



KEMPSEY
Shire Council



Annual Report **2015 - 2016**

PART A – A Year in Review



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The Kempsey Shire Council 2015-2016 Annual Report provides a comprehensive account of Council's performance from 1 July 2015 to 30 June 2016. This document is one of the key components of the Integrated Planning and Reporting Framework, legislated by the NSW Government. It is an integral part of Council being open and accountable in reporting to our community.

A year in review

Indigenous Acknowledgement

In the spirit of reconciliation, Council acknowledges and pays respect to the Dughutti people, traditional owners and custodians of the Macleay Valley. We acknowledge the culture of elders past, present and future and their unique contributions to the life of this Valley.

Reading this Report

The 2015-2016 Annual Report is presented in four volumes:

PART A

A Year In Review, providing a community overview of the highlights, achievements and challenges of the financial year.

PART B

Statutory Information, legislated detail about Council's operations and expenses.

PART C

Financial Statements.

PART D

End of Term Report.

The full document suite is available to view at Council's Offices and libraries or from Council's website.

www.kempsey.nsw.gov.au

Message from the Mayor and General Manager



The 2015/16 year has been one of consolidation and growth for Kempsey Shire Council. Key to this has been developing a sense of pride in our Shire as a vibrant and safe community, as we are no longer defined by a highway through our major town.

The Pacific Highway Bypass of Kempsey provided Council and the region with an opportunity to reinvent itself, and we have leveraged this with a range of projects, developments and initiatives focused on our core values of creating a community that is Healthy, Wealthy, Safe and Sociable.



The completion in March 2016 of the \$3.6 million Smith Street upgrade - the first major project of the Kempsey Corridor Master Plan - designed to stimulate the local economy while creating an appealing 'village-feel', has transformed our CBD into a flourishing and inviting business hub. Results of a survey to measure business confidence and success have been positive. In October 2015, 37% of businesses reported their revenue had increased since 2014, with 67% stating their business confidence was good or very good.

There are significant challenges in managing a finite budget against a growing list of services and more than \$1 billion of assets that need maintaining and upgrading. Council has achieved strong operational and financial performance in delivering on the objectives set out in our Operational and Delivery Plans. Our Auditor's Report confirmed that we achieved improved results in most key financial performance areas, the outcome of sound financial short-term and

long-term strategies put in place over the past four years. Council achieved a budget surplus of just over \$2 million in the general fund for 2015-2016, which will be reinvested into ongoing operations and asset renewal. The funds for water and sewer have shown a deficit which were expected, and strategies are in place to resolve these issues. Our overall financial results have been achieved by a strategy of reducing costs through efficiency savings, increasing income with the special rate variation, and reducing Council's level of debt, so that more can be spent on maintaining our assets, such as roads and bridges.

The benefits of an increased investment in our roads, around \$9 million for 2015-16, continues to strengthen our aged and extensive road network, while striving to deliver on community expectations. A number of significant transport network improvements, in both rural and urban areas, were completed around the Shire. These were funded through a combination of Black Spot and Roads to Recovery Programs, Federal and State Government funding, and Council's funds. This includes nearly 12 kilometres of regional rural access roads, with major projects being sections of Armidale Road and South West Rocks Road. To improve driving conditions within rural areas, Council replenished 24 kilometres of gravel surfaces, a 25% increase on the previous year at a cost of nearly \$1 million.

Over the past year, Council invested around \$400,000 in a program to replace, refurbish and repair bridges around the Shire to prolong the life

“Council achieved a budget surplus of just over \$2 million in the general fund for 2015-2016, which will be reinvested into ongoing operations and asset renewal.”



“We understand the responsibility we hold in delivering the essential services and facilities we provide to the Macleay Valley community now and for the years ahead”

of assets critical to an agricultural community. Major projects included McCudden's Bridge, Gills Gully Bridge, Pee Dee Road and Yellow Gully. In May 2016, the installation of a \$1 million upgrade to the telemetry control system that assists Council monitor and control its water and sewerage infrastructure has delivered substantial improvements in response times and system efficiency. Council's Mobile Community Recycling Centre was a first for NSW and a finalist in the 2015 Green Globe Awards, and one of many initiatives Council has introduced to help the environment and reduce waste management costs.

Completed during the year were infrastructure improvement projects that have increased the access and enjoyment in some of our best-loved locations. In South West Rocks, the 130-metre elevated walkway around Point Briner has created a pedestrian link along the picturesque and historic headland. The transformation of Riverside Park showed what can be achieved when our whole community gets behind a worthwhile cause. Through the generosity and hard work of businesses, contractors, community groups and residents who volunteered their time and services, the \$284,000 project refreshed one of the Macleay's most beautiful and important social hubs.

In April, Council's Customer Satisfaction Survey results showed we scored well in delivering community services and how we manage our facilities, but our performance in handling customer enquiries has slipped. Public safety and the condition of our roads topped the list of concerns

for those surveyed. We used the data captured in the survey to target areas that need improvement across the organisation.

Along with inclusive opportunities such as workshops, art installations and community events, Council worked collaboratively with government agencies, community groups, businesses and residents in helping building a safe, sociable and supportive community. An active library service, including the home lending service supported by Kempsey West Rotary, is a practical and ongoing service to promote literacy and community connection for people of all ages in our Shire.

Made possible by NSW Government grant funding, in June 2016 the Voluntary House Raising Scheme commenced which enables eligible homeowners in flood-prone areas to raise their property to safe heights. Council worked collaboratively with Emergency Service crews to provide a swift response to damage caused by a major storm surge in June, including repairs completed within four days to Killick Creek footbridge washed away in the storm. Initiatives such as the installation of CCTV cameras in the Kempsey CBD, attending Police Community Meetings, and a proactive Community Resilience Program to prepare for flood and natural disasters, helped promote safety and security in our local area.

With Council's ongoing drive to improve productivity and a safe working environment, staff participated in 7,440 hours of training and conferences, including tertiary

sponsored studies. A special focus over the past year has been on increasing the skills of supervisory staff in managing a safe workplace. Complementing this, Council's proactive injury management programs have seen a reduction of 15.6% for the Delivery Plan period 2012-16 on the previous period.

To grow and strengthen our economy, Council looked for new ways to generate development and jobs growth within the Macleay Valley. In February, as part Council's strategy to highlight the Macleay as a top tourism destination, Council hosted the NSW Country Surf Life Saving Championships at South West Rocks, bringing around 4,000 visitors and injecting \$3 million into the local economy. In June, Council signed a Memorandum of Understanding with the Australian International Aviation College, paving the way for a \$7 million investment in a flight training school at Kempsey Airport. Council's Macleay Valley Food Bowl strategy continues to successfully promote the Macleay's agribusiness opportunities and has contributed to an additional 180 jobs in the agricultural sector.

