



Community Newsletter

The Macleay Valley Coast
...Lifestyle - second to none

January 2008

'Waste into Art' Exhibition a big success!



The first ever Kempsey Shire 'Waste into Art' competition for schools was a huge success with 85 artworks from 9 local schools exhibited at the Macleay Valley Community Art Gallery in early November. The winning schools shared in over \$8,000 in vouchers to buy educational resources thanks to the event's sponsors JR Richards & Sons, Midwaste and, of course, Kempsey Shire Council.

The overall winning entry was "Roocycled - It's a Million Dollar Industry" by Eric Kerr from Kempsey High School with a special award presented to Millbank School for "The Kookaburra". Photos and a full list of prize winners can be viewed at <http://www.kempsey.nsw.gov.au/waste-into-art-exhib.htm>

South Kempsey Sewerage Treatment Plant: Co-operation contains fuel spill

As was reported in the media, the South Kempsey Sewerage Treatment Works was affected by a leakage of petrol from an external source into its sewage collection system in the middle of December. Macleay Water would like to thank its South and East Kempsey customers for their co-operation in reducing flows to the treatment works immediately after the incident. This enabled the plant to be returned to normal operation more quickly than would have been otherwise possible.

Response to the incident involved a host of people including those attached to Macleay Water (and Kempsey Shire Council as a whole), NSW Fire Brigades, NSW Police Force, other agencies and utilities, contractors, businesses and the community. The way these groups mobilised and acted together to contain the problem was of great significance in minimising the impact on the environment and in helping Council maintain a high level of service to its Macleay Water customers.

The recovery phase of the sewerage treatment process at Council's South Kempsey Sewerage Treatment Plant has progressed well. Tests have confirmed that the bacteria used to process the effluent have recovered well after the incident and the plant is now capable of handling its usual effluent flows. Once again, a very big 'Thanks' to all those involved for a job well done!



ESD Education Series

The information brochure on 'Water Quality' enclosed with your rates notice highlights the importance of maintaining water quality from a whole of catchment or ecosystem perspective and draws particular attention to the significant role wetlands play in regulating water quality in our environment.

The brochure is the first in a series of environmental education brochures to be developed throughout 2008, in line with the multi award winning Kempsey Shire Ecologically Sustainable Development Strategy, adopted by Council in July 2007.

Keep an eye out for further information brochures, including topics such as land degradation, biodiversity and climate change over the coming year.

New Picnic Tables for Crescent Head foreshore



Council's Open Space & Recreation staff installed two large picnic tables near the surf club at Crescent Head late last year, just in time for the holidays. The tables were made by students at Macleay Vocational College.

It is expected that locals, day visitors and holiday makers will make the most of the tables' great location on the Crescent Head foreshore.

Summary of Council's Financial Performance for 2006-07

OVERVIEW

Council's 2006/07 financial statements were audited by PriceWaterhouse Coopers and its financial result for 2006/07 reflected a year of solid financial performance with Council recording surpluses in all funds as outlined below:

Fund	Adopted Budget (Surplus)	2006/07 Result (Surplus)	Working Fund Balance as at 30/6/07
General	\$69,979	\$129,995	\$449,442
Water	\$10,890	\$59,091	\$249,793
Sewer	\$5,832	\$231,677	\$685,925

Working funds are accumulated operational surpluses which provide Council with the capacity to respond to opportunities or react to unforeseen commitments that may arise.

The surplus generated in the General and Water Funds are attributed to a reduction in net operating costs whilst a reduction in loan borrowings costs of \$297,000 (due to the deferral of borrowings) was the principal factor contributing to the surplus in the Sewer Fund.

One of Council's financial goals for the 2006/07 year was to increase its Working Fund balance. The graph below, which shows the 5 year trend in Council's working fund balance as at 30th June each year, confirms the achievement of this goal.

INCOME STATEMENT

The Income Statement shows where Council's money comes from (revenue) and how it is spent (expenses) as it provides the ordinary activities and services of the Council.

If the Income Statement is in a loss situation, this means that Council is not earning sufficient revenue to cover the cost of services to its community. A continued trend of

'losses' means that over a period of time Council will not be able to continue delivering existing levels of service; it will not be able to maintain and replace its assets (predominantly infrastructure assets such as roads, bridges, drainage, parks, buildings, etc) when they need to be replaced.

