

# ANNUAL REPORT 2011-2012



BALRANALD SHIRE COUNCIL

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## Mayors Forward 2011/12

Council's Management Plan has now been replaced with Integrated Reporting and Planning Framework a large part of this process is the Community Strategic Plan (CSP), known as *Balranald Shire 2022*. This new planning framework represents a significant step forward for Balranald Shire.

While the community has been consulted over many issues in the past, this is the first time that the aspirations of the community have been comprehensively sought out and reported on. This will allow Council to plan for the things that the community want, advocate for the things that are beyond Council's control and together with our community build a better future.

Shire staff have again worked hard to secure a further two million in disaster funding to repair and restore the roads and culverts. Thanks to the community for their patience and understanding whilst these priority works are undertaken.



**Balranald Shire Council Mayor, Alan Purtill**

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The redevelopment of Heritage Park, which will include the new Visitor Information Centre, Cafe and Interpretive building, has been budgeted in Council's Operational Plan. Community consultation and the stage one planning process have been completed. The next stage of the project will see detailed tender specifications provided with construction due to commence in the first half of 2013.

Council have completed numerous capital projects which have included:

- The Hostel Office construction and old office room conversion.
- The Hostel palliative care room and garden.
- Euston Cemetery niche path
- Euston Shared Pathway Stage 2
- Royal Theatre kitchen, cold room and bar project
- Construction of the Caravan, Bus, Motorhome and Car Parking area at the rear of Market Street
- Two new cabins at the Caravan Park

A new Tourism and Marketing Strategy has been developed as part of the Red Gum Funding and the purpose of this document is to guide the Council's resourcing of community capacity building, tourism marketing and development activities, and to communicate Council's tourism priorities to tourism operators and the wider community.

Finally I would like to say that despite the continual changes forced upon us, the Council, staff and community continue to work together to keep our Shire moving forward, to ensure that we all can share in a more resilient future.

- Alan Purtill

### MISSION STATEMENT

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



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## Shire overview

The Shire of Balranald is home for nearly 2300 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), Wakool (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 43.1 per cent of the people are employed in agriculture, forestry and fishing compared with a total of 3.6 per cent in NSW. Balranald Shire Council is the largest employer with approximately 67 staff.

Approximately 7 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 Mildura and Swan Hill.

Balranald has a sealed airstrip, a new hospital, dentist, two schools and a pre-school.

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.

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## Statistical Information

Population:	2,283
Area:	21,346 km <sup>2</sup>
Staff:	67
No of assessments:	1,605

## WATER & SEWERAGE

Number of water supply systems -	4
Length of Water pipe -	56.5 km
Number of Sewerage systems -	2
Length of sewer Pipe -	27.4 km

## ROADS

<u>Local Roads</u>	
Urban	33.656 kilometres
Non-urban Sealed	107.48 kilometres
Non-urban Unsealed	1186.35 kilometres
<u>Regional roads</u>	
Urban	0.81 kilometres
Non-urban Sealed	204.28 kilometres
Non-urban Unsealed	50.73 kilometres
<u>State Highway</u>	
Urban	2.73 kilometres
Non-urban Sealed	33.70 kilometres

Number of Bridges- 2

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# BALRANALD SHIRE COUNCIL

## ELECTED REPRESENTATIVES as at 30<sup>th</sup> June 2012

### TERM OF OFFICE

*Council members are elected for a term of four years. The next election will be held in September 2012.*

*The Council elects a Mayor each September.*

### COUNCIL MEETINGS

*Council meets on the third Tuesday of every month in the Council Chambers, 70 Market Street, Balranald at 6.00pm, or at other locations across the Shire as advertised.*

**Mayor Alan Purtill**  
84 Dowling St  
Balranald 2715

**Dep. Mayor Ron Mengler**  
RSD "Benhar"  
Euston NSW 2737

**Cr Peter Lawler**  
5 Endeavour Drive  
Balranald 2715

**Cr Leigh Byron**  
148 Brett Road  
Euston NSW 2737

**Cr Steve O'Halloran**  
"Waldaira"  
Balranald NSW 2715

**Cr Helen Morphett**  
Yamba Stn Freshwater Rd  
Booligal NSW 2711

**Cr Ken Barnes**  
Kyalite Hotel  
Kyalite NSW 2715

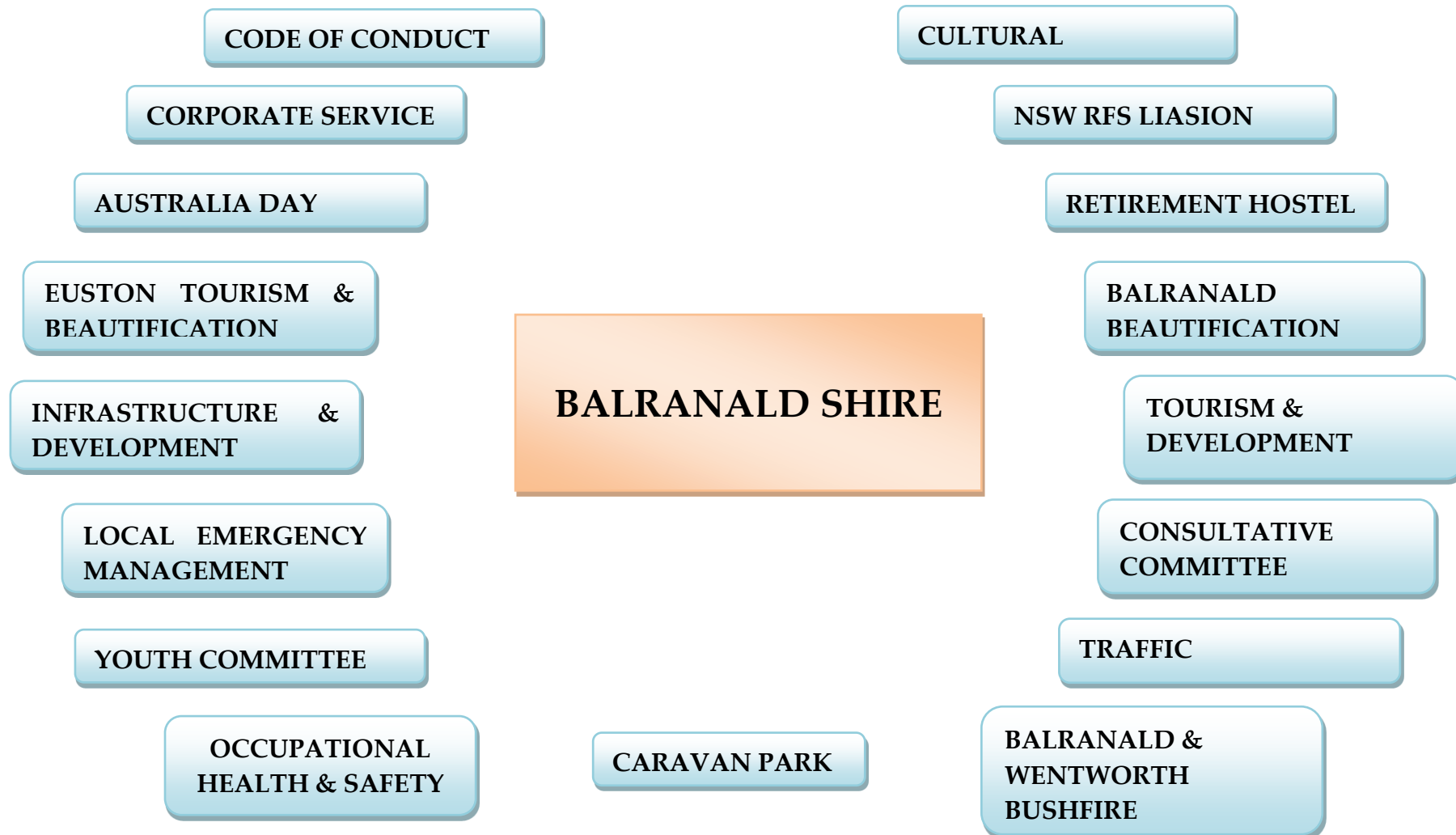
**Cr Tina Powis**  
47 River Street  
Balranald NSW 2715

**Cr Jeff Mannix**  
10 Cally Street  
Balranald NSW 2715

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# BALRANALD SHIRE COUNCIL

## COMMITTEES

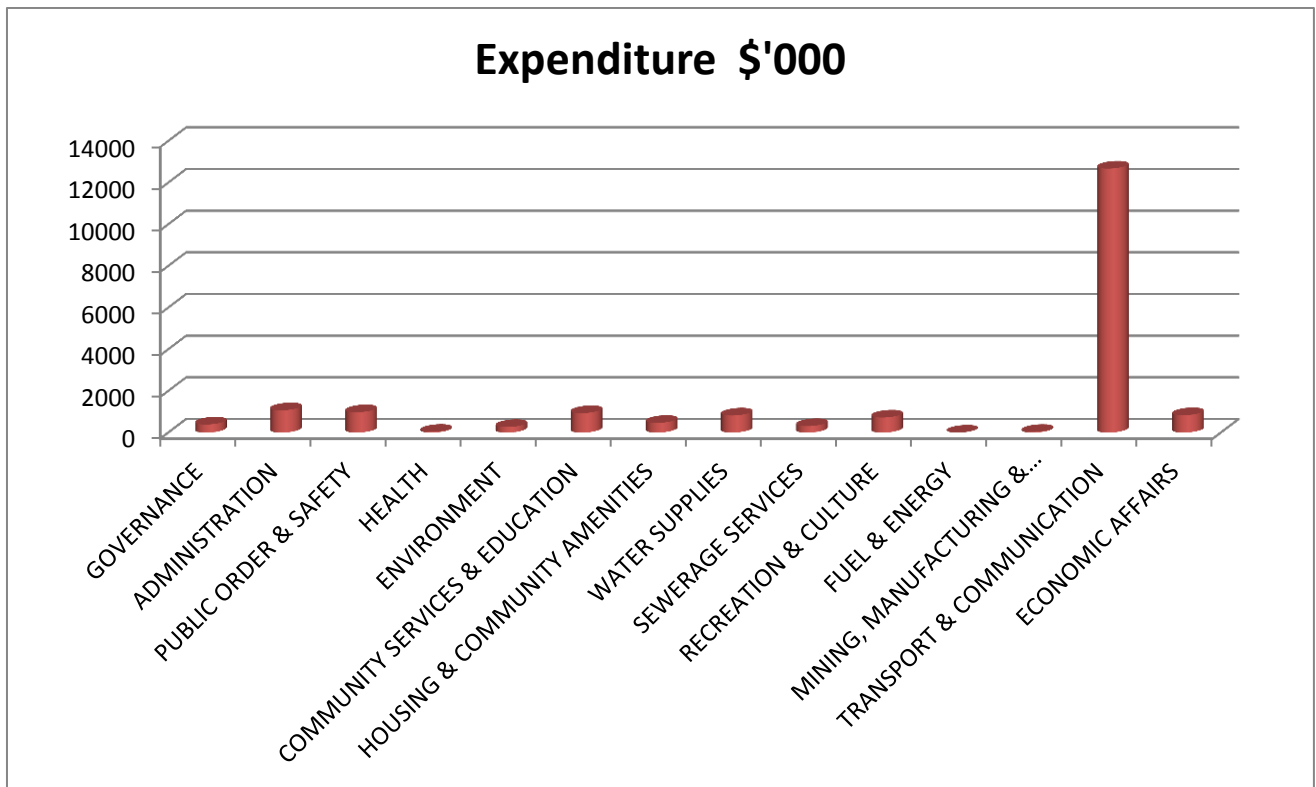
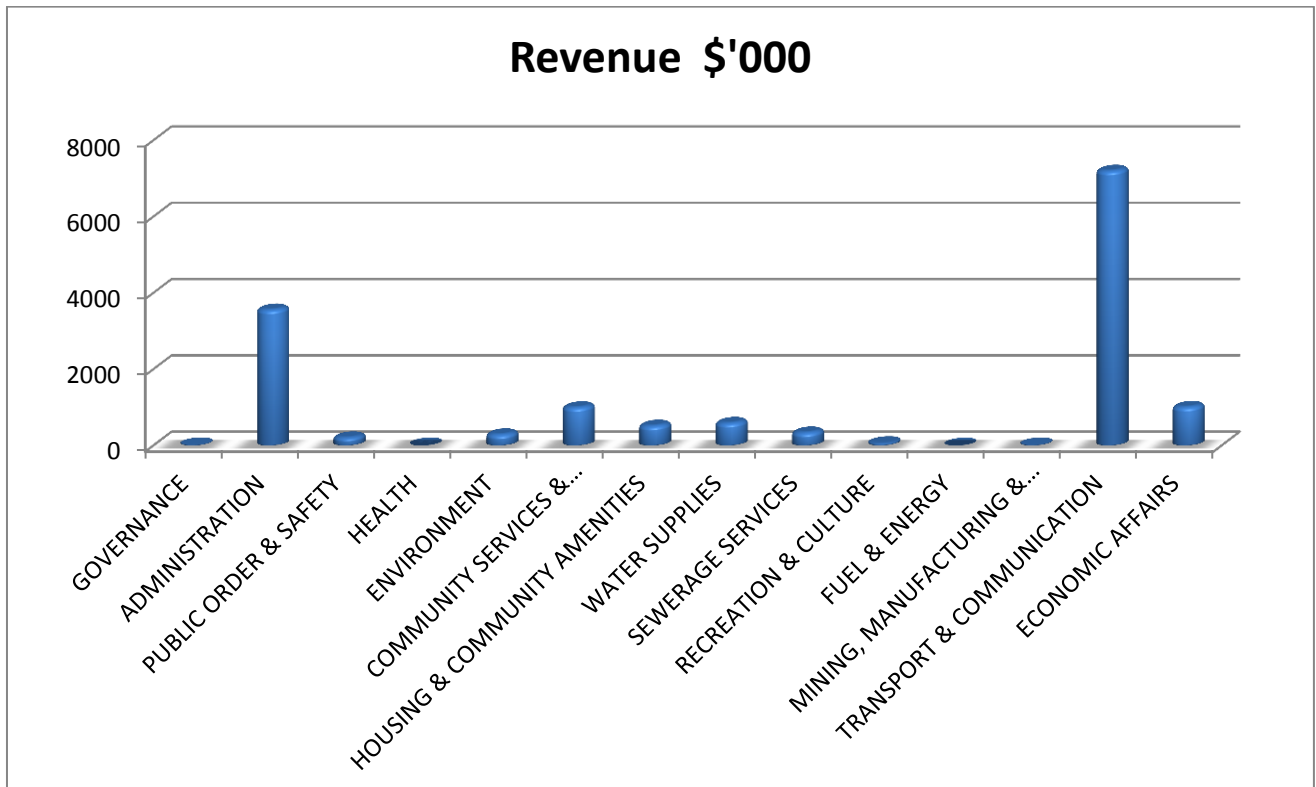


## **COMMITTEES 2011-2012**

<b>RETIREMENT HOSTEL</b> Cr Peter Lawler Cr Steve O'Halloran Cr Alan Purtill Cr Tina Powis Mrs Joan Dalton Mrs Helen Edmunds Mrs Helen Ellis Mrs Gen McConnell Mr Tony Conway (Residents Rep) Katherine Ferguson	<b>TOURISM &amp; DEVELOPMENT</b> Cr Peter Lawler Cr Ken Barnes Cr Jeff Mannix Cr Leigh Byron Cr Steve O'Halloran Mrs Linda Nelson Mrs Shirley Matarazzo Mrs Silvana Keating Mr Paul Connellan Mr Ken Spinks Ms Myrtle Matarazzo Ms Jo Goman Mr German Ugarte Ms Dinitree Haskard	<b>LOCAL EMERGENCY MANAGEMENT COMMITTEE</b> Mayor Cr Alan Purtill Cr Leigh Byron Local Emergency Management Officer (Director Infrastructure & Development)
<b>AUSTRALIA DAY</b> Cr Jeff Mannix Cr Ron Mengler Cr Leigh Byron Cr Tina Powis Mrs Cecilia Davies Mrs Linda Nelson	<b>CARAVAN PARK</b> Cr Jeff Mannix Cr Steve O'Halloran Cr Alan Purtill Cr Tina Powis Cr Peter lawler Wendee & Mark Mattner	<b>TRAFFIC</b> Cr Steve O'Halloran Cr Tina Powis RTA Representative Police Representative Local Member Rep - Mrs Margie Vanzanten
<b>CORPORATE SERVICES COMMITTEE</b> Mayor Cr Alan Purtill Deputy Mayor Cr Ron Mengler Cr Ken Barnes Cr Jeff Mannix Cr Peter Lawler Cr Steve O'Halloran	<b>INFRASTRUCTURE &amp; DEVELOPMENT COMMITTEE</b> Mayor Cr Alan Purtill Deputy Mayor Cr Ron Mengler Cr Helen Morphett Cr Ken Barnes Cr Steve O'Halloran Cr Tina Powis	

<b>BALRANALD BEAUTIFICATION</b> Cr Peter Lawler Cr Alan Purtill Cr Steve O'Halloran Cr Ken Barnes Mrs Margie Vanzanten Mrs Sylvia Cameron Mr Greg Camin Ms Mary Grisdale Mrs Jill Bath Mrs Vicki Burke Mrs Gaye Renfrey	<b>EUSTON BEAUTIFICATION</b> Cr Ron Mengler Cr Ken Barnes Cr Leigh Byron Mrs Anne Gill Mrs Helen Robertson Mrs Edna Price Mrs Vicki Barnes Mr Barry & Mrs Faye Watts Mr Jim & Mrs Vivienne McMahon Mrs Bev Harbinson Mrs Maureen Pupillo Ms Paula Rodgers
<b>NSW RFS LIAISON</b> Mayor General Manager or his delegate	<b>BALRANALD/WENTWORTH BUSH FIRE MANAGEMENT COMMITTEE</b> Cr Helen Morphet General Manager or his delegate
<b>OCCUPATIONAL HEALTH &amp; SAFETY</b> Cr Alan Purtill Cr Jeff Mannix General Manager General Manager, DCS & DID as employer representatives	<b>YOUTH COUNCIL</b> Cr Jeff Mannix Cr Tina Powis Cr Alan Purtill
<b>CONSULTATIVE COMMITTEE</b> Cr Ron Mengler Cr Jeff Mannix General Manager Director Infrastructure & Development as employer representative	<b>CODE OF CONDUCT COMMITTEE</b> Gerry Holmes David Clark Garry Byrne
<b>CULTURAL COMMITTEE</b> Cr Alan Purtill Cr Peter Lawler Cr Steve O'Halloran DECD Doreen Greenham Jan Lawler Bella Mannix Sue Balshaw Marg Butler Ros Eason	





# Balranald Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2012

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



# Balranald Shire Council

## General Purpose Financial Statements for the financial year ended 30 June 2012

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### Overview

(i) These financial statements are General Purpose Financial Statements and cover the consolidated 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 (LGA) 1993 of NSW.

Council's Statutory Charter is specified in Paragraph 8 of the LGA and includes;

- carrying out activities and providing goods, services & facilities appropriate to the current & future needs of the Local community and of the wider public
- responsibility for administering regulatory requirements under the LGA and other applicable legislation, &
- a role in the management, improvement and development of the resources of the local government area.

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 16/10/12.  
Council has the power to amend and reissue the financial statements.

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## Balranald Shire Council

### General Purpose Financial Statements for the financial year ended 30 June 2012

## Understanding Council's Financial Statements

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### Introduction

Each year, individual Local Governments across NSW are required to present a set of audited Financial Statements to their Council & Community.

### What you will find in the Statements

The Financial Statements set out the financial performance, financial position & cash flows of Council for the financial year ended 30 June 2012.

The format of the Financial Statements is standard across all NSW Councils and complies with both the accounting & reporting requirements of Australian Accounting Standards and requirements as set down by the NSW Division 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 & ownership of the Financial Statements.

### About the Primary Financial Statements

The Financial Statements incorporate 5 "primary" financial statements:

#### 1. An Income Statement

A summary of Council's financial performance for the year, listing all income & expenses.

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

#### 2. A Statement of Comprehensive Income

Primarily records changes in the fair values of Council's Infrastructure, Property, Plant & Equip.

#### 3. A Balance Sheet

A 30 June snapshot of Council's Financial Position including its Assets & Liabilities.

#### 4. A Statement of Changes in Equity

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

### 5. A 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 5 Primary Financial Statements.

### About the Auditor's Reports

Council's Financial Statements are required to be audited by external accountants (that generally specialize in Local Government).

In NSW, the Auditor provides 2 audit reports:

1. An opinion on whether the Financial Statements present fairly the Council's financial performance & position, &
2. Their observations on the conduct of the Audit including the Council's financial performance & financial position.

### Who uses the Financial Statements?

The Financial Statements are publicly available documents & must be presented at a Council meeting between 7 days & 5 weeks after the date of the Audit Report.

Submissions from the public can be made to Council up to 7 days subsequent to the public presentation of the Financial Statements.

Council is required to forward an audited set of Financial Statements to the Division of Local Government.

# Balranald Shire Council

## General Purpose Financial Statements

for the financial year ended 30 June 2012

### Statement by Councillors and Management

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

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

- The Local Government Act 1993 (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
- accords with Council's accounting and other records.


**We are not aware of any matter that would render the Reports false or misleading in any way.**

**Signed in accordance with a resolution of Council made on 16 October 2012.**

  
Steve O'Halloran  
MAYOR

  
Leigh Byron  
COUNCILLOR

  
Chris Littlemore  
GENERAL MANAGER

  
Robert Rayner  
RESPONSIBLE ACCOUNTING OFFICER

## Balranald Shire Council

## Income Statement

for the financial year ended 30 June 2012

Budget <sup>(1)</sup> 2012 \$ '000		Notes	Actual 2012	Actual 2011
<b>Income from Continuing Operations</b>				
<b>Revenue:</b>				
1,820	Rates & Annual Charges	3a	1,759	1,846
1,080	User Charges & Fees	3b	1,198	1,025
218	Interest & Investment Revenue	3c	293	279
282	Other Revenues	3d	244	300
8,807	Grants & Contributions provided for Operating Purposes	3e,f	9,153	5,338
1,246	Grants & Contributions provided for Capital Purposes	3e,f	2,108	1,243
<b>Other Income:</b>				
-	Net gains from the disposal of assets	5	32	18
-	Net Share of interests in Joint Ventures & Associated Entities using the equity method	19	-	-
<b>13,453</b>	<b>Total Income from Continuing Operations</b>		<b>14,787</b>	<b>10,049</b>
<b>Expenses from Continuing Operations</b>				
4,166	Employee Benefits & On-Costs	4a	3,786	3,620
245	Borrowing Costs	4b	240	214
5,418	Materials & Contracts	4c	5,490	2,683
8,279	Depreciation & Amortisation	4d	8,399	2,347
-	Impairment	4d	-	-
891	Other Expenses	4e	1,635	1,017
<b>18,999</b>	<b>Total Expenses from Continuing Operations</b>		<b>19,550</b>	<b>9,881</b>
<b>(5,546)</b>	<b>Operating Result from Continuing Operations</b>		<b>(4,763)</b>	<b>168</b>
<b>Discontinued Operations</b>				
-	Net Profit/(Loss) from Discontinued Operations	24	-	-
<b>(5,546)</b>	<b>Net Operating Result for the Year</b>		<b>(4,763)</b>	<b>168</b>
(5,546)	Net Operating Result attributable to Council		(4,763)	168
-	Net Operating Result attributable to Minority Interests		-	-
<b>(6,792)</b>	<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes</b>		<b>(6,871)</b>	<b>(1,075)</b>

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



## Balranald Shire Council

## Statement of Comprehensive Income

for the financial year ended 30 June 2012

\$ '000	Notes	Actual 2012	Actual 2011
Net Operating Result for the year (as per Income statement)		(4,763)	168
<b>Other Comprehensive Income</b>			
Gain (loss) on revaluation of I,PP&E	20b (ii)	(2,605)	84,887
Gain (loss) on revaluation of available-for-sale investments	20b (ii)	-	-
Gain (loss) on revaluation of other reserves	20b (ii)	-	-
Realised (gain) loss on available-for-sale investments recognised in P&L	20b (ii)	-	-
Realised (gain) loss from other reserves recognised in P&L	20b (ii)	-	-
Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-
<b>Total Other Comprehensive Income for the year</b>		<b>(2,605)</b>	<b>84,887</b>
<b>Total Comprehensive Income for the Year</b>		<b>(7,368)</b>	<b>85,055</b>
<b>Total Comprehensive Income attributable to Council</b>		<b>(7,368)</b>	<b>85,055</b>
<b>Total Comprehensive Income attributable to Minority Interests</b>		<b>-</b>	<b>-</b>

## Balranald Shire Council

## Balance Sheet

as at 30 June 2012

\$ '000	Notes	Actual 2012	Actual 2011
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	6a	5,691	5,039
Investments	6b	-	-
Receivables	7	345	541
Inventories	8	88	96
Non-current assets classified as "held for sale"	22	-	-
<b>Total Current Assets</b>		<b>6,124</b>	<b>5,676</b>
<b>Non-Current Assets</b>			
Investments	6b	-	-
Receivables	7	116	78
Inventories	8	-	-
Infrastructure, Property, Plant & Equipment	9	160,394	167,466
Investments accounted for using the equity method	19	-	-
Intangible Assets	25	260	260
Other	8	361	1,264
<b>Total Non-Current Assets</b>		<b>161,131</b>	<b>169,068</b>
<b>TOTAL ASSETS</b>		<b>167,255</b>	<b>174,744</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	10	1,143	1,201
Borrowings	10	212	193
Provisions	10	870	749
<b>Total Current Liabilities</b>		<b>2,225</b>	<b>2,143</b>
<b>Non-Current Liabilities</b>			
Payables	10	13	13
Borrowings	10	3,069	3,277
Provisions	10	151	146
<b>Total Non-Current Liabilities</b>		<b>3,233</b>	<b>3,436</b>
<b>TOTAL LIABILITIES</b>		<b>5,458</b>	<b>5,579</b>
<b>Net Assets</b>		<b>161,797</b>	<b>169,165</b>
<b>EQUITY</b>			
Retained Earnings	20	59,711	64,474
Revaluation Reserves	20	102,086	104,691
Council Equity Interest		161,797	169,165
Minority Equity Interest		-	-
<b>Total Equity</b>		<b>161,797</b>	<b>169,165</b>

## Balranald Shire Council

Statement of Changes in Equity  
for the financial year ended 30 June 2012

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Minority Interest	Total Equity
<b>2012</b>						
<b>Opening Balance</b> (as per Last Year's Audited Accounts)		64,474	108,225	<b>172,699</b>	-	<b>172,699</b>
a. Correction of Prior Period Errors	20 (c)	-	(3,534)	<b>(3,534)</b>	-	<b>(3,534)</b>
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
<b>Revised Opening Balance</b> (as at 1/7/11)		<b>64,474</b>	<b>104,691</b>	<b>169,165</b>	-	<b>169,165</b>
<b>c. Net Operating Result for the Year</b>		<b>(4,763)</b>	-	<b>(4,763)</b>	-	<b>(4,763)</b>
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	(2,605)	<b>(2,605)</b>	-	<b>(2,605)</b>
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-	-	-	-
- Other Movements	20b (ii)	-	-	-	-	-
<b>Other Comprehensive Income</b>		-	<b>(2,605)</b>	<b>(2,605)</b>	-	<b>(2,605)</b>
<b>Total Comprehensive Income</b> (c&d)		<b>(4,763)</b>	<b>(2,605)</b>	<b>(7,368)</b>	-	<b>(7,368)</b>
e. Distributions to/(Contributions from) Minority Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
<b>Equity - Balance at end of the reporting period</b>		<b>59,711</b>	<b>102,086</b>	<b>161,797</b>	-	<b>161,797</b>

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Minority Interest	Total Equity
<b>2011</b>						
<b>Opening Balance</b> (as per Last Year's Audited Accounts)		64,306	23,338	<b>87,644</b>	-	<b>87,644</b>
a. Correction of Prior Period Errors	20 (c)	-	(3,534)	<b>(3,534)</b>	-	<b>(3,534)</b>
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
<b>Revised Opening Balance</b> (as at 1/7/10)		<b>64,306</b>	<b>19,804</b>	<b>84,110</b>	-	<b>84,110</b>
<b>c. Net Operating Result for the Year</b>		168	-	<b>168</b>	-	<b>168</b>
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	84,887	<b>84,887</b>	-	<b>84,887</b>
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-	-	-	-
- Other Movements	20b (ii)	-	-	-	-	-
<b>Other Comprehensive Income</b>		-	<b>84,887</b>	<b>84,887</b>	-	<b>84,887</b>
<b>Total Comprehensive Income</b> (c&d)		<b>168</b>	<b>84,887</b>	<b>85,055</b>	-	<b>85,055</b>
e. Distributions to/(Contributions from) Minority Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
<b>Equity - Balance at end of the reporting period</b>		<b>64,474</b>	<b>104,691</b>	<b>169,165</b>	-	<b>169,165</b>

## Balranald Shire Council

## Statement of Cash Flows

for the financial year ended 30 June 2012

Budget 2012	\$ '000	Notes	Actual 2012	Actual 2011
<b>Cash Flows from Operating Activities</b>				
<b>Receipts:</b>				
1,865	Rates & Annual Charges		1,723	1,788
1,115	User Charges & Fees		1,296	1,160
195	Investment & Interest Revenue Received		295	302
10,053	Grants & Contributions		11,668	6,785
465	Other		391	450
<b>Payments:</b>				
(4,128)	Employee Benefits & On-Costs		(3,676)	(3,724)
(5,165)	Materials & Contracts		(6,124)	(3,482)
(241)	Borrowing Costs		(236)	(216)
(891)	Other		(904)	(1,353)
<b>3,268</b>	<b>Net Cash provided (or used in) Operating Activities</b>	11b	<b>4,433</b>	<b>1,710</b>
<b>Cash Flows from Investing Activities</b>				
<b>Receipts:</b>				
312	Sale of Infrastructure, Property, Plant & Equipment		258	128
<b>Payments:</b>				
(2,722)	Purchase of Infrastructure, Property, Plant & Equipment		(3,748)	(2,878)
<b>(2,410)</b>	<b>Net Cash provided (or used in) Investing Activities</b>		<b>(3,490)</b>	<b>(2,750)</b>
<b>Cash Flows from Financing Activities</b>				
<b>Receipts:</b>				
-	Proceeds from Borrowings & Advances		-	700
-	Proceeds from Retirement Home Contributions		-	264
<b>Payments:</b>				
(193)	Repayment of Borrowings & Advances		(189)	(149)
-	Repayment of Retirement Home Contributions		(102)	(26)
<b>(193)</b>	<b>Net Cash Flow provided (used in) Financing Activities</b>		<b>(291)</b>	<b>789</b>
<b>665</b>	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		<b>652</b>	<b>(251)</b>
5,020	plus: <b>Cash &amp; Cash Equivalents - beginning of year</b>	11a	5,039	5,290
<b>5,685</b>	<b>Cash &amp; Cash Equivalents - end of the year</b>	11a	<b>5,691</b>	<b>5,039</b>
Additional Information:				
	plus: <b>Investments on hand - end of year</b>	6b	-	-
	<b>Total Cash, Cash Equivalents &amp; Investments</b>		<b>5,691</b>	<b>5,039</b>

Please refer to Note 11 for additional cash flow information

## Balranald Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

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n/a - not applicable

## Balranald Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted by Council in the preparation of these consolidated financial statements are set out below in order to assist in its general understanding.

Under Australian Accounting Standards (AASB's), accounting policies are defined as those specific principles, bases, conventions, rules and practices applied by a reporting entity (in this case Council) in preparing and presenting its financial statements.

##### (a) Basis of preparation

###### (i) Background

These financial statements are general purpose financial statements which have been prepared in accordance with;

- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board,
- the Local Government Act (1993) & Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

For the purpose of preparing these financial statements, Council has been deemed to be a not-for-profit entity.

###### (ii) Compliance with International Financial Reporting Standards (IFRSs)

Because Australian Accounting Standards (AASB's) are sector neutral, some standards either:

- (a) have local Australian content and prescription that is specific to the Not-For-Profit sector (including Local Government) which are not in compliance with IFRS's, or
- (b) specifically exclude application by Not for Profit entities.

Accordingly in preparing these financial statements and accompanying notes, Council has been unable to comply fully with International Accounting Standards, but has complied fully with Australian Accounting Standards.

Under the Local Government Act (LGA), Regulations and Local Government Code of Accounting Practice & Financial Reporting, it should be noted that Councils in NSW only have a requirement to comply with Australian Accounting Standards.

###### (iii) New and amended standards adopted by Council

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2011 affected any of the amounts recognised in the current period or any prior period and is not likely to affect future periods.

###### (iv) Early adoption of Accounting Standards

Council has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2011.

Refer further to paragraph (ab) relating to a summary of the effects of Standards with future operative dates.

###### (v) Basis of Accounting

These financial statements have been prepared under the **historical cost convention** except for:

- (i) financial assets and liabilities at fair value through profit or loss, available-for-sale financial assets and investment properties which are all valued at fair value,
- (ii) the write down of any Asset on the basis of Impairment (if warranted) and
- (iii) certain classes of Infrastructure, property, plant & equipment that are accounted for at fair valuation.

The accrual basis of accounting has also been applied in their preparation.

###### (vi) Changes in Accounting Policies

Council's accounting policies have been consistently applied to all the years presented, unless otherwise stated.

There have also been no changes in accounting policies when compared with previous financial statements unless otherwise stated [refer Note 20(d)].



## Balranald Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

##### (vii) Critical Accounting Estimates

The preparation of financial statements requires the use of certain critical accounting estimates (in conformity with AASB's).

Accordingly this 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 entity 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 are set out below.

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

##### **Critical judgements in applying the entity'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.
- (ii) Projected Section 94 Commitments - Council has used significant judgement in determining future Section 94 income and expenditure in Note 17.

##### (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 entity and specific criteria have been met for each of the Council's activities as described below.

Council bases any 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:

##### **Rates, Annual Charges, Grants and Contributions**

Rates, annual charges, grants and contributions (including developer contributions) are recognised as revenues when the Council obtains control over the assets comprising these receipts.

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.

A provision for the impairment on rates receivables has not been established as unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

Control over granted 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.

Revenue from Contributions is recognised when the Council either obtains control of the contribution or the right to receive it, **(i)** it is probable that the economic benefits comprising the contribution will flow to the Council and **(ii)** the amount of the contribution can be measured reliably.

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 undischarged at balance date, the unused grant or contribution is disclosed in Note 3(g).

## Balranald Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

Note 3(g) also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

The Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of S94 of the EPA Act 1979.

Whilst Council generally incorporates these amounts as part of a Development Consents Order, such developer contributions are only recognised as income upon their physical receipt by Council, due to the possibility that individual Development Consents may not be acted upon by the applicant and accordingly would not be payable to Council.

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.

A detailed Note relating to developer contributions can be found at Note 17.

#### User Charges, Fees and Other Income

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

A provision for the impairment of these receivables is recognised when collection in full is no longer probable.

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

#### 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.

#### Interest and Rents

Rents are recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

Interest Income from Cash & Investments is accounted for using the Effective Interest method in accordance with AASB 139.

#### (c) Principles of Consolidation

These financial statements incorporate (i) the assets and liabilities of Council and any Entities (or operations) that it **controls** (as at 30/6/12) and (ii) all the related operating results (for the financial year ended the 30th June 2012).

The financial statements also include Council's share of the assets, liabilities, income and expenses of any **Jointly Controlled Operations** under the appropriate headings.

In the process of reporting on Council's activities as a single unit, all inter-entity year end balances and reporting period transactions have been eliminated in full between Council and its controlled entities.

#### (i) The Consolidated Fund

In accordance with the provisions of Section 409(1) of the LGA 1993, 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.

The Consolidated Fund and other entities through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this report.

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 (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

## Balranald Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

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 statements.

Trust monies and property held by Council but not subject to the control of Council, have been excluded from these statements.

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

##### (iii) Joint Ventures

Council has no interest in any Joint Venture Entities, Assets or Operations.

##### (iv) Associated Entities

Where Council has the power to participate in the financial and operating decisions (of another entity), ie. where Council is deemed to have "significant influence" over the other entities operations but neither controls nor jointly controls the entity, then Council accounts for such interests using the equity method of accounting – in a similar fashion to Joint Venture Entities & Partnerships.

Such entities are usually termed Associates.

##### (v) County Councils

Council is not a member of any County Councils.

##### (vi) Additional Information

Note 19 provides more information in relation to Joint Venture Entities, Associated Entities and Joint Venture Operations where applicable.

##### (d) Leases

All Leases entered into by Council are reviewed and classified on inception date as either a Finance Lease or an Operating Lease.

##### Finance Leases

Leases of property, plant and equipment; where the Council 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 lower of the fair value of the leased property and the present value of the minimum lease payments.

The corresponding rental obligations, net of finance charges, are included in borrowings.

Each lease payment is allocated between the liability outstanding and the recognition of a finance charge.

The interest element of the finance charge is costed 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.

Property, plant and equipment acquired under finance leases are depreciated over the shorter of each leased asset's useful life and the lease term.

Council has no finance leases.

##### Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor 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 is recognised in income on a straight-line basis over the lease term.

##### (e) Cash and Cash Equivalents

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.

## Balranald Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

Bank overdrafts are shown within borrowings in current liabilities on the balance sheet but are incorporated into Cash & Cash Equivalents for presentation of the Cash Flow Statement.

##### (f) Investments and Other Financial Assets

Council (in accordance with AASB 139) classifies each of its investments into one of the following categories for measurement purposes:

- **financial assets at fair value through profit or loss,**
- **loans and receivables,**
- **held-to-maturity investments,** and
- **available-for-sale financial assets.**

Each classification depends on the purpose/intention for which the investment was acquired & at the time it was acquired.

Management determines each Investment classification at the time of initial recognition and 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 include financial assets that are "held for trading".

A financial asset is classified in the "held for trading" category if it is acquired principally for the purpose of selling in the short term.

Assets in this category are primarily classified as current assets as they are primarily held for trading &/or are expected to be realised within 12 months of the balance sheet date.

##### (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 arise when the Council provides money, goods or services directly to a debtor with no intention (or in some cases ability) of selling the resulting receivable.

They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets.

##### (iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity.

In contrast to the "Loans & Receivables" classification, these investments are generally quoted in an active market.

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

Investments must be 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.

Accordingly, this classification principally comprises marketable equity securities, but can include all types of financial assets that could otherwise be classified in one of the other investment categories.

They are generally included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date or the term to maturity from the reporting date is less than 12 months.

##### Financial Assets – Reclassification

Council may choose to reclassify a non-derivative trading financial asset out of the held-for-trading category if the financial asset is no longer held for the purpose of selling it in the near term.

Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a

## Balranald Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

single event that is unusual and highly unlikely to recur in the near term.

Council may also choose to reclassify financial assets that would meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories if it has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no reversals of fair value gains or losses recorded before reclassification date are subsequently made.

Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

#### General Accounting & Measurement of Financial Instruments:

##### (i) Initial Recognition

Investments are initially recognised (and measured) at fair value, plus in the case of investments not at "fair value through profit or loss", directly attributable transactions costs

Purchases and sales of investments are recognised on trade-date - the date on which the Council commits to purchase or sell the asset.

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

##### (ii) Subsequent Measurement

**Available-for-sale financial assets** and **financial assets at fair value through profit and loss** are subsequently carried at fair value.

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

Realised and unrealised gains and losses arising from changes in the fair value of the financial assets classified as **"fair value through profit or loss"** category are included in the income statement in the period in which they arise.

Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as **"available-for-sale"** are recognised in equity in the available-for-sale investments revaluation reserve.

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

#### Impairment

Council assesses at each balance date 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.

If there is evidence of impairment for any of Council's financial assets carried at amortised cost (eg. loans and receivables), the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.



## Balranald Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

##### (iii) Types of Investments

Council has an approved Investment Policy in order to undertake its investment of money in accordance with (and to comply with) Section 625 of the Local Government Act and S212 of the LG (General) Regulation 2005.

Investments are placed and managed in accordance with the Policy and having particular regard to authorised investments prescribed under the Ministerial Local Government Investment Order.

Council maintains its investment Policy in compliance with the Act and ensures that it or its representatives exercise 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 arising from the Cole Inquiry recommendations.

##### (g) Fair value estimation

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 balance sheet 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 balance date.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held.

If the market for a financial asset is not active (and for unlisted securities), the Council establishes fair value by using valuation techniques.

These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow

analysis, and option pricing models refined to reflect the issuer's specific circumstances.

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.

##### (h) Receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less any provision for impairment.

Receivables (excluding Rates & Annual Charges) are generally due for settlement no more than 30 days from the date of recognition.

The collectibility of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off in accordance with Council's policy.

A provision for impairment (ie. an allowance account) relating to receivables is established when there is objective evidence that the Council will not be able to collect all amounts due according to the original terms of each receivable.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

Impairment losses are recognised in the Income Statement within other expenses.

When a receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account.

Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.



## Balranald Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

##### (i) Inventories

###### Raw Materials and Stores, Work in Progress and Finished Goods

Raw materials and stores, work in progress and finished goods in respect of business undertakings are all 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 the 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.

Inventories held in respect of non-business undertakings have been valued at cost subject to adjustment for loss of service potential.

###### 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.

##### (j) Infrastructure, Property, Plant and Equipment (I,PP&E)

###### Acquisition of assets

Council's non current assets have been progressively revalued to fair value in accordance with a staged implementation as advised by the Division of Local Government.

