

The following roles and responsibilities will be developed into position descriptions within the framework of the organisation HR policy and procedure. These tasks will need to be completed ahead of recruitment.

1. Executive Officer

- Reports to Orange Region Tourism Ltd Board
- Developing Strategy and Leading Implementation
- Managing Key Government and Tourism Industry Stakeholder Relationships
- Managing Key Regional Stakeholder Relationships
- Developing Destination Marketing Plan
- Developing Industry Stakeholder Training Program
- Developing Volunteer Training Program
- Managing Community Engagement Program
- Managing Operations
- Managing Financials
- Managing Contractors (website, PR, Events)
- Collaboration with Council Tourism Officers and Business Development Managers

2. Marketing & Social Media Manager

- Reports to Executive Officer
- Marketing collateral, including visitor information brochures and online content
- Stakeholder Relations
- Tourism Packages and Promotion
- In-house PR and content development & marketing
- Managing website content & online booking system (Bookeasy or alternative)
- Managing social media and mobile app
- Managing EDM campaigns
- Collaboration with VIC staff

3. Finance & Administration

- Reports to Executive Officer
- Reception & administration tasks
- Preparation of budgets & Board Reports
- Bank & General Ledger Reconciliation
- Accounts receivable, payable & Payroll
- Managing Get Connected member listings (for Level 2 & 3 members)
- Managing Booking Forms and online payments (Guides, Festival Programs, Events)
- Collaboration with VIC staff

4. Membership & Village Strategy (p/t)

- Reports to Executive Officer
- Coordinating Regional Stakeholder & Community forums
- Implementing Volunteer Training Program

- Developing & implementing Community Engagement Program
- Industry Membership Management
- Collaboration with VIC staff

Contractors: Events Manager & IT Web Developer

- Report to Executive Officer
- Contracts developed specific to the tasks
- Festivals and Events operations and logistics support
- Out-of-Region Promotional Events and Trade Shows
- Web Development / IT

9:0 Deliverables

In alignment with the Orange Region Tourism Strategy 2016/17-2018/19 developed by Orange City Council, and referencing the Blayney Destination Management Plan and the Cabonne Tourism Strategy, the following deliverables have been identified as fitting the expected remit and scope of the new regional tourism entity. They will form part of the Destination Marketing Plan and will be prioritised by the Board of the new entity.

Outside of the new entity's remit would be local community events (such as Australia Day, ANZAC Day, Carols by Candlelight, Sister Cities and general civic events), as well as high level ministerial Government lobbying, site infrastructure (Australian National Field Days, Caravan Parks), airport and rail infrastructure, and general tourism and services infrastructure. Village infrastructure developments would also remain outside of the new entity's remit.

DRAFT REGIONAL TOURISM ENTITY STRATEGY – TRANSITION COSTS 2016/2017

ITEM	TIMING	COST (ex GST)
i. Legal costs of TDO Ltd, financial modeling & branding consultancy costs, strategic communications consultancy costs, TDO development & management. <i>Existing budget allocation by Orange City Council for transition to new entity.</i>	Dec 2016 /June 2017	\$50,000

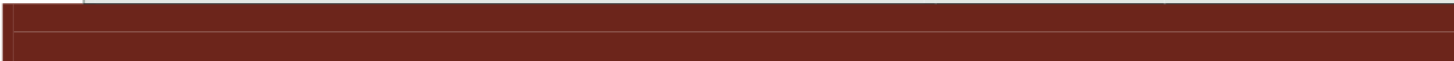
DRAFT REGIONAL TOURISM ENTITY STRATEGY – DELIVERABLES 2017/2018 – 2019/2020

ii. Executive Recruitment	September 2017	\$15,000
iii. Brand ID and logo development for new regional tourism entity (including stakeholder consultation)	July - September 2017	\$10,000
iv. Website and social media channels development, including online regional events calendar and Bookeasy centralised booking system.	July – December 2017	\$20,000 + Staff costs

	Investigate matched \$ funding from Government for regional tourism infrastructure development	July – September 2017	
v.	Develop initial regional marketing collateral, including visitor information brochures and stills/video imagery (regional visitors guide)	January 2018	\$30,000
vi.	Engage national PR agency	February 2018	\$40k per year total
vii.	Brand Awareness Campaign	May-July 2018	(\$5,000 per month) \$15,000
ix.	Develop regional mobile app to include booking functionality for accommodation, tours and packages	February 2018	\$20,000 IT Contractor & Website Maint.
xi.	Industry development workshops on Bookeasy system	March 2018	Staff cost
	Investigate matched \$ funding from Government for regional tourism infrastructure development.		
xii.	Visitor Data Collection Research and Survey Program. Deliver Year 1 & then annual	2018	Staff cost
xiii.	Management of Festival Program advertising and listings (including Orange FOOD Week, Orange Wine Festival, Banjo Paterson Festival, Canowindra Balloon Festival)	Annual	\$25,000 Contracts
xiv.	Golf, Wellness, Cycling, Sports, Nature and Cultural Tourism packages promotion	2018	\$25,000
xv.	Accommodation Packages promotion	2018	\$5,000
xvi.	Historic Villages, Heritage Rail (2019) Packages promotion	2018	\$5,000
xvii.	Harvest ‘pick-your-own’ packages promotion	2018	\$2,500
xviii.	Regional VIC familiarisation itineraries (4 per year)	Annual	\$8,000
xix.	Out-of-Region Promotional Events development, marketing and organisation (including Watson’s Bay, Lane Cove and Barangaroo)	2017/2018	From Grant Income & General marketing spend + staff costs
xx.	Regional Volunteer & Local Ambassador Development Program (familis, training, promotion)	2018	\$5,000

xxi.	Industry Professional Development seminars (visiting industry professionals)	2018	\$10,000
xxii.	Government Funding Submissions	Annual	Staff cost
xxiii.	Assist local tourism businesses to enter NSW Government awards programs – five per annum	Annual	Staff cost
xxiv.	Trade Show participation (national and international)	2019	\$10,000
xxv.	Harvest Packages promotion (budget from 2018)	2019	
xxvi.	Heritage Rail promotion (budget from 2018)	2019	
xxvii.	Stakeholder Online Magazine – editor, content and distribution. Deliver Year 2	2019	\$10,000
xxviii.	Community, Volunteer and Member social events and forums	2019	
xxix.	Scope Regional Tourism Awards (management, promotional campaign, awards event)	2020	\$10,000
DESTINATION MARKETING DELIVERABLES ESTIMATE 2017/18:			\$265,500
STAFF COSTS			
i.	Executive Officer	Annual	\$150,000
ii.	Marketing Manager	Annual	\$90,000
iii.	Village & VIC (0.4 FTE)	Annual	\$32,000
iv.	Finance & Admin Manager	Annual	\$70,000
v.	Events Manager	Contract	
vi.	IT / Website Development	Contract	
vii.	Volunteers	Annual	\$15,000
viii.	Oncosts	Annual	\$36,949
			\$393,949

Overheads & Administration:	\$292,261
TOTAL BUDGET ESTIMATE:	\$951,710



10:0 Operational Plan (revised June 2017)

In order for the Operational Plan to become a separate working document and maintain the connection to the organisation vision, mission and strategies, these elements are repeated here.

VISION: Promote the Orange Region as a destination of choice so that it becomes a leading Australian regional destination.

MISSION: Orange Region Tourism will manage all strategic and operational activities related to Orange Region tourism development, marketing, promotion and information services. It will be a robust, nimble, strategic and responsive organisation.

STRATEGIC OBJECTIVES: The key strategic objectives of the new industry-led regional tourism organisation will be to build one brand and one cohesive call-to-action message for the region through a system of unified digital infrastructure, as well building stakeholder knowledge and awareness of the destination and providing increased insights into visitation to inform all future strategies. In addition, developing revenue streams for the organisation's continued sustainability through industry buy-in, membership, regional tourism booking systems and government funding.

1. Develop Unified Regional Brand, Message and Information Architecture

2. Develop a Regional Destination Marketing Plan

3. Position the Orange Region as a Destination of Choice for Visitors and Residents

4. Build Knowledge and Awareness Through Regional Stakeholder & Community Engagement, as well as Visitor Research

5. Develop Regional Industry Membership and Additional Revenue Streams

6. Maintain and Extend Relationships with Government and Tourism Industry

MEASURING SUCCESS

It is generally agreed that whilst the *National and International Visitor Surveys*, conducted by Tourism Research Australia provide a sound basis for measuring success, it is in the region’s interest to improve the visitor metrics. Improved visitor metrics is a key performance indicator for Orange Region Tourism and will be part of the Destination Marketing Plan to be developed by the new organisation.

KEY PERFORMANCE INDICATORS

The new regional tourism entity will consider this draft operational plan and the associated Key Performance Indicators with a view to establishing agreement with stakeholders on KPIs for regional tourism:

- Increasing the average visitor spend
- Increasing the average length of stay to 3.5 nights over three years
- Increasing the total number of bed nights

These Key Performance Indicators will be quantified with appropriate percentage growth in the negotiated agreement.

NOTE: DRAFT ONLY, SUBJECT TO CHANGE.

A. Establish an Industry-Led Regional Tourism Entity					
	ACTION	DESCRIPTION	RESPONSIBILITY	TIMEFRAME	KPIs
1.	OCC provides initial tranche of \$100k	Including, but not limited to: organisation establishment costs (legals, insurance etc), office set-up, recruitment costs, initial web development, member development and initial marketing planning	TDO Board / New Entity	June 2017	N/A

	ACTION	DESCRIPTION	RESPONSIBILITY	TIMEFRAME	KPIs
2.	ORT implements contract(s) for short term project delivery				
3.	Stakeholder Forum	To provide an update on formation of new entity	TDO Board	June 2017	Implemented
4.	Develop new entity ID	Logo/letterhead (note: not Regional ID)	TDO Board	July 2017	Implemented
5.	Draft membership prospectus	Document & delivery	TDO Board	July 2017	Implemented
6.	Dissolve TDO Ltd Board	Interim Board to complete all activities	TDO Board	July 2017 No later than 31 Dec 17	Implemented
	ACTION	DESCRIPTION	RESPONSIBILITY	TIMEFRAME	KPIs
7.	Establish Orange Region Tourism Ltd Board	New Board to commence operational set up of new regional tourism entity	ORT Board	1 July 2017	Established
8.	Develop Communications plan for all partners and stakeholders	Detail vision, org structure, processes and strategic plan	ORT Board	July 2017	Implemented
9.	Develop Unified Regional Brand ID with key stakeholders	Logo, tagline, brand guidelines, key messaging, brand positioning	ORT Board	July - Dec 2017	Implemented
10.	Collaborate to develop Service Level Agreement for VICs with Councils	Strategic & operational relationship re visitor information, training, regional marketing collateral and regional monthly events calendar	ORT Board & LGAs	July - Sept 2017	Implemented

	ACTION	DESCRIPTION	RESPONSIBILITY	TIMEFRAME	KPIs
11.	Review visitOrange online platform and Bookeasy software	Agree to Retain, Renovate or Re-scope for single regional online platform	ORT Board	August 2017	Reviewed
12.	Consider development of regional mobile app	Voice, GPS or AR functionality, or: mobile optimized & responsive site with booking	ORT Board	August 2017	Reviewed
13.	Develop Position Descriptions for new regional tourism entity	Executive Officer and Staff	ORT Board	July/August 2017	Developed
14.	Lead the recruitment process for new regional tourism entity	Executive Officer and Staff	ORT Board	Sept 2017	Implemented
15.	Convert transient visits to overnight stays	Develop campaign including measuring success	ORT Board	July 2017	To be developed
16.	New regional tourism entity fully operational	Commence implementation of regional destination marketing	ORT Executive Officer	1 January 2018	Launched

1. Develop a Unified Regional Brand, Message and Information Architecture					
	ACTION	DESCRIPTION	RESPONSIBILITY	TIMEFRAME	KPIs
i.	Develop Regional Destination Brand and Communications Strategy	Positioning, key messaging, tactics	ORT Board & EO Marketing	Jan - Mar 2018	Approved by Board
ii.	Create unified regional communication materials	Online content, visitor information brochures, tourism signage	ORT EO Marketing	January 2018	Approved by Board
iii.	Develop unified regional online platform	Functionality for online booking, membership, online forum, online payments, festival program listings & advertising, brochure advertising, promotional event participation forms, online regional calendar of events, online retail shop	ORT EO Marketing	January – March 2018	Approved by Board
iv.	Establish unified social media channels	Facebook, Twitter, Instagram, Snapchat, Google+ Business, LinkedIn	ORT EO Marketing	January 2018	Approved by Board
v.	Develop monthly regional calendar of festivals and events, and seasonal program of 'harvest' events	As online content & for distribution to VICs	ORT EO Events Admin	January 2018	Implemented

	ACTION	DESCRIPTION	RESPONSIBILITY	TIMEFRAME	KPIs
vi.	Audit Regional Still & Moving Image Libraries	Collate, develop sharing protocols and commission additional imagery required	ORT EO Online & Social Admin	January 2018	Sharing protocols agreed by stakeholders
vii.	Engage national PR/social media agency	For support focusing on brand awareness and then regional support for Festivals & Events and tourism packages.	ORT EO	March 2018	Engaged
viii.	Develop mobile app	Depending on approval from ORT Board	ORT EO Online & Social	February - May 2018	Launched
ix.	Scope development of electronic touch-screen Information Kiosks	Depending on approval from ORT Board	ORT EO Communications	2019	Board considers scoping report
2.	Develop a Regional Destination Marketing Plan				
i.	Develop Regional Destination Marketing Plan	Will communicate vision, values and unique tourism attributes of the region with recommended promotional tactics	ORT EO Communications	January/March 2018	Approved by Board
ii.	Develop and implement marketing campaign for Banjo Festival	Including PR, advertising	ORT EO Events	July 2017 - February 2018	Implemented
iii.	Develop marketing campaigns for Orange FOOD Week, Newcrest Orange Challenge and Canowindra Balloon Challenge	Including PR, advertising	ORT EO Events	September 2017	Costed & approved
iv.	Analyse existing DNSW visitor	To inform Destination	ORT EO	February 2018	Research complete

	segment statistics	Marketing Plan	Communications		
	ACTION	DESCRIPTION	RESPONSIBILITY	TIMEFRAME	KPIs
v.	Analyse brand positioning of previous regional tourism marketing campaigns	To inform Destination Marketing Plan and Regional Brand Awareness Campaign	ORT EO Communications	February 2018	Research complete
vi.	Develop Content Marketing Strategy and Digital/Social Strategy	As part of Destination Marketing Plan	ORT EO Communications	February 2018	DMP approved
vii.	Identify national and international trade show opportunities	As part of Destination Marketing Plan	ORT EO Events	February 2018	DMP approved
viii.	Develop & Implement Brand Awareness integrated campaign for launch of Brand & Program	PR, print/broadcast/digital advertising, social media	ORT EO	February/March 2018	Campaign approved
ix.	Engage PR Agency (digital media)	3-month online and social brand awareness advertising campaign, as well as Cycling Tourism campaign	ORT EO Online & Social	May-July 2018	Engaged
x.	Launch new Regional Entity	Regional launch event and PR campaign	ORT EO Communications Events Online & Social	May 2018	Launched
xii.	Set up Local Visitor Data Research Program	Qualitative and Quantitative methodologies	ORT EO TMs	March 2018 (or in 2017?)	Program established
xiii.	Implement Orange FOOD Week marketing campaign	Including media familiarisation visit	ORT EO Events	March 2018	Implemented

3. Position Orange Region as a Destination of Choice for Visitors and Residents					
	ACTION	DESCRIPTION	RESPONSIBILITY	TIMEFRAME	KPIs
i.	Develop Regional Festivals and Events Strategy	Incorporating all major events in Orange, Cabonne and Blayney – as well as Indigenous cultural tourism	ORT EO Events	March 2018	Approved by Board
ii.	Develop Historic Villages Strategy	Build on #unearth & #discovertheriches with targeted regional campaign	ORT EO Communications	April 2018 (negotiate early start)	Approved by Board
iii.	Develop Tourism Packages Strategy	Golf, Nature-based, Wellness, Art/Culture	ORT EO Communications	April 2018	Approved by Board
iv.	Develop and implement out-of-region event marketing campaign	Including PR, advertising	ORT EO Events	2018	Approved by Board
iv.	Develop Accommodation packages	For promotion on regional website and social media channels	ORT EO Communications	May 2018	Implemented
v.	Develop Seasonal Harvest Packages & Promotion	‘Pick-Your-Own’ opportunities and seasonal produce guide	ORT EO Communications	May 2018	Implemented
vi.	Develop Regional Tourism Attractions Strategy	Museums, Art Galleries, Water Sports/Dams	ORT EO Communications	June 2018	Approved by Board
vii.	Develop regional product offering on BookEasy and promotional campaign		ORT EO Online Manager	June 2018	Approved by Board

4. Build Knowledge and Awareness Through Regional Stakeholder & Community Engagement, and Visitor Research					
	ACTION	DESCRIPTION	RESPONSIBILITY	TIMEFRAME	KPIs
i.	Develop Stakeholder & Community Engagement Plan	Member prospectus, destination marketing plan, and visitor data statistics; weekly stakeholder EDMs and quarterly stakeholder forums	ORT EO Communications	January 2018	Approved by Board
ii.	Develop \$for\$ Marketing Campaigns	Within member prospectus develop options for program buy in	ORT EO	January 2018	Increase in \$ raised \$10k / 33% yr1 \$20k / 66% yr 2 \$30k / 100% yr 3
iii.	VIC Destination Familiarisation Tour I	Develop itinerary to highlight quarterly and seasonal events	ORT EO Admin	March 2018	Implemented
iv.	Investigate establishment of Industry Development Groups	Accommodation, Hospitality, Festivals and Events, Producers, Business, Transport, Tour Operator, Arts	ORT EO Communications	June 2018	Research complete
v.	Set up quarterly online industry stakeholder magazine	To promote new stakeholder tourism products, regional infrastructure developments, regional festivals and events, member profiles and operational activities of new	ORT EO Communications	Sept 2018	Approved by Board

		entity			
vi.	VIC Destination Familiarisation Tour II	Develop itinerary to highlight quarterly and seasonal events	ORT EO Admin	June 2018	Implemented
	ACTION	DESCRIPTION	RESPONSIBILITY	TIMEFRAME	KPIs
vii.	Develop Orange Region Volunteer Program	Logo, uniform, training with an initial focus on VIC staff	ORT EO V&V Admin	July 2018	Approved by Board
viii.	Develop Orange Region Ambassador Program	Targeting local VFR hosts, EDMs, familiarisation trips and wine tours. Promotional campaign required	ORT EO Communications V&V Admin	July 2018	Approved by Board
ix.	Develop Industry Stakeholder and Member Seminar Program	Digital Marketing, Social Media, Tourism Packaging	ORT EO Communications Online & Social	July 2018	Approved by Board & developed
x.	Community Engagement Forum	Update on new regional tourism entity activities, Volunteer and Ambassador Programs	ORT EO Communications Admin	July 2018	Held at least once annually
xi.	Launch new industry stakeholder magazine	Quarterly online publication. Promote through website and social media channels	ORT EO Communications Admin	August 2018	Approved by Board
xii.	Launch Orange Region Ambassador Program	Print and social media advertising. PR campaign	ORT EO Communications V&V Admin	August 2018	Launched
xiii.	VIC Destination Familiarisation Tour	Develop itinerary to highlight	ORT EO	September 2018	Implemented

	III	quarterly and seasonal events	Admin		
xiv.	VIC Destination Familiarisation Tour	Develop itinerary to highlight quarterly and seasonal events	ORT EO Admin	December 2018	Implemented
5.	Build Regional Industry Membership and Additional Revenue Streams				
	ACTION	DESCRIPTION	RESPONSIBILITY	TIMEFRAME	KPIs
i.	Develop Regional Industry Membership Strategy	Tiered levels, with free entry-level	ORT EO V&V Admin	January 2018	Increase paid memberships by at least 10% pa
ii.	Develop Online Booking System strategy	Integration with new regional website, automated marketing, distribution to travel agents, Destination feature on Bookeasy platform, feature Tourism Packages	ORT EO Online & Social	January 2018	Increase Bookeasy income by at least 10% pa
iii.	Develop additional revenue streams	Member Marketing Packages	ORT EO Online & Social Admin	August 2018	Increase by at least 10% pa
iv.	Develop member development program (including leveraging existing programs from DNSW, DPI, other NSWGovt)	Product development; social skills development	ORT EO		At least two offerings pa
6.	Maintain and Extend Strategic Relationships with Government and Tourism Industry				

	ACTION	DESCRIPTION	RESPONSIBILITY	TIMEFRAME	KPIs
i.	Identify & promote industry trends to partners & stakeholders	Network with key industry organisations & facilitate local outcomes	ORT EO Communications	January 2018 ongoing	Trends communicated
ii.	Advocate for increased funding & development for regional infrastructure	Act as regional lobby organisation (with LGAs)	ORT EO	January 2018 ongoing	Advocacy priorities agreed by Board
iii.	Seek funding for DMP development & strategies within DMP	Prepare funding proposals to NSW Govt	ORT EO	Annual	Submissions prepared
iv.	Develop Funding and Awards Strategy	For relevant Tourism Product Development, Destination Marketing and Tourism Infrastructure funding, as well as high-profile and successful regional festivals, events, accommodation and attractions	ORT EO Communications	July 2018	Approved by Board
BANJO AUSTRALIAN POETRY FESTIVAL – FEBRUARY					
NEWCREST ORANGE CHALLENGE – MARCH					
ORANGE FOOD WEEK – APRIL					
B2B CYCLING FESTIVAL - APRIL					
CANOWINDRA INTERNATIONAL BALLOON CHALLENGE – APRIL					
TASTE ORANGE @ WATSONS BAY – MAY					
TASTE ORANGE @ SYDNEY – SEPTEMBER					
AUSTRALIAN NATIONAL FIELD DAYS – OCTOBER					
ORANGE WINE FESTIVAL – OCTOBER					
TASTE ORANGE @ WAHROONGA – OCTOBER					
CARCOAR CUP RUNNING FESTIVAL – NOVEMBER					
TASTE ORANGE @ LANE COVE – NOVEMBER					
TASTE ORANGE @ BARANGAROO – DECEMBER					
MILLFEST – DECEMBER					

11:0 BUDGET OVERVIEW

Detailed 3 year Financial Masterplan attached.

ANNUAL BUDGET ESTIMATE OVERVIEW

Income

ORANGE CITY COUNCIL	\$377,000	
CABONNE	\$64,000	
BLAYNEY	\$50,000	
MEMBERS (at 300 members for 2018)	\$108,037	
EVENTS	\$201,964	
STATE GOVT / DESTINATION NSW	\$65,000	
TRADING	\$62,900	
OTHER	\$64,103	
		\$993,004

Expenditure

MARKETING & EVENTS	\$372,450	
SALARIES (incl oncosts)	\$411,605	
ADMINISTRATION	\$106,887	
TRADING	\$40,325	
PROPERTY	\$35,600	
		\$966,867

12:0 RISK ANALYSIS

ITEM	RISK	ACTION
Finalisation of MoU	Low Risk	Expected to be signed by all Parties in May 2017. Now superseded by this plan.
Destination NSW reduces funding for regional destination marketing and events	Low Risk	A series of new funding initiatives have recently been announced, and DNSW taking a proactive stance towards increasing tourism to Regional NSW through funding support.
Loss of Council Tourism Officer and Visitor Information Centre staff	Low Risk	All Councils have repeatedly reiterated throughout the consideration process of a new regional tourism entity that the job roles of all tourism-related Council staff will not be impacted.
Approval of Strategy and Funding for new entity	Medium Risk	Potential Strategy and Funding not approved and no industry-led regional tourism entity is developed. All Parties would then reconsider direction.
Strategy approved but Local Government funding contributions to new entity limited or reduced	Medium Risk	New entity under pressure to develop additional income streams, impact on resourcing and ability to deliver all destination marketing activities.

Industry Membership transition – membership growth not achieved	Medium Risk	Existing Brand Orange industry members will need to be transitioned with care to sustain the existing level of membership to the new organisation New entity to assess stakeholder strategy and communications.
Bookeasy income growth not achieved.	Medium Risk	New entity to assess whether platform provides the right functionality and that all distribution and marketing channels have been leveraged. Assign dedicated resource. Promote to stakeholders & provide training.
Loss of Brand Orange government stakeholder relationships and media partnerships	Medium Risk	Brand Orange has developed strong relationships with Tourism Australia, Destination NSW and NSW Trainlink representatives. It also has long-standing relationships with media partners such as ABC 702, 2GB, as well as various individual high-profile journalists and freelance writers. These relationships are not easily developed or replaced, and represent a loss of IP and goodwill if not handled carefully throughout the transition.
CENTROC Tourism	High Risk	Cabonne and Blayney Shire Councils decide to support a Central NSW tourism approach delivered through CENTROC, rather than supporting a focused regional tourism approach for Orange City, Cabonne and Blayney Shire. TDO Limited Board to address.
Loss of Brand Orange staff	High Risk	Loss of expert tourism and destination marketing staff due to high uncertainty with job roles. TDO Limited Board to address.
New regional tourism entity does not proceed and Local Government continues tourism management in silos	High Risk	Regional tourism sector development slows. Brand Orange Limited Board would then reconsider direction.

Constitution

of

Orange Region Tourism Limited

A Company Limited by Guarantee not having Share Capital

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Overview

This is the Constitution of Orange Region Tourism Limited.

The Company is a company limited by guarantee. The liability of its members is limited to the amount they have agreed to pay in the guarantee. The Company must always have at least one member and three directors.

The Constitution sets out the basis on which the Company is to be managed. Nothing in the Constitution is intended to derogate from the *Corporations Act*. That Act:

- imposes many obligations on the Company which are not reproduced in this Constitution;
and
- overrules anything in this Constitution to the extent that they are inconsistent.

This Constitution replaces the replaceable rules in the *Corporations Act*. Words used in the Constitution which have a meaning in the *Corporations Act* have the same meaning in this Constitution (unless expressly stated otherwise).

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Constitution of Orange Region Tourism Limited

A Company's name, Objects and powers

Name of the Company

1 The name of the Company is Orange Region Tourism Limited.

Objects

2 The Company's objects are all or any of the following:

2.1 promoting tourism.

Powers

3 The Company has:

3.1 the legal capacity and powers of an individual; and

3.2 all the powers of a body corporate (other than the power to issue shares).

4 However, the Company has those capacities and powers only to the extent:

4.1 necessary, or convenient, to carry out the Company's objects; or

4.2 incidental to carrying out those objects.

B Members' liability and guarantee

Liability of Members

5 The liability of each Member is limited to the amount of the guarantee set in clause 6.

Guarantee by Members

6 If the Company is wound up while a person is a Member (or within one year after they stop being a Member) then that person must contribute up to \$1.00 to the Company for:

6.1 payment of the Company's debts and liabilities incurred before that person ceased to be a Member;

6.2 payment of the costs, charges and expenses of winding-up the Company; and

6.3 adjustment of the rights of the contributories among themselves.

C How the Company's income and property are to be applied

For the Company's objects

7 All of the Company's income and property must be applied solely towards the promotion of the Company's objects as set out in clause 2.

No dividends etc. to Members

- 8 The Company may not pay, or transfer, any of its income or property — directly or indirectly — by way of dividend, bonus or otherwise to any person who is or has been a Member.

Remuneration and expenses for Members allowed

- 9 Regardless of clause 8, the Company may pay remuneration in good faith to any Member, officer or employee of the Company in return for any good or services they provide to the Company in the ordinary and usual course of business.
- 10 The Board may authorise the repayment of any expenses a Member incurs for the Company, or in connection with performing their duties for the Company.

Payments to directors: restrictions, remuneration, expenses

- 11 If the Company is to pay any remuneration to a Director for services rendered in the capacity as a Director, then the remuneration must be on reasonable commercial terms and the Board must first have:
- 11.1 consented to the Director providing those services; and
 - 11.2 resolved to approve the amount of the payment.
- 12 If the Company is to pay any remuneration to a Director for services rendered in the capacity as an employee of the Company, then the Board must first have resolved to approve the terms of that employment.
- 13 The Board may authorise the repayment of any expenses a Director incurs for the Company, or in connection with performing their duties for the Company.

Loans and leases from Members

- 14 The Company may pay:
- 14.1 interest on money borrowed from any Member; and
 - 14.2 reasonable and proper rent for premises a Member leases to the Company.
- 15 For the purposes of clause 14, if a Member pays the Company a deposit, bond or other security for the payment of fees and charges levied under the Constitution, then that payment is not a loan from the Member.

D Fees imposed by the Company

Setting fees

- 16 The Board may prescribe:
- 16.1 a cost payable by Members by way of Membership fees and any other fees the Board thinks fit; and
 - 16.2 when and in what circumstances these fees are payable.

- 17 The Board must give Members at least one month's notice of any increase in the fees, or of a change in the due date for fees payable under clause 16.

E Membership

Members

- 18 The Company's Members are as follows (unless the Member has resigned under clause 35 or clause 37, or been expelled under clause 38):
- 18.1 the persons who are specified in the application to register the Company lodged under section 117 of the Act and who have consented to be Members; and
- 18.2 any other person the Board admits to Membership in accordance with this Constitution.

Register of Members

- 19 The Company must keep and maintain the Register in accordance with the Act and otherwise as the Board determines.
- 20 Any dispute that arises in relation to the Register must be referred to the Board. The Board's decision is final and binding on all Members (in the absence of manifest error).

Eligibility for membership

- 21 The following are eligible to be Members:
- 21.1 any person who has a demonstrated interest in the Company;
- 21.2 any person that the Board considers would benefit the Company by becoming a member; and
- 21.3 any person in a category of persons that the Company has determined to be eligible to be Members.

Types of membership

- 22 At any time, the Board may (subject to the Act) create different types of membership with different rights, obligations and restrictions.

Membership is not transferable

- 23 A Member may not transfer their Membership to another person.

Voting rights

- 24 A Member is entitled to one vote at a General Meeting of the Company.
- 25 However, the Board may suspend a member's entitlement to vote if the Member owes the Company any amount that is more than 3 months overdue (or such other period as the Board determines).

A Member's representative

- 26 If a Member or an Applicant is not a natural person, then it must appoint (in writing) a natural person as its Representative. The Member may remove and replace its Representative by giving written notice to the Board in a form the Board approves.
- 27 The Representative may, on the Member's behalf, exercise all the powers that the Member could exercise at a meeting or in voting on a resolution — unless those powers are restricted in a way set out in clause 28.
- 28 The document appointing the Representative may set out either or both of:
- 28.1 what the Representative is appointed to do; and
 - 28.2 any restrictions on what the Representative may do.
- 29 If the appointment is made by reference to a position held, then the appointment must identify the position.
- 30 The Company must arrange for:
- 30.1 the name and address of the Representative to be entered in the Register; and
 - 30.2 all correspondence and notices from the Company to the Member to be served on that Representative.

Applying and being admitted to Membership

- 31 A person's Application to be a Member must be made in the form, and accompanied by any fee, the Board has set.
- 32 The Board will consider and, in its absolute discretion, accept or reject an Application. If the Board rejects an Application, then:
- 32.1 it must arrange for any money the Applicant tendered with the Application to be repaid to the Applicant, without interest; and
 - 32.2 the Board does not have to give any reasons for the rejection.
- 33 An Applicant does not become a Member until the Company has:
- 33.1 received any fee that applies; and
 - 33.2 the name and address of the Applicant (and its Representative if relevant) are entered in the Register.
- 34 Each Member is liable for all taxes, duty and charges payable in respect of their Application, their Membership and any related transaction or document. Each Member indemnifies the Company and will keep it indemnified in respect of any liability for all those amounts.

Resigning from Membership: and ongoing liability

- 35 A Member may resign from Membership by giving written notice to the Company. When the notice period expires, the Member stops being a Member but:
- 35.1 they remain liable for any money they owe the Company; and
- 35.2 under clause 6, they remain liable for another 12 months.
- 36 A Member also resigns if they owe the Company any amount that is more than 6 months overdue (the Board may change the length of that period). If a Member resigns under this clause, then the Board may reinstate their membership if they pay the outstanding amount.

Expelling and disciplining a Member

- 37 The Board may — in the way described in clause 38 — expel a Member or implement appropriate disciplinary action if the Member:
- 37.1 has committed a breach of any obligation or duty under this Constitution; or
- 37.2 has engaged in conduct detrimental to the interests of the Company.
- 38 For any expulsion or discipline to be valid:
- 38.1 at least 21 days before the Board meeting at which the resolution is considered, the Member must be given written notice of:
- the meeting;
 - the intended resolution; and
 - the particulars of the alleged act, omission or conduct complained of;
- 38.2 at the meeting (and before the resolution is passed), the Member must be given the opportunity to explain themselves in writing or orally (or both if they request it);
- 38.3 if the Member does give an explanation, then the Board must take it into account;
- 38.4 the relevant resolution must be passed by 75% of the Directors present and voting;
- 38.5 the Board must arrange for the Member to be given written notice of any Board resolution on the matter; and
- 38.6 if the Board resolves to expel the Member, then the Member ceases to be a Member when the Board serves them with the notice. Also the Member's name will be removed from the Register as set out in clause 39.

Removing an expelled Member's name from the Register

- 39 If a Member is expelled from the Company, then their name (and that of any Representative they have appointed) must be removed from the Register. The Company has no liability to the Member in respect of their removal from the Register.
- 40 When a Member's name is removed from the Register, the Member no longer has:
- 40.1 any rights or privileges attaching to Membership; or

40.2 any rights which they had against the Company that arose out of their Membership.

F General Meetings: frequency and notice

Annual General Meeting required

- 41 The Company must hold an Annual General Meeting:
- 41.1 in every calendar year;
 - 41.2 within five months after the end of its financial year; and
 - 41.3 at the time and place the Board determines.

Convening Extraordinary Meetings

- 42 An Extraordinary Meeting may be convened:
- 42.1 by the Board at such time and place as the Board thinks fit, (as long as it complies with the Act); and
 - 42.2 by Members as allowed under the Act.

Notice of General Meetings

- 43 The Board must give at least 21 days' written notice of a General Meeting to the Members, the Directors and the Auditor (unless a change to that arrangement is made under clause 45). The notice must specify:
- 43.1 the place, the day and the hour of meeting (and if the meeting is to be held in two or more places, the technology that will be used to facilitate this);
 - 43.2 the general nature of the meeting's business;
 - 43.3 the details of any special resolutions to be proposed at the meeting; and
 - 43.4 that Members are entitled to appoint a proxy who must be a Member.
- 44 A Member that is a company is responsible for notifying its Representative of any General Meeting.

Changing the notice procedure for General Meetings

- 45 A meeting may be convened in a way other than, and on shorter notice than, clause 43 requires as long as:
- 45.1 all the Members entitled to vote at the meeting consent to the change beforehand; and
 - 45.2 the notice and the shorter notice period comply with the Act.

Failure to receive Notice

- 46 A meeting and its proceedings and resolutions are valid even if any one or more of the following is the case:

- 46.1 the Company accidentally omitted to give notice of a meeting to any Member; or
- 46.2 any Member did not receive notice of the meeting.

G General Meetings: proceedings

Use of technology in conferencing

- 47 The Chair may (with the approval of the meeting) confer with Members and others by radio, telephone, facsimile, computer, Internet, closed circuit television or other electronic means of audio or audio-visual communication. Any resolution passed using such a system is to be treated as having been passed at a meeting of the Members held on the day and at the time the conference was held — even if the Members were not present together in one place at the time. This clause does not limit the discretion of the Members to regulate their meetings.
- 48 The provisions of this Constitution regulating the proceedings of the Members apply so far as they are capable to such conferences.

Business at the meeting

- 49 The ordinary business of an Annual General Meeting may include:
 - 49.1 considering any annual financial report, directors' report and Auditor's report;
 - 49.2 electing and appointing Directors; and
 - 49.3 appointing the Auditors and fixing the Auditor's remuneration (if the Company is required to have an auditor).
- 50 All other business at an Annual General Meeting, and all business at an Extraordinary Meeting, is regarded as special business.

Quorum required

- 51 For any business to be transacted at any General Meeting — except the adjournment of the meeting — a quorum must be present. The quorum for a General Meeting is 20% of the Membership, present in person or by Representative, proxy or attorney.

If no Quorum present

- 52 If a quorum is not present within half an hour after the time appointed for a General Meeting then:
 - 52.1 if the meeting was convened on the requisition of Members, then it will be dissolved; or
 - 52.2 in any other case, the meeting will be adjourned to the same day in the next week at the same time and place (or at such other place as the Chair decides). If at that adjourned meeting a quorum is not present within fifteen minutes after the time appointed for holding the meeting, then the Members present are a valid quorum.

Chair of the meeting

- 53 The Chair or in the Chair's absence, the Deputy Chair is to preside as chair at every General Meeting.
- 54 If at any General Meeting neither the Chair nor the Deputy Chair is present within fifteen minutes after the time appointed for holding the meeting (or if neither is willing to preside), then the Members present are to choose a Director to preside. If no Director is present (or if all Directors present decline to preside), then those persons present will choose a Member who is present to preside as Chair.

Adjourning (and resuming) a meeting

- 55 The Chair of a General Meeting:
- 55.1 may, with the consent of the Members present and entitled to vote at any meeting, and at which a quorum is present, adjourn a meeting; and
 - 55.2 must adjourn a meeting if the meeting directs them to do so.
- 56 If the Chair adjourns a General Meeting, then they may do so to another time or place (or both).
- 57 If a General Meeting is adjourned for one month or more, then the Company must arrange for a new notice of the adjourned meeting to be given.
- 58 After an adjourned meeting is resumed, the only business that may be transacted at the meeting is business that was unfinished before the adjournment.

Auditor attending etc. meeting

- 59 The Auditor is entitled:
- 59.1 to attend any General Meeting of the Company;
 - 59.2 to receive the same notices of, and other communications relating to, any General Meeting that a Member is entitled to receive; and
 - 59.3 to be heard at any General Meeting which the Auditor attends on any part of the business of the meeting which concerns the Auditor in that capacity. The Auditor's right to be heard exists even if the Auditor retires at that meeting or if a resolution to remove the Auditor from office is passed at that meeting.

H General Meetings: voting

Show of hands vote

- 60 Every item of business submitted to a General Meeting is to be decided in the first instance by a show of hands of the Members, or their Representatives, who are personally present and entitled to vote. The Chair will not have a casting vote.

Evidence of resolution

- 61 It is conclusive evidence that a resolution has been passed (regardless of whether there is any proof of the number or proportion of the votes recorded in favour of or against the resolution) if:
- 61.1 the Chair declares that a resolution has been passed or lost (having regard to the majority required); and
 - 61.2 an entry to that effect has been made in the Company's books and signed by the Chair of that, or the next meeting.

Poll vote

- 62 The Chair or any Member present (personally or by Representative, proxy or attorney) may demand a poll before, or on the declaration of the result of, a show of hands. Any person who has demanded a poll may withdraw their demand.
- 63 A poll demanded on any question of adjournment must be taken before any adjournment.
- 64 The poll is to be taken:
- 64.1 in the manner and at the time and place as the Chair of the meeting directs; and
 - 64.2 either at once or after an interval or adjournment or otherwise.
- 65 The result of the poll is to be the resolution of the meeting at which the poll was demanded.
- 66 If there is a dispute as to the admission or rejection of a vote, then the Chair will finally determine that dispute.
- 67 At a poll, the Chair will not have a casting vote.

Continuing with other business before a Poll

- 68 After a poll has been demanded, the meeting may continue with any business other than the issue on which poll has been demanded.

I General Meetings: appointing a proxy

Eligibility to be proxy

- 69 Any Member may:
- 69.1 appoint a natural person who is a Member, or a Representative, as a proxy to vote on the Member's behalf; and
 - 69.2 may direct the proxy to vote either for or against each or any resolution.

Company receiving notice of proxy

- 70 For an appointment of a proxy to be valid, the Company must receive the document appointing the proxy (and an original, or certified copy, of the power of attorney, if any, under which it is signed):

- 70.1 at least 48 hours before the time for holding the relevant meeting or adjourned meeting or poll; and
- 70.2 at one of:
- the Registered Office;
 - a fax number at the Registered Office; or
 - a place, fax number or electronic address specified for such purpose in the notice of meeting.

71 An instrument appointing a proxy is valid for any adjournment of the meeting to which it relates — unless it states something to the contrary.

Form of proxy

- 72 An instrument appointing a proxy must be signed by the appointor, or his or her attorney, and must contain the following information:
- 72.1 the Company name;
- 72.2 the Member's name and address;
- 72.3 the Member's type of Membership;
- 72.4 the proxy's name or the name of the office held by the proxy; and
- 72.5 the meetings at which the appointment may be used.

Proxy's voting instructions

73 A document appointing a proxy may specify the way in which the proxy is to vote for a particular resolution. If it does so, then the proxy must vote on the resolution as specified.

Proxy's authority

- 74 A document appointing a proxy will be treated as giving the proxy:
- 74.1 authority to demand, or join in demanding, a poll; and
- 74.2 the power to act generally at the meeting for the person giving the proxy (except to the extent to which the proxy is specifically directed to vote for or against any proposal).

J General Meeting: appointing an attorney

Member appointing an attorney

- 75 Any Member may, by duly executed power of attorney, appoint an attorney to act on the Member's behalf at all, or certain specified, meetings of the Company. If the attorney wishes to appoint a proxy for the Member granting the power of attorney, then the attorney must at the Registered Office (or any other place the Board determines) produce:
- 75.1 the power of attorney for inspection; and

75.2 any evidence the Board requires that it has been properly executed.

Directors appointing an attorney of the Company

76 The Directors may, by power of attorney, appoint any person whether nominated directly or indirectly by the Directors to be an attorney or attorneys of the Company. The appointment:

76.1 may be for any purposes and with powers, authorities and discretions (not exceeding those vested in, or exercisable by, the Directors under this Constitution);

76.2 may authorise any attorney to sub-delegate all or any of the powers, authorities and discretions vested in them;

76.3 may be for periods and on conditions as the Directors think fit; and

76.4 may contain provisions for the protection and convenience of persons dealing with any attorney as the Directors think fit.

K General Meeting: voting by attorney or proxy

Validity of vote after death or revocation

77 If a person who has appointed a proxy or attorney has either died or revoked the appointment but any notice in writing of the death or revocation has not been received at the Registered Office before the meeting, then a vote given in accordance within the terms of appointment will be valid.

Person who has appointed proxy or attorney may attend meetings

78 A person who has appointed a proxy or attorney may attend and take part in a meeting. Doing so does not revoke the appointment — unless the person votes on the resolution to which the appointment applies.

L Directors

Number and qualifications of Directors

79 The number of Directors comprising the Board will be at least 3 and no more than 3 elected by the Members in accordance with this Constitution — except as provided in clauses 82.3 and 84.

80 Each Director must be a financial Member or a Representative of a financial Member.

Length of appointment

81 Each elected Director will hold office:

81.1 from the end of the Annual General Meeting at which they were elected;

81.2 until the end of the following Annual General Meeting — at that time, they must retire (but they are eligible for re-election).

Election of Directors

- 82 Directors will be elected in the following way:
- 82.1 Any two Members may nominate any Member or Representative to serve as a Director.
- 82.2 The nomination of any Member or Representative as a candidate for election as a Director must be:
- in writing and signed by the nominated person and their proposer and seconder; and
 - lodged with the Secretary at least 30 days before the Annual General Meeting at which the election is to take place (or any other scheduled General Meeting).
- 82.3 If the number of nominated candidates:
- *is no more than the number of vacancies*, then the Chair of the Annual General Meeting will declare those candidates elected as Directors.
 - *is more than the number of vacancies*, then the Company Secretary will arrange for balloting lists to be prepared containing the names of the candidates in an order determined by lot. The Board may determine the method of the ballot. Each Member is entitled to vote for any number of candidates not exceeding the number of vacancies.
 - *is not enough to meet the required minimum number of Directors*, then the Board must appoint a Member or Representative as Director (as long as they consent) until there is at least the minimum number of Directors.

Officers on the Board

- 83 At the first meeting of the Board after the Annual General Meeting, the Directors will elect from among their number a Chair, a Deputy Chair, a Secretary and a Treasurer (one Director may fill more than one position). Each of them will hold office until the end of the next Annual General Meeting.

Casual vacancies

- 84 If there is a casual vacancy in the office of Director, then the Board may appoint a replacement Director. That replacement Director holds office until the end of the next Annual General Meeting.

Disqualification of Directors

- 85 The office of a Director will be vacated if the Director:
- 85.1 is a Member, or a Representative of a Member, and they become bankrupt or make any arrangement or composition with their creditors;
- 85.2 is a Representative of a Member and that Member resigns or is expelled as a Member;

- 85.3 is a Representative of a Member which is not a natural person, and a winding up order is made in respect of that Member;
- 85.4 becomes of unsound mind;
- 85.5 is absent for three consecutive Board Meetings without leave of the Board (unless the Board resolves to the contrary);
- 85.6 resigns from their Directorship by giving written notice to the Company; or
- 85.7 ceases to hold office by reason of any order made under the Act.

First directors

- 86 The first Directors are the persons set out as Directors in the application to register the Company lodged under section 117 of the Act. The first Directors will hold office until the end of the first Annual General Meeting, at which point they will cease being directors but will be eligible for re-election.

M Powers of the Board

The board controls and directs the company

- 87 The control and direction of the Company and the management of its property and affairs are vested in the Board.
- 88 The Board may exercise all powers of the Company that are not required to be exercised or done by the Company in General Meeting.

Borrowing

- 89 The Board may raise money in any manner it thinks fit including by borrowing money (whether on the security of the Company's assets or not) and the issuing of a security for any other purpose — so long as this is done to further the Company's objects set out in clause 2.

Investment

- 90 The Board may invest the Company's money in any manner, and for any period, it thinks fit.

Negotiable instruments

- 91 Two Directors, or one Director and some other officer authorised by the Board for the purpose, may sign, draw, accept, endorse or otherwise execute (as the case may be) the following documents for and on behalf of the Company: all cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for money paid to the Company.

N Proceedings of the Board

General

- 92 The Board may meet for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit.
- 93 The Board must meet at least 1 times a year.

Use of technology in Board conferencing

- 94 The Board may, if it thinks fit, confer by radio, telephone, facsimile, computer, Internet, closed circuit television or other electronic means of audio or audio-visual communication. Any resolution passed using such a system is to be treated as having been passed at a meeting of the Board held on the day and at the time the conference was held — even if the Directors were not present together in one place at the time. This clause does not limit the discretion of the Board to regulate its meetings.
- 95 The provisions of this Constitution regulating the proceedings of the Board apply so far as they are capable to such conferences.

Notice of meeting

- 96 At any time, the Board may convene a Board meeting by notice served on each Director. The Secretary is to arrange that notice at the request of the Chair or Deputy Chair.
- 97 The proceedings of a Board meeting are valid even if:
- 97.1 the Company accidentally omitted to give notice of a meeting to any Director; or
 - 97.2 any Director did not receive notice of the meeting.

Quorum

- 98 A quorum for Board meetings is (unless the Board determines otherwise) if the number of Directors:
- 98.1 is an even number, half of the Board plus one other director; or
 - 98.2 is an odd number, the odd number nearest to, and greater than, half of the number of Directors.

Chair

- 99 The Chair, or in the Chair's absence the Deputy Chair, is to chair every Board meeting.
- 100 If at a Board meeting neither the Chair nor the Deputy Chair is present within fifteen minutes after the time appointed for holding that meeting (or if neither is willing to chair), then the Directors present will choose one of their number to chair the meeting.

Voting

- 101 Questions arising at any meeting will be decided by a majority of votes. Each Director present is entitled to one vote. The Chair does not have a casting vote.

- 102 However, the Board may suspend a Director's entitlement to vote if the Director (or the Member for whom the Director is a Representative) owes the Company any amount that is more than 3 months overdue (or such other period as the Board determines).

Delegation by the Board

- 103 Subject to clause 104, the Board may, as it thinks fit, delegate any of its powers to individual Directors or Members or to committees. A committee may consist of the Directors or Members (or both) that the Board thinks fit. Any individual or committee must comply with any Board direction about how to execute the delegated powers.
- 104 The Board may not delegate its power to delegate.
- 105 The meetings and proceedings of any committee will be governed by the provisions of this Constitution that regulate the meetings and proceedings of the Board so far as they apply and so far as the Board has not replaced them.

Defects in appointment

- 106 An act done in good faith by any meeting of the Board, any meeting of any committee formed by the Board or by any person acting as a Director will not be invalidated merely because of:
- 106.1 any defect in the election, appointment or tenure of a Director or person acting on any such committee; or
- 106.2 the disqualification of any of them.

O Board minutes and circulated resolutions

Making Board resolutions

- 107 The Board may make resolutions either:
- 107.1 in a meeting, of which minutes must be kept as set out in clause 108; or
- 107.2 by circulated resolution which must be made and kept as set out in clause 109.

Minutes to be kept

- 108 The Board must arrange for:
- 108.1 proper minutes to be made of the proceedings and resolutions of all meetings of the Company, the Board and committees formed by the Board;
- 108.2 the minutes to be entered in books kept for that purpose; and
- 108.3 the minutes to be signed by the Chair of the meeting or by the Chair of the next meeting.

Circulated Resolution General

- 109 If all the Directors have signed a document containing a statement that they are in favour of a resolution set out in the document, then that resolution is to be treated as having been passed as a Circulated Resolution at a meeting of the Board held at the time and date on which the resolution was last signed by a Director. (However, the reference to "all the Directors" in this clause does not include any Director who is not entitled to vote on the Resolution.)
- 110 Any Circulated Resolution may consist of several documents in identical terms, each signed by one or more Directors and must be entered in the relevant book of minutes of the Company.

Evidence of proceedings and resolutions

- 111 A minute or Circulated Resolution that is recorded and signed in accordance with clause 108 or 109 to 110 (as the case may be) is evidence of the proceeding or resolution to which it relates (unless the contrary is proved).

P Accounts

Accounts to be kept

- 112 The Board must arrange for the Company to keep proper books of account that:
- 112.1 record true and complete accounts of the affairs and transactions of the Company; and
 - 112.2 give a true and fair view of the state of the Company's affairs and explain its transactions.

Location and inspection of accounts

- 113 The Board must arrange for the books of account:
- 113.1 to be kept at the Registered Office, or in a place or places it thinks fit; and
 - 113.2 to be open to the inspection of the Directors during usual business hours.

Auditor

- 114 The Company will comply with the Act in relation to the appointment, removal and resignation of an Auditor.

Q Indemnity

Definition of Liability and Officer

- 115 In clauses 116 to 118:
- 115.1 **Liability** means costs, losses, liabilities and expenses.

115.2 **Officer** means a Director, secretary or other officer of the Company and includes a former Officer, but does not include an auditor or agent of the Company.

Indemnity of Officers

116 The Company must indemnify every Officer out of the assets of the Company against any Liability incurred by that Officer in their capacity as an Officer by reason of any act or thing done or omitted to be done by that person:

116.1 in that capacity; or

116.2 in any way in the discharge of that person's duties; or

116.3 by reason of or relating to the person's status as an Officer.

117 However, the indemnity in clause 116 does not extend to any Liability from, or against, which the Company is not permitted by the Corporations Act to exempt or indemnify the Officer.

Indemnity for Proceedings

118 Without limiting clause 116, the Company must indemnify every Officer out of the assets of the Company against any Liability incurred by that person in defending proceedings, whether civil or criminal, in respect of any act or thing done by the Officer in that person's capacity as such Officer.

119 However, the indemnity in clause 118 does not extend to any Liability from, or against, which the Company is not permitted by the Corporations Act to exempt or indemnify the Officer.

R Notices

120 The Company may serve notice on any Member in the ways shown in the left hand column of the table below. A notice will be taken to be served at the time shown in the right-hand column of that table on the relevant row. Any notice to be served on a Representative is served by serving it on the relevant Member.

Way of serving notice	Timing of notice taken to be
Personally	When served
By sending it through the ordinary post to the Member's Registered Address	3 days after the day it is posted. In proving service, it is sufficient to prove that the envelope containing the notice was properly addressed and deposited as a prepaid letter at the post office or in some postal receptacle.
By leaving it at their Registered Address in an envelope addressed to the Member.	Business Day: The same day it is left at the Registered Address. Non-Business Day: the Business Day after it is left at the Registered Address.
By sending it to the fax number or electronic address (if any) nominated by the Member.	On the Business Day after it is sent.

- 121 A certificate in writing signed by the Secretary or any officer of the Company that the envelope containing the notice was properly stamped, addressed and posted or delivered will be conclusive evidence of the service of such notice.

S Distribution of property on winding-up

- 122 If on the winding-up or dissolution of the Company after all its debts and liabilities have been satisfied there remains any property, then that property must not be paid to or distributed among the Members.
- 123 Instead, this property must be given or transferred to some other institution or institutions that have:
- 123.1 objects similar to the objects of the Company (if there is one); and
 - 123.2 a Constitution which prohibits the distribution of its income and property among its members to an extent at least as great as is imposed on the Company under clause 7 of this Constitution.
- 124 Choosing which institution or institutions the Company will transfer this property to must be done by:
- 124.1 a special resolution of the Members at or before the time of the Company's dissolution; or
 - 124.2 if no such special resolution is passed, then by a Judge or Registrar of the Supreme Court or such other court of competent jurisdiction.

T Replaceable Rules displaced

- 125 Each of the provisions of the Act that would, but for this clause, apply to the Company as a replaceable rule is expressly displaced and does not apply to the Company.

U Definitions and Interpretation

- 126 In this Constitution:

Act means the *Corporations Act 2001* (Commonwealth).

Annual General Meeting means the annual general meeting of Members.

Applicant means a person who lodges an Application under this Constitution.

Application means an application for Membership.

Auditor means the auditor or auditors of the Company, if the Company is required to have one. If the Company is not required to have an auditor, but has one, then it includes any such auditor.

Board means the board of directors of the Company.

Business Day means Monday to Friday excluding public holidays in the State or Territory the Company is registered in.

Chair means the Director who is elected to this office in accordance with clause 99.

Company means Orange Region Tourism Limited.

Constitution means this Constitution, as amended.

Deputy Chair means the Director who is elected to this office in accordance with clause 83.

Directors means the members individually or collectively of the Board.

Extraordinary Meeting means a General Meeting of Members other than an Annual General Meeting.

General Meeting means an Annual General Meeting or an Extraordinary Meeting of the Company.

Member means a person admitted to Membership in accordance with this Constitution.

Membership means membership of the Company.

Register means the register of Members kept in accordance with the Act.

Registered Address means the address of a Member shown in the Register.

Registered Office means the registered office of the Company.

Representative means a person as described in clause 25.

Secretary means the Director who is elected to this office in accordance with clause 83.

Treasurer means the Director who is elected to this office in accordance with clause 83.

127 In this Constitution, unless the context requires otherwise:

- 127.1 a person includes a corporate body, association, firm, partnership, or other unincorporated body;
- 127.2 a statute includes regulations under it and consolidations, amendments, re-enactments or replacements of any of them;
- 127.3 this or any other document includes the document as varied or replaced regardless of any change in the identity of the parties;
- 127.4 a clause, schedule or appendix is a reference to a clause, schedule or appendix in or to this Constitution;
- 127.5 a word or phrase that is defined has the corresponding meaning in its other grammatical forms
- 127.6 writing includes all modes of representing or reproducing words in a legible, permanent and visible form;
- 127.7 the singular includes the plural and vice versa;
- 127.8 a gender includes all other genders; and
- 127.9 headings and sub-headings are inserted for ease of reference only and do not affect the interpretation of this Constitution.

V Limitations

- 128 Regardless of clauses 11, 12 and 13, any directors who are either councillors or council employees are not entitled to the payment of director's fees or other remuneration (reimbursement of out of pocket expenses is acceptable).
- 129 The Company shall not become a member of another corporation.
- 130 This Constitution shall not be amended except in accordance with the consent of the Minister for Local Government.

Schedule 1

Names and usual residential addresses of initial directors

Name of director	Usual residential address of director
[Director name]	[Director address]

Guarantee

The Members of the Company have each guaranteed the following amount on its establishment \$1.00.

Schedule 2

Statement by persons who have consented to be members of the company

I consent to become a member of the company. I agree to the form of this Constitution of the company.

Name of member	Usual residential address
[Member name]	[Member address]

Execution

Executed by
TDO Limited ACN 616158822, in its capacity
as member, in accordance with section
127(1) of the *Corporations Act* 2001 (Cwth):

Peter Hammond Robson, director

Anthony Arnold Cheney, director



Circular No. 07-49
Date 5 October 2007
Doc ID. A108632

Contact Chris Rowe
02 4428 4162
chris.rowe@dlg.nsw.gov.au

CRITERIA FOR APPLICATIONS UNDER SECTION 358 OF THE LOCAL GOVERNMENT ACT 1993 – FORMATION OF CORPORATIONS OR OTHER ENTITIES

This circular is to replace Circular No. 56 of 2006. An additional fourth administrative criteria for assessing applications has now been adopted.

Section 358 of the *Local Government Act 1993* restricts councils in forming or participating in the formation of a corporation or other entity without first obtaining the consent of the Minister for Local Government. This restriction also extends to acquiring a controlling interest in a corporation or other entity.

An entity for the purposes of section 358 of the Act means any partnership, trust, joint venture, syndicate or other body (whether or not incorporated). It does not include any such entity that is of a class prescribed by the Local Government (General) Regulation 2005 as not being within this definition. To date, the Regulation has not prescribed such a class.

It should be noted that the restrictions on the formation of corporations and other entities does not prevent a council from being a member of a co-operative society or a company limited by guarantee and licensed not to use the word "Limited" in its name.

In applying for the Minister's consent under section 358, the council must demonstrate that the formation of, or the acquisition of the controlling interest in, the corporation or entity is in the public interest. After assessing the application, the Department will make a recommendation to the Minister on the council's proposal.

As part of the Department's assessment of a council's application, we will have regard to the following:

1. *Is the proposal consistent with the functions of the council or an existing service that the council provides?*

This requirement is drawn from the power of a council to "provide goods, services and facilities and carry out activities appropriate to the current and future needs within its local community and of the wider public" that is contained in section 24 of the Act. This requirement is also consistent with council's general charter in section 8 of the Act.

Department of Local Government
5 O'Keefe Avenue NOWRA NSW 2541
Locked Bag 3015 NOWRA NSW 2541
T 02 4428 4100 F 02 4428 4199 TTY 02 4428 4209
E dlg@dlg.nsw.gov.au W www.dlg.nsw.gov.au ABN 99 567 863 195

To establish that a proposal is consistent with council's functions or services, the following should be provided in support of the application:

- Demonstration of the link between the proposal and community or public needs
- Detail on the general appropriateness of the council's involvement in the corporation or other entity
- Explanation as to how corporatisation or involvement in the entity would improve the economic performance and ability of the council to carry out its responsibilities
- Explanation of what measures will be employed to ensure that the activities of the corporation or entity will be accountable.

2. *Will the proposed entity be legally separated from the council?*

Applications must demonstrate that the initial capital and working capital of the corporation/entity can be identified and separated from the council. The application must also indicate how the council (both as a corporate body and its members personally) are protected from any liability that might arise as a result of the activities of the corporation/entity (including the activities of other partners).

To demonstrate adequate legal separation, council should address three main areas or activities of the proposed corporation or entity. These are:

- Legal structure (including liability of the council, councillors and council staff)
- Financial separation (confirmation that the accounting for the corporation or other entity is separate to the council's accounts)
- Management separation (details of the management structure of the corporation or other entity).

3. *Is the council currently financially viable?*

An assessment of the council's overall financial viability will be made on the basis of data that the council is routinely required to supply to the Department. However, council should also provide details about the costs expected to be incurred, and revenues expected to be received, by the council as a result of being involved in the corporation or other entity.

4. *What is the impact of the proposal on existing council staff?*

Will the proposal result in existing council staff being transferred to the employment of the corporation and if so, will the staff be employed on terms and conditions consistent with their previous employment with the council. Will the corporation guarantee the

3

continued employment of transferred staff for a period of at least 3 years. Will the corporation adopt an agreement to refer any industrial disputes to the NSW Industrial Relations Tribunal. Will the proposal result in existing council staff being made redundant.

Any council considering making an application under section 358 of the Act as part of a Public Private Partnership should, as well as referring to all four administrative criteria, also ensure that it follows the requirements outlined in Circular 05-51 "Public Private Partnerships Legislation and Guidelines".

In all other situations, it is recommended that councils refer to all four administrative criteria in making an application for the Minister's consent under section 358 of the Act.



Garry Payne AM
Director General

Blayney Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2017

*"an innovative, inspirational
and enjoyable environment..."*



Blayney Shire Council

General Purpose Financial Statements

for the year ended 30 June 2017

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Overview

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

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

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

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

- (iii) All figures presented in these financial statements are presented in Australian currency.
- (iv) These financial statements were authorised for issue by the Council on 24 October 2017. Council has the power to amend and reissue these financial statements.
-

Blayney Shire Council

General Purpose Financial Statements for the year ended 30 June 2017

Understanding Council's financial statements

Introduction

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

What you will find in the statements

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

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

About the Councillor/Management Statement

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

About the primary financial statements

The financial statements incorporate five 'primary' financial statements:

1. The Income Statement

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

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

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

Who uses the financial statements?

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

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

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

Blayney Shire Council

General Purpose Financial Statements
for the year ended 30 June 2017

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 14 August 2017.



S J Ferguson
Mayor

A J Ewin
Councillor

R Ryan
General Manager

T Irlam
Responsible Accounting Officer

Blayney Shire Council

Income Statement

for the year ended 30 June 2017

Budget ¹ 2017	\$ '000	Notes	Actual 2017	Actual 2016
Income from continuing operations				
<i>Revenue:</i>				
10,408	Rates and annual charges	3a	10,479	10,444
1,973	User charges and fees	3b	2,399	1,960
385	Interest and investment revenue	3c	514	499
168	Other revenues	3d	221	258
4,250	Grants and contributions provided for operating purposes	3e,f	6,419	4,190
3,908	Grants and contributions provided for capital purposes	3e,f	2,314	3,135
<i>Other income:</i>				
179	Net gains from the disposal of assets	5	159	–
–	Net share of interests in joint ventures and associates using the equity method	19	144	203
21,271	Total income from continuing operations		22,649	20,689
Expenses from continuing operations				
5,886	Employee benefits and on-costs	4a	6,545	6,113
177	Borrowing costs	4b	157	165
2,785	Materials and contracts	4c	3,476	2,486
5,344	Depreciation and amortisation	4d	4,973	5,230
–	Impairment	4d	–	–
2,443	Other expenses	4e	2,674	2,122
–	Net losses from the disposal of assets	5	–	50
16,635	Total expenses from continuing operations		17,825	16,166
4,636	Operating result from continuing operations		4,824	4,523
Discontinued operations				
–	Net profit/(loss) from discontinued operations	24	–	–
4,636	Net operating result for the year		4,824	4,523
4,636	Net operating result attributable to Council		4,824	4,523
–	Net operating result attributable to non-controlling interests		–	–
728	Net operating result for the year before grants and contributions provided for capital purposes		2,510	1,388

¹ Original budget as approved by Council – refer Note 16

Blayney Shire Council

Statement of Comprehensive Income for the year ended 30 June 2017

\$ '000	Notes	Actual 2017	Actual 2016
Net operating result for the year (as per Income Statement)		4,824	4,523
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of I,PP&E	20b (ii)	693	2,010
Other comprehensive income – joint ventures and associates	19b	286	283
Total items which will not be reclassified subsequently to the operating result		979	2,293
Amounts which will be reclassified subsequently to the operating result when specific conditions are met			
Nil			
Total other comprehensive income for the year		979	2,293
Total comprehensive income for the year		5,803	6,816
Total comprehensive income attributable to Council		5,803	6,816
Total comprehensive income attributable to non-controlling interests		–	–

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

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Blayney Shire Council

Statement of Financial Position

as at 30 June 2017

\$ '000	Notes	Actual 2017	Actual 2016
ASSETS			
Current assets			
Cash and cash equivalents	6a	9,743	1,075
Investments	6b	7,500	16,000
Receivables	7	1,288	640
Inventories	8	1,063	839
Other	8	63	52
Non-current assets classified as 'held for sale'	22	650	-
Total current assets		20,307	18,606
Non-current assets			
Investments	6b	-	-
Receivables	7	126	208
Inventories	8	-	-
Infrastructure, property, plant and equipment	9	195,034	189,789
Investments accounted for using the equity method	19	20,975	20,545
Investment property	14	-	-
Intangible assets	25	173	241
Total non-current assets		216,308	210,783
TOTAL ASSETS		236,615	229,389
LIABILITIES			
Current liabilities			
Payables	10	2,143	748
Income received in advance	10	221	196
Borrowings	10	202	190
Provisions	10	1,753	1,623
Total current liabilities		4,319	2,757
Non-current liabilities			
Payables	10	2	1
Borrowings	10	1,780	1,982
Provisions	10	779	717
Total non-current liabilities		2,561	2,700
TOTAL LIABILITIES		6,880	5,457
Net assets		229,735	223,932
EQUITY			
Retained earnings	20	93,897	88,787
Revaluation reserves	20	135,838	135,145
Other reserves	20	-	-
Council equity interest		229,735	223,932
Non-controlling equity interests		-	-
Total equity		229,735	223,932

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

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Blayney Shire Council

Statement of Cash Flows for the year ended 30 June 2017

Budget 2017	\$ '000	Notes	Actual 2017	Actual 2016
Cash flows from operating activities				
Receipts:				
10,416	Rates and annual charges		10,494	10,426
1,945	User charges and fees		2,239	2,262
402	Investment and interest revenue received		475	525
8,083	Grants and contributions		8,740	7,310
-	Bonds, deposits and retention amounts received		9	-
161	Other		1,370	1,180
Payments:				
(5,886)	Employee benefits and on-costs		(6,393)	(5,893)
(2,850)	Materials and contracts		(3,614)	(3,424)
(166)	Borrowing costs		(141)	(152)
-	Bonds, deposits and retention amounts refunded		-	(4)
(2,443)	Other		(2,867)	(2,197)
9,662	Net cash provided (or used in) operating activities	11b	10,312	10,033
Cash flows from investing activities				
Receipts:				
1,000	Sale of investment securities		-	-
-	Sale of real estate assets		45	-
318	Sale of infrastructure, property, plant and equipment		341	263
42	Deferred debtors receipts		8	39
Payments:				
-	Purchase of investment securities		8,500	(2,500)
(11,723)	Purchase of infrastructure, property, plant and equipment		(10,268)	(7,449)
-	Deferred debtors and advances made		(80)	-
(10,363)	Net cash provided (or used in) investing activities		(1,454)	(9,647)
Cash flows from financing activities				
Receipts:				
1,200	Proceeds from borrowings and advances		-	-
Payments:				
(219)	Repayment of borrowings and advances		(190)	(177)
981	Net cash flow provided (used in) financing activities		(190)	(177)
280	Net increase/(decrease) in cash and cash equivalents		8,668	209
626	Plus: cash and cash equivalents – beginning of year	11a	1,075	866
906	Cash and cash equivalents – end of the year	11a	9,743	1,075
Additional Information:				
	plus: Investments on hand – end of year	6b	7,500	16,000
	Total cash, cash equivalents and investments		17,243	17,075

Please refer to Note 11 for additional cash flow information.

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

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Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

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n/a – not applicable

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies

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

(a) Basis of preparation

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

(i) New and amended standards adopted by Council

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

AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 and AASB 11]. The adoption of this standard has no impact.

(ii) Early adoption of standards

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

(iii) Historical cost convention

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

(iv) Significant accounting estimates and judgements

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

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

Critical accounting estimates and assumptions

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

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

Significant judgements in applying the Council's accounting policies

- (i) Impairment of Receivables

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

(b) Revenue recognition

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

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

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

(i) Rates, annual charges, grants and contributions

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

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

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

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

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

(ii) User charges and fees

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

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

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

(iv) Interest

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

(v) Rent

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

(vi) Dividend income

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

(vii) Other income

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

(c) Principles of consolidation

(i) The Consolidated Fund

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

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

- General Purpose Operations
- Blayney Sewerage Fund
- Millthorpe Sewerage Fund

(ii) The Trust Fund

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

Trust monies and property held by Council but not subject to the control of Council have been excluded

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

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

(iii) County Councils

Council is a member of the following county councils (which are bodies incorporated under the Local Government Act):

▪ Upper Macquarie County Council

UMCC is a noxious weeds Council whose purpose is to control and eradicate noxious weeds in the area. UMCC manages noxious weed control in the following local government areas of:

- Bathurst Regional Council
- Blayney Shire Council
- Lithgow City Council
- Oberon Council

▪ Central Tablelands Water County Council

Central Tablelands Water is the water authority whose purpose is to provide the supply of water services in its area. CTWCC is the water authority in the local government areas of:

- Blayney Shire Council
- Cabonne Council
- Weddin Shire Council

Council is of the opinion that it has significant influence over the county council/s and has accordingly accounted for it as an associate.

