

BALRANALD SHIRE COUNCIL



**ANNUAL REPORT
2016-2017**

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Mission Statement



Mayors Foreword 2016/17



**Balranald Shire Council Mayor,
Cr Leigh Byron**

It is my pleasure to present the Balranald Shire Council 2016/17 Annual Report.

This year has been a challenging one for the Shire with the Minister for Local Government issuing a Performance Improvement Order (PIO) for Council. This PIO predominantly relates to concerns regarding the future financial viability of Council and required internal governance improvements.

Since being advised of the intention to issue this Order Council has been working hard to rectify the issues identified and I am pleased to report we have been able to complete a significant number of these.

Despite this Council has continued to meet its commitment to provide quality services to its community.

Tourism is a major contributor to our shire and our visitor numbers continue to increase. The Discovery Centre precinct continues to be a major drawcard to attract visitors to stop and relax in our Shire on their way to see some of the major attractions such as Mungo and Yanga National Parks.

We have completed a number of capital works projects to improve our assets, including investments in roads, kerb and guttering and our water and sewer systems.

We have also completed a number of planning documents including a Disability Inclusion Action Plan outlining Council's commitment to ensuring all members of our community are able to participate fully in our society, in addition to a new 10 year Community Strategic Plan and Delivery Plan. Council has also completed and adopted a number of policies to improve its governance framework. I thank you, our community, for your feedback on these documents.

I trust the 2016/17 Annual Report will provide you valuable information on the operations and management of your community.

- Leigh Byron

Shire overview

The Shire of Balranald is home for nearly 2400 people living in 21,346 square kilometres of south-western NSW, approximately 900km from Sydney.

It is the fifth largest Shire in NSW. The major townships are Balranald and Euston, on the banks of the Murrumbidgee and Murray Rivers respectively.

The name Balranald originates from Scotland and dates back to 1837. Balranald developed as a thriving inland port and was proclaimed a municipality in 1882, becoming the Shire of Balranald in 1956.

Balranald Shire shares boundaries with Central Darling (north), Murray River Council (south), Hay (east) and Wentworth (west). The Murray River forms the southern boundary.

The town of Balranald is predominantly a service centre for the surrounding irrigation and dry land-farming district.

The economy is diversifying from conventional grains, wool and sheep to viticulture, horticulture, organic production and tourism.

Some 30.9 per cent of the people are employed in agriculture, forestry and fishing compared with a total of 2.2 per cent in NSW. Balranald Shire Council is the largest employer with approximately 63 staff.

Approximately 6.8 per cent of the Shire's population is indigenous.

Balranald and Euston are both situated on the Sturt Highway, providing easy access to nearby centres such as Swan Hill and Mildura.

Balranald has a sealed airstrip, an established hospital, dentist, two schools and an early learning centre.

The town has well-maintained parks and gardens, good sporting facilities and is a busy retail and commercial centre.

Euston is a vibrant community, which is in a growth area of the Shire. Expansion of viticulture has occurred predominately in this area. The township boasts one of the finest clubs in the region.

Statistical Information

Population:	2,422 (ABS Stats – Census 2015)
Area:	21,693 km ²
Staff:	65 Full-time equivalent
No of assessments:	1,646

WATER & SEWERAGE

Number of water supply systems -	4
Length of Water pipe -	58.8 kilometres
Number of Sewerage systems -	2
Length of sewer Pipe -	29.88 kilometres

ROADS

<u>Local Roads</u>	
Urban	34.17 kilometres
Non-urban Sealed	128.46 kilometres
Non-urban Unsealed	1 165.38 kilometres
<u>Regional roads</u>	
Urban	0.81 kilometres
Non-urban Sealed	217.31 kilometres
Non-urban Unsealed	38.09 kilometres
<u>State Highway</u>	
Urban	2.73 kilometres
Non-urban Sealed	33.70 kilometres

Number of Bridges- 3

BALRANALD SHIRE COUNCIL

ELECTED REPRESENTATIVES as at 30th June 2017

TERM OF OFFICE

Council is made up of a body of eight members who are elected for a four year term to carry out duties under the provisions of the Local Government Act 1993 and Regulations. The Mayor and Deputy Mayor were elected for a two year period at the September 2016 Council meeting by Councillors.

Council elections were held in September 2016 and three new Councillors were elected.

The next Local Government election will be held in September 2020.

COUNCIL MEETINGS

Council meets on the third Tuesday of every month in the Council Chambers, 70 Market Street Balranald at 5.00pm or at other locations across the Shire as advertised.



Cr Leigh Byron
Mayor
Elected: 2008



Cr Alan Purtill
Deputy Mayor
Elected: 1995



Cr Jo Roberts
Elected: 2016



Cr Doug Allen
Elected: 2016



Cr German Ugarte
Elected: 2016



Cr Steve O'Halloran
Elected: 1980



Cr Trevor Jolliffe
Elected: 2012



Cr Jeffrey Mannix
Elected: 2004

Outgoing Councillors



Cr Ken Barnes



Cr Lynda Cooke



Cr Elaine Campbell

COMMITTEES 2016/17

RETIREMENT HOSTEL Cr Leigh Byron Cr Doug Allen Cr Steve O'Halloran Director Corporate & Community Development Mr Simon Coelli Ms Cheryl McFarland Mrs Beverly Purtill Mrs Mia Zaffina Mr Anthony Conway Mr Peter Lawler Mrs Shirley Matarazzo Mrs Helen Edmonds Hostel Co-Ordinator	TOURISM & DEVELOPMENT Cr Leigh Byron Cr German Ugarte Cr Steve O'Halloran Director of Corporate & Community Development Tourism Coordinator Mr Peter Lawler Mr Wayne Whitby Mr Ken Spinks Mr Iain Lindsay-Field Mrs Linda Nelson Mr Ken Barnes Mrs Bronwyn Brougham Ms Ema Serevi Mrs Shirley Matarazzo	CULTURAL COMMITTEE Cr Leigh Byron Cr Steve O'Halloran Cr Doug Allen Director of Corporate & Community Development Rev. Robyn Davis Mrs Doreen Greenham Mrs Margaret Butler Mrs Jan Lawler Mrs Michelle Mannix Mrs Linda Nelson Ms Ema Serevi
AUSTRALIA DAY Cr Leigh Byron Cr Jeff Mannix Cr Trevor Jolliffe General Manager Director Corporate & Community Development Minimum 2 community representatives required Mrs Linda Nelson Mrs Celia Davies	CARAVAN PARK All Councillors General Manager	TRAFFIC COMMITTEE Cr Leigh Byron Cr Steve O'Halloran RMS Representative Police Representative(s) Local Member Rep LOCAL EMERGENCY MANAGEMENT COMMITTEE Mayor Leigh Byron Cr Steve O'Halloran GM as Chair and Local Emergency Management Officer

<p>BALRANALD BEAUTIFICATION</p> <p>Cr Leigh Byron Cr Allan Purfill Cr Steve O'Halloran Director Infrastructure & Development Ms Mary Grisdale Mrs Jill Bath Mrs Vicki Burke Ms Karen Norfolk Mrs Margie Vanzanten Mrs Genevieve McConnell</p>	<p>EUSTON BEAUTIFICATION & TOURISM MANAGEMENT</p> <p>Cr Leigh Byron Cr German Ugarte Cr Jo Roberts Director Infrastructure & Development Mr Ken Barnes Mr Ian Bolt Mr Ian Sutton Mr Robert Markl Mrs Edna Price Mrs Vicki Barnes Mr Barry Watts Mrs Bev Harbinson</p>
	<p>ECONOMIC AND DEVELOPMENT GRANTS COMMITTEE</p> <p>ALL Councillors General Manager Director Corporate & Community Development</p>
<p>BALRANALD BUSH FIRE MANAGEMENT COMMITTEE</p> <p>Cr Trevor Jolliffe General Manager</p>	<p>INFRASTRUCTURE & DEVELOPMENT COMMITTEE</p> <p>All Councillors General Manager Director Infrastructure & Development Director Corporate & Community Development</p>
<p>COMMUNITY SAFETY PRECINT</p> <p>Cr Leigh Byron Cr Jeff Mannix Cr Allan Purfill Director of Corporate & Community Development Sgt Narelle Tucker Mr John Jackson Rev Wally & Robyn Johnson Mr Paul Hadlow</p>	

Balranald Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2017

*COMMITTED TO BALRANALD SHIRE,
PROVIDING FOR OUR PEOPLE
PROTECTING OUR HERITAGE, AND
PLANNING FOR OUR FUTURE*



General Purpose Financial Statements for the year ended 30 June 2017

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Overview

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

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

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

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

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

General Purpose Financial Statements for the year ended 30 June 2017

Understanding Council's financial statements

Introduction

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

What you will find in the statements

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

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

About the Councillor/Management Statement

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

About the primary financial statements

The financial statements incorporate five 'primary' financial statements:

1. The Income Statement

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

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

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

Who uses the financial statements?

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

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

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

General Purpose Financial Statements
for the year ended 30 June 2017

Statement by Councillors and Management

made pursuant to Section 413(2)(c) of the *Local Government Act 1993 (NSW)* (as amended)

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

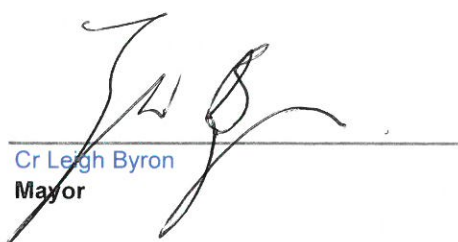
- the *Local Government Act 1993 (NSW)* (as amended) and the regulations made thereunder,
- the Australian Accounting Standards and professional pronouncements, and
- the Local Government Code of Accounting Practice and Financial Reporting.

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

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

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


Signed in accordance with a resolution of Council made on 21 September 2017.



Cr Leigh Byron
Mayor



Cr Jeff Manix
Councillor



Aaron Drenovski
General manager



Charmaine Murfet
Responsible accounting officer

Income Statement

for the year ended 30 June 2017

Budget ¹ 2017	\$ '000	Notes	Actual 2017	Actual 2016
Income from continuing operations				
Revenue:				
2,185	Rates and annual charges	3a	2,129	2,085
1,470	User charges and fees	3b	1,639	1,873
113	Interest and investment revenue	3c	123	139
1,381	Other revenues	3d	905	325
4,071	Grants and contributions provided for operating purpose	3e,f	9,483	7,344
2,760	Grants and contributions provided for capital purposes	3e,f	762	903
Other income:				
189	Net gains from the disposal of assets	5	-	427
-	Net share of interests in joint ventures and associates using the equity method	19	-	-
12,169	Total income from continuing operations		15,041	13,096
Expenses from continuing operations				
3,959	Employee benefits and on-costs	4a	4,233	4,089
193	Borrowing costs	4b	201	177
1,689	Materials and contracts	4c	1,953	2,280
5,475	Depreciation and amortisation	4d	5,569	5,929
-	Impairment	4d	-	-
1,523	Other expenses	4e	1,346	1,185
	Net losses from the disposal of assets	5	2	-
12,839	Total expenses from continuing operations		13,304	13,660
(670)	Operating result from continuing operations		1,737	(564)
Discontinued operations				
-	Net profit/(loss) from discontinued operations	24	-	-
(670)	Net operating result for the year		1,737	(564)
(670)	Net operating result attributable to Council		1737	(564)
-	Net operating result attributable to non-controlling interests		-	-
Net operating result for the year before grants and contributions provided for capital purposes				
(3,430)			975	(1,467)

¹ Original budget as approved by Council – refer Note 16

Balranald Shire Council

Statement of Comprehensive Income for the year ended 30 June 2017

\$ '000	Notes	Actual 2017	Actual 2016
Net operating result for the year (as per Income Statement)		1,737	(564)
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of I,PP&E	20b (ii)	17,288	1,540
Total items which will not be reclassified subsequently to the operating result		17,288	1,540
Amounts which will be reclassified subsequently to the operating result when specific conditions are met			
Nil			
Total other comprehensive income for the year		17,288	1,540
Total comprehensive income for the year		19,025	976
Total comprehensive income attributable to Council		19,025	976
Total comprehensive income attributable to non-controlling interests		—	—

Balranald Shire Council

Statement of Financial Position

as at 30 June 2017

\$ '000	Notes	Actual 2017	Actual 2016
ASSETS			
Current assets			
Cash and cash equivalents	6a	7,377	5,200
Investments	6b	–	500
Receivables	7	753	806
Inventories	8	76	70
Other	8	–	–
Non-current assets classified as 'held for sale'	22	500	–
Total current assets		8,706	6,576
Non-current assets			
Investments	6b	–	–
Receivables	7	–	–
Inventories	8	–	–
Infrastructure, property, plant and equipment	9	113,742	97,901
Investments accounted for using the equity method	19	–	–
Investment property	14	–	–
Intangible assets	25	260	260
Total non-current assets		114,002	98,161
TOTAL ASSETS		122,708	104,737
LIABILITIES			
Current liabilities			
Payables	10	862	1,202
Income received in advance	10	81	42
Borrowings	10	257	241
Provisions	10	733	815
Total current liabilities		1,933	2,300
Non-current liabilities			
Payables	10	126	511
Borrowings	10	2,806	3,063
Provisions	10	237	260
Total non-current liabilities		3,169	3,834
TOTAL LIABILITIES		5,102	6,134
Net assets		117,606	98,603
EQUITY			
Retained earnings	20	46,039	43,921
Revaluation reserves	20	71,565	54,682
Other reserves	20	–	–
Council equity interest		117,606	98,603
Non-controlling equity interests		–	–
Total equity		117,606	98,603

Balranald Shire Council

Statement of Changes in Equity for the year ended 30 June 2017

\$ '000	Notes	2017					2016				
		Retained earnings	Asset revaluation reserve (Refer 20b)	Other reserves (Refer 20b)	Council controlling interest	Non-interest	Retained earnings	Asset revaluation reserve (Refer 20b)	Other reserves (Refer 20b)	Council controlling interest	Non-interest
						Total equity					Total equity
Opening balance (as per last year's audited accounts)		44,302	54,279	–	98,581	–	44,866	53,108	–	97,974	–
a. Correction of prior period errors	20 (c)	–	–	–	–	–	–	(369)	–	(369)	–
b. Changes in accounting policies (prior year effects)	20 (d)	–	–	–	–	–	–	–	–	–	–
Revised opening balance		44,302	54,279	–	98,581	–	44,866	52,739	–	97,605	–
c. Net operating result for the year		1,737	–	–	1,737	–	(564)	–	–	(564)	–
d. Other comprehensive income											
– Revaluations: IPP&E asset revaluation rsve	20b (ii)	–	17,288	–	17,288	–	–	1,540	–	1,540	–
Other comprehensive income		–	17,288	–	17,288	–	–	1,540	–	1,540	–
Total comprehensive income (c&d)		1,737	17,288	–	19,025	–	(564)	1,540	–	976	–
e. Distributions to/(contributions from) non-controlling interests		–	–	–	–	–	–	–	–	–	–
f. Transfers between equity		–	–	–	–	–	–	–	–	–	–
Equity – balance at end of the reporting period		46,039	71,567	–	117,606	–	44,302	54,279	–	98,581	–

Statement of Cash Flows

for the year ended 30 June 2017

Budget 2017	\$ '000	Notes	Actual 2017	Actual 2016
Cash flows from operating activities				
Receipts:				
2,948	Rates and annual charges		2,251	2,086
1,206	User charges and fees		1,330	2,052
113	Investment and interest revenue received		127	135
6,541	Grants and contributions		10,090	8,103
–	Bonds, deposits and retention amounts received		5	–
1,389	Other		1,649	876
Payments:				
(3,855)	Employee benefits and on-costs		(4,486)	(4,095)
(3,852)	Materials and contracts		(1,850)	(2,844)
(193)	Borrowing costs		(192)	(182)
–	Bonds, deposits and retention amounts refunded		(263)	(8)
(2,319)	Other		(2,375)	(1,027)
1,978	Net cash provided (or used in) operating activities	11b	6,286	5,096
Cash flows from investing activities				
Receipts:				
–	Sale of investment securities		–	2,000
–	Sale of infrastructure, property, plant and equipment		597	72
Payments:				
–	Purchase of investment securities		–	(2,000)
(4,303)	Purchase of infrastructure, property, plant and equipment		(4,965)	(4,341)
(4,303)	Net cash provided (or used in) investing activities		(4,368)	(4,269)
Cash flows from financing activities				
Receipts:				
Nil				
Payments:				
(241)	Repayment of borrowings and advances		(241)	(254)
(241)	Net cash flow provided (used in) financing activities		(241)	(254)
(2,566)	Net increase/(decrease) in cash and cash equivalents		1,677	573
4,800	Plus: cash and cash equivalents – beginning of year	11a	5,700	4,627
2,234	Cash and cash equivalents – end of the year	11a	7,377	5,200
Additional Information:				
	plus: Investments on hand – end of year	6b	–	500
	Total cash, cash equivalents and investments		7,377	5,700

Please refer to Note 11 for additional cash flow information.

Notes to the Financial Statements

for the year ended 30 June 2017

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Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies

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

(a) Basis of preparation

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

(i) New and amended standards adopted by Council

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

(ii) Early adoption of standards

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

(iii) Historical cost convention

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

(iv) Significant accounting estimates and judgements

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

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

Critical accounting estimates and assumptions

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

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

Significant judgements in applying the Council's accounting policies

- (i) Impairment of Receivables

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

(b) Revenue recognition

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

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

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

(i) Rates, annual charges, grants and contributions

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

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

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

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

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

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

(ii) User charges and fees

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

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

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

(iv) Interest

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

(v) Rent

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

(vi) Dividend income

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

(vii) Other income

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

(c) Principles of consolidation

(i) The Consolidated Fund

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

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

- General Purpose Operations
- Balranald Water Supply
- Euston Water Supply
- Balranald Sewerage Service
- Euston Sewerage Service
- Domestic Waste Management

(ii) The Trust Fund

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

(iii) County Councils

Council is not a member of any county councils.

(iv) Interests in other entities

Subsidiaries

Council has no interest in any subsidiaries.

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

Joint arrangements

Council has no interest in any joint arrangements.

(d) Leases

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

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

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

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

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

(e) Cash and cash equivalents

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

subject to an insignificant risk of changes in value; and bank overdrafts.

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

(f) Inventories

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

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

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

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

(ii) Inventory held for distribution

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

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

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

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

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

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

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

(h) Investments and other financial assets

Classification

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

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

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

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

(ii) Loans and receivables

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

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

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

intends to dispose of the investment within 12 months of the reporting date.

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

Recognition and de-recognition

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

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

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

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

Subsequent measurement

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

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

Impairment

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

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss

event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

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

Investment Policy

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

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

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

(i) Fair value estimation – financial instruments

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

cash flows, are used to determine fair value for the remaining financial instruments.

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

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

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

Externally valued:

- Operational land
- Community land
- Land improvements
- Buildings – specialised/non-specialised
- Other structures
- Roads assets including roads, bridges, Kerb & Gutter and footpaths
- Stormwater drainage
- Water and sewerage networks
- Swimming pools
- Other open space/recreational assets
- Other infrastructure

Internally valued:

There were no Asset Classes internally valued at reporting date.

As approximated by depreciated historical cost:

- Plant and equipment
- Furniture & Fittings
- Office Equipment
- Other assets

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

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

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

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

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

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

Depreciation

Land is not depreciated.

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

Plant & Equipment

- Office Equipment	5 to 10 years
- Office furniture	10 to 20 years
- Computer Equipment	3 to 4 years
- Vehicles	5 to 8 years
- Heavy Plant/Road Making equip.	5 to 8 years
- Other plant and equipment	5 to 15 years

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

Other Equipment

- Playground equipment	5 to 35 years
- Benches, seats etc	10 to 20 years

Buildings

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

Stormwater Drainage

- Drains	70 to 100 years
- Culverts	50 to 100 years

Transportation Assets

- Sealed Roads : Surface	15 years
- Sealed Roads : Structure	35 to 150 years
- Unsealed roads	90 to 150 years
- Bridge : Concrete	80 to 120 years
- Road Pavements	35 to 130 years
- Kerb, Gutter	90 years

Water & Sewer Assets

- Dams and reservoirs	25 to 85 years
- Bores	20 to 30 years
- Reticulation pipes : PVC	80 years
- Reticulation pipes : Other	50 to 120 years
- Pumps and telemetry	5 to 20 years

Other Infrastructure Assets

- Bulk earthworks	Infinite
- Swimming Pools	25 to 40 years
- Other Open Space/ Recreational Assets	10-80 years
- Other Infrastructure	10-50 years

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

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

(k) Investment property

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the Council.

(l) Payables

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

(m) Borrowings

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

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

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

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

(n) Borrowing costs

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

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

(o) Provisions

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

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

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

(p) Employee benefits

(i) Short-term obligations

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

The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to

be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

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

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

(iii) Retirement benefit obligations

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

Defined Benefit Plans

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

Defined Contribution Plans

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

(q) Self-insurance

Council does not self-insure.

(r) Intangible assets

Hostel Bed Licences

Council has 13 bed licences at the Bidgee Havan Hostel valued at \$20,000 per licence. Hostel bed licences have an indefinite life and are therefore not subject to amortisation. Bed Licences have been valued as at 30-06-2008 by Wallace Mackinnon & Associated PTY LTD of 208 Belmore Road, Riverwood NSW 2010, and are consistent with current value within the industry.

(s) Crown reserves

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

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

(t) Rural fire service assets

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

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

(u) Goods and Services Tax (GST)

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

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

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

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

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting period and which have not been applied.

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

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

- ASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15
- AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15
- AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112]

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107
- AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities
- AASB 2016-7 Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities

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

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

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

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

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

AASB 9 Financial Instruments (December 2009)

- AASB 15 Revenue from Contracts with Customers
- AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)
- AASB 2014-1 Amendments to Australian Accounting Standards (Part E)
- AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) AASB 1057 Application of Australian Accounting Standards
- AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15
- AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions
- AASB 2016-6 Amendments to Australian Accounting Standards - Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts

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

AASB 16 Leases

AASB 16 Leases (Appendix D)

AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities

AASB 1058 Income of Not-for-Profit Entities

AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities

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

(w) Rounding of amounts

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

(x) Comparative figures

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

(y) Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

Balranald Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 2(a). Council functions/activities – financial information

Functions/activities	Income, expenses and assets have been directly attributed to the following functions/activities. Details of these functions/activities are provided in Note 2(b).												
	Income from continuing operations			Expenses from continuing operations			Operating result from continuing operations			Grants included in income from continuing operations		Total assets held (current & non-current)	
	Original budget 2017	Actual 2017	Actual 2016	Original budget 2017	Actual 2017	Actual 2016	Original budget 2017	Actual 2017	Actual 2016	Actual 2017	Actual 2016	Actual 2017	Actual 2016
Governance	13	11	8	599	701	587	(586)	(690)	(579)	–	–	–	104,737
Administration	350	615	523	1,268	1,473	969	(918)	(858)	(446)	22	15	8,720	–
Public order and safety	206	226	233	395	293	326	(190)	(66)	(93)	95	233	436	–
Health	14	14	8	53	40	54	(39)	(26)	(46)	–	25	126	–
Environment	338	357	361	316	510	880	22	(153)	(519)	33	10	5,655	–
Community services and education	1,042	764	967	1,003	1,224	1,432	39	(460)	(465)	21	659	1,785	–
Housing and community amenities	167	157	150	621	669	508	(454)	(512)	(358)	–	6	4,185	–
Water supplies	1,023	1,005	1,113	978	852	1,015	45	153	98	7	7	9,224	–
Sewerage services	290	334	325	621	423	229	(331)	(89)	96	6	7	9,003	–
Recreation and culture	47	125	277	750	1,012	1,026	(703)	(887)	(749)	–	131	9,224	–
Mining, manufacturing and construction	13	16	16	50	50	103	(37)	(34)	(87)	–	–	–	–
Transport and communication	4,522	5,174	3,484	5,326	5,191	5,352	(804)	(17)	(1,868)	1,660	2,106	73,168	–
Economic affairs	599	714	853	858	867	1,179	(259)	(153)	(326)	104	80	1,182	–
Total functions and activities	8,624	9,512	8,318	12,838	13,304	13,660	(4,215)	(3,792)	(5,342)	1,948	3,279	122,708	104,737
Share of gains/(losses) in associates and joint ventures (using the equity method)	–	–	–	–	–	–	–	–	–	–	–	–	–
General purpose income ¹	3,545	5,529	4,778	–	–	–	3,545	5,529	4,778	5,498	3,475	–	–
Operating result from continuing operations	12,169	15,041	13,096	12,838	13,304	13,660	(669)	1,737	(564)	7,446	6,754	122,708	104,737

1. Includes: rates and annual charges (incl. ex-gratia), untied general purpose grants and unrestricted interest and investment income.

Balranald Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

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

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

GOVERNANCE

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

ADMINISTRATION

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

PUBLIC ORDER AND SAFETY

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

HEALTH

Includes immunisation, food control, health centres etc.