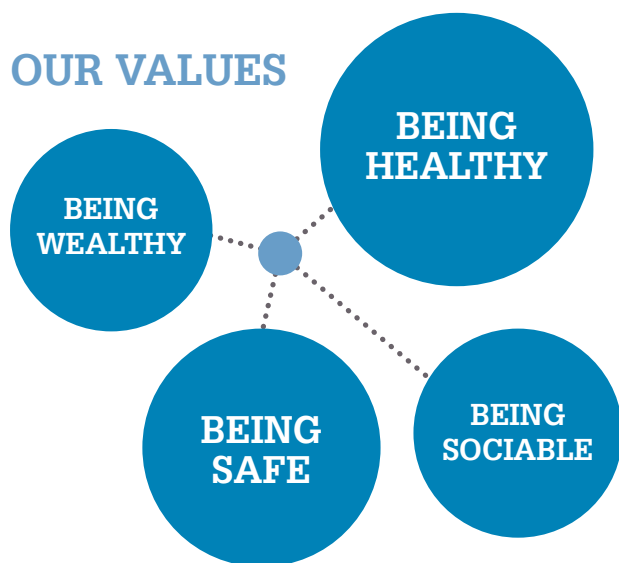
We are pleased to present this year's Annual Report, and the strong results demonstrate the commitment by Council's management team, staff and Councillors to deliver quality facilities and services to our local communities. We are confident Council has built a solid foundation for the challenges we face. We understand the responsibility we hold in delivering the essential services and facilities we provide to the Macleay Valley community now and for the years ahead. ■

Our Community, Vision and Values

OUR COMMUNITY'S VISION 2036 Community Strategic Plan

We live in a community that provides opportunity to all, to prosper in an environment that supports wellbeing, connectedness and access to the resources the community wants and needs.

OUR VALUES



COUNCIL'S MISSION

Council's role is to take a leading position in partnering with other levels of government, business and community groups, and individuals to make the community's vision a reality. To achieve this we rely on our commitment to being a professional, friendly and ethical Council that consults with and listens to the community.

This commitment requires Council operating with strong leadership; keeping the community informed and engaged; demonstrating respect for all and working together in partnership.



Community Profile



Kempsey Shire, located approximately 400 kilometres between Sydney and Brisbane on the NSW Mid North Coast, covers an area of 337,874 hectares between the Pacific Ocean in the east; Five Day Creek in the west; and from Grassy Head in the north; to Kundabung in the south.



The Kempsey Shire population forecast for 2016 is 29,262, and is forecast to grow to 33,457 by 2036.



The number of dwellings in Kempsey Shire is forecast to grow from 13,556 in 2011 to 14,965 in 2026, with the average household size falling from 2.43 to 2.30 by 2026.



Parents and homebuilders (aged 35–49) make up the largest single age bracket in the Shire, 18% at 2011.



Kempsey Shire's Gross Regional Product is estimated at \$1.26 billion, which represents 0.3% of the state's GSP (Gross State Product).



There were 11,314 jobs located in the Kempsey Shire in the year ending June 2015, an increase of 2.8% on 2014.



The value of building approvals in 2015-2016 was \$45,277 million, with \$29,972 being residential.

Councillors



**Mayor
Liz Campbell**

“Kempsey Shire is in a transition stage, we are now in a position where we are starting to think more long term and strategically. We now have a clearer picture of what we are facing, what needs to be done and what we would like to see done in the future.”