Detailed information relating to Council's interest in the above county council/s can be found at Note 19 (b).

(iv) Interests in other entities

Subsidiaries

Council has no interest in any subsidiaries.

Joint arrangements

Council has no interest in any joint arrangements.

(d) Leases

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

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

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

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

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

(e) Impairment of assets

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

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

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(f) Cash and cash equivalents

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

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

(g) Inventories

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

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

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

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

(ii) Inventory held for distribution

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

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

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

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

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

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

They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets; assets arising from employee benefits; financial assets; and investment properties that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

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

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

disposal group classified as held for sale continue to be recognised.

(i) Investments and other financial assets

Classification

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

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

(i) Financial assets at fair value through profit or loss

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

(ii) Loans and receivables

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

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

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

Recognition and de-recognition

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

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

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

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

Subsequent measurement

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

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

Impairment

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

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

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

(i) Assets carried at amortised cost

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

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

Collectability of receivables is reviewed on an on-going basis. Debts that are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of receivables) is used when there is

objective evidence that Council will not be able to collect all amounts due according to the original terms of the receivables.

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

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

Investment Policy

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

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

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

(j) Fair value estimation – financial instruments

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

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

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

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

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

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

Externally valued:

- Buildings – specialised/non-specialised
- Roads assets including roads, bridges and footpaths
- Bulk earthworks
- Stormwater drainage
- Water and sewerage networks

Internally valued:

- Operational land
- Community land
- Land improvements
- Other structures

- Sewerage networks
- Other open space/recreational assets
- Other assets

As approximated by depreciated historical cost:

- Plant and equipment

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

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

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

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

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

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

Depreciation

Land is not depreciated.

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

Plant and Equipment

- Office Equipment	5 to 10 years
- Office furniture	10 to 20 years
- Computer Equipment	4 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 15 years
- Benches, seats etc.	10 to 20 years

Buildings

- Buildings: Masonry	50 to 100 years
- Buildings: Other	20 to 40 years

Stormwater Drainage

- Drains	80 to 100 years
- Culverts	50 to 80 years

Transportation Assets

- Sealed Roads: Surface	20 years
- Sealed Roads: Structure	50 years
- Unsealed roads: Base	10 to 25 years
- Unsealed Roads: Sub Base	150 years
- Bridge: Concrete	100 years
- Bridge: Other	50 years
- Road Pavements	40 to 150 years
- Kerb, Gutter and Paths	40 years

Sewer Assets

- Reticulation pipes: PVC	80 years
- Reticulation pipes: Other	25 to 75 years
- Pumps and telemetry	15 to 20 years

Other Infrastructure Assets

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

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

(l) Investment property

Council does not hold any investment property.

(m) Payables

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

(n) Borrowings

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

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

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

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

Blayney Shire Council

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

Note 1. Summary of significant accounting policies (continued)

(o) Borrowing costs

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

(p) Provisions

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

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

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

(q) Employee benefits

(i) Short-term obligations

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

The liability for annual leave and accumulating sick leave is recognised in the provision for employee

benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations

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

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

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

(iii) Retirement benefit obligations

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

Defined Benefit Plans

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

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

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

Defined Contribution Plans

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

(r) Land under roads

Land under roads 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.

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

(s) Self-insurance

Council does not self-insure.

(t) Intangible assets

IT development and software

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

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

(u) Crown reserves

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

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

(v) Rural fire service assets

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

Until such time as discussions on this matter have concluded and the legislation changed, Council will continue to recognise rural fire service assets including land, buildings, plant and vehicles.

(w) Goods and Services Tax (GST)

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

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

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

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

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

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

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

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

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

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

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

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

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

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

AASB 9 *Financial Instruments (December 2009)*

AASB 15 *Revenue from Contracts with Customers*

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

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

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

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

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

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

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

AASB 16 *Leases*

AASB 16 *Leases (Appendix D)*

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

(y) Rounding of amounts

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

(z) Comparative figures

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

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

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

GOVERNANCE

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

ADMINISTRATION

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

PUBLIC ORDER AND SAFETY

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

HEALTH

Includes immunisation, food control, health centres etc.

ENVIRONMENT

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

COMMUNITY SERVICES AND EDUCATION

Includes administration and education; social protection (welfare); migrant, Aboriginal and other community services and administration (excluding accommodation – as it is covered under 'housing and community amenities'); youth services; aged and disabled persons services; children's' services, including family day care; child care; and other family and children services.

HOUSING AND COMMUNITY AMENITIES

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

SEWERAGE SERVICES

RECREATION AND CULTURE

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

MINING, MANUFACTURING AND CONSTRUCTION

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

TRANSPORT AND COMMUNICATION

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

ECONOMIC AFFAIRS

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

Blayney Shire Council

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

Note 3. Income from continuing operations

\$ '000	Actual 2017	Actual 2016
(a) Rates and annual charges		
Ordinary rates		
Residential	1,755	1,607
Farmland	1,968	2,064
Mining	2,539	2,479
Business	405	332
Total ordinary rates	6,667	6,482
Special rates		
Community centre refurbishment	–	275
Mining special rate	1,688	1,684
Total special rates	1,688	1,959
Annual charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)		
Domestic waste management services	972	1,008
Sewerage services	1,018	995
Waste management services (non-domestic)	134	–
Total annual charges	2,124	2,003
TOTAL RATES AND ANNUAL CHARGES	10,479	10,444

Council has used 2016 year valuations provided by the NSW Valuer General in calculating its rates.

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 3. Income from continuing operations (continued)

\$ '000	Actual 2017	Actual 2016
(b) User charges and fees		
Specific user charges (per s.502 – specific 'actual use' charges)		
Sewerage services	200	193
Total user charges	200	193
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s.608)		
Building regulation	220	228
Private works – section 67	202	165
Section 149 certificates (EPA Act)	20	16
Section 603 certificates	17	15
Other	8	5
Total fees and charges – statutory/regulatory	467	429
(ii) Fees and charges – other (incl. general user charges (per s.608))		
Cemeteries	44	41
Fire and emergency services levy (FESL) implementation	266	–
Lease rentals	204	223
Leaseback fees – Council vehicles	56	54
Multipurpose centre	356	329
Quarry revenues	236	257
RMS (formerly RTA) charges (state roads not controlled by Council)	402	287
Waste disposal tipping fees	161	141
Other	7	6
Total fees and charges – other	1,732	1,338
TOTAL USER CHARGES AND FEES	2,399	1,960

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 3. Income from continuing operations (continued)

\$ '000	Actual 2017	Actual 2016
(c) Interest and investment revenue (including losses)		
Interest		
– Interest on overdue rates and annual charges (incl. special purpose rates)	14	16
– Interest earned on investments (interest and coupon payment income)	495	483
– Interest on deferred debtors	5	–
<u>TOTAL INTEREST AND INVESTMENT REVENUE</u>	<u>514</u>	<u>499</u>
Interest revenue is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	14	16
General Council cash and investments	327	290
Restricted investments/funds – external:		
Development contributions		
– Section 94	20	21
– Section 64	23	23
Sewerage fund operations	130	149
<u>Total interest and investment revenue recognised</u>	<u>514</u>	<u>499</u>
(d) Other revenues		
Rental income – other council properties	8	7
Legal fees recovery – other	30	22
Cemeteries	–	7
Diesel rebate	73	96
Insurance rebates	56	42
Insurance claim recoveries	14	3
Paid parental leave	–	47
Recycling income (non-domestic)	–	1
Tourism promotions	–	7
Other	40	26
<u>TOTAL OTHER REVENUE</u>	<u>221</u>	<u>258</u>

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 3. Income from continuing operations (continued)

\$ '000	2017 Operating	2016 Operating	2017 Capital	2016 Capital
(e) Grants				
General purpose (untied)				
Financial assistance – general component	2,424	1,618	–	–
Financial assistance – local roads component	1,189	788	–	–
Pensioners' rates subsidies – general component	49	53	–	–
Total general purpose	3,662	2,459	–	–
Specific purpose				
Pensioners' rates subsidies:				
– Sewerage	15	15	–	–
– Domestic waste management	28	24	–	–
Bushfire and emergency services	–	–	109	60
Cemeteries	–	15	–	–
Domestic waste	85	–	–	50
Employment and training programs	2	–	–	–
Environmental protection	52	15	–	–
Heritage and cultural	4	6	–	–
Library	38	33	–	–
LIRS subsidy	32	35	–	–
Recreation and culture	–	–	129	356
Street lighting	21	40	–	–
Town planning	–	57	–	–
Transport (roads to recovery)	1,401	1,067	–	–
Transport (other roads and bridges funding)	690	–	1,707	2,300
Youth services	1	1	–	–
Tourism	10	–	–	–
Other	3	5	–	–
Total specific purpose	2,382	1,313	1,945	2,766
Total grants	6,044	3,772	1,945	2,766
Grant revenue is attributable to:				
– Commonwealth funding	5,020	3,473	535	–
– State funding	1,024	299	1,410	2,766
	6,044	3,772	1,945	2,766

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 3. Income from continuing operations (continued)

\$ '000	Notes	2017 Operating	2016 Operating	2017 Capital	2016 Capital
(f) Contributions					
Developer contributions:					
(s93 & s94 – EP&A Act, s64 of the LGA):					
S 94 – contributions towards amenities/services		–	–	77	24
S 64 – sewerage service contributions		–	–	38	20
Total developer contributions	17	–	–	115	44
Other contributions:					
Bushfire services		45	74	–	–
Other councils – joint works/services		3	20	–	–
Recreation and culture		–	–	90	88
Roads and bridges		5	6	164	237
RMS contributions (regional roads, block grant)		322	316	–	–
Other		–	2	–	–
Total other contributions		375	418	254	325
Total contributions		375	418	369	369
TOTAL GRANTS AND CONTRIBUTIONS		6,419	4,190	2,314	3,135

\$ '000	Actual 2017	Actual 2016
(g) Unspent grants and contributions		
Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:		
Unexpended at the close of the previous reporting period	2,797	2,906
Add: grants and contributions recognised in the current period but not yet spent:	338	203
Less: grants and contributions recognised in a previous reporting period now spent:	(1,284)	(312)
Net increase (decrease) in restricted assets during the period	(946)	(109)
Unexpended and held as restricted assets	1,851	2,797
Comprising:		
– Specific purpose unexpended grants	179	1,283
– Developer contributions	1,673	1,515
	1,851	2,797

Blayney Shire Council

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

Note 4. Expenses from continuing operations

\$ '000	Notes	Actual 2017	Actual 2016
(a) Employee benefits and on-costs			
Salaries and wages		5,411	4,879
Travel expenses		12	21
Employee leave entitlements (ELE)		755	792
ELE on-costs		4	12
Superannuation		603	593
Workers' compensation insurance		103	96
Fringe benefit tax (FBT)		77	71
Training costs (other than salaries and wages)		179	176
Protective clothing		28	20
Other		28	39
Total employee costs		7,200	6,699
Less: capitalised costs		(655)	(586)
TOTAL EMPLOYEE COSTS EXPENSED		6,545	6,113
(b) Borrowing costs			
(i) Interest bearing liability costs			
Interest on loans		139	151
Total interest bearing liability costs expensed		139	151
(ii) Other borrowing costs			
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	26	18	14
Total other borrowing costs		18	14
TOTAL BORROWING COSTS EXPENSED		157	165
(c) Materials and contracts			
Raw materials and consumables		2,956	2,110
Contractor and consultancy costs		346	229
Auditors remuneration ⁽¹⁾		36	39
Legal expenses:			
– Legal expenses: planning and development		3	49
– Legal expenses: debt recovery		35	27
– Legal expenses: other		21	15
Operating leases:			
– Operating lease rentals: minimum lease payments ⁽²⁾		18	17
Return of Contaminated Land Management Grant		61	–
TOTAL MATERIALS AND CONTRACTS		3,476	2,486
(continued on the next page...)			

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	Actual 2017	Actual 2016
(c) Materials and contracts (continued)			
1. Auditor remuneration			
a. During the year, the following fees were incurred for services provided by the Auditor-General:			
(i) Audit and other assurance services			
– Audit and review of financial statements: Auditor-General		28	–
Total Auditor-General remuneration		28	–
b. During the year, the following fees were incurred for services provided by the other Council's Auditors:			
(i) Audit and other assurance services			
– Audit and review of financial statements: Council's Auditor		8	39
Remuneration for audit and other assurance services		8	39
Total remuneration of other Council's Auditors		8	39
Total Auditor remuneration		36	39
2. Operating lease payments are attributable to:			
Other		18	17
		18	17
(d) Depreciation, amortisation and impairment			
Plant and equipment		663	648
Office equipment		69	61
Furniture and fittings		19	18
Land improvements (depreciable)		351	395
Infrastructure:			
– Buildings – non-specialised		121	120
– Buildings – specialised		602	586
– Roads		2,004	2,294
– Bridges		265	262
– Footpaths		75	68
– Stormwater drainage		81	81
– Sewerage network		519	510
– Other open space/recreational assets		85	94
Asset reinstatement costs	9 & 26	25	13
Intangible assets	25	94	80
Total depreciation and amortisation costs		4,973	5,230
Impairment			
Nil			
TOTAL DEPRECIATION AND IMPAIRMENT COSTS EXPENSED		4,973	5,230

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 4. Expenses from continuing operations (continued)

\$ '000	Actual 2017	Actual 2016
(e) Other expenses		
Advertising	71	68
Bad and doubtful debts	83	13
Bank charges	24	24
Cleaning	5	4
Contributions/levies to other levels of government		
– Emergency services levy (includes FRNSW, SES, and RFS levies)	32	31
– NSW fire brigade levy	257	133
Councillor expenses – mayoral fee	24	23
Councillor expenses – councillors' fees	77	75
Councillors' expenses (incl. mayor) – other (excluding fees above)	8	8
Donations, contributions and assistance to other organisations (Section 356)	298	248
– Contributions to Central West Libraries	158	147
– Contribution to Upper Macquarie County Council	69	68
Electricity and heating	258	236
Fire and emergency services levy (FESL) implementation costs	177	–
Insurance	445	393
Postage	18	19
Printing and stationery	39	42
Street lighting	113	98
Subscriptions and publications	247	212
Telephone and communications	46	53
Valuation fees	31	30
Water charges	124	114
Other	70	83
TOTAL OTHER EXPENSES	2,674	2,122

Blayney Shire Council

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

Note 5. Gains or losses from the disposal of assets

\$ '000	Actual 2017	Actual 2016
Property (excl. investment property)		
Proceeds from disposal – property	2	–
Net gain/(loss) on disposal	2	–
Plant and equipment		
Proceeds from disposal – plant and equipment	339	263
Less: carrying amount of plant and equipment assets sold/written off	(126)	(205)
Net gain/(loss) on disposal	213	58
Infrastructure		
Less: carrying amount of infrastructure assets sold/written off	(35)	(108)
Net gain/(loss) on disposal	(35)	(108)
Real estate assets held for sale		
Proceeds from disposal – real estate assets	45	–
Less: carrying amount of real estate assets sold/written off	(66)	–
Net gain/(loss) on disposal	(21)	–
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS	159	(50)

Blayney Shire Council

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

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

\$ '000	2017 Actual Current	2017 Actual Non-current	2016 Actual Current	2016 Actual Non-current
Cash and cash equivalents (Note 6a)				
Cash on hand and at bank	2,243	–	1,075	–
Cash-equivalent assets ¹				
– Short-term deposits	7,500	–	–	–
Total cash and cash equivalents	9,743	–	1,075	–
Investments (Note 6b)				
– Long term deposits	7,500	–	16,000	–
Total investments	7,500	–	16,000	–
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS	17,243	–	17,075	–
 Cash, cash equivalents and investments were classified at year end in accordance with AASB 139 as follows:				
Cash and cash equivalents				
a. 'At fair value through the profit and loss'	9,743	–	1,075	–
Investments				
a. 'Loans and receivables'	7,500	–	16,000	–
Investments	7,500	–	16,000	–

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

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

\$ '000	2017	2017	2016	2016
	Actual Current	Actual Non-current	Actual Current	Actual Non-current
Total cash, cash equivalents and investments	17,243	–	17,075	–
attributable to:				
External restrictions (refer below)	9,111	–	8,706	–
Internal restrictions (refer below)	7,616	–	8,232	–
Unrestricted	516	–	138	–
	17,243	–	17,075	–

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

Details of restrictions

External restrictions – included in liabilities

Nil

External restrictions – other

Developer contributions – general	(D)	715	98	–	813
Developer contributions – sewer fund	(D)	800	60	–	860
Specific purpose unexpended grants	(F)	1,282	–	(1,103)	179
Sewerage services	(G)	4,357	125	–	4,482
Domestic waste management	(G)	439	409	–	848
Rates – special variation mining	(G)	1,113	–	(400)	713
Voluntary Planning Agreement – Mining	(G)	–	1,217	–	1,217
External restrictions – other		8,706	1,909	(1,503)	9,111
Total external restrictions		8,706	1,909	(1,503)	9,111

D Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans (refer Note 17).

F Grants which are not yet expended for the purposes for which the grants were obtained. (refer Note 1 (b))

G Water, sewerage, domestic waste management (DWM) and other special rates/levies/charges are externally restricted assets and must be applied for the purposes for which they were raised.

Blayney Shire Council

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

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

2017 \$ '000	Opening balance	Transfers to restrictions	Transfers from restrictions	Closing balance
Internal restrictions				
Plant and vehicle replacement	1,636	–	(1,417)	219
Employees leave entitlement	571	90	–	661
Asset reserve – buildings	351	13	(207)	157
Asset reserve – parks and recreation	507	46	(206)	347
Asset reserve – transport	2,354	1,490	(1,390)	2,454
Asset reserve – stormwater	147	–	(96)	51
Blayney sports facility master plans	170	3	(20)	153
Blayney town works	135	–	(130)	5
Cemeteries	1	40	–	41
Centrepoint reserve	850	190	(43)	997
Election reserve	61	17	–	78
Environmental projects – Belubula river	54	–	–	54
Inala units	96	–	–	96
I.T reserve	63	33	–	96
King George Oval	200	–	(30)	170
Land fill remediations and assets	112	–	(112)	–
Property account	505	45	(5)	545
Quarry	295	–	(121)	174
Village enhancement program	124	89	(124)	89
Financial Assistance Grant	–	1,229	–	1,229
Total internal restrictions	8,232	3,285	(3,901)	7,616
TOTAL RESTRICTIONS	16,938	5,194	(5,404)	16,727

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 7. Receivables

\$ '000	2017		2016	
	Current	Non-current	Current	Non-current
Purpose				
Rates and annual charges	136	54	163	42
Interest and extra charges	46	–	33	–
User charges and fees	880	–	210	109
Private works	–	–	184	23
Accrued revenues				
– Interest on investments	173	–	147	–
Deferred debtors	58	72	24	34
Government grants and subsidies	3	–	1	–
Net GST receivable	127	–	11	–
Total	1,423	126	773	208
Less: provision for impairment				
Other debtors	(135)	–	(133)	–
Total provision for impairment – receivables	(135)	–	(133)	–
TOTAL NET RECEIVABLES	1,288	126	640	208
Externally restricted receivables				
Sewerage services				
– Rates and availability charges	39	–	36	–
Domestic waste management	31	–	–	–
Total external restrictions	70	–	36	–
Internally restricted receivables				
Nil				
Unrestricted receivables	1,218	126	604	208
TOTAL NET RECEIVABLES	1,288	126	640	208

Notes on debtors above:

- (i) Rates and annual charges outstanding are secured against the property.
- (ii) Doubtful rates debtors are provided for where the value of the property is less than the debt outstanding.
An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.
- (iii) Interest was charged on overdue rates and charges at 8.50% (2016 8.50%).
Generally all other receivables are non-interest bearing.
- (iv) Please refer to Note 15 for issues concerning credit risk and fair value disclosures.

Blayney Shire Council

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

Note 8. Inventories and other assets

\$ '000	2017		2016	
	Current	Non-current	Current	Non-current
(a) Inventories				
(i) Inventories at cost				
Real estate for resale (refer below)	379	–	445	–
Stores and materials	83	–	66	–
Trading stock	601	–	328	–
Total inventories at cost	1,063	–	839	–
(ii) Inventories at net realisable value (NRV)				
Nil				
<u>TOTAL INVENTORIES</u>	<u>1,063</u>	<u>–</u>	<u>839</u>	<u>–</u>
(b) Other assets				
Prepayments	63	–	52	–
<u>TOTAL OTHER ASSETS</u>	<u>63</u>	<u>–</u>	<u>52</u>	<u>–</u>

Externally restricted assets

There are no restrictions applicable to the above assets.

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 8. Inventories and other assets (continued)

\$ '000	Notes	2017		2016	
		Current	Non-current	Current	Non-current
Other disclosures					
(a) Details for real estate development					
Industrial/commercial		379	–	445	–
Total real estate for resale		379	–	445	–
(Valued at the lower of cost and net realisable value)					
Represented by:					
Acquisition costs		379	–	445	–
Total costs		379	–	445	–
Total real estate for resale		379	–	445	–
Movements:					
Real estate assets at beginning of the year		445	–	445	–
– WDV of sales (expense)	5	(66)	–	–	–
Total real estate for resale		379	–	445	–

(b) Current assets not anticipated to be settled within the next 12 months

The following inventories and other assets, even though classified as current are not expected to be recovered in the next 12 months;

	2017	2016
Real estate for resale	379	445
	379	445

(c) Inventories recognised as an expense for the year included:

– Stores and materials	538	518
------------------------	-----	-----

(d) Inventory write downs

There were no amounts recognised as an expense relating to the write down of inventory balances held during the year.

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

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

\$ '000	Actual 2017			Actual 2016		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount
Sewerage services						
WIP	5	–	5	–	–	–
Plant and equipment	364	148	216	283	111	172
Land						
– Community land	229	–	229	229	–	229
Buildings	338	110	228	338	100	238
Infrastructure	30,275	10,405	19,870	29,025	9,448	19,577
Total sewerage services	31,211	10,663	20,548	29,875	9,659	20,216
Domestic waste management						
Land						
– Community land	160	–	160	160	–	160
Total DWM	160	–	160	160	–	160
TOTAL RESTRICTED I,PP&E	31,371	10,663	20,708	30,035	9,659	20,376

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

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 10a. Payables, borrowings and provisions

\$ '000	Notes	2017		2016	
		Current	Non-current	Current	Non-current
Payables					
Goods and services – operating expenditure		1,856	–	421	–
Accrued expenses:					
– Borrowings		15	–	17	–
– Other expenditure accruals		32	2	31	1
Security bonds, deposits and retentions		240	–	231	–
ATO – net GST payable		–	–	48	–
Total payables		2,143	2	748	1
Income received in advance					
Payments received in advance		221	–	196	–
Total income received in advance		221	–	196	–
Borrowings					
Loans – secured ¹		202	1,780	190	1,982
Total borrowings		202	1,780	190	1,982
Provisions					
Employee benefits:					
Annual leave		488	–	447	–
Long service leave		1,182	89	1,094	58
ELE on-costs		83	3	82	2
Sub-total – aggregate employee benefits		1,753	92	1,623	60
Asset remediation/restoration (future works)	26	–	687	–	657
Total provisions		1,753	779	1,623	717
TOTAL PAYABLES, BORROWINGS AND PROVISIONS		4,319	2,561	2,757	2,700
(i) Liabilities relating to restricted assets					
		2017		2016	
		Current	Non-current	Current	Non-current
Externally restricted assets					
Sewer		62	610	57	650
Liabilities relating to externally restricted assets		62	610	57	650
Internally restricted assets					
Nil					
Total liabilities relating to restricted assets		62	610	57	650
Total liabilities relating to unrestricted assets		4,257	1,951	2,700	2,050
TOTAL PAYABLES, BORROWINGS AND PROVISIONS		4,319	2,561	2,757	2,700

¹ Loans are secured over the general rating income of Council

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note 15.

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

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

\$ '000	Actual 2017	Actual 2016
(ii) Current liabilities not anticipated to be settled within the next twelve months		
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	1,305	1,204
Payables – security bonds, deposits and retentions	216	194
	<u>1,521</u>	<u>1,398</u>

Note 10b. Description of and movements in provisions

Class of provision	2016		2017			
	Opening balance as at 1/7/16	Additional provisions	Decrease due to payments	Remeasurement effects due to discounting	Unused amounts reversed	Closing balance as at 30/6/17
Annual leave	447	41	–	–	–	488
Long service leave	1,152	119	–	–	–	1,271
ELE on-costs	84	2	–	–	–	86
Asset remediation	657	12	–	18	–	687
TOTAL	<u>2,340</u>	<u>174</u>	<u>–</u>	<u>18</u>	<u>–</u>	<u>2,532</u>

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

Blayney Shire Council

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

Note 11. Statement of cash flows – additional information

\$ '000	Notes	Actual 2017	Actual 2016
(a) Reconciliation of cash assets			
Total cash and cash equivalent assets	6a	9,743	1,075
Less bank overdraft	10	–	–
Balance as per the Statement of Cash Flows		9,743	1,075
(b) Reconciliation of net operating result to cash provided from operating activities			
Net operating result from Income Statement		4,824	4,523
Adjust for non-cash items:			
Depreciation and amortisation		4,973	5,230
Net losses/(gains) on disposal of assets		(159)	50
Non-cash capital grants and contributions		–	(16)
Unwinding of discount rates on reinstatement provisions		18	14
Share of net (profits) or losses of associates/joint ventures		(144)	(203)
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		(496)	162
Increase/(decrease) in provision for doubtful debts		2	(4)
Decrease/(increase) in inventories		(290)	(103)
Decrease/(increase) in other assets		(11)	(32)
Increase/(decrease) in payables		1,435	(22)
Increase/(decrease) in accrued interest payable		(2)	(1)
Increase/(decrease) in other accrued expenses payable		2	5
Increase/(decrease) in other liabilities		(14)	65
Increase/(decrease) in employee leave entitlements		162	230
Increase/(decrease) in other provisions		12	135
Net cash provided from/(used in) operating activities from the Statement of Cash Flows		10,312	10,033

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

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

\$ '000	Notes	Actual 2017	Actual 2016
(c) Non-cash investing and financing activities			
Other dedications		–	16
Total non-cash investing and financing activities		–	16
(d) Financing arrangements			
(i) Unrestricted access was available at balance date to the following lines of credit:			
Bank overdraft facilities ⁽¹⁾		50	50
Credit cards/purchase cards		40	40
Total financing arrangements		90	90
Amounts utilised as at balance date:			
– Credit cards/purchase cards		8	9
Total financing arrangements utilised		8	9

1. The bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.
Interest rates on overdrafts are interest rates on loans and other payables are disclosed in Note 15.

(ii) Secured loan liabilities

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

Note 12. Commitments for expenditure

Nil

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

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

\$ '000	Amounts		Indicator	Prior periods		Benchmark
	2017	2017		2016	2015	
Local government industry indicators – consolidated						
1. Operating performance ratio						
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions less operating expenses	<u>2,207</u>	11.02%	7.12%	3.59%	>0.00%	
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions	<u>20,032</u>					
2. Own source operating revenue ratio						
Total continuing operating revenue ⁽¹⁾ excluding all grants and contributions	<u>13,613</u>	60.92%	64.24%	71.86%	>60.00%	
Total continuing operating revenue ⁽¹⁾	<u>22,346</u>					
3. Unrestricted current ratio						
Current assets less all external restrictions ⁽²⁾	<u>10,747</u>	3.93x	7.23x	6.73x	>1.5x	
Current liabilities less specific purpose liabilities ^(3,4)	<u>2,736</u>					
4. Debt service cover ratio						
Operating result ⁽¹⁾ before capital excluding interest and depreciation/impairment/amortisation	<u>7,337</u>	21.14x	19.39x	10.65x	>2x	
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<u>347</u>					
5. Rates, annual charges, interest and extra charges outstanding percentage						
Rates, annual and extra charges outstanding	<u>236</u>	2.20%	2.23%	2.28%	<10%	
Rates, annual and extra charges collectible	<u>10,731</u>				Rural	
6. Cash expense cover ratio						
Current year's cash and cash equivalents plus all term deposits	<u>17,243</u>	15.67 mths	17.3 mths	13.7 mths	> 3 mths	
Payments from cash flow of operating and financing activities	<u>1,100</u>					

Notes

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

⁽²⁾ Refer Notes 6-8 inclusive.

Also excludes any real estate and land for resale not expected to be sold in the next 12 months.

⁽³⁾ Refer to Note 10(a).

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

Blayney Shire Council

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

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

<p>1. Operating performance ratio</p> <p>Benchmark: — Minimum $\geq 0.00\%$ Source for benchmark: Code of Accounting Practice and Financial Reporting #25</p>	<p>Purpose of operating performance ratio</p> <p>This ratio measures Council's achievement of containing operating expenditure within operating revenue.</p>	<p>Commentary on 2016/17 result</p> <p>2016/17 ratio 11.02%</p> <p>The increase in Council's operating performance ratio was largely impacted by the 2 advance payments of the 17/18 Financial Assistance Grant totalling 1.23m and is not a true reflection of Council's performance for the 16/17 financial year. Additional Roads to Recovery funding and storm damage funding has also contributed to the increase in this ratio.</p>
<p>2. Own source operating revenue ratio</p> <p>Benchmark: — Minimum $\geq 60.00\%$ Source for benchmark: Code of Accounting Practice and Financial Reporting #25</p>	<p>Purpose of own source operating revenue ratio</p> <p>This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.</p>	<p>Commentary on 2016/17 result</p> <p>2016/17 ratio 60.92%</p> <p>Heavily influenced by rates generated. Rates has declined due to significance of grant income during financial period</p>
<p>3. Unrestricted current ratio</p> <p>Benchmark: — Minimum ≥ 1.50 Source for benchmark: Code of Accounting Practice and Financial Reporting #25</p>	<p>Purpose of unrestricted current ratio</p> <p>To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.</p>	<p>Commentary on 2016/17 result</p> <p>2016/17 ratio 3.93x</p> <p>Whilst 2016/17 saw a significant reduction in this ratio, it is still well above industry benchmark maintaining Council's strong ability to satisfy debts.</p>

Blayney Shire Council

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

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

<p>4. Debt service cover ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio (x)</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>8.8</td> </tr> <tr> <td>2015</td> <td>10.7</td> </tr> <tr> <td>2016</td> <td>19.4</td> </tr> <tr> <td>2017</td> <td>21.1</td> </tr> </tbody> </table> <p>Benchmark: — Minimum ≥ 2.00 Source for benchmark: Code of Accounting Practice and Financial Reporting #25</p>	Year	Ratio (x)	2014	8.8	2015	10.7	2016	19.4	2017	21.1	<p>Purpose of debt service cover ratio</p> <p>This ratio measures the availability of operating cash to service debt including interest, principal and lease payments</p>	<p>Commentary on 2016/17 result</p> <p>2016/17 ratio 21.14x</p> <p>Council's relatively low rate of borrowings continues to ensure Council's ability to service debt as required.</p>
Year	Ratio (x)											
2014	8.8											
2015	10.7											
2016	19.4											
2017	21.1											
<p>5. Rates, annual charges, interest and extra charges outstanding percentage</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>4.50%</td> </tr> <tr> <td>2015</td> <td>2.28%</td> </tr> <tr> <td>2016</td> <td>2.23%</td> </tr> <tr> <td>2017</td> <td>2.20%</td> </tr> </tbody> </table> <p>Benchmark: — Maximum $< 5.00\%$ Source for Benchmark: Code of Accounting Practice and Financial Reporting #25</p>	Year	Ratio %	2014	4.50%	2015	2.28%	2016	2.23%	2017	2.20%	<p>Purpose of rates and 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 2016/17 result</p> <p>2016/17 ratio 2.20%</p> <p>The effective processes implemented by Council's revenue staff for the collection of outstanding rates and charges is demonstrated by the continued improvement in this ratio.</p>
Year	Ratio %											
2014	4.50%											
2015	2.28%											
2016	2.23%											
2017	2.20%											
<p>6. Cash expense cover ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio (mths)</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>15.0</td> </tr> <tr> <td>2015</td> <td>13.7</td> </tr> <tr> <td>2016</td> <td>17.3</td> </tr> <tr> <td>2017</td> <td>15.7</td> </tr> </tbody> </table> <p>Benchmark: — Minimum ≥ 3.00 Source for benchmark: Code of Accounting Practice and Financial Reporting #25</p>	Year	Ratio (mths)	2014	15.0	2015	13.7	2016	17.3	2017	15.7	<p>Purpose of cash expense cover ratio</p> <p>This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.</p>	<p>Commentary on 2016/17 result</p> <p>2016/17 ratio 15.67 mths</p> <p>Whilst this ratio continues to be strong for Council it is inflated by the advance payment of the 2017/18 financial assistance grant. This however demonstrates the use of Council's restricted cash in the completion of deferred capital works programs.</p>
Year	Ratio (mths)											
2014	15.0											
2015	13.7											
2016	17.3											
2017	15.7											

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

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

\$ '000	General indicators ⁵		Sewer indicators		Benchmark
	2017	2016	2017	2016	
Local government industry indicators – by fund					
1. Operating performance ratio					
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions less operating expenses	12.81%	8.15%	-11.93%	-3.81%	>0.00%
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions					
2. Own source operating revenue ratio					
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions	58.41%	61.59%	96.03%	97.36%	>60.00%
Total continuing operating revenue ⁽¹⁾					
3. Unrestricted current ratio					
Current assets less all external restrictions ⁽²⁾	3.93x	7.23x	72.92x	77.07x	>1.5x
Current liabilities less specific purpose liabilities ^(3, 4)					

Notes

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

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

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

\$ '000	General indicators ⁵		Sewer indicators		Benchmark
	2017	2016	2017	2016	
Local government industry indicators – by fund (continued)					
4. Debt service cover ratio					
Operating result ⁽¹⁾ before capital excluding interest and depreciation/impairment/amortisation	27.23x	24.25x	4.76x	5.98x	>2x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)					
5. Rates, annual charges, interest and extra charges outstanding percentage					
Rates, annual and extra charges outstanding	2.04%	2.09%	3.68%	3.50%	<10% Rural
Rates, annual and extra charges collectible					
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	11.48	13.24	61.94	59.22	> 3 months
Payments from cash flow of operating and financing activities	months	months	months	months	

Notes

(1) Refer to Notes at Note 13a(i) above.

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

Blayney Shire Council

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

Note 14. Investment properties

\$ '000

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

Note 15. Financial risk management

Risk management

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

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

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

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

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

	Carrying value		Fair value	
	2017	2016	2017	2016
Financial assets				
Cash and cash equivalents	9,743	1,075	9,743	1,075
Investments				
– 'Loans and receivables'	7,500	16,000	7,500	16,000
Receivables	1,414	848	1,414	848
Total financial assets	18,657	17,923	18,657	17,923
Financial liabilities				
Payables	2,145	749	2,145	749
Loans/advances	1,982	2,172	1,982	2,172
Total financial liabilities	4,127	2,921	4,127	2,921

Fair value is determined as follows:

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

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 15. Financial risk management (continued)

\$ '000

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

Council's finance area manages the cash and Investments portfolio with the assistance of independent advisors.

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

The risks associated with the investments held are:

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

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

Council also seeks advice from independent advisers before placing any funds in cash equivalents and investments.

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

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

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

	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
2017				
Possible impact of a 1% movement in interest rates	22	22	(22)	(22)
2016				
Possible impact of a 1% movement in interest rates	11	11	(11)	(11)

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 15. Financial risk management (continued)

\$ '000

(b) Credit risk

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

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

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

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

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

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:

	2017	2017	2016	2016
	Rates and	Other	Rates and	Other
	annual	receivables	annual	receivables
	charges		charges	
(i) Ageing of receivables – %				
Current (not yet overdue)	0%	45%	0%	31%
Overdue	100%	55%	100%	69%
	100%	100%	100%	100%
(ii) Ageing of receivables – value				
Rates and annual charges	Rates and	Other	Rates and	Other
	annual	receivables	annual	receivables
	charges		charges	
Current	–	748	–	240
< 1 year overdue	136	237	163	153
1 – 2 years overdue	27	8	42	11
2 – 5 years overdue	27	61	–	44
> 5 years overdue	–	305	–	328
	190	1,359	205	776
(iii) Movement in provision for impairment of receivables			2017	2016
Balance at the beginning of the year			133	137
+ new provisions recognised during the year			135	13
– amounts already provided for and written off this year			(133)	(17)
Balance at the end of the year			135	133

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Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 15. Financial risk management (continued)

\$ '000

(c) Liquidity risk

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

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

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

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

\$ '000	Subject to no maturity	payable in:						Total cash outflows	Actual carrying values
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
2017									
Trade/other payables	240	1,903	2	–	–	–	–	2,145	2,145
Loans and advances	–	330	330	330	330	330	964	2,614	1,982
Total financial liabilities	240	2,233	332	330	330	330	964	4,759	4,127
2016									
Trade/other payables	231	517	1	–	–	–	–	749	749
Loans and advances	–	330	330	330	330	330	1,295	2,945	2,172
Total financial liabilities	231	847	331	330	330	330	1,295	3,694	2,921

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

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

	2017		2016	
	Carrying value	Average interest rate	Carrying value	Average interest rate
Trade/other payables	2,145	0.00%	749	0.00%
Loans and advances – fixed interest rate	1,982	6.63%	2,172	6.63%
	<u>4,127</u>		<u>2,921</u>	

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 16. Material budget variations

\$ '000

Council's original financial budget for 16/17 was adopted by the Council on 19 June 2017.

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

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

Note that for variations* of budget to actual :

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

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

\$ '000	2017 Budget	2017 Actual	2017 ----- Variance* -----		
REVENUES					
Rates and annual charges	10,408	10,479	71	1%	F
User charges and fees	1,973	2,399	426	22%	F
Blayney Shire Council was engaged by NSW Treasury a pilot council for the introduction of the Fire & Emergency Services Levy. The increase in User Fees & Charges is largely impacted by the \$275k that was received for implementation of the levy and software development costs with Council's I.T provider.					
Interest and investment revenue	385	514	129	34%	F
Council's largest rate payer who accounts for roughly 50% of Council's total rate base paid their rates in full at the first instalment date. A significant increase in interest was earned as a result of the advance payment.					
Other revenues	168	221	53	32%	F
Additional 13k Diesel Fuel Rebate due to additional plant usage Additional and unbudgeted insurance rebates totalled 26k Unbudgeted fleet purchase rebates 7k					
Operating grants and contributions	4,250	6,419	2,169	51%	F
Council received an advance payment of the first 2 quarters of the 17/18 Financial Assistance Grant totalling 1.23m An additional 500k was received to repair damages to the road network as a result of the storm event An additional 170k was received for the works completed under the Roads to Recovery Program					
Capital grants and contributions	3,908	2,314	(1,594)	(41%)	U
Unsuccessful in bid for 400k funding for UPSS Remediation Delayed build of RFS Sheds, 153k unexpended and unclaimed at year end					
Net gains from disposal of assets	179	159	(20)	(11%)	U
Council sustained a 21k loss on the sale of land which was not anticipated to be sold in this financial year.					
Joint ventures and associates - net profits	–	144	144	0%	F
Council did not budget for any share of interests in Joint Ventures					

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 16. Material budget variations (continued)

\$ '000	2017 Budget	2017 Actual	2017 Variance*		
EXPENSES					
Employee benefits and on-costs	5,886	6,545	(659)	(11%)	U
Council was in receipt of additional funding throughout the financial year to complete works as a result of the extreme wet weather and flood event. Significant unbudgeted overtime was paid to flood damage works were completed and also to ensure that delayed capital projects were completed on schedule.					
Borrowing costs	177	157	20	11%	F
Interest on the bridge replacement loan had been incorrectly budgeted for.					
Materials and contracts	2,785	3,476	(691)	(25%)	U
Increased service contracts and plant usage due to the increased maintenance works on flood and stork damaged roads.					
Depreciation and amortisation	5,344	4,973	371	7%	F
Other expenses	2,443	2,674	(231)	(9%)	U

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

Cash flows from operating activities	9,662	10,312	650	6.7%	F
Cash flows from investing activities	(10,363)	(1,454)	8,909	(86.0%)	F
Council had budgeted an additional \$1.45m in purchase of property plant and equipment than was actually achieved.					
Cash flows from financing activities	981	(190)	(1,171)	(119.4%)	U
Council had budgeted \$1.2m in new borrowings in the 2016/17 financial year to fund its bridge replacement program. However the project was not completed in 16/17 and the remainder of the works have been carried forward until 17/18 at which time borrowings will be sought.					

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 17. Statement of developer contributions

\$ '000

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

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

SUMMARY OF CONTRIBUTIONS AND LEVIES

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Local infrastructure fund	715	78	–	20	–	–	813	–
S94 contributions – under a plan	715	78	–	20	–	–	813	–
Total S94 revenue under plans	715	78	–	20	–	–	813	–
S64 contributions	800	37	–	23	–	–	860	–
Total contributions	1,515	115	–	43	–	–	1,673	–

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 17. Statement of developer contributions (continued)

\$ '000

S94 CONTRIBUTIONS – UNDER A PLAN

CONTRIBUTION PLAN NUMBER – Local infrastructure fund

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Local infrastructure fund	715	78	–	20	–	–	813	–
Total	715	78	–	20	–	–	813	–

S64 contributions

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Community facilities	800	37	–	23	–	–	860	–
Total	800	37	–	23	–	–	860	–

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 18. Contingencies and other assets/liabilities not recognised

\$ '000

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

LIABILITIES NOT RECOGNISED:

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

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

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

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

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

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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

(iv) Other guarantees

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

Blayney Shire Council

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

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

\$ '000

LIABILITIES NOT RECOGNISED (continued):

2. Other liabilities

(i) Third party claims

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

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

(ii) S94 plans

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

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

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

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

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

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

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

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

ASSETS NOT RECOGNISED:

(i) Land under roads

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

(ii) Infringement notices/fines

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

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

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

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

Blayney Shire Council

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

Note 19. Interests in other entities

\$ '000

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

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

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

Controlled entities (subsidiaries) **Note 19(a)**

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

Joint ventures and associates **Note 19(b)**

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

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

Joint operations **Note 19(c)**

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

Unconsolidated structured entities **Note 19(d)**

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

Subsidiaries, joint arrangements and associates not recognised **Note 19(e)**

Accounting recognition:

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

(ii) Joint ventures and associates as per Note 19(b) are accounted for using the equity accounting method and are disclosed as a 1 line entry in both the Income Statement and Statement of Financial Position.

	Council's share of net income		Council's share of net assets	
	Actual 2017	Actual 2016	Actual 2017	Actual 2016
Joint ventures	-	-	-	-
Associates	144	203	20,975	20,545
Total	144	203	20,975	20,545

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 19. Interests in other entities (continued)

\$ '000

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

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

(b) Joint ventures and associates

Council has incorporated the following joint ventures and associates into its consolidated financial statements.

(a) Net carrying amounts – Council's share

Name of entity	Nature of relationship	Measurement method	2017	2016
Central Tablelands Water	Associate	Equity	20,786	20,324
Upper Macquarie County Council	Associate	Equity	189	221
Total carrying amounts – material joint ventures and associates			20,975	20,545

(b) Details

Name of entity	Principal activity	Place of business
Central Tablelands Water	Water supply	Blayney
Upper Macquarie County Council	Weeds Council	Bathurst

(c) Relevant interests and fair values

Name of entity	Proportion of voting power	
	2017	2016
Central Tablelands Water	33%	33%
Upper Macquarie County Council	25%	25%

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 19. Interests in other entities (continued)

\$ '000

(b) Joint ventures and associates (continued)

(d) Summarised financial information for joint ventures and associates

	Central Tablelands Water		Upper Macquarie County Council	
	2017	2016	2017	2016
Statement of financial position				
Current assets				
Cash and cash equivalents	873	873	874	1,142
Other current assets	9,124	7,738	133	78
Non-current assets	56,284	56,284	160	169
Current liabilities				
Current financial liabilities (excluding trade and other payables and provisions)	409	409	–	–
Other current liabilities	1,156	1,156	327	219
Non-current liabilities				
Non-current financial liabilities (excluding trade and other payables and provisions)	2,352	2,352	85	285
Net assets	62,364	60,978	755	885
Reconciliation of the carrying amount				
Opening net assets (1 July)	60,978	59,592	885	780
Profit/(loss) for the period	532	532	(130)	105
Dividends received	854	854	–	–
Closing net assets	62,364	60,978	755	885
Council's share of net assets (%)	33.3%	33.3%	25.0%	25.0%
Council's share of net assets (\$)	20,786	20,324	189	221
Statement of comprehensive income				
Income	5,697	5,697	1,740	1,834
Interest income	206	206	14	25
Depreciation and amortisation	(1,822)	(1,822)	(45)	(43)
Interest expense	(198)	(198)	–	–
Other expenses	(3,351)	(3,351)	(1,839)	(1,711)
Profit/(loss) for period	532	532	(130)	105
Other comprehensive income	854	854	–	–
Total comprehensive income	1,386	1,386	(130)	105
Share of income – Council (%)	33.3%	33.3%	25.0%	25.0%
Profit/(loss) – Council (\$)	177	177	(33)	26
Total comprehensive income – Council (\$)	462	462	(33)	26

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Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 19. Interests in other entities (continued)

\$ '000

(c) Joint operations

Council has no interest in any joint operations.

(d) Unconsolidated structured entities

Council has no unconsolidated structured entities

(e) Subsidiaries, joint arrangements and associates not recognised

The following subsidiaries, joint arrangements and associates have not been recognised in this financial report.

Name of entity/operation	Principal activity/type of entity
Central West Libraries	Library services to member councils
Strategic Alliance; Blayney & Cabonne Councils & Central Tablelands Water	Investigation and provision of economies of scale opportunities for member councils

Blayney Shire Council

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

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

\$ '000	Notes	Actual 2017	Actual 2016
(a) Retained earnings			
Movements in retained earnings were as follows:			
Balance at beginning of year (from previous years audited accounts)		88,787	83,327
a. Correction of prior period errors	20 (c)	–	654
b. Other comprehensive income (excl. direct to reserves transactions)		286	283
c. Net operating result for the year		4,824	4,523
Balance at end of the reporting period		<u><u>93,897</u></u>	<u><u>88,787</u></u>
(b) Revaluation reserves			
(i) Reserves are represented by:			
– Infrastructure, property, plant and equipment revaluation reserve		135,838	135,145
Total		<u><u>135,838</u></u>	<u><u>135,145</u></u>
(ii) Reconciliation of movements in reserves:			
Infrastructure, property, plant and equipment revaluation reserve			
– Opening balance		135,145	133,135
– Revaluations for the year	9(a)	693	2,010
– Balance at end of year		<u><u>135,838</u></u>	<u><u>135,145</u></u>
TOTAL VALUE OF RESERVES		<u><u>135,838</u></u>	<u><u>135,145</u></u>
(iii) Nature and purpose of reserves			
Infrastructure, property, plant and equipment revaluation reserve			
– The infrastructure, property, plant and equipment revaluation reserve is used to record increments/decrements of non-current asset values due to their revaluation.			

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

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

\$ '000	Actual 2017	Actual 2016
(c) Correction of error/s relating to a previous reporting period		
Correction of errors as disclosed in last year's financial statements:		
– Land Improvements Carrying Value	–	304
– Open Space/Recreational Assets Carrying Value	–	350
<p>This adjustment resulted in a net increase/(decrease) in Council's accumulated surplus as at 30/6/15.</p> <p>In accordance with AASB 108 – Accounting Policies, Changes in Accounting Estimates and Errors, the above prior period errors have been recognised retrospectively.</p> <p>These amounted to the following equity adjustments:</p>		
– Adjustments to opening equity – 1/7/15 (relating to adjustments for the 30/6/15 reporting year end and prior periods)	–	654
– Adjustments to closing equity – 30/6/16 (relating to adjustments for the 30/6/16 year end)	–	–
Total prior period adjustments – prior period errors	–	654

(d) Voluntary changes in accounting policies

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 21. Financial result and financial position by fund

Income Statement by fund \$ '000	Actual 2017	Actual 2017
	Sewer	General¹
Continuing operations		
Income from continuing operations		
Rates and annual charges	1,061	9,418
User charges and fees	207	2,192
Interest and investment revenue	153	361
Other revenues	9	212
Grants and contributions provided for operating purposes	20	6,399
Grants and contributions provided for capital purposes	38	2,276
Other income		
Net gains from disposal of assets	–	159
Share of interests in joint ventures and associates using the equity method	–	144
Total income from continuing operations	1,488	21,161
Expenses from continuing operations		
Employee benefits and on-costs	299	6,246
Borrowing costs	54	103
Materials and contracts	601	2,875
Depreciation and amortisation	566	4,407
Impairment	–	–
Other expenses	103	2,571
Total expenses from continuing operations	1,623	16,202
Operating result from continuing operations	(135)	4,959
Discontinued operations		
Net profit/(loss) from discontinued operations	–	–
Net operating result for the year	(135)	4,959
Net operating result attributable to each council fund	(135)	4,959
Net operating result attributable to non-controlling interests	–	–
Net operating result for the year before grants and contributions provided for capital purposes	(173)	2,683

¹ General fund refers to all Council's activities other than Sewer.

NB. All amounts disclosed above are gross – that is, they include internal charges and recoveries made between the funds.

Blayney Shire Council

Notes to the Financial Statements

as at 30 June 2017

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

Statement of Financial Position by fund \$ '000	Actual 2017	Actual 2017
ASSETS	Sewer	General¹
Current assets		
Cash and cash equivalents	695	9,048
Investments	4,647	2,853
Receivables	39	1,249
Inventories	–	1,063
Other	–	63
Non-current assets classified as 'held for sale'	–	650
Total current assets	5,381	14,926
Non-current assets		
Investments	–	–
Receivables	–	126
Inventories	–	–
Infrastructure, property, plant and equipment	20,548	174,486
Investments accounted for using the equity method	–	20,975
Investment property	–	–
Intangible assets	–	173
Total non-current assets	20,548	195,760
TOTAL ASSETS	25,929	210,686
LIABILITIES		
Current liabilities		
Payables	22	2,121
Income received in advance	–	221
Borrowings	40	162
Provisions	–	1,753
Total current liabilities	62	4,257
Non-current liabilities		
Payables	–	2
Borrowings	610	1,170
Provisions	–	779
Total non-current liabilities	610	1,951
TOTAL LIABILITIES	672	6,208
Net assets	25,257	204,478
EQUITY		
Retained earnings	9,307	84,590
Revaluation reserves	15,950	119,888
Total equity	25,257	204,478

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

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

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

\$ '000	2017		2016	
	Current	Non-current	Current	Non-current
(i) Non-current assets and disposal group assets				
Non-current assets 'held for sale'				
Buildings	650	–	–	–
Total non-current assets 'held for sale'	650	–	–	–
Disposal group assets 'held for sale'				
None				
TOTAL NON-CURRENT ASSETS CLASSIFIED AS 'HELD FOR SALE'	650	–	–	–

(ii) Details of assets and disposal groups

An expression of interest for the sale of Inala Units was undertaken throughout the financial year. At the May meeting Council endorsed the recommendation to proceed with the selective tender which closed on the 29 June 2017. Council determined the outcome of that tender at its July meeting and entered negotiations with the preferred tender which was resolved at an Extraordinary Council meeting on 8 August 2017.

\$ '000	Assets 'held for sale'	
	2017	2016
(iii) Reconciliation of non-current assets 'held for sale' and disposal groups – i.e. discontinued operations		
Opening balance	–	–
Plus new transfers in:		
– Assets 'held for sale'	650	–
Closing balance of 'held for sale' non-current assets and operations	650	–

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 23. Events occurring after the reporting date

\$ '000

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

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

Accordingly, the 'authorised for issue' date is 24/10/17.

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

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

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

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

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

Council is aware of the following 'non-adjusting events' that merit disclosure:

On 8th August 2017 Council resolved to sell Inala Units, a complex of 10 one bedroom residential aged care units for \$XXX,000

Note 24. Discontinued operations

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

Blayney Shire Council

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

Note 25. Intangible assets

\$ '000	Actual 2017	Actual 2016
Intangible assets represent identifiable non-monetary assets without physical substance.		
Intangible assets are as follows:		
Opening values:		
Gross book value (1/7)	472	401
Accumulated amortisation (1/7)	(231)	(152)
Accumulated impairment (1/7)	–	–
Net book value – opening balance	241	249
Movements for the year		
– Purchases	27	71
– Amortisation charges	(94)	(80)
Closing values:		
Gross book value (30/6)	499	472
Accumulated amortisation (30/6)	(326)	(231)
Accumulated impairment (30/6)	–	–
TOTAL INTANGIBLE ASSETS – NET BOOK VALUE ¹	173	241

¹: The net book value of intangible assets represent:

– Software	173	241
	173	241

Blayney Shire Council

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

Note 26. Reinstatement, rehabilitation and restoration liabilities

\$ '000

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

Asset/operation	Estimated year of restoration	Note	NPV of provision	
			2017	2016
Blayney tip	2033		434	419
Blayney quarry	2036		253	238
Balance at end of the reporting period		10(a)	687	657

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

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

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

Reconciliation of movement in provision for year:

Balance at beginning of year	657	478
Amounts capitalised to new or existing assets:		
Effect of a change in other calculation estimates used	12	165
Amortisation of discount (expensed to borrowing costs)	18	14
Total – reinstatement, rehabilitation and restoration provision	687	657

Amount of expected reimbursements

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 27. Fair value measurement

\$ '000

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

– Infrastructure, property, plant and equipment – Financial assets and liabilities

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

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

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

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

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

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

2017	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkt	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring fair value measurements					
Financial assets					
Investments					
Loans and receivables	30/06/17	-	-	-	-
Cash and short term deposits	30/06/17	-	-	-	-
Total financial assets		-	-	-	-
Financial liabilities					
Loans/advances	30/06/17	-	-	-	-
Payables	30/06/17	-	-	-	-
Total financial liabilities		-	-	-	-
Infrastructure, property, plant and equipment					
Plant and equipment	30/06/17	-	-	4,594	4,594
Office equipment	30/06/17	-	-	144	144
Furniture and fittings	30/06/17	-	-	142	142
Operational land	30/06/17	-	-	1,467	1,467
Community land	30/06/17	-	-	4,043	4,043
Depreciable land improvements	30/06/17	-	-	4,070	4,070
Buildings – specialised	30/06/17	-	-	1,417	1,417
Buildings – non-specialised	30/06/17	-	-	9,884	9,884
Open space/recreation assets	30/06/17	-	-	2,955	2,955
Roads	30/06/17	-	-	99,483	99,483
Bridges	30/06/17	-	-	23,036	23,036
Footpaths	30/06/17	-	-	4,272	4,272
Bulk earthworks	30/06/17	-	-	11,625	11,625
Stormwater	30/06/17	-	-	7,624	7,624
Sewerage network	30/06/17	-	-	19,870	19,870
Tip assets	30/06/17	-	-	79	79
Quarry assets	30/06/17	-	-	177	177
Capital Work In Progress	30/06/17	-	-	152	152
Total infrastructure, property, plant and equipment		-	-	195,034	195,034

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Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 27. Fair value measurement (continued)

\$ '000

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

2016	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkt	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring fair value measurements					
Financial assets					
Investments					
Loans and receivables	30/06/16	–	16,000	–	16,000
Cash and short term deposits	30/06/16	–	1,075	–	1,075
Total financial assets		–	17,075	–	17,075
Financial liabilities					
Loans/advances	30/06/16	–	2,172	–	2,172
Payables	30/06/16	–	749	–	749
Total financial liabilities		–	2,921	–	2,921
Infrastructure, property, plant and equipment					
Plant and equipment	30/06/16	–	–	2,829	2,829
Office equipment	30/06/16	–	–	161	161
Furniture and fittings	30/06/16	–	–	143	143
Operational land	30/06/16	–	–	1,467	1,467
Community land	30/06/16	–	–	4,043	4,043
Depreciable land improvements	30/06/16	–	–	4,385	4,385
Buildings – specialised	30/06/16	–	–	10,114	10,114
Buildings – non-specialised	30/06/16	–	–	1,960	1,960
Open space/recreation assets	30/06/16	–	–	2,575	2,575
Roads	30/06/16	–	–	96,905	96,905
Bridges	30/06/16	–	–	22,591	22,591
Footpaths	30/06/16	–	–	3,721	3,721
Bulk earthworks	30/06/16	–	–	11,625	11,625
Stormwater	30/06/16	–	–	7,339	7,339
Sewerage network	30/06/16	–	–	19,577	19,577
Tip assets	30/06/16	–	–	89	89
Quarry assets	30/06/16	–	–	180	180
Capital Work In Progress	30/06/16	–	–	85	85
Total infrastructure, property, plant and equipment		–	–	189,789	189,789

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

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

Blayney Shire Council

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

Note 27. Fair value measurement (continued)

(3) Valuation techniques used to derive Level 2 and Level 3 Fair Values

Where Council is unable to derive Fair Valuations using quoted market prices of identical assets (i.e. Level 1 inputs), Council instead utilises a spread of both observable inputs (Level 2 inputs) and unobservable inputs (Level 3 inputs).

The Fair Valuation techniques Council has employed while utilising Level 2 and Level 3 inputs are as follows:

Infrastructure, Property, Plant & Equipment

Plant and Equipment – Major plant (graders, loaders trucks etc.), fleet vehicles (cars, utes etc.) and minor plant (chainsaws, mowers etc.)

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Purchase price, useful lives (current replacement cost)

Plant and Equipment are valued at cost but are disclosed at fair value.

Office Equipment – Computers, servers

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Purchase price, useful lives (current replacement cost)

Office Equipment is valued at cost but is disclosed at fair value.

Furniture and Fittings – Desks, chairs, air conditioners, cupboards

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Purchase price, useful lives (current replacement cost)

Furniture and Fittings are valued at cost but are disclosed at fair value.

Blayney Shire Council

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

Note 27. Fair value measurement (continued)

Operational Land – Industrial land, quarries, residential aged care units

Valuation Techniques: 'Market approach'

Inputs Used (Level 3): Land area, rate per square metre, zoning restrictions, geographical location, sales of comparable land

Councils Operational Land has been valued at market value, having regard to the "highest and best use", after identifying all elements that would be taken into account by buyers and sellers in settling the price, including but not limited to:

- The land's description and/or dimensions;
- Planning and other constraints on development; and
- The potential for alternative use.

With regard to the above Councils Valuer Scott Fullarton Valuations P/L analysed sales of land throughout Blayney Shire and surrounding Council areas and adopted a rate per square metre, after taking into consideration zoning, location, area and configuration.

Community Land – Parkland, sporting grounds, reserves, land under public buildings (halls & community centres)

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): The NSW Valuer General's valuations (as at 30 June 2016)

Councils community land is land intended for public access and use, or where other restrictions applying to the land create some obligation to maintain public access (such as a trust deed, or dedication under section 94 of the Environmental Planning and Assessment Act 1979). This gives rise to the restrictions in the Act, intended to preserve the qualities of the land.

Community Land:

- Cannot be sold
- Cannot be leased, licensed, or any other estate granted over the land for more than 21 years and
- Must have a plan of management for it.

Blayney Shire Council

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

Note 27. Fair value measurement (continued)

In relation to the valuing of Community Land the Office of Local Government has authorised the use of the NSW Valuer General's valuations as a sufficient basis to represent fair value for the revaluation of community land under clause 31 of AASB 116.

Depreciable Land Improvements – Gardens/softfall areas, cricket pitches and recreation ground pathways

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Dimensions and specifications, units rates

Depreciable Land Improvements were valued as at 30 June 2011. Valuations are based on unit rates derived from historical costs and from industry rates such as the 'Australian Construction handbook 2014 - Rawlinson's'. Council officers undertook a rigorous onsite inspection program to establish condition ratings used in calculating the remaining life and replacement cost of each asset. By using a spatial information program and satellite imagery Officers were able to accurately calculate asset lengths and dimensions and apply these to the established condition data.

Buildings (Specialised/Non Specialised) – Community halls, toilet blocks, council offices, library, multipurpose centre, works depot

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Unit rates, useful life, asset condition

Council's buildings were valued at fair value on 30th June 2012 in accordance with Compiled Accounting Standard AASB116 *Property, Plant and Equipment* and the NSW Department of Local Government Guidelines. 'Fair value' is the best estimate of the price reasonably obtainable in the market at the date of valuation. As defined in AASB 116, it is "the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction"

Councils Specialised Buildings were valued by Scott Fullarton Valuation (SFV) P/L as at 30 June 2013. SFV provided a valuation for each building based on applying a unit rate to a structure or a square metre rate to a building, based on its current replacement cost, which is the lowest cost of replacing the economic benefits of the existing asset using modern technology. These rates were derived from substantial analysis of construction costs from over one hundred and twenty (120) Councils throughout New South Wales.

SFV estimated the Total Life and Residual Life of each building/structure and, where the building is considered a complex asset, for each component, as they have useful lives different from those of the non-current assets to which they relate. In regard to componentisation, Paragraph 43 of AASB116 requires each part of the

Blayney Shire Council

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

Note 27. Fair value measurement (continued)

asset with a cost that is **significant** in relation to the asset be depreciated separately (structure, internal finishes, electrical services, mechanical services, fire/security and roof).

Open Space/Recreational Assets – Fencing, shadesails, other recreational furniture

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Unit rates, useful life, asset condition

Council used In-house resources to provide a valuation for each asset applying a rate based on historical cost. Condition data was then considered to provide a valuation taking into account consumption patterns, dimensions and other specifications.

Roads – Road surface, pavement, formation, major earthworks

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Unit rates, useful life, asset condition

Councils road infrastructure assets were last valued in-house on 30 June 2015. As per Paragraph 43 of AASB116, Councils roads infrastructure assets were segmented and componentised into the following categories (each representing a significant part of the overall asset):

- Road Surface
- Pavement
- Formation & Major Earthworks
- Kerb and Gutter
- Culverts

Roads – Sealed and Unsealed

GPS logged to establish the length and extent of the network. Road terminuses (extent of Council maintenance activities) were taken as the measure of BSC asset length. Seal widths (sealed roads) were taken from full condition assessment (undertaken by Coates Civil Consulting and BSC staff in 2008).

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 27. Fair value measurement (continued)

The pavement width was assumed to be an additional 1m on each side of the Seal (e.g. Seal of 6 m is assumed to have an 8m wide pavement). This was confirmed by random sampling of a range of roads categories across the Shire.

Unit rates for formation, pavement and sealing were based on the Rawlinson's; Construction Cost Guide 2010, Edition 18. These rates were verified against recent actual rates from BSC road works. Unit rates are assumed to be for an undulating topography, as this represents the majority of road corridors in the Shire. The slightly steeper grades are assumed to be countered by the substantially longer corridors of flat to slightly undulating topography.

Formation widths for sealed roads were established by random sampling in the field and from aerial imagery analysis of a range of road types and were demonstrated to be double the width of the pavement.

Condition Assessment data was substituted for date of construction data to establish remaining lives. This was in part due to BSC not having complete road construction / rehabilitation / initial sealing data.

Culverts

The categories used to group culverts (by size) were determined as part of the development of the '*Wellington, Blayney, Cabonne and Central Tablelands Water Strategic Alliance (WBC Alliance) joint Transport Asset Management Plan*'. Culverts of 450mm or less have not been valued separately due to their cost (purchase price and installation cost) and have been allowed for in the cubic metre rate for road formation.

Major Culverts do not include Bridge size (6m+) culverts, as these were valued in the Bridge Register. Of the remaining major culverts, these were divided into 2 categories; known and estimated. Known culverts were valued at replacement cost (from Rawlinsons) and of the remaining culverts, an estimate based on percentage of Major Culverts as a percentage of all known culverts was applied to the count of culverts (identified in the BSC Rural Addressing exercise from 1995).

An average size (650mm), length (9.6m) and an average condition rating (2) were then applied to these culverts to provide for a valuation, based on Rawlinsons rates. These average sizes were confirmed by inspections of known culverts.

Kerb and Gutter

Asset register was developed using a combination of 10cm Aerial imagery for Blayney and Millthorpe and 50cm Aerial imagery for the other Villages. This data was verified with an inspection program to determine the accuracy and materials used. The bulk of BSC's Kerb and Gutter network is concrete ('high back' or 'roll

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 27. Fair value measurement (continued)

back'), however some Kerb and Gutter is constructed from Bluestone or River Stone. Condition assessment for Kerb and Gutter was assumed to be an average of 2; as the vast majority of Council's Kerb and Gutter is in satisfactory condition, in that it is still able to function.

Unit Rates were established on 'First Principles' and verified against a tender that BSC had recently submitted for Kerb and Gutter works. While the majority of recently constructed Kerb and Gutter (in Millthorpe) has included an 'oxide' (to better match the existing Bluestone), the rate adopted for all concrete Kerb and Gutter was based on the rate for 'plain' concrete. Unit rates for the Bluestone and River Stone Kerbs and Gutters was also established on 'First Principles', but is substantially higher than for concrete, due to the increasing difficulty in sourcing Bluestone Blocks.

Unit rates for Kerb and Gutter are all based on 'Greenfields' costs and do not include any allowance of the removal of existing failed sections.

Bridges – (excluding culverts under 6 metres in length)

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Unit rates, useful life, asset condition, dimension and specifications (concrete/timber), bridge traffic

Councils bridge infrastructure assets were last valued on 30 June 2015.

Condition assessment for bridges was provided by in-house resources and was at the 'level 1' inspection regime, which is based on observed defects, but does not include core sampling or tensile testing of any components.

Bridge values were determined on the basis of a square metre (of deck) rate, as per the Rawlinson's; *Construction Cost Guide 2010, Edition 18*. This was in part because council does not possess sufficient detail on the individual components of individual bridges, or their respective conditions.

The Rawlinson's rates were used to validate the rates calculated from the last three bridges that council has replaced in recent years. The unit rate calculated for these bridges was CPI adjusted (using the Reserve Bank of Australia Inflation Calculator) to represent 2015 dollars.

Footpaths – Footways including cycleways

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Unit rates, useful life, asset condition, dimensions and specifications (concrete/bitumen)

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 27. Fair value measurement (continued)

Footpaths assets were valued in-house as at 30 June 2015. Aerial imagery was used to calculate the length of Councils footpath/cycleway network combined with an extensive inspection program. In-house unit rates were developed using recent construction data providing a square metre rate which was then applied across the network. Condition data (captured through the inspection program) was then applied to each individual asset segment to provide a written down value.

Stormwater Drainage – includes pits, pipes

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Unit rates, useful life, asset condition, dimensions and specifications

Stormwater Drainage

Register was developed using a combination of field observation and aerial imagery (for Blayney and Millthorpe). The level of capture is estimated to be around 85% to 95%, as by its nature Urban Stormwater drainage is difficult to locate and BSC does not have complete records of drainage installed.

Unit Rates for stormwater pits, pipes etc. were taken from Ministry of Energy and Utilities; *NSW reference Rates Manual; Valuation of Water Supply, Sewerage and Stormwater Assets*. As with Kerb and Gutter, these rates do not take into account any allowance for the removal of existing (failed) stormwater assets.

Sewerage Network – Sewer pipes, pump stations, treatment plant, telemetry system, manholes

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Unit rates, useful life, asset condition, dimensions and specifications

Councils complex Sewer Assets were valued by AUSTRALIS Asset Advisory Group as at 30 June 2017. The valuation was based on the NSW Office of Water's NSW Reference Rates Tables issued in 2016, a supplement to the former Ministry of Energy and Utilities' 2003 document NSW Reference Rates Manual: Valuation of Water Supply, Sewerage and Stormwater Assets.

The asset register was built using Council GIS data with modifications made to achieve the correct level of componentisation and to collect additional details regarding material and capacities of the assets.