Kempsey Shire Council's Income Statement for 2006/07 revealed a net operating **surplus** of \$3.519m for the 2006/07 year.

BALANCE SHEET

The Balance Sheet discloses Council's net accumulated financial worth at the end of the financial year. It shows the 'value' of assets that Council holds as well as liabilities or claims against these assets.

In accordance with accounting standards Council was required in the 2006/07 year to revalue its water and sewerage assets to reflect current value which resulted in an increase in value of \$135.844m.

Some of the highlights of Council's Balance Sheet as at 30 June 2007 were:

Current Assets and Current Liabilities

- Current Assets (All Funds) totalled \$23.647m whilst current liabilities (All Funds) totalled \$12.729m. The ratio of current assets to current liabilities of 1.86:1 indicates Council's excellent liquidity position.

Cash Assets

- Council's cash assets which comprise cash and investments increased from \$16.032m as at 30 June 2006 to \$18.895m at 30 June 2007, as follows:

Unrestricted Cash – Increased from \$329,000 to \$717,000;

Internally Restricted Cash – Increased from \$2,475,000 to

\$3,516,000; and, *Externally Restricted Cash* – Increased from \$13,228,000 to \$14,662,000.

- Funding of Council's Employee Leave Entitlements reserve increased by \$444,000 to \$516,000 as at 30 June, 2007. This represents 7.17% of the total liability of \$7.194m.

Infrastructure, Property, Plant and Equipment

Council's fixed assets were valued at \$529.216m as at 30 June 2007. Council undertook a revaluation of its Water & Sewer Networks to reflect current value resulting in an increase of \$135.844m in the value of these assets.

Council's financial reports disclose that \$11.631m was expended on new and replacement assets whilst depreciation charges representing the consumption of assets during 2006/07 totalled \$9.555m.

The value of assets disposals totalled \$343,000.

Interest Bearing Liabilities – Loans

Council's net loan liability increased by \$2.077m to \$28.609m as at 30 June 2007. A summary of loans by fund is set out below:

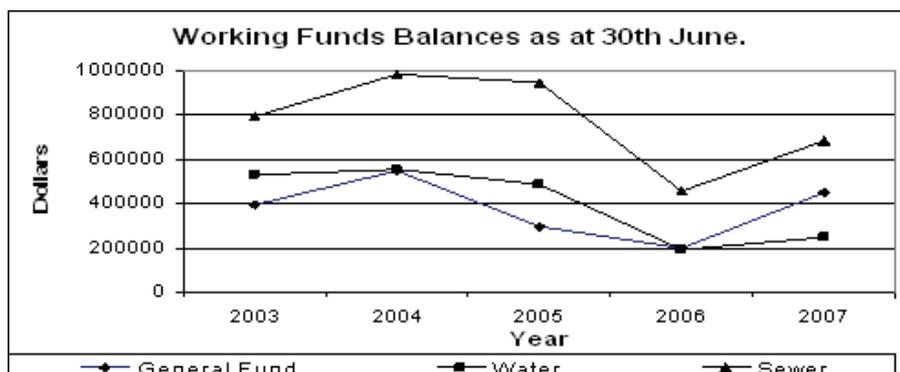
	New Borrowings	Repayments	Balance
General Fund	\$2,205,000	\$1,774,000	\$12.042m
Water Fund	\$729,000	\$745,000	\$10.870m
Sewer Fund	\$1,905,000	\$244,000	\$5.697m
Total	\$4,839,000	\$2,764,000	\$28.609m

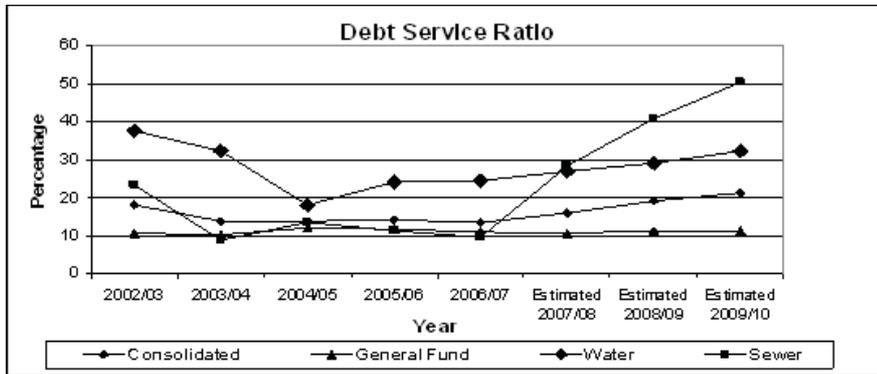
Council has adopted a philosophy whereby loan borrowings are used for infrastructure improvements and other capital purposes to spread the cost of the asset throughout its lifespan to ease the immediate financial burden on the community.