At balance date, the following classes of I,PP&E were stated at their Fair Value;

- **Investment Properties** – refer Note 1(p),
- **Water and Sewerage Networks**  
(External Valuation)
- **Operational Land** (External Valuation)
- **Buildings – Specialised/Non Specialised**  
(External Valuation)
- **Plant and Equipment**  
(as approximated by depreciated historical cost)
- **Roads Assets incl. roads, bridges & footpaths**  
(External Valuation)
- **Drainage Assets** (External Valuation)
- **Bulk Earthworks** (External Valuation)
- **Community Land** (External Valuation)
- **Land Improvements**  
(External Valuation)
- **Other Structures**  
(External Valuation)
- **Other Assets**  
(as approximated by depreciated historical cost)

###### Initial Recognition

On initial recognition, an assets cost is measured at its fair value, plus all expenditure that is directly attributable to the acquisition.

Where settlement of any part of an asset's cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of recognition (i.e. date of exchange) of the asset to arrive at fair value.

## Balranald Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

The discount rate used is the Council's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Where infrastructure, property, plant and equipment assets are acquired for no cost or for an amount other than cost, the assets are recognised in the financial statements at their fair value at acquisition date - being the amount that the asset could have been exchanged between knowledgeable willing parties in an arm's length transaction.

##### Subsequent costs

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.

##### Asset Revaluations (including Indexation)

In accounting for Asset Revaluations relating to Infrastructure, Property, Plant & Equipment:

- 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 recognised via the profit or loss, then increase is first recognised in profit or loss.
- Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset, with all other decreases charged to the Income statement.

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 assets, 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 revalues the asset to that amount.

Full revaluations are undertaken for all assets on a 5 year cycle.

##### Capitalisation Thresholds

Items of infrastructure, property, plant and equipment are not capitalised unless their cost of acquisition exceeds the following:

##### Land

- council land	100% Capitalised
- open space	100% Capitalised
- land under roads (purchases after 30/6/08)	100% Capitalised

##### Plant & Equipment

Office Furniture	> \$1,000
Office Equipment	> \$1,000
Other Plant & Equipment	> \$1,000

##### Buildings & Land Improvements

Park Furniture & Equipment	> \$2,000
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##### Building

- construction/extensions	100% Capitalised
- renovations	> \$10,000

##### Other Structures

> \$2,000

##### Water & Sewer Assets

Reticulation extensions	> \$5,000
Other	> \$5,000

##### Stormwater Assets

Drains & Culverts	> \$5,000
Other	> \$5,000

##### Transport Assets

Road construction & reconstruction	> \$10,000
Reseal/Re-sheet & major repairs:	> \$10,000
Bridge construction & reconstruction	> \$10,000

## Balranald Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

##### Depreciation

Depreciation on Council's infrastructure, property, plant and equipment assets is calculated using the straight line method in order to allocate an assets cost (net of residual values) over its estimated useful life.

Land is not depreciated.

Estimated useful lives for Council's I, P, P & E include:

<b>Plant &amp; Equipment</b>	
- Office Equipment	5 to 10 years
- Office furniture	10 to 20 years
- Computer Equipment	4 years
- Vehicles	5 to 8 years
- Heavy Plant/Road Making equip.	5 to 8 years
- Other plant and equipment	5 to 15 years
<b>Other Equipment</b>	
- Playground equipment	5 to 15 years
- Benches, seats etc	10 to 20 years
<b>Buildings</b>	
- Buildings : Masonry	50 to 100 years
- Buildings : Other	20 to 40 years
<b>Stormwater Drainage</b>	
- Drains	80 to 100 years
- Culverts	50 to 75 years
<b>Transportation Assets</b>	
- Sealed Roads : Surface	15 to 25 years
- Sealed Roads : Structure	20 to 50 years
- Unsealed roads	10 to 20 years
- Bridge : Concrete	80 to 100 years
- Bridge : Other	50 years
- Road Pavements	60 years
- Kerb, Gutter & Paths	40 years
<b>Water &amp; Sewer Assets</b>	
- Dams and reservoirs	80 to 100 years
- Bores	20 to 40 years
- Reticulation pipes : PVC	80 years
- Reticulation pipes : Other	25 to 75 years
- Pumps and telemetry	15 to 20 years
<b>Other Infrastructure Assets</b>	
- Bulk earthworks	Infinite

All asset residual values and useful lives are reviewed and adjusted (where appropriate), at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount – refer Note 1(s) on Asset Impairment.

##### Disposal and De-recognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Council's Income Statement in the year the asset is derecognised.

##### (k) Land

Land (other than Land under Roads) is in accordance with Part 2 of Chapter 6 of the Local Government Act (1993) classified as either Operational or Community.

This classification of Land is disclosed in Note 9(a).

##### (l) Land under roads

Land under roads is land under roadways and road reserves including land under footpaths, nature strips and median strips.

Council has elected not to recognise land under roads acquired before 1 July 2008 in accordance with AASB 1051.

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

## Balranald Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

##### (m) Intangible Assets

###### Hostel Bed Licences

Council has 13 bed licences at the Bidgee Haven Hostel valued at \$20,000 per licence. Hostel bed licences have an indefinite life and therefore not subject to amortisation. Bed Licences have been valued as at 30-06-2008 by Wallace MacKinnon & Associates Pty Ltd Of 208 Belmore Road Riverwood, NSW 2210, and are consistent with current values within the industry.

doing in previous years, which is to exclude the assets, their values and depreciation charges from these financial statements.

##### (p) Investment property

Investment property comprises land &/or buildings that are principally held for long-term rental yields, capital gains or both that is not occupied by Council.

Council has no Investment property.

##### (n) 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 the reserves are recognised within Council's Income Statement.

Representations are currently being sought across State and Local Government to develop a consistent accounting treatment for Crown Reserves across both tiers of government.

##### (q) Provisions for close down, restoration and for environmental clean up costs – including Tips and Quarries

Close down, Restoration and Remediation costs include the dismantling and demolition of infrastructure, the removal of residual materials and the remediation of disturbed areas.

Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs.

Provisions for close down and restoration costs do not include any additional obligations which are expected to arise from future disturbance.

Costs are estimated on the basis of a closure plan.

The cost estimates are calculated annually during the life of the operation to reflect known developments, eg updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

Close down, Restoration and Remediation costs are a normal consequence of tip and quarry operations, and the majority of close down and restoration expenditure is incurred at the end of the life of the operations.

Although the ultimate cost to be incurred is uncertain, Council estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques.

##### (o) Rural Fire Service assets

Under section 119 of the Rural Fires Act 1997, *"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"*.

At present, the accounting for such fire fighting equipment is not treated in a consistent manner across all Councils.

Until such time as discussions on this matter have concluded and the legislation changed, Council will continue to account for these assets as it has been

## Balranald Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

The amortisation or 'unwinding' of the discount applied in establishing the net present value of provisions is charged to the income statement in each accounting period.

This amortisation of the discount is disclosed as a borrowing cost in Note 4(b).

Other movements in the provisions for Close down, Restoration and Remediation costs including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations and revisions to discount rates are capitalised within property, plant and equipment.

These costs are then depreciated over the lives of the assets to which they relate.

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 balance sheet 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 balance sheet 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 unwind 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.

Specific Information relating to Council's provisions relating to Close down, Restoration and Remediation costs can be found at Note 26.

#### **(r) Non-Current Assets (or Disposal Groups) "Held for Sale" & Discontinued Operations**

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of either (i) their carrying amount and (ii) fair value less costs to sell, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The exception to this is plant and motor vehicles which are turned over on a regular basis. Plant and motor vehicles are retained in Non Current Assets under the classification of Infrastructure, Property, Plant and Equipment - unless the assets are to be traded in after 30 June and the replacement assets were already purchased and accounted for as at 30 June.

For any assets or disposal groups classified as Non-Current Assets "held for sale", an impairment loss is recognised at any time when the assets carrying value is greater than its fair value less costs to sell.

Non-current assets "held for sale" are not depreciated or amortised while they are classified as "held for sale".

Non-current assets classified as "held for sale" are presented separately from the other assets in the balance sheet.

A Discontinued Operation is a component of the entity that has been disposed of or is classified as "held for sale" and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operations are presented separately on the face of the income statement.



## Balranald Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

##### (s) Impairment of assets

All Council's I,P,P&E is subject to an annual assessment of impairment.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For non-cash generating assets of Council such as roads, drains, public buildings etc - value in use is represented by the "deprival value" of the asset which is approximated as its written down replacement cost.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Goodwill & other Intangible Assets that have an indefinite useful life and are not subject to amortisation are tested annually for impairment.

##### (t) Payables

These amounts represent liabilities and include goods and services provided to the Council prior to the end of financial year which are unpaid.

The amounts for goods and services are unsecured and are usually paid within 30 days of recognition.

##### (u) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred.

Borrowings are subsequently measured at amortised cost.

Amortisation results in any difference between the proceeds (net of transaction costs) and the

redemption amount being recognised in the Income Statement over the period of the borrowings using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired.

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

##### (v) Borrowing costs

Borrowing costs are expensed, except to the extent that they are incurred during the construction of qualifying assets.

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.

##### (w) Provisions

Provisions for legal claims, service warranties and other like liabilities are recognised when:

- Council has a present legal or constructive obligation as a result of past events;
- it is more likely than not that an outflow of resources will be required to settle the obligation; and
- the amount has been reliably estimated.

Provisions are not recognised for future operating losses.

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

## Balranald Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

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.

#### **(x) Employee benefits**

##### **(i) Short Term Obligations**

Short term employee benefit obligations include liabilities for wages and salaries (including non-monetary benefits), annual leave and vesting sick leave expected to be settled within the 12 months after the reporting period.

Leave liabilities are recognised in the provision for employee benefits in respect of employees' services up to the reporting date with other short term employee benefit obligations disclosed under payables.

These provisions are measured at the amounts expected to be paid when the liabilities are settled.

Liabilities for non vesting sick leave are recognised at the time when the leave is taken and measured at the rates paid or payable, and accordingly no Liability has been recognised in these reports.

Wages & salaries, annual leave and vesting sick leave are all classified as Current Liabilities.

##### **(ii) Other Long Term Obligations**

The liability for all long service and annual leave in respect of services provided by employees up to the reporting date (which is not expected to be settled within the 12 months after the reporting period) are recognised in the provision for employee benefits.

These liabilities are measured at the present value of the expected future payments to be made 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 then discounted using market yields at the reporting date based on national government bonds with terms to maturity and currency that match as closely as possible the estimated future cash outflows.

Due to the nature of when and how Long Service Leave can be taken, all Long Service Leave for employees with 4 or more years of service has been classified as Current, as it has been deemed that Council does not have the unconditional right to defer settlement beyond 12 months – even though it is not anticipated that all employees with more than 4 years service (as at reporting date) will apply for and take their leave entitlements in the next 12 months.

##### **(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 balance sheet, 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 which 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 can account for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans – i.e. as an expense when they become payable.

Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation

## Balranald Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

Scheme, named the "Local Government Superannuation Scheme – Pool B"

This Scheme has been deemed to be a "multi employer fund" for the purposes of AASB 119.

Sufficient information is not available to account for the Scheme as a defined benefit plan (in accordance with AASB 119) because the assets to the scheme are pooled together for all Councils.

Accordingly, Council's contributions to the scheme for the current reporting year have been recognised as an expense and disclosed as part of Superannuation Expenses at Note 4(a).

The Local Government Superannuation Scheme has advised member councils that, as a result of the global financial crisis, it has a significant deficiency of assets over liabilities as at 30 June 2012.

As a result, they have asked for significant increases in future contributions to recover that deficiency.

Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils.

For this reason, no liability for the deficiency has been recognised in these financial statements.

Council has, however, disclosed a contingent liability in note 18 to reflect the possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

#### 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.

#### (iv) Employee Benefit On-Costs

Council has recognised at year end the aggregate on-cost liabilities arising from employee benefits, and in particular those on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include Superannuation and Workers Compensation expenses which will be payable upon the future payment of certain Leave Liabilities accrued as at 30/6/12.

#### (y) Self insurance

Council does not self insure.

#### (z) Allocation between current and non-current assets & liabilities

In the determination of whether an asset or liability is classified as current or non-current, consideration is given to the time when each asset or liability is expected to be settled.

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle.

#### Exceptions

In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months (such as vested long service leave), the liability is classified as current even if not expected to be settled within the next 12 months.

In the case of inventories that are "held for trading", these are also classified as current even if not expected to be realised in the next 12 months.

#### (aa) Taxes

The Council is exempt from both Commonwealth Income Tax and Capital Gains Tax.

Council does however have to comply with both Fringe Benefits Tax and Goods and Services Tax (GST).

#### Goods & Services Tax (GST)

Income, expenses and assets are all recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO).



## Balranald Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the revenue / expense.

Receivables and payables within the Balance Sheet are stated inclusive of any applicable GST.

The net amount of GST recoverable from or payable to the ATO is included as a current asset or current liability in the Balance Sheet.

Operating cash flows within the Cash Flow Statement are on a gross basis, ie. they are inclusive of GST where applicable.

Investing and Financing cash flows are treated on a net basis (where recoverable from the ATO), i.e. they are exclusive of GST. Instead, the GST component of investing and financing activity cash flows which are recoverable from or payable to the ATO are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from (or payable to) the ATO.

#### **(ab) New accounting standards and UIG interpretations**

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2012.

**Council has not adopted any of these standards early.**

Council's assessment of the impact of these new standards and interpretations is set out below.

#### **Applicable to Local Government with implications:**

***AASB 9 Financial Instruments, AASB 2009 11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective from 1 January 2013)***

AASB 9 Financial Instruments addresses the classification, measurement and de-recognition of financial assets and financial liabilities.

The standard is not applicable until 1 January 2013 but is available for early adoption.

When adopted, the standard will affect in particular the Council's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss.

There will be no impact on Council's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and Council does not have any such liabilities.

The de-recognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed

***AASB 10 - Consolidated Financial Statements, AASB 11 - Joint Arrangements, AASB 12 - Disclosure of Interests in Other Entities, revised AASB 127 - Separate Financial Statements and AASB 128 - Investments in Associates and Joint Ventures and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (effective 1 January 2013)***

In August 2011, the AASB issued a suite of five new and amended standards which address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 Consolidated and Separate Financial Statements, and Interpretation 12 Consolidation – Special Purpose Entities.

The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation.

## Balranald Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

However, the standard introduces a single definition of control that applies to all entities.

It focuses on the need to have both power and rights or exposure to variable returns.

Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. Control exists when the investor can use its power to affect the amount of its returns.

There is also new guidance on participating and protective rights and on agent/principal relationships. Council does not expect the new standard to have a significant impact on its composition.

AASB 11 introduces a principles based approach to accounting for joint arrangements.

The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement.

Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture.

Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted.

Parties to a joint operation will account their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard.

AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control.

Council's investment in the joint venture partnership will be classified as a joint venture under the new rules.

As Council already applies the equity method in accounting for this investment, AASB 11 will not have any impact on the amounts recognised in its financial statements.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure

requirements currently found in AASB 127 and AASB 128.

Application of this standard by Council will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to Council's investments.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept. Council is still assessing the impact of these amendments.

Council does not expect to adopt the new standards before their operative date. They would therefore be first applied in the financial statements for the annual reporting period ending 30 June 2014.

#### ***AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013)***

AASB 13 was released in September 2011.

It explains how to measure fair value and aims to enhance fair value disclosures. Council has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance.

It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements.

Council does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

**Applicable to Local Government but no implications for Council;**

None

## Balranald Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

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##### **Applicable to Local Government but not relevant to Council at this stage;**

***Revised AASB 119 Employee Benefits, AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) and AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements (effective 1 January 2013)***

In September 2011, the AASB released a revised standard on accounting for employee benefits.

It requires the recognition of all remeasurements of defined benefit liabilities/assets immediately in other comprehensive income (removal of the so-called 'corridor' method) and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset.

This replaces the expected return on plan assets that is currently included in profit or loss.

The standard also introduces a number of additional disclosures for defined benefit liabilities/assets and could affect the timing of the recognition of termination benefits.

The amendments will have to be implemented retrospectively.

Council does not recognise defined benefit assets and liabilities for the reasons set out in note 1 (s)(iii) and so these changes will not have an impact on its reported results.

##### **Not applicable to Local Government per se;**

None

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

##### **(ac) Rounding of amounts**

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

##### **(ad) 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.

##### **(ae) Disclaimer**

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

# Notes to the Financial Statements

for the financial year ended 30 June 2012

## 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	Actual	Actual	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Actual	Actual	Actual	Actual
	2012	2012	2011	2012	2012	2011	2012	2012	2011	2012	2011	2012	2011
Governance	11	14	10	412	390	408	(401)	(376)	(398)	-	-	179	72
Administration	128	311	744	1,500	1,072	1,040	(1,372)	(761)	(296)	6	551	7,572	8,113
Public Order & Safety	55	205	17	284	978	322	(229)	(773)	(305)	194	13	392	447
Health	8	7	1	29	39	39	(21)	(32)	(38)	-	-	140	155
Environment	327	287	292	310	268	280	17	19	12	25	34	260	-
Community Services & Education	872	998	1,062	803	936	975	69	62	87	759	797	2,110	1,920
Housing & Community Amenities	124	515	285	266	466	553	(142)	49	(268)	25	126	4,180	1,709
Water Supplies	731	588	639	628	821	753	103	(233)	(114)	8	7	7,348	8,001
Sewerage Services	316	336	306	161	311	272	155	25	34	7	7	8,408	10,630
Recreation & Culture	218	61	86	433	724	627	(215)	(663)	(541)	27	70	6,747	8,762
Mining, Manufacturing & Construction	16	13	17	40	35	46	(24)	(22)	(29)	-	-	-	-
Transport & Communication	6,396	5,722	2,300	6,678	12,675	3,917	(282)	(6,953)	(1,617)	723	437	129,175	133,913
Economic Affairs	359	1,007	391	608	835	649	(249)	172	(258)	501	2	744	1,022
<b>Total Functions &amp; Activities</b>	<b>9,561</b>	<b>10,064</b>	<b>6,150</b>	<b>12,152</b>	<b>19,550</b>	<b>9,881</b>	<b>(2,591)</b>	<b>(9,486)</b>	<b>(3,731)</b>	<b>2,275</b>	<b>2,044</b>	<b>167,255</b>	<b>174,744</b>
General Purpose Income <sup>1</sup>	3,892	4,723	3,899	-	-	-	3,892	4,723	3,899	3,450	2,662	-	-
<b>Operating Result from Continuing Operations</b>	<b>13,453</b>	<b>14,787</b>	<b>10,049</b>	<b>12,152</b>	<b>19,550</b>	<b>9,881</b>	<b>1,302</b>	<b>(4,763)</b>	<b>168</b>	<b>5,725</b>	<b>4,706</b>	<b>167,255</b>	<b>174,744</b>

1. Includes: Rates & Annual Charges (incl. Ex-Gratia), Untied General Purpose Grants & Unrestricted Interest & Investment Income.

## Balranald Shire Council

### Notes to the Financial Statements for the financial year ended 30 June 2012

#### 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**

Costs relating to the 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, area representation and public disclosure and compliance.

##### **ADMINISTRATION**

Corporate Support and Other Support Services (not otherwise attributed to the listed functions / activities).

##### **PUBLIC ORDER & SAFETY**

Fire protection, animal control, enforcement of local government regulations, emergency services, other.

##### **HEALTH**

Inspection, immunisations, food control, health centres, other, administration.

##### **ENVIRONMENT**

Noxious plants and insect/vermin control, other environmental protection, solid waste management, street cleaning, drainage, stormwater management.

##### **COMMUNITY SERVICES & EDUCATION**

Administration, family day care, child care, youth services, other family and children, aged and disabled, migrant services, Aboriginal services, other community services, education.

##### **HOUSING & COMMUNITY AMENITIES**

Housing, town planning, street lighting, other sanitation and garbage, public cemeteries, public conveniences, other community amenities.

##### **WATER SUPPLIES**

##### **SEWERAGE SERVICES**

##### **RECREATION & CULTURE**

Public libraries, museums, art galleries, community centres, public halls, other cultural services, swimming pools, sporting grounds, parks and gardens (lakes), other sport and recreation.

##### **MINING, MANUFACTURING & CONSTRUCTION**

Building control, quarries & pits, other.

##### **TRANSPORT & COMMUNICATION**

Urban roads, sealed rural roads, unsealed rural roads, bridges, footpaths, aerodromes, parking areas, bus shelters and services, water transport, RMS works, other.

##### **ECONOMIC AFFAIRS**

Camping areas, caravan parks, tourism and area promotion, industrial development promotion, saleyards and markets, real estate development, commercial nurseries, other business undertakings.

## Balranald Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

## Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2012	Actual 2011
<b>(a). Rates &amp; Annual Charges</b>			
<b>Ordinary Rates</b>			
Residential		165	174
Farmland		754	742
Mining		3	4
Business		139	116
<b>Total Ordinary Rates</b>		<b>1,061</b>	<b>1,036</b>
<b>Special Rates</b>			
Nil			
<b>Annual Charges</b> (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic Waste Management Services		175	165
Water Supply Services		291	411
Sewerage Services		232	234
<b>Total Annual Charges</b>		<b>698</b>	<b>810</b>
<b>TOTAL RATES &amp; ANNUAL CHARGES</b>		<b>1,759</b>	<b>1,846</b>

Council has used 2008 year valuations provided by the NSW Valuer General in calculating its rates.

## Balranald Shire Council

# Notes to the Financial Statements

for the financial year ended 30 June 2012

## Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2012	Actual 2011
<b>(b). User Charges &amp; Fees</b>			
<b>Specific User Charges</b> (per s.502 - Specific "actual use" charges)			
Water Supply Services		235	159
Sewerage Services		5	3
Drainage Services		-	94
Waste Management Services (non-domestic)		76	-
Water Service Contract Aboriginal Mission		54	-
Sewerage Services Contract Aboriginal Mission		27	-
<b>Total User Charges</b>		<b>397</b>	<b>256</b>
<b>Other User Charges &amp; Fees</b>			
<b>(i) Fees &amp; Charges - Statutory &amp; Regulatory Functions</b> (per s.608)			
Building Services		13	17
Private Works - Section 67		131	71
Registration Fees		1	4
Town Planning		15	27
<b>Total Fees &amp; Charges - Statutory/Regulatory</b>		<b>160</b>	<b>119</b>
<b>(ii) Fees &amp; Charges - Other (incl. General User Charges)</b> (per s.608)			
Aged Care		220	240
Caravan Park		317	276
Cemeteries		18	21
Rent & Hire of non-investment property		77	104
Swimming Centres		9	9
<b>Total Fees &amp; Charges - Other</b>		<b>641</b>	<b>650</b>
<b>TOTAL USER CHARGES &amp; FEES</b>		<b>1,198</b>	<b>1,025</b>

## Balranald Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

## Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2012	Actual 2011
<b>(c). Interest &amp; Investment Revenue (incl. losses)</b>			
<b>Interest &amp; Dividends</b>			
- Interest on Overdue Rates & Annual Charges		17	15
- Interest earned on Investments (interest & coupon payment income)		276	264
<b><u>TOTAL INTEREST &amp; INVESTMENT REVENUE</u></b>		<b><u>293</u></b>	<b><u>279</u></b>
<b>Interest Revenue is attributable to:</b>			
<b>Unrestricted Investments/Financial Assets:</b>			
Overdue Rates & Annual Charges (General Fund)		17	15
General Council Cash & Investments		185	264
<b>Restricted Investments/Funds - External:</b>			
Sewerage Fund Operations		64	-
<b>Restricted Investments/Funds - Internal:</b>			
Internally Restricted Assets		27	-
<b><u>Total Interest &amp; Investment Revenue Recognised</u></b>		<b><u>293</u></b>	<b><u>279</u></b>
<b>(d). Other Revenues</b>			
Rental Income - Other Council Properties		12	20
Advertising		8	5
Commissions & Agency Fees		44	54
Insurance Claim Recoveries		61	82
Motor Vehicle Contributions		31	30
Rebates		27	21
Sales - Miscellaneous		47	87
Other		14	1
<b><u>TOTAL OTHER REVENUE</u></b>		<b><u>244</u></b>	<b><u>300</u></b>



## Balranald Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

## Note 3. Income from Continuing Operations (continued)

\$ '000	2012 Operating	2011 Operating	2012 Capital	2011 Capital
<b>(e). Grants</b>				
<b>General Purpose (Untied)</b>				
Financial Assistance	2,038	1,978	-	-
Financial Assistance - Next year in advance receipt	1,401	674	-	-
Pensioners' Rates Subsidies - General Component	11	10	-	-
<b>Total General Purpose</b>	<b>3,450</b>	<b>2,662</b>	<b>-</b>	<b>-</b>
<b>Specific Purpose</b>				
Pensioners' Rates Subsidies:				
- Water	8	7	-	-
- Sewerage	7	7	-	-
- Domestic Waste Management	11	10	-	-
Bushfire & Emergency Services	194	-	-	13
Community Care	621	729	130	45
Community Centres	2	8	-	38
Employment & Training Programs	12	32	-	-
Heritage & Cultural	20	20	-	125
Levee Bank	-	-	78	534
Noxious Weeds	25	24	-	-
Recreation & Culture	-	-	7	-
Roads & Bridges	-	-	645	437
Street Lighting	14	13	-	-
Red Gum Project - Motorhome & Caravan Parking	50	-	250	-
Red Gum Project - Tourism Capacity & Developme	90	-	-	-
Red Gum Project - Marketing & E-Tourism	80	-	-	-
Other	31	2	-	-
<b>Total Specific Purpose</b>	<b>1,165</b>	<b>852</b>	<b>1,110</b>	<b>1,192</b>
<b>Total Grants</b>	<b>4,615</b>	<b>3,514</b>	<b>1,110</b>	<b>1,192</b>
<b>Grant Revenue is attributable to:</b>				
- Commonwealth Funding	883	753	419	1,054
- State Funding	3,732	2,729	691	125
- Other Funding	-	32	-	13
	<b>4,615</b>	<b>3,514</b>	<b>1,110</b>	<b>1,192</b>

## Balranald Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

## Note 3. Income from Continuing Operations (continued)

\$ '000	2012 Operating	2011 Operating	2012 Capital	2011 Capital
(f). Contributions				
<b>Developer Contributions:</b>				
(s93 & s94 - EP&A Act, s64 of the NSW LG Act):				
Nil				
<b>Other Contributions:</b>				
Fluoridation	-	-	-	51
Heritage/Cultural	-	-	410	-
Pre School	-	9	-	-
Recreation & Culture	-	-	3	-
Roads & Ancillary	-	110	-	-
RMS Contributions (Regional Roads, Block Grant)	4,501	1,705	585	-
Other	37	-	-	-
<b>Total Other Contributions</b>	<b>4,538</b>	<b>1,824</b>	<b>998</b>	<b>51</b>
<b>Total Contributions</b>	<b>4,538</b>	<b>1,824</b>	<b>998</b>	<b>51</b>
<b><u>TOTAL GRANTS &amp; CONTRIBUTIONS</u></b>	<b><u>9,153</u></b>	<b><u>5,338</u></b>	<b><u>2,108</u></b>	<b><u>1,243</u></b>

\$ '000	Actual 2012	Actual 2011
(g). Restrictions relating to Grants and Contributions		
<b>Certain grants &amp; contributions are obtained by Council on condition that they be spent in a specified manner:</b>		
Unexpended at the Close of the Previous Reporting Period	424	223
<b>add:</b> Grants & contributions recognised in the current period but not yet spent:	527	268
<b>less:</b> Grants & contributions recognised in a previous reporting period now spent:	(191)	(67)
<b>Net Increase (Decrease) in Restricted Assets during the Period</b>	<b>336</b>	<b>201</b>
<b>Unexpended and held as Restricted Assets</b>	<b><u>760</u></b>	<b><u>424</u></b>
<b>Comprising:</b>		
- Specific Purpose Unexpended Grants	683	424
- Developer Contributions	-	-
- Other Contributions	77	-
	<b><u>760</u></b>	<b><u>424</u></b>

## Balranald Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

## Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2012	Actual 2011
<b>(a) Employee Benefits &amp; On-Costs</b>			
Salaries and Wages		2,900	2,632
Travelling		45	45
Employee Leave Entitlements (ELE)		487	501
Superannuation - Defined Contribution Plans		181	177
Superannuation - Defined Benefit Plans		101	116
Workers' Compensation Insurance		113	73
Fringe Benefit Tax (FBT)		12	11
Training Costs (other than Salaries & Wages)		29	40
Other		28	34
<b>Total Employee Costs</b>		<b>3,896</b>	<b>3,629</b>
less: Capitalised Costs		(110)	(9)
<b>TOTAL EMPLOYEE COSTS EXPENSED</b>		<b>3,786</b>	<b>3,620</b>
Number of "Equivalent Full Time" Employees at year end		<b>56</b>	<b>56</b>
<b>(b) Borrowing Costs</b>			
<b>(i) Interest Bearing Liability Costs</b>			
Interest on Overdraft		7	7
Interest on Loans		233	207
<b>Total Interest Bearing Liability Costs</b>		<b>240</b>	<b>214</b>
less: Capitalised Costs		-	-
<b>Total Interest Bearing Liability Costs Expensed</b>		<b>240</b>	<b>214</b>
<b>(ii) Other Borrowing Costs</b>			
Nil			
<b>TOTAL BORROWING COSTS EXPENSED</b>		<b>240</b>	<b>214</b>

## Balranald Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

## Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2012	Actual 2011
<b>(c) Materials &amp; Contracts</b>			
Raw Materials & Consumables		5,342	2,494
Auditors Remuneration <sup>(1)</sup>		30	32
Legal Expenses:			
- Legal Expenses: Planning & Development		-	18
- Legal Expenses: Other		17	-
Operating Leases:			
- Operating Lease Rentals: Minimum Lease Payments <sup>(2)</sup>		101	139
<b>Total Materials &amp; Contracts</b>		<b>5,490</b>	<b>2,683</b>
less: Capitalised Costs		-	-
<b>TOTAL MATERIALS &amp; CONTRACTS</b>		<b>5,490</b>	<b>2,683</b>

**1. Auditor Remuneration**

During the year, the following fees were incurred for services provided by the Council's Auditor (& the Auditors of other Consolidated Entities):

**(i) Audit and Other Assurance Services**

- Audit & review of financial statements: Council's Auditor	30	32
<b>Total Auditor Remuneration</b>	<b>30</b>	<b>32</b>

**2. Operating Lease Payments are attributable to:**

Computers	4	3
Motor Vehicles	97	136
	<b>101</b>	<b>139</b>

## Balranald Shire Council

### Notes to the Financial Statements for the financial year ended 30 June 2012

#### Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2012	Actual 2011	Actual 2012	Actual 2011
(d) Depreciation, Amortisation & Impairment					
Plant and Equipment		-	-	368	320
Office Equipment		-	-	30	26
Furniture & Fittings		-	-	18	18
Buildings - Non Specialised		-	-	543	516
Buildings - Specialised		-	-	7	7
Other Structures		-	-	224	222
Infrastructure:					
- Roads, Bridges & Footpaths		-	-	6,689	842
- Stormwater Drainage		-	-	136	50
- Water Supply Network		-	-	234	202
- Sewerage Network		-	-	148	141
Other Assets					
- Library Books		-	-	2	3
<b>Total Depreciation &amp; Impairment Costs</b>		-	-	<b>8,399</b>	<b>2,347</b>
less: Capitalised Costs		-	-	-	-
<b>TOTAL DEPRECIATION &amp; IMPAIRMENT COSTS EXPENSED</b>		-	-	<b>8,399</b>	<b>2,347</b>

\$ '000	Notes	Actual 2012	Actual 2011
(e) Other Expenses			
Advertising		24	31
Bad & Doubtful Debts		2	3
Contributions/Levies to Other Levels of Government		879	204
Councillor Expenses - Mayoral Fee		22	21
Councillor Expenses - Councillors' Fees		91	95
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		63	72
Donations, Contributions & Assistance to other organisations (Section 356)		33	47
Electricity & Heating		165	139
Insurance		199	212
Postage		12	11
Printing & Stationery		34	37
Street Lighting		-	43
Subscriptions & Publications		56	51
Telephone & Communications		40	36
Other		15	15
<b>Total Other Expenses</b>		<b>1,635</b>	<b>1,017</b>
less: Capitalised Costs		-	-
<b>TOTAL OTHER EXPENSES</b>		<b>1,635</b>	<b>1,017</b>

## Balranald Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

## Note 5. Gains or Losses from the Disposal of Assets

\$ '000	Notes	Actual 2012	Actual 2011
<b>Property</b> (excl. Investment Property)			
Proceeds from Disposal - Property		16	-
less: Carrying Amount of Property Assets Sold / Written Off		(15)	-
<b>Net Gain/(Loss) on Disposal</b>		<b>1</b>	<b>-</b>
<b>Plant &amp; Equipment</b>			
Proceeds from Disposal - Plant & Equipment		242	146
less: Carrying Amount of P&E Assets Sold / Written Off		(211)	(128)
<b>Net Gain/(Loss) on Disposal</b>		<b>31</b>	<b>18</b>
<b>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</b>		<b>32</b>	<b>18</b>

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

\$ '000	Notes	2012 Actual Current	2012 Actual Non Current	2011 Actual Current	2011 Actual Non Current
<b>Cash &amp; Cash Equivalents (Note 6a)</b>					
Cash on Hand and at Bank		191	-	539	-
Cash-Equivalent Assets <sup>1</sup>					
- Short Term Deposits		5,500	-	4,500	-
<b>Total Cash &amp; Cash Equivalents</b>		<b>5,691</b>	<b>-</b>	<b>5,039</b>	<b>-</b>
<b>Investment Securities (Note 6b)</b>					
Nil					
<b>TOTAL CASH ASSETS, CASH EQUIVALENTS &amp; INVESTMENTS</b>		<b>5,691</b>	<b>-</b>	<b>5,039</b>	<b>-</b>

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

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

**Cash & Cash Equivalents**

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

<b>5,691</b>	<b>-</b>	<b>5,039</b>	<b>-</b>
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## Balranald Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

## Note 6c. Restricted Cash, Cash Equivalents &amp; Investments - Details

\$ '000	2012 Actual Current	2012 Actual Non Current	2011 Actual Current	2011 Actual Non Current
<b>Total Cash, Cash Equivalents and Investment Securities</b>	<b>5,691</b>	<b>-</b>	<b>5,039</b>	<b>-</b>
<b>attributable to:</b>				
External Restrictions (refer below)	2,294	-	1,710	-
Internal Restrictions (refer below)	1,187	-	1,375	-
Unrestricted	2,210	-	1,954	-
	<b>5,691</b>	<b>-</b>	<b>5,039</b>	<b>-</b>
<b>2012 \$ '000</b>	<b>Opening Balance</b>	<b>Transfers to Restrictions</b>	<b>Transfers from Restrictions</b>	<b>Closing Balance</b>
<b>Details of Restrictions</b>				
<b>External Restrictions - Included in Liabilities</b>				
Nil				
<b>External Restrictions - Other</b>				
RMS (formerly RTA) Contributions (E)	-	77	-	77
Specific Purpose Unexpended Grants (F)	424	450	(191)	683
Water Supplies (G)	3	82	-	85
Sewerage Services (G)	1,261	160	-	1,421
Domestic Waste Management (G)	22	6	-	28
<b>External Restrictions - Other</b>	<b>1,710</b>	<b>775</b>	<b>(191)</b>	<b>2,294</b>
<b>Total External Restrictions</b>	<b>1,710</b>	<b>775</b>	<b>(191)</b>	<b>2,294</b>
<b>Internal Restrictions</b>				
Employees Leave Entitlement	118	-	-	118
Carry Over Works	9	78	-	87
Caravan Park Reserve	98	-	(75)	23
Hostel Bonds	342	-	(95)	247
Hostel Reserve	221	-	(99)	122
Main St Revitalisation	584	-	-	584
Town Clock	3	-	-	3
Health Reserve	-	3	-	3
<b>Total Internal Restrictions</b>	<b>1,375</b>	<b>81</b>	<b>(269)</b>	<b>1,187</b>
<b>TOTAL RESTRICTIONS</b>	<b>3,085</b>	<b>856</b>	<b>(460)</b>	<b>3,481</b>

**E** RMA Contributions which are not yet expended for the provision of services and amenities in accordance with those contributions.

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

**G** Water, Sewerage, Domestic Waste Management (DWM) & other Special Rates/Levies/Charges are externally restricted assets and must be applied for the purposes for which they were raised.

## Balranald Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

## Note 7. Receivables

\$ '000	Notes	2012		2011	
		Current	Non Current	Current	Non Current
<b>Purpose</b>					
Rates & Annual Charges		180	116	182	78
User Charges & Fees		53	-	91	-
Accrued Revenues					
- Interest on Investments		26	-	28	-
Government Grants & Subsidies		37	-	242	-
Amounts due from Other Councils		1	-	-	-
Net GST Receivable		50	-	-	-
<b>Total</b>		<b>347</b>	<b>116</b>	<b>543</b>	<b>78</b>
<b>less: Provision for Impairment</b>					
Rates & Annual Charges		(1)	-	(1)	-
User Charges & Fees		(1)	-	(1)	-
<b>Total Provision for Impairment - Receivables</b>		<b>(2)</b>	<b>-</b>	<b>(2)</b>	<b>-</b>
<b><u>TOTAL NET RECEIVABLES</u></b>		<b><u>345</u></b>	<b><u>116</u></b>	<b><u>541</u></b>	<b><u>78</u></b>
<b>Externally Restricted Receivables</b>					
<b>Water Supply</b>					
- Rates & Availability Charges		70	-	107	-
- Other		46	-	152	-
<b>Sewerage Services</b>					
- Rates & Availability Charges		55	-	52	-
- Other		1	-	-	-
<b>Domestic Waste Management</b>		<b>-</b>	<b>-</b>	<b>32</b>	<b>-</b>
<b>Total External Restrictions</b>		<b>172</b>	<b>-</b>	<b>343</b>	<b>-</b>
<b>Internally Restricted Receivables</b>					
Nil					
<b>Unrestricted Receivables</b>		<b>173</b>	<b>116</b>	<b>198</b>	<b>78</b>
<b>TOTAL NET RECEIVABLES</b>		<b>345</b>	<b>116</b>	<b>541</b>	<b>78</b>

## Notes on Debtors above:

- (i) Rates & 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 & charges at 11.00% (2011 9.00%).  
Generally all other receivables are non interest bearing.
- (iv) Please refer to Note 15 for issues concerning Credit Risk and Fair Value disclosures.