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 27. Fair value measurement (continued)

Australis conducted a field survey, involving a physical inspection of the ground-level facility assets in the system such as treatment plants, pumping stations and effluent reuse reservoir.

The object of the survey was to uncover any evidence that will challenge the default useful life for that asset class such as corrosion (or lack of), obvious mechanical/electrical defects or structural damage.

The reticulation system (pipes and manholes) were valued internally using the same inputs, with condition assessment undertaken using the WSAA Conduit Inspection and Reporting Code. Surveys were conducted across almost 15% of each age category of pipes in the Blayney and Millthorpe Sewer systems.

Unit rates were then applied across the network. Condition data was then applied to each individual asset to provide a written down value.

Tip and Quarry Assets – Reinstatement, rehabilitation and restoration

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Unit rates, useful life, asset condition, dimensions and specifications

It has been recognised that there will be significant costs associated with the closure and post closure management of the landfill and quarry sites. Closure of the landfill and quarry sites will involve a wide range of activities including final capping of the landfill waste and site re-vegetation, monitoring of landfill gas, revision of the surface water management system and leachate management infrastructure to suit post-closure operation.

Valuation are based on actual timing of costs and future environmental management requirements.

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 27. Fair value measurement (continued)

\$ '000

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

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

	Operational land	Community land	Depreciable land improvements	Buildings – specialised	Total
Opening balance – 1/7/15	1,467	4,122	3,476	10,144	19,209
Transfers from/(to) another asset class	–	–	(173)	–	(173)
Purchases (GBV)	–	–	108	556	664
Disposals (WDV)	–	–	(26)	–	(26)
Depreciation and impairment	–	–	(395)	(586)	(981)
FV gains – other comprehensive income	–	(79)	1,395	–	1,316
Closing balance – 30/6/16	1,467	4,043	4,385	10,114	20,009
Purchases (GBV)	–	–	36	372	408
Depreciation and impairment	–	–	(351)	(602)	(953)
Closing balance – 30/6/17	1,467	4,043	4,070	9,884	19,464

	Buildings – non-specialised	Open space/recreation assets	Roads	Bridges	Total
Opening balance – 1/7/15	2,052	1,892	96,018	22,649	122,611
Transfers from/(to) another asset class	–	3	–	12	15
Purchases (GBV)	28	452	3,181	192	3,853
Disposals (WDV)	–	(82)	–	–	(82)
Depreciation and impairment	(120)	(94)	(2,294)	(262)	(2,770)
FV gains – other comprehensive income	–	405	–	–	405
Closing balance – 30/6/16	1,960	2,576	96,905	22,591	124,032
Transfers from/(to) another asset class	–	–	23	(23)	–
Purchases (GBV)	228	465	4,559	768	6,020
Disposals (WDV)	–	–	–	(35)	(35)
Depreciation and impairment	(121)	(85)	(2,004)	(265)	(2,475)
Transfer to asset held for sale	(650)	–	–	–	(650)
Closing balance – 30/6/17	1,417	2,955	99,483	23,036	126,891

Blayney Shire Council

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

Note 27. Fair value measurement (continued)

\$ '000

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

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

	Footpaths	Bulk earthworks	Stormwater	Sewerage network	Total
Opening balance – 1/7/15	3,138	11,507	6,826	19,535	41,006
Transfers from/(to) another asset class	173	–	–	–	173
Purchases (GBV)	478	118	593	262	1,452
Depreciation and impairment	(68)	–	(81)	(510)	(659)
FV gains – other comprehensive income	–	–	–	289	289
Closing balance – 30/6/16	3,721	11,625	7,339	19,577	42,262
Purchases (GBV)	626	–	366	119	1,111
Depreciation and impairment	(75)	–	(81)	(519)	(675)
FV gains – Income Statement ¹	–	–	–	693	693
Closing balance – 30/6/17	4,272	11,625	7,624	19,870	43,391

	Plant and equipment	Office equipment	Furniture and fittings	Tip and quarry	Total
Opening balance – 1/7/15	2,674	127	104	117	3,022
Transfers from/(to) another asset class	(15)	–	–	–	(15)
Purchases (GBV)	1,022	95	57	–	1,174
Disposals (WDV)	(204)	–	–	–	(204)
Depreciation and impairment	(648)	(61)	(18)	(13)	(740)
FV gains – other comprehensive income	–	–	–	165	165
Closing balance – 30/6/16	2,829	161	143	269	3,402
Purchases (GBV)	2,554	52	18	–	2,624
Disposals (WDV)	(126)	–	–	–	(126)
Depreciation and impairment	(663)	(69)	(19)	(25)	(776)
FV gains – other comprehensive income	–	–	–	12	12
Closing balance – 30/6/17	4,594	144	142	256	5,136

Blayney Shire Council

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

Note 27. Fair value measurement (continued)

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

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

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

I,PP&E

Class	Fair Value (30/6/17) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Plant & Equipment	4,594	Cost Approach	<ul style="list-style-type: none"> Gross Replacement Cost Remaining Useful Life 	<ul style="list-style-type: none"> Various 5 to 15 years 	Any changes in the gross replacement value or pattern of consumption will have an impact on fair value.
Office Equipment	144	Cost Approach	<ul style="list-style-type: none"> Gross Replacement Cost Remaining Useful Life 	<ul style="list-style-type: none"> Various 4 to 10 years 	Any changes in the gross replacement value or pattern of consumption will have an impact on fair value.
Furniture & Fittings	142	Cost Approach	<ul style="list-style-type: none"> Gross Replacement Cost Remaining Useful Life 	<ul style="list-style-type: none"> Various 10 to 20 years 	Any changes in the gross replacement value or pattern of consumption will have an impact on fair value.
Operational Land	1,467	Market Approach	<ul style="list-style-type: none"> Price per square metre 	<ul style="list-style-type: none"> \$1 - \$90 per sq. metre 	Changes in land zoning restrictions can have significant impacts on land values per sq. metre. Changes in comparable land sales and availability of land can also have a significant impact.

Blayney Shire Council

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

Note 27. Fair value measurement (continued)

Class	Fair Value (30/6/17) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Community Land	4,043	Cost Approach	<ul style="list-style-type: none"> NSW Valuer Generals Valuation (Unimproved Capital Value) 	<ul style="list-style-type: none"> Per Valuer General 	Any change in the average unimproved capital value will increase/decrease fair value.
Depreciable Land Improvements	4,070	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Condition Useful life 	<ul style="list-style-type: none"> \$2 - \$840 per sq. metre Excellent (1) to Poor (5) 10 to 100 years 	Any change in the component pricing and asset condition will have an impact on fair value.
Buildings – Specialised	2,067	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Conditions Useful Life 	<ul style="list-style-type: none"> \$170 - \$148,000 New (0) to Failed (10) 20 to 60 years 	Any change in the component pricing and asset condition will have an impact on fair value.
Buildings – Non Specialised	9,884	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Conditions Useful Life 	<ul style="list-style-type: none"> \$220 - \$2,100 New (0) to Failed (10) 20 to 60 years 	Any change in the component pricing and asset condition will have an impact on fair value.
Open Space/Recreation Assets	2,955	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Conditions Useful Life 	<ul style="list-style-type: none"> \$224 - \$25,751 Excellent (1) to Poor (5) 10 to 100 years 	Any change in the component pricing and asset condition will have an impact on fair value.

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 27. Fair value measurement (continued)

Class	Fair Value (30/6/17) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Roads	99,483	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Conditions Useful Life 	<ul style="list-style-type: none"> \$8 - \$32 per sq. metre (roads) \$88 - \$1,960 (kerb and gutter) \$4,926 - \$12,779 per lineal metre (culverts) Excellent (1) to Poor (5) 20 to 200 years (roads) 80 to 150 years (kerb & gutter) 80 years (culverts) 	Any change in the component pricing and asset condition will have an impact on fair value.
Bridges	23,036	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Conditions Useful Life 	<ul style="list-style-type: none"> \$3,250 per sq. metre Excellent (1) to Poor (5) 80 years 	Any change in the component pricing and asset condition will have an impact on fair value.
Footpaths	4,272	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Conditions Useful Life 	<ul style="list-style-type: none"> \$101 - \$235 per lineal metre Excellent (1) to Poor (5) 80 years 	Any change in the component pricing and asset condition will have an impact on fair value.

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 27. Fair value measurement (continued)

Class	Fair Value (30/6/17) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Bulk Earthworks	11,625	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Conditions 	<ul style="list-style-type: none"> \$15 - \$72 per cubic metre Excellent (1) to Poor (5) 	Any change in the component pricing and asset condition will have an impact on fair value.
Stormwater Drainage	7,624	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Conditions Useful Life 	<ul style="list-style-type: none"> \$134 - \$1,960 per lineal metre Excellent (1) to Poor (5) 80 to 100 years 	Any change in the component pricing and asset condition will have an impact on fair value.
Sewerage Network	19,870	Cost Approach	<ul style="list-style-type: none"> Unit Rates Useful Life Residual Life Asset Conditions 	<ul style="list-style-type: none"> Various 16 to 100 years (mean) 11 to 77 years Very Poor (5) to Very Good (1) 	Any change in the component pricing and asset condition will have an impact on fair value.
Tips and Quarries	256	Cost Approach	<ul style="list-style-type: none"> Discounted Future Cash Flow 	<ul style="list-style-type: none"> 6% 	Any changes in the future cost estimates and discount rate will have an impact on fair value.

c. The valuation process for level 3 fair value measurements

Refer above

(5). Highest and best use

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

Blayney Shire Council

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

Note 28. Related party disclosures

\$ '000

a. Key management personnel

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

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

	Actual
Compensation:	2017
Short-term benefits	800
Post-employment benefits	60
Other long-term benefits	45
Total	905

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 28. Related party disclosures (continued)

\$ '000

b. Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council as part of Council delivering a public service objective (e.g. access to library or Council swimming pool by KMP) will not be disclosed.

Nature of the transaction	Note	Value of transactions during year \$'000	Outstanding balance (incl. loans and commitments) \$'000	Terms and conditions	Provisions for doubtful debts outstanding \$'000	Doubtful debts expense recognised \$'000
Catering	1	12		Paid on invoice	—	—
Donations & Financial Assistance Grants	2	28		Paid on completion of works	—	—
Supply of Water	3	127		Payable by instalment date	—	—

- 1 Catering for training and meetings of Council were supplied by related parties of a number of KMP's
- 2 Council have donated funds to local not for profit organisations for community projects where a number of KMP's are members
- 3 A KMP is the Chair of a joint organisation (County Council) who supplies water to Council Facilities

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 29. Council information and contact details

Principal place of business:

91 Adelaide Street
Blayney NSW 2799

Contact details

Mailing address:

PO Box 62
Blayney NSW 2799

Opening hours:

9am to 4:30pm
Monday to Friday

Telephone: 02 6368 2104

Facsimile: 02 6368 3290

Internet: www.blayney.nsw.gov.au

Email: council@blayney.nsw.gov.au

Officers

GENERAL MANAGER

R Ryan

RESPONSIBLE ACCOUNTING OFFICER

T Irlam

PUBLIC OFFICER

A Franze

AUDITORS

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

Elected members

MAYOR

S J Ferguson

COUNCILLORS

K Radburn

D Kingham

G Braddon

A Ewin

S Oates

D Somerville



INDEPENDENT AUDITOR'S REPORT
Report on the general purpose financial statements
Blayney Shire Council

To the Councillors of Blayney Shire Council

Opinion

I have audited the accompanying financial statements of Blayney Shire Council (the Council), which comprise the statement of financial position as at 30 June 2017, the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Councillors and Management.

In my opinion,

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

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

Basis for Opinion

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

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

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

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

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

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

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

Other Matter

The financial statements of the Council for the year ended 30 June 2016 were audited by another auditor who expressed an unmodified opinion on that financial statement on 28 October 2016.

The Councillors' Responsibility for the Financial Statements

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

In preparing the financial statements, the Councillors must assess the Council's ability to continue as a going concern except where the Council will be dissolved or amalgamated by an Act of Parliament. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar3.pdf. The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, Note 2(a) and Note 16 budget variation explanations
- on the attached Special Schedules
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

A handwritten signature in black ink, appearing to read 'C. Clayton', with a large, stylized flourish at the end.

Chris Clayton
Director, Financial Audit Services

24 October 2017
SYDNEY



Councillor Scott Ferguson
Mayor
Blayney Shire Council
PO Box 62
BLAYNEY NSW 2799

Contact: Chris Clayton
Phone no: 02 9275 7248
Our ref: D1726814/1695

24 October 2017

Dear Mayor

Report on the Conduct of the Audit for the year ended 30 June 2017 Blayney Shire Council

I have audited the general purpose financial statements of Blayney Shire Council (the Council) for the year ended 30 June 2017 as required by s415 of the *Local Government Act 1993* (the Act).

I expressed an unmodified opinion on the Council's general purpose financial statements.

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2017 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the general purpose financial statements issued under section 417(2) of the Act.

INCOME STATEMENT

Operating result

	2017	2016	Variance
	\$m	\$m	%
Rates and annual charges revenue	10.5	10.4	1.0 ↑
Grants and contributions revenue	8.7	7.3	19.2 ↑
Operating result for the year	4.8	4.5	6.7 ↑
Net operating result before capital amounts	2.5	1.4	78.6 ↑

The growth in rates and annual charges is consistent with the rate pegging increase of 1.8 per cent, offset by a carry forward excess from the prior year (\$208,000) related to the removal of a special rate variation.

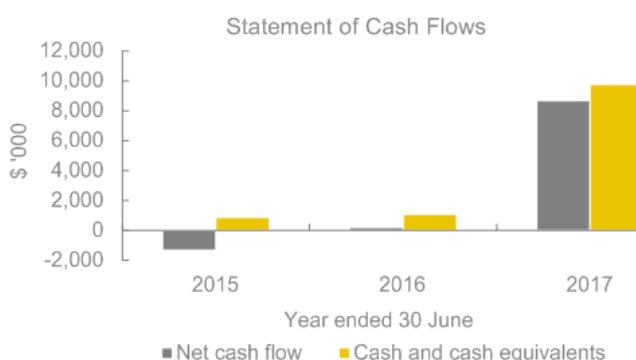
Operating grants and contributions were higher at \$6.4 million (\$4.2 million in 2015-16), mainly due to advanced receipt of 2017-18 financial assistance grant instalments from the Commonwealth Government in 2016-17.

The General Fund contributed positively to the operating result, whilst Council's Sewer Fund returned a deficit of \$135,000 for the financial year.

STATEMENT OF CASH FLOWS

The net cash inflow for the year ended 30 June 2017 was \$8.7 million (inflow of \$0.2 million for the year ended 30 June 2016).

A change in the mix of Council's cash and investments was the main reason for the higher levels of cash and cash equivalents at year end.



FINANCIAL POSITION

Cash and Investments

Restricted Cash and Investments	2017	2016	Commentary
	\$m	\$m	
External restrictions	9.1	8.7	Externally restricted balances include unexpended developer contributions, sewer and domestic waste management charges, as well as funds received under the terms of a voluntary planning agreement
Internal restrictions	7.6	8.2	
Unrestricted	0.5	0.2	
Cash and investments	17.2	17.1	Balances are internally restricted due to Council policy or decisions for forward plans including works program. Unrestricted balances provide liquidity for day-to-day operations.

Debt

At 30 June 2017, Council recognised \$2.0 million in loans (30 June 2016: \$2.2 million). Council's loans are secured over the general rating income of Council.

At 30 June 2017, Council also had access to a \$50,000 (30 June 2016: \$50,000) bank overdraft facility. This facility was unused at year end.

PERFORMANCE RATIOS

The definition of each ratio analysed below (except for the 'building and infrastructure renewals ratio') is included in Note 13 of the Council's audited general purpose financial statements. The 'building and infrastructure renewals ratio' is defined in Council's unaudited Special Schedule 7.

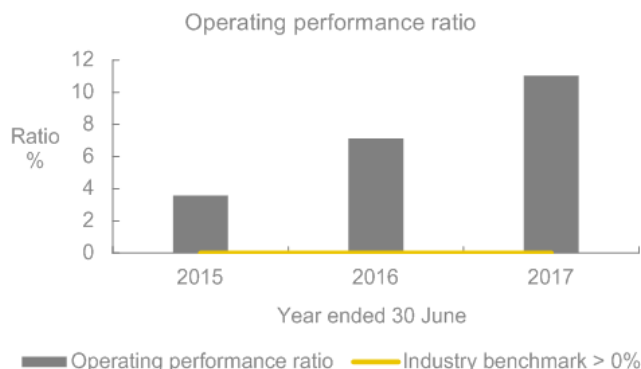
Operating performance ratio

Council's operating performance ratio exceeded the industry benchmark over the past three years.

Council's 2016-17 ratio reflects the advanced receipt of 2017-18 financial assistance grant instalments from the Commonwealth Government in 2016-17.

Council has continued to manage its operations to contain operating expenditure, however this is partly due to the mix of operating and capital expenditure from year to year.

The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by the Office of Local Government (OLG) is greater than zero per cent.

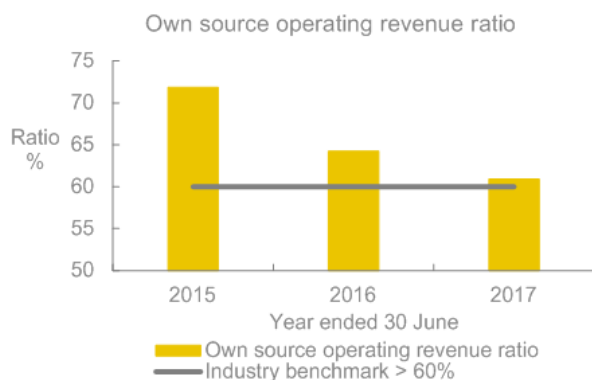


Own source operating revenue ratio

Council's own source operating revenue ratio exceeded the industry benchmark over the past three years.

The increased level of operating grants and contributions has the effect of decreasing council's own source revenue ratio.

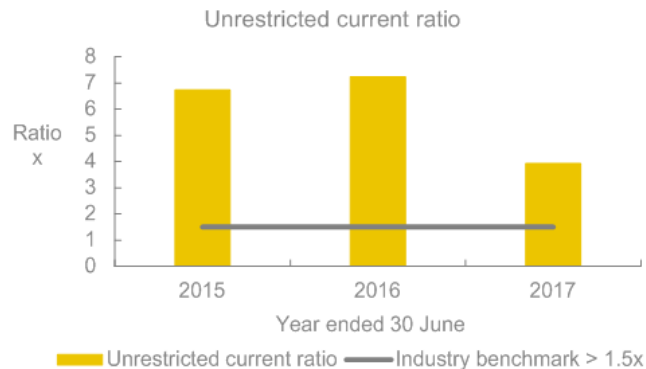
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



Unrestricted current ratio

Council's unrestricted current ratio exceeded the industry benchmark over the past three years. This indicates Council has sufficient liquidity to meet its current liabilities as and when they fall due.

The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.

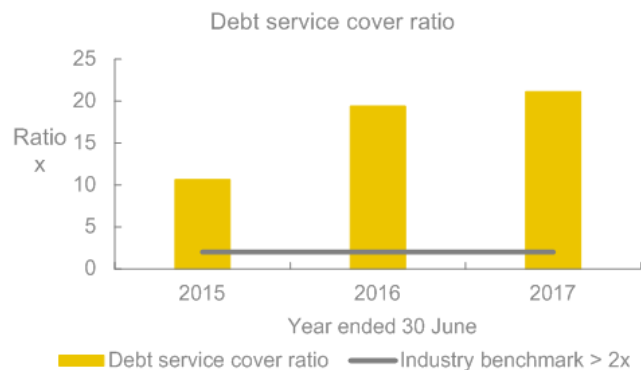


Debt service cover ratio

Council's debt service cover ratio exceeded the industry benchmark over the past three years. The ratio indicates Council has adequate revenue to cover the principal repayments and borrowing costs of its debt.

This ratio has increased over the last few years as a result of special rate variations and increased levels of operating grants and contributions rather than a significant change in Council's debt levels.

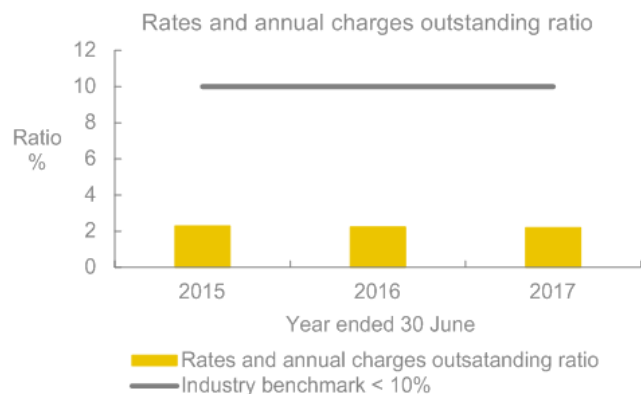
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



Rates and annual charges outstanding ratio

Council's rates and annual charges outstanding ratio is better than the benchmark for rural councils over the past three years. Council attributes this to a sustained effort to effectively manage recovery of rates and annual charges.

The 'rates and annual charges outstanding ratio' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for rural councils.

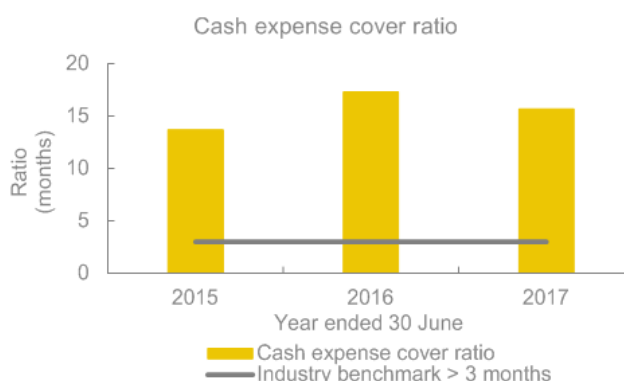


Cash expense cover ratio

As at 30 June 2017, Council had the capacity to cover over 15 months of cash expenditure without additional cash inflows.

Council's high levels of liquidity means its cash expense cover ratio far exceeded the industry benchmark over the past three years.

This liquidity ratio indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by OLG is greater than three months.

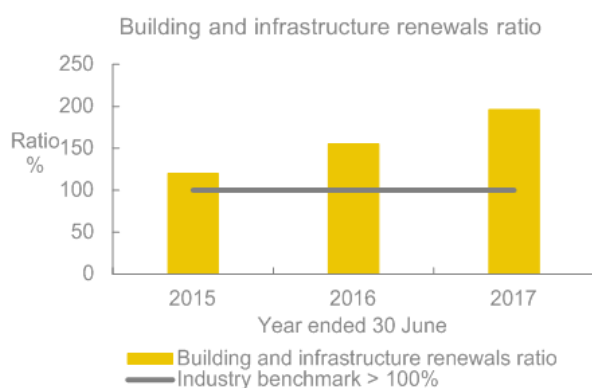


Building and infrastructure renewals ratio

Council's building and infrastructure renewals ratio exceeded the industry benchmark over the past three years. The ratio can fluctuate from year to year, depending on the nature of the projects being undertaken by Council. Council's focus over the last few years has been on asset renewals, primarily in relation to its road network.

The 'building and infrastructure renewals ratio assesses the rate at which these assets are being renewed against the rate at which they are depreciating. The benchmark set by OLG is greater than 100 per cent.

This ratio is sourced from council's Special Schedule 7 which has not been audited.



OTHER MATTERS

Valuation of water and sewerage assets

Council revalued its sewer infrastructure assets in 2016-17 resulting in a \$693,000 increment. I assessed:

- the effectiveness and reliability of processes to determine the fair value of assets
- the reasonableness of useful lives and depreciation assumptions
- the qualifications and experience of experts used.

New accounting standards implemented

AASB 124 'Related Party Disclosures'

Effective for annual reporting periods beginning on or 1 July 2016

AASB 2015-6 extended the scope of AASB 124 to not-for-profit public sector entities. Council's financial statements disclosed the:

- compensation paid to their key management personnel
- nature of related party relationships
- amount and nature of related party transactions, outstanding balances and commitments and outstanding balances (including commitments).

Council Entities

Council's interest in 'council entities' include:

- Central Tablelands Water
- Upper Macquarie County Council
- Statewide Limited
- StateCover Limited

Alternate external audits arrangements are in place for the above 'council entities'. I have obtained sufficient audit evidence to be satisfied Council's general purpose financial statements materially reflect Council's interest in the entities.

Legislative compliance

My audit procedures did not identify any instances of non-compliance with legislative requirements or a material deficiency in the Council's accounting records or financial reports. The Council's:

- accounting records were maintained in a manner and form to allow the general purpose financial statements to be prepared and effectively audited
- staff provided all accounting records and information relevant to the audit.



Chris Clayton
Director, Financial Audit Services

cc: Ms Rebecca Ryan, General Manager
Mr Steve Kent, Chair of the Audit Committee
Mr Tim Hurst, Acting Chief Executive of the Office of Local Government

Blayney Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2017

*“an innovative, inspirational
and enjoyable environment...”*



Blayney Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2017

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Income Statement – Other Business Activities	n/a
Statement of Financial Position – Water Supply Business Activity	n/a
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Statement of Financial Position – Other Business Activities	n/a
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Background

- (i) These Special Purpose Financial Statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.
- (ii) The principle of competitive neutrality is based on the concept of a 'level playing field' between persons/entities competing in a market place, particularly between private and public sector competitors.

Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.
- (iii) For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, and **(b)** those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities).
- (iv) In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).

Blayney Shire Council

Special Purpose Financial Statements for the year ended 30 June 2017

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

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

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

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

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

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


Signed in accordance with a resolution of Council made on 14 August 2017.



S J Ferguson
Mayor



A J Ewin
Councillor



R Ryan
General Manager



T Irlam
Responsible Accounting Officer

Blayney Shire Council

Income Statement of Council's Sewerage Business Activity for the year ended 30 June 2017

\$ '000	Actual 2017	Actual 2016
Income from continuing operations		
Access charges	1,061	1,030
User charges	133	131
Liquid trade waste charges	74	132
Fees	-	-
Interest	153	172
Grants and contributions provided for non-capital purposes	20	20
Profit from the sale of assets	-	8
Other income	9	5
Total income from continuing operations	1,450	1,498
Expenses from continuing operations		
Employee benefits and on-costs	299	260
Borrowing costs	54	57
Materials and contracts	601	611
Depreciation, amortisation and impairment	566	543
Calculated taxation equivalents	-	-
Debt guarantee fee (if applicable)	-	-
Other expenses	103	84
Total expenses from continuing operations	1,623	1,555
Surplus (deficit) from continuing operations before capital amounts	(173)	(57)
Grants and contributions provided for capital purposes	38	20
Surplus (deficit) from continuing operations after capital amounts	(135)	(37)
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from all operations before tax	(135)	(37)
Less: corporate taxation equivalent (30%) [based on result before capital]	-	-
SURPLUS (DEFICIT) AFTER TAX	(135)	(37)
Plus opening retained profits	9,443	9,480
Plus/less: prior period adjustments	-	-
Plus adjustments for amounts unpaid:		
- Taxation equivalent payments	-	-
- Debt guarantee fees	-	-
- Corporate taxation equivalent	-	-
Less:		
- Tax equivalent dividend paid	-	-
- Surplus dividend paid	-	-
Closing retained profits	9,308	9,443
Return on capital %	-0.6%	0.0%
Subsidy from Council	608	439
Calculation of dividend payable:		
Surplus (deficit) after tax	(135)	(37)
Less: capital grants and contributions (excluding developer contributions)	-	0
Surplus for dividend calculation purposes	-	-
Potential dividend calculated from surplus	-	-

Blayney Shire Council

Statement of Financial Position – Council's Sewerage Business Activity as at 30 June 2017

\$ '000	Actual 2017	Actual 2016
ASSETS		
Current assets		
Cash and cash equivalents	695	324
Investments	4,647	4,833
Receivables	39	36
Inventories	–	–
Other	–	–
Non-current assets classified as held for sale	–	–
Total current Assets	5,381	5,193
Non-current assets		
Investments	–	–
Receivables	–	–
Inventories	–	–
Infrastructure, property, plant and equipment	20,548	20,216
Investments accounted for using equity method	–	–
Investment property	–	–
Intangible assets	–	–
Total non-current assets	20,548	20,216
TOTAL ASSETS	25,929	25,409
LIABILITIES		
Current liabilities		
Bank overdraft	–	–
Payables	22	20
Income received in advance	–	–
Borrowings	40	37
Provisions	–	–
Total current liabilities	62	57
Non-current liabilities		
Payables	–	–
Borrowings	610	650
Provisions	–	–
Total non-current liabilities	610	650
TOTAL LIABILITIES	672	707
NET ASSETS	25,257	24,702
EQUITY		
Retained earnings	9,307	9,444
Revaluation reserves	15,950	15,258
Other reserves	–	–
Council equity interest	25,257	24,702
Non-controlling equity interest	–	–
TOTAL EQUITY	25,257	24,702

Blayney Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2017

Contents of the notes accompanying the financial statements

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3	Sewerage Business Best-Practice Management disclosure requirements	9

Blayney Shire Council

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

Note 1. Significant accounting policies

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

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

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

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

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

National Competition Policy

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

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

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

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

activities and provide a standard for disclosure requirements.

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

Declared business activities

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

Category 1

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

Nil

Category 2

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

a. Blayney Sewerage Service

Sewerage reticulation and treatment system servicing the town of Blayney, which has been established as a Special Rate Fund

b. Millthorpe Sewerage Service

Sewerage reticulation and treatment system servicing the town of Millthorpe, which has been established as a Special Rate Fund

Monetary amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest thousand dollars, except for Note 3 (Sewerage Best-Practice Management Disclosures).

As required by the NSW Office of Water (Department of Primary Industries) the amounts shown in Note 3 are disclosed in whole dollars.

Blayney Shire Council

Notes to the Special Purpose Financial Statements

for the year ended 30 June 2017

Note 1. Significant accounting policies (continued)

(i) Taxation-equivalent charges

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

However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in Special Purpose Financial Statements.

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council's non-business activities):

Notional rate applied (%)

Corporate income tax rate – 30%

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

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

In accordance with the Department of Primary Industries Water (DPIW), a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred to in the NSW Office of Water Guidelines to as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the *Local Government Act, 1993*.

Achievement of substantial compliance to the NSW Office of Water Guidelines is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

Income tax

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

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

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

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

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

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

Local government rates and charges

A calculation of the equivalent rates and charges payable on all category 1 businesses has been applied to all land assets owned or exclusively used by the business activity.

Loan and debt guarantee fees

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

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

Blayney Shire Council

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

Note 1. Significant accounting policies (continued)

(ii) Subsidies

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

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

Accordingly, 'subsidies disclosed' (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by Council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported business activity.

Local government water supply and sewerage businesses are permitted to pay an annual dividend from its water supply or sewerage business surplus.

Each dividend must be calculated and approved in accordance with the DPIW guidelines and must not exceed:

- (i) 50% of this surplus in any one year, or
- (ii) the number of water supply or sewerage assessments at 30 June 2017 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the DPIW guidelines a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the DPIW.

(iii) Return on investments (rate of return)

The NCP policy statement requires that councils with Category 1 businesses 'would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field'.

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

The rate of return is calculated as follows:

Operating result before capital income + interest expense

Written down value of I,PP&E as at 30 June

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 2.38% at 30/6/17.

(iv) Dividends

Council is not required to pay dividends to either itself (as owner of a range of businesses) or to any external entities.

Blayney Shire Council

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

Note 3. Sewerage business best-practice management disclosure requirements

Dollars amounts shown below are in whole dollars (unless otherwise indicated)

2017

1. Calculation and payment of tax-equivalents

[all local government local water utilities must pay this dividend for tax equivalents]

(i) Calculated tax equivalents	-
(ii) Number of assessments multiplied by \$3/assessment	5,892
(iii) Amounts payable for tax equivalents [lesser of (i) and (ii)]	-
(iv) Amounts actually paid for tax equivalents	-

2. Dividend from surplus

(i) 50% of surplus before dividends [calculated in accordance with Best-Practice Management for Water Supply and Sewerage Guidelines]	-
(ii) Number of assessments x (\$30 less tax equivalent charges per assessment)	58,920
(iii) Cumulative surplus before dividends for the 3 years to 30 June 2017, less the cumulative dividends paid for the 2 years to 30 June 2016 and 30 June 2015	(114,519)

2017 Surplus	(135,000)	2016 Surplus	(36,843)	2015 Surplus	57,324
		2016 Dividend	-	2015 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]	-
(vi) Are the overhead reallocation charges to the sewer business fair and reasonable? ^a	YES

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 and 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

page 9

Blayney Shire Council

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

Note 3. Sewerage business best-practice management disclosure requirements (continued)

Dollars amounts shown below are in whole dollars (unless otherwise indicated) 2017

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	1,336
NWI F10	Written down replacement cost of fixed assets (sewerage) Written down current cost of system assets (s48)	\$'000	20,332
NWI F12	Operating cost (sewerage) Management expenses (s1) + operational and maintenance expenses (s2)	\$'000	1,003
NWI F15	Capital expenditure (sewerage) Acquisition of fixed assets (s17)	\$'000	189
NWI F18	Economic real rate of return (sewerage) [total income (s14) – interest income (s10) – grants for acquisition of assets (s12a) – operating cost (NWI F12) – current cost depreciation (s3)] x 100 divided by [written down current cost (i.e. WDCC) of system assets (s48) + plant and equipment (s34b)]	%	-1.14%
NWI F27	Capital works grants (sewerage) Grants for the acquisition of assets (12a)	\$'000	–

National Water Initiative (NWI) financial performance indicators Water and sewer (combined)

NWI F3	Total income (water and sewerage) Total income (w13 + s14) + gain/loss on disposal of assets (w14 + s15) minus grants for acquisition of assets (w11a + s12a) – interest income (w9 + s10)	\$'000	1,336
NWI F8	Revenue from community service obligations (water and sewerage) Community service obligations (NWI F25) x 100 divided by total income (NWI F3)	%	0.97%
NWI F16	Capital expenditure (water and sewerage) Acquisition of fixed assets (w16 + s17)	\$'000	189
NWI F19	Economic real rate of return (water and sewerage) [total income (w13 + s14) – interest income (w9 + s10) – grants for acquisition of assets (w11a + s12a) – operating cost (NWI F11 + NWI F12) – current cost depreciation (w3 + s3)] x 100 divided by [written down replacement cost of fixed assets (NWI F9 + NWI F10) + plant and equipment (w33b + s34b)]	%	-1.14%
NWI F20	Dividend (water and sewerage) Dividend paid from surplus (2 (v) of Note 2 + 2 (v) of Note 3)	\$'000	–
NWI F21	Dividend payout ratio (water and sewerage) Dividend (NWI F20) x 100 divided by net profit after tax (NWI F24)	%	0.00%

Blayney Shire Council

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

Note 3. Sewerage business best-practice management disclosure requirements (continued)

Dollars amounts shown below are in whole dollars (unless otherwise indicated) 2017

National Water Initiative (NWI) financial performance indicators Water and sewer (combined)

NWI F22	Net debt to equity (water and sewerage) Overdraft (w36 + s37) + borrowings (w38 + s39) – cash and investments (w30 + s31) x 100 divided by [total assets (w35 + s36) – total liabilities (w40 + s41)]	%	-18.58%
NWI F23	Interest cover (water and sewerage) Earnings before interest and tax (EBIT) divided by net interest Earnings before interest and 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)		–
NWI F24	Net profit after tax (water and sewerage) Surplus before dividends (w15a + s16a) – tax equivalents paid (Note 2-1 (iv) + Note 3-1 (iv))	\$'000	(135)
NWI F25	Community service obligations (water and sewerage) Grants for pensioner rebates (w11b + s12b)	\$'000	13

- Notes:
1. References to w (eg. s12) refer to item numbers within Special Schedules 5 and 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 and Definitions.
 - a refer to 3.2 (2) on page 15 of the Best-Practice Management of Water Supply and Sewerage Guidelines, 2007



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statement

Blayney Shire Council

To the Councillors of Blayney Shire Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Blayney Shire Council's (the Council) Declared Business Activities, which comprise the statement of financial position of each Declared Business Activity as at 30 June 2017, the income statement of each Declared Business Activity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information for the Business Activities declared by Council, and the Statement by Councillors and Management.

The Declared Business Activities of the Council are:

- Sewerage.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's declared Business Activities as at 30 June 2017, and their financial performance for the year then ended, in accordance with the Australian Accounting Standards described in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting (LG Code).

My opinion should be read in conjunction with the rest of this report and in particular, the Emphasis of Matter referring to the basis of accounting.

Basis for Opinion

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

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

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

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

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to Note (1) to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling Council's financial reporting responsibilities under the LG Code. As a result, the financial statements may not be suitable for another purpose.

Other Matter

The financial statements of the Council for the year ended 30 June 2016 were audited by another auditor who expressed an unmodified opinion on that financial statement on 28 October 2016.

The Councillors' Responsibility for the Financial Statements

The Councillors are responsible for the preparation and fair presentation of the financial statements and for determining that the accounting policies, described in Note 1 to the financial statements, are appropriate to meet the requirements in the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councillors must assess the Council's ability to continue as a going concern except where the Council will be dissolved or amalgamated by an Act of Parliament. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting, as it affects the Council's Declared Business Activities.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

The description forms part of my auditor's report.

My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the best practice management disclosures in Note 3 of the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Chris Clayton
Director, Financial Audit Services

24 October 2017
SYDNEY

Blayney Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2017

*“an innovative, inspirational
and enjoyable environment...”*



Blayney Shire Council

Special Schedules

for the year ended 30 June 2017

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

Background

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

Blayney Shire Council

Special Schedule 1 – Net Cost of Services

for the year ended 30 June 2017

\$'000				
Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
Governance	478	2	–	(476)
Administration	3,674	749	–	(2,925)
Public order and safety				
Fire service levy, fire protection, emergency services	407	47	109	(251)
Beach control	–	–	–	–
Enforcement of local government regulations	–	–	–	–
Animal control	125	14	–	(111)
Other	1	–	–	(1)
Total public order and safety	533	61	109	(363)
Health	15	8	–	(7)
Environment				
Noxious plants and insect/vermin control	69	–	–	(69)
Other environmental protection	–	–	–	–
Solid waste management	1,286	1,390	–	104
Street cleaning	118	–	–	(118)
Drainage	149	50	–	(99)
Stormwater management	–	–	–	–
Total environment	1,622	1,440	–	(182)
Community services and education				
Administration and education	6	–	–	(6)
Social protection (welfare)	–	–	–	–
Aged persons and disabled	7	–	–	(7)
Children's services	12	1	–	(11)
Total community services and education	25	1	–	(24)
Housing and community amenities				
Public cemeteries	100	44	–	(56)
Public conveniences	103	–	–	(103)
Street lighting	113	21	–	(92)
Town planning	240	137	–	(103)
Other community amenities	–	–	–	–
Total housing and community amenities	556	202	–	(354)
Water supplies	–	–	–	–
Sewerage services	1,623	1,450	38	(135)

Blayney Shire Council

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

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
Recreation and culture				
Public libraries	192	42	–	(150)
Museums	–	–	–	–
Art galleries	–	–	–	–
Community centres and halls	154	18	–	(136)
Performing arts venues	–	–	–	–
Other performing arts	–	–	–	–
Other cultural services	5	–	–	(5)
Sporting grounds and venues	395	26	97	(272)
Swimming pools	1,011	356	–	(655)
Parks and gardens (lakes)	1,075	5	5	(1,065)
Other sport and recreation	79	–	117	38
Total recreation and culture	2,911	447	219	(2,245)
Fuel and energy	–	–	–	–
Agriculture	–	–	–	–
Mining, manufacturing and construction				
Building control	119	123	–	4
Other mining, manufacturing and construction	337	236	–	(101)
Total mining, manufacturing and const.	456	359	–	(97)
Transport and communication				
Urban roads (UR) – local	2,052	–	–	(2,052)
Urban roads – regional	–	–	–	–
Sealed rural roads (SRR) – local	2,311	3,780	1,610	3,079
Sealed rural roads (SRR) – regional	234	322	–	88
Unsealed rural roads (URR) – local	–	–	–	–
Unsealed rural roads (URR) – regional	–	–	–	–
Bridges on UR – local	–	–	–	–
Bridges on SRR – local	330	(4)	–	(334)
Bridges on URR – local	–	–	–	–
Bridges on regional roads	11	–	–	(11)
Parking areas	–	–	–	–
Footpaths	94	–	338	244
Aerodromes	–	–	–	–
Other transport and communication	482	422	–	(60)
Total transport and communication	5,514	4,520	1,948	954
Economic affairs				
Camping areas and caravan parks	–	–	–	–
Other economic affairs	418	282	–	(136)
Total economic affairs	418	282	–	(136)
Totals – functions	17,825	9,521	2,314	(5,990)
General purpose revenues ⁽¹⁾		10,670		10,670
Share of interests – joint ventures and associates using the equity method	–	144		144
NET OPERATING RESULT ⁽²⁾	17,825	20,335	2,314	4,824

(1) Includes: rates and annual charges (including ex gratia, excluding water and sewer), non-capital general purpose grants, interest on investments (excluding externally restricted assets) and interest on overdue rates and annual charges (2) As reported in the Income Statement

Blayney Shire Council

Special Schedule 5 – Sewerage Service Income Statement

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2017

\$'000	Actuals 2017	Actuals 2016
A Expenses and income		
Expenses		
1. Management expenses		
a. Administration	361	405
b. Engineering and supervision	–	–
2. Operation and maintenance expenses		
– mains		
a. Operation expenses	280	162
b. Maintenance expenses	3	–
– Pumping stations		
c. Operation expenses (excluding energy costs)	39	52
d. Energy costs	20	16
e. Maintenance expenses	–	–
– Treatment		
f. Operation expenses (excl. chemical, energy, effluent and biosolids management costs)	256	285
g. Chemical costs	8	–
h. Energy costs	36	34
i. Effluent management	–	–
j. Biosolids management	–	–
k. Maintenance expenses	–	–
– Other		
l. Operation expenses	–	–
m. Maintenance expenses	–	–
3. Depreciation expenses		
a. System assets	529	520
b. Plant and equipment	37	24
4. Miscellaneous expenses		
a. Interest expenses	54	57
b. Revaluation decrements	–	–
c. Other expenses	–	–
d. Impairment – system assets	–	–
e. Impairment – plant and equipment	–	–
f. Aboriginal Communities Water and Sewerage Program	–	–
g. Tax equivalents dividends (actually paid)	–	–
5. Total expenses	1,623	1,555

Blayney Shire Council

Special Schedule 5 – Sewerage Service Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2017

\$'000	Actuals 2017	Actuals 2016
Income		
6. Residential charges (including rates)	1,061	1,030
7. Non-residential charges		
a. Access (including rates)	–	–
b. Usage charges	133	131
8. Trade waste charges		
a. Annual fees	2	2
b. Usage charges	72	130
c. Excess mass charges	–	–
d. Re-inspection fees	–	–
9. Extra charges	–	–
10. Interest income	153	172
11. Other income	9	5
11a. Aboriginal Communities Water and Sewerage Program	–	–
12. Grants		
a. Grants for acquisition of assets	–	–
b. Grants for pensioner rebates	13	13
c. Other grants	8	7
13. Contributions		
a. Developer charges	38	20
b. Developer provided assets	–	–
c. Other contributions	–	–
14. Total income	<u>1,489</u>	<u>1,510</u>
15. Gain (or loss) on disposal of assets	–	8
16. Operating result	<u>(135)</u>	<u>(37)</u>
16a. Operating result (less grants for acquisition of assets)	(135)	(37)

Blayney Shire Council

Special Schedule 5 – Sewerage Service Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2017

\$'000	Actuals 2017	Actuals 2016
B Capital transactions		
Non-operating expenditures		
17. Acquisition of fixed assets		
a. New assets for improved standards	–	–
b. New assets for growth	–	–
c. Renewals	108	262
d. Plant and equipment	81	80
18. Repayment of debt	40	34
19. Totals	<u>229</u>	<u>376</u>
Non-operating funds employed		
20. Proceeds from disposal of assets	–	8
21. Borrowing utilised	–	–
22. Totals	<u>–</u>	<u>8</u>
C Rates and charges		
23. Number of assessments		
a. Residential (occupied)	1,551	1,458
b. Residential (unoccupied, ie. vacant lot)	126	135
c. Non-residential (occupied)	241	243
d. Non-residential (unoccupied, ie. vacant lot)	46	46
24. Number of ETs for which developer charges were received	– ET	– ET
25. Total amount of pensioner rebates (actual dollars)	\$ 15,062	\$ 15,063

Blayney Shire Council

Special Schedule 6 – Sewerage Service Statement of Financial Position

Includes internal transactions, i.e. prepared on a gross basis
as at 30 June 2017

\$'000	Actuals Current	Actuals Non-current	Actuals Total
ASSETS			
26. Cash and investments			
a. Developer charges	860	-	860
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	4,482	-	4,482
27. Receivables			
a. Specific purpose grants	-	-	-
b. Rates and availability charges	39	-	39
c. User charges	-	-	-
d. Other	-	-	-
28. Inventories	-	-	-
29. Property, plant and equipment			
a. System assets	-	20,332	20,332
b. Plant and equipment	-	216	216
30. Other assets	-	-	-
31. Total assets	<u>5,381</u>	<u>20,548</u>	<u>25,929</u>
LIABILITIES			
32. Bank overdraft	-	-	-
33. Creditors	22	-	22
34. Borrowings	40	610	650
35. Provisions			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	-	-
36. Total liabilities	<u>62</u>	<u>610</u>	<u>672</u>
37. NET ASSETS COMMITTED	<u>5,319</u>	<u>19,938</u>	<u>25,257</u>
EQUITY			
38. Accumulated surplus			9,307
39. Asset revaluation reserve			15,950
40. Other reserves			-
41. TOTAL EQUITY			<u>25,257</u>
Note to system assets:			
42. Current replacement cost of system assets			30,847
43. Accumulated current cost depreciation of system assets			(10,515)
44. Written down current cost of system assets			<u>20,332</u>

Blayney Shire Council

Notes to Special Schedules 5

for the year ended 30 June 2017

Administration ⁽¹⁾

(item 1a of Special Schedule 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 Schedule 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 Schedule 5) comprise the day to day operational expenses excluding maintenance expenses.

Maintenance expenses (item 2 of Special Schedule 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 Schedule 5) includes all expenses not recorded elsewhere.

Revaluation decrements (item 4b of Special Schedule 5) is to be used when I,PP&E decreases in FV.

Impairment losses (item 4d and 4e of Special Schedule 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 Schedule 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 12a of Special Schedule 5 is for services provided to the Aboriginal Communities Water and Sewerage Program and is not part of Council's sewerage revenue.

Residential charges ⁽²⁾ (item 6 of Special Schedule 5) 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 Schedule 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 (item 11 of Special Schedule 5) includes all income not recorded elsewhere.

Other contributions (item 13c of Special Schedule 5) including capital contributions for 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 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.

Blayney Shire Council

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

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2016/17 Required maintenance ^a	2016/17 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Buildings	Council Offices/Administration	56	2	15	95	3,019	5,075	93%	4%	3%	0%	0%
	Council Works Depot	104	23	34	77	1,175	2,255	56%	38%	4%	2%	0%
	Council Public Halls	398	93	9	38	271	1,154	13%	23%	38%	26%	0%
	Libraries	283	–	5	9	195	377	0%	100%	0%	0%	0%
	CentrePoint	1,200	253	82	297	2,863	5,418	0%	100%	0%	0%	0%
	Buildings including Amenities	503	267	50	94	2,469	4,970	45%	25%	6%	15%	9%
	Other Buildings	2,409	1,053	180	–	1,309	2,529	42%	26%	8%	13%	11%
	Sub-total	4,953	1,691	375	610	11,301	21,778	43.3%	41.4%	5.4%	6.5%	3.3%
Roads	Sealed roads	2,407	1,850	510	1,237	42,748	57,469	45%	44%	5%	2%	4%
	Unsealed roads	1,522	892	500	857	6,803	17,014	11%	29%	36%	21%	3%
	Bridges	1,833	678	50	21	23,036	26,841	88%	3%	4%	1%	4%
	Footpaths	1,537	13	25	19	4,272	6,301	20%	39%	36%	5%	0%
	Bulk earthworks	–	–	–	–	11,625	11,625	100%	0%	0%	0%	0%
	Kerb & Gutter	2,033	34	15	–	5,947	8,810	17%	52%	23%	8%	0%
	Formations	–	–	–	–	41,522	41,522	100%	0%	0%	0%	0%
	Roadside Furniture	499	222	550	142	1,678	2,443	46%	27%	9%	12%	6%
	Culverts	1,226	–	100	221	785	1,657	0%	0%	100%	0%	0%
Sub-total	11,057	3,689	1,750	2,497	138,416	173,682	62.4%	22.3%	9.4%	3.6%	2.3%	

Blayney Shire Council

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

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2016/17 Required maintenance ^a	2016/17 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Sewerage network	Gravity Reticulations	–	–	250	21	9,301	15,602	100%	0%	0%	0%	0%
	Rising mains	–	–	50	–	3,559	4,797	100%	0%	0%	0%	0%
	Sewerage Treatment Plant	381	–	127	243	5,177	6,746	58%	34%	8%	0%	0%
	Pump Stations	1,006	417	–	24	1,833	3,130	25%	31%	17%	27%	0%
	Sub-total	1,387	417	427	288	19,870	30,275	82.9%	10.8%	3.5%	2.8%	0.0%
Stormwater drainage	Stormwater Pipes/Lines	14	15	25	19	7,480	8,763	3%	97%	0%	0%	0%
	Stormwater Pits	87	10	10	1	144	201	42%	0%	58%	0%	0%
	Sub-total	101	25	35	20	7,624	8,964	3.9%	94.8%	1.3%	0.0%	0.0%
Open space/recreational assets	Fencing	266	29	40	25	560	811	32%	26%	35%	7%	0%
	Park Furniture	757	48	–	377	2,239	3,064	38%	29%	30%	3%	0%
	Roofing/Shadesails	–	–	–	16	156	227	14%	86%	0%	0%	0%
	Sub-total	1,023	77	40	418	2,955	4,102	35.5%	31.6%	29.3%	3.6%	0.0%
	TOTAL – ALL ASSETS	18,521	5,899	2,627	3,833	180,166	238,801	60.6%	25.5%	8.3%	3.7%	2.0%

Notes:

a Required maintenance is the amount identified in Council's asset management plans.

Infrastructure asset condition assessment 'key'

- 1 **Excellent** No work required (normal maintenance)
- 2 **Good** Only minor maintenance work required
- 3 **Average** Maintenance work required

- 4 **Poor** Renewal required
- 5 **Very poor** Urgent renewal/upgrading required

Blayney Shire Council

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

\$ '000	Amounts	Indicator	Benchmark	Prior periods	
	2017	2017		2016	2015
Infrastructure asset performance indicators * consolidated					
1. Infrastructure renewals ratio					
Asset renewals ⁽¹⁾	<u>7,364</u>	196.27%	>= 100%	155.04%	120.09%
Depreciation, amortisation and impairment	<u>3,752</u>				
2. Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	<u>18,521</u>	10.73%	< 2%	21.37%	5.35%
Net carrying amount of infrastructure assets	<u>172,611</u>				
3. Asset maintenance ratio					
Actual asset maintenance	<u>3,833</u>	1.46	> 1.00	1.20	0.90
Required asset maintenance	<u>2,627</u>				
4. Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	<u>5,899</u>	2.47%		6.01%	3.95%
Gross replacement cost	<u>238,801</u>				

Notes

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

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

Blayney Shire Council

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

<p>1. Infrastructure renewals ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>107%</td> </tr> <tr> <td>2015</td> <td>120%</td> </tr> <tr> <td>2016</td> <td>155%</td> </tr> <tr> <td>2017</td> <td>196%</td> </tr> </tbody> </table> <p>Benchmark: ——— Minimum $\geq 100.00\%$ Source for benchmark: Code of Accounting Practice and Financial Reporting #25</p>	Year	Ratio %	2014	107%	2015	120%	2016	155%	2017	196%	<p>Purpose of asset renewals ratio</p> <p>To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.</p>	<p>Commentary on 2016/17 result</p> <p>2016/17 Ratio 196.27%</p> <p>Council is undertaking a \$2m Bridge Renewal Program and reconstructing a major road corridor, which contributed to this renewal ratio</p>
Year	Ratio %											
2014	107%											
2015	120%											
2016	155%											
2017	196%											
<p>2. Infrastructure backlog ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>7.6%</td> </tr> <tr> <td>2015</td> <td>5.4%</td> </tr> <tr> <td>2016</td> <td>21.4%</td> </tr> <tr> <td>2017</td> <td>10.7%</td> </tr> </tbody> </table> <p>Benchmark: ——— Maximum $< 2.00\%$ Source for benchmark: Code of Accounting Practice and Financial Reporting #25</p>	Year	Ratio %	2014	7.6%	2015	5.4%	2016	21.4%	2017	10.7%	<p>Purpose of infrastructure backlog ratio</p> <p>This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.</p>	<p>Commentary on 2016/17 result</p> <p>2016/17 Ratio 10.73%</p> <p>This ratio uses the Office of Local Government measure, based on all assets being brought back to condition 2. Council has always used condition 3 as the target, which gives a backlog figure of 2%.</p>
Year	Ratio %											
2014	7.6%											
2015	5.4%											
2016	21.4%											
2017	10.7%											
<p>3. Asset maintenance ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio (x)</th> </tr> </thead> <tbody> <tr> <td>2014</td> <td>0.87</td> </tr> <tr> <td>2015</td> <td>0.90</td> </tr> <tr> <td>2016</td> <td>1.20</td> </tr> <tr> <td>2017</td> <td>1.46</td> </tr> </tbody> </table> <p>Benchmark: ——— Minimum > 1.00 Source for benchmark: Code of Accounting Practice and Financial Reporting #25</p>	Year	Ratio (x)	2014	0.87	2015	0.90	2016	1.20	2017	1.46	<p>Purpose of asset maintenance ratio</p> <p>Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.</p>	<p>Commentary on 2016/17 result</p> <p>2016/17 Ratio 1.46 x</p> <p>Council has increased the size of its day labour workforce in the last 2 years, enabling the required and budgeted maintenance to be achieved.</p>
Year	Ratio (x)											
2014	0.87											
2015	0.90											
2016	1.20											
2017	1.46											
<p>4. Cost to bring assets to agreed service level</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>3.95%</td> </tr> <tr> <td>2016</td> <td>5.01%</td> </tr> <tr> <td>2017</td> <td>2.47%</td> </tr> </tbody> </table>	Year	Ratio %	2015	3.95%	2016	5.01%	2017	2.47%	<p>Purpose of agreed service level ratio</p> <p>This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.</p>	<p>Commentary on 2016/17 result</p> <p>2016/17 Ratio 2.47%</p> <p>This ratio refers to Council bringing assets back to condition 3 (the agreed level of service) and better reflects the actual outstanding renewal works required.</p>		
Year	Ratio %											
2015	3.95%											
2016	5.01%											
2017	2.47%											

Blayney Shire Council

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

\$ '000	Benchmark	Sewer 2017	General ⁽¹⁾ 2017
Infrastructure asset performance indicators by fund			
1. Infrastructure renewals ratio			
Asset renewals ⁽²⁾		22.93%	224.10%
Depreciation, amortisation and impairment	>= 100%		
	prior period:	50.44%	170.26%
2. Infrastructure backlog ratio			
Estimated cost to bring assets to a satisfactory standard		6.98%	11.22%
Net carrying amount of infrastructure assets	< 2%		
	prior period:	26.76%	20.66%
3. Asset maintenance ratio			
Actual asset maintenance		0.67	1.61
Required asset maintenance	> 1.00		
	prior period:	0.90	1.27
4. Cost to bring assets to agreed service level			
Estimated cost to bring assets to an agreed service level set by Council		1.38%	2.63%
Gross replacement cost			
	prior period:	10.34%	5.39%

Notes

(1) General fund refers to all of Council's activities except for its sewer activity which is listed separately.

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

Blayney Shire Council

Special Schedule 8 – Permissible Income Calculation

for the year ended 30 June 2018

\$'000		Calculation 2016/17	Calculation 2017/18
Notional general income calculation ⁽¹⁾			
Last year notional general income yield	a	8,566	8,532
Plus or minus adjustments ⁽²⁾	b	79	(33)
Notional general income	c = (a + b)	8,645	8,499
Permissible income calculation			
Special variation percentage ⁽³⁾	d	0.00%	0.00%
Or rate peg percentage	e	1.80%	1.50%
Or crown land adjustment (incl. rate peg percentage)	f	0.00%	0.00%
Less expiring special variation amount	g	(485)	–
Plus special variation amount	h = d x (c – g)	–	–
Or plus rate peg amount	i = c x e	147	127
Or plus Crown land adjustment and rate peg amount	j = c x f	–	–
Sub-total	k = (c + g + h + i + j)	8,307	8,626
Plus (or minus) last year's carry forward total	l	16	(208)
Less valuation objections claimed in the previous year	m	–	(1)
Sub-total	n = (l + m)	16	(209)
Total permissible income	o = k + n	8,323	8,417
Less notional general income yield	p	8,532	8,421
Catch-up or (excess) result	q = o – p	(209)	(4)
Plus income lost due to valuation objections claimed ⁽⁴⁾	r	1	6
Less unused catch-up ⁽⁵⁾	s	–	–
Carry forward to next year	t = q + r – s	(208)	2

Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916*.
- (3) The 'special variation percentage' is inclusive of the rate peg percentage and where applicable Crown land adjustment.
- (4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- (5) Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- (6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the *NSW Government Gazette* in accordance with section 512 of the *Local Government Act 1993*. The OLG will extract these amounts from Council's Special Schedule 8 in the financial data return (FDR) to administer this process.



INDEPENDENT AUDITOR'S REPORT

Special Schedule No. 8

Blayney Shire Council

To the Councillors of Blayney Shire Council

Opinion

I have audited the accompanying special purpose financial statement comprising the reconciliation of total permissible general income (Special Schedule No. 8) of Blayney Shire Council (the Council) for the year ending 30 June 2018.

In my opinion, Special Schedule No. 8 of Blayney Shire Council for 30 June 2018 is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting (LG Code) issued by the Office of Local Government (OLG), and is in accordance with the books and records of the Council.

My opinion should be read in conjunction with the rest of this report, and in particular the Emphasis of Matter paragraph, which describes the basis of accounting.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of Special Schedule No.8' section of my report.

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to the notes and explanations in Special Schedule No. 8 that instruct councils in its preparation so it complies with OLG's requirements as described in the LG Code. As a result, Special Schedule No. 8 may not be suitable for another purpose.

Other Matter

Special Schedule No.8 of the Council for the year ended 30 June 2017 was audited by another auditor who expressed an unmodified opinion on Special Schedule No. 8 on 28 October 2016.

Councillors' Responsibility for Special Schedule No. 8

The Councillors of the Council are responsible for the preparation of Special Schedule No. 8 in accordance with the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of Special Schedule No. 8 that is free from material misstatement, whether due to fraud or error.

In preparing Special Schedule No.8, the Councillors must assess the Council's ability to continue as a going concern except where the Council will be dissolved or amalgamated by an Act of Parliament. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibility for the Audit of Special Schedule No. 8

My objectives are to:

- obtain reasonable assurance whether Special Schedule No. 8 as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on Special Schedule No.8.

A description of my responsibilities for the audit of Special Schedule No.8 is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/auditors_responsibilities/ar8.pdf. The description forms part of my auditor's report.

My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited Special Schedule No.8 on any website where they may be presented
- about any other information which may have been hyperlinked to/from Special Schedule No 8.



Chris Clayton
Director, Financial Audit Services

24 October 2017
SYDNEY



Quarterly Budget Review 2017-2018

**Period ending
30-September-2017**

Blayney Shire Council

Quarterly Budget Review Statement

for the period 01/07/17 to 30/09/17

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Blayney Shire Council


Quarterly Budget Review Statement
for the period 01/07/17 to 30/09/17

Report by Responsible Accounting Officer

The following statement is made in accordance with Clause 203(2) of the Local Government (General) Regulations 2005:

30 September 2017

It is my opinion that the Quarterly Budget Review Statement for Blayney Shire Council for the quarter ended 30/09/17 indicates that Council's projected financial position at 30/6/18 will be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

Signed:  _____

date: 9/11/2017

Tiffany Irlam
Responsible Accounting Officer

Blayney Shire Council

PART 1:

Income & Expenses Budget Summary

Quarterly Budget Review Statement

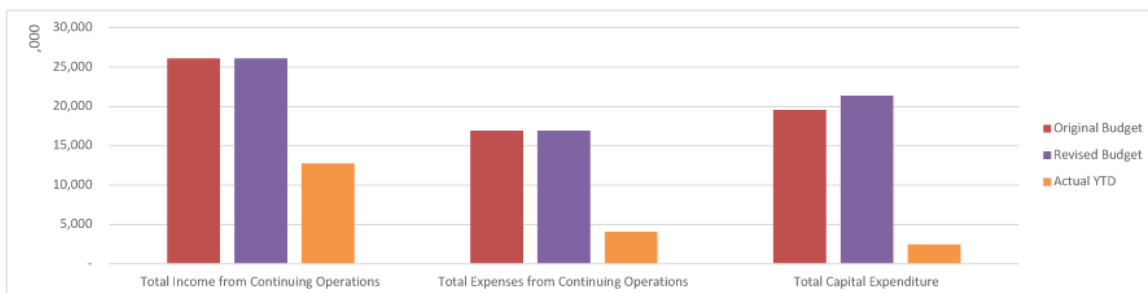
for the period 01/07/17 to 30/09/17

Budget review for the quarter ended 30 September 2017

Income & Expenses - Council Consolidated

(\$000's)

	Original Budget \$ 000	Carry Forwards \$ 000	Revised Budget Last Qtr	Variations for this Sep Qtr	Revised Budget Current	Actual YTD figures
Total Income from Continuing Operations	26,090	-	26,090	(377)	25,713	12,779
Total Expenses from Continuing Operations	16,941	-	16,941	249	17,190	4,091
Net Operating Result from Continuing Operations	9,149	-	9,149	(626)	8,523	8,688
Total Capital Expenditure	19,546	1,827	21,373	502	21,875	2,486



Blayney Shire Council

Quarterly Budget Review Statement
for the period 01/07/17 to 30/09/17

Income & Expenses Budget Review Statement

Budget review for the quarter ended 30 September 2017

Income & Expenses - Council Consolidated

(\$000's)	Original Budget 2017/18	Approved Changes		Revised Budget 2017/18	Variations for this Sep Qtr	Notes	Projected Year End Result	Actual YTD figures
		Carry Forwards	Other than by QBRS					
Income								
Rates and Annual Charges	10,555			10,555			10,555	10,457
User Charges and Fees	1,846			1,846	15	b	1,861	515
Interest and Investment Revenues	375			375			375	106
Other Revenues	227			227	1		228	42
Grants & Contributions - Operating	3,450			3,450	(1,151)	d,e	2,299	436
Grants & Contributions - Capital	8,924			8,924	758	a,c,d	9,682	1,155
Net gain from disposal of assets	713			713			713	68
Share of Interests in Joint Ventures	-			-			-	-
Total Income from Continuing Operations	26,090	-	-	26,090	(377)		25,713	12,779
Expenses								
Employee Costs	6,516			6,516	17	c,h	6,533	1,462
Borrowing Costs	202			202			202	34
Materials & Contracts	1,967			1,967	191	c,f,g,h	2,158	341
Depreciation	5,400			5,400			5,400	1,342
Legal Costs	57			57			57	7
Consultants	201			201	15	j	216	23
Other Expenses	2,598			2,598	26	i	2,624	882
Net Loss from disposal of assets	-			-			-	-
Share of interests in Joint Ventures	-			-			-	-
Total Expenses from Continuing Operations	16,941	-	-	16,941	249		17,190	4,091
Net Operating Result from Continuing Operation	9,149	-	-	9,149	(626)		8,523	8,688
Discontinued Operations - Surplus/(Deficit)								
Net Operating Result from All Operations	9,149	-	-	9,149	(626)		8,523	8,688
Net Operating Result before Capital Items	225	-	-	225	(1,384)		(1,159)	7,533

* This is not a projection of the year end result as rates and annual charges are levied in full in July. There are other income and expenditure items that vary in nature when paid or received (fixed or variable e.g. weekly, monthly or annually).