The need to provide for significant water and sewerage capital works in future years will result in an increase in borrowings and therefore in Council's Debt Service Ratio. This outcome is expected and being planned for.

Statement of Changes in Equity

The Statement of Changes in Equity summarises the change in Council's net worth.





Pink Ribbon Day at Boronia Gardens

Pictured below are the clients, staff and volunteers of Boronia Gardens Day Centre who hosted a Pink Ribbon Day at South West Rocks in late October last year and raised over \$140 for Breast Cancer Research.



Boronia Gardens is funded by the Department of Ageing Disability and Home Care and is auspiced by Kempsey Shire Council.

The group meets every Wednesday for structured group activities and to foster friendships specifically for people aged 65 years or over. Boronia clients also enjoy an outing every Friday that includes a bus trip visiting Kempsey and the surrounding areas.

For further information regarding joining the group or to become a volunteer please contact Malceay Community Care Options on 6562 6799.

Annual Report 2006-07

If you would like to read more about what Council achieved during the 2006-07 financial year you can in our latest Annual Report which is available in hard copy at our Customer First Centre in Elbow Street or on our website at www.kempsey.nsw.gov.au (under Communications ~ Documents).

YOUR COUNCILLORS

Mayor Betty Green	6562 8938 0427 419302
Deputy Mayor Janet Hayes	65617188 0427 804956
Councillor John Bowell	65625122 0438 625 122
Councillor Terry Hunt	6561 7157 0414 356 197
Councillor Jim Gribbin	6566 6907
Councillor Bob McWilliam	65665465 0402 134040
Councillor Dean Saul	65674682 0419 639943
Councillor Brian Sowter	6567 4281
Councillor Ellis Walker	6562 2119

Kempsey Shire Council's Statement of Change in Equity Statement shows an increase in net worth of \$139.363m comprising:

- Income Statement Surplus \$3.519m
- Asset Revaluation \$135.844m

PERFORMANCE MEASURES

The financial statements also provide details of various performance measures. These measures are as follows:

Unrestricted Current Ratio-

Assesses the adequacy of the General Fund liquidity position and, therefore, its ability to satisfy obligations in the following year. The benchmark is 100% and the ratio is calculated by comparing the General Fund's current assets over its current liabilities.

Kempsey Shire Council's Unrestricted Current Ratio is 113.85% with current assets exceeding current liabilities by \$826,000.

Debt Service Ratio-

Assesses the degree to which revenues are committed to the repayment of debt. There is no benchmark for the debt service ratio.

Kempsey Shire Council's ratio is 13.38%. The breakdown of the ratio by fund is:

General Fund	11.01%
Water Fund	24.41%
Sewer Fund	9.72%

Council is embarking on a major capital works program within the Water and Sewer Funds over the next ten years requiring the raising of substantial loan funds which will result in an increase in the debt service ratio. The graph at the top of the page shows actual debt service ratio trends over the past 5 years and provides a projection for the next 3 years.

Rates and Annual Charges Coverage Ratio-

Measures the degree of dependence upon revenue from rates and annual charges; it also assesses the

security of Council's income.

In 2006/07 46.95% of Council income came from rates & charges.

Rates and Annual Charges Outstanding Percentage-

Assesses the effectiveness of Council's revenue collection. There is no benchmark for the level of outstanding rates and charges, however, a ratio of lower than 5% is preferred.

Kempsey Shire Council's percentage is 7.33%. Council continues to focus on the recovery of overdue accounts and it is pleasing to note that the percentage declined by 0.60% during 2006/07.

Assets Renewal Ratio -

Assesses Council's expenditure on the renewal of assets compared with the consumption (depreciation) of assets, the ratio should exceed 100%. This is a new measure as from 2006/07.