ENVIRONMENT

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

COMMUNITY SERVICES AND EDUCATION

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

HOUSING AND COMMUNITY AMENITIES

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

WATER SUPPLIES

SEWERAGE SERVICES

RECREATION AND CULTURE

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

MINING, MANUFACTURING AND CONSTRUCTION

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

TRANSPORT AND COMMUNICATION

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

ECONOMIC AFFAIRS

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

Balranald Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 3. Income from continuing operations

\$ '000	Notes	Actual 2017	Actual 2016
(a) Rates and annual charges			
Ordinary rates			
Residential		235	219
Farmland		892	854
Business		140	139
Total ordinary rates		1,267	1,212
Special rates			
Nil			
Annual charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic waste management services		209	230
Water supply services		414	410
Sewerage services		239	233
Total annual charges		862	873
TOTAL RATES AND ANNUAL CHARGES		2,129	2,085

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

Notes to the Financial Statements

for the year ended 30 June 2017

Note 3. Income from continuing operations (continued)

\$ '000	Notes	Actual 2017	Actual 2016
(b) User charges and fees			
Specific user charges (per s.502 – specific ‘actual use’ charges)			
Water supply services		373	540
Sewerage services		6	9
Sewerage services contract aboriginal mission		20	19
Waste management services (non-domestic)		67	95
Water service contract aboriginal mission		39	37
Total user charges		505	700
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s.608)			
Building services		16	31
Private works – section 67		90	90
Town planning		61	21
Total fees and charges – statutory/regulatory		167	142
(ii) Fees and charges – other (incl. general user charges (per s.608))			
Aged care		271	239
Caravan park		466	441
Cemeteries		31	35
Rent and hire of non-investment property		70	134
RMS (formerly RTA) charges (state roads not controlled by Council)		18	173
Swimming centres		4	7
Tourism		10	–
Waste disposal tipping fees		22	–
Water connection fees		6	–
Other		69	2
Total fees and charges – other		967	1,031
TOTAL USER CHARGES AND FEES		1,639	1,873

Notes to the Financial Statements

for the year ended 30 June 2017

Note 3. Income from continuing operations (continued)

\$ '000	Notes	Actual 2017	Actual 2016
(c) Interest and investment revenue (including losses)			
Interest			
– Interest on overdue rates and annual charges (incl. special purpose rates)		8	8
– Interest earned on investments (interest and coupon payment income)		115	131
<u>TOTAL INTEREST AND INVESTMENT REVENUE</u>		<u>123</u>	<u>139</u>
Interest revenue is attributable to:			
Unrestricted investments/financial assets:			
Overdue rates and annual charges (general fund)		8	8
General Council cash and investments		56	83
Restricted investments/funds – external:			
Water fund operations		17	5
Sewerage fund operations		42	43
Total interest and investment revenue recognised		<u>123</u>	<u>139</u>
(d) Other revenues			
Rental income – other council properties		18	12
Legal fees recovery – rates and charges (extra charges)		7	7
Commissions and agency fees		59	58
Diesel rebate		48	51
Insurance claim recoveries		76	86
Motor vehicle contributions		25	36
Sales – miscellaneous		9	5
Tourist information centre sales		53	62
Other		610	8
<u>TOTAL OTHER REVENUE</u>		<u>905</u>	<u>325</u>

Notes to the Financial Statements

for the year ended 30 June 2017

Note 3. Income from continuing operations (continued)

\$ '000	2017 Operating	2016 Operating	2017 Capital	2016 Capital
(e) Grants				
General purpose (untied)				
Financial assistance	5,498	3,465	–	–
Pensioners' rates subsidies – general component	10	10	–	–
Total general purpose	5,508	3,475	–	–
Specific purpose				
Pensioners' rates subsidies:				
– Water	7	7	–	–
– Sewerage	6	7	–	–
– Domestic waste management	10	10	–	–
Bushfire and emergency services	72	207	–	25
Community care	5	657	40	–
Community centres	–	2	–	–
Employment and training programs	12	6	–	–
Heritage and cultural	–	2	8	–
Library	–	4	–	–
Library – per capita	20	15	–	–
Noxious weeds	23	25	–	–
Recreation and culture	–	–	214	100
Skate park and play grounds	–	–	–	105
Street lighting	18	17	–	–
Transport (roads to recovery)	1,660	1,666	–	–
Transport (other roads and bridges funding)	–	–	–	344
Tourism	104	80	–	–
Youth Week	1	–	–	–
Other	–	–	500	–
Total specific purpose	1,938	2,705	762	574
Total grants	7,446	6,180	762	574
Grant revenue is attributable to:				
– Commonwealth funding	1,660	1,666	–	–
– State funding	5,786	4,514	762	574
– Other funding	–	–	–	–
	7,446	6,180	762	574

Notes to the Financial Statements

for the year ended 30 June 2017

Note 3. Income from continuing operations (continued)

\$ '000	2017 Operating	2016 Operating	2017 Capital	2016 Capital
(f) Contributions				
Developer contributions:				
(s93 & s94 – EP&A Act, s64 of the LGA):				
Nil				
Other contributions:				
Recreation and culture	–	–	–	100
RMS contributions (regional roads, block grant)	1,637	1,164	–	229
Assets not previously recognised	400	–	–	329
Total other contributions	2,037	1,164	–	–
Total contributions	2,037	1,164	–	329
TOTAL GRANTS AND CONTRIBUTIONS	9,483	7,344	762	903

\$ '000	Actual 2017	Actual 2016
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(g) Unspent grants and contributions

Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:

Unexpended at the close of the previous reporting period	480	479
Add: grants and contributions recognised in the current period but not yet spent:	367	246
Less: grants and contributions recognised in a previous reporting period now spent:	(244)	(245)
Net increase (decrease) in restricted assets during the period	123	1
Unexpended and held as restricted assets	603	480
Comprising:		
– Specific purpose unexpended grants	553	386
– Other contributions	50	94
	603	480

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

Note 4. Expenses from continuing operations

\$ '000	Notes	Actual 2017	Actual 2016
(a) Employee benefits and on-costs			
Salaries and wages		3,428	3,229
Travel expenses		93	73
Employee leave entitlements (ELE)		619	589
Superannuation – defined contribution plans		229	289
Superannuation – defined benefit plans		44	86
Workers' compensation insurance		109	87
Fringe benefit tax (FBT)		28	7
Training costs (other than salaries and wages)		45	64
Protective clothing		16	13
Medicals		5	–
Recruitment		15	6
Total employee costs		4,631	4,443
Less: capitalised costs		(398)	(354)
TOTAL EMPLOYEE COSTS EXPENSED		4,233	4,089
Number of 'full-time equivalent' employees (FTE) at year end		47	66
Number of 'full-time equivalent' employees (FTE) at year end (incl. vacancies)		47	66
(b) Borrowing costs			
(i) Interest bearing liability costs			
Interest on loans		201	177
Total interest bearing liability costs expensed		201	177
(ii) Other borrowing costs			
Nil			
TOTAL BORROWING COSTS EXPENSED		201	177

Notes to the Financial Statements

for the year ended 30 June 2017

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	Actual 2017	Actual 2016
(c) Materials and contracts			
Raw materials and consumables		1,031	2,444
Contractor and consultancy costs		200	738
– Caravan park management		271	353
– Contractor and consultancy costs – transport		2,599	1,498
– Staff replacements		–	3
– Waste		174	178
Auditors remuneration ⁽¹⁾		54	64
Legal expenses:			
– Legal expenses: other		56	2
Operating leases:			
– Operating lease rentals: minimum lease payments ⁽²⁾		231	226
Other		1	20
Total materials and contracts		4,617	5,526
Less: capitalised costs		(2,664)	(3,246)
TOTAL MATERIALS AND CONTRACTS		1,953	2,280

1. Auditor remuneration

a. During the year, the following fees were incurred for services provided by the Auditor-General:

Nil

b. During the year, the following fees were incurred for services provided by the other Council's Auditors:

(i) Audit and other assurance services

– Audit and review of financial statements: Council's Auditor	48	58
– Audit and review of financial statements: other consolidated entity Auditors	6	6

Remuneration for audit and other assurance services	54	64
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Total remuneration of other Council's Auditors	54	64
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Total Auditor remuneration	54	64
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2. Operating lease payments are attributable to:

Sewer Reconstruction	76	71
Computers	5	4
Motor vehicles	150	151
	231	226

Notes to the Financial Statements

for the year ended 30 June 2017

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	Actual 2017	Actual 2016
(d) Depreciation, amortisation and impairment			
Plant and equipment		316	378
Office equipment		18	15
Furniture and fittings		7	7
Infrastructure:			
– Buildings – non-specialised		676	685
– Buildings – specialised		7	6
– Other structures		497	185
– Roads and bridges		3,360	3,635
– Kerb and gutter		53	53
– Footpaths		33	33
– Stormwater drainage		31	31
– Water supply network		291	421
– Sewerage network		201	392
– Swimming pools		57	55
Other assets			
– Other		22	33
Total gross depreciation and amortisation costs		5,569	5,929
Less: capitalised costs		–	–
Total depreciation and amortisation costs		5,569	5,929
Impairment			
Nil			
<u>TOTAL DEPRECIATION AND IMPAIRMENT COSTS EXPENSED</u>		5,569	5,929

Notes to the Financial Statements

for the year ended 30 June 2017

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	Actual 2017	Actual 2016
(e) Other expenses			
Advertising		68	30
Bad and doubtful debts		1	20
Bank charges		11	18
Computer software charges		69	43
Contributions/levies to other levels of government			
– Emergency services levy (includes FRNSW, SES, and RFS levies)		185	148
– NSW fire brigade levy		7	14
Councillor expenses – mayoral fee		26	22
Councillor expenses – councillors' fees		90	89
Councillors' expenses (incl. mayor) – other (excluding fees above)		54	49
Donations, contributions and assistance to other organisations (Section 356)		9	18
Election expenses		23	–
Electricity and heating		190	214
Insurance		263	262
Pit rehabilitation revalued costs		–	47
Postage		17	14
Printing and stationery		39	31
Street lighting		79	40
Subscriptions and publications		51	54
Telephone and communications		52	31
Valuation fees		24	13
Other		88	28
<u>TOTAL OTHER EXPENSES</u>		<u>1,346</u>	<u>1,185</u>

Notes to the Financial Statements

for the year ended 30 June 2017

Note 5. Gains or losses from the disposal of assets

\$ '000	Notes	Actual 2017	Actual 2016
Plant and equipment			
Proceeds from disposal – plant and equipment		197	72
Less: carrying amount of plant and equipment assets sold/written off		(199)	(50)
Net gain/(loss) on disposal		(2)	22
Infrastructure			
Less: carrying amount of infrastructure assets sold/written off		–	(95)
Net gain/(loss) on disposal		–	(95)
Financial assets *			
Proceeds from disposal/redemptions/maturities – financial assets		–	2,000
Less: carrying amount of financial assets sold/redeemed/matured		–	(1,500)
Net gain/(loss) on disposal		–	500
Other			
Net gain/(loss) on disposal		–	–
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		(2)	427
* Financial assets disposals/redemptions include:			
– Net gain/(loss) from financial instruments 'at fair value through profit and loss'		–	500
Net gain/(loss) on disposal of financial instruments		–	500

Notes to the Financial Statements

for the year ended 30 June 2017

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

		2017	2017	2016	2016
		Actual	Actual	Actual	Actual
\$ '000	Notes	Current	Non-current	Current	Non-current
Cash and cash equivalents (Note 6a)					
Cash on hand and at bank		13	–	702	–
Cash-equivalent assets ¹					
– Deposits at call		1,764	–	–	–
– Short-term deposits		5,600	–	4,498	–
Total cash and cash equivalents		7,377	–	5,200	–
Investments (Note 6b)					
– Long term deposits		–	–	500	–
Total investments		–	–	500	–
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS					
		7,377	–	5,700	–

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

Cash, cash equivalents and investments were classified at year end in accordance with AASB 139 as follows:

Cash and cash equivalents					
a. 'At fair value through the profit and loss'		<u>7,377</u>	<u>–</u>	<u>5,200</u>	<u>–</u>
Investments					
a. 'Held to maturity'		<u>–</u>	<u>–</u>	<u>500</u>	<u>–</u>
Investments		<u>–</u>	<u>–</u>	<u>500</u>	<u>–</u>

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

Notes to the Financial Statements

for the year ended 30 June 2017

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

	2017 Actual Current	2017 Actual Non-current	2016 Actual Current	2016 Actual Non-current
\$ '000				
Total cash, cash equivalents and investments	7,377	–	5,700	–
attributable to:				
External restrictions (refer below)	2,654	–	2,849	–
Internal restrictions (refer below)	4,632	–	2,642	–
Unrestricted	91	–	209	–
	7,377	–	5,700	–

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

External restrictions – included in liabilities

Nil

External restrictions – other

Specific purpose unexpended grants	(A)	386	367	(200)	553
Water supplies	(B)	562	263	(214)	611
Sewerage services	(B)	1,740		(444)	1,296
Domestic waste management	(B)	67	77	–	144
Other contributions		94	–	(44)	50
External restrictions – other		2,849	707	(902)	2,654
Total external restrictions		2,849	707	(902)	2,654

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

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

Notes to the Financial Statements

for the year ended 30 June 2017

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

2017 \$ '000	Opening balance	Transfers to restrictions	Transfers from restrictions	Closing balance
Internal restrictions				
Plant and vehicle replacement	276	283	–	559
Infrastructure replacement	656	–	(442)	214
Employees leave entitlement	300	–	(31)	269
Deposits, retentions and bonds	106	–	–	106
Caravan park reserve	108	71	(11)	168
Carry over works	264	729	(263)	730
Euston cemetery	38	–	–	38
Gravel pits rehabilitation	170	75	–	245
Health reserve	3	3	–	6
Hostel bonds	388	–	(275)	111
Hostel reserve	10	–	(10)	–
Market St improvements	20	–	–	20
Other assets replacement	300	–	(14)	286
Town clock	3	–	–	3
Lake Benanee Capital Improvements	–	1	–	1
Theatre Royal Improvements	–	5	–	5
Other	–	1,871	–	1,871
Total internal restrictions	2,642	3,038	(1,046)	4,632
TOTAL RESTRICTIONS	5,491	3,745	(1,948)	7,286

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

Note 7. Receivables

\$ '000	Notes	2017		2016	
		Current	Non-current	Current	Non-current
Purpose					
Rates and annual charges		264	–	386	–
User charges and fees		477	–	138	–
Accrued revenues					
– Interest on investments		16	–	20	–
Government grants and subsidies		–	–	245	–
Net GST receivable		17	–	39	–
Total		774	–	828	–
Less: provision for impairment					
Rates and annual charges		(21)	–	(21)	–
User charges and fees		–	–	(1)	–
Total provision for impairment – receivables		(21)	–	(22)	–
<u>TOTAL NET RECEIVABLES</u>		<u>753</u>	<u>–</u>	<u>806</u>	<u>–</u>
Externally restricted receivables					
Water supply					
– Rates and availability charges		158	–	171	–
– Other		86	–	107	–
Sewerage services					
– Rates and availability charges		–	–	31	–
– Other		31	–	–	–
Domestic waste management		–	–	26	–
Total external restrictions		275	–	335	–
Internally restricted receivables					
Nil					
Unrestricted receivables		478	–	471	–
TOTAL NET RECEIVABLES		753	–	806	–

Notes on debtors above:

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

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

Note 8. Inventories and other assets

\$ '000	Notes	2017		2016	
		Current	Non-current	Current	Non-current
(a) Inventories					
(i) Inventories at cost					
Stores and materials		53	–	45	–
Trading stock		23	–	25	–
Total inventories at cost		76	–	70	–
(ii) Inventories at net realisable value (NRV)					
Nil					
TOTAL INVENTORIES		76	–	70	–

(b) Other assets
Nil

Externally restricted assets

There are no restrictions applicable to the above assets.

Other disclosures

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

– Stores and materials	180	120
– Trading stock	25	33

(b) Inventory write downs

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

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

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

Note 9a. Infrastructure, property, plant and equipment

Asset class	as at 30/6/2016			Asset movements during the reporting period									as at 30/6/2017		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Other movements (adjustment to opening bal for incorrect revals)	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000															
Capital work in progress	552	–	552	202	591	–	–	(474)	–	–	–	–	871	–	871
Plant and equipment	4,838	2,907	1,931	–	587	(240)	(316)	27	–	–	–	–	4,824	2,834	1,990
Office equipment	453	417	36	–	45	(3)	(18)	8	–	–	–	–	408	341	67
Furniture and fittings	216	163	53	–	13	–	(7)	–	–	–	–	–	227	167	60
Land:															
– Operational land	1,456	–	1,456	–	–	–	–	–	22	–	–	–	1,478	–	1,478
– Community land	498	–	498	–	–	–	–	–	–	–	–	–	498	–	498
Land improvements – non-depreciable	568	–	568	58	–	–	–	54	–	–	–	–	680	–	680
Infrastructure:															
– Buildings – non-specialised	26,752	15,254	11,498	109	–	–	(676)	12	–	–	–	–	26,872	15,928	10,944
– Buildings – specialised	304	62	242	–	29	–	(7)	25	–	–	–	–	358	68	290
– Other structures	13,169	5,681	7,488	–	248	–	(497)	95	185	–	–	–	13,778	6,258	7,520
– Roads and bridges	111,010	58,241	52,769	1,405	994	–	(3,360)	171	50	–	–	14,970	91,380	24,381	66,999
– Kerb and gutter	4,778	1,947	2,831	–	43	–	(53)	–	–	–	–	525	5,715	2,370	3,345
– Footpaths	1,658	727	931	–	44	–	(33)	57	–	–	(87)	–	1,620	709	911
– Stormwater drainage	2,482	438	2,044	–	–	–	(31)	–	–	–	(90)	–	2,482	559	1,923
– Water supply network	16,184	9,151	7,033	28	–	–	(291)	–	(33)	9	–	1,331	14,109	6,031	8,078
– Sewerage network	13,516	6,749	6,767	39	–	–	(201)	25	(88)	1	–	639	11,831	4,649	7,182
– Swimming pools	1,480	787	693	–	19	–	(57)	–	–	–	–	–	1,500	847	653
Other assets:															
– Other	805	294	511	–	–	–	(22)	–	(236)	–	–	–	498	245	253
TOTAL INFRASTRUCTURE, PROPERTY, PLANT AND EQUIP.	200,719	102,818	97,901	1,841	2,613	(243)	(5,569)	–	(100)	10	(177)	17,465	179,129	65,387	113,742

Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

Refer to Note 27. Fair value measurement for information regarding the fair value of other infrastructure, property, plant and equipment.

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

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

Class of asset	Actual 2017			Actual 2016		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount
Water supply						
WIP	–	–	–	18	–	18
Plant and equipment	255	–	255	–	–	–
Land						
– Operational land	33	–	33	33	–	33
Infrastructure	14,109	6,030	8,079	–	–	–
Other assets	–	–	–	16,151	9,150	7,001
Total water supply	14,397	6,030	8,367	16,202	9,150	7,052
Sewerage services						
WIP	283	–	283	34	–	34
Plant and equipment	122	–	122	–	–	–
Land						
– Operational land	88	–	88	88	–	88
Infrastructure	11,830	4,649	7,181	–	–	–
Other assets	–	–	–	13,428	6,749	6,679
Total sewerage services	12,323	4,649	7,674	13,550	6,749	6,801
TOTAL RESTRICTED I,PP&E	26,720	10,679	16,041	29,752	15,899	13,853

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

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

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

Note 10a. Payables, borrowings and provisions

\$ '000	Notes	2017		2016	
		Current	Non-current	Current	Non-current
Payables					
Goods and services – operating expenditure		632	–	653	–
Goods and services – capital expenditure		214	–	336	–
Accrued expenses:					
– Borrowings		16	–	7	–
– Salaries and wages		–	–	145	3
– Other expenditure accruals		–	2	58	–
Advances		–	–	–	8
Security bonds, deposits and retentions		–	13	3	5
Retirement home contributions		–	111	–	495
Total payables		862	126	1,202	511
Income received in advance					
Payments received in advance		81	–	42	–
Total income received in advance		81	–	42	–
Borrowings					
Loans – secured ¹		257	2,806	241	3,063
Total borrowings		257	2,806	241	3,063
Provisions					
Employee benefits:					
Annual leave		303	–	395	–
Long service leave		430	67	420	90
Sub-total – aggregate employee benefits		733	67	815	90
Asset remediation/restoration (future works)	26	–	170	–	170
Total provisions		733	237	815	260
TOTAL PAYABLES, BORROWINGS AND PROVISIONS					
		1,933	3,169	2,300	3,834
(i) Liabilities relating to restricted assets					
		2017		2016	
		Current	Non-current	Current	Non-current
Externally restricted assets					
Water		86	891	78	970
Liabilities relating to externally restricted assets		86	891	78	970
Internally restricted assets					
Nil					
Total liabilities relating to restricted assets		86	891	78	970
Total liabilities relating to unrestricted assets		1,847	2,278	2,222	2,864
TOTAL PAYABLES, BORROWINGS AND PROVISIONS		1,933	3,169	2,300	3,834

¹. Loans are secured over the general rating income of Council

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

Notes to the Financial Statements

for the year ended 30 June 2017

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

	Actual 2017	Actual 2016
\$ '000		

(ii) Current liabilities not anticipated to be settled within the next twelve months

The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.

Provisions – employees benefits	800	673
Payables – security bonds, deposits and retentions	111	389
	911	1,062

Note 10b. Description of and movements in provisions

Class of provision	2016	2017				Closing balance as at 30/6/17
	Opening balance as at 1/7/16	Additional provisions	Decrease due to payments	Remeasurement effects due to discounting	Unused amounts reversed	
Annual leave	395	107	(199)	–	–	303
Sick leave	–	112	(112)	–	–	–
Long service leave	510	21	(34)	–	–	497
Asset remediation	170	–	–	–	–	170
TOTAL	1,075	240	(345)	–	–	970

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

Notes to the Financial Statements

for the year ended 30 June 2017

Note 11. Statement of cash flows – additional information

\$ '000	Notes	Actual 2017	Actual 2016
(a) Reconciliation of cash assets			
Total cash and cash equivalent assets	6a	7,377	5,700
Less bank overdraft	10	–	–
Balance as per the Statement of Cash Flows		7,377	5,700

(b) Reconciliation of net operating result to cash provided from operating activities

Net operating result from Income Statement		1,789	(564)
Adjust for non-cash items:			
Depreciation and amortisation		5,569	5,929
Net losses/(gains) on disposal of assets		(2)	(427)
Contribution - Recognition of Assets		400	
+/- Movement in operating assets and liabilities and other cash items:		53	(116)
Decrease/(increase) in receivables		(1)	20
Increase/(decrease) in provision for doubtful debts		(6)	1
Decrease/(increase) in inventories		(28)	(20)
Increase/(decrease) in payables		9	(5)
Increase/(decrease) in accrued interest payable		(249)	54
Increase/(decrease) in other accrued expenses payable		(347)	168
Increase/(decrease) in other liabilities		(105)	9
Increase/(decrease) in employee leave entitlements		–	47
Net cash provided from/(used in) operating activities from the Statement of Cash Flows		6,286	5,096

(c) Non-cash investing and financing activities

Nil

(d) Financing arrangements

(i) Unrestricted access was available at balance date to the following lines of credit:

	20	20
Credit cards/purchase cards	20	20
Total financing arrangements		
Amounts utilised as at balance date:	13	6
– Credit cards/purchase cards	13	6
Total financing arrangements utilised		

(ii) Secured loan liabilities

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

Notes to the Financial Statements

for the year ended 30 June 2017

Note 12. Commitments for expenditure

\$ '000	Notes	Actual 2017	Actual 2016
(a) Capital commitments (exclusive of GST)			
Nil			
(b) Finance lease commitments			
Nil			
(c) Operating lease commitments (non-cancellable)			
a. Commitments under non-cancellable operating leases at the reporting date, but not recognised as liabilities are payable:			
Within the next year		150	231
Later than one year and not later than 5 years		72	345
Later than 5 years		–	–
Total non-cancellable operating lease commitments		222	576

b. Non-cancellable operating leases include the following assets:

Council currently leases a number of items of heavy equipment.

Contingent rentals may be payable depending on the condition of items or usage during the lease term.

Conditions relating to operating leases:

- All operating lease agreements are secured only against the leased asset.
- No lease agreements impose any financial restrictions on Council regarding future debt etc.

(d) Investment property commitments

Nil

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

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

\$ '000	Amounts 2017	Indicator 2017	Prior periods		Benchmark
			2016	2015	
Local government industry indicators – consolidated					
1. Operating performance ratio					
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions less operating expenses	975	6.83%	-16.10%	-38.63%	>0.00%
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions	14,279				
2. Own source operating revenue ratio					
Total continuing operating revenue ⁽¹⁾ excluding all grants and contributions	4,796	31.89%	34.90%	36.22%	>60.00%
Total continuing operating revenue ⁽¹⁾	15,041				
3. Unrestricted current ratio					
Current assets less all external restrictions ⁽²⁾	5,777	6.17x	2.92x	1.95x	>1.5x
Current liabilities less specific purpose liabilities ^(3, 4)	931				
4. Debt service cover ratio					
Operating result ⁽¹⁾ before capital excluding interest and depreciation/impairment/amortisation	6,747	15.26x	9.77x	5.98x	>2x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	442				
5. Rates, annual charges, interest and extra charges outstanding percentage					
Rates, annual and extra charges outstanding	264	10.52%	15.65%	15.45%	< 5% Metro
Rates, annual and extra charges collectible	2,509				<10% Rural
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	7,377	9.41 mths	8.1 mths	5.8 mths	> 3 mths
Payments from cash flow of operating and financing activities	784				

Notes

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

⁽²⁾ Refer Notes 6-8 inclusive.

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

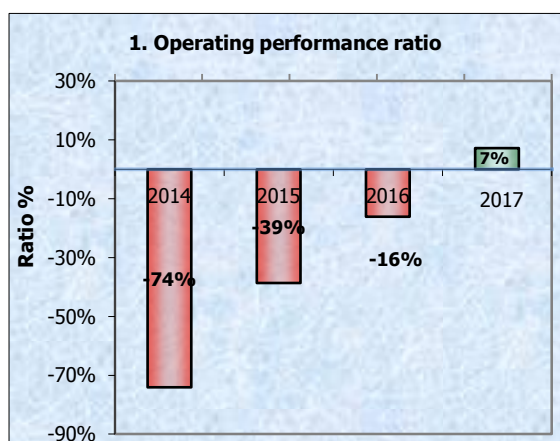
⁽³⁾ Refer to Note 10(a).

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

Balranald Shire Council

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

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

Benchmark: — Minimum $\geq 0.00\%$

Source for benchmark: Code of Accounting Practice and Financial Reporting #25

Purpose of operating performance ratio

This ratio measures Council's achievement of containing operating expenditure within operating revenue.

