

Annual Report 2016/17





Here in Blayney Shire, we gather on Wiradjuri Country on which members and Elders of the local Indigenous community and their forbearers have been custodians for many centuries and on which Aboriginal people have performed age old ceremonies of celebration, initiation and renewal, we acknowledge their living culture and their unique role in the region.

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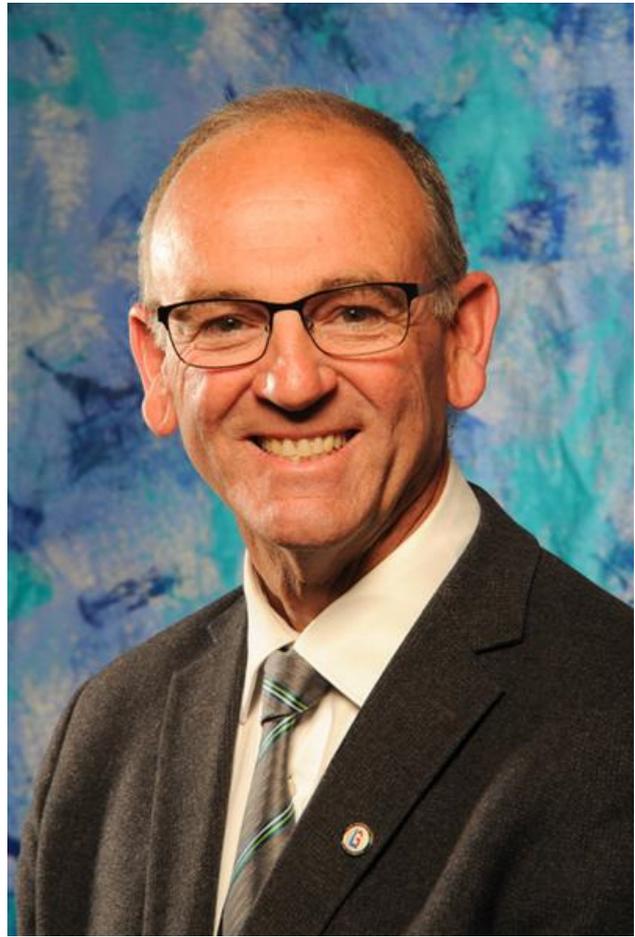
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MAYOR'S FOREWORD

It's my pleasure to present the Mayor's Foreword for Blayney Shire Council's 2016/17 Annual Report.

Blayney Shire council started this year under a merger proposal with Orange and Cabonne that had created great uncertainty amongst our community about the future of our council area. In February, the new premier declared the proposed mergers to be withdrawn and Blayney has continued to be a standalone council that has been good news for our organisation and residents. While meeting all the Office of Local Government financial benchmarks we have continued to be classified as "Not Fit" on scale and capacity. We are working towards becoming "fit" with our involvement in a new Joint Organisation to be created within our region.

Even with all the uncertainty of the past 12 months Blayney Shire Council has continued to deliver services and projects for our community. One of the largest road projects in our shire has been the Errowanbang Road project. This has seen a major upgrade of the road network improving access not only to Cadia Mine but also for our rural residents and visitors to our area.

Our major bridge renewal program has continued throughout the year, resulting in the replacement of six timber bridges with new modern structures able to accommodate heavier vehicles and improve safety for all road users. This year also saw the opening of the newly redeveloped Redmond Oval in Millthorpe with a new playing surface, irrigation and new canteen. This project was supported by

the State government and Millthorpe residents who raised money for the canteen and associated projects.

Our Community Development Co-ordinators were appointed this year and have been working closely with our villages and town associations to attract grant funding and assist the volunteers with their individual plans and projects. The major refurbishment of the Visitor Information Centre in Blayney has created a modern cafe and improved facilities for our volunteers and visitors. Councillors have continued to work with all the members of our various committees developing plans for future sporting facilities, culture centre and Blayney Main Street improvements.

Blayney Shire Council's ongoing membership with our Regional Organisation of Councils (CENTROC) and the Association of Mining Related Councils has continued to deliver savings and important networks throughout the region for our Council. Through these organisations, we are continuing to advocate for improved transport links to Sydney and the potential reopening of the Blayney / Demondrille rail line. Also in partnership with Central Tablelands Water, we are working towards improved water security and storage not only for our shire but also for the larger region.

On behalf of my fellow Councillors, I would like to thank all the Blayney Shire staff for their ongoing commitment and support of our community in what has been a very challenging year. Regardless, Blayney Shire Council has had a very successful year delivering and improving services and infrastructure throughout the shire and ensuring that we are a sustainable and future focussed organisation.

Cr SJ Ferguson
Mayor

Local Government Act 1993

Performance of Principal Activities - Section 428(1)

Council's achievements in implementing the delivery program and effectiveness of principal activities for the 2016/17 reporting period are outlined. Please refer to Attachment A1

Council's Audited Financial Reports - Section 428(4)(a)

Please refer to Attachment A2

Special Variation to Rate Income – Section 508(A) and Section 508(2)

During 2016/17 Blayney Shire Council had two (2) Special Rate Variation in force and are summarised as follows:

Mining Category Special Rate Variation

IPART approved a S.508(2) special variation in rate income of 40.7% for 2012/13. This has equated to an additional \$1,687,831 for the 2016/17 financial period. This special variation was applied exclusively to the Mining Rate category. The purpose was for funding roads, bridges, land acquisitions, community infrastructure works and community contributions.

The balance of the external cash restriction for Special Rate Variation – Mining, as at 30 June 2017, was \$712,655. These funds will be used in future year programs pursuant to the section 508(2) - Special Rate Variation Instrument of Approval.

During 2016/17 expenditure of these monies was as follows:

Expenditure	\$
Road Maintenance	\$1,262,463
Asset Renewals – Roads	\$338,061
Other Community Infrastructure	\$281,100
Engineering/Design Works	\$78,620
Community Contributions Program	\$127,967
Transfer to Restricted Cash – SRV Mining	\$ (400,380)
	\$1,687,831

Special Rate Variation Outcomes

- Increased funding to community groups through the Community Financial Assistance Program – \$128k
- A further \$273k expended towards ongoing maintenance and operations of community infrastructure.
- Project Management expertise to assist in bridge renewal delivery.
- Ongoing engagement and work to secure the Southern Cadia Access Route corridor.
- Survey and engineering design expertise to continue construction of Southern Cadia Access Route.
- Temporary staffing restructure to provide additional resources Southern Cadia Access Route project.

- Maintenance grading works on road network in the Cadia district of 38km.
- Significant funding for capital upgrade works along the Cadia and Errowanbang Roads.
- Maintenance of the sealed road network leading to, and within the Cadia district:
 - \$295,162 on routine maintenance
 - \$126,086 on heavy patching Errowanbang Road
 - \$187,473 on heavy patching Forest Reefs Road
 - \$103,664 on resealing Errowanbang Road
 - \$43,017 on resealing Forest Reefs Road
- In addition, Council completed 1.4km of new works and realignment on Errowanbang Road significantly funded under the NSW Fixing Country Roads program Round 1 that also included part funding from the SRV.

Productivity savings achieved during 2016/17 include:

- Ongoing investigations of opportunities for integration of technology into engineering work practices.
- Increased procurement with 'fit for purpose' plant to deliver Southern Cadia Access Route project.
- Engagement of specialised plant and contractors to increase production and reduce operating costs at Council quarries.
- Involvement in CENTROC activities, to increase advocacy, source funding, and procurement of goods and services through joint tendering.
- Activities undertaken with adjoining Council to undertake development of Disability Inclusion Action Plan and joint procurement of goods and services.
- Mapping projects of Council cemeteries; waste service collection routes and rate category information to enable community interaction from Council's website.
- Introduction of online delivery of rates notices and portal for access of up to 5 years history of notices.

Infrastructure Renewal Special Rate Variation

IPART approved a S.508(A) special variation in rate income of 4.89% for 2014/15 and 5.11% for 2015/16. This has equated to an additional \$441,253 for the 2016/17 financial period. This special variation was applied to all rate categories excluding the Mining Rate category. The purpose was for funding infrastructure renewal works to buildings, footpaths, roads and bridges.

During 2016/17 expenditure of these monies was as follows:

Expenditure	\$
Building renewal – Blayney Showground	\$48,568
Building renewal – CentrePoint Sport & Leisure Centre	\$46,768
Building renewal – Redmond Oval Rotunda	\$39,304
Building renewal – Administration Centre	\$10,159
Footpaths renewal program – Stillingfleet to Adelaide Streets	\$45,322
Footpaths renewal program – Redmond Oval	\$18,770
Footpaths renewal program – Network renewals	\$63,323
Footpaths renewal program – Carcoar Street Intersection	\$35,472
Roads and Bridges Renewal program – Browns Creek Road	\$133,567

Local Government (General) Regulation 2005

Details of written off Rates and Charges - Clause 132

Rates and charges of \$168,031 were written off during 2016/17, in accordance with the provisions of the Local Government Act 1993. This compares to \$168,610 being the amount written off during 2015/16.

Rates and charges written off during 2016/17 can be summarised in the following table:

Pensioner Rate Rebates	\$165,715
Other	\$2,316

Overseas Visits - Clause 217(1)(a)

No Councillors, Council Staff or representatives of Council participated in any overseas visits during 2016/17.

Councillors - Clause 217(1)(a1)

During 2016/17 a total of \$140,601 was expended on the Mayor and Councillors.

Mayoral Fees		\$24,030
Councillor Fees		\$77,070
Councillor Expenses		\$39,501
- Meeting Expenses	\$3,594	
- Travel Expenses	\$3,238	
- Conferences	\$6,947	
- Expenses of spouse or accompanying persons	-	
- Provision of care for child or immediate family member of councillor	-	
- Communications equipment	\$1,242	
- Insurance	\$23,511	
- Other	\$969	
		\$140,601

Council has adopted a policy on the Payment of Expenses and Provision of Facilities for Councillors. The policy outlines the services and facilities provided to Councillors, the Deputy Mayor and the Mayor to enable them to carry out the duties and functions of their civic office.

A copy of the Payment of expenses and Provision of facilities to the Mayor and Councillors policy has been provided at Attachment A3.

Contracts awarded by Council –Clause 217(1)(a2)

Council awarded the following contract of a value greater than \$150,000 during the reporting period:

Name	Purpose	Amount
Westrac Pty Ltd	Supply of Grader	\$396,000
Hutcheon & Pearce	Supply of 4WD Tractors	\$160,119
West Orange Motors	Supply of HINO 500 FE1426 MWB Cab Chassis and DT5 Diesel Engine	\$349,577
Downer EDI Works Pty Ltd	Supply of Seal	\$266,595
VEC Civil	Replacement of 6 Bridges	\$2,523,723

Also during the period Council expended in excess of \$150,000 with the following suppliers for the purposes as shown:

Supplier	Supply	\$
Boral Construction Materials	Supply of road material	\$347,212
Complete Crushing Services Pty Ltd	Crushing of material	\$352,318
Downer EDI Works P/L	Supply of road material and contract works	\$1,022,670
Hadlow Earthmoving	Waste facilities management / contract earthmoving works and hire of plant	\$1,069,702
Hutcheon & Pearce	Supply of plant	\$268,290
IT Vision	Annual maintenance of software and software development costs	\$254,555
JCB Construction Equipment	Supply of plant and materials	\$154,923
JHA Recruitment & Staff @ Work	Contract staff	\$262,072
Josh Nixon Excavations Pty Ltd	Contract work - earthmoving	\$216,788
JR Richards & Sons	Waste management services	\$470,347
Midwest Traffic Management	Traffic control	\$344,585
Oilsplus Pty Limited	Fuel purchases	\$425,620
Orange City Council	Collaborative projects	\$444,940
Peters Earthmoving Pty Ltd	Contract work	\$301,839
Rollers Australia Pty Ltd	Hire of equipment and supply of plant	\$322,658
Statewide Mutual	Insurance expenses	\$348,318
VEC Civil Engineering Pty Ltd	Contract work - bridge construction	\$694,599
Volvo Commercial Vehicles Sydney	Supply of plant	\$266,464
West Orange Motors Pty Ltd	Supply of plant and materials	\$356,317
Westrac Pty Ltd	Supply of plant and materials	\$907,678
		\$8,831,896

Legal Proceedings – Clause 217(1)(a3) Contributions

For the year ended 30 June 2017, Council had incurred \$59,325 in legal fees for proceedings taken by or against Council. By comparison, Council had expended \$91,010 in legal fees in 2015/16.

A summary of the legal proceedings is provided in the following table:

Description	Cost	Status
Planning Matters	\$3,465	Open
Debt Recovery	\$35,286	Open
Other matters	\$20,574	Open
	\$59,325	



Legal fees for proceedings taken by or against Council are down 35% on last financial year.

Private Works – Clause 217(1)(a4)

Council's Operational Plan provides for the undertaking of private works at approved hourly rates or alternatively, direct costs are charged together with a 30% administration fee, to cover supervision and administrative overheads.

During 2016/17 private works expenditure totalled \$101,945 providing an income of \$202,221. The following table provides a summary of the private works completed by Council during this reporting period.

Description of Work	Expenditure
Construction	-
Gravel Sales	\$335
Hire of Plant & Equipment	\$5,051
Other	\$96,559
	\$101,945

Council has not made any resolutions pursuant to Section 67 2(b), accordingly no public works have been subsidised by Council.

Section 356 Contributions (to financially assist others) – Clause 217(1)(a5)

Council provides for the donation of Rates to charitable organisations and other groups through its Community Financial Assistance Program. In addition, Council provides donations to community organisations to assist in meeting their public liability insurance premiums.

The Community Financial Assistance Program also allows community organisations to enhance to access funding to undertake activities that align with the Community Strategic Plan.

The Blayney Shire Council with funding from the Heritage Council of NSW has established a free architectural advisory service in Heritage matters and a Heritage Fund, to assist with advice in the restoration of heritage items and provide financial assistance with restoration of heritage significant properties within the Shire. The service is available to residents, property owners and occupiers within the Shire of Blayney.

The following table provides a summary of the amounts contributed by Council in accordance with the provisions of Section 356.

Contribution	Amount
Rates & Charges	15,412
Financial Assistance Program	93,869
Community Organisations Insurance	10,017
Heritage Grants (Council portion)	12,520
	\$131,818

External Bodies-- Clause 217(1)(a6)

The following organisations exercised functions delegated by Council during 2016/17:

External Body	Function
Central West Libraries	Library Services
Barry Hall Management Committee	Public Hall
Newbridge Community Hall Management Committee	Public Hall
Hobbys Yards Hall Management Committee	Public Hall

Partnerships, Cooperatives and Joint Ventures in which Council held a controlling interest -- Clause 217(1)(a7)

Blayney Shire Council held a controlling interest with a number of Councils in Central Tablelands Water County Council and Upper Macquarie County Council during the reporting period.

Partnerships, Cooperatives and Joint Ventures in which Council participated – Clause 217(1)(a8)

Blayney Shire Council is a member of Central West Libraries, and Statewide Mutual Liability, Workers Compensation and Property Schemes.

Blayney Shire Council is a member of the WBC Strategic Alliance together with Central Tablelands Water County and Cabonne Councils.

Equal Employment Opportunity - Human Resources – Clause 217(1)(a9)

Council has an Equal Employment Opportunity (EEO) Management Plan that provides the framework that demonstrates the commitment of Council to provide a work environment that accepts the principles of EEO and avoids discrimination. Council incorporates EEO principles and workplace diversity into all aspects of its recruitment, induction and staff development processes.

Council is committed to developing and maintaining a productive and multi skilled workforce and to ensuring that;

- recruitment and selection practices that provide equal opportunity and flexibility.
- job advertisements contain a clear EEO statement, are written in plain English, and use selection criteria relevant and realistic to positions being advertised.
- employees receive appropriate training and development opportunities.

An integral part of Council's Employee Development Review and Performance Appraisal process is to determine what training requirements Council has. In addition, all staff have equal opportunity to make training requests for future career development.

To assist Council in ensuring that human resources activities are carried out in a fair and consistent manner Council has a staff consultative committee that meets regularly to consider matters including;

- award implementation
- training
- consultation with regard to organisation restructure
- job redesign
- salary systems
- communication and education mechanisms
- performance management systems
- changes to variable working hours arrangements for new or vacant positions
- local government reform
- proposed variations to leaseback vehicle arrangements
- health and wellbeing programs.

Council is committed to working co-operatively with its Consultative Committee to ensure satisfactory outcomes for its employees and other stakeholders.

Council has a work health and safety (WHS) committee that meets regularly to consult with its employees' over matters relating to work health and safety.

The safety of employees, contractors, sub-contractors, volunteers and members of the public is of the utmost importance to Council and developing and achieving the highest possible safety standards are integral parts of all operational planning and activities.

Council has, and will continue to develop its workforce not only to increase its skills base but also to develop its employees' so that they may realise their full potential and maximise their job satisfaction.

Senior Staff Remuneration - Clause 217(1)(b)

Council's organisation structure provides for the employment of the General Manager as the only Senior Staff position. The General Manager is engaged under the Office of Local Government Standard Contract of Employment. The senior staff contract is performance based for a period of five (5) years.

The all-inclusive remuneration package of senior staff that incorporates salary component, employer superannuation, non-cash benefits and amounts payable for fringe benefits tax in the 2016/17 financial year amounted to \$213,360.

Stormwater Management Services - Clause 217(1)(e)

Council did not levy an annual charge for Stormwater Management Services during 2016/17.

Companion Animals Act Enforcement and Compliance Activities – Clause 217 (1)(f)

Lodgement of pound data collection returns with the Office of Local Government
Pound Data return was lodged on 5 September 2017.

Lodgement of data relating to dog attacks with the Office of Local Government
There were 5 Dog Attacks reported to Council during the reporting period.

Amount of funding spent relating to companion animal management and activities
Council expended \$111,271 on activities relating to the management and control of companion animals during the reporting period.

Companion animal community education programs carried out
Community Education Programs consisted of promotion in the local and social media, and detailed information delivered with Rate Notices.

Council also ran a Responsible Pet Ownership Program in the period after securing a \$2,500 grant from the Office of Local Government (this was matched dollar for dollar basis by Council). The program offered free microchipping to animals of Blayney Shire (max. 2 per resident).

In total 88 animals (both cats and dogs) benefited from the program.

Strategies in place to comply with the requirement under Section 64 (Companion Animals Act) to seek alternatives to euthanasia for unclaimed animals.

Before destroying a seized or surrendered animal it is the duty of the council to consider whether there is an alternative action to that of destroying the animal and (if practicable) to adopt any such alternative. Blayney Shire Council actively seeks to re-home animals which are impounded, including contact with members of the public and the placement of posters advertising impounded animals in the local veterinary surgery. Blayney Shire Council has also fostered a close relationship between Bathurst, Orange and Cowra Councils as well as the RSPCA in the re-homing and adoption of Stray/Dumped Dogs.

Off leash areas provided in the Council area.

Council provides and maintains dedicated off leash areas in Blayney, Carcoar and Millthorpe

Financial information on the use of Companion Animals Fund money for management and control of companion animals in the area is detailed as follows:

Income	\$
Registration Fees - commission	6,013
Grants and Contributions	2,689
Impounding Fees	1,360
Fines & Costs	-
Microchip Fees	300
Other income	3,020
Total Income	\$13,382
Expenditure	\$
Salaries	77,545
Employee Overheads	26,301
Depreciation	5,844
Impounding & Control Expenses	12,003
Microchipping	305
Responsible Pet program	2,655
Total Expenditure	\$124,653
Nett Cost of Companion Animal Operations	\$111,271

Government Information (Public Access) and Regulation

GIPA Activity - Section 125(1) and Clause 7 Sch. 2

A report on Government Information Public Access activity for the 2016/17 year is provided. Please refer to Attachment A4.

Environmental Planning and Assessment Act 1979

Planning Agreements Section 93G(5)

In 2016/17 Council entered into a Voluntary Planning Agreement (VPA) with Infigen Energy for the Flyers Creek Wind Farm. Although the VPA is signed by both parties the VPA is yet to be activated as the project has not yet commenced.

Public Interest Disclosures Act 1994

Public Interest Disclosures Annual Report - Section 31

A report on Public Interest Disclosures for the 2016/17 year is provided. Please refer to Attachment A5.

Other Information

End of Term Report

Council is required to prepare a report on the progress on implementation of the Community Strategic Plan that must be presented at the final meeting of an outgoing council. This report must also be included in the Annual Report following adoption. An End of Term Report for the 2012 – 2017 Council term is provided. Please refer to Attachment A6.

State of the Environment Report

Council is required to produce State of Environment Reports every four years, in the year of the Council election. Since 2007, the Councils of the Greater Central West Region of NSW have joined to produce Regional State of Environment Reports as part of Council reporting requirements.

Council has decided to continue reporting on an annual basis so that a detailed Regional State of Environment Report can be prepared that covers trends in the intervening years. A copy of the comprehensive State of the Environment Report for 2016/17 is available as a separate document on council's website under the Environment tab.

Services and Programs that provide for the Needs of Children

Junior sporting awards which are sponsored by Council, local businesses and a local radio station are available to the Shire's young sporting achievers.

Council through its Community Financial Assistance Program provides sport related funding for regional, state and national representation.

Four (4) Music Scholarships at the Mitchell Conservatorium and the Orange Regional Conservatorium which are sponsored by Council and local businesses were offered during 2016/17.

Through Council's Centrepoint Sport & Leisure Centre a number of programs for children are conducted including Learn to Swim; Kids Club school holiday programs; Kindy Fit; Kids Fit, Children's Holiday Activity programs and Children's birthday parties. Other activities are also facilitated at the Centre including Small school's rotation program; school visits; Girl Guides; Basketball; Karate; Table Tennis; Swim squad and school sports activities. As part of this year's Youth Week activities, 3 Youth Week events were held across the Shire.

Access and Equity Activities

Council assists the Blayney Interagency Group. This group represents all sectors of the Blayney community, from youth to the senior citizens. The group serves as an appropriate forum for the exchange of information on a variety of issues.

Council has a Towns and Villages Committee that meets on a quarterly basis as a means of better engagement with its villages and localities. Senior Staff also attend Village committee meetings and other community group meetings held throughout the Shire. These meetings provide an opportunity for members of the locality to address Council on any issues and Council to reciprocate on Council matters. These meetings have been well attended by the community.

The Blayney Shire Access Committee conducted meetings during the year. Council implemented a number of initiatives to raise the profile of access issues within the Shire.