Blayney Shire Council

Quarterly Budget Review Statement
for the period 01/07/17 to 30/09/17

Income & Expenses Budget Review Statement

Budget review for the quarter ended 30 September 2017

Income & Expenses - Council Consolidated

(\$000's)	Original Budget 2017/18	Approved Changes		Revised Budget 2017/18	Variations for this Sep Qtr	Notes	Projected Year End Result	Actual YTD figures
		Carry Forwards	Other than by QBRS					
Income								
Governance	3			3			3	-
Administration	659			659	181	i	840	122
Public Order & Safety	56			56	184	a	240	4
Health	6			6			6	1
Environment	1,296			1,296			1,296	1,232
Community Services & Education	2			2			2	-
Housing & Community Amenities	182			182	16	b	198	48
Sewer Supplies	1,527			1,527	2	i	1,529	1,020
Manufacturing & Construction	462			462			462	106
Recreation & Culture	969			969	126	c	1,095	172
Transport & Communication	10,218			10,218	(76)	d	10,142	1,370
Economic Affairs	518			518	1		519	35
General Purpose Revenue	10,192			10,192	(811)	e	9,381	8,669
Total Income from Continuing Operations	26,090	-	-	26,090	(377)		25,713	12,779
Expenses								
Governance	590			590	3		593	187
Administration	3,884			3,884	20	i	3,904	1,083
Public Order & Safety	495			495	1		496	57
Health	65			65			65	18
Environment	1,382			1,382			1,382	268
Community Services & Education	20			20			20	11
Housing & Community Amenities	408			408	111	f	519	120
Sewer Supplies	1,422			1,422	(8)		1,414	294
Recreation & Culture	2,734			2,734	43	c,g,j	2,777	664
Manufacturing & Construction	497			497			497	85
Transport & Communication	5,068			5,068	75	h	5,143	1,228
Economic Affairs	376			376	4		380	76
Total Expenses from Continuing Operations	16,941	-	-	16,941	249		17,190	4,091
Net Operating Result from Continuing Operation	9,149	-	-	9,149	(626)		8,523	8,688
Discontinued Operations - Surplus/(Deficit)				-			-	
Net Operating Result from All Operations	9,149	-	-	9,149	(626)		8,523	8,688
Net Operating Result before Capital Items	225			225	(1,384)		(1,159)	7,533

Blayney Shire Council
PART 3A:

Quarterly Budget Review Statement
for the period 01/07/17 to 30/09/17

Operating Income & Expenses Budget Review Statement (By Function/Activity - Detailed)

Budget review for the quarter ended 30 September 2017

Operating Income & Expenses - Council Consolid (Excludes Capital Grants & Contributions)

(\$000's)	Operating Income							Operating Expenditure								
	Original Budget \$ 000	Other than by QBRS \$ 000	Revised Budget \$ 000	Variations for Sep-17	Notes	Projected Year End Result	Actual YTD figures	%	Original Budget \$ 000	Other than by QBRS \$ 000	Revised Budget \$ 000	Variations for Sep-17	Notes	Projected Year End Result	Actual YTD figures	%
Governance																
Council	3		3			3	-	0.0%	591		591	3		594	187	31.5%
Administration																
Corporate Services	209		209			209	15	7.2%	2,676		2,676	(3)		2,673	683	25.6%
Engineering & Works	102		102	23		125	38	30.4%	913		913	23		936	316	33.8%
Environmental	5		5			5	1	20.0%	295		295			295	84	28.5%
	316	-	316	23		339	54	15.9%	3,884	-	3,884	20		3,904	1,083	27.7%
Public Order & Safety																
Rural Fire Service	46		46			46		0.0%	348		348			348	31	8.9%
Animal Control	10		10			10	4	40.0%	104		104	1		105	25	23.8%
Emergency Services	-		-			-		0.0%	42		42			42	1	2.4%
Other Public Order & Safety	-		-			-		0.0%	-		-			-	1	0.0%
	56	-	56	-		56	4	40.0%	494	-	494	1		495	58	11.7%
Health																
Administration/Food Control	6		6			6	1	16.7%	65		65			65	18	27.7%
	6	-	6	-		6	1	16.7%	65	-	65	-		65	18	27.7%
Environment																
Noxious Plants	-		-			-		0.0%	71		71			71	70	98.6%
Domestic Waste Management	1,074		1,074			1,074	1,076	100.2%	839		839			839	125	14.9%
Other Waste Management	222		222			222	156	70.3%	205		205			205	44	21.5%
Street Cleaning	-		-			-		0.0%	161		161			161	30	18.6%
Urban Stormwater Drainage	-		-			-		0.0%	106		106			106	-	0.0%
	1,296	-	1,296	-		1,296	1,232	95.1%	1,382	-	1,382	-		1,382	269	19.5%
Community Services & Education																
Child Care	-		-			-		0.0%	10		10			10	10	100.0%
Aged & Disabled	1		1			1		0.0%	1		1			1		0.0%
Youth Services	1		1			1		0.0%	2		2			2		0.0%
Community Services Administration	-		-			-		0.0%	7		7			7	2	28.6%
	2	-	2	-		2	-	0.0%	20	-	20	-		20	12	60.0%
Housing & Community Amenities																
Town Planning	138		138			138	28	20.3%	244		244	100		344	48	14.0%
Street Lighting	17		17			17		0.0%	102		102	11		113	22	19.5%
Public Cemeteries	44		44	16		60	20	33.3%	68		68			68	17	25.0%
Public Conveniences	-		-			-		0.0%	96		96			96	33	34.4%
	199	-	199	16		215	48	22.3%	510	-	510	111		621	120	19.3%

This statement forms part of Council's Quarterly Budget Review Statement (QBRS) for the quarter ended 30/09/17 and should be read in conjunction with the total QBRS report

Blayney Shire Council
PART 3A:

Quarterly Budget Review Statement
for the period 01/07/17 to 30/09/17

Operating Income & Expenses Budget Review Statement (By Function/Activity - Detailed)

Budget review for the quarter ended 30 September 2017

Operating Income & Expenses - Council Consolid (Excludes Capital Grants & Contributions)

(\$000's)	Operating Income							Operating Expenditure								
	Original Budget \$ 000	Other than by QBRS \$ 000	Revised Budget \$ 000	Variations for Sep-17	Notes	Projected Year End Result	Actual YTD figures	%	Original Budget \$ 000	Other than by QBRS \$ 000	Revised Budget \$ 000	Variations for Sep-17	Notes	Projected Year End Result	Actual YTD figures	%
Recreation & Culture																
Public Libraries	33		33			33	-	0.0%	204		204			204	10	4.9%
Public Halls	16		16			16	2	12.5%	148		148			148	47	31.8%
Centrepont Sport & Leisure	426		426			426	128	30.0%	1,013		1,013	(1)		1,012	237	23.4%
Sporting Grounds	16		16			16	3	18.8%	264		264	14	j	278	101	36.3%
Parks & Gardens	3		3	37	c	40	38	95.0%	1,001		1,001	30	c.g	1,031	245	23.8%
Blayney Showground	3		3			3	1	33.3%	82		82			82	20	24.4%
Other Cultural Services	-		-			-	-	0.0%	22		22			22	4	18.2%
	497	-	497	37		534	172	32.2%	2,734	-	2,734	43		2,777	664	23.9%
Mining Manufacturing & Construction																
Building Control	127		127			127	27	21.3%	179		179			179	22	12.3%
Quarries & Pits	336		336			336	79	23.5%	318		318			318	62	19.5%
	463	-	463	-		463	106	22.9%	497	-	497	-		497	84	16.9%
Transport & Communication																
Local Roads	1,209		1,209	(400)	d	809	103	12.7%	3,887		3,887			3,887	979	25.2%
Regional Roads	320		320			320	81	25.3%	114		114	75	h	189	39	20.6%
State Roads	225		225			225	31	13.8%	172		172			172	36	20.9%
Bridges - Local	32		32			32	-	0.0%	419		419			419	82	19.6%
Bridges - Regional	11		11			11	-	0.0%	-		-			-	-	0.0%
Footpaths	-		-			-	-	0.0%	95		95			95	23	24.2%
Kerb and Gutter	-		-			-	-	0.0%	100		100			100	21	21.0%
Other Transport and Communication	-		-			-	-	0.0%	180		180			180	46	25.6%
	1,797	-	1,797	(400)		1,397	215	15.4%	4,967	-	4,967	75		5,042	1,226	24.3%
Economic Affairs																
Tourism & Area Promotion	39		39	1		40	6	15.0%	277		277	3		280	44	15.7%
Industrial Development & Promotion	3		3			3	1	33.3%	11		11			11	3	27.3%
Real Estate	-		-			-	-	0.0%	-		-	2		2	2	0.0%
Inala Units	37		37	(1)		36	21	58.3%	35		35	(1)		34	17	50.0%
Other Business - Private Works	68		68			68	7	10.3%	52		52			52	10	19.2%
	147	-	147	-		147	35	23.8%	375	-	375	4		379	76	20.1%
General Purpose Revenue																
General Purpose Revenues	10,192		10,192	(811)	e	9,381	8,669	92.4%	-		-			-	-	0.0%
Sewerage Services	1,479	-	1,479	-		1,479	1,020	69.0%	1,422	-	1,422	(8)		1,414	294	20.8%
Surplus/(Deficit) From Ordinary Activities Before Capital Amounts	16,453	-	16,453	(1,135)		15,318	11,556	75.4%	16,941	-	16,941	249		17,190	4,091	23.8%

This statement forms part of Council's Quarterly Budget Review Statement (QBRS) for the quarter ended 30/09/17 and should be read in conjunction with the total QBRS report

Blayney Shire Council

Quarterly Budget Review Statement
for the period 01/07/17 to 30/09/17

Income & Expenses Budget Review Statement
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes Details	Variations to:	
	Income \$000	Expenditure \$000
a - RFS Capital Contribution - Mandurama Bush Fire Shed	177	
- RFS Capital Contribution - Lyndhurst Bush Fire Shed	7	
	184	-
b - Additional forecast cemeteries income	16	
	16	-
c - Capital Contribution - Blayney Tennis Centre - Court resurfacing and lighting	73	
- Public Reserve Management Fund - Lyndhurst Showground, covered BBQ and installation of seating	16	
- Revive 2 - Rehabilitation of Belubula River	37	37
	126	37
d - Mandurama Road - No grant funding opportunities available. Matched by reduction in capital expenditure	(391)	
- Financial Assistance Grant - Roads Component - Advance payment from 2016/17	(400)	
- Bridge Renewal Program - Browns Creek Road bridge	745	
- Footpaths - Blayney Railway Pedestrian crossing upgrade - Funding not successful	(30)	
	(76)	-
e - Financial Assistance Grant - General Component - Advance payment from 2016/17	(811)	
	(811)	-
f - Blayney Settlement Strategy Review		100
- Street lighting - increased electricity costs following renegotiation of contract through CENTROC		11
	-	111
g - Reallocation of budget for replacement of faulty play equipment, Redmond Oval		(7)
	-	(7)
h - Carryover 16/17 - Regional Roads Block Grant		75
	-	75
i - Innovations funding - Renewable Energy Projects	160	
- Central Tablelands Water share of project funding	23	23
	183	23
j - Preparation of Sports Facility Master Plan		15
	-	15
- Other minor budget adjustments	1	(5)
	1	(5)
	(377)	249
Net adjustment to operating result		(626)

Blayney Shire Council

Quarterly Budget Review Statement
for the period 01/07/17 to 30/09/17

Capital Budget Review Statement

Budget review for the quarter ended 30 September 2017

Capital Budget - Council Consolidated

(\$000's)	Original Budget 2017/18	Approved Changes		Revised Budget 2017/18	Variations for this Sep Qtr	Notes	Projected Year End Result	Actual YTD figures
		Carry Forwards	Other than by QBRS					
Capital Expenditure								
New Assets								
- Plant & Equipment	1,203	-	-	1,203	-		1,203	675
- Land & Buildings	40	-	-	40	166	2	206	-
- Sewer	150	-	-	150	(68)	10	82	-
- Other	-	-	-	-	20	4	20	-
Renewal Assets (Replacement)								
- Plant & Equipment	1,644	-	-	1,644	(20)	9	1,624	278
- Land & Buildings	923	13	-	936	265	1,11	1,201	20
- Roads, Bridges, Footpaths	14,770	1,467	-	16,237	344	6,7,8	16,581	1,397
- Sewer	363	187	-	550	(293)	10	257	1
- Other	165	160	-	325	88	3,5	413	66
Loan Repayments (Principal)	288	-	-	288	-		288	49
Total Capital Expenditure	19,546	1,827	-	21,373	502		21,875	2,486
Capital Funding								
Rates & Other Untied Funding	4,320	-	(445)	3,875	50		3,925	586
Capital Grants & Contributions	8,924	-	-	8,924	717	a,c,d,j	9,641	1,155
Reserves:								
- External Restrictions/Reserves	2,261	187	-	2,448	(265)		2,183	465
- Internal Restrictions/Reserves	1,638	1,640	(755)	2,523	-		2,523	15
New Loans	1,800	-	1,200	3,000	-		3,000	-
Receipts from Sale of Assets								
- Plant & Equipment	603	-	-	603	-		603	265
- Land & Buildings	-	-	-	-	-		-	-
Total Capital Funding	19,546	1,827	-	21,373	502		21,875	2,486
Net Capital Funding - Surplus/(Deficit)	-	(0)	-	(0)	-		(0)	0

Blayney Shire Council

Quarterly Budget Review Statement

PART 4A:

for the period 01/07/17 to 30/09/17

Capital Budget Review Statement

Budget review for the quarter ended 30 September 2017

Capital Budget - Council Consolidated

('\$000's)		Original Budget 2017/18	Carry Forwards	Other than by QBRS	Revised Budget 2017/18	Variations for this Sep Qtr	Notes	Projected Year End Result	Actual YTD figures	%
Capital Expenditure										
LAND & BUILDINGS										
R	SES Office - Painting	-	1	-	1			1	1	100%
R	Rural Fire Service Shed - Lyndhurst	-	-	-	-	7	1	7	7	100%
R	Rural Fire Service Shed - Mandurama	-	-	-	-	177	1	177	7	4%
R	Capital Park, Lyndhurst - Public Conveniences	2	-	-	2			2	-	0%
R	Carrington Park, Blayney - Public Conveniences	3	-	-	3			3	-	0%
R	Lyndhurst Recreation Ground - Public Conveniences	4	-	-	4			4	-	0%
R	Library Building	7	-	-	7			7	-	0%
R	Library Building Entrance & Internal Improvements	-	-	-	-	20	11	20	-	0%
R	Library Painting	-	-	-	-	10	11	10	-	0%
R	Blayney Library - Mobile Shelving	-	-	-	-	51	12	51	-	0%
R	Hobbys Yards Hall	5	-	-	5			5	-	0%
R	Community Centre - Minor Assets	5	-	-	5			5	-	0%
N	Blayney Cultural Centre	40	-	-	40			40	-	0%
R	CentrePoint - Building & Pool Upgrade	874	-	-	874			874	-	0%
R	Blayney Tennis Centre Amenities	2	-	-	2			2	-	0%
R	Carrington Park, Blayney - BBQ Shelter	5	-	-	5			5	-	0%
R	King George Oval - Public Conveniences	6	-	-	6			6	5	83%
R	Mandurama Recreation Ground Tennis Club	5	-	-	5			5	-	0%
R	Napier Oval Kiosk	3	-	-	3			3	-	0%
R	Redmond Oval - Tennis Shed	-	12	-	12			12	-	0%
R	Blayney Showground Commentators Box	2	-	-	2			2	-	0%
N	Renewable Energy Project	-	-	-	-	166	2	166	-	0%
	TOTAL LAND & BUILDINGS	963	13	-	976	431		1,407	20	1%
OTHER STRUCTURES										
R	Public Cemeteries- Fencing	20	40	-	60			60	-	0%
R	Blayney Tennis Centre - Court Resurfacing	-	11	-	11	34	3	45	6	13%
R	Newbridge Recreation Ground - Fence	55	-	-	55			55	-	0%
N	Redmond Oval - Bubbler	-	-	-	-	3	13	3	3	100%
R	Redmond Oval - Tennis Court Fence	-	20	-	20			20	20	100%
R	Redmond Oval - Playground Equipment	-	-	-	-	7	13	7	7	100%
N	Lyndhurst Showground - BBQ & Seating	-	-	-	-	17	4	17	-	0%
R	Blayney Showground - Seating & Concrete Works	-	-	-	-	47	5	47	23	49%
R	VEP Blayney	15	4	-	19			19	1	5%
R	VEP Carcoar	15	15	-	30			30	2	7%
R	VEP Lyndhurst	10	16	-	26			26	-	0%
R	VEP Millthorpe	20	27	-	47			47	-	0%
R	VEP Mandurama	10	-	-	10			10	1	10%
R	VEP Neville	5	4	-	9			9	-	0%
R	VEP Barry & Hobbys Yards	5	18	-	23			23	3	13%
R	VEP Newbridge	10	6	-	16			16	-	0%
	TOTAL OTHER STRUCTURES	165	160	-	325	108		433	66	15%
INFRASTRUCTURE										
Local Roads - Construction										
R	Browns Creek Road	2,483	153	-	2,636			2,636	-	0%
R	Resources for Regions - Southern Cadia Access Route	6,536	337	-	6,873			6,873	984	14%
R	Mandurama Road	782	-	-	782	(391)	6	391	-	0%
R	Barry Road	250	-	-	250			250	-	0%
R	Forest Reefs Road Reconstruction	-	-	-	-	3	9	3	2	67%
R	Mania Street Blayney	-	-	-	-	2	9	2	2	100%
R	Newbridge Road between Glassons Bridge - Guardrail Installation	-	-	-	-	15	9	15	14	93%
R	Heavy Patching	561	-	-	561			561	2	0%
	TOTAL LOCAL ROADS CONSTRUCTION	10,612	490	-	11,102	(371)		10,731	1,004	9%
Local Roads - Reseal Program										
R	Reseal Program	390	-	-	390			390	-	0%
	TOTAL RESEAL PROGRAM	390	-	-	390	0		390	-	0%

This statement forms part of Council's Quarterly Budget Review Statement (QBRS) for the quarter ended 30/09/17 and should be read in conjunction with the total QBRS report

Blayney Shire Council

Quarterly Budget Review Statement

PART 4A:

for the period 01/07/17 to 30/09/17

Capital Budget Review Statement

Budget review for the quarter ended 30 September 2017

Capital Budget - Council Consolidated

(\$000's)		Original Budget 2017/18	Carry Forwards	Other than by QBRs	Revised Budget 2017/18	Variations for this Sep Qtr	Notes	Projected Year End Result	Actual YTD figures	%
Regional Roads										
	R	432	-	-	432	-		432	-	0%
		432	-	-	432	0		432	-	
Bridges										
	R	954	-	-	954	745	7	1,699	-	0%
	R	100	194	-	294	-		294	17	6%
	R	238	(29)	-	209	-		209	-	0%
	R	-	174	-	174	-		174	1	1%
	R	26	-	-	26	-		26	-	0%
	R	778	(113)	-	665	-		665	217	33%
	R	31	-	-	31	-		31	25	81%
	R	110	-	-	110	-		110	-	0%
	R	-	160	-	160	-		160	-	0%
	R	140	-	-	140	-		140	-	0%
	R	475	(9)	-	466	-		466	2	0%
	R	140	-	-	140	-		140	-	0%
	R	-	5	-	5	-		5	1	20%
	R	-	120	-	120	-		120	-	0%
	R	-	52	-	52	-		52	-	0%
	R	-	150	-	150	-		150	-	0%
	R	-	51	-	51	-		51	19	37%
		2,992	755	-	3,747	745		4,492	282	6%
Footpaths										
	R	43	-	-	43	-		43	1	2%
	R	61	-	-	61	-		61	-	0%
	R	40	-	-	40	(40)	8	-	-	0%
	N	24	-	-	24	-		24	-	0%
	N	23	-	-	23	-		23	-	0%
	N	12	-	-	12	-		12	-	0%
	R	28	-	-	28	-		28	-	0%
	R	-	-	-	-	58	8	58	1	2%
	R	-	115	-	115	-		115	-	0%
	R	-	48	-	48	(48)	8	-	-	0%
	R	-	59	-	59	-		59	109	185%
		231	222	-	453	(30)		423	111	26%
Stormwater										
	N	55	-	-	55	-		55	-	0%
	R	58	-	-	58	-		58	-	0%
		113	-	-	113	0		55	-	0%
		14,770	1,467	-	16,237	344		16,581	1,397	8%
PLANT & EQUIPMENT										
Light Vehicle										
	R	111	-	-	111	(111)	9	-	-	0%
	R	131	-	-	131	-		131	-	0%
	R	49	-	-	49	(2)	9	47	47	100%
	R	-	-	-	-	46	9	46	-	0%
	R	-	-	-	-	43	9	43	-	0%
	R	43	-	-	43	-		43	-	0%
	R	62	-	-	62	-		62	-	0%
		396	-	-	396	(24)		372	47	13%
Minor Plant										
	R	144	-	-	144	-		144	-	0%
	R	31	-	-	31	-		31	8	26%
		175	-	-	175	0		175	8	5%

This statement forms part of Council's Quarterly Budget Review Statement (QBRs) for the quarter ended 30/09/17 and should be read in conjunction with the total QBRs report

Blayney Shire Council

PART 4A:

Capital Budget Review Statement

Quarterly Budget Review Statement

for the period 01/07/17 to 30/09/17

Budget review for the quarter ended 30 September 2017

Capital Budget - Council Consolidated

('\$000's)		Original Budget 2017/18	Carry Forwards	Other than by QBRs	Revised Budget 2017/18	Variations for this Sep Qtr	Notes	Projected Year End Result	Actual YTD figures	%
Major Plant										
	R	308	-	-	308			308	-	0%
	R	43	-	-	43			43	-	0%
	R	256	-	-	256			256	-	0%
	R	282	-	-	282			282	-	0%
	N	77	-	-	77			77	77	100%
	N	550	-	-	550			550	547	99%
	N	116	-	-	116			116	78	67%
	N	290	-	-	290			290	128	44%
	N	170	-	-	170			170	-	0%
		2,092	-	-	2,092	0		2,092	830	
Information Technology										
	R	70	-	-	70			70	-	0%
	R	5	-	-	5			5	-	0%
	R	3	-	-	3			3	-	0%
	R	5	-	-	5			5	-	0%
	R	10	-	-	10	6		16	16	100%
	R	8	-	-	8			8	1	13%
	R	40	-	-	40	(6)		34	29	85%
	R	20	-	-	20			20	9	45%
		161	-	-	161	0	-	161	55	34%
Other Plant & Equipment Purchases										
	R	3	-	-	3			3	-	0%
	R	-	-	-	-	4	9	4	4	100%
	R	20	-	-	20			20	9	45%
		23	-	-	23	4		27	13	
		2,847	-	-	2,847	(20)		2,827	953	
Sewerage Services										
	N	75			75	7	2	82	-	0%
	N	75			75	(75)	10	-	-	
	R	43			43			43	-	0%
	R	80			80	(54)	10	26	-	0%
	R	140			140	(140)	10	-	-	
	R	100			100	(100)	10	-	-	
	R		144		144			144	-	0%
	R		43		43			43	-	0%
	R				-	1		1	1	100%
		513	187	-	700	(361)		339	1	
Principal Loan Repayments										
		178			178			178	22	13%
		70			70			70	17	24%
		40			40			40	9	23%
		288	-	-	288	0		288	49	
		19,546	1,827	-	21,373	502		21,875	2,486	

This statement forms part of Council's Quarterly Budget Review Statement (QBRs) for the quarter ended 30/09/17 and should be read in conjunction with the total QBRs report

Blayney Shire Council

Quarterly Budget Review Statement
for the period 01/07/17 to 30/09/17

Capital Budget Review Statement
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes	Details	Variations to: Expenditure \$000
1	Mandurama Bush Fire Shed, balance of project Lyndhurst Bush Fire Shed, balance of project	177 7 184
2	Innovations Fund - Renewable Energy Project (General & Sewer Fund)	173 173
3	Additional Tennis Court Lighting - Blayney Tennis Centre offset by capital contribution	34 34
4	Public Reserves Management Fund - Lyndhurst Showground, BBQ & seating	17 17
5	Carryover from Unexpended Grants reserve - Public Reserve Management Fund for Blayney Showground seating and accessible pathways project	47 47
6	Mandurama Road - No grant funding opportunities available. Matched by reduction in capital income	(391) (391)
7	Bridge Renewal Program - Browns Creek Road bridge matched by increase in capital grant funding	745 745
8	Funding for preliminary works for a safe rail pedestrian crossing in Blayney not successful Reallocate funding for works in Crownson St to Stabcock St Millthorpe To works on the Park St ramp in Millthorpe.	(40) (48) 58 (30)
9	Budgeted savings reallocated from replacement of light vehicles to other minor capital works including guard rail installation on Newbridge Rd	(24) 24 -
10	Program works not required. To be assessed as part of the review of the Sewer Strategic Business Plan	(368) (368)
11	Blayney Library internal works provided for in 2016/17 not undertaken Internal painting works associated with above project	20 10 30

Blayney Shire Council

Quarterly Budget Review Statement
for the period 01/07/17 to 30/09/17

Capital Budget Review Statement
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes	Details	Variations to:
		Expenditure \$000
12	Carryover from Unexpended Grants reserve - Blayney Library mobile shelving project	51
		51
13	Other minor budget adjustments	10
		10
TOTAL		502

Blayney Shire Council

Quarterly Budget Review Statement
for the period 01/07/17 to 30/09/17

Cash & Investments Budget Review Statement

Budget review for the quarter ended 30 September 2017

Cash & Investments - Council Consolidated

(\$000's)	Opening Balance 1/07/2017	Approved Changes		Revised Budget	Variations for this Sep Qtr	Notes	Projected Year End Result	Actual YTD figures
		Carry Forwards	Other than by QBRS					
Externally Restricted ⁽¹⁾								
Developer Contributions - General	813	-	-	813	-		813	813
Developer Contributions - Sewer	860	-	-	860	-		860	860
Unexpended Grants	179	-	-	179	(174)	i	5	5
Sewerage Services	4,482	(187)	-	4,295	-		4,295	4,482
Domestic Waste Management	848	-	-	848	-		848	848
Rates Special Variation - Mining	713	-	-	713	-		713	713
Voluntary Planning Agreement - Mining	1,217	-	-	1,217	-		1,217	1,217
Total Externally Restricted	9,112	(187)	-	8,925	(174)		8,751	8,938
<small>(1) Funds that must be spent for a specific purpose</small>								
Internally Restricted ⁽²⁾								
Plant and Vehicle Replacement	219	-	-	219	-		219	219
Employees Leave Entitlement	661	-	-	661	-		661	661
Asset Reserve - Transport	2,454	(1,467)	-	987	-		987	987
Asset Reserve - Buildings	157	(13)	-	144	-		144	144
Asset Reserve - Parks & Recreation	347	(31)	-	316	-		316	316
Asset Reserve - Stormwater	51	-	-	51	-		51	51
Blayney Sports Facility Master Plans	153	-	-	153	(15)	iv	138	138
Blayney Town Works	5	-	-	5	-		5	5
Cemeteries	41	(40)	-	1	-		1	1
Multipurpose Centre	997	-	-	997	-		997	997
Election Reserve	78	-	-	78	-		78	78
Environmental Projects – Belubula river	54	-	-	54	-		54	54
Inala Reserve	96	-	-	96	-		96	96
I.T Reserve	96	-	-	96	-		96	96
King George Oval	170	-	-	170	-		170	170
Property Account	545	-	-	545	(100)	ii	445	445
Quarry	174	-	-	174	-		174	174
Village Enhancement Program	89	(89)	-	-	-		-	-
Financial Assistance Grant	1,229	-	-	1,229	(1,229)	iii	-	-
Total Internally Restricted	7,616	(1,640)	-	5,976	(1,344)		4,632	4,632
<small>(2) Funds that Council has earmarked for a specific purpose</small>								
Unrestricted (ie. available after the above Restrictic	515	1,827	-	2,342	1,518		3,860	1,882
Total Cash & Investments	17,243	-	-	17,243	-		17,243	15,452

Blayney Shire Council

Quarterly Budget Review Statement

for the period 01/07/17 to 30/09/17

Cash & Investments Budget Review Statement

Investments

Investments have been invested in accordance with Council's Investment Policy.

Cash

The Cash at Bank figure included in the Cash & Investment Statement totals \$15,452

This Cash at Bank amount has been reconciled to Council's physical Bank Statements. The date of completion of this bank reconciliation is 10/10/17

Reconciliation Status

The YTD Cash & Investment figure reconciles to the actual balances held as follows:

\$ 000's

Cash at Bank (as per bank statements) - General Fund		330
Cash at Bank (as per bank statements) - Online Saver		502
Investments on Hand		14,618
less: Unpresented Cheques	(Timing Difference)	-
add: Undeposited Funds	(Timing Difference)	1
less: Identified Deposits (not yet accounted in Ledger)	(Require Actioning)	1
add: Identified Outflows (not yet accounted in Ledger)	(Require Actioning)	-
Reconciled Cash at Bank & Investments		15,452
Balance as per Review Statement:		15,452

Difference: -

Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes Details

		Variations \$000
i	- Grant funding for Blayney Showground accessible seating and pathways carryover from 2016/17	(47)
	- Grant funding for Blayney Library mobile shelving project carryover from 2016/17	(51)
	- Balance of grant funding for Responsible Pet Ownership Program carryover from 2016/17	(1)
	- Carryover 2016/17 Regional Roads Block grant funding	(75)
		(174)
ii	- Funding for completion of Blayney Settlement Strategy Review	(100)
		(100)
iii	- 2017/18 advance payment of Financial Assistance Grant	(1,229)
		(1,229)
ii	- Preparation of Sport & Recreation Plan	(15)
		(15)
TOTAL		(1,518)

Blayney Shire Council

Quarterly Budget Review Statement
for the period 01/07/17 to 30/09/17

Key Performance Indicators Budget Review Statement - Industry KPI's (OLG)

Budget review for the quarter ended 30 September 2017

(\$000's)	Current Projection		Original Budget 17/18	Actuals Prior Periods	
	Amounts 17/18	Indicator 17/18		16/17	15/16

NSW Local Government Industry Key Performance Indicators (OLG):

1. Operating Performance

Operating Revenue (excl. Capital) - Operating Expenses	-1159	-7.2 %	#	1.3 %	11.0 %	7.1 %
Operating Revenue (excl. Capital Grants & Contributions)	16031		#			

This ratio measures Council's achievement of containing operating expenditure within operating revenue.

2. Own Source Operating Revenue

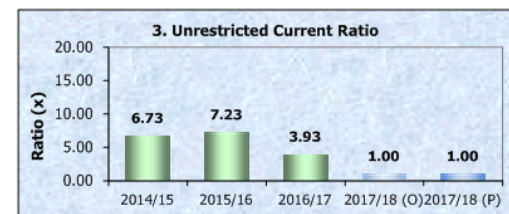
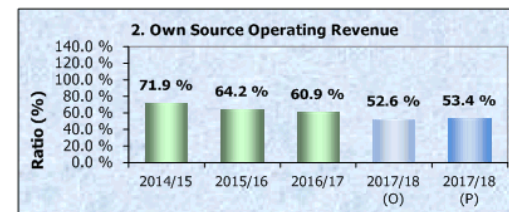
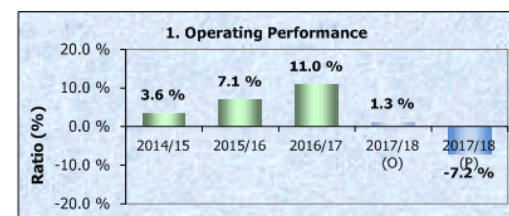
Operating Revenue (excl. ALL Grants & Contributions)	13732	53.4 %	#	52.6 %	60.9 %	64.2 %
Total Operating Revenue (incl. Capital Grants & Cont)	25713		#			

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants & contributions.

3. Unrestricted Current Ratio

Current Assets less all External Restrictions	1	1.00		1.00	3.93	7.23
Current Liabilities less Specific Purpose Liabilities	1					

To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.



Blayney Shire Council

Quarterly Budget Review Statement
for the period 01/07/17 to 30/09/17

Key Performance Indicators Budget Review Statement - Industry KPI's (OLG)

Budget review for the quarter ended 30 September 2017

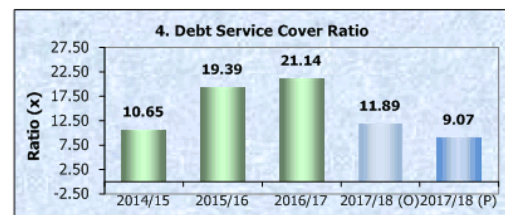
(\$000's)	Current Projection		Indicator	Original Budget 17/18	Actuals Prior Periods	
	Amounts	17/18			16/17	15/16
	17/18	17/18				

NSW Local Government Industry Key Performance Indicators (OLG):

4. Debt Service Cover Ratio

Operating Result before Interest & Dep. exp (EBITDA)	4443	9.07	#	11.89	21.14	19.39
Principal Repayments + Borrowing Interest Costs	490					

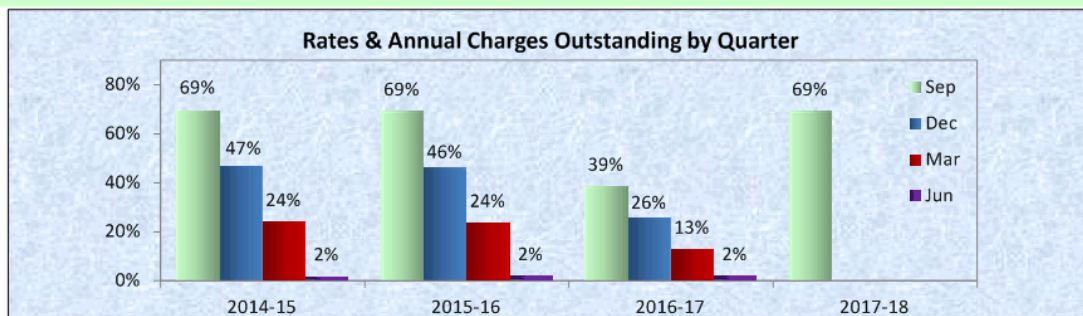
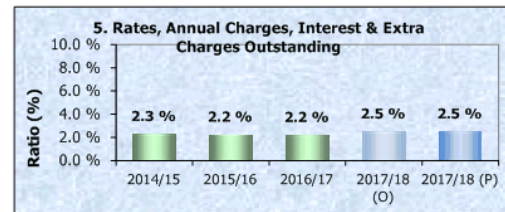
This ratio measures the availability of operating cash to service debt including interest, principal and lease payments.



5. Rates, Annual Charges, Interest & Extra Charges Outstanding

Rates, Annual & Extra Charges Outstanding	2.5	2.5 %	2.5 %	2.2 %	2.2 %
Rates, Annual & Extra Charges Collectible	100				

To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.



Blayney Shire Council

Quarterly Budget Review Statement

for the period 01/07/17 to 30/09/17

Contracts Budget Review Statement

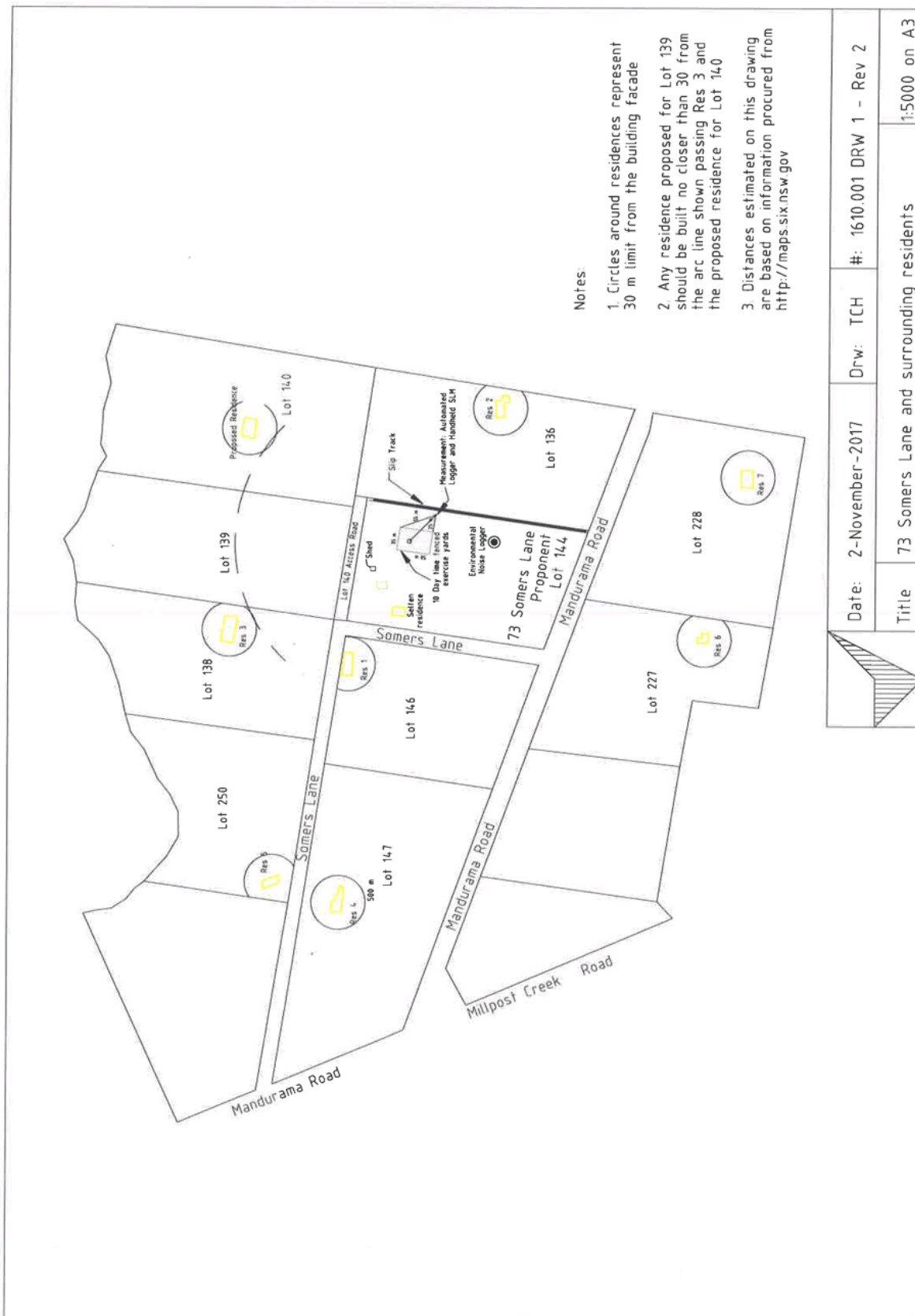
Budget review for the quarter ended 30 September 2017

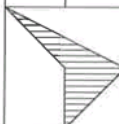
Part A - Contracts Listing - contracts entered into during the quarter

Contractor	Contract detail & purpose	Contract Value	Start Date	Duration of Contract	Budgeted (Y/N)	Notes
Contracts Entered > 50,000						
Nil						
Contracts Paid > \$50,000						
Euro Civil	Guardrail Installations	52,525	31/08/17	Completed	Y	
Hadlow Earthmoving	Waste Facilities Management	93,715	01/07/17	Ongoing	Y	
	Equipment Hire	111,573	17/07/17	Ongoing	Y	
IT Vision	Annual License Fee	51,897	01/07/17	Ongoing	Y	
JCB Construction Equipment	Purchase of Roller	111,465	11/08/17	Ongoing	Y	
Josh Nixon Excavations Pty Ltd	Equipment Hire	69,201	07/08/17	Ongoing	Y	
JR Richards & Sons	Waste Contract	69,289	01/07/17	Ongoing	Y	
Midwest Traffic Management	Traffic Control	80,686	03/07/17	Ongoing	Y	
Oilsplus	Supply of Fuel	147,209	01/07/17	Ongoing	Y	
Orange Motor Group	Works Operations - plant replacement	130,197	28/09/17	Completed	Y	
Origin Energy	Supply of Electricity	66,768	01/07/17	Ongoing	Y	
Rocla Pipeline Products	Supply of Pipes, Culverts etc	96,723	03/07/17	Ongoing	Y	
Rollers Australia	Roller Hire	88,028	31/07/17	Ongoing	Y	
TCN Contracting	Equipment Hire	65,002	18/07/17	Ongoing	Y	
Tracserv Trucks	Works Operations - plant replacement	801,589	13/07/17	Completed	Y	
Tuff Turf N Co	Tennis Court Resurfacing	76,474	02/08/17	Completed	Y	
VEC Civil Engineering	Bridge Replacement Program	235,924	01/07/17	Ongoing	Y	

Notes:

1. Minimum reporting level is 1% of estimated income from continuing operations of Council or \$50,000 - whatever is the lesser.
2. Contracts listed are those entered into during the quarter being reported and exclude contractors on Council's Preferred Supplier list.
3. Contracts for employment are not required to be included.



	Date: 2-November-2017	Drw: TCH	#: 1610.001 DRW 1 - Rev 2
	Title: 73 Somers Lane and surrounding residents		1:5000 on A3



19 June 2017



Acoustic Assessment for DA

Greyhound Training Centre



Selton

Document Control

Acoustik 13 Orana Street, Orange NSW 2800		Report Ref:		1702.001.Report.0
		Date of Issue:		19/06/2017
		Engineer:		Tom Harper
Phone Contacts:	0431 914 038	02 6360 0423	www.acoustik.net.au	
Email:	tom@acoustik.net.au	ABN:	27238273391	

Title:	Acoustic Assessment for DA
Subject:	Greyhound Training Centre
Author:	Tom Harper
Client:	Selton
Client Contact:	Keith Selten

REVISION/VERIFICATION HISTORY

REVISION NUMBER	DATE
0	Initial Issue – 19 June 2017
1	
2	
3	
4	
5	

DISTRIBUTION

DESTINATION	NUMBER OF COPIES									
	0	1	2	3	4	5	6	7	8	9
Revision Number										
Selton	1									
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Tom Harper
 Acoustic Consultant - Acoustik

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1 Introduction

Acoustik was engaged by the Selton Family to provide an acoustic report to support their development application for a greyhound training and kennelling facility located on their property at 73 Somers Lane, Mandurama

The training and kennelling facilities consist of an enclosed shed and 10 kennels with individual fenced areas. Two isolation kennels will also be constructed to house animals needing isolation housing in the short term. Noise generation due to barking is primarily from the 10-open kennels and runs. The doors of the enclosed kennel (shed) are closed during the evening and night.

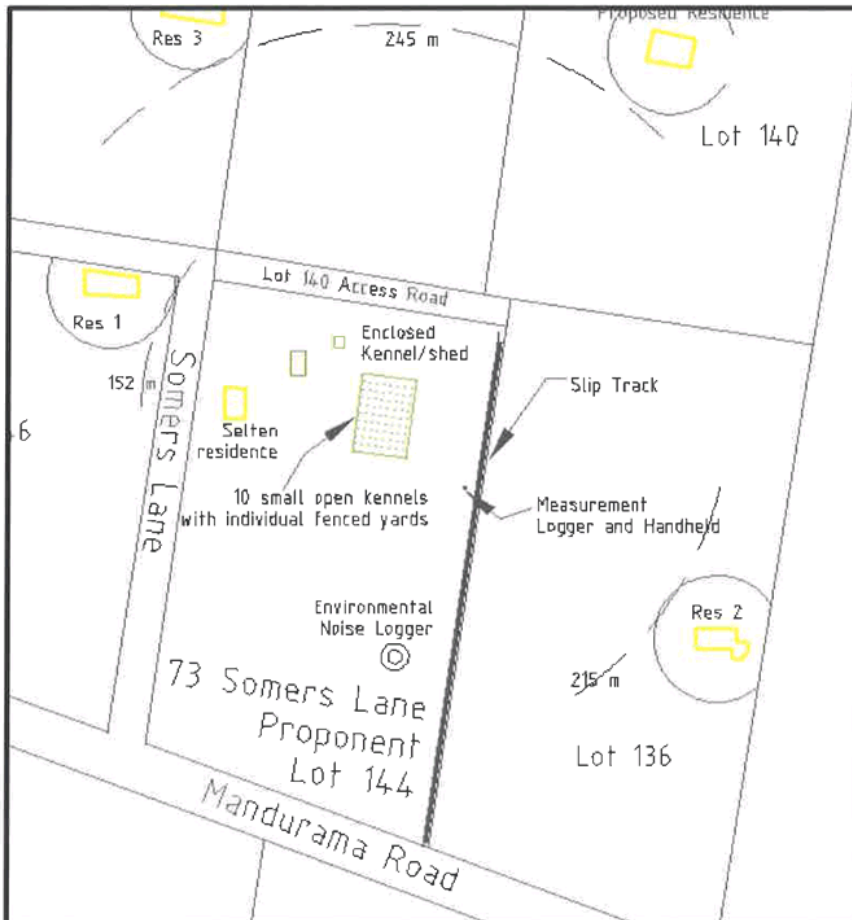


Figure 1: 73 Somers Lane property and immediate surrounds

Along the Eastern side of the property a slip track is used for training. The locations of the shed, slip track, kennels and measurement locations are noted in Figure 1 above. The figure also notes the locations of the closest residents to the property noted as residents 1 and 2. A more comprehensive drawing of nearby residents is included in Appendix B.

The terrain of the surrounding properties is described as follows:

Res 2, 6 and 7 are on higher ground compared to the greyhound housing and thus have no shielding due to land form. Res 1 and 3 to the West and North West are shielded by a slight hill. Residents 4, 5 and 6 are more than 400 metres away and would not receive any significant shielding from the land form due to their distance from the source.

This report finds that night and evening noise levels generated by barking greyhounds complies with the requirements of the NSW Industrial Noise Policy except for 1 outlying 15-minute period where the noise level was exceeded by 1 dB. Sleep arousal due to maximum noise also meets the selected sleep arousal criteria where one or two exceedences over the L_{Amax} level of 55 dBA is allowed during an evening.

Recommendations are made at the end of the report to reduce the instances of barking which would reduce the average levels and the occurrences of the maximum noise levels. And in the longer term that would dramatically reduce noise levels to well below the project noise criteria.

1.1 References

The following reference material was consulted while preparing this report:

- NSW EPA Noise Guide for Local Government 2013
- NSW Environmental Protection Authority (EPA) Industrial Noise Policy (INP)
- Greyhound Racing NSW – Code of Practice – Training

1.2 Glossary

A short list of acoustic terms is included below:

L_{Aeq} : is the Sound Pressure Level (SPL) in decibels (dB), equivalent to the total sound energy over a measurement period (or the energy average). The A signifies that an A-Weighting applied to the spectrum to simulate human hearing response

L_{Amax} : is the maximum Sound Pressure Level (SPL) in decibels (dB) that occurs during a measurement

L_{A90} : is the noise level exceeded for 90% of the measurement period, calculated by Statistical Analysis, it is considered to represent the background noise level or the noise that is present for most of the time

L_{Ceq} , dBC or C-weighting: C-weighting is an adjustment made to sound-level measurements which takes account of low-frequency components of noise within the audibility range

Intrusive noise: is noticeably louder than the background noise and considered likely to disturb or interfere with those who can hear it. Depending on the nature of the noise source it is defined as:

- a) $L_{A90} + 5$ dB for noise sources that are continuous in nature for extended periods or all day and night typical of industrial or residential sources that are a permanent fixture
- b) $L_{A90} + 10$ dB for noise sources that are temporary in nature like construction where the activity is limited to day time operation some elements of the noise may be continuous

2 Noise Measurements

Noise levels associated with grey hounds housed at the site were measured using a hand-held meter and recorded over two days with an audio recording noise logger both located 50 metres from the open kennels area. Handheld measurements were made of a slip track training session and the logger recorded noise levels over two evenings/nights.

2.1 Slip Track Training

The activity of slip track training was assessed by measuring several instances where 2 to 3 greyhounds participate in a training race along the slip track. The main source of noise generation from the training is stimulation to the remaining greyhounds in the open kennels, who bark upon observing other greyhounds training on the slip track. Greyhounds on the track generate insignificant noise.

Slip track training generally occurs on Wednesday afternoons between 4:15 pm to 5 pm. Handheld measurements were made of barking during the pass-bys on the slip track, with no greyhounds on the slip track no barking from the kennel area was observed. A typical pass-by generated an SEL of 73dBA.

The SEL calculation method was employed to determine the noise level generated by 6 passes over the 45-minute period. Assuming that 3 passes occur in any 15-minute period which is a worse case assumption the $L_{Aeq, 15 \text{ min}}$ levels are estimated in Table 1 below where there is line of sight shielding by the landform a 5 dB reduction of noise level is included in the calculation.

Table 1: Slip track training generated noise levels

Location	@SLM	Res 1 Lot 146	Res 2 Lot 136	Res 3 Lot 138	Proposed Lot 140	Res 4/5 L 250/147	Res 6/7 L 227/228
Dist (m)	50	150	215	245	245	500	430
Shielding	N/A	Yes	No	Yes	Yes	No	No
L_{Aeq}	48	32	35	29	29	28	29
L_{Amax}	66	51	53	47	47	46	47

Blayney Shire Council have advised of the location of a proposed residential building at lot 140 and this has been included in the assessment.

Lot 139, like Lot 140 currently does not have a building or a building proposed for construction. Based on the current assessments, a residence on Lot 139 should be set back from its southern property boundary by minimum 150 m to avoid being disturbed by barking greyhounds from the subject property.

2.2 Overnight Recorded Levels

From the afternoon of the 24 May until the morning of 26 May for two full nights a noise logger recorded levels of greyhound barking and activity. The logger was located on the Eastern property boundary, 50 metres from the centre of the greyhound housing as indicated in Figure 1 above.

Table 2 below summaries the L_{Aeq} and L_{Amax} levels from the subject greyhounds measured at the logger location.

Table 2: Summary of Barking Occurrences and Average Noise levels

	Wed 24/5	Thurs 25/5	
	Time – L_{Aeq}/L_{Amax}	Time – L_{Aeq}/L_{Amax}	
Evening 6pm – 10pm	7:45 – 42/63 8:00 – 46/66	6:30 – 44/65 6:45 – 44/67 7:00 – 47/70	7:15 – 42/66 7:30 – 44/67 10:00 – 44/67
Night 10pm – 7am	10:15 – 44/60 2:30 – 43/64 3:30 – 42/63	10:15 – 43/67 10:45 – 41/61 1:00 – 44/63 1:15 – 45/69 1:30 – 45/69	1:45 – 42/63 4:30 – 41/67 4:45 – 49/71 5:15 – 46/66 5:30 – 43/66
Evening Averages	2 occurrences 44/65	6 occurrences 44/67	
Night Averages	3 occurrences 43/62	10 occurrences 44/66	

An analysis of the audio and noise levels recorded from the logger showed that instances of greyhounds barking caused L_{Aeq} levels to exceeded 40 dBA at the noise logger location. L_{Amax} levels for barking range from 61 to 71 dBA. The L_{Amax} measured during the slip track measurements was 66 dBA so this a consistent maximum noise level.

The NSW INP requires assessment against 15 minute intervals Table 2 above summarises the periods during the evening and night where the L_{Aeq} exceeded 40 dBA over 15 minute intervals thus indicating extended barking by the subject greyhounds. Taking the arithmetic average of the tabled occurrences the L_{Aeq} level is 44 dBA and the L_{Amax} level 66 dBA.

Table 3: Average Night time (10 pm to 7 am) noise levels at nearby residents

Location	@SLM	Res 1 Lot 146	Res 2 Lot 136	Res 3 Lot 138	Proposed Lot 140	Res 4/5 L 250/147	Res 6/7 L 227/228
Dist (m)	50	150	215	245	245	500	430
Shielding	N/A	Yes	No	Yes	Yes	No	No
L_{Aeq}	44	30	31	25	19	24	25
L_{Amax}	66	51	53	47	47	46	47

Examining the highest level recorded on the night of Thursday 25 May at 4:45 am with an L_{Aeq} 49 dB / L_{Amax} 71 dB. At the most affected residence, Res 2 the prediction is L_{Aeq} 36 dB / L_{Amax} 58 dB.

Duration of Barking

To determine duration of barking over an evening and night, one second interval data from the noise logger was analysed to find the percentage of time during the evening and night when barking occurred.

Analysing the 1 second measurement data by setting a threshold of L_{Amax} exceeding 58 dBA at the noise logger (45 dBA at Res 2) as a trigger. Additionally, we determined events of loud barking that is where L_{Amax} exceeds 65 dBA (52 dBA at Res 2).

The percentage of time for these events is presented in Table 4 below.

Table 4: Time indication of barking over Evening and Night

	Wed 24/5	Thurs 25/5
Evening 6pm – 10pm	15 % (0.8 % for >65 dBA)	9 % (4% for >65 dBA)
Night 10pm – 6am*	4 % (0.4% for > 65 dBA)	11 % (3% for >65 dBA)

Note: * Between 6 am and 7 am the noise levels in the area rise due to local traffic on Mandurama Road

The time analysis shows that for the evening and night periods barking does occur up to 15 % of the time spread over an evening and 11 % of the time over a night. But loud barking where the maximum levels at the affected neighbours exceeded 52 dBA occur for 4% and 3% of the time. On the Wednesday 24 May loud barking is almost negligible at less than 1 % of the time.

Loud barking for 3 % of the night time (accessed from 10 pm to 6 am) is approximately 15 minutes of loud barking in total.

2.3 Environmental Noise Levels

The L_{A90} (background) levels were recorded within the subject property at the same distance from Mandurama road as Resident 2 using a Svan 958A noise logger. The environmental logger location is indicated in Figure 1 above.

The noise logging was conducted from Tuesday 9 May to Tuesday 16 May 2017. Eleven (11) days of logging with three 24-hour periods of rain effected measurements, rain effected results are indicated in the summary of results in Table 5 below.

Table 5: SVAN 958A Noise Logger Sn: 59161 – 73 Somers Lane, Mandurama - Environmental Noise Levels

	Day 7am – 6pm		Evening 6pm – 10pm		Night 10pm - 7am	
	L_{A90}	L_{Aeq}	L_{A90}	L_{Aeq}	L_{A90}	L_{Aeq}
Tuesday 9 May 2017	N/A	N/A	N/A	N/A	Rain/wind	Rain/wind
Wednesday 10 May 2017	24	39	20	35	17	30
Thursday 11 May 2017	22	41	17	34	17	30
Friday 12 May 2017	26	41	18	32	18	30
Saturday 13 May 2017	24	39	18	29	17	29
Sunday 14 May 2017	21	40	18	29	17	28
Monday 15 May 2017	23	39	17	38	17	31
Tuesday 16 May 2017	Rain/wind	Rain/wind	N/A	N/A	N/A	N/A
RBL/Ambient	23*	40	18*	33	17*	30

Note*: Where the RBL is measured at less than 30 dBA the RBL is considered to be 30 dBA

The local noise environment at the environmental logging site is typical of the immediate area. We note that the L_{A90} background levels are low even for a rural area, Mandurama road does generate some morning and afternoon peak traffic levels as it is an arterial road servicing the communities of Neville, Barry also connecting to Hobby Yards.

Graphical plots of the logger data with comments on validity are included in Appendix A.

2.4 Instrumentation

Instrumentation listed in Table 6 was used during this acoustic study.

Table 6: Instrumentation List

Instrument	Make and model	Serial Number	Instrument Type
Sound Level Meter	Larson Davis 813	0003983	Class 1
Field Calibrator	Larson Davis CAL250	5542	Class 1
Noise Logger	SVAN 958A	59161	Class 1

Instrumentation was field calibrated, no significant calibration drift was noted during the measurements.

3 Project Criteria

Blayney Shire Council have advised that the assessment is to be based on the following noise control guidelines:

- The NSW EPA Industrial Noise Policy (INP)

3.1 Noise Criteria

The NSW EPA Industrial Noise Policy and is designed for the assessment of noise pollution from sites that includes noise sources from industrial, warehousing and commercial facilities. It is aimed at the assessment of fixed noise sources and the operation of machinery associated with transportation of goods.

Acoustik notes that the application of the INP to the assessment of animal noise generated by Greyhounds is not normally within the scope of the INP. The use of the modifying factors will not be suitable for the Assessment of greyhound generated noise as it is not reasonable to determine properties like tonality and intermittent operation for noise generated by a group of greyhounds. Noise generation is primarily barking.

The kennelling and training facilities have no significant fixed mechanical services that could create noise pollution.

The INP uses two measures to control noise so that residential acoustic amenity is protected. The first is the intrusive noise criterion (L_{A90} background + 5dB) and the second is the amenity criterion based on the type of area. The amenity criterion is designed to halt the increase of background levels due to continuing industrial development and to control noise where background noise levels are already high. In this case there is no significant industrial noise sources in the local area. Traffic using Mandurama road would be the most consistent source of environmental noise levels during morning and afternoon peak traffic periods.

The closest affected residents indicated as res1 (150 m from kennels) and res2 (215 m from Kennels) are indicated in Figure 1 above. Other residents are located further away and are indicated on a drawing in Appendix B.

The noise criteria are detailed in Table 7 below based on environmental noise levels listed in Table 5 above. We note that the area under study has very low ambient levels and that L_{A90} background levels are significantly less than 30 dBA during day, evening and night periods. In accordance with the INP guidelines where the RBL is less than 30 dBA the assessment RBL is equal to 30 dBA.

This will mean that the day, evening and night noise criteria are all the same. Also as the ambient noise levels are also low the amenity criteria plays no part in setting project noise criteria.

Table 7: Proposed Noise Criteria based on the EPA Industrial Noise Policy – Day, Evening and Night 0700 to 1800 hours

Area	Intrusive Criterion $L_{A90} + 5$ dB	Amenity Criteria (Tables 2.1 and 2.2 of INP) Acceptable – Maximum	Noise Criteria
Day 0700 to 1800	35	50 – 55	35
Evening 1800 to 2200	35	45 – 50	35
Night 2200 to 0700*	35	40 – 45	35

Note: * On Sundays and public holidays night time is extended to 0800

On properties where the residence is more than 30 metres from the property boundary the assessment point is the closest point within 30 metres of the residence.

3.2 Sleep Arousal

The disturbance of sleep due to short term noise levels (represented by L_{Amax}) needs to be assessed due to the night time noise levels generated by the greyhounds.

Average L_{Aeq} levels do not provide an adequate description for the assessment of sleep arousal. The INP does not provide any assessment method. Additionally, research into the relationship between sleep disturbance and noise level is not conclusive.

The NSW Road Noise Policy (RNP) section 5.4 "Sleep Disturbance" provides advice to assess short term noise levels in the context of a normally quiet environment. This is in the context of heavy vehicle pass by during the night period where there is otherwise low traffic flow. The maximum noise levels of greyhounds barking at night is a similar issue.

A thorough discussion of the issues involved in sleep arousal is available in the NSW RNP document. The RNP document updated the discussion on sleep arousal that was previously used in the EPA document "Environmental Criteria for Road Traffic Noise"

The following summary of the discussion on sleep arousal gives recommendations for noise criteria to control maximum internal noise levels. The intent of a sleep arousal criterion is to ensure that the amenity of sleeping areas is protected and sleep arousal, beyond reasonable limits is avoided.

The following characteristics of a noise signal are identified as being strongly related to sleep disturbance:

- The peak level of the noise events, described by L_{Amax} .
- The emergence of noise events above the general ambient noise level, described by measures such as $(L_{Amax} - L_{Aeq})$ or $(L_{Amax} - L_{A90})$.
- The number of such noise events occurring during the sleeping period.

The area of assessment is not near to a busy road nor any significant industrial or commercial activity. Measured background (L_{A90}) and ambient noise levels are very low with the night background up to 13 dB below the minimum RBL of 30 dBA specified in the NSW INP.

An assessment made based on emergence above the ambient ($L_{Amax} - L_{Aeq}$) is a good starting point. Taking the parameter ($L_{Amax} - L_{Aeq} < 15\text{dB}$) as a starting point the sleep arousal criteria would be a L_{Amax} limit of 45 dBA applied as the external noise criterion.

We note that if the sleep disturbance criteria were based on emergence above the measured background level by up to 15 dB this would lead to a night time noise L_{Amax} criterion of 32 dBA. Unattainable even for averaged noise levels.

The RNP also discusses criteria based on internal bedroom noise levels. A comparison of the existing research on sleep arousal results in the following conclusions:

- One or two noise events per night, with maximum internal noise levels of 65-70 dBA, are not likely to affect health and wellbeing significantly
- Maximum internal noise levels below 50 - 55 dBA is unlikely to cause awakening reactions

Based on the above discussion, we recommend that maximum internal noise levels (designated by L_{Amax}) in a sleeping area are assessed against the following sleep arousal criteria. This is modified from the RNP criteria to account for the relative low ambient and background noise levels encountered in this assessment.

- Maximum internal bedroom noise levels (night -10pm to 7am) should not exceed 55dB(A) L_{Amax} internally with an exception of one or two occurrences per night up to 60 dBA

3.3 Meteorological Factors

Meteorological effects such as temperature inversions and wind can cause raised noise levels at receivers where the distance from the noise source is greater than 100 m. Appendix C of the INP outlines initial screening tests to conduct regarding the effect of temperature inversions.

The area around the proposed development is a non-arid zone and the average annual rainfall exceeds 500 mm noise receivers near to the proposed development are roughly level or on higher ground than the greyhound housing areas.

From the above information and based on Table D1 from appendix D of the INP which allows for temperature inversions and a source to receiver wind the largest predicted increase in noise level is 1.5 dB. This is less than a 3 dB increase and thus meteorological effects are not considered significant and do not require further investigation.

4 Analysis

The noise level due to greyhounds barking at the open kennelling areas on the property at 73 Somers Lane, Mandurama NSW have been assessed and the worst affected residence is Res 2 located on Lot 136. The assessment point for Res 2 is 215 metres from the greyhound open housing area.

During slip track training L_{Aeq} noise levels up to 35 dBA are present at Res 2. We note that this was based on a worst-case assessment for slip track training

Based on the predicted noise levels presented in Table 3 above the average L_{Aeq} 32 dB at Res 2 will comply with the project noise criteria for the Night and evening times. We note that the highest level of L_{Aeq} 36 dB reported for Res 2 is for a single 15-minute period and all other reported 15 minute periods result in a L_{Aeq} of 35 dB or less.

We note that the noise levels reported for the evening are lower on average than the night period and comply with the evening noise criteria. We have not completed an analysis of Greyhound generated noise for the day period as the day time ambient levels made automated measurement difficult. It is reasonable to assume that levels of noise generation would be similar and thus would also comply having the same noise criteria for the day period.

Regarding the night time maximum noise levels and the sleep arousal criteria. The average maximum level predicted at Res 2 is L_{Amax} 53 dB with the highest maximum noise level of L_{Amax} 58 dB. Please refer to Table 2 on page 6 above.

Note that these noise levels are predicted outside the residence, for the L_{Amax} levels a marginal reduction of 1 to 2 dB would occur for a wide-open bedroom window and if the window was only kept partially open (5% of room floor area) for ventilation a reduction of 10 dB is normal.

For a wide open window the internal noise criteria at Res 2 would have been exceeded 55 dBA on one occasion during the night with the remaining 9 occurrences of barking all less than 55 dBA, assuming a marginal reduction of 1 – 2 through a wide open window.

For the partially open window, all of the L_{Amax} levels would be below the selected sleep arousal criterion of 55 dBA internally. We also note from the analysis of the 1 second logger data that loud barking ($> 53 L_{Amax}$) occurred for only 15 minutes over the night time.

All of the other residential noise receivers are less affected than Res 2 and will in all aspects comply with the project noise requirements.

4.1 Acoustic Treatments

As some maximum noise levels exceed the selected sleep arousal criteria a limited number of times, it would be reasonable to reduce the incidents of barking especially during the night time. The following recommendations are made:

- The open kennel greyhound housing area should have shade cloth or similar material installed on at least 3 sides of the area to reduce the instance of greyhounds being aroused to bark due to the passing by of kangaroos or animals in the area¹. This will help to reduce night time barking and barking during slip track training, and is relatively quick construction to reduce noise levels in the short term
- In the longer term run a second enclosed shed could be constructed to house greyhounds currently housed outside. This measure would make a dramatic reduction in noise levels due to the shed enclosure and the reduction of barking triggers

¹ Information from Greyhound Racing NSW (GRNSW) Code of Practice - Breeding

5 Conclusion

Acoustik was engaged by the Selton Family to provide an acoustic report to support their development application for a greyhound training and kennelling facility located on their property at 73 Somers Lane, Mandurama.

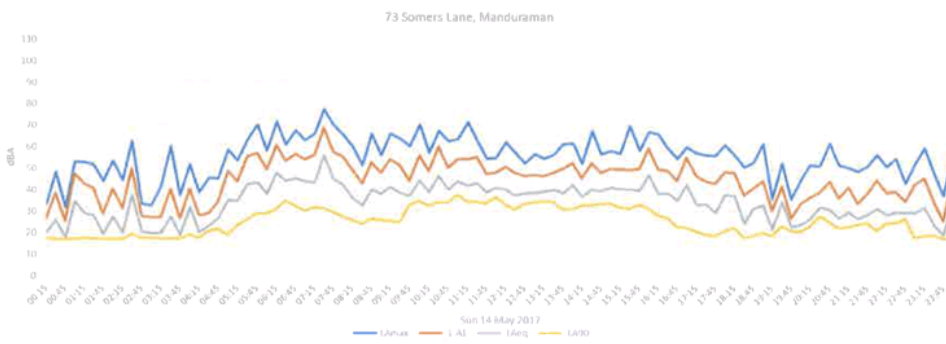
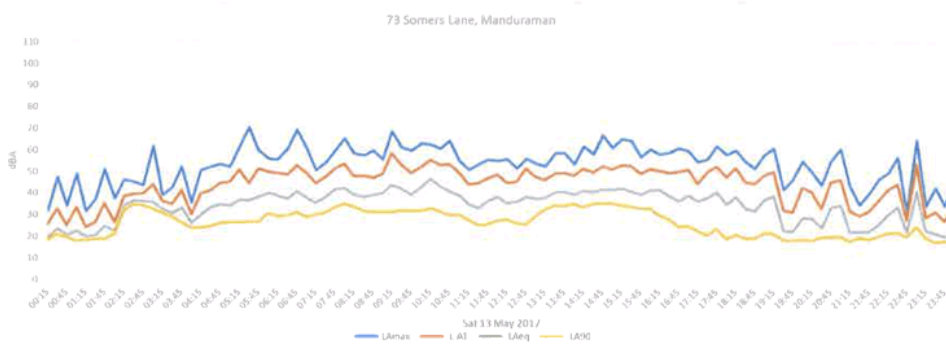
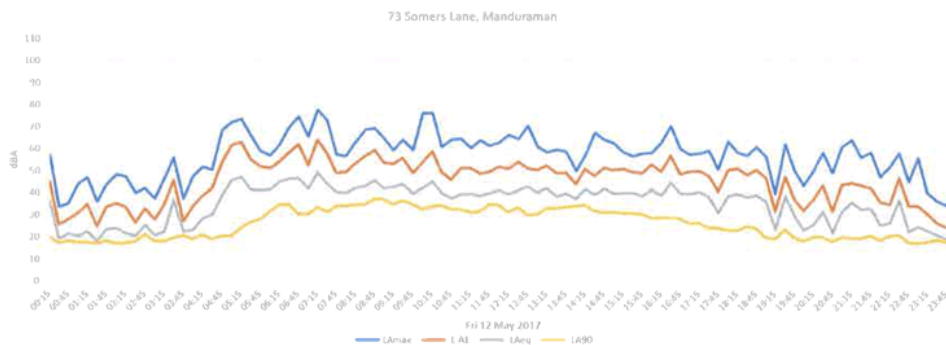
Acoustik have measured greyhound noise levels that are primarily due to barking dogs in the open kennelling areas. The noise levels were assessed according to the requirements of the NSW Industrial Noise Policy.

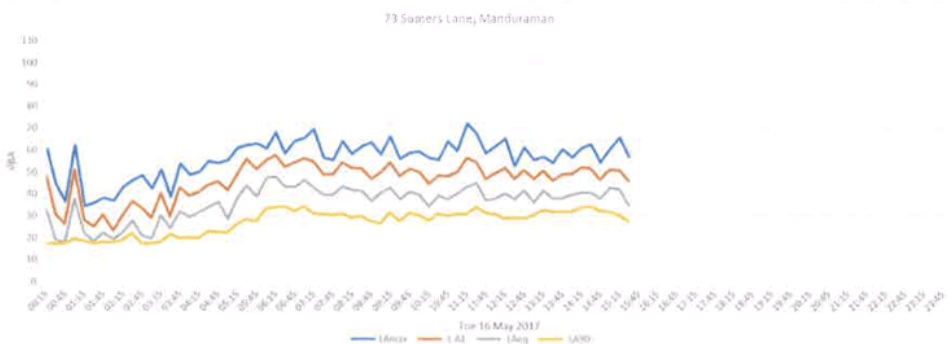
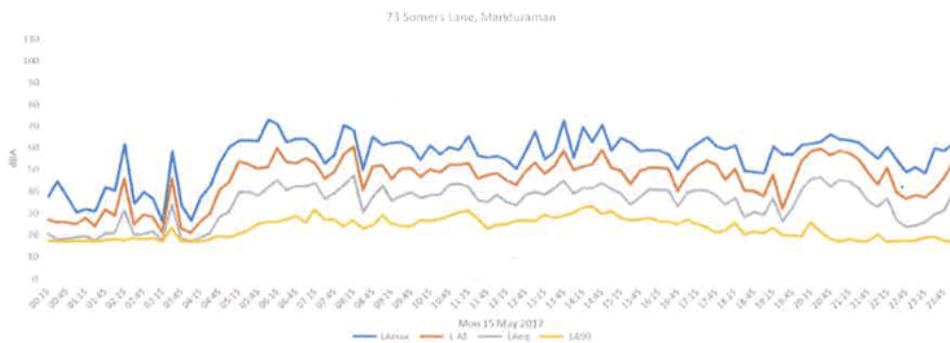
Where noise levels have not fully complied with the requirements, recommendations have been made to control and reduce barking by methods recognised as successful by Greyhound Racing NSW

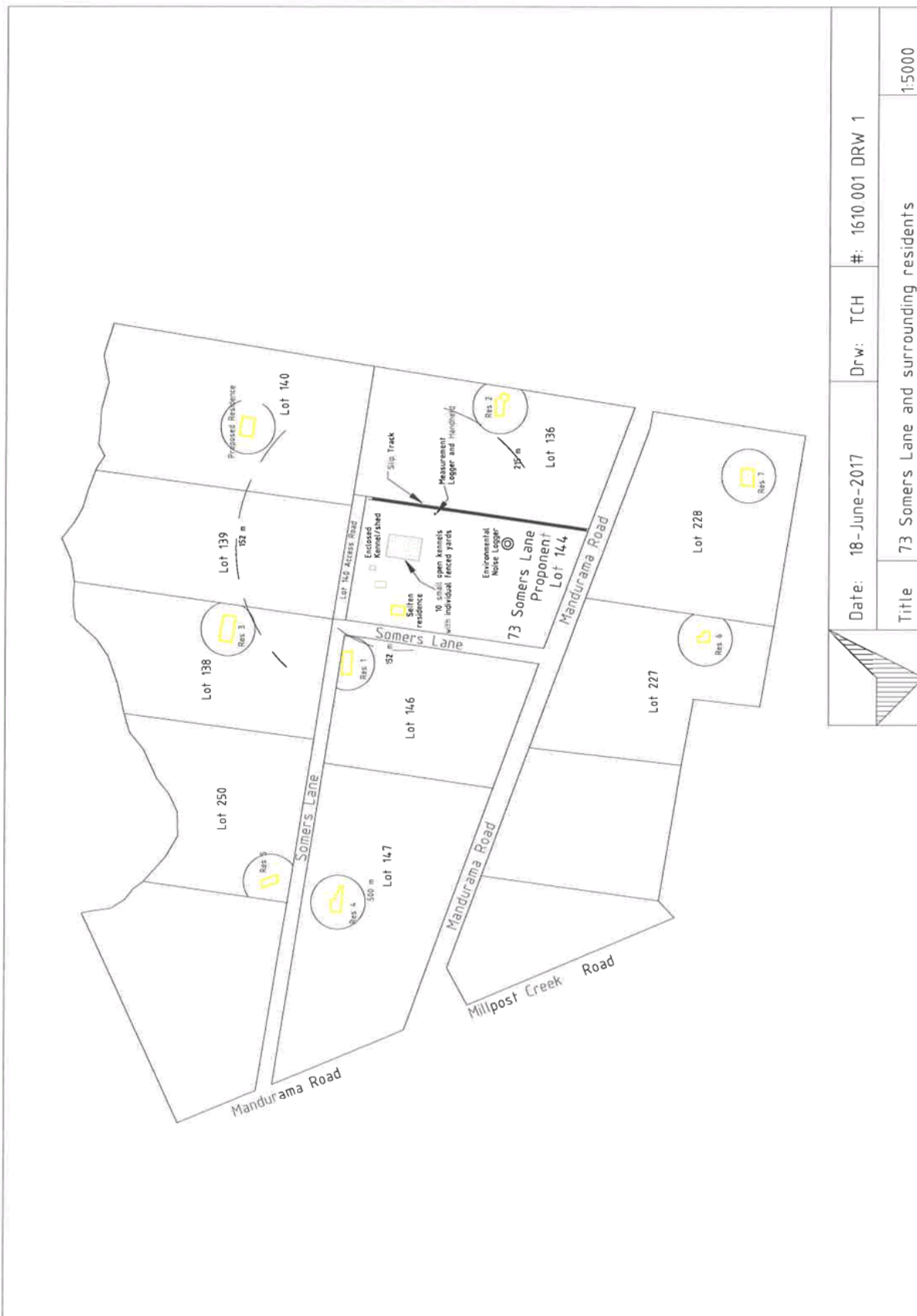
A. Appendix A - Graphical Plots of Logger Measurements

Graphic plots of noise logger data – 73 Somers Lane, Mandurama









Date: 18-June-2017	Drw: TCH	#: 1610 001 DRW 1
Title: 73 Somers Lane and surrounding residents		1:5000

Dear Mark,

We would like request an amendment to our DA and for your report if that's okay?