## Balranald Shire Council

Notes to the Financial Statements  
for the financial year ended 30 June 2012

## Note 8. Inventories &amp; Other Assets

\$ '000	Notes	2012		2011	
		Current	Non Current	Current	Non Current
<b>Inventories</b>					
Stores & Materials		76	-	84	-
Trading Stock		12	-	12	-
<b>Total Inventories</b>		<b>88</b>	<b>-</b>	<b>96</b>	<b>-</b>
<b>Other Assets</b>					
Work In Progress		-	361	-	1,264
<b>Total Other Assets</b>		<b>-</b>	<b>361</b>	<b>-</b>	<b>1,264</b>
<b>TOTAL INVENTORIES / OTHER ASSETS</b>		<b>88</b>	<b>361</b>	<b>96</b>	<b>1,264</b>
<b>Externally Restricted Assets</b>					
<b>Water</b>					
Stores & Materials		-	1	-	-
Other		-	26	-	116
<b>Total Water</b>		<b>-</b>	<b>27</b>	<b>-</b>	<b>116</b>
<b>Total Externally Restricted Assets</b>		<b>-</b>	<b>27</b>	<b>-</b>	<b>116</b>
<b>Total Unrestricted Assets</b>		<b>88</b>	<b>334</b>	<b>96</b>	<b>1,148</b>
<b>TOTAL INVENTORIES &amp; OTHER ASSETS</b>		<b>88</b>	<b>361</b>	<b>96</b>	<b>1,264</b>

Notes to the Financial Statements  
for the financial year ended 30 June 2012

## Note 9a. Infrastructure, Property, Plant &amp; Equipment

\$ '000	as at 30/6/2011					Asset Movements during the Reporting Period				as at 30/6/2012				
	At	At	Accumulated		Carrying	Asset Additions	WDV of Asset Disposals	Depreciation Expense	Revaluation Decrements to Equity (ARR)	At	At	Accumulated		Carrying
	Cost	Fair Value	Dep'n	Impairment	Value					Cost	Fair Value	Dep'n	Impairment	Value
Plant & Equipment	-	5,152	2,662	-	2,490	619	(211)	(368)	-	-	5,342	2,812	-	2,530
Office Equipment	-	546	489	-	57	33	-	(30)	-	-	561	501	-	60
Furniture & Fittings	-	201	94	-	107	-	-	(18)	-	-	219	130	-	89
<b>Land:</b>														
- Operational Land	-	761	-	-	761	90	(15)	-	-	-	836	-	-	836
- Community Land	-	1,539	-	-	1,539	-	-	-	-	-	1,539	-	-	1,539
Buildings - Non Specialised	-	21,044	11,576	-	9,468	1,087	-	(543)	-	-	22,131	12,119	-	10,012
Buildings - Specialised	-	268	32	-	236	-	-	(7)	-	-	268	39	-	229
Other Structures	-	7,901	1,974	-	5,927	1,234	-	(224)	-	-	9,253	2,316	-	6,937
<b>Infrastructure:</b>														
- Roads, Bridges, Footpaths	-	142,873	19,592	-	123,281	959	-	(6,689)	-	-	143,832	26,281	-	117,551
- Stormwater Drainage	-	7,952	1,014	-	6,938	-	-	(136)	-	-	7,952	1,149	-	6,803
- Water Supply Network	-	14,363	6,824	-	7,539	119	-	(234)	(358)	-	14,124	7,058	-	7,066
- Sewerage Network	-	14,059	4,938	-	9,121	16	-	(148)	(2,247)	-	11,828	5,086	-	6,742
<b>Other Assets:</b>														
- Library Books	-	153	151	-	2	-	-	(2)	-	-	153	153	-	-
<b>Reinstatement, Rehabilitation &amp; Restoration Assets</b> (refer Note 26)														
- Quarry Asset	-	119	119	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIP.</b>	-	216,931	49,465	-	167,466	4,157	(226)	(8,399)	(2,605)	-	218,038	57,644	-	160,394

Additions to Depreciable Land Improvements, Buildings, Other Structures & Infrastructure Assets are made up of Asset Renewals (\$2,002) and New Assets (\$2,156). Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

## Balranald Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

## Note 9b. Externally Restricted Infrastructure, Property, Plant &amp; Equipment

\$ '000 Class of Asset	Actual 2012				Actual 2011			
	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value
<b>Water Supply</b>								
Plant & Equipment	-	47	33	14	-	49	32	17
Land								
- Operational Land	-	43	-	43	-	43	-	43
Other Structures	-	51	27	24	-	49	25	24
Work In Progress	-	-	-	-	-	116	-	116
Infrastructure	-	14,124	7,058	7,066	-	14,363	3,838	10,525
<b>Total Water Supply</b>	-	14,265	7,118	7,147	-	14,620	3,895	10,725
<b>Sewerage Services</b>								
Plant & Equipment	-	130	57	73	-	130	51	79
Land								
- Operational Land	-	111	-	111	-	111	-	111
Other Structures	-	8	3	5	-	8	3	5
Infrastructure	-	11,828	5,086	6,742	-	14,059	4,390	9,669
<b>Total Sewerage Services</b>	-	12,077	5,146	6,931	-	14,308	4,444	9,864
<b>Domestic Waste Management</b>								
Land								
- Operational Land'	-	139	-	139	-	139	-	139
Other Structures	-	151	94	57	-	142	92	50
<b>Total DWM</b>	-	290	94	196	-	281	92	189
<b>TOTAL RESTRICTED I,PP&amp;E</b>	-	26,632	12,358	14,274	-	29,209	8,431	20,778

## Note 9c. Infrastructure, Property, Plant &amp; Equipment - Current Year Impairments

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

## Balranald Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

## Note 10a. Payables, Borrowings &amp; Provisions

\$ '000	Notes	2012		2011	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services - operating expenditure		602	-	560	-
Payments Received In Advance		2	-	2	-
Accrued Expenses:					
- Borrowings		14	-	10	-
- Salaries & Wages		47	-	41	-
- Other Expenditure Accruals		6	13	14	13
Retirement Home Contributions		472	-	574	-
Total Payables		1,143	13	1,201	13
Borrowings					
Loans - Secured <sup>1</sup>		212	3,069	193	3,277
Total Borrowings		212	3,069	193	3,277
Provisions					
Employee Benefits;					
Annual Leave		352	-	291	-
Long Service Leave		518	28	458	23
Sub Total - Aggregate Employee Benefits		870	28	749	23
Asset Remediation/Restoration (Future Works) 26		-	123	-	123
Total Provisions		870	151	749	146
Total Payables, Borrowings & Provisions		2,225	3,233	2,143	3,436
(i) Liabilities relating to Restricted Assets					
		2012		2011	
		Current	Non Current	Current	Non Current
Externally Restricted Assets					
Water		51	1,248	44	1,291
Liabilities relating to externally restricted assets		51	1,248	44	1,291
Internally Restricted Assets					
Nil					
Total Liabilities relating to restricted assets		51	1,248	44	1,291

<sup>1</sup>. Loans are secured over the General Rating Income of Council

Disclosures on Liability Interest Rate Risk Exposures, Fair Value Disclosures & Security can be found in Note 15.

## Balranald Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

## Note 10b. Description of and movements in Provisions

\$ '000

Class of Provision	2011	2012				Closing Balance as at 30/6/12
	Opening Balance as at 1/7/11	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	
Annual Leave	291	184	(123)	-	-	352
Long Service Leave	481	82	(17)	-	-	546
Asset Remediation	123	-	-	-	-	123
<b>TOTAL</b>	<b>895</b>	<b>266</b>	<b>(140)</b>	<b>-</b>	<b>-</b>	<b>1,021</b>

a. Employees Leave Entitlements & On-Costs represents those benefits accrued and payable and an estimate of those that will become payable in the future as a result of past service.

b. Asset Remediation, Reinstatement & Restoration Provisions represent the Present Value estimate of future costs Council will incur in order to remove, restore & remediate assets &/or activities as a result of past operations.

## Note 11. Statement of Cash Flows - Additional Information

		Actual	Actual
\$ '000	Notes	2012	2011
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	5,691	5,039
Less Bank Overdraft	10	-	-
BALANCE as per the STATEMENT of CASH FLOWS		5,691	5,039

**(b) Reconciliation of Net Operating Result  
to Cash provided from Operating Activities**

<b>Net Operating Result from Income Statement</b>	<b>(4,763)</b>	<b>168</b>
Adjust for non cash items:		
Depreciation & Amortisation	8,399	2,347
Net Losses/(Gains) on Disposal of Assets	(32)	(18)
Non Cash Capital Grants and Contributions	(410)	(9)
Unwinding of Discount Rates on Reinstatement Provisions	-	2
+/- Movement in Operating Assets and Liabilities & Other Cash Items:		
Decrease/(Increase) in Receivables	158	(125)
Decrease/(Increase) in Inventories	8	(3)
Decrease/(Increase) in Other Assets	903	(762)
Increase/(Decrease) in Payables	42	137
Increase/(Decrease) in accrued Interest Payable	4	(2)
Increase/(Decrease) in other accrued Expenses Payable	(2)	-
Increase/(Decrease) in Other Liabilities	-	(15)
Increase/(Decrease) in Employee Leave Entitlements	126	(10)
<b>NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS</b>	<b>4,433</b>	<b>1,710</b>

# Balranald Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

### Note 11. Statement of Cash Flows - Additional Information (continued)

\$ '000	Notes	Actual 2012	Actual 2011
<b>(c) Non-Cash Investing &amp; Financing Activities</b>			
Other Dedications		410	-
Other Non Cash Items		-	9
<b>Total Non-Cash Investing &amp; Financing Activities</b>		<b>410</b>	<b>9</b>
<b>(d) Financing Arrangements</b>			
<b>(i) Unrestricted access was available at balance date to the following lines of credit:</b>			
Bank Overdraft Facilities <sup>(1)</sup>		200	200
Credit Cards / Purchase Cards		19	19
<b>Total Financing Arrangements</b>		<b>219</b>	<b>219</b>
<b>Amounts utilised as at Balance Date:</b>			
- Bank Overdraft Facilities		-	-
- Credit Cards / Purchase Cards		-	-
<b>Total Financing Arrangements Utilised</b>		<b>-</b>	<b>-</b>

1. The Bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.  
Interest rates on overdrafts are Interest Rates on Loans & Other Payables are disclosed in Note 15.

#### **(ii) Secured Loan Liabilities**

Loans are secured by a mortgage over future years Rate Revenue only.

#### **(e) Net Cash Flows Attributable to Discontinued Operations**

Please refer to Note 24 for details of Cash Flows that relate to Discontinued Operations

## Balranald Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

### Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2012	Actual 2011
<b>(a) Capital Commitments (exclusive of GST)</b>			
Nil			
<b>(b) Finance Lease Commitments</b>			
Nil			
<b>(c) Operating Lease Commitments (Non Cancellable)</b>			
<b>a. Commitments under Non Cancellable Operating Leases at the Reporting date, but not recognised as Liabilities are payable:</b>			
Within the next year		86	55
Later than one year and not later than 5 years		12	-
Later than 5 years		-	-
<b>Total Non Cancellable Operating Lease Commitments</b>		<b>98</b>	<b>55</b>

**b. Non Cancellable Operating Leases include the following assets:**

Office Equipment and Plant

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

## Balranald Shire Council

### Notes to the Financial Statements for the financial year ended 30 June 2012

#### Note 13a(i). Statement of Performance Measurement - Indicators (Consolidated)

\$ '000	Amounts 2012	Indicator 2012	Prior Periods 20112010	
Local Government Industry Indicators				
1. Unrestricted Current Ratio				
Current Assets less all External Restrictions <sup>(1)</sup>	3,658	1.68 : 1	1.73	2.32
Current Liabilities less Specific Purpose Liabilities <sup>(2,3)</sup>	2,174			
2. Debt Service Ratio				
Debt Service Cost	429	6.15%	6.00%	6.00%
Income from Continuing Operations excluding Capital Items & Specific Purpose Grants/Contributions	6,976			
3. Rates & Annual Charges Coverage Ratio				
Rates & Annual Charges	1,759	11.90%	18.00%	17.00%
Income from Continuing Operations	14,787			
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual & Extra Charges Outstanding	295	14.50%	12.56%	10.97%
Rates, Annual & Extra Charges Collectible	2,035			
5. Building & Infrastructure Renewals Ratio				
Asset Renewals <sup>(4)</sup>	2,002	25.81%	81.00%	68.00%
Depreciation, Amortisation & Impairment	7,757			

#### Notes

<sup>(1)</sup> Refer Notes 6-8 inclusive.

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

<sup>(2)</sup> Refer to Note 10(a).

<sup>(3)</sup> Refer to Note 10(a)(ii) - excludes all payables & provisions not expected to be paid in the next 12 months (incl. ELE).

<sup>(4)</sup> Asset Renewals represent the replacement &/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. Asset Renewals include building and infrastructure assets only.



## Balranald Shire Council

Notes to the Financial Statements  
for the financial year ended 30 June 2012

## Note 13a(ii). Statement of Performance Measurement - Graphs (Consolidated)

<p><b>1. Unrestricted Current Ratio</b></p> <table><tr><th>Year</th><th>Ratio : 1</th></tr><tr><td>2009</td><td>3.05</td></tr><tr><td>2010</td><td>2.32</td></tr><tr><td>2011</td><td>1.73</td></tr><tr><td>2012</td><td>1.68</td></tr></table>	Year	Ratio : 1	2009	3.05	2010	2.32	2011	1.73	2012	1.68	<p><b>Purpose of Unrestricted Current Ratio</b></p> <p>To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.</p>	<p><b>Commentary on 2011/12 Result</b></p> <p><b>2011/12 Ratio 1.68 : 1</b></p> <p>The ratio is lower than the prior year due to the repayment to Wentworth Shire Council of overpaid Rural Fire Service Funds.</p>
Year	Ratio : 1											
2009	3.05											
2010	2.32											
2011	1.73											
2012	1.68											
<p><b>2. Debt Service Ratio</b></p> <table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2009</td><td>5.00%</td></tr><tr><td>2010</td><td>6.00%</td></tr><tr><td>2011</td><td>6.00%</td></tr><tr><td>2012</td><td>6.15%</td></tr></table>	Year	Ratio %	2009	5.00%	2010	6.00%	2011	6.00%	2012	6.15%	<p><b>Purpose of Debt Service Ratio</b></p> <p>To assess the impact of loan principal &amp; interest repayments on the discretionary revenue of council.</p>	<p><b>Commentary on 2011/12 Result</b></p> <p><b>2011/12 Ratio 6.15%</b></p> <p>The ratio is consistent with last year and is well within the industry benchmark.</p>
Year	Ratio %											
2009	5.00%											
2010	6.00%											
2011	6.00%											
2012	6.15%											
<p><b>3. Rates &amp; Annual Charges Coverage Ratio</b></p> <table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2009</td><td>17.00%</td></tr><tr><td>2010</td><td>17.00%</td></tr><tr><td>2011</td><td>18.00%</td></tr><tr><td>2012</td><td>11.90%</td></tr></table>	Year	Ratio %	2009	17.00%	2010	17.00%	2011	18.00%	2012	11.90%	<p><b>Purpose of Rates &amp; Annual Charges Coverage Ratio</b></p> <p>To assess the degree of Council's dependence upon revenue from rates and annual charges and to assess the security of Council's income.</p>	<p><b>Commentary on 2011/12 Result</b></p> <p><b>2011/12 Ratio 11.90%</b></p> <p>The ratio has been affected by the level of contribution from RMS due to the Natural Disaster Funding.</p>
Year	Ratio %											
2009	17.00%											
2010	17.00%											
2011	18.00%											
2012	11.90%											
<p><b>4. Rates, Annual Charges, Interest &amp; Extra Charges Outstanding Percentage</b></p> <table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2009</td><td>8.66%</td></tr><tr><td>2010</td><td>10.97%</td></tr><tr><td>2011</td><td>12.56%</td></tr><tr><td>2012</td><td>14.50%</td></tr></table>	Year	Ratio %	2009	8.66%	2010	10.97%	2011	12.56%	2012	14.50%	<p><b>Purpose of Rates &amp; Annual Charges Outstanding Ratio</b></p> <p>To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.</p>	<p><b>Commentary on 2011/12 Result</b></p> <p><b>2011/12 Ratio 14.50%</b></p> <p>The ratio is above the industry guidelines and the increased trend is a concern. Council is taking continual action to address the situation.</p>
Year	Ratio %											
2009	8.66%											
2010	10.97%											
2011	12.56%											
2012	14.50%											
<p><b>5. Building &amp; Infrastructure Renewals Ratio</b></p> <table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2009</td><td>68.00%</td></tr><tr><td>2010</td><td>68.00%</td></tr><tr><td>2011</td><td>81.00%</td></tr><tr><td>2012</td><td>25.81%</td></tr></table>	Year	Ratio %	2009	68.00%	2010	68.00%	2011	81.00%	2012	25.81%	<p><b>Purpose of Asset Renewals Ratio</b></p> <p>To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.</p>	<p><b>Commentary on Result</b></p> <p><b>2011/12 Ratio 25.81%</b></p> <p>This ratio has reduced significantly due to the revaluation of roads. The increased depreciation from the higher values has negatively impacted the ratio.</p>
Year	Ratio %											
2009	68.00%											
2010	68.00%											
2011	81.00%											
2012	25.81%											

## Balranald Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 13b. Statement of Performance Measurement - Indicators (by Fund)

\$ '000	Water 2012	Sewer 2012	General <sup>1</sup> 2012
<b>Local Government Industry Indicators</b>			
<b>1. Unrestricted Current Ratio</b>			
Current Assets less all External Restrictions <sup>(1)</sup>	<b>3.94 : 1</b>	No Liabilities	<b>1.68 : 1</b>
Current Liabilities less Specific Purpose Liabilities <sup>(2,3)</sup>			
prior period:	5.95:1	No Liabilities	1.02:1
<b>2. Debt Service Ratio</b>			
Debt Service Cost	<b>19.90%</b>	<b>0.00%</b>	<b>5.16%</b>
Income from Continuing Operations excluding Capital Items & Specific Purpose Grants/Contributions			
prior period:	19.56%	0.00%	4.59%
<b>3. Rates &amp; Annual Charges Coverage Ratio</b>			
Rates & Annual Charges	<b>49.49%</b>	<b>69.05%</b>	<b>8.92%</b>
Income from Continuing Operations			
prior period:	45.23%	76.14%	14.41%
<b>4. Rates, Annual Charges, Interest &amp; Extra Charges Outstanding Percentage</b>			
Rates, Annual & Extra Charges Outstanding	<b>24.05%</b>	<b>23.71%</b>	<b>11.24%</b>
Rates, Annual & Extra Charges Collectible			
prior period:	37.02%	22.32%	6.49%
<b>5. Building &amp; Infrastructure Renewals Ratio</b>			
Asset Renewals (Building & Infrastructure assets)	<b>0.00%</b>	<b>0.00%</b>	<b>27.15%</b>
Depreciation, Amortisation & Impairment			
prior period:	0.00%	0.00%	100.00%

#### Notes

<sup>(1)</sup> General Fund refers to all of Council's activities except for its Water & Sewer activities which are listed separately.

#### Note 14. Investment Properties

Council has not classified any Land or Buildings as "Investment Properties"

# Balranald Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

### Note 15. Financial Risk Management

\$ '000

#### Risk Management

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

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

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

Financial risk management is carried out by Council's Finance Section under policies approved by the Council.

A comparison by category of the carrying amounts and fair values of Council's Financial Assets & Financial Liabilities recognised in the financial statements is presented below.

	Carrying Value		Fair Value	
	2012	2011	2012	2011
<b>Financial Assets</b>				
Cash and Cash Equivalents	5,691	5,039	5,691	5,039
Receivables	461	619	461	619
<b>Total Financial Assets</b>	<b>6,152</b>	<b>5,658</b>	<b>6,152</b>	<b>5,658</b>
<b>Financial Liabilities</b>				
Payables	1,154	1,212	1,154	1,212
Loans / Advances	3,281	3,470	3,281	3,470
<b>Total Financial Liabilities</b>	<b>4,435</b>	<b>4,682</b>	<b>4,435</b>	<b>4,682</b>

Fair Value is determined as follows:

- **Cash & Cash Equivalents, Receivables, Payables** - are estimated to be the carrying value which approximates mkt value.
- **Borrowings & Held to Maturity Investments** - are based upon estimated future cash flows discounted by the current market interest rates applicable to assets & liabilities with similar risk profiles, unless quoted market prices are available.
- Financial Assets classified (i) **"at fair value through profit & 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.

## Balranald Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 15. Financial Risk Management (continued)

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\$ '000

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##### (a) Cash & Cash Equivalents, Financial assets 'at fair value through the profit & Loss', "Available-for-sale" financial assets & "Held-to-maturity" Investments

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

Council's Finance area manages the Cash & Investments portfolio.

Council has an Investment Policy which complies with the Local Government Act & 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 major risk associated with Investments is price risk - the risk that the capital value of Investments may fluctuate due to changes in market prices, whether these 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.

Cash & Investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns and income.

A further risk associated with Cash & Investments is 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.

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
<b>2012</b>				
Possible impact of a 1% movement in Interest Rates	49	49	(49)	(49)
<b>2011</b>				
Possible impact of a 1% movement in Interest Rates	45	45	(45)	(45)

# Balranald Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

### Note 15. Financial Risk Management (continued)

\$ '000

#### (b) Receivables

Council's major receivables comprise (i) Rates & Annual charges and (ii) User Charges & 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 & 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 regularly 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:

	2012 Rates & Annual Charges	2012 Other Receivables	2011 Rates & Annual Charges	2011 Other Receivables
<b>(i) Ageing of Receivables</b>				
Current (not yet overdue)	-	-	-	-
Past due by up to 30 days	-	33	-	230
Past due between 31 and 180 days	-	28	-	11
Past due between 181 and 365 days	-	32	-	69
Past due by more than 1 year	296	74	260	51
	<b>296</b>	<b>167</b>	<b>260</b>	<b>361</b>
<b>(ii) Movement in Provision for Impairment of Receivables</b>			2012	2011
Balance at the beginning of the year			2	2
<b>Balance at the end of the year</b>			<b>2</b>	<b>2</b>

## Balranald Shire Council

### Notes to the Financial Statements for the financial year ended 30 June 2012

#### Note 15. Financial Risk Management (continued)

\$ '000

##### (c) Payables & Borrowings

Payables & 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 & overdraft facilities utilised as required.

The contractual undiscounted cash outflows (ie. principal and interest) of Council's Payables & Borrowings are set out in the Liquidity 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		
2012									
Trade/Other Payables	-	1,141	13	-	-	-	-	1,154	1,154
Loans & Advances	-	212	237	563	666	672	931	3,281	3,281
Total Financial Liabilities	-	1,353	250	563	666	672	931	4,435	4,435
2011									
Trade/Other Payables	-	1,201	11	-	-	-	-	1,212	1,212
Loans & Advances	-	193	718	718	718	718	405	3,470	3,470
Total Financial Liabilities	-	1,394	729	718	718	718	405	4,682	4,682

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

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

	2012		2011	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Trade/Other Payables	1,154	0.0%	1,212	0.0%
Loans & Advances - Fixed Interest Rate	3,281	6.9%	3,470	6.9%
	<u>4,435</u>		<u>4,682</u>	

## Balranald Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

### Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 11/12 was adopted by the Council on 26 June 2012.

While the Income Statement included in this General Purpose Financial Report must disclose the Original Budget adopted by Council, the Local Government Act 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	2012 Budget	2012 Actual	2012 Variance* -----		
<b>REVENUES</b>					
<b>Rates &amp; Annual Charges</b>	<b>1,820</b>	<b>1,759</b>	<b>(61)</b>	<b>(3%)</b>	<b>U</b>
<b>User Charges &amp; Fees</b>	<b>1,080</b>	<b>1,198</b>	<b>118</b>	<b>11%</b>	<b>F</b>
(F) Caravan Park Fees under budgeted \$86					
(F) Private Works Income under budgeted \$76					
(F) Aged Care Fees under budgeted \$14					
<b>Interest &amp; Investment Revenue</b>	<b>218</b>	<b>293</b>	<b>75</b>	<b>34%</b>	<b>F</b>
(F) Interest Received General Fund under budgeted \$35					
(F) Interest Received Sewer Services under budgeted \$48					
<b>Other Revenues</b>	<b>282</b>	<b>244</b>	<b>(38)</b>	<b>(13%)</b>	<b>U</b>
(U) Insurance Reimbursement over budgeted \$6					
(U) Insurance Claims over budgeted \$38					
(F) Rebates under budgeted \$10					
<b>Operating Grants &amp; Contributions</b>	<b>8,807</b>	<b>9,153</b>	<b>346</b>	<b>4%</b>	<b>F</b>
<b>Capital Grants &amp; Contributions</b>	<b>1,246</b>	<b>2,108</b>	<b>862</b>	<b>69%</b>	<b>F</b>
(F) Art Gallery non cash contribution not budgeted \$410					
(F) Palliative Care & Dementia Grant not budgeted \$130					
(F) Infrastructure Grants not budgeted \$219					
<b>Net Gains from Disposal of Assets</b>	<b>-</b>	<b>32</b>	<b>32</b>	<b>0%</b>	<b>F</b>

## Balranald Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

## Note 16. Material Budget Variations (continued)

\$ '000	2012 Budget	2012 Actual	2012 ----- Variance* -----		
<b>EXPENSES</b>					
Employee Benefits & On-Costs	4,166	3,786	380	9%	F
Borrowing Costs	245	240	5	2%	F
Materials & Contracts	5,418	5,490	(72)	(1%)	U
Depreciation & Amortisation	8,279	8,399	(120)	(1%)	U
Impairment Expenses	-	-	-	0%	F
Other Expenses	891	1,635	(744)	(84%)	U
(U) Electricity Costs under estimated \$26					
(U) Rural Fire Service Payment to Wentworth Shire Council not budgeted \$670					
(U) Advertising under estimated \$8					
(U) Subs & memberships under estimated \$5					

## Budget Variations relating to Council's Cash Flow Statement include:

<b>Cash Flows from Operating Activities</b>	<b>3,268</b>	<b>4,433</b>	<b>1,165</b>	<b>35.6%</b>	<b>F</b>
(F) Early Receipt of FAGS \$834	(F) Hostel Grants not budgeted \$130	(F) GST omitted from the budget \$582			
(F) Infrastructure Grants not budgeted \$241	(U) RFS payment to WSC \$670				
(F) Euston Levee Grant not budgeted \$86	(F) Interest Received under estimated \$83				
<b>Cash Flows from Investing Activities</b>	<b>(2,410)</b>	<b>(3,490)</b>	<b>(1,080)</b>	<b>44.8%</b>	<b>U</b>
(U) Hostel Office, Palliative Care Room & Garden under estimate \$267	(U) Infrastructure Grants not budgted \$219				
(U) Euston Levee Bank in previous budget \$64	(U) Royal Theatre Capital Works from previous budget \$94				
(U) Asset Sales over estimated \$54	(U) Euston Shared pathway not budgted \$58				
<b>Cash Flows from Financing Activities</b>	<b>(193)</b>	<b>(291)</b>	<b>(98)</b>	<b>50.8%</b>	<b>U</b>
(U) Hostel Bond repayment not budgeted \$102					

## Note 17. Statement of Developer Contributions

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



## Balranald Shire Council

### Notes to the Financial Statements for the financial year ended 30 June 2012

#### Note 18. Contingencies & Other Assets/Liabilities Not Recognised

\$ '000

The following assets and liabilities do not qualify for recognition in the Balance Sheet, but their knowledge & 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 it's Defined Benefit Scheme obligations in accordance with AASB 119. The share of this net deficit that can be broadly attributed to Council is estimated to be in the order of \$301,691 as at 30 June 2012.

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 Councils contributions to the pool and the result of insurance claims within each of the Fund Years.

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

##### (iii) StateCover Limited

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

StateCover is a company providing workers compensation insurance cover to the NSW Local Government Industry and specifically Council.

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

These future equity contributions would be required to maintain the company's minimum level of Net Assets in accordance with its Licence Requirements.

##### (iv) Other Guarantees

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

## Balranald Shire Council

### Notes to the Financial Statements for the financial year ended 30 June 2012

#### Note 18. Contingencies & Other Assets/Liabilities Not Recognised (continued)

\$ '000

##### **LIABILITIES NOT RECOGNISED (continued):**

##### **2. Other Liabilities**

##### **(i) Third Party Claims**

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

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

##### **(ii) S94 Plans**

Council levies Section 94/94A Contributions upon various development across the Council area through the required Contributions Plans.

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

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

These future expenses do not yet qualify as liabilities as of the Reporting Date, but represent Councils intention to spend funds in the manner and timing set out in those Plans.

##### **(iii) Potential Land Acquisitions due to Planning Restrictions imposed by Council**

Council has classified a number of privately owned land parcels as Local Open Space or Bushland.

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

##### **(iii) Potential Land Acquisitions due to Planning Restrictions imposed by Council (continued)**

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

##### **ASSETS NOT RECOGNISED:**

##### **(i) Land Under Roads**

As permitted under AASB 1051, Council has elected not to bring to account Land Under Roads that it owned or controlled up to & including 30/6/08.

##### **(ii) Infringement Notices/Fines**

Fines & Penalty Income, the result of Council issuing Infringement Notices is followed up and collected by the Infringement Processing Bureau.

Councils Revenue Recognition policy for such income is to account for it as revenue on receipt.

Accordingly, at Year End, there is a potential asset due to Council representing issued but unpaid Infringement Notices.

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

##### **(iii) 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.

# Balranald Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

### Note 19. Controlled Entities, Associated Entities & Interests in Joint Ventures

\$ '000

Council has no interest in any Controlled Entities, Associated Entities or Joint Ventures.

### Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2012	Actual 2011
<b>a. Retained Earnings</b>			
<b>Movements in Retained Earnings were as follows:</b>			
Balance at beginning of Year (from previous years audited accounts)		64,474	64,306
a. Correction of Prior Period Errors	20 (c)	-	-
b. Changes in Accounting Policies (prior period effects)	20 (d)	-	-
c. Other Comprehensive Income (excl. direct to Reserves transactions)		-	-
d. Net Operating Result for the Year		(4,763)	168
e. Distributions to/(Contributions from) Minority Interests		-	-
f. Transfers between Equity		-	-
<b>Balance at End of the Reporting Period</b>		<b>59,711</b>	<b>64,474</b>
<b>b. Reserves</b>			
<b>(i) Reserves are represented by:</b>			
- Infrastructure, Property, Plant & Equipment Revaluation Reserve		102,086	104,691
<b>Total</b>		<b>102,086</b>	<b>104,691</b>
<b>(ii). Reconciliation of movements in Reserves:</b>			
<b>Infrastructure, Property, Plant &amp; Equipment Revaluation Reserve</b>			
- Opening Balance		104,691	23,338
- Revaluations for the year	9(a)	(2,605)	84,887
- Correction of Prior Period Errors	20(c)	-	(3,534)
<b>- Balance at End of Year</b>		<b>102,086</b>	<b>104,691</b>
<b>TOTAL VALUE OF RESERVES</b>		<b>102,086</b>	<b>104,691</b>

#### (iii). Nature & Purpose of Reserves

##### Infrastructure, Property, Plant & Equipment Revaluation Reserve

- The Infrastructure, Property, Plant & Equipment Revaluation Reserve is used to record increments/decrements of Non Current Asset values due to their revaluation.

## Balranald Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

## Note 20. Equity - Retained Earnings and Revaluation Reserves (continued)

\$ '000	Notes	Actual 2012	Actual 2011
<b>c. Correction of Error/s relating to a Previous Reporting Period</b>			
<b>Correction of errors disclosed in this year's financial statements:</b>			
Asset Revaluation Error			
- Error in 2011 related to accumulated depreciation Balance Sheet Non Current Assets Infrastructure, Property, Plant & Equipment & Equity Revaluation Reserves		3,534	
- the amount of the correction taken to the prior period opening balance of equity		(3,534) 169,165	
<b>In accordance with AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors, the above Prior Period Errors have been recognised retrospectively.</b>			
<b>These amounted to the following Equity Adjustments:</b>			
- Adjustments to Opening Equity - 1/7/10 (relating to adjustments for the 30/6/10 reporting year end and prior periods)		-	-
- Adjustments to Closing Equity - 30/6/11 (relating to adjustments for the 30/6/11 year end)		(3,534)	-
<b>Total Prior Period Adjustments - Prior Period Errors</b>		<b>(3,534)</b>	<b>-</b>

## d. Voluntary Changes in Accounting Policies

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

## Balranald Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

## Note 21. Financial Result &amp; Financial Position by Fund

Income Statement by Fund \$ '000	Actual 2012	Actual 2012	Actual 2012
<b>Continuing Operations</b>	<b>Water</b>	<b>Sewer</b>	<b>General<sup>1</sup></b>
<b>Income from Continuing Operations</b>			
Rates & Annual Charges	291	232	1,236
User Charges & Fees	297	5	896
Interest & Investment Revenue	-	64	229
Other Revenues	-	35	209
Grants & Contributions provided for Operating Purposes	-	-	9,153
Grants & Contributions provided for Capital Purposes	-	-	2,108
<b>Other Income</b>			
Net Gains from Disposal of Assets	-	-	32
Share of interests in Joint Ventures & Associates using the Equity Method	-	-	-
<b>Total Income from Continuing Operations</b>	<b>588</b>	<b>336</b>	<b>13,863</b>
<b>Expenses from Continuing Operations</b>			
Employee Benefits & on-costs	201	60	3,525
Borrowing Costs	81	-	159
Materials & Contracts	290	95	5,105
Depreciation & Amortisation	237	156	8,006
Impairment	-	-	-
Other Expenses	11	-	1,624
Interest & Investment Losses	-	-	-
<b>Total Expenses from Continuing Operations</b>	<b>820</b>	<b>311</b>	<b>18,419</b>
<b>Operating Result from Continuing Operations</b>	<b>(232)</b>	<b>25</b>	<b>(4,556)</b>
<b>Discontinued Operations</b>			
Net Profit/(Loss) from Discontinued Operations	-	-	-
<b>Net Operating Result for the Year</b>	<b>(232)</b>	<b>25</b>	<b>(4,556)</b>
<b>Net Operating Result attributable to each Council Fund</b>	<b>(232)</b>	<b>25</b>	<b>(4,556)</b>
<b>Net Operating Result attributable to Minority Interests</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes</b>	<b>(232)</b>	<b>25</b>	<b>(6,664)</b>

<sup>1</sup> General Fund refers to all Council's activities other than Water & Sewer.

NB. All amounts disclosed above are Gross - that is, they include internal charges &amp; recoveries made between the Funds.

## Balranald Shire Council

## Notes to the Financial Statements

as at 30 June 2012

## Note 21. Financial Result &amp; Financial Position by Fund

Balance Sheet by Fund \$ '000	Actual 2012	Actual 2012	Actual 2012
<b>ASSETS</b>	<b>Water</b>	<b>Sewer</b>	<b>General<sup>1</sup></b>
<b>Current Assets</b>			
Cash & Cash Equivalents	85	1,421	4,185
Investments	-	-	-
Receivables	116	56	173
Inventories	-	-	88
Other	-	-	-
Non-current assets classified as 'held for sale'	-	-	-
<b>Total Current Assets</b>	<b>201</b>	<b>1,477</b>	<b>4,446</b>
<b>Non-Current Assets</b>			
Investments	-	-	-
Receivables	-	-	116
Inventories	-	-	-
Infrastructure, Property, Plant & Equipment	7,147	6,931	146,316
Investments Accounted for using the equity method	-	-	-
Investment Property	-	-	-
Intangible Assets	-	-	260
Other	27	-	334
<b>Total Non-Current Assets</b>	<b>7,174</b>	<b>6,931</b>	<b>147,026</b>
<b>TOTAL ASSETS</b>	<b>7,375</b>	<b>8,408</b>	<b>151,472</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	4	-	1,139
Borrowings	47	-	165
Provisions	-	-	870
<b>Total Current Liabilities</b>	<b>51</b>	<b>-</b>	<b>2,174</b>
<b>Non-Current Liabilities</b>			
Payables	-	-	13
Borrowings	1,248	-	1,821
Provisions	-	-	151
<b>Total Non-Current Liabilities</b>	<b>1,248</b>	<b>-</b>	<b>1,985</b>
<b>TOTAL LIABILITIES</b>	<b>1,299</b>	<b>-</b>	<b>4,159</b>
<b>Net Assets</b>	<b>6,076</b>	<b>8,408</b>	<b>147,313</b>
<b>EQUITY</b>			
Retained Earnings	2,271	3,282	54,158
Revaluation Reserves	3,805	5,126	93,155
<b>Total Equity</b>	<b>6,076</b>	<b>8,408</b>	<b>147,313</b>

<sup>1</sup> General Fund refers to all Council's activities other than Water & Sewer.

NB. All amounts disclosed above are Gross - that is, they include internal receivables &amp; payables between the Funds.

## Balranald Shire Council

### Notes to the Financial Statements for the financial year ended 30 June 2012

#### Note 22. "Held for Sale" Non Current Assets & Disposal Groups

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\$ '000

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Council did not classify any Non Current Assets or Disposal Groups as "Held for Sale".

#### Note 23. Events occurring after Balance Sheet Date

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Events that occur after the reporting date of 30 June 2012, up to and including 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 appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is 16/10/12.

Events that occur after the Reporting Date represent one of two types:

##### **(i) Events that have provided evidence of conditions that existed at the Reporting Date**

These financial statements (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2012.

##### **(ii) Events that have provided evidence of conditions that arose after the Reporting Date**

These financial statements (& figures therein) do not incorporate any "non adjusting events" that have occurred after 30 June 2012 and which are only indicative of conditions that arose after 30 June 2012.

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

#### Note 24. Discontinued Operations

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Council has not classified any of its Operations as "Discontinued".

## Balranald Shire Council

### Notes to the Financial Statements for the financial year ended 30 June 2012

#### Note 25. Intangible Assets

\$ '000

Intangible Assets represent identifiable non-monetary asset without physical substance.

	Actual 2012 Carrying Amount	Actual 2011 Carrying Amount
<b>Intangible Assets are as follows;</b>		
<b>Opening Values:</b>		
Gross Book Value (1/7/11)	260	260
Accumulated Amortisation (1/7/11)	-	-
<b>Net Book Value - Opening Balance</b>	<b>260</b>	<b>260</b>
<b>Movements for the year</b>		
Nil		
<b>Closing Values:</b>		
Gross Book Value (30/6/12)	260	260
Accumulated Amortisation (30/6/12)	-	-
<b><u>TOTAL INTANGIBLE ASSETS - NET BOOK VALUE</u></b> <sup>1</sup>	<b><u>260</u></b>	<b><u>260</u></b>

<sup>1</sup> The Net Book Value of Intangible Assets represent:

- Bidgee Haven Hostel (Bed Licences)	260	260
	<b>260</b>	<b>260</b>

Council has 13 bed licences at the Bidgee Haven Hostel valued at \$20,000 per licence. Hostel bed licences have an indefinite life and therefore not subject to amortisation. Bed licences have been valued at fair value as at 30-06-2008 by Wallace MacKinnon & Associates Pty Ltd of 208 Belmore Road Riverwood, NSW 2210, and are consistent with current values within the industry



## Balranald Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

### Note 26. Reinstatement, Rehabilitation & Restoration Liabilities

\$ '000

Council has legal/public obligations to make restore, rehabilitate and reinstate the following assets/operations:

Asset/Operation	Estimated year of restoration	NPV of Provision	
		2012	2011
Gravel Pits (x82)		123	123
<b>Balance at End of the Reporting Period</b>	10(a)	<b>123</b>	<b>123</b>

Under AASB 116 - Property, Plant & Equipment, where the use of an asset results in the obligation to dismantle or remove the asset and restore the site on which the asset stands, an estimate of such costs is required to be included in the cost of the asset.

An equivalent liability must be recognised under AASB 137 - Provisions, Contingent Liabilities and Contingent Assets.

The provision has been calculated by determining the present value of the future expenditures expected to be incurred. The discount rate used is the risk free borrowing rate applicable to Council.

Specific uncertainties relating to the final costs and the assumptions made in determining the amounts of provisions include:

#### Reconciliation of movement in Provision for year:

Balance at beginning of year	123	123
<b>Total - Reinstatement, rehabilitation and restoration provision</b>	<b>123</b>	<b>123</b>

#### Amount of Expected Reimbursements

Of the above Provisions for Reinstatement, Rehabilitation and Restoration works, those applicable to Garbage Services & Waste Management are able to be funded through future charges incorporated within Council's Annual Domestic Waste Management Charge.

## Balranald Shire Council

### Notes to the Financial Statements for the financial year ended 30 June 2012

#### Note 27. Council Information & Contact Details

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**Principal Place of Business:**

70 Market Street  
Balranald, NSW 2715

**Contact Details**
**Mailing Address:**

PO Box 120  
Balranald, NSW 2715

**Opening Hours:**

08:30 - 17:00 Hrs  
Monday - Friday

**Telephone:** 03 5020 1300

**Facsimile:** 03 5020 1620

**Internet:** [www.balranald.nsw.gov.au](http://www.balranald.nsw.gov.au)

**Email:** [council@balranald.nsw.gov.au](mailto:council@balranald.nsw.gov.au)

**Officers**
**GENERAL MANAGER**

Chris Littlemore

**RESPONSIBLE ACCOUNTING OFFICER**

Robert Rayner

**AUDITORS**

Pitcher Partners

**Other Information**

**ABN:** 74 678 751 581

**Elected Members**
**MAYOR**

Steve O'Halloran

**COUNCILLORS**

Leigh Byron

Alan Purtill

Jeff Mannix

Trevor Joliffe

Ken Barnes

Lynda Cooke

Elaine Campbell



# PITCHER PARTNERS

ACCOUNTANTS AUDITORS & ADVISORS

Level 22 MLC Centre  
19 Martin Place  
Sydney NSW 2000  
Australia

Postal Address:  
GPO Box 1615  
Sydney NSW 2001  
Australia

Tel: +61 2 9221 2099  
Fax: +61 2 92231762

[www.pitcher.com.au](http://www.pitcher.com.au)  
[partners@pitcher-nsw.com.au](mailto:partners@pitcher-nsw.com.au)

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## **BALRANALD SHIRE COUNCIL** **Independent Audit Report to the Council** **General Purpose Financial Statements for the Year ended 30 June 2012**

### **Report on the Financial Report**

We have audited the general purpose financial statements of Balranald Shire Council, which comprises the Balance Sheet as at 30 June 2012, Statement by Councillors and Management, and the Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, a summary of significant accounting policies and other explanatory notes.

#### *Council's Responsibilities for the Financial Statements*

Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the statutory requirements under the Local Government Act, 1993, and for such internal control that Council determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibilities*

Our responsibility is to express an opinion on the financial statements based on our audit. Our audit responsibility does not extend to the Original Budget figures disclosed in the Income Statement and Cash Flow Statement, Notes 2(a), and 16 to the financial statements, estimated expenditure in note 17, additional Council disclosure notes, nor the attached Special Schedules.

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Auditor's Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Balranald Shire Council as at 30 June 2012, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

### **Report on Other Legal and Regulatory Requirements**

#### *Council's Responsibilities for compliance with other legal and regulatory requirements*

Council is responsible for ensuring compliance with the accounting and reporting requirements of Division 2 of Part 3, Chapter 12 of the Local Government Act, 1993. This responsibility includes maintaining such accounting records as are necessary to correctly record and explain its financial transactions and its financial position, and to facilitate convenient and proper auditing of its financial statements.

#### *Auditor's Responsibilities under Section 417(2) of the Local Government Act, 1993*

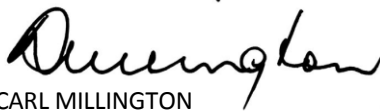
Our responsibility is to report on Council's compliance with the accounting and reporting requirements of the Local Government Act, 1993 and Local Government (General) Regulation 2005.

#### *Auditors' Opinion on other legal and regulatory requirements*

In our opinion:

- (a) 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 and the Local Government (General) Regulation 2005; and
- (b) the Council's general purpose financial statements
  - i) have been prepared in accordance with the requirements of this Division and Regulation;
  - ii) are consistent with the Council's accounting records;
  - iii) present fairly the Council's financial position and the results of its operations;
- (c) all information relevant to the conduct of the audit has been obtained; and
- (d) there are no material deficiencies in the accounting records or financial statements that we have become aware of in the course of the audit.