During 2016/17 Council adopted the Blayney Cabonne Orange Disability Inclusion Action Plan (DIAP) 2017-2021. This plan was developed through collaboration of Orange City, Cabonne and Blayney Shire Councils. The aim of the plan is to ensure that local services, facilities and programs provided by Councils are as inclusive as they can be. Consultations have been held across our communities, with a particular focus on identifying priorities by having conversations with people with disability, their families, carers and service providers.

Council will report to the elected body and community on outcomes from the plan on a six-month basis and annually in the Annual Report.

Swimming Pool Inspections

Council is required to include in the annual report the number of inspections performed and the resultant number of certificates of compliance and certificates of non-compliance issued.

Statistics for the 2016/17 year are as follows:

- Number of inspections: 5
- Number of certificates of compliance issued: 3
- Number of certificates of non-compliance issued: 2

Programs for people from a Multicultural Background

Through an arrangement with Bathurst Regional Council, a Migrant Support worker based at the Bathurst Information and Neighbourhood Centre provides an outreach service to the Blayney Shire.

This service offers information and referral services to Shire residents from a multicultural background, and provides support to other services to ensure their accessibility to these residents.

Principles of Competitive Neutrality

The Office of Local Government's guidelines "*Pricing and Costing for Council Business: A Guide to Competitive Neutrality*" 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 financial reporting systems and include taxation equivalents, Council subsidies, rate of return on investments in business unit and dividends paid.

Competitive Neutrality Complaints

Council has established a complaints handling mechanism for competitive neutrality complaints. Council is committed to resolving complaints, to improve service delivery and increase community satisfaction. During 2016/17 no such complaints were received.

Category 1 Business Activities

Council does not operate any Category 1 business activities.

Category 2 Business Activities

Council operates the Blayney and Millthorpe Sewerage Schemes, being Category 2 business activities.

Bush Fire Control

Bushfire services within the Blayney Shire Council area are carried out in conjunction with NSW Rural Fire Service. Blayney Shire Council is responsible for housing bush fire equipment including trucks, pumps etc., and operations are carried out by the NSW Rural Fire Service, Canobolas Zone. Financial contributions are made for the provision of equipment, Rural Fire Service staff, planning and insurances. Financial contributions also go towards costs associated with retention of brigades within Council's area.

Council regularly slashes/sprays reserves, parks, roadside verges and other vacant Council land as resources permit.

Council notifies the Canobolas Zone Office of any complaints received in relation to bush fire hazards, as they have been delegated the authority by Council to issue hazard reduction notices in the Council area. Notices were issued by NSW Rural Fire Service, Canobolas Zone Office to occupiers and land owners, where appropriate, to reduce fire hazards.

Council is a member of the local Canobolas Zone Bushfire Management Committee which coordinates the management of hazard reduction throughout the Blayney Shire, Orange City, Cowra Shire and the Cabonne Shire Council areas.

Council is a member of the Canobolas Zone Liaison Committee responsible for advice and operational management of the Canobolas Zone Rural Fire Service.

Information on the Canobolas Zone Rural Fire Service can be found at:
<https://www.rfs.nsw.gov.au/about-us/our-districts/canobolas/about-our-area>





A1

**STATEMENT OF
PRINCIPAL ACTIVITIES**

DELIVERY PLAN PERFORMANCE STATUS REPORT - JUNE 2017

DP Ref	TASK	MEASURE	COMMENT
STRATEGIC DIRECTION 1: GROW THE WEALTH OF THE SHIRE			
CSP1.1: A viable agricultural sector with niche opportunities and products coupled with lifestyle.			
1.1.1	Maintain and strengthen partnerships with organisations responsible for natural resource management	Attendance at meetings	Ongoing attendance at regional meetings during period by Council delegates and representatives. 2 Planning Proposals commenced; updating the Flood Planning Map and RU1 to RU5 village.
1.1.2	Promote sustainable development and protection of our natural resources through the planning system.	Review of LEP and Council	Attendance at CENTROC meetings regarding the Central West Ag study being undertaken by DoPE. Blayney Residential Forum held to investigate opportunities and constraints in developing residential land in Blayney. Blayney 2020 Masterplan completed. Contact and discussions with potential new industries looking to relocate and/or establish themselves in Blayney took place during the period.
1.1.3	Ensure planning activities support long term sustainability of agricultural sector.	Support by agricultural sector/landcare groups for planning scheme	Blayney Farmers' Markets continue on the 3rd Sunday of every month. Sponsor Agribusiness Forum workshops through AusIndustry and FIAL including exploring export markets, IP & Branding, Retail and supermarket opportunities
1.1.4	Explore and promote opportunities for Agriculture value adding industries.	Production of a economic development strategy in 2013. Establishment of new industries.	Hosting small business workshops and forums in partnership with the Business Central HQ (Formerly Business Enterprise Centre - BEC)
CSP1.2: A thriving mining industry that supports and works well with the community.			
1.2.1	Manage the development of mining as it develops in the Shire in order to preserve sustainable industrial diversity into the future.	Industry meeting. Policy development.	Continue to meet with current and prospective mining companies on a regular basis. Completed Errowanbang Road upgrade (Year 2), funded under Fixing Country Roads Round 1. Commenced upgrade works to Southern Cadia Access Route, funded under Resources for Regions.
1.2.2	Improve transport linkages across the Local Government Area to support the mining industry.	Development of work plan.	Completed Browns Creek Road upgrade (Year 1) funded under Fixing Country Roads Round 2. Six bridge timber bridge replacement contract in place, work on Dirt Hole Creek bridge on Errowanbang Road commenced.
1.2.3	Build meaningful relationships between the mining industry and community.	Established communication channels. Attendance at meetings. Working relationships and cooperation. Mutual projects.	Participation and representation at meetings of Cadia Community Consultative Committee and Association of Mining Related Councils. Cadia representation on Financial Assistance Program Committee.

DELIVERY PLAN PERFORMANCE STATUS REPORT - JUNE 2017

DP Ref	TASK	MEASURE	COMMENT
CSP1.3: A well established, connected and prosperous tourism industry.			
1.3.1	Implement Blayney Shire Tourism Plan	Implementation of plan and targets. Tourism business thriving	<p>Development of Blayney and Villages Individual Community Plans</p> <p>Development of the Blayney & Villages Destination Management Plan 2016-2020</p> <p>TASAC signage application approved for the renewal and heritage village of Carcoar.</p> <p>Development of a regional tourism forum</p> <p>Plans to update and revise the Blayney & Villages Tourism Guide</p> <p>Working with neighbouring councils of Cabonne and Orange to develop VIC souvenirs and postcards across the region.</p> <p>Commencement of negotiations between Orange, Cabonne and Blayney LGA's for formation of regional tourism body.</p>
1.3.2	Develop a structure to effectively support and grow tourism and local business.	Structure in place. Productive meetings.	<p>Working with community groups and Town & Villages Committees to encourage collaboration, cross-promotion and engagement.</p> <p>New tourism billboards to promote indigenous heritage erected and link to tourism website. Introduction of Community and visitor noticeboards with maps and information to villages.</p> <p>Media relations activity and events to promote the area ongoing. Review of Community Banner Poles policy and booking form / fact sheet to encourage use.</p> <p>Council participation with regional tourism promotions and opportunities continuing. Partnering with Central NSW Tourism, Brand Orange, F.O.O.D Week and ArtsOutWest for greater reach in regional campaigns, sharing information through Community groups, committees and business forums</p>

DELIVERY PLAN PERFORMANCE STATUS REPORT - JUNE 2017

DP Ref	TASK	MEASURE	COMMENT
CSP1.4: Internationally recognised brand for Blayney Shire.			
1.4.1	Work with the community and organisations within the region to develop a recognised brand for the Blayney Shire.	Brand developed	<p>Produced village flyers and heritage walking trail guides (Millthorpe, Blayney, Carcoar, Mandurama, Lyndhurst, Newbridge)</p> <p>Review and update of the www.visitblayney.com.au tourism website</p> <p>Produced two tourism videos featuring drone footage to be played in the Blayney Shire VIC, social media and tourism operator outlets</p> <p>'Introduction of #warmwelcome and #Historicvillages social media campaign.</p> <p>Blayney as the Village shire logos used on marketing material. Consistent branding, visual identity, logos for events and activities</p> <p>Cross-promotion via competitions, What's On events listing and website presence.</p> <p>Refurbishment of Visitor Information Centre with consistent branding – look and feel.</p>

DELIVERY PLAN PERFORMANCE STATUS REPORT - JUNE 2017

DP Ref	TASK	MEASURE	COMMENT
CSP1.5: Sustainable water, energy and transport sectors to support future growth.			
1.5.1	Advocate for increased funding for transportation assets through Federal and State programs	Representations made to relevant agencies	Attend meetings, and develop media around advocacy for reactivation of Blayney-Demondrille Railway, and reinstatement of Stop on Request services at Millthorpe and Newbridge railway Stations. Regional strategy for transportation networks developed at Centroc Roads Technical Group
1.5.2	Promote sustainable energy development and use within the Shire.	Provision of information.	Attend Centroc Strategic Transport Group meetings with NSW Government agencies, and Local Government representatives. Met with developers on potential future sustainable energy development within the shire. Attended all Flyers Creek Wind Farm Community Consultative Committee meetings. Attend Centroc Energy Group meetings on bi-monthly basis.
CSP1.6: A vibrant local retail and business sector.			
1.6.1	Seek opportunities to build a vibrant local retail and business sector.	Cooperative projects. Opportunities identified and followed up.	Council funded and supported Business Seminar series for tourism and business development and upskilling.
1.6.2	Build and retain relationships with government bodies and NGO's to assist small business	Productive relationships. Number of activities.	Council continues to work with Small Business NSW and Central West BEC to facilitate development and upskilling programs for business including Biz Bus program.
1.6.3	Support and encourage the establishment or expansion of local businesses	New businesses. Empowered local business.	Representatives on the Board of Central West BEC and RDA Central West economic development committee to co-ordinate regional growth.
1.6.4	Develop an environment that will attract technology or internet based industry to come to Blayney.	Establishment of technology industries and technologies.	Promotion of NBN Rollout through council communications, electronic and social media.

DELIVERY PLAN PERFORMANCE STATUS REPORT - JUNE 2017

DP Ref	TASK	MEASURE	COMMENT
STRATEGIC DIRECTION 2: A CENTRE FOR SPORTS AND CULTURE			
CSP2.1: Cultural and sporting events are coordinated and resourced.			
2.1.1	Encourage development of a calendar of sport and cultural events.	Information provided on web site and updated by sporting groups.	Tourism and Calendar of Events website maintained, driven by information submitted from event/sporting club organisers. Hard copy also promoted and distributed throughout region for promotion.
2.1.2	Engage with key groups and organisations with a view to developing community partnerships for conducting activities and programs.	Participation of organisations.	Village plans finalised and actions from these being progressed. Development Coordinator Program instigated with agreements endorsed with Carmanhurst Villages Association; The Four Villages Association and Blayney Town Association. These groups are in advanced stages of appointment of Development Coordinators. A funding arrangement providing financial assistance with administrative costs to the Millthorpe Village Association has also been executed.
2.1.3	Engage with the Shire youth to facilitate progress and activities across the Shire.	Youth activities held. Meetings of Youth Council.	Towns and Villages committee meetings are ongoing. Youth Week Grants program open and invitations extended to Blayney High School, village, community and sporting groups with a view to hosting a number of youth activities.
2.1.4	Work proactively with the community groups to assist with event management.	Develop Community events guide and policies.	Ongoing engagement and coordination with event holders through Event Management policy and associated funding through Community Financial Assistance program. CentrePoint activities and facilities ongoing during period 1/1/17 – 30/6/17 Member visits: 6793. Membership renewals 218; Active members 776; Casual entries 4389 ; 3556 attended group fitness classes run though period. Fitness Passport visits: 2343 Learn to swim: Term 1 2017 – 276 students enrolled Term 2 2017 – 176 students enrolled (Winter Term)

DELIVERY PLAN PERFORMANCE STATUS REPORT - JUNE 2017

DP Ref	TASK	MEASURE	COMMENT
2.1.5	Encourage and facilitate an active and healthy community by developing accessible programs through CentrePoint and local sporting groups.	Develop programs and activities with the community. Maintain facilities in accordance with financial estimates.	<p>Kids Fit, Kids Holiday Programs and the crèche ran with great success with 628 participants over the period.</p> <p>Carcoar and Neville swimming program run both Terms.</p> <p>A number of school visits occurred over the 6 months for swimming carnivals and practise sessions, including Blayney High School, Blayney Public School, St Josephs Catholic School, Millthorpe Public School, Small Heritage Schools and The District Carnival</p> <p>Activities run by 3rd parties over the 6 months include; Rock the Rim Basketball program, Martial Arts, Table Tennis, Blayney Dolphins Swim Club, Dan Benton triathlon club, Peter Archer Swim club, Blayney Bears training, Blayney and Representative Netball training and wet weather games.</p> <p>Facility renewals to Council sporting and recreation facilities completed at Redmond Oval; King George Oval, Blayney Showground, Mandurama Recreation Ground. Proposed Blayney Skatepark design finalised and Development consent obtained.</p> <p>\$1.3M grant application lodged with the Federal Government for \$2.77M CentrePoint Swimming Pool and plant room upgrade.</p>

DELIVERY PLAN PERFORMANCE STATUS REPORT - JUNE 2017

DP Ref	TASK	MEASURE	COMMENT
CSP2.2: Strong participation in sporting events and competitions.			
2.2.1	Encourage active participation in sport.	Participation in Regional Sport promotions.	Blayney Shire Sports Council meetings conducted on quarterly basis and minutes presented to Council. Informal meetings held with various sporting groups as required to address site specific matters and club requirements. Shire sporting ovals and facilities well maintained with capital upgrades undertaken at various locations.
2.2.2	Establish and support a community based representative body for sporting groups.	Report written and council established	Priority Project list developed and reviewed/updated on annual basis to inform 2017/18 budget decision making. Consultant engaged and community engagement undertaken on Blayney Shire Sport and Recreation Plan.
CSP2.3: Blayney Shire - a centre for arts, performance and entertainment.			
2.3.1	Encourage participation and continue relationships with music organisations.	Scholarships awarded.	Scholarship auditions held in September 2016 and 3 scholarships awarded in October 2016. Council support formalised for acquisitive prize Textures of One Art Exhibition and financial support for exhibition provided through Community Financial Assistance program. Hanging space for display of works in Visitor Information Centre also facilitated with art community.
2.3.2	Develop partnerships with other arts organisations to help deliver arts and cultural activities	Arts and cultural activities coordinated.	Cultural Centre Working Group established and meeting monthly.
2.3.3	Encourage the use of the Blayney Shire Community Centre as a facility for arts and culture.	Use of facility.	Total number of events that hired Community Centre for 12 month period was 158 including 1 wedding and 43 meetings or conferences. The facility was also used for 161 council activities over the reporting period.
2.3.4	Provide library services in the Blayney Shire	Usage of library services	Blayney Shire Library Statistics for reporting period to 30 June 2017 are as follows: Visits: 4,968; Issues: 9,672; Membership @30/06/2017: 1,327

DELIVERY PLAN PERFORMANCE STATUS REPORT - JUNE 2017

DP Ref	TASK	MEASURE	COMMENT
STRATEGIC DIRECTION 3: PRESERVE AND ENHANCE OUR HERITAGE AND RURAL LANDSCAPES			
CSP3.1: Retention of native vegetation with linking corridors.			
3.1.1	Protect and enhance biodiversity, native, vegetation, river and soil health.	Developed strategies for protection	Design prepared for bank stabilisation works on Belubula River at Carcoar, for 2017/18 program. Native plantings undertaken at various sites around the Shire.
3.1.2	Facilitate the delivery of more planting on Council owned and controlled land.	Compliance with strategy	
CSP3.2: Biodiversity of waterways.			
3.2.1	Adopt and implement the Draft Integrated Water Cycle Management Plan (IWCM) Plan.	Implementation of agreed activities and tasks	Approved IWCM Level of Service actions addressed via revised (2013/14) Strategic Business Plan for Sewerage Services (SBP). Unsewered village expansions removed at request of communities, Levels of Service targets reviewed and revised. Development Servicing Plan and SBP financial plan to be revised in 17/18 FY.
3.2.2	Enhance the communities understanding of biodiversity issues and work towards positive behavioural change	Research resourced and made available.	Biodiversity education provided through community tree planting days, Community News and Ratepayer newsletters.
CSP3.3: Heritage sites in the natural and built environment are identified and understood.			
3.3.1	Pursue recognition of heritage items in draft LEP 2011	Information to public Heritage advice	Provision of Heritage Architect available during the period.
3.3.2	Identify items of natural heritage in Blayney Shire.	Information to public Heritage advice	Notification to all owners of local heritage items in the shire of NSW Government grant opportunity of up to \$100k being offered.
CSP3.4: Sustainable land use practices across the Shire.			
3.4.1	Pursue sustainable land use practices based on the protection and restoration of natural resources, innovative land use policies and government and community partnerships.	Develop partnerships with relevant organisations.	Closure of Neville Landfill completed.

DELIVERY PLAN PERFORMANCE STATUS REPORT - JUNE 2017

DP Ref	TASK	MEASURE	COMMENT
STRATEGIC DIRECTION 4: DEVELOP AND MAINTAIN SHIRE INFRASTRUCTURE			
CSP4.1: Adequate provision of transport, roads, rail, information and communication technologies and community social assets.			
4.1.1	Manage Local Road Network to agreed service levels.	Performance budget/time/quality. Meeting service levels. Customer request system.	Routine and non routine inspections undertaken, and maintenance delivered in accordance with prioritisation protocols, within budget allocations.
4.1.2	Manage Regional and State Road Network to agreed service levels.	Service levels provided in accordance with State Government funding.	Completed Errowanbang Road upgrade (Year 2), funded under Fixing Country Roads Round 1. Commenced upgrade works to Southern Cadia Access Route, funded under Resources for Regions.
4.1.3	Ensure Ancillary Road facilities are serviceable and in line with current standards e.g. footpaths, cycleways, kerb and gutter, bus stops etc.	Performance budget/time/quality. Meeting service levels. Customer request system.	Completed Browns Creek Road upgrade (Year 1) funded under Fixing Country Roads Round 2. Maintenance grading and resheeting programs completed.
4.1.4	Source road making materials in environmentally responsible manner.	Regulatory compliance	Six bridge timber bridge replacement contract in place, Felltimber Road bridge completed, Dirt Hole Creek bridge underway. Design for small bridges to be undertaken in house, in partnership with Charles Sturt University, Engineering degree program.
4.1.5	Implement the Blayney Shire Council Asset Management Plans	Quantity and quality of information allocated	Informal discussions with Roads and Maritime Services held to discuss future State Road works.
4.1.6	Seek additional grant funding for construction and maintenance of roads and associated facilities	Applications submitted and Grant funds received.	Council attends Centroc Strategic Transport and Roads Technical Committee meetings. Essential Energy continue to undertake street lighting maintenance. Centroc Energy Group preparing future street light replacement program with LED and smart controls.
4.1.7	Plan for future transport and road infrastructure to service future needs	Projects are 'shovel ready'	Injury surveys completed in accordance with requirements on quarterly basis.
4.1.8	Investigate opportunities for stormwater harvesting and reuse	Projects identified and implemented. Successful grant applications.	Crushing operations completed in Whites and Cadia quarries. Inspection of hired plant undertaken in accordance with legislative requirements.
4.1.9	Apply the principles of Water Sensitive Urban Design (WSUD) to stormwater management	Completion of WSUD policy. Investigate grant funding.	Assets system software implemented with data input ongoing. Active Transport program funded shared pathway works on Adelaide Street completed.
4.1.10	Prepare Stormwater Management Plans	Completion of Plans	Capital Works program design work underway for 2017/18. Strategic transport project design work underway.
4.1.11	Maintain cemeteries in accordance with the community's needs and expectations	Compliance with regulations. Maintain records.	Council attends quarterly meetings with Local Land Services (Environment and Waterways Alliance), and seeks specialist advice as and where required. Cemeteries were maintained in accordance with regulations.
4.1.12	Identify surplus Council owned assets for possible sale to be invested in infrastructure reserve.	Assets identified for sale	EOI undertaken seeking interest to purchase industrial land undertaken. 1 Maria Street Blayney in process of being sold. Review of Inala in progress with a view to a solution supported by both Council and community.
4.1.13	Maintain and improve Council owned building assets	Implementation of Building maintenance program	Various maintenance works undertaken to Council facilities as required.