In our original DA, we advised that we walk the greyhounds between 5am and 6am every morning. We have since changed that, and we only put the dogs into little emptying yards of a morning. This change took place since before the site visit by yourself, Rebecca, Kevin and David.

We have a security camera pointed at the dogs and the shed. It is set up to alert us when there is movement so that we can monitor the greyhounds at all times.

Thanks



Licence Number: 221392C ABN: 21172730033

Date June 2016

Client Keith and Alita Selten

Address: 73 Somers Lane, Mandurama. NSW 2792

Details of work to be completed

Currently, there is a 3 bedroom home, housing 2 Adults and 2 Teenage Children connecting to the current septic.

Current Septic Tank Dimensions are: 2m Long, 1.1m Wide, 1.8m Deep. Unable to move the concrete lid off the septic to measure exactly.

Current Septic is working well, with no outward signs of failure. Clients report that there are no issues when using toilet, laundry, kitchen or shower.

Have advised of signs of failure of septic to be aware of, and will revisit in 6 months to check with correct equipment to lift the slab.

The kennels currently house 13 greyhounds. The estimated effluent from the greyhounds, including water used to wash the kennels daily is less than 20 litres.

In order to join the shed to the current house effluent system, I recommend the following:
Run a 100mm sewer line in a 300mm wide trench from the kennels to the inlet of the septic tank.

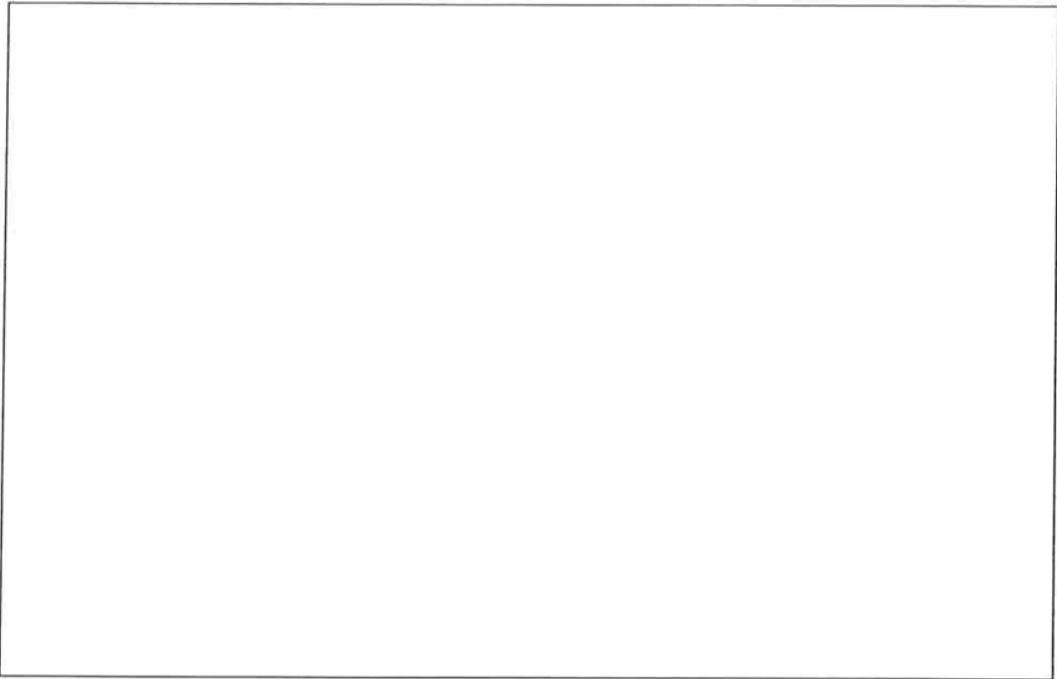
This will be 80m long and will be cut in with a 45 degree junction.

I recommend a grease trap and will fit and supply one, should the clients proceed with the work. The clients will be shown how to remove the collected debris that would accumulate in the grease trap.

The line will have a minimum fall of 1.65%.

There will be an overflow relief gully to stop any smell from the existing septic system.

Price supply and install – will discuss when happy to proceed



Agreement and acceptance for the quotation above and its details.

Client Signature.....Date.....

Toby Weekes Signature.....Date.....

Please be aware that complete payment is required upon work completion, and all material is owned by Cando Roofing until final payment is made. Commencement dates may vary due to weather or urgent jobs that may arise. As a valued customer we appreciate your patience, and any changes will be notified accordingly.

Toby Weekes 0408 651 125 candoplumbingroofing@hotmail.com



10 July 2017

WM Project Number: 17214
Our Ref: BSC100717 NG
Email: mdicker@blayney.nsw.gov.au

Mr Mark Dicker
Director Planning & Environmental Services
Blayney Shire Council
PO Box 62
BLAYNEY NSW 2799

Dear Mark

Re: 73 Somers Lane - Peer Review of DA Acoustic Report

Introduction

I have reviewed the acoustic report prepared by Acoustik dated 19 June 2017.



I believe the report correctly identifies surrounding receivers and establishes appropriate intrusive criteria and attempts to follow the procedures in the EPA *Industrial Noise Policy (INP)*.

Wilkinson Murray Pty Limited - Level 4, 272 Pacific Highway, Crows Nest NSW 2065, Australia
t +61 2 9437 4611 - e acoustics@wilkinsonmurray.com.au - w www.wilkinsonmurray.com.au - ABN 39 139 833 060
Offices in Sydney, Newcastle, Wollongong, Orange & Hong Kong

ACOUSTICS AND AIR

I believe the measured background noise levels would be representative of a quiet rural area, and agree with EPA approach of adopting 30dB as minimum for establishing intrusive criteria; i.e. there will be a greater degree of audibility with backgrounds down towards 20dBA, but dog barking would not be considered loud in absolute terms.

I believe there are a number of aspects of the report which require further clarification and confirmation. Subject to these clarifications, it is possible Acoustik's conclusions that the operation of the facility with dogs in the outdoor kennels overnight meets the requirements of the *INP* are no longer valid.

I have not site visited the site so have accepted the assumption that 5dB shielding is achieved to the west at Residence 1.

Areas requiring further Clarification / Confirmation

Four significant aspects require consideration:

- Whether the source noise levels from dogs barking have been correctly converted to a Sound Power Level;
- Whether the typical worst case operational scenario of the facility have been assessed, rather than an average;
- Establishing reasonable sleep disturbance criteria; and
- Why modifying factors required by the *INP* have been ignored when dog barking has annoying characteristics and would be considered intermittent at night time.

There is also one minor prediction error as a result of rounding at Residence 2, which would result in a level 1dB higher (based on the Acoustik report) as 35.6 rounds to 36 not 35.

If ultimately the applicant will rely on dogs being housed internally at night time (10.00pm to 7.00am), it is essential to confirm that noise from the shed roof also benefits from the 5dB shielding in the direction of Residence 1.

Sound Power Levels

The measurements by Acoustik are based on a distance of 50m to the centre of the open kennel area; however this kennel area is 50m x 35m so it is possible some dogs are closer than 50m and some dogs are further away. If the louder barking dogs are further away (up to possibly 75-80m), then the assumed source sound power levels may be under-predicted by 3-4dB in the Acoustik calculations.

Assessment Scenario

In any noise assessment, it is necessary to consider a typical worst-case scenario rather than an average scenario. In many cases, the typical worst-case could be representative of the 10th percentile level of 15 minute periods.

In this regard, the data presented in the report as a percentage of time is useful as it indicated over 11% on one night which is a significant duration.

Sleep Disturbance

Adopting a minimum background noise level of 30dBA will result in a sleep disturbance screening criteria of 45dBA (30 + 15). Given the background level is so low at night time (less than 20dBA), I feel the 45dBA is reasonable. I don't agree in this situation with the Acoustik discussion which references the transport related sleep disturbance assessment approach discussing external levels of 60-65dBA being acceptable. These would be based on situations in more urban areas affected by transportation noise sources where background noise levels are likely to be much higher.

Use of EPA Modifying Factors

The DA report has not added any modifying factor claiming it is not suitable – It states

Acoustik notes that the application of the INP to the assessment of animal noise generated by Greyhounds is not normally within the scope of the INP. The use of the modifying factors will not be suitable for the Assessment of greyhound generated noise as it is not reasonable to determine properties like tonality and intermittent operation for noise generated by a group of greyhounds. Noise generation is primarily barking.

I consider the use of modifying factors is a subjective judgement, albeit there are objective tests to determine whether tonality, impulsiveness or intermittency apply.

I consider dog barking has annoying characteristics such that a 5dB penalty should be applied at daytime. I also consider that it can be intermittent, which means in accordance with the *INP* a further 5dB penalty should be applied at night time.

On this basis an adjustment of up to 10dB should be applied. I would consider that if a 10dB modifying factor was applied at night time which resulted in a marginal non-compliance by a few dBA, that this would probably not be unacceptable.

Recommendations

Considering the potential increase in Sound Power levels, increase to deal with a typical worst case and application of modifying factors could result in predicted noise levels being 10-15dB higher and significantly exceeding the 35dBA intrusive criterion.

I could accept with an appropriately acoustically sealed shed and all dogs kept internally overnight (10.00pm to 7.00am), including use of the isolation kennels, that the most significant impacts can be appropriately controlled (but not be inaudible).

A Plan of Management would be necessary to ensure daytime levels meet intrusive criteria by limiting the number of dogs and their propensity to bark.

I trust this information is sufficient. Please contact us if you have any further queries.

Yours faithfully

WILKINSON MURRAY



Neil Gross

Director



Blayney Shire Council

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26 July 2017

Our Reference: IAPPD/24467

Ms A Funnell & Mr K Selten
73 Somers Lane
MANDURAMA NSW 2792

By Email theseltens@hotmail.com
tom@acoustik.net.au

Dear Alita & Keith,

RE: Development Determination Review Application – DA55/2016

Reference is made to the Review Application lodged with Council on 21 June 2017 for the determination of DA55/2016.

Council has sought an independent peer review of your acoustic report prepared by Acoustik dated 19 June 2017. The peer review was undertaken by Wilkinson Murray Pty Ltd. To assist in their review the following, clarifications and justification of approaches are sought;

1. Number of dogs on the premises and where they were housed during the survey.
2. The number of dogs the application is seeking approval for.
3. Confirmation of the dates monitoring equipment was on site and the presentation of all the available data. Whether this data can be used to confirm the typical noise levels from dogs.
4. Confirmation of distances to proposed residences and any topographic shielding.
5. Confirmation of site operating parameters, such as doors to sheds open and closed during the survey period and for the purposes of assessment.
6. The Sound Power Level of dogs barking has been based on calculation from the centre of an area where the source of noise is unknown within the whole area.
Please justify the approach or allow appropriate adjustments to the assumed Sound Power Level.

7. The assessment appears to be based on an average level of some measured 15 minute periods rather than a typical worst case (or 10th percentile level) more commonly used.
Please justify the use of an average level or allow appropriate adjustments in the calculations.
8. Whilst dog barking may not be a specific noise issue addressed by the INP, the concept of using modifying factors is an essential component of any noise assessment.
Please justify which modifying factors should be used given the potential annoying characteristics of dog barking and the likely intermittent nature at night time.
9. In this instance (quiet rural area with no transportation noise) Council does not support the use of other sleep disturbance criteria adopted from EPA guidelines and prefers the use of the background + 15dB approach.
Please confirm how dogs need to be housed at night time (including until 7.00am) to achieve this criterion.
10. We believe there is a minor prediction error as a result of rounding in Table 1 for LAeq at Residence 2, which would result in a level 1dB higher as 35.6 rounds to 36 not 35.
11. Please confirm that any noise from the shed roof (if dogs are housed internally) also benefits from the 5dB shielding in the direction of Residence 1.

Should you have any further questions regarding this matter please contact Council's Planning & Environmental Services Department on (02) 6368 2104.

Yours faithfully



Mark Dicker
Director Planning and Environmental Services



4 September 2017

Acoustic Assessment for DA

Greyhound Training Centre

Selten Family

Document Control

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Title:	Acoustic Assessment for DA
Subject:	Greyhound Training Centre
Author:	Tom Harper
Client:	Selten Family
Client Contact:	Keith Selten

REVISION/VERIFICATION HISTORY

REVISION NUMBER	DATE
0	Initial Issue – 19 June 2017
1	Revised Issue – Response to Blaney Council - 1 September 2017
2	Corrections and review of recommendations – 4 September 2017
3	
4	
5	

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Tom Harper

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Tom Harper
 Acoustic Consultant - Acoustik

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1 Introduction

Acoustik was engaged by the Selten Family to provide an acoustic report to support their development application for a greyhound training and kennelling facility located on their property at 73 Somers Lane, Mandurama. This report is updated to address the issues that were raised by Blaney Council in a peer review of the first issue of this report conducted by Wilkinson Murray Pty Ltd, the results of the peer review were contained in a letter received from Council on the 26 July 2017 (Ref: IAPPD/24467)

The training and kennelling facilities consist of an enclosed shed housing up to 20 Greyhounds and 10 outdoor kennels with individual fenced runs that can house up to 20 greyhounds. The facility will house a maximum of 40 greyhounds. Two separate caged kennels will house animals needing isolation in the short-term due to illness etc. The outdoor kennels within the fenced runs are constructed from refrigeration panel and have a sheet metal roof tightly fitted to the top of the walls. The kennel dimensions are 1.2 m x 1.8 m and 1.5 m high.

Noise generation due to barking is primarily from greyhounds within the outdoor kennels and runs. The doors of the enclosed shed are closed during the evening and night.

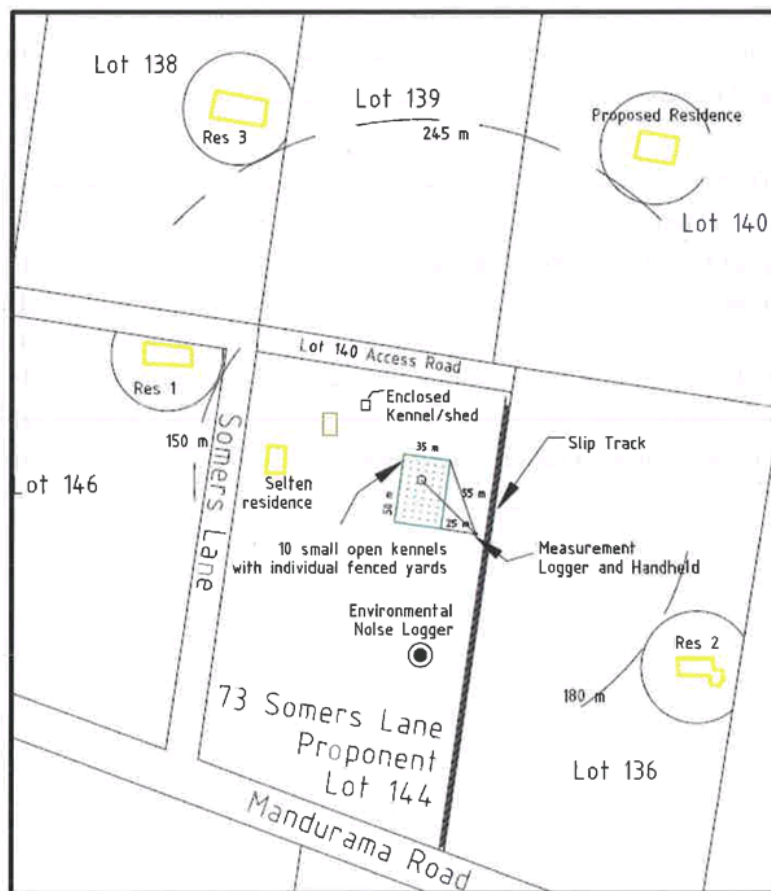


Figure 1: 73 Somers Lane property and immediate surrounds

Along the Eastern side of the property a slip track is used for training. The locations of the shed, slip track, kennels and measurement locations are noted in Figure 1 above. The figure also notes the locations of the closest residents to the property noted as residents 1 and 2. A more comprehensive drawing of nearby residents is included in Appendix B.

The terrain of the surrounding properties is described as follows:

- Res 2, 6 and 7 are on higher ground compared to the greyhound housing and thus have no shielding due to land form. Res 1 and 3 to the West and North West are marginally shielded by terrain from the outdoor kennels runs which are on a downwards slope towards the Eastern property boundary and to the south of the property. Residents 4, 5 and 6 are more than 400 metres from the open kennels.

The enclosed shed constructed to house up to 20 greyhounds is on level ground with Res 1 and 3 noise emissions from the shed would not benefit from geometric shielding. The enclosed shed is a standard garage shed with corrugated metal walls and roof with a general base metal thickness of 0.4 mm.

This report finds that night and evening noise levels generated by barking greyhounds is currently exceeding the requirements of the NSW Industrial Noise Policy during the evening and night periods and exceeds councils sleep arousal criteria for the for most impacted residential dwellings mainly due to greyhounds housed in the outdoor kennels and runs. Greyhounds housed in the enclosed shed are generally compliant for average noise levels but could exceed council's sleep arousal criteria for residents within 250 metres of the shed.

The proponent is prepared to undertake noise control measures by confining the outdoor housed greyhounds within the kennels during the evening and night periods to reduce disturbance of greyhounds and thus a reduction of barking occurrence and to also reduce noise levels in general. Noise levels at the shed will be reduced by the introduction of sound deadening material with in the shed.

1.1 References

The following reference material was consulted while preparing this report:

- NSW EPA Noise Guide for Local Government 2013
- NSW Environmental Protection Authority (EPA) Industrial Noise Policy (INP)
- Greyhound Racing NSW – Code of Practice – Training

1.2 Glossary

A short list of acoustic terms is included below:

L_{Aeq} : is the Sound Pressure Level (SPL) in decibels (dB), equivalent to the total sound energy over a measurement period (or the energy average). The A signifies that an A-Weighting applied to the spectrum to simulate human hearing response

L_{Amax} : is the maximum Sound Pressure Level (SPL) in decibels (dB) that occurs during a measurement

L_{A90} : is the noise level exceeded for 90% of the measurement period, calculated by Statistical Analysis, it is considered to represent the background noise level or the noise that is present for most of the time

L_{A01} : is the noise level exceeded for 1% of the measurement period, calculated by Statistical Analysis, it is considered to represent close to the maximum noise level

L_{Ceq} , dBC or C-weighting: C-weighting is an adjustment made to sound-level measurements which takes account of low-frequency components of noise within the audibility range

Intrusive noise: is noticeably louder than the background noise and considered likely to disturb or interfere with those who can hear it. Depending on the nature of the noise source it is defined as:

- a) $L_{A90} + 5$ dB for noise sources that are continuous in nature for extended periods or all day and night typical of industrial or residential sources that are a permanent fixture
- b) $L_{A90} + 10$ dB for noise sources that are temporary in nature like construction where the activity is limited to day time operation some elements of the noise may be continuous

2 Noise Measurements

Noise levels associated with greyhounds housed at the site were measured using a hand-held meter and recorded over three nights with an automated noise logger. The hand-held and noise logger measurements were made at a location 25 metres from the eastern edge of the open kennels runs. The measurement location is noted in Figure 1 above. Handheld measurements were made of a slip track training session and the logger recorded noise levels over three evenings/nights.

During the measurements 26 greyhounds in total were housed at the facility, 13 within the enclosed shed and 13 in the open kennels runs. During the hand-held measurements of slip track training the doors of the enclosed shed were open. During the evening and night for the automated measurements the doors of the enclosed shed were closed.

2.1 Slip Track Training

The activity of slip track training was assessed by measuring two instances where up to 3 greyhounds participate in a training race along the slip track. The main source of noise generation from the training is stimulation to the remaining greyhounds in the open kennel runs, who bark upon observing other greyhounds training on the slip track. Greyhounds running on the track generate insignificant noise. When the slip track was not operating minimal barking occurred.

Slip track training generally occurs on Wednesday afternoons between 4:15 pm to 5:00 pm and primarily affects Resident 2 as the slip track is located along the Eastern edge of the property. Greyhounds line up along the Eastern side of the kennel runs to observe the greyhounds on the slip track. Normally 2 training runs take 15 minutes.

Handheld measurements were made of barking during the pass-bys on the slip track. A typical pass-by generated an SEL of 73dBA, slip track training concentrates the barking greyhounds along the Eastern side of the kennel runs between 30 m to 55 m from the measurement location. An acoustic centre at 43 m from the measurement location was selected as conservative. The attended measurements were conducted on Wednesday 24 May 2017 between 4:30 pm to 5 pm

Making a worst-case assumption that 3 training runs occur in any 15-minute period a $L_{Aeq, 15 \text{ min}}$ of 48 dBA is estimated. It was necessary to determine the maximum barking level from the L_{A01} parameter as the L_{Amax} results were affected by the footfall noise from the passby of the greyhounds on the slip track within 3 m of the measurement location. The average of the L_{A01} levels for two passes (68.6/67.4) is 68 dBA and this was close to the observed instantaneous SPL maximums for barking.

2.2 Overnight Recorded Levels

From the afternoon of Wednesday 24 May 2017 until the morning of Friday 26 May 2017 for three full nights a noise logger recorded levels of greyhound barking and activity. The logger was located near the Eastern property boundary as indicated in Figure 1 above. The open kennel run is 35 m x 50 m and the logger was located 25 metres to the East from the South-Eastern corner of the Kennel runs.

An analysis of the audio and noise levels recorded from the logger showed that instances of greyhounds barking caused the L_{Aeq} level to exceed 40 dBA at the noise logger location, when no barking was present the logger L_{Aeq} levels fell below 40 dBA to 35 dBA. A review of the environmental logging ambient L_{Aeq} levels shows that ambient levels without barking etc... are between 20 dBA to 30 dBA.

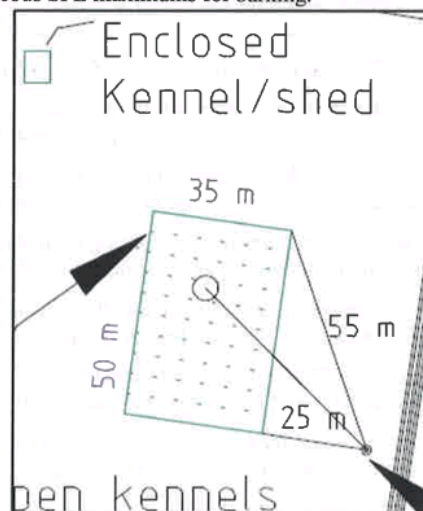


Figure 2: Acoustic Centre for Logger assessment

The logger was set to high range (30dBA to 130 dBA) to ensure that louder noise levels were collected, on review, a low range measurement setting would have captured more detail but this was not known until after processing. The noise floor for the high range setting did cause some loss of detail of lower levels of barking but the result is a conservative estimate (~ 1 dB higher for the average) of the barking noise levels. The measured levels of greyhound barking are in close agreement with the $L_{Aeq, 15 \text{ min}}$ and maximum level results from the above hand-held measurements. Table 1 below summarises the analysis of the L_{Aeq} and L_{Amax} levels from the subject greyhounds measured at the logger location.

Greyhound barking during the evening and overnight automated measurements was no longer concentrated to the Eastern side of the kennel runs, the acoustic centre for the measurements was chosen in a location that was 2/3 of the length of the kennel runs at 55 metres from the noise logger.

Table 1: Summary of Barking Occurrences – Three evenings/nights – 15-minute measurement periods

	Wed 24/5	Thurs 25/5	Friday 26/5
	Time – $L_{Aeq}/L_{A10}/L_{Amax}$	Time – $L_{Aeq}/L_{A10}/L_{Amax}$	Time – $L_{Aeq}/L_{A10}/L_{Amax}$
Evening 6pm – 10pm	7:45 – 42/41/63 8:00 – 45/41/66	6:30 – 44/41/65 6:45 – 44/41/67 7:00 – 47/44/70 7:15 – 42/44/66 7:30 – 41/42/63 10:00 – 45/41/67	6:30 – 47/44/68 6:45 – 41/41/64 7:00 – 40/43/54 7:15 – 46/44/66 7:30 – 45/41/68 7:45 – 41/42/60 8:00 – 42/41/65
Night 10pm – 7am	10:15 – 44/42/60 11:00 – 48/42/70 2:30 – 43/41/64 3:30 – 43/41/63	10:15 – 41/41/67 10:45 – 41/41/61 1:00 – 44/41/63 1:15 – 44/41/69 1:30 – 45/42/69 1:45 – 42/44/59 2:45 – 44/41/70 4:30 – 41/41/67 4:45 – 49/48/71 5:15 – 46/41/66 5:30 – 41/41/62 6:45 – 40/42/59 7:00 – 43/45/66	12:00 – 46/41/66 1:30 – 42/41/65 4:45 – 43/44/65 7:15 – 43/44/66
	Average $L_{Aeq}/L_{A10}/L_{Amax}$		43.4/42.1/64.9
	Standard Deviation		2.3/1.7/3.7
	Sum of Averages. and SD		46/44/69

The above analysis indicates that barking occurs for a significant number of occasions during the evening and night. On the Thursday evening the night time occurrences of barking were significantly greater than the Wednesday and Friday nights. The reason for the greater occurrences on Thursday night is not known. The proponent stated that the lower number of occurrences during the evening was the normal situation.

To determine a suitable level for assessment that represents a typical worst-case repeated noise level affecting receivers. The standard deviation is added to the average of the measured levels. Based on this assessment an L_{Amax} of 69 dB and L_{Aeq} of 46 dB is presented as a noise level that represents most noise generated by greyhound barking.

The above levels are generally in agreement with the L_{Aeq} and L_{Amax} values estimated for the slip track training. Noting that during slip track training the greyhounds were concentrated onto the Eastern side of the kennel run and thus marginally closer to the measurement location and the SEL prediction assumed a worst case of 3 training runs in 15 minutes which would account for the 2 dB higher level predicted for the slip track training.

The proponent has reported that Mandurama Road carries occasional heavy vehicle traffic and the pass-by noise from heavy vehicles using engine braking could be contributing to some of the maximum noise levels above 69 dBA. This is supported by referring to the plotted data for the environmental noise monitoring. The environmental monitor was located closer to Mandurama road, 130 metres for the environmental logger compared to 250 m for the subject noise logger. L_{Amax} levels exceeding 70 dBA to 80 dBA regularly appear in the plotted data of the environmental logger.

The most likely source of such a maximum noise at the environmental logger location is the pass-by of a heavy vehicle on Mandurama road using engine braking. For comparison 1 min graphical plots of the subject automated noise logger data are located in Appendix A and show that the majority of maximum barking levels are approximately 65 - 66 dBA measured at 53 metres from the acoustic centre of the outdoor kennel runs.

Council's response letter to the Acoustik's initial report suggested that L_{A10} values could be a way of representing the worst-case noise from greyhound barking. The above analysis indicated L_{A10} results are generally lower than the L_{Aeq} results and this is most likely due to the relatively short duration of barking in any 15-minute period. We note that the noise floor of the meter has reduced the accuracy of the statistical calculations but the effect is for the L_{A10} results to overestimate the barking noise levels.

2.3 Environmental Noise Levels

The L_{A90} (background) levels were recorded within the subject property at a similar distance from Mandurama road as Resident 2 using a Svan 958A noise logger. The environmental logger location is indicated in Figure 1 above.

Environmental noise logging was conducted from Tuesday 9 May to Tuesday 16 May 2017. Eleven (11) days of logging with three 24-hour periods of rain effected measurements, rain effected results are indicated in the summary of results in Table 2 below.

Table 2: SVAN 958A Noise Logger Sn: 59161 – 73 Somers Lane, Mandurama - Environmental Noise Levels

	Day 7am – 6pm		Evening 6pm – 10pm		Night 10pm - 7am	
	L_{A90}	L_{Aeq}	L_{A90}	L_{Aeq}	L_{A90}	L_{Aeq}
Tuesday 9 May 2017	N/A	N/A	N/A	N/A	Rain/wind	Rain/wind
Wednesday 10 May 2017	24	39	20	35	17	30
Thursday 11 May 2017	22	41	17	34	17	30
Friday 12 May 2017	26	41	18	32	18	30
Saturday 13 May 2017	24	39	18	29	17	29
Sunday 14 May 2017	21	40	18	29	17	28
Monday 15 May 2017	23	39	17	38	17	31
Tuesday 16 May 2017	Rain/wind	Rain/wind	N/A	N/A	N/A	N/A
RBL/Ambient	23*	40	18*	33	17*	30

Note*: Where the RBL is measured at less than 30 dBA the RBL is considered to be 30 dBA

The local noise environment at the environmental logging site is typical of the immediate area. We note that the L_{A90} background levels are low even for a rural area, Mandurama road does generate some morning and afternoon peak traffic levels as it is an arterial road servicing the communities of Neville, Barry also connecting to Hobby Yards.

Graphical plots of the logger data with comments on validity are included in Appendix A.

2.4 Instrumentation

Instrumentation listed in Table 3 was used during this acoustic study.

Table 3: Instrumentation List

Instrument	Make and model	Serial Number	Instrument Type
Sound Level Meter	Larson Davis 813	0003983	Class 1
Field Calibrator	Larson Davis CAL250	5542	Class 1
Noise Logger	SVAN 958A	59161	Class 1

Instrumentation was field calibrated, no significant calibration drift was noted during the measurements.

3 Project Criteria

Blayney Shire Council have advised that the assessment is to be based on the following noise control guidelines:

- The NSW EPA Industrial Noise Policy (INP)
- Council have advised in the review that the sleep criteria should be assessed as the RBL + 15 dB

3.1 Noise Criteria

The NSW EPA Industrial Noise Policy and is designed for the assessment of noise pollution from sites that includes noise sources from industrial, warehousing and commercial facilities. It is aimed at the assessment of fixed noise sources and the operation of machinery associated with transportation of goods.

Acoustik notes that the application of the INP to the assessment of animal noise generated by Greyhounds is not normally within the scope of the INP. The kennelling and training facilities have no significant fixed mechanical services that could create noise pollution.

The INP uses two measures to control noise so that residential acoustic amenity is protected. The first is the intrusive noise criterion (L_{A90} background + 5dB) and the second is the amenity criterion based on the type of area. The amenity criterion is designed to halt the increase of background levels due to continuing industrial development and to control noise where background noise levels are already high. In this case there is no significant industrial noise sources in the local area. Traffic using Mandurama road would be the most consistent source of environmental noise levels during morning and afternoon peak traffic periods.

The closest affected residents indicated as Res1(150 m from outdoor kennels) and Res2 (180 m from outdoor kennels) are indicated in Figure 1 above. Other residents are located further away and are indicated on a drawing in Appendix B.

The noise criteria are detailed in Table 4 below based on environmental noise levels listed in Table 2 above. We note that the area under study has very low ambient levels and that L_{A90} background levels are significantly less than 30 dBA during day, evening and night periods. In accordance with the INP guidelines where the RBL is less than 30 dBA the assessment RBL is equal to 30 dBA.

This will mean that the day, evening and night noise criteria are all the same. The ambient noise levels are also low the amenity criteria plays no part in setting project noise criteria.

Table 4: Proposed Noise Criteria based on the EPA Industrial Noise Policy – Day, Evening and Night 0700 to 1800 hours

Area	Intrusive Criterion $L_{A90} + 5$ dB	Amenity Criteria (Tables 2.1 and 2.2 of INP) Acceptable – Maximum	Noise Criteria
Day 0700 to 1800	35	50 – 55	35
Evening 1800 to 2200	35	45 – 50	35
Night 2200 to 0700*	35	40 – 45	35

Note: * On Sundays and public holidays night time is extended to 0800

On properties where the residence is more than 30 metres from the property boundary the assessment point is the closest point within 30 metres of the residence.

3.2 Sleep Arousal

Council has requested that sleep arousal criteria is limited so that the emergence of the maximum noise level due to barking does not exceed the RBL background by 15 dB.

The sleep arousal criteria that is applicable during the night period from 10 pm to 7 am (8am on Sundays and public holidays) is set at 45 dBA. Based on the night time RBL of 30 dBA + 15 dB.

3.3 Meteorological Factors

Meteorological effects such as temperature inversions and wind can cause raised noise levels at receivers where the distance from the noise source is greater than 100 m. Appendix C of the INP outlines initial screening tests to conduct regarding the effect of temperature inversions.

The area around the proposed development is a non-arid zone and the average annual rainfall exceeds 500 mm noise receivers near to the proposed development are roughly level or on higher ground than the greyhound housing areas.

From the above information and based on Table D1 from appendix D of the INP which allows for temperature inversions and a source to receiver wind the largest predicted increase in noise level is 1.5 dB. This is less than a 3 dB increase and thus metrological effects are not considered significant and do not require further investigation.

4 Analysis

The following noise levels are predicted at the surrounding residents based on the measured levels made using the automated noise logger located 25 m to the east of the open kennel runs. The measurements made during the slip track training are also discussed below.

The kennel runs are on a slight slope that trends down until the boundary fence. From the boundary, the property for resident 2 rises to overlook the proponent's property. The proponent's residence and residence 3 sits on a hill above the open kennel runs. Resident 2 and 3 will benefit from mild to line of sight shielding due to the landform but it has been excluded from the analysis for a conservative approach. The predicted noise levels at the surrounding residences are based on measured levels reported in Section 2.2 above and are presented in Table 5.

The distances to the residential dwellings are estimated using the distance tools provided in the "Six Maps" web application by NSW Government Spatial Services. The distances are measured from the closest edge of the kennel runs to the 30-metre radius surrounding the affected residence.

Table 5: Predicted noise levels at surrounding residents – Due to Greyhounds in Outdoor Kennels and Runs

Location	@Logger	Res 1 Lot 146	Res 2 Lot 136	Res 3 Lot 138	Proposed Lot 140	Res 4/5 L 250/147	Res 6/7 L 227/228
Dist (m)	55	150	180	245	245	500	400
L _{Aeq}	46	37	36	33	33	27	29
L _{Amax}	69	60	59	56	56	50	52

Blayney Shire Council have advised of the location of a proposed residential building at lot 140 and this has been included in the assessment. The council information on the proposed residential building is included in Appendix B

Lot 139, like Lot 140 currently does not have a building or a building proposed for construction. Based on the current assessments, a residence on Lot 139 should be set back from its southern property boundary by minimum 210 m so that it is no more affected or disturbed by barking greyhounds than the neighbouring properties at Lot 140 and Lot 138. Council's information is provided in appendix B.

4.1 Slip Track Training

During slip track training noise levels due to barking was measured and results presented in Section 2.1 above. As noted due to the orientation of the slip track relative to the open kennel runs the most affected location is resident 2 located directly to the east of the site. The predicted noise levels during slip track training are similar to the levels predicted in Table 5 above.

For the duration of the training barking may be more frequent compared to other times during the day maximum barking levels will be audible but not unusual compared to other noise events in a rural area. Slip track training is limited in duration and currently occurs once per week on Wednesday afternoon between 4 pm to 5pm.

4.2 Enclosed Kennel Shed

The kennel/shed is constructed to house up to 20 greyhounds, its location is indicated in Figure 1 above. The shed doors are closed during the evening and night periods, the current construction of the shed is a basic sheet metal garage constructed shed with an assumed sheet base metal thickness of 0.42 mm, the shed has no internal acoustic lining materials.

Based on the assumption that greyhounds barking inside the shed would generate similar noise levels noise levels at surrounding residents are predicted in Table 6 below. We estimate that the shed will provide a 9 to 10 dB reduction in noise levels compared to greyhounds housed in the open.

Distance to residents are from the shed location to the boundary within 30 metres of the residence. The shed is located on level with a clear view to all surrounding residents.

Table 6: Predicted noise levels at surrounding residents – Due to greyhounds in Enclosed Shed

Location	Res 1 Lot 146	Res 2 Lot 136	Res 3 Lot 138	Proposed Lot 140	Res 4/5 L 250/147	Res 6/7 L 227/228
Dist (m)	105	250	180	227	455	460
L_{Aeq}	31	23	26	24	18	18
L_{Amax}	55	47	50	48	42	42

4.3 Assessment and Noise Control Recommendations

The noise generation by greyhounds is not tonal, impulsive or dominated by low frequency.

Regarding intermittency, during the evening and night, barking increases the ambient level by more than 5 dB; during the daytime ambient levels are on average $L_{Aeq, 15\text{ min}}$ 40 dBA thus barking does not increase the ambient levels by more than 5 dBA.

For this assessment, 5 dB will be added to the noise predictions for the evening and night time assessment but not to the daytime assessment.

For greyhounds housed at the outdoor kennel runs, barking noise levels during the evening and night periods exceed the L_{Aeq} noise criteria by up to 6 dB at residents 1,2, and 3 and at proposed residential area for Lot 140 when the intermittent penalty is included, refer to Table 5 above. The L_{Amax} night time sleep arousal criterion is exceeded at all impacted residences.

During the day the L_{Aeq} noise criteria is exceeded by up to 2 dB at residents 1 and 2.

For greyhounds housed in the enclosed shed the $L_{Aeq, 15\text{ min}}$ evening and night criteria is satisfied at all residents except for Resident 1 when the intermittent penalty is added. The L_{Amax} night time sleep arousal criterion is exceeded at residences 1, 2 and 3 and at proposed residential area for Lot 140. Refer to Table 6 above.

During the day the enclosed shed doors are not always closed so some barking may occur and not be attenuated by the shed enclosure for residents with a view of an open shed door. However, the shed will still provide some noise reduction and this should be greater than that provided to greyhounds in the outdoor housing and we expect that noise levels from greyhounds in the shed will be sufficiently controlled during the day.

During slip track training L_{Aeq} noise levels up to 37 dBA is present at Res 2 this exceeds the day time criteria by 2 dBA. The duration of this exceedance is short term and limited to one afternoon of training per week.

During the day greyhounds housed in the open kennels and runs generate noise levels that exceed the daytime criterion of 35 dBA by up to 2 dB at residents 1 and 2.

There is little reasonable and feasible methods of reducing the daytime noise levels other than the permanent housing of greyhounds indoors at all times, this would not be fair or reasonable for the health of the animals. The proponent will make consistent efforts to control daytime greyhound barking levels with good handling and management techniques to reduce the occurrence of and duration of barking.

Outdoor Kennel and Runs

The proponent has proposed that the kennels in the outdoor runs will be modified by fixing a door to the kennel and greyhounds will be kept in the kennels during the evening and night periods. The Kennels are made from refrigeration panel for the floor and sides and have a sheet metal roof construction. The door will be constructed from wire mesh to allow for ventilation. Doors to kennels will be orientated differently so that the open side of the kennels does not favour any direction, soft bedding material is included in the kennel.

We predict that the noise levels for the worst affected Residence 1 will drop to below $L_{Aeq,15\ min}$ 20 dBA and to L_{Amax} 44 dBA for maximum levels. We note that residence 1 has some landform noise reduction from the open kennel runs and thus noise levels will be marginally lower than predicted. The Kennels are on the far side of the outdoor runs from residence 2 and thus slightly further, noise levels at residence 2 and thus all other residences will also comply with all night time criteria for the outdoor kennel runs.

This noise control prediction assumes that the barking of a greyhound is measured on the opposite side of the outdoor kennel from the wire mesh door. So, an individual barking event from a greyhound would exceed the predicted levels if the noise receiver has a direct view of the kennel door. Kennel doors will be randomly orientated and with the goal of reducing the incidents of barking as much as reasonably possible.

The refrigeration panels and sheet metal roofing is generic and recycled building material so limited acoustic data for their properties were available. After the above modifications are completed a confirmation measurement must be conducted over three evening and night periods to confirm compliance with the noise reduction goals.

Enclosed Shed/Kennel

The existing enclosed shed will be lined with acoustic insulation to reduce the internal noise levels and thus similarly reduce the external noise levels.

For resident 1 the predicted noise levels for the shed internally lined with acoustic absorption the maximum noise level for barking will be L_{Amax} 50 dBA this will exceed the L_{Amax} sleep arousal criteria by 5 dB.

For all other residences, the L_{Amax} levels are below 45 dBA. The $L_{Aeq, 15\ min}$ levels already comply at all locations without acoustic insulation inside the shed and the shed doors closed.

The shed is on level ground with residence 1 and thus no shielding is provided by the landform. To gain the additional 5 dB of noise reduction required to satisfy the sleep arousal criteria at residence 1 a barrier wall can be constructed to achieve the noise reduction.

Acoustik recommends that the shed is first internally lined and a measurement is conducted to determine if the maximum noise levels continue to be an issue when the greyhounds are located within the shed. Noise measurements of greyhound activity within the shed over the evening and night periods has not been conducted at this stage and the greyhounds within this more comfortable environment may be less prone to prolonged and loud barking.

4.4 Acoustic Treatments

The following detailed recommendations are made to reduce noise levels due to greyhound barking:

- The outdoor kennels and fenced runs used for greyhound will be modified so that the existing kennels are fitted with doors and greyhounds (up to two per kennel) will be confined to their kennels during the evening and night periods. The Kennels are constructed from refrigeration panel with a close-fitting sheet metal roof, soft bedding materials will be provided in the kennels for comfort and to reduce sound reverberation.
 - Outdoor Kennel doors are to be orientated so that they don't face one direction. Do not orientate wire mesh doors to the North West or South East to avoid the closest residents
 - A confirmation measurement is required after the above work is completed to confirm compliance
- The enclosed shed/kennel must be internally lined with acoustic absorption to reduce reverberation noise build up and improve the comfort inside the enclosure.
 - The insulation material must be fixed to the inside of the roof and the inside of the side walls of the shed. It must be at least 50 mm thick glasswool or similar fibre insulation and be retained behind a perforated foil or sheet metal facing for protection. The insulation must have a minimum NRC rating of 0.65 or better.
- A noise barrier may be required to further reduce maximum noise levels from the shed to residence 1. The barrier will need to have constructed to a height of 0.5 metres above the wall height of the existing shed and made from lapped timber or metal sheet and post type construction. The barrier must be located within 10 metres of the existing shed wall and the length of the barrier must be equivalent to the width of the shed plus a 3 metres extension at each end.

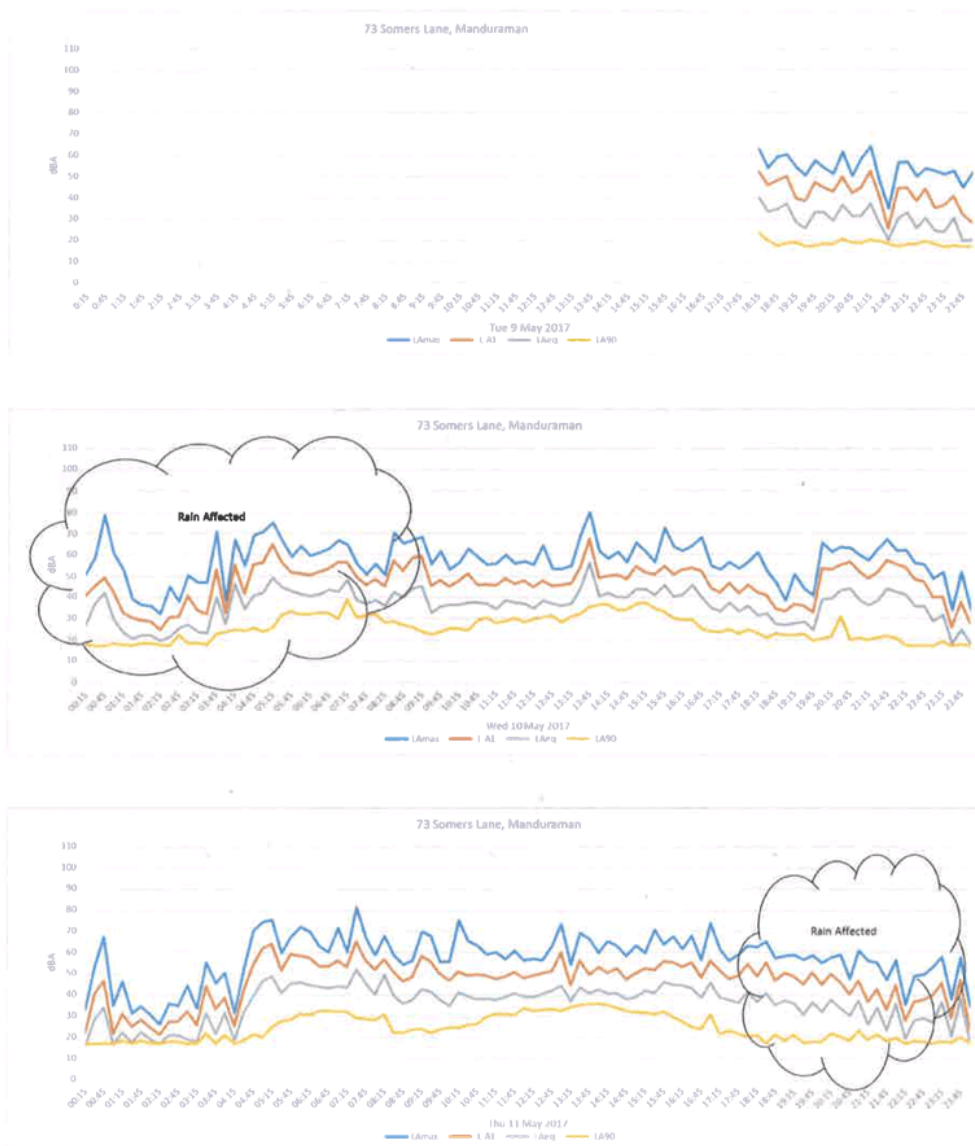
5 Conclusion

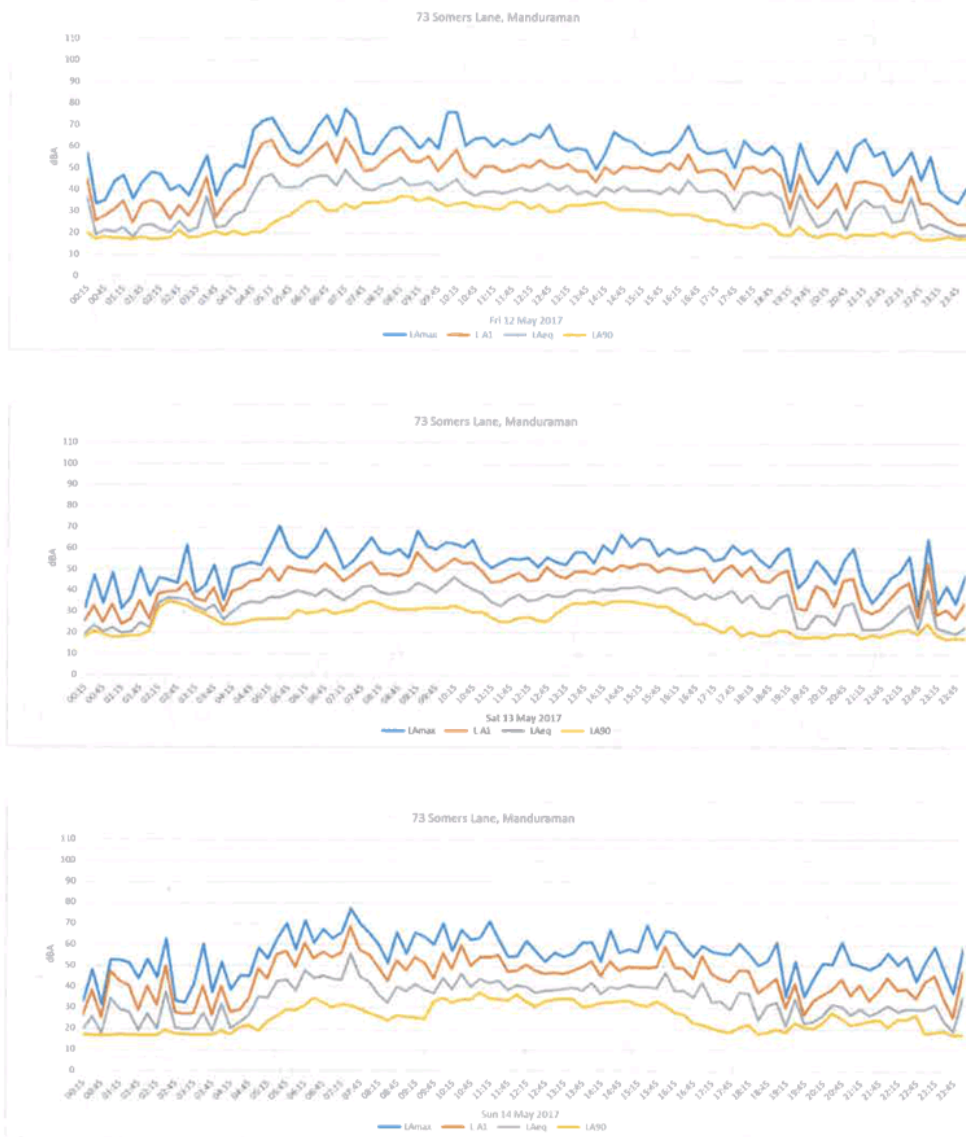
Acoustik was engaged by the Selten Family to provide an acoustic report to support their development application for a greyhound training and kennelling facility located on their property at 73 Somers Lane, Mandurama.

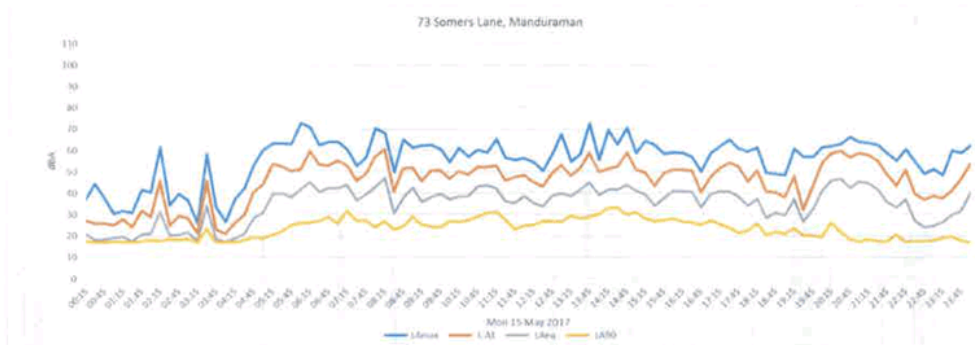
Acoustik have measured greyhound noise levels that are primarily due to barking dogs in the open kennelling areas. The noise levels were assessed according to the requirements of the NSW Industrial Noise Policy. Noise recommendation have been made to control noise from barking Greyhounds.

A. Appendix A - Graphical Plots of Logger Measurements

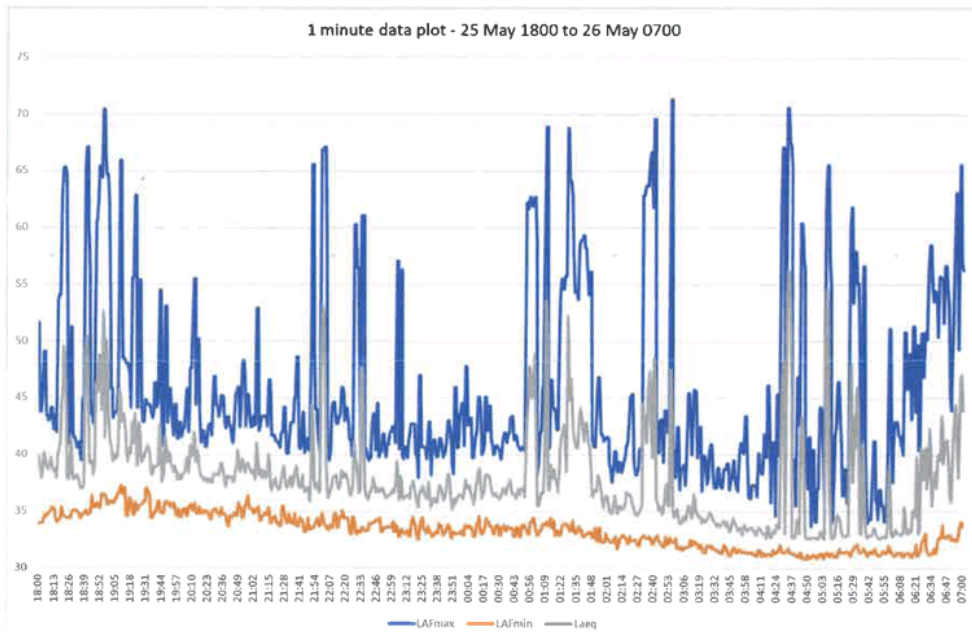
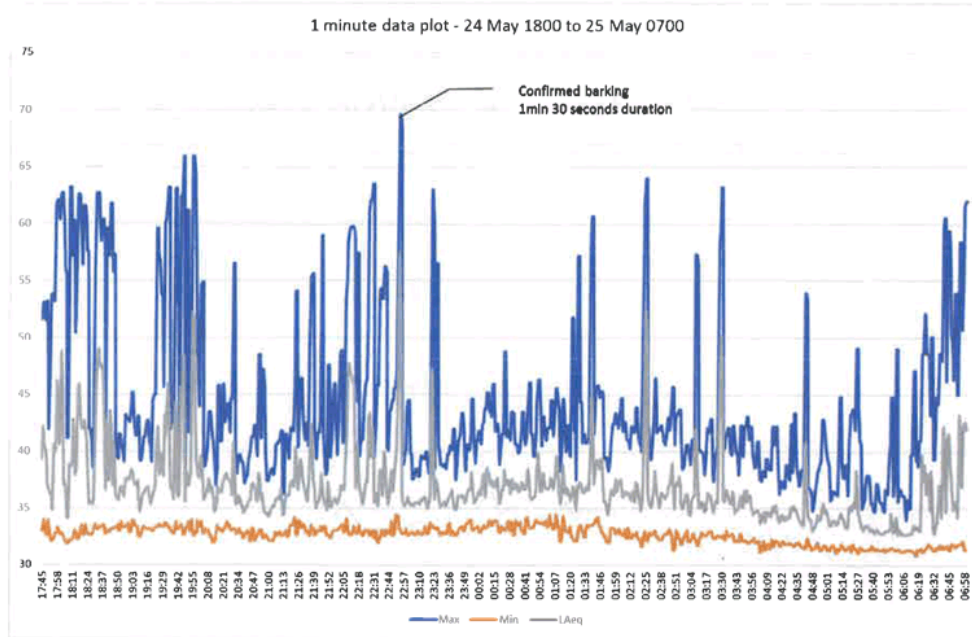
Graphic plots of noise logger data – 73 Somers Lane, Mandurama

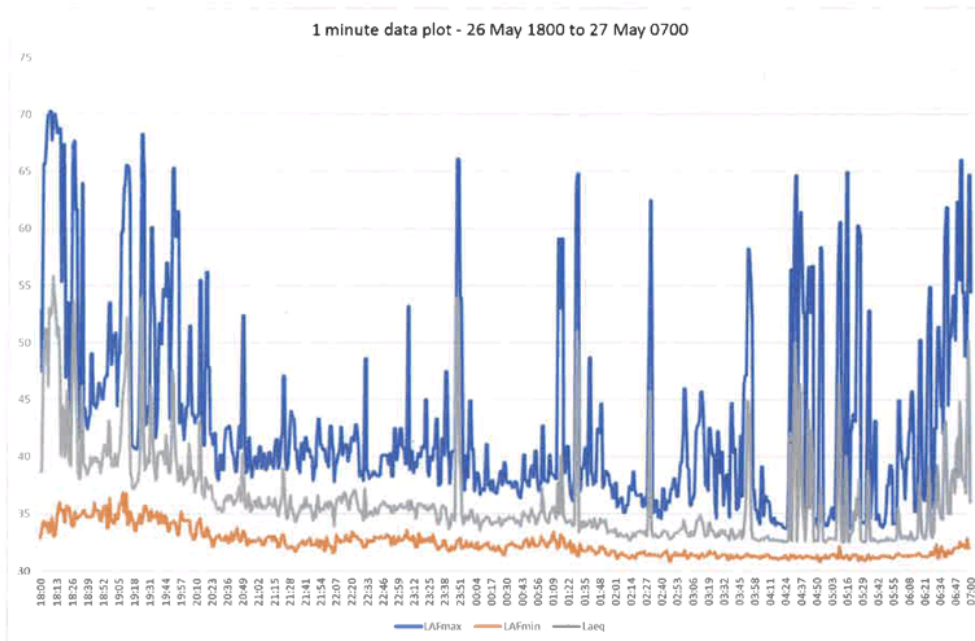






Noise Plots from Automated Noise Logger close to outdoor kennel runs

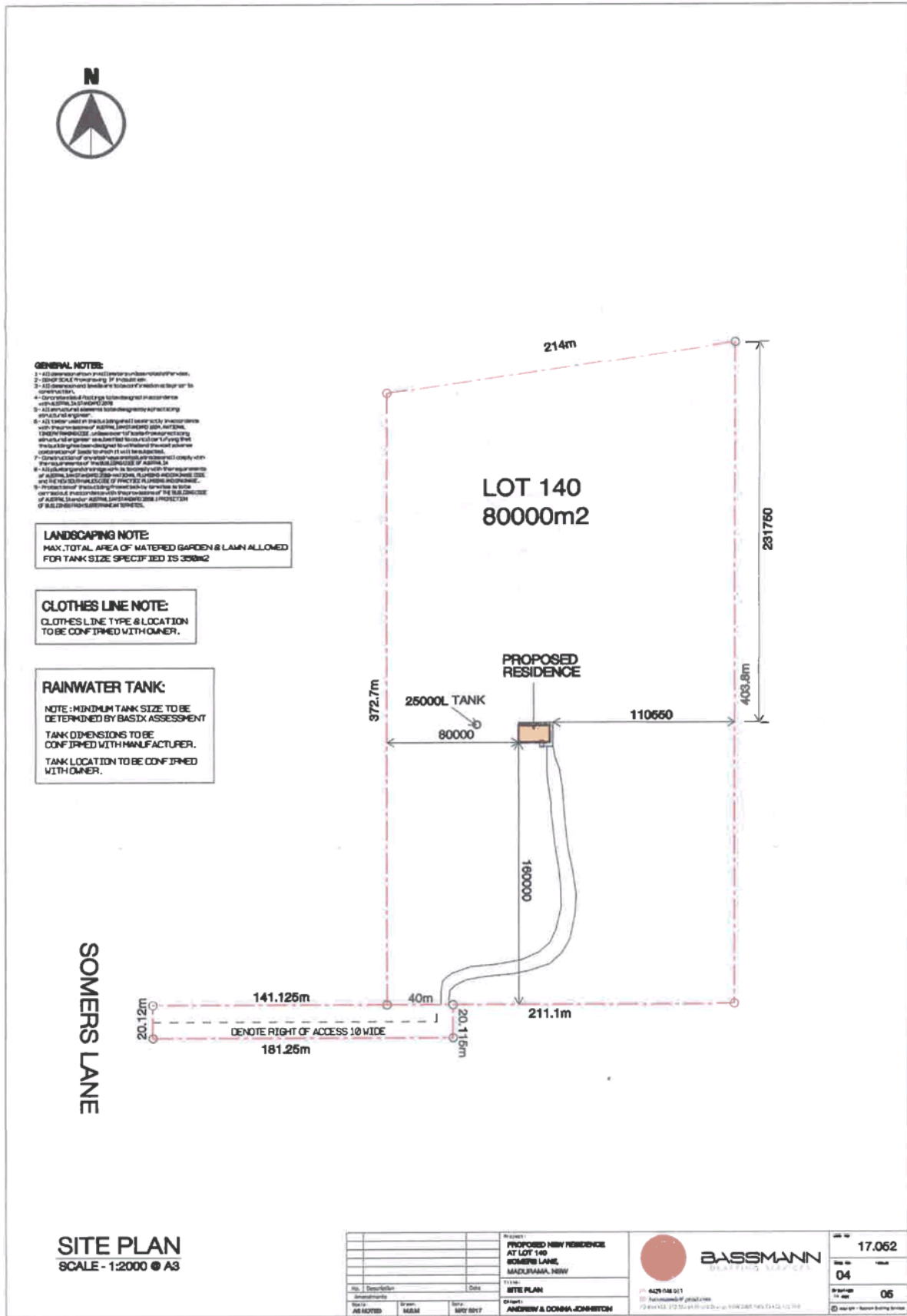


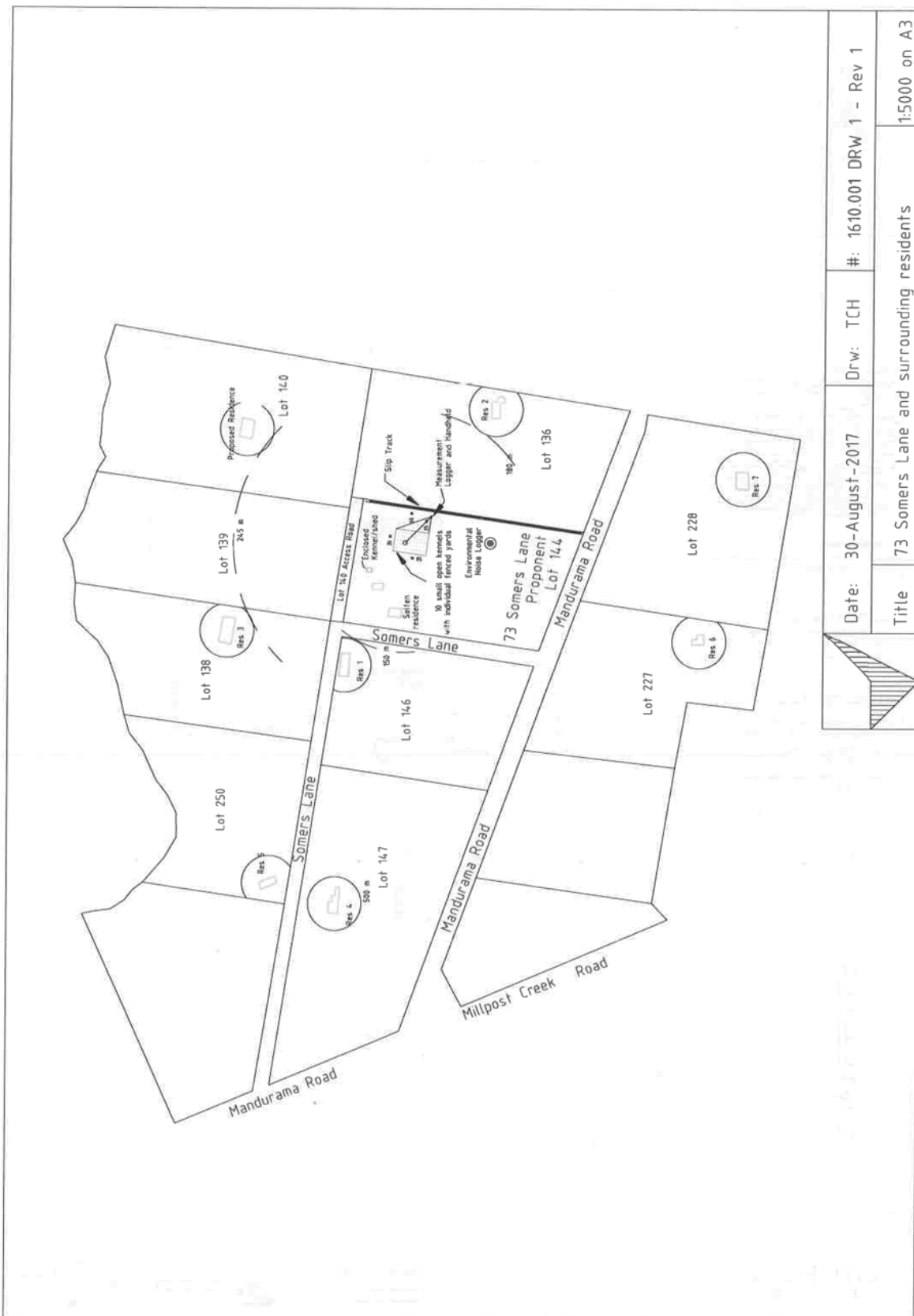


B. Appendix B - Drawings and Council information

Drawing 73 Somers Lane and surrounding residents 1610.001 DRW 1 – Rev 1

Drawing for proposed new residence at lot 140





Date: 30-August-2017	Drw: TCH	#: 1610.001 DRW 1 - Rev 1
Title: 73 Somers Lane and surrounding residents		1:5000 on A3



Acoustik
13 Orana Street
Orange 2800
Phone +61 (0) 431 914 038
tom@acoustik.net.au
ABN: 27238273391

7 September 2017

(REF: 1610.001.Letter Rev-0)

Alita and Keith Selten
73 Somers Lane
Mandurama NSW 2792

Response to Peer Review - Blaney Council - DA55/2016

Acoustik provides the following response to the peer review of our report "Acoustic Assessment for DA – Greyhound training Centre" (Ref: 1610.001.Report.0) issued 19 June 2017. The peer review was conducted by Wilkinson Murray Pty Ltd on behalf of Blaney Council. The review was balanced and provided a good feedback for the improvement of the assessment.

Acoustik have since issued an updated version of the report (Ref 1610.001. Report.2 issued 4 September 2017) to address the issues raised in the peer review and this letter will address specific questions raised in the peer review. Where there is a direct answer in the updated report the page number and section heading will be referenced. The peer review letter is enclosed for reference.

Answers to review points:

Point 1: No of dogs on premises during survey - Page 5 Section 2 Noise Measurements

26 Greyhounds were on site during measurements 13 in the outdoor kennel runs and 13 in Shed/Kennel

Point 2: No of dogs in total in application - Page 3 Section 1 Introduction – Paragraph 2

Application is seeking to house 40 Greyhounds maximum 20 in outdoor Kennels and 20 in enclosed Shed/Kennel

Point 3: Confirmation of dates monitoring equipment was on site and presentation of available data. Whether this data can be used to confirm the typical noise levels from dogs – This information is generally provided in section 2 of report.

The duration of equipment on site is listed in Section 2.1 "Slip Track Training" for hand held measurements, Section 2.2 "Overnight Recorded Levels" for automated noise logger near the outdoor kennels (This data is used to capture night time barking noise levels of greyhounds in outdoor areas and, Section 2.3 "Environmental Noise Levels" for environmental noise logging activity.