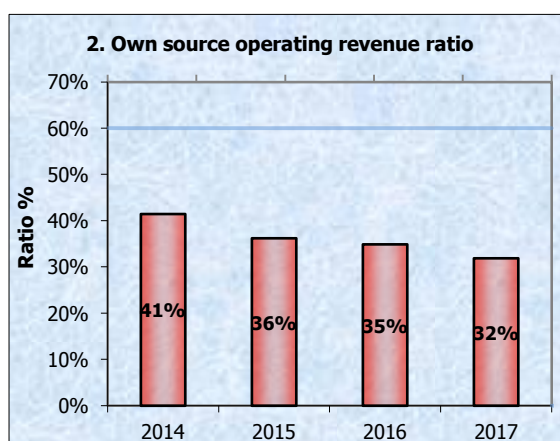
Commentary on 2016/17 result**2016/17 ratio 6.83%**

There has been some improvement in this ratio from last year due to inclusion of Financial Assistance Grants received in advance of when related expenditure will occur. Council has undertaken a significant revaluation of its road network and associated depreciation which is expected to continue to provide positive results in this ratio from 2017-18.



Ratio achieves benchmark

Ratio is outside benchmark

Benchmark: — Minimum $\geq 60.00\%$

Source for benchmark: Code of Accounting Practice and Financial Reporting #25

Purpose of own source operating revenue ratio

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.

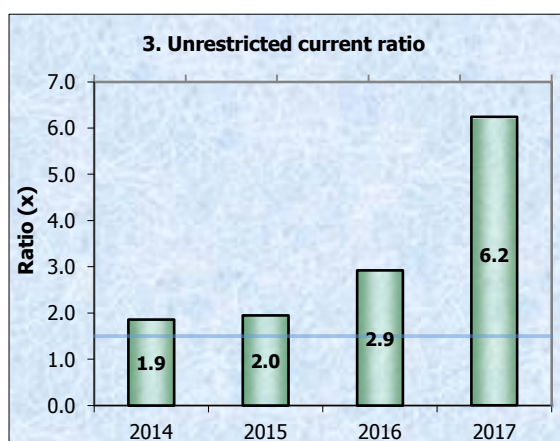
Commentary on 2016/17 result**2016/17 ratio 31.89%**

Council does not have sufficient income streams excluding grants and contributions to meet this ratio. Council is working on a special rate variation application to address this shortfall.



Ratio achieves benchmark

Ratio is outside benchmark

Benchmark: — Minimum ≥ 1.50

Source for benchmark: Code of Accounting Practice and Financial Reporting #25

Purpose of unrestricted current ratio

To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.

Commentary on 2016/17 result**2016/17 ratio 6.17x**

Council continues to operate above the benchmark for this ratio. The 2016-17 result shows a significant improvement on prior years due to inclusion of Financial Assistance Grants received in advance of when the related expenditure will occur.



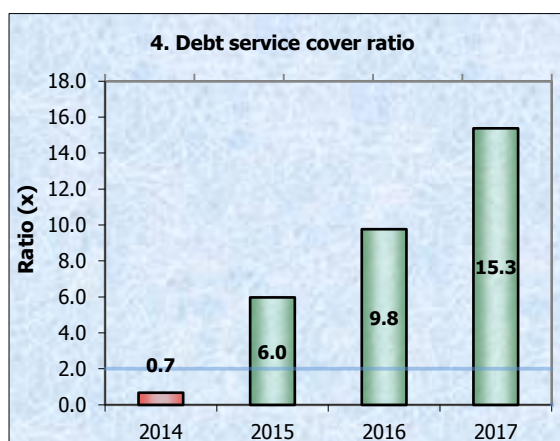
Ratio achieves benchmark

Ratio is outside benchmark

Balranald Shire Council

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

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

Benchmark: — Minimum ≥ 2.00



Source for benchmark: Code of Accounting Practice and Financial Reporting #25

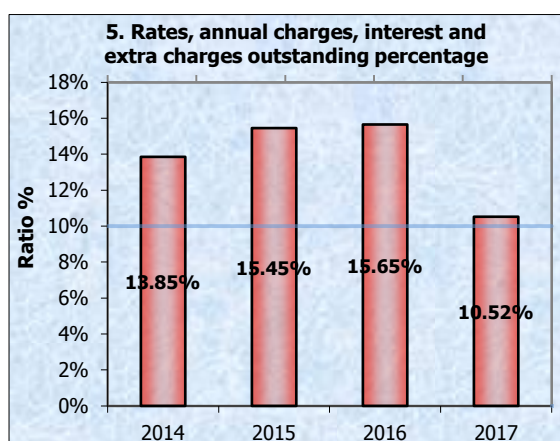
Purpose of debt service cover ratio

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments

Commentary on 2016/17 result**2016/17 ratio 15.26x**

The value of outstanding loans has continued to decrease over the 2016/17 year as repayments are made as and when they fall due. Council has not entered into any new loan agreements during this period.

 Ratio achieves benchmark
 Ratio is outside benchmark

Benchmark: — Maximum $< 10.00\%$



Source for Benchmark: Code of Accounting Practice and Financial Reporting #25

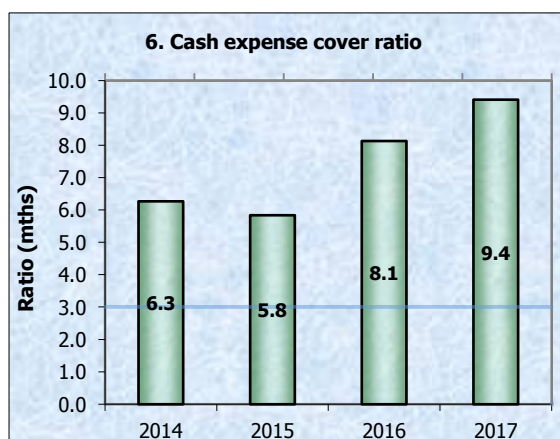
Purpose of rates and annual charges outstanding ratio

To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

Commentary on 2016/17 result**2016/17 ratio 10.52%**

Council has approved new policies in relation to collection of outstanding rates and annual charges, which combined with improved collection procedures has resulted in a significant improvement in this ratio.

 Ratio is within Benchmark
 Ratio is outside Benchmark

Benchmark: — Minimum ≥ 3.00



Source for benchmark: Code of Accounting Practice and Financial Reporting #25

Purpose of cash expense cover ratio

This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.

Commentary on 2016/17 result**2016/17 ratio 9.41 mths**

This ratio has improved from previous financial years due to receipt of part of Council's future years Financial Assistance Grant in advance.

 Ratio achieves benchmark
 Ratio is outside benchmark

Balranald Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

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

\$ '000	General indicators ⁵		Water indicators		Sewer indicators		Benchmark
	2017	2016	2017	2016	2017	2016	
Local government industry indicators – by fund							
1. Operating performance ratio							
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions							
less operating expenses							
<hr/>							
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions	7.82%	-16.42%	8.75%	8.81%	-36.83%	-91.08%	>0.00%
2. Own source operating revenue ratio							
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions							
<hr/>							
Total continuing operating revenue ⁽¹⁾	25.32%	26.69%	99.30%	99.37%	98.20%	97.85%	>60.00%
3. Unrestricted current ratio							
Current assets less all external restrictions ⁽²⁾							
<hr/>							
Current liabilities less specific purpose liabilities ^(3, 4)	6.17x	2.92x	9.94x	10.77x	No liabilities	No liabilities	>1.5x

Notes

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

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

Balranald Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

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

\$ '000	General indicators ⁵		Water indicators		Sewer indicators		Benchmark
	2017	2016	2017	2016	2017	2016	
Local government industry indicators – by fund (continued)							
4. Debt service cover ratio							
Operating result ⁽¹⁾ before capital excluding interest and depreciation/impairment/amortisation	19.92x	12.07x	3.36x	4.13x	0.00x	0.00x	>2x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
5. Rates, annual charges, interest and extra charges outstanding percentage							
Rates, annual and extra charges outstanding	4.79%	9.26%	33.19%	37.42%	0.00%	12.50%	< 5% Metro <10% Rural
Rates, annual and extra charges collectible							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	9.34	7.99	0.00	0.00	0.00	0.00	> 3 months
Payments from cash flow of operating and financing activities	months	months	months	months	months	months	

Notes

⁽¹⁾ Refer to Notes at Note 13a(i) above.⁽⁵⁾ General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

Balranald Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 14. Investment properties

\$ '000

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

Note 15. Financial risk management

Risk management

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

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

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

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

	Carrying value		Fair value	
	2017	2016	2017	2016
Financial assets				
Cash and cash equivalents	7,377	5,200	7,377	5,200
Investments				
– 'Held to maturity'	–	500	–	500
Receivables	753	806	753	–
Total financial assets	8,130	6,506	8,130	5,700
Financial liabilities				
Payables	988	1,713	988	–
Loans/advances	3,063	3,304	3,063	–
Total financial liabilities	4,051	5,017	4,051	–

Fair value is determined as follows:

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

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

Balranald Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 15. Financial risk management (continued)

\$ '000

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

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

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

The risks associated with the investments held are:

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

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

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

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

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

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

	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
2017				
Possible impact of a 1% movement in interest rates	70	70	(70)	(70)
2016				
Possible impact of a 1% movement in interest rates	51	51	(51)	(51)

Balranald Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 15. Financial risk management (continued)

\$ '000

(b) Credit risk

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

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

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

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

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

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subjected to a re-negotiation of repayment terms.

A profile of Council's receivables credit risk at balance date follows:

	2017 Rates and annual charges	2017 Other receivables	2016 Rates and annual charges	2016 Other receivables
(i) Ageing of receivables – %				
Current (not yet overdue)	56%	76%	0%	69%
Overdue	44%	24%	100%	31%
	100%	100%	100%	100%

	2017 Rates and annual charges	2017 Other receivables	2016 Rates and annual charges	2016 Other receivables
(ii) Ageing of receivables – value				
Rates and annual charges				
Current	148	328	62	380
< 1 year overdue	47	102	188	–
1 – 2 years overdue	38	33	65	6
2 – 5 years overdue	18	27	63	56
> 5 years overdue	13	–	8	–
	264	490	386	442

(iii) Movement in provision for impairment of receivables

	2017	2016
Balance at the beginning of the year	22	2
+ new provisions recognised during the year	–	20
– amounts already provided for and written off this year	(1)	–
Balance at the end of the year	21	22

Balranald Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 15. Financial risk management (continued)

\$ '000

(c) Liquidity risk

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

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

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

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

\$ '000	Subject to no maturity	payable in:						Total cash outflows	Actual carrying values
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
2017									
Trade/other payables	988	–	–	–	–	–	–	13	988
Loans and advances	–	461	491	474	505	487	886	3,304	3,063
Total financial liabilities	988	461	491	474	505	487	886	3,317	4,051
2016									
Trade/other payables	8	1,282	12	–	–	–	388	1,690	1,713
Loans and advances	–	433	433	409	409	383	2,150	4,217	3,304
Lease liabilities	–	231	231	107	5	2	–	576	–
Total financial liabilities	8	1,946	676	516	414	385	2,538	6,483	5,017

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

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

	2017		2016	
	Carrying value	Average interest rate	Carrying value	Average interest rate
Trade/other payables	988	0.00%	1,713	0.00%
Loans and advances – fixed interest rate	3,063	6.50%	3,304	6.50%
	<u>4,051</u>		<u>5,017</u>	

Loan agreement breaches

Nil

Notes to the Financial Statements

for the year ended 30 June 2017

Note 16. Material budget variations

\$ '000

Council's original financial budget for 16/17 was adopted by the Council on 23/06/2016.

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

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

Note that for variations* of budget to actual :

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

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

\$ '000	2017 Budget	2017 Actual	2017 Variance*		
REVENUES					
Rates and annual charges	2,185	2,129	(56)	(3%)	U
User charges and fees	1,470	1,639	169	11%	F
The increase in user charges and fees is due to receipt of unbudgeted revenue from Council's commercial waste management, and also a higher than anticipated increase in water usage charges; higher than budgeted planning fees and reimbursement of Fire Services expenditure, offset by lower than budgeted variations in other user fees and charges.					
Interest and investment revenue	113	123	10	9%	F
Other revenues	1,381	905	(476)	(34%)	U
The reduction in other revenue reflects lower than anticipated income associated with Council's aged care facility and also lower than anticipated reimbursements, offset by a reduction in budgeted materials and contracts.					
Operating grants and contributions	4,071	6,194	2,123	52%	F
Council received Financial Assistance Grant funding in advance, in addition to higher than budgeted Financial Assistance Grants related to the 2016-17 financial year.					
Capital grants and contributions	2,760	3,651	891	32%	F
Council received unbudgeted grant funding from NSW Government to assist with infrastructure work following recent flood damage (\$500K), in addition to higher than anticipated Roads to Recovery funding (\$300k).					
Net gains from disposal of assets	189	-	(189)	(100)%	U
This unfavourable variance reflects the difference between budgeted figures prepared on a guess basis and actual net figures.					

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

Note 16. Material budget variations (continued)

\$ '000	2017 Budget	2017 Actual	2017 ----- Variance* -----		
EXPENSES					
Employee benefits and on-costs	3,959	4,233	(274)	(7%)	U
Borrowing costs	193	201	(8)	(4%)	U
Materials and contracts	1,689	1,953	(264)	(16%)	U
This unfavourable variance reflects lower than anticipated expenditures on hazard reduction projects, offset by a reduction in revenues for this purpose; and lower than anticipated, expenditure on road maintenance projects.					
Depreciation and amortisation	5,475	5,569	(94)	(2%)	U
Other expenses	1,523	1,346	177	12%	F
The favourable variance for this category reflects an underspend in some expenditure line items which has been offset by overspends in others. There is no significant expenditure item that has given rise to this variance.					

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

Cash flows from operating activities	1,978	6,286	4,308	217.8%	F
Cash flows from investing activities	(4,303)	(4,368)	(65)	1.5%	U
Cash flows from financing activities	(241)	(241)	–	0.0%	F

Notes to the Financial Statements

for the year ended 30 June 2017

Note 17. Statement of Developer Contributions

\$ '000

Council currently has no S94 Developer Contribution Plans or S94 Funds on hand from prior years.

Note 18. Contingencies and other assets/liabilities not recognised

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

LIABILITIES NOT RECOGNISED:

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

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

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

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

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

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2017

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

\$ '000

LIABILITIES NOT RECOGNISED (continued):

2. Other liabilities

(i) Third party claims

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

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

(ii) Sale of Caltex Service Station Land and Buildings

Council has a contingent liability in relation to the sale of the above. Council has agreed that, as part of the sales finalisation process, it will contribute towards the cost of the purchaser's legal fees and Caltex's costs for non-fixed assets. This contingent liability is expected to be in the order of \$150,000.

ASSETS NOT RECOGNISED:

(i) Land under roads

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

(ii) Rural fire fighting assets

Council has title to, and is the registered owner of, 18 rural fire appliances and associated rural fire fighting equipment. These assets are under the control of the Rural Fire Service to enable that Department to provide the bushfire protection defences set out in their Service Level Agreement with Council, and accordingly have not been recognised in these reports

In accordance with normal Rural Fire Service funding arrangements, Council continues to contribute to the costs of maintenance of this equipment.

Note 19. Interests in other entities

Council has no interest in any controlled entities, joint arrangements or associates.

Notes to the Financial Statements

for the year ended 30 June 2017

Note 20. Retained earnings, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors

\$ '000	Notes	Actual 2017	Actual 2016
(a) Retained earnings			
Movements in retained earnings were as follows:			
Balance at beginning of year (from previous years audited accounts)		44,302	44,866
a. Correction of prior period errors	20 (c)	—	—
b. Net operating result for the year		1,737	(564)
Balance at end of the reporting period		46,039	44,302

(b) Revaluation reserves

(i) Reserves are represented by:

– Infrastructure, property, plant and equipment revaluation reserve	71,567	54,279
Total	71,567	54,279

(ii) Reconciliation of movements in reserves:

Infrastructure, property, plant and equipment revaluation reserve

– Opening balance	54,279	53,108
– Revaluations for the year	9(a) 17,288	1,540
– Correction of prior period errors	20(c) —	(369)
– Balance at end of year	71,567	54,279

TOTAL VALUE OF RESERVES

71,567	54,279
---------------	---------------

(iii) Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

- The infrastructure, property, plant and equipment revaluation reserve is used to record increments/decrements of non-current asset values due to their revaluation.

Notes to the Financial Statements

for the year ended 30 June 2017

Note 20. Retained earnings, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

\$ '000	Notes	Actual 2017	Actual 2016
(c) Correction of error/s relating to a previous reporting period			
Correction of errors as disclosed in last year's financial statements:			
Assets included in Road revaluations for 2014/15 had assets included from other asset classes and were duplicated		–	(369)
In accordance with AASB 108 – Accounting Policies, Changes in Accounting Estimates and Errors, the above prior period errors have been recognised retrospectively.			
These amounted to the following equity adjustments:			
– Adjustments to opening equity – 1/7/15 (relating to adjustments for the 30/6/15 reporting year end and prior periods)		–	–
– Adjustments to closing equity – 30/6/16 (relating to adjustments for the 30/6/16 year end. Adjustment for estimated change to asset values not released)			(369)
			(369)
Total prior period adjustments – prior period errors			

(d) Voluntary changes in accounting policies

Council made no voluntary changes in any accounting policies during the year.

Notes to the Financial Statements

for the year ended 30 June 2017

Note 21. Financial result and financial position by fund

Income Statement by fund \$ '000	Actual 2017	Actual 2017	Actual 2017
Continuing operations	Water	Sewer	General¹
Income from continuing operations			
Rates and annual charges	476	259	1,394
User charges and fees	462	7	1,170
Interest and investment revenue	17	42	64
Other revenues	44	20	841
Grants and contributions provided for operating purposes	7	6	9,470
Grants and contributions provided for capital purposes	—	—	762
Other income			
Net gains from disposal of assets	—	—	(2)
Share of interests in joint ventures and associates using the equity method	—	—	—
Total income from continuing operations	1,006	334	13,699
Expenses from continuing operations			
Employee benefits and on-costs	156	47	4,030
Borrowing costs	63	—	138
Materials and contracts	291	94	1,568
Depreciation and amortisation	291	201	5,077
Impairment	—	—	—
Other expenses	117	115	1,114
Total expenses from continuing operations	918	457	11,927
Operating result from continuing operations	88	(123)	1,772
Discontinued operations			
Net profit/(loss) from discontinued operations	—	—	—
Net operating result for the year	88	(123)	1,772
Net operating result attributable to each council fund	88	(123)	1,772
Net operating result attributable to non-controlling interests	—	—	—
Net operating result for the year before grants and contributions provided for capital purposes	88	(123)	(1,010)

¹ General fund refers to all Council's activities other than Water and Sewer.

NB. All amounts disclosed above are gross – that is, they include internal charges and recoveries made between the funds.

Notes to the Financial Statements

as at 30 June 2017

Note 21. Financial result and financial position by fund (continued)

Statement of Financial Position by fund \$ '000	Actual 2017	Actual 2017	Actual 2017
ASSETS	Water	Sewer	General¹
Current assets			
Cash and cash equivalents	611	1,296	5,470
Investments			
Receivables	244	31	478
Inventories	–	–	76
Other			500
Total current assets	855	1,327	6,524
Non-current assets			
Investments	–	–	–
Receivables	–	–	–
Inventories	–	–	–
Infrastructure, property, plant and equipment	8,368	7,676	97,698
Investments accounted for using the equity method	–	–	–
Intangible assets	–	–	260
Total non-current assets	8,368	7,676	97,958
TOTAL ASSETS	9,223	9,003	104,482
LIABILITIES			
Current liabilities			
Payables	6	–	856
Income received in advance	–	–	81
Borrowings	80	–	177
Provisions	–	–	733
Total current liabilities	86	–	1,847
Non-current liabilities			
Payables	–	–	126
Borrowings	891	–	1,915
Provisions	–	–	237
Total non-current liabilities	891	–	2,278
TOTAL LIABILITIES	977	–	4,125
Net assets	8,246	9,003	100,357
EQUITY			
Retained earnings	2,972	2,878	40,190
Revaluation reserves	5,274	6,125	60,167
Total equity	8,246	9,003	100,357

¹ General Fund refers to all Council's activities other than Water and Sewer.

NB. All amounts disclosed above are gross – that is, they include internal receivables and payables between the funds.

Notes to the Financial Statements

for the year ended 30 June 2017

Note 22. 'Held for sale' non-current assets and disposal groups

\$ '000

\$'000	2017 Current	2017 Non-current	2016 Current	2016 Non-Current
Land and buildings (Caltex Service Station)	500	-	-	-

Note 23. Events occurring after the reporting date

Events that occur between the end of the reporting period (30 June 2017) and the date when the financial statements are 'authorised for issue' have been taken into account in preparing these statements.

Council has adopted the date of receipt of the Auditors' Report as the applicable 'authorised for issue' date relating to these General Purpose Financial Statements.

Accordingly, the 'authorised for issue' date is 31/10/17.

Events that occur after the reporting period represent one of two types:

(i) Events that provide evidence of conditions that existed at the reporting period

These financial statements (and the figures therein) incorporate all 'adjusting events' that provided evidence of conditions that existed at 30 June 2017.

(ii) Events that provide evidence of conditions that arose after the reporting period

These financial statements (and figures therein) do not incorporate any 'non-adjusting events' that have occurred after 30 June 2017 and which are only indicative of conditions that arose after 30 June 2017.

Council is unaware of any material or significant 'non-adjusting events' that should be disclosed.

Note 24. Discontinued operations

Council has not classified any of its operations as 'discontinued'.

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

Note 25. Intangible assets

	Actual 2017	Actual 2016
\$ '000		

Intangible assets represent identifiable non-monetary assets without physical substance.

Intangible assets are as follows:

Opening values:

Gross book value (1/7)	260	260
Accumulated amortisation (1/7)	–	–
Accumulated impairment (1/7)	–	–
Net book value – opening balance	260	260

Closing values:

Gross book value (30/6)	260	260
Accumulated amortisation (30/6)	–	–
Accumulated impairment (30/6)	–	–

TOTAL INTANGIBLE ASSETS – NET BOOK VALUE ¹

260	260
------------	------------

¹. The net book value of intangible assets represent:

– Bidgee Haven Hostel (bed licences)	260	260
	260	260

Notes to the Financial Statements

for the year ended 30 June 2017

Note 26. Reinstatement, rehabilitation and restoration liabilities

\$ '000

Asset/operation	Estimated year of restoration	NPV of provision	
		2017	2016
Gravel Pits (x46)		170	170
Balance at end of the reporting period	10(a)	<u>170</u>	<u>170</u>

Council has a legal obligation to rehabilitate a number of gravel pits within its Shire. The exact number of gravel pits requiring rehabilitation and extent of work required is still being assessed and the costs of this cannot reliably be estimated at this time. Council has initially recognised a liability of \$170,000 to meet this obligation and has continued to include funds in its annual budget to undertake ongoing work. Unexpended funds at year end provided for this purpose are internally restricted. Council believes this is a prudent approach to meet what is an emerging cost pressure.

Reconciliation of movement in provision for year:

Balance at beginning of year	170	123
Amounts capitalised to new or existing assets:		
Effect of a change in other calculation estimates used	–	47
Total – reinstatement, rehabilitation and restoration provision	<u>170</u>	<u>170</u>

Provisions for close down and restoration and for environmental clean up costs – tips and quarries

Rehabilitation

Where rehabilitation is conducted systematically over the life of the operation, rather than at the time of closure, provision is made for the estimated outstanding continuous rehabilitation work at each reporting date and the cost is charged to the Income Statement.

Provision is made for the estimated present value of the costs of environmental clean up obligations outstanding at the reporting date. These costs are charged to the Income Statement. Movements in the environmental clean up provisions are presented as an operating cost, except for the unwinding of the discount which is shown as a borrowing cost.

Remediation procedures generally commence soon after the time the damage, remediation process and estimated remediation costs become known, but may continue for many years depending on the nature of the disturbance and the remediation techniques.

As noted above, the ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other locations. The expected timing of expenditure can also change, for example in response to changes in quarry reserves or production rates. As a result there could be significant adjustments to the provision for close down and restoration and environmental clean up, which would affect future financial results.

Notes to the Financial Statements

for the year ended 30 June 2017

Note 27. Fair value measurement

\$ '000

The Council measures the following asset and liability classes at fair value on a recurring basis:

– Infrastructure, property, plant and equipment

The fair value of assets and liabilities must be estimated in accordance with various accounting standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a 'level' in the fair value hierarchy as follows:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(1) The following table presents all assets and liabilities that have been measured and recognised at fair values:

Fair value measurement hierarchy				
	Level 1	Level 2	Level 3	Total
	Quoted prices in active mkts	Significant observable inputs	Significant unobservable inputs	
Recurring fair value measurements				
Infrastructure, property, plant and equipment				
WIP	—	—	871	—
Plant and equipment	—	—	1,990	—
Office equipment	—	—	67	—
Furniture and fittings	—	—	60	—
Land – operational	—	—	1,478	—
Land community	—	—	498	—
Land improvements	—	—	680	—
Buildings specialised	—	—	290	—
Buildings non – specialised	—	—	10,944	—
Other structures	—	—	7,520	—
Roads and bridges	—	—	66,999	—
Kerb and channels	—	—	3,345	—
Footpaths	—	—	911	—
Stormwater drainage	—	—	1,923	—
Water supply network	—	—	8,078	—
Sewerage network	—	—	7,182	—
Swimming pools	—	—	653	—
Other	—	—	253	—
Total infrastructure, property, plant and equipment	—	—	113,742	—

Notes to the Financial Statements

for the year ended 30 June 2017

Note 27. Fair value measurement (continued)

\$ '000

(1) The following table presents all assets and liabilities that have been measured and recognised at fair values: (continued)

		Fair value measurement hierarchy			
2016		Level 1	Level 2	Level 3	Total
	Date of latest valuation	Quoted prices in active mkts	Significant observable inputs	Significant unobservable inputs	
Recurring fair value measurements					
Infrastructure, property, plant and equipment					
WIP	30/06/16	—	—	552	552
Plant and equipment	30/06/16	—	—	1,931	1,931
Office equipment	30/06/16	—	—	36	36
Furniture and fittings	30/06/16	—	—	53	53
Land – operational	30/06/14	—	—	1,356	1,356
Land community	30/06/16	—	—	498	498
Land improvements	dd/mm/yy	—	—	568	568
Buildings specialised	30/06/14	—	—	242	242
Buildings non – specialised	30/06/14	—	—	11,098	11,098
Other structures	30/06/16	—	—	7,488	7,488
Roads and bridges	30/06/15	—	—	52,769	52,769
Kerb and channels	30/06/15	—	—	2,831	2,831
Footpaths	30/06/15	—	—	931	931
Stormwater drainage	30/06/15	—	—	2,044	2,044
Water supply network	30/06/16	—	—	7,033	7,033
Sewerage network	30/06/16	—	—	6,767	6,767
Swimming pools	30/06/14	—	—	693	693
Other	30/06/14	—	—	511	511
Total infrastructure, property, plant and equipment		—	—	97,401	97,901

(2) Transfers between level 1 and level 2 fair value hierarchies

During the year, there were no transfers between level 1 and level 2 fair value hierarchies for recurring fair value measurements.