DELIVERY PLAN PERFORMANCE STATUS REPORT - JUNE 2017

DP Ref	TASK	MEASURE	COMMENT
CSP4.2: Every village has access to water and sewerage services.			
4.2.1	Maintain the availability and quality of water for use in rural areas	Water availability and quality. Operational bores.	Inspections of sewerage treatment plant (STP) undertaken on routine basis in conjunction with EPA and NSW Office of Water. Inlet channel bypass works completed during year. Sewer main CCTV condition assessment for valuation purposes continuing. Senior Environmental Services Officer commenced in June 2017. Blayney Shire Onsite Waste Water Policy to be developed in the near future.
4.2.2	Ensure Sewerage Treatment Plant are able to meet needs of the Blayney Shire	Maintain to licensing standards	
4.2.3	Provide an effective and safe Sewerage Collection Network for Blayney Shire	Achieve network maintenance	
4.2.4	Ensure that the disposal of liquid waste in rural areas is carried out in a healthy manner without negative environmental impact.	SMF's (sewerage management facilities) reviewed.	
CSP4.3: Improved access to community and public transport between villages and centres.			
4.3.1	Lobby to improve public transport around the shire	Improved transport services. Greater accessibility across the Shire.	Public Transport services maintained. Engagement ongoing with LiveBetter Transport over Community Transport service.
CSP4.4: Preservation and continued Development of Rail Infrastructure			
4.4.1	Advocate for the upgrading of rail infrastructure	Meeting attended.	Ongoing advocacy with NSW Government, and State agencies in relation to progressing NSW Fixing Country Rail project for Blayney-Demondrille Railway. Attended meetings with consultants associated with Blayney-Demondrille Railway project. Advocacy via Centroc, Central West Strategic Transport Group, in conjunction with village progress associations for improved rail infrastructure.
CSP4.5: Sustainable Waste Management.			
4.5.1	Develop and promote programs that increase the participation of the community in recycling and reducing waste going to landfill.	Attendance at NetWaste meetings. Educational material developed. Participation in recycling program.	NetWaste meetings attended during period. Domestic Waste Collection undertaken by JR Richards monitored quarterly. Recycling percentage from DWCS for period is 22%

DELIVERY PLAN PERFORMANCE STATUS REPORT - JUNE 2017

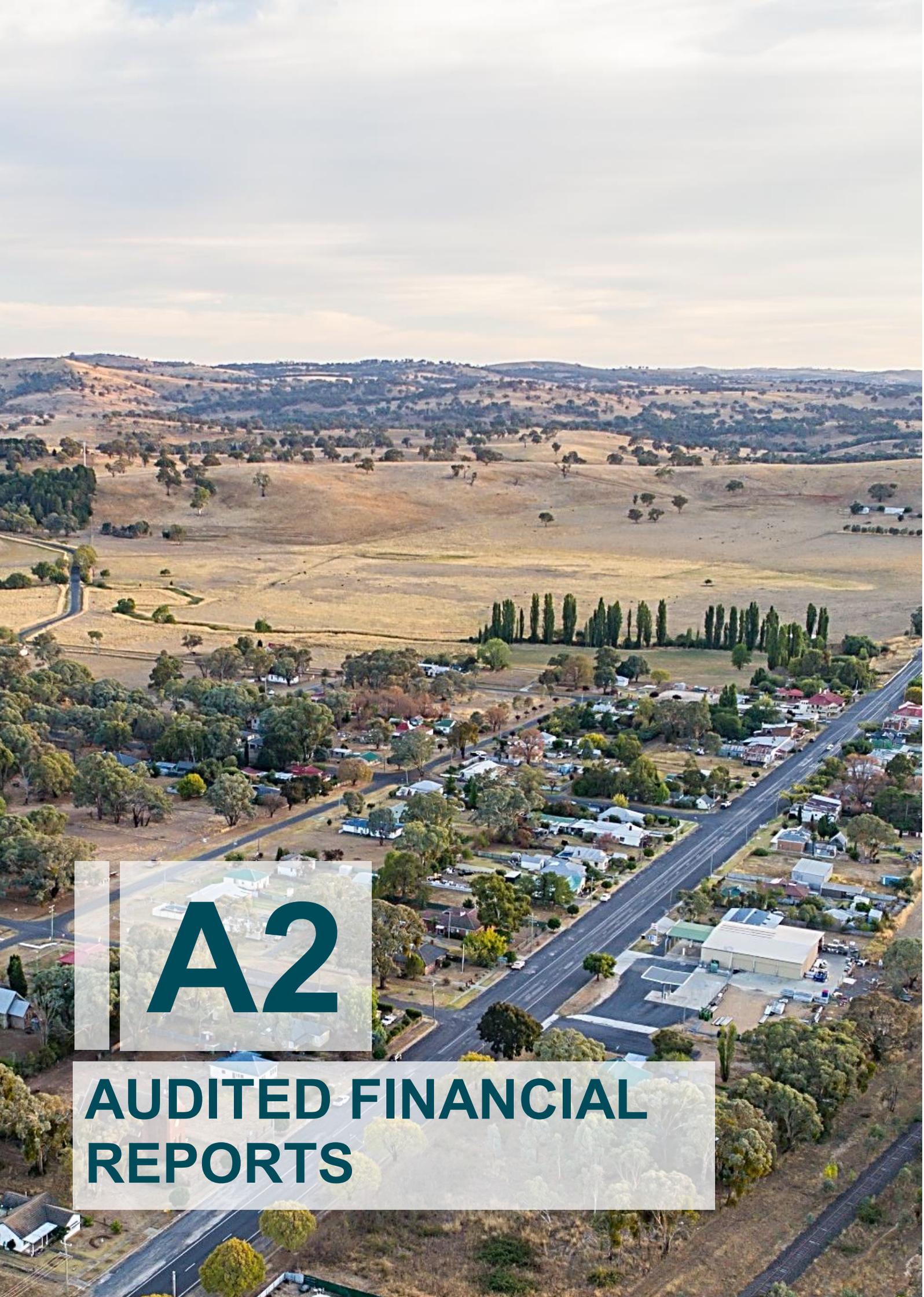
DP Ref	TASK	MEASURE	COMMENT
STRATEGIC DIRECTION 5: DEVELOP STRONG AND CONNECTED COMMUNITIES			
CSP5.1: A diverse and sustainable population in our communities and villages.			
5.1.1	Assist incorporated village committees, progress associations and hall committees.	Active village committees	Council staff and Councillors attended various meetings, events and activities. Active engagement ongoing as outlined in CSP 2.1 above.
5.1.2	Promote living in the Blayney Shire	Residents Pack developed.	Residents pack updated during year and placed on website and made available from Blayney Visitor Information Centre.
CSP5.2: Fit and healthy community members.			
5.2.1	Build partnerships with community groups to increase use of parks and reserves	Interaction with use groups	<p>Priority Project list developed and reviewed/updated on annual basis to inform 2017/18 budget decision making.</p> <p>Consultant engaged and community engagement undertaken on Blayney Shire Sport and Recreation Plan.</p> <p>Active Transport program funded crossing works on Martha Street completed to finalise Carcoar and Martha Street shared pathway</p>
5.2.2	Provide for the implementation of projects, identified in Council's Pedestrian and Access Mobility, Bike Plan to improve community health and fitness	Meetings attended	<p>Funding application successful for design of intersection/pathway upgrades at intersection of Railway Lane, Adelaide Street and Blayney Railway Station carpark under Active Transport program.</p> <p>Finalisation Disability Inclusion Action Plan and adoption by Council in June 2017.</p>
CSP5.3: Full and equitable access and strong usage of Information and communication technologies across the Shire.			
5.3.1	Implement programs to build community skills with computer technology, to build community participation and social inclusion amongst older Australians.	Internet access available to community. Program participation.	Internet access and computer maintained at Library. Public Wi-Fi available at Visitor Information Centre. Seniors Kiosk program discontinued following diminishing numbers and interest.
CSP5.4: Capable, self sufficient communities engaged in decision making about issues that affect them.			
5.4.1	Develop and implement a community engagement process and policy	Informed communities	<p>Community informed through a number of avenues including Newspaper, Facebook, newsletters to all residents, rates notice newsletter and Mayor and some Councillors attendance at every Town and Village Association Meeting.</p> <p>Engagement ongoing with villages and townships on community Plans developed for Blayney; Millthorpe; Lyndhurst; Mandurama; Carcoar and Millthorpe.</p> <p>Community Engagement Policy remains current.</p>
5.4.2	Develop and implement plans for villages and township	Plans are implemented.	Community Engagement Policy remains current.
5.4.3	Encourage volunteerism within the Community	Promotion undertaken	<p>Village Enhancement Plans included into works programs.</p> <p>Volunteerism promoted on Council website.</p>

DELIVERY PLAN PERFORMANCE STATUS REPORT - JUNE 2017

DP Ref	TASK	MEASURE	COMMENT
STRATEGIC DIRECTION 6: LEADERSHIP			
CSP6.1: Good governance across our communities.			
6.1.1	Councillors to exhibit leadership on Council and participate in committees and community organisations.	Attendance to meeting. Councillor presence on relevant committees.	Council continues to support Centroc activities and work within the strategic alliance of Blayney Cabonne Central Tablelands Councils. Councillor representation on committees and community organisations continuing.
6.1.2	Promote resource sharing and collaboration with regional organisations.	Participation in meetings. Resource sharing projects.	Participation in resource sharing and regional projects ongoing.
6.1.3	Encourage sound governance practice in community organisations.	Provide assistance and training as requested.	Workshops held for community groups and funding opportunities for training of volunteers promoted.
CSP6.2: Meaningful communication between the Shires communities and Council.			
6.2.1	Identify and engage with Shire Community Groups.	Establish regular communications with Shire Community Groups.	Engagement with community being undertaken being undertaken in various forms.
6.2.2	Implement Council's Community Engagement Plan	Engagement activities conducted	Website and media communications channels utilised to promote Council activities.
6.2.3	Develop communications between Councillors and the community to provide community opinion.	Community satisfaction with communication processes. Available to community.	Acknowledgement process to emails and correspondence in place and ongoing. Activity reports issued to Directors monthly.
6.2.4	Manage a customer request system to assist communications between community and Council.	Response times to requests.	Email and rates notice newsletters, 2GZ, B Rock and 2BS radio presence, half page Blayney Chronicle advert and GM conversation weekly.
CSP6.3: A well-run Council organisation.			
6.3.1	Provide a framework for the efficient and effective administration of Council.	Assess Council's position against Better Practice Review.	Blayney Shire deemed Not Fit according to IPART criteria of population < 10,000 however financially sustainable. Active lobbying for review of Council status to access T-Corp Borrowings in light of policy change on mergers
6.3.2	Maintain a stable and secure financial structure for Council.	Report financial outcomes as required by legislation.	2015/16 Audited Financial Statements submitted to OLG, presented to Council unqualified and within regulations. Reviews of Council processes ongoing. Programs include Risk Management Action Plan; progressing actions from reviews of development applications and information technology.
6.3.3	Support actions for the sustainable future of local government.	Review Destination 2036 outcomes and actions to improve local government.	Annual report and Financial reports finalised and lodged within statutory timeframes. All legislative reporting submitted per requirements and regulations including PID report, GIPA report etc.
6.3.4	Develop strategies that respond to the impact of climate change on the community.	Supply of community information.	BASIX requirements undertaken with any applicable development. Part J BCA requirements for all commercial development.

DELIVERY PLAN PERFORMANCE STATUS REPORT - JUNE 2017

DP Ref	TASK	MEASURE	COMMENT
CSP6.4: A safe community.			
6.4.1	Provide support for emergency management in Blayney Shire in accordance with SERM Act	Emergencies responded to.	Local Emergency Management Committee meets on quarterly basis.
6.4.2	Undertake regulatory responsibilities for environmental health and animal control.	Regulatory responsibilities are met	Council responds to emergencies as and when requested by other agencies. Traffic Committee meets on bi-monthly basis, and otherwise as required.
6.4.3	Educate communities on road and pedestrian safety	Programs delivered	Road Safety Officer continues to deliver road safety education and information programs including "Stepping On" and GLS Parent Workshops, attended Traffic Committee, and Community Speed Watch meetings, undertaken a variety of Road Safety media promotions and attended other Committee meetings upon request.
6.4.4	Review risk management of council operations.	Plan is implemented and risk managed.	



A2

**AUDITED FINANCIAL
REPORTS**

Blayney Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2017

*“an innovative, inspirational
and enjoyable environment...”*



Blayney Shire Council

General Purpose Financial Statements for the year ended 30 June 2017

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Overview

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

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

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

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

- (iii) All figures presented in these financial statements are presented in Australian currency.
- (iv) These financial statements were authorised for issue by the Council on 24 October 2017. Council has the power to amend and reissue these financial statements.

General Purpose Financial Statements for the year ended 30 June 2017

Understanding Council's financial statements

Introduction

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

What you will find in the statements

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

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

About the Councillor/Management Statement

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

About the primary financial statements

The financial statements incorporate five 'primary' financial statements:

1. The Income Statement

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

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

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

Who uses the financial statements?

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

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

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

General Purpose Financial Statements
for the year ended 30 June 2017

Statement by Councillors and Management
made pursuant to Section 413(2)(c) of the *Local Government Act 1993 (NSW)* (as amended)

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

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

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

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

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

Signed in accordance with a resolution of Council made on 14 August 2017.



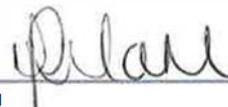
S J Ferguson
Mayor



A J Ewin
Councillor



R Ryan
General Manager



T Irlam
Responsible Accounting Officer

Blayney Shire Council

Income Statement

for the year ended 30 June 2017

Budget ¹			Actual	Actual
2017	\$ '000	Notes	2017	2016
Income from continuing operations				
<i>Revenue:</i>				
10,408	Rates and annual charges	3a	10,479	10,444
1,973	User charges and fees	3b	2,399	1,960
385	Interest and investment revenue	3c	514	499
168	Other revenues	3d	221	258
4,250	Grants and contributions provided for operating purposes	3e,f	6,419	4,190
3,908	Grants and contributions provided for capital purposes	3e,f	2,314	3,135
<i>Other income:</i>				
179	Net gains from the disposal of assets	5	159	–
–	Net share of interests in joint ventures and associates using the equity method	19	144	203
21,271	Total income from continuing operations		22,649	20,689
Expenses from continuing operations				
5,886	Employee benefits and on-costs	4a	6,545	6,113
177	Borrowing costs	4b	157	165
2,785	Materials and contracts	4c	3,476	2,486
5,344	Depreciation and amortisation	4d	4,973	5,230
–	Impairment	4d	–	–
2,443	Other expenses	4e	2,674	2,122
–	Net losses from the disposal of assets	5	–	50
16,635	Total expenses from continuing operations		17,825	16,166
4,636	Operating result from continuing operations		4,824	4,523
Discontinued operations				
–	Net profit/(loss) from discontinued operations	24	–	–
4,636	Net operating result for the year		4,824	4,523
4,636	Net operating result attributable to Council		4,824	4,523
–	Net operating result attributable to non-controlling interests		–	–
728	Net operating result for the year before grants and contributions provided for capital purposes		2,510	1,388

¹ Original budget as approved by Council – refer Note 16

Blayney Shire Council

Statement of Comprehensive Income
for the year ended 30 June 2017

\$ '000	Notes	Actual 2017	Actual 2016
Net operating result for the year (as per Income Statement)		4,824	4,523
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of I,PP&E	20b (ii)	693	2,010
Other comprehensive income – joint ventures and associates	19b	286	283
Total items which will not be reclassified subsequently to the operating result		979	2,293
Amounts which will be reclassified subsequently to the operating result when specific conditions are met			
Nil			
Total other comprehensive income for the year		979	2,293
Total comprehensive income for the year		5,803	6,816
Total comprehensive income attributable to Council		5,803	6,816
Total comprehensive income attributable to non-controlling interests		–	–

Blayney Shire Council

Statement of Financial Position

as at 30 June 2017

\$ '000	Notes	Actual 2017	Actual 2016
ASSETS			
Current assets			
Cash and cash equivalents	6a	9,743	1,075
Investments	6b	7,500	16,000
Receivables	7	1,288	640
Inventories	8	1,063	839
Other	8	63	52
Non-current assets classified as 'held for sale'	22	650	–
Total current assets		20,307	18,606
Non-current assets			
Investments	6b	–	–
Receivables	7	126	208
Inventories	8	–	–
Infrastructure, property, plant and equipment	9	195,034	189,789
Investments accounted for using the equity method	19	20,975	20,545
Investment property	14	–	–
Intangible assets	25	173	241
Total non-current assets		216,308	210,783
TOTAL ASSETS		236,615	229,389
LIABILITIES			
Current liabilities			
Payables	10	2,143	748
Income received in advance	10	221	196
Borrowings	10	202	190
Provisions	10	1,753	1,623
Total current liabilities		4,319	2,757
Non-current liabilities			
Payables	10	2	1
Borrowings	10	1,780	1,982
Provisions	10	779	717
Total non-current liabilities		2,561	2,700
TOTAL LIABILITIES		6,880	5,457
Net assets		229,735	223,932
EQUITY			
Retained earnings	20	93,897	88,787
Revaluation reserves	20	135,838	135,145
Other reserves	20	–	–
Council equity interest		229,735	223,932
Non-controlling equity interests		–	–
Total equity		229,735	223,932

This statement should be read in conjunction with the accompanying notes.

Blayney Shire Council

Statement of Changes in Equity

for the year ended 30 June 2017

\$ '000	Notes	2017				2016					
		Retained earnings	Asset revaluation reserve (Refer 20b)	Council interest	Non-controlling interest	Total equity	Retained earnings	Asset revaluation reserve (Refer 20b)	Council interest	Non-controlling interest	Total equity
Opening balance (as per last year's audited accounts)		88,787	135,145	223,932	–	223,932	83,327	133,135	216,462	–	216,462
a. Correction of prior period errors	20 (c)	–	–	–	–	–	654	–	654	–	654
b. Changes in accounting policies (prior year effects)	20 (d)	–	–	–	–	–	–	–	–	–	–
Revised opening balance		88,787	135,145	223,932	–	223,932	83,981	133,135	217,116	–	217,116
c. Net operating result for the year		4,824	–	4,824	–	4,824	4,523	–	4,523	–	4,523
d. Other comprehensive income											
– Revaluations: IPP&E asset revaluation rsve	20b (ii)	–	693	693	–	693	–	2,010	2,010	–	2,010
– Joint ventures and associates	19b	286	–	286	–	286	283	–	283	–	283
Other comprehensive income		286	693	979	–	979	283	2,010	2,293	–	2,293
Total comprehensive income (c&d)		5,110	693	5,803	–	5,803	4,806	2,010	6,816	–	6,816
e. Distributions to/(contributions from) non-controlling interests		–	–	–	–	–	–	–	–	–	–
f. Transfers between equity		–	–	–	–	–	–	–	–	–	–
Equity – balance at end of the reporting period		93,897	135,838	229,735	–	229,735	88,787	135,145	223,932	–	223,932

Blayney Shire Council

Statement of Cash Flows

for the year ended 30 June 2017

Budget 2017	\$ '000	Notes	Actual 2017	Actual 2016
Cash flows from operating activities				
Receipts:				
10,416	Rates and annual charges		10,494	10,426
1,945	User charges and fees		2,239	2,262
402	Investment and interest revenue received		475	525
8,083	Grants and contributions		8,740	7,310
–	Bonds, deposits and retention amounts received		9	–
161	Other		1,370	1,180
Payments:				
(5,886)	Employee benefits and on-costs		(6,393)	(5,893)
(2,850)	Materials and contracts		(3,614)	(3,424)
(166)	Borrowing costs		(141)	(152)
–	Bonds, deposits and retention amounts refunded		–	(4)
(2,443)	Other		(2,867)	(2,197)
9,662	Net cash provided (or used in) operating activities	11b	10,312	10,033
Cash flows from investing activities				
Receipts:				
1,000	Sale of investment securities		–	–
–	Sale of real estate assets		45	–
318	Sale of infrastructure, property, plant and equipment		341	263
42	Deferred debtors receipts		8	39
Payments:				
–	Purchase of investment securities		8,500	(2,500)
(11,723)	Purchase of infrastructure, property, plant and equipment		(10,268)	(7,449)
–	Deferred debtors and advances made		(80)	–
(10,363)	Net cash provided (or used in) investing activities		(1,454)	(9,647)
Cash flows from financing activities				
Receipts:				
1,200	Proceeds from borrowings and advances		–	–
Payments:				
(219)	Repayment of borrowings and advances		(190)	(177)
981	Net cash flow provided (used in) financing activities		(190)	(177)
280	Net increase/(decrease) in cash and cash equivalents		8,668	209
626	Plus: cash and cash equivalents – beginning of year	11a	1,075	866
906	Cash and cash equivalents – end of the year	11a	9,743	1,075
Additional Information:				
	plus: Investments on hand – end of year	6b	7,500	16,000
Total cash, cash equivalents and investments			17,243	17,075

Please refer to Note 11 for additional cash flow information.

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

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n/a – not applicable

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies

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

(a) Basis of preparation

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

(i) New and amended standards adopted by Council

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

AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 and AASB 11]. The adoption of this standard has no impact.

(ii) Early adoption of standards

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

(iii) Historical cost convention

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

(iv) Significant accounting estimates and judgements

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

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

Critical accounting estimates and assumptions

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

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

Significant judgements in applying the Council's accounting policies

- (i) Impairment of Receivables

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

(b) Revenue recognition

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

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

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

(i) Rates, annual charges, grants and contributions

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

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

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

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

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

(ii) User charges and fees

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

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

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

(iv) Interest

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

(v) Rent

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

(vi) Dividend income

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

(vii) Other income

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

(c) Principles of consolidation

(i) The Consolidated Fund

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

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

- General Purpose Operations
- Blayney Sewerage Fund
- Millthorpe Sewerage Fund

(ii) The Trust Fund

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

Trust monies and property held by Council but not subject to the control of Council have been excluded

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

from these reports. 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) County Councils

Council is a member of the following county councils (which are bodies incorporated under the Local Government Act):

▪ Upper Macquarie County Council

UMCC is a noxious weeds Council whose purpose is to control and eradicate noxious weeds in the area. UMCC manages noxious weed control in the following local government areas of:

- Bathurst Regional Council
- Blayney Shire Council
- Lithgow City Council
- Oberon Council

▪ Central Tablelands Water County Council

Central Tablelands Water is the water authority whose purpose is to provide the supply of water services in its area. CTWCC is the water authority in the local government areas of:

- Blayney Shire Council
- Cabonne Council
- Weddin Shire Council

Council is of the opinion that it has significant influence over the county council/s and has accordingly accounted for it as an associate.

Detailed information relating to Council's interest in the above county council/s can be found at Note 19 (b).

(iv) Interests in other entities

Subsidiaries

Council has no interest in any subsidiaries.

Joint arrangements

Council has no interest in any joint arrangements.

(d) Leases

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

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

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

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

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

(e) Impairment of assets

Intangible assets that have an indefinite useful life or are not yet available for use are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(f) Cash and cash equivalents

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

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

(g) Inventories

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

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

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

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

(ii) Inventory held for distribution

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

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

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

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

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

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

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

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

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

disposal group classified as held for sale continue to be recognised.

(i) Investments and other financial assets

Classification

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

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

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

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

(ii) Loans and receivables

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

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

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date.

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

Recognition and de-recognition

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

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

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

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

Subsequent measurement

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

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

Impairment

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

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

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

(i) Assets carried at amortised cost

For 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 Council may measure impairment on the basis of an instrument's fair value using an observable market price.

Collectability of receivables is reviewed on an on-going basis. Debts that are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of receivables) is used when there is

objective evidence that Council will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The amount of the impairment loss is 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.

Investment Policy

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

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

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

(j) Fair value estimation – financial instruments

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

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

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

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

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

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

Externally valued:

- Buildings – specialised/non-specialised
- Roads assets including roads, bridges and footpaths
- Bulk earthworks
- Stormwater drainage
- Water and sewerage networks

Internally valued:

- Operational land
- Community land
- Land improvements
- Other structures

- Sewerage networks
- Other open space/recreational assets
- Other assets

As approximated by depreciated historical cost:

- Plant and equipment

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

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

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

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

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

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

Depreciation

Land is not depreciated.