The overnight noise logger data plots have been added to Appendix A of the report to assist with verification.

Point 4: Confirmation of distances to residents and topographic shielding – Figure 1 and scale drawing in Appendix B, Page 11 Section 4 Analysis

Topographic shielding is deleted from the assessment as it was not assisting the critical assessment points and for the sake of conservative assessment.

Response to Peer Review - Blaney Council - DA55/2016

Point 5: Confirmation of sit operating parameters, such as doors to sheds open and closed during the survey period and for the purposes of assessment – – This information is generally provided in section 2 of report.

In summary, shed/kennel doors were open during slip track training, closed during the evening and night periods for the measurement of greyhound activity in the outdoor kennels and runs.

Point 6: The Sound Power Level of dogs barking has been based on calculation from the centre of an area where the source of noise is unknown with the whole area. Please justify the approach or allow appropriate adjustments to the assumed Sound Power Level – Please refer to figures 1 and 2 in the updated report.

The distance between the automated noise logger (Located next to Outdoor Kennels) and attended measurement location was remeasured on site and the dimensions of the outdoor kennels and runs also remeasured. This resulted in a minimal change to the assumed distances to the acoustic centre and a reduction in the distance for the acoustic centre for dogs barking due to slip track training. The distances and assumptions are detailed in Section 2 “Noise Measurements” of the report.

Point 7: The assessment seems to be based on an average level of some measured 15-minute periods rather than a typical worst case (or 10th percentile level) more commonly used.

Please justify the use of an average level or allow appropriate adjustments in calculations.

15-minute periods were used in accordance with the standard practice of the Industrial Noise Policy. We have reviewed the calculations made in the version 0 of the report and made the following changes to ensure that appropriate assessment was conducted.

The area of the outdoor kennels and runs was measured with greater accuracy and a conservative distance from the overnight measurement logger and attended measurement location to the acoustic centre of the outdoor kennel runs area.

The use of the L_{A10} measurement parameter was investigated and found to be lower than the $L_{Aeq, 15 \text{ min}}$ parameter. We have noted that the overnight noise logger’s range setting caused a loss of detail for lower levels of barking and this has resulted in a mild overestimation of actual barking levels in the measurement results.

An intermittent penalty is applied to the measured L_{Aeq} levels for the evening and night time assessment. For assessment the mean level was added to the Standard deviation of the barking incidents for both L_{Aeq} and L_{Amax} results so that the majority worst case barking noise levels are assessed.

Point 8: Whilst dog barking may not be a specific noise issue addressed by the INP, the concept of using modifying factors is an essential component of any noise assessment.

Please justify which modifying factors should be used given the potential annoying characteristics of dog barking and the likely intermittent nature at night time

This issue is now addressed in Section 4.3 on page 12 of the report.

Also refer to answer for point 7 above.

Response to Peer Review - Blaney Council - DA55/2016

Point 9: In this instance (Quiet rural area with no transportation noise) Council does not support the use of other sleep disturbance criteria adopted from the EPA guidelines and prefers the use of the background + 15 dB approach.

Please confirm how dogs need to be housed at night time (including until 7 am) to achieve this criterion.

The sleep criteria in the report has been modified to reflect Council's request. Report Section 3.2 "Sleep Arousal"

This change has a significant effect on the outdoor housing of greyhounds and the proponent has proposed a solution of confining outdoor greyhounds to kennels with a grilled door during evening and night periods. This will reduce stimulation and thus incidence of barking and reduce overall noise levels by using the acoustic properties of the outdoor kennel construction.

We note that the area is not free of transportation noise as claimed, although transportation noise events are infrequent they do occur. Mandurama Road carries arterial traffic from other rural areas and this traffic can consist of a high percentage of heavy vehicles. Heavy vehicles on Mandurama road can create high pass-by noise levels and due to the slope down to the south of the proponent's property engine braking is at times engaged by heavy vehicle drivers. These pass-by level can be consistent with the very loudest of the maximum noise levels generated by greyhound barking. Please refer to Sections 2.2 and 2.3 of the updated report.

Point 10: We believe that there is a minor prediction error as a result of rounding in Table 1 for L_{Aeq} at Residence 2, which would result in a level 1dB higher as 35.6 rounds to 36 not 35.

We have investigated this calculation and note the correction.

For the updated report, the acoustic centre distances have been recalculated and the proposed shielding from topography is dropped to be conservative and the shielding was of little effect for the most affected residence 2 in any case. New calculations have been checked for accuracy.

Point 11: Please confirm that any noise from the shed roof (if dogs are housed internally) also benefits from the 5 dB shielding in the direction of Residence 1.

We note that the above point is well received and on review residence 1 is not shielded by the landform as the shed is on level ground with the Residence 1. Recommendations have been made in the updated report to reduce the noise from the shed/kennel for the indoor housing of greyhounds with the supplementary requirement for a noise barrier to reduce maximum barking levels at residence 1 if it proves necessary.

The calculation for barking noise from the shed is based on the measurements of greyhound barking housed outdoors. The proponent notes that greyhounds housed within the shed bark much less frequently than greyhounds housed outdoors. This is likely due to increased comfort within the shed and less stimulation due to external factors. We have recommended a measurement be conducted after the shed is internally lined to determine if the additional sound barrier is necessary.

Response to Peer Review - Blaney Council - DA55/2016

We hope the above answers and the updated report are to your satisfaction.

Sincerely,

Tom Harper Digitally signed by Tom Harper
Date: 2017.09.07 12:00:07
+10'00'

Tom Harper
Principal Engineer
Acoustik

Enclosed: Letter from Blayney Council Ref: IAPPD/24467



11 September 2017

WM Project Number: 17214
Our Ref: BSC110917 NG
Email: mdicker@blayney.nsw.gov.au

Mr Mark Dicker
Director Planning & Environmental Services
Blayney Shire Council
PO Box 62
BLAYNEY NSW 2799

Dear Mark

Re: 73 Somers Lane - Peer Review of Updated DA Acoustic Report

Introduction

I have reviewed the updated acoustic report prepared by Acoustik dated 4 September 2017, following my previous review and discussions. I have attached the report with some of my comments.

The report now more realistically identifies the impacts and as expected indicates exceedances for which mitigation measures have been identified, with an expectation to only undertake some mitigation measures if further monitoring indicates it is necessary.

I still see significant risk that neighbours will be affected by dog barking. The following key issues require further consideration.

Number of Dogs

The report indicates up to 40 dogs are to be kept on the premises, but measurement were undertaken with 26. It is not clear whether the assessment has allowed for this increase.

Modifying Factors

I consider the use of modifying factors is a subjective judgement, albeit there are objective tests to determine whether tonality, impulsiveness or intermittency apply.

I consider dog barking has annoying characteristics such that a 5dB penalty should be applied at all times. I also consider that it can be intermittent, which means in accordance with the *INP* a further 5dB penalty should be applied at night time.

On this basis an adjustment of up to 10dB should be applied at night-time. I would consider that if a 10dB modifying factor was applied at night time which resulted in a marginal non-compliance by a few dBA, that this would probably not be unacceptable.

On this basis the predicted noise levels are at least 5dB too low and therefore mitigation options are not sufficient.

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Offices in Sydney, Newcastle, Wollongong, Orange & Hong Kong

ACOUSTICS AND AIR

Normal Behaviour

The comment in the acoustic report that there is no explanation for one particular noisy night, and the owners confirmation the other nights are normal is not sufficient justification. If there isn't specific reasons this night cant be ignored it needs to be considered representative of a typical worst case. It is this type of assessment which related to my comment about 10th percentile approach, not the use of an LA10 noise level rather than LAeq.

Suggested Mitigation Measures

I do not accept the random facing of open kennels in different directions and away from the closest residences to be sufficient to control barking noise.

I do not consider the use of a barrier adjacent to the enclosed sheds will provide sufficient mitigation in the event the internal lining is not sufficient. I would expect for the noise breaking out through the roof the barrier would be relatively ineffective

Recommendations

I could accept with an appropriately acoustically sealed sheds / kennels and all dogs kept internally overnight (10.00pm to 7.00am), including use of the isolation kennels when necessary, that the most significant impacts can be appropriately controlled (but not be inaudible).

A Plan of Management would be necessary to ensure daytime levels meet intrusive criteria by limiting the number of dogs and their propensity to bark.

However, the information supplied to date does not fully address the potential noise issues to be able to guarantee that impacts can be appropriately mitigated and managed.

I trust this information is sufficient. Please contact us if you have any further queries.

Yours faithfully

WILKINSON MURRAY



Neil Gross

Director



Blayney Shire Council

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ABN 47 619 651 511

27 September 2017

Our Reference: IAPPD/24467

Mr K Selten, Ms A Funnell
73 Somers Lane
MANDURAMA NSW 2792

Dear Mr Selten and Ms Funnell

RE: Development Application – Animal Breeding, Keeping and Training Facility – Lot 144 DP 750408, 73 Somers Lane, Mandurama

Reference is made to the abovementioned development application lodged with Council on 27 May 2016, which was subsequently assessed and determined by way of refusal on 21 December 2016.

Following submission of your request for Review of a Development Determination dated 21 June 2017, which included a Noise Assessment prepared by Acoustik dated 16 June 2017, and a letter from CAN-DO roofing dated June 2017, Council proceeded to renotify the proposal for comment to adjoining and adjacent neighbours.

Submissions were received and a number of issues raised. A summary of the issues is provided below for your consideration and response:

Amenity and zoning

1. This is a closely settled lifestyle block/hobby farm area, with residences and livestock. Distance to houses is less than 100m, and no amount of hedging will stop the impacts.
2. It has the ability to totally destroy a previously quiet and peaceful rural residential area. It has already affected neighbours nearby with severe noise pollution, smell and unsightly sheds.
3. The development is totally out of character with any surrounding land use and affects many residential properties with noise levels that would not be tolerated in any other residential area.
4. The area (former "village" of Somers - 1889) should be rezoned from rural to rural residential so that this type of development cannot be allowed.

5. The correct zoning should be determined for this land. We are paying rural residential rates, evidence of the residential nature of the Somers Lane area, and pay for Council rubbish collection services. It should be zoned R5 with appropriate development restrictions enforced to suit the actual land use.
6. The applicants have a domestic dog which has been trespassing on my land (Lot 139). There are greyhounds which also roam free with the domestic dog, and I have concerns for the welfare and safety of my sheep. Council's ranger has been contacted but nothing has happened.
7. The tension generated by the facility in nearby residences is resulting in harmful health effects, and we have been subject to verbal abuse. Outdoor activities are now limited, and windows must be kept closed.

Compliance

8. Breaches of the Greyhounds NSW Code of Practice, including the requirement for them to obtain Council approval.
9. The scale of the buildings already on site suggest it is more than a hobby, and the resident trains for other people, so it is a paying concern.
10. No mention of the maximum number of dogs to be housed at this facility.
11. Wind from the south spreads odour from the site, at disagreeable levels. This may result from a breach of the Code of Practice.
12. The Code of Practice states details for the proximity of greyhounds to other animals. There are sheep and lambs within 20m of the property boundary.
13. Council seems to be determined to approve this proposal, and the neighbours have had to put up with the effects for some 18 months. It was set up as an illegal development and no action has been taken. It makes a mockery of planning laws.
14. This the wrong location. Concern is held for the scale of the facility and future expansion of the infrastructure and number of dogs, and how any restrictions placed on the applicant would be enforced, if it was now approved.
15. Council and GRNSW have not shown any regulatory enforcement capacity.
16. In NSW there are no criteria specific guidelines relating to the keeping of dogs in kennels. The GRNSW criteria is not being followed at the site. Noise control guidelines operate in Victoria, as referenced in the NSW EPA guidelines, which should be applied to the keeping of greyhounds. These set down criteria including location of kennels, construction and

electronic standards for noise control, staff access and feeding times for dogs, exercise times, and consideration for topography.

Noise

17. The noise assessment only addresses the noise as it affects the property to the east. It does not address the most reasonable and best position for a house on the vacant lot to the north, the door of the shed would be within 55m of the future house site on Lot 139. The noise report should be redone and a site analysis undertaken for the house site to the north.
18. The noise generated by the greyhounds barking and howling frequently throughout the day and night has impacted on our quality of life (Lot 228). There are no measures that the applicant can use to dispel the noise due to the proximity of the surrounding residents eg. noise barrier walls. What is constructed to shield one residence may make it worse for another. Enclosing and insulating sheds and pens does not address the external runs.
19. Locking the dogs up overnight every night may create animal welfare issues.
20. The topography and prevailing wind direction means that the noise reverberates across the gully to our home (Lot 228).
21. The noise report is confusing and misleading, with erroneous information and deficiencies, with a bias to the interests of the applicant. It requires better mapping detail, including topography and climatic factors, accurate location of greyhounds and number of dogs, longer monitoring periods, and accurate recording of noise levels.
22. The noise report measures only barking, and does not include howling, which may occur intermittently over several hours.
23. The second noise report is better than the first, but does not consider all noise sources. It also does not consider the full capacity of the facility, but is based on existing and previous lower numbers of dogs.
24. The location of adjoining houses with respect to the noise sources has not been accurately determined.
25. The potential two new houses to the north of the site (DAs 48/2017 and 71/2017) have yet to be determined, but would be located within 300m of the facility.
26. The external yards do not comply with the GRNSW standards – distance from stock, and minimum size of yards for dogs.
27. The noise made by 25-30 dogs (and potentially up to 40) is unacceptable and intolerable.

28. The data recorded is inaccurate, sometimes assumed rather than actually recorded, and utilises inaccurate night time noise thresholds. Traffic noise recorded along Mandurama is inaccurate. Noise peaks were recorded by residents as due to the greyhounds, not traffic. Resident diary entries do not always tally with the noise report data, in terms of weather recorded, location and timing of noise logger on site, time period of logging and associated data provided.
29. The barking and howling of the greyhounds stimulates other dogs in the neighbourhood, and these increased noises are not acknowledged or accounted for.
30. The noise generated from the greyhounds is often higher than background levels throughout the day, evening and night, as verified from the actual data from the environmental noise logger and diary events.

Effluent disposal

31. Council has accepted a report from a plumber with a vested interest, whilst I have had to pay for a geotech for my land (Lot 139). The shed effluent flows directly onto my land and is a direct health hazard. The plumber who wrote the letter has a history of constructing illegal greyhound facilities.
32. The plumber's report is now a year out of date and not relevant to the current status of the septic system.
33. The amount of water used for cleaning and food preparation does not sound accurate at 20L each day.
34. As the previous owner of 73 Somers Lane it can be verified that only the toilet waste went through the septic system, all greywater drained into the paddock, and there were no absorption trenches.
35. The DA said they would install a new onsite effluent system especially for the greyhound facility. Council refused the development on this basis and should stand by this decision, as no report has been provided.
36. Solid waste is not collected as regularly as stated, and the yards are quite bare and eroded.
37. There is no provision for the collection of liquid waste, erosion and runoff from the external yards.

Other

38. Negative impact on the future sale of neighbouring properties and result in devaluation.

Council is also providing for your consideration and response, the final Peer Review report dated 11 September 2017 from Wilkinson Murray. The commissioning of this report was raised with you at the last meeting to give independent analysis and comment on the Noise Assessment prepared by Acoustik dated 16 June 2017 which was provided in support of your application.

You are extended the opportunity to respond in writing to each of these matters by 5pm on 20 October 2017. It is intended to present the matter to Council at its Ordinary Meeting of 20 November 2017 for determination, and you will be able to present your position and proposal to Council in person at the Public Forum.

Council invites you both to attend a meeting at Council's Administration Building, at 5pm Wednesday 11 October 2017, to discuss the abovementioned matters and all options moving forward. The meeting will include Mayor Scott Ferguson, General Manager Mrs Rebecca Ryan, and Director of Planning and Environmental Services, Mr Mark Dicker.

Should you have any further questions regarding this matter please contact Council's Planning & Environmental Services Department on Ph: 6368 2104.

Yours faithfully



Patsy Moppett
Senior Town Planner

Development Application – Animal Training Establishment. Lot 144 DP 750408, 73 Somers Lane Mandurama

Responding to concerns.

1. *This is a closely settled lifestyle block/hobby farm area, with residences and livestock. Distance to houses is less than 100m and no amount of hedging will stop the impacts.*

Response

The hedging/screening that we are prepared to put up around the dog yards, has always been to restrict the greyhounds view and therefore minimise stimulation. Thus, reducing the amount of times they could bark.

2. *It has the ability to totally destroy a previously quiet and peaceful rural residential area. It has already affected neighbours nearby with severe noise pollution, smell and unsightly sheds.*

Response

We have advised in the last 2 responses, that we would be happy to paint the outside kennels to address visual amenity. However, we haven't completed this as yet, as we have had to cover the expenses of lodging a DA, then the resubmission of the DA and the Acoustic testing.

Furthermore, there are two pending Developments for the area. Wouldn't this also have the ability to destroy a previously quiet and peaceful rural residential area, with increased dwellings, traffic, buildings and animals?

3. *The development is totally out of character with any surrounding land use and affects many residential properties with noise levels that would not be tolerated in any other residential area.*

Response

As per the comment made by council in the previous council paper, there are 9 dwellings within 800m of the site and only three (as at November 2017) submissions were received. We believe that there were only 2 submissions during this period. Therefore, it doesn't affect "many residential properties" especially when we implement noise reduction methods.

4. *The area (formally village of Somers-1889) should be rezoned from rural to rural residential so that this type of development cannot be allowed.*

Response

This is out of our control. This is an opinion.

5. *The correct zoning should be determined for this land. We are paying rural residential rates, evidence of the residential nature of the Somers Lane area, and pay for council rubbish collection services. It should be zoned R5 with appropriate development restrictions enforces to suit the actual land use.*

Response

This is out of our control.

6. *The applicants have a domestic dog which has been trespassing on my land (Lot 139). There are greyhounds which also roam free with the domestic dog, and I have concerns for the welfare and safety of my sheep. Councils ranger has been contacted but nothing has happened.*

Response

To our knowledge, this has happened once. The council ranger did actually contact us and let us know. We have taken steps to stop further instances of this occurring.

I will point out, however, that this would have happened even if we didn't have Greyhounds. I will also address that, the greyhounds that "roam freely" are currently being rehabilitated to ensure that they are accepted into the Greyhound Adoption Program, so that they can be rehomed as pets.

Before they are allowed to "roam freely", we do lots of work with them, to ensure that they are not a safety risk to other animals, and will not escape the yard.

Its such a shame that due to peoples arrogance and ignorance, these beautiful dogs are thought of and spoken about in such a horrid way.

Attached, is a photo of the referred "domestic dog" with a baby goat that we have saved.

Attached, there are also photos of the greyhounds with the baby goat.

The concerns for the safety of the sheep are unfounded

7. *The tension generated by the facility in nearby residences is resulting in harmful health effects, and we have been subject to verbal abuse. Outdoor activities are now limited and windows must be kept closed*

Response

Totally agree!! The ongoing and constant phone calls and occasional visits made by the neighbours to other neighbours to drum up support in the submissions against us has been tiring and would be appreciated if they would stop.

Outdoor activities have not stopped.

8. *Breaches of the Greyhounds NSW code of practice, including the requirement for them to obtain council approval*

Response

This is being rectified by the DA now before council.

9. *The scale of the buildings already on site suggest it is more than a hobby and the resident trains for other people, so it is a paying concern*

Response

This is an assumption. The size of the shed has nothing to do with if its for a hobby or commercial. I own every dog on the property. Therefore, I don't train for anyone.

We are not registered for GST. We are not commercial. We are not commercial. We make absolutely no profit by having the greyhounds. It's a hobby that the whole family can be involved in.

There is nothing commercial about us.

The GRNSW has us registered as Hobby Trainers.

Hobby.

10. *No mention of the maximum number of dogs to be housed at this facility*

Response

Actually there was. GRNSW advised that according to the code, up to 40 dogs could be housed comfortably in the existing kennels. In the DA, We advised 25-40 as a MAXIMUM. As constantly stated during meetings with council, we are willing to work with council to come to an agreement as to the amount of dogs in training.

Currently there are 21 Greyhounds on the property. 1 more is about to be rehomed in the next 2 weeks.

11. *Wind from the south spreads odour from the site at disagreeable levels. This may result from a breach of the code of practice.*

Response

A compliance report from GRNSW found no breaches to the code.

12. *The code of Practice states details for the proximity of greyhounds to other animals. There are sheep and lambs within 20m of the property boundary.*

Response

GRNSW found no breaches to the code. The Kennel block and outside kennels are further than 20 meters from the boundary.

13. *Council seems to be determined to approve this proposal and the neighbours have had to put up with the effects for some 18 months. It was set up as an illegal developments and no action has been taken. It makes a mockery of planning laws.*

Response

Council has been fair to all parties. A DA is now before council for review.

14. *This is the wrong location. Concern is held for the sale of the facility and further expansion of the infrastructure and number of dogs, and how any restrictions placed on the applicant would be enforced, if it was now approved*

Response

Where is the right location? We have stated time and time and time again, that we are not expanding. As already stated, we are happy to work with council to find a happy medium, so that all parties concerned are reasonably happy with outcome.

We are also always happy to welcome compliance checks.

15. *Council and GRNSW have not shown any regulatory enforcement capacity*

Response

We have compliance checks from GRNSW. As stated many times previously, happy to have compliance checks from council also.

Most recently, an unscheduled compliance check from GRNSW was completed 17 October.

No breaches found.

16. *In NSW there are no criteria specific guidelines relating to the keeping of dogs in kennels. The GRNSW criteria is not being followed at the site. Noise control guidelines operate in Victoria, as referenced in the NSW EPA guidelines, which should be applied to the keeping of greyhounds. These set down criteria including location of kennels, construction and electronic standards for noise control, staff access and feeding times for dogs, exercise times, and consideration for topography.*

Response

We live in NSW. There are no staff. We are a family of 4. It is a hobby. GRNSW site inspection found no breaches of the codes.

17. *The noise assessment only addresses the noise as it affects the property to the east. It does not address the most reasonable and best position for a house on the vacant lot to the north, the door of the shed would be within 55m of the future house site on Lot 139. The noise report should be redone and a site analysis undertaken for the house site to the north.*

Response

The Noise test has already been done and submitted.

18. *The noise generated by the greyhounds barking and howling frequently throughout the day and night has impacted on our quality of life (Lot 228). There are no measures that the applicant can use to dispel the noise due to the proximity of the surrounding residents eg. noise barrier walls. What is constructed to shield one residence may make it worse for another. Enclosing and insulating sheds and pens does not address the external runs*

Response

Again, shielding is to reduce the stimulation that the dogs can see.

We can never keep the dogs quiet 100% of the time.

No proof that the noise is completely the fault of the Greyhounds

Other dogs in the area are stimulated easily by cars driving past, and wildlife.

19. *Locking the dogs up overnight every night may create animal welfare issues.*

Response

This would be a temporary measure until we were able to get all greyhounds into the shed of a night time.

20. *The topography and prevailing wind direction means that the noise reverberates across the gully to our home (Lot 228).*

Response

Unfortunately, this can't be stopped. It wouldn't matter if it was greyhounds, cattle, motorbikes or sheep. If someone decides to build on a hill, certain accommodations may have to be made.

21. *The noise report is confusing and misleading, with erroneous information and deficiencies, with a bias to the interests of the applicant. It requires better mapping detail, including topography and climatic factors, accurate location of greyhounds and number of dogs, longer monitoring periods, and accurate recording of noise levels*

Response

Not a qualified acoustic consultant. I find it all confusing. We employed a professional, perhaps his findings were just the findings, and that the Greyhounds are not that noisy?

22. *The noise report measures only barking, and does not include howling, which may occur intermittently over several hours.*

Response

Noise report covers all noise. We could have even been negatively impacted by neighbouring dogs barking.

By this concern, the writer uses "intermittently" meaning not constant. And not all noises were over the allowable dB.

23. *The second noise report is better than the first, but does not consider all noise sources. It also does not consider the full capacity of the facility, but is based on existing and previous lower numbers of dogs*

Response

They can only measure the noise on the dogs that are there. We are at full capacity as already stated, we are not increasing in number of greyhounds.

24. *The location of adjoining houses with respect to the noise sources has not been accurately determined*

Response

We employed a professional. We have every faith he has covered what he needed to.

25. *The potential two new houses to the north of the site (DAs 48/2017 and 71/2017) have yet to be determined, but would be located within 300m of the facility*

Response

They are not yet developed.

26. *The external yards do not comply with the GRNSW standards – distance from stock, and minimum size of yards for dogs*

Response

A Compliance report from GRNSW found no breaches of the code.

27. *The noise made by 25-30 dogs (and potentially up to 40) is unacceptable and intolerable.*

Response

It must be accepted that there will be noise at times associated with the Greyhounds, as with any dogs. We are happy to work with council to ensure that we are compliant at all times.

28. *The data recorded is inaccurate, sometimes assumed rather than actually recorded, and utilises inaccurate night time noise thresholds. Traffic noise recorded along Mandurama is inaccurate. Noise peaks were recorded by residents as due to the greyhounds, not traffic. Resident diary entries do not always tally with the noise report data, in terms of weather recorded, location and timing of noise logger on site, time period of logging and associated data provided.*

Response

We employed a professional. He has reported his findings

29. *The barking and howling of the greyhounds stimulates other dogs in the neighbourhood, and these increased noises are not acknowledged or accounted for*

Response

It could be the other way around, seeing as our Greyhounds do not get excited by everyday traffic (owners cars do excite the greyhounds, as they think they are going for a drive). Our Greyhounds are not the only source of noise in the area.

30. *The noise generated from the greyhounds is often higher than background levels throughout the day, evening and night, as verified from the actual data from the environmental noise logger and diary events.*

Response

Of course the noise is going to be higher than the background noise. ?? A conversation between two people would be higher than the background noise.

31. *Council has accepted a report from a plumber with a vested interest, whilst I have had to pay for a geotech for my land (Lot 139). The shed effluent flows directly onto my land and is a direct health hazard. The plumber who wrote the letter has a history of constructing illegal greyhound facilities.*

Response

Ive provided this information to the plumber concerned.

32. *The plumber's report is now a year out of date and not relevant to the current status of the septic system*

Response

The incorrect date of 2016 was typed. It should have been 2017

33. *The amount of water used for cleaning and food preparation does not sound accurate at 20L each day.*

Response

This is an assumption. Now 2 reports have found no breaches of the code, nor any issues with cleanliness.

34. *As the previous owner of 73 Somers Lane it can be verified that only the toilet waste went through the septic system, all greywater drained into the paddock, and there were no absorption trenches*

Response

We are not qualified plumbers. We don't know.

35. *The DA said they would install a new onsite effluent system especially for the greyhound facility. Council refused the development on this basis and should stand by this decision, as no report has been provided*

Response

We have fulfilled the requirement asked by council.

36. *Solid waste is not collected as regularly as stated, and the yards are quite bare and eroded*

Response

See pictures attached. They are the greenest yards on the property. The paths made by the greyhounds, are no different to sheep tracks, horse tracks, or sheep dog tracks made by constant use.

37. *There is no provision for the collection of liquid waste, erosion and runoff from the external yards.*

Response

Happy to put in a mound at the bottom of the yards. However, its no different if there was stock in that area?

38. *Negative impact on the future sale of neighbouring properties and result in devaluation*

Response

That's a matter of opinion. The way two of the parties have conducted themselves throughout this whole ordeal could also be considered a detrimental to the devaluation of any new developments.

We would like to point out at this time, that Keith has stopped working through the day, and works Thursday and Friday nights, meaning that someone is home with the Greyhounds both, day and Alita and the kids at night.

Dear Councillors







DATE		17/10/17	OZCHASE ID:		2073337	OTR		<input checked="" type="checkbox"/>	PTR	<input type="checkbox"/>	BRE	<input type="checkbox"/>			
FULL NAME:		Alita Funnell													
ADDRESS:		13 Somers Lane Mandurama 2792													
		Steven Morgan - 235941 - BRE													
TERMINAL		NO. OF WHELP BOXES	NO. OF KENNELS							GREYHOUND COUNTS PERMITTED (PROPERTY CAPACITY):					
TERMINAL		1	12							PUPS		BREEDING			
TERMINAL		2	14							BREEDING		RACING / TRAINING			
TOTALS:		3	26							BREEDING		SPELLING			
				TOTAL GREYHOUNDS PERMITTED ON PROPERTY:							30				
DOUSING / KENNEL CONSTRUCTION		2.1	2.2	2.3	2.4	2.5	2.6	2.7	2.8	2.9	2.10	WORK DIRECTIVES		DUE DATE	
DOUSING / KENNEL SIZE		3.1	3.2	3.3	3.4	3.5	3.6	Inside insulated shed, concrete floor, Minibly Bred good air flow External kennels fridge powered furge day yards lockable gates, kennels well maintained clean + tidy					30		
SECURITY STANDARDS		4.1	4.2	4.3	4.4	4.5	4.6								
ENVIRONMENT		5.1	5.2	5.3	5.4	5.5	5.6	5.7	5.8	5.9	5.10	KaiSed + rugs			
BREEDING		6.1	6.2	Well maintained clean + tidy Kingaroos, four's snakes, Down five Stock											
HYGIENE AND CLEANING		7.1	7.2										7.3	7.4	7.5
PEST CONTROL		8.1	8.2	8.3	Walking Machine, Hydro baths, large paddocks pre grassed										
NUTRITION		9.1	9.2	9.3										9.4	9.5
EXERCISE		10.1	10.2	10.3	10.4	Clare Harrison									
HEALTH AND VETERINARY CARE		11.1	11.2	11.3	11.4										11.5
DISEASE PREVENTION		12.1	12.2	12.3	12.4	12.5	12.6	12.7	Treatment records kept						
TRANSPORT		13.1	13.2	13.3	13.4	13.5	13.6	13.7							
ETHANASIA		14.1	14.2	14.3	14.4	14.5	14.6	A Day trailer + Trilon wire cargo bars							
TRAINING AND EDUCATING		15.1	15.2	15.3	15.4	15.5	15.6						15.7	15.8	15.9
OTHER COMMENTS:		Keep as pets, rehomed 300 mitered straight, Building, Shaving box													
AGREE, AT ALL TIMES, TO OBSERVE AND BE BOUND BY THE GREYHOUND RACING ACT 2009, THE GRNSW GREYHOUND RACING RULES AND THE GRNSW CODES OF PRACTICE															
WITNESS NAME:		Kath Selfer		WITNESS SIGNATURE:		Kath Selfer		DATE:		17/10/17					
INSPECTOR NAME:		Kane Watkins		INSPECTOR SIGNATURE:		Kane Watkins		DATE:		16/11					



3 November 2017

Acoustic Assessment for DA

Greyhound Training Centre



Selten Family

Document Control

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Title:	Acoustic Assessment for DA
Subject:	Greyhound Training Centre
Author:	Tom Harper
Client:	Selten Family
Client Contact:	Keith Selten

REVISION/VERIFICATION HISTORY

REVISION NUMBER	DATE
0	Initial Issue – 19 June 2017
1	Revised Issue – Response to Blaney Council - 1 September 2017
2	Corrections and review of recommendations – 4 September 2017
3	Response to 2 nd peer review, Review of recommendations – 3 November 2017
4	
5	

DISTRIBUTION

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Digitally signed by Tom Harper
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Tom Harper
Acoustic Consultant - Acoustik

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1 Introduction

Acoustik was engaged by the Selten Family to provide an acoustic report to support their development application for a greyhound training and kennelling facility located on their property at 73 Somers Lane, Mandurama. This report addresses issues that were raised by Blaney Council in peer reviews of the first issue of report conducted by Wilkinson Murray Pty Ltd, the results of the peer review were contained in a letter received from Council on the 26 July 2017 (Ref: IAPPD/24467) and additionally in a second peer review letter from Wilkinson Murray Pty Ltd dated 11 Sept 2017 (Ref: BSC110917).

Currently, greyhounds are housed in a metal shed and 10 outdoor runs with individual outdoor kennels. Measurements conducted in this report are based on measurements made of greyhounds in the outdoor runs. The proponents train greyhounds for racing and provide housing for retired greyhounds and other greyhounds waiting for adoption as pets. The facility also includes slip track.

The proposed training and kennelling facilities will control night time noise emissions by housing the animals in an acoustically treated shed. A maximum of 20 Greyhounds will be kept for commercial training and kennelling purposes. During the day greyhounds will utilise the outdoor runs for free exercise with occasional use of the slip track.

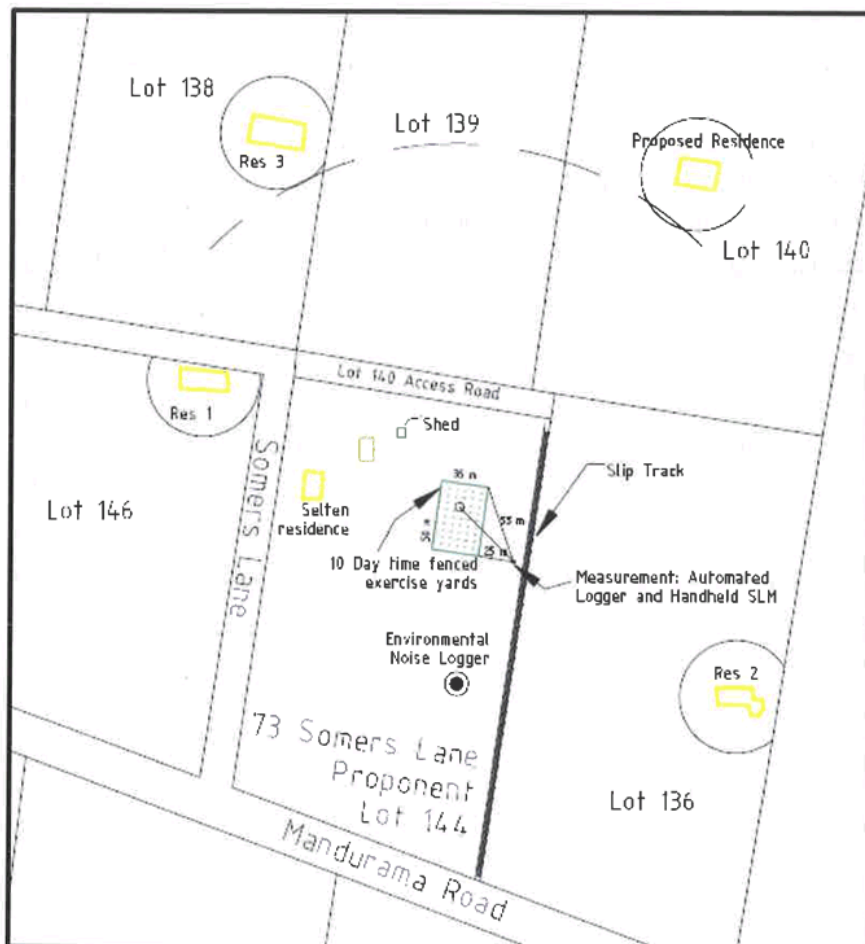


Figure 1: 73 Somers Lane property and immediate surrounds

The locations of the shed, slip track, current outdoor runs and kennels and measurement locations are noted in Figure 1 above along with the locations of the closest residential noise receivers. A comprehensive drawing is included in Appendix B.

The terrain of the surrounding properties is described as follows:

- Res 2, 6 and 7 are on higher ground compared to the greyhound housing and thus have no shielding due to land form. Res 1 and 3 to the West and North West are marginally shielded by terrain from the outdoor kennels runs which are on a downwards slope towards the Eastern property boundary and to the south of the property. Residents 4, 5 and 6 are more than 400 metres from the open kennels.

The enclosed shed is on level ground with Res 1 and 3. The enclosed shed is a garage shed with corrugated metal walls and roof with a general base metal thickness of 0.46 mm.

This report finds that night and evening noise levels generated by barking greyhounds is currently exceeding the requirements of the NSW Industrial Noise Policy during the evening and night periods and exceeds councils sleep arousal criteria for the for most impacted residential dwellings mainly due to greyhounds housed in the outdoor kennels and runs.

The proponent is prepared to undertake noise control measures by reducing the number of greyhounds on the site to 20, and upgrading the existing shed with acoustic treatments and keeping all greyhounds within the treated shed during the evening and night periods. Detailed acoustic treatments to the shed are included with this report.

1.1 References

The following reference material was consulted while preparing this report:

- NSW EPA Noise Guide for Local Government 2013
- NSW Environmental Protection Authority (EPA) Industrial Noise Policy (INP)
- Greyhound Racing NSW – Code of Practice – Training
- Acoustics Bulletin, Institute of Acoustics UK Vol 41 No 3 May June 2016 – Technical Article “The Assessment of Dog Barking from Boarding Kennels” p 43

1.2 Glossary

A short list of acoustic terms is included below:

L_{Aeq} : is the Sound Pressure Level (SPL) in decibels (dB), equivalent to the total sound energy over a measurement period (or the energy average). The A signifies that an A-Weighting applied to the spectrum to simulate human hearing response

L_{Amax} : is the maximum Sound Pressure Level (SPL) in decibels (dB) that occurs during a measurement

L_{A90} : is the noise level exceeded for 90% of the measurement period, calculated by Statistical Analysis, it is considered to represent the background noise level or the noise that is present for most of the time

L_{A01} : is the noise level exceeded for 1% of the measurement period, calculated by Statistical Analysis, it is considered to represent close to the maximum noise level

L_{Ceq} , dBC or C-weighting: C-weighting is an adjustment made to sound-level measurements which takes account of low-frequency components of noise within the audibility range

Intrusive noise: is noticeably louder than the background noise and considered likely to disturb or interfere with those who can hear it. Depending on the nature of the noise source it is defined as:

- a) $L_{A90} + 5$ dB for noise sources that are continuous in nature for extended periods or all day and night typical of industrial or residential sources that are a permanent fixture
- b) $L_{A90} + 10$ dB for noise sources that are temporary in nature like construction where the activity is limited to day time operation some elements of the noise may be continuous

2 Noise Measurements

Noise levels associated with greyhounds housed at the site were measured using a hand-held meter and recorded over three nights with an automated noise logger over three evening/nights. The hand-held and noise logger measurements were made at a location 25 metres from the eastern edge of the open kennel runs. The measurement location is noted in Figure 1 above. Handheld measurements were made of a slip track training session.

During the measurements 26 greyhounds in total were housed at the facility, 13 within the shed and 13 in the open kennel runs. During the hand-held measurements of slip track training the door of the shed was open. During the evening and night for the automated measurements the doors of the shed were closed.

2.1 Slip Track Training

The activity of slip track training was assessed by measuring two instances where up to 3 greyhounds participate in a training race along the slip track. The main source of noise generation from the training is stimulation to the remaining greyhounds in the open kennel runs, who bark upon observing other greyhounds training on the slip track. Greyhounds running on the track generate insignificant noise. When the slip track was not operating minimal barking occurred.

Slip track training generally occurs in the afternoon between 4:15 pm to 5:00 pm and primarily affects Resident 2 as the slip track is located along the Eastern edge of the property. Greyhounds line up along the Eastern side of the kennel runs to observe the greyhounds on the slip track. Normally 2 training runs take 15 minutes.

Handheld measurements were made of barking during the pass-bys on the slip track. A typical pass-by generated an SEL of 73dBA, slip track training concentrates the barking greyhounds along the Eastern side of the kennel runs between 30 m to 55 m from the measurement location. An acoustic centre at 43 m from the measurement location was selected as conservative. The attended measurements were conducted on Wednesday 24 May 2017 between 4:30 pm to 5 pm

Making a worst-case assumption that 3 training runs occur in any 15-minute period a $L_{Aeq, 15 \text{ min}}$ of 48 dBA is estimated. It was necessary to determine the maximum barking level from the L_{A01} parameter as the L_{Amax} results were affected by the footfall noise from the passby of the greyhounds on the slip track within 3 m of the measurement location. The average of the L_{A01} levels for two passes (68.6/67.4) is 68 dBA and this was close to the observed instantaneous SPL maximums for barking.

2.2 Overnight Recorded Levels

From the afternoon of Wednesday 24 May 2017 until the morning of Friday 26 May 2017 for three full nights a noise logger recorded levels of greyhound barking and activity. The logger was located near the Eastern property boundary as indicated in Figure 1 above. The open kennel run is 35 m x 50 m and the logger was located 25 metres to the East from the South-Eastern corner of the Kennel runs.

An analysis of the audio and noise levels recorded from the logger showed that instances of greyhounds barking caused the L_{Aeq} level to exceed 40 dBA at the noise logger location, when no barking was present the logger L_{Aeq} levels fell below 40 dBA to 35 dBA. A review of the environmental logging ambient L_{Aeq} levels shows that ambient levels without barking etc... are between 20 dBA to 30 dBA.

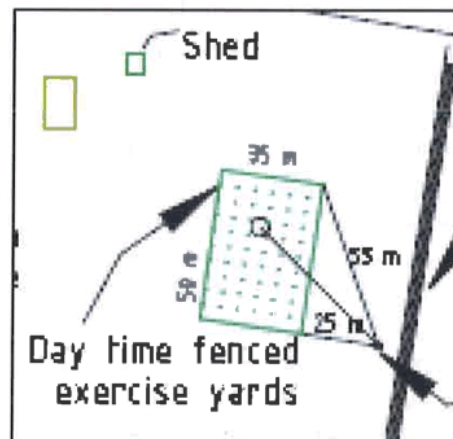


Figure 2: Acoustic Centre for Logger assessment

The logger was set to high range (30dBA to 130 dBA) to ensure that louder noise levels were collected, on review, a low range measurement setting would have captured more detail but this was not known until after processing. The noise floor for the high range setting did cause some loss of detail of lower levels of barking but the result is a conservative estimate (~ 1 dB higher for the average) of the barking noise levels. The measured levels of greyhound barking are in close agreement with the $L_{Aeq, 15 \text{ min}}$ and maximum level results from the above hand-held measurements. Table 1 below summarises the analysis of the L_{Aeq} and L_{Amax} levels from the subject greyhounds measured at the logger location.

Greyhound barking during the evening and overnight automated measurements was no longer concentrated to the Eastern side of the kennel runs, the acoustic centre for the measurements was chosen in a location that was 2/3 of the length of the kennel runs at 55 metres from the noise logger.

Table 1: Summary of Barking Occurrences – Three evenings/nights – 15-minute measurement periods

	Wed 24/5	Thurs 25/5	Friday 26/5
	Time – $L_{Aeq}/L_{A10}/L_{Amax}$	Time – $L_{Aeq}/L_{A10}/L_{Amax}$	Time – $L_{Aeq}/L_{A10}/L_{Amax}$
Evening 6pm – 10pm	7:45 – 42/41/63 8:00 – 45/41/66	6:30 – 44/41/65 6:45 – 44/41/67 7:00 – 47/44/70 7:15 – 42/44/66 7:30 – 41/42/63 10:00 – 45/41/67	6:30 – 47/44/68 6:45 – 41/41/64 7:00 – 40/43/54 7:15 – 46/44/66 7:30 – 45/41/68 7:45 – 41/42/60 8:00 – 42/41/65
Night 10pm – 7am	10:15 – 44/42/60 11:00 – 48/42/70 2:30 – 43/41/64 3:30 – 43/41/63	10:15 – 41/41/67 10:45 – 41/41/61 1:00 – 44/41/63 1:15 – 44/41/69 1:30 – 45/42/69 1:45 – 42/44/59 2:45 – 44/41/70 4:30 – 41/41/67 4:45 – 49/48/71 5:15 – 46/41/66 5:30 – 41/41/62 6:45 – 40/42/59 7:00 – 43/45/66	12:00 – 46/41/66 1:30 – 42/41/65 4:45 – 43/44/65 7:15 – 43/44/66
	Average $L_{Aeq}/L_{A10}/L_{Amax}$		43.4/42.1/64.9
	Standard Deviation		2.3/1.7/3.7
	Sum of Averages. and SD		46/44/69

The above analysis indicates that barking occurs for a significant number of occasions during the evening and night. On the Thursday evening the night time occurrences of barking were greater than the Wednesday and Friday nights. The reason for the increased occurrences on Thursday night is not known.

To determine a suitable level for assessment that represents a typical worst-case repeated noise level affecting receivers. The standard deviation is added to the average of the measured levels. Based on this assessment an L_{Amax} of 69 dB and L_{Aeq} of 46 dB is presented as a noise level that represents most noise generated by greyhound barking at the measurement location.

The above levels are generally in agreement with the L_{Aeq} and L_{Amax} values estimated for the slip track training.

Mandurama Road carries occasional heavy vehicle traffic and the pass-by noise from heavy vehicles using engine braking could be contributing to some of the maximum noise levels above 69 dBA. This is supported by referring to the plotted data for the environmental noise monitoring. The environmental monitor was located closer to Mandurama road. L_{Amax} levels exceeding 70 dBA to 80 dBA regularly appear in the plotted data of the environmental logger.

The most likely source of such a maximum noise at the environmental logger location is the pass-by of a heavy vehicle on Mandurama road using engine braking. For comparison 1 min graphical plots of the subject automated noise logger data are located in Appendix A and show that the majority of maximum barking levels are approximately 65 - 66 dBA measured at 53 metres from the acoustic centre of the outdoor kennel runs.

Council's response letter to the Acoustik's initial report suggested that L_{A10} values could be a way of representing the worst-case noise from greyhound barking. The above analysis indicated L_{A10} results are generally lower than the L_{Aeq} results and this is most likely due to the relatively short duration of barking in any 15-minute period.

2.3 Environmental Noise Levels

The L_{A90} (background) levels were recorded within the subject property at a similar distance from Mandurama road as Resident 2 using a Svan 958A noise logger. The environmental logger location is indicated in Figure 1 above.

Environmental noise logging was conducted from Tuesday 9 May to Tuesday 16 May 2017. Eleven (11) days of logging with three 24-hour periods of rain effected measurements, rain effected results are indicated in the summary of results in Table 2 below.

Table 2: SVAN 958A Noise Logger Sn: 59161 – 73 Somers Lane, Mandurama - Environmental Noise Levels

	Day 7am – 6pm		Evening 6pm – 10pm		Night 10pm - 7am	
	L_{A90}	L_{Aeq}	L_{A90}	L_{Aeq}	L_{A90}	L_{Aeq}
Tuesday 9 May 2017	N/A	N/A	N/A	N/A	Rain/wind	Rain/wind
Wednesday 10 May 2017	24	39	20	35	17	30
Thursday 11 May 2017	22	41	17	34	17	30
Friday 12 May 2017	26	41	18	32	18	30
Saturday 13 May 2017	24	39	18	29	17	29
Sunday 14 May 2017	21	40	18	29	17	28
Monday 15 May 2017	23	39	17	38	17	31
Tuesday 16 May 2017	Rain/wind	Rain/wind	N/A	N/A	N/A	N/A
RBL/Ambient	23*	40	18*	33	17*	30

Note*: Where the RBL is measured at less than 30 dBA the RBL is considered to be 30 dBA

The local noise environment at the environmental logging site is typical of the immediate area. We note that the L_{A90} background levels are low even for a rural area, Mandurama road does generate some morning and afternoon peak traffic levels as it is an arterial road servicing the communities of Neville, Barry also connecting to Hobby Yards. Graphical plots of the logger data with comments on validity are included in Appendix A.

2.4 Instrumentation

Instrumentation listed below was used during this acoustic study.

Instrument	Make and model	Serial Number	Instrument Type
Sound Level Meter	Larson Davis 813	0003983	Class 1
Field Calibrator	Larson Davis CAL250	5542	Class 1
Noise Logger	SVAN 958A	59161	Class 1

Instrumentation was field calibrated before and after measurements; no significant calibration drift was noted.

3 Project Criteria

Blayney Shire Council have advised that the assessment is to be based on the following noise control guidelines:

- The NSW EPA Industrial Noise Policy (INP)
- Council have advised in the review that the sleep criteria should be assessed as the RBL + 15 dB

3.1 Noise Criteria

The NSW EPA Industrial Noise Policy and is designed for the assessment of noise pollution from sites that includes noise sources from industrial, warehousing and commercial facilities. It is aimed at the assessment of fixed noise sources and the operation of machinery associated with transportation of goods.

Acoustik notes that the application of the INP to the assessment of animal noise generated by Greyhounds is not normally within the scope of the INP. The kennelling and training facilities have no significant fixed mechanical services that could create noise pollution.

The INP uses two measures to control noise so that residential acoustic amenity is protected. The first is the intrusive noise criterion (L_{A90} background + 5dB) and the second is the amenity criterion based on the type of area. The amenity criterion is designed to halt the increase of background levels due to continuing industrial development and to control noise where background noise levels are already high. In this case there is no significant industrial noise sources in the local area. Traffic using Mandurama road would be the most consistent source of environmental noise levels during morning and afternoon peak traffic periods.

The closest affected residents indicated as Res1(150 m from outdoor kennels) and Res2 (180 m from outdoor kennels) are indicated in Figure 1 above. Other residents are located further away and are indicated on a drawing in Appendix B.

The noise criteria are detailed in Table 3 below based on environmental noise levels listed in Table 2 above. We note that the area under study has very low ambient levels and that L_{A90} background levels are significantly less than 30 dBA during day, evening and night periods. In accordance with the INP guidelines where the RBL is less than 30 dBA the assessment RBL is equal to 30 dBA.

This will mean that the day, evening and night noise criteria are all the same. The ambient noise levels are also low the amenity criteria plays no part in setting project noise criteria.

Table 3: Proposed Noise Criteria based on the EPA Industrial Noise Policy – Day, Evening and Night 0700 to 1800 hours

Area	Intrusive Criterion $L_{A90} + 5$ dB	Amenity Criteria (Tables 2.1 and 2.2 of INP) Acceptable – Maximum	Noise Criteria
Day 0700 to 1800	35	50 – 55	35
Evening 1800 to 2200	35	45 – 50	35
Night 2200 to 0700*	35	40 – 45	35

Note: * On Sundays and public holidays night time is extended to 0800

On properties where the residence is more than 30 metres from the property boundary the assessment point is the closest point within 30 metres of the residence.

3.2 Sleep Arousal

Council has requested that sleep arousal criteria is limited so that the emergence of the maximum noise level due to barking does not exceed the RBL background by 15 dB.

The sleep arousal criteria that is applicable during the night period from 10 pm to 7 am (8am on Sundays and public holidays) is set at 45 dBA. Based on the night time RBL of 30 dBA + 15 dB.

3.3 Meteorological Factors

Meteorological effects such as temperature inversions and wind can cause raised noise levels at receivers where the distance from the noise source is greater than 100 m. Appendix C of the INP outlines initial screening tests to conduct regarding the effect of temperature inversions.

The area around the proposed development is a non-arid zone and the average annual rainfall exceeds 500 mm noise receivers near to the proposed development are roughly level or on higher ground than the greyhound housing areas.

From the above information and based on Table D1 from appendix D of the INP which allows for temperature inversions and a source to receiver wind the largest predicted increase in noise level is 1.5 dB. This is less than a 3 dB increase and thus meteorological effects are not considered significant and do not require further investigation.

4 Analysis

The following noise levels are predicted at the surrounding residents based on the measured levels made using the automated noise logger located 25 m to the east of the open kennel runs. The measurements made during the slip track training are also discussed below.

Noise generation by greyhounds is not tonal, impulsive or dominated by low frequency. However, we note that some penalty to the predicted levels is appropriate, notably for intermittency during the night time and for annoyance as discussed below in consultation with Wilkinson Murray.

Intermittency - 5 dB Penalty

During the evening and night, barking increases the ambient level by more than 5 dB; during the daytime ambient levels are on average $L_{Aeq, 15 \text{ min}}$ 40 dBA thus barking does not increase the ambient levels by more than 5 dBA.

For this assessment, 5 dB will be added to the noise predictions for the evening and night time assessment due to intermittency but not to the daytime assessment

Annoyance of Barking - 5 dB Penalty

Wilkinson and Murray have advised that an additional 5 dB penalty should be added at all times due to annoyance caused by dog barking. A research of literature has revealed that an annoyance penalty is applied by some acoustic consultants¹ although the reason for the penalty are inconclusive most likely as a safety factor considering the lack of specific guidance on animal noise assessment. Acoustik will include this penalty in the assessment procedure.

Thus, the penalty added to the predicted noise levels for evening and night time assessment is the maximum allowable of 10 dB and during the day the penalty is 5 dB

4.1 Outdoor Runs - Daytime activity of Greyhounds

The outdoor runs are on a slight slope that trends down until the boundary fence. From the boundary, the property for resident 2 rises to overlook the proponent's property. The proponent's residence and residence 3 sits on a hill above the open kennel runs. Resident 2 and 3 will benefit from mild line of sight shielding due to the landform but it has been excluded from the analysis for a conservative approach. The predicted noise levels at the surrounding residences are based on measured levels reported in Section 2.2 above and are presented in Table 4 with the 5 dB penalty added.

The distances to the residential dwellings are estimated using the distance tools provided in the "Six Maps" web application by NSW Government Spatial Services. The distances are measured from the closest edge of the kennel runs to the 30-metre radius surrounding the affected residence.

Table 4: Predicted noise levels at surrounding residents – Greyhounds in Outdoor Kennels and Runs - Daytime

Location	@Logger	Res 1 Lot 146	Res 2 Lot 136	Res 3 Lot 138	Proposed Lot 140	Res 4/5 L 250/147	Res 6/7 L 227/228
Dist (m)	55	150	180	245	245	500	400
L_{Aeq} *	51	42	41	38	38	32	34
L_{Amax}	69	60	59	56	56	50	52

Note*: The L_{Aeq} predicted at residents and at the noise logger location include the 5 dB at all times "annoyance" penalty as advised by Wilkinson and Murray

¹ Acoustics Bulletin, Institute of Acoustics UK Vol 41 No 3 May June 2016 – Technical Article "The Assessment of Dog Barking from Boarding Kennels" p 43

Blayney Shire Council have advised of the location of a proposed residential building at lot 140 and this has been included in the assessment. The council information on the proposed residential building is included in Appendix B

Lot 139, like Lot 140 currently does not have a building or a building proposed for construction. Based on the current assessments, a residence on Lot 139 should be set back from its southern property boundary by minimum 210 m so that it is no more affected or disturbed by barking greyhounds than the neighbouring properties at Lot 140 and Lot 138. Council's information is provided in appendix B.

4.2 Slip Track Training

During slip track training noise levels due to barking was measured and results presented in Section 2.1 above. As noted due to the orientation of the slip track relative to the open kennel runs the most affected location is resident 2 located directly to the east of the site. The predicted noise levels during slip track training are similar to the levels predicted in Table 4 above.

Slip track training takes 30 to 45 minutes and occurs generally in the afternoon between 4 pm to 5pm and no more than 3 times a week.

The activity of greyhounds is controlled during slip track training as summarised:

- A catcher is located at the Southern end of the slip track and calls the greyhounds using a whistle
- The greyhounds are released up to three dogs at a time by a person at the Northern end of the slip track and are caught at the southern end of the track.
 - Captured greyhounds are supervised and controlled
- At the end of training greyhounds are led back to exercise yards of shed
- A third person is normally on duty to control barking of greyhounds at the exercise yards

4.3 Shed - Evening and Night Housing

The existing shed that currently houses selected greyhounds will have acoustic treatment applied to the walls and roof and all the commercially kept greyhounds will be housed in the upgraded shed during the evening and night periods. The shed location is indicated in Figure 1 above.

The shed doors are closed during the evening and night periods. Between 8 pm to 9 pm greyhounds are let out in batches to a supervised holding yard near the shed to excrete waste before the night period.

Based on the assumption that greyhounds barking inside the shed have similar sound power levels to greyhounds in the open yards predicted noise levels at surrounding residents for the untreated shed are predicted in Table 5 below.

Distance to affected residents are from the shed location to the boundary within 30 metres of the residence. The shed is located on level with a clear view to all surrounding residents.

Table 5: Predicted noise levels at surrounding residents – Due to greyhounds in untreated Shed

Location	Res 1 Lot 146	Res 2 Lot 136	Res 3 Lot 138	Proposed Lot 140	Res 4/5 L 250/147	Res 6/7 L 227/228
Dist (m)	105	250	180	227	455	460
L _{Aeq} *	41	33	36	34	28	28
L _{Amax}	55	47	50	48	42	42

Note*: The L_{Aeq} predicted at residents includes the maximum 10 dB penalty for intermittency and “annoyance”

Note: Additional field measurement were conducted of greyhounds housed within the existing shed with the doors closed at night. The measurements confirm the predicted L_{Amax} noise levels in Table 6 to within 1 dB.

5 Assessment and Noise Control Recommendations

Comparison of predicted noise levels to the assessment criteria is discussed below.

5.1 Day Time

During the day, barking noise levels exceed the L_{Aeq} noise criteria by up to 7 dB at residents 1 and 2 and by 3 dB at Res 3 and the Proposed residence at Lot 140 when the penalty is included in the assessment.

We note that the INP allows in rural situations where the RBL is the same for the day and night, noise levels exceeding the intrusive noise criteria will not have the same impact during the day as they would have at night.

At Residence 1, the penalised noise level of 42 dBA exceeds the intrusive noise criteria by 7 dB (and by 6 dB at Residence 2) but does not exceed the daytime amenity criterion of 50 dBA nor the evening amenity criterion of 45 dBA. Please refer to noise criteria in Table 3 above. Thus, a reasonable level of daytime noise amenity is maintained.

The proponents will employ all practicable methods to reduce barking noise levels during the day by formulating a management plan and improving the control over greyhounds.

Registered racing greyhounds and those needing additional care will be kept sheltered in the shed during the day time and this will reduce the outdoor noise levels below the predicted levels as not all greyhounds will be outdoors.

Other noise control methods are walking dogs on leads around the property this reduces barking due to the control of the dog walker and the use of a walking machine in the shed reduces the outdoor activity of Greyhounds.

5.2 Evening and Night Time

The existing shed will be acoustically treated, and all commercially kept greyhounds will be housed within the shed during the evening and night. We note between 8 pm and 9 pm greyhounds will be let out for a short period in batches to excrete waste so that night time behaviour is improved. Behaviour will be monitored and controlled during this period.

The proposed acoustic treatment is to internally line the metal walls and roof of the shed with 6 mm fibre cement sheeting with acoustic insulation between the wall and the fibre cement sheeting. Details of the acoustic treatment are contained in a drawing provided in Appendix B. Wind driven ventilation fans form part of the existing shed, Acoustic treatment for the ventilators is included on the attached drawing.

The proposed acoustic treatment will provide an additional noise reduction of at least 13 dB for the noise levels from the untreated shed in Table 5 above. This will reduce maximum barking levels to less than 43 dBA at Resident 1.

Complying at the most affected residence will lead to compliance for the evening and night criteria at all other residences.

6 Conclusion

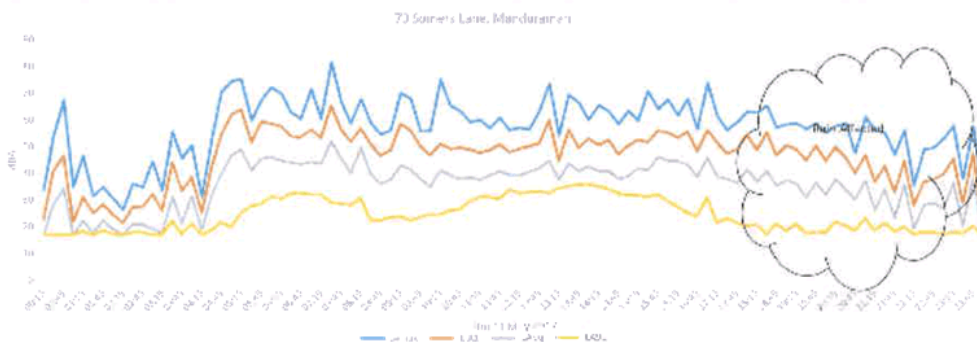
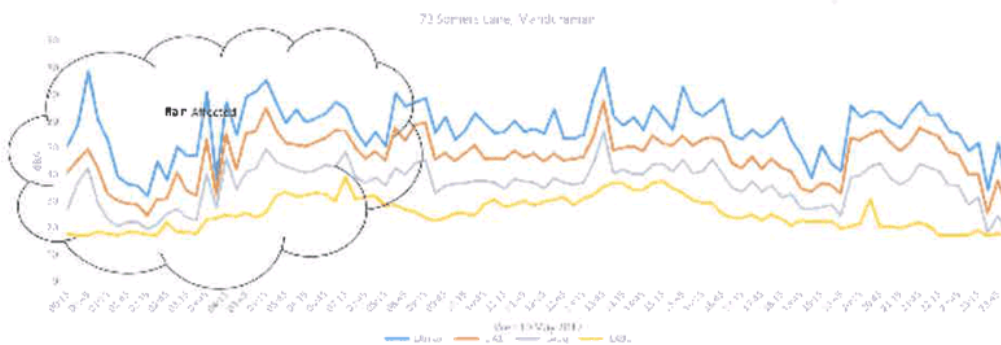
Acoustik was engaged by the Selten Family to provide an acoustic report to support their development application for a commercial greyhound training and kennelling facility located on their property at 73 Somers Lane, Mandurama.

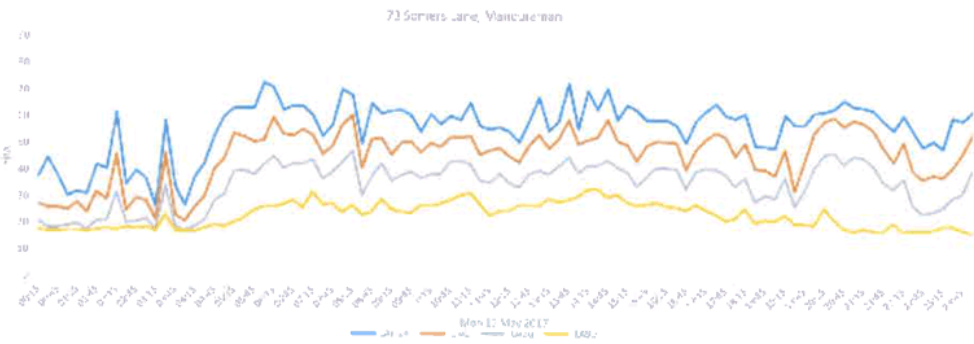
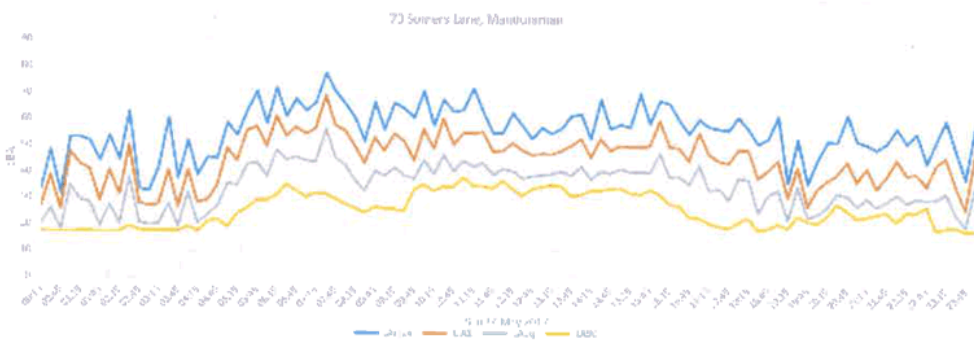
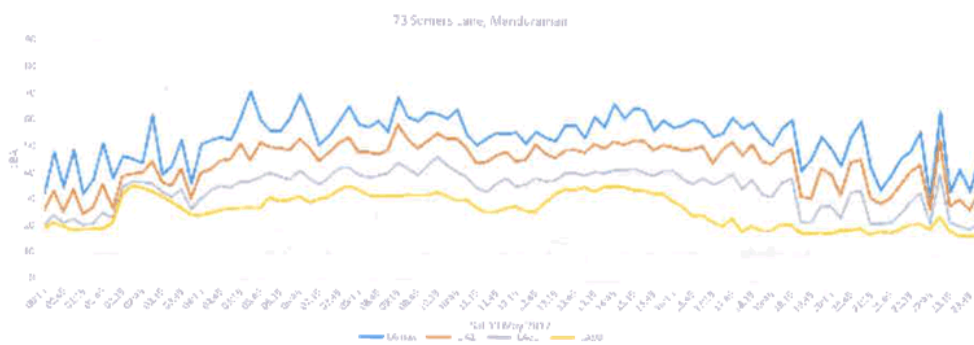
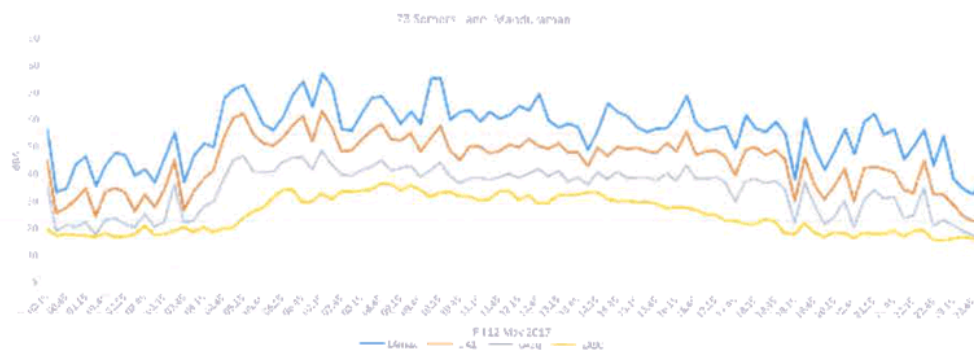
Acoustik have measured greyhound noise levels that are primarily due to barking dogs in the open kennelling areas.

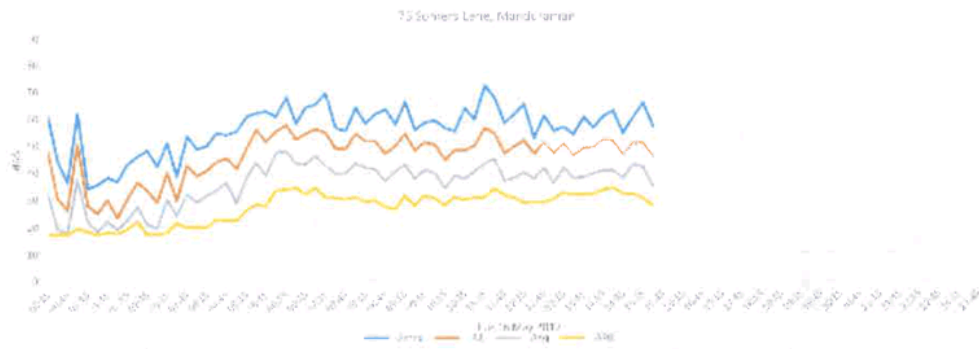
The noise levels were assessed according to the requirements of the NSW Industrial Noise Policy. Noise control recommendations have been made to control noise by housing Greyhounds within an acoustically treated shed during the evening and night periods.

