



1. Council Details

Council Name	Upper Hunter Shire Council
Council Address	Liverpool Street Scone, NSW 2337
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Mayor	Clr Lee Watts
General Manager	Mr Daryl Dutton

2. Brief Statistics for 2009/2010

Total Population – Council Area: <i>(Source: ABS – Regional Population Growth Table)</i>	13,785
Population – Urban	49.4%
Population – Rural	50.6%
Council Area (sq km)	8,060 sq km
No. of Staff <i>(Full-time equivalent staff at the end of the reporting period)</i>	206 (Equivalent Full Time)
Date of the most recent organisation structure review <i>(Sec 333 LG Act)</i>	July 2010

3. Principal Activities

COMMUNITY SERVICES

Scone Early Learning Centre

In May of 2009 UHSC acquired the former ABC Child Care Centre (business and property) in Scone as part of the nationwide winding up of the company. UHSC recognised the significance of retaining this service to sustain early childhood services and to assist local families reliant upon this essential service. UHSC was the only Local Government Authority in Australia, able to respond quickly enough, to assume responsibility for a former ABC Child Care Centre and retain this service for their community. In the 12 months since acquisition UHSC has overseen a 50% increase in average daily attendance, a comparable increase in staffing, retained a critical community service and turned a struggling business into a viable social enterprise. In recent months, a Parents Group has been established to enable UHSC and parents to collaborate on the continued development of the centre and its activities.

Upper Hunter Medical Services

Access to medical practitioners and ancillary medical services is a priority in many rural communities. Responding to demand for medical services is not a direct responsibility of local government, however UHSC recognises the importance of medical services for individual residents and the health and viability of communities. In 2009/10 UHSC targeted the retention and expansion of medical services in the Upper Hunter.

UHSC project managed extensions to the UHSC owned and developed Scone Medical Centre. The \$800,000 extensions now accommodate a CT scanner, ultrasound services and allied health professionals. These centrally located facilities minimise the need for residents to travel for tests or specialist consultations, reducing both the cost and inconvenience. The improved medical

facilities enhance the attractiveness of the Upper Hunter for GP's and allied health professionals. UHSC provides residential accommodation and training facilities for trainee GP's and registrars in Scone.

UHSC was proactive in recruiting a replacement GP for the township of Murrurundi and provides residential accommodation below market value. UHSC undertook the conversion of vacant commercial space to establish a new medical practice and has secured a Commonwealth funding to extend the facilities to provide additional consultation rooms and co-locate allied health professionals.

UHSC provides a Medical Centre for a GP in the Merriwa Township. These facilities have been upgraded to meet accreditation standards and UHSC offers below market rental to the resident GP, these initiatives have assisted in retaining the GP for the community of Merriwa.

Provision of Agency Services

UHSC was advised by the Hunter Mutual Credit Union, that the only counter based banking facility in Murrurundi township was closing. UHSC approached the company and negotiated an arrangement for the counter staff at UHSC's Murrurundi Office to provide across the counter banking services. Counter staff undertook relevant training and in 2009 assumed the provision of a counter based banking service in the Murrurundi office, thereby retaining local access to banking services for residents and business.

In August 2009, the UHSC Merriwa Branch Office expanded the range of counter services providing a one-stop shop for a range of state government services including: fishing licences, passes for national parks, business name registration, renewal of building licences and birth, death and marriage certificates. UHSC's Merriwa office provides the full range of NSW Road and Traffic Authority motor registry vehicle and licence services. In 2009, the Merriwa office's RTA

facility was upgraded and now offers the equivalent range of on-line services to a RTA operated registry.

The UHSC operated Community Technology Centres in Merriwa and Murrurundi offer individual and group based training to assist residents broker the digital age. The Community Technology Centres also offer Centrelink agency services. These initiatives evidence UHSC's commitment to maximising resident's access to services in convenient and cost effective means.

Youth Services

Six young people from Upper Hunter Shire took part in the Young Endeavour Scheme in 2009, receiving free passage on the HMAS Endeavour, an opportunity that previous participants have described as the "journey of a lifetime". UHSC coordinates the promotion and selection of participants and corporate support for the program. Young people wishing to take part in the program are supported by local organisations and businesses and participate in activities to demonstrate and nurture civic participation. Successful participants report back to UHSC, sponsors and supporters on their life changing experience and personal development. UHSC has coordinated and funded this activity for 12 years and in 2009 expanded the number of sponsored finalists to six.

Youth Centres are located in all areas of the shire, and deliver youth development programs and recreational programs. In 2009, UHSC extended its School Holiday Program to young people from Aberdeen. Activities included evening film nights and informal activities in addition to combined excursions with young people from across the Upper Hunter. UHSC endorsed the Scone Youth Centre's proposal to extend its program of activities and associated facilities and secured a portable school modular building to replace the existing dilapidated

building. UHSC's quick response ensured the Scone Youth Centre's continued and improved operation.

Disability Access Walk

UHSC Community Services Committee undertook a series of Disability Access Walks in the townships of Scone, Merriwa and Murrurundi. Residents, health professionals, committee members and UHSC staff participated in the walks designed to identify issues assess the ease of access to public facilities, footpaths and shared carriageways. Findings from the walks informed the development of UHSC's Community Strategic Plan.

Safety Initiatives

UHSC's Traffic Committee sustains a strong interest in Young Driver Safety and Public Education programs. The committee has investigated vehicle usage patterns and collated data on accident types. These findings have determined the implementation of driver training programs, signage and speed restrictions to improve road safety.

Clean up Australia Day

Residents from across the Upper Hunter demonstrate pride in their communities via programs such as Clean up Australia day. UHSC promoted Clean Up Australia Day, encouraging residents, community organisations and businesses to "adopt a spot". Community Services staff coordinated local activities including thank you events for participants. As further incentive, UHSC waived fees at all waste management centres encouraging broad participation in the day.

Gummun Place – Aged Persons Hostel

Extension and improvements to Gummun Place, Merriwa's Aged Care Facility, were completed in 2009/10. The improvements include a new activity and storage area, a new kitchenette, additional bathroom facilities and a consultation room. These improvements give residents a larger and better equipped area for planned activities, a consultation room for visiting health professionals, resident meetings, social events, church services or sing-alongs. The extensions were completed at a total cost of \$345,000 and works were undertaken by a local Merriwa builder and tradesmen.

GOVERNANCE and STRATEGIC PLANNING

Community Strategic Plan

In 2009/10 UHSC adopted its first Community Strategic Plan, in advance of its legislative requirements as a Year 2 Council for compliance with Integrated Planning and Reporting Legislation. UHSC's Community Strategic Plan evolved from extensive community consultation and engagement, long term strategies, ten year financial planning and the development of a capital works program beyond the ten year budget period. UHSC is well in advance of its requirements to be fully compliant by Year 2011/12. UHSC's model Community Strategic Plan has been presented to seminars and industry workshops during the development of the IP&R Legislation as a model for other local government authorities, particularly rural and regional councils.

Internal Audit and Risk Management

The role of an internal auditor was introduced in the earliest days of the newly formed Upper Hunter Shire Council. In 2009/10 UHSC reinforced its internal audit capacity with the appointment of two independent members to the Audit Committee and the introduction of a new charter incorporating the Department of Local Government Best Practice for Internal Audit and Audit Committees. UHSC established a Risk Management Committee, involving the internal auditor and the executive team, to focus on strategic risk management. As a result of these two initiatives UHSC is well placed to implement proactive risk management and accountable and credible policies and procedures. UHSC is one of few Councils outside the Metropolitan area to employ a full time Internal Auditor.