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

Plant and 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 80 years

Transportation Assets

- Sealed Roads: Surface	20 years
- Sealed Roads: Structure	50 years
- Unsealed roads: Base	10 to 25 years
- Unsealed Roads: Sub Base	150 years
- Bridge: Concrete	100 years
- Bridge: Other	50 years
- Road Pavements	40 to 150 years
- Kerb, Gutter and Paths	40 years

Sewer Assets

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

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

(l) Investment property

Council does not hold any investment property.

(m) Payables

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

(n) Borrowings

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

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

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

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

(o) Borrowing costs

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

(p) Provisions

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

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

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

(q) Employee benefits

(i) Short-term obligations

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

The liability for annual leave and accumulating sick leave is recognised in the provision for employee

benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

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

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

(iii) Retirement benefit obligations

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

Defined Benefit Plans

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

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

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

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.

(r) 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.

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

(s) Self-insurance

Council does not self-insure.

(t) Intangible assets

IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and service, direct payroll, and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight line basis over periods generally ranging from three to five years.

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility, and where Council has an intention and ability to use the asset.

(u) Crown reserves

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

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

(v) Rural fire service assets

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

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

(w) Goods and Services Tax (GST)

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

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

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

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

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

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

AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*

AASB 2015-8 *Amendments to Australian Accounting Standards – Effective Date of AASB 15*

AASB 2016-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107*

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

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

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

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

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

AASB 9 *Financial Instruments (December 2009)*

AASB 15 *Revenue from Contracts with Customers*

AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*

AASB 2014-1 *Amendments to Australian Accounting Standards (Part E)*

AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)*
AASB 1057 *Application of Australian Accounting Standards*

AASB 2016-3 *Amendments to Australian Accounting Standards – Clarifications to AASB 15*

AASB 2016-5 *Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions*

AASB 2016-6 *Amendments to Australian Accounting Standards - Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts*

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

AASB 16 *Leases*

AASB 16 *Leases (Appendix D)*

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

(y) Rounding of amounts

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

(z) 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.

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

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

Functions/activities	Income, expenses and assets have been directly attributed to the following functions/activities. Details of these functions/activities are provided in Note 2(b).												
	Income from continuing operations			Expenses from continuing operations			Operating result from continuing operations			Grants included in income from continuing operations		Total assets held (current and non-current)	
	Original budget	Actual	Actual	Original budget	Actual	Actual	Original budget	Actual	Actual	Actual	Actual	Actual	Actual
	2017	2017	2016	2017	2017	2016	2017	2017	2016	2017	2016	2017	2016
Governance	–	2	4	507	478	412	(507)	(476)	(408)	–	–	–	–
Administration	476	749	407	4,018	3,674	3,311	(3,542)	(2,925)	(2,904)	2	–	10,146	10,618
Public order and safety	337	170	152	474	533	447	(137)	(363)	(295)	112	65	1,420	1,620
Health	6	8	6	84	15	16	(78)	(7)	(10)	–	–	14	8
Environment	1,675	1,440	1,247	1,389	1,622	1,349	286	(182)	(102)	165	89	9,175	9,132
Community services and education	2	1	1	20	25	17	(18)	(24)	(16)	1	1	19	19
Housing and community amenities	176	202	310	483	556	631	(307)	(354)	(321)	25	118	523	627
Sewerage services	1,456	1,488	1,508	1,336	1,623	1,547	120	(135)	(39)	15	15	25,929	25,417
Recreation and culture	504	666	1,126	2,679	2,911	2,791	(2,175)	(2,245)	(1,665)	167	389	20,651	22,161
Mining, manufacturing and construction	433	359	376	471	456	395	(38)	(97)	(19)	–	–	1,275	1,243
Transport and communication	5,740	6,468	5,982	4,900	5,514	4,995	840	954	987	3,830	3,402	143,218	135,107
Economic affairs	145	282	120	274	418	255	(129)	(136)	(135)	10	–	3,270	2,893
Total functions and activities	10,950	11,835	11,239	16,635	17,825	16,166	(5,685)	(5,990)	(4,927)	4,327	4,079	215,640	208,844
Share of gains/(losses) in associates and joint ventures (using the equity method)	–	144	203	–	–	–	–	144	203	–	–	20,975	20,545
General purpose income ¹	10,321	10,670	9,246	–	–	–	10,321	10,670	9,246	3,662	2,459	–	–
Operating result from continuing operations	21,271	22,649	20,688	16,635	17,825	16,166	4,636	4,824	4,522	7,989	6,538	236,615	229,389

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

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

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

GOVERNANCE

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

ADMINISTRATION

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

PUBLIC ORDER AND SAFETY

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

HEALTH

Includes immunisation, food control, health centres etc.

ENVIRONMENT

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

COMMUNITY SERVICES AND EDUCATION

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

HOUSING AND COMMUNITY AMENITIES

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

SEWERAGE SERVICES

RECREATION AND CULTURE

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

MINING, MANUFACTURING AND CONSTRUCTION

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

TRANSPORT AND COMMUNICATION

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

ECONOMIC AFFAIRS

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 3. Income from continuing operations

\$ '000	Actual 2017	Actual 2016
(a) Rates and annual charges		
Ordinary rates		
Residential	1,755	1,607
Farmland	1,968	2,064
Mining	2,539	2,479
Business	405	332
Total ordinary rates	6,667	6,482
Special rates		
Community centre refurbishment	–	275
Mining special rate	1,688	1,684
Total special rates	1,688	1,959
Annual charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)		
Domestic waste management services	972	1,008
Sewerage services	1,018	995
Waste management services (non-domestic)	134	–
Total annual charges	2,124	2,003
TOTAL RATES AND ANNUAL CHARGES	10,479	10,444

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 3. Income from continuing operations (continued)

\$ '000	Actual 2017	Actual 2016
(b) User charges and fees		
Specific user charges (per s.502 – specific 'actual use' charges)		
Sewerage services	200	193
Total user charges	200	193
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s.608)		
Building regulation	220	228
Private works – section 67	202	165
Section 149 certificates (EPA Act)	20	16
Section 603 certificates	17	15
Other	8	5
Total fees and charges – statutory/regulatory	467	429
(ii) Fees and charges – other (incl. general user charges (per s.608))		
Cemeteries	44	41
Fire and emergency services levy (FESL) implementation	266	–
Lease rentals	204	223
Leaseback fees – Council vehicles	56	54
Multipurpose centre	356	329
Quarry revenues	236	257
RMS (formerly RTA) charges (state roads not controlled by Council)	402	287
Waste disposal tipping fees	161	141
Other	7	6
Total fees and charges – other	1,732	1,338
TOTAL USER CHARGES AND FEES	2,399	1,960

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 3. Income from continuing operations (continued)

\$ '000	Actual 2017	Actual 2016
(c) Interest and investment revenue (including losses)		
Interest		
– Interest on overdue rates and annual charges (incl. special purpose rates)	14	16
– Interest earned on investments (interest and coupon payment income)	495	483
– Interest on deferred debtors	5	–
<u>TOTAL INTEREST AND INVESTMENT REVENUE</u>	<u>514</u>	<u>499</u>
Interest revenue is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	14	16
General Council cash and investments	327	290
Restricted investments/funds – external:		
Development contributions		
– Section 94	20	21
– Section 64	23	23
Sewerage fund operations	130	149
Total interest and investment revenue recognised	<u>514</u>	<u>499</u>
(d) Other revenues		
Rental income – other council properties	8	7
Legal fees recovery – other	30	22
Cemeteries	–	7
Diesel rebate	73	96
Insurance rebates	56	42
Insurance claim recoveries	14	3
Paid parental leave	–	47
Recycling income (non-domestic)	–	1
Tourism promotions	–	7
Other	40	26
<u>TOTAL OTHER REVENUE</u>	<u>221</u>	<u>258</u>

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 3. Income from continuing operations (continued)

\$ '000	2017 Operating	2016 Operating	2017 Capital	2016 Capital
(e) Grants				
General purpose (untied)				
Financial assistance – general component	2,424	1,618	–	–
Financial assistance – local roads component	1,189	788	–	–
Pensioners' rates subsidies – general component	49	53	–	–
Total general purpose	3,662	2,459	–	–
Specific purpose				
Pensioners' rates subsidies:				
– Sewerage	15	15	–	–
– Domestic waste management	28	24	–	–
Bushfire and emergency services	–	–	109	60
Cemeteries	–	15	–	–
Domestic waste	85	–	–	50
Employment and training programs	2	–	–	–
Environmental protection	52	15	–	–
Heritage and cultural	4	6	–	–
Library	38	33	–	–
LIRS subsidy	32	35	–	–
Recreation and culture	–	–	129	356
Street lighting	21	40	–	–
Town planning	–	57	–	–
Transport (roads to recovery)	1,401	1,067	–	–
Transport (other roads and bridges funding)	690	–	1,707	2,300
Youth services	1	1	–	–
Tourism	10	–	–	–
Other	3	5	–	–
Total specific purpose	2,382	1,313	1,945	2,766
Total grants	6,044	3,772	1,945	2,766
Grant revenue is attributable to:				
– Commonwealth funding	5,020	3,473	535	–
– State funding	1,024	299	1,410	2,766
	6,044	3,772	1,945	2,766

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 3. Income from continuing operations (continued)

\$ '000	Notes	2017 Operating	2016 Operating	2017 Capital	2016 Capital
(f) Contributions					
Developer contributions:					
(s93 & s94 – EP&A Act, s64 of the LGA):					
S 94 – contributions towards amenities/services		–	–	77	24
S 64 – sewerage service contributions		–	–	38	20
Total developer contributions	17	–	–	115	44
Other contributions:					
Bushfire services		45	74	–	–
Other councils – joint works/services		3	20	–	–
Recreation and culture		–	–	90	88
Roads and bridges		5	6	164	237
RMS contributions (regional roads, block grant)		322	316	–	–
Other		–	2	–	–
Total other contributions		375	418	254	325
Total contributions		375	418	369	369
TOTAL GRANTS AND CONTRIBUTIONS		6,419	4,190	2,314	3,135

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

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

Unexpended at the close of the previous reporting period	2,797	2,906
Add: grants and contributions recognised in the current period but not yet spent:	338	203
Less: grants and contributions recognised in a previous reporting period now spent:	(1,284)	(312)
Net increase (decrease) in restricted assets during the period	(946)	(109)
Unexpended and held as restricted assets	1,851	2,797
Comprising:		
– Specific purpose unexpended grants	179	1,283
– Developer contributions	1,673	1,515
	1,851	2,797

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 4. Expenses from continuing operations

\$ '000	Notes	Actual 2017	Actual 2016
(a) Employee benefits and on-costs			
Salaries and wages		5,411	4,879
Travel expenses		12	21
Employee leave entitlements (ELE)		755	792
ELE on-costs		4	12
Superannuation		603	593
Workers' compensation insurance		103	96
Fringe benefit tax (FBT)		77	71
Training costs (other than salaries and wages)		179	176
Protective clothing		28	20
Other		28	39
Total employee costs		7,200	6,699
Less: capitalised costs		(655)	(586)
TOTAL EMPLOYEE COSTS EXPENSED		6,545	6,113
(b) Borrowing costs			
(i) Interest bearing liability costs			
Interest on loans		139	151
Total interest bearing liability costs expensed		139	151
(ii) Other borrowing costs			
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	26	18	14
Total other borrowing costs		18	14
TOTAL BORROWING COSTS EXPENSED		157	165
(c) Materials and contracts			
Raw materials and consumables		2,956	2,110
Contractor and consultancy costs		346	229
Auditors remuneration ⁽¹⁾		36	39
Legal expenses:			
– Legal expenses: planning and development		3	49
– Legal expenses: debt recovery		35	27
– Legal expenses: other		21	15
Operating leases:			
– Operating lease rentals: minimum lease payments ⁽²⁾		18	17
Return of Contaminated Land Management Grant		61	–
TOTAL MATERIALS AND CONTRACTS		3,476	2,486
(continued on the next page...)			

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	Actual 2017	Actual 2016
(c) Materials and contracts (continued)			
1. Auditor remuneration			
a. During the year, the following fees were incurred for services provided by the Auditor-General:			
(i) Audit and other assurance services			
– Audit and review of financial statements: Auditor-General		28	–
Total Auditor-General remuneration		28	–
b. During the year, the following fees were incurred for services provided by the other Council's Auditors:			
(i) Audit and other assurance services			
– Audit and review of financial statements: Council's Auditor		8	39
Remuneration for audit and other assurance services		8	39
Total remuneration of other Council's Auditors		8	39
Total Auditor remuneration		36	39
2. Operating lease payments are attributable to:			
Other		18	17
		18	17
(d) Depreciation, amortisation and impairment			
Plant and equipment		663	648
Office equipment		69	61
Furniture and fittings		19	18
Land improvements (depreciable)		351	395
Infrastructure:			
– Buildings – non-specialised		121	120
– Buildings – specialised		602	586
– Roads		2,004	2,294
– Bridges		265	262
– Footpaths		75	68
– Stormwater drainage		81	81
– Sewerage network		519	510
– Other open space/recreational assets		85	94
Asset reinstatement costs	9 & 26	25	13
Intangible assets	25	94	80
Total depreciation and amortisation costs		4,973	5,230
Impairment			
Nil			
TOTAL DEPRECIATION AND IMPAIRMENT COSTS EXPENSED		4,973	5,230

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 4. Expenses from continuing operations (continued)

\$ '000	Actual 2017	Actual 2016
(e) Other expenses		
Advertising	71	68
Bad and doubtful debts	83	13
Bank charges	24	24
Cleaning	5	4
Contributions/levies to other levels of government		
– Emergency services levy (includes FRNSW, SES, and RFS levies)	32	31
– NSW fire brigade levy	257	133
Councillor expenses – mayoral fee	24	23
Councillor expenses – councillors' fees	77	75
Councillors' expenses (incl. mayor) – other (excluding fees above)	8	8
Donations, contributions and assistance to other organisations (Section 356)	298	248
– Contributions to Central West Libraries	158	147
– Contribution to Upper Macquarie County Council	69	68
Electricity and heating	258	236
Fire and emergency services levy (FESL) implementation costs	177	–
Insurance	445	393
Postage	18	19
Printing and stationery	39	42
Street lighting	113	98
Subscriptions and publications	247	212
Telephone and communications	46	53
Valuation fees	31	30
Water charges	124	114
Other	70	83
<u>TOTAL OTHER EXPENSES</u>	<u>2,674</u>	<u>2,122</u>

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 5. Gains or losses from the disposal of assets

\$ '000	Actual 2017	Actual 2016
Property (excl. investment property)		
Proceeds from disposal – property	2	–
Net gain/(loss) on disposal	2	–
Plant and equipment		
Proceeds from disposal – plant and equipment	339	263
Less: carrying amount of plant and equipment assets sold/written off	(126)	(205)
Net gain/(loss) on disposal	213	58
Infrastructure		
Less: carrying amount of infrastructure assets sold/written off	(35)	(108)
Net gain/(loss) on disposal	(35)	(108)
Real estate assets held for sale		
Proceeds from disposal – real estate assets	45	–
Less: carrying amount of real estate assets sold/written off	(66)	–
Net gain/(loss) on disposal	(21)	–
<u>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</u>	<u>159</u>	<u>(50)</u>

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

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

\$ '000	2017	2017	2016	2016
	Actual Current	Actual Non-current	Actual Current	Actual Non-current
Cash and cash equivalents (Note 6a)				
Cash on hand and at bank	2,243	–	1,075	–
Cash-equivalent assets ¹				
– Short-term deposits	7,500	–	–	–
Total cash and cash equivalents	9,743	–	1,075	–
Investments (Note 6b)				
– Long term deposits	7,500	–	16,000	–
Total investments	7,500	–	16,000	–
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS	17,243	–	17,075	–

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

Cash and cash equivalents

a. 'At fair value through the profit and loss'

	9,743	–	1,075	–
--	--------------	----------	--------------	----------

Investments

a. 'Loans and receivables'

Investments

	7,500	–	16,000	–
	7,500	–	16,000	–

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

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

\$ '000	2017	2017	2016	2016
	Actual Current	Actual Non-current	Actual Current	Actual Non-current
Total cash, cash equivalents and investments	17,243	–	17,075	–
attributable to:				
External restrictions (refer below)	9,111	–	8,706	–
Internal restrictions (refer below)	7,616	–	8,232	–
Unrestricted	516	–	138	–
	17,243	–	17,075	–

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

Details of restrictions

External restrictions – included in liabilities

Nil

External restrictions – other

Developer contributions – general	(D)	715	98	–	813
Developer contributions – sewer fund	(D)	800	60	–	860
Specific purpose unexpended grants	(F)	1,282	–	(1,103)	179
Sewerage services	(G)	4,357	125	–	4,482
Domestic waste management	(G)	439	409	–	848
Rates – special variation mining	(G)	1,113	–	(400)	713
Voluntary Planning Agreement – Mining	(G)	–	1,217	–	1,217
External restrictions – other		8,706	1,909	(1,503)	9,111
Total external restrictions		8,706	1,909	(1,503)	9,111

D Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans (refer Note 17).

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

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

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

2017 \$ '000	Opening balance	Transfers to restrictions	Transfers from restrictions	Closing balance
Internal restrictions				
Plant and vehicle replacement	1,636	–	(1,417)	219
Employees leave entitlement	571	90	–	661
Asset reserve – buildings	351	13	(207)	157
Asset reserve – parks and recreation	507	46	(206)	347
Asset reserve – transport	2,354	1,490	(1,390)	2,454
Asset reserve – stormwater	147	–	(96)	51
Blayney sports facility master plans	170	3	(20)	153
Blayney town works	135	–	(130)	5
Cemeteries	1	40	–	41
Centrepoint reserve	850	190	(43)	997
Election reserve	61	17	–	78
Environmental projects – Belubula river	54	–	–	54
Inala units	96	–	–	96
I.T reserve	63	33	–	96
King George Oval	200	–	(30)	170
Land fill remediations and assets	112	–	(112)	–
Property account	505	45	(5)	545
Quarry	295	–	(121)	174
Village enhancement program	124	89	(124)	89
Financial Assistance Grant	–	1,229	–	1,229
Total internal restrictions	8,232	3,285	(3,901)	7,616
TOTAL RESTRICTIONS	16,938	5,194	(5,404)	16,727

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 7. Receivables

\$ '000	2017		2016	
	Current	Non-current	Current	Non-current
Purpose				
Rates and annual charges	136	54	163	42
Interest and extra charges	46	–	33	–
User charges and fees	880	–	210	109
Private works	–	–	184	23
Accrued revenues				
– Interest on investments	173	–	147	–
Deferred debtors	58	72	24	34
Government grants and subsidies	3	–	1	–
Net GST receivable	127	–	11	–
Total	1,423	126	773	208
Less: provision for impairment				
Other debtors	(135)	–	(133)	–
Total provision for impairment – receivables	(135)	–	(133)	–
TOTAL NET RECEIVABLES	1,288	126	640	208
Externally restricted receivables				
Sewerage services				
– Rates and availability charges	39	–	36	–
Domestic waste management	31	–	–	–
Total external restrictions	70	–	36	–
Internally restricted receivables				
Nil				
Unrestricted receivables	1,218	126	604	208
TOTAL NET RECEIVABLES	1,288	126	640	208

Notes on debtors above:

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

Blayney Shire Council

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

Note 8. Inventories and other assets

\$ '000	2017		2016	
	Current	Non-current	Current	Non-current
(a) Inventories				
(i) Inventories at cost				
Real estate for resale (refer below)	379	–	445	–
Stores and materials	83	–	66	–
Trading stock	601	–	328	–
Total inventories at cost	1,063	–	839	–
(ii) Inventories at net realisable value (NRV)				
Nil				
<u>TOTAL INVENTORIES</u>	<u>1,063</u>	<u>–</u>	<u>839</u>	<u>–</u>
(b) Other assets				
Prepayments	63	–	52	–
<u>TOTAL OTHER ASSETS</u>	<u>63</u>	<u>–</u>	<u>52</u>	<u>–</u>

Externally restricted assets

There are no restrictions applicable to the above assets.

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 8. Inventories and other assets (continued)

\$ '000	Notes	2017		2016	
		Current	Non-current	Current	Non-current
Other disclosures					
(a) Details for real estate development					
Industrial/commercial		379	–	445	–
Total real estate for resale		379	–	445	–
(Valued at the lower of cost and net realisable value)					
Represented by:					
Acquisition costs		379	–	445	–
Total costs		379	–	445	–
Total real estate for resale		379	–	445	–
Movements:					
Real estate assets at beginning of the year		445	–	445	–
– WDV of sales (expense)	5	(66)	–	–	–
Total real estate for resale		379	–	445	–

(b) Current assets not anticipated to be settled within the next 12 months

The following inventories and other assets, even though classified as current are not expected to be recovered in the next 12 months;

	2017	2016
Real estate for resale	379	445
	379	445

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

– Stores and materials	538	518
------------------------	-----	-----

(d) 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.