  
PITCHER PARTNERS

  
CARL MILLINGTON  
Partner

Sydney, 6 November 2012



# PITCHER PARTNERS

ACCOUNTANTS AUDITORS & ADVISORS

Level 22 MLC Centre  
19 Martin Place  
Sydney NSW 2000  
Australia

Postal Address:  
GPO Box 1615  
Sydney NSW 2001  
Australia

Tel: +61 2 9221 2099  
Fax: +61 2 92231762

[www.pitcher.com.au](http://www.pitcher.com.au)  
[partners@pitcher-nsw.com.au](mailto:partners@pitcher-nsw.com.au)

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## BALRANALD SHIRE COUNCIL INDEPENDENT AUDITORS' REPORT ON THE CONDUCT OF THE AUDIT YEAR ENDED 30 JUNE 2012

Balranald Shire Council has prepared a general purpose financial report for the year ended 30 June 2012 on which we issued a separate audit report to the Council dated 6 November 2012. This report has been prepared in accordance with the requirements of the Division of Local Government, and the provisions of Section 417(3) of the Local Government Act, 1993.

We disclaim any assumption of responsibility for any reliance on this report or on the financial statements to which it relates to any person other than the Council or the New South Wales Division of Local Government, or for any purpose other than that for which it was prepared.

### Audit Conclusion

Our audit of the financial report for the year ended 30 June 2012 resulted in an unqualified independent audit report for Council's General Purpose and Special Purpose Financial Statements.

### Additional Audit Considerations and Comment

#### Income Statement

##### *Summarised Income Statement*

	2012 Actual \$'000	2012 Budget \$'000	* Budget Variance %	2011 Actual \$'000
Operating result	(4,763)	(5,546)	14% F	168
Operating result before capital revenue	(6,871)	(6,792)	1% U	(1,075)
Rates & annual charges	1,759	1,820	3% U	1,846
Operating grants & contributions	9,153	8,807	4% F	5,338
Capital grants & contributions	2,108	1,249	69% F	1,243
Depreciation & amortisation	8,399	8,279	2% U	2,347

\* Detailed explanations for material favourable (F) and unfavourable (U) budget variations are provided in Note 16 to the financial statements

### *Operating Result before Capital.*

The operating result before Capital grants and contributions was a deficit of \$4.763M compared with the prior year surplus of \$168K. This compared with the original budget deficit of \$5.546K.

### *Rates and Annual Charges.*

Revenue from rates and annual charges decreased to \$1.759M from \$1.846M in the prior year, and was within 3% of budget for the 2012 year.

### *Grants and Contributions.*

Operating grants and contributions for the year totalled \$9.153M and represented 62% of total income from continuing operations. This compares with budget of \$8.807M.

Capital grants and contributions amounted to \$2.108M for the 2012 year and represented 14% of total income from continuing operations. This compares with budget of \$1.246M.

### *Depreciation.*

Included in the operating result was \$8.399M for the depreciation and amortisation of infrastructure, property, plant and equipment which increased from \$2.347M in the prior year and compared with the original budget of \$8.279M. This item is Council's highest operating expense and represents 43% of total expenses and 57% of total income from continuing operations.

## **Balance Sheet**

Council's equity at 30 June 2012 amounted to \$161.797M comprised of retained earnings (\$59.711M), and reserves (\$102.086M) arising from revaluation of infrastructure assets.

The most significant impact on retained earnings during 2012 was the operating deficit of \$4.763M, whilst the Asset Revaluation Reserve decreased by \$2.605M as a result of the revaluation of Council's water and sewerage network assets.

At balance date Council had not utilised any of its bank overdraft facility of \$200K.

## **Movements in Cash and Cash Equivalents**

### *Summarised Statement of Cash Flows*

Activities	2012 Actual \$'000	2012 Budget \$'000	* Budget Variance %	2011 Actual \$'000
Net cash flows from operations	4,433	3,268	36% F	1,710
Net cash flows from investing	(3,490)	(2,410)	45% U	(2,750)
Net cash flows from financing	(291)	(193)	51% U	789
<b>Net movement in cash</b>	<b>652</b>	<b>665</b>		<b>(251)</b>

\* Detailed explanations for material budget variations are provided in Note 16 to the financial statements

Council's cash and cash equivalent balances increased to a total of \$5.691M during the year, with \$4.433M being provided from operating activities, \$3.49M utilised for acquisition of assets, and \$291K utilised for the repayment of borrowings and advances, and retirement home contributions.

### Total Investments and Cash Balances

Council's cash and investments balances totalled \$5.691M at 30 June 2012 compared to \$5.039M in 2011.

Of this total, \$2.294M (2011 - \$1.710M) is externally restricted for use as specified by legislation and/or other regulatory requirements, \$1.187M (2011 - \$1.375M) has been reserved for specific projects and purposes identified by Council, and \$2.21M (2011 - \$1.954M) is unrestricted.

Major externally restricted balances relate to unexpended grants and sewerage funds. The total of internally restricted balances decreased by \$188K, with the caravan park reserve, hostel bonds and hostel reserve all being reduced and other balances being held for future expenditure on purposes such as employee leave entitlements and the revitalisation of the main street.

### Working Capital (Net Current Assets)

	2012	2011	2010
	\$'000	\$'000	\$'000
Current assets	6,124	5,676	5,877
Less: Current liabilities	2,225	2,143	1,728
Net current assets	3,899	3,533	4,149
<i>Less: Working Capital Commitments</i>			
Net external restrictions	2,415	2,009	1,931
<b>Unrestricted Working Capital</b>	<b>1,484</b>	<b>1,524</b>	<b>2,218</b>

Council's balance of unrestricted working capital has decreased from \$1.524M in 2011 to \$1.484M at the end of the 2012 financial year. This represents approximately 13% of the anticipated operating expenditure for the 2013 year. The reported balance of Council's unrestricted working capital has continued a downward trend in recent years suggesting that it is one area of Council's financial position that could require monitoring. This is further reflected in the unrestricted current ratio in Note 13 to the financial statements.

However, after taking into consideration current liabilities that are not expected to be settled within the next twelve months such as long service leave and hostel accommodation bonds, Council's internal reserves (which includes \$87K for carry over works from the 2012 year), other liabilities that are anticipated to be funded from the 2012/13 operating budget and anticipated timing of rate revenues, Council's unrestricted working capital balance appears to provide a reasonable basis for funding the coming year's operations.

### Performance Indicators and Trends

The following performance indicators are included in Note 13 to the financial report:-

#### *Unrestricted Current Ratio.*

At 1.68:1, the ratio is lower than the prior year and is below the industry benchmark of 2:1. However, this ratio improves after taking into consideration current liabilities that are not expected to be settled within the next year, such as hostel accommodation bonds and long service leave.

*Debt Service Ratio.*

The debt service ratio of 6.15% is consistent with prior years and is well within the industry benchmark of 20%.

*Rates and Annual Charges Coverage Ratio.*

Council's rates and annual charges revenue represented 11.9% of 2012 total revenue, which is lower than prior years due to the impact of increased grants and contributions.

*Rates and Annual Charges Outstanding Percentage.*

The amount of rates uncollected at year end expressed as a percentage of the total rates and annual charges collectable was 14.5% which is well above current industry guidelines.

*Building & Infrastructure Renewals Ratio.*

The ratio increased from 68% in the 2010 year to 81% for 2011, but has fallen to 25.81% in 2012 and is below the industry guideline of 100%.

### **Legislative Compliance**

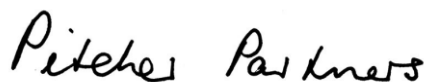
As a result of our audit we advise that no material deficiencies in the accounting records or financial reports have come to our attention during the conduct of the audit, and that Council's accounting records have been kept accurately and conscientiously and in accordance with requirements of the Local Government Act, 1993, and Regulations.

Council has complied with all statutory reporting requirements relating to Division 2 of Chapter 12 of the Local Government Act, 1993, the Code of Accounting Practice and Financial Reporting (Update 19), and other legislatively prescribed standards.


### **Conduct of the audit**

During the conduct of our audit, there were minimal issues requiring additional explanation and investigation. We are able to report that all such issues have been appropriately attended to and there are no matters of audit significance, other than those already referred to in this report, that require mention in this or our statutory audit report.

We commend the courteous and professional manner in which Council's staff have acted throughout the conduct of our audit, and their willingness to consider issues that we raised and assist us with our audit.



PITCHER PARTNERS



CARL MILLINGTON

Partner

Sydney, 6 November 2012



# Balranald Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2012

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



# Balranald Shire Council

## Special Purpose Financial Statements

for the financial year ended 30 June 2012

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### Background

(i) These Special Purpose Financial Statements have been prepared for the use by both Council and the Division 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 & 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 over \$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 & debt guarantee fees (where the business benefits from councils borrowing position by comparison with commercial rates).

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# Balranald Shire Council

## Special Purpose Financial Statements

for the financial year ended 30 June 2012

## 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 & Costing for Council Businesses - A Guide to Competitive Neutrality".
- The Local Government Code of Accounting Practice and Financial Reporting.
- The NSW Office of Water (Department of Environment, Climate Change and Water) Guidelines - "Best Practice Management of Water and Sewerage".

**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 16 October 2012.**

  
Steve O'Halloran  
MAYOR

  
Leigh Byron  
COUNCILLOR

  
Chris Littlemore  
GENERAL MANAGER

  
Robert Rayner  
RESPONSIBLE ACCOUNTING OFFICER

## Balranald Shire Council

## Income Statement of Council's Water Supply Business Activity

for the financial year ended 30 June 2012

\$ '000	Actual 2012	Actual 2011	Actual 2010
<b>Income from continuing operations</b>			
Access charges	291	289	278
User charges	235	160	263
Fees	62	180	57
Interest	-	10	12
Grants and contributions provided for non capital purposes	-	-	-
Other income	-	-	-
<b>Total income from continuing operations</b>	<b>588</b>	<b>639</b>	<b>610</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	201	258	252
Borrowing costs	81	87	90
Materials and contracts	290	192	159
Depreciation and impairment	237	206	222
Water purchase charges	11	10	13
Loss on sale of assets	-	-	-
Calculated taxation equivalents	-	-	-
Debt guarantee fee (if applicable)	-	-	-
Other expenses	-	-	-
<b>Total expenses from continuing operations</b>	<b>820</b>	<b>753</b>	<b>736</b>
<b>Surplus (deficit) from Continuing Operations before capital amounts</b>	<b>(232)</b>	<b>(114)</b>	<b>(126)</b>
Grants and contributions provided for capital purposes	-	-	-
<b>Surplus (deficit) from Continuing Operations after capital amounts</b>	<b>(232)</b>	<b>(114)</b>	<b>(126)</b>
Surplus (deficit) from discontinued operations	-	-	-
<b>Surplus (deficit) from ALL Operations before tax</b>	<b>(232)</b>	<b>(114)</b>	<b>(126)</b>
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-	-
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>(232)</b>	<b>(114)</b>	<b>(126)</b>
plus Opening Retained Profits	2,503	2,617	2,743
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	-	-	-
<b>Closing Retained Profits</b>	<b>2,271</b>	<b>2,503</b>	<b>2,617</b>
<b>Return on Capital %</b>	<b>-2.1%</b>	<b>-0.3%</b>	<b>0.0%</b>
<b>Subsidy from Council</b>	<b>368</b>	<b>-</b>	<b>-</b>
<b>Calculation of dividend payable:</b>			
Surplus (deficit) after tax	(232)	(114)	(126)
less: Capital grants and contributions (excluding developer contributions)	-	-	-
<b>Surplus for dividend calculation purposes</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Potential Dividend calculated from surplus</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Balranald Shire Council

## Income Statement of Council's Sewerage Business Activity

for the financial year ended 30 June 2012

\$ '000	Actual 2012	Actual 2011	Actual 2010
<b>Income from continuing operations</b>			
Access charges	232	233	221
User charges	5	3	4
Liquid Trade Waste charges	-	-	-
Fees	-	-	-
Interest	64	63	48
Grants and contributions provided for non capital purposes	-	-	-
Profit from the sale of assets	-	-	-
Other income	35	7	8
<b>Total income from continuing operations</b>	<b>336</b>	<b>306</b>	<b>281</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	60	71	63
Borrowing costs	-	-	-
Materials and contracts	95	53	39
Depreciation and impairment	156	148	147
Calculated taxation equivalents	-	-	-
Debt guarantee fee (if applicable)	-	-	-
Other expenses	-	-	-
<b>Total expenses from continuing operations</b>	<b>311</b>	<b>272</b>	<b>249</b>
<b>Surplus (deficit) from Continuing Operations before capital amounts</b>	<b>25</b>	<b>34</b>	<b>32</b>
Grants and contributions provided for capital purposes	-	-	-
<b>Surplus (deficit) from Continuing Operations after capital amounts</b>	<b>25</b>	<b>34</b>	<b>32</b>
Surplus (deficit) from discontinued operations	-	-	-
<b>Surplus (deficit) from ALL Operations before tax</b>	<b>25</b>	<b>34</b>	<b>32</b>
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(8)	(10)	(10)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>18</b>	<b>24</b>	<b>22</b>
plus Opening Retained Profits	3,257	3,223	3,191
plus/less: Prior Period Adjustments	-	-	-
plus Adjustments for amounts unpaid:			
- Taxation equivalent payments	-	-	-
- Debt guarantee fees	-	-	-
- Corporate taxation equivalent	8	10	10
less:			
- Tax Equivalent Dividend paid	-	-	-
- Surplus dividend paid	-	-	-
<b>Closing Retained Profits</b>	<b>3,282</b>	<b>3,257</b>	<b>3,223</b>
<b>Return on Capital %</b>	<b>0.4%</b>	<b>0.3%</b>	<b>0.3%</b>
<b>Subsidy from Council</b>	<b>185</b>	<b>-</b>	<b>-</b>
<b>Calculation of dividend payable:</b>			
Surplus (deficit) after tax	18	24	22
less: Capital grants and contributions (excluding developer contributions)	-	-	-
<b>Surplus for dividend calculation purposes</b>	<b>18</b>	<b>24</b>	<b>22</b>
<b>Potential Dividend calculated from surplus</b>	<b>9</b>	<b>12</b>	<b>11</b>

## Balranald Shire Council

## Balance Sheet of Council's Water Supply Business Activity

as at 30 June 2012

<b>\$ '000</b>	<b>Actual 2012</b>	<b>Actual 2011</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	85	3
Investments	-	-
Receivables	116	259
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
<b>Total Current Assets</b>	<b>201</b>	<b>262</b>
<b>Non-Current Assets</b>		
Investments	-	-
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	7,147	10,610
Investments accounted for using equity method	-	-
Investment property	-	-
Other	27	116
<b>Total non-Current Assets</b>	<b>7,174</b>	<b>10,726</b>
<b>TOTAL ASSETS</b>	<b>7,375</b>	<b>10,988</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Bank Overdraft	-	-
Payables	4	4
Interest bearing liabilities	47	40
Provisions	-	-
<b>Total Current Liabilities</b>	<b>51</b>	<b>44</b>
<b>Non-Current Liabilities</b>		
Payables	-	-
Interest bearing liabilities	1,248	1,291
Provisions	-	-
<b>Total Non-Current Liabilities</b>	<b>1,248</b>	<b>1,291</b>
<b>TOTAL LIABILITIES</b>	<b>1,299</b>	<b>1,335</b>
<b>NET ASSETS</b>	<b>6,076</b>	<b>9,653</b>
<b>EQUITY</b>		
Retained earnings	2,271	2,503
Revaluation reserves	3,805	7,150
Council equity interest	6,076	9,653
Minority equity interest	-	-
<b>TOTAL EQUITY</b>	<b>6,076</b>	<b>9,653</b>

## Balranald Shire Council

## Balance Sheet of Council's Sewerage Business Activity

as at 30 June 2012

<b>\$ '000</b>	<b>Actual 2012</b>	<b>Actual 2011</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	1,421	1,261
Investments	-	-
Receivables	56	52
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
<b>Total Current Assets</b>	<b>1,477</b>	<b>1,313</b>
<b>Non-Current Assets</b>		
Investments	-	-
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	6,931	9,866
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
<b>Total non-Current Assets</b>	<b>6,931</b>	<b>9,866</b>
<b>TOTAL ASSETS</b>	<b>8,408</b>	<b>11,179</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Bank Overdraft	-	-
Payables	-	-
Interest bearing liabilities	-	-
Provisions	-	-
<b>Total Current Liabilities</b>	<b>-</b>	<b>-</b>
<b>Non-Current Liabilities</b>		
Payables	-	-
Interest bearing liabilities	-	-
Provisions	-	-
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>
<b>NET ASSETS</b>	<b>8,408</b>	<b>11,179</b>
<b>EQUITY</b>		
Retained earnings	3,282	3,257
Revaluation reserves	5,126	7,922
Council equity interest	8,408	11,179
Minority equity interest	-	-
<b>TOTAL EQUITY</b>	<b>8,408</b>	<b>11,179</b>

## Balranald Shire Council

### Special Purpose Financial Statements

for the financial year ended 30 June 2012

#### Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	8
2	Water Supply Business Best Practice Management disclosure requirements	11
3	Sewerage Business Best Practice Management disclosure requirements	13



## Balranald Shire Council

### Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Significant Accounting Policies

These financial statements are a Special Purpose Financial Statements (SPFS) prepared for use by Council and the Division of Local Government.

For the purposes of these statements, the Council's business activities (reported herein) are not reporting entities.

These special purpose financial statements, unless otherwise stated, have been prepared in accordance with;

- applicable Australian Accounting Standards,
- other authoritative pronouncements of the Australian Accounting Standards Board,
- Australian Accounting Interpretations,
- the Local Government Act and Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

The statements are also prepared on an accruals basis. They are based on historic costs and do not take into account changing money values nor current values of non-current assets (except where specifically stated).

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' to 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 Government Policy statement on the "Application of National Competition Policy to Local Government".

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

The pricing & costing guidelines outline the process for identifying and allocating costs to activities and provide a standard of 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 & Costing for Council Businesses - A Guide to Competitive Neutrality*, Council has declared that the following are to be considered as business activities:

#### 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 one thousand dollars, with the exception of some figures disclosed in 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 Environment, Climate Change and Water) some amounts shown in Notes 2 and Note 3 are disclosed in whole dollars.

#### (i) Taxation Equivalent Charges

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

## Balranald Shire Council

### Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Significant Accounting Policies (continued)

However, where Council is exempt from paying taxes which are generally paid by private sector businesses (such as income tax), equivalent tax payments have been applied to all Council nominated business activities and are reflected in these 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 **\$396,000** of combined land values attracts **0%**. From \$396,001 to \$2,421,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$2,421,000, a premium marginal rate of **2.0%** applies.

Payroll Tax – **5.45%** on the value of taxable salaries and wages in excess of \$678,000.

##### Income Tax

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

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account of 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 positive (gain/loss) from ordinary activities before capital amounts has been achieved.

Since this taxation equivalent is notional - that is, it is payable to the "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 Council's GPFS.

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

##### Local Government Rates & Charges

A calculation of the equivalent rates and charges payable on all Category 2 businesses has been applied to all land assets owned or exclusively used by the business activity.

##### Loan & 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 the 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 where council provides services on a less than cost recovery basis. This option is exercised on a range of services in order for council to meet its community service obligations.

Accordingly, Subsidies disclosed (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by the council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of Business Activities.

##### (iii) Return on Investments (Rate of Return)

The Policy statement requires that councils with Category 1 businesses "would be expected to generate a return on capital funds employed that is

## Balranald Shire Council

### Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2012

#### Note 1. Significant Accounting Policies (continued)

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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 Rate of Return on Capital is calculated as follows:

Operating Result before Capital Income + Interest Expense
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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 3.03% at 30/6/12.

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

#### (iv) Dividends

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

# Balranald Shire Council

## Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2012

### Note 2. Water Supply Business Best Practice Management disclosure requirements

Dollars Amounts shown below are in **WHOLE DOLLARS** (unless otherwise indicated)

**2012**

#### 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)	No of assessments multiplied by \$3/assessment	2,862
(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)	No. of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment	28,620
(iii)	Cumulative surplus before Dividends for the 3 years to 30 June 2012, less the cumulative dividends paid for the 2 years to 30 June 2011 & 30 June 2010	(472,000)

2012 Surplus	(232,000)	2011 Surplus	(114,000)	2010 Surplus	(126,000)
		2011 Dividend	-	2010 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]	-

#### 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)	NO
(ii)	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 [Item 2(b) in Table 1]	NO
	- DSP with Commercial Developer Charges [Item 2(e) in Table 1]	NO
	- If Dual Water Supplies, Complying Charges [Item 2(g) in Table 1]	NO
(iii)	Sound Water Conservation and Demand Management implemented	YES
(iv)	Sound Drought Management implemented	YES
(v)	Complete Performance Reporting Form (by 15 September each year)	NO
(vi)	a. Integrated Water Cycle Management Evaluation	NO
	b. Complete and implement Integrated Water Cycle Management Strategy	NO

# Balranald Shire Council

## Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2012

### Note 2. Water Supply Business Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in **WHOLE DOLLARS** (unless otherwise indicated) **2012**

#### National Water Initiative (NWI) Financial Performance Indicators

<b>NWI F1</b>	Total Revenue (Water) Total Income (w13) - Grants for the Acquisition of Assets (w11a) - Interest Income (w9)	\$'000	588
<b>NWI F4</b>	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)]	%	43.75%
<b>NWI F9</b>	Written Down Replacement Cost of Fixed Assets (Water) Written down current cost of system assets (w47)	\$'000	7,066
<b>NWI F11</b>	Operating Cost (OMA) (Water) Management Expenses (w1) + Operational & Maintenance Expenses (w2)	\$'000	502
<b>NWI F14</b>	Capital Expenditure (Water) Acquisition of fixed assets (w16)	\$'000	145
<b>NWI F17</b>	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 & Equipment (w33b)]	%	-2.13%
<b>NWI F26</b>	Capital Works Grants (Water) Grants for the Acquisition of Assets (w11a)	\$'000	-

- Notes:
- References to w (eg. w12) refer to item numbers within Special Schedules No. 3 & 4 of Council's Annual Financial Statements.
  - The NWI Performance Indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators & Definitions.

# Balranald Shire Council

## Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2012

### Note 3. Sewerage Business Best Practice Management disclosure requirements

Dollars Amounts shown below are in **WHOLE DOLLARS** (unless otherwise indicated)

**2012**

#### 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)	No of assessments multiplied by \$3/assessment	2,685
(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]	8,750
(ii)	No. of assessments x (\$30 less tax equivalent charges per assessment)	26,850
(iii)	Cumulative surplus before dividends for the 3 years to 30 June 2012, less the cumulative dividends paid for the 2 years to 30 June 2011 & 30 June 2010	63,700

2012 Surplus	17,500	2011 Surplus	23,800	2010 Surplus	22,400
		2011 Dividend	-	2010 Dividend	-

(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	8,750
(v)	Dividend actually paid from surplus [refer below for required pre-dividend payment Criteria]	-

#### 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 & 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

## Balranald Shire Council

### Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2012

#### Note 3. Sewerage Business Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated) 2012

##### National Water Initiative (NWI) Financial Performance Indicators

<b>NWI F2</b>	Total Revenue (Sewerage) Total Income (s14) - Grants for Acquisition of Assets (s12a) - Interest Income (s10)	\$'000	272
<b>NWI F10</b>	Written Down Replacement Cost of Fixed Assets (Sewerage) Written down current cost of system assets (s48)	\$'000	6,742
<b>NWI F12</b>	Operating Cost (Sewerage) Management Expenses (s1) + Operational & Maintenance Expenses (s2)	\$'000	155
<b>NWI F15</b>	Capital Expenditure (Sewerage) Acquisition of Fixed Assets (s17)	\$'000	16
<b>NWI F18</b>	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 (ie. WDCC) of System Assets (s48) + Plant & Equipment (s34b)]	%	-0.57%
<b>NWI F27</b>	Capital Works Grants (Sewerage) Grants for the Acquisition of Assets (12a)	\$'000	-

##### National Water Initiative (NWI) Financial Performance Indicators Water & Sewer (combined)

<b>NWI F3</b>	Total Income (Water & 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	860
<b>NWI F8</b>	Revenue from Community Service Obligations (Water & Sewerage) Community Service Obligations (NWI F25) x 100 divided by Total Income (NWI F3)	%	0.00%
<b>NWI F16</b>	Capital Expenditure (Water & Sewerage) Acquisition of Fixed Assets (w16 + s17)	\$'000	161
<b>NWI F19</b>	Economic Real Rate of Return (Water & 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 & equipment (w33b + s34b)]	%	-1.37%
<b>NWI F20</b>	Dividend (Water & Sewerage) Dividend paid from surplus (2(v) of Note 2 + 2(v) of Note 3)	\$'000	-
<b>NWI F21</b>	Dividend Payout Ratio (Water & Sewerage) Dividend (NWI F20) x 100 divided by Net Profit after tax (NWI F24)	%	0.00%

## Balranald Shire Council

# Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2012

## Note 3. Sewerage Business

### Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2012

#### National Water Initiative (NWI) Financial Performance Indicators Water & Sewer (combined)

<b>NWI F22</b>	Net Debt to Equity (Water & Sewerage)	%	-1.46%
	Overdraft (w36 + s37) + Borrowings (w38 + s39) - Cash & Investments (w30 + s31) x 100 divided by [Total Assets (w35 + s36) - Total Liabilities (w40 + s41)]		
<b>NWI F23</b>	Interest Cover (Water & Sewerage)		-
	Earnings before Interest & Tax (EBIT) divided by Net Interest		
	Earnings before Interest & Tax (EBIT):	-	190
	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:		17
	Interest Expense (w4a + s4a) - Interest Income (w9 + s10)		
<b>NWI F24</b>	Net Profit After Tax (Water & Sewerage)	\$'000	(207)
	Surplus before dividends (w15a + s16a) - Tax equivalents paid (Note 2-1(iv) + Note 3-1(iv))		
<b>NWI F25</b>	Community Service Obligations (Water & Sewerage)	\$'000	-
	Grants for Pensioner Rebates (w11b + s12b)		

- Notes:
- References to w (eg. s12) refer to item numbers within Special Schedules No. 5 & 6 of Council's Annual Financial Statements.
  - The NWI Performance Indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators & Definitions.





# PITCHER PARTNERS

ACCOUNTANTS AUDITORS & ADVISORS

Level 22 MLC Centre  
19 Martin Place  
Sydney NSW 2000  
Australia

Postal Address:  
GPO Box 1615  
Sydney NSW 2001  
Australia

Tel: +61 2 9221 2099  
Fax: +61 2 92231762

[www.pitcher.com.au](http://www.pitcher.com.au)  
[partners@pitcher-nsw.com.au](mailto:partners@pitcher-nsw.com.au)

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## **BALRANALD SHIRE COUNCIL** **Special Purpose Financial Report** **Independent Auditors' Report to the Council for the Year ended 30 June 2012**

### **Report on the Financial Statements of Council's Declared Business Activities**

We have audited the accompanying financial statements, being special purpose financial statements, of Balranald Shire Council's declared business activities, which comprises the balance sheet as at 30 June 2012 and the income statement for the year then ended, a summary of significant accounting policies, and other explanatory notes and the Statement by Councillors and Management.

#### *Council's Responsibilities for the Financial Statements*

Council is responsible for the preparation and fair presentation of the financial statements and has determined that the accounting policies described in Note 1 to the financial statements which form part of the financial statements are appropriate to their needs. Council's responsibility also includes such internal controls as the Council determines are necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibilities*

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Council, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Auditor's Opinion**


In our opinion, the financial statements present fairly, in all material respects, the financial position of Balranald Shire Council as of 30 June 2012 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the special purpose financial statements.

**Basis of Accounting**

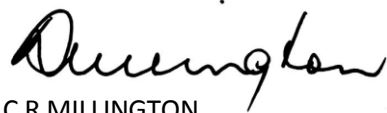
Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The special purpose financial statements have been prepared for distribution to the Council and the New South Wales Division of Local Government for the purpose of fulfilling the requirements of National Competition Policy reporting. We disclaim any assumption of responsibility for any reliance on this audit report or on the financial statements to which it relates to any person other than the Council or the New South Wales Division of Local Government, or for any purpose other than that for which it was prepared.

**Other Matter**

Balranald Shire Council has prepared a separate general purpose financial report for the year ended 30 June 2012 in accordance with Australian Accounting Standards and the Code of Accounting Practice and Financial Reporting on which we issued a separate auditor's report to the Council dated 6 November 2012.



PITCHER PARTNERS



C R MILLINGTON  
Partner

Sydney, 6 November 2012

# Balranald Shire Council

SPECIAL SCHEDULES  
for the year ended 30 June 2012

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



# Balranald Shire Council

## Special Schedules

for the financial year ended 30 June 2012

## Contents

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### Special Schedules<sup>1</sup>

- Special Schedule No. 1	Net Cost of Services	2
- Special Schedule No. 2(a)	Statement of Long Term Debt (all purposes)	4
- Special Schedule No. 2(b)	Statement of Internal Loans (Sect. 410(3) LGA 1993)	n/a
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<sup>1</sup> Special Purpose Schedules are not audited.

### 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,
  - the Department of Environment, Climate Change and Water, and
  - the Division of Local Government (DLG).
- (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.

## Balranald Shire Council

# Special Schedule No. 1 - Net Cost of Services

for the financial year ended 30 June 2012

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
<b>Governance</b>	<b>390</b>	<b>14</b>	<b>-</b>	<b>(376)</b>
<b>Administration</b>	<b>1,072</b>	<b>230</b>	<b>81</b>	<b>(761)</b>
<b>Public Order and Safety</b>				
Fire Service Levy, Fire Protection, Emergency Services	963	204	-	(759)
Beach Control	-	-	-	-
Enforcement of Local Govt. Regulations	-	-	-	-
Animal Control	15	1	-	(14)
Other	-	-	-	-
<b>Total Public Order &amp; Safety</b>	<b>978</b>	<b>205</b>	<b>-</b>	<b>(773)</b>
<b>Health</b>	<b>39</b>	<b>7</b>	<b>-</b>	<b>(32)</b>
<b>Environment</b>				
Noxious Plants and Insect/Vermin Control	43	25	-	(18)
Other Environmental Protection	-	-	-	-
Solid Waste Management	198	262	-	64
Street Cleaning	27	-	-	(27)
Drainage	-	-	-	-
Stormwater Management	-	-	-	-
<b>Total Environment</b>	<b>268</b>	<b>287</b>	<b>-</b>	<b>19</b>
<b>Community Services and Education</b>				
Administration & Education	-	-	-	-
Social Protection (Welfare)	2	1	-	(1)
Aged Persons and Disabled	934	867	130	63
Children's Services	-	-	-	-
<b>Total Community Services &amp; Education</b>	<b>936</b>	<b>868</b>	<b>130</b>	<b>62</b>
<b>Housing and Community Amenities</b>				
Public Cemeteries	41	18	-	(23)
Public Conveniences	54	-	-	(54)
Street Lighting	39	14	-	(25)
Town Planning	26	17	-	(9)
Other Community Amenities	306	56	410	160
<b>Total Housing and Community Amenities</b>	<b>466</b>	<b>105</b>	<b>410</b>	<b>49</b>
<b>Water Supplies</b>	<b>821</b>	<b>588</b>	<b>-</b>	<b>(233)</b>
<b>Sewerage Services</b>	<b>311</b>	<b>336</b>	<b>-</b>	<b>25</b>

## Balranald Shire Council

# Special Schedule No. 1 - Net Cost of Services (continued)

for the financial year ended 30 June 2012

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
<b>Recreation and Culture</b>				
Public Libraries	63	20	-	(43)
Museums	37	-	-	(37)
Art Galleries	-	-	-	-
Community Centres and Halls	34	2	-	(32)
Performing Arts Venues	86	16	-	(70)
Other Performing Arts	-	-	-	-
Other Cultural Services	-	-	-	-
Sporting Grounds and Venues	155	7	7	(141)
Swimming Pools	152	9	-	(143)
Parks & Gardens (Lakes)	197	-	-	(197)
Other Sport and Recreation	-	-	-	-
<b>Total Recreation and Culture</b>	<b>724</b>	<b>54</b>	<b>7</b>	<b>(663)</b>
<b>Fuel &amp; Energy</b>	-	-	-	-
<b>Agriculture</b>	-	-	-	-
<b>Mining, Manufacturing and Construction</b>				
Building Control	35	13	-	(22)
Other Mining, Manufacturing & Construction	-	-	-	-
<b>Total Mining, Manufacturing and Const.</b>	<b>35</b>	<b>13</b>	-	<b>(22)</b>
<b>Transport and Communication</b>				
Urban Roads (UR) - Local	621	89	53	(479)
Urban Roads - Regional	-	-	-	-
Sealed Rural Roads (SRR) - Local	1,049	194	426	(429)
Sealed Rural Roads (SRR) - Regional	1,863	204	751	(908)
Unsealed Rural Roads (URR) - Local	7,200	3,309	-	(3,891)
Unsealed Rural Roads (URR) - Regional	543	203	-	(340)
Bridges on UR - Local	-	-	-	-
Bridges on SRR - Local	-	-	-	-
Bridges on URR - Local	-	-	-	-
Bridges on Regional Roads	28	-	-	(28)
Parking Areas	-	-	-	-
Footpaths	120	-	-	(120)
Aerodromes	187	1	-	(186)
Other Transport & Communication	1,064	492	-	(572)
<b>Total Transport and Communication</b>	<b>12,675</b>	<b>4,492</b>	<b>1,230</b>	<b>(6,953)</b>
<b>Economic Affairs</b>				
Camping Areas & Caravan Parks	307	317	-	10
Other Economic Affairs	528	440	250	162
<b>Total Economic Affairs</b>	<b>835</b>	<b>757</b>	<b>250</b>	<b>172</b>
<b>Totals – Functions</b>	<b>19,550</b>	<b>7,956</b>	<b>2,108</b>	<b>(9,486)</b>
<b>General Purpose Revenues<sup>(2)</sup></b>		<b>4,723</b>		<b>4,723</b>
<b>Share of interests - joint ventures &amp; associates using the equity method</b>	-	-		-
<b>NET OPERATING RESULT<sup>(1)</sup></b>	<b>19,550</b>	<b>12,679</b>	<b>2,108</b>	<b>(4,763)</b>

(1) As reported in the Income Statement | (2) Includes: Rates & Annual Charges (incl. Ex Gratia, excl. Water & Sewer), Non Capital General Purpose Grants & Interest on Investments (excl. Ext. Restricted Assets)

# Special Schedule No. 2(a) - Statement of Long Term Debt (all purpose)

for the financial year ended 30 June 2012

\$'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
<b>Loans (by Source)</b>											
Commonwealth Government	-	-	-	-	-	-	-	-	-	-	-
Treasury Corporation	-	-	-	-	-	-	-	-	-	-	-
Other State Government	-	-	-	-	-	-	-	-	-	-	-
Public Subscription	-	-	-	-	-	-	-	-	-	-	-
Financial Institutions	193	3,277	3,470	-	189	-	-	233	212	3,069	3,281
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total Loans</b>	<b>193</b>	<b>3,277</b>	<b>3,470</b>	<b>-</b>	<b>189</b>	<b>-</b>	<b>-</b>	<b>233</b>	<b>212</b>	<b>3,069</b>	<b>3,281</b>
<b>Other Long Term Debt</b>											
Ratepayers Advances	-	-	-	-	-	-	-	-	-	-	-
Government Advances	-	-	-	-	-	-	-	-	-	-	-
Finance Leases	-	-	-	-	-	-	-	-	-	-	-
Deferred Payments	-	-	-	-	-	-	-	-	-	-	-
<b>Total Long Term Debt</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Debt</b>	<b>193</b>	<b>3,277</b>	<b>3,470</b>	<b>-</b>	<b>189</b>	<b>-</b>	<b>-</b>	<b>233</b>	<b>212</b>	<b>3,069</b>	<b>3,281</b>

Notes: Excludes (i) Internal Loans &amp; (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).

## Balranald Shire Council

## Special Schedule No. 3 - Water Supply Income Statement

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2012

\$'000	Actuals 2012	Actuals 2011
<b>A Expenses and Income</b>		
<b>Expenses</b>		
<b>1. Management expenses</b>		
a. Administration	146	115
b. Engineering and Supervision	-	-
<b>2. Operation and Maintenance expenses</b>		
<b>- Dams &amp; Weirs</b>		
a. Operation expenses	-	-
b. Maintenance expenses	-	-
<b>- Mains</b>		
c. Operation expenses	-	-
d. Maintenance expenses	55	52
<b>- Reservoirs</b>		
e. Operation expenses	-	-
f. Maintenance expenses	12	1
<b>- Pumping Stations</b>		
g. Operation expenses (excluding energy costs)	-	-
h. Energy costs	59	43
i. Maintenance expenses	117	137
<b>- Treatment</b>		
j. Operation expenses (excluding chemical costs)	-	-
k. Chemical costs	41	39
l. Maintenance expenses	-	-
<b>- Other</b>		
m. Operation expenses	-	-
n. Maintenance expenses	61	63
o. Purchase of water	11	10
<b>3. Depreciation expenses</b>		
a. System assets	237	206
b. Plant and equipment	-	-
<b>4. Miscellaneous expenses</b>		
a. Interest expenses	81	87
b. Revaluation Decrements	-	-
c. Other expenses	-	-
d. Tax Equivalents Dividends (actually paid)	-	-
<b>5. Total expenses</b>	<b>820</b>	<b>753</b>



## Balranald Shire Council

## Special Schedule No. 3 - Water Supply Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2012

\$'000	Actuals 2012	Actuals 2011
<b>Income</b>		
<b>6. Residential charges</b>		
a. Access (including rates)	234	235
b. Usage charges	182	128
<b>7. Non-residential charges</b>		
a. Access (including rates)	57	54
b. Usage charges	53	32
<b>8. Extra charges</b>	-	-
<b>9. Interest income</b>	-	10
<b>10. Other income</b>	62	180
<b>11. Grants</b>		
a. Grants for acquisition of assets	-	-
b. Grants for pensioner rebates	-	-
c. Other grants	-	-
<b>12. Contributions</b>		
a. Developer charges	-	-
b. Developer provided assets	-	-
c. Other contributions	-	-
<b>13. Total income</b>	<b>588</b>	<b>639</b>
<b>14. Gain (or loss) on disposal of assets</b>	-	-
<b>15. Operating Result</b>	<b>(232)</b>	<b>(114)</b>
<b>15a. Operating Result (less grants for acquisition of assets)</b>	<b>(232)</b>	<b>(114)</b>

## Balranald Shire Council

## Special Schedule No. 3 - Water Supply Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2012

\$'000	Actuals 2012	Actuals 2011
<b>B Capital transactions</b>		
<b>Non-operating expenditures</b>		
<b>16. Acquisition of Fixed Assets</b>		
a. New Assets for Improved Standards	26	51
b. New Assets for Growth	-	-
c. Renewals	119	-
d. Plant and equipment	-	-
<b>17. Repayment of debt</b>		
a. Loans	36	38
b. Advances	-	-
c. Finance leases	-	-
<b>18. Transfer to sinking fund</b>	-	-
<b>19. Totals</b>	<b>181</b>	<b>89</b>
<b>Non-operating funds employed</b>		
<b>20. Proceeds from disposal of assets</b>	-	-
<b>21. Borrowing utilised</b>		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
<b>22. Transfer from sinking fund</b>	-	-
<b>23. Totals</b>	<b>-</b>	<b>-</b>
<b>C Rates and charges</b>		
<b>24. Number of assessments</b>		
a. Residential (occupied)	800	784
b. Residential (unoccupied, ie. vacant lot)	-	-
c. Non-residential (occupied)	-	-
d. Non-residential (unoccupied, ie. vacant lot)	154	162
<b>25. Number of ETs for which developer charges were received</b>	ET	- ET
<b>26. Total amount of pensioner rebates (actual dollars)</b>	\$ 13,640	\$ 13,000

## Balranald Shire Council

# Special Schedule No. 3 - Water Supply Cross Subsidies

for the financial year ended 30 June 2012

\$'000	Yes	No	Amount
<b>D Best practice annual charges and developer charges*</b>			
<b>27. Annual charges</b>			
a. Does Council have best-practice water supply annual charges and usage charges*?	<input type="checkbox"/> Yes	<input type="checkbox"/>	
If Yes, go to 28a.			
If No, please report if council has removed <b>land value</b> from access charges (ie rates)?			
<input type="checkbox"/>			
<b>NB.</b> Such charges for both residential customers and non-residential customers comply with section 3.2 of Water Supply, Sewerage and Trade Waste Pricing Guidelines, NSW Office of Water, December, 2002. Such charges do not involve significant cross subsidies.			
b. Cross-subsidy <b>from</b> residential customers using less than allowance (page 25 of Guidelines)			<input type="text"/>
c. Cross-subsidy <b>to</b> non-residential customers (page 24 of Guidelines)			<input type="text"/>
d. Cross-subsidy <b>to</b> large connections in unmetered supplies (page 26 of Guidelines)			<input type="text"/>
<b>28. Developer charges</b>			
a. Has council completed a water supply Development Servicing** Plan?	<input type="checkbox"/>	<input type="checkbox"/> No	
b. Total cross-subsidy in water supply developer charges for 2011/12 (page 47 of Guidelines)			<input type="text"/>
** In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, NSW Office of Water, December, 2002.			
<b>29. Disclosure of cross-subsidies</b>			
<b>Total of cross-subsidies (27b + 27c + 27d + 28b)</b>			<input type="text" value="-"/>

\* Councils which have not yet implemented best practice water supply pricing should disclose cross-subsidies in items 27b, 27c and 27d above.

However, disclosure of cross-subsidies is **not** required where a Council has implemented best practice pricing and is phasing in such pricing over a period of 3 years.