Notes to the Financial Statements

for the year ended 30 June 2017

Note 27. Fair value measurement (continued)

(3) Valuation techniques used to derive Level 2 and Level 3 Fair Values

Where Council is unable to derive Fair Valuations using quoted market prices of identical assets (ie. Level 1 inputs), Council instead utilises a spread of both observable inputs (Level 2 inputs) and unobservable inputs (Level 3 inputs).

The Fair Valuation techniques Council has employed while utilising Level 2 and Level 3 inputs are as follows:

Infrastructure, Property, Plant & Equipment

Plant Equipment, Office Equipment and Furniture & Fittings

Plant & equipment, Office Equipment and Furniture & fittings are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the items. Examples of assets within these classes area as follows:

- Plant & equipment- Graders, Trucks, rollers, tractors and motor vehicles.
- Office equipment- Computers, photocopies, calculators etc.
- Furniture &Fittings- Chairs, desks and display boards.

There has been no change to the valuation process during the reporting period.

Operational & Community Land

Operational & community Land are based on either the Land Value provided by the Valuer General or an average unit rate based on the Land value for similar properties where the Valuer General did not provide a Land Value having regard the highest and best use of the Land. Operational Land is based on the Valuer General's land value as these are represented of the actual market values in the Balranald Shire LGA. As these rates were not considered to be observable market evidence they have been classified at a level 3.

Buildings- Non Specialised & Specialised

Non- Specialised & Specialised Buildings have been valued externally using Herron Todd (Murray Riverina) Pty Ltd, 185 Annesley Street, Eucha using the cost approach. The approach estimated the replacement cost of each building by componentising the building into significant parts. While all buildings were physically inspected and the

Notes to the Financial Statements

for the year ended 30 June 2017

Note 27. Fair value measurement (continued)

unit rates based on square market based evidence (level) 2 could not be established. As such these assets were classified as having been valued as Level 3 valuation inputs.

While these costs were current and the impact of depreciable negligible, the building has been classified as level 3 as they are immaterial in relation to the overall value of the asset type.

There had been no change to the valuation process during the reporting period.

Other structures

Other structures comprise of aerodrome runway, lighting, irrigation systems and fencing etc. and have been valued externally using Herron Todd white (Murray Riverina) Pty Ltd, 185 Annesley Street Echua using the cost approach. The approach estimated the replacement cost of the asset by componentising the asset into significant parts. No market evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class.

There had been no change to the valuation process during the reporting period.

Roads, Bridges, Footpaths & Drainage Infrastructure.

Roads comprise roads carriageway, roadside shoulders & Kerb and Gutter and Channels. Bridges comprised of Bridges and Major Culverts. All these asset classes were valued by Malcolm Styles (Engineering Management Styles) Gold Square Victoria for the period ending 30th June 2017. The approach estimated the replacement cost for each asset by componentising the assets into significant parts using Balranald Shire Council's internal data base of costs. From field observations taken during this revaluation most of the unsealed road network has been reclassified from a formed and paved road asset to a formed only road asset. Further, the useful life of formations was changed to better align with the useful lives of formations by neighbouring Councils No market based evidence (level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class.

Apart from reclassifying certain components of the road network, there had been no change to the valuation process during the reporting period.

Notes to the Financial Statements

for the year ended 30 June 2017

Note 27. Fair value measurement (continued)

Water Supply Network

Assets within this class comprise reservoirs, pumping stations and water pipelines.

The cost approach estimated the replacement cost for each asset by componentising the asset into significant parts with different useful lives and taking into account a range of factors. All Water Supply Network Assets were valued by Brian Ebery, Consulting Engineer, Mitchell St Swan Hill with effective date 30 June 2017. This valuation is based on inventory information provided by Council validated by onsite inspections and CCTV data. These assets have been valued with an updated unit rate from the 2017 NSW reference rates manual for the valuation of water supply, sewerage and stormwater assets, The Institute of Public Works Engineering Australia, The Australian Infrastructure Financial Management, guidelines and practice notes, and estimates and rates obtained in a competitive market. While the unit rate is based on linear metres of certain diameter pipes and prices per pit or similar may be supported from market evidence (Level 2) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets. These assets are indexed each year in line with the NSW Reference Rates Manual as published by the Office of Water.

For the year ending 30 June 2017, the only change to the valuation process has been to utilise CCTV internal inspection to ascertain a more accurate measure of asset deterioration and remaining useful life. There has been no other change to the valuation process during the reporting period.

Sewerage Network

Assets within this class comprise treatment works, pumping stations and, sewerage mains. The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. All Sewerage Network Assets were valued by Brian Ebery, Consulting Engineer, Mitchell St Swan Hill with effective date 30 June 2017. This valuation is based on inventory information provided by Council validated by onsite inspections and CCTV data. These assets have been valued with an updated unit rate from the 2017 NSW reference rates manual for the valuation of water supply, sewerage and stormwater assets, The Institute of Public Works Engineering Australia, The Australian Infrastructure Financial Management, guidelines and practice notes, and estimates and rates obtained in a competitive market. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar may be supported from market evidence (Level 2) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets. These assets are indexed each year in line with the NSW Reference Rates Manual as published by the Office of Water.

For the year ending 30 June 2017, the only change to the valuation process has been to utilise CCTV internal inspection to ascertain a more accurate measure of asset deterioration and remaining useful life. There has been no other change to the valuation process during the reporting period.

Notes to the Financial Statements

for the year ended 30 June 2017

Note 27. Fair value measurement (continued)

Swimming Pools

Assets within this class comprise Council's outdoor swimming pool. The swimming pool was valued in-house by experienced staff in Council's Health & Development Department using the cost approach. The approach estimated the replacement cost for each pool by componentising its significant parts. While some elements of gross replacement values may be supported from market evidence (Level 2 input) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value.

There has been no change to the valuation process during the reporting period.

Other Open Space/Recreational Assets

Assets within this class comprise synthetic & turf surfaces, lighting, playground equipment etc. All assets in Other Structures were valued in-house by experienced engineering staff. While some elements of gross replacement values may be supported from market evidence (Level 2 input) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value.

There has been no change to the valuation process during the reporting period.

Notes to the Financial Statements

for the year ended 30 June 2017

Note 27. Fair value measurement (continued)

\$ '000

(4). Fair value measurements using significant unobservable inputs (level 3)

a. The following tables present the changes in level 3 fair value asset classes.

	Plant and Equipment	Office equipment	Furniture and fittings	Operational land	Total
Opening balance – 1/7/15	2,135	39	60	890	3,124
Transfers from/(to) another asset class	–	–	–	566	566
Purchases (GBV)	224	12	–	–	236
Disposals (WDV)	(50)	–	–	–	(50)
Depreciation and impairment	(378)	(15)	(7)	–	(400)
Transfer to assets held for sale	–	–	–	(100)	(100)
Closing balance – 30/6/16	1,931	36	53	1,356	3,376
Transfers from/(to) another asset class	–	–	–	–	–
Purchases (GBV)	–	–	–	–	–
Disposals (WDV)	–	–	–	–	–
Depreciation and impairment	–	–	–	–	–
Closing balance – 30/6/17	1,931	36	53	1,356	3,376

	Community land	Land Improvements	Buildings non specialised	Buildings specialised	Total
Opening balance – 1/7/15	1,046	568	11,886	248	13,748
Transfers from/(to) another asset class	(566)	–	149	–	(417)
Purchases (GBV)	–	–	163	–	163
Disposals (WDV)	–	–	(15)	–	(15)
Depreciation and impairment	–	–	(685)	(6)	(691)
Revaluations	18	–	–	–	18
Closing balance – 30/6/16	498	568	11,498	242	12,806
Transfers from/(to) another asset class	–	–	–	–	–
Purchases (GBV)	–	–	–	–	–
Disposals (WDV)	–	–	–	–	–
Depreciation and impairment	–	–	–	–	–
Revaluations	–	–	–	–	–
Closing balance – 30/6/17	498	568	11,498	242	12,806

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

Note 27. Fair value measurement (continued)

\$ '000

(4). Fair value measurements using significant unobservable inputs (level 3) (continued)

a. The following tables present the changes in level 3 fair value asset classes. (continued)

	Other structures	Roads and gutter	Kerb	Footpaths	Total
Opening balance – 1/7/15	6,238	53,058	2,884	927	63,107
Transfers from/(to) another asset class	(113)	114	–	–	1
Purchases (GBV)	434	3,244	–	37	3,715
Disposals (WDV)	(80)	(12)	–	–	(92)
Depreciation and impairment	(185)	(3,635)	(53)	(33)	(3,906)
Revaluations	1,194	–	–	–	1,194
Closing balance – 30/6/16	7,488	52,769	2,831	931	64,019
Purchases (GBV)	–	–	–	–	–
Disposals (WDV)	–	–	–	–	–
Depreciation and impairment	–	–	–	–	–
Revaluations	–	–	–	–	–
Closing balance – 30/6/17	7,488	52,769	2,831	931	64,019

	Stormwater drainage	Water supply network	Sewer network	Swimming pool and other	Total
Opening balance – 1/7/15	2,075	7,244	6,968	740	17,027
Purchases (GBV)	–	38	17	8	63
Disposals (WDV)	–	(421)	(392)	–	(813)
Depreciation and impairment	(31)	–	–	(55)	(86)
Adjustments and transfers	–	–	9	–	9
Revaluations	–	172	165	–	337
Closing balance – 30/6/16	2,044	7,033	6,767	693	16,537
Purchases (GBV)	–	–	–	–	–
Disposals (WDV)	–	–	–	–	–
Depreciation and impairment	–	–	–	–	–
Adjustments and transfers	–	–	–	–	–
Revaluations	–	–	–	–	–
Closing balance – 30/6/17	2,044	7,033	6,767	693	16,537

(5). Highest and best use

All of Council's non-financial assets are considered as being utilised for their highest and best use.

Balranald Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 28. Related party disclosures

\$ '000

a. Key management personnel

Key management personnel (KMP) of the council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly.

The aggregate amount of KMP compensation included in the Income Statement is:

	Actual
Compensation:	2017
Short-term benefits	606
Post-employment benefits	—
Other long-term benefits	—
Termination benefits	—
Total	<u>606</u>

b. Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council as part of Council delivering a public service objective (e.g. access to library or Council swimming pool by KMP) will not be disclosed.

c. Other related party transactions

Nil

Notes to the Financial Statements
as at 30 June 2017

Note 29. Segment reporting

\$ '000	Notes	Actual 2017	Actual 2016
Residential Aged Care: Bidgee Haven Hostel			
INCOME STATEMENT			
Income from Continuing Operations			
Residential Fees		259	239
Respite Care Subsidies		439	657
Entry Contributions (Retention Only)		9	
Interest on entry Contributions		7	
Inventories			
Other		1	26
Total Income from Continuing Operations		716	922
Expenses from Continuing Operations			
Employee Costs		829	955
Consultancy Costs		115	2
Care and Catering Costs		56	47
Cleaning and Laundry Expenses		10	14
Administration Cost		100	100
Repairs and Maintenance		62	30
Insurance		15	14
Utilities Costs		36	27
General Expenses		12	16
Depreciation		68	60
Other		-	-
Total Expenses from Continuing Operations		1,304	1,366
OPERATING RESULT FROM CONTINUING OPERATIONS		(588)	(444)
NET OPERATING RESULT FOR THE YEAR		(588)	(444)

Note 29. Segment reporting
Residential Aged Care: Bidgee Haven Hostel
Statement of Financial Position 30 June 2017

\$ '000	Actual 2017	Actual 2016
ASSETS		
Current assets		
Cash and cash equivalents	–	
Investments	111	389
Non-current assets classified as 'held for sale'	–	–
Total current assets	111	389
Non-current assets		
Office Equipment	30	7
Plant and Equipment		
Furniture and Fittings	13	11
Buildings	1,090	1,143
Intangible assets	260	260
Total non-current assets	1,396	1,421
TOTAL ASSETS	1,507	1,810
LIABILITIES		
Current liabilities		
Provisions	34	74
Subsidy from Council	634	29
Total current liabilities	668	103
Non-current liabilities		
Provisions	5	7
Hostel Bonds	111	389
Total non-current liabilities	116	396
TOTAL LIABILITIES	784	499
Net assets	723	1,311
EQUITY		
Retained earnings B/FWD	757	1,323
Adjustment to Retained earnings B/FWD due to accounting error		(122)
Revaluation reserves	554	554
Operating result for year	(588)	(444)
Non-controlling equity interests	–	–
Total equity	723	1,311



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial statements

Balranald Shire Council

To the Councillors of the Balranald Shire Council

Opinion

I have audited the accompanying financial statements of Balranald Shire Council (the Council), which comprise the statement of financial position as at 30 June 2017, the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Councillors and Management.

In my opinion,

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
 - have been presented, in all material respects, in accordance with the requirements of this Division
 - are consistent with the Council's accounting records
 - present fairly, in all material respects, the financial position of the Council as at 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Other Matter

The financial statements of the Council for the year ended 30 June 2016 were audited by another auditor who expressed an unmodified opinion on those financial statements on 4 November 2016.

The Councillors' Responsibility for the Financial Statements

The Councillors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the *Local Government Act 1993*, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councillors must assess the Council's ability to continue as a going concern except where the Council will be dissolved or amalgamated by an Act of Parliament. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar3.pdf. The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, Note 2(a) and Note 16 budget variation explanations
- on the attached Special Schedules
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

A handwritten signature in blue ink, reading "Karen Taylor". The signature is fluid and cursive, with the first name "Karen" and the last name "Taylor" clearly distinguishable.

Karen Taylor
Director, Financial Audit Services

31 October 2017
SYDNEY

Balranald Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2017

*COMMITTED TO BALRANALD SHIRE,
PROVIDING FOR OUR PEOPLE
PROTECTING OUR HERITAGE, AND
PLANNING FOR OUR FUTURE*



Special Purpose Financial Statements

for the year ended 30 June 2017

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Background

- (i) These Special Purpose Financial Statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.
 - (ii) The principle of competitive neutrality is based on the concept of a 'level playing field' between persons/entities competing in a market place, particularly between private and public sector competitors.

Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.
 - (iii) For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, and **(b)** those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities).
 - (iv) In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).
-

Special Purpose Financial Statements
for the year ended 30 June 2017

Statement by Councillors and Management
made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

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


- the NSW Government Policy Statement 'Application of National Competition Policy to Local Government',
- the Division of Local Government Guidelines 'Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality',
- the Local Government Code of Accounting Practice and Financial Reporting,
- the NSW Office of Water Best-Practice Management of Water and Sewerage Guidelines.

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

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

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

Signed in accordance with a resolution of Council made on 21 September 2017.


Cr Leigh Byron
Mayor
Cr Jeff Mannix
Councillor
Aaron Drenovski
General Manager
Charmaine Murfet
Responsible accounting officer

Balranald Shire Council

Income Statement of Council's Water Supply Business Activity for the year ended 30 June 2017

\$ '000	Actual 2017	Actual 2016
Income from continuing operations		
Access charges	476	457
User charges	462	637
Fees	—	—
Interest	17	5
Grants and contributions provided for non-capital purposes	7	7
Profit from the sale of assets	—	—
Share of profit from equity accounted investment	—	—
Other income	44	7
Total income from continuing operations	1,006	1,113
Expenses from continuing operations		
Employee benefits and on-costs	156	150
Borrowing costs	63	47
Materials and contracts	291	280
Depreciation, amortisation and impairment	291	421
Water purchase charges	11	15
Calculated taxation equivalents	—	—
Other expenses	106	102
Total expenses from continuing operations	918	1,015
Surplus (deficit) from continuing operations before capital amounts	88	98
Grants and contributions provided for capital purposes	—	—
Surplus (deficit) from continuing operations after capital amounts	88	98
Surplus (deficit) from discontinued operations	—	—
Surplus (deficit) from all operations before tax	88	98
Less: corporate taxation equivalent (30%) [based on result before capital]	(26)	(29)
SURPLUS (DEFICIT) AFTER TAX	62	69
Plus opening retained profits	2,521	2,423
Plus/less: prior period adjustments	—	—
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	—	—
– Debt guarantee fees	—	—
– Corporate taxation equivalent	26	29
Less:		
– Tax equivalent dividend paid	—	—
– Surplus dividend paid	—	—
Closing retained profits	2,609	2,521
Return on capital %	1.8%	2.1%
Subsidy from Council	48	8
Calculation of dividend payable:		
Surplus (deficit) after tax	62	69
Less: capital grants and contributions (excluding developer contributions)	—	—
Surplus for dividend calculation purposes	62	69
Potential dividend calculated from surplus	31	34

Balranald Shire Council

Income Statement of Council's Sewerage Business Activity for the year ended 30 June 2017

\$ '000	Actual 2017	Actual 2016
Income from continuing operations		
Access charges	259	248
User charges	6	27
Liquid trade waste charges	—	—
Fees	1	—
Interest	42	43
Grants and contributions provided for non-capital purposes	6	7
Profit from the sale of assets	—	—
Share of profit from equity accounted investment	—	—
Other income	20	—
Total income from continuing operations	334	325
Expenses from continuing operations		
Employee benefits and on-costs	47	46
Borrowing costs	—	—
Materials and contracts	94	141
Depreciation, amortisation and impairment	201	392
Calculated taxation equivalents	—	—
Other expenses	115	42
Total expenses from continuing operations	457	621
Surplus (deficit) from continuing operations before capital amounts	(123)	(296)
Grants and contributions provided for capital purposes	—	—
Surplus (deficit) from continuing operations after capital amounts	(123)	(296)
Surplus (deficit) from discontinued operations	—	—
Surplus (deficit) from all operations before tax	(123)	(296)
Less: corporate taxation equivalent (30%) [based on result before capital]	—	—
SURPLUS (DEFICIT) AFTER TAX	(123)	(296)
Plus opening retained profits	2,758	3,054
Plus/less: prior period adjustments	—	—
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	—	—
– Debt guarantee fees	—	—
– Corporate taxation equivalent	—	—
Less:		
– Tax equivalent dividend paid	—	—
– Surplus dividend paid	—	—
Closing retained profits	2,635	2,758
Return on capital %	-1.6%	-4.4%
Subsidy from Council	306	444
Calculation of dividend payable:		
Surplus (deficit) after tax	(123)	(296)
Less: capital grants and contributions (excluding developer contributions)	—	—
Surplus for dividend calculation purposes	—	—
Potential dividend calculated from surplus	—	—

Statement of Financial Position – Council's Water Supply Business Activity
as at 30 June 2017

\$ '000	Actual 2017	Actual 2016
ASSETS		
Current assets		
Cash and cash equivalents	11	62
Investments	600	500
Receivables	242	278
Inventories	–	–
Other	2	–
Non-current assets classified as held for sale	–	–
Total current assets	855	840
Non-current assets		
Investments	–	–
Receivables	–	–
Inventories	–	–
Infrastructure, property, plant and equipment	8,368	7,052
Investments accounted for using equity method	–	–
Investment property	–	–
Intangible assets	–	–
Total non-current assets	8,368	7,052
TOTAL ASSETS	9,223	7,892
LIABILITIES		
Current liabilities		
Bank overdraft	–	–
Payables	6	3
Income received in advance	–	–
Borrowings	80	75
Provisions	–	–
Total current liabilities	86	78
Non-current liabilities		
Payables	–	–
Borrowings	891	970
Provisions	–	–
Total non-current liabilities	891	970
TOTAL LIABILITIES	977	1,048
NET ASSETS	8,246	6,844
EQUITY		
Retained earnings	2,972	2,521
Revaluation reserves	5,274	4,323
Other reserves	–	–
Council equity interest	8,246	6,844
Non-controlling equity interest	–	–
TOTAL EQUITY	8,246	6,844

Statement of Financial Position – Council's Sewerage Business Activity
as at 30 June 2017

\$ '000	Actual 2017	Actual 2016
ASSETS		
Current assets		
Cash and cash equivalents	46	40
Investments	1,250	1,700
Receivables	27	31
Inventories	–	–
Other	4	–
Non-current assets classified as held for sale	–	–
Total current Assets	1,327	1,771
Non-current assets		
Investments	–	–
Receivables	–	–
Inventories	–	–
Infrastructure, property, plant and equipment	7,676	6,801
Investments accounted for using equity method	–	–
Investment property	–	–
Intangible assets	–	–
Total non-current assets	7,676	6,801
TOTAL ASSETS	9,003	8,572
LIABILITIES		
Current liabilities		
Bank overdraft	–	–
Payables	–	–
Income received in advance	–	–
Borrowings	–	–
Provisions	–	–
Total current liabilities	–	–
Non-current liabilities		
Payables	–	–
Borrowings	–	–
Provisions	–	–
Total non-current liabilities	–	–
TOTAL LIABILITIES	–	–
NET ASSETS	9,003	8,572
EQUITY		
Retained earnings	2,877	2,758
Revaluation reserves	6,126	5,814
Other reserves	–	–
Council equity interest	9,003	8,572
Non-controlling equity interest	–	–
TOTAL EQUITY	9,003	8,572

Special Purpose Financial Statements

for the year ended 30 June 2017

Contents of the notes accompanying the financial statements

Note	Details	Page
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2	Water Supply Business Best-Practice Management disclosure requirements	11
3	Sewerage Business Best-Practice Management disclosure requirements	13

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

Note 1. Summary of significant accounting policies

These financial statements are SPFS prepared for use by Council and the Office of Local Government. For the purposes of these statements, the Council is a non-reporting not-for-profit entity.

The figures presented in these Special Purpose Financial Statements have been prepared in accordance with the recognition and measurement criteria of relevant Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

The disclosures in these Special Purpose Financial Statements have been prepared in accordance with the Local Government Act 1993 (NSW), the Local Government (General) Regulation, and the Local Government Code of Accounting Practice and Financial Reporting.

The statements are prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, current values of non-current assets. Certain taxes and other costs, appropriately described, have been imputed for the purposes of the National Competition Policy.

National Competition Policy

Council has adopted the principle of 'competitive neutrality' in its business activities as part of the National Competition Policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 NSW government policy statement titled 'Application of National Competition Policy to Local Government'.

The Pricing and Costing for Council Businesses, A Guide to Competitive Neutrality issued by the Office of Local Government in July 1997 has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard for disclosure requirements.

These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, return on investments (rate of return), and dividends paid.

Declared business activities

In accordance with *Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality*, Council has declared that the following are to be considered as business activities:

Category 1

(where gross operating turnover is over \$2 million)

Nil

Category 2

(where gross operating turnover is less than \$2 million)

a. Balranald Shire Council combined water supplies

Comprising the whole of the operations and assets of the raw and filtered water supply systems, that services the towns of Balranald and Euston.

b. Balranald Shire Council sewerage service

Comprising the whole of the operations and assets of the sewerage reticulation and treatment systems, that services the towns of Balranald and Euston.

Monetary amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest thousand dollars, except for Note 2 (Water Supply Best-Practice Management Disclosures) and Note 3 (Sewerage Best-Practice Management Disclosures).

As required by the NSW Office of Water (Department of Primary Industries) the amounts shown in Note 2 and Note 3 are disclosed in whole dollars.

(i) Taxation-equivalent charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs.

However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-

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

Note 1. Significant accounting policies (continued)

nominated business activities and are reflected in Special Purpose Financial Statements.

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council's non-business activities):

Notional rate applied (%)

Corporate income tax rate – 30%

Land tax – the first **\$549,000** of combined land values attracts **0%**. For the combined land values in excess of \$549,001 up to \$3,357,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$3,357,000 a premium marginal rate of **2.0%** applies.

Payroll tax – 5.45% on the value of taxable salaries and wages in excess of \$750,000.

In accordance with the Department of Primary Industries Water (DPIW), a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred to in the NSW Office of Water Guidelines to as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the *Local Government Act, 1993*.

Achievement of substantial compliance to the NSW Office of Water Guidelines is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

Income tax

An income tax equivalent has been applied on the profits of the business activities.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a

provision equivalent to the corporate income tax rate, currently 30%..

Income tax is only applied where a gain/ (loss) from ordinary activities before capital amounts has been achieved.

Since the taxation equivalent is notional – that is, it is payable to Council as the 'owner' of business operations - it represents an internal payment and has no effect on the operations of the Council. Accordingly, there is no need for disclosure of internal charges in the SPFS.

The rate applied of 30% is the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

Local government rates and charges

A calculation of the equivalent rates and charges payable on all category 1 businesses has been applied to all land assets owned or exclusively used by the business activity.

Loan and debt guarantee fees

The debt guarantee fee is designed to ensure that council business activities face 'true' commercial borrowing costs in line with private sector competitors.

In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and Council's borrowing rate for its business activities.

(ii) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed.

Subsidies occur when Council provides services on a less-than-cost-recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations.

Accordingly, 'subsidies disclosed' (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of

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

Note 1. Significant accounting policies (continued)

return' pricing and revenue generated from prices set by Council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported business activity.

In accordance with the Best-Practice Management of Water Supply and Sewerage Guidelines a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the DPIW.

(iii) Return on investments (rate of return)

The NCP policy statement requires that councils with Category 1 businesses 'would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field'.

