BALRANALD SHIRE COUNCIL

ANNUAL REPORT
2013-2014

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Mission Statement

Mayors Foreword 2013/14

Balranald Shire Council
Mayor Steve O'Halloran

It is my pleasure to present the Balranald Shire Council 2013/14 Annual Report.

The NSW Government appointed a Local Government Review Panel to make recommendations on "Fit for the Future".

The recommendation of the panel is for Balranald to form part of a Far West Organisation including the Councils of Bourke, Brewarrina, Broken Hill, Balranald, Central Darling, Cobar, Wentworth and Walgett.

A workshop is to be organised for these Councils on 2nd December 2014 in Cobar.

Implementation of "Fit for the Future" is most likely to be in September 2016.

This will be the Shires Key challenge for the future in order to secure the most favourable outcome for our community.

Council have completed numerous significant capital and other projects over the course of the year. This includes:

- Upgrading of Medley Park
- Improving RV facilities in Euston
- Euston eastern approach beautification and drainage
- Completion of the Heritage Review
- Undertaking firebreak works for the NSW Rural Fire Service
- Construction and sealing of approx. 2.5km on Mr67
- Construction and sealing of approx. 1km on Marma Box Creek Road
- Gravel re-sheeting on parts of Mildura Ivanhoe Road, MR514 and Tapalin Mail Road
- Construction of two new Balranald netball courts
- Completion of the enclosure and facilities of the indoor pool
- First stage of the Main Street upgrade, including in excess of $2M works throughout the shopping precinct
- Major repair works to the Sturt Highway, assisting the RMS

Finally thank you to our Councillors and staff of Council for your commitment to serving the residents and community of the Balranald Shire.

I trust the 2013/14 Annual Report will provide you valuable information on the operations and management of your community.

- Steve O'Halloran

Shire overview

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

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

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

Balranald Shire shares boundaries with Central Darling (north), 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 24.5 per cent of the people are employed in agriculture, forestry and fishing compared with a total of 1.3 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 Swan Hill and Mildura.

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

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

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

Statistical Information

Population:	2,283
Area:	21,346 km^2
Staff:	72
No of assessments:	1,624

WATER & SEWERAGE

Number of water supply systems -	4
Length of Water pipe -	56.9 kilometres
Number of Sewerage systems -	2
Length of sewer Pipe -	29.88 kilometres

ROADS

Local Roads	
Urban kilometres	33.83
Non-urban Sealed kilometres	110.98
Non-urban Unsealed kilometres	1182.86
Regional roads	
Urban kilometres	0.81
Non-urban Sealed kilometres	210.17
Non-urban Unsealed kilometres	45.23
State Highway	
Urban	2.73 kilometres
Non-urban Sealed	33.70 kilometres

Number of Bridges- 2

BALRANALD SHIRE COUNCIL

ELECTED REPRESENTATIVES as at 30th June 2014

TERM OF OFFICE

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

The next Local Government election will be held in September 2016.

COUNCIL MEETINGS

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

Cr Stephen O'Halloran
Mayor
Elected: 1980

Cr Lynda Cooke
Deputy Mayor
Elected: 2012

Cr Alan Purtill
Elected: 1995

Cr Ken Barnes
Elected: 2004

Cr Jeffrey Mannix
Elected: 2004

Cr Leigh Byron
Elected: 2008

Cr Trevor Jolliffe
Elected: 2012

Cr Elaine Campbell
Elected: 2012

COMMITTEES 2013/14

RETIREMENT HOSTEL	TOURISM & DEVELOPMENT	LOCAL EMERGENCY MANAGEMENT COMMITTEE
Cr Elaine Campbell Cr Steve O'Halloran Cr Lynda Cooke Mrs Joan Dalton Mrs Helen Edmunds Mrs Helen Ellis Mrs Gen McConnell (Residents Rep) Katherine Ferguson	Cr Ken Barnes Cr Jeff Mannix Cr Leigh Byron Cr Steve O'Halloran Mrs Linda Nelson Mrs Shirley Matarazzo Ms Silvana Keating Mr Ken Spinks Ms Myrtle Matarazzo Ms Jo Gorman Dinitree Haskard Mr Ray Jones Mr Peter Lawler Sue O'Halloran DECD	Mayor Steve O'Halloran Cr Lynda Cooke Cr Trevor Jolliffe Cr Leigh Byron GM as Chair and Local Emergency Management Officer
AUSTRALIA DAY	**CARAVAN PARK**	**TRAFFIC COMMITTEE**
Cr Jeff Mannix Cr Trevor Jolliffe Cr Byron Cr Linda Cooke Minimum 2 Australia Day Festival C'tee Reps Minimum 2 community representatives required Hutch Lawrie Linda Nelson Celia Davies	Cr Jeff Mannix Cr Steve O'Halloran Cr Elaine Campbell Cr Trevor Jolliffe Director of Economic & Community Development Matt & Dee Jess	Cr Steve O'Halloran RTA Representative Police Representative Local Member Rep - Mrs Margie Vanzanten

CORPORATE & INTERNAL COMMITTEE	INFRASTRUCTURE & DEVELOPMENT COMMITTEE
Cr Steve O'Halloran Deputy Mayor Cr Lynda Cooke Cr Purtill Cr Ken Barnes Cr Jeff Mannix Cr Elaine Campbell	Cr Steve O'Halloran Cr Lynda Cooke Cr Trevor Jolliffe Cr Ken Barnes Cr Alan Purtill Cr Elaine Campbell

BALRANALD BEAUTIFICATION Cr Elaine Campbell Cr Steve O'Halloran Cr Jeff Mannix Mrs Margie Vanzanten Mr Greg Camin Ms Mary Grisdale Mrs Jill Bath Mrs Vicki Burke Mrs Gaye Renfrey Mr Peter Lawler	***EUSTON BEAUTIFICATION & TOURISM MANAGEMENT*** Cr Leigh Byron Cr Ken Barnes 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 Director Infrastructure & Development
WORK HEALTH & SAFETY Cr Trevor Jolliffe Cr Jeff Mannix General Manager, Director of Corporate Services and Director Infrastructure & Development as employer representatives	***YOUTH COUNCIL*** Cr Jeff Mannix Cr Trevor Jolliffe Cr Elaine Campbell
CONSULTATIVE COMMITTEE Cr Trevor Jolliffe Cr Jeff Mannix General Manager Director Infrastructure & Development as employer Reps.	***CODE OF CONDUCT COMMITTEE*** Mr Gerry Holmes Mr David Clark Mr Garry Byrne
CULTURAL COMMITTEE Cr Steve O'Halloran Cr Lynda Cooke Cr Elaine Campbell Mrs Jan Lawler Director of Economic & Community Development Sue Balshaw Marg Butler Doreen Greenham Ros Eason Michelle Mannix	***COMMUNITY SAFETY PRECINT*** Cr Alan Purtill Cr Lynda Cooke Cr Steve O'Halloran Director of Economic & Community Development ***BALRANALD BUSH FIRE MANAGEMENT COMMITTEE*** Cr Trevor Jolliffe General Manager

Balranald Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2014

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 2014

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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 detailed in Paragraph 8 of the LGA and includes giving Council;

- the ability to provide goods, services & facilities, and to carry out activities appropriate to the current & future needs of the local community and of the wider public,
- the responsibility for administering regulatory requirements under the LGA and
- a role in the management, improvement and development of the resources in the 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 03 November 2014.
Council has the power to amend and reissue these financial statements.

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Understanding Council's Financial Statements

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 2014.

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 Office of Local Government.

About the Councillor/Management Statement

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

About the Primary Financial Statements

The financial statements incorporate 5 "primary" financial statements:

1. The Income Statement

Summarises 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. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

A 30 June snapshot of Council's financial position indicating its Assets, Liabilities & “Net Wealth”.

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

Indicates where Council's cash came from and where it was spent.

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

About the Notes to the Financial Statements

The Notes to the financial statements provide greater detail and additional information on the 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 commentary on 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 Office of Local Government.

Balranald Shire Council

General Purpose Financial Statements
for the financial year ended 30 June 2014

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 28 October 2014.

Leigh Byron
MAYOR

Alan Purtill
COUNCILLOR

Aaron Drenovski
GENERAL MANAGER

Elizabeth White
RESPONSIBLE ACCOUNTING OFFICER

Balranald Shire Council

Income Statement
for the financial year ended 30 June 2014

Budget 2014 [1]	$ '000	Notes	Actual 2014	Actual 2013
	Income from Continuing Operations			
	Revenue:			
2,053	Rates & Annual Charges	3a	2,053	1,853
1,637	User Charges & Fees	3b	1,637	1,506
206	Interest & Investment Revenue	3c	204	210
347	Other Revenues	3d	347	306
6,824	Grants & Contributions provided for Operating Purposes	3e,f	6,583 [2]	7,168
32	Grants & Contributions provided for Capital Purposes	3e,f	32	1,709
	Other Income:			
-	Net gains from the disposal of assets	5	15	35
-	Net Share of interests in Joint Ventures & Associated Entities using the equity method	19	-	-
11,099	Total Income from Continuing Operations		10,871	12,787
	Expenses from Continuing Operations			
4,798	Employee Benefits & On-Costs	4a	4,849	4,256
264	Borrowing Costs	4b	264	231
3,450	Materials & Contracts	4c	4,319	3,916
7,832	Depreciation & Amortisation	4d	7,832	8,293
-	Impairment	4d	-	-
980	Other Expenses	4e	967	1,019
17,324	Total Expenses from Continuing Operations		18,231	17,715
(6,225)	Operating Result from Continuing Operations		**(7,361)**	**(4,928)**
	Discontinued Operations			
-	Net Profit/(Loss) from Discontinued Operations	24	-	-
(6,225)	Net Operating Result for the Year		(7,361)	(4,928)
(6,225)	**Net Operating Result attributable to Council**		(7,361)	(4,928)
-	**Net Operating Result attributable to Non-controlling Interests**		-	-
(6,257)	**Net Operating Result for the year before Grants and Contributions provided for Capital Purposes**		(7,393)	(6,637)

[1] Original Budget as approved by Council - refer Note 16

[2] Financial Assistance Grants for 13/14 are lower, reflecting a timing difference due to a change in how the grant is paid - refer Note 3 (e)

Balranald Shire Council

Statement of Comprehensive Income
for the financial year ended 30 June 2014

$ '000	Notes	Actual 2014	Actual 2013
Net Operating Result for the year (as per Income statement)		**(7,361)**	**(4,928)**
Other Comprehensive Income:			
Amounts which will not be reclassified subsequently to the Operating Result			
Gain (loss) on revaluation of I,PP&E	20b (ii)	1,492	1,416
Total Items which will not be reclassified subsequently to the Operating Result		**1,492**	**1,416**
Amounts which will be reclassified subsequently to the Operating Result when specific conditions are met			
Nil			
Total Other Comprehensive Income for the year		**1,492**	**1,416**
Total Comprehensive Income for the Year		(5,869)	(3,512)
Total Comprehensive Income attributable to Council		(5,869)	(3,512)
Total Comprehensive Income attributable to Non-controlling Interests		-	-

Balranald Shire Council

Statement of Financial Position
as at 30 June 2014

$ '000	Notes	Actual 2014	Actual 2013
ASSETS			
Current Assets			
Cash & Cash Equivalents	6a	5,011	6,695
Investments	6b	-	-
Receivables	7	595	490
Inventories	8	110	68
Other	8	-	-
Non-current assets classified as "held for sale"	22	-	-
Total Current Assets		**5,716**	**7,253**
Non-Current Assets			
Investments	6b	-	-
Receivables	7	-	195
Inventories	8	-	-
Infrastructure, Property, Plant & Equipment	9	152,601	155,891
Investments accounted for using the equity method	19	-	-
Investment Property	14	-	-
Intangible Assets	25	260	260
Other	8	73	903
Total Non-Current Assets		**152,934**	**157,249**
TOTAL ASSETS		158,650	164,502
LIABILITIES			
Current Liabilities			
Payables	10	1,253	1,010
Borrowings	10	246	267
Provisions	10	932	918
Total Current Liabilities		**2,431**	**2,195**
Non-Current Liabilities			
Payables	10	-	14
Borrowings	10	3,558	3,807
Provisions	10	232	188
Total Non-Current Liabilities		**3,790**	**4,009**
TOTAL LIABILITIES		6,221	6,204
Net Assets		152,429	158,298
EQUITY			
Retained Earnings	20	47,435	54,796
Revaluation Reserves	20	104,994	103,502
Council Equity Interest		152,429	158,298
Non-controlling Interests		-	-
Total Equity		152,429	158,298

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

Balranald Shire Council

Statement of Changes in Equity
for the financial year ended 30 June 2014

$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
2014						
Opening Balance (as per Last Year's Audited Accounts)		54,796	103,502	**158,298**	-	**158,298**
a. Correction of Prior Period Errors	20 (c)	-	-	**-**	-	**-**
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	**-**	-	**-**
Revised Opening Balance (as at 1/7/13)		**54,796**	**103,502**	**158,298**	**-**	**158,298**
c. Net Operating Result for the Year		**(7,361)**	**-**	**(7,361)**	**-**	**(7,361)**
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	1,492	**1,492**	-	**1,492**
Other Comprehensive Income		**-**	**1,492**	**1,492**	**-**	**1,492**
Total Comprehensive Income (c&d)		**(7,361)**	**1,492**	**(5,869)**	**-**	**(5,869)**
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	**-**	-	**-**
f. Transfers between Equity		-	-	**-**	-	**-**
Equity - Balance at end of the reporting period		**47,435**	**104,994**	**152,429**	**-**	**152,429**

$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
2013						
Opening Balance (as per Last Year's Audited Accounts)		59,724	102,086	**161,810**	-	**161,810**
a. Correction of Prior Period Errors	20 (c)	-	-	**-**	-	**-**
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	**-**	-	**-**
Revised Opening Balance (as at 1/7/12)		**59,724**	**102,086**	**161,810**	**-**	**161,810**
c. Net Operating Result for the Year		(4,928)	-	**(4,928)**	-	**(4,928)**
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	1,416	**1,416**	-	**1,416**
Other Comprehensive Income		**-**	**1,416**	**1,416**	**-**	**1,416**
Total Comprehensive Income (c&d)		**(4,928)**	**1,416**	**(3,512)**	**-**	**(3,512)**
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	**-**	-	**-**
f. Transfers between Equity		-	-	**-**	-	**-**
Equity - Balance at end of the reporting period		**54,796**	**103,502**	**158,298**	**-**	**158,298**

Balranald Shire Council

Statement of Cash Flows
for the financial year ended 30 June 2014

Budget 2014	$ '000	Notes	Actual 2014	Actual 2013
	Cash Flows from Operating Activities			
	Receipts:			
2,053	Rates & Annual Charges		2,104	1,767
1,637	User Charges & Fees		1,481	1,606
206	Investment & Interest Revenue Received		197	219
347	Grants & Contributions		6,810	9,079
6,824	Other		352	636
	Payments:			
(4,798)	Employee Benefits & On-Costs		(4,785)	(4,180)
(3,450)	Materials & Contracts		(4,087)	(4,849)
(264)	Borrowing Costs		(277)	(232)
(980)	Other		(173)	(1,498)
1,575	**Net Cash provided (or used in) Operating Activities**	11b	1,621	2,548
	Cash Flows from Investing Activities			
	Receipts:			
1,500	Sale of Investment Securities		1,500	-
380	Sale of Infrastructure, Property, Plant & Equipment		392	103
	Payments:			
(1,500)	Purchase of Investment Securities		(1,500)	-
(5,532)	Purchase of Infrastructure, Property, Plant & Equipment		(3,427)	(2,440)
(5,153)	**Net Cash provided (or used in) Investing Activities**		(3,035)	(2,337)
	Cash Flows from Financing Activities			
	Receipts:			
1,000	Proceeds from Borrowings & Advances		-	1,000
	Payments:			
(270)	Repayment of Borrowings & Advances		(270)	(207)
730	**Net Cash Flow provided (used in) Financing Activities**		(270)	793
(2,848)	**Net Increase/(Decrease) in Cash & Cash Equivalents**		(1,684)	1,004
5,695	plus: **Cash & Cash Equivalents - beginning of year**	11a	6,695	5,691
2,848	**Cash & Cash Equivalents - end of the year**	11a	5,011	6,695
	Additional Information:			
	plus: **Investments on hand - end of year**	6b	-	-
	Total Cash, Cash Equivalents & Investments		5,011	6,695

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 2014

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n/a - not applicable

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

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 (AASBs), 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 AASBs 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 AASBs.

(iii) New and amended standards adopted by Council

During the current year, the following relevant standards became mandatory for Council and have been adopted:

- AASB 13 Fair Value Measurement
- AASB 119 Employee Benefits

AASB 13 Fair Value Measurement has not affected the assets or liabilities which are to be measured at fair value, however it provides detailed guidance on how to measure fair value in accordance with the accounting standards.

It introduces the concept of highest and best use for non-financial assets and has caused the Council to review their valuation methodology.

The level of disclosures regarding fair value have increased significantly and have been included in the financial statements at Note 27.

AASB 119 Employee Benefits introduced revised definitions for short-term employee benefits.

Whilst the Council has reviewed the annual leave liability to determine the level of annual leave which is expected to be paid more than 12 months after the end of the reporting period, there has been no effect on the amounts disclosed as leave liabilities since Council's existing valuation policy was to discount annual leave payable more than 12 months after the end of the reporting period to present values.

(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 2013.

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

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

(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 and available-for-sale financial assets 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)].

(vii) Critical Accounting Estimates

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

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 Council and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year 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

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

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).

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 June 2014) and **(ii)** all the related operating results (for the financial year ended the 30th June 2014).

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.

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

(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 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 is depreciated over the shorter of each leased asset's useful life and the lease term.

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

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.

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.

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

(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 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

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

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.

(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. Certain investments that Council holds are no longer prescribed (eg. managed funds, CDOs, and equity linked notes), however they have been retained under grandfathering provisions of the Order. These will be disposed of when most financially advantageous to Council.

(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.

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

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.

(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 are continually revalued (over a 5 year period) in accordance with the fair valuation policy as mandated by the Office 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)

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

- **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 (ie. date of exchange) of the asset to arrive at fair value.

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 combined carrying amounts of asset classes arising on revaluation are credited to the asset revaluation reserve.
- To the extent that a net asset class increase reverses a decrease previously recognised via the profit or loss, then increase is first recognised in profit or loss.
- Net decreases that reverse previous increases of the same asset class 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

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

Buildings & Land Improvements	
Park Furniture & Equipment	> $2,000
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

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,PP&E include:

Plant & Equipment	
- 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

Other Equipment	
- Playground equipment	5 to 15 years
- Benches, seats etc	10 to 20 years

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

Stormwater Drainage	
- Drains	80 to 100 years
- Culverts	50 to 75 years

Transportation Assets	
- 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

Water & Sewer Assets	
- 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

Other Infrastructure Assets	
- Bulk earthworks	Infinite

All asset residual values and useful lives are reviewed and adjusted (where appropriate), at each reporting 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

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

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.

(m) Intangible Assets

Hostel Bed Licenses

Council has 13 bed licenses at the Bidgee haven Hostel valued at $20,000 per license. Hostel bed licenses have an indefinite life and therefore not subject to amortisation. Bed Licenses 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.

(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.

(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 doing in previous years, which is to incorporate the assets, their values and depreciation charges within 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.

(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.

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

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.

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.

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

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.

(s) Impairment of assets

All Council's I,PP&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.

Where an asset is not held principally for cash generating purposes (for example Infrastructure Assets) and would be replaced if the Council was deprived of it then depreciated replacement cost is used as value in use, otherwise value in use is estimated by using a discounted cash flow model.

Non-financial assets (other than goodwill) that suffered a prior period impairment are reviewed for possible reversal of the impairment at each reporting date.

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 the 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.

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

(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 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.

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

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 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.

The last valuation of the Scheme was performed by Mr Martin Stevenson (BSc, FIA,FIAA) on 20/02/2013 and covers the period ended 30//06/2013.

However the position is monitored annually and the Actuary has estimated that as at 30 June 2014 the prior period deficit still exists.

Effective from 1 July 2009, employers are required to contribute additional contributions to assist in extinguishing this deficit.

The amount of employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense and disclosed as part of Superannuation Expenses at Note 4(a) for the year ending 30 June 2014 was $ 60,000.

The amount of additional contributions included in the total employer contribution advised above is $ 17,800.

The share of this deficit that can be broadly attributed to Council is estimated to be in the order of $ 274,733 as at 30 June 2014.

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 30/6/14.

(y) Self insurance

Council does not self insure.

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

(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).

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 form the ATO), ie. 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 interpretations

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2014.

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, associated standards, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 and ***AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and transitional*** *(effective from 1 January 2017)*

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 2015 but is available for early adoption.

When adopted, the standard will affect in particular 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

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

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 although there is currently a proposal by the IASB to introduce a Fair value through Other Comprehensive Income category for debt instruments.

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.

Applicable to Local Government but no implications for Council;

AASB 2013-3 Amendments to AASB 136 Recoverable Amount Disclosures for Non-Financial Assets *(effective for 30 June 2015 Financial Statements)*

There are no changes to reported financial position or performance from AASB 2013 – 3, however additional disclosures may be required.

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

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 for 30 June 2015 Financial Statements for not-for-profit entities)*

This suite of five new and amended standards 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. 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.

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

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 2015.

Not applicable to Local Government per se;

None

There are no other standards that are “not yet effective” and expected to have a material impact on Council 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 2014

Note 2(a). Council Functions / Activities - Financial Information

$ '000	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 2(b).												
Functions/Activities	**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 2014	**Actual 2014**	Actual 2013	**Original Budget 2014**	**Actual 2014**	Actual 2013	**Original Budget 2014**	**Actual 2014**	Actual 2013	**Actual 2014**	Actual 2013	**Actual 2014**	Actual 2013
Governance	4	5	14	459	483	404	(455)	(478)	(390)		-	176	1,416
Administration	303	296	375	1,228	1,263	1,111	(925)	(968)	(736)	11	108	6,613	8,644
Public Order & Safety	190	186	126	336	331	286	(146)	(145)	(160)	186	135	405	410
Health	4	4	14	57	56	50	(53)	(52)	(36)	-	-	165	126
Environment	344	350	286	510	514	313	(166)	(164)	(27)	56	33	-	212
Community Services & Education	1,087	1,063	914	1,157	1,177	1,009	(70)	(114)	(95)	786	656	1,784	2,092
Housing & Community Amenities	160	145	133	702	705	560	(542)	(560)	(427)	19	44	5,645	4,764
Water Supplies	925	925	711	860	860	851	65	65	(140)	6	7	7,535	7,179
Sewerage Services	343	343	329	414	414	335	(71)	(71)	(6)	6	7	8,699	8,385
Recreation & Culture	90	70	75	882	909	740	(792)	(839)	(665)	30	41	7,081	5,923
Fuel & Energy	-	-	-	-	-	-	-	-	-	-	-	-	-
Agriculture	-	-	-	-	-	-	-	-	-	-	-	-	-
Mining, Manufacturing & Construction	12	12	12	55	55	38	(43)	(43)	(26)	-	-	-	-
Transport & Communication	3,989	3,816	4,568	9,737	10,534	10,847	(5,748)	(6,718)	(6,279)	793	679	119,763	124,639
Economic Affairs	669	677	1,240	927	930	1,171	(258)	(253)	69	-	519	785	712
Total Functions & Activities	**8,120**	**7,892**	**8,797**	**17,324**	**18,231**	**17,715**	**(9,204)**	**(10,340)**	**(8,918)**	**1,893**	**2,229**	**158,650**	**164,502**
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)	-	-	-	-	-	-	-	-	-	-	-	-	-
General Purpose Income [1]	2,979	2,979	3,990	-	-	-	2,979	2,979	3,990	1,659	2,717	-	-
Operating Result from Continuing Operations	**11,099**	**10,871**	**12,787**	**17,324**	**18,231**	**17,715**	**(6,225)**	**(7,361)**	**(4,928)**	**3,552**	**4,946**	**158,650**	**164,502**

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 2014

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, beach 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,

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.