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 9a. Infrastructure, property, plant and equipment

Asset class \$ '000	as at 30/6/2016			Asset movements during the reporting period								as at 30/6/2017		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Tfrs from/(to) 'held for sale' category	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
Capital work in progress	85	–	85	114	38	–	–	(85)	–	–	–	152	–	152
Plant and equipment	11,393	8,564	2,829	2,310	244	(126)	(663)	–	–	–	–	12,950	8,356	4,594
Office equipment	747	586	161	52	–	–	(69)	–	–	–	–	798	654	144
Furniture and fittings	515	372	143	12	6	–	(19)	–	–	–	–	531	389	142
Land:														
– Operational land	1,467	–	1,467	–	–	–	–	–	–	–	–	1,467	–	1,467
– Community land	4,043	–	4,043	–	–	–	–	–	–	–	–	4,043	–	4,043
Land improvements – depreciable	6,516	2,131	4,385	36	–	–	(351)	–	–	–	–	6,552	2,482	4,070
Infrastructure:														
– Buildings – non-specialised	3,770	1,810	1,960	228	–	–	(121)	–	–	(650)	–	2,671	1,254	1,417
– Buildings – specialised	18,733	8,619	10,114	372	–	–	(602)	–	–	–	–	19,107	9,223	9,884
– Roads	124,333	27,428	96,905	4,550	9	–	(2,004)	–	23	–	–	128,915	29,432	99,483
– Bridges	26,432	3,841	22,591	768	–	(35)	(265)	–	(23)	–	–	26,841	3,805	23,036
– Footpaths	5,675	1,954	3,721	626	–	–	(75)	–	–	–	–	6,301	2,029	4,272
– Bulk earthworks (non-depreciable)	11,625	–	11,625	–	–	–	–	–	–	–	–	11,625	–	11,625
– Stormwater drainage	8,598	1,259	7,339	366	–	–	(81)	–	–	–	–	8,964	1,340	7,624
– Sewerage network	29,025	9,448	19,577	119	–	–	(519)	–	–	–	693	30,275	10,405	19,870
– Other open space/recreational assets	3,636	1,061	2,575	251	129	–	(85)	85	–	–	–	4,102	1,147	2,955
Reinstatement, rehabilitation and restoration assets (refer Note 26):														
– Tip assets	224	135	89	1	–	–	(11)	–	–	–	–	225	146	79
– Quarry assets	202	22	180	11	–	–	(14)	–	–	–	–	214	37	177
TOTAL INFRASTRUCTURE, PROPERTY, PLANT AND EQUIP.	257,019	67,230	189,789	9,816	426	(161)	(4,879)	–	–	(650)	693	265,733	70,699	195,034

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

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

Blayney Shire Council

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

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

\$ '000 Class of asset	Actual 2017			Actual 2016		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount
Sewerage services						
WIP	5	–	5	–	–	–
Plant and equipment	364	148	216	283	111	172
Land						
– Community land	229	–	229	229	–	229
Buildings	338	110	228	338	100	238
Infrastructure	30,275	10,405	19,870	29,025	9,448	19,577
Total sewerage services	31,211	10,663	20,548	29,875	9,659	20,216
Domestic waste management						
Land						
– Community land	160	–	160	160	–	160
Total DWM	160	–	160	160	–	160
TOTAL RESTRICTED I,PP&E	31,371	10,663	20,708	30,035	9,659	20,376

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

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 10a. Payables, borrowings and provisions

\$ '000	Notes	2017		2016	
		Current	Non-current	Current	Non-current
Payables					
Goods and services – operating expenditure		1,856	–	421	–
Accrued expenses:					
– Borrowings		15	–	17	–
– Other expenditure accruals		32	2	31	1
Security bonds, deposits and retentions		240	–	231	–
ATO – net GST payable		–	–	48	–
Total payables		2,143	2	748	1
Income received in advance					
Payments received in advance		221	–	196	–
Total income received in advance		221	–	196	–
Borrowings					
Loans – secured ¹		202	1,780	190	1,982
Total borrowings		202	1,780	190	1,982
Provisions					
Employee benefits:					
Annual leave		488	–	447	–
Long service leave		1,182	89	1,094	58
ELE on-costs		83	3	82	2
Sub-total – aggregate employee benefits		1,753	92	1,623	60
Asset remediation/restoration (future works)	26	–	687	–	657
Total provisions		1,753	779	1,623	717
TOTAL PAYABLES, BORROWINGS AND PROVISIONS					
		4,319	2,561	2,757	2,700
(i) Liabilities relating to restricted assets					
		2017		2016	
		Current	Non-current	Current	Non-current
Externally restricted assets					
Sewer		62	610	57	650
Liabilities relating to externally restricted assets		62	610	57	650
Internally restricted assets					
Nil					
Total liabilities relating to restricted assets		62	610	57	650
Total liabilities relating to unrestricted assets		4,257	1,951	2,700	2,050
TOTAL PAYABLES, BORROWINGS AND PROVISIONS		4,319	2,561	2,757	2,700

¹ Loans are secured over the general rating income of Council

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

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

\$ '000	Actual 2017	Actual 2016
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(ii) Current liabilities not anticipated to be settled within the next twelve months

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

Provisions – employees benefits	1,305	1,204
Payables – security bonds, deposits and retentions	216	194
	<u>1,521</u>	<u>1,398</u>

Note 10b. Description of and movements in provisions

Class of provision	2016		2017			
	Opening balance as at 1/7/16	Additional provisions	Decrease due to payments	Remeasurement effects due to discounting	Unused amounts reversed	Closing balance as at 30/6/17
Annual leave	447	41	–	–	–	488
Long service leave	1,152	119	–	–	–	1,271
ELE on-costs	84	2	–	–	–	86
Asset remediation	657	12	–	18	–	687
TOTAL	2,340	174	–	18	–	2,532

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 11. Statement of cash flows – additional information

\$ '000	Notes	Actual 2017	Actual 2016
(a) Reconciliation of cash assets			
Total cash and cash equivalent assets	6a	9,743	1,075
Less bank overdraft	10	–	–
Balance as per the Statement of Cash Flows		9,743	1,075
(b) Reconciliation of net operating result to cash provided from operating activities			
Net operating result from Income Statement		4,824	4,523
Adjust for non-cash items:			
Depreciation and amortisation		4,973	5,230
Net losses/(gains) on disposal of assets		(159)	50
Non-cash capital grants and contributions		–	(16)
Unwinding of discount rates on reinstatement provisions		18	14
Share of net (profits) or losses of associates/joint ventures		(144)	(203)
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		(496)	162
Increase/(decrease) in provision for doubtful debts		2	(4)
Decrease/(increase) in inventories		(290)	(103)
Decrease/(increase) in other assets		(11)	(32)
Increase/(decrease) in payables		1,435	(22)
Increase/(decrease) in accrued interest payable		(2)	(1)
Increase/(decrease) in other accrued expenses payable		2	5
Increase/(decrease) in other liabilities		(14)	65
Increase/(decrease) in employee leave entitlements		162	230
Increase/(decrease) in other provisions		12	135
Net cash provided from/(used in) operating activities from the Statement of Cash Flows		10,312	10,033

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 11. Statement of cash flows – additional information (continued)

\$ '000	Notes	Actual 2017	Actual 2016
(c) Non-cash investing and financing activities			
Other dedications		–	16
Total non-cash investing and financing activities		–	16
(d) Financing arrangements			
(i) Unrestricted access was available at balance date to the following lines of credit:			
Bank overdraft facilities ⁽¹⁾		50	50
Credit cards/purchase cards		40	40
Total financing arrangements		90	90
Amounts utilised as at balance date:			
– Credit cards/purchase cards		8	9
Total financing arrangements utilised		8	9

1. The bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.

Interest rates on overdrafts are interest rates on loans and other payables are disclosed in Note 15.

(ii) Secured loan liabilities

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

Note 12. Commitments for expenditure

Nil

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

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

\$ '000	Amounts 2017	Indicator 2017	Prior periods		Benchmark
			2016	2015	
Local government industry indicators – consolidated					
1. Operating performance ratio					
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions less operating expenses	<u>2,207</u>	11.02%	7.12%	3.59%	>0.00%
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions	<u>20,032</u>				
2. Own source operating revenue ratio					
Total continuing operating revenue ⁽¹⁾ excluding all grants and contributions	<u>13,613</u>	60.92%	64.24%	71.86%	>60.00%
Total continuing operating revenue ⁽¹⁾	<u>22,346</u>				
3. Unrestricted current ratio					
Current assets less all external restrictions ⁽²⁾	<u>10,747</u>	3.93x	7.23x	6.73x	>1.5x
Current liabilities less specific purpose liabilities ^(3, 4)	<u>2,736</u>				
4. Debt service cover ratio					
Operating result ⁽¹⁾ before capital excluding interest and depreciation/impairment/amortisation	<u>7,337</u>	21.14x	19.39x	10.65x	>2x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<u>347</u>				
5. Rates, annual charges, interest and extra charges outstanding percentage					
Rates, annual and extra charges outstanding	<u>236</u>	2.20%	2.23%	2.28%	<10% Rural
Rates, annual and extra charges collectible	<u>10,731</u>				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	<u>17,243</u>	15.67 mths	17.3 mths	13.7 mths	> 3 mths
Payments from cash flow of operating and financing activities	<u>1,100</u>				

Notes

- (1) Excludes fair value adjustments and reversal of revaluation decrements, net gain/(loss) on sale of assets and the net share of interests in joint ventures and associates.
- (2) Refer Notes 6-8 inclusive.
Also excludes any real estate and land for resale not expected to be sold in the next 12 months.
- (3) Refer to Note 10(a).
- (4) Refer to Note 10(a)(ii) – excludes all payables and provisions not expected to be paid in the next 12 months (incl. ELE).

Blayney Shire Council

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

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



Purpose of operating performance ratio

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

Commentary on 2016/17 result

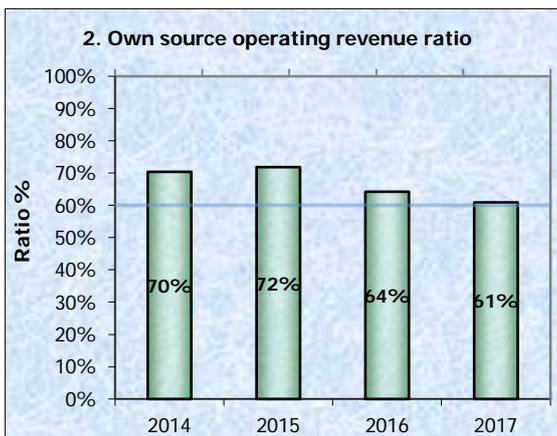
2016/17 ratio 11.02%

The increase in Council's operating performance ratio was largely impacted by the 2 advance payments of the 17/18 Financial Assistance Grant totalling 1.23m and is not a true reflection of Council's performance for the 16/17 financial year. Additional Roads to Recovery funding and storm damage funding has also contributed to the increase in this ratio.

Benchmark: ——— Minimum $\geq 0.00\%$

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

 Ratio achieves benchmark
 Ratio is outside benchmark



Purpose of own source operating revenue ratio

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

Commentary on 2016/17 result

2016/17 ratio 60.92%

Heavily influenced by rates generated. Rates has declined due to significance of grant income during financial period

Benchmark: ——— Minimum $\geq 60.00\%$

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

 Ratio achieves benchmark
 Ratio is outside benchmark



Purpose of unrestricted current ratio

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

Commentary on 2016/17 result

2016/17 ratio 3.93x

Whilst 2016/17 saw a significant reduction in this ratio, it is still well above industry benchmark maintaining Council's strong ability to satisfy debts.

Benchmark: ——— Minimum ≥ 1.50

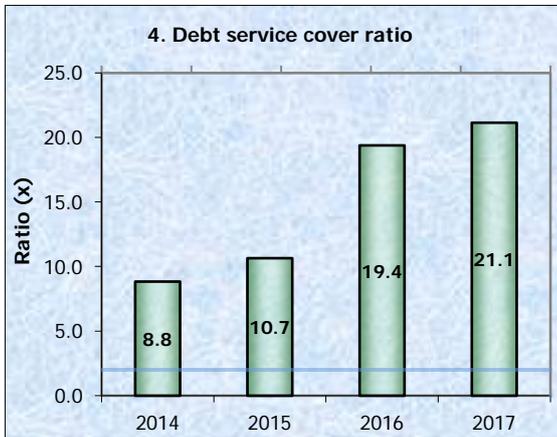
Source for benchmark: Code of Accounting Practice and Financial Reporting #25

 Ratio achieves benchmark
 Ratio is outside benchmark

Blayney Shire Council

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

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



Purpose of debt service cover ratio

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

Commentary on 2016/17 result

2016/17 ratio 21.14x

Council's relatively low rate of borrowings continues to ensure Council's ability to service debt as required.

Benchmark: Minimum >=2.00

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

Ratio achieves benchmark
 Ratio is outside benchmark



Purpose of rates and annual charges outstanding ratio

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

Commentary on 2016/17 result

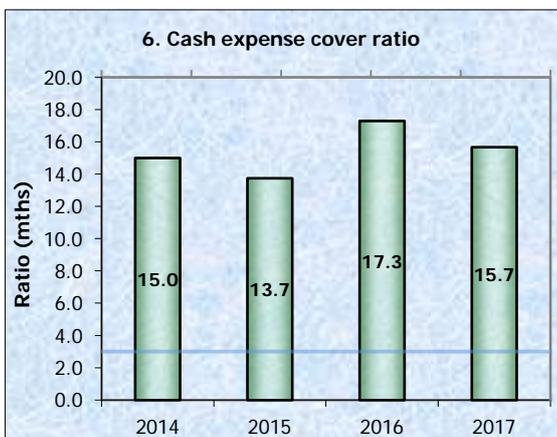
2016/17 ratio 2.20%

The effective processes implemented by Council's revenue staff for the collection of outstanding rates and charges is demonstrated by the continued improvement in this ratio.

Benchmark: Maximum <5.00%

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

Ratio is within Benchmark
 Ratio is outside Benchmark



Purpose of cash expense cover ratio

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

Commentary on 2016/17 result

2016/17 ratio 15.67 mths

Whilst this ratio continues to be strong for Council it is inflated by the advance payment of the 2017/18 financial assistance grant. This however demonstrates the use of Council's restricted cash in the completion of deferred capital works programs.

Benchmark: Minimum >=3.00

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

Ratio achieves benchmark
 Ratio is outside benchmark

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

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

\$ '000	General indicators ⁵		Sewer indicators		Benchmark
	2017	2016	2017	2016	
Local government industry indicators – by fund					
1. Operating performance ratio					
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions less operating expenses	12.81%	8.15%	-11.93%	-3.81%	>0.00%
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions					
2. Own source operating revenue ratio					
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions	58.41%	61.59%	96.03%	97.36%	>60.00%
Total continuing operating revenue ⁽¹⁾					
3. Unrestricted current ratio					
Current assets less all external restrictions ⁽²⁾	3.93x	7.23x	72.92x	77.07x	>1.5x
Current liabilities less specific purpose liabilities ^(3,4)					

Notes

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

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

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

\$ '000	General indicators ⁵		Sewer indicators		Benchmark
	2017	2016	2017	2016	
Local government industry indicators – by fund (continued)					
4. Debt service cover ratio					
Operating result ⁽¹⁾ before capital excluding interest and depreciation/impairment/amortisation	27.23x	24.25x	4.76x	5.98x	>2x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)					
5. Rates, annual charges, interest and extra charges outstanding percentage					
Rates, annual and extra charges outstanding	2.04%	2.09%	3.68%	3.50%	<10% Rural
Rates, annual and extra charges collectible					
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	11.48	13.24	61.94	59.22	> 3 months
Payments from cash flow of operating and financing activities	months	months	months	months	
	x12				

Notes

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

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 14. Investment properties

\$ '000

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

Note 15. Financial risk management

Risk management

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

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

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

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 and financial liabilities recognised in the financial statements is presented below.

	Carrying value		Fair value	
	2017	2016	2017	2016
Financial assets				
Cash and cash equivalents	9,743	1,075	9,743	1,075
Investments				
– 'Loans and receivables'	7,500	16,000	7,500	16,000
Receivables	1,414	848	1,414	848
Total financial assets	18,657	17,923	18,657	17,923
Financial liabilities				
Payables	2,145	749	2,145	749
Loans/advances	1,982	2,172	1,982	2,172
Total financial liabilities	4,127	2,921	4,127	2,921

Fair value is determined as follows:

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

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 15. Financial risk management (continued)

\$ '000

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

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

Council has an investment policy which complies with the *Local Government Act 1993* and Minister's investment order. This policy is regularly reviewed by Council and 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.

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

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

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

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

	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
2017				
Possible impact of a 1% movement in interest rates	22	22	(22)	(22)
2016				
Possible impact of a 1% movement in interest rates	11	11	(11)	(11)

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 15. Financial risk management (continued)

\$ '000

(b) Credit risk

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

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

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

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

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

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

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

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

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

	2017 Rates and annual charges	2017 Other receivables	2016 Rates and annual charges	2016 Other receivables
(i) Ageing of receivables – %				
Current (not yet overdue)	0%	45%	0%	31%
Overdue	100%	55%	100%	69%
	100%	100%	100%	100%

(ii) Ageing of receivables – value

Rates and annual charges	Other receivables	2017 Rates and annual charges	2017 Other receivables	2016 Rates and annual charges	2016 Other receivables
Current	Current	–	748	–	240
< 1 year overdue	0 – 30 days overdue	136	237	163	153
1 – 2 years overdue	31 – 60 days overdue	27	8	42	11
2 – 5 years overdue	61 – 90 days overdue	27	61	–	44
> 5 years overdue	> 91 days overdue	–	305	–	328
		190	1,359	205	776

(iii) Movement in provision for impairment of receivables

	2017	2016
Balance at the beginning of the year	133	137
+ new provisions recognised during the year	135	13
– amounts already provided for and written off this year	(133)	(17)
Balance at the end of the year	135	133

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 15. Financial risk management (continued)

\$ '000

(c) Liquidity risk

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

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

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

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

\$ '000	Subject to no maturity	payable in:						Total cash outflows	Actual carrying values
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
2017									
Trade/other payables	240	1,903	2	–	–	–	–	2,145	2,145
Loans and advances	–	330	330	330	330	330	964	2,614	1,982
Total financial liabilities	240	2,233	332	330	330	330	964	4,759	4,127
2016									
Trade/other payables	231	517	1	–	–	–	–	749	749
Loans and advances	–	330	330	330	330	330	1,295	2,945	2,172
Total financial liabilities	231	847	331	330	330	330	1,295	3,694	2,921

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

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

	2017		2016	
	Carrying value	Average interest rate	Carrying value	Average interest rate
Trade/other payables	2,145	0.00%	749	0.00%
Loans and advances – fixed interest rate	1,982	6.63%	2,172	6.63%
	<u>4,127</u>		<u>2,921</u>	

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 16. Material budget variations

\$ '000

Council's original financial budget for 16/17 was adopted by the Council on 19 June 2017.

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

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

Note that for variations* of budget to actual :

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

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

\$ '000	2017 Budget	2017 Actual	2017 ----- Variance* -----		
REVENUES					
Rates and annual charges	10,408	10,479	71	1%	F
User charges and fees	1,973	2,399	426	22%	F
Blayney Shire Council was engaged by NSW Treasury a pilot council for the introduction of the Fire & Emergency Services Levy. The increase in User Fees & Charges is largely impacted by the \$275k that was received for implementation of the levy and software development costs with Council's I.T provider.					
Interest and investment revenue	385	514	129	34%	F
Council's largest rate payer who accounts for roughly 50% of Council's total rate base paid their rates in full at the first instalment date. A significant increase in interest was earned as a result of the advance payment.					
Other revenues	168	221	53	32%	F
Additional 13k Diesel Fuel Rebate due to additional plant usage Additional and unbudgeted insurance rebates totalled 26k Unbudgeted fleet purchase rebates 7k					
Operating grants and contributions	4,250	6,419	2,169	51%	F
Council received an advance payment of the first 2 quarters of the 17/18 Financial Assistance Grant totalling 1.23m An additional 500k was received to repair damages to the road network as a result of the storm event An additional 170k was received for the works completed under the Roads to Recovery Program					
Capital grants and contributions	3,908	2,314	(1,594)	(41%)	U
Unsuccessful in bid for 400k funding for UPSS Remediation Delayed build of RFS Sheds, 153k unexpended and unclaimed at year end					
Net gains from disposal of assets	179	159	(20)	(11%)	U
Council sustained a 21k loss on the sale of land which was not anticipated to be sold in this financial year.					
Joint ventures and associates - net profits	–	144	144	0%	F
Council did not budget for any share of interests in Joint Ventures					

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 16. Material budget variations (continued)

\$ '000	2017 Budget	2017 Actual	2017 ----- Variance* -----		
EXPENSES					
Employee benefits and on-costs	5,886	6,545	(659)	(11%)	U
Council was in receipt of additional funding throughout the financial year to complete works as a result of the extreme wet weather and flood event. Significant unbudgeted overtime was paid to flood damage works were completed and also to ensure that delayed capital projects were completed on schedule.					
Borrowing costs	177	157	20	11%	F
Interest on the bridge replacement loan had been incorrectly budgeted for.					
Materials and contracts	2,785	3,476	(691)	(25%)	U
Increased service contracts and plant usage due to the increased maintenance works on flood and stork damaged roads.					
Depreciation and amortisation	5,344	4,973	371	7%	F
Other expenses	2,443	2,674	(231)	(9%)	U

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

Cash flows from operating activities	9,662	10,312	650	6.7%	F
Cash flows from investing activities	(10,363)	(1,454)	8,909	(86.0%)	F
Council had budgeted an additional \$1.45m in purchase of property plant and equipment than was actually achieved.					
Cash flows from financing activities	981	(190)	(1,171)	(119.4%)	U
Council had budgeted \$1.2m in new borrowings in the 2016/17 financial year to fund its bridge replacement program. However the project was not completed in 16/17 and the remainder of the works have been carried forward until 17/18 at which time borrowings will be sought.					

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 17. Statement of developer contributions

\$ '000

Council recovers contributions, raises levies and enters into planning agreements on development works that are subject to a development consent issued by Council. All contributions must be spent/utilised for the specific purpose they were levied and any interest applicable to unspent funds must be attributed to remaining funds.

The following tables detail the receipt, interest and use of the above contributions and levies and the value of all remaining funds which are 'restricted' in their future use.

SUMMARY OF CONTRIBUTIONS AND LEVIES

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Local infrastructure fund	715	78	–	20	–	–	813	–
S94 contributions – under a plan	715	78	–	20	–	–	813	–
Total S94 revenue under plans	715	78	–	20	–	–	813	–
S64 contributions	800	37	–	23	–	–	860	–
Total contributions	1,515	115	–	43	–	–	1,673	–

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 17. Statement of developer contributions (continued)

\$ '000

S94 CONTRIBUTIONS – UNDER A PLAN

CONTRIBUTION PLAN NUMBER – Local infrastructure fund

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Local infrastructure fund	715	78	–	20	–	–	813	–
Total	715	78	–	20	–	–	813	–

S64 contributions

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Community facilities	800	37	–	23	–	–	860	–
Total	800	37	–	23	–	–	860	–

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 18. Contingencies and other assets/liabilities not recognised

\$ '000

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

LIABILITIES NOT RECOGNISED:

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

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

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

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

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

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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

(iv) Other guarantees

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

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

\$ '000

LIABILITIES NOT RECOGNISED (continued):

2. Other liabilities

(i) Third party claims

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

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

(ii) 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 Council's 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.

At reporting date, reliable estimates as to the value of any potential liability (and 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 and including 30/6/08.

(ii) Infringement notices/fines

Fines and penalty income, the result of Council issuing infringement notices is followed up and collected by the Infringement Processing Bureau.

Council's 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.