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

The rate of return is calculated as follows:

Operating result before capital income + interest expense

Written down value of I,PP&E as at 30 June

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 2.38% at 30/6/17.

(iv) Dividends

Council is not required to pay dividends to either itself (as owner of a range of businesses) or to any external entities.

Local government water supply and sewerage businesses are permitted to pay an annual dividend from its water supply or sewerage business surplus.

The dividend calculated and approved in accordance with the Best-Practice Management of Water Supply and Sewerage Guidelines, must not exceed either:

- (i) 50% of this surplus in any one year, or
- (ii) the number of water supply or sewerage assessments at 30 June 2017 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

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

Note 2. Water supply business
best-practice management disclosure requirements

Dollars amounts shown below are in whole dollars (unless otherwise indicated)

2017

1. Calculation and payment of tax-equivalents

[all local government local water utilities must pay this dividend for tax equivalents]

(i)	Calculated tax equivalents	<input type="text" value="–"/>
(ii)	Number of assessments multiplied by \$3/assessment	<input type="text" value="2,805"/>
(iii)	Amounts payable for tax equivalents [lesser of (i) and (ii)]	<input type="text" value="–"/>
(iv)	Amounts actually paid for tax equivalents	<input type="text" value="–"/>

2. Dividend from surplus

(i)	50% of surplus before dividends [calculated in accordance with Best-Practice Management for Water Supply and Sewerage Guidelines]	<input type="text" value="30,800"/>
(ii)	Number of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment	<input type="text" value="–"/>
(iii)	Cumulative surplus before dividends for the 3 years to 30 June 2017, less the cumulative dividends paid for the 2 years to 30 June 2016 and 30 June 2015	<input type="text" value="289,800"/>

2017 Surplus	<input type="text" value="61,600"/>	2016 Surplus	<input type="text" value="68,600"/>	2015 Surplus	<input type="text" value="159,600"/>
		2016 Dividend	<input type="text" value="–"/>	2015 Dividend	<input type="text" value="–"/>

(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	<input type="text" value="–"/>
(v)	Dividend actually paid from surplus [refer below for required pre-dividend payment criteria]	<input type="text" value="–"/>
(vi)	Are the overhead reallocation charges to the water business fair and reasonable? ^a	<input type="text" value="YES"/>

3. Required outcomes for 6 criteria

[to be eligible for the payment of a 'dividend from surplus', all the criteria below need a 'YES']

(i)	Completion of strategic business plan (including financial plan)	<input type="text" value="NO"/>
(ii)	Full cost recovery, without significant cross subsidies [refer item 2 (a) in table 1 on page 22 of the Best-Practice Guidelines]	<input type="text" value="YES"/>
	– Complying charges [item 2 (b) in table 1]	<input type="text" value="NO"/>
	– DSP with commercial developer charges [item 2 (e) in table 1]	<input type="text" value="NO"/>
	– If dual water supplies, complying charges [item 2 (g) in table 1]	<input type="text" value="NO"/>
(iii)	Sound water conservation and demand management implemented	<input type="text" value="YES"/>
(iv)	Sound drought management implemented	<input type="text" value="YES"/>
(v)	Complete performance reporting form (by 15 September each year)	<input type="text" value="NO"/>
(vi)	a. Integrated water cycle management evaluation	<input type="text" value="NO"/>
	b. Complete and implement integrated water cycle management strategy	<input type="text" value="NO"/>

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

Note 2. Water supply business
best-practice management disclosure requirements (continued)

Dollars amounts shown below are in whole dollars (unless otherwise indicated)

2017

National Water Initiative (NWI) financial performance indicators

NWI F1	Total revenue (water) Total income (w13) – grants for the acquisition of assets (w11a) – interest income (w9) – Aboriginal Communities W&S Program income (w10a)	\$'000	949
NWI F4	Revenue from residential usage charges (water) Income from residential usage charges (w6b) x 100 divided by the sum of [income from residential usage charges (w6a) + income from residential access charges (w6b)]	%	48.62%
NWI F9	Written down replacement cost of fixed assets (water) Written down current cost of system assets (w47)	\$'000	8,368
NWI F11	Operating cost (OMA) (water) Management expenses (w1) + operational and maintenance expenses (w2)	\$'000	499
NWI F14	Capital expenditure (water) Acquisition of fixed assets (w16)	\$'000	284
NWI F17	Economic real rate of return (water) [total income (w13) – interest income (w9) – grants for acquisition of assets (w11a) – operating costs (NWI F11) – current cost depreciation (w3)] x 100 divided by [written down current cost of system assets (w47) + plant and equipment (w33b)]	%	2.40%
NWI F26	Capital works grants (water) Grants for the acquisition of assets (w11a)	\$'000	–

- Notes:
- References to w (e.g. w12) refer to item numbers within Special Schedules 3 and 4 of Council's Annual Financial Statements.
 - The NWI performance indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators and Definitions.
- a refer to 3.2 (2) on page 15 of the Best-Practice Management of Water Supply and Sewerage Guidelines, 2007

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

Note 3. Sewerage business
best-practice management disclosure requirements

Dollars amounts shown below are in whole dollars (unless otherwise indicated)

2017

1. Calculation and payment of tax-equivalents

[all local government local water utilities must pay this dividend for tax equivalents]

(i)	Calculated tax equivalents	–
(ii)	Number of assessments multiplied by \$3/assessment	2,730
(iii)	Amounts payable for tax equivalents [lesser of (i) and (ii)]	–
(iv)	Amounts actually paid for tax equivalents	

2. Dividend from surplus

(i)	50% of surplus before dividends [calculated in accordance with Best-Practice Management for Water Supply and Sewerage Guidelines]	–
(ii)	Number of assessments x (\$30 less tax equivalent charges per assessment)	27,300
(iii)	Cumulative surplus before dividends for the 3 years to 30 June 2017, less the cumulative dividends paid for the 2 years to 30 June 2016 and 30 June 2015	(570,000)

2017 Surplus	(123,000)	2016 Surplus	(296,000)	2015 Surplus	(151,000)
		2016 Dividend	–	2015 Dividend	–

(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	n/a
(v)	Dividend actually paid from surplus [refer below for required pre-dividend payment criteria]	–
(vi)	Are the overhead reallocation charges to the sewer business fair and reasonable? ^a	YES

3. Required outcomes for 4 criteria

[to be eligible for the payment of a 'dividend from surplus', all the criteria below need a 'YES']

(i)	Completion of strategic business plan (including financial plan)	NO
(ii)	Pricing with full cost-recovery, without significant cross subsidies [refer item 2 (a) in table 1 on page 22 of the Best-Practice Guidelines]	YES
	Complying charges (a) Residential [item 2 (c) in table 1]	YES
	(b) Non-residential [item 2 (c) in table 1]	YES
	(c) Trade waste [item 2 (d) in table 1]	NO
	DSP with commercial developer charges [item 2 (e) in table 1]	NO
	Liquid trade waste approvals and policy [item 2 (f) in table 1]	YES
(iii)	Complete performance reporting form (by 15 September each year)	NO
(iv)	a. Integrated water cycle management evaluation	NO
	b. Complete and implement integrated water cycle management strategy	NO

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

Note 3. Sewerage business
best-practice management disclosure requirements (continued)

Dollars amounts shown below are in whole dollars (unless otherwise indicated)

2017

National Water Initiative (NWI) financial performance indicators

NWI F2	Total revenue (sewerage) Total income (s14) – grants for acquisition of assets (s12a) – interest income (s10) – Aboriginal Communities W&S Program income (w10a)	\$'000	272
NWI F10	Written down replacement cost of fixed assets (sewerage) Written down current cost of system assets (s48)	\$'000	7,182
NWI F12	Operating cost (sewerage) Management expenses (s1) + operational and maintenance expenses (s2)	\$'000	256
NWI F15	Capital expenditure (sewerage) Acquisition of fixed assets (s17)	\$'000	187
NWI F18	Economic real rate of return (sewerage) [total income (s14) – interest income (s10) – grants for acquisition of assets (s12a) – operating cost (NWI F12) – current cost depreciation (s3)] x 100 divided by [written down current cost (i.e. WDCC) of system assets (s48) + plant and equipment (s34b)]	%	-2.26%
NWI F27	Capital works grants (sewerage) Grants for the acquisition of assets (12a)	\$'000	–

**National Water Initiative (NWI) financial performance indicators
Water and sewer (combined)**

NWI F3	Total income (water and sewerage) Total income (w13 + s14) + gain/loss on disposal of assets (w14 + s15) minus grants for acquisition of assets (w11a + s12a) – interest income (w9 + s10)	\$'000	1,281
NWI F8	Revenue from community service obligations (water and sewerage) Community service obligations (NWI F25) x 100 divided by total income (NWI F3)	%	1.01%
NWI F16	Capital expenditure (water and sewerage) Acquisition of fixed assets (w16 + s17)	\$'000	471
NWI F19	Economic real rate of return (water and sewerage) [total income (w13 + s14) – interest income (w9 + s10) – grants for acquisition of assets (w11a + s12a) – operating cost (NWI F11 + NWI F12) – current cost depreciation (w3 + s3)] x 100 divided by [written down replacement cost of fixed assets (NWI F9 + NWI F10) + plant and equipment (w33b + s34b)]	%	0.21%
NWI F20	Dividend (water and sewerage) Dividend paid from surplus (2 (v) of Note 2 + 2 (v) of Note 3)	\$'000	–
NWI F21	Dividend payout ratio (water and sewerage) Dividend (NWI F20) x 100 divided by net profit after tax (NWI F24)	%	0.00%

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

Note 3. Sewerage business
best-practice management disclosure requirements (continued)

Dollars amounts shown below are in whole dollars (unless otherwise indicated)

2017

National Water Initiative (NWI) financial performance indicators
Water and sewer (combined)

NWI F22	Net debt to equity (water and sewerage) Overdraft (w36 + s37) + borrowings (w38 + s39) – cash and investments (w30 + s31) x 100 divided by [total assets (w35 + s36) – total liabilities (w40 + s41)]	%	-5.43%
NWI F23	Interest cover (water and sewerage) Earnings before interest and tax (EBIT) divided by net interest Earnings before interest and tax (EBIT): Operating result (w15a + s16a) + interest expense (w4a + s4a) – interest income (w9 + s10) – gain/loss on disposal of assets (w14 + s15) + miscellaneous expenses (w4b + w4c + s4b + s4c) Net interest: Interest expense (w4a + s4a) – interest income (w9 + s10)		-
NWI F24	Net profit after tax (water and sewerage) Surplus before dividends (w15a + s16a) – tax equivalents paid (Note 2-1 (iv) + Note 3-1 (iv))	\$'000	(35)
NWI F25	Community service obligations (water and sewerage) Grants for pensioner rebates (w11b + s12b)	\$'000	13

- Notes:
- References to w (eg. s12) refer to item numbers within Special Schedules 5 and 6 of Council's Annual Financial Statements.
 - The NWI performance indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators and Definitions.
- a refer to 3.2 (2) on page 15 of the Best-Practice Management of Water Supply and Sewerage Guidelines, 2007



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statement

Balranald Shire Council

To the Councillors of the Balranald Shire Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Balranald Shire Council's (the Council) Declared Business Activities, which comprise the statement of financial position of each Declared Business Activity as at 30 June 2017, the income statement of each Declared Business Activity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information for the Business Activities declared by Council, and the Statement by Councillors and Management.

The Declared Business Activities of the Council are:

- Water Supply
- Sewerage.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's declared Business Activities as at 30 June 2017, and their financial performance for the year then ended, in accordance with the Australian Accounting Standards described in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting (LG Code).

My opinion should be read in conjunction with the rest of this report and in particular, the Emphasis of Matter referring to the basis of accounting.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as the auditor of councils
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to Note (1) to the financial statements which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling Council's financial reporting responsibilities under the LG Code. As a result, the financial statements may not be suitable for another purpose.

Other Matter

The financial statements of the Council for the year ended 30 June 2016 were audited by another auditor who expressed an unmodified opinion on that financial statement on the 4 November 2016.

The Councillors' Responsibility for the Financial Statements

The Councillors are responsible for the preparation and fair presentation of the financial statements and for determining that the accounting policies, described in Note 1 to the financial statements, are appropriate to meet the requirements in the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Councillors must assess the Council's ability to continue as a going concern except where the Council will be dissolved or amalgamated by an Act of Parliament. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting, as it affects the Council's Declared Business Activities.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

The description forms part of my auditor's report.

My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the best practice management disclosures in Notes 2 and 3 of the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Karen Taylor
Director, Financial Audit Services

31 October 2017
SYDNEY

Balranald Shire Council

SPECIAL SCHEDULES

for the year ended 30 June 2017

*COMMITTED TO BALRANALD SHIRE,
PROVIDING FOR OUR PEOPLE
PROTECTING OUR HERITAGE, AND
PLANNING FOR OUR FUTURE*



Special Schedules

for the year ended 30 June 2017

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¹ Special Schedules are not audited (with the exception of Special Schedule 8).

Background

- (i) These Special Schedules have been designed to meet the requirements of special purpose users such as;
- the NSW Grants Commission
 - the Australian Bureau of Statistics (ABS),
 - the NSW Office of Water (NOW), and
 - the Office of Local Government (OLG).
- (ii) The financial data is collected for various uses including;
- the allocation of Financial Assistance Grants,
 - the incorporation of Local Government financial figures in national statistics,
 - the monitoring of loan approvals,
 - the allocation of borrowing rights, and
 - the monitoring of the financial activities of specific services.

Special Schedule 1 – Net Cost of Services
for the year ended 30 June 2017

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
Governance	701	11	–	(690)
Administration	1,473	615	–	(858)
Public order and safety				
Fire service levy, fire protection, emergency services	286	225	–	(61)
Beach control	–	–	–	–
Enforcement of local government regulations	–	–	–	–
Animal control	6	1	–	(5)
Other	–	–	–	–
Total public order and safety	292	226	–	(66)
Health	40	14	–	(26)
Environment				
Noxious plants and insect/vermin control	36	23	–	(13)
Other environmental protection	200	334	–	134
Solid waste management	–	–	–	–
Street cleaning	27	–	–	(27)
Drainage	–	–	–	–
Stormwater management	247	–	–	(247)
Total environment	510	357	–	(153)
Community services and education				
Administration and education	4	5	–	1
Social protection (welfare)	–	–	–	–
Aged persons and disabled	1,218	718	40	(460)
Children's services	2	1	–	(1)
Total community services and education	1,224	724	40	(460)
Housing and community amenities				
Public cemeteries	56	31	–	(25)
Public conveniences	73	–	–	(73)
Street lighting	103	18	–	(85)
Town planning	51	61	–	10
Other community amenities	385	47	–	(338)
Total housing and community amenities	668	157	–	(511)
Water supplies	852	1,005	–	153
Sewerage services	423	334	–	(89)

Special Schedule 1 – Net Cost of Services (continued)

for the year ended 30 June 2017

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
Recreation and culture				
Public libraries	70	20	–	(50)
Museums	31	8	–	(23)
Art galleries	–	–	–	–
Community centres and halls	43	2	–	(41)
Performing arts venues	95	18	–	(77)
Other performing arts	–	–	–	–
Other cultural services	–	–	–	–
Sporting grounds and venues	372	16	4	(352)
Swimming pools	157	4	10	(143)
Parks and gardens (lakes)	227	–	44	(183)
Other sport and recreation	17	–	–	(17)
Total recreation and culture	1,012	68	58	(886)
Fuel and energy	–	–	–	–
Agriculture	–	–	–	–
Mining, manufacturing and construction				
Building control	50	16	–	(34)
Other mining, manufacturing and construction	–	–	–	–
Total mining, manufacturing and construction	50	16	–	(34)
Transport and communication				
Urban roads (UR) – local	379	–	–	(379)
Urban roads – regional	–	–	–	–
Sealed rural roads (SRR) – local	177	1,394	–	1,217
Sealed rural roads (SRR) – regional	261	1,455	500	1,694
Unsealed rural roads (URR) – local	3,616	431	1,229	(1,956)
Unsealed rural roads (URR) – regional	234	–	–	(234)
Bridges on UR – local	15	–	–	(15)
Bridges on SRR – local	–	–	–	–
Bridges on URR – local	–	–	–	–
Bridges on regional roads	–	–	–	–
Parking areas	112	–	–	(112)
Footpaths	61	1	–	(60)
Aerodromes	–	–	–	–
Other transport and communication	336	164	–	(172)
Total transport and communication	5,191	3,445	1,729	(17)
Economic affairs				
Camping areas and caravan parks	379	441	–	62
Other economic affairs	488	271	–	(217)
Total economic affairs	867	712	–	(155)
Totals – functions	13,249	7,682	1,827	(3,740)
General purpose revenues ⁽¹⁾		5,529		5,529
Share of interests – joint ventures and associates using the equity method	–	–		–
NET OPERATING RESULT ⁽²⁾	13,249	13,211	1,827	1,737

(1) Includes: rates and annual charges (including ex gratia, excluding water and sewer), non-capital general purpose grants, interest on investments (excluding externally restricted assets) and interest on overdue rates and annual charges (2) As reported in the Income Statement

Special Schedule 2(a) – Statement of Long Term Debt (all purpose)

for the year ended 30 June 2017

\$'000

Classification of debt	Principal outstanding at beginning of the year			New loans raised during the year	Debt redemption during the year		Transfers to sinking funds	Interest applicable for year	Principal outstanding at the end of the year		
	Current	Non-current	Total		From revenue	Sinking funds			Current	Non-current	Total
Loans (by source)											
Financial institutions	241	3,063	3,304	–	241	–	–	–	257	2,806	3,063
Total loans	241	3,063	3,304	–		–	–	–	257	2,806	3,063
Total debt	241	3,063	3,304	–	–	–	–	–	257	2,806	3,063

Notes: excludes (i) internal loans and (ii) principal inflows/outflows relating to loan re-financing.

This schedule is prepared using the **face value** of debt obligations, rather than **fair value** (which are reported in the GPFS).

Special Schedule 3 – Water Supply Income Statement

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2017

\$'000	Actuals 2017	Actuals 2016
A Expenses and income		
Expenses		
1. Management expenses		
a. Administration	107	82
b. Engineering and supervision	–	–
2. Operation and maintenance expenses		
– dams and weirs		
a. Operation expenses	–	–
b. Maintenance expenses	–	–
– Mains		
c. Operation expenses	–	14
d. Maintenance expenses	63	60
– Reservoirs		
e. Operation expenses	–	–
f. Maintenance expenses	3	–
– Pumping stations		
g. Operation expenses (excluding energy costs)	–	–
h. Energy costs	61	70
i. Maintenance expenses	196	171
– Treatment		
j. Operation expenses (excluding chemical costs)	–	–
k. Chemical costs	62	43
l. Maintenance expenses	–	–
– Other		
m. Operation expenses	12	7
n. Maintenance expenses	58	85
o. Purchase of water	11	15
3. Depreciation expenses		
a. System assets	291	421
b. Plant and equipment	–	–
4. Miscellaneous expenses		
a. Interest expenses	54	47
b. Revaluation decrements	–	–
c. Other expenses	–	–
d. Impairment – system assets	–	–
e. Impairment – plant and equipment	–	–
f. Aboriginal Communities Water and Sewerage Program	–	–
g. Tax equivalents dividends (actually paid)	–	–
5. Total expenses	918	1,015

Special Schedule 3 – Water Supply Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2017

\$'000	Actuals 2017	Actuals 2016
Income		
6. Residential charges		
a. Access (including rates)	476	457
b. Usage charges	462	420
7. Non-residential charges		
a. Access (including rates)	—	—
b. Usage charges	—	180
8. Extra charges	—	—
9. Interest income	17	5
10. Other income	5	7
10a. Aboriginal Communities Water and Sewerage Program	39	37
11. Grants		
a. Grants for acquisition of assets	—	—
b. Grants for pensioner rebates	7	7
c. Other grants	—	—
12. Contributions		
a. Developer charges	—	—
b. Developer provided assets	—	—
c. Other contributions	—	—
13. Total income	1,006	1,113
14. Gain (or loss) on disposal of assets	—	—
15. Operating result	88	98
15a. Operating result (less grants for acquisition of assets)	88	98

Special Schedule 3 – Water Supply Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2017

\$'000	Actuals 2017	Actuals 2016
B Capital transactions		
Non-operating expenditures		
16. Acquisition of fixed assets		
c. Renewals	28	38
d. Plant and equipment	256	–
17. Repayment of debt	75	90
18. Totals	359	128
Non-operating funds employed		
19. Proceeds from disposal of assets	–	–
20. Borrowing utilised	–	–
21. Totals	–	–
C Rates and charges		
22. Number of assessments		
a. Residential (occupied)	–	789
b. Residential (unoccupied, ie. vacant lot)	–	–
c. Non-residential (occupied)	–	–
d. Non-residential (unoccupied, ie. vacant lot)	–	142
23. Number of ETs for which developer charges were received	– ET	– ET
24. Total amount of pensioner rebates (actual dollars)	\$ 11,845	\$ 12,269

Special Schedule 4 – Water Supply Statement of Financial Position

Includes internal transactions, i.e. prepared on a gross basis
as at 30 June 2017

\$'000	Actuals Current	Actuals Non-current	Actuals Total
ASSETS			
25. Cash and investments			
f. Other	611	–	611
26. Receivables			
b. Rates and availability charges	158	–	158
c. User charges	84	–	84
d. Other	2	–	2
27. Inventories	–	–	–
28. Property, plant and equipment			
a. System assets	–	8,079	8,079
b. Plant and equipment	–	256	256
29. Other assets	–	34	34
30. Total assets	855	8,369	9,224
LIABILITIES			
31. Bank overdraft	–	–	–
32. Creditors	–	–	–
33. Borrowings	80	891	971
34. Provisions			
a. Tax equivalents	–	–	–
b. Dividend	–	–	–
c. Other	6	–	6
35. Total liabilities	86	891	977
36. NET ASSETS COMMITTED	769	7,478	8,247
EQUITY			
37. Accumulated surplus			2,972
38. Asset revaluation reserve			5,275
39. Other reserves			–
40. TOTAL EQUITY			8,247
Note to system assets:			
41. Current replacement cost of system assets			14,109
42. Accumulated current cost depreciation of system assets			(6,030)
43. Written down current cost of system assets			8,079

Special Schedule 5 – Sewerage Service Income Statement

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2017

\$'000	Actuals 2017	Actuals 2016
A Expenses and income		
Expenses		
1. Management expenses		
a. Administration	39	47
b. Engineering and supervision	–	–
2. Operation and maintenance expenses		
– mains		
a. Operation expenses	43	44
b. Maintenance expenses	–	–
– Pumping stations		
c. Operation expenses (excluding energy costs)	–	–
d. Energy costs	27	23
e. Maintenance expenses	60	40
– Treatment		
f. Operation expenses (excl. chemical, energy, effluent and biosolids management costs)	–	–
g. Chemical costs	11	2
h. Energy costs	–	–
i. Effluent management	–	–
j. Biosolids management	–	–
k. Maintenance expenses	–	–
– Other		
l. Operation expenses	76	73
m. Maintenance expenses	–	–
3. Depreciation expenses		
a. System assets	201	392
b. Plant and equipment	–	–
4. Miscellaneous expenses		
a. Interest expenses	–	–
b. Revaluation decrements	–	–
c. Other expenses	–	–
d. Impairment – system assets	–	–
e. Impairment – plant and equipment	–	–
f. Aboriginal Communities Water and Sewerage Program	–	–
g. Tax equivalents dividends (actually paid)	–	–
5. Total expenses	457	621

Special Schedule 5 – Sewerage Service Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2017

\$'000	Actuals 2017	Actuals 2016
Income		
6. Residential charges (including rates)	259	248
7. Non-residential charges		
a. Access (including rates)	—	—
b. Usage charges	6	6
8. Trade waste charges		
a. Annual fees	—	—
b. Usage charges	—	3
c. Excess mass charges	—	—
d. Re-inspection fees	—	—
9. Extra charges	—	—
10. Interest income	42	43
11. Other income	1	—
11a. Aboriginal Communities Water and Sewerage Program	20	18
12. Grants		
a. Grants for acquisition of assets	—	—
b. Grants for pensioner rebates	6	7
c. Other grants	—	—
13. Contributions		
a. Developer charges	—	—
b. Developer provided assets	—	—
c. Other contributions	—	—
14. Total income	334	325
15. Gain (or loss) on disposal of assets	—	—
16. Operating result	(123)	(296)
16a. Operating result (less grants for acquisition of assets)	(123)	(296)

Special Schedule 5 – Sewerage Service Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2017

\$'000	Actuals 2017	Actuals 2016
B Capital transactions		
Non-operating expenditures		
17. Acquisition of fixed assets		
c. Renewals	65	26
18. Repayment of debt	–	–
19. Totals	187	26
Non-operating funds employed		
20. Proceeds from disposal of assets	–	–
21. Borrowing utilised	–	–
22. Totals	–	–
C Rates and charges		
23. Number of assessments		
a. Residential (occupied)	–	807
b. Residential (unoccupied, ie. vacant lot)	–	–
c. Non-residential (occupied)	–	101
d. Non-residential (unoccupied, ie. vacant lot)	–	–
24. Number of ETs for which developer charges were received	– ET	– ET
25. Total amount of pensioner rebates (actual dollars)	\$ 11,495	\$ 11,925

Special Schedule 6 – Sewerage Service Statement of Financial Position

Includes internal transactions, i.e. prepared on a gross basis
as at 30 June 2017

\$'000	Actuals Current	Actuals Non-current	Actuals Total
ASSETS			
26. Cash and investments			
f. Other	1,296	–	1,296
27. Receivables			
b. Rates and availability charges	–	–	–
c. User charges	27	–	27
d. Other	4	–	4
28. Inventories	–	–	–
29. Property, plant and equipment			
a. System assets	–	7,182	7,182
b. Plant and equipment	–	122	122
30. Other assets	–	372	372
31. Total assets	1,327	7,676	9,003
LIABILITIES			
32. Bank overdraft	–	–	–
33. Creditors	–	–	–
34. Borrowings	–	–	–
35. Provisions			
a. Tax equivalents	–	–	–
b. Dividend	–	–	–
c. Other	–	–	–
36. Total liabilities	–	–	–
37. NET ASSETS COMMITTED	1,327	7,676	9,003
EQUITY			
38. Accumulated surplus			2,878
39. Asset revaluation reserve			6,125
40. Other reserves			–
41. TOTAL EQUITY			9,003
Note to system assets:			
42. Current replacement cost of system assets			11,831
43. Accumulated current cost depreciation of system assets			(4,649)
44. Written down current cost of system assets			7,182

Notes to Special Schedules 3 and 5

for the year ended 30 June 2017

Administration ⁽¹⁾

(item 1a of Special Schedules 3 and 5) comprises the following:

- Administration staff:
 - Salaries and allowance
 - Travelling expenses
 - Accrual of leave entitlements
 - Employment overheads.
- Meter reading
- Bad and doubtful debts
- Other administrative/corporate support services

Engineering and supervision ⁽¹⁾

(item 1b of Special Schedules 3 and 5) comprises the following:

- Engineering staff:
 - Salaries and allowance
 - Travelling expenses
 - Accrual of leave entitlements
 - Employment overheads.
- Other technical and supervision staff:
 - Salaries and allowance
 - Travelling expenses
 - Accrual of leave entitlements
 - Employment overheads.