FUEL & ENERGY - Gas Supplies

AGRICULTURE

MINING, MANUFACTURING & CONSTRUCTION
Building control, abattoirs, 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 2014

Note 3. Income from Continuing Operations

$ '000	Notes	Actual 2014	Actual 2013
(a) Rates & Annual Charges			
Ordinary Rates			
Residential		207	198
Farmland		826	790
Mining		4	4
Business		135	128
Total Ordinary Rates		**1,172**	**1,120**
Special Rates			
Nil			
Annual Charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic Waste Management Services		195	181
Water Supply Services		425	320
Sewerage Services		261	232
Total Annual Charges		**881**	**733**
TOTAL RATES & ANNUAL CHARGES		2,053	1,853

Council has used 2013 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 2014

Note 3. Income from Continuing Operations (continued)

$ '000	Notes	Actual 2014	Actual 2013
(b) User Charges & Fees			
Specific User Charges (per s.502 - Specific "actual use" charges)			
Water Supply Services		458	329
Sewerage Services		6	5
Waste Management Services (non-domestic)		84	72
Water Service Contract Aborginal Mission		33	56
Sewerage Services Contract Aboriginal Mission		16	28
Total User Charges		**597**	**490**
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s.608)			
Building Services		12	13
Private Works - Section 67		201	277
Registration Fees		1	2
Town Planning		23	20
Total Fees & Charges - Statutory/Regulatory		**237**	**312**
(ii) Fees & Charges - Other (incl. General User Charges (per s.608)			
Aged Care		263	237
Caravan Park		420	362
Cemeteries		40	20
Rent & Hire of non-investment property		69	74
Swimming Centres		11	11
Total Fees & Charges - Other		**803**	**704**
TOTAL USER CHARGES & FEES		1,637	1,506

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 3. Income from Continuing Operations (continued)

$ '000	Notes	Actual 2014	Actual 2013
(c) Interest & Investment Revenue (incl. losses)			
Interest & Dividends			
- Interest on Overdue Rates & Annual Charges (incl. Special Purpose Rates)		15	16
- Interest earned on Investments (interest & coupon payment income)		189	194
TOTAL INTEREST & INVESTMENT REVENUE		204	210
Interest Revenue is attributable to:			
Unrestricted Investments/Financial Assets:			
Overdue Rates & Annual Charges (General Fund)		15	16
General Council Cash & Investments		133	137
Restricted Investments/Funds - External:			
Development Contributions			
Water Fund Operations		3	-
Sewerage Fund Operations		53	57
Total Interest & Investment Revenue Recognised		**204**	**210**
(d) Other Revenues			
Rental Income - Other Council Properties		17	32
Legal Fees Recovery - Other		4	-
Advertising		-	3
Commissions & Agency Fees		48	47
Diesel Rebate		37	-
Insurance Claim Recoveries		103	92
Motor Vehicle Contributions		51	38
Rebates		30	50
Sales - Miscellaneous		9	30
Other - Raw Water Sandpipe Sales		13	-
Other - Tourist Information Centre Sales		19	-
Other - Commoner Fees		15	-
Other		-	14
TOTAL OTHER REVENUE		347	306

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 3. Income from Continuing Operations (continued)

$ '000		2014 Operating	2013 Operating	2014 Capital	2013 Capital
(e) Grants					
General Purpose (Untied)					
Financial Assistance	[1]	1,650	1,285	-	-
Financial Assistance - Next year in advance receipt	[1]	-	1,422	-	-
Pensioners' Rates Subsidies - General Component		9	10	-	-
Total General Purpose		**1,659**	**2,717**	**-**	**-**

[1] The Financial Assistance Grant for 13/14 reflects a one off reduction due to the fact that this grant is no longer being paid in advance by up to 50% as has occurred in previous years - it does not represent a loss of income but is instead a timing difference.

Specific Purpose				
Pensioners' Rates Subsidies:				
- Water	6	7	-	-
- Sewerage	6	7	-	-
- Domestic Waste Management	9	9	-	-
Bushfire & Emergency Services	154	135	32	-
Community Care	782	646	-	-
Community Centres	1	2	-	5
Employment & Training Programs	13	13	-	-
Heritage & Cultural	19	36	-	-
Levee Bank	-	-	-	103
Noxious Weeds	56	24	-	-
Roads & Bridges	801	-	-	679
Street Lighting	14	14	-	-
Red Gum Project - Motorhome & Caravan Parking	-	-	-	10
Red Gum Project - Tourism Capacity & Developmer	-	10	-	-
Red Gum Project - Marketing & E-Tourism	-	198	-	-
Red Gum Project - Upgrade of Market Street	-	-	-	100
Red Gum Project - Swing Bridge	-	-	-	200
Other	-	31	-	-
Total Specific Purpose	**1,861**	**1,132**	**32**	**1,097**
Total Grants	**3,520**	**3,849**	**32**	**1,097**
Grant Revenue is attributable to:				
- Commonwealth Funding	-	3,606	-	1,040
- State Funding	-	243	-	57
- Other Funding	3,520	-	32	-
	3,520	**3,849**	**32**	**1,097**

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 3. Income from Continuing Operations (continued)

$ '000	2014 Operating	2013 Operating	2014 Capital	2013 Capital
(f) Contributions				
Developer Contributions:				
(s93 & s94 - EP&A Act, s64 of the LGA):				
Nil				
Other Contributions:				
Roads & Bridges	8	-	-	-
RMS Contributions (Regional Roads, Block Grant)	3,027	3,264	-	610
Water Supplies (excl. Section 64 contributions)	28	55	-	-
Other	-	-	-	2
Total Other Contributions	**3,063**	**3,319**	**-**	**612**
Total Contributions	3,063	3,319	-	612
TOTAL GRANTS & CONTRIBUTIONS	6,583	7,168	32	1,709

$ '000	Actual 2014	Actual 2013
(g) Restrictions relating to Grants and Contributions		
Certain grants & contributions are obtained by Council on condition that they be spent in a specified manner:		
Unexpended at the Close of the Previous Reporting Period	353	760
add: Grants & contributions recognised in the current period but not yet spent:	68	119
less: Grants & contributions recognised in a previous reporting period now spent:	(118)	(526)
Net Increase (Decrease) in Restricted Assets during the Period	**(50)**	**(407)**
Unexpended and held as Restricted Assets	303	353
Comprising:		
- Specific Purpose Unexpended Grants	235	235
- Other Contributions	68	118
	303	**353**

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 4. Expenses from Continuing Operations

$ '000	Notes	Actual 2014	Actual 2013
(a) Employee Benefits & On-Costs			
Salaries and Wages		3,768	3,128
Travelling		27	71
Employee Leave Entitlements (ELE)		547	654
Superannuation - Defined Contribution Plans		249	205
Superannuation - Defined Benefit Plans		60	81
Workers' Compensation Insurance		170	113
Fringe Benefit Tax (FBT)		20	11
Training Costs (other than Salaries & Wages)		27	48
Protective Clothing		10	-
Other		-	24
Total Employee Costs		**4,878**	**4,335**
less: Capitalised Costs		(29)	(79)
TOTAL EMPLOYEE COSTS EXPENSED		4,849	4,256
Number of "Equivalent Full Time" Employees at year end		**63**	**62**
(b) Borrowing Costs			
(i) Interest Bearing Liability Costs			
Interest on Overdraft		8	8
Interest on Loans		256	223
Total Interest Bearing Liability Costs Expensed		**264**	**231**
(ii) Other Borrowing Costs			
Nil			
TOTAL BORROWING COSTS EXPENSED		264	231

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 4. Expenses from Continuing Operations (continued)

$ '000	Notes	Actual 2014	Actual 2013
(c) Materials & Contracts			
Raw Materials & Consumables		4,086	3,784
Auditors Remuneration [1]		29	33
Legal Expenses:			
- Legal Expenses: Other		15	18
Operating Leases:			
- Operating Lease Rentals: Minimum Lease Payments [2]		188	81
TOTAL MATERIALS & CONTRACTS		4,319	3,916

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	29	33
Total Auditor Remuneration	**29**	**33**

2. Operating Lease Payments are attributable to:

Sewer Reconstruction	44	-
Computers	3	4
Motor Vehicles	141	77
	188	**81**

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 4. Expenses from Continuing Operations (continued)

$ '000	Notes	Impairment Costs Actual 2014	Impairment Costs Actual 2013	Depreciation/Amortisation Actual 2014	Depreciation/Amortisation Actual 2013
(d) Depreciation, Amortisation & Impairment					
Plant and Equipment		-	-	333	347
Office Equipment		-	-	23	28
Furniture & Fittings		-	-	12	13
Buildings - Non Specialised		-	-	751	565
Buildings - Specialised		-	-	5	6
Other Structures		-	-	234	248
Infrastructure:					
- Roads		-	-	5,784	6,516
- Kerb & Gutter		-	-	66	-
- Footpaths		-	-	75	-
- Stormwater Drainage		-	-	83	144
- Water Supply Network		-	-	255	251
- Sewerage Network		-	-	185	175
- Other		-	-	26	-
TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED		-	-	7,832	8,293

$ '000	Notes	Actual 2014	Actual 2013
(e) Other Expenses			
Advertising		17	23
Bad & Doubtful Debts		109	1
Bank Charges		8	-
Contributions/Levies to Other Levels of Government		43	187
Councillor Expenses - Mayoral Fee		21	23
Councillor Expenses - Councillors' Fees		78	82
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		59	78
Donations, Contributions & Assistance to other organisations (Section 356)		-	29
Electricity & Heating		242	218
Insurance		211	206
Postage		14	12
Printing & Stationery		34	36
Subscriptions & Publications		68	65
Telephone & Communications		55	43
Other		8	16
Total Other Expenses		**967**	**1,019**
less: Capitalised Costs		-	-
TOTAL OTHER EXPENSES		967	1,019

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 5. Gains or Losses from the Disposal of Assets

$ '000	Notes	Actual 2014	Actual 2013
Plant & Equipment			
Proceeds from Disposal - Plant & Equipment		392	103
less: Carrying Amount of P&E Assets Sold / Written Off		(363)	(68)
Net Gain/(Loss) on Disposal		**29**	**35**
Financial Assets*			
Proceeds from Disposal / Redemptions / Maturities - Financial Assets		1,500	-
less: Carrying Amount of Financial Assets Sold / Redeemed / Matured		(1,500)	-
Net Gain/(Loss) on Disposal		**-**	**-**
Other Water & Sewer Business Plan			
Proceeds from Disposal - Other Water & Sewer Business Plan		-	-
less: Carrying Amount of Other Water & Sewer Business Plan Assets S		(14)	-
Net Gain/(Loss) on Disposal		**(14)**	**-**
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		15	35

Note 6a. - Cash Assets and Note 6b. - Investments

$ '000	Notes	2014 Actual Current	2014 Actual Non Current	2013 Actual Current	2013 Actual Non Current
Cash & Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		511	-	695	-
Cash-Equivalent Assets[1]					
- Short Term Deposits		4,500	-	6,000	-
Total Cash & Cash Equivalents		**5,011**	**-**	**6,695**	**-**
Investments (Note 6b)					
Nil					
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS		5,011	-	6,695	-

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

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

Cash & Cash Equivalents				
"At Fair Value through the Profit & Loss"	**5,011**	**-**	**6,695**	**-**

Investments
Nil

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

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

$ '000	2014 Actual Current	2014 Actual Non Current	2013 Actual Current	2013 Actual Non Current
Total Cash, Cash Equivalents and Investments	5,011	-	6,695	-
attributable to:				
External Restrictions (refer below)	2,147	-	1,975	-
Internal Restrictions (refer below)	2,560	-	1,253	-
Unrestricted	304	-	3,467	-
	5,011	**-**	**6,695**	**-**

2014 $ '000		Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
Details of Restrictions					
External Restrictions - Included in Liabilities					
Nil					
External Restrictions - Other					
RMS (formerly RTA) Contributions	(E)	118	68	(118)	68
Specific Purpose Unexpended Grants	(F)	235			235
Water Supplies	(G)	23	162	-	185
Sewerage Services	(G)	1,571	60	-	1,631
Domestic Waste Management	(G)	28	-	-	28
External Restrictions - Other		1,975	290	(118)	2,147
Total External Restrictions		**1,975**	**290**	**(118)**	**2,147**

E RMS 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 2014

Note 6c. Restricted Cash, Cash Equivalents & Investments - Details (continued)

2014 $ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
Internal Restrictions				
Plant & Vehicle Replacement	-	22	-	22
Infrastructure Replacement	-	180	-	180
Employees Leave Entitlement	131	59	-	190
Carry Over Works	87	-	(70)	17
Caravan Park Reserve	6	50	(10)	46
Hostel Bonds	372	97	-	469
Hostel Reserve	47	70	(38)	79
Main St Revitalisation	584	-	(584)	-
Town Clock	3	-	-	3
Health Reserve	3	-	-	3
Bird Hide	5	-	(5)	-
Riverbend Park	3	-	(3)	-
Balranald Entry Signs	3	-	(3)	-
Heritage Study	7	-	(7)	-
Heritage Trail	2	1	-	3
RedGum Project D - Market St Improvements	-	89	-	89
Interpretive Centre - Loan funding	-	1,422	-	1,422
Euston Cemetery	-	38	-	38
Total Internal Restrictions	**1,253**	**2,027**	**(720)**	**2,560**
TOTAL RESTRICTIONS	3,228	2,317	(838)	4,707

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 7. Receivables

$ '000	Notes	2014 Current	2014 Non Current	2013 Current	2013 Non Current
Purpose					
Rates & Annual Charges		331	-	187	195
User Charges & Fees		-	-	83	-
Private Works		237	-	-	-
Accrued Revenues					
- Interest on Investments		24	-	17	-
Government Grants & Subsidies		-	-	195	-
Net GST Receivable		5	-	10	-
Total		**597**	**-**	**492**	**195**
less: Provision for Impairment					
Rates & Annual Charges		(1)	-	(1)	-
User Charges & Fees		(1)	-	(1)	-
Total Provision for Impairment - Receivables		**(2)**	**-**	**(2)**	**-**
TOTAL NET RECEIVABLES		595	-	490	195
Externally Restricted Receivables					
Water Supply					
- Rates & Availability Charges		190	-	156	-
- Other		-	-	27	-
Sewerage Services					
- Rates & Availability Charges		42	-	66	-
Total External Restrictions		**232**	**-**	**249**	**-**
Internally Restricted Receivables					
Nil					
Unrestricted Receivables		**363**	**-**	**241**	**195**
TOTAL NET RECEIVABLES		595	-	490	195

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 9.00% (2013 10.00%).
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 2014

Note 8. Inventories & Other Assets

$ '000	Notes	2014 Current	2014 Non Current	2013 Current	2013 Non Current
Inventories					
Stores & Materials		98	-	56	-
Trading Stock		12	-	12	-
Total Inventories		**110**	**-**	**68**	**-**
Other Assets					
Work In Progress		-	73	-	903
Total Other Assets		**-**	**73**	**-**	**903**
TOTAL INVENTORIES / OTHER ASSETS		110	73	68	903
Externally Restricted Assets					
Water					
Other		-	-	-	12
Prepayments		-	13	-	12
Total Water		**-**	**13**	**-**	**24**
Total Externally Restricted Assets		-	13	-	24
Total Internally Restricted Assets		-	-	-	-
Total Unrestricted Assets		110	60	68	879
TOTAL INVENTORIES & OTHER ASSETS		**110**	**73**	**68**	**903**

Other Disclosures

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

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

Note 9a. Infrastructure, Property, Plant & Equipment

$ '000	as at 30/6/2013				Asset Movements during the Reporting Period					as at 30/6/2014			
	At Fair Value	Accumulated Dep'n	Accumulated Impairment	Carrying Value	Asset Additions	WDV of Asset Disposals	Depreciation Expense	Adjustments & Transfers	Revaluation Increments to Equity (ARR)	At Fair Value	Accumulated Dep'n	Accumulated Impairment	Carrying Value
Plant & Equipment	5,120	2,707	-	2,413	491	(349)	(333)	(78)	(43)	4,624	2,523	-	2,101
Office Equipment	411	366	-	45	17	-	(23)	-	-	428	389	-	39
Furniture & Fittings	218	135	-	83	-	-	(12)	-	-	218	147	-	71
Land:													
- Operational Land	917	-	-	917	-	-	-	(84)	56	889	-	-	889
- Community Land	1,590	-	-	1,590	18	-	-	(50)	(512)	1,046	-	-	1,046
Land Improvements - non depreciable	-	-	-	-	-	-	-	-	568	568	-	-	568
Buildings - Non Specialised	24,302	13,418	-	10,884	1,048	-	(751)	-	598	25,779	14,000	-	11,779
Buildings - Specialised	268	45	-	223	36	-	(5)	-	-	304	50	-	254
Other Structures	10,140	2,702	-	7,438	187	-	(234)	(55)	(542)	9,596	2,802	-	6,794
Infrastructure:													
- Roads	144,821	32,797	-	112,024	1,119	-	(5,784)	(1,073)	-	144,547	38,261	-	106,286
- Kerb & Gutter	-	-	-	-	-	-	(66)	3,160	-	3,684	590	-	3,094
- Footpaths	-	-	-	-	210	-	(75)	1,073	-	1,602	394	-	1,208
- Stormwater Drainage	8,089	1,292	-	6,797	57	-	(83)	(3,160)	-	4,463	852	-	3,611
- Water Supply Network	14,202	7,308	-	6,894	97	(14)	(255)	68	357	15,171	8,024	-	7,147
- Sewerage Network	11,845	5,262	-	6,583	31	-	(185)	212	341	12,826	5,844	-	6,982
Other Assets:													
- Other	-	-	-	-	102	-	(26)	(13)	669	927	195	-	732
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP.	**221,923**	**66,032**	**-**	**155,891**	**3,413**	**(363)**	**(7,832)**	**-**	**1,492**	**226,672**	**74,071**	**-**	**152,601**

Additions to Buildings & Infrastructure Assets are made up of Asset Renewals ($2,674) and New Assets ($739).
Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

Refer to Note 27 - Fair Value Measurement for information regarding the fair value of other Infrastructure, Property, Plant & Equipment.

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

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

$ '000	Actual 2014				Actual 2013			
Class of Asset	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value
Water Supply								
Plant & Equipment	-	46	36	**10**	-	46	34	**12**
Land								
- Community Land	-	32	-	**32**	-	32	-	**32**
Other Structures	-	34	27	**7**	-	51	28	**23**
Infrastructure	-	15,058	7,960	**7,098**	-	14,202	7,308	**6,894**
Total Water Supply	**-**	**15,170**	**8,023**	**7,147**	**-**	**14,331**	**7,370**	**6,961**
Sewerage Services								
Plant & Equipment	-	119	60	**59**	-	119	54	**65**
Land								
- Operational Land	-	84	-	**84**	-	84	-	**84**
Other Structures	-	110	55	**55**	-	8	3	**5**
Infrastructure	-	12,395	5,611	**6,784**	-	11,845	5,262	**6,583**
Total Sewerage Services	**-**	**12,708**	**5,726**	**6,982**	**-**	**12,056**	**5,319**	**6,737**
Domestic Waste Management								
Land								
- Operational Land	-	40	-	**40**	-	40	-	**40**
- Community Land	-	93	-	**93**	-	93	-	**93**
Total DWM	**-**	**133**	**-**	**133**	**-**	**133**	**-**	**133**
TOTAL RESTRICTED I,PP&E	**-**	**28,011**	**13,749**	**14,262**	**-**	**26,520**	**12,689**	**13,831**

Note 9c. Infrastructure, Property, Plant & 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 2014

Note 10a. Payables, Borrowings & Provisions

$ '000	Notes	2014 Current	2014 Non Current	2013 Current	2013 Non Current
Payables					
Goods & Services - operating expenditure		623	-	349	-
Payments Received In Advance		-	-	2	-
Accrued Expenses:					
- Borrowings		-	-	13	-
- Salaries & Wages		55	-	49	-
- Other Expenditure Accruals		-	-	18	14
Retirement Home Contributions		575	-	579	-
Total Payables		**1,253**	**-**	**1,010**	**14**
Borrowings					
Loans - Secured [1]		246	3,558	267	3,807
Total Borrowings		**246**	**3,558**	**267**	**3,807**
Provisions					
Employee Benefits;					
Annual Leave		447	-	400	-
Long Service Leave		485	109	518	65
Sub Total - Aggregate Employee Benefits		**932**	**109**	**918**	**65**
Asset Remediation/Restoration (Future Works)	26	-	123	-	123
Total Provisions		**932**	**232**	**918**	**188**
Total Payables, Borrowings & Provisions		2,431	3,790	2,195	4,009

(i) Liabilities relating to Restricted Assets

	2014 Current	2014 Non Current	2013 Current	2013 Non Current
Externally Restricted Assets				
Water	62	1,127	65	1,190
Liabilities relating to externally restricted assets	62	1,127	65	1,190
Internally Restricted Assets				
Nil				
Total Liabilities relating to restricted assets	62	1,127	65	1,190
Total Liabilities relating to Unrestricted Assets	2,369	2,663	2,130	2,819
TOTAL PAYABLES, BORROWINGS & PROVISIONS	2,431	3,790	2,195	4,009

[1.] 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.

(ii) Current Liabilities not anticipated to be settled within the next 12 months

Nil

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 10b. Description of and movements in Provisions

$ '000

	2013	2014				
Class of Provision	**Opening Balance as at 1/7/13**	**Additional Provisions**	**Decrease due to Payments**	**Remeasurement effects due to Discounting**	**Unused amounts reversed**	**Closing Balance as at 30/6/14**
Annual Leave	400	216	(169)	-	-	**447**
Long Service Leave	583	65	(54)	-	-	**594**
Asset Remediation	123	-	-	-	-	**123**
TOTAL	**1,106**	**281**	**(223)**	**-**	**-**	**1,164**

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. Self Insurance Provisions represent both (i) Claims Incurred but Not reported and (ii) Claims Reported & Estimated as a result of Council's being a self insurer up to certain levels of Excess.