Kempsey Shire Ratio is 83.3% indicating that Council is not renewing assets at a rate equivalent to their deterioration.

CONCLUSION

Whilst acknowledging the excellent result achieved in the 2006/07 year, Council's financial position and its ability to provide the level of service expected by the community continues to face pressure from increasing costs, aging infrastructure, revenue constraints imposed by rate pegging and the community's ability to pay for services.

Despite these pressures Council remains committed in the long term to providing sustainable financial management of the communities resources to maximise the provision of high quality services and facilities to the community.

OUR VALUES - Trust, Co-operation, Service, Innovation and Pride

Community Consultation Register

Council is establishing a Central Consultation Register (CCR) so that members of our community can register their interest in participating in focus group and other consultative opportunities. All you need to do to be included is fill in a registration form and return it to Council. Forms are available from Council's Customer First Centre, all branches of the Shire Library, or online at www.kempsey.nsw.gov.au (go to Communications, then Forms Index (Alpha), and you'll find under 'C', Central Consultation Register). You can also phone Customer First on 6566 3200 and staff will assist you with completing the online form over the phone.

It's growing faster than we can mow!

You would have noticed with your own lawn the excellent growing conditions we've been experiencing over the past month. Just like you we struggling to stay ahead of the growth!

As the mowing of our open space and recreation areas is done on a rostered basis it is difficult to get around them fast enough to keep the grass at the level we'd like.

Your patience in this area would be appreciated over the next couple of months.

Stuarts Point Library 10th Anniversary celebrations



The Stuarts Point Library 10th Anniversary celebrations were a great success. Pictured (L to R) above are Daphne English (Vice-President of the CWA), Dave Jones (President of Hall Committee) and Bruce Caldwell (library volunteer).

Understanding Cemetery Burial Rights

Council manages and maintains eight cemeteries in the Shire – Bellbrook, Toms Gully, West Kempsey, Euroka, East Kempsey, Frederickton, Kinki (Stuarts Point) and Arakoon. Euroka and West Kempsey are currently closed to reservations.

Council aims to provide adequate and appropriate places for interment and quiet remembrance. Provision of Burial Plots can be purchased in advance (reservations), or for immediate use.

Reservations

- Reservations can be made for future use
- Reservation price is for the burial plot only, currently \$310. This is a once only payment. No further costs until the first interment.
- Depending on the site two interments (burials) can be made in the one plot.
- The application & payment is processed and a Right of Burial Permit sent to the applicant to keep with personal papers.

Immediate Use

- An application for immediate use is usually done directly through the Funeral Director
- The location of available plots, details of previous interments & reservations are verified with Council staff
- The Applicant/Grantee holds the Exclusive Right of Burial for the deceased
- A visit by Council staff and the family to the cemetery to choose the burial position is available on request.

Frequently asked Questions

Q: What is a Burial Right?

A: When you apply for a burial in one of our cemeteries, we will grant you access to a particular grave plot. The grant is referred to as "The Burial Right".

Q: What do you mean by "Grantee"?

The person named on the Permit for the Burial Right is called the

Grantee. The grantee's entitlements under the Permit are exclusive.

Q: Does the grantee own the land where the grave is?

A: No. The grantee's entitlement is limited to access to the burial plot described in the burial right permit. Additionally, the grantee is the only person who can give us instructions as to who should be buried in the grave.

Q: How many burials may take place in a single grave?

A: All graves at the Lawn Cemetery are prepared to accept TWO burials.

Q: Can the ashes of someone who has been cremated be placed in a grave?

A: Yes. Graves can be used for burials and interment of ashes (usually the ash urns are placed under the monument at the head of the grave).

Q: Can anyone place a plaque at a grave?

A: No. The Grantee must give permission to Funeral Director / Council to place a plaque at the grave. We will **not** take instructions from anyone but the grantee or an agent nominated, in writing, by the grantee.

Q: If the grantee dies, or is not available, who owns the Burial Right?

A: We regard the Burial Right to be exclusive property of the grantee, ie, part of the grantee's estate. The grantee's executor or heirs or successors would usually administer the burial right under these circumstances.

If you would like more details about making a reservation please contact Jennifer Colling at Council by phoning 65663220.



How can we help you?

Please contact us



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