Workplace Management

UHSC successfully renegotiated its Council Agreement with its workforce, the first renewal since the formation of UHSC. The new Council Agreement

benefits UHSC and its staff, incorporating flexible arrangements for sick leave, (recognising the difficulties in accessing Medical Practitioners in rural and regional communities) and flexible working arrangements to improve life/work balance and a reduced impact upon leave. These initiatives have improved productivity and job satisfaction and increased community access to Council services, as front line staff are rostered within an extended working day.

In response to staff concerns regarding the workplace and personal impacts of drug and alcohol use, UHSC reviewed and realigned its workplace Drug and Alcohol Policy to focus upon education, rehabilitation and support for staff affected by drug and alcohol. UHSC has been a leader in NSW with the development and introduction of random testing, education and undisclosed support for staff with drug and alcohol related problems. This new approach demonstrates UHSC's commitment to the welfare and safety of all staff and is appreciated by staff assisted through this process.

Many locations within Upper Hunter Shire are considered remote and communication within these areas was highlighted as a priority for the safety of staff and completion of assigned works. UHSC implemented an integrated 2 way radio system across the entire shire installing strategically placed repeater sites to ensure a sound and operable communication system for use by outdoor staff. The completion of this initiative involved negotiating leasing and licensing arrangements and the installation of equipment. The latest technology was implemented, including GPS units for external monitoring and safety.

Asset Management

UHSC is committed to providing for the replacement and improvement of community infrastructure through best practice and risk management. In line with this commitment, UHSC completed additional data input and hierarchical

classification of the road network utilising Council's Asset Management system; implemented the use of geographical information systems and advanced information technologies to record assets and input data for use by UHSC and the broader community and undertook condition based re-evaluation of road, bridge and stormwater assets ensuring that information is accurate, and up to date to best inform planning and decision making. In achieving this commitment UHSC has effectively managed a level of service and condition for UHSC's infrastructure assets that has met community expectation, identified future budget requirements and promoted the asset management program to the broader community.

Competitive Provision of Services

UHSC established a working group to examine and advise on the issue of competitive provision of service. The working party identified six broad areas of improvement, and appointed six project leaders. The six identified areas are, staff morale, on ground activities, opportunities for outsourcing, minimising duplication and waste, staff retention and succession planning and removing barriers to better performance. This important innovation will guide UHSC's future activities to be the best we can be at what we do, managing the community's expanding expectations, acknowledging staff's contribution to generating ideas, opportunities and solutions and implementing productivity improvements and savings.

Broad Contribution to Local Government

UHSC has long acted on its philosophy that participation in regional and state initiatives is of benefit to Council, communities of the Upper Hunter and the industry as a whole. The General Manager was appointed to the Board of

Statewide Mutual, the insurance cooperative for the majority of NSW Local Government Authorities. UHSC councillors and senior staff participated in a wide range of regional initiatives including Hunter Councils, Emergency Service and Bushfire Management, Industry Community Consultation Committees, Road and Traffic Management, Highway Development, Economic and Tourism Committees, Natural Resource Management, and the Regional Library Committee. These appointments reflect the commitment of UHSC to industry participation. The General Manager was the inaugural Chairperson and remains on the Board of Hunter Councils Ltd, the commercial arm of the Regional Organisation of Councils responsible for the construction and operations of the accredited Records Repository at Thornton.

CAPITAL WORKS AND SERVICES

Scone Airport Rehabilitation

In partnership with the Federal Government through the Regional Local Community Infrastructure Program (RLCIP) Stage 1 of the rehabilitation of the Scone Airport runway was completed. Funding of \$136,000 was allocated to rehabilitate 110 metres of the 1404 metre runway and the work was completed in 2009.

Stage 2 of the Airport Rehabilitation project commenced in 2009/10. This involves the complete rehabilitation of the runway to a width of 18 metres, construction of Runway End Safety Area, taxiway upgrades and additional airport works including the installation of a new Avgas outlet within the UHSC controlled landside facilities. The \$2.5 million Stage 2 upgrade is funded through partnership arrangements, involving UHSC, the NSW Department of Industry and Investment and private investors.

Road Works Program

UHSC controls a road network of approximately 1,749 km's and 124 bridges. In 2009/10 UHSC allocated \$12.72 million towards road capital improvements, maintenance and rehabilitation work. Of the \$12.72 million, 36.5% was funded from UHSC's own revenue.

UHSC's Road Works Program is managed across three main categories, Capital (new/upgrade), Renewal and Maintenance and determined by best practice principles in asset preservation, cost efficiencies, extended life cycles and risk management. UHSC allocates resources based upon its historical knowledge of road asset requirements, preservation of road pavements and life cycle cost analysis. UHSC has enacted asset management practices that provide predictive

modelling outcomes for more accurate resource allocation, to sustain the road network at optimum standards and to allow for continual improvement.

RURAL ROADS IMPROVEMENT PROGRAM – INITIAL SEALS

RANK	ROAD NAME	STAGE	LENGTH	COSTS
1	Hunter Road	Stage 1 km per year Ongoing budgets	10km	1,700,000
2	MR358 – Willow Tree	Staged at 1.5km / year Funded under Repair Program	21km	3,960,000
3	Flags Road	Staged at 1km / year Cemetery to racecourse	1km 2km	120,000 240,000
4	Barrington Tops Road	1 - 13.4 to 14.7km 2 – 6.7 to 8.7km	1.3km 2.0km	350,000 450,000
5	Cressfield Road	Staged at 1km / year External funding may be forthcoming – BCR will increase and ranking may be reviewed	2.4km	430,000
6	Wollar Road	Staged at 1km / year Staged at 1km / year	5km 15.5km	900,000 2,790,000
7	Waverley Road	Staged at 1km / year Staged at 1km / year	19km 6.5km	3,420,000 1,000,000
8	Kars Springs Road	Staged at 1km / year	2km 3.2km	300,000 640,000
9	Yarrandi Road	Staged at 1km / year	5.5km 1km	560,000 120,000
10	Cliftlands Rd	Staged at 1km / year	3.45km	420,000

		2 stages	4kms	480,000
11	Ashbrooke Rd		1km	120,000
			2km	240,000
12	Leighton Park Rd		.5km	60,000
			12km	1,200,000
13	Wallington Rd	3 stages	4.6km	600,000
			6.5km	650,000
14	Ridgeland Rd		17.5km	1,750,000

Road Safety

In consultation with the ARTC and UHSC the RTA upgraded the Liverpool Street level crossing. UHSC advocated on behalf of the community to ensure the retention of on-street parking, access to a central parking lot, and to protection or relocation of services and to minimise traffic back-up during the operation of the level crossing. UHSC undertook investigations to ensure that proposed works did not negatively impact upon overland flows during flooding events and negotiated for additional works to improve the loading on the culvert to be undertaken separately.

UHSC identified safety concerns at the intersection of Main and Liverpool Streets in Scone. UHSC installed a trial roundabout to review the features and operations of the new geometric layout for a short period. The final construction reduced relative speeds of conflicting vehicles and clarified right of way requirements. The design preserved Main Street as a wide vehicle detour by incorporating the construction of a mountable mini-roundabout and associated splinter islands.