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 11. Statement of Cash Flows - Additional Information

$ '000	Notes	Actual 2014	Actual 2013
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	5,011	6,695
Less Bank Overdraft	10	-	-
BALANCE as per the STATEMENT of CASH FLOWS		**5,011**	**6,695**
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		**(7,361)**	**(4,928)**
Adjust for non cash items:			
Depreciation & Amortisation		7,832	8,293
Net Losses/(Gains) on Disposal of Assets		(15)	(35)
Non Cash Capital Grants and Contributions		-	(2)
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		90	(224)
Decrease/(Increase) in Inventories		(42)	20
Decrease/(Increase) in Other Assets		830	(529)
Increase/(Decrease) in Payables		274	(253)
Increase/(Decrease) in accrued Interest Payable		(13)	(1)
Increase/(Decrease) in other accrued Expenses Payable		(26)	15
Increase/(Decrease) in Other Liabilities		(6)	107
Increase/(Decrease) in Employee Leave Entitlements		58	85
NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		**1,621**	**2,548**
(c) Non-Cash Investing & Financing Activities			
Other Dedications		-	2
Total Non-Cash Investing & Financing Activities		**-**	**2**

(d) Financing Arrangements

Nil

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 12. Commitments for Expenditure

$ '000	Notes	Actual 2014	Actual 2013

(a) Capital Commitments (exclusive of GST)

Nil

(b) Finance Lease Commitments

Nil

(c) Operating Lease Commitments (Non Cancellable)

Commitments under Non Cancellable Operating Leases at the Reporting date, but not recognised as Liabilities are payable:

Within the next year		76	72
Later than one year and not later than 5 years		-	76
Total Non Cancellable Operating Lease Commitments		**76**	**148**

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 2014

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

$ '000	Amounts 2014	Indicator 2014	Prior Periods 2013	2012
Local Government Industry Indicators - Consolidated				
1. Operating Performance Ratio				
Total continuing operating revenue [1] (excl. Capital Grants & Contributions) - Operating Expenses	(7,408)	-68.44%	-60.42%	-54.60%
Total continuing operating revenue [1] (excl. Capital Grants & Contributions)	10,824			
2. Own Source Operating Revenue Ratio				
Total continuing operating revenue [1] (less ALL Grants & Contributions)	4,241	39.06%	30.39%	20.00%
Total continuing operating revenue [1]	10,856			
3. Unrestricted Current Ratio				
Current Assets less all External Restrictions [2]	3,337	1.41 : 1	2.36	1.68
Current Liabilities less Specific Purpose Liabilities [3, 4]	2,369			
4. Debt Service Cover Ratio				
Operating Result [1] before capital excluding interest and depreciation / impairment / amortisation (EBITDA)	688	1.29	4.23	3.27
Principal Repayments (from the Statement of Cash Flows) + Borrowing Interest Costs (from the Income Statement)	534			
5. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual and Extra Charges Outstanding	330	13.49%	17.61%	14.50%
Rates, Annual and Extra Charges Collectible	2,449			
6. Cash Expense Cover Ratio				
Current Year's Cash and Cash Equivalents including All Term Deposits x12	5,011	6.27	7.33	6.30
Payments from cash flow of operating and financing activities	799			

Notes

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

[2] Refer Notes 6-8 inclusive.
Also excludes any Real Estate & Land for resale not expected to be sold in the next 12 months

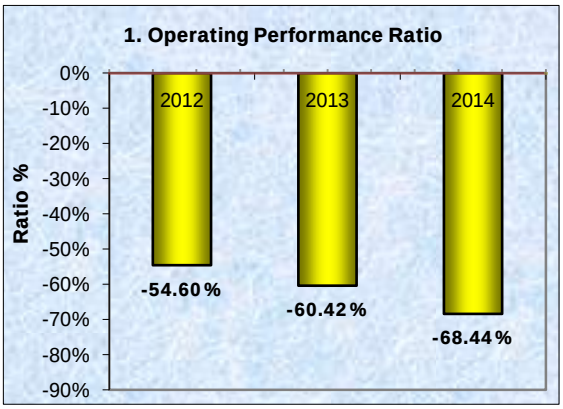
[3] Refer to Note 10(a).

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

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

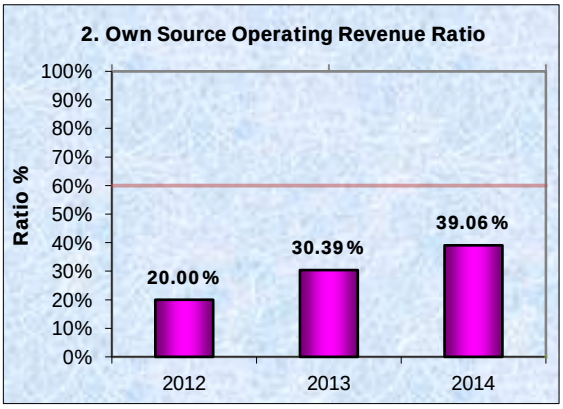
Note 13a(ii). Local Government Industry Indicators - Graphs (Consolidated)



Purpose of Operating Performance Ratio	Commentary on 2013/14 Result
	2013/14 Ratio -68.44%
This ratio measures Council's achievement of containing operating expenditure within operating revenue.	Councils operating expenses increased significantly due to high levels of depreciation generated from asset revaluations.

—— Minimum 0.00%

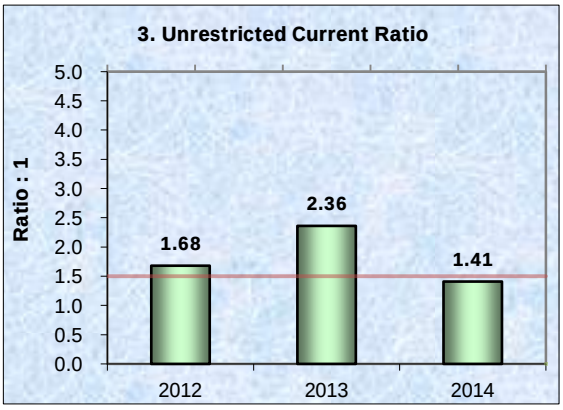
Source for Benchmark: Code of Accounting Practice and Financial Reporting



Purpose of Own Source Operating Revenue Ratio	Commentary on 2013/14 Result
	2013/14 Ratio 39.06%
This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants & contributions.	Council is heavily dependant on outside grant funding to meet council's service levels

—— Minimum 60.00%

Source for Benchmark: Code of Accounting Practice and Financial Reporting



Purpose of Unrestricted Current Ratio	Commentary on 2013/14 Result
	2013/14 Ratio 1.41 : 1
To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.	This ratio has decreased and is now just outside the industry benchmark, Council will be monitoring this carefully over the next 12 months

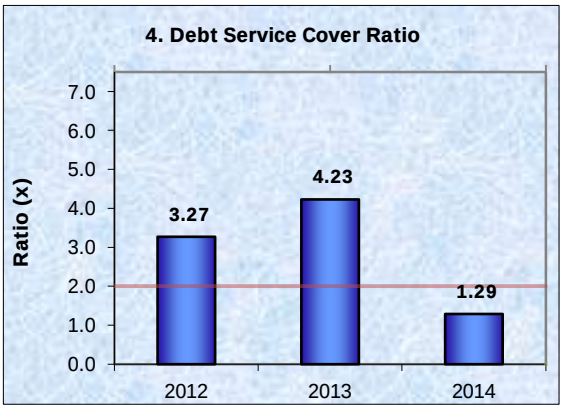
—— Minimum 1.50

Source for Benchmark: Code of Accounting Practice and Financial Reporting

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

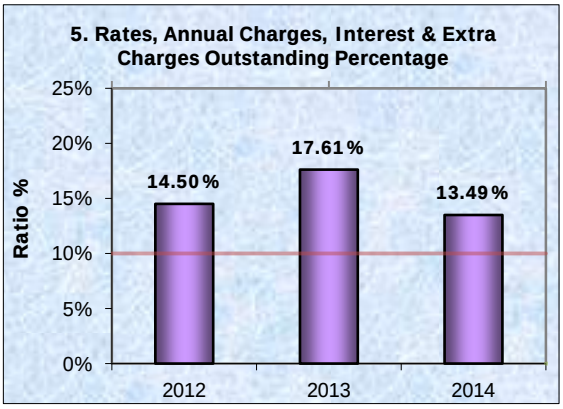
Note 13a(ii). Local Government Industry Indicators - Graphs (Consolidated)



—— Minimum 2.00

Source for Benchmark: NSW Treasury Corporation

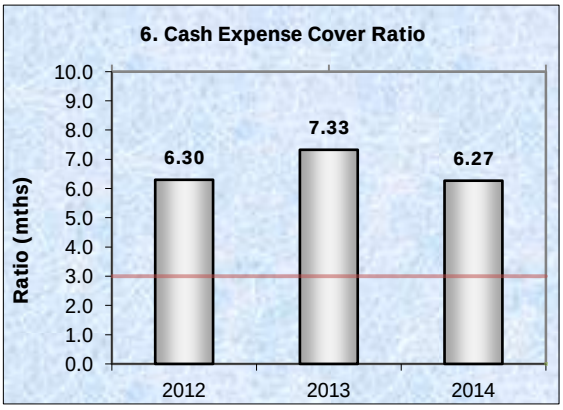
Purpose of Debt Service Cover Ratio	Commentary on 2013/14 Result
	2013/14 Ratio 1.29
This ratio measures the availability of operating cash to service debt including interest, principal and lease payments	This ratio has decreased as a result of a drawdown on a $1M loan for the construction of the Interprative Centre



—— Maximum 10.00%

Source for Benchmark: Office of Local Govt - Comparative Information (10/11)

Purpose of Rates & Annual Charges Outstanding Ratio	Commentary on 2013/14 Result
	2013/14 Ratio 13.49%
To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.	This ratio has decreased as a result of Council approving a writeoff off rates arreas



—— Minimum 3.00

Source for Benchmark: Code of Accounting Practice and Financial Reporting

Purpose of Cash Expense Cover Ratio	Commentary on Result
	2013/14 Ratio 6.27
This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.	Ratio is at an acceptable level

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

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

$ '000		Water 2014	Sewer 2014	General [5] 2014
Local Government Industry Indicators - by Fund				
1. Operating Performance Ratio				
Total continuing operating revenue [1] (excl. Capital Grants & Contributions) - Operating Expenses / Total continuing operating revenue [1] (excl. Capital Grants & Contributions)		**6.92%**	**-20.76%**	**-77.56%**
	prior period:	-19.83%	-1.82%	-65.23%
2. Own Source Operating Revenue Ratio				
Total continuing operating revenue [1] (less ALL Grants & Contributions) / Total continuing operating revenue [1]		**100.00%**	**100.00%**	**30.91%**
	prior period:	100.00%	100.00%	24.21%
3. Unrestricted Current Ratio				
Current Assets less all External Restrictions [2] / Current Liabilities less Specific Purpose Liabilities [3, 4]		**6.05 : 1**	No Liabilities	**1.41 : 1**
	prior period:	3.17	No Liabilities	2.36
4. Debt Service Cover Ratio				
Operating Result [1] before capital excluding interest and depreciation / impairment / amortisation (EBITDA) / Principal Repayments (from the Statement of Cash Flows) + Borrowing Interest Costs (from the Income Statement)		**5.05**	**0.00**	**0.39**
	prior period:	1.56	0.00	4.73
5. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual and Extra Charges Outstanding / Rates, Annual and Extra Charges Collectible		**44.71%**	**15.79%**	**5.60%**
	prior period:	48.75%	28.45%	9.86%
6. Cash Expense Cover Ratio				
Current Year's Cash and Cash Equivalents including All Term Deposits / Payments from cash flow of operating and financing activities x12		**0.00**	**0.00**	**4.00**
	prior period:	0.00	0.00	5.58

Notes

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

(5) General Fund refers to all of Council's activities except for its Water & Sewer activities which are listed separately.

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 14. Investment Properties

$ '000

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

Note 15. Financial Risk Management

Risk Management

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

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

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

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	
	2014	2013	2014	2013
Financial Assets				
Cash and Cash Equivalents	5,011	6,695	5,011	6,695
Receivables	595	685	595	685
Total Financial Assets	**5,606**	**7,380**	**5,606**	**7,380**
Financial Liabilities				
Payables	1,253	1,022	1,253	1,022
Loans / Advances	3,804	4,074	3,804	4,074
Total Financial Liabilities	**5,057**	**5,096**	**5,057**	**5,096**

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.

Refer to Note 27 - Fair Value Measurement for information regarding the fair value of financial assets & liabilities

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 15. Financial Risk Management (continued)

$ '000

(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 has an Investment Policy which complies with the Local Government Act & Minister's Investment Order. This Policy is regularly reviewed by Council and it's staff and an Investment Report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance.

The risks associated with the investments held are:

- **Price Risk** - the risk that the capital value of Investments may fluctuate due to changes in market prices, whether there changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.

- **Interest Rate Risk** - the risk that movements in interest rates could affect returns and income.

- **Credit Risk** - the risk that the investment counterparty) will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council - be it of a capital or income nature.

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

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	
2014	**Profit**	**Equity**	**Profit**	**Equity**
Possible impact of a 1% movement in Interest Rates	30	30	(30)	(30)
2013				
Possible impact of a 1% movement in Interest Rates	37	37	(37)	(37)

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

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.

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:

	2014 Rates & Annual Charges	2014 Other Receivables	2013 Rates & Annual Charges	2013 Other Receivables
(i) Ageing of Receivables - %				
Current (not yet overdue)	0%	24%	0%	6%
Overdue	100%	76%	100%	94%
	100%	**100%**	**100%**	**100%**
(ii) Ageing of Receivables - value				
Current (not yet overdue)	-	66	-	17
Past due by up to 30 days	-	-	-	219
Past due between 31 and 60 days	-	-	-	23
Past due between 61 and 90 days	-	62	-	-
Past due by more than 90 days	331	139	382	46
	331	**266**	**382**	**305**

(iii) Movement in Provision for Impairment of Receivables	2014	2013
Balance at the beginning of the year	2	2
Balance at the end of the year	**2**	**2**

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

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 maturity table below:

$ '000	Subject to no maturity	payable in: ≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs	Total Cash Outflows	Actual Carrying Values
2014									
Trade/Other Payables	-	1,253	-	-	-	-	-	1,253	**1,253**
Loans & Advances	-	243	383	336	345	355	2,060	3,722	**3,804**
Total Financial Liabilities	**-**	**1,496**	**383**	**336**	**345**	**355**	**2,060**	**4,975**	**5,057**
2013									
Trade/Other Payables	-	1,008	14	-	-	-	-	1,022	**1,022**
Loans & Advances	-	267	325	383	336	345	2,418	4,074	**4,074**
Total Financial Liabilities	**-**	**1,275**	**339**	**383**	**336**	**345**	**2,418**	**5,096**	**5,096**

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:	2014 Carrying Value	2014 Average Interest Rate	2013 Carrying Value	2013 Average Interest Rate
Trade/Other Payables	1,253	0.0%	1,022	0.0%
Loans & Advances - Fixed Interest Rate	3,804	6.8%	4,074	6.5%
	5,057		5,096	

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 16. Material Budget Variations

$ '000

Council's Original Financial Budget for 13/14 was adopted by the Council on 25 June 2014.

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	2014 Budget	2014 Actual	2014 ---------- Variance* ----------		
REVENUES					
Rates & Annual Charges	2,053	2,053	-	0%	F
User Charges & Fees	1,637	1,637	-	0%	F
Interest & Investment Revenue	206	204	(2)	(1%)	U
Other Revenues	347	347	(1)	(0%)	U
Operating Grants & Contributions	6,824	6,583	(241)	(4%)	U
Capital Grants & Contributions	32	32	-	0%	F
Net Gains from Disposal of Assets	-	15	15	0%	F

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 16. Material Budget Variations (continued)

$ '000	2014 Budget	2014 Actual	2014 ---------- Variance* ----------		
EXPENSES					
Employee Benefits & On-Costs	4,798	4,849	(51)	(1%)	U
Borrowing Costs	264	264	-	0%	F
Materials & Contracts	3,450	4,319	(869)	(25%)	U
Carried forward work on the Red Gum project					
Depreciation & Amortisation	7,832	7,832	-	0%	F
Other Expenses	980	967	13	1%	F

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

Cash Flows from Operating Activities	1,575	1,621	46	2.9%	F
Cash Flows from Investing Activities	(5,153)	(3,035)	2,118	(41.1%)	F
Budgeted work for the Interpretive Centre to be completed in 2013-14					
Cash Flows from Financing Activities	730	(270)	(1,000)	(137.0%)	U
Loan budgeted for the Interpretive Centre was realised in the 2012-13 financial year					

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 17. Statement of Developer Contributions

$ '000

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

Note 18. Contingencies & Other Assets/Liabilities Not Recognised

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, 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.

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 2014

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 2014

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 2014	Actual 2013
(a) Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		54,796	59,724
a. Net Operating Result for the Year		(7,361)	(4,928)
Balance at End of the Reporting Period		47,435	54,796
(b) Reserves			
(i) Reserves are represented by:			
- Infrastructure, Property, Plant & Equipment Revaluation Reserve		104,994	103,502
Total		**104,994**	**103,502**
(ii) Reconciliation of movements in Reserves:			
Infrastructure, Property, Plant & Equipment Revaluation Reserve			
- Opening Balance		103,502	102,086
- Revaluations for the year	9(a)	1,492	1,416
- Balance at End of Year		**104,994**	**103,502**
TOTAL VALUE OF RESERVES		**104,994**	**103,502**

(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.

(c) Correction of Error/s relating to a Previous Reporting Period

Council made no correction of errors during the current reporting period.

(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 2014

Note 21. Financial Result & Financial Position by Fund

Income Statement by Fund $ '000	Actual 2014	Actual 2014	Actual 2014
Continuing Operations	**Water**	**Sewer**	**General[1]**
Income from Continuing Operations			
Rates & Annual Charges	425	266	1,362
User Charges & Fees	491	23	1,123
Interest & Investment Revenue	3	53	148
Other Revenues	14	-	333
Grants & Contributions provided for Operating Purposes	6	-	6,577
Grants & Contributions provided for Capital Purposes	-	-	32
Other Income			
Net Gains from Disposal of Assets	-	-	29
Share of interests in Joint Ventures & Associates using the Equity Method	-	-	-
Total Income from Continuing Operations	**939**	**342**	**9,604**
Expenses from Continuing Operations			
Employee Benefits & on-costs	188	47	4,614
Borrowing Costs	79	-	185
Materials & Contracts	185	135	3,999
Depreciation & Amortisation	255	185	7,392
Impairment	-	-	-
Other Expenses	153	46	768
Net Losses from the Disposal of Assets	14	-	-
Total Expenses from Continuing Operations	**874**	**413**	**16,958**
Operating Result from Continuing Operations	65	(71)	(7,355)
Discontinued Operations			
Net Profit/(Loss) from Discontinued Operations	-	-	-
Net Operating Result for the Year	65	(71)	(7,355)
Net Operating Result attributable to each Council Fund	65	(71)	(7,355)
Net Operating Result attributable to Non-controlling Interests	-	-	-
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	65	(71)	(7,387)

[1] General Fund refers to all Council's activities other than Water, Sewer & Other

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

Balranald Shire Council

Notes to the Financial Statements
as at 30 June 2014

Note 21. Financial Result & Financial Position by Fund (continued)

Statement of Financial Position by Fund $ '000	Actual 2014	Actual 2014	Actual 2014
ASSETS	**Water**	**Sewer**	**General**[1]
Current Assets			
Cash & Cash Equivalents	185	1,631	3,195
Investments	-	-	-
Receivables	190	42	363
Inventories	-	-	110
Other	-	-	-
Non-current assets classified as 'held for sale'	-	-	-
Total Current Assets	375	1,673	3,668
Non-Current Assets			
Investments	-	-	-
Receivables	-	-	-
Inventories	-	-	-
Infrastructure, Property, Plant & Equipment	7,147	6,982	138,472
Investments Accounted for using the equity method	-	-	-
Investment Property	-	-	-
Intangible Assets	-	-	260
Other	13	-	60
Total Non-Current Assets	7,160	6,982	138,792
TOTAL ASSETS	**7,535**	**8,655**	**142,460**
LIABILITIES			
Current Liabilities			
Payables	-	-	1,253
Borrowings	62	-	184
Provisions	-	-	932
Total Current Liabilities	62	-	2,369
Non-Current Liabilities			
Payables	-	-	-
Borrowings	1,127	-	2,431
Provisions	-	-	232
Total Non-Current Liabilities	1,127	-	2,663
TOTAL LIABILITIES	**1,189**	**-**	**5,032**
Net Assets	**6,346**	**8,655**	**137,428**
EQUITY			
Retained Earnings	2,195	3,205	42,035
Revaluation Reserves	4,151	5,450	95,393
Total Equity	**6,346**	**8,655**	**137,428**

[1] General Fund refers to all Council's activities other than Water, Sewer & Other
NB. All amounts disclosed above are Gross - that is, they include internal receivables & payables between the Funds.

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

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

$ '000

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

Note 23. Events occurring after the Reporting Date

Events that occur between the end of the reporting period (ending 30 June 2014) and the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

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

Accordingly, the "authorised for issue" date is 03/11/14.

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

(i) Events that provide evidence of conditions that existed at the Reporting Period

These financial statements (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2014.

(ii) Events that provide evidence of conditions that arose after the Reporting Period

These financial statements (& figures therein) do not incorporate any "non-adjusting events" that have occurred after 30 June 2014 and which are only indicative of conditions that arose after 30 June 2014.

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

Note 24. Discontinued Operations

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

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 25. Intangible Assets

$ '000	Actual 2014	Actual 2013

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

Intangible Assets are as follows;

Opening Values:		
Gross Book Value (1/7)	260	260
Accumulated Amortisation (1/7)	-	-
Accumulated Impairment (1/7)	-	-
Net Book Value - Opening Balance	**260**	**260**
Closing Values:		
Gross Book Value (30/6)	260	260
Accumulated Amortisation (30/6)	-	-
Accumulated Impairment (30/6)	-	-
TOTAL INTANGIBLE ASSETS - NET BOOK VALUE [1]	260	260

[1.] **The Net Book Value of Intangible Assets represent:**

- Bidgee Haven Hostel (Bed Licences)	260	260
	260	**260**

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

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 2014	NPV of Provision 2013
Gravel Pits (x82)			123	123
Balance at End of the Reporting Period		10(a)	123	123

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.