## Balranald Shire Council

## Special Schedule No. 4 - Water Supply Balance Sheet

Includes INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
as at 30 June 2012

\$'000	Actuals Current	Actuals Non Current	Actuals Total
<b>ASSETS</b>			
<b>30. Cash and investments</b>			
a. Developer charges	-	-	-
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	85	-	85
<b>31. Receivables</b>			
a. Specific purpose grants	-	-	-
b. Rates and Availability Charges	70	-	70
c. Other (including User Charges)	46	-	46
<b>32. Inventories</b>	-	27	27
<b>33. Property, plant and equipment</b>			
a. System assets	-	7,133	7,133
b. Plant and equipment	-	14	14
<b>34. Other assets</b>	-	-	-
<b>35. Total assets</b>	<b>201</b>	<b>7,174</b>	<b>7,375</b>
<b>LIABILITIES</b>			
<b>36. Bank overdraft</b>	-	-	-
<b>37. Creditors</b>	4	-	4
<b>38. Borrowings</b>			
a. Loans	47	1,248	1,295
b. Advances	-	-	-
c. Finance leases	-	-	-
<b>39. Provisions</b>			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	-	-
<b>40. Total liabilities</b>	<b>51</b>	<b>1,248</b>	<b>1,299</b>
<b>41. NET ASSETS COMMITTED</b>	<b>150</b>	<b>5,926</b>	<b>6,076</b>
<b>EQUITY</b>			
<b>42. Accumulated surplus</b>			2,271
<b>43. Asset revaluation reserve</b>			3,805
<b>44. TOTAL EQUITY</b>			<b>6,076</b>
<b>Note to system assets:</b>			
<b>45. Current replacement cost</b> of system assets			14,124
<b>46. Accumulated current cost</b> depreciation of system assets			(7,058)
<b>47. Written down current cost</b> of system assets			<b>7,066</b>

## Balranald Shire Council

## Special Schedule No. 5 - Sewerage Income Statement

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2012

\$'000	Actuals 2012	Actuals 2011
<b>A Expenses and Income</b>		
<b>Expenses</b>		
<b>1. Management expenses</b>		
a. Administration	42	36
b. Engineering and Supervision	-	-
<b>2. Operation and Maintenance expenses</b>		
<b>- Mains</b>		
a. Operation expenses	50	31
b. Maintenance expenses	-	13
<b>- Pumping Stations</b>		
c. Operation expenses (excluding energy costs)	-	-
d. Energy costs	15	16
e. Maintenance expenses	46	26
<b>- Treatment</b>		
f. Operation expenses (excl. chemical, energy, effluent & biosolids management costs)	-	-
g. Chemical costs	2	2
h. Energy costs	-	-
i. Effluent Management	-	-
j. Biosolids Management	-	-
k. Maintenance expenses	-	-
<b>- Other</b>		
l. Operation expenses	-	-
m. Maintenance expenses	-	-
<b>3. Depreciation expenses</b>		
a. System assets	156	143
b. Plant and equipment	-	5
<b>4. Miscellaneous expenses</b>		
a. Interest expenses	-	-
b. Revaluation Decrements	-	-
c. Other expenses	-	-
d. Tax Equivalents Dividends (actually paid)	-	-
<b>5. Total expenses</b>	<b>311</b>	<b>272</b>

## Balranald Shire Council

## Special Schedule No. 5 - Sewerage Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2012

\$'000	Actuals 2012	Actuals 2011
<b>Income</b>		
<b>6. Residential charges</b> (including rates)	200	203
<b>7. Non-residential charges</b>		
a. Access (including rates)	32	30
b. Usage charges	5	3
<b>8. Trade Waste Charges</b>		
a. Annual Fees	-	-
b. Usage charges	-	-
c. Excess mass charges	-	-
d. Re-inspection fees	-	-
<b>9. Extra charges</b>	-	-
<b>10. Interest income</b>	64	63
<b>11. Other income</b>	35	7
<b>12. Grants</b>		
a. Grants for acquisition of assets	-	-
b. Grants for pensioner rebates	-	-
c. Other grants	-	-
<b>13. Contributions</b>		
a. Developer charges	-	-
b. Developer provided assets	-	-
c. Other contributions	-	-
<b>14. Total income</b>	<b>336</b>	<b>306</b>
<b>15. Gain (or loss) on disposal of assets</b>	-	-
<b>16. Operating Result</b>	<b>25</b>	<b>34</b>
<b>16a. Operating Result (less grants for acquisition of assets)</b>	25	34

## Balranald Shire Council

## Special Schedule No. 5 - Sewerage Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2012

\$'000	Actuals 2012	Actuals 2011
<b>B Capital transactions</b>		
<b>Non-operating expenditures</b>		
<b>17. Acquisition of Fixed Assets</b>		
a. New Assets for Improved Standards	-	-
b. New Assets for Growth	-	-
c. Renewals	16	-
d. Plant and equipment	-	-
<b>18. Repayment of debt</b>		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
<b>19. Transfer to sinking fund</b>	-	-
<b>20. Totals</b>	<b>16</b>	<b>-</b>
<b>Non-operating funds employed</b>		
<b>21. Proceeds from disposal of assets</b>	-	-
<b>22. Borrowing utilised</b>		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
<b>23. Transfer from sinking fund</b>	-	-
<b>24. Totals</b>	<b>-</b>	<b>-</b>
<b>C Rates and charges</b>		
<b>25. Number of assessments</b>		
a. Residential (occupied)	773	764
b. Residential (unoccupied, ie. vacant lot)	-	-
c. Non-residential (occupied)	122	162
d. Non-residential (unoccupied, ie. vacant lot)	-	-
<b>26. Number of ETs for which developer charges were received</b>	ET	- ET
<b>27. Total amount of pensioner rebates (actual dollars)</b>	\$ 13,497	\$ 13,000

## Balranald Shire Council

# Special Schedule No. 5 - Sewerage Cross Subsidies

for the financial year ended 30 June 2012

\$'000	Yes	No	Amount
<b>D Best practice annual charges and developer charges*</b>			
<b>28. Annual charges</b>			
a. Does Council have best-practice sewerage annual charges, usage charges and trade waste fees & charges*?	<input type="checkbox"/> Yes	<input type="checkbox"/>	
If Yes, go to 29a.			
If No, please report if council has removed <b>land value</b> from access charges (ie rates)?			
<input type="checkbox"/>			
<input type="checkbox"/>			
<b>NB.</b> Such charges for both residential customers and non-residential customers comply with section 4.2 & 4.3 of the Water Supply, Sewerage and Trade Waste Pricing Guidelines, NSW Office of Water, December, 2002. Such charges do not involve significant cross subsidies.			
b. Cross-subsidy to non-residential customers (page 45 of Guidelines)			<input type="text"/>
c. Cross-subsidy to trade waste discharges (page 46 of Guidelines)			<input type="text"/>
<b>29. Developer charges</b>			
a. Has council completed a sewerage Development Servicing** Plan?	<input type="checkbox"/>	<input type="checkbox"/> No	
b. Total cross-subsidy in sewerage developer charges for 2011/12 (page 47 of Guidelines)			<input type="text"/>
<b>**</b> In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, NSW Office of Water, December, 2002.			
<b>30. Disclosure of cross-subsidies</b>			
<b>Total of cross-subsidies (28b + 28c + 29b)</b>			<input type="text" value="-"/>

\* Councils which have not yet implemented best practice sewer pricing & liquid waste pricing should disclose cross-subsidies in items 28b and 28c above.

However, disclosure of cross-subsidies is **not** required where a Council has implemented best practice sewerage and liquid waste pricing and is phasing in such pricing over a period of 3 years.



## Balranald Shire Council

## Special Schedule No. 6 - Sewerage Balance Sheet

Includes INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
as at 30 June 2012

\$'000	Actuals Current	Actuals Non Current	Actuals Total
<b>ASSETS</b>			
<b>31. Cash and investments</b>			
a. Developer charges	-	-	-
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	1,421	-	1,421
<b>32. Receivables</b>			
a. Specific purpose grants	-	-	-
b. Rates and Availability Charges	55	-	55
c. Other (including User Charges)	1	-	1
<b>33. Inventories</b>	-	-	-
<b>34. Property, plant and equipment</b>			
a. System assets	-	6,859	6,859
b. Plant and equipment	-	72	72
<b>35. Other assets</b>	-	-	-
<b>36. Total Assets</b>	<b>1,477</b>	<b>6,931</b>	<b>8,408</b>
<b>LIABILITIES</b>			
<b>37. Bank overdraft</b>	-	-	-
<b>38. Creditors</b>	-	-	-
<b>39. Borrowings</b>			
a. Loans	-	-	-
b. Advances	-	-	-
c. Finance leases	-	-	-
<b>40. Provisions</b>			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
<b>41. Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>42. NET ASSETS COMMITTED</b>	<b>1,477</b>	<b>6,931</b>	<b>8,408</b>
<b>EQUITY</b>			
<b>42. Accumulated surplus</b>			3,282
<b>44. Asset revaluation reserve</b>			5,126
<b>45. TOTAL EQUITY</b>			<b>8,408</b>
<b>Note to system assets:</b>			
<b>46. Current replacement cost</b> of system assets			11,828
<b>47. Accumulated current cost</b> depreciation of system assets			(5,086)
<b>48. Written down current cost</b> of system assets			6,742

## Balranald Shire Council

### Notes to Special Schedule No.'s 3 & 5

for the financial year ended 30 June 2012

#### Administration <sup>(1)</sup>

(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 <sup>(1)</sup>

(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.

**Residential charges** <sup>(2)</sup> (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** <sup>(2)</sup> (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) incl. capital contributions for water supply or sewerage services received by Council under Section 565 of the Local Government Act.

#### Notes:

<sup>(1)</sup> 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).

<sup>(2)</sup> 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.

		Dep'n. Rate (%)	Dep'n Expense (\$)	Cost	Valuation	Accum. Depreciation Amortisation & Impairment	Carrying Amount (WDV)	Asset Condition <sup>#</sup> .	Estimated cost to bring up to a satisfactory condition / standard <sup>(1)</sup>	Required <sup>(2)</sup> Annual Maintenance	Current <sup>(3)</sup> Annual Maintenance
ASSET CLASS	Asset Category										
<b>Buildings</b>		per Note 1	per Note 4	<<<<<<<<<< per Note 9 >>>>>>>>>							
	Council Offices	2.00%	48		1,131	422	709	2		7	19
	Council Works Depot	2.00%	29		1,050	570	480	3		12	13
	Council Halls	2.00%	15		705	577	128	3		7	5
	Retirement Hostel	2.00%	42		1,715	441	1,274	2		22	30
	RF Self Care Units	2.00%	9		449	16	433	1		8	8
	Court St. Units	2.00%	14		813	385	428	2		-	-
	Pre-School	2.00%	27		1,216	596	620	2		3	3
	Sennior Citizens	2.00%	12		310	178	132	2		5	5
	Health Buildings	2.00%	15		522	382	140	3		4	3
	Women's Rest Centre	2.00%	14		402	357	45	2		3	4
	Theatre Royal	2.00%	49		3,005	2,269	736	2		15	21
	RFS Station	2.00%	2		80	32	48	2		-	5
	SES	2.00%	1		43	34	9	3		1	1
	Golf Club	2.00%	19		857	730	127	2		3	3
	Heritage Park Building	2.00%	16		694	534	160	2		12	2
	Euston Court	2.00%	12		472	380	92	3		5	8
	Library	2.00%	4		205	71	134	2		3	4
	Euston Rec Res	2.00%	20		913	231	682	2		2	-
	Aerodrome	2.00%	47		2,215	1,850	365	3		1	2
	Council Housing	2.00%	63		1,519	765	754	2		25	35
	Museum	2.00%	4		160	124	36	3		6	1
	Caravan Park	2.00%	24		939	431	508	2		30	32
	Amenities/Toilets	2.00%	57		2,340	741	1,599	2		24	36
	Art Gallery	2.00%	3		376	3	373	2		4	-
	<b>sub total</b>			<b>546</b>	<b>-</b>	<b>22,131</b>	<b>12,119</b>	<b>10,012</b>		<b>-</b>	<b>202</b>

ASSET CLASS	Asset Category	Dep'n. Rate (%)	Dep'n Expense (\$)	Cost	Valuation	Accum. Depreciation Amortisation & Impairment	Carrying Amount (WDV)	Asset Condition <sup>#.</sup>	Estimated cost to bring up to a satisfactory condition / standard <sup>(1)</sup>	Required <sup>(2)</sup> Annual Maintenance	Current <sup>(3)</sup> Annual Maintenance
<b>Other Structures</b>	<b>Assets not included in Buildings</b>	per Note 1	per Note 4	<<<<<<<<<< per Note 9 >>>>>>>>>							
	Shed on Car Park		-		16	12	4	3		-	1
	Balranald Works Depot		1		50	22	28	2		-	-
	Euston Works Depot		-		10	6	4	3		-	-
	Senior Citizens Centre		-		10	6	4	2		-	-
	Bidgee Haven Hostel		1		40	14	26	2		8	12
	Glimmer Garden		-		30	-	30	2		6	4
	Balranald Caravan Park		3		140	61	79	2		-	23
	Caravan Park Pool		2		40	11	29	2		-	6
	Caravan Park BBQ		-		4	3	1	3		-	-
	Caravan Park Internal Road		-		2	-	2	3		-	1
	Concrete Pavement For Cabin		-		18	-	18	2		-	-
	Concrete Pavement For Cabin		-		18	-	18	2		-	-
	Euston Fencing		-		23	8	15	3		-	-
	Balranald Pre-School & Childcare Centre		1		39	9	30	2		-	5
	Council Chambers & Offices		-		15	9	6	3		-	4
	Mandoola Independent Living Units		-		20	4	16	3		-	-
	Balranald Waste Disposal Unit		1		40	22	18	3		-	2
	Euston Pre-School 27-29 Perry St		-		15	4	11	3		5	4
	Oxley Tip Litter Fence		-		2	-	2	3		-	1
	Balranald Cemetry Fencing		3		38	8	30	3		-	2
	Sprinkler Sys Balranald Lawn Cemetery		1		35	7	28	3		-	-
	FENCE - 38 COURT STREET		-		3	-	3	2		-	-
	EUSTON CEMETERY NICHE PATH		-		13	-	13	2		-	2
	Hatfield Tower		3		125	30	95	3		-	

Special Schedules 2012

ASSET CLASS	Asset Category	Dep'n. Rate (%)	Dep'n Expense (\$)	Cost	Valuation	Accum. Depreciation Amortisation & Impairment	Carrying Amount (WDV)	Asset Condition <sup>#</sup> .	Estimated cost to bring up to a satisfactory condition / standard <sup>(1)</sup>	Required <sup>(2)</sup> Annual Maintenance	Current <sup>(3)</sup> Annual Maintenance
<b>Other Structures</b> <b>(continued)</b>	<b>Assets not included in Buildings</b> (continued)	per Note 1	per Note 4	<<<<<<<<<< per Note 9 >>>>>>>>>							
	Campdraft Yards		-		25	23	2	4		-	-
	Clare Public School Multi Purpose Court		-		13	2	11	2		-	-
	Running Stalls		-		45	29	16	3		-	1
	Fencing/Playground Eq/Outdoor Furn/Sprink		-		166	114	52	3		7	5
	Euston Rec Reserve Lightin & Watering Sy		-		31	7	24	3		10	2
	Improvements Lake Benanee		1		22	2	20	3		5	5
	Euston Main Street Beautification		-		17	2	15	2		-	2
	Medium Strip Sprinklers Euston		-		13	1	12	2		-	2
	Greenham Park Sporting Complex		2		100	24	76	3		15	9
	Netball Courts		4		207	48	159	3		16	19
	Tennis Courts		3		132	109	23	2		15	12
	Stables		3		172	142	30	3		15	15
	Washdown Bay		1		9	5	4	3		-	1
	Library & CWA Buildings		1		25	9	16	3		-	-
	Heritage Park		-		15	4	11	3		5	6
	Balranald Golf Club		2		100	56	44	3		-	-
	Euston Recreational Ground		1		50	29	21	3		8	6
	Euston Court House		-		10	8	2	3		5	2
	Greenham Park Entrance Improvement		-		3	-	3	2		-	-
	Platform and Stairs - Greenham Park		-		6	-	6	3		-	-
	Underground Pillar - Electricity Supply		-		6	-	6	2		-	-
	Euston Netball Court		1		23	1	22	2		-	-
	Pony Club Improvement		-		5	-	5	3		-	-
	Balranald Market St Demonstration Site		3		105	5	100	2		-	-

Special Schedules 2012

ASSET CLASS	Asset Category	Dep'n. Rate (%)	Dep'n Expense (\$)	Cost	Valuation	Accum. Depreciation Amortisation & Impairment	Carrying Amount (WDV)	Asset Condition <sup>#.</sup>	Estimated cost to bring up to a satisfactory condition / standard <sup>(1)</sup>	Required <sup>(2)</sup> Annual Maintenance	Current <sup>(3)</sup> Annual Maintenance
<b>Other Structures</b> <b>(continued)</b>	<b>Assets not included in Buildings</b> (continued)	per Note 1	per Note 4	<<<<<<<<<< per Note 9 >>>>>>>>>							
	Playground Tennis Courts We St GPK		3		84	16	68	3		8	8
	Connect Bird Trail with Raw Water		3		173	20	153	2		-	-
	Playground O'Connor Street Park		1		13	3	10	3		5	6
	Old Balranald Boat Ramp		7		129	59	70	3		3	5
	Playground Lions Park Market St		1		30	6	24	2		6	6
	Balranald Pool Fencing		1		17	4	13	3		-	-
	Playground Bal. Library We St Park		1		20	7	13	3		6	7
	Playground Greenham Park Church St		1		28	3	25	3		7	8
	Playground Visitor Information Centre		1		14	4	10	3		5	5
	Playground Anderson Park Selwyn St		2		44	12	32	3		5	6
	Kyalite Boat Ramp		8		212	56	156	3		-	6
	Euston Boat Ramp		6		165	43	122	3		-	5
	Euston Public Wharf		6		116	57	59	3		-	5
	Balranald Pool Shade Sails		3		48	8	40	2		-	-
	Euston Cenotaph Park		1		14	1	13	2		1	2
	Anderson Street Shade Structure		1		16	5	11	2		-	-
	Balranald Boat Ramp		5		174	13	161	2		-	4
	Balranald Pools		56		1,041	489	552	3		25	-
	INFORMATION SHELTER (ROTUNDA)		-		15	-	15	2		5	5
	Fencing T/Works @ valuation		-		8	3	5	3		-	-
	Gravel Pits		-		119	119	-	3		-	-
	Turlee Bore		-		10	10	-	3		-	-
	Flood Mitigation Works		1		58	6	52	2		-	-
	Aerodrome		1		40	10	30	3		-	-

Special Schedules 2012

ASSET CLASS	Asset Category	Dep'n. Rate (%)	Dep'n Expense (\$)	Cost	Valuation	Accum. Depreciation Amortisation & Impairment	Carrying Amount (WDV)	Asset Condition <sup>#</sup>	Estimated cost to bring up to a satisfactory condition / standard <sup>(1)</sup>	Required <sup>(2)</sup> Annual Maintenance	Current <sup>(3)</sup> Annual Maintenance
Other Structures (continued)	Assets not included in Buildings (continued)	per Note 1	per Note 4	<<<<<<<<<< per Note 9 >>>>>>>>>>							
	Aerodrome Fencing		-		7	1	6	3		-	-
	Penarie High Tower		9		221	58	163	3		-	-
	Bores at Langley Dale		2		47	16	31	3		-	-
	Balranald Levee Bank		36		2,789	294	2,495	2		-	-
	Oxley High Tower		8		207	55	152	3		-	-
	Penarie Low Tower		4		94	25	69	3		-	-
	Bores at Melton		2		47	16	31	3		-	-
	EUSTON LEEVEE BANK		14		1,156	14	1,142	2		-	-
	Water Plant & Equipment		2		51	27	24	3		-	-
	sub total		224	-	9,253	2,316	6,937		-	196	232
Public Roads											
	Sealed Roads	3.56%	2,123		68,049	6,002	62,047	3		1,543	1,967
	Unsealed Roads	2.93%	4,451		72,341	19,722	52,619	3		1,758	3,329
	Bridges	1.25%	28		2,054	313	1,741	2		16	15
	Footpaths	2.50%	77		1,388	244	1,144	3		22	47
	sub total		6,679	-	143,832	26,281	117,551		-	3,339	5,358
Water											
	Treatment Plants	1.05%	112		5,245	2,609	2,636	2		20	7
	Water Connections	1.19%	-		-	-	-	-		-	-
	Reservoirs	1.37%	32		2,514	1,257	1,257	3		8	2
	Pipelines	2.04%	84		5,657	2,838	2,819	3		128	117
	Pump Stations	2.04%	6		708	354	354	3		145	117
	sub total		234	-	14,124	7,058	7,066		-	301	243

ASSET CLASS	Asset Category	Dep'n. Rate (%)	Dep'n Expense (\$)	Cost	Valuation	Accum. Depreciation Amortisation & Impairment	Carrying Amount (WDV)	Asset Condition <sup>#</sup> .	Estimated cost to bring up to a satisfactory condition / standard <sup>(1)</sup>	Required <sup>(2)</sup> Annual Maintenance	Current <sup>(3)</sup> Annual Maintenance
Sewerage	Pump Stations	per Note 1	per Note 4	<<<<<<<<< per Note 9 >>>>>>>>>							
	Pipelines	2.10%	33		3,221	1,610	1,611	3		34	46
	Treatment Works	1.29%	105		7,540	2,943	4,597	3		67	50
	sub total	2.23%	10		1,067	534	533	3		4	2
			148	-	11,828	5,087	6,741		-	105	98
Drainage Works	Outfalls										
	Stormwater Conduits	1.00%	9		322	157	165	2		10	56
	Head Walls	1.11%	33		2,175	311	1,864	2		-	20
	Outfall Structures	1.00%	-		19	8	11	2		-	-
	Kerb & Gutter	1.00%	11		828	79	749	2		5	4
	Open Earth Drains	1.00%	66		3,684	457	3,227	2		18	2
	Stormwater Culverts	1.00%	6		425	15	410	2		-	-
	Converters	1.00%	9		468	115	353	2		-	-
	sub total	1.00%	2		31	7	24	2		-	-
			136	-	7,952	1,149	6,803		-	33	82
	TOTAL - ALL ASSETS		7,967	-	209,120	54,010	155,110		-	4,176	6,253

- (1). Satisfactory refers to estimated cost to bring the asset to a satisfactory condition as deemed by Council. It does not include any planned enhancements to the existing asset.
- (2). Required Annual Maintenance is what should be spent to maintain assets in a satisfactory standard.
- (3). Current Annual Maintenance is what has been spent in the current year to maintain assets.

1	<b>Excellent</b> - No work required (normal maintenance)
2	<b>Good</b> - Only minor maintenance work required

3	<b>Average</b> - Maintenance work required
4	<b>Poor</b> - Renewal required

**5 Very Poor** - Urgent renewal/upgrading required



## Balranald Shire Council

Special Schedule No. 8 - Financial Projections  
as at 30 June 2012

\$'000	Actual <sup>(1)</sup> 11/12	Forecast 12/13	Forecast 13/14	Forecast <sup>(3)</sup> 14/15	Forecast <sup>(3)</sup> 15/16
<b>(i) OPERATING BUDGET</b>					
Income from continuing operations	14,787	11,934	10,911	11,319	11,772
Expenses from continuing operations	19,550	16,876	17,066	17,105	17,184
<b>Operating Result from Continuing Operations</b>	<b>(4,763)</b>	<b>(4,942)</b>	<b>(6,155)</b>	<b>(5,786)</b>	<b>(5,412)</b>
<b>(ii) CAPITAL BUDGET</b>					
New Capital Works <sup>(2)</sup>	2,156	5	5	4	136
Replacement/Refurbishment of Existing Assets	2,002	4,603	1,927	1,307	1,510
<b>Total Capital Budget</b>	<b>4,158</b>	<b>4,608</b>	<b>1,932</b>	<b>1,311</b>	<b>1,646</b>
<b>Funded by:</b>					
– Loans	-	-	-	-	-
– Asset sales	226	291	350	250	300
– Reserves	174	823	-	-	-
– Grants/Contributions	3,758	3,494	1,582	1,061	1,346
– Recurrent revenue	-	-	-	-	-
– Other	-	-	-	-	-
	<b>4,158</b>	<b>4,608</b>	<b>1,932</b>	<b>1,311</b>	<b>1,646</b>

**Notes:**

(1) From 11/12 Income Statement.

(2) New Capital Works are major non-recurrent projects, eg new Leisure Centre, new Library, new Swimming pool etc.

(3) If Council has only adopted 3 years of projections then only show 3 years.

(4) Financial Projections should be in accordance with Council's Integrated Planning &amp; Reporting framework.

## MANAGEMENT REPORT AS AT 30<sup>TH</sup> JUNE 12

### PERFORMANCE IN TERMS OF ACTIVITIES

#### CORPORATE GOVERNANCE

<b>Performance Objective:</b> To effectively manage a Shire of 21,346 km <sup>2</sup> with a population of 2,283 according to community needs within the resources available.	
Main Activities & Projects	Outcomes
<ul style="list-style-type: none"> <li>• Council/ Committee Meetings</li> <li>• Councillor and Mayor Support</li> <li>• Civic Functions</li> <li>• Policy Advice</li> <li>• Integrated Planning &amp; Reporting</li> <li>• Community Communication</li> </ul>	<p>Above objective generally achieved with no reasonable omissions or complaints received.</p> <p>Number of meetings held and conducted in accordance with Local Government Act.</p> <p>General satisfaction with support provided to Councillors and Mayor.</p> <p>Functions such as Australia Day, Senior Citizens Day and other supported functions resulted in successful outcomes. Applications for available funding submitted for eligible events.</p> <p>Overall budget variance Income (+) 27%</p> <p>Overall budget variance Expenditure (-) 5%</p>

#### ADMINISTRATION AND CORPORATE SERVICES

<b>Performance Objective:</b> To provide effective support services for all of Council's operations including accurate and comprehensive financial information. To undertake the functions of creditor processing, debtor (including rates) processing, purchasing goods and services, insurance administration, injured workers rehabilitation, records management, payroll, financial management, ledger maintenance, information systems, and office services.	
Main Activities	Outcomes
<ul style="list-style-type: none"> <li>• Rates &amp; Charges</li> <li>• Audit</li> <li>• Computer Operation</li> <li>• Insurance</li> <li>• Customer Service</li> </ul>	<p>Rates levied in accordance with L G Act</p> <p>Council complimented by auditors on staff conduct.</p> <p>New Virtual Server Installed. No major disruptions.</p> <p>Necessary cover arranged.</p> <p>Customers dealt with in a helpful &amp; courteous way.</p> <p>Overall budget variance Income (+) 143%</p> <p>Overall budget variance Expenditure (-) 29%</p>

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## TRANSPORT/ENGINEERING ADMINISTRATION

<b>Performance Objective:</b> To provide an effective service pertaining to community infrastructure, which meets the needs of internal and external customers of the Council	
Main Activities	Outcomes
<ul style="list-style-type: none"><li>• RMS Program</li><li>• Roads to Recovery Program</li><li>• Local Road &amp; Street Maintenance &amp; Improvement</li><li>• Road Acquisition</li><li>• Flood Mitigation</li><li>• Plant Program</li></ul>	<p>RMS Regional roads program completed including extension of seals on Ivanhoe Oxley Roads. Roads to Recovery projects completed including seal extensions on Mildura Ivanhoe Road, Weimby Kyalite, Sydney and Duryea Roads. Local Roads Maintenance delivered in accordance with Councils Rural Roads Policy. New footpath construction and kerb and gutter construction completed in Euston. Mildura Ivanhoe reformation &amp; gravel construction works carried out. Flood restoration works programme continuing. Council plant maintained or replaced as programmed.</p> <p>Overall budget variance Income (-) 11%</p> <p>Overall budget variance Expenditure (+) 90%</p>

## HEALTH SERVICES

<b>Performance Objective:</b> To administer health controls which provide a healthy environment, to a level of community expectations, within desirable standards. To provide weed, pest control and buildings for health and dental services	
Main Activities	Outcomes
<ul style="list-style-type: none"><li>• Noxious Weeds</li><li>• Pest Control</li><li>• Baby Health Centre</li><li>• Dental Health Centre</li><li>• Health Advisory Committee</li></ul>	<p>Grant Funds secured for noxious weeds program comprising prevention and control, qualified noxious weeds officer continues to liaise with landowners and provide public education. Pest Control undertaken on Council controlled buildings. Support given to the Balranald Health Advisory Committee to achieve local outcomes.</p> <p>Overall budget variance Income (-) 12%</p> <p>Overall budget variance Expenditure (+) 34%</p>

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## PUBLIC ORDER AND SAFETY

<b>Performance Objective:</b> To provide services to the community which protects them and promotes confidence that their personal safety and quality of life is assured. To provide control of stock and domestic animals, fire protection services, flood defence and State Emergency Services and Rescue Squad support	
Main Activities	Outcomes
<ul style="list-style-type: none"><li>• Support for Rural Fire Services</li><li>• Animal Control</li><li>• Emergency Services</li><li>• Rural Addressing</li></ul>	Pounds maintained, routine animal patrols maintained & dangerous dog incidents addressed. Local Emergency Management Committee undertaking training and emergency exercises. Rural Addressing maintained. Overall budget variance Income (+) 273% Overall budget variance Expenditure (+) 244%

## COMMUNITY SERVICES

<b>Performance Objective:</b> To provide community services through the Bidgee Haven Hostel which are accessible to all and meet the social, personal and quality of life needs of residents.	
Main Activities	Outcomes
<ul style="list-style-type: none"><li>• Provision of Low Care Facility</li><li>• Maintain Hostel to meet regulations</li><li>• Meet accreditation standards</li><li>• Operate at a small surplus</li></ul>	Facility meets expectations of the community Office and room upgrades are complete. Front garden and fence complete Hostel continues to meet standards Surplus generated for six consecutive years Overall budget variance Income (+) 14% Overall budget variance Expenditure (+) 17%

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## HOUSING AND COMMUNITY AMENITIES

<b>Performance Objective:</b> To ensure that all uses of land are appropriate and that Council provides environmentally sensitive and effective services to meet the needs of the community. To provide Community Centres, Pre-School buildings, Council housing, town planning, street cleaning, commercial waste services, cemeteries, public conveniences and flood mitigation.	
Main Activities	Outcomes
<ul style="list-style-type: none"><li>• Royal Theatre</li><li>• Euston Wharf</li><li>• Balranald &amp; Euston Cemeteries</li><li>• Town Planning</li><li>• Domestic &amp; Commercial Waste</li><li>• Balranald &amp; Euston Tips</li><li>• Council Housing</li><li>• Pre School Buildings</li><li>• Welcome signage</li></ul>	<p>Theatre Royal provided with new kitchen &amp; stage area change rooms were completed.</p> <p>Cemetery grounds maintained.</p> <p>Consultation and development of the new Development Control Plan (DCP) progressing.</p> <p>Waste collection and disposal and Tip operations were conducted in accordance with the program.</p> <p>Council houses were maintained to accepted standards.</p> <p>Overall budget variance Income (+) 315%</p> <p>Overall budget variance Expenditure (+) 75%</p>

## RECREATION AND CULTURE

<b>Performance Objective:</b> To provide a variety of recreational and cultural facilities on an equitable basis, enabling access by local residents and visitors. To provide public halls, sporting grounds, library services, parks and gardens and swimming pool.	
Main Activities	Outcomes
<ul style="list-style-type: none"><li>• Public Halls</li><li>• Recreation Grounds</li><li>• Golf Course</li><li>• Library</li><li>• Museums</li><li>• Parks &amp; Gardens</li></ul>	<p>Greenham Park Hall maintained for Public use. The Library at Balranald continued its service and funding was provided to support the Balranald Museum and Euston Courthouse Museum. Parks and gardens were maintained at Balranald and Euston.</p> <p>Overall budget variance Income (-) 72%</p> <p>Overall budget variance Expenditure (+) 67%</p>

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## BUILDING CONTROL

<b>Performance Objective:</b> To encourage proper development and management of resources through provision of regulatory services for building and construction projects.	
Main Activities	Outcomes
<ul style="list-style-type: none"><li>• Development Consent</li><li>• Land Use and Building Certificates</li><li>• On site Sewerage Management</li></ul>	A total of 10 development applications representing \$1.98M value were approved. In addition 36 Construction Certificates were issued representing \$1.2M in value, 11 subdivision applications were approved that created 10 new lots, 66 building certificates issued under s.149 LGA. Overall budget variance Income (-) 19% Overall budget variance Expenditure (-) 12%

## BUSINESS UNDERTAKINGS

<b>Performance Objective:</b> To provide cost effective business undertakings which facilitate the economic development of the area including the provision of Caravan Park facilities.	
Main Activities	Outcomes
<ul style="list-style-type: none"><li>• Provision of attractive Caravan Park</li><li>• Small Surplus generated for future development</li><li>• Provide Visitor Information Centre</li></ul>	Council continues to receive compliments on the manner of operation of the Park Surplus generated for last 5 years. Capital Works 2 Cabins purchased. Council receives regular compliments on the manner of staff at the VIC Overall budget variance Income (+) 181% Overall budget variance Expenditure (+) 37%

## DOMESTIC WASTE MANAGEMENT

<b>Performance Objective:</b> To provide an effective collection and disposal service for garbage from domestic premises	
Main Activities	Outcomes
See Housing & Communities Amenities	Quality Collection and disposal services were performed by Councils Contractor Overall budget variance Income (+) 1% Overall budget variance Expenditure (-) 9%

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## WATER SUPPLIES

<b>Performance Objective:</b> To provide economical, reliable and safe water supply systems to the townships of Balranald and Euston	
Main Activities	Outcomes
<ul style="list-style-type: none"><li>• Filtered &amp; Raw Water supply</li><li>• System maintenance and renewal</li><li>• Supply Euston Filtered &amp; Raw Water</li></ul>	Water supplies to Balranald & Euston were maintained to relevant standards throughout the year. Three service valves were replaced and the cleaning of the raw water tower was undertaken. The pump station telemetry system has been upgraded. Overall budget variance Income (-) 20% Overall budget variance Expenditure (+) 31%

## SEWERAGE SCHEMES

<b>Performance Objective:</b> To provide an economical, reliable and environmentally safe sewerage system for the townships of Balranald and Euston.	
Main Activities	Outcomes
<ul style="list-style-type: none"><li>• Sewerage reticulation and Treatment</li><li>• System Maintenance and renewal</li><li>• Facilities for motor homes</li></ul>	The Sewerage Reticulation and waste water treatment systems operated well throughout the year. A pump was replaced in Lions Park Overall budget variance Income (+) 6% Overall budget variance Expenditure (+) 93%





# Riverina & Murray Regional Organisation of Councils

Local Government Areas of Balranald, Berrigan, Carrathool,  
Conargo, Corowa, Deniliquin, Greater Hume, Hay, Jerilderie, Leeton,  
Murray, Murrumbidgee, Narrandera, Wakool & Wentworth

An aerial photograph of a flooded landscape. The water is a deep blue, and numerous dead, white tree trunks stand vertically in the water. In the foreground, there is a dense line of green trees. The text '2011/12 Supplementary State of the Environment Report' is overlaid in large, green, bold letters with a white outline.

## 2011/12 Supplementary State of the Environment Report

NOVEMBER 2012





Riverina & Murray Regional Organisation of Councils



Habitat Planning  
Town Planning & Environmental Assessment

Suite 1 / 622 Macauley Street  
Albury NSW 2640

Phone: 02 6021 0662  
Fax: 02 6021 0663

[habitat@habitatplanning.com.au](mailto:habitat@habitatplanning.com.au)



Balranald Shire



Berrigan Shire



Carrathool shire



Conargo Shire



Corowa Shire



Deniliquin



Greater Hume Shire



Hay Shire



Jerilderie Shire



Leeton Shire



Murray Shire



Murrumbidgee Shire



Narrandera Shire



Wakool Shire



Wentworth Shire

A photograph of a sunset or sunrise with the sun low on the horizon, partially obscured by the dark, silhouetted branches of trees. The sky is a mix of orange, yellow, and blue.

# Terms & Abbreviations

## TERMS

"the report"	the RAMROC State of the Environment Supplementary Report 2011/12
"the area" or "region"	the area addressed by the SoE Report

## ACRONYMS & ABBREVIATIONS

ABS	Australian Bureau of Statistics
ANRA	Australian Natural Resource Atlas
BOM	Australian Bureau of Meteorology
CMA	Catchment Management Authority
DECC	former Department of Environment & Climate Change
DECCW	former Department of Environment, Climate Change & Water
DLG	NSW Department of Local Government
DPI	Department of Planning & Infrastructure
DWE	former Department of Water & Energy (now NSW State Water)
EPA	Environmental Protection Authority
EP&A Act	NSW <i>Environmental Planning &amp; Assessment Act 1979</i>
EPBC Act	Commonwealth <i>Environment Protection &amp; Biodiversity Conservation Act 1999</i>
ERP	Estimated Resident Population
LEP	Local Environmental Plan
LGA	Local Government Area
LHPA	Livestock Health & Pest Authority
MIL	Murray Irrigation Limited
NSW	New South Wales
OEH	NSW Office of Environment & Heritage
RAMROC	Riverina & Murray Regional Organisation of Councils
RLPB	former Rural Lands Protection Board
SLA	Statistical Local Area
SoE	State of the Environment
TSC Act	NSW <i>Threatened Species Conservation Act 1995</i>

A photograph of a sunset or sunrise with the sun low on the horizon, partially obscured by the silhouettes of trees. The sky is a mix of orange, yellow, and blue.

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# Introduction

## 1.1 What is the purpose of a State of Environment (SoE) report?

The purpose of SoE reporting is to provide accurate, up-to-date and accessible information about environmental conditions, trends and pressures for a nominated area or region. SoE reporting is used to:

- report on major causal factors that are influencing the environment ;
- report on the effectiveness of responses designed to address change;
- identify the issues most relevant to the sustainability of the environment ;
- contribute to public understanding of the state of the environment ;
- identify relevant gaps in information;
- further develop and improve the SoE reporting process; and
- facilitate policy development .

## 1.2 Why undertake an SoE report?

In 2009 changes were made to the annual reporting requirements for councils in NSW. The requirement for councils to prepare an SoE report was maintained.


The legislative requirements have been amended to provide councils with the flexibility to prepare an SoE report in an integrated way that enables them to focus their resources on monitoring and reporting on environment issues that are of concern to their community and where a council may influence its management.

The information contained within the SoE report should be used by councils in the preparation of their Community Strategic Plans.

## 1.3 Why a regional SoE report?

Fifteen councils within the Riverina and Murray Regions of NSW have opted for a regional approach to SoE reporting under the umbrella of the Riverina and Murray Regional Organisation of Councils (RAMROC). SoE reporting at the regional level is encouraged by the NSW Department of Local Government because:

- many environmental issues are regional in nature (e.g. air and water pollution, wildlife corridors, threatened species recovery), requiring regional action;
- regional cooperation can reduce the time and resources involved in preparing an SoE report; and
- environmental information is often collected and held by government authorities and other bodies on a regional rather than on a local government basis.



Many councils already co-operate for SoE reporting under Regional Organisations of Councils (ROCs) or Total Catchment Management (TCM) programs. Councils increasingly have access to data on the basis of catchments, and in more densely populated areas, airsheds.

All of the councils participating with this year's SoE report are a members of RAMROC. The council's involved in the SoE report in the last reporting period were Albury, Balranald, Berrigan, Carrathool, Conargo, Corowa, Deniliquin, Greater Hume, Hay, Jerilderie, Leeton, Murray, Narrandera, Wakool and Wentworth. This reporting period includes these Councils with the exception of Albury who are now bound by different reporting requirements. The councils of Albury, Griffith and Urana are the only RAMROC member councils not participating in this SoE report.

## 1.4 This SoE report

This is a supplementary or update SoE Report to the principal SoE Report undertaken in 2009. It is the third such supplementary report to be prepared for participating RAMROC member councils.

The prescriptive requirements of previous SoE reporting have been removed under the changes to council reporting, so that reports can focus on how Councils have met the environmental objectives of their respective Community Strategic Plans. However, as it would be too difficult to respond to each Community Strategic Plan for councils participating in this SoE report, the format of previous reports has been maintained. This format still allows each council to satisfactorily meet its SoE reporting requirements under the *Local Government Act*.

The content of this report has been grouped into six main categories, namely Land, Atmosphere, Biodiversity, Water, Human Settlement and Cultural Heritage. Primary local data has been sourced from each council via a questionnaire. This information is supplemented by other data at the local government level sourced from state and federal government agencies such as the NSW Office of Environment and Heritage (OEH) and the Australian Bureau of Statistics (ABS).

## 1.5 Limitations on reporting

The following limitations to the data and information presented in the SoE report need to be acknowledged.

- Despite an exhaustive search of databases and information sources across government, non-government and community organisations, there remains a lack of both qualitative and quantitative environmental data for inland areas of NSW at the local government level. Data for the purposes of identifying trends (time series) is particularly difficult to source.
- A lot of data takes time to be made publicly available and as such even information released during 2011/12 can already be up to four years old. Consequently some of the data presented in the SoE report may be 'new' but not necessarily relate to the 2011/12 reporting period.
- Although Council's are provided with the same questionnaire for the purposes of collecting local data, there are gaps and inconsistencies in the way the data is presented in this report as Council's unintentionally respond in different ways. Consequently caution should be exercised in making direct comparisons between Councils for these data sets.