**Deputy
Mayor
Lou Kesby**



**Councillor
Anna Shields**



**Councillor
Sue McGinn
OAM**



**Councillor
Dean Saul**



**Councillor
Ashley
Williams**



**Councillor
Anthony
Patterson**

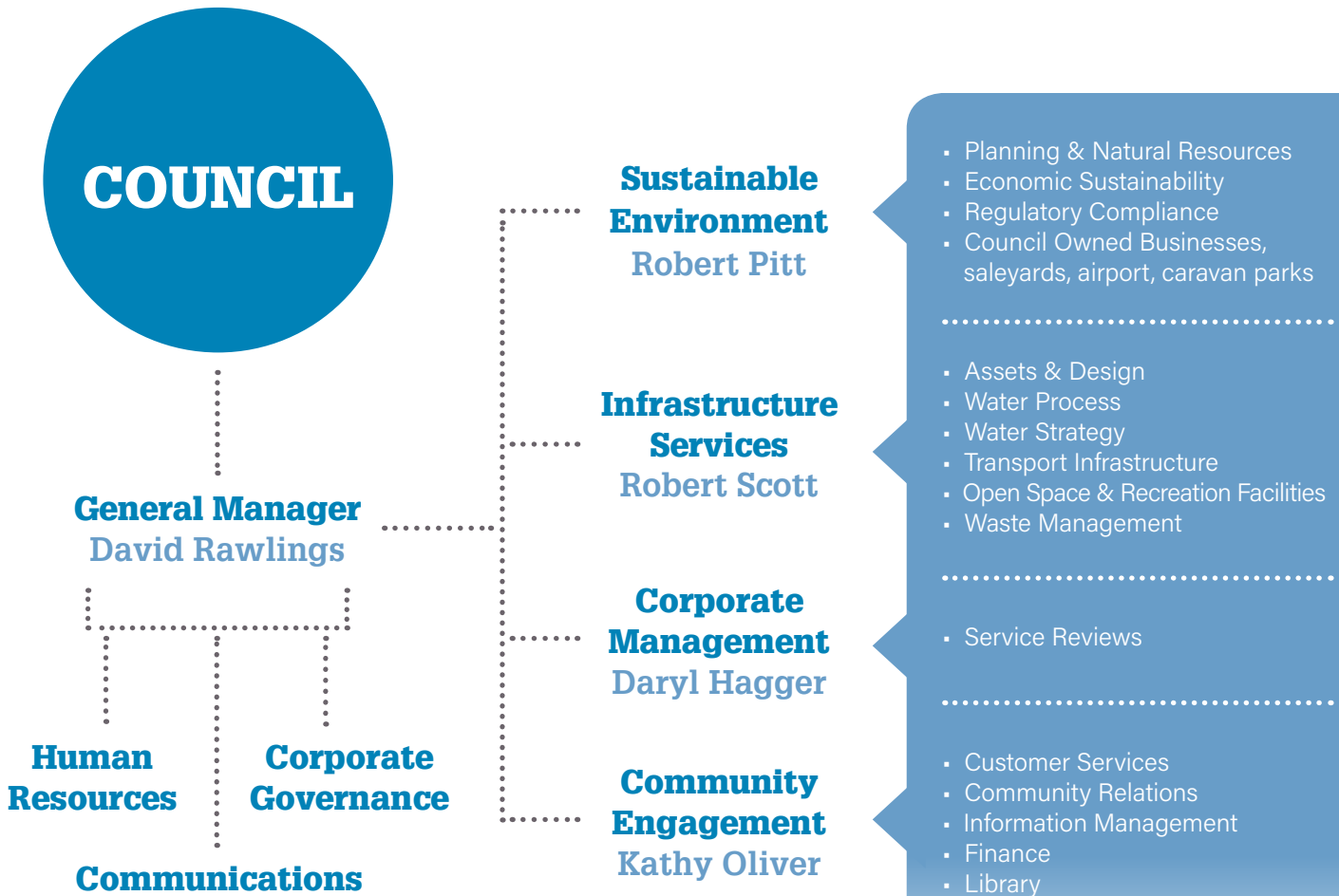


**Councillor
Bruce Morris**



**Councillor
Betty Green**

Our Organisation and Workforce



The workforce is 31.0% female and 69.0 % male

61.7% of Council's workforce is over 45 years of age and of this 30.3% are over 55 years of age.

Staff participated in 7440 hours of training courses and conferences across the year, including tertiary sponsored studies. The focus was on increasing skills of supervisory staff in managing a safe workplace.

The average length of service of our employees as at 30 June 2016 was 10.1 years, with service by gender of females 8.27 years and males 10.94 years.

At June 30 Council had a head count of 303 employees with 288.5 Full Time Equivalent jobs

Council's proactive injury management strategies have resulted in a reduction of the Workers Compensation premium over the Delivery Plan period 2012-2016 compared to the last period by 15.6%.

An Extraordinary Year

PLANNING FOR CHANGE Implementing the Bypass Strategy

The Pacific Highway Bypass of Kempsey presented Council and the community with a unique opportunity to reshape our identity and economy, and therefore create a renewed sense of pride in the Kempsey Shire.

The Kempsey Corridor Master Plan; Our Story, Our Place, Our Future establishes an urban design model for the corridor from South Kempsey to Frederickton. It was developed in conjunction with the community and has enabled 2015-2016 to be a year of unprecedented achievement in delivering major improvement projects including:

- Rebuilding an entirely reclaimed CBD and Smith Street, taking the focus off traffic on to people
- The Smith Street Experience, a marketing campaign to support business and community confidence
- Commencement of significant gateway roadworks on Lord Street and Macleay Valley Way
- Riverside Park upgrade



Riverside Park
community build



SMITH STREET UPGRADE

The \$3.6 million project, contracted to a local company included improved pedestrian access and raised crossings, replacement of the footpath, new pavers, new street furniture and public pergolas, upgraded utility services, innovative and energy efficient lighting system, new bus shelter and significant landscaping.

The primary objective was to refurbish the streetscape and provide an appealing safe and usable space to stimulate renewed economic activity.

To support the physical works the project also involved free heritage consultations to encourage building enhancements, a moratorium on outdoor dinging fees and implementation of the "Smith Street Experience" marketing campaign.



RIVERSIDE PARK UPGRADE

No longer located beside a busy highway, the park alongside the Macleay River presented Council with the opportunity to create an inviting, centrally located recreation and meeting space.

A partnership with generous community groups, local businesses and contractors saw the upgrade completed in November 2015 at a cost of \$284,000 with an estimated value of \$400,000.

The upgrade used recycled and repurposed products and focussed on open accessibility through the installation of a natural adventure playground designed in collaboration with landscape architects and early childhood professionals. The design also featured updated picnic facilities, timber bench seating designed and built by a local business, widening existing paths and a perimeter bike/scooter trail.

RIVERSIDE IN NUMBERS

- **25-metre flying fox, water play area, three swing sets and junior play zone**
- **675 new plants**
- **78,000 two litre plastic milk bottles saved from landfill by using Replas seats and tables**
- **50 recycled tyres**
- **Help from 18 local business and contractors and 65 residents who donated their time**
- **1,624 voluntary working hours**

CONTINUING BYPASS PROJECTS

A 3.2 km stretch of the old highway between Frederickton and Kempsey will be transformed into a gateway as 210 Lipstick Maples, planted in 2015, grow and mature.

Frederickton will no longer be a highway thoroughfare upon completion of \$1.4 million in works to improve the road surface, drainage, kerb access, footpaths and streetscape.

On the southern end, improved property access, drainage and footpaths will be some of the lasting benefits of the \$3.4 million reconstruction of Lord Street due for completion late 2016.



Smith Street, Kempsey

PART A: 2015 - 2016 Financial Overview

Council's audited financial position for 2015-2016 demonstrated an improved position and a budget surplus of \$2.2 million, which will be reinvested into ongoing services. This result has been achieved through a strategy of reducing costs through efficiency savings, increasing income with the special rate variation and reducing Council's level of debt, so that more can be spent on maintaining our assets, such as roads and bridges. This long term sustainable approach to financial management will continue to be a focus of Council's practices.

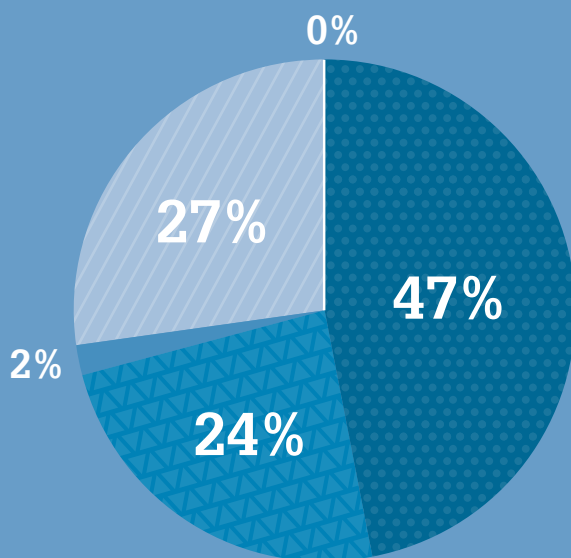
Council's 2015-2016 income was \$69.13 million

Statement of Financial Position

Representing Council's net financial worth at the end of the financial year.