Reconciliation of movement in Provision for year:

Balance at beginning of year	123	123
Total - Reinstatement, rehabilitation and restoration provision	**123**	**123**

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 2014

Note 27. Fair Value Measurement

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

- Infrastructure, Property, Plant and Equipment

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

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

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

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

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

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

2014	**Fair Value Measurement Hierarchy**			
	Level 1	**Level 2**	**Level 3**	**Total**
Recurring Fair Value Measurements	*Quoted Prices in active mkts*	*Significant observable inputs*	*Significant unobservable inputs*	
Infrastructure, Property, Plant & Equipment				
Plant & Equipment			2,101	2,101
Office Equipment			39	39
Furniture & Fittings			71	71
Land:				
- Operational Land			889	889
- Community Land			1,046	1,046
Land Improvements			568	568
Buildings - Non Specialised			11,779	11,779
Buildings - Specialised			254	254
Other Structures			6,794	6,794
Infrastructure:				
- Roads			106,286	106,286
- Kerb & Gutter			3,094	3,094
- Footpaths			1,208	1,208
- Stormwater Drainage			3,611	3,611
- Water Supply Network			7,147	7,147
- Sewerage Network			6,982	6,982
Other Assets:				
- Other			732	732
Total Infrastructure, Property, Plant & Equipment			**152,601**	**152,601**

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 27. Fair Value Measurement (continued)

(2) Transfers between Level 1 & Level 2 Fair Value Hierarchies

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

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

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

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

Infrastructure, Property, Plant & Equipment

Plant & Equipment, Office Equipment and Furniture & Fittings

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

- Plant and Equipment - Graders, trucks, rollers, tractors and motor vehicles.
- Office Equipment - Computers, photocopiers, calculators etc.
- Furniture & Fittings - Chairs, desks and display boards.

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

Operational & Community Land

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

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

Buildings - Non-Specialised & Specialised

Non-Specialised & Specialised Buildings have been valued externally using Herron Todd White (Murray Riverina) Pty Ltd, 185 Annesley Street, Echuca using the cost approach. The approach estimated the replacement cost for each building by componentising the building into significant parts. While all buildings were physically inspected and the unit rates based on square market based evidence (Level 2) could not be established. As such these assets were classified as having been valued as Level 3 valuation inputs.

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

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

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 27. Fair Value Measurement (continued)

Other Structures

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

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

Roads

Roads comprise road carriageway, roadside shoulders & kerb & gutter. The Cost Approach using Level 3 inputs was used to value this asset class. Valuations for this asset class were undertaken externally by APV Valuers & Asset Management and are current as at June 2011. The approach estimated the replacement cost for each asset by componentising the asset into significant parts and using reference to costing guides issued by the Australian Institute of Quantity Surveyors, NSW Reference Rates Manual, Rawlinson's (Australian Constructions Handbook), as well as Balranald Shire Council and APV internal database of costs. No market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class.

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

Bridges

The Cost Approach using Level 3 inputs was used to value this asset class. Valuations for this asset class were undertaken externally by APV Valuers & Asset Management and are current as at June 2011. The approach estimated the replacement cost for each asset using reference to costing guides issued by the Australian Institute of Quantity Surveyors, NSW Reference Rates Manual, Rawlinson's (Australian Constructions Handbook), as well as Balranald Shire Council and APV internal database of costs. No market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class.

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

Footpaths

The Cost Approach using Level 3 inputs was used to value this asset class. Valuations for this asset class were undertaken externally by APV Valuers & Asset Management and are current as at June 2011. The approach estimated the replacement cost for each asset using reference to costing guides issued by the Australian Institute of Quantity Surveyors, NSW Reference Rates Manual, Rawlinson's (Australian Constructions Handbook), as well as Balranald Shire Council and APV internal database of costs. No market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class.

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

Drainage Infrastructure

Assets within this class comprise pits and pipes.

The Cost Approach using Level 3 inputs was used to value this asset class. Valuations for this asset class were undertaken externally by APV Valuers & Asset Management and are current as at June 2011. The approach estimated the replacement cost for each asset using reference to costing guides issued by the Australian Institute of Quantity Surveyors, NSW Reference Rates Manual, Rawlinson's (Australian Constructions Handbook), as well as Balranald Shire Council and APV internal database of costs.

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 27. Fair Value Measurement (continued)

Additionally due to limitations in the historical records of very long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets. . No market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class

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

Water Supply Network

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

The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar may be supported from market evidence (Level 2) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets. These assets are indexed each year in line with the NSW Reference Rates Manual as publish by the Office of Water.

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

Sewerage Network

Assets within this class comprise treatment works, pumping stations and, sewerage mains. The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar may be supported from market evidence (Level 2) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally due to limitations in the historical records of very long lived assets there is uncertainty regarding the actual design, specifications and dimensions of some assets. These assets are indexed each year in line with the NSW Reference Rates Manual as publish by the Office of Water.

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

Swimming Pools

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

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

Other Open Space/Recreational Assets

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

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

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 27. Fair Value Measurement (continued)

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

a. The following tables present the changes in Level 3 Fair Value Asset Classes.

	Plant & Equipment	*Office Equipment*	*Furniture & Fittings*	*Operational Land*	*Total*
Adoption of AASB 13	2,413	45	83	917	3,458
Purchases (GBV)	491	17	-	-	508
Disposals (WDV)	-349	-	-	-	-349
Depreciation & Impairment	-333	-23	-12	-	-368
Adjustments & Transfers	-78	-	-	-84	-162
Revaluations	-43	-	-	56	13
Closing Balance - 30/6/14	**2,101**	**39**	**71**	**889**	**3,100**

	Community Land	*Land Improvements*	*Buildings - Non Specialised*	*Buildings - Specialised*	*Total*
Adoption of AASB 13	1,590	-	10,884	223	12,697
Purchases (GBV)	18	-	1,048	36	1,102
Disposals (WDV)	-	-	-	-	-
Depreciation & Impairment	-	-	-751	-5	-756
Adjustments & Transfers	-50	-	-	-	-50
Revaluations	-512	568	598	-	654
Closing Balance - 30/6/14	**1,046**	**568**	**11,779**	**254**	**13,647**

	Other Structures	*Roads*	*Kerb & Gutter*	*Footpaths*	*Total*
Adoption of AASB 13	7,438	112,024	-	-	119,462
Purchases (GBV)	187	1,119	-	210	1,516
Disposals (WDV)	-	-	-	-	-
Depreciation & Impairment	-234	-5,784	-66	-75	-6,159
Adjustments & Transfers	-55	-1,073	3,160	1,073	3,105
Revaluations	-542	-	-	-	-542
Closing Balance - 30/6/14	**6,794**	**106,286**	**3,094**	**1,208**	**117,382**

	Stormwater Drainage	*Water Supply Network*	*Sewerage Network*	*Other*	*Total*
Adoption of AASB 13	6,797	6,894	6,583	-	20,274
Purchases (GBV)	57	97	31	102	287
Disposals (WDV)	-	-14	-	-	-14
Depreciation & Impairment	-83	-255	-185	-26	-549
Adjustments & Transfers	-3,160	68	212	-13	-2,893
Revaluations	-	357	341	669	1,367
Closing Balance - 30/6/14	**3,611**	**7,147**	**6,982**	**732**	**18,472**

b. Information relating to the transfers into and out of the Level 3 Fair Valuation hierarchy (as disclosed in the Table above) includes:

No transfers were made in or out of the Level 3 Fair Value Hierarchy

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 27. Fair Value Measurement (continued)

c. Significant unobservable valuation inputs used (for Level 3 asset classes) and their relationship to fair value.

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving the various Level 3 Asset Class fair values.

I,PP&E

Class	*Fair Value 30/6/14 $'000*	*Unobservable Inputs*	*Range of Inputs (Incl probable)*	*Relationship of Unobservable inputs to Fair Value*
Plant & Equipment	2,101	• Gross Replacement Cost • Remaining useful life • Residual value	• Varies significantly from asset to asset • Poor to excellent • 5 - 10 Years	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.
Office Equipment	39	• Gross Replacement Cost • Remaining useful life • Residual value	• Varies significantly from asset to asset • Poor to excellent • 5 - 10 Years	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.
Furniture & Fittings	71	• Gross Replacement Cost • Remaining useful life • Residual value	• Varies significantly from asset to asset • Poor to excellent • 10 - 20 Years	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.
Operational Land	889	• Land Value (price per square metre)	• $0.50 - $25 Per Square metre	Significant changes in the price per square metre based on the unimproved capital value would result in significant changes to fair value measurement.
Community Land	1,046	• Land Value (price per square metre)	• $0.50 - $25 Per Square metre	Significant changes in the price per square metre based on the unimproved capital value would result in significant changes to fair value measurement.

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 27. Fair Value Measurement (continued)

Class	***Fair Value 30/6/14 $'000***	***Unobservable Inputs***	***Range of Inputs (Incl probable)***	***Relationship of Unobservable inputs to Fair Value***
Land Improvements (Park furniture & equipment)	568	• Gross Replacement Cost • Asset Condition • Remaining useful life • Residual value	• Varies significantly from asset to asset • Poor to excellent • 5 - 20 Years	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.
Buildings - Non Specialised	11,779	• Gross Replacement Cost • Asset Condition • Remaining useful life • Residual value	• Varies significantly from asset to asset • Poor to excellent • 20 - 100 Years	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.
Buildings - Specialised	254	• Gross Replacement Cost • Asset Condition • Remaining useful life • Residual value	• Varies significantly from asset to asset • Poor to excellent • 20 - 100 Years	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.
Other Structures	6,794	• Gross Replacement Cost • Asset Condition • Remaining useful life • Residual value	• Varies significantly from asset to asset • Poor to excellent • 5 - 80 Years	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.
Roads	106,286	• Gross Replacement Cost • Asset Condition • Remaining useful life • Residual value	• Varies significantly from asset to asset • Poor to excellent • 15 - 50 Years	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.
Kerb & Gutter	3,094	• Gross Replacement Cost • Asset Condition • Remaining useful life • Residual value	• Varies significantly from asset to asset • Poor to excellent • 5 - 40 Years	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.

Balranald Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2014

Note 27. Fair Value Measurement (continued)

Class	***Fair Value 30/6/14 $'000***	***Unobservable Inputs***	***Range of Inputs (Incl probable)***	***Relationship of Unobservable inputs to Fair Value***
Footpaths	1,208	• Gross Replacement Cost • Asset Condition • Remaining useful life • Residual value	• Varies significantly from asset to asset • Poor to excellent • 5 - 60 Years	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.
Stormwater Drainage	3,611	• Gross Replacement Cost • Asset Condition • Remaining useful life • Residual value	• Varies significantly from asset to asset • Poor to excellent • 80 - 100 Years	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.
Water Supply Network	7,147	• Gross Replacement Cost • Asset Condition • Remaining useful life • Residual value	• Varies significantly from asset to asset • Poor to excellent • 15 - 100 Years	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.
Sewerage Network	6,982	• Gross Replacement Cost • Asset Condition • Remaining useful life • Residual value	• Varies significantly from asset to asset • Poor to excellent • 15 - 100 Years	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.
Other	732	• Gross Replacement Cost • Asset Condition • Remaining useful life • Residual value	• Varies significantly from asset to asset • Poor to excellent • 5 - 60 Years	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.

(5). Highest and best use

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

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BALRANALD SHIRE COUNCIL
Independent Audit Report to the Council
General Purpose Financial Statements for the Year ended 30 June 2014

Report on the Financial Report

We have audited the general purpose financial statements of Balranald Shire Council, which comprises the Statement of Financial Position as at 30 June 2014, 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. Accordingly, no opinion is expressed on these matters.

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 of 30 June 2014, 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

PITCHER PARTNERS

Millington

CARL MILLINGTON
Partner

Sydney, 3 November 2014

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BALRANALD SHIRE COUNCIL
INDEPENDENT AUDITORS' REPORT ON THE CONDUCT OF THE AUDIT
(Local Government Act, 1993 – Sections 417 (1) and 417(3))
YEAR ENDED 30 JUNE 2014

Balranald Shire Council has prepared general and special purpose financial reports for the year ended 30 June 2014 on which we issued separate audit reports to the Council dated 3 November 2014. This report has been prepared in accordance with the requirements of the Division of Local Government, and the provisions of Sections 417(1) and 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 Office of Local Government, or for any purpose other than that for which it was prepared.

Audit Conclusion

Our audit of the financial reports for the year ended 30 June 2014 resulted in unqualified independent audit reports for Council's General Purpose and Special Purpose Financial Statements.

Additional Audit Considerations and Comment

Income Statement

Summarised Income Statement

	2014 Actual $'000	2014 Budget $'000	* Budget Variance %	2013 Actual $'000
Operating result	(7,361)	(6,225)	18.25%U	(4,928)
Operating result before capital revenue	(7,393)	(6,257)	18.16%U	(6,637)
Rates & annual charges	2,053	2,053	-	1,853
Operating grants & contributions	6,583	6,823	3.52%U	7,168
Capital grants & contributions	32	32	-	1,709
Depreciation & amortisation	7,832	7,832	-	8,293

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

Operating Result. Council's operating result was a deficit of $7.361M increasing from a deficit of $4.928M in 2013. This compared with a budgeted deficit of $6.225M for the year. The most significant variations impacting the operating result were:

- the decrease in grants and contributions provided for operating and capital purposes, particularly the timing of the Financial Assistance Grant and the decrease of capital specific contributions; and
- the increase in employee benefits expenses, offset by a reduction in the depreciation expense.

Operating Result before Capital. The operating result before Capital grants and contributions was a deficit of $7.393M compared with the prior year deficit of $6.637M. This compared with the original budget deficit of $6.257M.

Rates and Annual Charges. Revenue from rates and annual charges increased to $2.053M from $1.853M in the prior year, and matched the budget for the 2014 year. The largest contributor to the increase related to the Annual Charges for Water (increased by $105K) and Sewer (increased by $29K).

Grants and Contributions. Operating grants and contributions for the year totalled $6.583M and represented 60.56% of total income from continuing operations (2013: 56.07%). This compares with budget of $6.823M.

Capital grants and contributions amounted to $32k for the 2014 year and represented 0.29% of total income from continuing operations (2013: 13.36%). This equates to the budget of $32k.

Depreciation. Included in the operating result was $7.832M for the depreciation and amortisation of infrastructure, property, plant and equipment which decreased from $8.293M in 2012/2013 and equated to the original budget of $7.832M. Depreciation and amortisation represents 42.96% (2013: 46.81%) of total expenses and 72.04% (2013: 64.85%) of total income for the year. The reduction has primarily occurred in the Roads, Kerb & Gutter, and Footpath categories of IPPE which has decreased by $591K due to a number of unsealed road assets reaching their assessed residual value during 2013/2014 eliminating the depreciation charge previously incurred in the 2 years since the fair valuation occurred.

Statement of Financial Position

Council's equity at 30 June 2014 amounted to $152.429M comprised of retained earnings, and reserves arising from revaluation of infrastructure assets in prior years.

The most significant impact on retained earnings during 2014 was the operating deficit of $7.361M, the only movement in reserves related to the indexation of water and sewer assets as required by the Code in non-fair valuation years.

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

Movements in Cash and Cash Equivalents

Summarised Statement of Cash Flows

Activities	2014 Actual $'000	2014 Budget $'000	* Budget Variance %	2013 Actual $'000
Net cash flows from operations	1,621	1,575	2.92%F	2,548
Net cash flows from investing	(3,035)	(5,153)	41.10%F	(2,337)
Net cash flows from financing	(270)	730	136.97%U	793
Net movement in cash	**(1,684)**	**(2,848)**		**1,004**

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

Council's cash and cash equivalent balances decreased to a total of $5.011M during the year, with $1.621M being provided from operations, $3.035M utilised in net investing activities for the acquisition and sale of non-current assets, and $270K being utilised in net movements of borrowings and advances.

Total Investments and Cash Balances

Council's total cash balance at 30 June 2014 was comprised of the following:

	2014 $'000	2013 $'000
Externally restricted cash	2,147	1,975
Internally restricted cash	2,560	1,253
Unrestricted cash	304	3,467
Total Cash, Cash Equivalents and Investments	**5,011**	**6,695**

Externally restricted cash balances remained stable with increases related to water supplies and sewer services.

Internally restricted cash balances have increased largely due to the Balranald Interpretative Centre funding received.

Performance Indicators and Trends

Prescribed performance indicators are included in Note 13 to the financial report and provide a comparison of the 2014 year results with prior years.

Operating performance ratio. At -68.44% this ratio is below benchmarks set by NSW TCorp and expectations of the Office of Local Government. The result continues the trend noted in the past 2 years' comparatives with 2013/2014 impacted on by the timing of the financial assistance grant as well as increased employee benefit costs with the termination of staff that occurred.

Own source operating revenue ratio. The ratio of 39.06% is below industry benchmarks and indicates that Council is heavily dependent on outside grant funding to meet service levels.

Unrestricted Current Ratio. This ratio of 1.41:1 has decreased from 2013 and is now below the industry benchmark of 2:1.

Debt Service Ratio. The ratio has declined from previous years as a result of the EBIDTA decreasing in 2013/2014.

Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage. The amount of rates uncollected at year end expressed as a percentage of the total rates and annual charges collectible was 13.49%. This has decreased from the prior year of 17.61% however remains above the industry benchmark of 5%.

Cash expense cover ratio. This liquidity ratio indicates the number of months Council can continue paying for its immediate expenses without additional cash inflow. Council's ratio of 6.27 exceeds the industry benchmark of 3 and indicates that Council has sufficient liquidity to adequately fund its short term obligations.

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 22), and other legislatively prescribed standards.

Conduct of the audit

During the conduct of our audit, a number of issues arose that required additional explanation and investigation, however 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 would like to commend the courteous and professional manner in which Council's staff has acted throughout the conduct of our audit, and their willingness to consider issues that we raised and assist us with our audit.

Pitcher Partners

PITCHER PARTNERS

Millington

CARL MILLINGTON

Partner

Sydney, 3 November 2014

November 4, 2014

Balranald Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2014

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 2014

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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).

Balranald Shire Council

Special Purpose Financial Statements
for the financial year ended 30 June 2014

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 28 October 2014.

Leigh Byron
MAYOR

Alan Purtill
COUNCILLOR

Aaron Drenovski
GENERAL MANAGER

Elizabeth White
RESPONSIBLE ACCOUNTING OFFICER

Balranald Shire Council

Income Statement of Council's Water Supply Business Activity
for the financial year ended 30 June 2014

$ '000	Actual 2014	Actual 2013
Income from continuing operations		
Access charges	425	320
User charges	491	329
Fees	-	62
Interest	3	-
Grants and contributions provided for non capital purposes	6	-
Profit from the sale of assets	-	-
Other income	14	-
Total income from continuing operations	**939**	**711**
Expenses from continuing operations		
Employee benefits and on-costs	188	123
Borrowing costs	79	82
Materials and contracts	185	380
Depreciation and impairment	255	254
Water purchase charges	153	13
Loss on sale of assets	14	-
Calculated taxation equivalents	-	-
Debt guarantee fee (if applicable)	-	-
Other expenses	-	-
Total expenses from continuing operations	**874**	**852**
Surplus (deficit) from Continuing Operations before capital amounts	**65**	**(141)**
Grants and contributions provided for capital purposes	-	-
Surplus (deficit) from Continuing Operations after capital amounts	**65**	**(141)**
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	**65**	**(141)**
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(20)	-
SURPLUS (DEFICIT) AFTER TAX	**46**	**(141)**
plus Opening Retained Profits	2,130	2,271
plus/less: Prior Period Adjustments	-	-
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	-	-
- Debt guarantee fees	-	-
- Corporate taxation equivalent	20	-
less:		
- Tax Equivalent Dividend paid	-	-
- Surplus dividend paid	-	-
Closing Retained Profits	**2,195**	**2,130**
Return on Capital %	**2.0%**	**-0.8%**
Subsidy from Council	**110**	**321**
Calculation of dividend payable:		
Surplus (deficit) after tax	46	(141)
less: Capital grants and contributions (excluding developer contributions)	-	-
Surplus for dividend calculation purposes	**46**	**-**
Potential Dividend calculated from surplus	**23**	**-**

Balranald Shire Council

Income Statement of Council's Sewerage Business Activity
for the financial year ended 30 June 2014

$ '000	Actual 2014	Actual 2013
Income from continuing operations		
Access charges	266	232
User charges	23	6
Liquid Trade Waste charges	-	-
Fees	-	-
Interest	53	57
Grants and contributions provided for non capital purposes	-	-
Profit from the sale of assets	-	-
Other income	-	34
Total income from continuing operations	**342**	**329**
Expenses from continuing operations		
Employee benefits and on-costs	47	27
Borrowing costs	-	-
Materials and contracts	135	126
Depreciation and impairment	185	182
Loss on sale of assets	-	-
Calculated taxation equivalents	-	-
Debt guarantee fee (if applicable)	-	-
Other expenses	46	-
Total expenses from continuing operations	**413**	**335**
Surplus (deficit) from Continuing Operations before capital amounts	**(71)**	**(6)**
Grants and contributions provided for capital purposes	-	-
Surplus (deficit) from Continuing Operations after capital amounts	**(71)**	**(6)**
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	**(71)**	**(6)**
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-
SURPLUS (DEFICIT) AFTER TAX	**(71)**	**(6)**
plus Opening Retained Profits	3,276	3,282
plus/less: Prior Period Adjustments	-	-
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	-	-
- Debt guarantee fees	-	-
- Corporate taxation equivalent	-	-
less:		
- Tax Equivalent Dividend paid	-	-
- Surplus dividend paid	-	-
Closing Retained Profits	**3,205**	**3,276**
Return on Capital %	**-1.0%**	**-0.1%**
Subsidy from Council	**320**	**260**
Calculation of dividend payable:		
Surplus (deficit) after tax	(71)	(6)
less: Capital grants and contributions (excluding developer contributions)	-	-
Surplus for dividend calculation purposes	**-**	**-**
Potential Dividend calculated from surplus	**-**	**-**

Balranald Shire Council

Statement of Financial Position - Council's Water Supply Business Activity
as at 30 June 2014

$ '000	Actual 2014	Actual 2013
ASSETS		
Current Assets		
Cash and cash equivalents	185	23
Investments	-	-
Receivables	190	183
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	**375**	**206**
Non-Current Assets		
Investments	-	-
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	7,147	6,961
Investments accounted for using equity method	-	-
Investment property	-	-
Other	13	12
Total non-Current Assets	**7,160**	**6,973**
TOTAL ASSETS	**7,535**	**7,179**
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	-	4
Interest bearing liabilities	62	61
Provisions	-	-
Total Current Liabilities	**62**	**65**
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	1,127	1,190
Provisions	-	-
Total Non-Current Liabilities	**1,127**	**1,190**
TOTAL LIABILITIES	**1,189**	**1,255**
NET ASSETS	6,346	5,924
EQUITY		
Retained earnings	2,195	2,130
Revaluation reserves	4,151	3,794
Council equity interest	6,346	5,924
Non-controlling equity interest	-	-
TOTAL EQUITY	6,346	5,924

Balranald Shire Council

Statement of Financial Position - Council's Sewerage Business Activity
as at 30 June 2014

$ '000	Actual 2014	Actual 2013
ASSETS		
Current Assets		
Cash and cash equivalents	1,631	1,571
Investments	-	-
Receivables	42	66
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	**1,673**	**1,637**
Non-Current Assets		
Investments	-	-
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	6,982	6,737
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
Total non-Current Assets	**6,982**	**6,737**
TOTAL ASSETS	**8,655**	**8,374**
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	-	-
Interest bearing liabilities	-	-
Provisions	-	-
Total Current Liabilities	**-**	**-**
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	-	-
Provisions	-	-
Total Non-Current Liabilities	**-**	**-**
TOTAL LIABILITIES	**-**	**-**
NET ASSETS	8,655	8,374
EQUITY		
Retained earnings	3,205	3,276
Revaluation reserves	5,450	5,098
Council equity interest	8,655	8,374
Non-controlling equity interest	-	-
TOTAL EQUITY	8,655	8,374

Balranald Shire Council

Special Purpose Financial Statements
for the financial year ended 30 June 2014

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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 2014

Note 1. Significant Accounting Policies

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

For the purposes of these statements, the Council is not a reporting not-for-profit entity.