Sewage Services

A new telemetry system was introduced in 2009 to assist with sewage operations in the towns of Scone and Aberdeen. The new system has the capacity to link with supply systems at Merriwa and Murrurundi. Three sewerage pumps were replaced in the townships of Aberdeen and Murrurundi to satisfy environmental and social risk requirements.

UHSC programmed sewerage mains replacement works is designed to minimise the potential risk to community and environment. Works were completed in the townships of Scone, Murrurundi, Merriwa and Aberdeen through a combination of trenching, pipe relining and pipe bursting.

Water Supply Services

UHSC collects, validates and analyses water main data against the asset register to ensure up-to-date and accurate reviews of proposed replacement activities. Based on this data, a new 2ML pre-stressed concrete reservoir was constructed in the township of Merriwa to provide additional water capacity. The **water mains replacement program** was undertaken utilising conventional excavation techniques to replace old asbestos pipe, improving residential reticulation flows and water supply for fire fighting activities.

In addition to maintenance and replacement activities, UHSC sustained its representations to the NSW State Government seeking financial contributions towards the Scone Water Augmentation Project and the subsequent Private Irrigation District for rural areas, to ensure a reliable water supply for residents and agricultural producers.

Timber Bridges, Bridge Carriageways and Pedestrian Access

UHSC allocated \$1.3 million towards the replacement of three timber bridges on local roads in the Blandford/Timor district. Following extensive

investigation to determine financially and technically suitable solutions, UHSC tendered for the construction of three dual lane concrete structures with design lives of 100 years.

Under the Regional Roads Repair Program, UHSC received half cost funding for the replacement of Witney's Bridge at Merriwa, with the construction of a new dual lane concrete reinforced bridge ten metres wide including a two metre wide pedestrian walkway. The new bridge continues the strategic improvements between Merriwa and Scone to enable upgrading the route to B-double status. This improves access to the regional saleyards complex in Scone, mining sites in the Upper Hunter and regional freight depots through the development of a safer, shorter and more direct route between the Golden and New England Highways.

UHSC's timber bridge replacement program was accelerated with the planning for the replacement of Middlebrook and Alec Cone bridges in the 2010/11 financial years.

UHSC was successful in obtaining funding through the Regional Local Community Infrastructure Program – Round 1 for two projects to improve pedestrian access and safety on the Upper Hunter bridge network. Pedestrian barriers on the Graeme Street Bridge in Aberdeen were replaced to utilise the full width of the existing concrete path. The upgrading of stepped access to the pedestrian footbridge at Pages River in Murrurundi was undertaken to provide disabled access to the walkway and improve pedestrian mobility throughout the town. The New England highway dissects the townships of Aberdeen Murrurundi and Scone; enhanced pedestrian and disabled access contributes to a stronger sense of connectivity within these townships.

SPORT and RECREATION

Sports Participation Officer

UHSC is a national leader in the area of Sports Participation. Participation in sports activities declines significantly in early teenage years, the Sports Participation Program is designed to actively counter this trend amongst young people in Upper Hunter communities. In 2009 /10 the Sports Participation Officer assisted sporting clubs by accessing funding to maintain and upgrade sporting facilities, established new sporting competitions catering to local community's needs, conducted skills development programs and holiday activities and assisted schools in extending the range of organised sports activities. UHSC allocates the fees generated from public hire of sporting grounds towards the Sports Participation Program.

New Facilities

UHSC allocated \$1.5 million towards maintaining and enhancing parks, sporting grounds and recreational facilities. Five completed projects from 2009/10 demonstrate UHSC's use of corporate and community partnerships to improve public infrastructure and expand the recreational options for residents and visitors.

UHSC in partnership with Anglo American and Advancing Aberdeen completed a \$270,000 redevelopment of Taylor Park. The development included a new amenities block, shaded seating, a new landscaped entry and roadworks to improve vehicle and pedestrian access. Residents of Aberdeen supported the redevelopment through the purchase of engraved pavers and local students and garden club members took part in extensive tree plantings in the park.

UHSC's Merriwa Growth Strategy Project identified the broad benefits of a community managed Fitness Centre. In 2009/10 a disused UHSC building was

selected and funding from UHSC, Coal and Allied Community Trust and IGA Community Chest sourced to refurbish the building. The Fitness Centre Committee took a hands on approach to the task, completing much of the work in a series of working bees.

A children's playground was completed in Wilson Memorial Park in Murrurundi. The new playground is centrally located encouraging local children and visitors to enjoy the play equipment and surrounding parklands. Community members and representatives from Murrurundi Public School contributed to the design and placement of the equipment.

A new playground was constructed in the village of Wingen, adjacent to the Wingen Community Hall. The playground was completed at a total cost of \$20,000 and utilised UHSC and RLCIP funds. Wingen village has a significant number of families with young children; the construction of the playground anticipates the future needs of the community and expands the range of activities that can be held at the hall and surrounds.

UHSC completed construction of a new amenities block at Scone Park, the home ground for Scone's Rugby League Senior and Junior Clubs. The new amenities block was funded through RLCIP and UHSC contributions. Volunteers from both clubs contributed their expertise and time to the design, construction and outfitting of the new facility.

SOCIAL and ECONOMIC DEVELOPMENT

Livestock Selling Centre

Intensive consultation with saleyard users during 2009/10 guided the development of a proposed \$1 million upgrade to the Livestock Selling Centre. The proposal includes the redesign of existing yards, extension of holding yards, installation of stock movement lanes and B-double loading ramps, raised walkways and roofing over sections of the yards.

Work has commenced on upgrades at the Livestock Selling Centre and will contribute to improved animal welfare and Occupational Health and Safety for staff, assist in managing driver fatigue, support the sustained growth of a significant local industry and ensure Scone Livestock Selling Centre is ranked amongst the top ten in NSW.

Scone Civic Precinct

The Scone Civic Precinct sits one block and a comfortable walk from Scone's main shopping strip and brings together UHSC's Administration Centre, Scone Neighbourhood Resource Centre, the Early Learning Centre, Scone Court House, the Police Station, the Emergency Operations Centre for RFS and SES and in the near future the Scone Public Library. Several years in the planning, the vision of the Civic Precinct was realised with the official opening of the new Administration Centre in September 2009. The Administration Centre presents a fresh approach to UHSC's relationship with the broader community, via its Town Square, public meeting rooms, adaptable Council Chambers, exhibition spaces, children's play area, baby change rooms, emergency management centre and the co-location of all central administrative staff. The Centre's design represents best practice standards including in-built features to conserve energy and minimise costs, such as multi zoned climate control, fresh air cycle in air conditioning, low energy

lighting, sky lights, solar water heating and rainwater harvesting for grey water re-use and irrigation of landscaping.

The former Scone Chambers, located within the Scone Civic Precinct has been converted to accommodate the Scone Neighbourhood Resource Centre, the new Scone Public Library, an exhibition space and an activities room. The Scone Civic Precinct offers convenience for residents in accessing a range of community services and facilities and is completed by the Town Square, a public venue where significant public events and celebrations will be staged.

Residential and Industrial Land Developments

To ensure sustainable growth for residents and industry, UHSC implemented staged land developments in major residential hubs and designated industrial zones. In 2009/10 UHSC completed the first stages of one industrial and three residential developments. Stage 1 saw the release of 34 residential lots, in Aberdeen, Merriwa and Murrurundi and 9 aeronautical specific commercial lots adjacent to Scone Airport. The staged release of both residential and industrial lots ensures that market demand is met in a commercially responsibly fashion, appropriate infrastructure is in place and UHSC can reinvest revenues from land sales to the development of infrastructure to support Stages 2 and 3.