# The Region

## 2.1 RAMROC

The Riverina and Murray Regional Organisation of Councils (RAMROC) brought together the former Murray ROC and RIVROC on the 1<sup>st</sup> of July 2007. RAMROC represents the interests of 18 member councils, 15 of which have been included in this SoE. The RAMROC 'region' features a mix of urban centres, significant environmental assets and large areas of land in agricultural production.

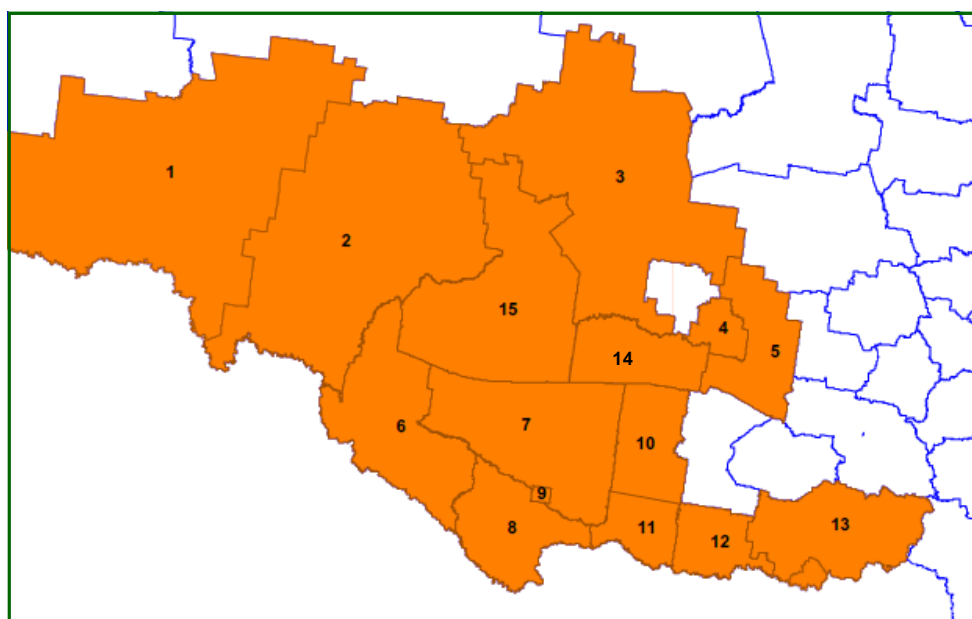
Overall the RAMROC region has an area of 126,595 square kilometres and encompasses parts of the Murray, Murrumbidgee, Lower Murray-Darling and Lachlan River catchments.

RAMROC's mission is to work collaboratively to enhance the economic, social, economic and environmental capabilities of our communities so as to ensure the long term sustainability of the region.

## 2.2 Region definition

The region for the purposes of this SoE report is approximately 91,000 square kilometres (more than 9 million hectares) in area and is comprised of the following LGAs (see Figure 1).

Figure 1 - Region for the SoE



1. Wentworth
2. Balranald
3. Carrathool
4. Leeton
5. Narrandera
6. Wakool
7. Conargo
8. Murray
9. Deniliquin
10. Jerilderie
11. Berrigan
12. Corowa
13. Greater Hume
14. Murrumbidgee
15. Hay





## 2.3 Area

Size of the participating Local Government Areas (LGAs) varies greatly between those in the south-east and those in the north and west. The smallest in the region include Deniliquin (130km<sup>2</sup>), and Leeton (1,167km<sup>2</sup>) whereas Carrathool (18,939km<sup>2</sup>), Balranald (21,699km<sup>2</sup>) and Wentworth (26,268km<sup>2</sup>) are large in area but small in population.

The medium sized LGAs are also dominated by agricultural land uses though can have multiple regional centres much closer together than the largest of the LGAs. The smaller LGAs are based more to the south-east of the region than the larger LGAs.

There has been no changes to LGA sizes during the reporting period.

## 2.4 Population

The south-eastern LGAs are generally more populous

than those in the west (see Table 1). Again this is a reflection of the multiple smaller townships based loosely around major regional centres. Of the participating councils, Leeton and Corowa have the largest populations of around 11,000 with Jerilderie (1,496), Conargo (1,540), Murrumbidgee (2,261) and Balranald (2,283) represent the smallest. The population of the region is generally concentrated in urban centres along the Murray, Edward and Murrumbidgee Rivers.

The combined population of participating councils represents less than 1.2 percent of the population of NSW.

Four LGA's experienced growth between the last two census (Murray quite substantially) although there was a net loss of population in the region of 1,684. Some of the less populated Councils have lost a significant proportion of their population in this relatively short period, continuing a longer term trend.

Table 1 - Resident Population at Census in LGAs

LGA	2001	2006	2011	Net change 2006-2011	% change 2006-2011
Balranald	2,773	2,441	2,283	-158	-6.5
Berrigan	8,138	7,993	8,066	+73	+0.9
Carrathool	3,316	2,819	2,587	-232	-8.2
Conargo	1,823	1,675	1,540	-135	-8.1
Corowa	10,785	10,976	11,000	+24	+0.2
Deniliquin	8,333	7,431	7,120	-311	-4.2
Greater Hume	10,537	9,731	9,815	+84	+0.9
Hay	3,599	3,383	2,956	-427	-12.6
Jerilderie	1,922	1,642	1,496	-146	-8.9
Leeton	11,925	11,111	11,037	-74	-0.7
Murray	6,156	6,417	6,957	+540	+8.4
Murrumbidgee	2,662	2,503	2,261	-242	-9.7
Narrandera	6,739	6,012	5,902	-110	-1.8
Wakool	4,929	4,362	3,962	-400	-9.2
Wentworth	7,214	6,779	6,609	-170	-2.5
<b>TOTAL</b>	<b>90,851</b>	<b>85,275</b>	<b>83,591</b>	<b>-1,684</b>	<b>-2.0</b>

Source: ABS





## 2.5 Council environmental projects<sup>1</sup>

During the course of the year there have been many environmental projects undertaken by councils across the region. These are summarised in the following table. Other environmental projects are highlighted in the relevant sections of the report.

### New projects

- Upgrades to houseboat sullage pump out station (Wentworth)
- Pooncaire weir pool upgrades (Wentworth)
- Wentworth wharf retaining and bank stabilisation (Wentworth)
- Ongoing research into Wentworth sewerage treatment plant effluent re-use project to remove effluent ponds from floodplain (Wentworth)
- The LGSA provided funding to the NSW Environmental Trust to deliver a twelve month project to assist NSW councils to undertake priority roadside vegetation management works known as the *Roadside Vegetation Implementation Project* (Conargo).
- Horseshoe lagoon biodiversity works involving revegetation and improvement of Horseshoe Lagoon (Murray)
- *Water for Food Campaign* (Jerilderie)

### Continuing projects

- Completion of the enhancement of two reserves as part of the Murray CMA Public Lands Biodiversity grant. (Berrigan)
- Capturing and re-use of stormwater (Murray)
- Diversion of green waste/masonry from waste stream (Murray)
- Upgrading water systems for parks and gardens (Jerilderie)
- Commencement of construction of the Effluent Reuse Scheme (Deniliquin)
- *Dollar for Dollar Native Fish Stocking Programme* since it was introduced in 1998. This enables community groups to apply to the NSW Recreational Fishing Trust for matched funds to purchase native fish from licensed commercial hatcheries in NSW for the stocking of rivers and dams across the state.(Conargo)
- Subsidised Tree Planting program which provides native trees at reduced cost to shire residents (Conargo)

<sup>1</sup>Information sourced from relevant Councils 2012



## 2.6 Council's environmental issues<sup>1</sup>

In response to the question "*what does council consider to be the most important environmental issue now and in the future?*" the following results were revealed.

The number of star symbols indicates the frequency that each environmental issue was raised by a council.

### Current issues

- Water supply ★★★★★★★★★★
- Waste management ★★
- Murray Darling Basin Plan ★
- Flooding ★★★★★★★★★★
- Pest animals ★
- Noxious weeds ★
- Fire ★
- Riparian zone management ★
- Water quality ★★

<sup>1</sup>Sourced from relevant councils, 2012

### Future issues

- Water supply ★★★★★★★
- Murray Darling Basin Plan ★★
- Increase in severity of unseasonal weather events ★
- Flooding ★★
- Climate change ★
- Pest animals ★
- Management of the Murray River and its environs ★
- Waste management ★★★★★
- Changing rural sector ★
- Energy use and cost ★
- Provision of public infrastructure associated with mining ★
- Fire ★
- Water quality from flooding ★
- Water management ★
- Land degradation ★

The results from the questionnaire show that during the 2011/12 reporting period clearly the issue of water supply is the most significant for councils. Judging from the responses, this issue is now more significant than in the previous reporting period. The concerns stem largely from the recommendations of the Murray Darling Basin Plan in regards to environmental flows and the uncertainty of supply for existing irrigators. Councils are concerned as to the impact this uncertainty will have on their communities through the consequences of reduced population and employment. Recent floods were an issue for many participating councils both in terms of the damage caused and lower lying flat areas, remnant floodwaters.

## WATER SUPPLY

remains the top current and future issue for councils



# Land

## 3.1 Salinity<sup>1</sup>

Salinity is a dynamic process with the potential for movement and accumulation of salts over time and as a result of land use and management practices. Salt is a natural part of some landscapes, however human activities such as vegetation clearing and cropping can change the hydrology of the landscape and accelerate the process.

The state of soil salinity in the region is summarised in Table 2.

Rising groundwater levels dissolve salts that are then stored in the ground. Salinity can affect plant growth and impact on crop yields and cause serious impact on infrastructure, buildings and houses. Salinity also affects water quality which causes the health of rivers to decline.

The NSW government works with the Australian Government, local government and the community to manage salinity. There are several strategies in place including Catchment Action Plans, NSW Salinity Strategy, Basin Salinity Management Strategy and Caring for our Country.

## 3.2 Acid Sulfate Soils<sup>1</sup>

Potential acid sulfate soils occur naturally in soil but become actual acid sulfate soil when they are dried. They usually become dry from human activities (e.g. removal of water).

Land affected by acid sulfate soils in the region is summarised in Table 2.

Acid sulfate soils occur naturally in both coastal (tidal) and inland or upland (freshwater) settings. Left undisturbed, these soils are harmless, but when excavated or drained, the sulfides within the soil react with the oxygen in the air, forming sulfuric acid. Impacts of acid sulfate soil can be habitat degradation, fish kills and weed invasion. Other potential impacts include animal ill health by polluted water, decreased productivity of agricultural land and infrastructure damage.

The Murray Darling Freshwater Research Centre in conjunction with the Department of Environment, Climate Change and Water and local Catchment Management Authorities are working to identify affected or potential acid sulfate soils sites and to educate councils and residents on effects, prevention and possible rehabilitation.

<sup>1</sup> NSW Office of Environment and Heritage, 2011, Environmental Issues



**Table 2 - Salinity and Acid Sulfate Soils in LGAs 2011/12<sup>1</sup>**

	Land affected by salinity	Salinity Management Plan	Salinity monitoring sites	Land affected by Acid Sulfate Soils	Acid Sulfate Soils Management Plan
Balranald	No	No	No	Not known	No
Berrigan	Yes, unknown ha	No	By MIL	No	No
Carrathool	No	No	No	No	No
Conargo	Yes, unknown ha	No	No	No	No
Corowa	Yes, 5ha	No	No	No	No
Deniliquin	Yes 2km <sup>2</sup>	No	No	No	No
Greater Hume	Yes, unknown ha	No	1 monitoring site	Unknown	No
Hay	Unknown	No	No	Unknown	No
Jerilderie	Yes, 5ha	No	No	No	No
Leeton	Yes, 1,000 ha	Yes	12 monitoring sites	No	No
Murray	Yes, unknown ha	Cadell Land & Water Management Plan	Yes	No	No
Murrumbidgee	Yes	Yes	19	-	No
Narrandera	Yes, 10ha	Yes		No	No
Wakool	Yes, unknown ha	No	Wakool/ Tullakool sub-surface	No	No
Wentworth	Yes, unknown ha	No	19	Yes (area unknown)	No

<sup>1</sup>Information sourced from relevant Councils





### 3.3 Land contamination<sup>1</sup>

Land is contaminated generally when the level of a hazardous substance is greater than that which would naturally occur at the same site such as heavy industries or chemically intensive agriculture. Hazardous substances potentially pose an immediate or long-term risk to the health of humans or the environment.

Details of Councils records of land contamination during the 2010/11 period can be found in Table 3.

Although contaminated sites may occur anywhere, they are typically clustered in areas which have been used for heavy industry or chemically intensive agriculture. They may also include residential properties, for example, from flaking of lead-based paints or excessive pesticide use.

Local councils deal with contamination under the planning and development framework, including *State Environmental Planning Policy No. 55 – Remediation of Land* and the *Managing Land Contamination – Planning Guidelines*. The NSW Office of Environment and Heritage deals with significant contamination.

<sup>1</sup> NSW Office of Environment and Heritage, 2011, Environmental Issues

Table 3 - Contaminated Lands 2011/12 <sup>1</sup>					
LGA	Contaminated Land Register <sup>1</sup>	Number of sites	Change from last year?	EPA Notice current	EPA notice former
Balranald	Yes	3	No	0	0
Berrigan	No	n/a	No	0	0
Carrathool	No	n/a	Yes	0	0
Conargo	No	n/a	No	0	0
Corowa	Yes	0	None	0	0
Deniliquin	Yes	Potentially 195	Yes, sites added and removed	1	0
Greater Hume	Yes	67	No	0	0
Hay	Yes	55	No	0	0
Jerilderie	Yes—draft	1	No	0	0
Leeton	Yes	6	No	0	0
Murray	No	n/a	No	0	0
Murrumbidgee	No	n/a	No	0	0
Narrandera	Yes	7	Yes, sites added	0	0
Wakool	Yes	2	Yes	0	0
Wentworth	Yes	5	One additional site	0	0
<sup>1</sup> Information supplied by relevant council					

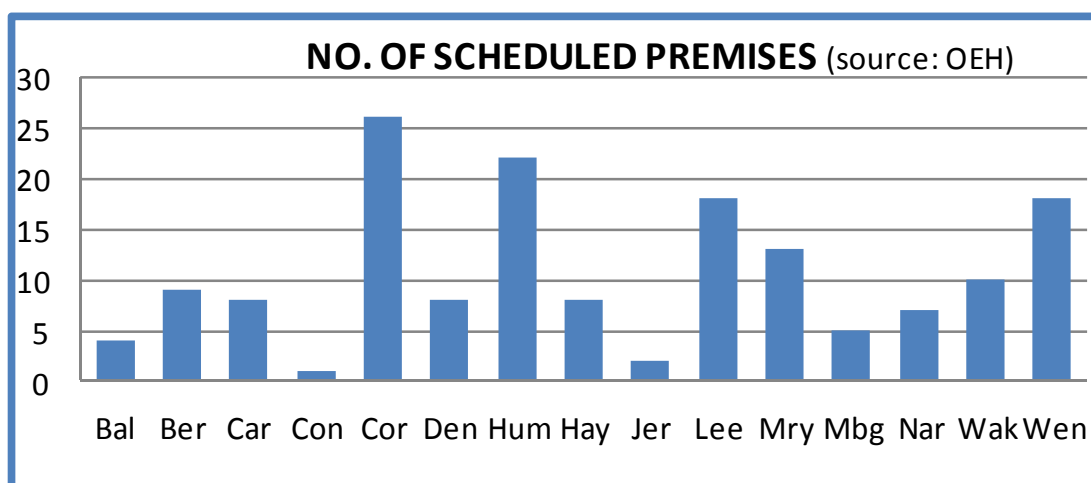


### 3.4 Scheduled premises

There are 159 scheduled premises throughout the area included in this SoE report. The number of licenses per category is summarised in the following table. The most common licenses are those relating to agriculture such as produce processing and feedlots (including piggeries). There are 19 licenses applicable to small sewerage treatment plants that service the many towns in the region. Extractive industry is also a common activity with 12 licensed premises.

The distribution of licenses across the RAMROC regions are shown in the chart following the table. As would be expected, generally the greater the population, the greater the number of scheduled premises.

Animal accommodation (2)	Aquaculture and mariculture (1)	Bird accommodation (1)
Boat construction/maintenance (3)	Cattle, sheep or horse accommodation (11)	Ceramics production (1)
Composting (5)	Container reconditioning (1)	Crushing, grinding or separating (5)
Dairy animal accommodation (3)	Dangerous goods production (1)	Explosives production (1)
General agricultural processing (28)	General animal products production (2)	General chemicals storage (1)
Grape processing (2)	Irrigated agriculture (4)	Land based extractive industry (12)
Metal waste generation (2)	Mineral processing (1)	Mining for minerals (8)
Miscellaneous licensed discharge to waters (4)	Non-thermal treatment of hazardous and other waste (3)	Petroleum products and fuel production (1)
Pig accommodation (19)	Railway systems activities (3)	Rendering or fat extraction (1)
Road construction (2)	Sewerage treatment processing by small plants (19)	Slaughtering or processing animals (3)
Solid waste landfilling (1)	Tanneries or fellmongering (1)	Thermal treatment of hazardous and other waste (1)
Waste disposal by application to land (4)	Wood or timber milling or processing (1)	Wood preservation (1)





### Delicensed premises

The following scheduled premises delicensed during the 2011/12 reporting period:

- Hanson Construction Materials in Corowa (Concrete works)
- Deniliquin Hospital in Deniliquin (Hazardous, Industrial or Group A Waste Generation or Storage)
- Albury Galvanizing in Jindera (Hazardous, Industrial or Group A Waste Generation or Storage)
- Boral Resources in Moama (Concrete works)
- Mawsons Concrete in Buronga (Concrete works)

### Declarations of contaminated land

On 1st February 2012 the Environment Protection Authority (EPA) issued a 'declaration of significantly contaminated land' under Section 11 of the *Contaminated Land Management Act 1997* relating to the Deniliquin Shell-Coles Express Service station in Davidson Street (Cobb Highway) Deniliquin (Lots 1 and 2 in DP 758782). The declaration was made based on the EPA finding the site is contaminated with petroleum including the substances Benzene and Total Petroleum Hydrocarbons. Submissions relating to the declaration closed on 10th March 2012.

### Required pollution studies & reduction programs

There were several pollution studies and reduction programs directed by the EPA to be implemented in the region as conditions of scheduled premises licences during the 2011/12 reporting period. These include:

#### **Implementing the Land and Water Management Plan (LWMP) by Western Murray Irrigation Limited**

This program relates to the Buronga, Coomealla and Curlwaa irrigation areas at Dareton in the Wentworth LGA. Specifically, the licensee (WMI) must progressively implement the best management practices contained in the LWMP consistent with best management practices advised by the EPA. Require the irrigators who operate within the Western Murray Irrigation Area to progressively implement best management practices contained in the LWMP consistent with best management practices advised by the EPA. Take all steps within the licence period as necessary to meet the requirements of the Murray Darling Basin Ministerial Council, Basin *Salinity Management Strategy 2001-2015*.

The program was specified to commence on 11th May 2012.

#### **Odour control works by Australian Natural Extracts Pty Limited at 23 Almond Lane, Corowa**

The licence requires that:

- (a) By 31 May 2012 engage a suitably qualified and experienced person in the field of commercial composting to review the current soil composting operation and the plan of management and provide recommendations to minimise the creation of offensive odours from the composting activity, and by 30 June 2012 provide a copy of the recommendations to minimise odour from the premises to the Manager South West Region, EPA, PO Box 544, Albury NSW 2640
- (b) By 31 May 2012 engage a suitably qualified and experienced person in the field of soil and water management works to: Prepare an irrigation management plan to manage the water level in the dam located on the premises at the corner of Bullecourt Road and Almond Lane to minimise the creation of offensive odours, and By 3 August 2012 undertake appropriate earthworks to improve surface water management and drainage for the composting operation at the premises.



### 3.5 Bushfires<sup>1</sup>

Bushfires are an intrinsic part of the Australian environment. Natural ecosystems have evolved with fire, and the landscape along with its biological diversity, has been shaped by both historic and recent fires. Many of Australia's native plants are fire prone and very combustible while numerous species depend on fire to regenerate<sup>1</sup>. Fire is both feared and harnessed. Indigenous Australians have long used fire as a land management tool and it continues to be used to clear land for agricultural purposes and to protect properties from intense, uncontrolled fires.

The number of bushfire occurrences and the number of hectares burnt through the region are summarised in Table 4. The significant rainfall may have impacted the number of bushfires which occurred in the reporting period with two Councils reporting a decline in bushfire events.

Climate change is a popular reason for an increased number and intensity of recent bushfires, as is drought and El Niño. Changes in land management practices have also contributed, changes in Aboriginal fire management, the removal of stock grazing from environmentally significant areas and agricultural land management practices (such as retaining stubble for protection against erosion) have increased fuel loads and can contribute to the intensity of a bushfire event. The La Niña weather pattern that provided significant rainfall and lower average temperatures has impacted on the number of bushfires in the region.

Councils enforce bushfire safety standards for new dwellings, buildings and subdivisions, to ensure they meet standards of the *Planning for Bushfire Protection* guidelines. Some councils also manage clean up programs (such as free collection/disposal of green waste nearing fire season) and other conduct burn-offs and maintain fire vehicles for volunteer and rural brigades.

<sup>1</sup> Geoscience Australia, 2011, *Hazards*

Table 4 - Bushfire data<sup>1</sup>

LGA	Area of bushfire prone land	Bushfire events <sup>2</sup>	Area burnt <sup>2</sup>	Fire trucks maintained by council <sup>2</sup>	Rural Fire Brigades in LGA
Balranald	733,335ha	15 (+15)	13,500ha	23	10
Berrigan	12,288ha	49 (+28)	24ha (+32ha)	0	5
Carrathool	n/a	58	1,170ha	50	25
Conargo	5,588ha	7 (-51)	1,150ha (-20ha)	26	13
Corowa	15,757ha	38 (+17)	30ha (-120ha)	28	12
Deniliquin	1,796ha	5	50ha	4	1
Greater Hume	198,600ha	67	54	72	35
Hay	n/a	n/a	n/a	n/a	n/a
Jerilderie	n/a	n/a	n/a	17	10
Leeton	250ha	n/a	n/a	14	4
Murray	n/a	n/a	n/a	0	10
Murrumbidgee	11,667ha	12	437ha	15	8
Narrandera	n/a	n/a	n/a	29	19
Wakool	19,736ha	36	33ha	24	15
Wentworth	1,525,387ha	19 (-7)	900ha (+740ha)	31	17

<sup>1</sup>Sourced from relevant councils



# Atmosphere

## 4.1 Rainfall<sup>1</sup>

The RAMROC region covers an extensive area (almost 700 kilometres east to west and almost 400 kilometres north to south).

Average and actual rainfall varies substantially across the region as can be seen by the charts at Figure 4. The charts display monthly rainfall for the reporting period (columns) against a background of the historical average. The data provides an overview of the rainfall in the region, only displaying the results for a single nominated weather station centrally located within each LGA.

### Overview

The Bureau of Meteorology (BoM) summary of rainfall in NSW for 2011 made the following references to the RAMROC region.

*The 2010-2011 period was the 4th wettest on record for NSW, following similar La Niña events in 1973-1974, 1955-1956, and 1949-1950. The Murray-Darling Basin recorded 592.1 mm during 2011, above the historical average of 493.4 mm and the 13th wettest on record. Rainfall was heaviest in western NSW, mostly associated with record-breaking rainfall in this region between January and March, with the wettest year in Broken Hill since 1974.*

*The high rainfall during 2011 was associated with the lingering impacts of the strong 2010 La Niña event, in addition to a weak La Niña which developed towards the end of the year. January-March was the wettest start to a year on record in southwestern NSW, with several flooding events across the state. Conditions were closer to average during the middle of the year, with below average rainfall in southern NSW between April and September and the driest winter since 2002 in the Murray-Darling Basin.*

The highest annual rainfall in 2011/12 amongst the weather stations nominated for each LGA was

**721mm**

at Culcairn in Greater Hume Shire.

The highest daily rainfall total amongst the weather stations nominated for each LGA was

**149mm**

at Leeton on 4th March 2012.

Boooroorban in Conargo Shire experienced a record

**94mm**

of rain on 19th December 2011. This was the highest daily total over the 87 years records have been kept. The previous highest was 86mm on 7th December 1930.

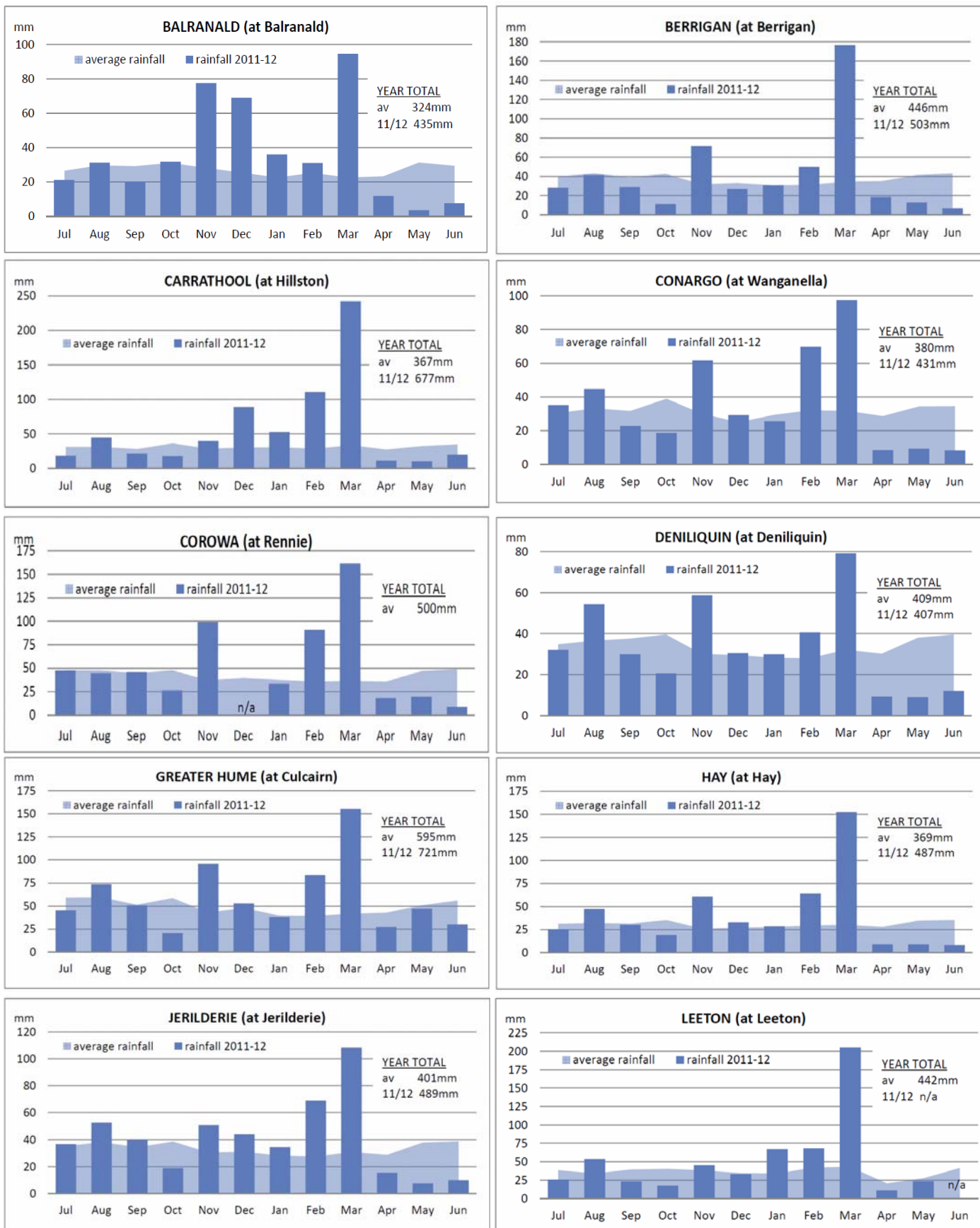
The lowest annual rainfall in 2011/12 amongst the weather stations nominated for each LGA was

**396mm**

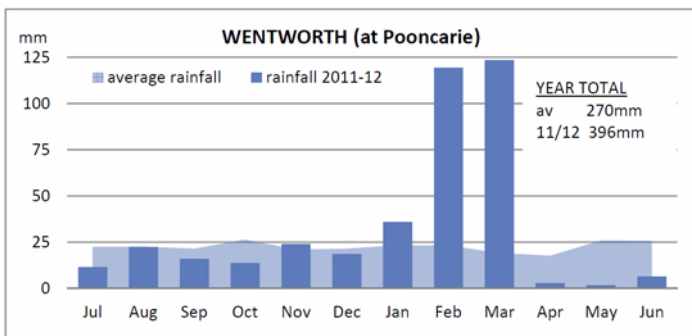
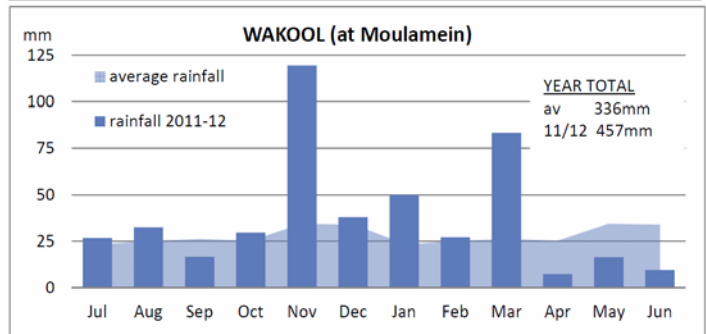
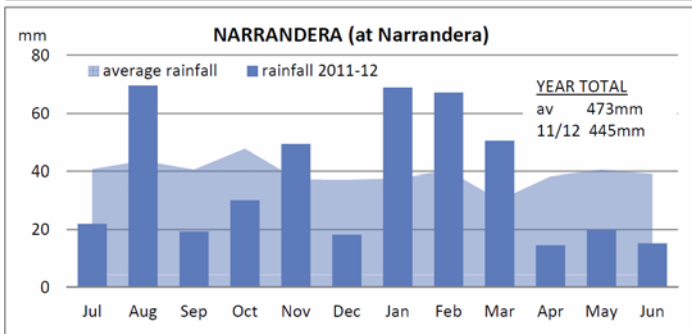
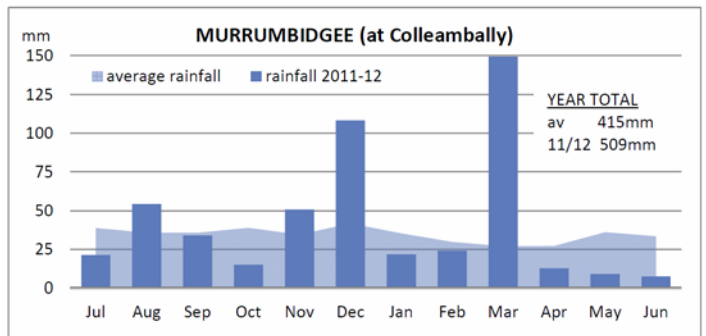
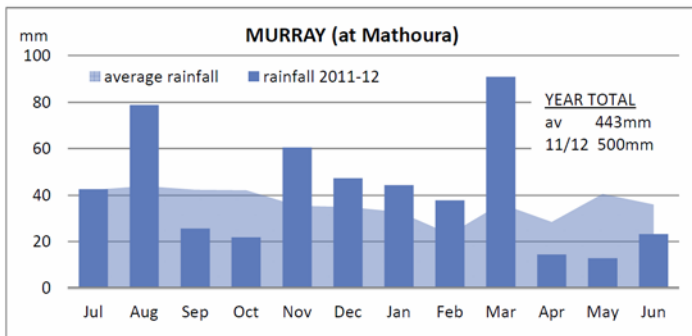
at Wentworth.



Figure 4 - Monthly rainfall (2011/12 vs historical average)<sup>1</sup>



<sup>1</sup>Australian Government: Bureau of Meteorology, 2011, *Climate Data Online*



Most Council areas experienced rainfall in March 2012 substantially in excess of the monthly average. This resulted in flooding to many areas.

Of the 15 participating Councils, more than half exceeded their annual average rainfall in 2011/12 by more than 100mm or 4 inches.

In 2011/12 Carrathool (at Hillston) experienced nearly double its average annual rainfall. This weather station received 310mm or in excess of 6 inches of rain more than its historical average.

Of the 15 participating Councils, only Narrandera and Deniliquin had below average annual rainfall in 2011/12.

Following in some cases record rainfall in March, most Council areas experienced below average rainfall in the fourth quarter of 2011/12.



## 4.2 Temperature<sup>1</sup>

Actual temperature can vary significantly from historical averages experienced across the region as can be seen by the charts at Figure 5. The charts display the difference between the mean monthly low and high temperature recorded in 2011/12 and the long term averages.

The charts provide an overview of the temperature variances across the region for the reporting period. There are less weather stations recording temperature than rainfall and consequently the data charted for some Council areas is from the one weather station. For those areas without a temperature recording weather station, the nearest one has been nominated as a substitute.

Late winter and early spring temperatures were considerably higher (in excess of 5 degrees Celsius) in 2011/12 than the average in Carrathool (at Hillston).

Overall across the region, both mean minimum and maximum monthly temperatures were higher than average for the second half of 2011.

Overall across the region, both mean minimum and maximum monthly temperatures were lower than average for the first half of 2012.

Of the 15 participating Councils, the highest mean monthly temperature in 2011/12 was

34.0°C

recorded by Wentworth for January 2012.

Of the 15 participating Councils, the lowest mean monthly temperature in 2011/12 was

2.2°C

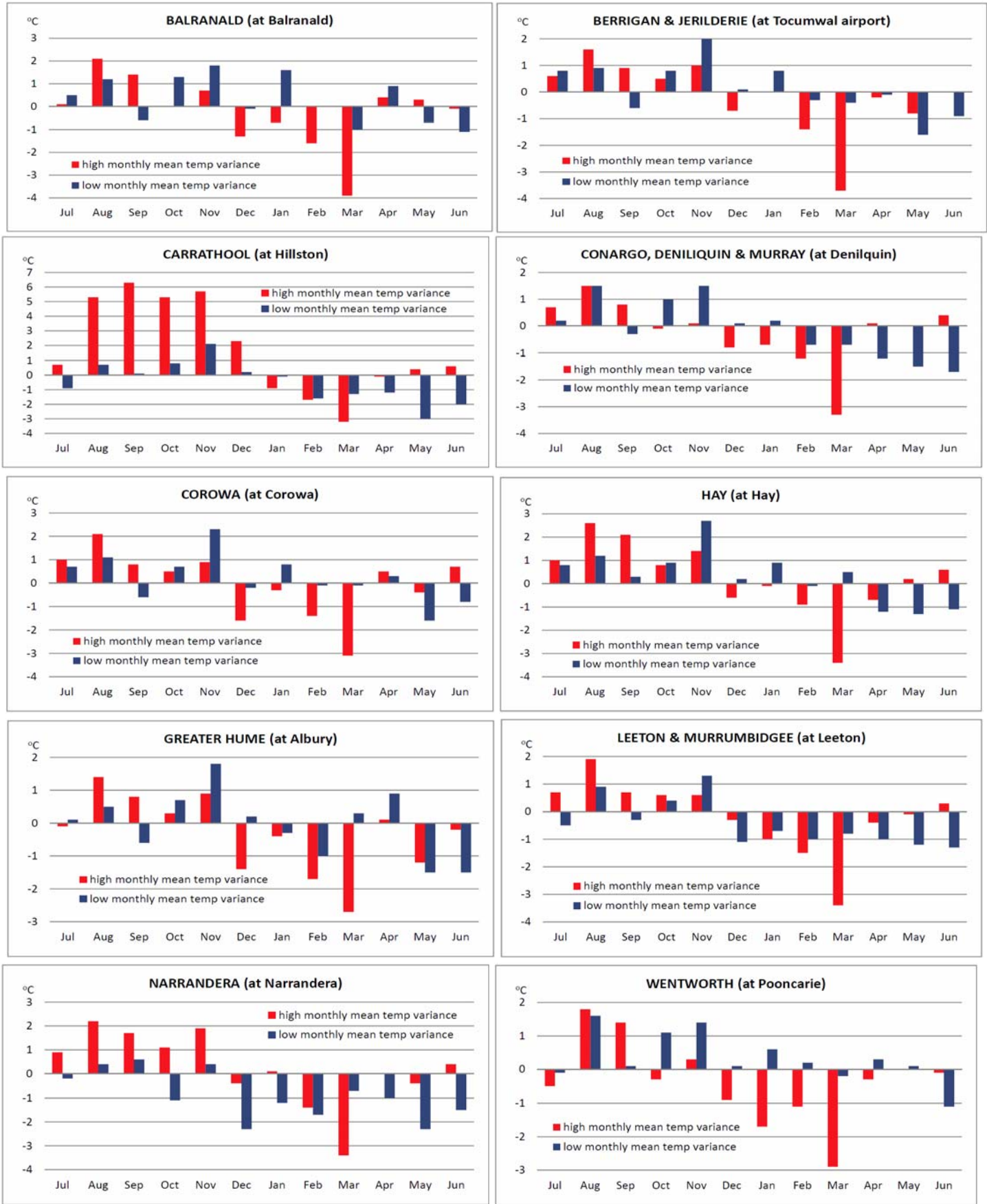
recorded by Greater Hume for Jun 2012.

The mean maximum monthly temperature for March 2012 was considerably lower (by 3 to 4 degrees Celsius) than the historical average across the region. This was most likely due to the incidence of high rainfall in this month.





Figure 5 - Mean monthly temperature (difference between 2011/12 and historical average)



<sup>1</sup>Australian Government: Bureau of Meteorology,

### 4.3 Council monitored emissions<sup>1</sup>

Councils monitor several sources of emissions within their LGA.

Tables 5 and 6 record smoke pollution and pollution complaints .

Some technologies and actions have a greater impact on the environment than others. As technology progresses, there are more and more sources and solutions when it comes to emissions, particularly from industrial sources.

LGA	Stubble permits issued <sup>1</sup>	Solid fuel heater approvals <sup>1</sup>	Controlled burns by council <sup>1</sup>
Balranald	3	0	2,300ha
Berrigan	0	5	None
Carrathool	n/a	8	n/a
Conargo	71	0	None
Corowa	11	n/a	2,109ha
Deniliquin	n/a	0	None
Greater Hume	n/a	9	Council landfills and transfer station compounds, approx. 4-5 hec total.
Hay	n/a	0	n/a
Jerilderie	n/a	0	n/a
Leeton	n/a	3	n/a
Murray	0	n/a	n/a
Murrumbidgee	145	2	0
Narrandera	n/a	n/a	n/a
Wakool	62	10	0
Wentworth	0	1	100ha

<sup>1</sup> Sourced from relevant councils

LGA	Pollution complaints <sup>1</sup>	Alternative fuel vehicles?
Balranald	0	No
Berrigan	0	Yes
Carrathool	n/a	None
Conargo	1	None
Corowa	n/a	None
Deniliquin	n/a	None
Greater Hume	16	1 hybrid
Hay	0	None
Jerilderie	5	None
Leeton	0	None
Murray	No register	No
Murrumbidgee	0	No
Narrandera	No register	None
Wakool	No register	None
Wentworth	2	n/a

<sup>1</sup> Sourced from relevant councils

Figures 6, 7 & 8 provide a snapshot of vehicle emissions both from a Council perspective and all vehicles. Council's maintain extensive vehicle fleets to perform the numerous functions of local government. Only two Councils (Berrigan and Greater Hume) indicated they include at least one vehicle running on alternative fuel. The average age of all registered vehicles increased across the region. Older vehicles are more likely to contribute to air pollution as they are less fuel efficient and feature less pollution control devices (particularly diesel vehicles).

More than half of all registered vehicles in the region run on unleaded petrol. Leeton has the highest proportion of registered vehicles on unleaded fuel. Alternative fuels such as LPG and vehicles with hybrid engines remain a very small proportion of all vehicles on the road.