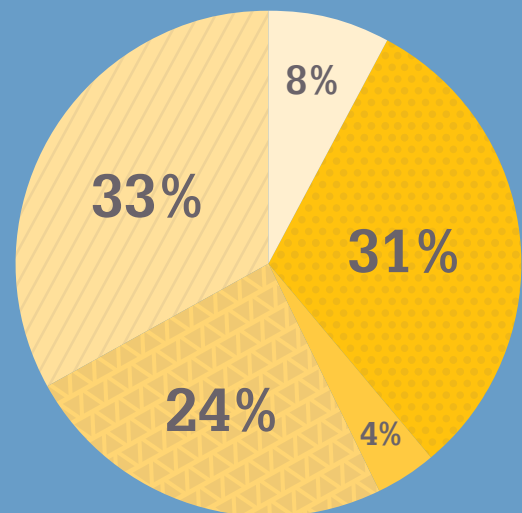
FINANCIAL POSITION SNAPSHOT	2016	2015	2014	2013
	\$'000	\$'000	\$'000	\$'000
ASSETS (A) <i>What Council owns</i>	\$1,098,365	\$1,068,531	\$1,200,083	\$1,182,774
LIABILITIES (L) <i>What Council owes</i>	\$61,131	\$64,593	\$65,484	\$60,114
EQUITY (A-L) <i>What Council is worth in \$ terms</i>	\$1,037,234	\$1,003,938	\$1,134,599	\$1,122,660

Sources of Income



Operating Expenses

Council's expenditure for the year was \$66.900 million



Council's Liabilities

Borrowings account for \$46.176 million representing 75.53% of Council's liabilities Council's loan liability decreased by \$5.173 million in the financial year.

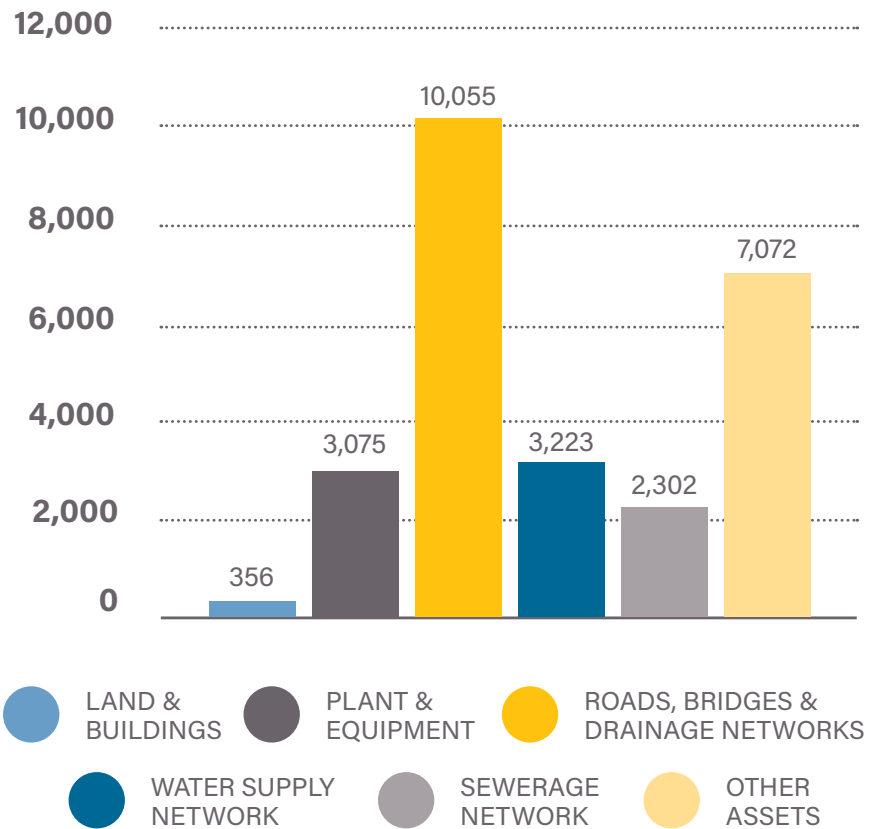
Council's Assets

Infrastructure, property, plant and equipment accounts for more than 95% of Council assets. As at 30 June 2016, the value of Council's total assets was \$1,098,365 million, an increase of \$33 million from the previous year.

Council's loan liability decreased by \$5.173 million in the financial year.

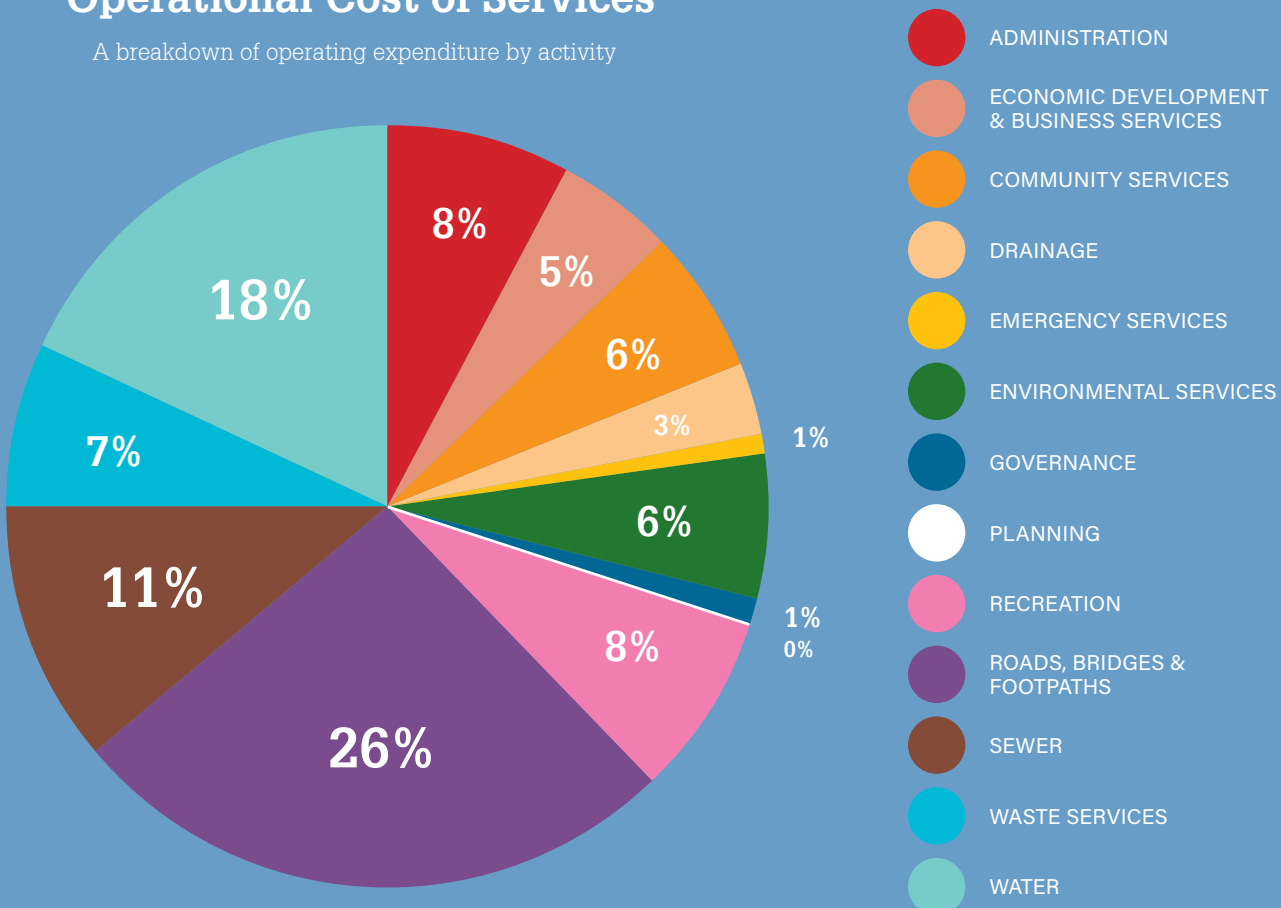
In 2015-2016 Council purchased or constructed \$26,083 million in assets, as shown to the right.