Town Centre Development

UHSC recognises that vibrant town centres are cornerstones of a healthy and prosperous local economy. In 2009/10 UHSC provided targeted support to the four major centres within the shire. UHSC endorsed and promoted the establishment of Town Development Committees for Aberdeen, Merriwa, Murrurundi and Scone. The Committees will enable UHSC to seek ongoing advice

on issues including, landscaping, street furniture, foot paving, lighting, town entrances and town centres.

Continuing the momentum of the Merriwa Growth Strategy UHSC launched the Merriwa Business Research Report. The report considered spending and visitation patterns and identified untapped markets. The “Why I live where I live” competition flowed from the recommendations of the Business Research Report. Community contributions to the competition will guide UHSC and the Merriwa Business Group future marketing initiatives.

UHSC’s contribution to the local economy involved major capital works, local marketing initiatives and specific industry support including the inaugural Crops for Hunter Farm Diversification Grant Scheme. UHSC in partnership with Muswellbrook and Singleton shires awarded the inaugural grant to an investigation of commercial fibre hemp production in the Upper Hunter. The award will contribute to the production of a Growers Guide, identification of potential land use areas, monitoring of crop trials, and realistic budgets for growers in the Upper Hunter. If fibre hemp can be successfully grown in the Upper Hunter, there is potential for considerable ancillary businesses including a processing plant and manufactured products.

The Horse Capital of Australia

The equine industry is of great significance to the cultural life and economy of the Upper Hunter and Scone is acknowledged as the Horse Capital of Australia. UHSC implemented a public art initiative to reflect the significance of the equine industry, to capitalise on visitor interest and to embed the Horse Capital brand. Six metal silhouettes of a horse and rider were installed at the town entrances and at key intersections in the main street. Individual silhouettes portray a different facet of the industry including pony club, camp draft, dressage, racing, rodeo and polo. The silhouettes initiative has been supported by local equine sporting

associations and business that have sponsored individual silhouettes. In the coming year an additional eight silhouettes will be installed in prime locations throughout the town. UHSC further contributes to the continued development of this key industry through targeted marketing and branding initiatives, support for major public events and the provision of critical infrastructure.

Telecommunications

UHSC in liaison with Telstra undertook the installation of two additional mobile phone towers in the townships of Aberdeen and Scone. This considerable capital investment improved communications for residents and businesses in the area by alleviating congestion on mobile networks.

UHSC played a critical role in site development and lease arrangements, minimising the potential for negative impacts on the community and liaison between Telstra, the broader community and Emergency Service providers.

Community Consultations highlighted a demand for access to SBS radio across the Upper Hunter. In addition to own source revenue, UHSC secured grant funding through SBS's Self Help Subsidy to facilitate the development of SBS radio bases on Mt Rossgole at Aberdeen and at Merriwa. In 2010 UHSC will apply for an extension of the SBS radio service to Murrurundi.

BUILT and NATURAL ENVIRONMENT

New Local Environment Plan

UHSC established a ten member Local Environment Plan Advisory Committee. The Committee will contribute to the planning and adoption of UHSC's first "whole of shire" LEP. The committee's membership represents many stakeholder groups from the business and community sectors and will ensure the new LEP reflects the standards and vision required for environmentally sustainable growth. The Department of Planning has contributed to funding of up to \$95,000

of a total estimated cost exceeding \$126,000. IN 2009/10 UHSC adopted the shire wide Land Use Strategy document, this document was approved by the Department of Planning as the first stage of the comprehensive LEP process.

Emergency Services

UHSC is currently reviewing and testing its Animal Health Emergency Plan for the Scone Livestock Selling Centre and surrounds. The inaugural plan was developed in consultation with the Department of Primary Industries, stakeholders and user groups. The existing plan was implemented during the 2007 Equine Influenza Outbreak and is being subjected to desktop testing and further review to ensure its steadfastness. A presentation entitled “How we survived E1” was made at the 2009 Statewide Risk Management Conference.

The inclusion of a Local Emergency Operations Centre was an integral design feature of UHSC’s new Administration Centre. UHSC’s Displan identified the need for communication and data infrastructure to meet current and future demands. In 2009, UHSC undertook a project of intensive ratification and ground truthing of the rural road data to ensure accuracy and an effective resource for use by community and emergency services.

UHSC promotes and encourages the participation of staff in voluntary organisations, including emergency services, through its Emergency Services Leave policy.

Waste Management

UHSC maintains five landfill sites for solid waste disposal within the statutory guidelines set by the Department of Environment, Climate Change and Water. As of 2009/10 UHSC had achieved a 46% reduction in waste going to landfill, and will achieve the State government target of a 60% in advance of the

2014 deadline. Improved efficiencies including waste cell management, separation of recyclables, and the sale of recyclables have contributed to extending the lifespan of all landfill sites. UHSC undertakes a waste audit identifying waste by type and undertakes regular public education activities. A draft Waste Management Strategy will guide environmentally sound waste management practices to meet statutory and community expectations.

Trade waste has been implemented to meet NSW Government best practice requirements. UHSC in conjunction with Singleton and Dungog Shires, jointly employ a Trade Waste Officer to implement and oversee trade waste practices across the shire.

Bushfire Prevention

UHSC maintains over 130 kilometres of identified fire trails, and plans to construct an additional 20 kilometres in the coming year. UHSC received funding under the Bushfire Mitigation Program to undertake essential upgrades and maintenance works to fire trails to meet NSW Rural Fire Service Standards. UHSC was actively involved in the logistical and support arrangements for three major Section 44 bushfires within the Council area during the period from November to January 2009/10. UHSC supports the training of 20 identified personnel in NSW Rural Fire Service courses. Appropriate training, enables staff to provide services during fire events and to work on fire grounds in a safe state of preparedness.

UHSC has sustained a financial commitment to the replacement of petrol powered trucks in the Rural Fire Service Fleet. The majority of the operational fleet are diesel tankers less than ten years old, no petrol tankers remain within the operational fleet. UHSC purchased a Category 1 Village appliance for Wingen and Bunnan Brigades at a cost of \$497,706 and a Category 9 Striker unit for Bunnan/central area at a cost of \$102,000.

UHSC completed construction of the Settlement Shed and upgrade works on Parkville, Cassilis and Idaville sheds are close to being finalised.

Greening \$50k trees

UHSC has committed \$50,000 per annum for tree planting within town streets, parks and reserves. UHSC's Tree Planting program actively involves local Garden Clubs and Landcare Groups to ensure correct species selection and to manage the planting and ongoing care of trees.

Grey Water

UHSC currently utilises effluent water reuse in major public facilities such as irrigation at Scone Racecourse, Bill Rose Sporting Complex, Scone Golf Club and private tree plantations and as the water supply for the fire retardant airbase located at Scone Airport. The system is monitored daily as part of environmental and health requirements. The township of Scone utilises 100% effluent reuse. New effluent reuse facilities were constructed at the cost of \$200,000 in the Murrurundi township, to provide extended water treatment and irrigation for passive and active recreation facilities.