The figures presented in these special purpose financial statements, unless otherwise stated, have been prepared in accordance with:

- the recognition and measurement criteria of relevant Australian Accounting Standards,
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB) &
- Australian Accounting Interpretations.

The disclosures in these special purpose financial statements have been prepared in accordance with:

- 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, 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 Office 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 1

(where gross operating turnover is over $2 million)

Nil

Category 2

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

a. Balranald Shire Council Combined Water Supplies

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

b. Balranald Shire Council Sewerage Service

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

Monetary Amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest 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 Primary Industries) the amounts shown in Notes 2 and Note 3 are disclosed in whole dollars.

Balranald Shire Council

Notes to the Special Purpose Financial Statements
for the financial year ended 30 June 2014

Note 1. Significant Accounting Policies

(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.

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 **$412,000** of combined land values attracts **0%**. From $412,001 to $2,519,000 the rate is **1.6% + $100.** For the remaining combined land value that exceeds $2,519,000, a premium marginal rate of **2.0%** applies.

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

In accordance with the guidelines for Best Practice Management of Water Supply and Sewerage, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from Water Supply and Sewerage Business activities.

The payment of taxation equivalent charges, referred in the Best Practice Management of Water Supply and Sewerage Guides to as a "Dividend for Taxation equivalent", may be applied for any purpose allowed under the Local Government Act, 1993.

Achievement of substantial compliance against the guidelines for Best Practice Management of Water Supply and Sewerage is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed $3 per assessment.

Income Tax

An income tax equivalent has been applied on the profits of each reported Business Activity.

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 General Purpose Financial Statements.

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 1 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.

Balranald Shire Council

Notes to the Special Purpose Financial Statements
for the financial year ended 30 June 2014

Note 1. Significant Accounting Policies

(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 each reported Business Activity.

(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 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:

$$\frac{\textbf{Operating Result before Capital Income + Interest Expense}}{\textbf{Written Down Value of I,PP\&E as at 30 June}}$$

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 3.56% at 30/6/14.

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.

Local Government Water Supply and Sewerage Businesses are permitted to pay an annual dividend from its water supply or sewerage business surplus.

The dividend, calculated and approved in accordance with the Best Practice Management Guidelines, must not exceed either:

(i) 50% of this surplus in any one year, or

(ii) the number of water supply or sewerage assessments at 30 June 2014 multiplied by $30 (less the payment for tax equivalent charges, not exceeding $3 per assessment).

In accordance with the guidelines for Best Practice Management of Water Supply and Sewerage, a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the NSW Office of Water prior to making the dividend and only after it has approved the payment.

Balranald Shire Council

Notes to the Special Purpose Financial Statements
for the financial year ended 30 June 2014

Note 2. Water Supply Business
Best Practice Management disclosure requirements

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)	2014

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	2,874
(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]**	22,750
(ii)	No. of assessments multiplied by $30/assessment, less tax equivalent charges/assessment	28,740
(iii)	Cumulative surplus before Dividends for the 3 years to 30 June 2014, less the cumulative dividends paid for the 2 years to 30 June 2013 & 30 June 2012	(327,500)

2014 Surplus	45,500	**2013 Surplus**	(141,000)	**2012 Surplus**	(232,000)
		2013 Dividend	-	**2012 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 2014

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

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)			2014
National Water Initiative (NWI) Financial Performance Indicators			
NWI F1	Total Revenue (Water) **Total Income (w13) - Grants for the Acquisition of Assets (w11a) - Interest Income (w9) - Aboriginal Communities W&S Program Income (w10a)**	$'000	902
NWI F4	Revenue from Residential Usage Charges (Water) **Income from Residential Usage Charges (w6b) x 100 divided by the sum of [Income from Residential Usage Charges (w6a) + Income from Residential Access Charges (w6b)]**	%	51.97%
NWI F9	Written Down Replacement Cost of Fixed Assets (Water) **Written down current cost of system assets (w47)**	$'000	7,137
NWI F11	Operating Cost (OMA) (Water) **Management Expenses (w1) + Operational & Maintenance Expenses (w2)**	$'000	526
NWI F14	Capital Expenditure (Water) **Acquisition of fixed assets (w16)**	$'000	-
NWI F17	Economic Real Rate of Return (Water) **[Total Income (w13) - Interest Income (w9) - Grants for acquisition of assets (w11a) - Operating Costs (NWI F11) - Current Cost Depreciation (w3)] x 100 divided by [Written Down Current Cost of System Assets (w47) + Plant & Equipment (w33b)]**	%	2.17%
NWI F26	Capital Works Grants (Water) **Grants for the Acquisition of Assets (w11a)**	$'000	-

Notes:
1. References to w (eg. w12) refer to item numbers within Special Schedules No. 3 & 4 of Council's Annual Financial Statements.
2. 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 2014

Note 3. Sewerage Business
Best Practice Management disclosure requirements

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)	2014

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	2,694
(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 x ($30 less tax equivalent charges per assessment)	26,940
(iii)	Cumulative surplus before dividends for the 3 years to 30 June 2014, less the cumulative dividends paid for the 2 years to 30 June 2013 & 30 June 2012	(59,500)

2014 Surplus	(71,000)	**2013 Surplus**	(6,000)	**2012 Surplus**	17,500
		2013 Dividend	-	**2012 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 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 2014

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

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)			2014
National Water Initiative (NWI) Financial Performance Indicators			
NWI F2	Total Revenue (Sewerage) **Total Income (s14) - Grants for Acquisition of Assets (s12a) - Interest Income (s10) - Aboriginal Communities W&S Program Income (w10a)**	$'000	272
NWI F10	Written Down Replacement Cost of Fixed Assets (Sewerage) **Written down current cost of system assets (s48)**	$'000	6,923
NWI F12	Operating Cost (Sewerage) **Management Expenses (s1) + Operational & Maintenance Expenses (s2)**	$'000	228
NWI F15	Capital Expenditure (Sewerage) **Acquisition of Fixed Assets (s17)**	$'000	-
NWI F18	Economic Real Rate of Return (Sewerage) **[Total Income (s14) - Interest Income (s10) - Grants for acquisition of Assets (s12a) - Operating cost (NWI F12) - Current cost depreciation (s3)] x 100 divided by [Written down current cost (ie. WDCC) of System Assets (s48) + Plant & Equipment (s34b)]**	%	-1.78%
NWI F27	Capital Works Grants (Sewerage) **Grants for the Acquisition of Assets (12a)**	$'000	-

National Water Initiative (NWI) Financial Performance Indicators Water & Sewer (combined)			
NWI F3	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	1,211
NWI F8	Revenue from Community Service Obligations (Water & Sewerage) **Community Service Obligations (NWI F25) x 100 divided by Total Income (NWI F3)**	%	0.00%
NWI F16	Capital Expenditure (Water & Sewerage) **Acquisition of Fixed Assets (w16 + s17)**	$'000	-
NWI F19	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)]**	%	0.22%
NWI F20	Dividend (Water & Sewerage) **Dividend paid from surplus (2(v) of Note 2 + 2(v) of Note 3)**	$'000	-
NWI F21	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 2014

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

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)			2014

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

NWI F22	Net Debt to Equity (Water & Sewerage) **Overdraft (w36 + s37) + Borrowings (w38 + s39) - Cash & Investments (w30 + s31)** **x 100 divided by [Total Assets (w35 + s36) - Total Liabilities (w40 + s41)]**	%	-4.18%
NWI F23	Interest Cover (Water & Sewerage) **Earnings before Interest & Tax (EBIT) divided by Net Interest**		1
	Earnings before Interest & Tax (EBIT): 31 **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: 23 **Interest Expense (w4a + s4a) - Interest Income (w9 + s10)**		
NWI F24	Net Profit After Tax (Water & Sewerage) **Surplus before dividends (w15a + s16a) - Tax equivalents paid (Note 2-1(iv) + Note 3-1(iv))**	$'000	(6)
NWI F25	Community Service Obligations (Water & Sewerage) **Grants for Pensioner Rebates (w11b + s12b)**	$'000	-

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

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BALRANALD SHIRE COUNCIL
Special Purpose Financial Report
Independent Auditors' Report to the Council for the Year ended 30 June 2014

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 statement of financial position as at 30 June 2014 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 2014 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 financial report for the year ended 30 June 2014 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 3 November 2014.

Pitcher Partners

PITCHER PARTNERS

Millington

C R MILLINGTON
Partner

Sydney, 3 November 2014

Balranald Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2014

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 2014

Contents

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Special Schedules[1]

- Special Schedule No. 1	Net Cost of Services	2
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- Special Schedule No. 2(b)	Statement of Internal Loans (Sect. 410(3) LGA 1993)	n/a
- Special Schedule No. 3	Water Supply Operations - incl. Income Statement	5
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[1] Special Schedules are not audited (with the exception of Special Schedule 9).

Background

(i) These Special Schedules have been designed to meet the requirements of special purpose users such as;

- the NSW Grants Commission
- the Australian Bureau of Statistics (ABS),
- the NSW Office of Water (NOW), and
- the Office of Local Government (OLG).

(ii) The financial data is collected for various uses including;

- the allocation of Financial Assistance Grants,
- the incorporation of Local Government financial figures in national statistics,
- the monitoring of loan approvals,
- the allocation of borrowing rights, and
- the monitoring of the financial activities of specific services.

Balranald Shire Council

Special Schedule No. 1 - Net Cost of Services
for the financial year ended 30 June 2014

$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Governance	**483**	**5**	**-**	**(478)**
Administration	**1,263**	**296**	**-**	**(968)**
Public Order and Safety				
Fire Service Levy, Fire Protection, Emergency Services	329	154	32	**(143)**
Animal Control	2	-	-	**(2)**
Total Public Order & Safety	**331**	**154**	**32**	**(145)**
Health	**56**	**4**	**-**	**(52)**
Environment				
Noxious Plants and Insect/Vermin Control	61	56	-	**(5)**
Solid Waste Management	228	294	-	**66**
Street Cleaning	29	-	-	**(29)**
Stormwater Management	196	-	-	**(196)**
Total Environment	**514**	**350**	**-**	**(164)**
Community Services and Education				
Social Protection (Welfare)	18	-	-	**(18)**
Aged Persons and Disabled	1,156	1,062	-	**(94)**
Children's Services	3	1	-	**(2)**
Total Community Services & Education	**1,177**	**1,063**	**-**	**(114)**
Housing and Community Amenities				
Public Cemeteries	51	41	-	**(10)**
Public Conveniences	64	-	-	**(64)**
Street Lighting	105	14	-	**(91)**
Town Planning	67	29	-	**(38)**
Other Community Amenities	418	61	-	**(357)**
Total Housing and Community Amenities	**705**	**145**	**-**	**(560)**
Water Supplies	**860**	**925**	**-**	**65**
Sewerage Services	**414**	**343**	**-**	**(71)**

Balranald Shire Council

Special Schedule No. 1 - Net Cost of Services (continued)
for the financial year ended 30 June 2014

$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Recreation and Culture				
Public Libraries	63	19	-	(44)
Museums	25	-	-	(25)
Community Centres and Halls	16	-	-	(16)
Performing Arts Venues	25	4	-	(21)
Sporting Grounds and Venues	205	37	-	(168)
Swimming Pools	150	10	-	(140)
Parks & Gardens (Lakes)	425	-	-	(425)
Total Recreation and Culture	**909**	**70**	**-**	**(839)**
Mining, Manufacturing and Construction				
Building Control	55	12	-	(43)
Total Mining, Manufacturing and Const.	**55**	**12**	**-**	**(43)**
Transport and Communication				
Urban Roads (UR) - Local	473	-	-	(473)
Sealed Rural Roads (SRR) - Regional	3,144	-	-	(3,144)
Unsealed Rural Roads (URR) - Local	5,149	-	-	(5,149)
Unsealed Rural Roads (URR) - Regional	544	-	-	(544)
Bridges on Regional Roads	31	-	-	(31)
Footpaths	84	-	-	(84)
Aerodromes	64	-	-	(64)
Other Transport & Communication	1,045	3,816	-	2,771
Total Transport and Communication	**10,534**	**3,816**	**-**	**(6,718)**
Economic Affairs				
Camping Areas & Caravan Parks	401	420	-	19
Other Economic Affairs	529	257	-	(272)
Total Economic Affairs	**930**	**677**	**-**	**(253)**
Totals – Functions	**18,231**	**7,860**	**32**	**(10,340)**
General Purpose Revenues (2)		**2,979**		**2,979**
Share of interests - joint ventures & associates using the equity method	**-**	**-**		**-**
NET OPERATING RESULT (1)	**18,231**	**10,839**	**32**	**(7,361)**

(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) & Interest on overdue Rates & Annual Charges

Balranald Shire Council

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

for the financial year ended 30 June 2014

$'000

Classification of Debt	Principal outstanding at beginning of the year			New Loans raised during the year	Debt redemption during the year		Transfers to Sinking Funds	Interest applicable for Year	Principal outstanding at the end of the year		
	Current	Non Current	Total		From Revenue	Sinking Funds			Current	Non Current	Total
Loans (by Source)											
Financial Institutions	267	3,807	**4,074**	-	270	-	-	256	246	3,558	**3,804**
Total Loans	**267**	**3,807**	**4,074**	**-**	**270**	**-**	**-**	**256**	**246**	**3,558**	**3,804**
Total Debt	**267**	**3,807**	**4,074**	**-**	**270**	**-**	**-**	**256**	**246**	**3,558**	**3,804**

Notes: Excludes (i) Internal Loans & (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 2014

$'000	Actuals 2014	Actuals 2013
A Expenses and Income		
Expenses		
1. Management expenses		
a. Administration	139	87
- Mains		
d. Maintenance expenses	60	59
- Reservoirs		
f. Maintenance expenses	10	14
- Pumping Stations		
h. Energy costs	48	90
i. Maintenance expenses	138	128
- Treatment		
k. Chemical costs	45	51
- Other		
n. Maintenance expenses	72	74
o. Purchase of water	14	13
3. Depreciation expenses		
a. System assets	255	254
4. Miscellaneous expenses		
a. Interest expenses	79	82
5. Total expenses	**860**	**852**

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 2014

$'000	Actuals 2014	Actuals 2013
Income		
6. Residential charges		
a. Access (including rates)	317	269
b. Usage charges	343	220
7. Non-residential charges		
a. Access (including rates)	108	91
b. Usage charges	114	67
9. Interest income	3	-
10. Other income	20	64
10a. Aboriginal Communities Water and Sewerage Program	34	-
13. Total income	**939**	**711**
14. Gain (or loss) on disposal of assets	(14)	-
15. Operating Result	**65**	**(141)**
15a. Operating Result (less grants for acquisition of assets)	65	(141)

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 2014

$'000	Actuals 2014	Actuals 2013
B Capital transactions		
Non-operating expenditures		
16. Acquisition of Fixed Assets		
c. Renewals	-	79
17. Repayment of debt		
a. Loans	-	43
19. Totals	**-**	**122**
Non-operating funds employed		
20. Proceeds from disposal of assets	-	-
21. Borrowing utilised		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
22. Transfer from sinking fund	-	-
23. Totals	**-**	**-**
C Rates and charges		
24. Number of assessments		
a. Residential (occupied)	801	801
b. Residential (unoccupied, ie. vacant lot)	-	-
c. Non-residential (occupied)	-	-
d. Non-residential (unoccupied, ie. vacant lot)	157	157
25. Number of ETs for which developer charges were received	- ET	- ET
26. Total amount of pensioner rebates (actual dollars)	$ -	$ 12,134

Balranald Shire Council

Special Schedule No. 3 - Water Supply Cross Subsidies
for the financial year ended 30 June 2014

$'000	Yes	No	Amount
D Best practice annual charges and developer charges*			
27. Annual charges			
a. Does Council have best-practice water supply annual charges and usage charges*?	YES		
If Yes, go to 28a.			
If No, please report if council has removed **land value** from access charges (ie rates)?			
NB. 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 **from** residential customers using less than allowance (page 25 of Guidelines)			
c. Cross-subsidy **to** non-residential customers (page 24 of Guidelines)			
d. Cross-subsidy **to** large connections in unmetered supplies (page 26 of Guidelines)			
28. Developer charges			
a. Has council completed a water supply Development Servicing** Plan?		NO	
b. Total cross-subsidy in water supply developer charges for 2012/13 (page 47 of Guidelines)			
** In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, NSW Office of Water, December, 2002.			
29. Disclosure of cross-subsidies			
Total of cross-subsidies (27b +27c + 27d + 28b)			-

* 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 Statement of Financial Position

Includes INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
as at 30 June 2014

	$'000	Actuals Current	Actuals Non Current	Actuals Total
	ASSETS			
30.	**Cash and investments**			
	a. Developer charges	-	-	**-**
	b. Special purpose grants	-	-	**-**
	c. Accrued leave	-	-	**-**
	d. Unexpended loans	-	-	**-**
	e. Sinking fund	-	-	**-**
	f. Other	185	-	**185**
31.	**Receivables**			
	a. Specific purpose grants	-	-	**-**
	b. Rates and Availability Charges	190	-	**190**
	c. User Charges	-	-	**-**
	d. Other	-	-	**-**
32.	**Inventories**	-	-	**-**
33.	**Property, plant and equipment**			
	a. System assets	-	7,137	**7,137**
	b. Plant and equipment	-	10	**10**
34.	**Other assets**	-	13	**13**
35.	**Total assets**	**375**	**7,160**	**7,535**
	LIABILITIES			
36.	**Bank overdraft**	-	-	**-**
37.	**Creditors**	-	-	**-**
38.	**Borrowings**			
	a. Loans	62	1,127	**1,189**
	b. Advances	-	-	**-**
	c. Finance leases	-	-	**-**
39.	**Provisions**			
	a. Tax equivalents	-	-	**-**
	b. Dividend	-	-	**-**
	c. Other	-	-	**-**
40.	**Total liabilities**	**62**	**1,127**	**1,189**
41.	**NET ASSETS COMMITTED**	**313**	**6,033**	**6,346**
	EQUITY			
42.	Accumulated surplus			2,195
43	Asset revaluation reserve			4,151
44.	**TOTAL EQUITY**			**6,346**
	Note to system assets:			
45.	**Current replacement cost** of system assets			15,161
46.	Accumulated **current cost** depreciation of system assets			(8,024)
47.	Written down **current cost** of system assets			**7,137**

Balranald Shire Council

Special Schedule No. 5 - Sewerage Service Income Statement

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2014

$'000	Actuals 2014	Actuals 2013
A Expenses and Income		
Expenses		
1. Management expenses		
a. Administration	84	44
b. Engineering and Supervision	-	-
2. Operation and Maintenance expenses		
- Mains		
a. Operation expenses	32	41
b. Maintenance expenses	-	-
- Pumping Stations		
c. Operation expenses (excluding energy costs)	-	-
d. Energy costs	21	20
e. Maintenance expenses	42	44
- Treatment		
f. Operation expenses (excl. chemical, energy, effluent & biosolids management costs)	-	-
g. Chemical costs	5	3
h. Energy costs	-	-
i. Effluent Management	-	-
j. Biosolids Management	-	-
k. Maintenance expenses	-	-
- Other		
l. Operation expenses	44	-
m. Maintenance expenses	-	-
3. Depreciation expenses		
a. System assets	185	183
b. Plant and equipment	-	-
4. Miscellaneous expenses		
a. Interest expenses	-	-
b. Revaluation Decrements	-	-
c. Other expenses	-	-
d. Impairment - System assets	-	-
e. Impairment - Plant and equipment	-	-
f. Aboriginal Communities Water & Sewerage Program	-	-
g. Tax Equivalents Dividends (actually paid)	-	-
5. Total expenses	**413**	**335**

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 2014

$'000		Actuals 2014	Actuals 2013
	Income		
6.	**Residential charges** (including rates)	229	200
7.	**Non-residential charges**		
	a. Access (including rates)	37	32
	b. Usage charges	6	6
8.	**Trade Waste Charges**		
	a. Annual Fees	-	-
	b. Usage charges	-	-
	c. Excess mass charges	-	-
	d. Re-inspection fees	-	-
9.	**Extra charges**	-	-
10.	**Interest income**	53	57
11.	**Other income**	-	6
11a.	**Aboriginal Communities Water & Sewerage Program**	17	28
12.	**Grants**		
	a. Grants for acquisition of assets	-	-
	b. Grants for pensioner rebates	-	-
	c. Other grants	-	-
13.	**Contributions**		
	a. Developer charges	-	-
	b. Developer provided assets	-	-
	c. Other contributions	-	-
14.	**Total income**	**342**	**329**
15.	**Gain (or loss) on disposal of assets**	-	-
16.	**Operating Result**	**(71)**	**(6)**
16a.	**Operating Result (less grants for acquisition of assets)**	(71)	(6)

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 2014

$'000	Actuals 2014	Actuals 2013
B Capital transactions		
Non-operating expenditures		
17. Acquisition of Fixed Assets		
a. New Assets for Improved Standards	-	-
b. New Assets for Growth	-	-
c. Renewals	-	16
d. Plant and equipment	-	-
18. Repayment of debt		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
19. Transfer to sinking fund	-	-
20. Totals	**-**	**16**
Non-operating funds employed		
21. Proceeds from disposal of assets	-	-
22. Borrowing utilised		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
23. Transfer from sinking fund	-	-
24. Totals	**-**	**-**

C Rates and charges

25. Number of assessments		
a. Residential (occupied)	774	774
b. Residential (unoccupied, ie. vacant lot)	-	-
c. Non-residential (occupied)	124	124
d. Non-residential (unoccupied, ie. vacant lot)	-	-
26. Number of ETs for which developer charges were received	- ET	- ET
27. Total amount of pensioner rebates (actual dollars)	$ -	$ 11,977

Balranald Shire Council

Special Schedule No. 5 - Sewerage Cross Subsidies
for the financial year ended 30 June 2014

$'000	Yes	No	Amount
D Best practice annual charges and developer charges*			
28. Annual charges			
a. Does Council have best-practice sewerage annual charges, usage charges and trade waste fees & charges*?	YES		
If Yes, go to 29a.			
If No, please report if council has removed **land value** from access charges (ie rates)?			
NB. 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)			
c. Cross-subsidy **to** trade waste discharges (page 46 of Guidelines)			
29. Developer charges			
a. Has council completed a sewerage Development Servicing** Plan?		NO	
b. Total cross-subsidy in sewerage developer charges for 2012/13 (page 47 of Guidelines)			
** In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, NSW Office of Water, December, 2002.			
30. Disclosure of cross-subsidies			
Total of cross-subsidies (28b + 28c + 29b)			-

* Councils which have not yet implemented best practice sewer pricing & liquid waste prising 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 Service Statement of Financial Position

Includes INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
as at 30 June 2014

	$'000	Actuals Current	Actuals Non Current	Actuals Total
	ASSETS			
31.	**Cash and investments**			
	a. Developer charges	-	-	-
	b. Special purpose grants	-	-	-
	c. Accrued leave	-	-	-
	d. Unexpended loans	-	-	-
	e. Sinking fund	-	-	-
	f. Other	1,631	-	**1,631**
32.	**Receivables**			
	a. Specific purpose grants	-	-	-
	b. Rates and Availability Charges	42	-	**42**
	c. User Charges	-	-	-
	d. Other	-	-	-
33.	**Inventories**	-	-	-
34.	**Property, plant and equipment**			
	a. System assets	-	6,923	**6,923**
	b. Plant and equipment	-	59	**59**
35.	**Other assets**	-	-	-
36.	**Total Assets**	**1,673**	**6,982**	**8,655**
	LIABILITIES			
37.	**Bank overdraft**	-	-	-
38.	**Creditors**	-	-	-
39.	**Borrowings**			
	a. Loans	-	-	-
	b. Advances	-	-	-
	c. Finance leases	-	-	-
40.	**Provisions**			
	a. Tax equivalents	-	-	-
	b. Dividend	-	-	-
	c. Other	-	-	-
41.	**Total Liabilities**	**-**	**-**	**-**
42.	**NET ASSETS COMMITTED**	**1,673**	**6,982**	**8,655**
	EQUITY			
42.	Accumulated surplus			3,158
44.	Asset revaluation reserve			5,497
45.	**TOTAL EQUITY**			**8,655**
	Note to system assets:			
46.	**Current replacement cost** of system assets			12,767
47.	Accumulated **current cost** depreciation of system assets			(5,844)
48.	Written down **current cost** of system assets			**6,923**

Balranald Shire Council

Notes to Special Schedule No.'s 3 & 5
for the financial year ended 30 June 2014

Administration [1]

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

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

Engineering and supervision [1]

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

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

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

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

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

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

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

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

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

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

Trade waste charges (item 8 of Special Schedule 5) include all income from trade waste charges separated into 8a Annual Fees, 8b Usage Charges and 8c Excess Mass Charges and 8d Re-inspection Fees.