Purchased & Constructed Assets



Operational Cost of Services

A breakdown of operating expenditure by activity



Delivery Program Key Performance Indicators



RESIDENTS	RESULT	ON TARGET
# residents	29,684	✓
% people reporting feeling safe in their homes and public spaces	68%	✗
# rating of overall satisfaction	2.81	✗
% projects completed on time and on budget	65%	✗
% requests above current service levels	No Data	No Data
% residents above satisfied with Council's communications	2.82	✗
# community projects undertaken by groups in the community	16	✓
% customer enquiries solved before second contact made	82%	✓
# mean satisfaction rating with customer service	2.81	✗
% of instances where service levels met	85%	✓

Council has implemented a number of long term strategies such as a moratorium on development costs, strengthening the agriculture sector and lobbying the State Government for greater effort in reducing crime, which are aimed supporting population increases, safety and satisfaction.

Challenges in staff recruitment, overruns of major projects like Smith Street and South Kempsey as well as additional grant funded projects, all impacted on the percentage of projects completed.

New software to automate forms and processes, training in plain English writing and the recruitment of specialist staff are innovations that have occurred since the customer satisfaction survey in February and will assist in reaching targets for communications and customer service.

BUSINESS	RESULT	ON TARGET
# people employed in Shire	11,071	✓
\$ farm output (\$mill)	\$139.2	✓
\$ gross regional product (\$mill)	\$1,261.00	✗
\$ investment into the local government area (\$mill)	\$47.80	✗
% satisfaction of businesses with Council infrastructure	52%	✓
# break and enter, malicious damage crimes (reducing)	876	✓
% key development stakeholders expressing satisfaction	No Data	No Data
% positive rating of brand awareness and recognition by businesses	24%	✗

Strategies to achieve population and employment growth, and drive higher value use of agricultural land will continue to have an effect over the longer term. Council's Smith Street marketing campaign, Food Bowl initiative and process improvement to support investment in the region will all continue to impact more positively on unmet targets.

Council commenced measuring business satisfaction and brand rating in this financial year and will now implement the Small Business Friendly Council program as one of the actions to achieve this target.

VISITORS	RESULT	ON TARGET
\$ total visitor spend (\$mill)	\$128	✗
% satisfaction of visitors with quality of facilities	No Data	No Data

Resources in this area have been focussed on development of agribusiness, compounding with a lag in relevant data to impact achievement of these indicators. Economy.id data shows employment in tourism hospitality and sales has grown faster than the overall NSW tourism sector in the last 12 months.

EMPLOYEES	RESULT	ON TARGET
\$ saved through innovation	\$97,600	✗
% of staff undertaking discretionary training	66.90%	✓
% staff expressing satisfaction with employment	86%	✓
% unplanned leave hours per employee per annum on average	4.6%	✗
# of lost time Injuries per million hours worked	16.22	✗

The Service Review project has consumed considerable resources and staff time to evaluate processes and efficiency opportunities. This has impacted on capacity to develop cost saving innovations but the Service Review will deliver efficiency savings in future years.

A management focus to address unplanned leave will continue, with a positive trend being recorded mid-way in the 2016-2017 financial year.

While reductions in insurance premiums reflect positive change in lost time injuries efforts to review injury sources, length and mitigation strategies will continue.

Delivery Program Key Performance Indicators (cont.)

GOVERNMENT	RESULT	ON TARGET
% variable grants received from applications made	29,684	✓
\$ variable grant funding received (\$mill)	68%	✓
Agencies and members expressing positive view of activities of council organisation	No Data	No Data

Grants have been attracted for a wide range of purposes including ecological, cinema infrastructure and road funding. Our organisation has a positive reputation for achieving quantifiable outcomes for all levels of Government through grant funded work.

FINANCIAL (GENERAL FUND)	RESULT	ON TARGET
Operating performance ratio	2.05%	✓
Own source revenue ratio	66.19%	✓
Building and infrastructure asset renewal ratio	123.03%	✓
Infrastructure backlog ratio	0.27	✗
Asset maintenance ratio	0.99	✓
Debt service ratio	5.11%	✓
Real operating expenditure per capita	\$1,838.34	✓
Actual V budget position Operating Statement	\$1,358,547	✓
Basis points return on investments against benchmark	1.43	✓
Outstanding debtors ratio	5.48%	✗

The general fund performed well with continued long term focus remaining on addressing the infrastructure backlog by directing funds achieved through special rate variation funding, lower loan repayments and efficiency savings back into infrastructure works.

Funding Additional Works

Council has approval from the Independent Pricing and Regulatory Tribunal (IPART) to fund an ongoing program of maintenance on roads and bridges through a special rate variation. The four year variation applies from 2014-2015 through to 2017-2018.

For 2015-2016 this rate variation resulted in an additional \$2.5 million being invested into the infrastructure program.

In addition to the rate variation funds an additional \$3.4 million has also been generated each year since 2010 through Council's efficiency savings, along with ongoing reductions in loan repayments, as part of Council's long term approach to increasing investment in the infrastructure backlog.