Operational expenses (item 2 of Special Schedules 3 and 5) comprise the day to day operational expenses excluding maintenance expenses.

Maintenance expenses (item 2 of Special Schedules 3 and 5) comprise the day to day repair and maintenance expenses. (Refer to Section 5 of the Local Government Asset Accounting Manual regarding capitalisation principles and the distinction between capital and maintenance expenditure).

Other expenses (item 4c of Special Schedules 3 and 5) includes all expenses not recorded elsewhere.

Revaluation decrements (item 4b of Special Schedules 3 and 5) is to be used when I,PP&E decreases in FV.

Impairment losses (item 4d and 4e of Special Schedules 3 and 5) are to be used when the carrying amount of an asset exceeds its recoverable amount (refer to page D-31).

Aboriginal Communities Water and Sewerage Program (item 4f of Special Schedules 3 and 5) is to be used when operation and maintenance work has been undertaken on behalf of the Aboriginal Communities Water and Sewerage Program. Similarly, income for item 11a of Special Schedule 3 and item 12a of Special Schedule 5 are for services provided to the Aboriginal Communities Water and Sewerage Program and is not part of Council's water supply and sewerage revenue.

Residential charges ⁽²⁾ (items 6a, 6b and item 6 of Special Schedules 3 and 5 respectively) include all income from residential charges. Item 6 of Schedule 3 should be separated into 6a access charges (including rates if applicable) and 6b usage charges.

Non-residential charges ⁽²⁾ (items 7a, 7b of Special Schedules 3 and 5) include all income from non-residential charges separated into 7a access charges (including rates if applicable) and 7b usage charges.

Trade waste charges (item 8 of Special Schedule 5) include all income from trade waste charges separated into 8a annual fees, 8b usage charges and 8c excess mass charges and 8d re-inspection fees.

Other income (items 10 and 11 of Special Schedules 3 and 5 respectively) include all income not recorded elsewhere.

Other contributions (items 12c and 13c of Special Schedules 3 and 5 respectively) including capital contribution for water supply or sewerage services received by Council under Section 565 of the *Local Government Act*.

Notes:

⁽¹⁾ Administration and engineering costs for the development of capital works projects should be reported as part of the capital cost of the project and not as part of the recurrent expenditure (ie. in item 16 for water supply and item 17 for sewerage, and **not** in items 1a and 1b).

⁽²⁾ To enable accurate reporting of **residential revenue from usage charges**, it is essential for councils to accurately separate their residential (item 6) charges and non-residential (item 7) charges.

Balranald Shire Council

Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2017

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2016/17 Required maintenance ^a	2016/17 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Buildings	Buildings – non-specialised	691	691	458	238	10,944	27,272	0%	30%	62%	6%	2%
	Buildings – specialised	–	–	–	9	291	358	95%	0%	0%	0%	5%
	Sub-total	691	691	458	247	11,234	27,630	1.2%	29.6%	61.2%	5.9%	2.0%
Other structures	Other structures	185	185	95	63	7,519	13,777	5%	42%	43%	10%	0%
	Sub-total	185	185	95	63	7,519	13,777	5.0%	42.0%	43.0%	10.0%	0.0%
Roads	Sealed roads	165	165	165	396	36,216	35,684	89%	10%	0%	1%	0%
	Unsealed roads	1,200	1,200	1,477	964	29,588	53,304	10%	15%	46%	25%	4%
	Bridges	–	–	–	–	1,196	2,392	7%	0%	93%	0%	0%
	Footpaths	–	–	20	25	911	1,620	21%	74%	5%	0%	0%
	Kerb and channels	200	200	18	2	3,345	5,715	30%	43%	24%	3%	0%
	Sub-total	1,565	1,565	1,680	1,387	71,256	98,715	39.8%	15.4%	28.6%	14.0%	2.2%

Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2017 (continued)

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2016/17 Required maintenance ^a	2016/17 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Water supply network	Water supply network	213	213	136	382	8,078	14,109	20%	9%	50%	16%	5%
	Sub-total	213	213	136	382	8,078	14,109	20.0%	9.0%	50.0%	16.0%	5.0%
Sewerage network	Sewerage network	152	152	209	114	7,182	11,831	7%	51%	30%	7%	5%
	Sub-total	152	152	209	114	7,182	11,831	7.0%	51.0%	30.0%	7.0%	5.0%
Stormwater drainage	Stormwater drainage	34	34	53	29	1,923	2,482	16%	83%	1%	0%	0%
	Sub-total	34	34	53	29	1,923	2,482	16.0%	83.0%	1.0%	0.0%	0.0%
Open space/recreational assets	Swimming pools	1	1	15	19	653	1,499	10%	40%	46%	0%	4%
	Sub-total	1	1	15	19	653	1,499	10.0%	40.0%	46.0%	0.0%	4.0%
	TOTAL – ALL ASSETS	2,841	2,841	2,646	2,241	107,845	170,043	26.2%	23.0%	36.7%	11.7%	2.4%

Notes:

a Required maintenance is the amount identified in Council's asset management plans.

Infrastructure asset condition assessment 'key'

1	Excellent	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Average	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

Special Schedule 7 – Report on Infrastructure Assets (continued)
for the year ended 30 June 2017

\$ '000	Amounts 2017	Indicator 2017	Benchmark	Prior periods 20162015	
Infrastructure asset performance indicators * consolidated					
1. Infrastructure renewals ratio					
Asset renewals ⁽¹⁾	1,841	35.37%	>= 100%	77.75%	0.00%
Depreciation, amortisation and impairment	5,205				
2. Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	2,841	2.63%	< 2%	10.87%	11.01%
Net carrying amount of infrastructure assets	107,843				
3. Asset maintenance ratio					
Actual asset maintenance	2,241	0.85	> 1.00	0.55	1.13
Required asset maintenance	2,646				
4. Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	2,841	1.67%		0.00%	
Gross replacement cost	170,043				

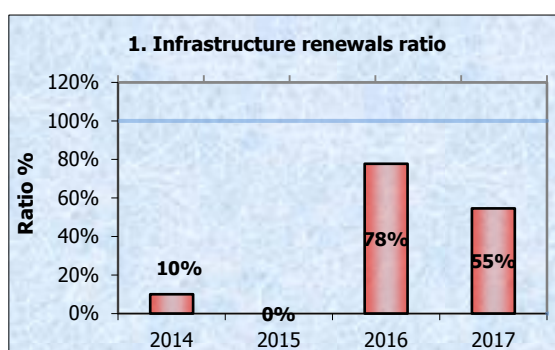
Notes

* All asset performance indicators are calculated using the asset classes identified in the previous table.

⁽¹⁾ Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Special Schedule 7 – Report on Infrastructure Assets (continued)

for the year ended 30 June 2017



Benchmark: — Minimum $\geq 100.00\%$
Source for benchmark: Code of Accounting Practice and Financial Reporting #25

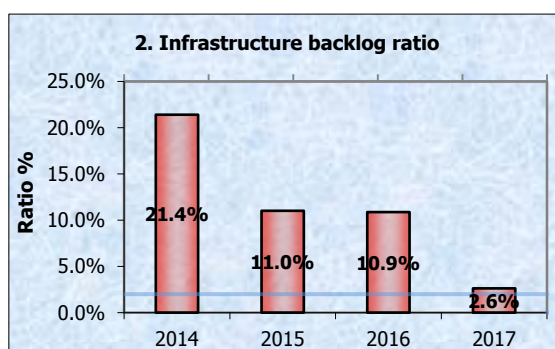
Purpose of asset renewals ratio

To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

Commentary on 2016/17 result

2016/17 Ratio 54.58%

Ratio achieves benchmark
Ratio is outside benchmark



Benchmark: — Maximum $< 2.00\%$
Source for benchmark: Code of Accounting Practice and Financial Reporting #25

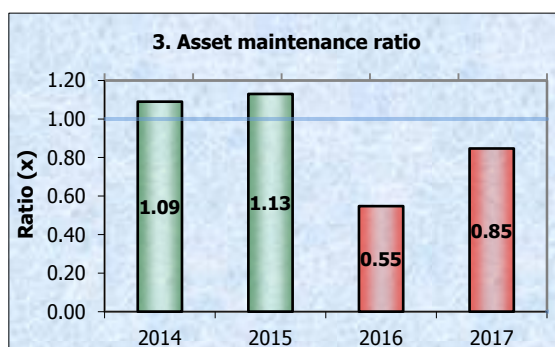
Purpose of infrastructure backlog ratio

This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

Commentary on 2016/17 result

2016/17 Ratio 2.63%

Ratio achieves benchmark
Ratio is outside benchmark



Benchmark: — Minimum > 1.00
Source for benchmark: Code of Accounting Practice and Financial Reporting #25

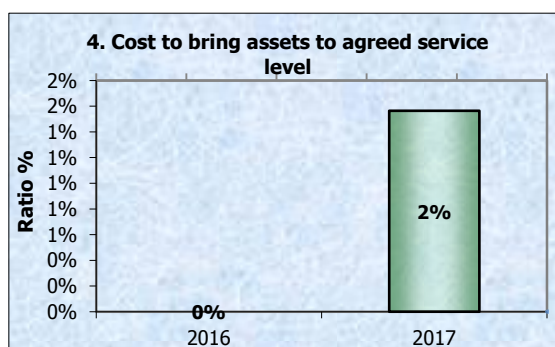
Purpose of asset maintenance ratio

Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.

Commentary on 2016/17 result

2016/17 Ratio 0.85 x

Ratio achieves benchmark
Ratio is outside benchmark



Purpose of agreed service level ratio

This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.

Commentary on 2016/17 result

2016/17 Ratio 1.67%

Special Schedule 7 – Report on Infrastructure Assets (continued)
for the year ended 30 June 2017

\$ '000	Benchmark	Water 2017	Sewer 2017	General ⁽¹⁾ 2017
Infrastructure asset performance indicators by fund				
1. Infrastructure renewals ratio				
Asset renewals ⁽²⁾				
Depreciation, amortisation and impairment	>= 100%	0.00%	0.00%	60.95%
	prior period:	9.03%	4.34%	90.22%
2. Infrastructure backlog ratio				
Estimated cost to bring assets to a satisfactory standard				
Net carrying amount of infrastructure assets	< 2%	2.64%	2.12%	2.76%
	prior period:	0.00%	0.00%	12.85%
3. Asset maintenance ratio				
Actual asset maintenance				
Required asset maintenance	> 1.00	2.81	0.55	0.76
	prior period:	1.31	0.88	0.42
4. Cost to bring assets to agreed service level				
Estimated cost to bring assets to an agreed service level set by Council		1.51%	1.28%	1.72%
Gross replacement cost				

Notes

- (1) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.
- (2) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Special Schedule 8 – Permissible Income Calculation

for the year ended 30 June 2018

\$'000		Calculation 2016/17	Calculation 2017/18
Notional general income calculation ⁽¹⁾			
Last year notional general income yield	a	1,257	1,330
Plus or minus adjustments ⁽²⁾	b	9	2
Notional general income	c = (a + b)	1,266	1,332
Permissible income calculation			
Special variation percentage ⁽³⁾	d	0.00%	0.00%
Or rate peg percentage	e	1.80%	1.50%
Or crown land adjustment (incl. rate peg percentage)	f	0.00%	0.00%
Less expiring special variation amount	g	—	—
Plus special variation amount	$h = d \times (c - g)$	—	—
Or plus rate peg amount	$i = c \times e$	23	20
Or plus Crown land adjustment and rate peg amount	$j = c \times f$	—	—
Sub-total	k = (c + g + h + i + j)	1,289	1,352
Plus (or minus) last year's carry forward total	l	23	(18)
Less valuation objections claimed in the previous year	m	—	—
Sub-total	n = (l + m)	23	(18)
Total permissible income	o = k + n	1,312	1,334
Less notional general income yield	p	1,330	1,334
Catch-up or (excess) result	q = o - p	(18)	(0)
Plus income lost due to valuation objections claimed ⁽⁴⁾	r	—	—
Less unused catch-up ⁽⁵⁾	s	—	—
Carry forward to next year	t = q + r - s	(18)	(0)

Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916*.
- (3) The 'special variation percentage' is inclusive of the rate peg percentage and where applicable Crown land adjustment.
- (4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- (5) Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- (6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the *NSW Government Gazette* in accordance with section 512 of the *Local Government Act 1993*. The OLG will extract these amounts from Council's Special Schedule 8 in the financial data return (FDR) to administer this process.



INDEPENDENT AUDITOR'S REPORT

Special Schedule No. 8

Balranald Shire Council

To the Councillors of Balranald Shire Council

Opinion

I have audited the accompanying special purpose financial statement comprising the reconciliation of total permissible general income (Special Schedule No. 8) of Balranald Shire Council (the Council) for the year ending 30 June 2018.

In my opinion, Special Schedule No. 8 of Balranald Shire Council for 30 June 2018 is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting (LG Code) issued by the Office of Local Government (OLG), and is in accordance with the books and records of the Council.

My opinion should be read in conjunction with the rest of this report, and in particular the Emphasis of Matter paragraph, which describes the basis of accounting.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of Special Schedule No.8' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to the notes and explanations in Special Schedule No. 8 that instruct councils in its preparation so it complies with OLG's requirements as described in the LG Code. As a result, Special Schedule No. 8 may not be suitable for another purpose.

Other Matter

Special Schedule No.8 of the Council for the year ended 30 June 2017 was audited by another auditor who expressed an unmodified opinion on Special Schedule No. 8 on the 4 November 2016.

Councillors' Responsibility for Special Schedule No. 8

The Councillors of the Council are responsible for the preparation of Special Schedule No. 8 in accordance with the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of Special Schedule No. 8 that is free from material misstatement, whether due to fraud or error.

In preparing Special Schedule No.8, the Councillors must assess the Council's ability to continue as a going concern except where the Council will be dissolved or amalgamated by an Act of Parliament. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibility for the Audit of Special Schedule No. 8

My objectives are to:

- obtain reasonable assurance whether Special Schedule No. 8 as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on Special Schedule No.8.

A description of my responsibilities for the audit of Special Schedule No.8 is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/auditors_responsibilities/ar8.pdf. The description forms part of my auditor's report.

My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited Special Schedule No.8 on any website where they may be presented
- about any other information which may have been hyperlinked to/from Special Schedule No 8.



Karen Taylor
Director, Financial Audit Services

31 October 2017
SYDNEY

Balranald Shire 2022 Community Strategic Plan Outcomes

Pillar One: OUR PEOPLE

A community that is proactive, engaged, inclusive and connected

Council has measured the performance of the following actions from the Community Strategic Plan

Balranald Shire 2022 Objectives	Council Services	Community Strategic Plan Actions 2012-2016	Action Performance Measurement	Outcomes
1.1.1 Expand opportunities for social interaction	Community Development	<p>a) Facilitate more family friendly social events Councils Role: Advocate</p> <p>d) Utilise Theatre for More social events Councils Role: Advocate</p>	Theatre utilisation increased by 25% on previous year	<p>2015-16:</p> <p>Council contributed to New Year's Eve celebrations, movies at the Theatre Royal, Easter / Christmas activities, 5 Rivers Festival</p> <p>Council allocated a maintenance budget to the Theatre Royal to ensure upkeep of the premises, ensuring the facility is kept in an appropriate manner for potential social events. Council held 2 movie nights at the Royal during 2014 Easter Holidays</p> <p>2016-17:</p> <p>Council continues to support community events including Youth week, Senior Citizens Week, Variety Concert and a Back to Business week event to encourage its residents to participate. All events are designed to create a family friendly environment and</p>

				encourage social interaction. The Theatre Royal continues to be a significant asset for social events for both Council sponsored and private events.
1.2.1 Develop and implement a Welcoming Strategy	Community Development	a) Create welcome teams in each township Councils Role: Facilitator b) Assemble welcome kits with information Councils Role: Facilitator	Teams in place by June 2013 Kit prepared by March 2013	Council welcomes all new residents to Balranald Shire and welcome kits are accessible on Council's Website The welcome Kit has been completed and is available on Council's website. The Kit is updated on an as-needs basis.
1.2.2 Encourage understanding, respect and tolerance between our diverse communities	Community Development	a) Create opportunities to share and celebrate cultural diversity and achievements Councils Role: Facilitator c) Create welcome to country information signage Councils Role: Leader	Host joint events to celebrate NAIDOC Week and Reconciliation Week Signage to be created and installed by June 2013	Council continues to keep an open dialog with all cultures within the Shire. Council also holds Citizenship Ceremonies on as-needs basis, with and over the past five years, has held 13 Citizenship ceremonies. Signage is installed at the Balranald Discovery Centre complex and Heritage Park.
1.2.3 Implement a people asset mapping project to see what skills our community members are willing to share and what they	Community Development	a) Develop a skill and passion survey Councils Role: Leader c) Create database and website Councils Role: Leader d) Create connection between shared skills and passions Councils Role: Leader	Completed by March 2013 Completed by March 2013 Completed by June 2013	Council is working with the Cultural Committee to facilitate this program

care about				
1.2.4 Improve communications and information dissemination within our Shire	Community Development	<p>b)Develop community directory Councils Role: Facilitator</p> <p>c)Develop quality community website Councils Role: Facilitator</p> <p>d)Develop central and attractive noticeboards in all townships Councils Role: Leader</p> <p>e)Investigate initiatives, increase Euston content in the Robinvale Sentinel Councils Role: Advocate</p>	<p>Completed by September 2012</p> <p>Website completed by December 2012. User survey by March 2013</p> <p>Completed by December 2012</p> <p>Ongoing relationship developed. Monitor Sentinel for additional Euston content</p>	<p>Community Directory created & on Councils Corporate website. Council is continuing to grow and improve the directory as necessary.</p> <p>Council's Corporate website up and running, with continual updates & alterations added as required.</p> <p>A new Tourism website was created and released in mid-2016 to align with Council's new (2015 – 2018) Tourism Strategy</p> <p>New town entry signs into Balranald promoting the Balranald Discovery Centre erected in December 2015.</p>

1.2.5 Improve Council engagement with the community to inform decision making	Community Development	<p>a) Regular Council e-newsletter Councils Role: Leader</p> <p>b) Use of community conversations and focus groups Councils Role: Leader</p>	<p>Improved liaison with community. Increased community participation in conversations and focus groups</p>	<p>Council distributes a monthly newsletter via its website, email to its mailing list, hard copy to all within the Shire and hard copy mail-outs</p> <p>Council has been using community consultation on an increased basis.</p> <p>Council also continues to advise residents of activities through the production of its monthly Newsletter.</p> <p>Council has established a Facebook page to promulgate information related to its activities.</p>
1.3.1 Develop and implement a Youth Strategy	Community Development	<p><u>Youth Services</u></p> <p>c) Investigate the appointment of a youth worker Councils Role: Leader</p> <p>d) Construct a Skate Park Councils Role: Leader</p> <p>e) Facilitate school holiday program Councils Role: Facilitator</p>	<p>Investigations complete with options identified</p> <p>Skate Park developed 2015</p> <p>Increased number of school holiday activities</p>	<p>Council is continuing to investigate grant funding opportunities.</p> <p>Skate Park completed 2016.</p> <p>Council hosts an Annual Youth Week event.</p>

Pillar Two: OUR PLACE

A liveable and thriving community that maintains lifestyle opportunities and addresses its disadvantages

Council has measured the performance of the following actions from the Community Strategic Plan

Balranald Shire 2022 Objectives	Council Services	Community Strategic Plan Actions 2012-2016	Action Performance Measurement	Outcomes
2.1.1 Design and implement a Population Retention and Attraction Strategy	Community Development	a) Develop, implement and promote a population retention and attraction strategy Councils Role: Leader	Strategy developed by April 2013. Implementation and promotion by June 2013.	Council resolved to adopt a Statement rather than a Strategy.
2.1.2 Establish a Mining Liaison Committee to maximise positive community outcomes from potential mining activities	Economic Development	a) Instigate regular dialogue with mining companies Councils Role: Leader b) Research other towns experiencing new mining activities Councils Role: Leader	Meetings held on a quarterly basis Research completed by March 2013	General Manager is in regular communication with the mining companies. Regular briefings are given to Council. GM has discussed matter with other Councils and information obtained forms part of VPA process.
2.2.3 Plan for an ageing population.	Aged Care	a) Examine needs and options for an ageing population Councils Role: Leader	Surveys and focus groups completed by March 2013	Council held a committee meeting to assess options on needs of extending facility. Council resolved not to go ahead with extensions. Council continues to support the provision of aged care in the community through its Bidgee Haven Retirement Hostel.

2.3.1 Establish a Leisure Centre in Balranald.	Community Development	<p>a) Identify funding sources and project partners Councils Role: Facilitator</p> <p>b) Promote community engagement Councils Role: Leader</p>	<p>Project funding and partners identified by April 2013</p> <p>Focus Groups completed by May 2013</p>	No current funding opportunities have been identified at this time.
2.3.2 Improve the Balranald Swimming Pool	Infrastructure	c) Construct hydrotherapy pool Councils Role: Leader	Pool construction completed by August 2012.	<p>2015-16: Pool constructed with heating added. Internal finishes completed 2013/14.</p> <p>2016-17: Council continues to investigate funding opportunities for improvements.</p>
2.3.3 Promote the Theatre Royal	Community Development	<p>a) Encourage partnerships in all cultural and movie events at the Theatre Royal Councils Role: Facilitator</p>	Increased number of joint events held	<p>2015-16: A number of events held, including Seniors Week, joint Meeting of Councils & Cultural Committee concert. Council trialled movie nights over the Easter holidays.</p> <p>2016-17: The Theatre Royal continues to be used for Council sponsored functions in addition to private functions.</p>
2.3.4 Development of playground facilities	Infrastructure	<p>a) Undertake an audit of current facilities in Euston and Balranald Councils Role: Leader</p> <p>b) Consultation with the community Councils Role: Leader</p>	<p>Audit completed.</p> <p>Sun protection compliant shade structures to be provided to all playgrounds within Balranald Shire.</p>	<p>Ongoing program of works.</p> <p>Discovery Centre playground shade sails erected in 2015/16.</p> <p>Skate Park erected in 2015/16 at the Discovery Centre</p>

Pillar Three: OUR ECONOMY

A community that ensures a strong and resilient economy

Council has measured the performance of the following actions from the Community Strategic Plan

Balranald Shire 2022 Objectives	Council Services	Community Strategic Plan Actions 2012-2016	Action Performance Measurement	Outcomes
3.1.1 Implement regular business networking and training initiatives	Economic Development	<p>a) Develop a Balranald Business Association Councils Role: Advocate</p> <p>b) Investigate a regular Business After Hours Networking event Councils Role: Advocate</p> <p>c) Instigate regular training initiatives responding to expressed needs for local businesses Councils Role: Advocate</p>	<p>Business Association established by December 2013</p> <p>Bi – Annual event created by June 2013</p> <p>Training Plan developed by Balranald Inc.</p>	<p>2015-16: Balranald Retail Group revitalised. Council assisted with the marketing of the Christmas Promotion Completed by Balranald Inc.</p> <p>Hospitality courses have been run by Balranald Inc. and Balranald Inc. advised the training plan has been completed. Survey sent out by Tourism Coordinator to business operators to establish topics required by operators for workshops.</p> <p>Tourism department working with Balranald Inc in staging regular Business After Hours workshops</p> <p>Audit was conducted by Tourism Coordinator to identify gaps and establish training needs. A survey was also sent out by Tourism Coordinator to business operators to establish training needs.</p> <p>Workshops & Training Plan have</p>

		d) Promote a strong customer service ethos Councils Role: Advocate	Customer service workshops held in October 2012	<p>been scheduled as part of the "Balranald Business Online" Project along with the Tourism Strategic Plan's objective to build the local tourism capacity</p> <p>BEC have conducted customer service workshops. More customer service workshops have been scheduled for delivery for the 2016/17 year by the BEC and other trainers</p> <p>2016-17: Workshops in social media and online marketing provided to local operators via the Balranald Business Online Project</p> <p>Customer Service workshops delivered by BEC in 2016/17</p>
3.1.2 Implement a Business Expansion and Retention (B.E.A.R.) Program	Economic Development	a) Source funding for BEAR Councils Role: Advocate b) Design survey Councils Role: Advocate c) Recruit volunteer interviewers Councils Role: Advocate d) Implement the program over a two month period Councils Role: Advocate e) Prepare BEAR report Councils Role: Advocate	Funding secured by November 12 Completed by January 2013 Recruitment completed by Feb 2013 Surveys completed by April 2013 Report prepared by June 2013	Funding has not been forthcoming