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

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

Notes:

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

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

Special Schedule No. 7 - Report on Infrastructure Assets
as at 30 June 2014

$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard [1]	Required [2] Annual Maintenance	Actual [3] Maintenance 2013/14	Written Down Value (WDV) [4]	Assets in Condition as a % of WDV [4], [5]				
						1	2	3	4	5
Buildings	Council Offices	-	19	20	577	95%				5%
	Council Works Depot	-	6	8	516	75%				25%
	Council Halls	-	7	5	150	75%				25%
	Council Houses	140	25	57	884	50%				50%
	Museum	12	1	1	48	50%				50%
	Retirement Hostel	-	36	51	1,459	95%				5%
	RF Self Care Units	-	8	5	428	95%				5%
	Court St. Units	-	-	-	597	95%				5%
	Pre-School	-	3	1	581	95%				5%
	Senior Citizens	-	5	7	86	75%				25%
	Health Buildings	-	4	9	136	75%				25%
	Women's Rest Centre	-	3	4	90	75%				25%
	Theatre Royal	185	15	14	764	50%				50%
	RFS Station	-	1	1	4	95%				5%
	SES	-	1	2	16	75%				25%
	Golf Club	-	3	2	227	75%				25%
	Heritage Park Buillding	-	5	5	208	75%				25%
	Euston Court	39	5	4	138	50%				50%
	Library	-	16	11	96	75%				25%
	Art Gallery	-	-	-	209	75%				25%
	Euston Rec Res	-	2	1	689	75%				25%
	Aerodrome	10	4	4	41	50%				50%
	Caravan Park	-	15	14	624	75%				25%

continued on the next page

Special Schedule No. 7 - Report on Infrastructure Assets (continued)
as at 30 June 2014

$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard [1]	Required [2] Annual Maintenance	Actual [3] Maintenance 2013/14	Written Down Value (WDV) [4]	Assets in Condition as a % of WDV [4], [5]				
						1	2	3	4	5
Buildings continued	Amenities/Toilets	567	33	32	2,269	50%				50%
	RFS Sheds	-	6	6	220	75%				25%
	Interpretative Centre	-	-	-	819	100%				0%
	HVIS - Balranald Depot	-	-	-	157	100%				0%
	sub total	**953**	**223**	**264**	**12,033**	**74.5%**	**0.0%**	**0.0%**	**0.0%**	**25.5%**
Other Structures	4 Picnic tables & area - Kyalite	-	-	-	2	95%				5%
	Aerodrome	7	-	-	30	50%				50%
	Aerodrome Fencing	1	-	-	5	50%				50%
	Anderson Street Shade Structure	-	-	-	9	75%				25%
	Back Car Park - Heritage Park	-	-	-	213	95%				5%
	Balranald Art Gallery	1	-	-	7	50%				50%
	Balranald Boat Ramp	-	15	15	142	75%				25%
	Balranald Caravan Park	-	10	10	76	75%				25%
	Balranald Cemetry Fencing	6	-	-	25	50%				50%
	Balranald Golf Club	8	-	-	35	50%				50%
	Balranald Levee	-	-	-	1	75%				25%
	Balranald Levee Bank Stage 1	-	-	-	1,840	75%				25%
	Balranald Levee Bank Stage 2	-	-	-	402	75%				25%
	Balranald Main Pool	115	38	18	453	50%				50%
	Balranald Market St Demonstration Site	-	-	-	89	75%				25%
	Balranald Pool Fencing	-	-	-	11	75%				25%

Special Schedule No. 7 - Report on Infrastructure Assets (continued)
as at 30 June 2014

$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard [1]	Required [2] Annual Maintenance	Actual [3] Maintenance 2013/14	Written Down Value (WDV) [4]	Assets in Condition as a % of WDV [4], [5]				
						1	2	3	4	5
Other Structures continued	Balranald Pool Shade Sails	-	-	-	34	75%				25%
	Balranald Pre-School	-	-	-	44	75%				25%
	Balranald Waste Disposal Unit	6	4	2	25	50%				50%
	Balranald Works Depot	8	5	5	30	50%				50%
	BBQ etc - Kyalite	-	-	-	2	50%				50%
	BBQ/FurnFence	-	-	-	10	50%				50%
	Bidgee Haven Hostel	-	12	18	26	75%				25%
	Birdcage Fencing	2	-	-	9	50%				50%
	Bores at Langley Dale	-	-	-	26	75%				25%
	Bores at Melton	-	-	-	26	75%				25%
	Business plan for Water&Sewer	-	-	-	12	75%				25%
	Campdraft Yards	2	1	1	2	30%				70%
	Caravan Park BBQ	-	-	-	1	75%				25%
	Caravan Park Internal Road	-	-	-	2	75%				25%
	Caravan Park Pool	-	-	-	31	75%				25%
	Clare Public School Multi Purpose Court	-	-	-	11	75%				25%
	Concrete Pavement For Cabin	-	-	-	31	75%				25%
	Connect Bird Trail with Raw Water	34	-	-	137	50%				50%
	Council Chambers & Offices	-	-	-	5	75%				25%
	E.Cem Fencing	-	-	-	-	75%				
	Euston Boat Ramp	-	2	4	105	75%				25%
	Euston Cemetery Path	-	-	-	12	75%				25%
	Euston Cenotaph Park	-	1	2	12	75%				25%

Special Schedule No. 7 - Report on Infrastructure Assets (continued)
as at 30 June 2014

$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard [1]	Required [2] Annual Maintenance	Actual [3] Maintenance 2013/14	Written Down Value (WDV) [4]	Assets in Condition as a % of WDV [4], [5]				
						1	2	3	4	5
Other Structures continued	Euston Court House	1	-	-	5	50%				50%
	Euston Levee Bank	-	5	5	1,030	95%				5%
	Euston Main Street Beautification	-	-	-	14	75%				25%
	Euston Netball Court	-	-	-	19	75%				25%
	Euston Pre-School 27-29 Perry St	-	1	1	11	75%				25%
	Euston Public Wharf	-	1	1	47	50%				50%
	Euston Rec Reserve Lightin & Watering Sy	-	-	-	22	75%				25%
	Euston Recreational Ground	-	10	16	29	75%				25%
	Euston Tip Fence	-	-	-	14	75%				25%
	Euston wharf - point 12, drive 6	-	-	-	-	50%				
	Euston Works Depot	1	-	-	5	50%				50%
	Fence - 38 Court Street	-	-	-	3	95%				5%
	Fence/Furn etc	-	-	-	6	75%				25%
	Fence/Furn/PGround	-	-	-	2	50%				50%
	Fence/PGrnd	-	-	-	-	75%				
	Fencing	-	-	-	1	50%				50%
	Fencing T/Works @ valuation	1	-	-	5	50%				50%
	Fencing/Light/Lscap	2	-	-	7	50%				50%
	Flood Mitigation Works	12	-	-	48	50%				50%
	Front Car Park - Heritage Park	-	-	-	44	95%				5%
	Furn/Fencing	-	-	-	4	75%				25%
	Glimmer Garden	-	-	-	26	95%				5%
	Gravel Pits	-	-	-	-	50%				

Special Schedule No. 7 - Report on Infrastructure Assets (continued)
as at 30 June 2014

$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard [1]	Required [2] Annual Maintenance	Actual [3] Maintenance 2013/14	Written Down Value (WDV) [4]	Assets in Condition as a % of WDV [4], [5]				
						1	2	3	4	5
Other Structures continued	Greenham Park Entrance Improvement	-	-	-	-	75%				
	Greenham Park Sporting Complex	18	51	46	75	50%				50%
	Hatfield Tower	21	-	-	84	50%				50%
	Heritage Park	2	-	-	10	50%				50%
	Improvements Lake Benanee	-	-	-	17	50%				50%
	Information Shelter (Rotunda)	-	-	-	14	75%				25%
	Kyalite Boat Ramp	33	1	1	135	50%				50%
	Library & CWA Buildings	4	-	-	16	50%				50%
	Library Books	-	-	-	-	75%				
	Mandoola Independent Living Units	-	-	-	22	75%				25%
	Medium Strip Sprinklers Euston	-	-	-	10	75%				25%
	Netball Courts	20	7	7	81	50%				50%
	Old Balranald Boat Ramp	15	-	-	57	50%				50%
	Oxley High Tower	35	3	3	132	50%				50%
	Oxley Tip Litter Fence	-	-	-	2	50%				50%
	Paika Creek Culvert	-	-	-	149	75%				25%
	Parts for suction pipe-upgrade	2	-	-	8	50%				50%
	Penarie High Tower	-	4	4	141	75%				25%
	Penarie Low Tower	-	3	3	60	75%				25%
	Platform and Stairs - Greenham Park	-	-	-	5	75%				25%
	Playground Anderson Park Selwyn St	-	2	3	28	75%				25%
	Playground Bal. Library We St Park	2	2	3	11	50%				50%
	Playground Greenham Park Church St	4	2	2	22	50%				50%

Special Schedule No. 7 - Report on Infrastructure Assets (continued)

as at 30 June 2014

$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard [1]	Required [2] Annual Maintenance	Actual [3] Maintenance 2013/14	Written Down Value (WDV) [4]	Assets in Condition as a % of WDV [4], [5]				
						1	2	3	4	5
Other Structures continued	Playground Lions Park Market St	-	6	8	21	75%				25%
	Playground O'Connor Street Park	2	1	2	8	50%				50%
	Playground Tennis Courts We St GPK	15	2	2	59	50%				50%
	Playground Visitor Information Centre	2	2	3	9	50%				50%
	Pony Club Improvement	1	-	-	5	50%				50%
	Reserve on River at end of Mayall St.	6	-	-	26	50%				50%
	Running Stalls	-	-	-	15	75%				25%
	Seats/Fencing etc	1	-	-	5	50%				50%
	Senior Citizens Centre	-	-	-	17	75%				25%
	Shed on Car Park	1	-	-	4	50%				50%
	Sprinkler Sys Balranald Lawn Cemetery	7	-	-	29	50%				50%
	Stables	6	5	5	24	50%				50%
	Swing Bridge	-	-	-	194	95%				5%
	Tennis Courts	4	3	2	18	50%				50%
	Tip Fencing-Eus @ valuation	-	-	-	-	50%				
	Turlee Bore	-	-	-	-	75%				
	Underground Pillar - Electricity Supply	-	-	-	5	75%				25%
	Washdown Bay	-	-	-	1	50%				50%
	sub total	**408**	**199**	**192**	**6,794**	**73.1%**	**0.0%**	**0.0%**	**0.0%**	**26.9%**

Special Schedule No. 7 - Report on Infrastructure Assets (continued)

as at 30 June 2014

$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard [1]	Required [2] Annual Maintenance	Actual [3] Maintenance 2013/14	Written Down Value (WDV) [4]	Assets in Condition as a % of WDV [4], [5]				
						1	2	3	4	5
Roads	Sealed Roads	15,000	1,532	1,752	59,637	50%				50%
	Unsealed Roads	12,000	1,908	2,120	48,165	50%				50%
	Bridges	-	20	18	1,713	75%				25%
	Footpaths	250	22	20	1,073	50%				50%
	sub total	**27,250**	**3,482**	**3,910**	**110,588**	**50.4%**	**0.0%**	**0.0%**	**0.0%**	**49.6%**
Water Supply Network	Treatment Plants	-	14	14	2,619	75%				25%
	Reservoirs	323	8	10	1,293	50%				50%
	Pipeline	95	128	60	380	50%				50%
	Pump Station	714	145	138	2,855	50%				50%
	sub total	**1,132**	**295**	**222**	**7,147**	**59.2%**	**0.0%**	**0.0%**	**0.0%**	**40.8%**
Sewerage Network	Pump Stations	419	47	32	1,677	50%				50%
	Pipeline	1,191	66	42	4,762	50%				50%
	Treatment Works	136	4	5	543	50%				50%
	sub total	**1,746**	**117**	**79**	**6,982**	**50.0%**	**0.0%**	**0.0%**	**0.0%**	**50.0%**

Special Schedule No. 7 - Report on Infrastructure Assets (continued)

as at 30 June 2014

$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard [1]	Required [2] Annual Maintenance	Actual [3] Maintenance 2013/14	Written Down Value (WDV) [4]	Assets in Condition as a % of WDV [4], [5]				
						1	2	3	4	5
Stormwater	Retarding Basins	-	-	-	280	75%				25%
	Stormwater Conduits	-	-	-	1,820	75%				25%
	Head Walls	-	-	-	10	75%				25%
	Outfall Structures	-	10	4	738	75%				25%
	Open Earth Drains	-	-	-	402	75%				25%
	Stormwater Culverts	-	18	10	340	75%				25%
	Converters	-	-	-	21	75%				25%
	sub total	**-**	**28**	**14**	**3,611**	**75.0%**	**0.0%**	**0.0%**	**0.0%**	**25.0%**
	TOTAL - ALL ASSETS	**31,489**	**4,344**	**4,681**	**147,155**	**54.4%**	**0.0%**	**0.0%**	**0.0%**	**45.6%**

Notes:

(1). Satisfactory is defined as "satisfying expectations or needs, leaving no room for complaint, causing satisfaction, adequate".
The estimated cost to bring assets to a satisfactory standard is the amount of money that is required to be spent on an asset to ensure that it is in a satisfactory standard.
This estimated cost should not include any planned enhancements (ie.to heighten, intensify or improve the facilities).

(2). Required Annual Maintenance is "what should be spent to maintain assets in a satisfactory standard.

(3). Actual Maintenance is what has been spent in the current year to maintain the assets.
Actual Maintenance may be higher or lower than the required annual maintenance due to the timing of when the maintenance actually occurs.

(4). Written Down Value is in accordance with Note 9 of Council's General Purpose Financial Statements

(5). **Infrastructure Asset Condition Assessment "Key"**

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

Balranald Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)

for the financial year ended 30 June 2014

$ '000	Amounts 2014	Indicator 2014	Prior Periods 2013	2012
Infrastructure Asset Performance Indicators Consolidated				
1. Building and Infrastructure Renewals Ratio				
Asset Renewals (Building and Infrastructure) [1] / Depreciation, Amortisation & Impairment	739 / 7,204	**10.26%**	10.20%	25.81%
2. Infrastructure Backlog Ratio				
Estimated Cost to bring Assets to a Satisfactory Condition / Total value[2] of Infrastructure, Building, Other Structures & depreciable Land Improvement Assets	31,489 / 147,155	**0.21**	0.00	
3. Asset Maintenance Ratio				
Actual Asset Maintenance / Required Asset Maintenance	4,681 / 4,344	**1.08**	1.09	
4. Capital Expenditure Ratio				
Annual Capital Expenditure / Annual Depreciation	3,050 / 7,832	**0.39**	0.28	0.47

Notes

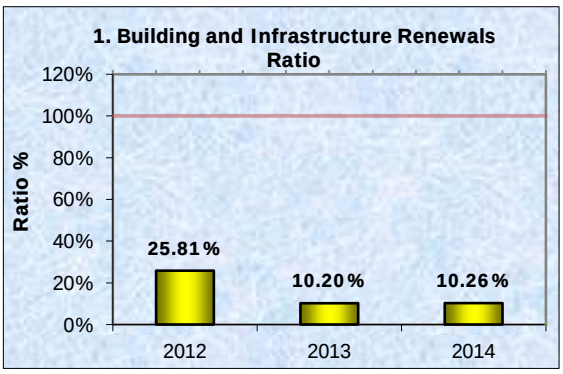
[1] Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance. Asset Renewals include building and infrastructure assets only.

[2] Written down value

Balranald Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)

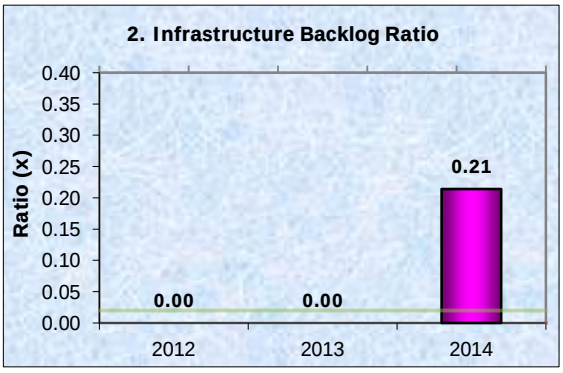
for the financial year ended 30 June 2014



—— Minimum 100.00%

Source for Benchmark: TCorp Sustainability Review of NSW Local Govt. (2013)

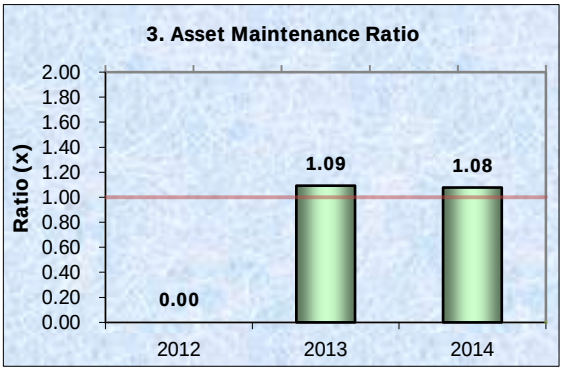
Purpose of Asset Renewals Ratio	Commentary on 2013/14 Result
	2013/14 Ratio 10.26%
To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.	Due to the high levels of depreciation generated from asset revaluations, Council is unable to fund the level of asset renewal required to increase this ratio



—— Maximum .02

Source for Benchmark: TCorp Sustainability Review of NSW Local Govt. (2013)

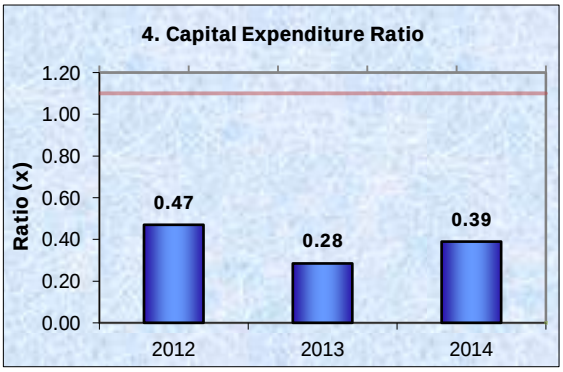
Purpose of Infrastructure Backlog Ratio	Commentary on 2013/14 Result
	2013/14 Ratio 0.21 x
This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.	SOME DISCUSSION NEEDED ON THIS RATIO - PRIOR STATEMENTS INDICATE NO BACKLOG



—— Minimum 1.00

Source for Benchmark: TCorp Sustainability Review of NSW Local Govt. (2013)

Purpose of Asset Maintenance Ratio	Commentary on 2013/14 Result
	2013/14 Ratio 1.08 x
Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the Infrastructure Backlog growing.	Maintenance levels continue to be maintained at an acceptable level



—— Minimum 1.10

Source for Benchmark: TCorp Sustainability Review of NSW Local Govt. (2013)

Purpose of Capital Expenditure Ratio	Commentary on 2013/14 Result
	2013/14 Ratio 0.39 x
To assess the extent to which a Council is expanding its asset base thru capital expenditure on both new assets and the replacement and renewal of existing assets.	Due to the high levels of depreciation generated from asset revaluations, Council is unable to fund the level of asset renewal required to increase this ratio

Balranald Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)
for the financial year ended 30 June 2014

$ '000		Water 2014	Sewer 2014	General[1] 2014
Infrastructure Asset Performance Indicators By Fund				
1. Building and Infrastructure Renewals Ratio				
Asset Renewals (Building and Infrastructure) [1] / Depreciation, Amortisation & Impairment		**0.00%**	**0.00%**	**10.93%**
	prior period:	0.00%	0.00%	10.80%
2. Infrastructure Backlog Ratio				
Estimated Cost to bring Assets to a Satisfactory Condition / Total value[3] of Infrastructure, Building, Other Structures & Depreciable Land Improvement Assets		**0.16**	**0.25**	**0.22**
	prior period:	0.00	0.00	0.00
3. Asset Maintenance Ratio				
Actual Asset Maintenance / Required Asset Maintenance		**0.75**	**0.68**	**1.11**
	prior period:	0.00	0.00	1.09
4. Capital Expenditure Ratio				
Annual Capital Expenditure / Annual Depreciation		**0.00**	**0.00**	**0.41**
	prior period:	0.31	0.09	0.29

Notes

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

(2) 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.