Upper Hunter Air Quality Monitoring Committee

UHSC representatives are foundation members of the Department of Energy, Climate Control and Water's Hunter Air Quality Monitoring Committee. The Committee has been established in liaison with local coal mining and energy producing companies, to provide 'real time' monitoring capability for air quality in a minimum of 12 locations within the Upper Hunter, Muswellbrook and Singleton local government areas.

Kyoto Energy Park

Kyoto Energy Park is located 12 kilometres from Scone township and will comprise 34 wind turbines, three 10 megawatt solar photovoltaic arrays, one megawatt solar photovoltaic arrays and significant support infrastructure. UHSC undertook detailed consideration and assessment of the proposal prior to the final submission to the Minister for Planning. UHSC's assessment activities included visits by councillors and staff to two operating wind farms in Victoria and the ACT. UHSC worked closely with all parties – proponents, local government and state government representatives prior to final approval from the Minister for Planning in January 2010.

CULTURE AND HERITAGE

Upper Hunter Shire Cultural Grants Program

UHSC supports cultural development through an annual Cultural Grants Program that promotes individual, local and regional cultural development. \$11,000 was allocated to cultural organisations and projects throughout the Upper Hunter. In 2009 /10 The Cultural Grants Program assisted 18 groups. Projects supported include artists' workshops, public art projects and touring events.

UHSC actively promotes young people's participation in the arts through two targeted programs. 1) UHSC supports the annual Kia Ora Music Camp with a \$7,000 grant. Primary and secondary students from across the shire take part in a week of vocal and instrumental workshops. The workshops promote a broad musical education and provide a rare opportunity for gifted students to access expert tuition. The Music Camp concludes with an evening performance, attended by a capacity crowd. 2) UHSC's annual Schools Creative Art Excellence Awards valued at \$8,000 recognises young talent with the shire and fosters schools' capacity to provide artistic programs.

UHSC was a founding member of the Regional Arts Board and maintains this support through the provision of office accommodation and through an annual cash allocation of \$9,000.

Festivals and Events

The Upper Hunter is home to NSW's largest regional thoroughbred racing event and four major Festivals. UHSC is an active partner in the promotion, staging and ongoing development of the annual events calendar and contributes cash support to the value of \$16,000. In addition, UHSC provides in-kind support for these events through branding and marketing activities, advocating and promoting

the events to state and federal funding bodies, the provision of council services in the preparation and staging of events, subsidised access to public facilities and participation in regional programs such as Hunter Tourism. UHSC is proposing to extend this support, and is currently negotiating with the NSW Department of Industry and Investment with a view to employ a Festivals Coordinator to accommodate the expanding events program.

To support the continued growth of festivals and events across the shire, UHSC constructed two mobile toilet blocks. These mobile blocks allow for these essential facilities to be relocated from one venue to another. The Scone Rodeo and Murrurundi's King of the Range have already benefited from these facilities. These mobile facilities have enabled a range of individual sporting, tourist and cultural events to accommodate larger crowds and have increased the shire's capacity to stage large scale public events and maximise the social and economic benefits. New public amenities at small village venues are unlikely to be built, due to economy of scale. The provision of low cost mobile facilities both enables and encourages the use of public venues in small villages across the shire.

Community Halls and Museums

UHSC's Community Strategy Plan includes an allocation for Hall Improvement Grants for the seven council owned venues. In addition to capital works projects and painting, major upgrades were completed utilising RLCIP and other grant funding opportunities. These works included enhancing the performing arts facilities at Merriwa School of Arts, the installation of disabled toilets at Cassilis Community Centre, pier restoration at Murrurundi Church Hall, electrical works and installation of a new kitchen at Murrurundi RSL Hall, erection of a disabled ramp and painting at Aberdeen Community Hall, and paving and landscaping at Scone Senior Citizens.

UHSC in partnership with Museum and Galleries NSW supports a Museum Advisor enabling volunteer run museums to access expert advice on the preservation, exhibition and cataloguing of collections, funding opportunities and strategic planning.

UHSC provides and maintains venues for Volunteer Initiated Museums across the shire. In 2009, UHSC completed roof repairs at Murrurundi's Pioneer Cottage, structural repairs and general upkeep to the historic Scone Museum to ensure the integrity and preservation of the Museum's collection and repairs to the Lake Glenbawn Museum buildings to preserve the existing collection.

UHSC formed the Hunter Valley Museum of Rural Life Museum Committee, under S355 of the Local Government Act, to guide the preservation and possible relocation of the 1,100 items currently held by the Lake Glenbawn Dam Trust in unsuitable premises.

Heritage Management and Control

Heritage and history are prominent features of cultural life in the Upper Hunter. UHSC's Heritage Advisor attends the area on a monthly basis, spending one day at Scone, Murrurundi and Merriwa respectively. The Heritage Advisor

provides advice on a wide range of issues including development proposals within Heritage Conservation Areas relating to Heritage Items, acting for Council and providing advice to proponents.

UHSC's Heritage Committee meets bi-monthly in one of the three towns to discuss a range of heritage issues and interests. UHSC participates in the Heritage Assistance Scheme, providing funds for a range of heritage projects undertaken by individuals or community groups. UHSC is preparing a Heritage Development Control Plan for adoption in the next 12 months and UHSC's new LEP which will include a review of Heritage Items.

SCADS Theatre

Scone Amateur Dramatic Society owns the only purpose built theatre in the Upper Hunter. The renovations and restoration work required to maintain and upgrade the facilities are considerable. UHSC has worked alongside the volunteer management committee to establish a Committee of Council to plan, source funding and implement a staged capital works program.

4. List of Projects completed by 30 June 2010

Please list separately and add table rows where required.

List of Projects completed by 30 June 2010

	Date Completed	Total Cost \$'000	Council Contribution
New Administration Centre	Sep-09	5,000	100%
Upgrade IT Services	Dec-09	85	100%
Depot Trade Waste facilities upgrade	Jun-10	100	100%
Aged Hostel Extension	May-10	300	100%
Aged Hostel Retrofit sprinkler system	Mar-10	45	100%
Relocate Murrurundi Medical Practice	Mar-10	26	100%
Install Integrated Register Systems in Council's three Visitor Information Centres	Oct-09	11	100%
Merriwa School of Arts Upgrade	Nov-09	9	100%
Upgrade Murrurundi Hall Kitchen	Mar-10	16	10%
Upgrade Bushfire Sheds	Jun-10	68	13%
Upgrade Merriwa Driver Reviver Centre	Aug-09	10	100%
SBS reception upgrade Merriwa	Sep-09	40	0%
SBS reception upgrade Murrurundi	Dec-09	21	0%
Taylor Park Toilet & park upgrade	Jan-10	200	10%
Merriwa Gym	Mar-10	40	10%
New change rooms Scone Park	Dec-09	127	0%
Murrurundi Gym Building at Pool	May-10	30	50%
Tree Planting program	Jun-10	36	100%
Wingen Playground Equipment & sofffall	Aug-09	20	50%
Upgrade Cassilis toilets	Sep-09	11	0%
Upgrade Scone Aerodrome runway (stage 1)	Sep-09	118	0%
Upgrade Liverpool St railway crossing	Jun-10	660	10%
Mobile amenities block	Mar-10	80	20%
Extend Water Moonan Camping Grounds	Jun-10	7	100%
Upgrade Merriwa Medical Centre	Feb-10	25	100%
Regional Roads	Jun - 1-	863	0%
Roads to Recovery	Jun -10	861	0%
SH Contract Works	Jun -10	3,000	0%
Kerb & Gutter Works	Jun - 10	175	90%

5. List of Projects in progress at 30 June 2010

Please list separately and add table rows where required.