Figure 6 - Council vehicle fleets 2011/12<sup>1</sup>

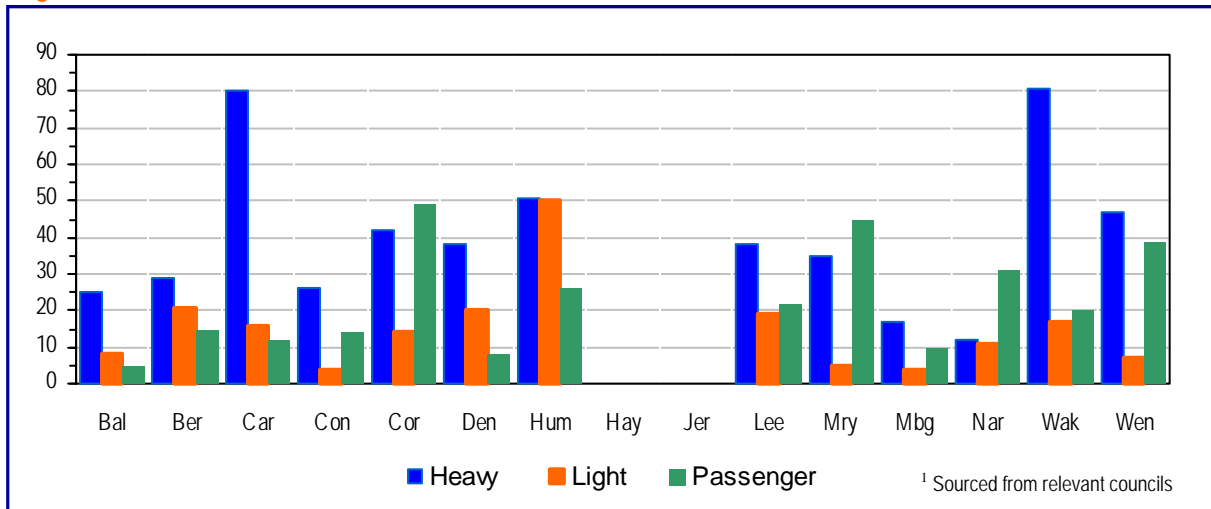


Figure 7 - Age of all vehicles

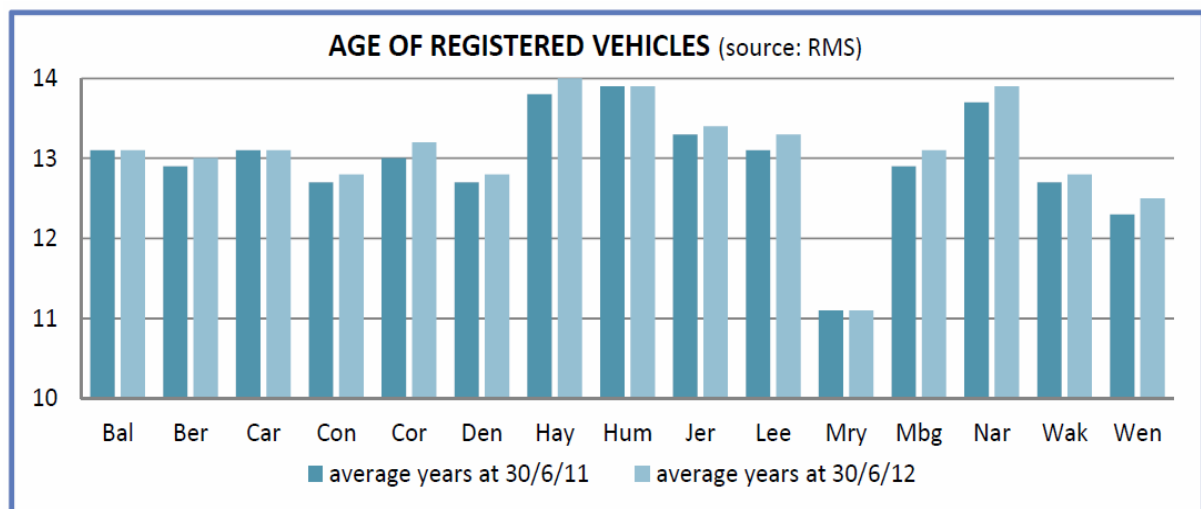
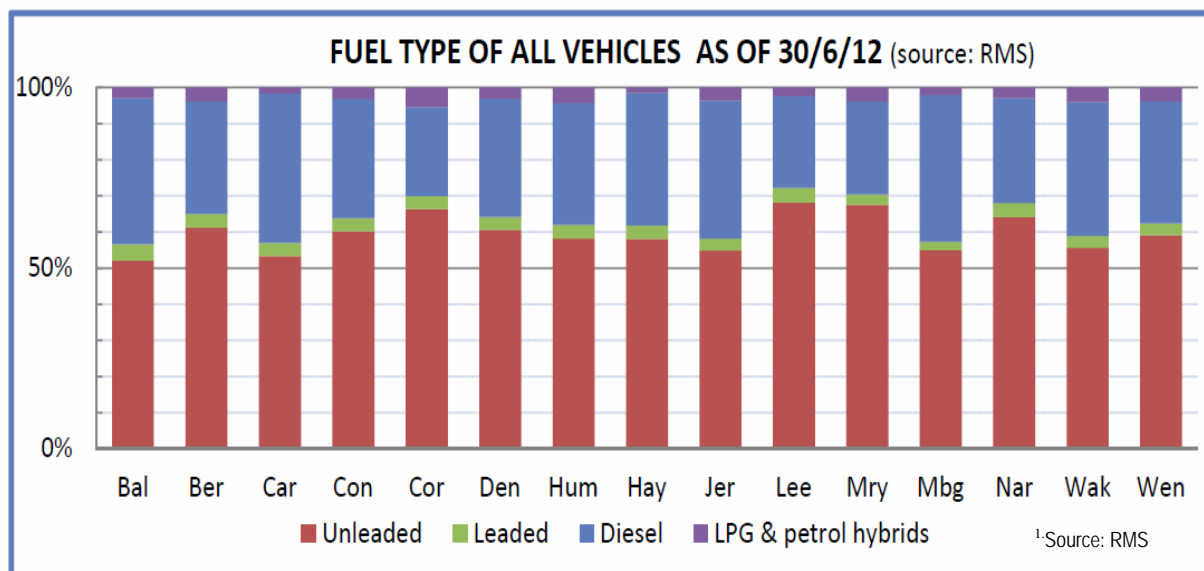


Figure 8 - Distribution of fuel types across all registered vehicles





# Biodiversity

## 5.1 Threatened species<sup>1</sup>

The number of threatened species recorded in each LGA in the region as of 2011/12 is detailed in Table 7. It should be noted that a higher or lower number of threatened species may be misleading as to whether it is a negative or positive number. For example, having a high number of threatened species could mean a LGA has valuable habitat for the species or could mean that a lot of species have been affected.

A low number of threatened species could indicate less species affected, it could indicate that threatened species have been affected to the point in which they longer exist within a given area. It must also be noted that larger and more remote LGAs with lower populations and items that have not attracted as much tourist or scientific interest may have many species that have been as yet unidentified or unnoticed within the area.

Councils contribute to protection of species through tree planting and protection, land management, pest and weed control, working with community groups/landholders and co-operation with regional and State authorities (such as CMAs and DPI).

Table 7 - Threatened species identified in LGAs<sup>1</sup>

LGA	Amphibians	Birds	Fish	Mammals	Reptiles	Plants	Insects	TOTAL
Balranald	1	10	5	4	0	7	0	27
Berrigan	1	7	4	4	1	5	0	22
Carrathool	1	9	2	3	1	7	0	23
Conargo	1	7	3	4	1	11	0	27
Corowa	1	6	4	4	0	5	1	21
Deniliquin	1	7	3	4	0	3	0	18
Greater Hume	2	6	3	5	2	9	1	28
Hay	1	8	3	2	0	8	0	22
Jerilderie	1	7	2	4	1	5	0	20
Leeton	1	6	2	3	1	2	0	15
Murray	1	7	3	4	2	12	1	30
Murrumbidgee	1	7	2	2	0	3	0	15
Narrandera	1	7	3	3	1	10	0	25
Wakool	1	8	3	4	1	10	0	27
Wentworth	1	9	2	2	0	11	0	25

<sup>1</sup>EPBC Protected Matters Report October 2012 (includes species listed as 'critically endangered', 'endangered' and 'vulnerable')





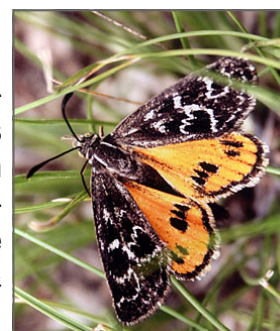
## 5.2 Critically endangered species & communities<sup>1</sup>

There are two 'critically endangered species' and two 'critically endangered ecological communities' recognised within the RAMROC region.

### Golden Sun Moth

This moth occurs in Corowa, Greater Hume and Murray LGA's.

Historically, the distribution of the Golden Sun Moth corresponded with native temperate grasslands across NSW, the ACT, Victoria and South Australia. These grasslands covered approximately 2,000,000ha of south-eastern Australia. It is probable the moth occurred wherever there were high densities of wallaby grasses within these grasslands. Less than 1% of these temperate native grasslands remain. As a result, the remaining Golden Sun Moth populations are highly reduced and fragmented (Clarke & O'Dwyer 2000).



### Spiny Rice-flower

This species mostly occurs in Victoria but does extend in to Murray Shire.

The Spiny Rice-flower is endemic to Victoria, and occurs in lowland grassland, grassy woodland and open shrublands from south-western to north-central Victoria (DEWHA 2009b; TSSC 2003f). It is most often found within the ecological community Natural Temperate Grassland of the Victorian Volcanic Plain, a critically endangered ecological community listed under the EPBC Act.



This species has a very restricted area of occupancy, estimated to be 5.7 km<sup>2</sup> with an upper limit estimated to be 10 km<sup>2</sup> (TSSC 2003f). Populations of the Spiny Rice-flower are substantially fragmented, due to historical land clearance for settlement, industry and agriculture (Carter & Walsh 2006h). The number of mature individuals of Spiny Rice-flower is estimated at 55 000, occurring over 184 sites. The majority of sites support very small populations of less than 100 plants (DEWHA 2009a).

### White Box-Yellow Box-Blakely's Red Gum Grassy Woodland & Derived Native Grassland

This ecological community is found in all participating LGA's with the exception of Balranald, Hay and Wentworth.

White Box Yellow Box Blakely's Red Gum Woodland has been drastically reduced in area and highly fragmented because of clearance for cropping (for cropping, pasture improvement or other development); deterioration of remnant condition (caused by firewood cutting, increased livestock grazing, weed invasion, inappropriate fire regimes, soil disturbance and increased nutrient loads); degradation of the landscape in which remnants occur (including soil acidification, salinity, and loss of connectivity between remnants).

### Seasonal Herbaceous Wetlands (Freshwater) of the Temperate Lowland Plains

This ecological community is listed as occurring in Corowa, Greater Hume, Jerilderie and Murray LGA's.

This community is wetlands characterised by a particular hydrology, geographical position and vegetation structure. These are isolated, freshwater wetlands that are usually inundated on a seasonal basis through rainfall, then dry out, so surface water is not permanently present. They occur on the lowland plains of temperate south-eastern Australia and have a vegetation structure that is open, i.e. woody cover is absent to sparse, and the ground layer is dominated by herbs (grasses, sedges and forbs) adapted to seasonally wet or waterlogged conditions.



### 5.3 Changes to threatened species listings<sup>1</sup>

The *Threatened Species Conservation Act 1995* (TSC Act) protects threatened and endangered species throughout NSW. The Scientific Committee determines inclusions, exclusions and alterations to the TSC Act given applications and advice submitted for consideration. The schedules of the TSC Act contain the protected species, communities and populations, and these are constantly changing depending upon the Committee's decisions. There was just one final determination made by the Scientific Committee in the reporting period (see below) relating to a threatened species and it is a 'key threatening process'.

Land management practices, climate change, natural resource requirements and invasion of exotic species (plant, animal and viral) are some of the many factors contributing to the decline of certain native species in Australia, and in particular the RAMROC reporting area.

#### Final Determination<sup>1</sup>

On 26th August 2011 the Scientific Committee, established by the *Threatened Species Conservation Act*, made a Final Determination to list '*Loss and degradation of native plant and animal habitat by invasion of escaped garden plants, including aquatic plants*' as a KEY THREATENING PROCESS in Schedule 3 of the Act.

Invasion by exotic plants has been identified as the primary cause of extinction of four native plant species in Australia, with another 57 species recognized as threatened by competition with invasive exotic plants (Leigh and Briggs 1992). In NSW, introduced invasive plants have been recognized as having an adverse impact on 341 species, 14 populations and 64 ecological communities listed as threatened under the *Threatened Species Conservation Act 1995* (Coutts-Smith and Downey 2006).

#### Case study— Vegetation Vegetation Mapping Project

NSW Office of Environment & Heritage, Feb 2012

This project was funded under the *NSW Rivers Environmental Restoration Program* (RERP) which aims to restore the health of five iconic floodplain wetlands in the Murray–Darling Basin, including the Lower Murrumbidgee wetlands, Lachlan wetlands, Gwydir wetlands, Narran Lakes and Macquarie Marshes.

The floodplain and wetland communities that occur on the Lower Murrumbidgee (Lowbidgee) floodplain have been in severe decline over their range since European settlement. This decline has accelerated over the last 30 years due to land clearing and altered hydrological regimes. The vegetation communities of these floodplains are highly fragmented and poorly conserved in NSW (Benson 1999). All remaining wetland and floodplain vegetation in the Lowbidgee floodplain is of conservation significance and is important for maintaining and restoring the ecological health of this unique inland floodplain wetland complex.

This study, carried out in 2010, mapped the extent of the vegetation communities of the Lowbidgee floodplain in 2008. The study area (totaling 222,277 ha) included Yanga National Park, located 20 km north-west of Balranald in southwestern NSW and the Lowbidgee for a distance of approximately 80 km east to the town of Maude.

The aims of this study were to:

- create maps of the distribution of vegetation communities in 2008 of the Lowbidgee floodplain and Yanga National Park using high-resolution digital aerial photography
- define the condition of river red gum communities in 2008
- establish a series of vegetation plots within key vegetation communities for more detailed floristic survey and as a benchmark for trend analysis
- make recommendations for monitoring the response of key flood-dependant vegetation communities to environmental water releases to assist in the adaptive management of environmental water.





## 5.5 Native vegetation

Native vegetation extent and condition is an indicator of ecosystem health and the overall and health of ecosystem diversity.

The condition of native vegetation across the region ranges from pristine to total replacement as the degree of modification varies from area to area. Modification can occur in varying degrees by land management practices and unplanned threats and disturbances such as weed invasion and fire.

The modification of native vegetation can change the structure, function and species composition of vegetation.

Some councils require permit to remove native vegetation, which can include conditions such as planting vegetation to offset the vegetation removed. Four of the 15 participating Councils (highlighted in green in Table 11) indicated a change in 2011/12 in that they now prohibit fire wood collection.

Table 11 - Tree removal <sup>1</sup>				
LGA	Permit required?	Applications	Offsets	Firewood collection? <sup>1</sup>
Balranald	Yes	0	Yes	0
Berrigan	No	-	-	Allowed—nil
Carrathool	Yes	10	Yes	Allowed—nil
Conargo	In sandhill areas	-	Yes	Not allowed
Corowa	Yes	12	No	Allowed—n/a
Deniliquin	No	-	-	Not allowed
Greater Hume	No	n/a	No	298 (+48)
Hay	No	-	-	Not allowed
Jerilderie	Yes (street trees only)	3	-	Not allowed
Leeton	Yes (Council land only)	n/a	Yes (1 for 1)	Not allowed
Murray	Yes	2	No	Not allowed
Murrumbidgee	Yes	9 (+8)	Yes (1 for 1)	Yes
Narrandera	No	-	-	Not allowed
Wakool	No	-	-	Not allowed
Wentworth	No	-	-	Not allowed

<sup>1</sup>Sourced from relevant councils

### Case study— Roadside vegetation

#### Roadside Vegetation Implementation Project

##### Conargo Shire Council

The LGSA provided funding to the NSW Environmental Trust to deliver a twelve month project to assist NSW councils to undertake priority roadside vegetation management works known as the *Roadside Vegetation Implementation Project* (RVIP).

Conargo Shire was successful in obtaining funding to the value of \$48,332 for direct seeding, rabbit control, spraying of environmental weeds and signage to link up existing remnant vegetation on Shire roads and TSR's within the Shire.

The work involves other agencies including the Murray CMA (direct seeding), Riverina LHPA (rabbit control), Central Murray Weeds County Council (environmental weed control).

The RVIP supports the implementation of priority works identified in *Roadside Vegetation Management Plans* (RVMP) or other equivalent approved plans of NSW Councils.

The objectives of the RVIP is:

- to allow for the protection, re-vegetation and regeneration of large areas of linear reserves across the state;
- to improve environmental condition and enhance ecological corridors in NSW;
- to provide funds to regional councils and help regional economies, and
- to add value to a considerable investment already made by the Environmental Trust which funded councils to prepare RVMP's in 2005.



## 5.6 Environmental reserves<sup>1</sup>

Across the region a network of protected areas exist. The protected areas are the foundation for biodiversity conservation. The Riverina Region has 123,154 ha of managed reserves.

A number of councils retain land for biodiversity or environmental purposes. Some LGAs contain State Forest, National Parks and/or Nature Reserves, though these are not usually maintained by Council.

The NPWS identifies weeds, pest animals and inappropriate fire regimes to be major contributing factors to the degradation of parks and reserves. Climate change and drought are also significant factors.

Some council's reserve land for biodiversity or environmental purposes (refer to Table 8). Council's responses to weeds and pests can be seen in this section of the report.

### Case study— Yanga National Park

#### Description of wetland ecological character

NSW Office of Environment & Heritage, Feb 2012

This project seeks to define the ecological character of wetlands on the lower Murrumbidgee (Lowbidgee) floodplain with the focus on the newly designated Yanga National Park. The sustainable management of the region's wetlands is contingent upon a sound understanding of the key ecological components, the processes which sustain those values, and the natural variability primarily driven by a variable hydrological regime. Detailed knowledge is essential to understand a wetland's water requirement and how a wetland will respond to water management change, and thus can greatly enhance the ability to manage environmental water allocations (EWAs).

The report also identifies the actual and potential threats to the existence and integrity of a region's wetlands and identifies and recommends indicators for monitoring change in ecological character. The report developed for the region should also identify management actions that could be incorporated within management plans.

Table 8 - Council retained land for environment<sup>1</sup>

LGA	Council retained land for environment	Area	Protected
Balranald	Yes	5ha	Yes
Berrigan	Yes	434ha	Yes
Carrathool	No	-	-
Conargo	Yes	n/a-	Yes
Corowa	Yes	61ha	Yes
Deniliquin	No	-	-
Greater Hume	Yes	n/a	Yes
Hay	No	-	-
Jerilderie	No	-	-
Leeton	No	-	-
Murray	Yes	n/a	Yes
Murrumbidgee	No	-	-
Narrandera	Yes	500ha+	Yes
Wakool	Yes	n/a	Yes
Wentworth	Yes	876ha	Yes

<sup>1</sup> Sourced from relevant Councils

### Case study— Biodiversity works

#### Horseshoe Lagoon biodiversity works

##### Murray Shire Council

Council in conjunction with the Murray CMA undertook re-vegetation works and other improvements at the Horseshoe Lagoon reserve. The brief was to remove all non-native vegetation and identified target weeds from the site and then re-establish the site using only local indigenous plant species. These plants in the future will also allow Murray CMA staff to collect seed from a large number of rare local species in a single site giving many long term benefits to the local environment. Education was also a big part of the project with the local Moama school children involved in the re-vegetation works which enabled them to learn the importance of managing and caring for our local environment. Signage was also installed in key points of the site to educate all visitors to the reserve.





## 5.7 Weeds<sup>1</sup>

Some weeds are required by law to be controlled by landholders. These are known as noxious weeds and the law that controls these in NSW is the *Noxious Weeds Act 1993*.

Weeds that are declared noxious are those weeds that have potential to cause harm to the community and individuals, can be controlled by reasonable means and most importantly, have the potential to spread within an area and to other areas.

A weed is declared noxious because its control will provide a benefit to the community over and above the cost of implementing control programs.

The number of declared noxious weeds and their class in each LGA can be viewed in Figure 9. Declared noxious weeds can be broken into five groups, depending on their presence and impact on agriculture, the environment and people. Classes can be viewed on the DPI website.

Noxious weeds have the potential to become more widespread and will cause impact on agriculture, human health or the environment. They can be spread by vehicles, animals, people, wind and water among other means.

Most councils implement a weed management plan, and may be involved in catchment wide programs and involve the community and landholders as part of the management plan.

### Weeds of National Significance

Under the *National Weeds Strategy*, 20 introduced plants were identified as Weeds of National Significance (WONS). These weeds are regarded as the worst weeds in Australia because of their invasiveness, potential for spread, and economic and environmental impacts. In April 2012 African boxthorn, Asparagus weeds, Bellyache bush, Brooms, Cat's claw creeper, Fireweed, Gamba grass, Madeira vine, Opuntoid cacti (Prickly pear), Sagittaria, Silverleaf nightshade and Water hyacinth were added to the list of WONS.

#### Case study— African boxthorn

##### New Weeds of National Significance

NSW Department of Primary Industry, April 2012

African boxthorn is a member of the family *Solanaceae*, which also includes silverleaf nightshade, tobacco and tomatoes. It was introduced into Australia from South Africa in the mid 1800s and was commonly used as a hedge plant.

It is now a serious weed threat in all States and is one of the major weed threats to the semi-arid rangelands of western NSW. Consequently, it is a declared noxious weed in most parts of NSW. African boxthorn is an aggressive invader of pastures, roadsides, reserves, remnant bushland and waterways. It forms an impenetrable, spiny thicket that inhibits the movement of stock and provides a haven for feral animals. Many insects, including fruit fly, the common house fly and the tomato fly, breed in the fruit of this weed.

In NSW, African boxthorn is more prevalent on the well drained soils of the slopes and plains. Often, it has spread from around old homesteads and urban areas. It grows on all soil types but establishes best on lighter soils, particularly along dry creek beds.

The most cost effective way of controlling mature bushes forming thickets is to physically remove the top growth and as many of the roots as possible. The removed plant material should then be burnt. Removal of the roots is much easier and more effective when the soil is moist.



## 5.8 Pests & feral animals<sup>1</sup>

Invasive species affect our environment, economy and social well-being. They can reduce the productivity of our land and waterways and reduce biodiversity in natural areas. Invasive species can out-compete, or prey on other species and spread disease. They can also damage buildings, roads and other structures<sup>1</sup>.

Participating LGAs were far less affected by pests in this reporting period than last (see Table 9). Common pests throughout the region include rabbits, foxes, locusts, mice and feral dogs and cats.

Councils work with local landholders, community groups and state agencies (such as the NSW Department of Primary Industries) to control pests on properties. Feral cat and dog populations can be reduced through registration, micro-chipping and de-sexing of domestic pets. Councils have pest control plans and policies, and regulate domestic animals through the *Companion Animals Act*, which requires registration of all domestic dogs (other than specified, such as working dogs). Council's and State Government have brochures, workshops and extensive advertisement to educate residents on methods to reduce the spread and impact of pests such as locusts and mice.

**Table 9 - Pest and domestic animal control<sup>1</sup>**

LGA	Pests 2010/11	Pests 2011/12	Common pests	Dogs impounded	Cats impounded	Other animals impounded	Animals euthanized
Balranald	Locusts & mice	No	-	22 (-70)	0	0	0
Berrigan	Rabbits, foxes, mice & locusts	Mice, Corellas & foxes	Foxes, rabbits & Corellas	64 (-21)	2 (-13)	0	54 (-23)
Carrathool	Locusts & mice	No	-	12 (-1)	7 (+7)	0	5 (+2)
Conargo	Mice & locusts	Mice	Feral cat & foxes	4 (-2)	0	0	0
Corowa	Mice	No	Rabbits & foxes	55 (-22)	9 (-17)	0	6 (-26)
Deniliquin	Mice	No	Rabbits	92 (-24)	0	3 (-3)	37 (-3)
Greater Hume	Mice	No	Rabbits, feral cats, wild dogs & foxes	251 (+166)	47 (+30)	14 (+14)	62 (+34)
Hay	Locusts, mice & crickets	Crickets, locusts, mosquitoes & mice	Crickets, locusts, mosquitoes & mice	90 (-93)	14 (-7)	0 (-2)	53 (-84)
Jerilderie	Locusts, crickets & mice	No	Mice	13 (+3)	0	0	8 (+4)
Leeton	Locusts & fruit flies	No	Locusts	356 (-21)	214 (+19)	0 (-8)	210 (+3)
Murray	Locusts & mice	No	Mice, foxes & rabbits	92 (-6)	24 (-6)	30 (+13)	73 (+51)
Murrumbidgee	Mice & locusts	Mice & rabbits	Mice, rabbits, foxes, fruit fly, feral cats & wild dogs	23	1 (-5)	0	5 (+5)
Narrandera	Mice & crickets	Mice, locusts, crickets & mosquitoes	Locusts/rabbits/white cedar grubs	103 (-24)	21	0	20 (-41)
Wakool	No	Rabbits	Rabbits, foxes & cats	19 (+4)	0	2 (-6)	8 (+1)
Wentworth	Locusts	No	Rabbits	177 (-1)	79 (+15)	0	60 (-25)

<sup>1</sup>Sourced from relevant councils



# Water

## 6.1 Water quality

Water is a limited and precious resource and must be managed for immediate needs and for long-term economic and environmental sustainability. With the effects of climate change now a reality, and increasing demands for water, sound policies are required to ensure a sustainable supply of water for the recent drought and for future generations.

Most councils undertake potable water quality monitoring. Five councils have identified groundwater issues. Most Councils experienced flooding, resulting in significant cost to repair infrastructure and damage to crops. Flooding increases the flow for most river systems and decreases the risk of Blue-green Algae outbreak.

Water quality and availability can be affected by drought and floods.

Councils monitor potable water and some councils also monitor ground water. Councils also encourage sustainable land practices and manage urban stormwater flows.

Table 12 - Water monitoring<sup>1</sup>

LGA	Alerts issued for potable water	Water quality complaints	Blue-green algae outbreaks	Ground water issues
Balranald	0	0	0	No
Berrigan	0	25	Yes	High water table
Carrathool	0	0	0	n/a
Conargo	n/a	No register	0	None
Corowa	0	17	0	None
Deniliquin	0	n/a	Yes	No
Greater Hume	0	0	0	None
Hay	0	0	0	None
Jerilderie	0	15	0	None
Leeton	0	5	0	Salinity
Murray	0	0	0	None
Murrumbidgee	Yes Oct 2011 & Mar 2012	2	0	High water table
Narrandera	0	0	0	Salinity, high water table, colour/ odour/iron levels
Wakool	0	0	0	n/a
Wentworth	0	0	n/a	High water table, brackish groundwater, salt interception schemes

<sup>1</sup>Sourced from relevant councils and Murray RACC New Alerts





## 6.2 Flooding

All but Deniliquin and Murray LGAs within the RAMROC region again reported flooding during the 2011/12 reporting period. This has occurred following years of drought and created a new set of environmental issues for Councils to manage.

The flood events reported ranged from 1 in 20 year to the significant 1 in 300 years in Leeton. The majority of the Councils recorded substantial damage to crops and infrastructure in particular roads. Murrumbidgee reported \$8.5 million damage and Narrandera \$6 million.

Table 13 - Flooding <sup>1</sup>

LGA	Flooding in 2010/11	Flooding in 2011/12	Damage 2011/12
Balranald	Yes, 1 in 20yr	Yes, 1 in 25yr	Yes
Berrigan	Yes, 1 in 20yr	Yes, 1 in 111yr	Yes
Carrathool	Yes, 1 in 50yr	Yes, 1 in 60yr	n/a
Conargo	Yes	Yes, 1 in 30yr	Yes
Corowa	Yes, 1 in 100yr	Yes, 1 in 100yr	\$4 million
Deniliquin	Yes, less than 1 in 5yr	No	-
Greater Hume	Yes	Yes, 1 in 100yr	Yes
Hay	Yes, 1 in 20yr	Yes, 1 in 100yr	\$1.3 million
Jerilderie	Yes, 1 in 20yr	Yes, 1 in 30yr	Yes
Leeton	Yes	Yes, 1 in 300yr	\$2.6 million
Murray	Yes, 1 in 20yr	No	-
Murrumbidgee	Yes, 1 in 10yr	Yes, 1 in 100yr	\$8.5 million
Narrandera	Yes, 1 in 20yr	Yes	\$6 million
Wakool	Yes, 1 in 20yr	Yes	\$1.1 mil
Wentworth	Yes, 1 in 10yr	Yes, 1 in 20yr	\$182,420

<sup>1</sup>Sourced from relevant councils

### Case study— Environmental flows

#### Fish in Edward and Wakool Rivers

##### NSW Office of Environment & Heritage 'Water Gallery'

Dissolved oxygen levels are now being boosted in this popular fishing river system thanks to extra environmental water deliveries being coordinated by OEH. Recent rainfall and flooding throughout the catchment had caused extra organic material to be deposited into the river, resulting in a 'blackwater' effect and lowering dissolved oxygen levels to below 2 milligrams per litre. This may have been causing native fish such as the Murray cod and yellow belly to experience severe stress and possible death.

It is expected that by 30 June 2012, up to 60 gigalitres of environmental water will have been released into the Edward-Wakool river system, since environmental releases commenced in early April.

There are promising signs that the poor quality blackwater is being diluted and better quality habitat created for native fish and other aquatic fauna. The Edward River at Moulamein recently registered healthier oxygen levels of around 4 milligrams per litre and there have been very few reports of fish kills to NSW Fisheries and the Murray- Darling Basin Authority.

This initiative has been delivered in partnership with the Commonwealth, State Water Corporation, Murray CMA, Forests NSW, NPWS, NSW Office of Water, Fisheries NSW, the river operators and the local community. All the environmental water for this event was sourced from the Commonwealth Environmental Water Holder.



## 6.3 Water consumption

Water in Australia is a valuable resource, required for almost every industry, particularly agriculture, as well as drinking water and household use. An indication of water consumption for each LGA is recorded in the table below.

Large amounts of water are used in households by washing machines, dishwashers, hot water systems and showers. Garden irrigators, washing of cars and private swimming pools also contribute to domestic potable water use. Some businesses require large amounts of water for processing (such as food processing). Agriculture requires water for stock and irrigation of crops. Councils can use large amounts of water for irrigation of sporting facilities and parks.

Incentives for water tanks and water saving appliances in homes are available for reducing domestic water use. Some businesses (such as car washes) utilise recycled water. Councils can enforce water restrictions to limit non-essential uses (such as watering lawns or pools) and often utilise recycled water for the maintenance of council owned parks and sporting facilities (see Table 14), and sometimes government owned school ovals.

It is worth noting that all but Murray and Greater Hume Councils lifted water restrictions in 2011/12.

**Table 14 - Water use 2011/12 <sup>1</sup>**

LGA	Water supply <sup>1</sup>	Total consumption	Daily average household water consumption <sup>1</sup>	Water restrictions	Area irrigated by treated wastewater	Treated wastewater used
Balranald	Murrumbidgee River	833ML	n/a	No	n/a	99ML
Berrigan	Murray River & channel	586ML treated 516ML raw	400 litres	No	Two golf courses	350ML
Carrathool	Bore	n/a	n/a	No	n/a	n/a
Conargo	Bore and creek	11.4ML	68 litres	No	None	-
Corowa	Murray River	1,258ML	n/a	No	50ha tree lot	295ML
Deniliquin	Edward River	478ML	112 litres	No	4ha	10ML
Greater Hume	Groundwater & river	404ML	195 litres	Stage 1	n/a	n/a
Hay	Murrumbidgee River	709ML	n/a	No	None	-
Jerilderie	Billabong Creek	n/a	313 litres	No	5ha racecourse	20ML
Leeton	River, via channel & treated	2,076ML	500 litres	No	10ha	200ML
Murray	Murray River	1,010ML	77 litres	Yes	40ha sports fields & vineyards	n/a
Murrumbidgee	Groundwater	n/a	n/a	No	None	-
Narrandera	Bore	593ML	332 litres	No	None	-
Wakool	Murray River	n/a	1,450 litres	No	None	-
Wentworth	Murray River	411ML filtered 868ML raw	n/a	No	None	-

<sup>1</sup>Sourced from relevant councils



## 6.4 Water storages

There are a number of major water storage facilities within the RAMROC region. Most are located at the heads of catchments so as to control the flow of water within rivers downstream for the purposes of irrigation. In more recent times the storages are also being utilised to provide for environmental flows in the river systems. Following a significant improvement in the quantity of water within the storages in 2010/11, these levels have been maintained or further improved in 2011/12 with above average rainfall in most areas.

Figure 9 charts the supply level and monthly discharges for the water storages over 2010/11 and 2011/12. It shows most of the storages reached near or full capacity during this period. Lake Cargelligo in the Lachlan catchment actually exceeded its capacity in early 2012 following the substantial rain events. Dartmouth Dam in the Murray catchment, which is the largest storage facility in the region with nearly 4 million megalitres, has been steadily filling over the two year period to the point it was predicted to spill late in 2012 for the first time in more than 20 years. This is however now unlikely to occur.

Releases from storages have been more irregular than usual over the past two years. Rather than being dictated by the irrigation season, some storages at various times have been releasing water as a means of controlling the capacity of the storage (i.e. as they approach full supply level). Overall, most storages have been releasing various quantities of water on a more or less constant basis in the latter half of the reporting period (i.e. since late 2011).

## 6.5 River flows

River heights and flows have fluctuated substantially over the reporting period, mainly as a result of major rainfall events occurring in the catchment.

Figure 10 charts the river heights at various locations throughout the RAMROC region over the 2010/11 and 2011/12 reporting periods. Depending on the timing of the significant rainfall, some river heights followed a similar seasonal pattern (e.g. 10 Mile Creek and the Darling at Pooncarie) whereas others were very different (e.g. Murrumbidgee at Balranald).

**In 2011/12 record river heights were experienced in the Wakool at the Wakool-Barham Road crossing on 2nd January 2012 and the Murrumbidgee at Carrathool on 16th March 2012.**

### Case study— Stormwater re-use

#### Moama stormwater retention basin

##### Murray Shire Council

Council enlarged an existing stormwater basin to increase its holding capacity. As part of the works a connection line to the Moama Recreation Reserve was installed so that harvested water could be diverted to the reserve for use on the 10 Hectares of irrigated sport fields and other passive recreation areas of the Reserve. This harvesting will give water security to the reserve and also means that irrigation water will no longer be required from the town water supplies. Water usage on the Reserve is approximately 50 mega litres per year.

### Case study— Floodplain Management Plan

#### Murrumbidgee River—Hay to Maude

##### NSW Office of Environment & Heritage, August 2011

The FMP will allow for future floodplain management planning by providing a coordinated and integrated network of floodways, appropriately located and sufficiently sized to convey unimpeded floodwaters to support the floodplain environment and minimise flood risk.

Once adopted, the FMP, including the FMP floodway network, will form the basis for determining whether flood control works on the floodplain will be granted approval under Part 8 of the *Water Act*.

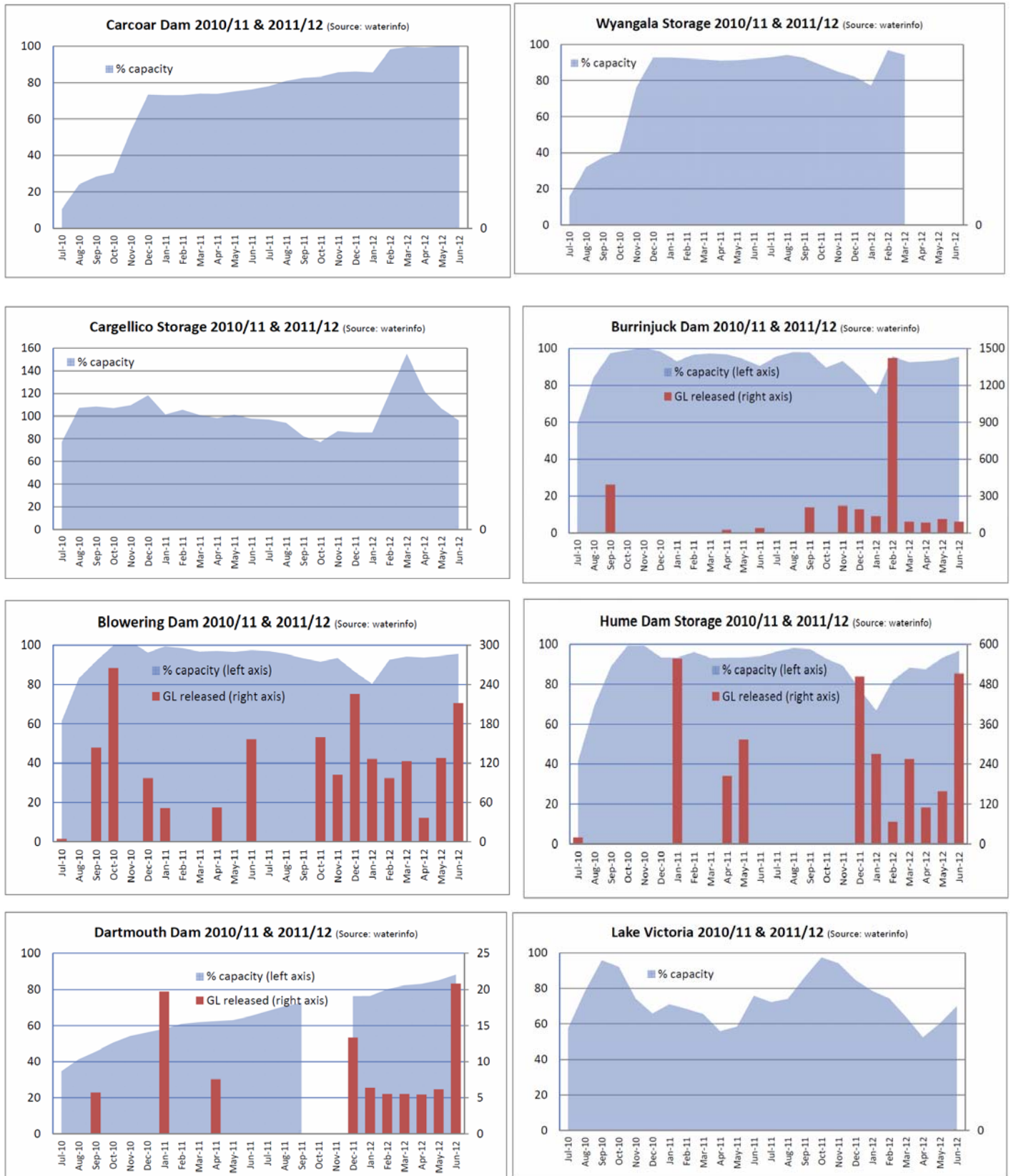
The FMP floodway network has been designed to effectively convey floodwaters to flood dependent ecosystems including river red gum and black box woodlands, lignum swamps, billabongs and flood runners within the FMP floodplain and to the downstream Lowbidgee floodplain wetlands. The FMP also specifies works modifications to resolve identified environmental connectivity and hydraulic issues associated with existing flood control works.

**In 2011/12 record river flows were measured in the Murrumbidgee at Narrandera on 10th March 2012 and Balranald on 25th April 2012..**



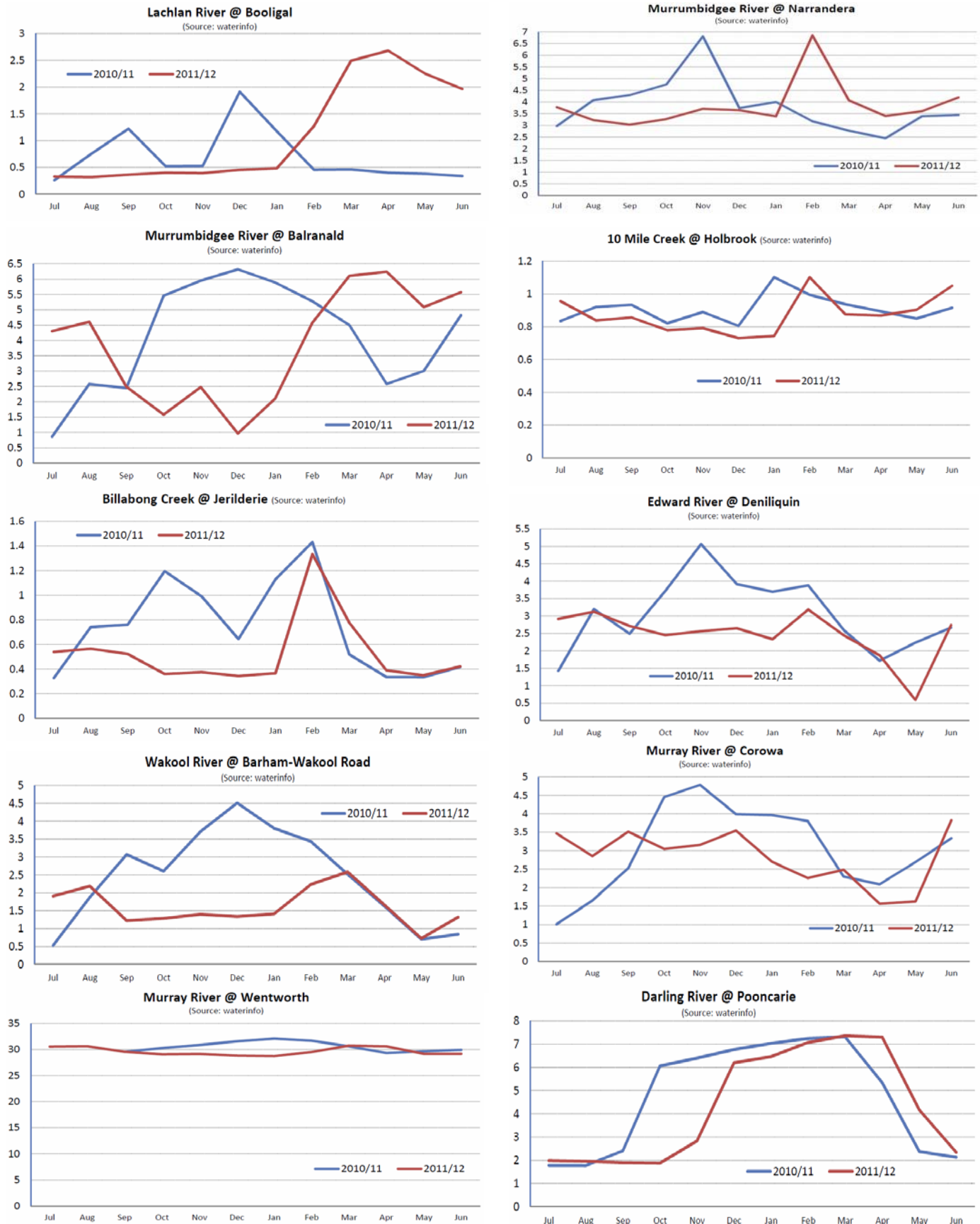


**Figure 9** -Levels and discharges from major water storages servicing RAMROC area





**Figure 10** -River heights at selected locations in the RAMROC region





# Human Settlement

## 7.1 Town planning

Local Environmental Plans (LEPs) guide planning decisions for local government areas. Through zoning and development controls, they allow Councils and other consent authorities to manage the ways in which land is used and developed. LEPs are the primary planning tool for Councils to shape the future of their communities.