Road and bridge repairs that received contributions from the SRV funding in 2015-2016 include:

\$1.17 million on works to unsealed roads:

- Collombatti Road
- Willi Willi Road
- Pipers Creek Road
- Edinbrough Lane
- Plummers Lane

\$787,000 towards work on sealed roads:

- Crescent Head Road
- Robert Gardem Place
- John Street Smithtown
- Peter Mouatt Street

\$290,000 on bridge repairs including:

- Nagles falls Bridge
- Yellow Gully Bridge
- McIntyres Bridge



COMMUNITY GOAL

We Value Being Healthy



Contributing to a healthy community

8

sewerage treatment plants

2094

Section 149 Planning Certificates were issued

18

water supply reservoirs

11,773

water connections throughout the Shire

4

waste transfer stations

623km of water pipes

12

sporting facilities

21

water pump stations

What does Council aim to deliver?

- > Provide safe, reliable water supply to serviced areas
- > Implement fluoridation to Kempsey and Crescent Head water supplies
- > Regulate food risks to the public
- > Provide services to cater for an ageing population
- > Provide sporting fields, play facilities and public spaces
- > Operate public pools
- > Maintain footpaths
- > Support education for healthy eating programs
- > Minimise impacts of waste and safe disposal of waste products
- > Ensure development is undertaken to safe and reasonable standards
- > Ensure sustainability of infrastructure to meet expected future growth
- > Regulate public health risks
- > Ensure future burial needs are catered for
- > Removal of wastewater products from serviced areas
- > Ensure animals don't create a nuisance or safety risk
- > Manage and regulate impacts of development
- > Plan for a sustainable environment
- > Manage and remediate the estuary eco-system
- > Minimise the impact of noxious weeds on the environment and the economy
- > Maintain the stormwater drainage system



79
sewerage
pump
stations

11,708
weekly waste
collections to
households

719 on site sewerage
management systems
inspected

28
playgrounds

4
Council owned
swimming pools

11
cemeteries

1,726
Ranger related
requests received

65km
of footpath and
cycle ways

288km
of sewer mains
and reticulation

2015 - 2016 Highlights

Healthy

More than 1,300 properties were inspected for weed infestation, and a proactive education campaign increased community awareness of noxious weeds.



Council hosted the NSW Country Surf Life Saving Championships, at South West Rocks in February 2016 involving more than 1,500 competitors.

Construction for fluoridation equipment at Stuart McIntyre Dam commenced.

A \$1 million upgrade to the telemetry control system that assists Council with monitoring and controlling the water and sewerage infrastructure throughout the Shire, completed in May 2016, has delivered significant improvements in system operation and efficiency. The SCADA system provides timely alarms for any system anomalies which are sent via SMS to Council operational staff and enable immediate response, therefore minimising negative impacts on providing supply of quality drinking water.



Implementation of the rural residential component of the Kempsey Local Growth Management Strategy continued.



A NSW first, the Mobile Community Recycling Centre is a purpose built trailer that provides a free drop off centre for problem household wastes that can move throughout the Shire. Funded by the EPA's Waste Less, Recycle More initiative, the trailer was selected as a finalist for the 2015 Green Globe Awards. Throughout the year, the trailer was used to deposit 2,500 paint tins, 3,000 batteries and 3,000 litres of motor oil and other oils.



Council developed and adopted a new Pedestrian Access and Mobility Plan (PAMP) which will guide policies and grant applications for how to build and maintain pedestrian facilities, including the existing 65km of footpath across the Shire.



The 130-metre elevated walkway around Point Briner, South West Rocks was officially opened in June 2016. Set on 27 piers and built from recycled composite plastic, the walkway creates an accessible pedestrian link while being sympathetic to the natural beauty and historical significance of the location.



The community has become involved in initiatives to educate and change behaviours around waste management. As part of Council's Clean up the Macleay Valley Grant program the Crescent Head Surf Riders organised a public clean-up in September 2015. The program also saw multiple public waste and recycling bins installed in the area, including a pet waste bag dispenser and cigarette butt bin.

COMMUNITY GOAL

We Value Being Wealthy



Contributing to the community's wealth

103

timber bridges

47 concrete bridges
9 foot bridges

82%

of economic sustainability projects completed on time

1

airport

193km

of kerb and gutter

1

regional saleyard

12.9%

of the population is enrolled in tertiary education



What does Council aim to deliver?

- > Promote literacy through the provision of library services
- > Encourage tourist visitation
- > Ensure suitable infrastructure exists for business owners
- > Support services to increase value in local business
- > Maximise opportunities from the bypass
- > Support increased levels of educational attainment
- > Build returns from agriculture
- > Provide transport network
- > Timber bridge replacement program

1 mobile library

125,951
visitors to our four libraries

19,098
visitors to our Information Centres

\$139.2 million
attributed to farm output

5 holiday parks

181,696
items borrowed from our libraries

1,183km
of road network
.....
613 sealed / 570 gravel

2015 - 2016 Highlights

Wealthy



The handover of the Old Pacific Highway has resulted in development of a 10 year Maintenance Plan and RMS funding agreement to address areas that are now urban and residential roads. In 2015-2016 this included the resurfacing of several roads in Frederickton, the Southern Highway Interchange and roads in Crescent Head as well as footpath and kerb and gutter works.

Advocacy of Macleay Vocational College helped secure a \$500,000 Federal grant to build a hospitality learning centre, announced in late June 2016.



An \$850,000 upgrade to South West Rocks Road, as part of the residential roads program, was completed in three stages with two being funded through the Federal Roads to Recovery Program.



An active and responsive library service continues to be a critical part of promoting literacy in the Kempsey Shire. Monthly storytime sessions, access to a toy library and a Story Box library full of teaching resources are ongoing services. In partnership with Kempsey West Rotary, residents of East and West Kempsey who are not able to physically attend the library are provided with a range of materials through the home lending service.

Gravel surfaces have been replenished and driving conditions improved on 24km of gravel road across the Shire. This investment of almost \$1 million represents an increase of 25% on previous years, funded through the special rate variation.





During NAIDOC week in July 2015, Kempsey Library hosted the Dhanggati Language Group's book publishing project. The project produced three dreamtime stories which are written in Dhanggati language with English translations, colour images and a pronunciation guide aimed at assisting the revival of the Dhanggati language and culture.