3.1.3 Promote use of enterprise creation and expansion schemes and funding sources.	Economic Development	a) Promote and illustrate the availability of schemes like NEIS, IFP, ICAS and RRGRECDF Councils Role: Advocate	Ongoing referrals	Ongoing regular service provider visits and referrals by General Manager.
3.2.1 Formulate and implement a Balranald Shire Tourism and Marketing Strategy.	Tourism	a) Audit existing tourism assets Councils Role: Leader	Completed by September 2012 & Reviewed annually	<p>2015-16: Comprehensive tourism audit of assets conducted Jan – May 2015</p> <p>Comprehensive market & industry research & scanning was conducted Jan – June 2015</p> <p>New Tourism Coordinator was appointed in Oct 2014 to grow tourism and the visitor economy</p> <p>A new Tourism Strategy Plan (2015 – 2018 inclusively) was developed August 2015</p> <p>2016-17: The Tourism Strategy was reviewed in January 2017 where outcomes for 2016 against each strategy were outlined and assessed. Proposed actions for 2017-2018 were also outlined and presented to Council for review.</p> <p>Council is currently undertaking an updated audit of tourism assets and signage Shire-wide.</p> <p>2015-16:</p>

	Tourism	<p>b) Identify and clarify key tourism changes Councils Role: Leader</p>	<p>Completed by October 2012 & Ongoing annual outcomes</p>	<p>New Tourism Brand was developed (logo, slogan, market positioning elements) developed in August/Sept 2015</p> <p>New Tourism website was released in June 2016</p> <p>New Visitor Guide was developed in June – July 2016</p> <p>Development of new tourism collateral</p> <p>Collation of data & statistics for strategy planning & performance measures & reporting</p> <p>2016-17: Integrated marketing campaign was launched in late July 2016 through to end of January 2017. The outcomes received indicated positive changes in the way we market tourism to our target audiences and their subsequent behaviour. By the end of the campaign period we recorded the following outcomes:</p> <ul style="list-style-type: none"> • Visitor walk-ins to the VIC rose by 20% from the previous period • An increase of 88% of visitors to the Interpretive Pavilion from preceding months • An increase of 18% in sales comparing to previous period
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	Tourism	<p>c) Instigate stakeholder dialogue Councils Role: Leader</p>	<p>Monthly Tourism Meetings held</p>	<ul style="list-style-type: none"> • An increase of 42% of enquiries compared to the previous period • An increase of 53% of travellers were converted to stay overnight by VIC staff • An increase of 61% of visitors to the website per month compared to the preceding months of the campaign • Social media reach rose to 466% per month compared to preceding months <p>Changes were made within the 2016-17 period in the way we promoted our key attractions. This included inclusion in:</p> <ul style="list-style-type: none"> • The Tourism website • The Visitor Guide • Print media advertising with a new print media advertising template • Social media promotions via new high resolution photos • Via digital media including videos <p>The promotion of the Discovery Centre as a precinct offering a number of visitor experiences</p> <p>2015-16: Collaboration & joint Marketing activities with National Parks</p> <p>Collaboration & Joint project based activities and initiatives with surrounding LGA's (north,</p>
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		<p>d) Explore collaborative approaches to marketing and promotions Councils Role: Leader</p>	<p>Increased number of local and regional promotions and marketing activities</p>	<p>west, east & south of Balranald & the Sturt Highway</p> <p>2016-17: Monthly Tourism Committee Meetings held 2nd Tuesday of each month</p> <p>One-on-one meetings with National Parks re increased activities at the VIC</p> <p>One-on-one meetings with new regional Destination network – Destination Riverina Murray</p> <p>Attendance of Destination Riverina Murray workshops – Development of the Destination Management Plan for the Region</p> <p>2015-16: Collaboration with local operators in developing packaged visitor services and offerings</p> <p>Development of strategic alliances and relationships with tourism related government agencies including Destination NSW, Regional Tourism Organisations & Networks & RDA</p>
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		<p>e) Support new tourism services and product and build tourism operator capacity</p> <p>Councils Role: Leader</p>	<p>Murray</p> <p>Enhanced marketing of Yanga National Park being at the doorstep of Balranald in collaboration with National Parks</p> <p>Enhanced marketing of World Heritage listed Mungo National Park in collaboration with National Parks to increase awareness of Mungo NP being located in Balranald Shire</p> <p>Development of successful local and regional media relationships to support PR activities</p> <p>Regular media releases & advertising in local & regional media</p> <p>Establishment and implementation of successful social media & digital marketing activities</p> <p>Success in Inland Tourism Awards (Bronze) & NSW Tourism Awards (Silver) for the Discovery Centre</p> <p>Implementation of surveys to local operators re SWOT Analysis</p>
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				<p>of the local tourism industry in June – August 2015.</p> <p>Identification of gaps in delivering optimum service throughout the Shire and support required</p> <p>Grant awarded in June 2016 for the “Balranald Business Online Project” to build our local operators' online capacity</p> <p>The completion of the Balranald Business Online Project which resulted in:</p> <ul style="list-style-type: none"> • 20 new business websites • 3 workshops on social media • Virtual tours developed for participating operators <p>Heritage Near Me Grant awarded in early 2017 for the upgrade of current Heritage Sites</p> <p>Workshops in social media and online marketing provided to local operators via the Balranald Business Online Project</p> <p>A number of collaborative print media and broadcast media advertising was implemented with 20+ shire business operators</p>
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<p>3.2.2 Redevelop Heritage Park and construct new Visitor and Interpretive Centre.</p>	<p>Economic Development / Infrastructure</p>	<p>a) Continue community consultation Councils Role: Leader</p> <p>b) Award tenders for construction Councils Role: Leader</p> <p>c) Construct new Visitor and Interpretive Centre</p>	<p>Continued community consultation</p> <p>Tender awarded</p> <p>Centre built</p>	<p>Completed.</p> <p>2013/14</p> <p>Completion of the Centre in 2014 and the Opening took place in December 2014</p> <p>Discovery Centre precinct awarded a Silver Award at the 2015 NSW Tourism Awards</p> <p>In mid-2017 a situation analysis began in developing a future vision for the Discovery Centre</p>
<p>3.2.4 Improve links between Balranald communities and Mungo and Yanga National Parks.</p>	<p>Economic Development / Infrastructure</p>	<p>c) Lobby for sealing of Mungo access and loop Councils Role: Leader</p>	<p>Lobbing undertaken</p>	<p>Discussions held with Local Federal Member, application submitted for Round 1 of the Murray Darling Basin Economic Diversification Program Funding.</p> <p>Have continued to lobby over the four year period and obtained funding from "Fixing Country Roads", achieving 4.37km of sealing on Marma Box Creek and Euston Prungle Roads.</p> <p>One-on-one meetings with National Parks re increased activities at the VIC</p>

				Enhanced marketing of Yanga National Park being at the doorstep of Balranald in collaboration with National Parks Enhanced marketing of World Heritage listed Mungo National Park in collaboration with National Parks to increase awareness of Mungo NP being located in Balranald Shire
3.2.7 Implement physical improvements to Market Street	Infrastructure	b) Continue to pursue funding for Market St upgrade Councils Role: Leader	Lobbing undertaken	Stage 1 completed in conjunction with RMS project. Stage 2 (Mayall to McCabe St's) completed October 2014
3.3.1 Utilise the new Trade Training Centre to enhance the range of local training programs.	Economic and Community Development	a) Build a strong working relationship with Balranald Central School Councils Role: Advocate b) Audit local industry and business training needs Councils Role: Advocate c) Identify relevant training funding sources Councils Role: Advocate d) Develop a calendar of training programs Councils Role: Advocate e) Establish collaborative training arrangements with accredited trainers (MAX Employment,	Regular meetings with senior staff Audit undertaken by Balranald Inc. by June 2013 Funding sources identified by Balranald Inc. by June 2013 Calendar of training programs completed by Balranald Inc. by June 2013 Quarterly meetings held with training providers by	Ongoing communication maintained by GM and DCCD. School Captains have assisted with mayoral elections and Council intends to invite them to continue to assist. Completed by Balranald Inc. Completed by Balranald Inc. Completed by Balranald Inc. Balranald Inc. has been working with the training providers. Hospitality courses and BEC workshops provided by Balranald

		<p>Sureway, Riverina TAFE and MMT)</p> <p>Councils Role: Advocate</p>	Balranald Inc.	Inc. and Council.
		<p>f) Instigate small business training courses</p> <p>Councils Role: Advocate</p>	<p>Small business training courses implemented by Balranald Inc.</p> <p>Small business training workshops implemented by Balranald Shire</p>	<p>2016-17:</p> <p>Training in social media and Online marketing was provided to local operators via the Balranald Business Online Project</p>

Pillar Four: OUR CULTURE

A community that respects and celebrates its diverse cultures, heritage and arts

Council has measured the performance of the following actions from the Community Strategic Plan

Balranald Shire 2022 Objectives	Council Services	Community Strategic Plan Actions 2012-2016	Action Performance Measurement	Outcomes
4.1.1 Identify, protect and interpret our significant heritage sites.	Community Development	<p>a) Undertake a Shire Heritage assessment Councils Role: Leader</p> <p>e) Extend the Heritage Trail in Balranald Councils Role: Facilitator</p>	<p>Shire Heritage assessment by March 2013</p> <p>Extension of Heritage Trail completed by May 2013</p>	<p>2015-16: Heritage Review completed by Noel Thompson Architecture in 2013/14</p> <p>Trail commenced in 2013/14, and continued in 2014/15 with audit conducted. Currently in Tourism Action Plan for trail to be extended to incorporate historical markers against all historical Shire landmarks / buildings.</p> <p>2016-17: Heritage Near Me Grant awarded in early 2017 for the upgrade of current Heritage Sites including the Museum, Old Gaol and Wintong School as part of further developing the Heritage Trail.</p> <p>A new plaque to commemorate the landing of the Southern Cross Plane in Balranald is in</p>

			<p>A Military trail has been developed. A number of plaques have already been erected.</p>	<p>development as part of the Heritage Trail</p> <p>2015-16: A Military trail has been developed. A number of plaques have already been erected.</p> <p>2016-17: New plaques were developed and erected</p>
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Pillar Five: OUR INFRASTRUCTURE

A community that maintains and strengthens its natural and built environment

Council has measured the performance of the following actions from the Community Strategic Plan

* Note: State of the Environment report (SoE) now included in CSP

Balranald Shire 2022 Objectives	Council Services	Community Strategic Plan Actions 2012-2016	Action Performance Measurement	Outcomes
5.1.1 Continual focus on reducing our environmental footprint and being environmentally sustainable	Continual focus on reducing our environmental footprint	a) Encourage environmentally friendly practices Councils Role: Facilitator	Maintain recycling activities - waste oil and scrap metal recycling. Reduction in Councils environmental footprint and being environmentally sustainable	Council maintains facilities at Balranald & Euston to cater for recycling of viable materials, including metal, oil, chemical drum recycling. Council turned over a number of plant & fleet items to ensure its environmental footprint is minimised via the use of modern emission & fuel economy technology. Council's new Tourist Information Centre incorporates interpretative material concerning the local environment. Council installed a solar PV array on the new tourist information centre to reduce its reliance on grid supplied energy
5.1.2 Maintain healthy and clean river systems.	Support Community projects to protect river systems and enhance positive river interactions	Lake Benanee access for boating Councils Role: Advocate Improve boat launching facilities along the Murrumbidgee, Wakool and Murray Rivers Councils Role: Advocate	Support Euston Beautification Committee seek funding for Lake Benanee boat launching facility Complete docking pontoons and access platforms at boat ramp sites.	2015-16: Funding received, project underway. Donations provided towards re-stocking. Better Boating funding obtained. Project is in progress. 2016-17:

				Projects completed.
5.2.1 Extend mobile coverage especially in the Hatfield / Claire area and National Parks	Infrastructure	a) Lobby for extension of mobile phone coverage and utilisation of unused mobile phone towers Councils Role: Leader	Submissions completed to relevant stakeholders by September 2012	Council and Clare Community continue to lobby
5.2.2 Achieve priority as a National Broadband (NBB) Site	Infrastructure	a) Lobby for inclusion in the next roll out of the NBN Councils Role: Leader	Submissions completed to relevant stakeholders by September 2012	2015-16: GM has lobbied via RAMROC. 1 April 2015 – Announcement made that installation work will commence by September 2016 in Balranald. 2016-17: NBN broadband services rolled out
5.3.2 Provide for more and improved footpaths, bike paths and mobility scooter paved concrete paths	Infrastructure	a) Review the pedestrian access management policy (PAMP) Councils Role: Leader	Policy reviewed. Further funding for shared pathways sought.	2015-16: 50% external funding received for Mayall, O'Connor, We and Church Street project, Balranald. 200m of new footpath in River Street 2015/16

Pillar Six: OUR LEADERSHIP

A community that values and fosters leadership, lifelong learning, innovation and good governance

Council has measured the performance of the following actions from the Community Strategic Plan

Balranald Shire 2022 Objectives	Council Services	Community Strategic Plan Actions 2012-2016	Action Performance Measurement	Outcomes
6.1.1 Establish a Leadership Development Network and Strategy.	Community Development	a) Audit current leadership development opportunities at local, regional and State levels. Councils Role: Leader	Audit completed by April 2012	On-going Council resolved not to proceed with the establishment of a Community Leadership Strategy at this stage
6.3.1 Encourage community member participation in decision making	Civic Services	a) Organise regular forums that enable community participation in decision making Councils Role: Leader b) Continue to encourage community involvement in Council Committees Councils Role: Leader	Regular Committee meetings held Additional advertising through Council newsletter to attract new members to Committees	Regular committee meetings held. Advertising completed annually, after review by Council.
6.3.2 Ensure that Council is efficiently managed to provide civic leadership and good governance to meet all the future needs of our community.	Organisational Management	a) Provide good governance, prudent financial management and effective support services for all its activities Councils Role: Leader	Less than 15 written customer complaints. No audit qualifications	Over the five year period, Councils audit has been signed with no audit qualifications by auditors. Over the four year period, Council has received less than five complaints each year

Results of Capital Works for 2016-17

Description	Budgeted Amount	Status of Works
Roads – RMS Repair Program & Block Grant		
MR67 Reseals	\$501,930	Completed Actual Amount \$489,103
MR67 Gravel Heavy Patching	\$200,000	Completed Actual Amount \$164,537
MR67 Construction & Seal	\$469,012	Completed Actual Amount \$498,072
MR514 Reseals	\$65,300	Completed Actual Amount \$68,093
MR514 Gravel Resheet	\$88,500	Funds transferred to MR67 Gravel Resheet.
MR431 Gravel Formation	\$46,400	Completed Actual Amount \$46,368
Roads – RTR (Roads To Recovery Program)		
Mildura Ivanhoe Gravel Construction West from MR67	\$125,000	Completed Actual Amount \$79,860
Marma Box Creek Const & Seal 6.81km to 9.11km from MR67	\$306,700	Completed Actual Amount \$277,306
Prungle Marma Road Re-alignment with Arumpo Rd. & Gravel Const.	\$248,745	In progress. Ongoing in 2017/18
Rural Local Roads Grids Replacement Program	\$60,000	In progress. Ongoing in 2017/18
Prungle Mail Gravel Prepare & Seal 1km from Sturt Hwy.	\$120,000	Completed Actual Amount \$159,720
Kilpatrick Rd. Reconstruct Shoulders, Seal & Reseal	\$172,890	In progress. Ongoing in 2017/18
Tillara Rd. Gravel Construction & Seal 500m from Highway	\$100,000	Completed Actual Amount \$110,140
Rural Local Roads & Townships Reseals	\$472,340	Completed Actual Amount \$480,732
Infrastructure & Development		
Euston Murray Tce/Shailer Tce Inter. Kerb & Guttering	\$30,000	Completed Actual Amount \$20,516
Market St Drainage from Malcolm Building to River St. Inter.	\$8,160	Completed Actual Amount \$44,723
Water Bores	\$78,982	Completed one bore. Actual Amount \$19,342
Mildura Ivanhoe Gravel Construction	\$300,000	In progress. Ongoing in 2017/18
Prungle Marma Gravel Construction	\$50,000	Completed Actual Amount \$74,839

Results of Capital Works for 2016-17

Description	Budgeted Amount	Status of Works
Prungle Mail Gravel Construction	\$50,000	Completed Actual Amount \$51,339
Water Services		
Balranald valve replacement	\$10,000	Completed Actual Amount \$5,967
Balranald AC Mains Replacement	\$25,000	Completed Actual Amount \$11,917
Balranald Filtered Scada Data/Alarm system	\$59,457	Completed Actual Amount \$76,987
Balranald Raw Scada Data/Alarm system	\$59,337	Completed Actual Amount \$53,555
Euston Filtered Scada Data/Alarm system	\$59,457	Completed Actual Amount \$53,555
Euston Raw Scada Data/Alarm system	\$59,337	Completed Actual Amount \$53,671
Sewer Services		
Upgrade of Electrical Switchboard Pump Station 1	\$30,000	Completed Actual Amount \$39,715
CCTV Sewer Viewing & Cleaning	\$160,000	In progress. Ongoing in 2017/18
Balranald Sewer Ponds - investigate upgrade / repair	\$450,000	In progress. Ongoing in 2017/18
Balranald Scada Data/Alarm system	\$77,606	Completed Actual Amount \$56,586
Euston Scada Data/Alarm system	\$77,956	Completed Actual Amount \$56,607
Administration		
Electronic Document Management System	\$80,000	In progress
Building renovations – Council offices and housing	\$65,000	Completed

Statutory Requirements

Elected Members

LGGR cl 217 (1) (a) (a1)

There were no overseas visits undertaken during the year by Councillors, Council Staff or other persons while representing the Council.

Council reimburses all reasonable travel costs on Council business. Costs involved with attendance at local government conferences and seminars are fully reimbursed. Refreshment and/or a meal are provided where appropriate in the course of meetings.

The mayoral allowance paid was \$25,028 and the councillor allowances paid were \$89,613.

The total cost of Councillor Expenses for 2016/17 was \$200,465. This includes allowances, insurance, sustenance, telephone, motor vehicle expenses, travelling and registration expenses for local government conferences and seminars. Those amounts required to be detailed separately but included in the above total cost are as follows:

- Provision of mobile phone to the mayor was at a cost of \$869.
- The attendance of councillors at conferences and seminars was at a cost of \$28,864.

A review of Council's payment of expenses and the provision of facilities to the mayor and councillors policy was adopted on the 21st March 2016. A copy of this policy has been provided.

Major Contracts Awarded

LGGR cl 217 (a2)

During the year ended 30/06/17 Council made the following payments on contracts valued above \$150,000:

Company	Service	Cost
CAMERON PLANT HIRE	Hire of Plant	93,544
FITZGERALD EARTHMOVING	Hire of Plant	154,500
BOTT EARTHMOVING	Hire of Plant	46,887
SUNRAYSLAND DEVELOPMENT	Hire of Plant	384,689.57
KARRA PASTORAL	Hire of Plant	81,964
PRIMAL SURFACING PTY LTD	Sealing Roads	1,367,061
R&D TECHNOLOGY LTD	Upgrade Telemetry & SCADA systems	332,620.90

Legal Proceedings

LGGR cl 217 (a3)

Council has engaged a Solicitors firm to assist with sale of Council property (Caltex Roadhouse, Balranald)

Private works

LGGR cl 217 (a4)

During the year Council did not undertake any work on private land on a subsidised basis.

Financial Assistance**LGGR cl 217 (a5)**

The following financial assistance was granted under Section 356 during the period.

	Description	Amount \$
New Year's Eve Committee	Fireworks Donation	3,500
Balranald Central School	Presentation Night	100
Balranald St Joseph's School	Presentation night	60
Euston Public School	Presentation Night	80
Oxley Anglers Club	Fish Re-stocking	500
Kyalite Happy Hookers	Fish Re-stocking	1,000
BDESM Club	Fish Re-stocking	1,000
Combined Churches	Hall hire donation (Community Christmas Carols)	373 (in kind)
Robinvale 80 Ski Race	Sponsorship	500
Balranald Inc.	Style Me Donation	500
Balranald CWA	Reimbursement of 3 weeks rent	150
Balranald Shire Council	Contribution to Masonic Lodge Rates	900
Joanne Griffiths	Outback Swimming Lessons	300
Balranald Branch UHA	Donation – Engage sponsorship for writers	500
Balranald Murrumbidgee Classic	Printing Costs	500
Australian Army Band Kapooka	Donation – Hall Hire	395
Balranald Community Arts & Crafts	Printing Donation	80
Balranald Swimming Club	Donation	500
Balranald Murrumbidgee Classic	Sponsorship – Printing Costs 2018 event	500
Euston P & C Association	Donation	500
Balranald Motorcycle Club Inc.	Donation	500
Total Grants		\$12,438

Rural Fire Activities**LGGR cl 217 (a6)**

Management of Bush Fire Brigades and hazard reduction activities has been delegated to the Commissioner, NSW Rural Fire Service.

Controlling Interest or Participation**LGGR cl 217 (a7) & (a8)**

Council did not hold a controlling interest or participated in any corporations, partnerships, trusts, joint ventures, syndicates or other bodies for the 2013/14 financial year.

Equal Opportunity Management Plan**LGGR cl 217 (a9)**

Council has adopted an Equal Employment Opportunity (EEO) management plan. The General Manager is the EEO Officer.

Due to the success of Council's EEO processes, Council has not considered it necessary to implement any additional training or activities.

Remuneration of the General Manager**LGGR cl 217 (b)**

The only member of staff classified as senior staff in terms of the Local Government Act 1993, is the General Manager who is employed on a remuneration package of \$211,680. This includes superannuation. The General Manager makes a payment to Council in respect of the provision of a motor vehicle. FBT of \$8,736 was paid in respect of the General Manager.

Stormwater Services**LGGR cl 217 (1) (e)**

Council has no stormwater levies in place.

Companion Animals**LGGR cl 217 (1) (f)**

Pound data has been lodged with the DLG.

During the period \$6,624 was spent on animal management.

Council encourages people to de-sex their animals at the time of registration.

Council encourages adoption rather than euthanasia for unclaimed animals.

Council does not have any of its reserves as leash free areas.

Compliance Particulars - Environmental Plan' & Assess' Act s 93G(5)

Council has not entered into any planning agreements.

Details of Rates and Charges written off**LGGR cl 132**

Rates and charges totalling \$71.75 were written off during 2016/2017, in accordance with the provisions of the Local Government Act 1993.

BALRANALD SHIRE COUNCIL

GIPAA Information Guide

30 June 2017

Government Information (Public Access) Act 2009 No 52
Part 3 Division 2 Section 20

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Foreword

Council's Publication Guide, which sets out key information about Council and how this information can be accessed, is available below.

Our publication guide may help you to find information which is routinely published by Council.

In most cases, this information is available online and can be accessed directly by document links below however some information is only available at Council's Office at Market Street, Balranald. Where copies are requested, they will be made available at a reasonable cost.

Note that Council has limited resources and while every effort is made to ensure that website information is up to date, it may not be.

2 Structures and Functions of Council - (Section 20 (1) (a))

2.1 Description

Balranald Shire is located in the Western Riverina, 800km west of Sydney and 70 metres above sea level. Grazing land, horticultural activities, native mallee bushland are characteristic of the Shire of Balranald that includes the towns of Euston and Balranald. The Shire has a rich heritage including exploration, timber, and agriculture. The Shire has a strong community sentiment, everyday facilities and services, and thriving industries.

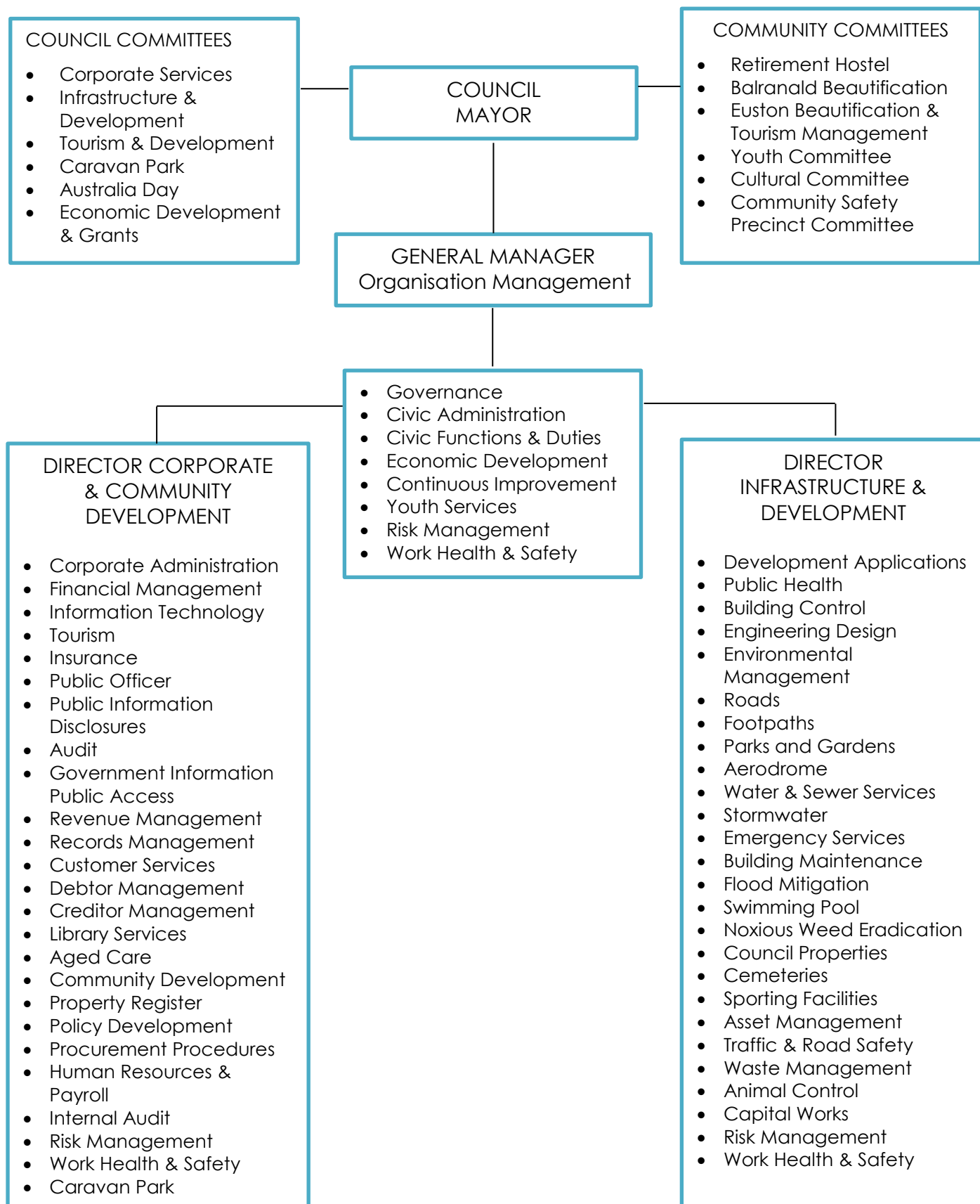
Balranald Shire Council provides goods, services and facilities appropriate to the current and future needs of local communities and of the wider public. As a major primary production region with national parks within its boundaries, the Council and its officers are concerned with principles of ecologically sustainable development in carrying out its responsibilities. The Council maintains a close association with the National Parks and Wildlife Service, Roads and Maritime Service as well as many other Government Agencies.