In 2006, the NSW Government gazetted a Standard Instrument for preparing new LEPs as a means of providing more consistency in planning controls across NSW. All Councils were required to prepare new LEPs in accordance with the Standard Instrument. The fact that only six of the participating Councils have completed their new LEP by the end of this reporting period is an indication of how difficult and frustrating many Councils have found the process.

In preparing their new LEPs most Councils have taken the opportunity to apply environmental zones and overlays to environmentally sensitive land that previously may have not been afforded such protection.

Table 15 summarises the stage at which each Council was at with their new LEP as of 30th June 2012.

Table 15 - Local Environmental Plans in the RAMROC region <sup>1</sup>				
LGA	Age of current LEP at 30/6/12	Status of new Standard Instrument LEP at 30/6/12	Increase in area of environmental zones in new LEP	Use of environmental overlays in new LEP
Balranald	2 years	Commenced	No	Yes
Berrigan	20 years	Waiting S65 certificate for exhibition.	95ha proposed plus conversion of State Forests to E1	Yes
Carrathool	36 years	With Minister (commencement imminent)	No	Yes
Conargo	13 & 25 years	S64	No	Yes
Corowa	1 day!	Commenced	No	Yes
Deniliquin	15 years	Draft	n/a	Yes
Greater Hume	12, 14 & 36 years	With Minister (commencement imminent)	No	Yes
Hay	1 year	Commenced	No	Yes
Jerilderie	1 week	Commenced	No	Yes
Leeton	29 years	Waiting Gateway determination to exhibit.	n/a	n/a
Murray	1 year	Commenced	2,000ha to E3 & 66,000ha to E1	Yes
Murrumbidgee	18 years	Public exhibition	n/a	n/a
Narrandera	21 years	Public exhibition completed	No	Yes
Wakool	20 years	With Minister (commencement imminent)	No	Yes
Wentworth	1 year	Commenced	1,644,000ha	Yes

<sup>1</sup>Sourced from relevant councils





## 7.2 Development

Rates of development run parallel with rate of population decline in each LGA. Those Councils with the most stable population trends tend to have more development activity.

Table 16 provides a summary of development activity in each Council during 2011/12. A green number in the new dwellings column indicates an increase over the previous year and a red number a decrease. The number in brackets indicates the difference between 2011/12 and 2010/11.

The Murray River LGA's of Corowa, Murray and Berrigan, as well as Greater Hume recorded the highest number of new dwelling approvals in the RAMROC region during 2011/12. More than half of the participating Councils recorded an increase in new dwelling applications over the previous reporting period. Balranald, Leeton and Wentworth experienced a sharp decline in dwelling approvals whereas Murray enjoyed the largest increase.

A small number of designated development applications and those for community projects were recorded across the RAMROC region. Some Council's indicated the general economic downturn of recent years as having an influence on the amount of development being undertaken.

**Table 16 - Development in 2011/12<sup>1</sup>**

LGA	New dwellings approved <sup>1</sup>	New lots approved/certified	Designated dev/major projects <sup>1</sup>	Retirement villages/aged care dev <sup>1</sup>	Other public dev	Influences on rate of development <sup>1</sup>
Balranald	4 (-19)	14	0	2	1	None
Berrigan	46 (+5)	12	0	1 (10 units)	0	None
Carrathool	12 (+9)	15	1 (poultry)	0	1 (child care)	Broader economic climate.
Conargo	1 (-)	8	0	0	0	None
Corowa	65 (+7)	21	0	0	0	None
Deniliquin	7 (-12)	10	0	0	1 (family centre)	None
Greater Hume	43 (-2)	13	0	0	8	None
Hay	2 (-1)	3	0	0	0	Doctor has departed.
Jerilderie	9 (+8)	0	0	0	0	None
Leeton	18 (-24)	17	0	1 (alts & adds)	1 (alts & adds)	None
Murray	59 (+13)	63	0	2 (6 units)	1 (adds to school)	Economic slowdown
Murrumbidgee	3 (-)	18	0	0	0	None
Narrandera	6 (+3)	2	0	0	0	Economic down turn.
Wakool	12 (+6)	25	0	0	0	Cessation of logging in State Forests
Wentworth	10	72	0	0	1 (adds to school)	Expansion of village and low density residential zoning in new LEP.

<sup>1</sup>Sourced from relevant councils



## 7.3 Waste disposal and recycling<sup>1</sup>

Councils within RAMROC operate a range of waste disposal and recycling programs. Some smaller councils choose to participate in regional programs, joining up with neighbouring LGAs to provide a service (such as Berrigan with Moira Shire in Victoria), while others are too remote to justify joint programs.

Councils are continually keeping track of recycling programs and encourage the community to reduce, reuse and recycle. Councils often support school and community programs encouraging the reduction of waste (buying items with less packaging), the reuse of items (like reusable shopping bags) and recycling (or office paper, bottle, cans etc).

Whilst there appears to be some inconsistency in the data provided this year compared to last, only three Councils (Berrigan, Conargo and Greater Hume) reduced the quantity of waste put into land fill. Most Councils actively participate in recycling programs and there is a general trend of increasing quantities of waste being processed this way.

Only Balranald and Narrandera recorded a reduction in quantity of office paper used since the previous reporting period.

Table 17 - Waste disposal and recycling 2011/12<sup>1</sup>

LGA	Waste to landfill	Illegal dumping complaints <sup>1</sup>	Recycling program <sup>1</sup>	Quantity sent for recycling	Office paper used by Council <sup>1</sup>	Council recycles office paper <sup>1</sup>
Balranald	1,000 tonnes (+200)	0	No	50 tonnes	600 reams (-100)	Yes
Berrigan	1,034 tonnes (-2,310)	39 (+31)	Yes	778 tonnes (+594)	1,000 reams (+300)	Yes
Carrathool	n/a	n/a	No	-	n/a	n/a
Conargo	1,332 tonnes (-554)	2	Yes	54 tonnes (-253)	n/a	No
Corowa	6,535 tonnes (+663)	n/a	Yes	1,798 tonnes (+507)	n/a	Yes
Deniliquin	7,496 tonnes (+796)	Yes	Yes	211 tonnes	1,200 reams (+300)	Yes
Greater Hume	4,937 tonnes (-63)	25	Yes	920 tonnes (-80) 26,000 litres oil (+1,500)	800 (-)	Yes
Hay	3,000 tonnes (+300)	0	No	-	n/a	n/a
Jerilderie	100 tonnes (-)	0	No	-	345 reams (+72)	No
Leeton	16,867 tonnes (+11,437)	6	Yes	824 tonnes (+44)	800 reams (+50)	Yes
Murray	n/a	6	Yes	14,609 tonnes (+11,109)	n/a	Yes
Murrumbidgee	93 tonnes (+6)	1	Yes	162 tonnes	425 reams (+236)	Yes
Narrandera	3,490 tonnes (+178)	n/a	Yes	700 tonnes	780 reams (-220)	Yes
Wakool	1,676 tonnes (+481)	0	Yes	397 tonnes (-4)	n/a	Yes
Wentworth	23,000 tonnes (-)	5	No	-	620 reams	Yes

<sup>1</sup> Information from relevant councils



## 7.4 Energy consumption

Energy costs continue to increase for most Councils, although Hay, Leeton and Narrandera indicated a reduction in 2011/12 (see Table 19). Some Councils are actively undertaking programs to reduce their energy costs such as the installation of solar panels, identification of opportunities to reduce consumption and education of staff.

All Councils that provided a figure for the cost of natural gas recorded reduction in 2011/12 over the previous year.

There was considerable uptake of the State Government's Home Saver Rebate Scheme over the short time it was in place (see Table 18). Unfortunately the scheme has since been discontinued.

**Table 18 - Total uptake of NSW Home Saver Rebates to 30th June 2012<sup>1</sup>**

LGA	Rainwater tank	Hot water system	Ceiling insulation	Washing machine	Dual flush toilet	TOTAL
Balranald	33	18	-	3	1	55
Berrigan	167	94	4	55	5	325
Carrathool	28	26	4	33	-	91
Conargo	57	30	2	9	1	99
Corowa	224	209	10	68	17	528
Deniliquin	154	176	12	26	9	377
Greater Hume	214	162	17	90	9	492
Hay	41	30	2	20	11	104
Jerilderie	30	14	2	10	2	58
Leeton	109	168	10	81	15	383
Murray	106	91	34	45	1	277
Murrumbidgee	15	29	2	24	-	70
Narrandera	85	108	13	39	10	255
Wakool	44	49	5	8	-	106
Wentworth	83	145	1	7	1	237

<sup>1</sup>Sourced OEH Note this program ceased on 30 June 2012.

**Table 19 - Energy costs 2011/12<sup>1</sup>**

LGA	Cost of electricity	Gas	Steps undertaken to reduce energy consumptions
Balranald	\$201,317 (+\$55,117)	n/a	None
Berrigan	\$349,637 (+\$30,528)	n/a	-
Carrathool	n/a	n/a	-
Conargo	\$52,900 (+\$19,900)	n/a	Monitoring power usage at various facilities and investigating the feasibility of solar energy options.
Corowa	n/a	n/a	-
Deniliquin	\$596,410 (+\$118,955)	n/a	Council took part in Planet Footprint's free subscription via Office of Environment & Heritage.
Greater Hume	\$377,000 (+19%)	\$2,953 (-50%)	Installed solar panels on community building.
Hay	\$316,000 (-\$49,000)	n/a	Undertaking energy audit.
Jerilderie	n/a	n/a	Loss control policy adopted.
Leeton	\$729,328 (-\$158,635)	\$2,479 (-\$836)	Encourage change of behaviour for staff, review actual connections and rationalise.
Murray	n/a	n/a	-
Murrumbidgee	\$203,402	n/a	-
Narrandera	\$23,093 (-\$4,588)	\$616 (-\$400)	-
Wakool	\$340,286 (+17%)	n/a	-
Wentworth	\$271,000 (+48,000)	n/a	-

<sup>1</sup>Sourced from relevant councils

### Case study— Energy efficiency Environmental Upgrade Agreements (EUAs)

NSW Office of Environment & Heritage September 2011

The *Local Government Amendment (Environmental Upgrade Agreements) Act 2010* commenced on 18 February 2011 which facilitates upgrading or retrofitting of non-residential or multi-residential buildings (of more than 20 lots).

Under this agreement, a finance provider lends funds to a building owner for water, energy and other environmental upgrades and this low-risk loan is repaid through a local council charge on the land.





## 7.5 Effluent disposal

Councils of varying sizes and resources run differing programs when it comes to disposal of effluent (see Table 20). Interestingly a number of Councils indicated a reduction in the number of dwellings connected to a reticulated sewerage system. The reason for this is not known but is more likely to be a lack of consistency in the data provided over the previous year rather than dwellings being disconnected from the system.

There are more than 9,500 dwellings in the RAMROC region that rely upon on-site disposal of wastewater. At least 168 new on-site treatment systems were approved in the reporting region during 2011/12. Wakool accounted for the majority of these with 99 approvals.

Table 20 - Effluent management 2011/12 <sup>1</sup>				
LGA	Dwellings connected <sup>1</sup>	Dwellings not connected <sup>1</sup>	Approvals for on-site <sup>1</sup>	Standard for on-site disposal
Balranald	900 (+100)	306	6	In line with silver bullet.
Berrigan	3,060 (-30)	760	4	Yes
Carrathool	606 (-479)	162	0	No
Conargo	n/a	n/a	1	Conargo Shire Onsite Sewerage Management Plan
Corowa	4,000 (-666)	1,000	n/a	Yes
Deniliquin	2,906 (-244)	90	8	Yes
Greater Hume	1,400 (-)	2,100	n/a	Local Govt Act & Australian Standards
Hay	1,220 (+77)	250	0	Standard NSW Public Health Policy
Jerilderie	345 (+5)	176	0	Standard Public Health Policy
Leeton	3,000 (+50)	1,772	26	Aerated Waste Water treatment systems
Murray	2,698 (+438)	n/a	9	NSW Health Accredited
Murrumbidgee	724 (+2)	n/a	1	Australian Standard 1546
Narrandera	1,613 (-)	800	4	No
Wakool	1,074 (-121)	n/a	99	Yes
Wentworth	1,620 (+9)	1,310	10	Yes
<sup>1</sup> Sourced from relevant councils				



## 7.6 Motor vehicles

There was a total of 86,265 vehicles registered in the participating councils as of 30 June 2012 representing an increase of 1,618 or 1.9% over the previous year (see Figure 11). Leeton (12,134), Greater Hume (11,354) and Corowa (10,740) recorded the highest number of registered vehicles while Conargo (1,811) and Jerilderie (1,681) had the lowest. Murrumbidgee maintains the highest number of registered vehicles per capita by some margin with Murray the lowest. In the RAMROC region, only Berrigan, Corowa, Murray, Wakool and Wentworth have less registered vehicles than population.

The largest increase in registered vehicles between the end of 2010/11 and end of 2011/12 was 390 in Leeton representing a sizeable 3.3%. Deniliquin also posted a healthy increase of 224 or 2.8%. Wentworth only recorded an increase of 12 registered vehicles.

There were 415 vehicle accidents within the RAMROC region in 2010 being the latest data available. These accidents resulted in 17 fatalities and 321 injuries. Figure 12 charts the relationship between accidents, registered vehicles and population. Generally there is a higher rate of vehicle accidents in Greater Hume, Balranald and Jerilderie and a lower rate in Corowa, Deniliquin, Leeton and Berrigan.

Figure 11 -Vehicle registration in the RAMROC area <sup>1</sup>

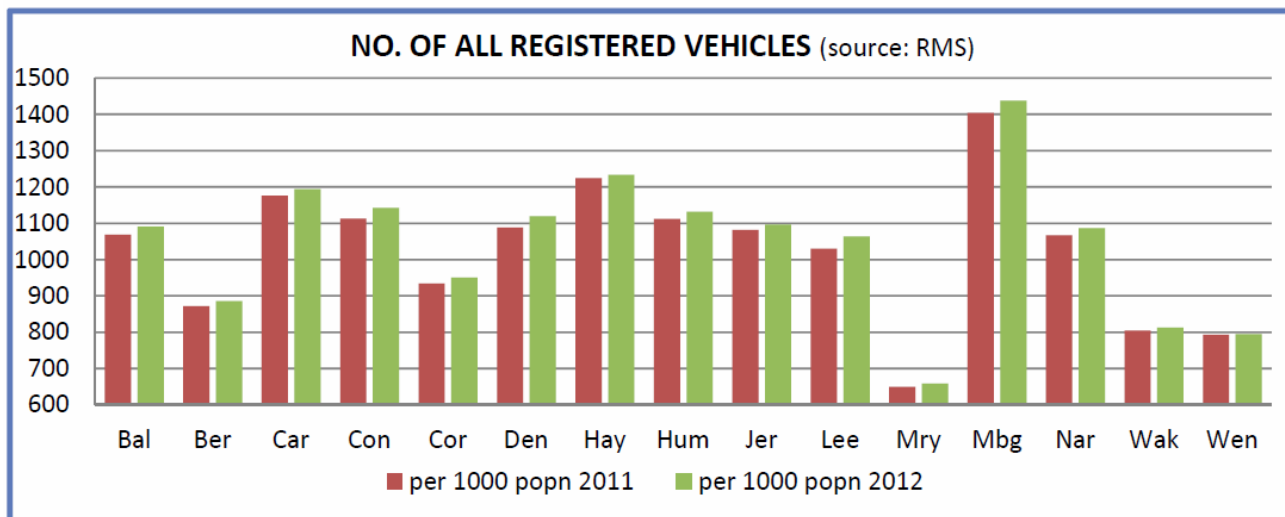
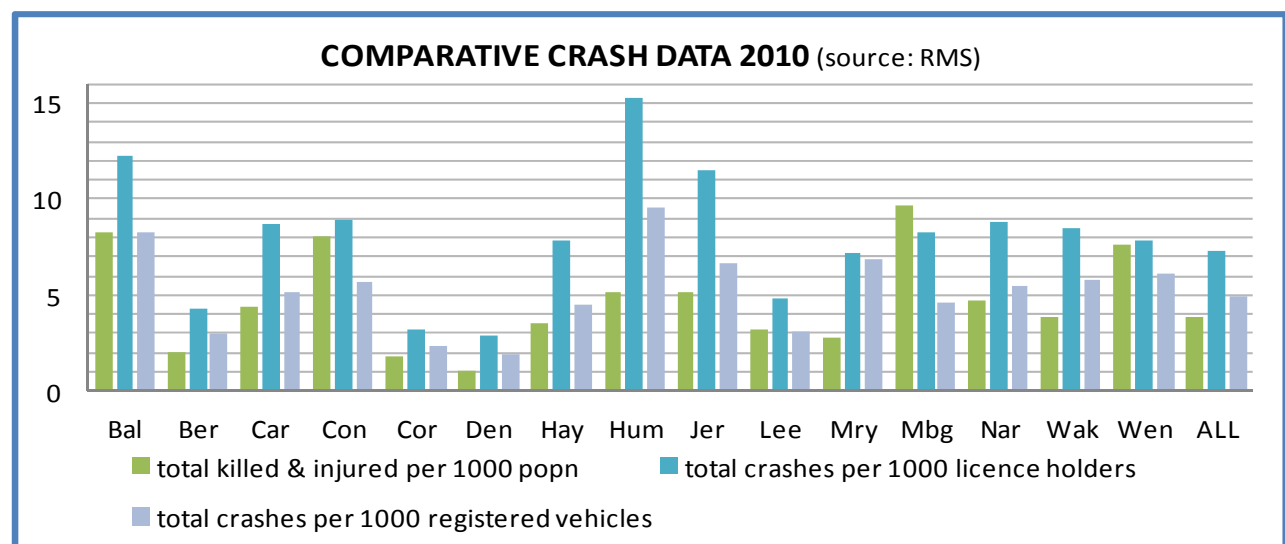


Figure 12 - Vehicle accidents in the RAMROC area <sup>1</sup>





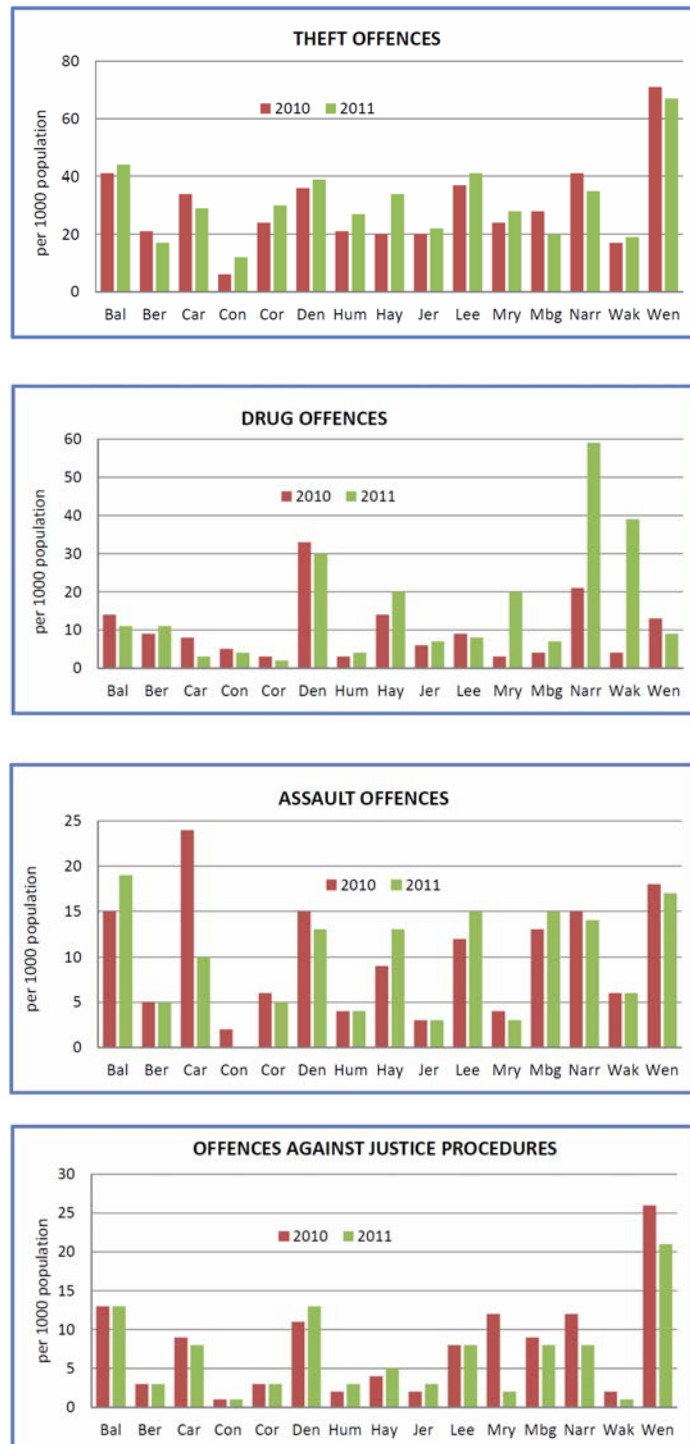
## 7.7 Anti-social behaviour

Crime occurs in most human settlements albeit at different rates. The data charted in Figure 13 consists of criminal incidents reported to police and recorded by the NSW Police. Recorded crime statistics for some offence categories may not accurately reflect the actual level of crime in an area. This is because some crimes are not reported, some are not easily measured and records of offences which are detected by, rather than reported to police are strongly affected by policing practices for example drug offences and drink driving offences. The NSW Bureau of Crime Statistics and Research cautions that crime rates in LGA with small population sizes (less than 3,000) are not always good indicators of offending crime rates.

The data charted in Figure 13 is the rate per 1,000 population in each LGA to allow some comparison between LGA's. Mid-Murray River LGAs (Corowa, Berrigan and Murray) generally have a lower incidence of crime, that could be linked to the presence of a higher proportion of retirees in the population.

On balance, crime rates appear to have declined from the previous reporting period, although there are some exceptions such as that for drug offences in Narrandera and Wakool.

Figure 13 - Crime reported in the RAMROC area<sup>1</sup>



<sup>1</sup> NSW Bureau of Crime Statistics and Research, 2011, *Crime Statistics*, Based on 2006 Census Population Data





# Cultural Heritage

## 8.1 Heritage items

The number of heritage listings for each LGA is on the following page. Note that the Heritage Branch website may not include recent listings, also some councils are in the process of constructing new LEPs that may include or remove some items. In some cases a substantial number of items have been added to heritage schedules.

Local and State heritage items are not hierarchical with one being more important than the other. Instead, they are complementary and indicate the contextual relationship of the significance of the item. It is about context not rank. The significance is relative to the community of interest associated with an item.

No damage or vandalism was reported to a heritage item in the RAMOC region in this reporting period.

Albury has reported 12 alterations made to heritage items during which included ten alterations and two partial demolitions.

A number of LGAs do not know if there has been any alterations or demolitions, or damage to any heritage items during the reporting period.

Identification of important items through heritage studies,

protection of items through legislation and funding for heritage projects/maintenance can all attribute to the ongoing protection of items of heritage significance.

## 8.2 Heritage funding

NSW Heritage Grants program assists owners and managers of state significant heritage items, Aboriginal heritage and local government heritage management in NSW<sup>1</sup>.

Nearly \$10 million has been approved for 323 projects across NSW under the NSW Heritage Grants Works Program.

Numerous Councils received funding for heritage projects in the reporting period from the NSW Heritage Grant Works Program and other sources. A selection of projects in the RAMROC region funded by the NSW Heritage Grants Works Program are found in Table 21. Wentworth received funding from the NSW State Government—Community Building Partnership to Develop the 'Cultural Precinct of Wentworth' project.

There is a limited amount of funding available for heritage projects and limited resources (staff) for projects.

Councils can apply for funding through the Heritage Branch. Councils also encourage and provide information to owners of heritage items to seek funding for maintenance.

Table 21 - NSW Heritage Grants within the RAMROC region 2011-2013<sup>1</sup>

Project name	Project purpose	LGA	Approved funding
Old Wentworth Gaol (1881), Wentworth, Perimeter Walls Conservation	To carry out conservation work on the perimeter wall of the former 1881 Wentworth Gaol.	Wentworth	\$65,000
Ned Kelly Post Office, Jerilderie, Conservation and Adaptive Re-use as Exhibition Space	To carry out conservation work to the former Post Office in Jerilderie made famous by Ned Kelly and adaptive re-use as an exhibition space for the Historical Society.	Jerilderie	\$40,000
Former Hay Gaol (1880) Perimeter Walls and Watch Towers Stabilisation and Conservation	To undertake urgent stabilisation and conservation work to the perimeter walls and watch tower at the State Heritage Register-listed 1880 former Hay Gaol complex designed by Colonial Architect James Barnett.	Hay	\$60,000

<sup>1</sup> NSW Office of Environment and Heritage, 2011, *NSW Heritage Grants*



Table 22 - Heritage items in the RAMROC region 2011/12<sup>1</sup>

LGA	Local items listed in LEP	Other local items	Items of State significance	Items of National sig.	Funding provided	New items added
Balranald	8	8	2	1	No	None
Berrigan	3	n/a	5	0	Annual fund for distribution to community upon application and approval	None
Carrathool	0	79	2 4	0 9	No	None
Conargo	1	30	0	0	Funding received from the Heritage Branch for Local Heritage fund to enable grants to be provided to individuals for the restoration and enhancement of local heritage buildings and items.	None
Corowa	78	78	3	0	No	Coreen School
Deniliquin	33	33	3	0	* Council received funding to complete a heritage DCP *Council received funding for the local heritage fund and funding for the heritage advisor	None
Greater Hume	89	89	2	0	Yes. Heritage Advisor Program and Local Heritage Fund Program	Yes, Draft Schedule 5 prepared of new draft LEP
Hay	21	21	4	0	Yes from NSW govt for Repair to hay Gaol wall and tower	None
Jerilderie	19	19	1	0	Yes – For Repairs to Post and Telegraph office \$34,000 from Heritage Branch	15 new items in new LEP.
Leeton	42	150	8	0	Yes Heritage Advisor Funding and heritage grant program funding	None
Murray	65	65+	3	1	Yes. Funding from the NSW Heritage Branch to engage a heritage advisor and contribute towards a local heritage fund.	None
Murrumbidgee	5	5	0	0	No	No
Narrandera	8	8	8	41	Yes, LEP Schedule of Heritage—Items of Significance	None
Wakool	5	48	6	7	No	None
Wentworth	155	115	2	1	No	66

<sup>1</sup>Based on advice from Councils



### 8.3 Aboriginal items<sup>1</sup>

Aboriginal heritage consists of those places and objects that contribute to the story of Aboriginal people in NSW. It can help identify the links that places may have with each other and their cultural significance. Aboriginal people moved around NSW and passed on stories, information and knowledge by going to these special places.

Aboriginal heritage includes places and items that are important to the local Aboriginal community or to Aboriginal people of NSW. These are places or objects that people have a connection to, both physically and spiritually. Aboriginal heritage can include natural features such as creeks or mountains, ceremonial or story places or areas of more contemporary cultural significance such as Aboriginal missions or post contact sites.

The details of Aboriginal heritage listings for each LGA is listed in the Table 23.

Identification of important items through heritage studies, protection of items through legislation and funding for heritage projects/maintenance can all attribute to the ongoing protection of items of heritage significance.

**Table 23- Aboriginal heritage items within RAMROC LGAs 2011/12<sup>1</sup>**

LGA	Known items	Items included in LEP	New archaeological items in 2010/11?
Balranald	108 (DECCW AHIMS database)	2	No
Berrigan	0	0	No
Carrathool	n/a	n/a	No
Conargo	0	0	No
Corowa	n/a	n/a	No
Deniliquin	0	0	No
Greater Hume	19 Culcairn (AHIMS) 14 Henty (AHIMS) 10 Jindera (AHIMS) 1 Walla Walla (AHIMS) 6 Burrumbuttock (AHIMS)	0	Yes. RMS Holbrook by-pass study
Hay	322 (AHIMS)		New predictive overlay created for Hay DCP.
Jerilderie	n/a	n/a	No
Leeton	1	n/a	No
Murray	n/a	n/a	No
Murrumbidgee	2	n/a	No
Narrandera	1	n/a	No
Wakool	n/a	n/a	No
Wentworth	8	0	No

<sup>1</sup> Sourced from relevant Councils

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## **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 \$21,770 and the councillor allowances paid were \$91,391.

The total cost of Councillor Expenses for 2011/12 was \$173,959. 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 \$603.
- The attendance of councillors at conferences and seminars was at a cost of \$24,070.

A review of Council's payment of expenses and the provision of facilities to the mayor and councillors policy was adopted on the 18th October 2011. A copy of this policy has been provided.

### **Major Contracts Awarded**

### **LGGR cl 217 (a2)**

During the year ended 30/6/12 Council made the following payments on contracts valued above \$150,000:

L.V. BODINNAR PTY LTD	Fuel & Hardware	229,611.67
J. F. MURPHY	Construction of Hostel Office & Rooms	448,803.87
MG & WH MATTNER	Caravan Park Management	219,794.53
STATEWIDE MUTUAL	Property & Public Liability Insurance	181,766.68
WENTWORTH SHIRE COUNCIL	RFS Contribution	671,127.60
SUNRAYSIA LAND DEVELOPMENT SPECIALISTS	Hire of Plant	1,176,470.27
COUNTRY ENERGY	Electricity	216,003.39
CAMERON PLANT HIRE	Hire of Plant	904,307.80
LGSS PTY LIMITED	Employee Superannuation	247,855.61
WILLIAM ADAMS	Purchase of Plant	222,389.82
GBM CONSULTING SERVICES	Bitumen Sealing Works	232,831.52
FITZGERALD EARTHMOVING	Hire of Plant	561,860.82



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GARRA EARTH	Hire of Plant	253,446.96
PRIMAL SURFACING PTY LTD	Bitumen Sealing Works	1,331,120.72

### **Legal Proceedings**

**LGGR cl 217 (a3)**

No legal proceedings are pending or known.

### **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)**

No financial assistance was granted under Section 356 during the period.

### **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 2011/12 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 \$160,680. This includes superannuation. The General Manager makes a payment to Council in respect of the provision of a motor vehicle. FBT of \$2,159 was paid in respect of the General Manager.

### **Stormwater Services**

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

Council has no stormwater levies in place.

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

Pound data has been lodged with the DLG

During the period \$14,712 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.

**GIPA Act 2009****Section 25**

Two requests were received and none are outstanding.

**Compliance with PPIP Act****PPIP Act s 33**

Council complies with the PPIP Act and no reviews were required to be undertaken.

**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 \$251.65 were written off during 2011/2012, in accordance with the provisions of the Local Government Act 1993.



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# **BALRANALD SHIRE COUNCIL**

## **GIPAA Information Guide**

### **30 June 2012**

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

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## **1 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 Traffic Authority as well as many other Government Agencies.

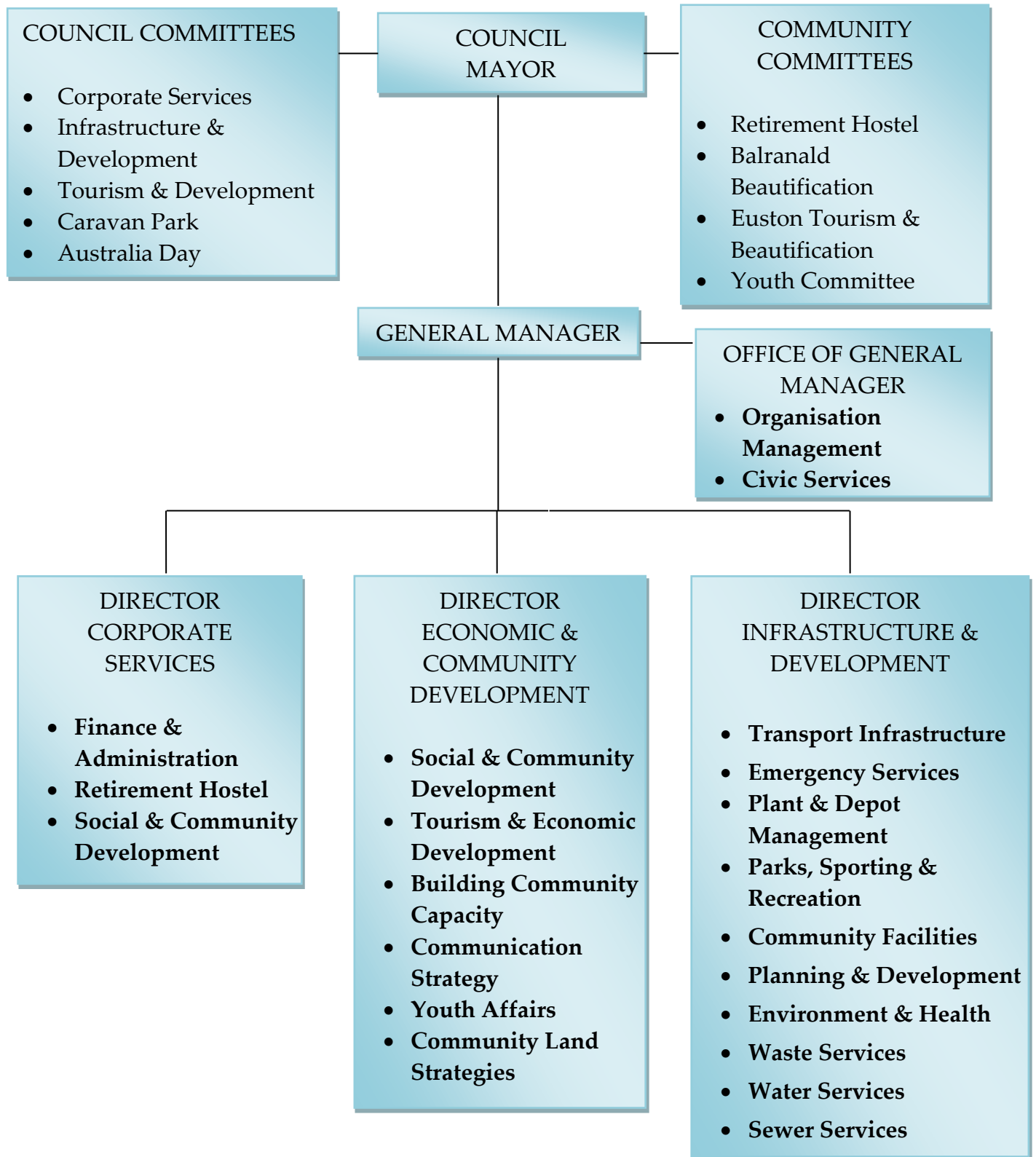
### **2.2 Basis of Constitution**

The Council of the Shire of Balranald is a statutory body under the Local Government Act (LGA), 1993.

### **2.3 Organisational Structure and Resources**

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## Council's Structure and Functions



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## 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.

Each year a 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.

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To assist the General Manager to carry out the provisions are three other Departments, each headed by a Director. The Department roles are:

#### The Corporate Services Department

Administration, Risk Management/Insurance, O H & Safety, Human Resources, Finance, Rates, Payroll, Creditors, IT & Records, Management Govt./RMS Services, Library Services, and Aged Services.

#### The Engineering Services Department

Design, Asset Management Administration, Urban Services Maintenance, Water & Waste Water Services, Non-Urban trees, Maintenance Services, Construction, Depot/Workshop, Purchase and Supply, Roads, Drainage, Airstrip, Plant & Fleet, Quarries, GIS, Footpaths/Kerb & Guttering and Traffic Management. Food Shop Inspections, Building Control Maintenance of Council Buildings, Development Applications, Town Planning, State of Environment Report, Water Sampling, Public Health & Food Control, Parks and Gardens, Street Trees, Swimming Pools, Waste Collection/Disposal, Recycling, Animal & Stock Control, Weed Control, Cemeteries, Regulatory/Ranger Services, Natural Resources Management, Public Conveniences.

#### The Economic and Community Development Department

Economic development, community facilities, youth affairs, tourism development, visitor information centre, website, Council newsletter, Caravan Park, heritage, social planning, community engagement and community capacity development.

### 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

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## 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
- Clean Air Act, 1949
- Community Land Development Act, 1989
- Companion Animals Act, 1998
- Conveyancing Act, 1919
- Crown Lands Act, 1989
- Disorderly House Amendment Act, 1995
- Dividing Fences Act, 1991



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- Environmental Planning & Assessment Act, 1979
  - Environmental Protection 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, 1992
  - Library Act, 1939
  - Local Government Consequential Provisions Act, 1993
  - Noise Control Act, 1975
  - Noxious Weeds Act, 1993
  - Privacy & Personal Information Protection Act, 1998
  - Protection of the Environment Operations Act, 1997
  - Public Health Act, 1991
  - Real Property Act, 1993
  - Roads Act, 1993
  - State Emergency Services and Rescues Act, 1989
  - Strata Titles Act, 1973
  - Swimming Pools Act, 1992
  - Threatened Species and Conservation Act, 1995
  - Traffic Act, 1909
  - Unhealthy Building Act, 1990
  - Valuation of Land Act, 1916
  - Waste Minimisation and Management Act, 1995

### **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

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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, 2012.

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 6pm.

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## 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 2022*. 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 information is contained in:

- Files - either Hardcopy or electronic
- Policy Documents
- General Documents

### 5.2 Files – Hardcopy and Electronic

Most of Council's information is kept and maintained in paper format.

### 5.3 Policy Documents

Council's policies are listed in the Policy Register that can be accessed on this website.  
[www.balranald.nsw.gov.au](http://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 at the document link or can be viewed at Council's office at 70 Market Street, Balranald.

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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

Annual Reports of Bodies Exercising Functions Delegated by Council

Any Codes referred to in the LGA

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 Graffiti removal works

Register of current Declarations of Disclosures of Political donations (this information is available from the Election Funding Authority)

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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)

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

OHS 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

Development Control Plans

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.:

- Home Warranty Insurance documents
- Construction Certificates
- Occupation Certificates
- Structural Certification Documents

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- Town Planner Reports
  - Submissions received on Development Applications
  - Heritage Consultant Reports
  - Tree inspection reports
  - Land Contamination Consultant Reports
  - Records of Decisions on DA 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
  - Construction Certificate Guide & checklist

#### Approvals, Orders & Other Documents

(the following documents are only available to view at Council's office)

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

Compulsory Acquisition Notices

Leases and Licenses for use of Public Land classified as Community land  
Community Services & Relations

Social Plan

Events Guide – RTA Special events application

Council Newsletters



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Community Survey Results

Tourism Strategy

Plans of Management for Community Land

Economic Development strategy and plan

Statement of Business Ethics

Emergencies

Displan

Local Emergency Management Plan (included in Displan)

Flood Plan (included in Displan)

Environmental:

State of the Environment Plan

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.

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## 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,
- (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 the Access Information Officer:

Mail: PO Box 120, Balranald NSW 2715

Mr Robert Rayner  
Director Corporate Services  
Balranald Shire Council  
Ph: (03) 5020 1300  
Fax: (03) 5020 1620  
Email: [council@balranald.nsw.gov.au](mailto:council@balranald.nsw.gov.au)  
Website: [www.balranald.nsw.gov.au](http://www.balranald.nsw.gov.au)

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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](mailto:oiinfo@oic.nsw.gov.au) snail mail GPO Box 7011, Sydney NSW 2001 or visit their website - [www.oic.nsw.gov.au](http://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.

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## **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 19 October 2011

#### **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 2011, 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 2011.

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.

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## **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 rates have been determined by reference to the Crown Employees Award available at [www.dpc.nsw.gov.au/coe2009/](http://www.dpc.nsw.gov.au/coe2009/).

Limits for expenses shall be as follows:

#### **Meal expenses on one day journeys**

Breakfast	\$23.10
Lunch	\$25.90
Dinner	\$44.50
Incidentals	\$20.00



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**Travelling allowances overnight (per night away)**

Canberra	\$255.00
Sydney	\$294.00
Melbourne	\$284.00
Adelaide	\$268.00
Brisbane	\$312.00

High cost country centres      \$240.00

Tier 2 country centres          \$209.00

**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 partner's attendance at conferences, seminars, etc. will be the personal responsibility of individual councillors.

**TELEPHONE COSTS AND EXPENSES**

Council will reimburse costs of telephone, fax and mobile phone calls on Council business to a maximum of \$600 per annum. Councillors will need to maintain a record of calls for claim purposes.

**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

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- 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.

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## **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 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, subject to an appropriate contribution as determined by the General Manager to cover private fuel usage. Such contribution to be deducted from the Mayor's monthly fees.
- b) An office in the Council's administration building.
- c) Secretarial support as required.
- d) A mobile phone including up to \$200 per month call and rental charges. Any charges in excess of this amount are to be reimbursed to the council.

### **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.

### **No General Expenses**

Council will not meet any general expenses.

*Adopted by Council – 18th October 2011*

*Refer Minute No – 10.11.2927*