List of Projects in progress at 30 June 2010

	% Completed	Expected Total Cost \$'000	% Council Contribution
Upgrade Saleyards	10%	1,000	100%
Demolish and replace Scone Youth Centre	10%	200	100%
Relocate Scone Neighbourhood centre & Scone Library into former Administration Centre	10%	200	50%
Construct new Toilet block in Merriwa	10%	110	100%
Extension to Scone Medical Centre	90%	800	100%
Expand Scone Waste Depot	10%	250	100%
Expand Aberdeen Waste Depot	10%	200	100%
Land Development Aberdeen	10%	1,000	100%
Aerodrome Airpark development	10%	500	20%
Upgrade Merriwa Showground	20%	100	100%
New Toilet block Scone Netball	90%	50	20%
Timber bridge replacement (3)	10%	1,300	100%
Acquisition and construction of lane & car parking	10%	200	100%
Murrurundi Effluent reuse Scheme	90%	200	100%

6. Awards & Citations

Please list any awards or citations received by Council for works, services or initiatives completed or achieved during 2009/2010.

NSW Heart Foundation Local Government Awards

Highly Commended; UHSC Sports Participation Program.

NSW Tidy Towns 2009

Third Place; Aberdeen - Category C (population 1201 – 4000)

Second Place; Murrurundi - Category B (population 351 – 1200)

Scone Chamber of Business and Industry

Runner Up; Customer Service Award, Anna Bramley (UHSC Murrurundi Office)

7. Supplementary Information

Web Link to Latest Quarterly Review: <http://upperhunter.local-e.nsw.gov.au/council/5820/5271.html>

Upper Hunter Shire Council

Income Statement

for the financial year ended 30 June 2009

Budget ⁽¹⁾				Actual	Actual
2009	\$ '000		Notes	2009	2008
Income from Continuing Operations					
<i>Revenue:</i>					
12,332	Rates & Annual Charges		3a	10,723	10,180
5,027	User Charges & Fees		3b	8,142	7,151
1,043	Interest & Investment Revenue		3c	1,753	1,398
1,267	Other Revenues		3d	1,036	1,042
12,397	Grants & Contributions provided for Operating Purposes		3e,f	7,678	7,688
3,127	Grants & Contributions provided for Capital Purposes		3e,f	2,754	3,554
<i>Other Income:</i>					
-	Net gains from the disposal of assets		5	-	-
-	Net Share of interests in Joint Ventures & Associated Entities using the Equity Method		19	17	22
35,193	Total Income from Continuing Operations			32,103	31,035
Expenses from Continuing Operations					
10,640	Employee Benefits & On-Costs		4a	11,025	10,452
283	Borrowing Costs		4b	283	237
4,099	Materials & Contracts		4c	7,614	7,982
5,778	Depreciation & Amortisation		4d	6,422	6,256
-	Impairment		4d	-	-
6,329	Other Expenses		4e	4,108	3,826
-	Interest & Investment Losses		3c	-	-
-	Net Losses from the Disposal of Assets		5	110	272
-	Net Share of interests in Joint Ventures & Associated Entities using the Equity Method		19	-	-
27,129	Total Expenses from Continuing Operations			29,562	29,025
8,064	Operating Result from Continuing Operations			2,541	2,010
Discontinued Operations					
-	Net Profit/(Loss) from Discontinued Operations		24	-	-
8,064	Net Operating Result for the Year			2,541	2,010
8,064	Net Operating Result attributable to Council			2,541	2,010
-	Net Operating Result attributable to Minority Interests			-	-
4,937	Net Operating Result for the year before Grants and Contributions provided for Capital Purposes			(213)	(1,544)

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

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

Upper Hunter Shire Council

Balance Sheet

as at 30 June 2009

\$ '000	Notes	Actual 2009	Actual 2008
ASSETS			
Current Assets			
Cash & Cash Equivalents	6a	26,419	24,102
Investments	6b	-	-
Receivables	7	3,513	4,178
Inventories	8	1,987	2,026
Other	8	332	194
Total Current Assets		32,251	30,500
Non-Current Assets			
Investments	6b	-	-
Receivables	7	-	126
Inventories	8	-	-
Infrastructure, Property, Plant & Equipment	9	333,248	325,478
Investments accounted for using the equity method	19	239	227
Investment Property	14	-	-
Intangible Assets	25	-	-
Other	8	1	1
Total Non-Current Assets		333,488	325,832
TOTAL ASSETS		365,739	356,332
LIABILITIES			
Current Liabilities			
Payables	10	3,134	1,703
Borrowings	10	138	92
Provisions	10	3,195	3,046
Total Current Liabilities		6,467	4,841
Non-Current Liabilities			
Payables	10	-	-
Borrowings	10	5,008	1,342
Provisions	10	2,414	2,227
Investments accounted for using the equity method	19	-	-
Total Non-Current Liabilities		7,422	3,569
TOTAL LIABILITIES		13,889	8,410
Net Assets		351,850	347,922
EQUITY			
Retained Earnings	20	314,631	312,090
Revaluation Reserves	20	37,219	35,832
Council Equity Interest		351,850	347,922
Minority Equity Interest		-	-
Total Equity		351,850	347,922

Upper Hunter Shire Council

Statement of Changes in Equity for the financial year ended 30 June 2009

\$ '000	Notes	Council			Minority Interest	Total Equity
		Retained Earnings	Reserves (Refer 20b)	Equity Interest		
2009						
Opening Balance (as per Last Year's Audited Accounts)		312,090	35,832	347,922	-	347,922
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/08)		312,090	35,832	347,922	-	347,922
c. Current Year Income & Expenses Recognised direct to Equity						
- Transfers to/(from) Asset Revaluation Reserve	20b (ii)	-	1,387	1,387	-	1,387
- Transfers to/(from) Other Reserves	20b (ii)	-	-	-	-	-
- Other Income/Expenses recognised	20b (ii)	-	-	-	-	-
- Other Adjustments	20b (ii)	-	-	-	-	-
Net Income Recognised Directly in Equity		-	1,387	1,387	-	1,387
d. Net Operating Result for the Year		2,541		2,541	-	2,541
Total Recognised Income & Expenses (c&d)		2,541	1,387	3,928	-	3,928
e. Distributions to/(Contributions from) Minority Interests				-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		314,631	37,219	351,850	-	351,850

\$ '000	Notes	Council			Minority Interest	Total Equity
		Retained Earnings	Reserves (Refer 20b)	Equity Interest		
2008						
Opening Balance (as per Last Year's Audited Accounts)		303,400	14,602	318,002	-	318,002
a. Correction of Prior Period Errors	20 (c)	3,340	-	3,340	-	3,340
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/07)		306,740	14,602	321,342	-	321,342
c. Current Year Income & Expenses Recognised direct to Equity						
- Transfers to/(from) Asset Revaluation Reserve	20b (ii)	-	21,230	21,230	-	21,230
- Transfers to/(from) Other Reserves	20b (ii)	-	-	-	-	-
- Other Income/Expenses recognised	20b (ii)	-	-	-	-	-
- Other Adjustments	20b (ii)	3,340	-	3,340	-	3,340
Net Income Recognised Directly in Equity		3,340	21,230	24,570	-	24,570
d. Net Operating Result for the Year		2,010	-	2,010	-	2,010
Total Recognised Income & Expenses (c&d)		5,350	21,230	26,580	-	26,580
e. Distributions to/(Contributions from) Minority Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		312,090	35,832	347,922	-	347,922