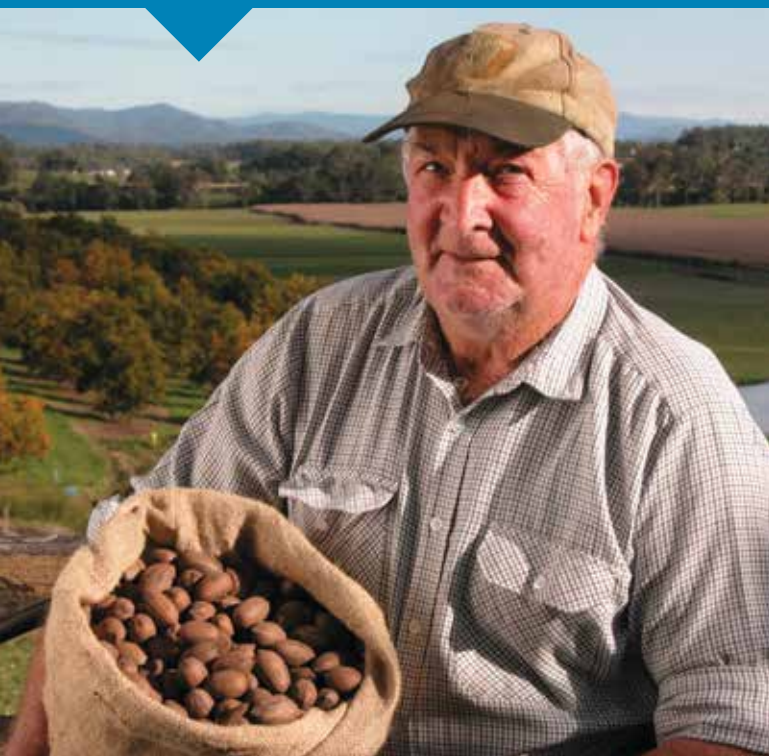
Investments in supporting the local tourism industry include production and distribution of the tourist guide, Explore, Experience, Discover 2016-2017 and adoption of a Business Management Plan for the Council-owned holiday parks.



Council signed a Memorandum of Understanding with the Australian International Aviation College, paving the way for a \$7 million investment in a flight training school at Kempsey Airport.

The Macleay Valley Food Bowl strategy and marketing campaign aims to stimulate economic growth and increase agriculture sales and productivity using a destination brand for the region. Research to identify and promote high value horticulture crops, launch of a website, marketing materials and industry targeted workshop series has contributed to an additional 180 jobs in the agricultural sector.

The reconstruction of 11.7km of regional rural access roads included the 4.5km stretch of Armidale Road that was widened, realigned and resurfaced road between September 2015 and April 2016 at a cost of \$1.2 million, obtained through the Federal Government Black Spot funding program.



A survey of over 250 Macleay Valley businesses in October 2015 helped to define a measure of local business confidence and identify public infrastructure and local government services that were of the most value. Initiatives implemented as a result of this feedback included the Doing Better Business workshops helping participants to prepare a five year plan and subscribing to Profile ID, a data portal that provides economic, demographic and business statistics to the community.

COMMUNITY GOAL

We Value Being Safe



Contributing to a safe community

92%

of community survey respondents feel safe in public places during the day

Lifeguard

services in spring, summer and autumn school holidays

at **5** beaches

Break and enter, malicious damage crime has reduced **13%** on previous year

What does Council aim to deliver?

- > Increase awareness of the need for disaster plans
- > Build networks for community support after disasters
- > Emergency preparation and response
- > Provide flood mitigation infrastructure to reduce flood impacts
- > Assist in crime prevention through environmental design (CPTED) and communication
- > Programs to support youth education on positive behaviour benefits
- > Support national domestic violence awareness campaigns
- > Swift removal of graffiti in our urban areas
- > Education programs on road safety
- > Revitalise Kempsey CBD to instill community pride and ownership
- > Revitalise Horseshoe Bay Reserve
- > Activities to reduce alcohol related issues
- > Provide street lighting to urban areas and the road network
- > Road safety improvements
- > Increase beach safety through lifeguard services



177

flood control structures

33

measuring stations reporting flood and rainfall data

10

CCTV cameras

35km of flood levees

55km of rockwalls

2015 - 2016 Highlights

Safe



A proactive Community Resilience Program was created and delivered to assist the community and other organisations prepare for times of flooding and natural disaster. The program included Flood Resilience Workshops, the result of a collaboration between Kempsey Shire Council, NSW SES, NSW Department of Primary Industries Rural Resilience Program and North Coast Local Land Services, as well as subscription to the MyRoadInfo app.

Council has played a vital role in community advocacy and strategic development to work alongside other community and government agencies to reduce the level of crime.



An innovative flood camera system that integrates with the river level monitoring station has been installed at Sherwood Bridge. The camera takes images of the bridge and river every 15 minutes during a flood event, which are automatically uploaded to Council's website, updating residents on the progress and severity of floods and bridge access.



Flood camera footage from Saturday 2nd May 2016



In April 2016, work commenced on a 1.7km footpath extension along Gowings Hill Road in South Kempsey with the aim of providing a safe path for residents, linking communities. The project was funded through the RMS Aboriginal Road Safety Infrastructure Program at a cost of \$220,000, with Council contributing project management and design components. The footpath extension received support from all levels of Government with the labour work largely undertaken by participants in the Work for the Dole scheme through the Kempsey Showground Trust.

Council's response to the damage caused by a major storm surge in June 2016 was swift and cost effective. A quarter of the 50-year old Killick Creek footbridge was washed away, but a \$10,000 emergency repair using salvaged and excess materials was completed in four days and restored beach access ahead of a full bridge replacement later in the year.

As a founding agent of the Breaking the Cycle Interagency Group, Kempsey Shire Council has worked collaboratively to increase services and improve safety in the community. Initiatives include installation in December 2015 of 10 CCTV cameras throughout the Kempsey CBD; supporting Police Community Meetings which gives residents the opportunity to meet new Police officers, discuss current issues and to access information on safe practices in home security and; participating in quarterly Police Aboriginal Consultative Committee meetings to address Aboriginal issues associated with community safety and crime.



In June 2016, Council commenced a voluntary House Raising Scheme, made possible with funding from the State Government Floodplain Risk Management Grant Program. Six houses have been approved as suitable to receive a grant for two-thirds of the cost required to raise the property above the 1 in 100 year flood level.



COMMUNITY GOAL

We Value Being Sociable



Contributing to a sociable community

17
public
amenities

High profile
public toilets
cleaned
daily

2
art galleries

1 Kempsey
Family
Community
Centre

What does Council aim to deliver?