A. Appendix A - Graphical Plots of Logger Measurements

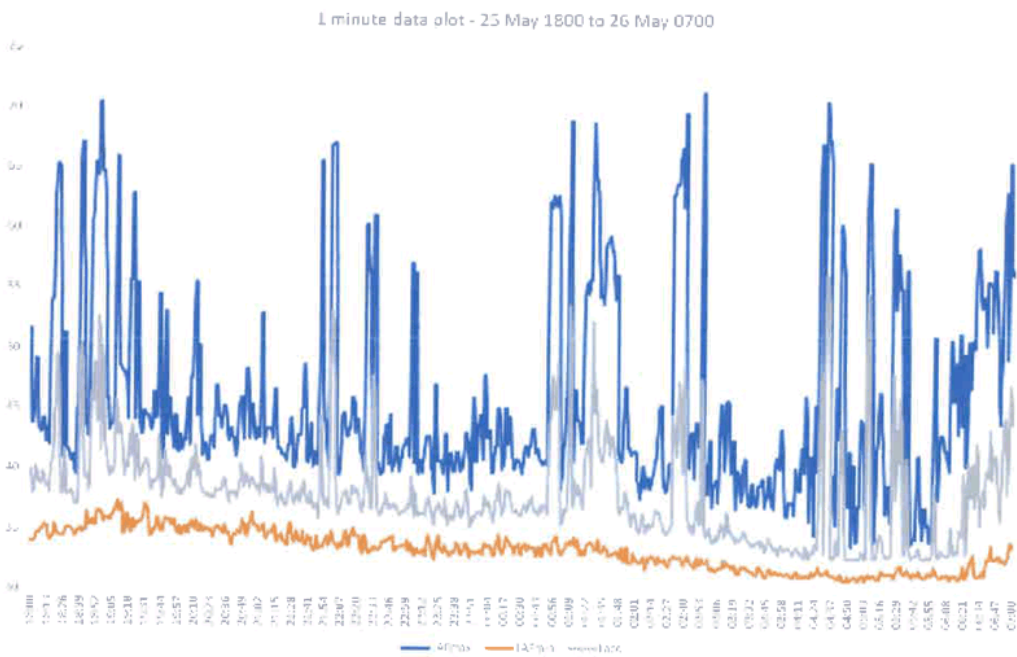
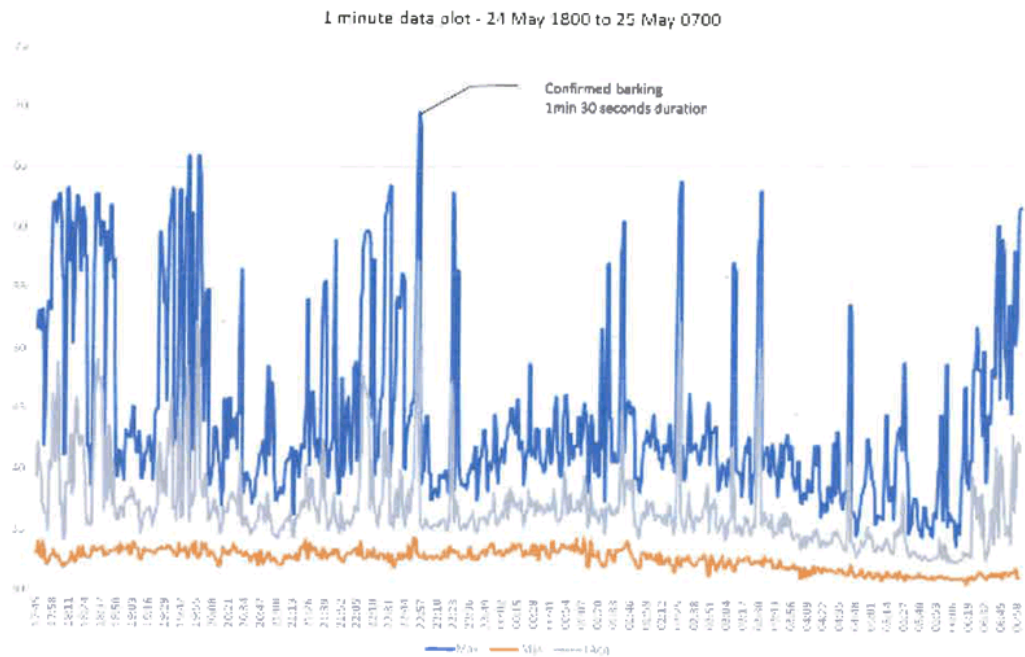
Graphic plots of noise logger data – 73 Somers Lane, Mandurama

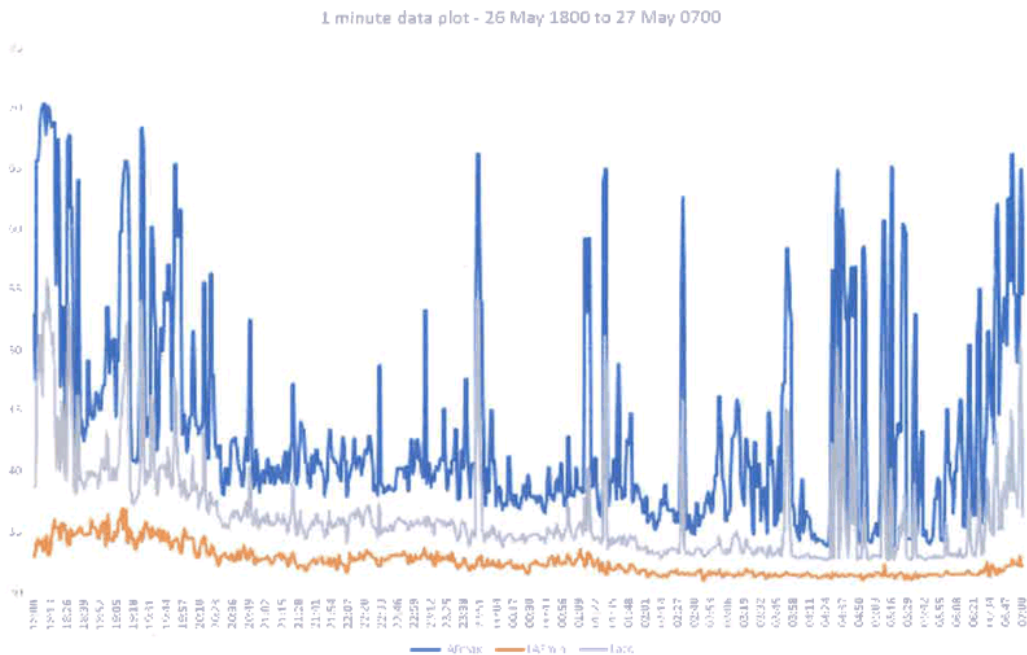






Noise Plots from Automated Noise Logger close to outdoor kennel runs





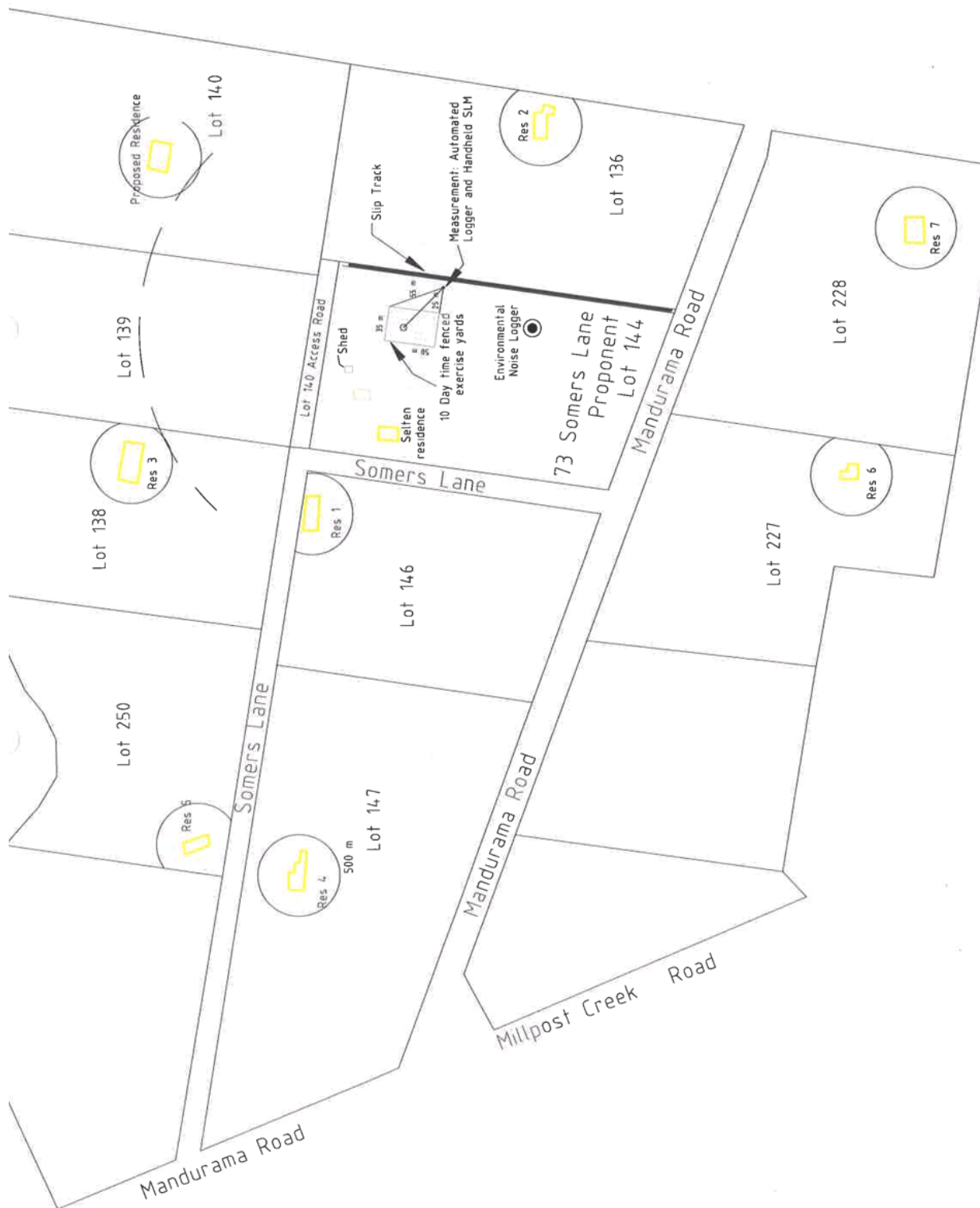
B. Appendix B - Drawings and Council information

Drawing 73 Somers Lane and surrounding residents 1610.001 DRW 1 – Rev 1

Drawing for proposed new residence at lot 140

Drawing for Acoustic Treatment to existing shed





Notes:

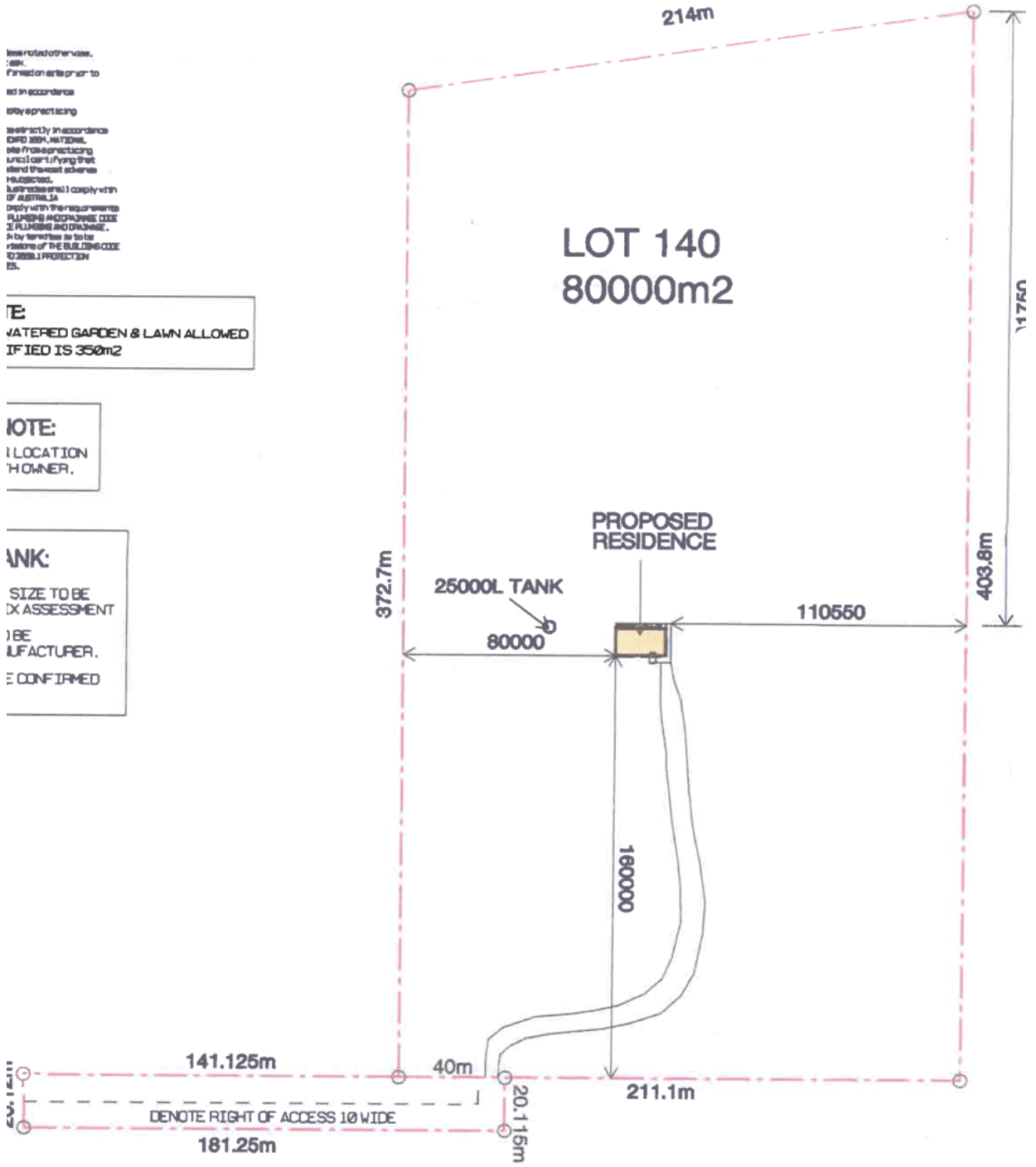
1. Circles around 30 m limit from
2. Any residence should be built the arc line sho the proposed re
3. Distances est are based on in <http://maps.six.r>

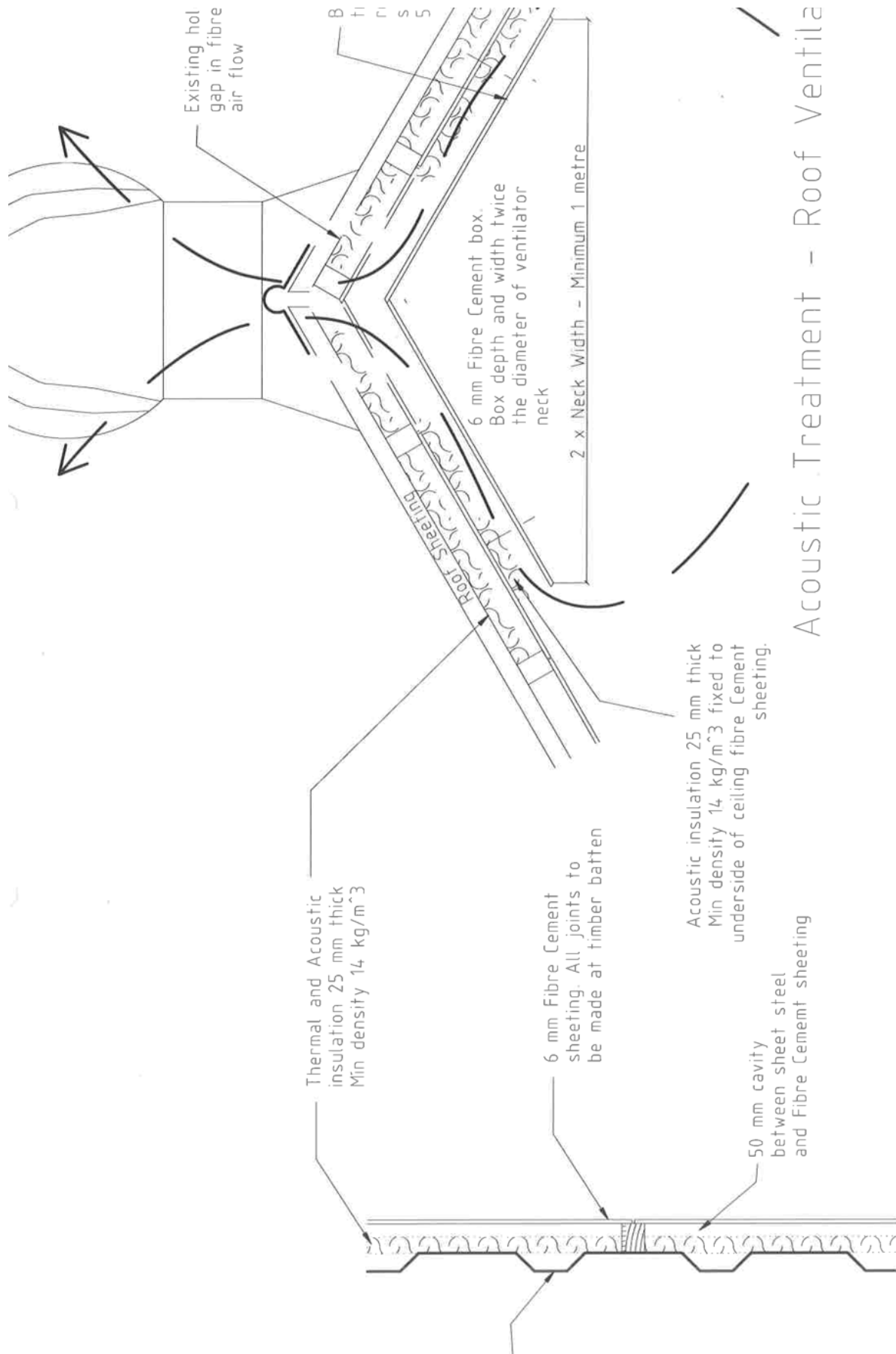
As noted otherwise,
 1. All work shall be done in accordance with the relevant codes of practice and standards.
 2. The contractor shall be responsible for obtaining all necessary permits and approvals from the relevant authorities.
 3. The contractor shall ensure that all work is completed in accordance with the relevant codes of practice and standards.
 4. The contractor shall ensure that all work is completed in accordance with the relevant codes of practice and standards.
 5. The contractor shall ensure that all work is completed in accordance with the relevant codes of practice and standards.

NOTE:
 WATERED GARDEN & LAWN ALLOWED
 IF AREA IS 350m²

NOTE:
 1. LOCATION
 2. OWNER

NOTE:
 1. SIZE TO BE
 2. ASSESSMENT
 3. BY
 4. MANUFACTURER.
 5. CONFIRMED





Acoustic Treatment - Roof Ventila

Keith and Alita Selten
73 Somers Lane
Mandurama 2792

Greyhound Facility - Mandurama NSW - Management Practices

Daily Routine

The daily routine for the care of the Greyhounds are as follows:

1. Let greyhounds out of shed between 6am and 7 am Monday to Saturday and 8 am on Sunday mornings, 4 greyhounds at a time in the emptying yards (excrete waste and exercise) next to the shed. Each batch spend about 20 minutes in yard
2. Kennels cleaned, bedding fluffed, water topped up
3. Greyhounds fed Kibble and milk for breakfast
4. Yard dogs will be returned to the day yards.
5. Repeat item 1 at lunch time (~ noon)
6. Between 4pm-5pm (in summer, this time may extend to 7pm) greyhounds exercised either by walking around the property, being slipped on the Slip track, or by utilising the walking machine for 20 minutes
7. 5 pm to 6 pm Greyhounds are fed and watered, Greyhounds have time in emptying yards after evening meal
8. Greyhounds to shed and door of shed closed at 6 pm
9. Yard dogs will be returned to shed by 8pm
10. Between 8pm and 9pm greyhounds have supervised time in emptying yards (excrete waste) in batches of 4 greyhounds, 9 pm shed doors closed until morning

During the day, greyhounds are generally monitored for behaviour and barking. We are investigating the use of an intercom in the shed to enable visual and audio communication with the Greyhounds. This will assist the owner to know in real time when barking and other behaviour occurs and undertake corrective action using various techniques.

Slip Track Training

Greyhounds scheduled for racing, we be slipped on the slip track two to three days before race.

Slip track preparation and practice:

1. 1 catcher/handler goes to the end of the slip track (Southern end of the property) with catching leads.
2. 1 or 2 handlers are at Northern End of the slip track holding the Greyhounds about to be slipped.
3. 1 handler is in the shed, monitoring the shed dogs
4. If available, another will be standing near the yard dogs, to restrict the noise made by them.
5. The catcher when ready will whistle the Greyhounds and the handler at the Northern end will release Greyhounds singularly or in groups of 2 to 3, whistling will continue until the Greyhounds are at Southern end of the track.
6. The Greyhounds are exercised in a controlled and monitored environment at all times.

After finishing slipping Greyhounds are led back down the track, and back to the shed

Greyhound Facility - Mandurama NSW - Management Practices

Slipping normally takes up to 30 minutes and is conducted 2-3 times a week.



Figure 1: Slip Track from Northern end

Sincerely,

Alita Selten



7 November 2017

WM Project Number: 17214
Our Ref: BSC071117 NG
Email: mdicker@blayney.nsw.gov.au

Mr Mark Dicker
Director Planning & Environmental Services
Blayney Shire Council
PO Box 62
BLAYNEY NSW 2799

Dear Mark

Re: 73 Somers Lane - Peer Review of Acoustic Report (November 2017)

Introduction

I have reviewed the updated acoustic report prepared by Acoustik dated 3 November 2017, following my previous review and discussions. The report now assumes a lower limit of 20 dogs on the premises and has committed to housing all dogs internally during the evening and night time periods in an upgraded acoustic shed with acoustically treated openings.

Issues for Consideration

I could accept with an appropriately acoustically sealed sheds / kennels and all dogs kept internally overnight (10.00pm to 7.00am), including use of the isolation kennels when necessary, that the most significant impacts at the most sensitive times can be appropriately controlled (but not be inaudible).

I have not checked the calculations whether the proposed design is sufficient, but I consider that a suitable design is possible. Any condition of approval should require certification of the design to ensure the L_{Amax} 45dBA limit and $L_{Aeq,15min}$ 25dBA limit (allowing for 10dB modifying factors) can be achieved.

I consider this approach is feasible and reasonable and deals with the most sensitive evening and night time period.

The applicants own report identifies non-compliances during the daytime (a period generally not as sensitive as night time). I therefore still see significant risk that neighbours will be unreasonably affected by dog barking at times.

When the dogs are outside there are no other feasible and reasonable physical noise mitigation measures available so Council will need to rely on the owner or staff based on site to reduce the number of times dogs start barking, how many bark and how long they bark. Council will need to be confident the conditions of approval can be complied with, or take a precautionary approach with a reduced number of dogs approved to be on site.

For this reason, a condition requiring a Plan of Management (to be approved by Council) would be necessary to ensure daytime levels generally meet intrusive criteria by limiting the number of dogs and their propensity to bark. If exceedances do occur, then the PoM needs to identify how the duration of exceedance can be minimised.

Wilkinson Murray Pty Limited · Level 4, 272 Pacific Highway, Crows Nest NSW 2065, Australia
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Offices in Sydney, Newcastle, Wollongong, Orange & Hong Kong

ACOUSTICS AND AIR

I trust this information is sufficient. Please contact us if you have any further queries.

Yours faithfully

WILKINSON MURRAY

A handwritten signature in black ink, appearing to read 'N.L. Gross', written over a horizontal line.

Neil Gross
Director



Acoustik
13 Orana Street
Orange 2800
Phone +61 (0) 431 914 038
tom@acoustik.net.au
ABN: 27238273391

9 November 2017

(REF: 1610.001.Letter.B Rev-0)

Alita and Keith Selten
73 Somers Lane
Mandurama NSW 2792

Response to Peer Review - Blaney Council - DA55/2016

Acoustik provides the following response to the letter providing a peer review of Acoustik's report "Acoustic Assessment for DA – Greyhound training Centre" (Ref: 1610.001.Report.3) issued 3 November 2017.

The peer review was conducted by Wilkinson Murray Pty Ltd on behalf of Blaney Council. The review comes after several iterations of our assessment where the proponent in consultation with the Acoustik have provided concessions to Wilkinson Murray's advice to council. These concessions have been clearly detailed in our reports.

In this latest review Wilkinson Murray have accepted that the greyhounds will be accommodated within the acoustically treated shed during the evening and night but have commented that greyhound activity in the outdoors during the day period (7am to 6 pm) could present a significant risk that neighbours will be unreasonably affected by barking because dog barking may exceed the intrusive noise criteria.

Our report did note this exceedance and drew attention to the allowance that the Industrial Noise Policy (INP) permits a consideration to exceed the intrusive noise criterion in rural areas where the day time rating background level are the same as the night time rating background level. Please refer to Section 2.1 of the NSW EPA INP.

Wilkinson Murry have stated that Council should require the proponent to construct a plan of management that ensures that day time levels generally meet the intrusive criteria of 35 dBA. Acoustik concur that the proponent's plan of management has the goal of minimising barking occurrences and the noise level created. However, we note that Wilkinson Murray have made no allowance that the day time intrusive criteria be relaxed even though this is permitted by the INP.

If the INP allowance was not permitted, outdoor farming and general rural activity of almost any kind that involved mechanical equipment would not be permissible in many rural areas.

For example, the following list of equipment would generate noise levels exceeding the day time noise criteria of 35 dBA (not including any modifying factors) when operated at distances like the assessment conducted for the subject greyhounds.

Table 1: Typical rural equipment noise levels

Equipment	Noise level at Operator position dBA at ~ 3m	Predicted Noise level at 105 metres dBA (Res 1)
Tractor	95 – 100	64 – 69
Chainsaw	105 – 120	74 – 89
Petrol powered water pump	86 – 88	55 – 57
Lawn mower	75 – 80	44 – 49

Response to Peer Review - Blaney Council - DA55/2016

We note the above noise sources may not operate continuously but these noise levels are typical of noise generated by outdoor activity on rural properties. Many rural properties even those on smaller lots like the proponent's property are businesses and thus subject to the same requirements of the NSW INP.

The INP allows for the relaxation of the day time intrusive criterion otherwise the burden of compliance with the INP would be an unreasonable and stifle farms and small rural operations.

The INP is designed around industry and business located within urban or semi-urban areas where day time rating background levels normally well exceed the evening and night levels.

We have considered that the penalised 42 dB $L_{Aeq, 15min}$ due to barking in the worst case at Resident 1 and note that this exceeds the daytime intrusive level. But does not exceed the daytime nor even the night time amenity criteria as set by the INP.

An assessment of the severity of the exceedance has been conducted and shows that the general day time noise amenity is not impacted above even the evening amenity requirement. The plan of management will make all reasonable and feasible efforts to reduce the occurrence of barking and thus protect the noise amenity of residents wherever possible. When no barking is occurring, there is no effective noise impact.

Report Correction for page 11 of latest acoustic report

In the second note under Table 5 the reference to Table 6 is incorrect. Correction provided below:

Note: Additional field measurement were conducted of greyhounds housed within the existing shed with the doors closed at night. The measurements confirm the predicted L_{Amax} noise levels in above Table 5 at residence 1 to be within 1 dB of the measured level.

We hope the above answers and the updated report are to your satisfaction.

Sincerely,

Tom Harper Digitally signed by Tom Harper
Date: 2017.11.09 15:07:04
+1100

Tom Harper
Principal Engineer
Acoustik



Attn: Mark Dicker
Director Planning & Environmental Services
Blayney Shire Council
Adelaide Street
Blayney NSW 2799

13th September 2017

Dear Mark,

Re: Review of Determination DA55/2016

We wish to once again submit an objection to the development of a Greyhound facility: Development Application DA NO. 55/2016- Lot 144, DP750408- 73 Somers Lane, Mandurama.

We have several objections to this development, in particular the noise generated by the unspecified number of dogs, which have been housed at 73 Somers Lane for over a year.

Noise

The greyhound facility at 73 Somers Lane is located directly North of our beautiful, newly built home. The noise generated by the greyhounds barking and howling frequently throughout the day and night has impacted on our quality of life. The greyhounds respond to various triggers including other dogs, horses, foxes, sheep, cars, airplanes, people, and motorbikes as well as to boredom. There are no measures that the applicant can use to dispel the noise due to the proximity of the surrounding residents.

The noise assessment report completed by Acoustik is confusing and misleading. The topography of the land surrounding 73 Somers Lane and the prevailing wind direction means that the noise of the greyhounds is being reverberating directly across the gully to our home. The noise generating from this facility is unacceptable for the location. As an adjacent property owner, our enjoyment of our land and our mental wellbeing is being affected.

Effluent Management

According to DA 55/2016 the applicant stated that they would install a new onsite effluent system specifically for the greyhound facility. They have repeatedly refused to provide a geotechnical report, which Council asked for when the applicant first submitted the DA. This was one of the reasons Council rejected the original DA. We believe Council should stand by this decision, as it is clear that the applicant has not made any effort to meet Blayney Shire Council's standards for on site sewerage guidelines.



[REDACTED]

In short, we believe this is the **wrong** location for this development. We are extremely concerned about the scale of the facility and future expansion of the infrastructure and number of dogs if the DA is approved. If the DA is approved we are concerned about how any restrictions Council may place on the applicant are enforced.

We shouldn't have trouble sleeping from the constant barking and howling of the greyhounds [REDACTED] We believe that Council should deny the DA due to the significant negative impact it is having on us and other residents in the immediate area. The small lots of land along Somers Lane and Mandurama Road are clearly not zoned correctly. They are being used as R5 Large Lot Residential and should have appropriate development restrictions enforced to suit the actual land use.

Thank you for taking the time to listen to our concerns.

Regards,

[REDACTED]

[REDACTED]

Submission against the development proposed In DA No. 55/2016.

The proposed greyhound training facility mentioned in this proposal is wrong on so many counts that I do not know how Blayney Shire Council has allowed this DA to be submitted retrospectively.

This facility has already been built illegally, in breach of planning laws, as well as in breach of so many points in the Greyhound NSW Code of Practice for the training of greyhounds!

The following are the main points I wish to raise against this proposal:-

1. General amenity.

Somers Lane, although zoned rural, is in fact a closely settled hobby farm or lifestyle block area with most blocks consisting of around 16 acres. They are almost all built on with residences and a few livestock to help with fire hazard reduction, or horses.

The distances from houses range from a few hundred metres to less than 100 metres. In my own case, whilst there is no house on the land at present, the distance from the shed kennels to the most likely house site on this block is less than 60 metres. The noise emanating from this shed at present has to be heard to be fully appreciated, something that no amount of hedging is going to stop.

It is mentioned that this development is permissible in this area because of the rural zoning of the land. It is my belief that this area should be rezoned so that this type of development cannot be allowed, given that it is a rural residential area and has been for years. I have in my possession a map showing the village of Somers going back to 1889.

It should also be pointed out that there are 4 houses within the 300 – 400 metre range of this development as well as my house site, not as stated in DA application “nearest neighbour is approximately 400 meters away from the kennels and yard”.

2. The breaching of Greyhounds NSW Code of Practice.

I have attached a copy of this code that clearly demonstrates that this training facility has been illegally set up and that the owners must have known before they started that they were breaching the Code of Practice. The dogs that are resident at this facility are still registered with Greyhounds NSW as living at the original Blayney address previously owned by this couple. This is itself another breach of the Code.

I am not going to list every breach of this Code of Practice that the owners have committed, but wish to say that they demonstrate a willingness to disobey those rules and it makes me wonder how Council proposes to ensure that any conditions put on this development are complied with, in the event that Council gives the go ahead to this proposal.

I have marked the attached Code of Practice with highlighter to show breaches that I feel have been made.

3. Financial Implications.

It is stated that the facility is to be used as a hobby, but the scale of the buildings already erected suggest that this facility is a little more than a hobby. It is my understanding that Mr. Skelton intends to train for other people and so must be a paying concern. There is also no mention in this proposal of the maximum numbers of dogs to be housed at this facility.

4. Smell

The issue of smell from this facility is a very real one. Almost from day one this has been an issue whenever the wind is from the South. As I have stated before, the main shed is within 20 metres of my boundary and within 60 metres of the most likely house site. At this distance, the smell is at disagreeable levels. This may well be a result of further breaches of the Code of Practice, which is very specific about this problem.

5. Other animals.

The Code of Practice is very specific about the circumstances of greyhound proximity to other animals, either domestic or agricultural. I feel that this facility, being around 20 metres from my boundary, does not comply with these provisions of the Code. I graze sheep and lambs over the whole area to lessen the fire danger in hotter months.

Let me say that this development, if approved, has the ability to totally destroy a previously quiet and peaceful rural residential area. It has already affected neighbours nearby with severe noise pollution, smell and unsightly sheds.

[REDACTED]

Because of the foregoing points, Blayney Council must disallow this development.

Signed

[REDACTED]



8th September 2017

Attn: Patsy Moppett
Senior Town Planner
Blayney Shire Council
91 Adelaide Street,
Blayney NSW 2799

Dear Patsy,

Re: Submission concerning DA NO: 55/2016

This submission is in regards to A. Funnell's development of a Greyhound facility at Lot 144 DP750408 – 73 Somers Lane Mandurama. We again wish to express our **very strong objection** to this development based on a range of factors and in particular the significant noise generated from the greyhound facility and the lack of adequate waste management.

We have included some additional comment regarding these issues below, however we also wish to include our original submission against this development. This original submission and a letter submitted to Grant Baker Acting Blayney Shire Council General Manager on 7th July 2017 have also been included as part of our submission.

The applicants stated "*the nearest neighbour is approximately 400m away from the kennels and yard*" (DA55/2016.)

The greyhounds are permanently housed ~200m from our house, 20 m from our boundary and the slipping track directly adjoins our boundary. A map showing the distance of the greyhounds from the kennels and external runs to the closest residences (Map 1).

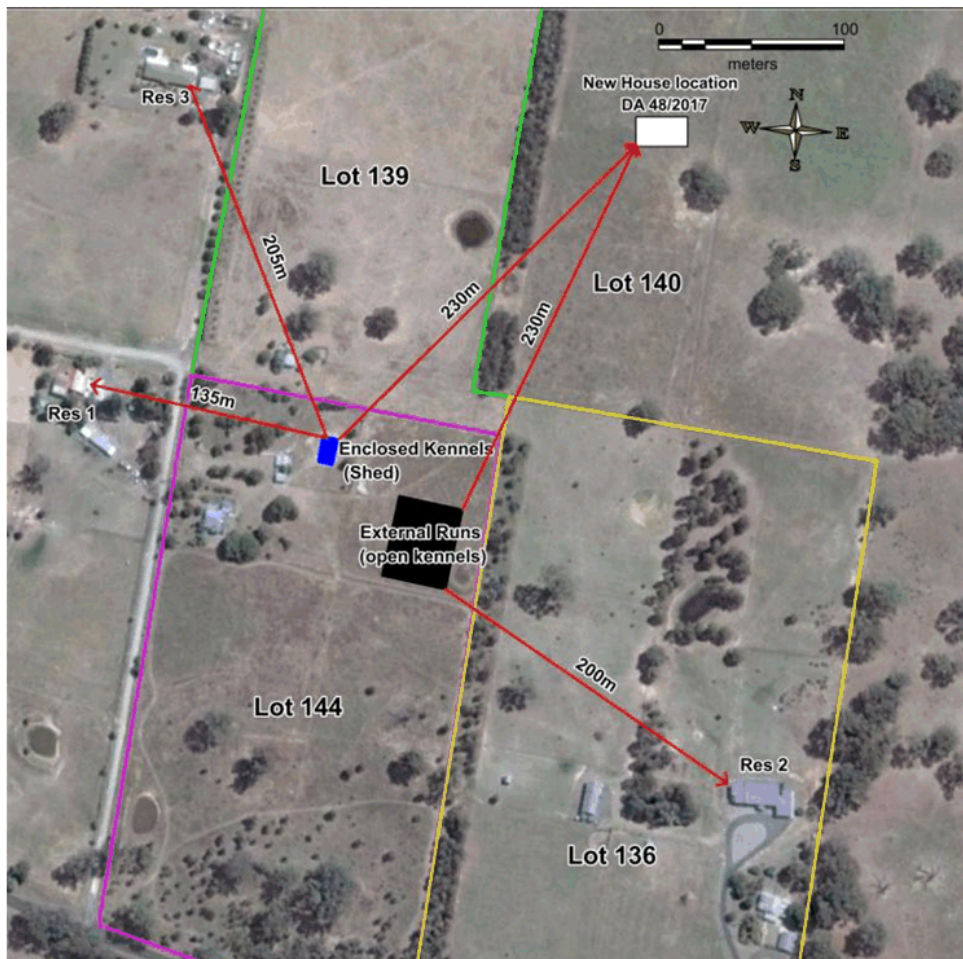
This greyhound facility also has a direct impact on our back block Lot 140 with which a DA has been lodged (DA 48/2017). The proposed house site at Lot 140 is ~230m from the Kennels and does not have any shielding. Therefore there are actually **three** houses (plus **two** new dwellings with DA's lodged) **within 300m** of this facility as well as another **four houses that occur within a 500m** radius of the Greyhound facility. The locations of existing dwellings and those with DAs in relation to the greyhound facility and 73 Somers Lane is provided in Map 2. Note the location of a second illegal greyhound facility located at 27 Somers Lane.

The external yards where greyhounds are permanently kept do NOT comply with the standards as set out by Greyhound Racing NSW (GRNSW) <http://www.thedogs.com.au/Uploads/1%20Dec%202015%20-%20Code%20of%20Practice%20-%20Training.pdf>.

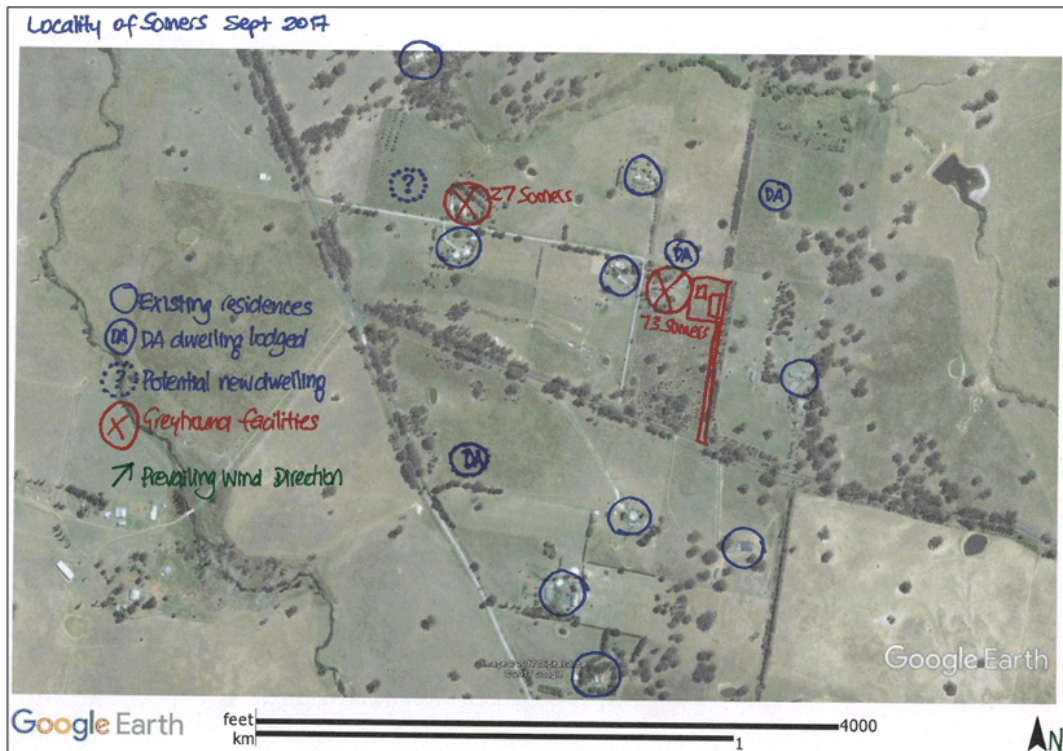
The greyhounds are only 20m from our boundary fence and 20m from Mr Jensen's, therefore on occasions our livestock will be in close proximity to the greyhound facilities. There are very strict conditions in the GRNSW Code of Practice (Section 15.7 – 15.9) relating to the keeping of domestic animals on the same premises where greyhounds are kept. One would assume that these rules and responsibilities would also apply to close and adjoining landholdings.

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The minimum size for a single greyhound to be housed in a racing kennel is 3m² (ie 2 x 1.5m²). The minimum size of day/spelling yards is not less than 6m² <http://www.gmsw.com.au/uploads/1%20Dec%202015%20-%20Code%20of%20Practice%20-%20Training.pdf>. According to Acoustik (section 4.4) the kennels in the external runs are 1.2 x 1.8m² (or 2.2m²). At these dimensions, they do not meet minimum kennel sizes for one greyhound, let alone two.



Map 1. Distance of the greyhounds from the kennels and external runs to the closest residences.



Map 2. Location of existing dwellings and those with DAs in relation to the greyhound facility and 73 Somers Lane. Note the location of a second illegal greyhound facility located at 27 Somers Lane.

Noise

The noise made by the greyhounds at this greyhound facility are unacceptable and at times intolerable and are created by the barking and howling of 25 - 30 (and potentially up to 40) greyhounds which have been housed within this unauthorised facility since March 2016. The greyhounds respond to a variety of stimulus including other dogs, foxes, planes, horses, sheep, thunder, birds as well as eminent boredom, anticipation and discomfort as well as us. There is no evidence that any "shade cloth" is likely to reduce the level of noise emanating from this facility (see original DA). The greyhounds also respond aggressively to sound.

The original noise assessment report by Acoustik (19th June) provides misleading, confusing and erroneous information. There are numerous deficiencies in the report, as per our letter dated 7th July 2017 (attached) and the report contains contradictory and unsupported assumptions and conclusions, with what appears to be, a bias to the interests of the applicant's (who commissioned and paid for the report). The report ought to contain a more detailed scaled map of the location, sheds, yards and neighbouring residences, GPS coordinates of recording locations, including changes in topography and relevant climatic factors such as prevailing wind direction and computer generated modelling.

The original report failed to present the numbers and locations of the greyhounds, or the maximum number of greyhounds the applicants intends to keep at the facility. The increase in greyhound numbers would increase the levels of noise generated from the area. The actual time they have used recording the greyhounds occurred over only two days, including one training session. The environmental monitoring data occurred for seven days with the $L_{A_{Max}}$ recording frequently far exceeding acceptable levels of 30dB. Our diary entries can verify these peaks are the result of noise generated from the greyhounds when we were able to record them. Often these exceeded 80dB.

The report has made reference ONLY to the “barking” of the greyhounds. Much of the noise being generated from this facility is the high pitched howling sessions of all the greyhounds at once including the shed dogs which may extend from 20 seconds to several minutes at any given time. These howling sessions may be as frequent as every 3 - 10 minutes over several hours.

The second report submitted by Acoustik on 4th September, addressed many facets that were not included in the original version, however they continue to make most reference to the greyhounds in the external runs but have omitted important data such as the slip track training. The dogs housed in the shed also make significant amounts of noise and it is usual for the roller doors of the shed to remain open, particularly during warmer weather. More recently the applicants have been closing the southern door during training.

They claim that there were 13 greyhounds in the external runs during the slip track and overnight monitoring. We can verify that for over a year (March 2016 – 2017) there were 13 greyhounds in these external runs. However since ~ April 2017 there have only been 6 (maybe 7) greyhounds in these external runs, with these being housed in the six most northern runs and furthest from the logger. Thus the information and data presented is also inaccurate and has been related to noise created by half this number of dogs and at further distances away. Moreover, the report does not deal with the noise that will be created when the facility, if approved, was working at full capacity (25 - 40 dogs)

The second amended noise report (4th September) clearly indicates that the greyhound facility generates unacceptable levels of noise at all neighbouring residences. This also includes noise generated by greyhounds housed in the enclosed shed although the extent of this noise was not actually measured but presumed. Acoustik state that overnight monitoring (Section 2.2) was undertaken in the afternoon Wednesday 24th to the morning of Friday 26th. How is that Table 1 presents data for the night and evening of Friday 26th?

Acoustik have presented actual averaged RBLs for the day to be 23dB, evening RBLs of 18dB and night RBL of 17dB (Table 2). Blayney Shire Council advised to use noise criterion on (local) RBL +15 dB. Despite this, Acoustik continued to use the consistent criterion 30 dB RBL +15 dB which is a much higher threshold. Our night time noise threshold is therefore 32dB and not 45 dB.

Acoustik also attributed most of the noise peaks recorded from the environmental logger to be attributed to traffic along Mandurama – Neville Rd. As local residents we can confirm there is never this quantity of traffic on so many consecutive days. In addition our diary entries can confirm that many of these peaks were caused by the howling and barking of the greyhounds, during periods when we were able to record them.

Acoustik have not applied the correct distance of the closest residences less the 30m rule to the closest greyhound or applied correct shielding at all residences. The noise calculations presented in Table 5 are therefore also incorrect. In addition DAs for the construction of dwellings have been lodged with Council at both Lots 139 and 140. The proposed house location at Lot 139 is ~50 – 60m from the greyhound shed and would therefore suffer severe noise impacts. This should have been included within this revised noise assessment report.

Acoustik recommend that ONLY Res 1 would benefit from the construction of a (noise) barrier wall as the shed is on same ground level as Res 1. The elevation of the closest dwellings are Residence 1 = 703m, Res 2 = 719m, Res 3 = 698m and Lot 140 = 703m and therefore all residences have a similar elevation to the Greyhound shed which is ~ 706m asl (Google Earth Pro). Res 2 and Lot 140 (and Lot 139) have no shielding and Lot 140 may be subjected to temperature inversions. Therefore according to recommendations made by Acoustik, a noise barrier wall should also be constructed between Res 2, Res 3 and Lot 140m (and Lot 139). This may or may not resolve some of the noise extenuating from the shed (it may cause the noise to be worse for other residences) but it does not resolve the issues associated with the noise generated from greyhounds in the external runs.

Acoustik state "The noise generation from greyhounds is not tonal, impulsive or dominated by low frequency". We can confirm that noise generation from greyhounds is most **definitively** tonal and impulsive! The noise generated from this facility during the day time should also be considered, including the addition of 5dB tonality during the daytime. Whilst improved management of the greyhounds during the day may reduce the frequency of noise, the applicants have not demonstrated any willingness or capacity to do so over this lengthy 17.5 months period. Insulating and sound proofing sheds would only be effective if both roller are closed and are also insulated. This also does not resolve the issues associated with the noise generated from greyhound in the external runs. Locking dogs (up to 2) in a small confined space overnight every night is likely to create some animal welfare issues, particularly when they do not meet minimum size criteria.

Despite also having a prejudiced flavour, the second Acoustik report clearly demonstrates that the first noise assessment was clearly inadequate (refer to letter submitted to Grant Baker Acting Blayney Shire Council General Manager on 7th July 2017 attached). No explanation has been given by the author for the inadequacies and thus one must question the independence and accuracy of both reports and attach little or no weight to the conclusions or recommendations within either of these reports.

Environmental monitoring

Both Acoustik Noise reports placed little emphasis on the Environmental Monitoring logger data, which includes a full six day cycle of noise in the local area, including the frequency and noise levels generating from the greyhound facility. Noise data generated throughout periods of our outdoor activity is also significant, but no data has been interrogated. Our daily diary entries and multiple digital recordings can provide further supporting evidence of the frequency of noise generated by the greyhound facility.

- The report indicates that the location of the environmental noise logger was situated at the same distance from the Mandurama Neville Road (~140m) as the house Res 2. This is incorrect as the noise logger was placed at the same distance to the old cottage at Res 2. The new house is ~200m from the road therefore the new house at Res 2 is subjected to a higher level of noise generated from the greyhounds as recorded by the Environmental logger.
- The environmental noise logger was located ~150m from the middle of the external dog runs. No dogs were present in the lower (southern) runs at the time of monitoring.
- The Environmental Noise Monitoring (Table 5) indicates that our average background noise levels are very low. All of these averages were below L_{A90} 30dB (recommended night time threshold) 100% of the time, with night levels being as low as 17dB despite the noise from the greyhounds being included in these background averages.
- Instead of using these data recorded from our particular environment, they have chosen to use the much higher recorded background level of 30dB (Table 5), despite Council requests.
- The report states the monitoring was undertaken 9th - 16th which is only seven days when the report stipulates there was eleven days of data. Data presented within the report commences from ~6.30pm Tuesday 9th May and concludes at ~3pm on Tuesday 16th (Appendix A) which is a period of seven days. The remaining four days of data ought be provided.
- The report refers to eleven days of monitoring data, but only presents seven days of information. We can clarify that the monitoring logger was still in situ on the 20th May. Our diary entries indicate that there was significant noise during the period 17th – 20th of May (refer to diary entries below).
- The report indicated there were three rainfall events, however only two were shown. Data recorded during these "rain conditions" were excluded thus leaving only 6 days of data as presented within Table 5 and Appendix A of their report.
- In addition we have no record or recollection of receiving any rain during the monitoring period. According to the Bureau of Meteorology (BoM) no rainfall was recorded in Mandurama during the 8

– 16th May. The next rainfall recorded in Mandurama was 20th May with 11.4mm. Acoustik did not provide weather data within the report. Therefore the report provides potentially misleading information in relation to the effects of weather and noise generation by the greyhound facility and has excluded important monitoring data.

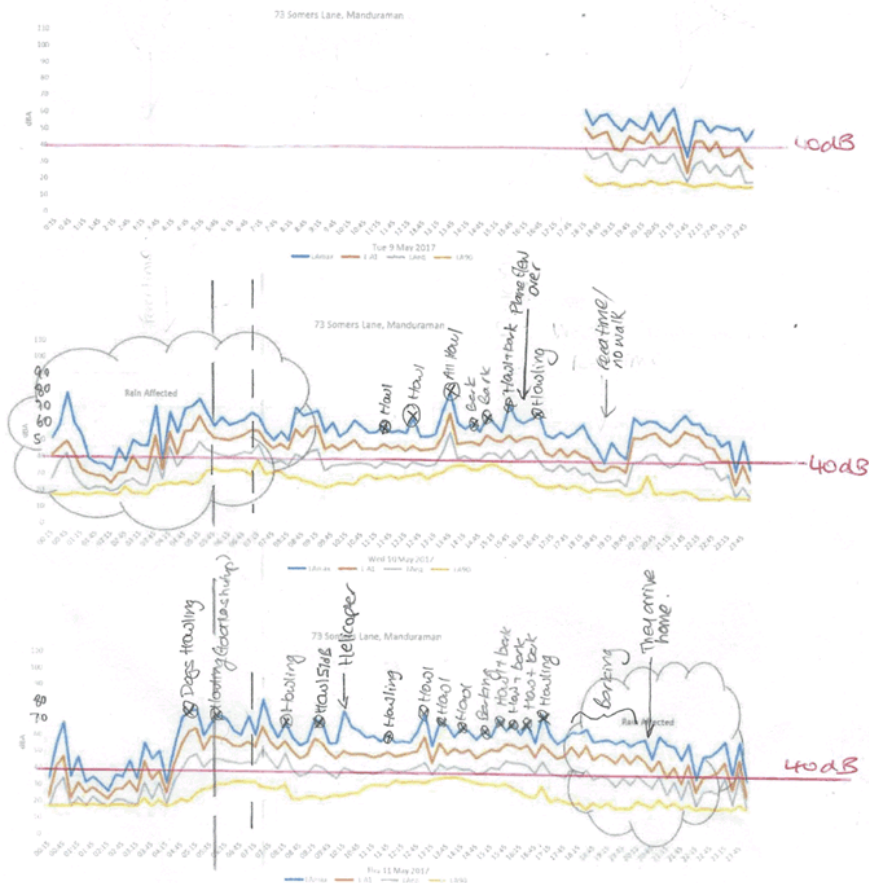
- On review of the data from the environmental noise logger (Acoustik Appendix A) the L_{Amax} levels frequently far exceed the background levels provided in the report. These also exceeded the highest of the local background levels, which was 41dB during the daytime periods (Table 5).
- We have been keeping a daily diary of noise events as a result of the howling and or barking by the greyhounds as heard by us from our home and/or property. The entries within the diary strictly coincide with many of the peaks recorded from the noise logger, when we were able to record them. Please refer to Figure 1 below showing these peaks as a result of noise from the greyhounds.
- The report does not make any reference to this complete six day cycle of data when referring to frequency or loudness of noise (L_{Amax}), compared to background levels despite the fact the greyhounds were ~150m away from the logger.
- Barking and howling by these greyhounds also stimulates other dogs in the neighbourhood, including numerous greyhounds located at 27 Somers lane. These increased noises are not acknowledge or accounted for.
- Thus the noise generated from the greyhounds is often significantly higher than backgrounds levels throughout the day, evening and night and this is verified from the actual data from the environmental noise logger and diary events (see Figures below).

Please refer to Figure 1 showing these peaks as a result of noise from the greyhounds, when we were able to record them.

The following are diary entries of noise from the greyhounds over the period of time where data was omitted from the noise assessment report (16th – 21st May 2017)

A. Appendix A - Graphical Plots of Logger Measurements

Graphic plots of noise logger data – 73 Somers Lane, Mandurama

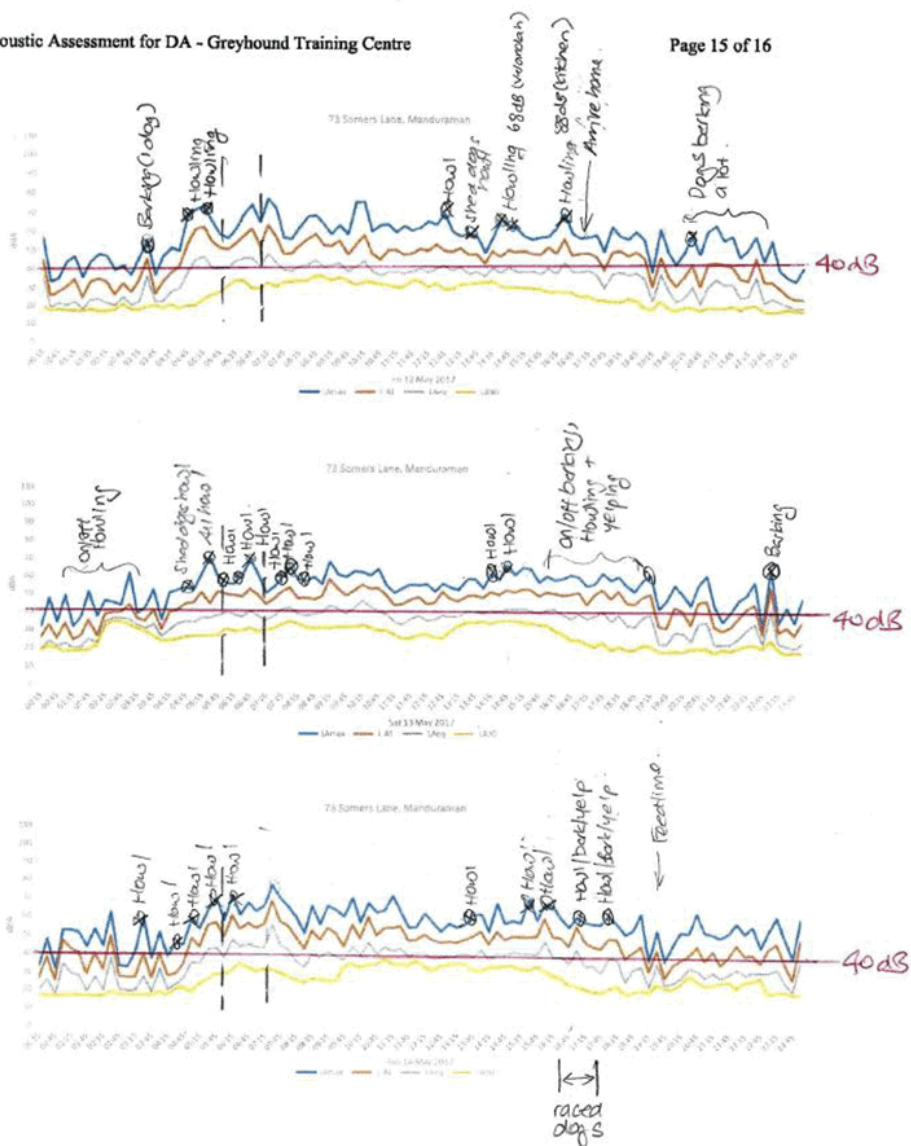


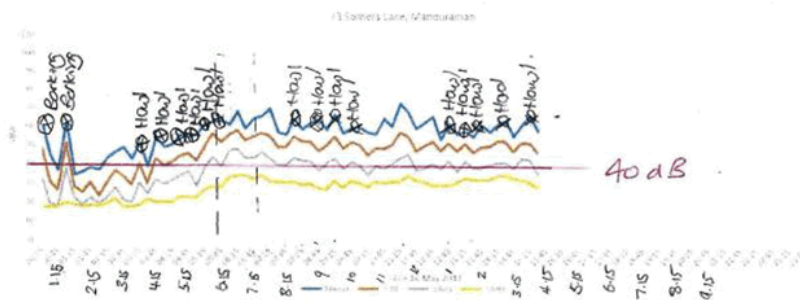
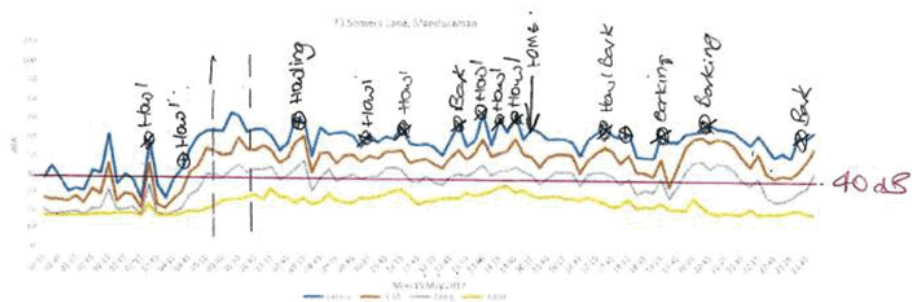
bam-bam traffic?

* @ = Diary entries where Res 2 recorded audible + loud barking and/or Howling.

Acoustic Assessment for DA - Greyhound Training Centre

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6-7
Traffic?

16/5 cont'd
6.04 am howling "
8.30 am " "
9.0 am " "
9.36 howling/yelping
SMED DOOR OPEN! (we had visits -
1.05 dog barking/yelp/howl
1.31 howling
2.12 pm dog howling
3.20 all dogs howling
3.35 dog howling
3.50 howling
4-4.15 - dog on edge of barking
(shout? or loose dog?)
4.15 someone home (AU).
4.25 Dog barking racket -
dog held off by mum.
Dog walked 2 laps of big circuit.
6-7 pm Dogs outside (1 in particular)
barking non-stop
11.30 pm howling barking

17/5 1.00am howling session
3.30am hound barking
4.05am barking + howling

17/5 cont'd:

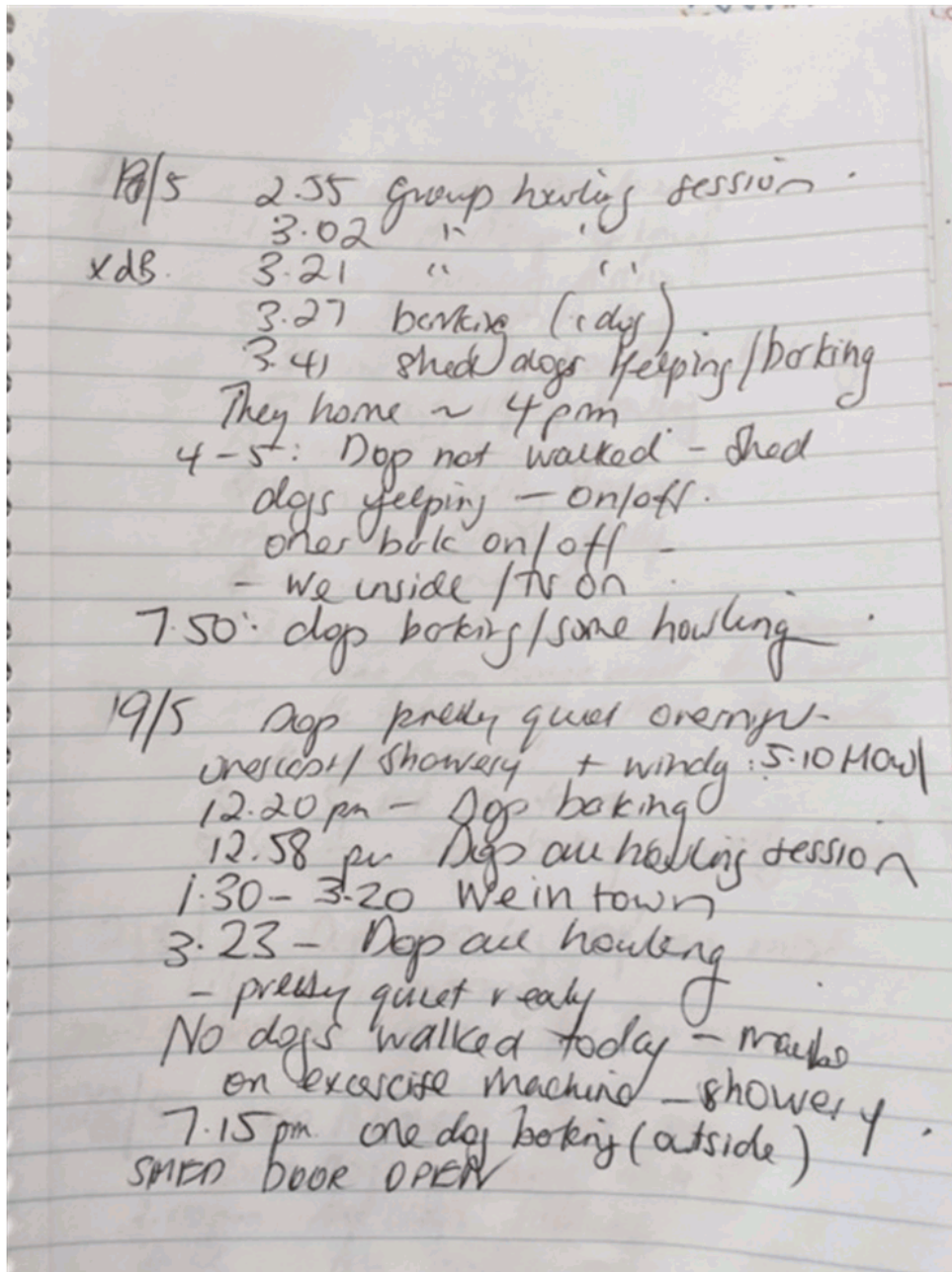
- 4.15 am hounds howling session
- Shed door 1/3-1/2 open
- 1.26 pm - howling
- 2.45 pm - Howling session
- 3.05 pm howling
- 3.05 - BIG howling session
- 3.13 - Still howling/yelping
- 3.15-3.30 Shed dog barking/yelping
- 4 pm barking/yelping
- ~ 4.30 Shed door closed
- dogs held off for barking/yelping
- ~ 5-5.30 Dog several x twice
- raced up track. Other dogs
- going right off - He almost
- as bad as he feels them
- to shut um Fnc's, Fnb's etc
- etc etc. [Min 32.9 dB Max 98.6 Peak 112 dB]

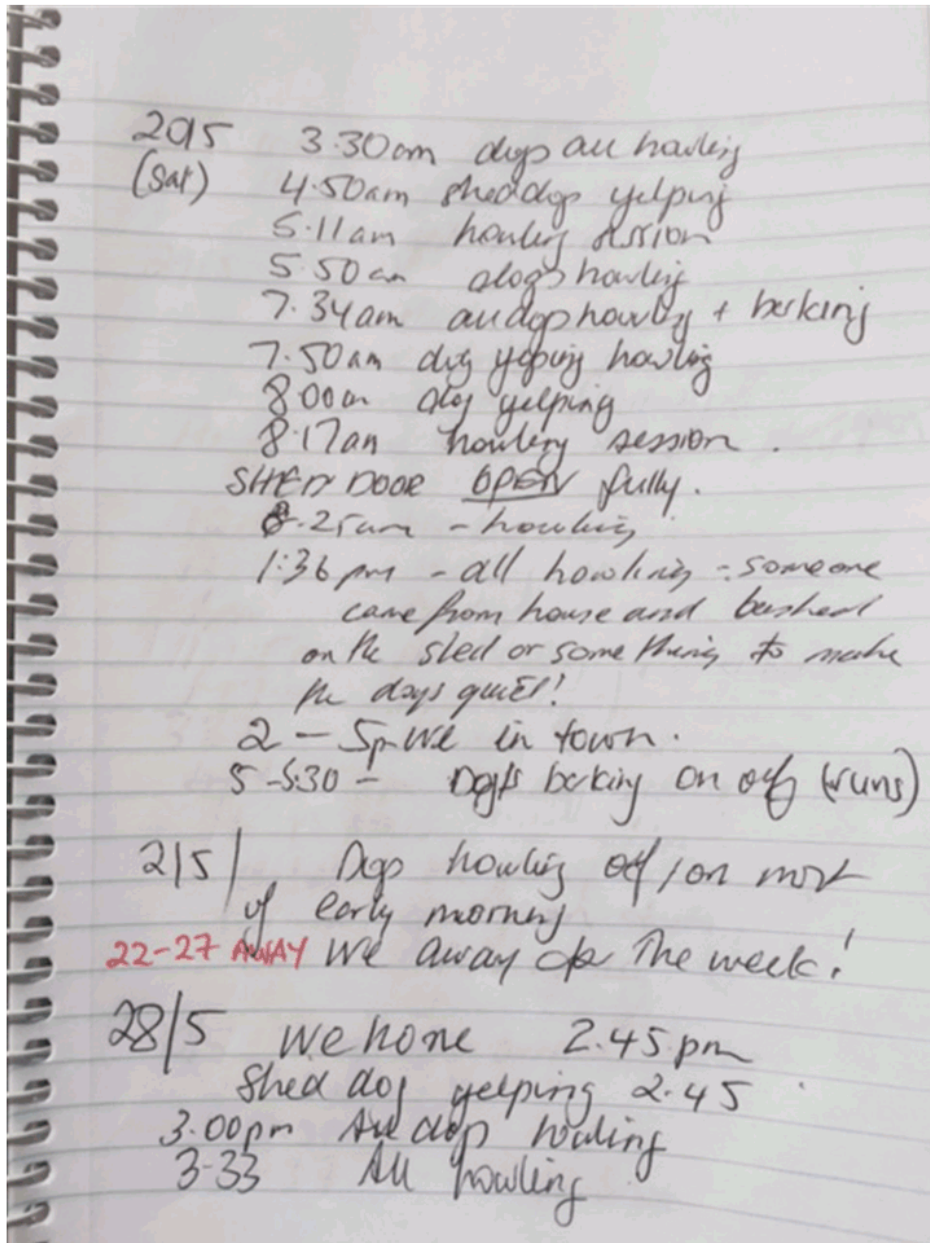
(NB) recorded ~ 60 dB - up to 98 dB
at horse trough.

- 7.16 Barking + howling
- 8.36 Dogs barking loudly
- 8.50 ish " " loudly

NB: 5.09 pm [Min 34.3 dB Max 60.7 dB
Peak 69.2 dB Leg 48.9 dB
at Rose garden V.

18/5 12am barking + howling 2 dogs
140am shed dog yelping
2.22 am 1 dog howling
3.24 am dog barking
3.40am dog barking
4.10am dog barking
4.33 am all dogs howling
4.44 am all howling session
4.50 am all howling
5.22 am " "
5.50 am " "
7.00 am dogs barking + howling
7.30 am dog barking + howling
7.35 am dog barking + howling
9.25 am shed dog yelping
* SHED DOOR 1/2 open
9.55 dog barking
10am shed dog yelping
11.19 am dog howling
we played loud music
1.26 pm - Howling session
2.25 group howling session/yelping
2.30 " "
2.40 " "
2.45 " "





Slip track training

The results of the slip track assessments were not provided within the second noise assessment report however we have included corrections and have calculated noise using data provided in the original report (refer to letter submitted to Grant Baker Acting Blayney Shire Council General Manager on 7th July 2017 attached). We add that Res 4/5 have shielding which was not included, thus lowering the noise at these residences.

The resultant and corrected L_{Aeq} and L_{AMax} calculations from original report during the slip track training are typically much higher than provided by Acoustik at all residences. At Res 2 the L_{AMax} increased from 53 to 60 dB. At Lot 140 L_{AMax} increased from 47 to 59 dB.

Table 1 (a). Sounds levels recorded during slip track training at each of the residences after corrections have been applied.