(3) Written down value

Balranald Shire Council

Special Schedule No. 8 - Financial Projections
as at 30 June 2014

$'000	Actual[1] 13/14	Forecast[3] 14/15	Forecast[3] 15/16	Forecast[3] 16/17	Forecast[3] 17/18	Forecast[3] 18/19	Forecast[3] 19/20	Forecast[3] 20/21	Forecast[3] 21/22	Forecast[3] 22/23	Forecast[3] 23/24
(i) OPERATING BUDGET											
Income from continuing operations	10,871	11,319	11,772	12,131	12,484	12,852	13,236	13,633	14,042	-	-
Expenses from continuing operations	18,231	17,105	17,184	17,207	17,243	17,375	17,529	17,733	17,903	-	-
Operating Result from Continuing Operations	**(7,361)**	**(5,786)**	**(5,412)**	**(5,076)**	**(4,759)**	**(4,523)**	**(4,293)**	**(4,100)**	**(3,861)**	**-**	**-**
(ii) CAPITAL BUDGET											
New Capital Works [2]	739	4	136	-	-	-	-	-	-	-	-
Replacement/Refurbishment of Existing Assets	2,674	1,632	1,721	1,570	1,231	760	1,453	874	588	-	-
Total Capital Budget	**3,413**	**1,636**	**1,857**	**1,570**	**1,231**	**760**	**1,453**	**874**	**588**	**-**	**-**
Funded by:											
– Loans	-	-	-	-	-	-	-	-	-	-	-
– Asset sales	378	250	300	-	-	-	-	-	-	-	-
– Reserves	1,000	-	-	-	-	-	-	-	-	-	-
– Grants/Contributions	1,176	1,386	1,557	1,570	1,231	760	1,453	874	588	-	-
– Recurrent revenue	859	-	-	-	-	-	-	-	-	-	-
– Other	-	-	-	-	-	-	-	-	-	-	-
	3,413	**1,636**	**1,857**	**1,570**	**1,231**	**760**	**1,453**	**874**	**588**	**-**	**-**

Notes:

(1) From 13/14 Income Statement.

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

(3) Financial projections should be in accordance with Council's Integrated Planning and Reporting framework.

Balranald Shire Council

Special Schedule No. 9 - Permissible Income Calculation

for the financial year ended 30 June 2015

$'000		Calculation 2013/14	Calculation 2014/15
Notional General Income Calculation [1]			
Last Year Notional General Income Yield	a	1,172	1,212
Plus or minus Adjustments [2]	b	-	-
Notional General Income	c	**1,172**	**1,212**
Permissible Income Calculation			
Special variation percentage [3]	d		
or Rate peg percentage	e	3.40%	2.30%
or Crown land adjustment incl. rate peg percentage	f		
less expiring Special variation amount	g	-	-
plus Special variation amount	h = c x d	-	-
or plus Rate peg amount	i = c x e	40	28
or plus Crown land adjustment and rate peg amount	j = c x f	-	-
sub-total	k = (c+g+h+i+j)	**1,212**	**1,240**
plus (or minus) last year's Carry Forward Total	l	1	1
less Valuation Objections claimed in the previous year	m	-	-
sub-total	n = (l + m)	**1**	**1**
Total Permissible income	o = k + n	**1,213**	**1,241**
less Notional General Income Yield	p	1,212	1,240
Catch-up or (excess) result	q = o - p	**1**	**1**
plus Income lost due to valuation objections claimed [4]	r	-	-
less Unused catch-up [5]	s	-	-
Carry forward to next year	t = q + r - s	**1**	**1**

Notes

1. The Notional General Income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
2. Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called "supplementary valuations" as defined in the Valuation of Land Act 1916.
3. The Special Variation Percentage is inclusive of the Rate Peg percentage and where applicable crown land adjustment.
4. Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
5. Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.

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BALRANALD SHIRE COUNCIL
Special Schedule No. 9
Independent Auditors' Report to the Council for the Year ended 30 June 2015

Report on Special Schedule No. 9

We have audited the accompanying special purpose financial statement comprising the reconciliation of total permissible general income (Special Schedule No. 9) of Balranald Shire Council for the year ending 30 June 2015.

Responsibility of Council for Special Schedule No. 9

The Council is responsible for the preparation and fair presentation of Special Schedule No. 9 in accordance with the Local Government Code of Accounting Practice and Financial Reporting (Guidelines) Update No. 22. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Special Schedule No. 9 that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibilities

Our responsibility is to express an opinion on Special Schedule No. 9 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 Special Schedule No. 9 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in Special Schedule No. 9. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of Special Schedule No. 9, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of Special Schedule No. 9.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

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In making our risk assessments, we consider internal controls relevant to the entity's preparation of Special Schedule No. 9 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.

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, Special Schedule No. 9 of Balranald Shire Council for the year ending 30 June 2015 is properly drawn up in accordance with the requirements of the Office of Local Government and in accordance with the books and records of the Council.

Basis of Accounting

Without modifying our opinion, we advise that this schedule has been prepared for distribution to the Office of Local Government for the purposes of confirming that Council's reconciliation of Council's total permissible general income for the year ending 30 June 2015 is presented fairly. As a result, the schedule may not be suitable for another purpose.

Pitcher Partners

PITCHER PARTNERS

Millington

C R MILLINGTON
Partner

Sydney, 3 November 2014

Balranald Shire 2022 Community Strategic Plan Outcomes

Pillar One: OUR PEOPLE

A community that is proactive, engaged, inclusive and connected

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

Balranald Shire 2022 Objectives	Council Services	Community Strategic Plan Actions 2012-2016	Action Performance Measurement	Outcomes
1.1.1	Community Development	d) Utilise Theatre for More social events	Theatre utilisation increased by 25% on previous year	Theatre usage has increased.
1.2.1	Community Development	a) Create welcome teams in each township b) Assemble welcome kits with information	Teams in place by June 2013 Kit prepared by March 2013	This item is in process of being reviewed. The welcome Kit is in the process of completion.
1.2.2	Community Development	a) Create opportunities to share and celebrate cultural diversity and achievements c) Create welcome to country information signage	Host joint events to celebrate NAIDOC Week and Reconciliation Week Signage to be created and installed by June 2013	Council continues to keep an open dialog with all cultures within the Shire. This signage has been developed and will be included with completion and opening of the Balranald Discovery Centre complex at Heritage Park in December 2014.

Pillar One: OUR PEOPLE Continued

Balranald Shire 2022 Objectives	Council Services	Community Strategic Plan Actions 2012-2016	Action Performance Measurement	Outcomes
1.2.3	Community Development	a) Develop a skill and passion survey b) Create database and website c) Create connection between shared skills and passions	Completed by March 2013 Completed by March 2013 Completed by June 2013	These items were deferred from the 2012/13 Operational Plan to 2013/14 Operational Plan. Requires further research following subsequent Senior staff replacement and (current) staff restructure.
1.2.4	Community Development	b)Develop community directory c)Develop quality community website d)Develop central and attractive noticeboards in all townships	Completed by September 2012 Website completed by December 2012. User survey by March 2013 Completed by December 2012	A Community Directory has been included on Councils Corporate website. Council is continuing to grow and improve the directory as more information comes to hand. Both Council's Tourism and Corporate websites complete and up and running, with continual updates and alterations added as required. Balranald signs completed. Euston signage presently under construction.

		e)Investigate initiatives, increase Euston content in the Robinvale Sentinel	Ongoing relationship developed. Monitor Sentinel for additional Euston content	Regular media releases are sent to the Sentinel.
1.2.5	Community Development	b)Use of community conversations and focus groups	Improved liaison with community. Increased community participation in conversations and focus groups	Council has been using community consultation on an increased basis. E.g. the Interpretative Centre.
1.3.1	Community Development	Youth Services c)Investigate the appointment of a youth worker e)Facilitate school holiday program	Investigations complete with options identified Increased number of school holiday activities	Council is continuing to investigate grant funding opportunities. Council is continuing to assist as requested.

Pillar Two: OUR PLACE

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

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

Balranald Shire 2022 Objectives	Council Services	Community Strategic Plan Actions 2012-2016	Action Performance Measurement	Outcomes
2.1.1	Community Development	a) Develop, implement and promote a population retention and attraction strategy	Strategy developed by April 2013. Implementation and promotion by June 2013.	This item was deferred to the 2013/14 Operational Plan.
2.1.2	Economic Development	a) Instigate regular dialogue with mining companies b) Research other towns experiencing new mining activities	Meetings held on a quarterly basis Research completed by March 2013	General Manager in regular communication with the mining companies. Regular briefings are given to Council. GM has discussed matter with other Councils and information obtained forms part of VPA process.
2.2.3	Aged Care	a) Examine needs and options for an ageing population	Surveys and focus groups completed by March 2013	This item was deferred to the 2013/14 Operational Plan (Grant application for expansion of hostel has been submitted. Council will be notified of result in December 2014.
2.3.1	Community Development	a) Identify funding sources and project partners b) Promote community engagement	Project funding and partners identified by April 2013 Focus Groups completed by May 2013	Items were deferred to the 2014/15 Operational Plan.

Pillar Two: OUR PLACE Continued

Balranald Shire 2022 Objectives	Council Services	Community Strategic Plan Actions 2012-2016	Action Performance Measurement	Outcomes
2.3.2	Infrastructure	c) Construct hydrotherapy pool	Pool construction completed by August 2012.	Pool constructed with heating added. Internal finishes complete.
2.3.3	Community Development	a) Encourage partnerships in all cultural and movie events at the Theatre Royal	Increased number of joint events held	A number of events held, including the Murray River International Music Festival and Adam Harvey concert, and re-opening of *The Gallery*.
2.3.4	Infrastructure	a) Undertake an audit of current facilities in Euston and Balranald b) Consultation with the community	Audit undertaken by December 2012 Community consultation completed by March 2013	Assessment Management plan of all facilities in progress. Consultation process for new projects undertaken as required.

Pillar Three: OUR ECONOMY

A community that ensures a strong and resilient economy

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

Balranald Shire 2022 Objectives	Council Services	Community Strategic Plan Actions 2012-2016	Action Performance Measurement	Outcomes
3.1.1	Economic Development	a) Develop a Balranald Business Association	Business Association established by December 2013	Balranald Retail Group revitalised. Council assisted with the marketing of the Christmas Promotion. Completed by Balranald Inc.
			Bi – Annual event created by June 2013	
		b) Investigate a regular Business After Hours Networking event	Training Plan developed by Balranald Inc.	Hospitality courses have been run by Balranald Inc. and Balranald Inc. advised the training plan has been completed.
		c) Instigate regular training initiatives responding to expressed needs for local businesses		
		d) Promote a strong customer service ethos	Customer service workshops held in October 2012	BEC have conducted customer service workshops. Awaiting information for the Small business bus to re-visit Balranald and Euston.
3.1.2	Economic Development	a) Source funding for BEAR	Funding secured by November 12	Funding options are to be investigated for the project following subsequent Senior staff replacement and (current) staff restructure
		b) Design survey	Completed by January 2013	
		c) Recruit volunteer interviewers	Recruitment completed by Feb 2013	
		d) Implement the program over a two month period	Surveys completed by April 2013	
		e) Prepare BEAR report	Report prepared by June 2013	All items deferred to the 2014/15 Operational Plan.

Pillar Three: OUR ECONOMY Continued

Balranald Shire 2022 Objectives	Council Services	Community Strategic Plan Actions 2012-2016	Action Performance Measurement	Outcomes
3.1.3	Economic Development	a) Promote and illustrate the availability of schemes like NEIS, IFP, ICAS and RRGRECDF	Ongoing referrals	Ongoing regular service provider visits and referrals by General Manager.
3.2.1	Tourism	a) Audit existing tourism assets b) Identify and clarify key tourism changes	Completed by September 2012 Completed by October 2012	Audit completed. Findings of the Audit outlined in Tourism Strategy 2012 document. Review Audit currently in progress to review market readiness, quality and marketability of the Shire's current tourism assets. Tourism Strategy developed and adopted March 2012. Regular meetings held. Currently under review to incorporate staff re-structure (implementation of Tourism Coordinator) & new Discovery Centre. Renewed focus on Tourism, as well as identifying and embracing current market needs and opportunities
		c) Instigate stakeholder dialogue	Monthly Tourism and Economic Development Meetings held	Regular meetings held. Renewed focus on regular meetings, being strategic and aligned with the Tourism Strategy action plan and ensuring that

				actions are discussed and implemented for sustainable tourism outcomes
		d) Explore collaborative approaches to marketing and promotions	Increased number of local and regional promotions and marketing activities	A number of collaborative activities locally and regionally implemented in 2013, including Caravan and Camping Shows, Billboards, National Parks Campaign, Murray Now, Murray RTO and ongoing review of new visitors guide Key stakeholder relationships, dialogue and activities currently under review. Aim to building stronger relationships with regional, state & national RTO's for more effective and sustainable outcomes. Key focus on identifying and building strong strategic alliances for effective collaborative marketing activities that are aligned with current market needs / trends and take advantage of these opportunities
		e) Support new tourism services and product and build tourism operator capacity	Increased number of workshops held to support and grow the local tourism industry	Ongoing. Review and audit of the market readiness of the Shire's tourism operators, products/services in progress

Pillar Three: OUR ECONOMY Continued

Balranald Shire 2022 Objectives	Council Services	Community Strategic Plan Actions 2012-2016	Action Performance Measurement	Outcomes
3.2.2	Economic Development / Infrastructure	a) Continue community consultation b) Award tenders for construction	Continued community consultation Tender awarded	Community and Balranald Inc. representatives on project committee with consultation undertaken Tender awarded for the construction of the VIC 8/7/2013
3.2.4	Economic Development / Infrastructure	a) Lobby for sealing of Mungo access and loop	Lobbing undertaken	Discussions held with and Funding Application submitted to State Government
3.2.7	Infrastructure	b) Continue to pursue funding for Market St upgrade	Lobbing undertaken	Lobbing undertaken and Stage 1 of upgrading Market St undertaken in conjunction with RMS project
5.1.1	Continual focus on reducing our environmental footprint	a) Encourage environmentally friendly practices	Maintain modern fleet of plant and vehicles	Council plant and fleet upgraded in line with Council policy
5.2.3		Identify and lobby for key transport and road infrastructure improvements	a) Lobby for Mungo access and loop sealing	Discussions held with and Funding Application submitted to State Government

			b) Investigate traffic calming devices in Market St	Traffic calming installed in conjunction with RMS project Council participation in North West Transport Steering Committee Undertake Regional Road maintenance program Undertake Local Road maintenance and construction program
5.3.2		Provide for more footpaths	a) Review PAMP b) Identify funding sources	PAMP reviewed and adjusted in accordance with priority (safety) resource constraints and Council allocated funding to improve 17 ramps/inverts, this work was completed during the financial year

Pillar Three: OUR ECONOMY Continued

Balranald Shire 2022 Objectives	Council Services	Community Strategic Plan Actions 2012-2016	Action Performance Measurement	Outcomes
3.3.1	Economic and Community Development	a) Build a strong working relationship with Balranald Central School	Regular meetings with senior staff	Ongoing communication maintained by GM and DCCD. School Captains recently assisted with mayoral elections.
		b) Audit local industry and business training needs	Audit undertaken by Balranald Inc. by June 2013	Completed by Balranald Inc.
		c) Identify relevant training funding sources	Funding sources identified by Balranald Inc. by June 2013	Completed by Balranald Inc.
		d) Develop a calendar of training programs	Calendar of training programs completed by Balranald Inc. by June 2013	Completed by Balranald Inc.
		e) Establish collaborative training arrangements with accredited trainers (MAX Employment, Riverina TAFE and MMT)	Quarterly meetings held with training providers by Balranald Inc.	Balranald Inc. has been working with the training providers.
		f) Instigate small business training courses	Small business training courses implemented by Balranald Inc.	Hospitality courses and BEC workshops provided by Balranald Inc. and Council.

Pillar Four: OUR CULTURE

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

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

Balranald Shire 2022 Objectives	Council Services	Community Strategic Plan Actions 2012-2016	Action Performance Measurement	Outcomes
4.1.1	Community Development	a) Undertake a Shire Heritage assessment	Shire Heritage assessment by March 2013	Heritage Review completed by Noel Thompson Architecture.
		e) Extend the Heritage Trail in Balranald	Extension of Heritage Trail completed by May 2013	Trail commenced in 2013/14, and continuing in 2014/15.

Pillar Five: OUR INFRASTRUCTURE

A community that maintains and strengthens its natural and built environment

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

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

Balranald Shire 2022 Objectives	Council Services	Community Strategic Plan Actions 2012-2016	Action Performance Measurement	Outcomes
5.1.1	Encourage environmentally friendly practices	Maintain recycling activities	Waste oil and scrap metal recycling facilities maintained	Oil and metal recycling facilities maintained and drink containers added to recycling program
5.1.2	Support Community projects to protect river systems and enhance positive river interactions	Lake Benanee enhancement project Develop swing bridge/walking trail along the Murrumbidgee River	Support Euston Beautification Committee and seek funding for Lake Benanee Enhancement project Complete Swinging Bridge and walking trail along Murrumbidgee River	Funding received and project complete Project completed
5.2.1	Infrastructure	a) Lobby for extension of mobile phone coverage and utilisation of unused mobile phone towers	Submissions completed to relevant stakeholders by September 2012	Council, in conjunction with Clare Community met with the Hon. Paul Fletcher, Parliamentary Secretary to the Minister for communication.
5.2.2	Infrastructure	a) Lobby for inclusion in the next roll out of the NBB	Submissions completed to relevant stakeholders by September 2012	GM has lobbied via RAMROC.
5.3.2	Infrastructure	a) Review the pedestrian access management policy	Policy reviewed by February 2013	Item was deferred to the 2013/14 Operational Plan

Pillar Six: OUR LEADERSHIP

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

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

Balranald Shire 2022 Objectives	Council Services	Community Strategic Plan Actions 2012-2016	Action Performance Measurement	Outcomes
6.1.1	Community Development	a) Audit current leadership development opportunities at local, regional and State levels.	Audit completed by April 2012	Review, audit and plan to be developed in 2014/15, in line with Councils re-structure.
6.3.1	Civic Services	a) Organise regular forums that enable community participation in decision making b) Continue to encourage community involvement in Council Committees	Regular Committee meetings held Additional advertising through Council newsletter to attract new members to Committees	Regular committee meetings held. Advertising completed annually, after review by Council.
6.3.2	Organisational Management	a) Provide good governance, prudent financial management and effective support services for all its activities	Less than 15 customer complaints. No audit qualifications	Councils audit was signed with no audit qualifications by auditors.

Results of Capital Works for 2013-14

Description	Budgeted Amount	Status of Works
IT Equipment	25,000	$ 10k Deferred to 14-15 Operational Plan
Hostel		
Plant & Equipment	15,000	Completed
Gopher House	9,000	Deferred to 14-15 Operational Plan
Footpath & Rail to Chook House	4,000	Deferred to 14-15 Operational Plan
Plan for Sprinklers	10,000	Deferred to 14-15 Operational Plan
Euston Court House	10,000	Deferred to 14-15 Operational Plan
Balranald Court House	360,000	Awaiting Attorney General Approval
Caravan Park Improvements	40,000	Completed
Board Walk & Bird Hide Upgrade	15,000	Completed
Riverbend Park Improvements	3,500	Completed
Balranald Entry Signs	30,000	Deferred to 14-15 Operational Plan
Interpretative Centre	1,351,000	Scheduled for opening Dec 2014
Interpretative Centre Contingency	233,000	Scheduled for opening Dec 2014
Heritage Study	21,000	Completed
Frog Sculpture	3,700	Deferred to 14-15 Operational Plan
Heritage Trail	3,000	Deferred to 14-15 Operational Plan
Military Trail	3,000	$1,500 Deferred to 14-15 Operational Plan
Christmas Decorations	10,000	Deferred to 14-15 Operational Plan
Raising Cowper Street	12,520	Deferred to 14-15 Operational Plan
Cowper Street sealing from Nixon to Broughton	5,000	Deferred to 14-15 Operational Plan
Balranald Footpath Adjustment	4,950	Completed

Euston Footpath Adjustment	12,000	Completed
Bertram Road Intersection	45,552	Deferred to 14-15 Operational Plan
Main Street Upgrade Stage-1 in conjunction with RMS Program	100,000	Deferred to 14-15 Operational Plan
Cat 12H Grader (Lease)	105,000	Completed
Backhoe (Lease)	35,000	Completed
New Holland Tractor (Lease)	5,000	Completed
Combination Roller	6,500	Completed
Caravan 2 berth	75,000	Completed
Ford Ranger Dual Cab	38,000	Completed
Ford Ranger Dual Cab	38,000	Completed
Toyota Aurion	38,000	Completed
Nissan X-Trail	28,000	Completed
Toyota Prado	63,000	Completed
Vacuum Unit Culvert & Ramp Cleaning	35,000	Completed
Minor Plant	25,000	Completed
Netball Court	60,000	Completed
Skate Park	45,000	Deferred to 14-15 Operational Plan
Heated Pool Improvements	30,000	Deferred to 14-15 Operational Plan
Swimming Pool Auto-Dosing	7,000	Completed
Greenham Park Hall Floor	10,000	Deferred to 14-15 Operational Plan
Wharf Improvements	15,789	Stage 1 Completed Stage 2 14-15
Aluminium Grave Showering	7,000	Deferred to 14-15 Operational Plan
Balranald Senior Citizens replace Kitchen bench tops	1,500	Deferred to 14-15 Operational Plan

A/C Moa Street Residence	3,000	Completed
GM Land Purchase	55,000	Deferred indefinitely
GM House	318,000	Deferred indefinitely
Tip Improvements Stage-2	15,000	Completed
Balranald Filtered/raw water pump	30,000	Completed
Balranald Services Replacement	10,000	Completed
Balranald AC Mains Replacement	22,000	Completed
Filtered Water Mains Malcolm Street	73,425	Completed
Filtered Water Tower Clean and Inspect	20,000	Completed
Raw Water Tower Clean and Inspect	20,000	Completed
Establish Raw Water supply and tank to Airport	20,000	Completed
Euston Dosing Pumps	7,000	Completed
Euston Sewerage Pump	20,000	Completed
Balranald Sewerage Pump	20,000	Completed

Balranald State of the Environment Report

The State of the Environment Report and the Community Strategic Plan address key issues of social, environmental and economic sustainability, including identifying objectives and outcomes for Balranald Shire Council.

As such, The State of the Environment Report (SoE) is now incorporated directly into the Community Strategic Plan (CSP).

The Balranald Shire Community Strategic Plan – Balranald Shire 2030, dated 1st July 2012 is available to view at Councils office.

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 $22,870 and the councillor allowances paid were $84,432.

The total cost of Councillor Expenses for 2013/14 was $138,526. 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 $418.
- The attendance of councillors at conferences and seminars was at a cost of $30,602.

A review of Council's payment of expenses and the provision of facilities to the mayor and councillors policy was adopted on the 28th October 2014. A copy of this policy has been provided.