Upper Hunter Shire Council

Cash Flow Statement

for the financial year ended 30 June 2009

Budget 2009	\$ '000	Notes	Actual 2009	Actual 2008
Cash Flows from Operating Activities				
Receipts:				
12,332	Rates & Annual Charges		10,674	10,175
5,027	User Charges & Fees		8,015	7,917
1,043	Interest & Investment Revenue Received		1,882	1,350
15,524	Grants & Contributions		10,406	9,537
1,267	Other		1,182	1,105
Payments:				
(10,640)	Employee Benefits & On-Costs		(10,817)	(10,474)
(4,099)	Materials & Contracts		(6,940)	(9,159)
(283)	Borrowing Costs		(155)	(108)
(6,329)	Other		(3,961)	(4,200)
13,842	Net Cash provided (or used in) Operating Activities	11b	10,286	6,143
Cash Flows from Investing Activities				
Receipts:				
-	Sale of Investment Securities		-	39,299
-	Sale of Investment Property		-	-
710	Sale of Real Estate Assets		296	195
1,029	Sale of Infrastructure, Property, Plant & Equipment		1,005	1,082
-	Sale of Interests in Joint Ventures & Associates		-	-
-	Sale of Shares in Companies		-	-
-	Sale of Interests in Joint Ventures & Associates		-	-
-	Sale of Disposal Groups		-	-
-	Deferred Debtors Receipts		512	17
-	Distributions Received from Joint Ventures & Associates		-	-
Payments:				
-	Purchase of Investment Securities		-	(17,065)
-	Purchase of Investment Property		-	-
(32,237)	Purchase of Infrastructure, Property, Plant & Equipment		(13,499)	(5,263)
(73)	Purchase of Real Estate Assets		-	(1,047)
-	Purchase of Shares in Companies		-	-
-	Purchase of Interests in Joint Ventures & Associates		5	(43)
-	Deferred Debtors & Advances Made		-	-
-	Contributions Paid to Joint Ventures & Associates		-	-
(30,571)	Net Cash provided (or used in) Investing Activities		(11,681)	17,175
Cash Flows from Financing Activities				
Receipts:				
8,350	Proceeds from Borrowings & Advances		3,820	-
Payments:				
(126)	Repayment of Borrowings & Advances		(108)	(241)
8,224	Net Cash Flow provided (used in) Financing Activities		3,712	(241)
(8,505)	Net Increase/(Decrease) in Cash & Cash Equivalents		2,317	23,077
24,000	plus: Cash & Cash Equivalents - beginning of year	11a	24,102	1,025
15,495	Cash & Cash Equivalents - end of the year	11a	26,419	24,102

Please refer to Note 11 for information on the following:

- Non Cash Financing & Investing Activities.
- Financing Arrangements.
- Net cash flow disclosures relating to any Discontinued Operations

Upper Hunter Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 6a. - Cash Assets and Note 6b. - Investment Securities

\$ '000	2009	2009	2008	2008
	Actual Current	Actual Non Current	Actual Current	Actual Non Current
Cash & Cash Equivalents (Note 6a)				
Cash on Hand and at Bank	14	-	364	-
Cash-Equivalent Assets¹				
- Deposits at Call	1,672	-	-	-
- Managed Funds	-	-	9,838	-
- Short Term Deposits	24,733	-	13,900	-
- NCD's, FRN's	-	-	-	-
- Other Financial Assets	-	-	-	-
Total Cash & Cash Equivalents	26,419	-	24,102	-
Investment Securities (Note 6b)				
Nil				
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS	26,419	-	24,102	-

¹ Those Investments where time to maturity (from date of purchase) is < 3 mths.

Cash, Cash Equivalents & Investments were classified at year end in accordance with AASB 139 as follows:

Cash & Cash Equivalents

a. "At Fair Value through the Profit & Loss"

26,419	-	24,102	-
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Investments

a. "At Fair Value through the Profit & Loss"

- "Held for Trading"

6(b-i)

-	-	-	-
---	---	---	---

Investments

-	-	-	-
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Upper Hunter Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2009

Note 6b. Investments (continued)

\$ '000	2009	2009	2008	2008
	Actual Current	Actual Non Current	Actual Current	Actual Non Current
Note 6(b-i)				
Reconciliation of Investments classified as "At Fair Value through the Profit & Loss"				
Balance at the Beginning of the Year	-	-	22,669	-
Adjustment on adoption of AASB 132/139	-	-	-	-
Revaluations (through the Income Statement)	-	-	-	-
Additions	-	-	(5,604)	-
Disposals (sales & redemptions)	-	-	(17,065)	-
Transfers between Current/Non Current	-	-	-	-
Transfers/Reclassifications from/(to) "Held to Maturity"	-	-	-	-
Transfers/Reclassifications from/(to) "Loans/Receivables"	-	-	-	-
Transfers/Reclassifications from/(to) "Available for Sale"	-	-	-	-
Balance at End of Year	-	-	-	-

Note 6(b-ii)

Reconciliation of Investments classified as "Held to Maturity"

Nil

Note 6(b-iii)

Reconciliation of Investments classified as "Loans & Receivables"

Nil

Note 6(b-iv)

Reconciliation of Investments classified as "Available for Sale"

Nil

Upper Hunter Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 13. Statement of Performance Measurement - Indicators

\$ '000	Amounts 2009	Indicator 2009	Prior Periods 2008 2007	
1. Unrestricted Current Ratio				
Current Assets less all External Restrictions ⁽¹⁾	14,865	5.44 : 1	6.71	6.16
Current Liabilities less Specific Purpose Liabilities ^(2,3)	2,735			
2. Debt Service Ratio				
Debt Service Cost	263	1.00%	1.49%	2.00%
Revenue from Continuing Operations excluding Capital Items & Specific Purpose Grants/Contributions	26,307			
3. Rates & Annual Charges Coverage Ratio				
Rates & Annual Charges	10,723	33.40%	32.80%	36.00%
Revenue from Continuing Operations	32,103			
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual & Extra Charges Outstanding	605	5.32%	4.97%	5.19%
Rates, Annual & Extra Charges Collectible	11,362			
5. Building & Infrastructure Renewals Ratio				
Asset Renewals ⁽⁴⁾ [Buildings & Infrastructure]	6,129	110.75%	73.94%	107.00%
Depreciation, Amortisation & Impairment (Building & Infrastructure Assets)	5,534			

Notes

⁽¹⁾ Refer Notes 6-8 inclusive.

Also excludes any Real Estate & Land for resale not expected to be sold in the next 12 months

⁽²⁾ Refer to Note 10(a).

⁽³⁾ Refer to Note 10(c) - excludes all ELE not expected to be paid in the next 12 months.