Location	@SLM	Res 1 Lot 146	Res 2 Lot 136	Res 3 Lot 138	Proposed Lot 140	Res 4/5	Res 6/7
Corrected nearest distance to source (Map 1 attached)	50	135	200	205	230	500	430
Less 30 m from residence factor	50	105	170	175	200	470	400
Shielding (-5dB)	NA	-5	NO	-5	NO	-5	NO
Corrected L_{Aeq}	48	42 - 5 (37)	37	41 - 5 (36)	36	28 - 5 (23)	30
Total L_{Aeq} (+ 5dB Tonality)	53	42	52	41	41	28	35
Corrected L_{AMax}	66	59 (54)	55	55 (50)	54	41	48
Total L_{AMax} (+ 5dB Tonality)	71	59	60	55	59	46	53
Acoustik (L_{AMax})	66	51	53	47	47	46	47

The resultant and corrected L_{Aeq} and L_{AMax} calculations recorded from original report over night are typically much higher than provided by Acoustik at all residences. At Res2 the L_{AMax} increased from 53 to 60 dB. At Lot 140 L_{AMax} increased from 47 to 59 dB.

Table 2(a). Overnight sound levels recorded at each of the residences after corrections have been applied.

Location	@SLM	Res 1 Lot 146	Res 2 Lot 136	Res 3 Lot 138	Proposed Lot 140	Res 4/5	Res 6/7
Corrected nearest distance to source (Map 1 attached)	50	135	200	205	230	500	430
Less 30 m from residence factor	50	105	170	175	200	470	400
Shielding (-5dB)	NA	-5	NO	-5	NO	NO	NO
Corrected L_{Aeq}	44	38 (33)	33	33 (28)	32	25	26
Total L_{Aeq} (+ 5dB Tonality)	49	38	38	33	37	30	31
Corrected L_{AMax}	66	60 (55)	55	55 (50)	54	47	48
Total L_{Max} (+ 5dB Tonality)	71	60	60	55	59	52	53
Acoustik (L_{AMax})	66	51	53	47	47	46	47

The original report (19th June) indicates that barking occurred up to 15% of the time over one evening and up to 11% over the night (25th May). They state that loud barking (>52dB at Res 2) only occurred for 4% of the evening and 3% in the night. They state that loud barking at 3% of the night equates to a total of 15 minutes.

We point out that this 15 minutes (3%) of loud noise (>52 dB at Res 2) is the sum of the intermittent noise is spread out over the duration of one night and this does not include the other 7% exceeding 45dB which would equate to an additional intermittent 38 minutes of noise. The recordings show that there were a total of 16 occurrences of noise exceeding L_{Aeq} of 40dB recorded within one evening and night on 25th May. Of

these ten were above 52 dB and loud enough to cause awakenings, without appropriate corrections being applied.

The World Health Organisation (WHO) night noise guidelines indicate that harmful effects are observed at noise levels above 40 dB _{night,outside} with adverse health effects such as sleep disturbance, environmental insomnia, impaired cognitive function, hypertension and increased use of somnifacient drugs and sedatives. Above 55 Db, depression, cardiovascular effects and physic disorders become a major health concern. These are symptoms we have been experiencing as a result of the noise generated from the greyhound facility for over 17 months. We are also often subjected to frequent verbal abuse and profanities by the applicants and we have become fearful of encounters with them. We have been forced to reduce and alter our outdoor (and indoor) activities since the establishment of this greyhound facility. We used to be able to live and sleep comfortably with open doors and windows despite barking from other neighbourhood dogs, prior to the establishment of this greyhound facility.

Noise Control Guidelines (Victoria)

In NSW there are no criteria or specific guidelines relating to the keeping of dogs in kennels. GRNSW has some criteria however in many cases these guidelines are not followed at the greyhound facility at 73 Somers Lane (refer to Johnston submission against DA 55/2016 9th June 2016).

Noise control guidelines in Victoria (Pg 4 <http://www.epa.vic.gov.au/~media/publications/1254.pdf>) have however provided some practical guidelines to the keeping of dog kennels. These guidelines are referenced in the NSW EPA guidelines relating to dog kennels (Part 1:19 <http://www.epa.nsw.gov.au/resources/noise/20130127NGLG.pdf>) and could also be applied to the keeping of greyhounds.

The following criteria for dog kennels have therefore been assembled to limit both the physical stimuli to the dogs and the outbreak of noise from the kennels.

- The kennels should be located at least 500 metres from residential areas.
- Some fully enclosed or acoustically baffled kennels should be available to house particularly noisy animals, at a ratio of 1:15.
- Electronic masking noise devices should be provided to reduce audible stimuli to the dogs.
- Kennels should be constructed to visually screen stimuli such as other dogs, animals, traffic or passers-by.
- Access to kennels should be restricted solely to staff.
- Feeding of dogs may only be performed between the daytime hours of 7 am – 6 pm.
- Exercise of the dogs may only be performed between the hours of 9 am and 5 pm.
- A responsible person must be available on site 24 hours per day.
- Kennels should be constructed of such a material so as to provide an appropriate reduction in the emission of noise. Materials such as masonry and cement sheeting would provide a suitable structural basis.
- The kennels should be positioned so as to utilise the ability of the topography to reduce noise.

The enclosed shed is partially effective in reducing some noise generated from within the shed itself providing both roller doors are closed. Typically this is not the case. They have indicated some intention to sound proof the shed (refer DA), however this would also only be partially effective if both roller doors are closed. The construction of a second enclosed shed is not likely to resolve the issues associated with this particular greyhound facility.

The facility has been constructed in the middle of a residential area with eight dwellings (including two proposed dwellings) occurring within 500m of this facility and is clearly a conflicting land use.

A letter submitted to Grant Baker Acting Blayney Shire Council General Manager on 7th July 2017 in response to the original noise assessment report has been included as an attachment. This letter details the extent of the flaws, errors and omissions contained within the Noise Assessment report produced by Tom Harper, Acoustik.

Effluent management

Page 91 of the Business Paper for the Ordinary Council Meeting of Blayney Shire Council held on 21st November 2016 (Pg 80, 19th December Business Paper) regarding DA55/2016 states that:

“The kennels are on a concrete slab and sloped so that any liquid waste runs towards and into a drain, which would then flow into a new onsite effluent system installed specifically for the facility. The kennels themselves are washed and disinfected daily. Solid waste is raked up and placed into a bin to be disposed of at a licensed waste collection depot. Solid waste from the day/spelling yards are also collected and placed into the waste bin three times a week. Bones are collected the day after provided and disposed of via the waste collection method”.

We would like to point out that the applicants have stated in DA 55/2016 they would install a new onsite effluent system installed specifically for the facility. They have repeatedly refused to provide a geotechnical report and again did not produce a geotechnical report by 21st June 2017. Rather, “Certification that the existing effluent system is not failing has been supplied by a licensed plumber as part of the review application and that an estimated 20L of effluent would be generated from the kennels shed.” (Mark Dicker email 5th July).

The report on the adequacy of the existing septic system provided by CAN-DO Roofing was dated June 2016, thus it is over one year old and does not reflect the current status of the septic system. There was also some suggestion that the system may fail and that it would require checking in 6 months. We would also query the amount of water used for the greyhound facility each day. 20l of water to wash out and disinfect 12 greyhound kennels, food bowls and preparation area each day does not sound adequate. We are most certain that amount of water used would be significantly greater than this.

The applicant has not provided any evidence (independent or otherwise) to substantiate his claim that only 20l will be used. Thus, even applying a “common sense” approach, the Council should consider that significantly more water would be used.

As previous owners of 73 Somers Lane we can verify that when we bought (June 2011) and sold the property (Nov 2015):

- Only the toilet waste from the household passed through this existing septic system,
- All grey water (shower, kitchen and laundry) by-passed the septic system and drained directly into the paddock through various drain pipes, and
- There were no absorption trenches.

We assume that the effluent system remains as it was when we owned it as there has been no mention in the DA or licensed plumbers report that this existing septic system has been updated. Therefore is unlikely to meet Council standards according to Blayney Shire Councils “On site sewerage guidelines” (<http://www.blayney.nsw.gov.au/residents/public-health/on-site-sewerage>) and/or Development Control Plan (<http://www.blayney.nsw.gov.au/development/control-plans/development-control-plans--dcp-s->).



Since March 2016 there have been ~13 - 14 greyhounds kept permanently within the large kennelling shed. As the shed has not been connected to an effluent system, proper collection and management of liquid waste generated from the daily cleaning of the kennels has not been undertaken for 17 months and we assume liquid waste has drained freely onto the grass and/or onto Mr Jensens (pers. comm.).

The applicants state that the solid waste from the day/spelling (external) yards is collected three times a week. Over the last 17 months we have observed that this does not occur as often as they state. The yards have also become quite bare and eroded.

Since March 2016 there have been 6 – 13 greyhounds kept permanently within these external yards. Thus the facility has been generating waste for 17 months without any proper waste management other than the occasional collection of solid waste. There is potential to house around 20 - 30 dogs within these yards, if each run contains three dogs as some did last year. The collective quantity of waste therefore could potentially be quite significant. There has been no provision in their DA for the collection of liquid waste, erosion and run-off from the external yards.

Other major points why this greyhound facility should not be approved and should cease to exist include:

1. We (Lot 136, 140) have paid **Residential rates** since 2000 when we first purchased our property "Iona" and as such should have the same rights and privileges including Council noise restrictions;
2. 73 Somers Lane also pay **Residential rates** and receive Council rubbish collections services and should have the same restrictions including Council noise restrictions;
3. BSC have acknowledged that we should be zoned R5 Large Lot Residential **not RU1 Primary Production** and should have appropriate development restrictions to suit the actual landuse;
4. If we were correctly zoned as R5 Large Lot Residential this greyhound facility would **NOT** be permissible;
5. If we were zoned correctly we would not have had to lodge a DA prior to 23rd Nov 2017 to avoid losing our building entitlement for Lot 140;
6. The applicants have failed to supply an effluent management report and have not made provisions for the installation of an adequate septic system;
7. There has been no provision in their DA for the collection of liquid waste, erosion and run-off from the external yards which could potentially house up to 30 greyhounds (or more) which reside there permanently;
8. There has been little waste management at the facility for over 17 months with liquid waste freely draining on the paddocks. There is also limited collection of solid waste from the external yards;
9. It is a prerequisite in GRNSW Code of Conduct that greyhounds owners, breeders and trainers they must have obtained Council Approval (<https://www.thedogs.com.au/Uploads/Userfiles/CODE%20OF%20PRACTICE%20%20Greyhounds%20in%20Training%202011%20FINAL.pdf>);
10. The applicants have not set a very good example as being responsible and law abiding citizens. We are very concerned that if this facility is approved they will continue to operate as they wish and without implementation of any management strategies or restrictions placed upon them;

11. We are very concerned about the potential for an increasing numbers of animals being housed at the facility and future expansion of these facilities is approval is granted;
12. We are concerned about who will enforce these restrictions, as to date BSC nor GRNSW have not shown any regulatory enforcement capacity;
13. We used to be able to live and sleep comfortably with open doors and windows despite barking from other neighbourhood dogs, prior to the establishment of this greyhound facility.
14. We are concerned that this greyhound facility will have a negative impact on the future sale of our properties (Lot 136 & 140) and result in the devaluing or ability to sell our property;
15. For over 17 months the applicants have been allowed to operate this greyhound facility as they wish despite the fact it has not been granted Council approval;
16. We have been forced to reduce and alter our outdoor (and indoor) activities since the establishment of this greyhound facility.
17. We should not have to stop using our property as we wish to accommodate the operations of this facility; and
18. We should not have to sleep with ear plugs in our back room and keep all doors and windows shut to keep out the noise from the greyhound facility and we should not have to play loud music if we intend to open our windows and doors. This has been the case for over 17 months now.

Conclusion

We have spent 17 years improving our property through the development of internal infrastructure including garages, work sheds, garden sheds, stables, fences, dams, irrigations, bores, tree corridors and shelter belts and gardens. We have also recently completed the construction of our "forever home" which is passive solar design, requiring large north facing windows and doors to take advantage of the sun and cross breezes during summer. We find that we no longer can enjoy any of these accomplishments nor the rural lifestyle we had come to love as a result of the development of this illegal and significantly noisy greyhound facility.

We request that the information we have provided be considered as additional justification for the Greyhound facility at 73 Somers Lane to be refused, based on the failure to comply with noise levels which far exceed our local background levels as well as those provided by the Industrial Noise Policy and WHO guidelines. Despite being a flawed noise assessment in many respects the assessment has, nonetheless, confirmed the levels and duration of noise we are subjected to and have been for over 17 months. These levels are only likely to worsen with an increase in the number of dogs as they have indicated.

Calculations derived from the Environmental logger (refer Acoustik Noise assessment report June 2017) indicated we are **frequently subjected to noise levels of ~80 dB** within the vicinity (30m) of our residence and ~98 dB at our boundary fence at frequent and intermittent periods during the day, evening and night. These significant noise levels were however not presented as such in either of the Acoustik reports. Despite also having a prejudiced flavour, the second Acoustik report clearly demonstrates that the first noise assessment was clearly unprincipled and it is difficult to trust any conclusions or recommendations provided in either.

"Without supply of adequate noise assessment and geotechnical report Council cannot adequately consider and determine that the development has satisfied section 79C(1) of the Environmental Planning and Assessment Act 1979, in particular; 79C(1)(b), (c), (d) and (e)" (Page No. 105 of the Business Paper of the Ordinary Council Meeting of Blayney Shire Council held on 19 December 2016).

The applicants have failed to provide a geotechnical report as requested by Council on numerous occasions. The existing septic system is inadequate and the plumber is not independent or objective and has not provided a satisfactory assessment. There has been no provision in their DA for the collection of liquid waste, erosion and run-off from the external yards.

The applicants commenced construction of this facility without an approved DA. The applicants commenced construction of this facility knowing that an approved DA was required. The applicants continued to construct this facility despite being asked by Council to submit a DA. The applicants have shown to have little respect for Council policy and planning approvals. The development is non compliant and is a major conflicting land use and should never have been allowed to proceed and operate for over 17 months. This development on many grounds should be rejected and cease to exist.



7th July 2017

Mr Grant Baker
Acting General Manager
Blayney Shire Council
Adelaide Street
Blayney NSW 2799



Dear Grant,

We are writing this letter in response to the acoustic assessment and subsequent report of Tom Harper, Acoustik, Orange dated 19th June 2017 (the report) for Keith Selton and Alita Funnell in relation to their Review of a Development Application dated 20th June 2017.

Relevantly, we both have a bachelor Degree in Environmental Science. As Environmental Research Scientists we respectfully suggest that we have sufficient qualifications to comment on the report. For the reasons set out herein, the report is misleading, confusing and contains a bias presentation of data and unsubstantiated recommendations. The reasons are:

- The report does not provide adequate details regarding the exact location, size and distance between important structures such as the large shed and 50 x 35m external dog runs. It does not provide adequate details of the relationship between individual residences and the shed dogs and/or the external (open) kennels when referencing sound recordings, whichever is the closest. This information is critical.
- The report ought to contain a more detailed scaled map of the location, sheds, yards and neighbouring residences, GPS coordinates of recording locations, including changes in topography and relevant climatic factors such as prevailing wind direction. There was also no reference to the location of the additional 2 isolation kennels which would also have an influence on noise levels.
- The report did not provide any computer generated imagery or modelling which would be expected for this type of assessment. Rather the report presents confusing summaries of data and calculations and used interchangeable noise variation levels and criterion throughout.
- The report does not specify the number of dogs present at which location during the monitoring events. This would have a significant bearing on the projection and audibility of the dogs in relation to the individual surrounding properties.
- There was for the first 12 months (March 2016 – March 2017) 12 dogs housed within the shed, 13 dogs housed in the external runs and several “pet” greyhounds loose, a total of at least 27 greyhounds.
- Presently there are only 12 dogs housed within the shed and ~6 dogs housed in the external runs (~18 greyhounds), with these residing in the upper 6 runs and the furthest from the environmental noise logger. Some residences are closest to the shed while others are closest to the external runs. Please refer to Map 1 attached.
- The assessment largely focused on the “barking” noise generated from the external runs which presently only house 6 dogs. There is the capacity to house up to 30 dogs in these external runs.
- The report has made reference ONLY to the “barking” of dogs. Much of the noise being generated from this facility is the high pitched howling sessions of all the greyhounds at once including the

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shed dogs which may extend from 20 seconds to several minutes at any given time. These howling sessions may be as frequent as every 3 - 10 minutes over several hours especially when the owners are not home. This is in addition to frequent barking.

- They have indicated that the shed doors are usually closed at night. In our experience both of the roller doors at each end of the shed are usually completely open during the day and night, except in the colder months or raining weather. The noise emanating from the shed when the doors are open is probably amplified by the shed.
- In the very recent past (winter), they have been half closing the southern shed door and have closed the southern facing roller door during the racing of the dogs along the slipping track. The northern roller door remains open on most days. For much of the time during 9 – 20th May, we noted that the southern shed door was mostly closed or partially closed.
- The monitoring loggers were essentially unmanned, therefore how can they make the assumption about increased noise due to traffic. Our experience shows (including diary entries) that the greyhounds nearly always have multiple howling sessions during the early morning and afternoon. This is a small rural road and traffic flow is low even during the busiest times of day. The increased noise levels are more likely to be associated with the noise generated from the greyhounds, with occasional road noise or when planes fly over (refer Figure 1 attached).
- The slip track and overnight noise assessment was undertaken over one 24 hour period including two nights under controlled conditions. Therefore the accuracy and reliability of the results is questionable as they are unlikely to be a true representation of “normal” activities and conditions.
- The report places little emphasis on the Environmental Monitoring logger data, which includes a full six day cycle of noise in the local area, including the frequency and noise levels generating from the greyhound facility, despite its location 150m away. These data would provide a much more reliable source of information.

Environmental Monitoring

- The report indicates that the location of the environmental noise logger was situated at the same distance from the Mandurama Neville Road (~140m) as the house Res 2. This is incorrect as the noise logger was placed at the same distance to the old cottage at Res 2. The new house is ~200m from the road therefore the new house at Res 2 is subjected to a higher level of noise generated from the greyhounds as recorded by the Environmental logger. Refer map 2.
- The environmental noise logger was located ~150m from the middle of the external dog runs. No dogs were present in the lower (southern) runs at the time of monitoring.
- The Environmental Noise Monitoring (Table 5) indicates that our average background noise levels are very low. All of these averages were below L_{A90} 30dB (recommended night time threshold) 100% of the time, with night levels being as low as 17dB despite the noise from the greyhounds being included in these background averages.
- Instead of using these data recorded from our particular environment, they have chosen to use the much higher recorded background level of 30dB (Table 5).
- The report states the monitoring was undertaken 9th - 16th which is only seven days when the report stipulates there was eleven days of data. Data presented within the report commences from ~6.30pm Tuesday 9th May and concludes at ~3pm on Tuesday 16th (Appendix A) which is a period of seven days. The remaining four days of data ought to be provided.
- The report refers to eleven days of monitoring data, but only presents seven days of information. We can clarify that the monitoring logger was still in situ on the 20th May. Our diary entries indicate that there was significant noise during the period 17th – 20th of May.
- The report indicated there were three rainfall events, however only two were shown. Data recorded during these “rain conditions” were excluded thus leaving only 6 days of data as presented within Table 5 and Appendix A.

- In addition we have no record or recollection of receiving any rain during the monitoring period. According to the Bureau of Meteorology (BoM) no rainfall was recorded in Mandurama during the 8 – 16th May. The next rainfall recorded in Mandurama was 20th May with 11.4mm. Acoustik did not provide weather data within the report. Therefore the report provides potentially misleading information in relation to the effects of weather and noise generation by the greyhound facility and has excluded important monitoring data.
- On review of the data from the environmental noise logger (Appendix A) the L_{Amax} levels frequently far exceed the background levels provided in the report. These also exceeded the highest of the local background levels, which was 41dB during the daytime periods (Table 5).
- We have been keeping a daily diary of noise events as a result of the howling and or barking by the greyhounds as heard by us from our home and/or property. The entries within the diary strictly coincide with many of the peaks recorded from the noise logger, when we were able to record them. Please refer to Figure 1 showing these peaks as a result of noise from the greyhounds.
- Thus the noise generated from the greyhounds is often significantly higher than background levels throughout the day, evening and night and this is verified from the actual data from the environmental noise logger and diary events (see Figure 1 attached).
- The report does not make any reference to this complete six day cycle of data when referring to frequency or loudness of noise (L_{Amax}), compared to background levels despite the fact the greyhounds were 150m away from the logger.
- There are also significant reductions in noise generated from the facility during feeding times which typically occurs 5-6 am and 4-5 pm and this is also demonstrated on the graphs generated by the environmental data logger.
- Barking and howling by these greyhounds also stimulates other dogs in the neighbourhood, including numerous greyhounds located at 27 Somers lane. These increased noises are not acknowledged or accounted for.

Slip track Training measurements

- During a training event, the report stipulates that most of the noise is barking generated from the remaining greyhounds in the open kennels. In reality significant noise is generated by these dogs as well as the remaining dogs within the shed, including barking, howling and yelping.
- Typically the shed door has remained open during training sessions, but in recent times he has respectfully closed the door directly facing our house Res 2 during these sessions, thus slightly lowering the noise. The northern roller door usually remains open. Training sessions do not just occur on Wednesdays and have been undertaken on any day of the week.
- While the racing dogs generate little noise, the erratic blowing of a whistle at the end of the track to encourage the dogs to run is also very noisy. This was not mentioned in the report.
- The training sessions can occur several times a week. It is usual to have three passes during one training session, and should not be viewed as a "worst case scenario".
- The racing of the dogs (3 greyhounds running along out of the blue at 70 km/hr) often scares our livestock with potential for them to suffer self injury as result of this fright. More recently they have come to get used to it, however they should not have to be subjected to this activity in the first place.
- The noise assessment was undertaken during one training event (assume Wednesday 24th) using a hand held logger 50m from the open kennel area. The exact location or GPS coordinates were not provided therefore it is difficult to interpret the results presented as they individually affect individual residences. Usually the greyhounds in the external runs would run up and down their runs barking and yelping, while they stimulate and excite barking and howling from the remaining shed dogs and other dogs in the neighbourhood.
- The distances to the individual residences used in the calculations in Table 1 and Table 3 do not correspond to the nearest greyhound location. Distance is a critical factor used in calculating noise

levels, thus these calculations are not an accurate reflection of the noise impacts to the individual residences. As a general rule, the sound will decrease by 6 dB with a doubling of distance (<http://www.epa.nsw.gov.au/noise/applicnotesindustrnoise.htm>).

- There is no shielding at Lot 140 as stated in Table 1 and Table 3, with a direct line of sight from the greyhound shed and the top few external runs. The proposed new house site will be situated ~230m from the greyhound shed and not 245m as used in the calculations, thus the calculations are not accurate.
- The calculations provided in Table 1 and Table 3 must acknowledge the lack of shielding at Lot 140. This requires the addition of 5dB to the noise levels provided, such that the L_{AMax} increases to 52dB. This property may also be subjected to effects of temperature inversions, such that at times dB L_{AMax} would increase by 3dB and up to 55dB. Subsequently Lot 140 is also going to suffer significant noise impacts generated from the greyhound facility.
- For Lot 140 they have also produced very low L_{Aeq} and L_{AMax} compared to all other residences (Table 1). Despite the inclusion of the shielding factor (-5 dB) and that the residence is twice as close as Res 4/5 and Res 6/7, Lot 140 had similar noise levels (Table 1) as Res 4/5 and Res 6/7.
- The calculations do not take into account tonality and pitch. The *Interim Construction Noise Guideline* (DECC 2009) and the *NSW Industrial Noise Policy* (EPA 2000) suggest that an extra 5 dB can be added to the noise level to account for the increased annoyance of tonal noise. When measuring noise levels, noise tones can be defined quantitatively.
- Table 1(a) below indicates the sound levels recorded at each of the residences during slip track training after the appropriate corrections have been applied. The same corrections should be applied to all sound levels calculations for each of the individual residences.

They have been calculated using the following equation:

<http://www.epa.nsw.gov.au/noise/applicnotesindustrnoise.htm>.

$$SPL_x = SPL_y - 20 \log(dx/dy)$$

where:

SPL_x = SPL at x from the source in metres (predicted)
 SPL_y = SPL at y from the source in metres (measured)
 dx = distance in metres to location x from the source
 dy = distance in metres to location y from the source

- The resultant L_{Aeq} and L_{AMax} calculations are much higher than provided by Acoustik at all residences. At Res 2 the L_{AMax} increased from 53 to 60 dB. At Lot 140 L_{AMax} increased from 47 to 59 dB.

Table 1 (a). Sounds levels recorded at each of the residences after corrections have been applied.

Location	@SLM	Res 1 Lot 146	Res 2 Lot 136	Res 3 Lot 138	Proposed Lot 140	Res 4/5	Res 6/7
Corrected nearest distance to source (Map 1 attached)	50	135	200	205	230	500	430
Less 30 m from residence factor	50	105	170	175	200	470	400
Shielding (-5dB)	NA	-5	NO	-5	NO	NO	NO
Corrected L_{Aeq}	48	42 (37)	37	41 (36)	36	29	30
Total L_{Aeq} (+ 5dB Tonality)	52	42	52	41	41	31	35
Corrected L_{AMax}	66	59 (54)	55	55 (50)	54	47	48
Total L_{Aeq} (+ 5dB Tonality)	71	59	60	55	59	52	53
Acoustik (L_{AMax})	66	51	53	47	47	46	47

- The slip track directly adjoins our boundary, with the external dog runs being approximately only 20m from our fence line. Our usual outdoor activities usually concur with the walking and training of the greyhounds. They do not cease their activities as stated and often we have to put up with this noise as well as frequent verbal abuse and profanities by the greyhounds owners. Typically we try to avoid this part of our property especially at certain times of the day. Noise data generated throughout period of outdoor activity is also significant, but has not been interrogated. The Environmental monitoring data can verify this.
- Table 1 provides a summary of data obtained (from one training session using a hand held device?). They recorded 73dB during a training pass and have calculated a L_{AMax} of 53 dB at Res 2. Data recorded using my own hand device has recorded twice L_{AMax} of 98 dB (L_{Aeq} 73 dB) at our rose garden during a similar training event at 1634 -1638 hrs on 17th May. Evidence of this can be produced upon request. Thus there is insufficient evidence to confidently support their claims.
- The report did not provide all of the data obtained (even in an Appendix) subsequently we have to rely on the provision of the summarised / calculated material provided in Table 1.
- The L_{AMax} calculation for all eight neighbouring properties far exceed the background levels recorded in this report as well as the designated 30dB threshold (Table 5). Despite this fact, the report has disregarded the noise impacts to the surrounding properties as a result of this greyhound facility.

Overnight recorded levels

- These overnight recordings were taken from afternoon 24th May to morning 26th May which essentially equates to one full 24 hour period of monitoring and two nights. It was situated 50m from the centre of the greyhound housing.
- The report did not provide all of the data obtained (even in an Appendix) subsequently we have to rely on the provision of the summarised / calculated material provided in Table 2. The correct distance of individual residences to the nearest noise source and shielding factors have not been correctly utilised in the calculations (Table 3).
- In Table 3, Lot 140 had a very low L_{Aeq} of 19 DB, compared to Res 4/5 and Res 6/7 which had levels of 24 dB and 25 dB respectfully, despite being twice as close to the noise source. This suggests there has been a miscalculation or error of some kind.
- The data in Table 2 indicates that there is significant noise as a result of barking (and howling, yelping) of the greyhounds with these exceeding L_{Aeq} 40dB at least 16 times during the evening and night on 25th May. These are far in excess of L_{Aeq} of ~30dB which is our night time background readings (Table 5).
- The report has specified that 66dB L_{AMax} was recorded during the training session and therefore this is a consistent maximum level. With 61 – 71 dB being recorded at least 16 times during one evening and night how is this considered acceptable? The noise levels provided have not taken into account correct distances, shielding or tonality adjustments such as those in Table 1 (previous page).
- They have calculated a L_{AMax} of 53 dB at Res 2 with this also far exceeding our night time background readings. The recordings were undertaken over only two nights. No actual recordings were taken from Res 2.
- These recordings did not take into account the pitch or tonality of the group of greyhounds howling all at once. The most significant noise is generated by the pack of 20 greyhounds howling (previously 30) at any time of the day, but especially at night when background levels are low. The howling generates a very high and deafening pitch with these sessions occurring intermittently and irregularly, thus the noise is not constant. Constant exposure such as what we have been exposed to for over 15 months can be likened to a form of torture.
- The *Interim Construction Noise Guideline* (DECC 2009) and the *NSW Industrial Noise Policy* (EPA 2000) suggest that an extra 5 dB can be added to the noise level to account for the increased annoyance of tonal noise. When measuring noise levels, noise tones can be defined quantitatively.

- Table 2(a) indicates the average sound levels recorded at each of the residences during two overnight recordings on after the appropriate corrections have been applied. The same corrections should be applied to all sound levels calculations for each of the individual residences.
- The resultant L_{Aeq} and L_{Amax} calculations are much higher than provided by Acoustik at all residences. At Res2 the L_{Amax} increased from 53 to 60 dB. At Lot 140 L_{Amax} increased from 47 to 59 dB.

Table 2(a). Overnight sound levels recorded at each of the residences after corrections have been applied.

Location	@SLM	Res 1 Lot 146	Res 2 Lot 136	Res 3 Lot 138	Proposed Lot 140	Res 4/5	Res 6/7
Corrected nearest distance to source (Map 1 attached)	50	135	200	205	230	500	430
Less 30 m from residence factor	50	105	170	175	200	470	400
Shielding (-5dB)	NA	-5	NO	-5	NO	NO	NO
Corrected L_{Aeq}	44	38 (33)	33	33 (28)	32	25	26
Total L_{Aeq} (+ 5dB Tonality)	49	38	38	33	37	30	31
Corrected L_{Amax}	66	60 (55)	55	55 (50)	54	47	48
Total L_{Max} (+ 5dB Tonality)	71	60	60	55	59	52	53
Acoustik (L_{Amax})	66	51	53	47	47	46	47

- The Environmental Monitoring data, recorded over six days, evenings and nights indicates there is frequent noise that exceeds L_{Aeq} 40dB as a result of the greyhounds. Our daily diary entries and multiple digital recordings can also provide further supporting evidence of the frequency of noise generated by the greyhound facility and can be produced upon request.
- The report again did not provide the complete data set relating to the duration of barking. The report indicates that barking occurred up to 15% of the time over one evening and up to 11% over the night (Table 4). They state that loud barking (>52dB at Res 2) only occurred for 4% of the evening and 3% in the night. They state that loud barking at 3% of the night equates to a total of 15 minutes.
- We point out that this 15 minutes (3%) of loud noise (>52 dB at Res 2) the sum of the intermittent noise is spread out over the duration of one night and this does not include the other 7% exceeding 45dB which would equate to an additional 38 minutes of noise. The recordings show that were a total of 16 occurrences of noise exceeding L_{Aeq} of 40dB recorded within one evening and night on 25th May (Table 2). Of these ten were above 52 dB and loud enough to cause awakenings, without appropriate corrections being applied.
- These types of noise monitoring assessments or analysis were not undertaken for daytime effects of the greyhound facility. Our daily diary entries and multiple digital recordings can also provide further supporting evidence of the frequency of noise generated by the greyhound facility and can be produced upon request
- The impacts of the greyhounds on domestic livestock such as their presence, aggression, noise and activities associated with their day to day management are largely unquantifiable. We have noted however that livestock and domestic animals (and us) prefer to avoid the area near them, especially at the external yards and racing track. Our small dog will not go near them. The effects of the noise generated from the greyhounds must have an impact on their quality of life. We also cannot enjoy our hobby block lifestyle or utilise our property as we did prior to the development of the greyhound facility.

Noise guidelines

NSW EPA Industrial Noise Policy (INP)

- The noise guidelines for assessing industrial noise are provided in EPA INP guidelines. These have been used in this report as noise thresholds, rather than using background noise levels as a threshold.
- We point out that we are NOT situated in an urban environment or industrial area nor are the noises generated by the greyhounds similar to any way shape or form to those found in an urban or industrial environment. In addition we have very low background levels thus the use of these Industrial noise criterion are not rational or realistic.
- The recommended EPA guidelines for night noise levels L_{Aeq} are 40 – 45 dB. This report by Acoustik specifies (pg 10 para 2) that “average L_{Aeq} levels do not provide an adequate description for the assessment of sleep arousal and that the INP does not provide any assessment methods.
- The EPA guidelines related to Sleep disturbance recognise that the current sleep disturbance criterion of an L_{A1} (1 minute) not exceeding L_{A90} by 15 dB is not ideal but can be used a guide.
- They go on to say that a detailed analysis should include the maximum noise levels where they exceed the background level and the number of times this occurs during the night time period (<http://www.epa.nsw.gov.au/noise/applicnotesindustnoise.htm>). The EPA will accept analysis based on either L_{A1} (1 minute) or L_{Amax} .
- The guideline specifies that in the case where the noise contains annoying characteristics such as prominent tonal components, impulsiveness, intermittency and irregularity adjustments are to be applied. The *Interim Construction Noise Guideline* (DECC 2009) and the *NSW Industrial Noise Policy* (EPA 2000) suggests that an extra 5 dB can be added to the noise level to account for the increased annoyance of tonal noise. When measuring noise levels, noise tones can be defined quantitatively.
- The Environmental monitoring logger data could have been used as a detailed analyses and prominent tonal components, impulsiveness, intermittency and irregularity adjustments should have been applied.

World Health Organisation (http://www.euro.who.int/__data/assets/pdf_file/0017/43316/E92845.pdf)

- The World Health Organisation (WHO) night noise guidelines indicate that levels below 30dB has no effects on sleep, however harmful effects are observed at the level above 40 dB _{night,outside} with adverse health effects such as sleep disturbance, environmental insomnia, impaired cognitive function, hypertension and increased use of somnifacient drugs and sedatives.
- Above 55 Db, depression, cardiovascular effects and physic disorders become a major health concern (WHO 2009).
- Sleeping with a window open increases the levels of noise experienced, and most people close their windows reluctantly however this increases bad air and sleep disturbance remains high (WHO guidelines for community noise 1999).
- In addition, if the noise is not continuous, sleep disturbance correlates best with L_{Amax} and effects have been observed at 45dB. This is particularly true if background levels are low. Therefore it is recommended that people should not be exposed to night noise levels greater than 40 db (WHO 2009) and noise events exceeding 45 dB should be avoided (WHO 1999).

Road Noise Policy

- Based on Road Noise Policy this report states that “one or two *internal* noise events 65 – 70dB per night are not likely to affect health and well being” and that “Max internal noise levels below 50 – 55dB are unlikely to cause awakenings”. These two statements contradict WHO, NSW EPA INP guidelines and do not account for the irregularity, intermittency and pitch of the noise.

- *This report concludes that maximum internal bedroom room noise levels (10 – 7am) should not exceed 55dB $L_{A_{Max}}$ internally with the exception of one or two occurrences at night up to 60 dB.*
- We point out we are *not* located near busy roads or highways and we have very low background levels. The use of this Road Noise criterion is not rational or realistic.
- These recommendations do not allow for the opening of large open sliding doors or windows (NSW Road Noise Policy (RNP 2011; Table 7 pg 17) as exist in Res 2 or the high pitch and irregularity of the noises which should be included in the noise assessment;
- We used to be able to live and sleep comfortably with open doors and windows despite barking from other neighbourhood dogs, prior to the establishment of this greyhound facility.
- The assessment has not made any provision for the resident's use of "open space" (ie the whole property). The RNP indicates that noise level should be assessed at the time and location regularly attended by the people using the space (NSW Road Noise Policy (RNP 2011; Table 7 pg 17)).
- We have been forced to reduce and alter our outdoor (and indoor) activities since the establishment of this greyhound facility. The noise generated from this greyhound facility is experienced across significant areas within the Somers locality. The daily impact associated with facility have not been adequately explored or addressed in this report.

Meteorological factors

- According to calculations derived from INP Table C1; note 1 (pg 73) and table D1 (INP pg 77) the proposed house at Lot 140 would have an increase noise level of 3 dB and could be affected by temperature inversions. The meteorological effects on noise at this location would require further investigation.

Noise Control Guidelines (Victoria)

In NSW there are no criteria or specific guidelines relating to the keeping of dogs in kennels. GRNSW has some criteria however in many cases these guidelines are not followed at the greyhound facility at 73 Somers Lane (refer to Johnston submission against DA 55/2016 9th June 2016).

Noise control guidelines in Victoria (Pg 4 <http://www.epa.vic.gov.au/~media/publications/1254.pdf>) have however provided some practical guidelines to the keeping of dog kennels. These guidelines are referenced in the NSW EPA guidelines relating to dog kennels (Part 1:19 <http://www.epa.nsw.gov.au/resources/noise/20130127NGLG.pdf>) and could also be applied to the keeping of greyhounds.

The following criteria for dog kennels have therefore been assembled to limit both the physical stimuli to the dogs and the outbreak of noise from the kennels.

- The kennels should be located at least 500 metres from residential areas.
- Some fully enclosed or acoustically baffled kennels should be available to house particularly noisy animals, at a ratio of 1:15.
- Electronic masking noise devices should be provided to reduce audible stimuli to the dogs.
- Kennels should be constructed to visually screen stimuli such as other dogs, animals, traffic or passers-by.
- Access to kennels should be restricted solely to staff.
- Feeding of dogs may only be performed between the daytime hours of 7 am – 6 pm.
- Exercise of the dogs may only be performed between the hours of 9 am and 5 pm.
- A responsible person must be available on site 24 hours per day.

- Kennels should be constructed of such a material so as to provide an appropriate reduction in the emission of noise. Materials such as masonry and cement sheeting would provide a suitable structural basis.
- The kennels should be positioned so as to utilise the ability of the topography to reduce noise.

Analysis

It has been suggested by Acoustik that the predicted noise levels will comply with "project noise criteria" for night and evening's time that they have adapted from the Road Noise Policy. The noise levels would certainly not comply with local background levels, especially if the assessment was done **before** the greyhound facility was constructed. In addition, these calculations did not take into account the distances to the individual residences to the nearest noise source, or account for the pitch or tonality of the group of greyhounds.

The corrected L_{Aeq} and L_{Amax} calculations during the slip track training are much higher than provided by Acoustik at all residences. At Res 2 the L_{Amax} increased from 53 to 60 dB. At Lot 140 L_{Amax} increased from 47 to 59 dB (refer Table 1a).

The resultant overnight L_{Aeq} and L_{Amax} calculations are much higher than provided by Acoustik at all residences. At Res2 the L_{Amax} increased from 53 to 60 dB. At Lot 140 L_{Amax} increased from 47 to 59 dB (refer Table 2a).

The report indicates that barking occurred up to 15% of the time over one evening and up to 11% over the night (25th May). They state that loud barking (>52dB at Res 2) only occurred for 4% of the evening and 3% in the night. They state that loud barking at 3% of the night equates to a total of 15 minutes.

We point out that this 15 minutes (3%) of loud noise (>52 dB at Res 2) is the sum of the intermittent noise is spread out over the duration of one night and this does not include the other 7% exceeding 45dB which would equate to an additional intermittent 38 minutes of noise. The recordings show that there were a total of 16 occurrences of noise exceeding L_{Aeq} of 40dB recorded within one evening and night on 25th May. Of these ten were above 52 dB and loud enough to cause awakenings, without appropriate corrections being applied.

The report places little emphasis on the Environmental Monitoring logger data, which includes a full six day cycle of noise in the local area, including the frequency and noise levels generating from the greyhound facility. Noise data generated throughout periods of our outdoor activity is also significant, but no data has been interrogated. Our daily diary entries and multiple digital recordings can provide further supporting evidence of the frequency of noise generated by the greyhound facility.

The enclosed shed is partially effective in reducing some noise generated from within the shed itself providing both roller doors are closed. Typically this is not the case. They have indicated some intention to sound proof the shed (refer DA), however this would also only be partially effective if both roller doors are closed. The construction of a second enclosed shed is not likely to resolve the issues associated with this particular greyhound facility. The facility has been constructed in the middle of a residential area with eight dwellings (including one proposed dwelling) occurring within 500m of this facility (Table 1) and is clearly a conflicting land use.

Conclusion

The noise made by the greyhounds at this greyhound facility are unacceptable and at times intolerable and are created by the barking and howling of 20 and up to 30 (and potentially more) greyhounds which have

been housed within this unauthorised facility since March 2016. The greyhounds respond to a variety of stimulus including other dogs, foxes, planes, horses, sheep, thunder, birds as well as eminent boredom and discomfort as well as us. There is no evidence that any "shade cloth" is likely to reduce the level of noise emanating from this facility (see original DA). The greyhounds also respond aggressively to sound.

The report provides misleading, confusing and erroneous information. There are numerous deficiencies in the report, as stated above, and the report contains contradictory and unsupported assumptions and conclusions, with what appears to be, a bias to the interests of the applicant's (who commissioned and paid for the report).

The report does not provide adequate details regarding the exact location, size and distance between important structures such as the large shed and 50 x 35m external dog runs. It does not provide adequate details of the relationship between individual residences and the shed dogs and/or the external (open) kennels when referencing sound recordings, whichever if the closest. The report ought to contain a more detailed scaled map of the location, sheds, yards and neighbouring residences, GPS coordinates of recording locations, including changes in topography and relevant climatic factors such as prevailing wind direction and computer generated modelling.

The report fails to present the numbers and locations of the greyhounds, or the maximum number of greyhounds the applicants intends to keep at the facility. The increase in greyhound numbers is also going to increase the levels of noise generated from the area. The actual time they have used recording the greyhounds occurred over only two days, including one training session. The environmental monitoring data occurred for seven days with the L_{AMax} recording frequently far exceeding acceptable levels of 30dB. Our diary entries can verify these peaks are the result of noise generated from the greyhounds when we were able to record them.

The report has made reference ONLY to the "barking" of the greyhounds. Much of the noise being generated from this facility is the high pitched howling sessions of all the greyhounds at once including the shed dogs which may extend from 20 seconds to several minutes at any given time. These howling sessions may be as frequent as every 3 - 10 minutes over several hours.

All residents according to Table 1 and Table 3 have a L_{AMax} that far exceeded noise guidelines and local background levels, even before corrections were applied. All residences therefore are affected by the noise generated by this greyhound facility.

This report "concludes that maximum internal bedroom room noise levels (10 – 7am) should not exceed 55dB L_{AMax} internally with the exception of one or two occurrences at night up to 60 dB".

We are confident that you would not accept this as in any way reasonable or otherwise acceptable.

The World Health Organisation (WHO) night noise guidelines indicate that harmful effects are observed at noise levels above 40 dB _{night,outside} with adverse health effects such as sleep disturbance, environmental insomnia, impaired cognitive function, hypertension and increased use of somnifacient drugs and sedatives. Above 55 Db, depression, cardiovascular effects and physic disorders become a major health concern

We request that BSC do not accept this noise assessment or conclusions and recommendations based on the reasons as presented above.

Other matters of concern relating DA 55/2016

The Blayney Council refused Development Application 55/2016 for an animal breeding, keeping and training facility at Lot 144 DP 750408, 73 Somers Lane, Mandurama, for the following reasons:

1. Additional information, being an adequate noise assessment prepared by a suitably qualified person and geotechnical report have not been supplied as requested in accordance with clause 54 of the Environmental Planning and Assessment Regulation 2000,
2. An adequate noise assessment and geotechnical report has not been provided to;
 - a. Support the development.
 - b. Enable proper consideration of the compatibility of the development with the existing rural residential landuse pattern,
 - c. Confirm landuse conflict will not be created from the development,
 - d. Confirm the site is suitable for the development,
 - e. Enable proper consideration of the development and its impact upon the natural and built environment,
 - f. Address issues detailed in submissions made against the development

The Order was served on 27th April 2017. The date for final compliance was 4:30pm 21st June 2017 (as stated in the December Council report and also consistent with the legal appeal rights and review options available to the applicant). Mark Dicker confirmed a review of the determination under section 82A was lodged by the applicants on 21st June 2017 (email 22nd June 2017). The applicants submitted a noise assessment (as per the review above) with their "Review of a Development Application" form.

However we would like to point out several other matters of concern.

1: Mr Keith Selton failed to sign the "Owners Consent" section within the Review of Development. The document states that each of the owners **must** sign the Owners Consent. Because both owners have not signed the Review document by the end of the right of appeal date (4.30pm 21st June), then the Review should be deemed invalid.

2: The applicants failed to produce a geotechnical report and on site effluent management report by 4.30pm June 21st. Rather, "Certification that the existing effluent system is not failing has been supplied by a licensed plumber as part of the review application and that an estimated 20L of effluent would be generated from the kennels shed." (Mark Dicker email 5th July).

As previous owners of 73 Somers Lane we can clarify that when we sold the property (Nov 2015):

- Only the toilet waste from the household passes through this existing septic system.
- All grey water (shower, kitchen or laundry) by-passes the septic system and drains directly into the paddock through various drain pipes.
- There are no absorption trenches. There is only a small rubble drain which drains directly out into the paddock.

We would also query the amount of water used for the greyhound facility each day. 20l of water to wash out and disinfect 12 greyhound kennels, food bowls and preparation area each day does not sound adequate. We are most certain that amount of water used would be significantly greater than this.

Therefore unless this septic has been upgraded it is most likely not adequate to cope with all household water (as it should under council effluent management policies), as well as the additional effluent generated by the greyhound facility.

3. The report also indicates that two additional isolation kennels are to be/have been constructed. These have not been included within DA55/2016.

Failure to produce critical documents as requested by Council on numerous occasions, including the Right of Appeal date, should deem this review of Determination of DA 55/2106 invalid for multiple reasons as pointed out above.

We also request that BSC make a decision on the suitability of this development in the small rural residential area of Somers based on actual and factual information, good reason and common sense, including recognising that a land use such as this greyhound facility would not be permissible if our area had been correctly zoned as Large Lot Residential. This greyhound facility clearly is a conflicting land use and is having a significant impact on this once peaceful and quiet rural residential area.

Yours sincerely,



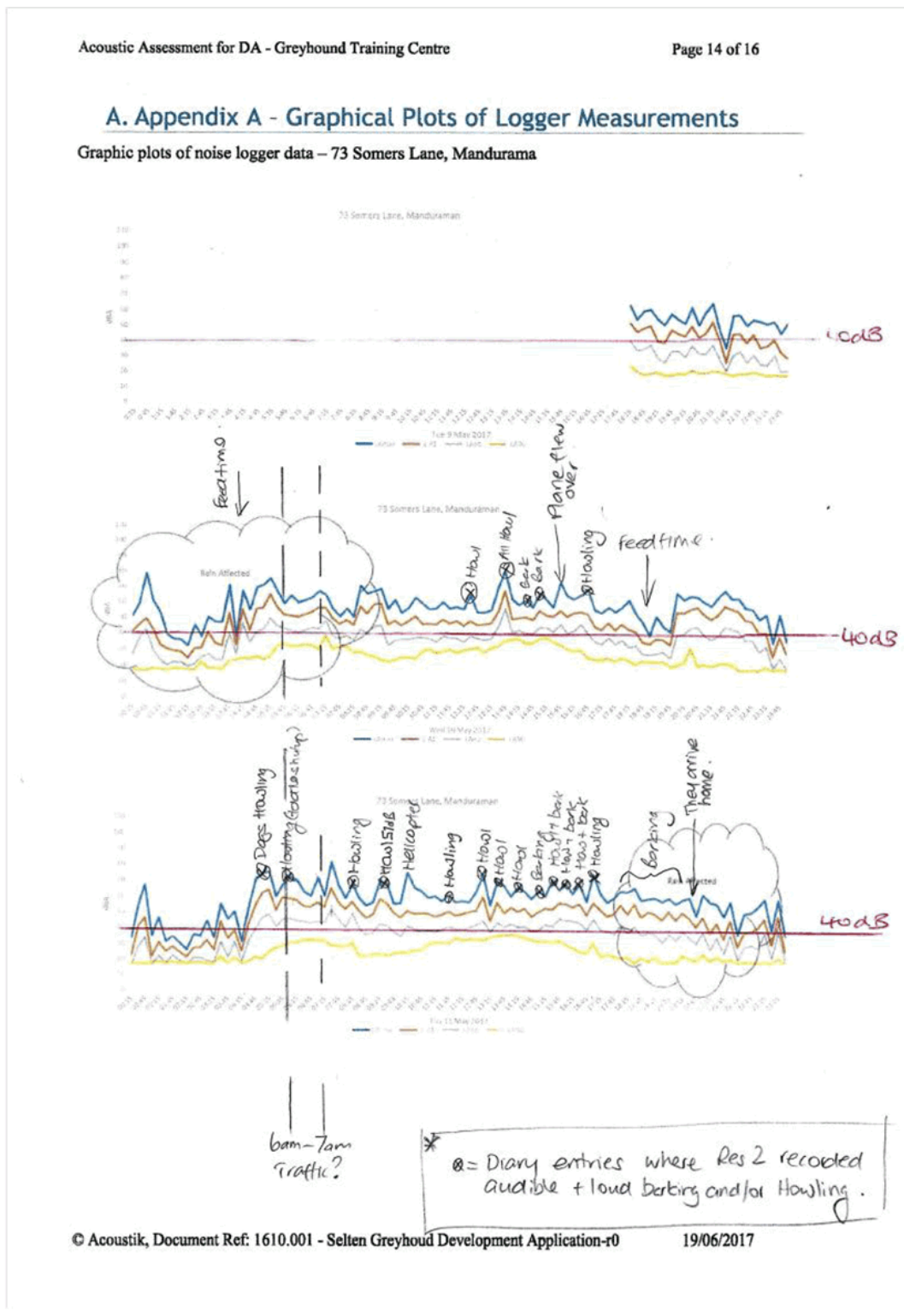
Map 1: Distances of the individual residences to the nearest greyhound locations.



Map 2: Difference in distances from the road to the environmental logger and Res 2. Res 2 is further from the road and therefore closer to the external greyhounds than suggested.

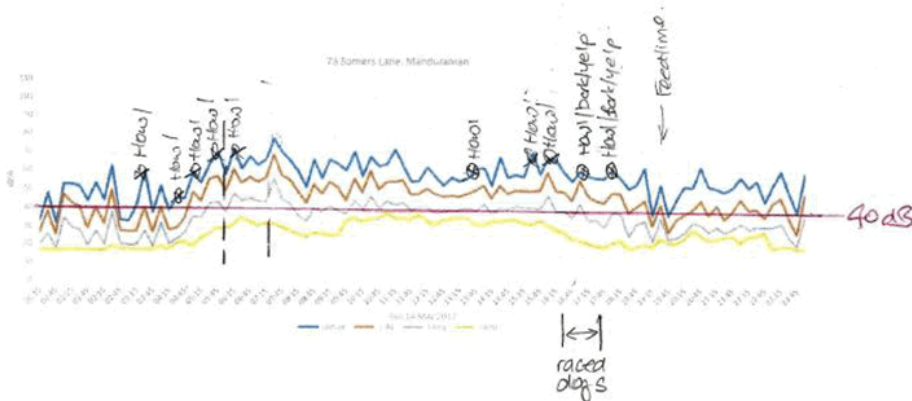
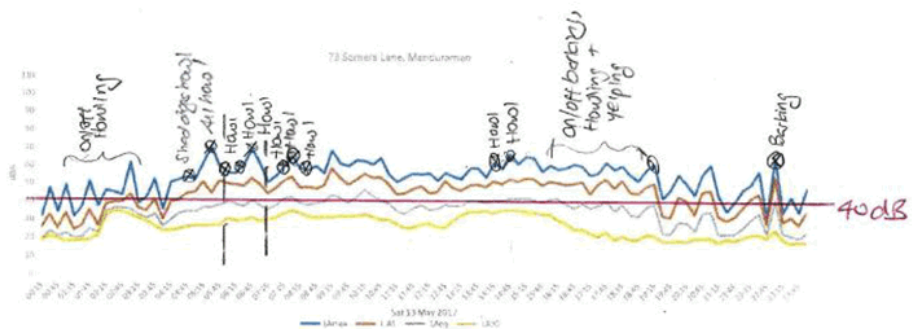


Figure 1. Environmental data logger graphs indicating the relationship between peak noise and the coincidence with Johnston's (Res 2) diary events as a result of noise generated by the greyhound facility.

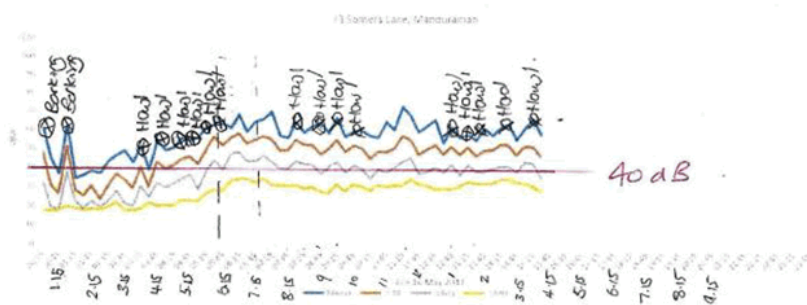
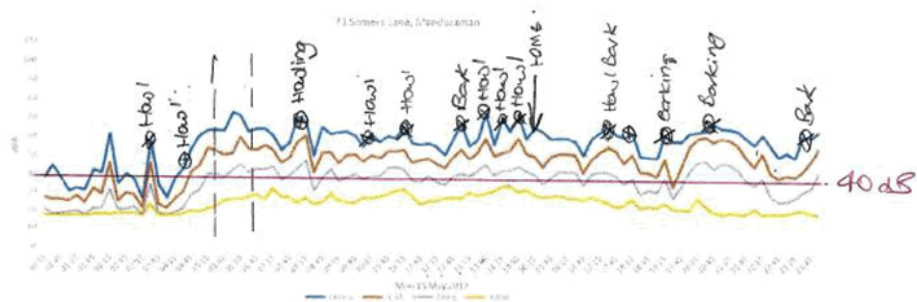


Acoustic Assessment for DA - Greyhound Training Centre

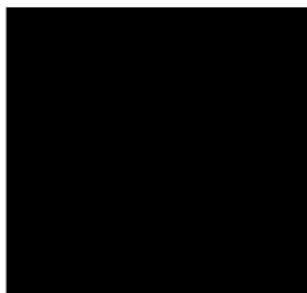
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Gam Tam traffic?



6-7
Traffic?



9th June 2016

Attn: Patsy Moppett
Senior Town Planner
Blayney Shire Council
91 Adelaide Street,
Blayney NSW 2799

Dear Patsy,

Re: Submission concerning DA NO: 55/2016

This submission is in regards to A Funnell's development of a Greyhound facility at Lot 144 DP750408 – 73 Somers Lane Mandurama. We wish to express our **strong objection** to this development based on the following:

1. The most serious and significant objection is in relation to the intolerable noise created by 25 + greyhounds. These greyhound facilities have been constructed for three months now and without prior Council approval. They are situated on top of a hill with the external dog runs being situated on the downward east facing slope and within ~20m of our property as indicated in their proposal. The exercise yard (training track) directly adjoins and extends most of our common boundary. The noise from the dogs housed within the iron shed echoes and is significantly amplified, while noise from the 13 dogs in the external runs is directed straight towards our property and towards our house. These dogs are kept permanently in the external runs. These external dogs runs are within 20m of our boundary and 193m from our house.
2. Over the past three months our privilege and right to enjoy the quiet rural lifestyle has been taken away as the pack of 25+ greyhounds continue to bark, whine, yelp and howl on and off throughout the day and night seven days a week and completely dominate the aural amenity of this once peaceful rural area.
3. Barking and howling for extended periods is usually experienced through the night and early morning. For a brief period of time (mid – late morning) the dogs may rest. This however is usually short lived with prolonged and distressed yelps and piercing shrills often occurring throughout most of the day especially from the shed dogs. Some days the group howling can occur for several minutes, every ten minutes for up to an hour or more. In the afternoon, there is again extended periods of barking and howling even when the owners come home. The noise usually lessens when the shed dogs are being tended to, but the external dogs become very excited and continue to make a loud racket. The night and evening is usually filled with barking, howling and yelping. It then starts all over again.
4. We once enjoyed the outdoors including gardening, tending to the animals, walking through the tree lines we planted in 2001, watching the birds, listening to the frogs and generally listening to the sounds of nature associated with the country atmosphere. We now cannot relax and walk freely around our property without intensive and intrusive barking and howling from the greyhounds, especially along the adjoining paddocks and tree line as this seems to aggravate the dogs.
5. We have been forced to shut all doors and windows especially at night and despite having double glazing the noise from the dogs has resulted in us suffering from intense anxiety and sleep deprivation which is having a major influence on our health and wellbeing. We have resorted to sleeping in our back room but the dogs can still be heard. We are starting to feel like prisoners in

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our own home and there is no place on our whole property including our back block (Lot 140) that is free from the noise of these dogs.

6. Our new house is a passive solar design and relies on convection currents and cross breezes in the warmer months to assist with the cooling of our home. This requires the opening of windows and doors. It has also been designed to take advantage of the northerly aspects to heat our home during the cooler months, thus our kitchen, living areas and master bedroom face due north. The deck also faces north to take advantage of the views. This therefore puts our main living, entertaining and sleeping space in direct line of the greyhound facility. Due to the noise of the dogs we have presently been restricted to keeping all doors and windows shut and refrained from relaxing and entertaining outdoors. In summer we will be forced to use the air conditioning system and therefore use more power.
7. While we are zoned (RU1) Primary Production this does not adequately reflect the purpose or land uses occurring in these small lifestyle blocks. They are small parcels of land (11 – 20 acres) with the houses being in close proximity to each other. Our blocks realistically should be rezoned with similar development restrictions as the "Rural small holdings along Forest Reefs Road (west of Cowriga Creek) and Browns Creek Road" as indicated in the Blayney LEP 2012.
8. At Somers most of us have been enjoying having a couple of domestic pet dogs, chickens, a couple of horses, some sheep or cattle to graze the pastures and often the kids enjoy riding their motorbikes. Instead this greyhound facility involves the intensive keeping and controlled enclosure of a large pack of 25+ greyhounds situated in the middle of this small "rural locality". We feel that the greyhound facility is very much a conflicting land use that is already having a negative impact and has destroyed the country atmosphere of this lovely semi rural area.

In addition we are also concerned about the dishonesty of the applicants and major errors and omissions within their Development Application. These concerns have been expressed and correlate to their DA as they occur and include:

Financial Implications

We were told by Mr Selton that they will be training and boarding dogs for other people, thus implying some financial or personal gain. He also indicated that he hoped to gain significant prize monies from racing the greyhounds.

Kennel and yards design

The applicants have not provided accurate or specific details about the size, design, colour or orientation of the shed and its relationship to all surrounding properties and public roads.

They made mention that:

"There is another tree line yard already constructed, so is not directly adjoining the other property".

This tree line was planted by us on our property "Iona" in 2001. Their "exercise yard" does directly adjoin our property.

The external kennels, as well as the walls of the shed are stark white, do not blend into the landscape and reflect intense light at certain times of the day. All infrastructure associated with these facilities should blend into the landscape to minimise visual impacts, not just the external dog kennels. Why do they have to wait until the warmer weather to paint these?

There is a large pile of cool room insulation panels (used for constructing the external kennels) stacked up around the sheds and/or strewn around site causing additional visual pollution. Several panels are also used

as end blocks for the exercise areas and/or gates. These panels are not secured and have the potential to cause considerable damage during inclement weather events.

The day yards do NOT comply with the standards as set out by Greyhound Racing NSW (GRNSW) <http://www.thedogs.com.au/Uploads/1%20Dec%202015%20-%20Code%20of%20Practice%20-%20Training.pdf>.

- The “day yards” are not used solely for day spelling. There has been up to 13 dogs which have been kept permanently in these enclosures (day and night) since early April.
- The GRNSW Code specified that they require approval from council in relation to any requirements for the keeping of greyhounds or construction of kennels in their local area. These facilities have not been approved by Council.
- The owners appear to work five days a week and do not come home from work until around 5pm. Therefore the dogs often have little adequate exercise time and definitely do not receive the minimum requirements of 30 mins per day according to the GRNSW Code of practice (section 10.2).
- Noise from barking dogs is not being managed according to council regulations (they have no DA) nor the GRNSW code (section 5.9) including:
 - There are two to three dogs per external dog run;
 - Day runs are in parallel without any visual screening or partitioning between dogs;
 - The 12 Shed dogs are walked past the external runs every day and the dogs in the external runs go berserk;
 - The dogs in the external runs are subjected to external stimulus which is likely to enhance the level and duration of barking especially at night.
- The fences of the external dog runs are not buried 0.1m into the ground (section 3.3 GRNSW).
- Urine and faeces are not being removed at least once a day from these day runs (section 7.3)
- There is no power to the new shed therefore the dogs have been subjected to extreme hot temperatures and subjected to extreme cold (section 5.0).
- We have also witnesses first hand a couple of dogs yelping as they were being dragged along the ground for several metres. This occurred at least three times in one “training” event. We suspect these training methods would not be endorsed by GRNSW.

All fences enclosing the greyhounds, including the new 1.8m high external dog runs are not buried therefore there is potential for the dogs to dig beneath the fences. If dogs were to escape or get free during walking/training events there is no ‘secure’ fencing between the shed, walking area and exercise area from adjacent properties and public roads. While these areas are enclosed by existing rural fencing, most of the fences are very old and in need of repair. In their current state they would not be sufficient to retain a stray or frightened greyhound. There is therefore potential for escaped dogs to enter adjacent properties or public roads and cause injury or death to pets and/or livestock.

The dogs are only 20m from our boundary fence and 20m from Mr Jensen’s, therefore on occasions our livestock will be in close proximity to the greyhound facilities. There are very strict conditions in the GRNSW Code of Practice (Section 15.7 – 15.9) relating to the keeping of domestic animals on the same premises where greyhounds are kept. One would assume that these rules and responsibilities would also apply to close and adjoining landholdings. The presence and close proximity of our livestock is also likely to aggravate dogs in the external dog runs and increase the level of noise.

Amenity

The proposed tree planting to provide screens and improve visual amenity are not likely to have any significant effect on the level of noise being experienced. “Pittosporums” only grow to approximately 4 – 5m in height. While Pittosporums are good for hedges and screening they alone would not be sufficient to reduce the noise impacts as they have indicated in the DA. As several houses to the south/southeast of the

facility have a higher topographic elevation, including our house, these proposed tree plantings are also not likely to provide adequate visual screening either.

In addition the tree planting and visual screens of "Pittosporum" will not be effective for several years as they require time to grow. Wooden, lattice and shade cloth screens also can be themselves visually obtrusive, especially if they are not maintained and deteriorate.

Noise

They have stated:

"With this type of development additional noise impacts are a perceived concern. The land is zoned to accommodate this type of landuse and as stated the nearest neighbour is approximately 400m away from the kennels and yard".

The land is zoned RU1 Primary Production which specifies that "Animal boarding or training establishments" are "**Permitted with consent**" (Blayney Local Environment Plan 2012 accessed 16th May 2016). The greyhound facility has been constructed for three months and has not received approval from Blayney Council.

The distances of the training facilities as provided within the Development Application are incorrect and misleading. There are four properties including Jensen, Sherlock Gilliver and Johnston which occur within 300m of the facility. The following is what we have measured from Google Maps Pro and MapInfo. These are:

- Distance from the shed to Sherlock's house: 130m
- Distance from the shed to Jensen potential house site: ~50m
- Distance from shed to Gilliver's house: 209m
- Distance from shed to Johnston house: 285m
- Distance from external dogs runs to Johnston house: 193m
- Distance from external dogs runs to Johnston Boundary: 20m
- Distance from exercise yard to Johnston Boundary: 0m

A map showing the locations and distances of the Greyhound facilities to existing (and one potential house site at Jensen's) has been included with our submission. There are also a further four houses that occur within a 400 – 500m radius of the Greyhound facility (Barnett, Hawkins, ex Morley, and 24 Somers Lane).

"Some dogs we understand are more noisy than others" but that they "attempt to curb their barking via training methods and barking muzzles".

They have on their own admission indicated that the dogs are noisy. In addition over the past few months we have observed that the owners are not home for most of the day and therefore no one is there to know how much barking is going on, and no one is there to tell them or train them not to. The extended use of barking muzzles is prohibited (Section 5.9 GRNSW). We have also observed that attempts to "shut them up" are short lived - there are 25+ dogs. Even when the owners are home we continue to experience intolerable levels of noise.

They have indicated that the dogs are barking because foxes are hanging around the neighbours lambs. Presently there are no young lambs in close proximity to the greyhound facility. We have noted that the dogs are barking all day and all night and are not solely triggered by the presence of foxes which are usually out at night. In addition foxes are a common occurrence in the local area and can be expected all year around. Their attempts to keep foxes off their property to reduce fox induced barking using lighting is likely to be in

vain. The installation of fox lights on their property alone will have little impact on foxes occurring on the neighbouring properties. Fox lights are sold at Greens Mandurama.

There are also a vast range of other triggers such as rabbits, cats, hares, kangaroos, sheep, horses, cows, birds, goats, other dogs and the coming and going of people which cannot be controlled. Their DA has not described any measures intended to be put into place to reduce or manage barking as a result of the range of many other triggers.

Waste Disposal

We have on several accounts experienced (first being 6th May) the strong odour of dog faeces along our boundary fence and tree line which occur in the general vicinity of the external dog runs and down slope from the shed. The strong smell is indicative that solid waste collection has not occurred as frequently as they have indicated or to satisfactory levels.

Presently there is no running water or power to the shed and there has been no indication in the DA that they are intending to put power on. This raises some concerns about the level of comfort, hygiene and sanitation within the shed.

There is also no drainage or septic systems put in place and there has been no indication in the DA that they are intending to install a septic system or internal drainage system. Presently all runoff from the facility is likely to wash down slope and eventually onto our property.

The grassy external dogs runs are rapidly degrading and have become increasingly bare despite their short term residence. The barring of yards and exercise areas does not comply with Section 2.10 or 10.3 GRNSW code of practice. It also increases erosion and dirty runoff onto our property.

Boarding and Training

The applicants have not specified the number of animals they are keeping or intend to keep. They should specify this and there should be a restriction on the number of animals allowed.

Operating hours

While the dogs bark intermittently all day and night they tend to go into a barking/howling frenzy around 4.30am every morning (for around an hour) and ~4.30 pm every day (for at least one hour) in anticipation of their walk and/or meals. Walking them at 5 – 6am seven days a week is not appropriate in a rural residential area and is not fair and just to close and adjacent neighbours. Most activities associated with our agricultural production zoning which are likely to create some level of noise and disturbance (eg. firewood collection, ploughing, livestock movements, shooting etc) are usually limited events and would not occur all day seven days a week, 365 days per year.

It is dark at 5am in the morning however over the past three months we have observed that on average most of the shed dogs are walked on a leash once or twice around the "walking area" in most afternoons. This typically equates to 3 - 7 minutes of walking time. A couple of select dogs will be allowed to race down the 320m "exercise area" usually at dusk on various occasions. The dogs in the external runs do not appear to get walked. There is no power to the shed to operate the walking machine and we have not heard a generator.

Other concerns

We also have a range of other concerns including:

1. Faeces from the external runs has not been regularly removed raising concerns about increased levels of flies (and other diseases, pests and vermin) which are likely to have some impact on our livestock, in particular increased occurrences of Pink eye (we hold cattle over the summer months);
2. High nutrient loads or chemicals washing onto our native tree corridor is likely to have a negative effect on the health of the trees and may cause death in the longer-term;
3. That this greyhound facility will have a negative impact on the future sale of our property and may result in the devaluing or ability to sell our property;
4. Increasing numbers of animals being housed at the facility and future expansion of these facilities; and
5. Despite being tended to most days we are also concerned for the well being of the dogs as they are not compliant with many aspects of the GRNSW Code of practice.

This Greyhound Facility has been constructed for three months now and without prior approval from Blayney Shire Council. It also fails to comply with many aspects of the GRNSW Code of Practice. There are many major omissions, errors or misleading information within this DA including the lack of detail relating to the size and design of the shed, the number of animal they are keeping or intend to keep and the relationship of these greyhound facilities to existing properties. There is also little detail of intended management to reduce the unbearable levels of noise created by the dogs which is presently having a profound effect on our lives and rural lifestyle.

As part of our submission we request that a series of noise recordings taken at various times of the day and night be viewed to demonstrate the levels of noise being experienced from our property on a daily basis. We have enclosed a DVD with a sample of these recordings. We also have recordings of time sequences to demonstrate the frequency and duration of noise occurring during the night over five different nights to illustrate that these are not isolated or limited events and can provide these if required. We also request that Council send out an expert that can witness and/or measure the level of noise created by the dogs on all adjoining properties as part of the consideration of the DA.

Yours sincerely,