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 19. Interests in other entities

\$ '000

Council's objectives can and in some cases are best met through the use of separate entities and operations.

These operations and entities range from 100% ownership and control through to lower levels of ownership and control via co-operative arrangements with other councils, bodies and other outside organisations.

The accounting and reporting for these various entities, operations and arrangements varies in accordance with accounting standards, depending on the level of council's (i) interest and (ii) control and the type (form) of entity/operation, as follows;

Controlled entities (subsidiaries)

Note 19(a)

Operational arrangements where Council's control (but not necessarily interest) exceeds 50%.

Joint ventures and associates

Note 19(b)

Joint ventures are operational arrangements where the parties that have joint control have rights to the net assets of the arrangement.

Associates are separate entities where Council has significant influence over the operations (but neither controls nor jointly controls them).

Joint operations

Note 19(c)

Operational arrangements where the parties that have joint control have rights to specific assets and obligations for specific liabilities relating to the arrangement rather than a right to the net assets of the arrangement.

Unconsolidated structured entities

Note 19(d)

Unconsolidated structured entities represent "special vehicles" that Council has an interest in but which are not controlled by Council and therefore not consolidated as a subsidiary, joint arrangement or associate. Attributes of structured entities include restricted activities, a narrow and well-defined objective and insufficient equity to finance its activities without financial support.

Subsidiaries, joint arrangements and associates not recognised

Note 19(e)

Accounting recognition:

(i) Subsidiaries disclosed under Note 19(a) and joint operations disclosed at Note 19(c) are accounted for on a 'line by line' consolidation basis within the Income Statement and Statement of Financial Position.

(ii) Joint ventures and associates as per Note 19(b) are accounted for using the equity accounting method and are disclosed as a 1 line entry in both the Income Statement and Statement of Financial Position.

	Council's share of net income		Council's share of net assets	
	Actual 2017	Actual 2016	Actual 2017	Actual 2016
Joint ventures	–	–	–	–
Associates	144	203	20,975	20,545
Total	144	203	20,975	20,545

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 19. Interests in other entities (continued)

\$ '000

(a) Controlled entities (subsidiaries) – being entities and operations controlled by Council

Council has no interest in any controlled entities (subsidiaries).

(b) Joint ventures and associates

Council has incorporated the following joint ventures and associates into its consolidated financial statements.

(a) Net carrying amounts – Council's share

Name of entity	Nature of relationship	Measurement method	2017	2016
Central Tablelands Water	Associate	Equity	20,786	20,324
Upper Macquarie County Council	Associate	Equity	189	221
Total carrying amounts – material joint ventures and associates			20,975	20,545

(b) Details

Name of entity	Principal activity	Place of business
Central Tablelands Water	Water supply	Blayney
Upper Macquarie County Council	Weeds Council	Bathurst

(c) Relevant interests and fair values

Name of entity	Proportion of voting power	
	2017	2016
Central Tablelands Water	33%	33%
Upper Macquarie County Council	25%	25%

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 19. Interests in other entities (continued)

\$ '000

(b) Joint ventures and associates (continued)

(d) Summarised financial information for joint ventures and associates

	Central Tablelands Water		Upper Macquarie County Council	
	2017	2016	2017	2016
Statement of financial position				
Current assets				
Cash and cash equivalents	873	873	874	1,142
Other current assets	9,124	7,738	133	78
Non-current assets	56,284	56,284	160	169
Current liabilities				
Current financial liabilities (excluding trade and other payables and provisions)	409	409	–	–
Other current liabilities	1,156	1,156	327	219
Non-current liabilities				
Non-current financial liabilities (excluding trade and other payables and provisions)	2,352	2,352	85	285
Net assets	62,364	60,978	755	885
Reconciliation of the carrying amount				
Opening net assets (1 July)	60,978	59,592	885	780
Profit/(loss) for the period	532	532	(130)	105
Dividends received	854	854	–	–
Closing net assets	62,364	60,978	755	885
Council's share of net assets (%)	33.3%	33.3%	25.0%	25.0%
Council's share of net assets (\$)	20,786	20,324	189	221
Statement of comprehensive income				
Income	5,697	5,697	1,740	1,834
Interest income	206	206	14	25
Depreciation and amortisation	(1,822)	(1,822)	(45)	(43)
Interest expense	(198)	(198)	–	–
Other expenses	(3,351)	(3,351)	(1,839)	(1,711)
Profit/(loss) for period	532	532	(130)	105
Other comprehensive income	854	854	–	–
Total comprehensive income	1,386	1,386	(130)	105
Share of income – Council (%)	33.3%	33.3%	25.0%	25.0%
Profit/(loss) – Council (\$)	177	177	(33)	26
Total comprehensive income – Council (\$)	462	462	(33)	26

Blayney Shire Council

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

Note 19. Interests in other entities (continued)

\$ '000

(c) Joint operations

Council has no interest in any joint operations.

(d) Unconsolidated structured entities

Council has no unconsolidated structured entities

(e) Subsidiaries, joint arrangements and associates not recognised

The following subsidiaries, joint arrangements and associates have not been recognised in this financial report.

Name of entity/operation	Principal activity/type of entity
Central West Libraries	Library services to member councils
Strategic Alliance; Blayney & Cabonne Councils & Central Tablelands Water	Investigation and provision of economies of scale opportunities for member councils

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

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

\$ '000	Notes	Actual 2017	Actual 2016
(a) Retained earnings			
Movements in retained earnings were as follows:			
Balance at beginning of year (from previous years audited accounts)		88,787	83,327
a. Correction of prior period errors	20 (c)	–	654
b. Other comprehensive income (excl. direct to reserves transactions)		286	283
c. Net operating result for the year		4,824	4,523
Balance at end of the reporting period		93,897	88,787
(b) Revaluation reserves			
(i) Reserves are represented by:			
– Infrastructure, property, plant and equipment revaluation reserve		135,838	135,145
Total		135,838	135,145
(ii) Reconciliation of movements in reserves:			
Infrastructure, property, plant and equipment revaluation reserve			
– Opening balance		135,145	133,135
– Revaluations for the year	9(a)	693	2,010
– Balance at end of year		135,838	135,145
TOTAL VALUE OF RESERVES		135,838	135,145

(iii) Nature and purpose of reserves**Infrastructure, property, plant and equipment revaluation reserve**

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

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

\$ '000	Actual 2017	Actual 2016
(c) Correction of error/s relating to a previous reporting period		
Correction of errors as disclosed in last year's financial statements:		
– Land Improvements Carrying Value	–	304
– Open Space/Recreational Assets Carrying Value	–	350
This adjustment resulted in a net increase/(decrease) in Council's accumulated surplus as at 30/6/15.		
In accordance with AASB 108 – Accounting Policies, Changes in Accounting Estimates and Errors, the above prior period errors have been recognised retrospectively.		
These amounted to the following equity adjustments:		
– Adjustments to opening equity – 1/7/15 (relating to adjustments for the 30/6/15 reporting year end and prior periods)	–	654
– Adjustments to closing equity – 30/6/16 (relating to adjustments for the 30/6/16 year end)	–	–
Total prior period adjustments – prior period errors	–	654

(d) Voluntary changes in accounting policies

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 21. Financial result and financial position by fund

Income Statement by fund \$ '000	Actual 2017	Actual 2017
	Sewer	General¹
Continuing operations		
Income from continuing operations		
Rates and annual charges	1,061	9,418
User charges and fees	207	2,192
Interest and investment revenue	153	361
Other revenues	9	212
Grants and contributions provided for operating purposes	20	6,399
Grants and contributions provided for capital purposes	38	2,276
Other income		
Net gains from disposal of assets	–	159
Share of interests in joint ventures and associates using the equity method	–	144
Total income from continuing operations	1,488	21,161
Expenses from continuing operations		
Employee benefits and on-costs	299	6,246
Borrowing costs	54	103
Materials and contracts	601	2,875
Depreciation and amortisation	566	4,407
Impairment	–	–
Other expenses	103	2,571
Total expenses from continuing operations	1,623	16,202
Operating result from continuing operations	(135)	4,959
Discontinued operations		
Net profit/(loss) from discontinued operations	–	–
Net operating result for the year	(135)	4,959
Net operating result attributable to each council fund	(135)	4,959
Net operating result attributable to non-controlling interests	–	–
Net operating result for the year before grants and contributions provided for capital purposes	(173)	2,683

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

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

Blayney Shire Council

Notes to the Financial Statements

as at 30 June 2017

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

Statement of Financial Position by fund \$ '000	Actual 2017	Actual 2017
ASSETS	Sewer	General¹
Current assets		
Cash and cash equivalents	695	9,048
Investments	4,647	2,853
Receivables	39	1,249
Inventories	–	1,063
Other	–	63
Non-current assets classified as 'held for sale'	–	650
Total current assets	5,381	14,926
Non-current assets		
Investments	–	–
Receivables	–	126
Inventories	–	–
Infrastructure, property, plant and equipment	20,548	174,486
Investments accounted for using the equity method	–	20,975
Investment property	–	–
Intangible assets	–	173
Total non-current assets	20,548	195,760
TOTAL ASSETS	25,929	210,686
LIABILITIES		
Current liabilities		
Payables	22	2,121
Income received in advance	–	221
Borrowings	40	162
Provisions	–	1,753
Total current liabilities	62	4,257
Non-current liabilities		
Payables	–	2
Borrowings	610	1,170
Provisions	–	779
Total non-current liabilities	610	1,951
TOTAL LIABILITIES	672	6,208
Net assets	25,257	204,478
EQUITY		
Retained earnings	9,307	84,590
Revaluation reserves	15,950	119,888
Total equity	25,257	204,478

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

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

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

\$ '000	2017	2017	2016	2016
	Current	Non-current	Current	Non-current
(i) Non-current assets and disposal group assets				
Non-current assets 'held for sale'				
Buildings	650	–	–	–
Total non-current assets 'held for sale'	650	–	–	–
Disposal group assets 'held for sale'				
None				
<u>TOTAL NON-CURRENT ASSETS CLASSIFIED AS 'HELD FOR SALE'</u>	<u>650</u>	<u>–</u>	<u>–</u>	<u>–</u>

(ii) Details of assets and disposal groups

An expression of interest for the sale of Inala Units was undertaken throughout the financial year. At the May meeting Council endorsed the recommendation to proceed with the selective tender which closed on the 29 June 2017. Council determined the outcome of that tender at its July meeting and entered negotiations with the preferred tender which was resolved at an Extraordinary Council meeting on 8 August 2017.

\$ '000	Assets 'held for sale'	
	2017	2016
(iii) Reconciliation of non-current assets 'held for sale' and disposal groups – i.e. discontinued operations		
Opening balance	–	–
Plus new transfers in:		
– Assets 'held for sale'	650	–
Closing balance of 'held for sale' non-current assets and operations	<u>650</u>	<u>–</u>

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 23. Events occurring after the reporting date

\$ '000

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

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

Accordingly, the 'authorised for issue' date is 24/10/17.

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

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

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

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

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

Council is aware of the following 'non-adjusting events' that merit disclosure:

On 8th August 2017 Council resolved to sell Inala Units, a complex of 10 one bedroom residential aged care units for \$XXX,000

Note 24. Discontinued operations

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 25. Intangible assets

\$ '000	Actual 2017	Actual 2016
Intangible assets represent identifiable non-monetary assets without physical substance.		
Intangible assets are as follows:		
Opening values:		
Gross book value (1/7)	472	401
Accumulated amortisation (1/7)	(231)	(152)
Accumulated impairment (1/7)	–	–
Net book value – opening balance	241	249
Movements for the year		
– Purchases	27	71
– Amortisation charges	(94)	(80)
Closing values:		
Gross book value (30/6)	499	472
Accumulated amortisation (30/6)	(326)	(231)
Accumulated impairment (30/6)	–	–
<u>TOTAL INTANGIBLE ASSETS – NET BOOK VALUE</u> ¹	<u>173</u>	<u>241</u>

¹ The net book value of intangible assets represent:

– Software	173	241
	173	241

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 26. Reinstatement, rehabilitation and restoration liabilities

\$ '000

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

Asset/operation	Estimated year of restoration	Note	NPV of provision	
			2017	2016
Blayney tip	2033		434	419
Blayney quarry	2036		253	238
Balance at end of the reporting period		10(a)	687	657

Under AASB 116 – Property, Plant and 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	657	478
Amounts capitalised to new or existing assets:		
Effect of a change in other calculation estimates used	12	165
Amortisation of discount (expensed to borrowing costs)	18	14
Total – reinstatement, rehabilitation and restoration provision	687	657

Amount of expected reimbursements

Of the above provisions for reinstatement, rehabilitation and restoration works, those applicable to garbage services and waste management are able to be funded through future charges incorporated within Council's annual domestic waste management charge.

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 27. Fair value measurement

\$ '000

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

- Infrastructure, property, plant and equipment
- Financial assets and liabilities

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

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

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

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

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

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

2017	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring fair value measurements					
Financial assets					
Investments					
Loans and receivables	30/06/17	–	–	–	–
Cash and short term deposits	30/06/17	–	–	–	–
Total financial assets		–	–	–	–
Financial liabilities					
Loans/advances	30/06/17	–	–	–	–
Payables	30/06/17	–	–	–	–
Total financial liabilities		–	–	–	–
Infrastructure, property, plant and equipment					
Plant and equipment	30/06/17	–	–	4,594	4,594
Office equipment	30/06/17	–	–	144	144
Furniture and fittings	30/06/17	–	–	142	142
Operational land	30/06/17	–	–	1,467	1,467
Community land	30/06/17	–	–	4,043	4,043
Depreciable land improvements	30/06/17	–	–	4,070	4,070
Buildings – specialised	30/06/17	–	–	1,417	1,417
Buildings – non-specialised	30/06/17	–	–	9,884	9,884
Open space/recreation assets	30/06/17	–	–	2,955	2,955
Roads	30/06/17	–	–	99,483	99,483
Bridges	30/06/17	–	–	23,036	23,036
Footpaths	30/06/17	–	–	4,272	4,272
Bulk earthworks	30/06/17	–	–	11,625	11,625
Stormwater	30/06/17	–	–	7,624	7,624
Sewerage network	30/06/17	–	–	19,870	19,870
Tip assets	30/06/17	–	–	79	79
Quarry assets	30/06/17	–	–	177	177
Capital Work In Progress	30/06/17	–	–	152	152
Total infrastructure, property, plant and equipment		–	–	195,034	195,034

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 27. Fair value measurement (continued)

\$ '000

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

2016	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring fair value measurements					
Financial assets					
Investments					
Loans and receivables	30/06/16	–	16,000	–	16,000
Cash and short term deposits	30/06/16	–	1,075	–	1,075
Total financial assets		–	17,075	–	17,075
Financial liabilities					
Loans/advances	30/06/16	–	2,172	–	2,172
Payables	30/06/16	–	749	–	749
Total financial liabilities		–	2,921	–	2,921
Infrastructure, property, plant and equipment					
Plant and equipment	30/06/16	–	–	2,829	2,829
Office equipment	30/06/16	–	–	161	161
Furniture and fittings	30/06/16	–	–	143	143
Operational land	30/06/16	–	–	1,467	1,467
Community land	30/06/16	–	–	4,043	4,043
Depreciable land improvements	30/06/16	–	–	4,385	4,385
Buildings – specialised	30/06/16	–	–	10,114	10,114
Buildings – non-specialised	30/06/16	–	–	1,960	1,960
Open space/recreation assets	30/06/16	–	–	2,575	2,575
Roads	30/06/16	–	–	96,905	96,905
Bridges	30/06/16	–	–	22,591	22,591
Footpaths	30/06/16	–	–	3,721	3,721
Bulk earthworks	30/06/16	–	–	11,625	11,625
Stormwater	30/06/16	–	–	7,339	7,339
Sewerage network	30/06/16	–	–	19,577	19,577
Tip assets	30/06/16	–	–	89	89
Quarry assets	30/06/16	–	–	180	180
Capital Work In Progress	30/06/16	–	–	85	85
Total infrastructure, property, plant and equipment		–	–	189,789	189,789

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

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 27. Fair value measurement (continued)

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

Where Council is unable to derive Fair Valuations using quoted market prices of identical assets (i.e. 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 and Equipment – Major plant (graders, loaders trucks etc.), fleet vehicles (cars, utes etc.) and minor plant (chainsaws, mowers etc.)

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Purchase price, useful lives (current replacement cost)

Plant and Equipment are valued at cost but are disclosed at fair value.

Office Equipment – Computers, servers

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Purchase price, useful lives (current replacement cost)

Office Equipment is valued at cost but is disclosed at fair value.

Furniture and Fittings – Desks, chairs, air conditioners, cupboards

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Purchase price, useful lives (current replacement cost)

Furniture and Fittings are valued at cost but are disclosed at fair value.

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 27. Fair value measurement (continued)

Operational Land – Industrial land, quarries, residential aged care units

Valuation Techniques: 'Market approach'

Inputs Used (Level 3): Land area, rate per square metre, zoning restrictions, geographical location, sales of comparable land

Councils Operational Land has been valued at market value, having regard to the "highest and best use", after identifying all elements that would be taken into account by buyers and sellers in settling the price, including but not limited to:

- The land's description and/or dimensions;
- Planning and other constraints on development; and
- The potential for alternative use.

With regard to the above Councils Valuer Scott Fullarton Valuations P/L analysed sales of land throughout Blayney Shire and surrounding Council areas and adopted a rate per square metre, after taking into consideration zoning, location, area and configuration.

Community Land – Parkland, sporting grounds, reserves, land under public buildings (halls & community centres)

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): The NSW Valuer General's valuations (as at 30 June 2016)

Councils community land is land intended for public access and use, or where other restrictions applying to the land create some obligation to maintain public access (such as a trust deed, or dedication under section 94 of the Environmental Planning and Assessment Act 1979). This gives rise to the restrictions in the Act, intended to preserve the qualities of the land.

Community Land:

- Cannot be sold
- Cannot be leased, licensed, or any other estate granted over the land for more than 21 years and
- Must have a plan of management for it.

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 27. Fair value measurement (continued)

In relation to the valuing of Community Land the Office of Local Government has authorised the use of the NSW Valuer General's valuations as a sufficient basis to represent fair value for the revaluation of community land under clause 31 of AASB 116.

Depreciable Land Improvements – Gardens/soffall areas, cricket pitches and recreation ground pathways

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Dimensions and specifications, units rates

Depreciable Land Improvements were valued as at 30 June 2011. Valuations are based on unit rates derived from historical costs and from industry rates such as the 'Australian Construction handbook 2014 - Rawlinson's'. Council officers undertook a rigorous onsite inspection program to establish condition ratings used in calculating the remaining life and replacement cost of each asset. By using a spatial information program and satellite imagery Officers were able to accurately calculate asset lengths and dimensions and apply these to the established condition data.

Buildings (Specialised/Non Specialised) – Community halls, toilet blocks, council offices, library, multipurpose centre, works depot

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Unit rates, useful life, asset condition

Council's buildings were valued at fair value on 30th June 2012 in accordance with Compiled Accounting Standard AASB116 *Property, Plant and Equipment* and the NSW Department of Local Government Guidelines. 'Fair value' is the best estimate of the price reasonably obtainable in the market at the date of valuation. As defined in AASB 116, it is "the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction"

Councils Specialised Buildings were valued by Scott Fullarton Valuation (SFV) P/L as at 30 June 2013. SFV provided a valuation for each building based on applying a unit rate to a structure or a square metre rate to a building, based on its current replacement cost, which is the lowest cost of replacing the economic benefits of the existing asset using modern technology. These rates were derived from substantial analysis of construction costs from over one hundred and twenty (120) Councils throughout New South Wales.

SFV estimated the Total Life and Residual Life of each building/structure and, where the building is considered a complex asset, for each component, as they have useful lives different from those of the non-current assets to which they relate. In regard to componentisation, Paragraph 43 of AASB116 requires each part of the

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 27. Fair value measurement (continued)

asset with a cost that is **significant** in relation to the asset be depreciated separately (structure, internal finishes, electrical services, mechanical services, fire/security and roof).

Open Space/Recreational Assets – Fencing, shadesails, other recreational furniture

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Unit rates, useful life, asset condition

Council used In-house resources to provide a valuation for each asset applying a rate based on historical cost. Condition data was then considered to provide a valuation taking into account consumption patterns, dimensions and other specifications.

Roads – Road surface, pavement, formation, major earthworks

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Unit rates, useful life, asset condition

Councils road infrastructure assets were last valued in-house on 30 June 2015. As per Paragraph 43 of AASB116, Councils roads infrastructure assets were segmented and componentised into the following categories (each representing a significant part of the overall asset):

- Road Surface
- Pavement
- Formation & Major Earthworks
- Kerb and Gutter
- Culverts

Roads – Sealed and Unsealed

GPS logged to establish the length and extent of the network. Road terminuses (extent of Council maintenance activities) were taken as the measure of BSC asset length. Seal widths (sealed roads) were taken from full condition assessment (undertaken by Coates Civil Consulting and BSC staff in 2008).

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 27. Fair value measurement (continued)

The pavement width was assumed to be an additional 1m on each side of the Seal (e.g. Seal of 6 m is assumed to have an 8m wide pavement). This was confirmed by random sampling of a range of roads categories across the Shire.

Unit rates for formation, pavement and sealing were based on the Rawlinson's; Construction Cost Guide 2010, Edition 18. These rates were verified against recent actual rates from BSC road works. Unit rates are assumed to be for an undulating topography, as this represents the majority of road corridors in the Shire. The slightly steeper grades are assumed to be countered by the substantially longer corridors of flat to slightly undulating topography.

Formation widths for sealed roads were established by random sampling in the field and from aerial imagery analysis of a range of road types and were demonstrated to be double the width of the pavement.

Condition Assessment data was substituted for date of construction data to establish remaining lives. This was in part due to BSC not having complete road construction / rehabilitation / initial sealing data.

Culverts

The categories used to group culverts (by size) were determined as part of the development of the '*Wellington, Blayney, Cabonne and Central Tablelands Water Strategic Alliance (WBC Alliance) joint Transport Asset Management Plan*'. Culverts of 450mm or less have not been valued separately due to their cost (purchase price and installation cost) and have been allowed for in the cubic metre rate for road formation.

Major Culverts do not include Bridge size (6m+) culverts, as these were valued in the Bridge Register. Of the remaining major culverts, these were divided into 2 categories; known and estimated. Known culverts were valued at replacement cost (from Rawlinsons) and of the remaining culverts, an estimate based on percentage of Major Culverts as a percentage of all known culverts was applied to the count of culverts (identified in the BSC Rural Addressing exercise from 1995).