2.2 Basis of Constitution

The Council of the Shire of Balranald is a statutory body under the Local Government Act (LGA), 1993.

2.3 Organisational Structure and Resources

Council's Structure and Functions



2.3 Organisational Structure and Resources (cont.)

The Balranald Shire Council is led by a publicly elected Council that is responsible for providing leadership and vision.

The Balranald Shire Council is governed by the body of eight Councillors who are elected by the residents and ratepayers every four years to represent the community. The eight Councillors are elected to carry out duties under the provisions of the Local Government Act, 1993, as amended and associated Regulations.

The Mayor is elected on a two year cycle and a Deputy Mayor is elected for a period of one or two years. The Mayor and Deputy Mayor are elected from the group of eight, as well as Councillor Representatives to sit as Delegates on committees of Council. The Councillors are responsible for making the major decisions and policies which guide Council's operations.

Section 232 of the Local Government Act states:

1. The role of a councillor is, as a member of the governing body of the council:

- to provide a civic leadership role in guiding the development of the community strategic plan for the area and to be responsible for monitoring the implementation of the council's delivery program
- to direct and control the affairs of the council in accordance with this Act
- to participate in the optimum allocation of the council's resources for the benefit of the area
- to play a key role in the creation and review of the council's policies and objectives and criteria relating to the exercise of the council's regulatory functions
- to review the performance of the council and its delivery of services, and the delivery program and revenue policies of the council.

2. The role of a councillor is, as an elected person:

- to represent the interests of the residents and ratepayers
- to provide leadership and guidance to the community
- to facilitate communication between the community and the council.

The Principal Officer of the Council is the General Manager. The General Manager is responsible for the efficient operation of Council's organisation and for ensuring the implementation of Council decisions. The General Manager is also responsible for the day to day management of the Council, the exercise of any functions delegated by Council, the appointment, direction and where necessary, the dismissal of staff.

Responsibility areas for the General Manager are Governance, Civic Administration, Civic Functions & Duties, Economic Development, Continuous Improvement, Youth Services, Risk Management, and Work Health & Safety.

To assist the General Manager to carry out the provisions are two other Departments, each headed by a Director. The Department roles are:

- The Corporate and Community Development Division responsibility areas are:

Corporate Administration, Financial Management, Information Technology, Tourism, Insurance, Public Officer, Public Information Disclosures, Audit, Government Information Public Access, Revenue Management, Records Management, Customer Services, Debtor Management, Creditor Management, Library Services, Aged Care, Community Development and Engagement, Property Register, Policy Development, Procurement Procedures, Human Resources & Payroll, Internal Audit, Risk Management, Work Health & Safety, Caravan Park

- The Infrastructure and Department. Responsibility areas are:

Development Applications, Public Health, Building Control, Engineering Design, Environmental Management, Roads, Footpaths, Parks and Gardens, Aerodrome, Water & Sewer Services, Stormwater, Emergency Services, Building Maintenance, Flood Mitigation, Swimming Pool, Noxious Weed Eradication, Council Properties, Cemeteries, Sporting Facilities, Asset Management, Traffic & Road Safety, Waste Management, Animal Control, Capital Works, Risk Management, Work Health & Safety.

2.4 Council Functions

The set of principles that guides Council in carrying out of its functions are detailed in the Local Government Act, 1993:

Service functions

- Providing community health, development, recreation, education and information services
- Environmental Protection
- Waste Removal and Disposal
- Land & Property, Industry & Tourism Development & Assistance
- Civil Infrastructure Planning
- Civil Infrastructure Maintenance & Construction

Regulatory functions

- Approvals
- Orders
- Building certificates

Ancillary functions

- Resumption of land
- Powers of entry and inspection

Revenue functions

- Rates
- Fees
- Charges
- Investments
- Borrowings

Administrative functions

- Employment of staff
- Management Plans
- Financial reporting
- Annual reports

Enforcement functions

- Proceedings for breaches of the Local Government Act & Regulations
- Prosecution of offences
- Recovery of rates and charges

As well as the Local Government Act, Council has functions under a number of other related Acts including:

- Anti-Discrimination Act, 1977
- Community Land Development Act, 1989
- Companion Animals Act, 1998
- Conveyancing Act, 1919
- Crown Lands Act, 1989
- Dividing Fences Act, 1991
- Environmental Planning & Assessment Act, 1979
- Financial Institutions (NSW) Act, 1992
- Fire Brigades Act, 1989
- Food Act, 2003
- Government Information (Public Access) Act, 2009
- Heritage Act, 1977
- Interpretation Act, 1987
- Land Acquisitions Just Terms Compensation Act, 1991
- Library Act, 1939
- Local Government Consequential Provisions Act, 1993
- Biosecurity Act 2015
- Privacy & Personal Information Protection Act, 1998
- Protection of the Environment Operations Act, 1997, and subordinate Regulations
- Public Health Act, 2010
- Real Property Act, 1900
- Roads Act, 1993
- State Emergency Services and Rescue Management Act, 1989
- Strata Schemes management Act, 1996
- Swimming Pools Act, 1992
- Threatened Species Conservation Act, 1995
- Road Transport Act 2013

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- Valuation of Land Act, 1916
 - Waste Avoidance and Resource Recovery Act, 2001
 - Aged Care Act 1997

3 How Council Functions Affect Members of the Public (Section 20 (1) (b))

The majority of the activities and functions of Council have an impact on the public, either directly or indirectly. These include: maintaining and building local infrastructure, overseeing and supporting local services, working with State and Federal Governments, organisations, businesses and community groups, raising funds for local purposes by the fair imposition of rates, charges and fees, managing, developing and protecting the environment of the area for which it is responsible.

The following is an outline of how the broad functions of Council affect the public.

Service functions affect members of the public as Council provides services and facilities to the public. These include provision of human services such as child care and libraries, infrastructure and waste removal, halls and recreation facilities.

Regulatory functions place restrictions on developments and buildings to ensure that they meet certain requirements affecting the amenity of the community and not endanger the lives and safety of any person. Members of the public must be aware of, and comply with, such regulations.

Ancillary functions affect only some members of the public. These functions include, for example, the resumption of land or the power for Council to enter onto a person's land. In these circumstances, only the owner of the property would be affected.

Revenue functions affect the public directly in that revenue from rates and other charges paid by the public that is used to fund services and facilities provided to the community.

Administrative functions do not necessarily affect the public directly but have an indirect impact on the community through the efficiency and effectiveness of the services provided.

Enforcement functions only affect those members of the public who are in breach of certain legislation. This includes matters such as the non-payment of rates and charges, and unregistered dogs.

Community planning and development functions affect areas such as cultural development, social planning and community profile and involves advocating and planning for the needs of our community and providing support to community and organisations through provision of grants, training and information.

4 How the Public can participate in Council's Policy Development and the Exercise of Functions. (Section 20 (1) (c))

There are ways in which members of the public may participate in the policy development and, indeed, the general activities of the Council. These are through representation and personal participation.

4.1 Representation

The people elect representatives to their local Council to make decisions on their behalf. In New South Wales, local government elections are held every four years. The next elections are to be held in September, 2020.

Residents are able to raise issues with, and make representations to the elected members of Council. The Councillors may pursue the matter on the resident's behalf accordingly allowing members of the public to influence the development of policy.

Council meetings are held on the third Tuesday of each month at the Council Chambers, 70 Market Street, Balranald, commencing at 5pm.

4.2 Personal Participation

Council meetings are open to the public. These issues raised by members of the public may lead to influence the development of policy. Members of the public may be involved in Council Committees which can also have influence on the development of policy and decision making.

With Integrated Reporting and Planning Framework a large part of this process is the Community Strategic Plan (CSP), known as *Balranald Shire 2027*. This new planning framework encourages significant community consultation.

In processing development applications Council will notify adjoining owners and others where it is considered that others may be affected, seeking comments on the proposals.

Public information for development applications is accessible by contacting Council's Infrastructure & Development Department.

5 Various kinds of Council Information held (Section 20 (1) (d) (e))

5.1 Documents Held by Council

Council holds a wide range of information that is contained in:

- Files - either Hardcopy or Electronic
- Policy Documents
- General Documents

5.2 Files – Hardcopy and Electronic

Most of Council's information is currently kept and maintained in paper format. However, Council is moving to an electronic document management system and records will be progressively transferred to electronic format.

5.3 Policy Documents

Council's policies are listed in the Policy Register that can be accessed on the Council website: www.balranald.nsw.gov.au

5.4 General Documents

The following list of general documents is prescribed - in accordance with GIPA Regulation 2009 - as open access information, and may be accessed and viewed at Council's office at 70 Market Street, Balranald.

Information about Council:

- The Model Code of Conduct prescribed under section 440 (1) of the LGA (this document is available at the Department of Local Government website)
- Council's adopted Code of Conduct
- Annual Reports
- Annual Financial Reports (this information is included with the Annual Report)
- Auditor's Report (this document is included in the Financial Reports)
- Integrated Reporting and Planning Documents
- EEO Management Plan
- Policy concerning the Payment of Expenses and the Provision of Facilities to Councillors
- Returns of the Interests of Councillors, Designated Persons and Delegates and disclosure register (this document is only available to view at Council's office)
- Agendas and Business Papers for any meeting of Council or any Committee of Council (only the most recent agenda available for download)
- Minutes of any meeting of Council or any Committee of Council
- Departmental Representative Reports presented at a meeting of Council
- Community Land Register
- Register of Investments (this register is included with the Council Business papers)
- Register of Delegations
- Register of current Declarations of Disclosures of Political donations (this information is available from the Election Funding Authority)
- Register of Voting on Planning Matters (this information is contained in the Minutes of Council meetings where a planning matter has been considered)
- Councillors meeting/training/conference attendance register (this information is included with the Annual Report)

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- Legal Documents (this document is only available to view at Council's office)
 - Contracts Register
 - Risk Management Plan
 - Gifts and Benefits Register (this document is only available to view at Council's office)
 - Human Resources Strategy
 - WHS Management Plan
 - Long Term Financial Plans
 - Privacy Management Plan
 - Plans & Policies
 - Policies adopted by Council concerning approvals and orders
 - Environmental Planning Instruments
 - Local Environmental Plan
 - Council Newsletters

Information about Development Applications & any associated documents received in relation to a proposed development:
(the following documents are only available to view at Council's office)

- Development Applications and associated documents e.g.:
 - Construction Certificates
 - Occupation Certificates
 - Structural Certification Documents
 - Town Planner Reports
 - Submissions received on Development Applications
 - Heritage Consultant Reports
 - Tree inspection reports
 - Land Contamination Consultant Reports
 - Records of Decisions on Development Application including decisions on appeal
 - Records describing the general nature of documents that Council decides to exclude from public view after application of public interest test considerations
 - Tree Inspections Consultant Reports
- Approvals, Orders & Other Documents
- Applications for approvals under part 1 of Chapter 7 of the LGA.
- Applications for approvals under any other Act and any associated documents received
- Records of approvals granted or refused, any variation from Council Policies with reasons for the variation, and decisions made on appeals concerning approvals
- Orders given under Part 2 of Chapter 7 of the LGA, and any reasons given under section 136 of the LGA
- Orders given under the Authority of any other Act
- Records of Building Certificates under the Environmental Planning and Assessment Act 1979
- Plans of land proposed to be compulsorily acquired by Council

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- Compulsory Acquisition Notices
 - Leases and Licenses for use of Public Land classified as Community land
 - Community Services & Relations
 - Events Guide – RMS Traffic Management Plans
 - Community Survey Results
 - Tourism Strategy
 - Plans of Management for Community Land
 - Economic Development strategy and plan
 - Emergencies
 - DISPLAN
 - Local Emergency Management Plan (included in DISPLAN)
 - Flood Plan (included in DISPLAN)
 - Environmental:
 - Noxious Weeds Management Plan
 - Environmental Management system plans for water and sewer treatment plants
 - Road Management and Inspection Strategy
 - Pedestrian Access and Mobility plan
 - Asset Management Plan
 - Footpath strategy
 - Waste & Stormwater
 - Stormwater Management Plan

All current Council records and documents are held on files in the Council Chambers. Archived records are held at Council's Depot.

6. How Members of the Public may Access Council Information

Any information that is not published on the website can be inspected at and obtained from Council's Office located at the 70 Market Street, Balranald, during working hours of 8.30 am and 5.00 pm, Monday to Friday (except public holidays), subject to the legal requirements of the PPIPA, GIPA Act, Council's Privacy Management Plan and any relevant Privacy Codes of Practice.

Personal information, as defined by the PPIPA, contained in any documents specifically mentioned above, or otherwise held by Council, will only be supplied in accordance with the provisions of the PPIPA, Council's Privacy Management and/or any relevant Privacy Code of Practice.

For access to documents under the Government Information (Public Access) Act 2009 No 52, applications must be made in writing supplying all the details required under the Act. Before applications are considered, the appropriate fee must be paid.

Access to government information in response to an access application may be provided in any of the following ways:

- a) by providing a reasonable opportunity to inspect a record containing the information,

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- b) by providing a copy of a record containing the information,
 - c) by providing access to a record containing the information, together with such facilities as may be necessary to enable the information to be read, viewed or listened to (as appropriate to the kind of record concerned),
 - d) by providing a written transcript of the information in the case of information recorded in an audio record or recorded in shorthand or other encoded format.

For further information, please contact:

Balranald Shire Council

Mail: PO Box 120, Balranald NSW 2715

Phone: 03 5020 1300

Fax: 03 5020 1620

Email: council@balranald.nsw.gov.au

Website: www.balranald.nsw.gov.au

If you require any other advice or assistance about access to information you may contact the Office of the Information Commissioner by telephone on 1800 463 626 (free call) or by email at: oiinfo@oic.nsw.gov.au snail mail GPO Box 7011, Sydney NSW 2001 or visit their website www.oic.nsw.gov.au

7 Copyright

A large quantity of information is available for public access on this website which belongs to third parties and is the subject of copyright, such as plans and reports submitted with development applications and other Council related business. Access to this information is provided to members of the public in accordance with the GIPA Act and other relevant legislation, such as the Environment Planning and Assessment Act 1979. Copyright laws apply to this information and applicants are advised to seek the consent of the copyright owners before reproducing the information in any way.

Government Information (Public Access) Act 2009 (GIPA) Section 125

Publicly available information

Council encourages the public to make informal applications where appropriate in order to meet the intent of the Government Information (Public Access) Act by allowing more information to become more easily available.

A range of information is available for public access on Council's website, or Council's offices by telephone or email.

For further information, please contact:

Balranald Shire Council

Mail: PO Box 120, Balranald NSW 2715

Phone: 03 5020 1300

Fax: 03 5020 1620

Email: council@balranald.nsw.gov.au

Website: www.balranald.nsw.gov.au

In 2016-17 Council received no applications under the Government Information (Public Access) Act 2009.

The table below A below provides the statistical information in accordance with Schedule 2 of the Government Information (Public Access) Regulation 2009.

Table A: Number of applications by type of applicant and outcome

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0
Members of the public (other)	0	0	0	0	0	0	0	0

Table B: Number of applications by type of applicant and outcome

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	0	0	0	0	0	0	0	0
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

Table C: Invalid applications

Reason for invalidity	No of applications
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of Act.

	Number of times consideration used
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of the Act.

	Number of occasions when application not successful
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	0
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table F: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extension)	0
Decided after 25 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0

Total	0
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Table G: Number of applications reviewed under Part 5 of the Act (by type of review and the outcome)

	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner	0	0	0
Internal review following recommendation under section 93 of the Act	0	0	0
Review by ADT	0	0	0
Total	0	0	0

Table H: Applications for review under Part 5 of the act (by type of applicant)

	Number of applications for review
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

Compliance with Public Interest Disclosure Act 1994

Council complies with the Public Interest Disclosure Act 1994 where Council as a public authority reports on its obligations under the Act for submission to the Minister responsible for the public authority. A copy of this report is to be provided to the Ombudsman.

Compliance with Privacy and Personal Information Protection Act 1998

Council complies with the Privacy and Personal Information Protection Act 1998. No reviews were required to be undertaken.

Compliance Particulars – Environment Planning & Assessment Acts 93G132

Council has not entered into any planning agreements.

POLICY TITLE: PAYMENT OF EXPENSES AND PROVISION OF FACILITIES FOR MAYOR AND COUNCILLORS

PART 1 INTRODUCTION

COMMENCEMENT OF THE POLICY

This policy will take effect from 21st March 2017

PURPOSE OF THE POLICY

The purpose of the policy is to ensure that there is accountability and transparency in the reimbursement of expenses incurred or to be incurred by Councillors. The policy also ensures that the facilities provided to assist Councillors to carry out their civic duties are reasonable.

OBJECTIVES AND COVERAGE OF THE POLICY

To define, in conformity with the requirements of Section 252 of the Local Government Act 1993, the Council's policy on the payment of expenses and provision of facilities for Mayor and Councillors in discharging the functions of civic office and when attending on Council business.

MAKING, ADOPTION AND REVIEW OF THE POLICY

The policy was considered by Council at its Meeting held in October 09, when it was endorsed for public exhibition. The policy which was advertised and placed on exhibition for 28 days was developed taking into account legislative and other government policy provisions and guidelines. No submissions were received and the policy was adopted by Council in November 2009.

Council is required each year prior to 30 November to review and submit its policy to the Director-General of the Department of Local Government within 28 days of adoption by Council, even if the policy is unchanged.

REPORTING REQUIREMENTS

In accordance with Section 428 of the *Local Government Act 1993* and Clause 217 of the *Local Government (General) Regulation 2005*, Council is required to include in its Annual Report the following information regarding the payment of expenses and provision of facilities to the Mayor and Councillors:

Expenses

- the cost of phone calls including mobiles, home located landlines, facsimile and internet services
- spouse/ partner/ accompanying person expenses
- conference and seminar expenses
- training and skill development expenses
- interstate travel expenses
- overseas travel expenses
- care and other related expenses

Provision of facilities

- The cost of the provision, including rental, of dedicated office equipment allocated to councillors on a personal basis such as laptop computers, mobile phones, telephones and facsimile machines and internet installed in the councillors' homes. This item does not include the costs of using this equipment, such as calls.

LEGISLATIVE AND OTHER GOVERNMENT POLICY PROVISIONS

The policy was developed and will operate in accordance with Sections 252, 253, 254 & 428 of the *Local Government Act 1993*, Clause 217 of the *Local Government (General) Regulation 2005*, Model Code of Conduct, relevant Department of Local Government Circulars, Guidelines and ICAC publications.

APPROVAL ARRANGEMENTS FOR COUNCIL BUSINESS

Council will only meet travel, accommodation and other expenses for approved Council business as follows:

Council Business	Required Approval
Council Meetings	Attendance at meeting
Council Committee Meetings	Attendance by Committee Member
Workshops, briefings or inspections	Authorised by Council, or jointly by Mayor and General Manager
Conferences, seminars or training	Authorised by Council, or jointly by the Mayor and General Manager if it is a matter of urgency or when it may be appropriate to take advantage of early bird registration discounts. Any approval by Mayor and General Manager to be advised to Council at next Meeting.
Meetings of other organisations	Attendance by Council's appointed delegate
Meetings or functions attended by the Mayor, or the Mayor's nominee	Attendance by Mayor or the Mayor's nominee and reported to or endorsed by Council via Mayoral Minute or General Manager's report.

PART 2 PAYMENT OF EXPENSES

TRAVEL EXPENSES

Within Council's Area

Where Councillors are required to use their own vehicle for travel to and from home on authorised Council business, reimbursement will be in accordance with the kilometre rate as prescribed in the Local Government (State) Award and will be paid monthly in arrears.

Outside Council's Area

The Mayor and General Manager be authorised to determine the appropriate mode of travel having regard to economy, time and safety factors. Travel by air within Australia to be economy class, unless otherwise specified by Council.

When travelling by vehicle, a suitable Council vehicle will be provided. If a Council vehicle is not available or it is not feasible to use a Council vehicle, Councillors will be paid the prescribed kilometre rate for using their own vehicle.

Should a Councillor decide to use their own vehicle, when a Council provided vehicle is available, they will be reimbursed on the basis of fuel and lubricant costs only.

When travelling in private or Council vehicles on Council business, the driver is personally responsible for all traffic or parking fines.

OTHER EXPENSES

Expenses such as conference registration fees, accommodation costs, reasonable meal and out-of-pocket costs incurred in attendance on authorised Council business, shall be paid by Council or reimbursed to Councillors on production of receipts. Receipts will not be required for items less than \$20 such as tolls, parking, refreshments, taxi fares, internet fees, laundry, newspapers but the claimant will be required to itemise and certify the expenditure. The following meal rates have been determined by reference to Taxation Determination TD 2014/19 Table 1. The travelling allowances overnight rates have been indexed by 5% on last year's figures.

Limits for expenses shall be as follows

Meal expenses Capital Cities

\$121.25

Meal Expenses Tier 2 Country Centres

\$112.10

Meal Expenses Other Country Centres

\$112.10

Travelling allowances overnight (per night away)

Canberra \$268

Sydney \$309

Melbourne \$298

Adelaide \$281

Brisbane \$328

High cost country centres \$252

Tier 2 country centres \$219

SPOUSE AND PARTNER EXPENSES

Council will meet the reasonable costs of spouses and partners for attendance at official Council functions that are of a formal and ceremonial nature, when accompanying Councillors within Council's area.

Council will also meet the reasonable meal costs of spouses or partners when accompanying Councillors at conferences and seminars, not exceeding the one day journey limits. Any registration fees, reception costs, official dinner costs, additional travel, additional accommodation and conference tour costs associated with a spouse or partners attendance at conferences, seminars, etc. will be the personal responsibility of individual councillors.

LIABILITY INSURANCE

Council shall take out Public Liability and Professional Indemnity insurance cover which shall extend to actions taken against Councillors in relation to the exercise of their duties as Councillors.

PERSONAL ACCIDENT INSURANCE

Council shall take out Personal Accident insurance for Councillors whilst engaged in activities connected with the Council business including travelling directly to and from such business.

LEGAL EXPENSES AND OBLIGATIONS

Council will determine by resolution the reimbursement of reasonable legal expenses of:

- a) A Councillor defending an action arising from the performance, in good faith, of a function under the Local Government Act; or
- b) A Councillor defending an action in defamation provided the statements complained of were made in good faith while exercising a function under the Act; or
- c) A Councillor for proceedings before the Local Government Pecuniary Interest Tribunal, or an investigation body, provided the subject of the proceedings arises from the performance in good faith of a function under the Act, and the Tribunal or investigation body makes a finding favourable to the Councillor.

Legal expenses incurred in relation to proceedings arising out of the performance by a Councillor of his or her function under the Act are distinguished from expenses incurred in relation to proceedings arising merely from something that a Councillor has done during his or her term of office.

REIMBURSEMENT AND RECONCILIATION OF EXPENSES

Reimbursement of costs and expenses to Councillors will only be made upon the production of appropriate receipts and tax invoices, and the completion of the required claim forms. Expenses and costs incurred must be in accordance with the requirements of this policy.

Claims for costs and expenses must be submitted within three (3) months of incurring the cost or expense.

DISPUTE RESOLUTION

In the event of any disputes that arise about the provision of expenses and facilities, the matter shall be resolved by Corporate Service Committee recommendation to Council.

PART 3 PROVISION OF FACILITIES

The following facilities will be provided to allow the Mayor and Councillors to discharge the functions of civic office

Councillors

Council will provide Councillors with the following facilities:-

- a) Secretarial and basic photocopy facilities in upon request.
- b) Where appropriate, prior to, during or following Council and Committee meetings, a light meal, supper and refreshments.
- c) Where Council resolves to approve the electronic form of delivery of Council agendas and business papers, Council will provide for the issue of a laptop/notebook computer with email capacity and other support equipment such as printers.
- d) Council will pay for the cost of providing and connecting equipment and the operating costs and costs associated with any of the disposable items related to the use of any of the equipment. Council provided equipment will remain the property of the Council and is to be used for Council purposes

only and is to be returned to Council offices at the time the Councillor ceases to hold office.

Mayor

In addition to facilities provided for Councillors, Council will provide the Mayor with the following additional facilities:-

- a) An Executive standard motor vehicle for official and private use. Where the vehicle is used privately the fuel cost will be the personal responsibility of the Mayor. Receipts for such fuel will be submitted with the monthly reimbursement claim.
- b) An office in the Council's administration building.
- c) Secretarial support as required.

No General Expenses

Council will not meet any general expenses.

RETURN OF FACILITIES AND EQUIPMENT

Any facilities and equipment provided to the Mayor and Councillors will be returned to Council immediately following the completion of their term of office, extended leave of absence or at the cessation of their civic duties.

Adopted by Council – 15th October 2013
Refer Minute No – 10.13.3635

Updated by Council 28th October 2014
Minute No. 10.14.3416

Updated by Council 26th August 2015
Minute No. 08.15.3546

Updated by Council 21st March 2017
Minute No. 03.17.3957