Major Contracts Awarded **LGGR cl 217 (a2)**

During the year ended 30/06/14 Council made the following payments on contracts valued above $150,000:

Company	Service	Cost
STATEWIDE MUTUAL	Property & Public Liability Insurance	261,020
ORIGIN ENERGY	Electricity	225,959
L.V. BODINNAR PTY LTD	Fuel & Hardware	200,835
PRIMAL SURFACING	Bitumen Sealing Works	1,161,882
LGSS PTY LIMITED	Employee Superannuation	251,764
FITZGERALD EARTHMOVING	Hire of Plant	267,085
CAMERON PLANT HIRE	Hire of Plant	623,026
R.D. & D.T. POTTER	Hire of Plant	385,470
SUNRAYSIA LAND DEVELOPMENT SPECIALISTS	Hire of Plant	354,000

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)**

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

Recipient	Description	Amount
Kilfera Field Day RFD Appeal	Royal Flying Doctors Appeal	$250.00
Balranald District Hospital	In Lieu of flowers on behalf of Mr Tess Comitti	$50.00
Balranald Masonic Lodge	Rates Donation	$1,215.00
St Vincent de Paul Society	Christmas food hampers	$150.00
Balranald Central School	Presentation Night	$100.00
New Year's Eve Committee	Fireworks Donation	$3,000.00
St Joseph's School	Presentation Night	$50.00
St Joseph's Parents and Friends	Learning Garden	$1,000.00
Robinvale / Euston AG Show Society	Country Music Festival	$500.00
Balranald Parents & Citizens Association	Seniors Week Catering	$2,850.00
Balranald Country Education Fund	Scholarships	$10,000.00
Angel Flight	Donation	$1,000.00
Total Grants		**$20,165**

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

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

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

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

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

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

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

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

The only member of staff classified as senior staff in terms of the Local Government Act 1993, is the General Manager who is employed on a remuneration package of $190,000. This includes superannuation. The General Manager makes a payment to Council in respect of the provision of a motor vehicle. FBT of $1,637 was paid in respect of the General Manager.

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

Council has no stormwater levies in place.

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

Pound data has been lodged with the DLG
During the period $2,200 was spent on animal management
Council encourages people to de-sex their animals at the time of registration
Council encourages adoption rather than euthanasia for unclaimed animals
Council does not have any of its reserves as leash free areas.

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

Council has not entered into any planning agreements.

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

Rates and charges totalling $152.90 were written off during 2013/2014, in accordance with the provisions of the Local Government Act 1993.

BALRANALD SHIRE COUNCIL
GIPAA Information Guide
30 June 2014

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

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Foreword

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

Our publication guide may help you to find information which is routinely published by Council.

In most cases, this information is available online and can be accessed directly by document links below however some information is only available at Council's Office at Market Street, Balranald. Where copies are requested, they will be made available at a reasonable cost.

Note that Council has limited resources and while every effort is made to ensure that website information is up to date, it may not be.

2 Structures and Functions of Council - (Section 20 (1) (a))

2.1 Description

Balranald Shire is located in the Western Riverina, 800km west of Sydney and 70 metres above sea level. Grazing land, horticultural activities, native mallee bushland are characteristic of the Shire of Balranald that includes the towns of Euston and Balranald. The Shire has a rich heritage including exploration, timber, and agriculture. The Shire has a strong community sentiment, everyday facilities and services, and thriving industries.

Balranald Shire Council provides goods, services and facilities appropriate to the current and future needs of local communities and of the wider public. As a major primary production region with national parks within its boundaries, the Council and its officers are concerned with principles of ecologically sustainable development in carrying out its responsibilities. The Council maintains a close association with the National Parks and Wildlife Service, Roads and Maritime Service as well as many other Government Agencies.

2.2 Basis of Constitution

The Council of the Shire of Balranald is a statutory body under the Local Government Act (LGA), 1993.

2.3 Organisational Structure and Resources

Council's Structure and Functions

COUNCIL COMMITTEES
- Corporate Services
- Infrastructure & Development
- Tourism & Development
- Caravan Park
- Australia Day

COUNCIL MAYOR

COMMUNITY COMMITTEES
- Retirement Hostel
- Balranald Beautification
- Euston Beautification & Tourism Management
- Youth Committee

Aaron Drenovski
GENERAL MANAGER
Organisation Management

- Governance
- Civic Administration
- Civic Functions & Duties
- Economic Development
- Continuous Improvement
- Youth Services
- Risk Management
- Work Health & Safety

Elizabeth White
DIRECTOR CORPORATE & COMMUNITY DEVELOPMENT
- Corporate Administration
- Financial Management
- Information Technology
- Tourism
- Insurance
- Public Officer
- Public Information Disclosures
- Audit
- Government Information Public Access
- Revenue Management
- Records Management
- Customer Services
- Debtor Management
- Creditor Management
- Library Services
- Aged Care
- Community Development
- Property Register
- Policy Development
- Procurement Procedures
- Human Resources & Payroll
- Internal Audit
- Risk Management
- Work Health & Safety
- Caravan Park

John Stevenson
DIRECTOR INFRASTRUCTURE & DEVELOPMENT
- Development Applications
- Public Health
- Building Control
- Engineering Design
- Environmental Management
- Roads
- Footpaths
- Parks and Gardens
- Aerodrome
- Water & Sewer Services
- Stormwater
- Emergency Services
- Building Maintenance
- Flood Mitigation
- Swimming Pool
- Noxious Weed Eradication
- Council Properties
- Cemeteries
- Sporting Facilities
- Asset Management
- Traffic & Road Safety
- Waste Management
- Animal Control
- Capital Works
- Risk Management
- Work Health & Safety

2.3 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 carryout 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.

Responsibility areas for the General Manager are Governance, Civic Administration, Civic Functions & Duties, Economic Development, Continuous Improvement, Youth Services, Risk Management, and Work Health & Safety.

To assist the General Manager to carry out the provisions are two other Departments, each headed by a Director. The Department roles are:

- The Corporate and Community Development Services Department. Responsibility areas are:

  Corporate Administration, Financial Management, Information Technology, Tourism, Insurance, Public Officer, Public Information Disclosures, Audit, Government Information Public Access, Revenue Management, Records Management, Customer Services, Debtor Management, Creditor Management, Library Services, Aged Care, Community Development and engagement, Property Register, Policy Development, Procurement Procedures, Human Resources & Payroll, Internal Audit, Risk Management, Work Health & Safety, Caravan Park

- The Engineering Services Department. Responsibility areas are:

  Development Applications, Public Health, Building Control, Engineering Design, Environmental Management, Roads, Footpaths, Parks and Gardens, Aerodrome, Water & Sewer Services, Stormwater, Emergency Services, Building Maintenance, Flood Mitigation, Swimming Pool, Noxious Weed Eradication, Council Properties, Cemeteries, Sporting Facilities, Asset Management, Traffic & Road Safety, Waste Management, Animal Control, Capital Works, Risk Management, Work Health & Safety

2.4 Council Functions

The set of principles that guides Council in carrying out of its functions are detailed in the Local Government Act, 1993:

Service functions

- Providing community health, development, recreation, education and information services
- Environmental Protection
- Waste Removal and Disposal
- Land & Property, Industry & Tourism Development & Assistance
- Civil Infrastructure Planning
- Civil Infrastructure Maintenance & Construction

Regulatory functions

- Approvals
- Orders
- Building certificates

Ancillary functions

- Resumption of land
- Powers of entry and inspection

Revenue functions

- Rates
- Fees
- Charges
- Investments
- Borrowings

Administrative functions

- Employment of staff
- Management Plans
- Financial reporting
- Annual reports

Enforcement functions

- Proceedings for breaches of the Local Government Act & Regulations
- Prosecution of offences
- Recovery of rates and charges

As well as the Local Government Act, Council has functions under a number of other related Acts including:

- Anti-Discrimination Act, 1977
- Community Land Development Act, 1989
- Companion Animals Act, 1998
- Conveyancing Act, 1919
- Crown Lands Act, 1989
- Dividing Fences Act, 1991
- Environmental Planning & Assessment Act, 1979
- Financial Institutions (NSW) Act, 1992
- Fire Brigades Act, 1989
- Food Act, 2003
- Government Information (Public Access) Act, 2009
- Heritage Act, 1977
- Interpretation Act, 1987
- Land Acquisitions Just Terms Compensation Act, 1991
- Library Act, 1939
- Local Government Consequential Provisions Act, 1993
- Noxious Weeds Act, 1993
- Privacy & Personal Information Protection Act, 1998

- Protection of the Environment Operations Act, 1997, and subordinate Regulations
- Public Health Act, 2010
- Real Property Act, 1900
- Roads Act, 1993
- State Emergency Services and Rescues Act, 1989
- Strata Schemes management Act, 1996
- Swimming Pools Act, 1992
- Threatened Species and Conservation Act, 1995
- Road Transport Act 2013
- Valuation of Land Act, 1916
- Waste Avoidance and Resource Recovery Act, 2001

3 How Council Functions Affect Members of the Public (Section 20 (1) (b))

The majority of the activities and functions of Council have an impact on the public, either directly or indirectly. These include: maintaining and building local infrastructure, overseeing and supporting local services, working with State and Federal Governments, organisations, businesses and community groups, raising funds for local purposes by the fair imposition of rates, charges and fees, managing, developing and protecting the environment of the area for which it is responsible.

The following is an outline of how the broad functions of Council affect the public.

Service functions affect members of the public as Council provides services and facilities to the public. These include provision of human services such as child care and libraries, infrastructure and waste removal, halls and recreation facilities.

Regulatory functions place restrictions on developments and buildings to ensure that they meet certain requirements affecting the amenity of the community and not endanger the lives and safety of any person. Members of the public must be aware of, and comply with, such regulations.

Ancillary functions affect only some members of the public. These functions include, for example, the resumption of land or the power for Council to enter onto a person's land. In these circumstances, only the owner of the property would be affected.

Revenue functions affect the public directly in that revenue from rates and other charges paid by the public that is used to fund services and facilities provided to the community.

Administrative functions do not necessarily affect the public directly but have an indirect impact on the community through the efficiency and effectiveness of the services provided.

Enforcement functions only affect those members of the public who are in breach of certain legislation. This includes matters such as the non-payment of rates and charges, and unregistered dogs.

Community planning and development functions affect areas such as cultural development, social planning and community profile and involves advocating and planning for the needs of our community and providing support to community and organisations through provision of grants, training and information.

4 How the Public can participate in Council's Policy Development and the Exercise of Functions. (Section 20 (1) (c))

There are ways in which members of the public may participate in the policy development and, indeed, the general activities of the Council. These are through representation and personal participation.

4.1 Representation

The people elect representatives to their local Council to make decisions on their behalf. In New South Wales, local government elections are held every four years. The next elections are to be held in September, 2016.

Residents are able to raise issues with, and make representations to the elected members of Council. The Councillors may pursue the matter on the resident's behalf accordingly allowing members of the public to influence the development of policy.

Council meetings are held on the third Tuesday of each month at the Council Chambers, 70 Market Street, Balranald, commencing at 5pm.

4.2 Personal Participation

Council meetings are open to the public. These issues raised by members of the public may lead to influence the development of policy. Members of the public may be involved in Council Committees which can also have influence on the development of policy and decision making.
With Integrated Reporting and Planning Framework a large part of this process is the Community Strategic Plan (CSP), known as *Balranald Shire 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

5.4 General Documents

The following list of general documents is prescribed - in accordance with GIPA Regulation 2009 - as open access information, and may be accessed and viewed at Council's office at 70 Market Street, Balranald.

Information about Council:

- The Model Code of Conduct prescribed under section 440 (1) of the LGA (this document is available at the Department of Local Government website)
- Council's adopted Code of Conduct
- Annual Reports
- Annual Financial Reports (this information is included with the Annual Report)
- Auditor's Report (this document is included in the Financial Reports)
- Integrated Reporting and Planning Documents
- EEO Management Plan
- Policy concerning the Payment of Expenses and the Provision of Facilities to Councillors
- Annual Reports of Bodies Exercising Functions Delegated by Council
- 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)
- 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
- WHS Management Plan
- Long Term Financial Plans
- Privacy Management Plan
- Plans & Policies
- Policies adopted by Council concerning approvals and orders
- Environmental Planning Instruments
- Local Environmental Plan
- 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
  - Town Planner Reports
  - Submissions received on Development Applications
  - Heritage Consultant Reports
  - Tree inspection reports
  - Land Contamination Consultant Reports
  - Records of Decisions on Development Application including decisions on appeal
  - Records describing the general nature of documents that Council decides to exclude from public view after application of public interest test considerations
  - Tree Inspections Consultant Reports
  - Construction Certificate Guide & checklist

- Approvals, Orders & Other Documents
- Applications for approvals under part 1of 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
- 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:
- Noxious Weeds Management Plan
- Environmental Management system plans for water and sewer treatment plants
- Road Management and Inspection Strategy
- Pedestrian Access and Mobility plan
- Asset Management Plan
- Footpath strategy
- Waste & Stormwater
- Stormwater management plan

All current Council records and documents are held on files in the Council Chambers. Archived records are held at Council's Depot.

6. How Members of the Public may Access Council Information

Any information that is not published on the website can be inspected at and obtained from Council's Office located at the 70 Market Street, Balranald, during working hours of 8.30 am and 5.00 pm, Monday to Friday (except public

holidays), subject to the legal requirements of the PPIPA, GIPA Act, Council's Privacy Management Plan and any relevant Privacy Codes of Practice.

Personal information, as defined by the PPIPA, contained in any documents specifically mentioned above, or otherwise held by Council, will only be supplied in accordance with the provisions of the PPIPA, Council's Privacy Management and/or any relevant Privacy Code of Practice.

For access to documents under the Government Information (Public Access) Act 2009 No 52, applications must be made in writing supplying all the details required under the Act. Before applications are considered, the appropriate fee must be paid.

Access to government information in response to an access application may be provided in any of the following ways:

a) by providing a reasonable opportunity to inspect a record containing the information,
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
Mrs Elizabeth White
Director Corporate and Community Development
Balranald Shire Council
Phone: 03 5020 1300
Fax: 03 5020 1620
Email: council@balranald.nsw.gov.au
Website: www.balranald.nsw.gov.au

If you require any other advice or assistance about access to information you may contact the Office of the Information Commissioner by telephone on 1800 463 626 (free call) or by email at: oicinfo@oic.nsw.gov.au snail mail GPO Box 7011, Sydney NSW 2001 or visit their website www.oic.nsw.gov.au

7 Copyright

A large quantity of information is available for public access on this website which belongs to third parties and is the subject of copyright, such as plans and reports submitted with development applications and other Council related business. Access to this information is provided to members of the public in accordance with the GIPA Act and other relevant legislation, such as the

Environment Planning and Assessment Act 1979. Copyright laws apply to this information and applicants are advised to seek the consent of the copyright owners before reproducing the information in any way.

Government Information (Public Access) Act 2009 (GIPA) Section 125

Publicly available information
Council encourages the public to make informal applications where appropriate in order to meet the intent of the Government Information (Public Access) Act by allowing more information to become more easily available.

A range of information is available for public access on Council's website, at Council's offices or by contacting the Right to Information Officer by telephone or email.

Access applications received
Three requests were received as at 30 June 2013 and none are outstanding. Tables below provide details for the statistical information required under the act for the annual report.

Table A: Number of applications by type of applicant and outcome

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/ deny whether information is held	Application withdrawn
Media	0	0	2	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0
Members of the public (other)	1	0	0	0	0	0	0	1

Table B: Number of applications by type of applicant and outcome

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	0	0	0	0	0	0	0	0
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

Table C: Invalid applications

Reason for invalidity	No of applications
Application does not comply with formal requirements (section 41 of the Act)	**3**
Application is for excluded information of the agency (section 43 of the Act)	**0**
Application contravenes restraint order (section 110 of the Act)	**0**
Total number of invalid applications received	**0**
Invalid applications that subsequently became valid applications	**0**

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of Act.

	Number of times consideration used
Overriding secrecy laws	**0**
Cabinet information	**0**
Executive Council information	**0**
Contempt	**0**
Legal professional privilege	**0**
Excluded information	**0**
Documents affecting law enforcement and public safety	**0**
Transport safety	**0**
Adoption	**0**
Care and protection of children	**0**
Ministerial code of conduct	**0**
Aboriginal and environmental heritage	**0**

Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of the Act.

	Number of occasions when application not successful
Responsible and effective government	**0**
Law enforcement and security	**0**
Individual rights, judicial processes and natural justice	**0**
Business interests of agencies and other persons	**0**
Environment, culture, economy and general matters	**0**
Secrecy provisions	**0**
Exempt documents under interstate Freedom of Information legislation	**0**

Table F: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extension)	**1**
Decided after 25 days (by agreement with applicant)	**0**
Not decided within time (deemed refusal)	**0**
Total	**1**

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and the outcome)

	Decision varied	Decision upheld	Total
Internal review	**0**	**0**	**0**
Review by Information Commissioner	**0**	**0**	**0**
Internal review following recommendation under section 93 of the Act	**0**	**0**	**0**
Review by ADT	**0**	**0**	**0**
Total	**0**	**0**	**0**

Table H: Applications for review under Part 5 of the act (by type of applicant)

	Number of applications for review
Applications by access applicants	**0**
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	**0**

Compliance with PPIP Act **PPIP Act s 33**

Council complies with the PPIP Act and no reviews were required to be undertaken.

Compliance Particulars – Environment Plan' & Assess" Acts 93G132

Council has not entered into any planning agreements.

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

Rates and Charges totalling $25,649.00 were written off during 2012/2013, in accordance with the provisions of the Local Government Act 1993.

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 28 October 2014

PURPOSE OF THE POLICY

The purpose of the policy is to ensure that there is accountability and transparency in the reimbursement of expenses incurred or to be incurred by Councillors. The policy also ensures that the facilities provided to assist Councillors to carry out their civic duties are reasonable.

OBJECTIVES AND COVERAGE OF THE POLICY

To define, in conformity with the requirements of Section 252 of the Local Government Act 1993, the Council's policy on the payment of expenses and provision of facilities for Mayor and Councillors in discharging the functions of civic office and when attending on Council business.

MAKING, ADOPTION AND REVIEW OF THE POLICY

The policy was considered by Council at its Meeting held in October 09, when it was endorsed for public exhibition. The policy which was advertised and placed on exhibition for 28 days was developed taking into account legislative and other government policy provisions and guidelines. No submissions were received and the policy was adopted by Council in November 2009.

Council is required each year prior to 30 November to review and submit its policy to the Director-General of the Department of Local Government within 28 days of adoption by Council, even if the policy is unchanged.

REPORTING REQUIREMENTS

In accordance with Section 428 of the *Local Government Act 1993* and Clause 217 of the *Local Government (General) Regulation 2005,* Council is required to include in its Annual Report the following information regarding the payment of expenses and provision of facilities to the Mayor and Councillors:

Expenses

- the cost of phone calls including mobiles, home located landlines, facsimile and internet services
- spouse/ partner/ accompanying person expenses
- conference and seminar expenses
- training and skill development expenses

- interstate travel expenses overseas travel expenses
- care and other related expenses

Provision of facilities

- the cost of the provision, including rental, of dedicated office equipment allocated to councillors on a personal basis such as laptop computers, mobile phones, telephones and facsimile machines and internet installed in the councillors' homes. This item does not include the costs of using this equipment, such as calls.

LEGISLATIVE AND OTHER GOVERNMENT POLICY PROVISIONS

The policy was developed and will operate in accordance with Sections 252, 253, 254 & 428 of the *Local Government Act 1993*, Clause 217 of the *Local Government (General) Regulation 2005,* Model Code of Conduct, relevant Department of Local Government Circulars, Guidelines and ICAC publications.

APPROVAL ARRANGEMENTS FOR COUNCIL BUSINESS

Council will only meet travel, accommodation and other expenses for approved Council business as follows:

Council Business	Required Approval
Council Meetings	Attendance at meeting
Council Committee Meetings	Attendance by Committee Member
Workshops, briefings or inspections	Authorised by Council, or jointly by Mayor and General Manager
Conferences, seminars or training	Authorised by Council, or jointly by the Mayor and General Manager if it is a matter of urgency or when it may be appropriate to take advantage of early bird registration discounts. Any approval by Mayor and General Manager to be advised to Council at next Meeting.
Meetings of other organisations	Attendance by Council's appointed delegate
Meetings or functions attended by the Mayor, or the Mayor's nominee	Attendance by Mayor or the Mayor's nominee and reported to or endorsed by Council via Mayoral Minute or General Manager's report.

PART 2 PAYMENTS 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/ .

Limits for expenses shall be as follows

Meal expenses

Breakfast	$23.10
Lunch	$25.90
Dinner	$44.50
Incidentals	$20

Travelling allowances overnight (per night away)

Canberra	$255
Sydney	$294
Melbourne	$284
Adelaide	$268
Brisbane	$312
High cost country centres	$240
Tier 2 country centres	$209

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 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
b) A Councillor defending an action in defamation provided the statements complained of were made in good faith while exercising a function under the Act; or
c) A Councillor for proceedings before the Local Government Pecuniary Interest Tribunal, or an investigation body, provided the subject of the proceedings arises from the performance in good faith of a function under the Act, and the Tribunal or investigation body makes a finding favourable to the Councillor.

Legal expenses incurred in relation to proceedings arising out of the performance by a Councillor of his or her function under the Act are distinguished from expenses incurred in relation to proceedings arising merely from something that a Councillor has done during his or her term of office.

REIMBURSEMENT AND RECONCILIATION OF EXPENSES
Reimbursement of costs and expenses to Councillors will only be made upon the production of appropriate receipts and tax invoices, and the completion of the required claim forms. Expenses and costs incurred must be in accordance with the requirements of this policy.

Claims for costs and expenses must be submitted within three (3) months of incurring the cost or expense.

DISPUTE RESOLUTION
In the event of any disputes that arise about the provision of expenses and facilities, the matter shall be resolved by Corporate Service Committee recommendation to Council.

PART 3 PROVISIONS OF FACILITIES
The following facilities will be provided to allow the Mayor and Councillors to discharge the functions of civic office

Councillors
Council will provide Councillors with the following facilities:-
a) Secretarial and basic photocopy facilities in upon request.
b) Where appropriate, prior to, during or following Council and Committee meetings, a light meal, supper and refreshments.
c) Where Council resolves to approve the electronic form of delivery of Council agendas and business papers, Council will provide for the issue of a laptop/notebook computer with email capacity and other support equipment such as printers.

d) Council will pay for the cost of providing and connecting equipment and the operating costs and costs associated with any of the disposable items related to the use of any of the equipment. Council provided equipment will remain the property of the Council and is to be used for Council purposes only and is to be returned to Council offices at the time the Councillor ceases to hold office.

Mayor
In addition to facilities provided for Councillors, Council will provide the Mayor with the following additional facilities:-
a) An Executive standard motor vehicle for official and private use. Where the vehicle is used privately the fuel cost will be the personal responsibility of the Mayor. Receipts for such fuel will be submitted with the monthly reimbursement claim.
b) An office in the Council's administration building.
c) Secretarial support as required.
d) A mobile phone including up to $200 per month call and rental charges. Any Charges in excess of this amount 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.

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