An average size (650mm), length (9.6m) and an average condition rating (2) were then applied to these culverts to provide for a valuation, based on Rawlinsons rates. These average sizes were confirmed by inspections of known culverts.

Kerb and Gutter

Asset register was developed using a combination of 10cm Aerial imagery for Blayney and Millthorpe and 50cm Aerial imagery for the other Villages. This data was verified with an inspection program to determine the accuracy and materials used. The bulk of BSC's Kerb and Gutter network is concrete ('high back' or 'roll

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 27. Fair value measurement (continued)

back'), however some Kerb and Gutter is constructed from Bluestone or River Stone. Condition assessment for Kerb and Gutter was assumed to be an average of 2; as the vast majority of Council's Kerb and Gutter is in satisfactory condition, in that it is still able to function.

Unit Rates were established on 'First Principles' and verified against a tender that BSC had recently submitted for Kerb and Gutter works. While the majority of recently constructed Kerb and Gutter (in Millthorpe) has included an 'oxide' (to better match the existing Bluestone), the rate adopted for all concrete Kerb and Gutter was based on the rate for 'plain' concrete. Unit rates for the Bluestone and River Stone Kerbs and Gutters was also established on 'First Principles', but is substantially higher than for concrete, due to the increasing difficulty in sourcing Bluestone Blocks.

Unit rates for Kerb and Gutter are all based on 'Greenfields' costs and do not include any allowance of the removal of existing failed sections.

Bridges – (excluding culverts under 6 metres in length)

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Unit rates, useful life, asset condition, dimension and specifications (concrete/timber), bridge traffic

Councils bridge infrastructure assets were last valued on 30 June 2015.

Condition assessment for bridges was provided by in-house resources and was at the 'level 1' inspection regime, which is based on observed defects, but does not include core sampling or tensile testing of any components.

Bridge values were determined on the basis of a square metre (of deck) rate, as per the Rawlinson's; *Construction Cost Guide 2010, Edition 18*. This was in part because council does not possess sufficient detail on the individual components of individual bridges, or their respective conditions.

The Rawlinson's rates were used to validate the rates calculated from the last three bridges that council has replaced in recent years. The unit rate calculated for these bridges was CPI adjusted (using the Reserve Bank of Australia Inflation Calculator) to represent 2015 dollars.

Footpaths – Footways including cycleways

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Unit rates, useful life, asset condition, dimensions and specifications (concrete/bitumen)

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 27. Fair value measurement (continued)

Footpaths assets were valued in-house as at 30 June 2015. Aerial imagery was used to calculate the length of Councils footpath/cycleway network combined with an extensive inspection program. In-house unit rates were developed using recent construction data providing a square metre rate which was then applied across the network. Condition data (captured through the inspection program) was then applied to each individual asset segment to provide a written down value.

Stormwater Drainage – includes pits, pipes

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Unit rates, useful life, asset condition, dimensions and specifications

Stormwater Drainage

Register was developed using a combination of field observation and aerial imagery (for Blayney and Millthorpe). The level of capture is estimated to be around 85% to 95%, as by its nature Urban Stormwater drainage is difficult to locate and BSC does not have complete records of drainage installed.

Unit Rates for stormwater pits, pipes etc. were taken from Ministry of Energy and Utilities; *NSW reference Rates Manual; Valuation of Water Supply, Sewerage and Stormwater Assets*. As with Kerb and Gutter, these rates do not take into account any allowance for the removal of existing (failed) stormwater assets.

Sewerage Network – Sewer pipes, pump stations, treatment plant, telemetry system, manholes

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Unit rates, useful life, asset condition, dimensions and specifications

Councils complex Sewer Assets were valued by AUSTRALIS Asset Advisory Group as at 30 June 2017. The valuation was based on the NSW Office of Water's NSW Reference Rates Tables issued in 2016, a supplement to the former Ministry of Energy and Utilities' 2003 document NSW Reference Rates Manual: Valuation of Water Supply, Sewerage and Stormwater Assets.

The asset register was built using Council GIS data with modifications made to achieve the correct level of componentisation and to collect additional details regarding material and capacities of the assets.

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 27. Fair value measurement (continued)

Australis conducted a field survey, involving a physical inspection of the ground-level facility assets in the system such as treatment plants, pumping stations and effluent reuse reservoir.

The object of the survey was to uncover any evidence that will challenge the default useful life for that asset class such as corrosion (or lack of), obvious mechanical/electrical defects or structural damage.

The reticulation system (pipes and manholes) were valued internally using the same inputs, with condition assessment undertaken using the WSAA Conduit Inspection and Reporting Code. Surveys were conducted across almost 15% of each age category of pipes in the Blayney and Millthorpe Sewer systems.

Unit rates were then applied across the network. Condition data was then applied to each individual asset to provide a written down value.

Tip and Quarry Assets – Reinstatement, rehabilitation and restoration

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): Unit rates, useful life, asset condition, dimensions and specifications

It has been recognised that there will be significant costs associated with the closure and post closure management of the landfill and quarry sites. Closure of the landfill and quarry sites will involve a wide range of activities including final capping of the landfill waste and site re-vegetation, monitoring of landfill gas, revision of the surface water management system and leachate management infrastructure to suit post-closure operation.

Valuation are based on actual timing of costs and future environmental management requirements.

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 27. Fair value measurement (continued)

\$ '000

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

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

	Operational land	Community land	Depreciable land impro- vements	Buildings – specialised	Total
Opening balance – 1/7/15	1,467	4,122	3,476	10,144	19,209
Transfers from/(to) another asset class	–	–	(173)	–	(173)
Purchases (GBV)	–	–	108	556	664
Disposals (WDV)	–	–	(26)	–	(26)
Depreciation and impairment	–	–	(395)	(586)	(981)
FV gains – other comprehensive income	–	(79)	1,395	–	1,316
Closing balance – 30/6/16	1,467	4,043	4,385	10,114	20,009
Purchases (GBV)	–	–	36	372	408
Depreciation and impairment	–	–	(351)	(602)	(953)
Closing balance – 30/6/17	1,467	4,043	4,070	9,884	19,464
	Buildings – non- specialised	Open space/ recreation assets	Roads	Bridges	Total
Opening balance – 1/7/15	2,052	1,892	96,018	22,649	122,611
Transfers from/(to) another asset class	–	3	–	12	15
Purchases (GBV)	28	452	3,181	192	3,853
Disposals (WDV)	–	(82)	–	–	(82)
Depreciation and impairment	(120)	(94)	(2,294)	(262)	(2,770)
FV gains – other comprehensive income	–	405	–	–	405
Closing balance – 30/6/16	1,960	2,576	96,905	22,591	124,032
Transfers from/(to) another asset class	–	–	23	(23)	–
Purchases (GBV)	228	465	4,559	768	6,020
Disposals (WDV)	–	–	–	(35)	(35)
Depreciation and impairment	(121)	(85)	(2,004)	(265)	(2,475)
Transfer to asset held for sale	(650)	–	–	–	(650)
Closing balance – 30/6/17	1,417	2,955	99,483	23,036	126,891

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 27. Fair value measurement (continued)

\$ '000

(4). Fair value measurements using significant unobservable inputs (level 3) (continued)**a. The following tables present the changes in level 3 fair value asset classes. (continued)**

	Footpaths	Bulk earthworks	Stormwater	Sewerage network	Total
Opening balance – 1/7/15	3,138	11,507	6,826	19,535	41,006
Transfers from/(to) another asset class	173	–	–	–	173
Purchases (GBV)	478	118	593	262	1,452
Depreciation and impairment	(68)	–	(81)	(510)	(659)
FV gains – other comprehensive income	–	–	–	289	289
Closing balance – 30/6/16	3,721	11,625	7,339	19,577	42,262
Purchases (GBV)	626	–	366	119	1,111
Depreciation and impairment	(75)	–	(81)	(519)	(675)
FV gains – Income Statement ¹	–	–	–	693	693
Closing balance – 30/6/17	4,272	11,625	7,624	19,870	43,391

	Plant and equipment	Office equipment	Furniture and fittings	Tip and quarry	Total
Opening balance – 1/7/15	2,674	127	104	117	3,022
Transfers from/(to) another asset class	(15)	–	–	–	(15)
Purchases (GBV)	1,022	95	57	–	1,174
Disposals (WDV)	(204)	–	–	–	(204)
Depreciation and impairment	(648)	(61)	(18)	(13)	(740)
FV gains – other comprehensive income	–	–	–	165	165
Closing balance – 30/6/16	2,829	161	143	269	3,402
Purchases (GBV)	2,554	52	18	–	2,624
Disposals (WDV)	(126)	–	–	–	(126)
Depreciation and impairment	(663)	(69)	(19)	(25)	(776)
FV gains – other comprehensive income	–	–	–	12	12
Closing balance – 30/6/17	4,594	144	142	256	5,136

Blayney Shire Council

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

Note 27. Fair value measurement (continued)

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

b. 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 (30/6/17) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Plant & Equipment	4,594	Cost Approach	<ul style="list-style-type: none"> Gross Replacement Cost Remaining Useful Life 	<ul style="list-style-type: none"> Various 5 to 15 years 	Any changes in the gross replacement value or pattern of consumption will have an impact on fair value.
Office Equipment	144	Cost Approach	<ul style="list-style-type: none"> Gross Replacement Cost Remaining Useful Life 	<ul style="list-style-type: none"> Various 4 to 10 years 	Any changes in the gross replacement value or pattern of consumption will have an impact on fair value.
Furniture & Fittings	142	Cost Approach	<ul style="list-style-type: none"> Gross Replacement Cost Remaining Useful Life 	<ul style="list-style-type: none"> Various 10 to 20 years 	Any changes in the gross replacement value or pattern of consumption will have an impact on fair value.
Operational Land	1,467	Market Approach	<ul style="list-style-type: none"> Price per square metre 	<ul style="list-style-type: none"> \$1 - \$90 per sq. metre 	Changes in land zoning restrictions can have significant impacts on land values per sq. metre. Changes in comparable land sales and availability of land can also have a significant impact.

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 27. Fair value measurement (continued)

Class	Fair Value (30/6/17) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Community Land	4,043	Cost Approach	<ul style="list-style-type: none"> NSW Valuer Generals Valuation (Unimproved Capital Value) 	<ul style="list-style-type: none"> Per Valuer General 	Any change in the average unimproved capital value will increase/decrease fair value.
Depreciable Land Improvements	4,070	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Condition Useful life 	<ul style="list-style-type: none"> \$2 - \$840 per sq. metre Excellent (1) to Poor (5) 10 to 100 years 	Any change in the component pricing and asset condition will have an impact on fair value.
Buildings – Specialised	2,067	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Conditions Useful Life 	<ul style="list-style-type: none"> \$170 - \$148,000 New (0) to Failed (10) 20 to 60 years 	Any change in the component pricing and asset condition will have an impact on fair value.
Buildings – Non Specialised	9,884	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Conditions Useful Life 	<ul style="list-style-type: none"> \$220 - \$2,100 New (0) to Failed (10) 20 to 60 years 	Any change in the component pricing and asset condition will have an impact on fair value.
Open Space/Recreation Assets	2,955	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Conditions Useful Life 	<ul style="list-style-type: none"> \$224 - \$25,751 Excellent (1) to Poor (5) 10 to 100 years 	Any change in the component pricing and asset condition will have an impact on fair value.

Blayney Shire Council

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

Note 27. Fair value measurement (continued)

Class	Fair Value (30/6/17) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Roads	99,483	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Conditions Useful Life 	<ul style="list-style-type: none"> \$8 - \$32 per sq. metre (roads) \$88 - \$1,960 (kerb and gutter) \$4,926 - \$12,779 per lineal metre (culverts) Excellent (1) to Poor (5) 20 to 200 years (roads) 80 to 150 years (kerb & gutter) 80 years (culverts) 	Any change in the component pricing and asset condition will have an impact on fair value.
Bridges	23,036	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Conditions Useful Life 	<ul style="list-style-type: none"> \$3,250 per sq. metre Excellent (1) to Poor (5) 80 years 	Any change in the component pricing and asset condition will have an impact on fair value.
Footpaths	4,272	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Conditions Useful Life 	<ul style="list-style-type: none"> \$101 - \$235 per lineal metre Excellent (1) to Poor (5) 80 years 	Any change in the component pricing and asset condition will have an impact on fair value.

Blayney Shire Council

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

Note 27. Fair value measurement (continued)

Class	Fair Value (30/6/17) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Bulk Earthworks	11,625	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Conditions 	<ul style="list-style-type: none"> \$15 - \$72 per cubic metre Excellent (1) to Poor (5) 	Any change in the component pricing and asset condition will have an impact on fair value.
Stormwater Drainage	7,624	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Conditions Useful Life 	<ul style="list-style-type: none"> \$134 - \$1,960 per lineal metre Excellent (1) to Poor (5) 80 to 100 years 	Any change in the component pricing and asset condition will have an impact on fair value.
Sewerage Network	19,870	Cost Approach	<ul style="list-style-type: none"> Unit Rates Useful Life Residual Life Asset Conditions 	<ul style="list-style-type: none"> Various 16 to 100 years (mean) 11 to 77 years Very Poor (5) to Very Good (1) 	Any change in the component pricing and asset condition will have an impact on fair value.
Tips and Quarries	256	Cost Approach	<ul style="list-style-type: none"> Discounted Future Cash Flow 	<ul style="list-style-type: none"> 6% 	Any changes in the future cost estimates and discount rate will have an impact on fair value.

c. The valuation process for level 3 fair value measurements

Refer above

(5). Highest and best use

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 28. Related party disclosures

\$ '000

a. Key management personnel

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

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

	Actual
	2017
Short-term benefits	800
Post-employment benefits	60
Other long-term benefits	45
Total	905

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2017

Note 28. Related party disclosures (continued)

\$ '000

b. Other transactions with KMP and their related parties

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

Nature of the transaction	Note	Value of transactions during year \$'000	Outstanding balance (incl. loans and commitments) \$'000	Terms and conditions	Provisions for doubtful debts outstanding \$'000	Doubtful debts expense recognised \$'000
Catering	1	12		Paid on invoice	–	–
Donations & Financial Assistance Grants	2	28		Paid on completion of works	–	–
Supply of Water	3	127		Payable by instalment date	–	–

- 1 Catering for training and meetings of Council were supplied by related parties of a number of KMP's
- 2 Council have donated funds to local not for profit organisations for community projects where a number of KMP's are members
- 3 A KMP is the Chair of a joint organisation (County Council) who supplies water to Council Facilities

Blayney Shire Council

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

Note 29. Council information and contact details

Principal place of business:

91 Adelaide Street
Blayney NSW 2799

Contact details**Mailing address:**

PO Box 62
Blayney NSW 2799

Opening hours:

9am to 4:30pm
Monday to Friday

Telephone: 02 6368 2104

Facsimile: 02 6368 3290

Internet: www.blayney.nsw.gov.au

Email: council@blayney.nsw.gov.au

Officers**GENERAL MANAGER**

R Ryan

RESPONSIBLE ACCOUNTING OFFICER

T Irlam

PUBLIC OFFICER

A Franze

AUDITORS

Audit Office of New South Wales
Level 15, 1 Margaret Steet, Sydney NSW 2000

Elected members**MAYOR**

S J Ferguson

COUNCILLORS

K Radburn

D Kingham

G Braddon

A Ewin

S Oates

D Somerville



INDEPENDENT AUDITOR'S REPORT
Report on the general purpose financial statements
Blayney Shire Council

To the Councillors of Blayney Shire Council

Opinion

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

In my opinion,

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

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

Basis for Opinion

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

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

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

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

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

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

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

Other Matter

The financial statements of the Council for the year ended 30 June 2016 were audited by another auditor who expressed an unmodified opinion on that financial statement on 28 October 2016.

The Councillors' Responsibility for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

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

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

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

My opinion does *not* provide assurance:

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

A handwritten signature in black ink, appearing to read 'C. Clayton', with a large, stylized flourish at the end.

Chris Clayton
Director, Financial Audit Services

24 October 2017
SYDNEY

Councillor Scott Ferguson
 Mayor
 Blayney Shire Council
 PO Box 62
 BLAYNEY NSW 2799

Contact: Chris Clayton
 Phone no: 02 9275 7248
 Our ref: D1726814/1695

24 October 2017

Dear Mayor

Report on the Conduct of the Audit for the year ended 30 June 2017 Blayney Shire Council

I have audited the general purpose financial statements of Blayney Shire Council (the Council) for the year ended 30 June 2017 as required by s415 of the *Local Government Act 1993* (the Act).

I expressed an unmodified opinion on the Council’s general purpose financial statements.

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2017 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the general purpose financial statements issued under section 417(2) of the Act.

INCOME STATEMENT

Operating result

	2017 \$m	2016 \$m	Variance %
Rates and annual charges revenue	10.5	10.4	1.0 ↑
Grants and contributions revenue	8.7	7.3	19.2 ↑
Operating result for the year	4.8	4.5	6.7 ↑
Net operating result before capital amounts	2.5	1.4	78.6 ↑

The growth in rates and annual charges is consistent with the rate pegging increase of 1.8 per cent, offset by a carry forward excess from the prior year (\$208,000) related to the removal of a special rate variation.

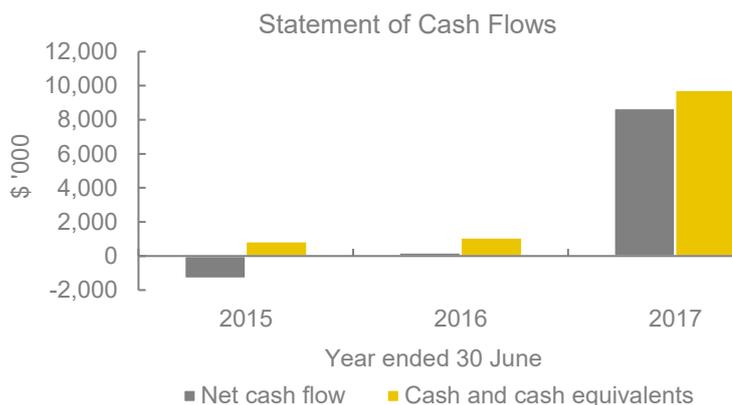
Operating grants and contributions were higher at \$6.4 million (\$4.2 million in 2015-16), mainly due to advanced receipt of 2017-18 financial assistance grant instalments from the Commonwealth Government in 2016-17.

The General Fund contributed positively to the operating result, whilst Council's Sewer Fund returned a deficit of \$135,000 for the financial year.

STATEMENT OF CASH FLOWS

The net cash inflow for the year ended 30 June 2017 was \$8.7 million (inflow of \$0.2 million for the year ended 30 June 2016).

A change in the mix of Council's cash and investments was the main reason for the higher levels of cash and cash equivalents at year end.



FINANCIAL POSITION

Cash and Investments

Restricted Cash and Investments	2017	2016	Commentary
	\$m	\$m	
External restrictions	9.1	8.7	Externally restricted balances include unexpended developer contributions, sewer and domestic waste management charges, as well as funds received under the terms of a voluntary planning agreement
Internal restrictions	7.6	8.2	
Unrestricted	0.5	0.2	
Cash and investments	17.2	17.1	Balances are internally restricted due to Council policy or decisions for forward plans including works program. Unrestricted balances provide liquidity for day-to-day operations.

Debt

At 30 June 2017, Council recognised \$2.0 million in loans (30 June 2016: \$2.2 million). Council's loans are secured over the general rating income of Council.

At 30 June 2017, Council also had access to a \$50,000 (30 June 2016: \$50,000) bank overdraft facility. This facility was unused at year end.

PERFORMANCE RATIOS

The definition of each ratio analysed below (except for the 'building and infrastructure renewals ratio') is included in Note 13 of the Council's audited general purpose financial statements. The 'building and infrastructure renewals ratio' is defined in Council's unaudited Special Schedule 7.

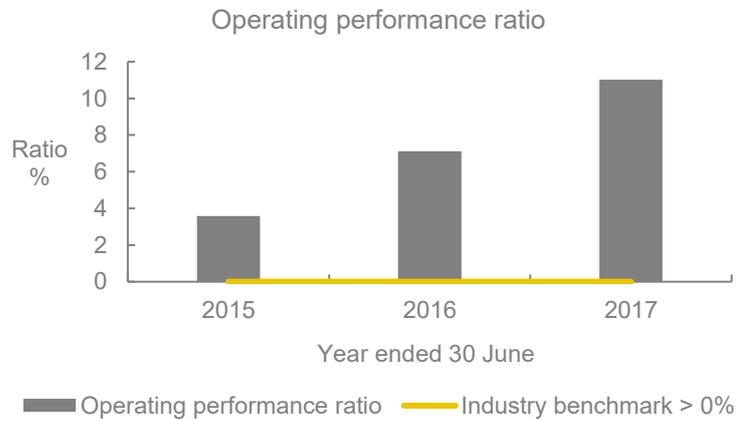
Operating performance ratio

Council's operating performance ratio exceeded the industry benchmark over the past three years.

Council's 2016-17 ratio reflects the advanced receipt of 2017-18 financial assistance grant instalments from the Commonwealth Government in 2016-17.

Council has continued to manage its operations to contain operating expenditure, however this is partly due to the mix of operating and capital expenditure from year to year.

The 'operating performances ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by the Office of Local Government (OLG) is greater than zero per cent.

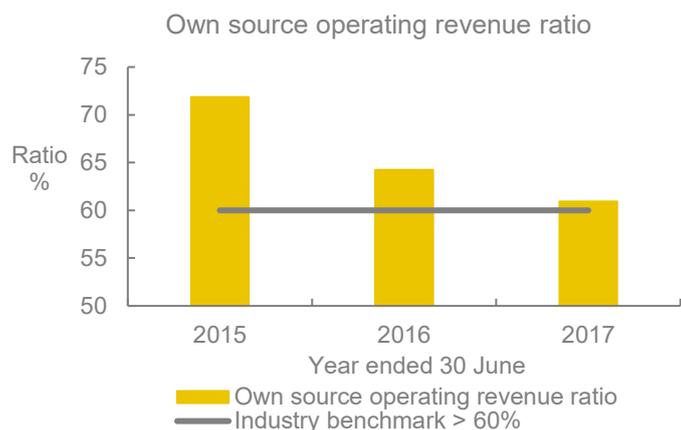


Own source operating revenue ratio

Council's own source operating revenue ratio exceeded the industry benchmark over the past three years.