- > Provide and maintain public areas and recreational facilities for use by the community
- > Provide and maintain public toilet facilities
- > Provide suitable parking
- > Work with community groups
- > Support community events and activities
- > Provide access to transport and infrastructure services



4
skate
parks

23
community groups
actively involved
in projects

77ha
of park

22
Council coordinated
events for community
participation

2015 - 2016 Highlights

Sociable

Council partnered with Melville High and FACS to support the Dunghutti people to protect their cultural stories. Uncle Bob Smith and Emily King led the project, collecting stories from 84 elders and creating a DVD box set. The stories were shared with 480 local students who painted their interpretation, resulting in 13 murals forming a map of the Macleay Valley. The Australian Institute of Aboriginal and Torres Strait Islander Studies (AIATSIS) have profiled the innovative project.



Community Development staff coordinated a community building project to make over the Kempsey Skate Park, showcasing the skills of local artists and students.

Public spaces in Federickcton including the cenotaph and boat ramp have been upgraded to encourage community use now that they are no longer affected by highway traffic.

In April 2016, Council supported a range of activities and events for Seniors Week. These included a concert, iPad workshops and a Digital Life Memories workshop which taught participants how to produce digital slideshows of photos and music. The 'As I Age' mobile chalkboard moved through busy streets of the Shire and provided residents with an opportunity to celebrate ageing and reflect on their hopes and dreams for the future.



Council supported funding and coordination for more than 50 community events, with an upward trend of increasing the number of community groups involved in events.



Council has worked with community groups to design and implement the creative communities program which aims to increase community involvement and a sense of pride in the region. Sponsorship of the creative industries forum, The Business of Being Creative, at the Slim Dusty Centre in May 2016, provided participants with connections and facts to support turning creative ideas into profitable business. Other initiatives under the \$50,000 program include commissioned artists to design and paint murals on key infrastructure and buildings such as toilet blocks at South West Rocks and Riverside Park and a large street art mural in Savages Lane. This was extended to painting the electricity boxes in the Kempsey CBD with artworks based on the environment.



Council staff operate the Kempsey Family Community Centre (KFCC), located in South Kempsey. In June the KFCC partnered with Macleay Valley Drug Action Team to host information stalls and provide resources on Alcohol and Other Drugs. The stalls in the Kempsey Library, Clyde Street Mall and Burrun Dulai Family Fun Day resulted in completion of 100 surveys providing vital insight into drug related issues.



The Mayoral Community Fund is a small community grants program aimed at financially supporting local community projects that benefit the wellbeing of Macleay residents. The funds are generated by savings made from Councillors waiving many of the entitlements allocated to the elected Officials Expense budget, including a Mayoral car. In 2015-16, over \$25,000 was donated back to 16 community projects across the Macleay Valley including gardens, markets, festivals, education programs and sporting groups.

One of the highlights of Council's Local Government Week activities for 2015 was the 'Cemetery Tales' tour of West Kempsey Cemetery. Almost 60 participants attended the theatrical presentation on the tales of past residents and their burial sites.



Governance



Contributing to good governance

14.2

average number of hours after Council meetings that minutes are available

85%

of Customer enquiries resolved at first contact

2 Council meetings held in villages

7 Community workshops held

37,220

Customer Service telephone enquiries

What does Council aim to deliver?

- > Community engagement support for Council's decision making
- > Customer Service Centre
- > Corporate administration including policies, procedures and Council meetings
- > Efficiency investment
- > Corporate information services
- > Financial services and reporting
- > Fleet management
- > Human resources

2015 - 2016 Highlights

Council has undertaken a strategic review of operations, financial management and service delivery expectations to respond to community feedback and industry reform. The review program has found \$3.2 million in annual savings over five years, with a commitment adopted in July 2016 to save a further \$500,000 in cash based efficiencies.

A restructure was implemented in order to resource a dedicated service review, with Kempsey Council leading the project on behalf of neighbouring Councils.

Governance

With the goal of improving customer satisfaction, Council initiated a review and audit of correspondence and direct communication that had gone to ratepayers and stakeholders, in order to develop a systems-based approach. One off funding of \$270,000 was invested in improved processes, skills and systems including an overhaul of correspondence and training in plain English writing. Implementation of a customer management system to automate processes and improve tracking of customer enquiries and responses has been commenced.

Awards and Accolades



Green Globe Awards 2015 Waste & Recycling Award

Mobile Community Recycling Centre

Named as one of five finalists in the NSW Government's Green Globe Awards, the leading environmental recognition program celebrating the work of organisations and individuals who are leading the way in making NSW a place where people and nature thrive.

2015 IPWEA NSW Division Excellence Awards - Winner

Excellence in WH&S

Sherwood Bridge Flood Camera

Master Builders Association 2016 Regional Award for Best Civil Project

Smith Street revitalisation

Joint award won by Council and building contractor O'Donnell and Hanlon for the rebuilding of Smith Street.

2015 IPWEA NSW Division Excellence Awards – Highly Commended

*Innovation in Water Supply
and Wastewater*

Bloomfield Water Supply
Pump Station

IPWEA Foundation Scholarship

*Lalji Rathod – Kempsey Shire Council
Water Services Project Engineer*

Lalji received sponsorship to the annual conference and young engineers development seminar, following a submission in the Young Engineers category.

2015 IPWEA NSW Division Excellence Awards - Winner

*Excellence in the Three R's -
Recovering, Recycling and Reusing*

Mobile Community Recycling
Centre Trailer

Key Projects in Progress

NAME OF PROJECT	% COMPLETED AT JUNE 2016	TOTAL COST	% COUNCIL FUNDS (INC. S94)
Killick Creek footbridge replacement, Crescent Head	15%	\$315,000	100%
Oil Terminal footbridge, South West Rocks	10%	\$250,000	100%
Gowings Hill footpath extension, Gowings Hill	65%	\$220,000	40%
Kempsey Cinema project, Kempsey	5%	\$6.2M	30%
Service Review	30%	\$700,000	100%
New wastewater treatment plant, West Kempsey	15%	\$50M	100%
Smith Street (north) streetscape, Kempsey	25%	\$100,000	98%
Streetscape, South Kempsey village Lachlan Street upgrade, Kempsey	5%	\$1.2M	100%
Frederickton village streetscape upgrade, Frederickton	20%	\$1.4M	100%
Jetty and floating pontoon at Riverside Park, Kempsey	20%	\$380,000	0%
Upgrade Horseshoe Bay playground, South West Rocks	30%	\$250,000	100%
Replace toilet amenities block, Crescent Head	5%	\$484,000	100%
South Street extension – heavy vehicle bypass, Kempsey	5%	\$3M	25%



KEMPSEY SHIRE COUNCIL

22 Tozer Street
PO Box 3078
West Kempsey NSW 2440
P. 02 6566 3200
F. 02 6566 3205
E. ksc@kempsey.nsw.gov.au
www.kempsey.nsw.gov.au