⁽⁴⁾ Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity or performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Upper Hunter Shire Council

Income Statement of Council's Water Supply Business Activity

for the financial year ended 30 June 2009

\$ '000	Actual 2009	Actual 2008	Actual 2007
Income from continuing operations			
Access charges	1,168	1,035	977
User charges	1,659	1,373	1,553
Fees	24	74	122
Interest	608	546	579
Grants and contributions provided for non capital purposes	74	38	40
Profit from the sale of assets	-	-	-
Other income	262	-	-
Total income from continuing operations	3,795	3,066	3,271
Expenses from continuing operations			
Employee benefits and on-costs	1,039	957	900
Borrowing costs	-	-	-
Materials and contracts	940	842	526
Depreciation and impairment	648	474	341
Water purchase charges	-	52	64
Loss on sale of assets	6	321	-
Calculated taxation equivalents	-	-	-
Debt guarantee fee (if applicable)	-	-	-
Other expenses	255	94	99
Total expenses from continuing operations	2,888	2,740	1,930
Surplus (deficit) from Continuing Operations before capital amounts	907	326	1,341
Grants and contributions provided for capital purposes	116	634	439
Surplus (deficit) from Continuing Operations after capital amounts	1,023	960	1,780
Surplus (deficit) from Discontinued Operations	-	-	-
Surplus (deficit) from ALL Operations before tax	1,023	960	1,780
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(272)	(98)	(402)
SURPLUS (DEFICIT) AFTER TAX	751	862	1,378
plus Opening Retained Profits	25,669	24,709	20,158
plus/less: Prior Period Adjustments	-	-	2,771
plus Adjustments for amounts unpaid:			
- Taxation equivalent payments	-	-	-
- Debt guarantee fees	-	-	-
- Corporate taxation equivalent	272	98	402
less:			
- Tax Equivalent Dividend paid	-	-	-
- Surplus dividend paid	-	-	-
Closing Retained Profits	26,692	25,669	24,709
Return on Capital %	3.7%	1.4%	6.8%
Subsidy from Council	467	1,162	-
Calculation of dividend payable:			
Surplus (deficit) after tax	751	862	1,378
less: Capital grants and contributions (excluding developer contributions)	(116)	(351)	-
Surplus for dividend calculation purposes	635	511	1,378
Potential Dividend calculated from surplus	317	256	689

Upper Hunter Shire Council

Income Statement of Council's Sewerage Business Activity
for the financial year ended 30 June 2009

\$ '000	Actual 2009	Actual 2008	Actual 2007
Income from continuing operations			
Access charges	1,582	1,500	1,408
User charges	59	57	61
Liquid Trade Waste Charges	30	29	16
Fees	13	-	-
Interest	372	350	398
Grants and contributions provided for non capital purposes	39	38	56
Profit from the sale of assets	-	-	-
Other income	26	39	38
Total income from continuing operations	2,121	2,013	1,977
Expenses from continuing operations			
Employee benefits and on-costs	747	728	812
Borrowing costs	-	-	-
Materials and contracts	738	726	474
Depreciation and impairment	948	885	453
Loss on sale of assets	-	104	-
Calculated taxation equivalents	-	-	-
Debt guarantee fee (if applicable)	-	-	-
Other expenses	27	3	18
Total expenses from continuing operations	2,460	2,446	1,757
Surplus (deficit) from Continuing Operations before capital amounts	(339)	(433)	220
Grants and contributions provided for capital purposes	43	476	125
Surplus (deficit) from Continuing Operations after capital amounts	(296)	43	345
Surplus (deficit) from discontinued operations	-	-	-
Surplus (deficit) from ALL Operations before tax	(296)	43	345
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-	(66)
SURPLUS (DEFICIT) AFTER TAX	(296)	43	279
plus Opening Retained Profits	19,988	19,945	18,773
plus/less: Prior Period Adjustments	-	-	827
plus Adjustments for amounts unpaid:			
- Taxation equivalent payments	-	-	-
- Debt guarantee fees	-	-	-
- Corporate taxation equivalent	-	-	66
less:			
- Tax Equivalent Dividend paid	-	-	-
- Surplus dividend paid	-	-	-
Closing Retained Profits	19,692	19,988	19,945
Return on Capital %	-1.2%	-1.6%	0.9%
Subsidy from Council	1,850	2,157	-
Calculation of dividend payable:			
Surplus (deficit) after tax	(296)	43	279
less: Capital grants and contributions (excluding developer contributions)	(43)	(193)	-
Surplus for dividend calculation purposes	-	-	279
Potential Dividend calculated from surplus	-	-	140

8. EXECUTIVE SUMMARY

Upper Hunter Shire Council was established in 2005 following the amalgamation of the former Merriwa, Murrurundi and Scone Shires. In the years since establishment, Upper Hunter Shire Council has undertaken a rigorous program of community consultation and forward planning to ensure an equitable delivery of services and capital work initiatives to reflect the expectations and aspirations of residents and industry.

In the past 12 months, UHSC completed five major capital works projects in addition to multiple medium and minor scale projects. The completion of such a substantial works program is and of its self an achievement. The planning and vision of the five major projects, demonstrate UHSC's commitment to openness and engagement with the community (the new Administration Centre) to support the growth of significant local industry (Scone Airport and Livestock Selling Centre) and to go beyond its statutory obligations to deliver benefits to residents (Scone and Murrurundi Medical Centres).

Upper Hunter Shire Council has emerged as an industry leader, with innovations such as the Sports Participation Program, workplace safety and health initiatives and its governance policies and procedures.

In the key reporting areas of waste management and strategic planning UHSC's progress is well in advance of the Department of Local Government's legislated targets. Asset Management and utility replacement programs are built upon best practice methodologies and utilise state of the art technologies and procedures in data analysis, program design and delivery.

The residents of Upper Hunter have a shared vision for "a quality rural lifestyle in a vibrant, caring and sustainable community" and have given UHSC the mandate to enact this vision through social, environmental and economic initiatives and by encouraging and demonstrating civic leadership. UHSC has responded to this mandate through programs encouraging broad community participation in environmental and cultural programs, (Clean up Australia Day, Cultural Grants Program) nurturing younger citizens, (Young Endeavour Scheme)

facilitating the development of town centres and promoting the opportunities for established and emerging industries (Crops for Hunter and Kyoto Energy Park).

In delivering these outcomes, UHSC has been mindful of the need to operate within a framework of fiscal responsibility. UHSC has cultivated partnerships with key state and federal government agencies, local business and regional industries to minimise the cost and risk to ratepayers. UHSC's acquisition of the former ABC Child Care Centre and its ability to remodel it to a viable, profitable and quality social enterprise within a 12 month period shows UHSC's commitment to responsible management.

In 2009 UHSC commissioned a community survey to assess community priorities and assessments of UHSC's performance. The report identified *the high levels of importance residents attach to the services or facilities provided by Council. Of the 51 services rated, 42 were rated overall by residents in the range of high to very high importance...These high levels of importance reflect the difficulty of adequately providing such a variety of services and facilities to the expectations of the community. Importantly, when comparing the results of the 2009 research with that conducted in 2004...resident satisfaction has increased significantly for 7 of the 18 comparable services and has not decreased for any of the comparable services.* These findings are a significant endorsement from residents and reflect UHSC's aim to be the best we can be at what we do.

9. Payment of Entry Fee

An entry fee of \$450.00 is payable to cover the costs incurred in judging and administering the Award. On receipt of the Council's entry in the Award, the Local Government and Shires Association, on behalf of the Trustees, will invoice your Council.

10. Closing Date & Enquiries

Entries will close on 31 July 2010 and are to be forwarded to:

A.R. Bluett Memorial Trust
c/- Local Government & Shires Associations
Email: bluett@lgsa.org.au

Enquiries:

John Flannery
Trust Chairman

Phone: 02 6573 1252
Mobile: 0419 422 011
Email: jflannery@hunterlink.net.au