The increased level of operating grants and contributions has the effect of decreasing council's own source revenue ratio.

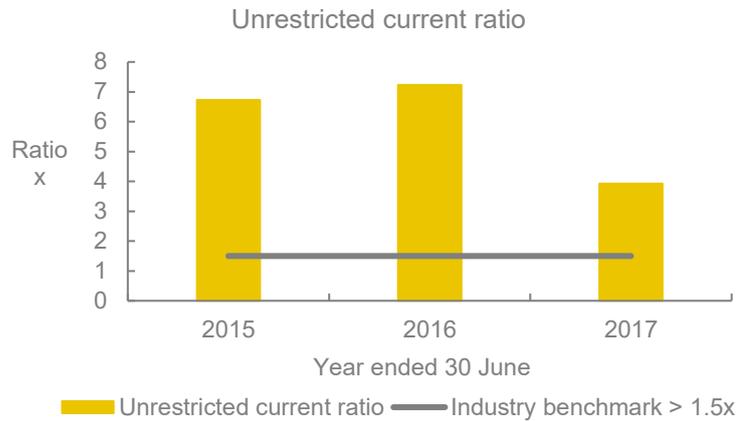
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



Unrestricted current ratio

Council's unrestricted current ratio exceeded the industry benchmark over the past three years. This indicates Council has sufficient liquidity to meet its current liabilities as and when they fall due.

The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.

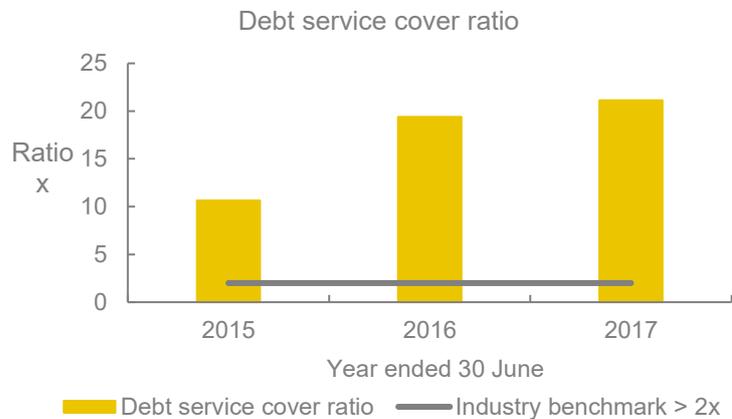


Debt service cover ratio

Council's debt service cover ratio exceeded the industry benchmark over the past three years. The ratio indicates Council has adequate revenue to cover the principal repayments and borrowing costs of its debt.

This ratio has increased over the last few years as a result of special rate variations and increased levels of operating grants and contributions rather than a significant change in Council's debt levels.

The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.

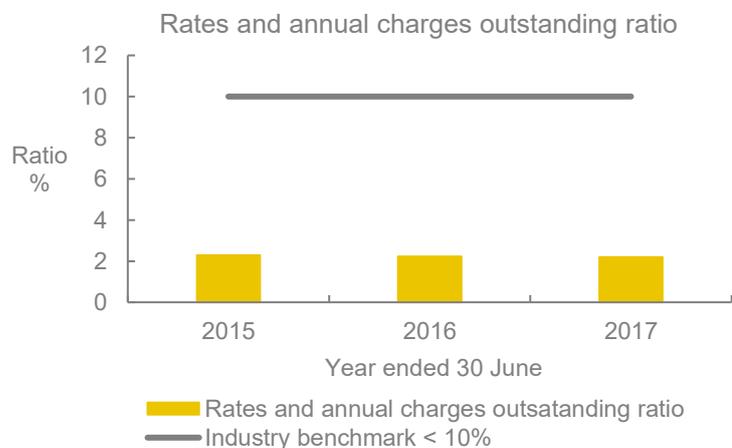


Rates and annual charges outstanding ratio

Council's rates and annual charges outstanding ratio is better than the benchmark for rural councils over the past three years. Council attributes this to a sustained effort to effectively manage recovery of rates and annual charges.

The 'rates and annual charges outstanding ratio' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts.

The benchmark set by OLG is less than 10 per cent for rural councils.

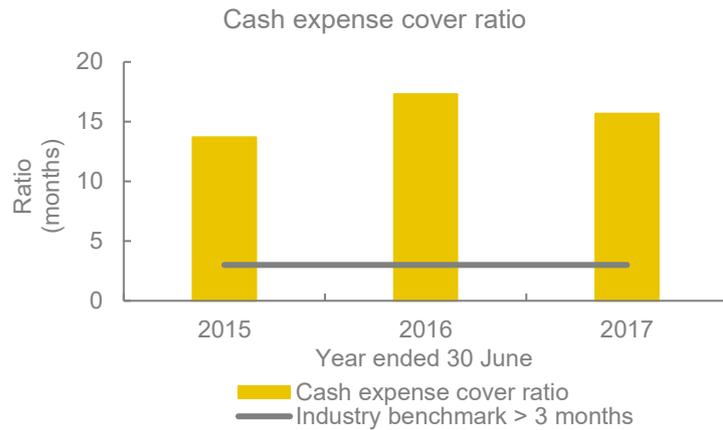


Cash expense cover ratio

As at 30 June 2017, Council had the capacity to cover over 15 months of cash expenditure without additional cash inflows.

Council's high levels of liquidity means its cash expense cover ratio far exceeded the industry benchmark over the past three years.

This liquidity ratio indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by OLG is greater than three months.



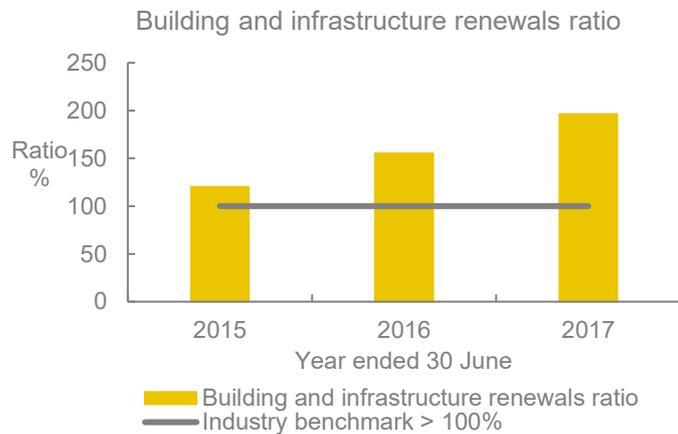
Building and infrastructure renewals ratio

Council's building and infrastructure renewals ratio exceeded the industry benchmark over the past three years.

The ratio can fluctuate from year to year, depending on the nature of the projects being undertaken by Council. Council's focus over the last few years has been on asset renewals, primarily in relation to its road network.

The 'building and infrastructure renewals ratio assesses the rate at which these assets are being renewed against the rate at which they are depreciating. The benchmark set by OLG is greater than 100 per cent.

This ratio is sourced from council's Special Schedule 7 which has not been audited.



OTHER MATTERS

Valuation of water and sewerage assets

Council revalued its sewer infrastructure assets in 2016-17 resulting in a \$693,000 increment. I assessed:

- the effectiveness and reliability of processes to determine the fair value of assets
- the reasonableness of useful lives and depreciation assumptions
- the qualifications and experience of experts used.

New accounting standards implemented

AASB 124 'Related Party Disclosures'

Effective for annual reporting periods beginning on or 1 July 2016

AASB 2015-6 extended the scope of AASB 124 to not-for-profit public sector entities. Council's financial statements disclosed the:

- compensation paid to their key management personnel
- nature of related party relationships
- amount and nature of related party transactions, outstanding balances and commitments and outstanding balances (including commitments).

Council Entities

Council's interest in 'council entities' include:

- Central Tablelands Water
- Upper Macquarie County Council
- Statewide Limited
- StateCover Limited

Alternate external audits arrangements are in place for the above 'council entities'. I have obtained sufficient audit evidence to be satisfied Council's general purpose financial statements materially reflect Council's interest in the entities.

Legislative compliance

My audit procedures did not identify any instances of non-compliance with legislative requirements or a material deficiency in the Council's accounting records or financial reports. The Council's:

- accounting records were maintained in a manner and form to allow the general purpose financial statements to be prepared and effectively audited
- staff provided all accounting records and information relevant to the audit.



Chris Clayton
Director, Financial Audit Services

cc: Ms Rebecca Ryan, General Manager
Mr Steve Kent, Chair of the Audit Committee
Mr Tim Hurst, Acting Chief Executive of the Office of Local Government

Blayney Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2017

*“an innovative, inspirational
and enjoyable environment...”*



Blayney Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2017

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2. Special Purpose Financial Statements:	
Income Statement – Water Supply Business Activity	n/a
Income Statement – Sewerage Business Activity	3
Income Statement – Other Business Activities	n/a
Statement of Financial Position – Water Supply Business Activity	n/a
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Background

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

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

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

Special Purpose Financial Statements
for the year ended 30 June 2017

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 14 August 2017.



S J Ferguson
Mayor



A J Ewin
Councillor



R Ryan
General Manager



T Irlam
Responsible Accounting Officer

Blayney Shire Council

Income Statement of Council's Sewerage Business Activity

for the year ended 30 June 2017

\$ '000	Actual 2017	Actual 2016
Income from continuing operations		
Access charges	1,061	1,030
User charges	133	131
Liquid trade waste charges	74	132
Fees	–	–
Interest	153	172
Grants and contributions provided for non-capital purposes	20	20
Profit from the sale of assets	–	8
Other income	9	5
Total income from continuing operations	1,450	1,498
Expenses from continuing operations		
Employee benefits and on-costs	299	260
Borrowing costs	54	57
Materials and contracts	601	611
Depreciation, amortisation and impairment	566	543
Calculated taxation equivalents	–	–
Debt guarantee fee (if applicable)	–	–
Other expenses	103	84
Total expenses from continuing operations	1,623	1,555
Surplus (deficit) from continuing operations before capital amounts	(173)	(57)
Grants and contributions provided for capital purposes	38	20
Surplus (deficit) from continuing operations after capital amounts	(135)	(37)
Surplus (deficit) from discontinued operations	–	–
Surplus (deficit) from all operations before tax	(135)	(37)
Less: corporate taxation equivalent (30%) [based on result before capital]	–	–
SURPLUS (DEFICIT) AFTER TAX	(135)	(37)
Plus opening retained profits	9,443	9,480
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	9,308	9,443
Return on capital %	-0.6%	0.0%
Subsidy from Council	608	439
Calculation of dividend payable:		
Surplus (deficit) after tax	(135)	(37)
Less: capital grants and contributions (excluding developer contributions)	–	0
Surplus for dividend calculation purposes	–	–
Potential dividend calculated from surplus	–	–

Blayney Shire Council

Statement of Financial Position – Council's Sewerage Business Activity

as at 30 June 2017

\$ '000	Actual 2017	Actual 2016
ASSETS		
Current assets		
Cash and cash equivalents	695	324
Investments	4,647	4,833
Receivables	39	36
Inventories	–	–
Other	–	–
Non-current assets classified as held for sale	–	–
Total current Assets	5,381	5,193
Non-current assets		
Investments	–	–
Receivables	–	–
Inventories	–	–
Infrastructure, property, plant and equipment	20,548	20,216
Investments accounted for using equity method	–	–
Investment property	–	–
Intangible assets	–	–
Total non-current assets	20,548	20,216
TOTAL ASSETS	25,929	25,409
LIABILITIES		
Current liabilities		
Bank overdraft	–	–
Payables	22	20
Income received in advance	–	–
Borrowings	40	37
Provisions	–	–
Total current liabilities	62	57
Non-current liabilities		
Payables	–	–
Borrowings	610	650
Provisions	–	–
Total non-current liabilities	610	650
TOTAL LIABILITIES	672	707
NET ASSETS	25,257	24,702
EQUITY		
Retained earnings	9,307	9,444
Revaluation reserves	15,950	15,258
Other reserves	–	–
Council equity interest	25,257	24,702
Non-controlling equity interest	–	–
TOTAL EQUITY	25,257	24,702

Blayney Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2017

Contents of the notes accompanying the financial statements

Note	Details	Page
1	Summary of significant accounting policies	6
2	Water Supply Business Best-Practice Management disclosure requirements	n/a
3	Sewerage Business Best-Practice Management disclosure requirements	9

Blayney Shire Council

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

Note 1. Significant accounting policies

A statement summarising the supplemental accounting policies adopted in the preparation of the Special Purpose Financial Statements (SPFS) for National Competition Policy (NCP) reporting purposes follows.

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

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

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

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

National Competition Policy

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

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

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

The pricing and costing guidelines outline the process for identifying and allocating costs to

activities and provide a standard for disclosure requirements.

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

Declared business activities

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

Category 1

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

Nil

Category 2

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

a. Blayney Sewerage Service

Sewerage reticulation and treatment system servicing the town of Blayney, which has been established as a Special Rate Fund

b. Millthorpe Sewerage Service

Sewerage reticulation and treatment system servicing the town of Millthorpe, which has been established as a Special Rate Fund

Monetary amounts

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

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

Blayney Shire Council

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

Note 1. Significant accounting policies (continued)

(i) Taxation-equivalent charges

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

However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in Special Purpose Financial Statements.

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

Notional rate applied (%)

Corporate income tax rate – 30%

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

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

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

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

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

Income tax

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

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

Accordingly, the return on capital invested is set at a pre-tax level - gain/(loss) from ordinary activities before capital amounts, as would be applied by a private sector competitor. That is, it should include a provision equivalent to the corporate income tax rate, currently 30%.

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

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

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

Local government rates and charges

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

Loan and debt guarantee fees

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

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

Blayney Shire Council

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

Note 1. Significant accounting policies (continued)

(ii) Subsidies

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

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

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

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

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

Each dividend must be calculated and approved in accordance with the DPIW guidelines and must not exceed:

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

In accordance with the DPIW guidelines a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the DPIW.

(iii) Return on investments (rate of return)

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

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

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

The rate of return is calculated as follows:

Operating result before capital income + interest expense

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

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

(iv) Dividends

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

Blayney Shire Council

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

Note 3. Sewerage business best-practice management disclosure requirements

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

2017

1. Calculation and payment of tax-equivalents

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

(i)	Calculated tax equivalents	-
(ii)	Number of assessments multiplied by \$3/assessment	5,892
(iii)	Amounts payable for tax equivalents [lesser of (i) and (ii)]	-
(iv)	Amounts actually paid for tax equivalents	-

2. Dividend from surplus

(i)	50% of surplus before dividends [calculated in accordance with Best-Practice Management for Water Supply and Sewerage Guidelines]	-
(ii)	Number of assessments x (\$30 less tax equivalent charges per assessment)	58,920
(iii)	Cumulative surplus before dividends for the 3 years to 30 June 2017, less the cumulative dividends paid for the 2 years to 30 June 2016 and 30 June 2015	(114,519)

2017 Surplus	(135,000)	2016 Surplus	(36,843)	2015 Surplus	57,324
		2016 Dividend	-	2015 Dividend	-

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

3. Required outcomes for 4 criteria

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

(i)	Completion of strategic business plan (including financial plan)	YES
(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]	YES
	DSP with commercial developer charges [item 2 (e) in table 1]	YES
	Liquid trade waste approvals and policy [item 2 (f) in table 1]	YES
(iii)	Complete performance reporting form (by 15 September each year)	YES
(iv)	a. Integrated water cycle management evaluation	YES
	b. Complete and implement integrated water cycle management strategy	YES

Blayney Shire Council

Notes to the Special Purpose Financial Statements
for the year ended 30 June 2017Note 3. Sewerage business
best-practice management disclosure requirements (continued)

Dollars amounts shown below are in whole dollars (unless otherwise indicated) 2017

National Water Initiative (NWI) financial performance indicators

NWI F2	Total revenue (sewerage) Total income (s14) – grants for acquisition of assets (s12a) – interest income (s10) – Aboriginal Communities W&S Program income (w10a)	\$'000	1,336
NWI F10	Written down replacement cost of fixed assets (sewerage) Written down current cost of system assets (s48)	\$'000	20,332
NWI F12	Operating cost (sewerage) Management expenses (s1) + operational and maintenance expenses (s2)	\$'000	1,003
NWI F15	Capital expenditure (sewerage) Acquisition of fixed assets (s17)	\$'000	189
NWI F18	Economic real rate of return (sewerage) [total income (s14) – interest income (s10) – grants for acquisition of assets (s12a) – operating cost (NWI F12) – current cost depreciation (s3)] x 100 divided by [written down current cost (i.e. WDCC) of system assets (s48) + plant and equipment (s34b)]	%	-1.14%
NWI F27	Capital works grants (sewerage) Grants for the acquisition of assets (12a)	\$'000	–

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

NWI F3	Total income (water and sewerage) Total income (w13 + s14) + gain/loss on disposal of assets (w14 + s15) minus grants for acquisition of assets (w11a + s12a) – interest income (w9 + s10)	\$'000	1,336
NWI F8	Revenue from community service obligations (water and sewerage) Community service obligations (NWI F25) x 100 divided by total income (NWI F3)	%	0.97%
NWI F16	Capital expenditure (water and sewerage) Acquisition of fixed assets (w16 + s17)	\$'000	189
NWI F19	Economic real rate of return (water and sewerage) [total income (w13 + s14) – interest income (w9 + s10) – grants for acquisition of assets (w11a + s12a) – operating cost (NWI F11 + NWI F12) – current cost depreciation (w3 + s3)] x 100 divided by [written down replacement cost of fixed assets (NWI F9 + NWI F10) + plant and equipment (w33b + s34b)]	%	-1.14%
NWI F20	Dividend (water and sewerage) Dividend paid from surplus (2 (v) of Note 2 + 2 (v) of Note 3)	\$'000	–
NWI F21	Dividend payout ratio (water and sewerage) Dividend (NWI F20) x 100 divided by net profit after tax (NWI F24)	%	0.00%

Blayney Shire Council

Notes to the Special Purpose Financial Statements
for the year ended 30 June 2017Note 3. Sewerage business
best-practice management disclosure requirements (continued)

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

2017

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

NWI F22	Net debt to equity (water and sewerage) Overdraft (w36 + s37) + borrowings (w38 + s39) – cash and investments (w30 + s31) x 100 divided by [total assets (w35 + s36) – total liabilities (w40 + s41)]	%	-18.58%
NWI F23	Interest cover (water and sewerage) Earnings before interest and tax (EBIT) divided by net interest Earnings before interest and tax (EBIT): Operating result (w15a + s16a) + interest expense (w4a + s4a) – interest income (w9 + s10) – gain/loss on disposal of assets (w14 + s15) + miscellaneous expenses (w4b + w4c + s4b + s4c) Net interest: Interest expense (w4a + s4a) – interest income (w9 + s10)		–
NWI F24	Net profit after tax (water and sewerage) Surplus before dividends (w15a + s16a) – tax equivalents paid (Note 2-1 (iv) + Note 3-1 (iv))	\$'000	(135)
NWI F25	Community service obligations (water and sewerage) Grants for pensioner rebates (w11b + s12b)	\$'000	13

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



INDEPENDENT AUDITOR'S REPORT
Report on the special purpose financial statement
Blayney Shire Council

To the Councillors of Blayney Shire Council

Opinion

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

The Declared Business Activities of the Council are:

- Sewerage.

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

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

Basis for Opinion

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Matter

The financial statements of the Council for the year ended 30 June 2016 were audited by another auditor who expressed an unmodified opinion on that financial statement on 28 October 2016.

The Councillors' Responsibility for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

The description forms part of my auditor's report.

My opinion does not provide assurance:

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



Chris Clayton
Director, Financial Audit Services

24 October 2017
SYDNEY

Blayney Shire Council

SPECIAL SCHEDULES

for the year ended 30 June 2017

*“an innovative, inspirational
and enjoyable environment...”*



Blayney Shire Council

Special Schedules

for the year ended 30 June 2017

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

Background

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

Blayney Shire Council

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

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
Governance	478	2	–	(476)
Administration	3,674	749	–	(2,925)
Public order and safety				
Fire service levy, fire protection, emergency services	407	47	109	(251)
Beach control	–	–	–	–
Enforcement of local government regulations	–	–	–	–
Animal control	125	14	–	(111)
Other	1	–	–	(1)
Total public order and safety	533	61	109	(363)
Health	15	8	–	(7)
Environment				
Noxious plants and insect/vermin control	69	–	–	(69)
Other environmental protection	–	–	–	–
Solid waste management	1,286	1,390	–	104
Street cleaning	118	–	–	(118)
Drainage	149	50	–	(99)
Stormwater management	–	–	–	–
Total environment	1,622	1,440	–	(182)
Community services and education				
Administration and education	6	–	–	(6)
Social protection (welfare)	–	–	–	–
Aged persons and disabled	7	–	–	(7)
Children's services	12	1	–	(11)
Total community services and education	25	1	–	(24)
Housing and community amenities				
Public cemeteries	100	44	–	(56)
Public conveniences	103	–	–	(103)
Street lighting	113	21	–	(92)
Town planning	240	137	–	(103)
Other community amenities	–	–	–	–
Total housing and community amenities	556	202	–	(354)
Water supplies	–	–	–	–
Sewerage services	1,623	1,450	38	(135)

Blayney Shire Council

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

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
Recreation and culture				
Public libraries	192	42	–	(150)
Museums	–	–	–	–
Art galleries	–	–	–	–
Community centres and halls	154	18	–	(136)
Performing arts venues	–	–	–	–
Other performing arts	–	–	–	–
Other cultural services	5	–	–	(5)
Sporting grounds and venues	395	26	97	(272)
Swimming pools	1,011	356	–	(655)
Parks and gardens (lakes)	1,075	5	5	(1,065)
Other sport and recreation	79	–	117	38
Total recreation and culture	2,911	447	219	(2,245)
Fuel and energy	–	–	–	–
Agriculture	–	–	–	–
Mining, manufacturing and construction				
Building control	119	123	–	4
Other mining, manufacturing and construction	337	236	–	(101)
Total mining, manufacturing and const.	456	359	–	(97)
Transport and communication				
Urban roads (UR) – local	2,052	–	–	(2,052)
Urban roads – regional	–	–	–	–
Sealed rural roads (SRR) – local	2,311	3,780	1,610	3,079
Sealed rural roads (SRR) – regional	234	322	–	88
Unsealed rural roads (URR) – local	–	–	–	–
Unsealed rural roads (URR) – regional	–	–	–	–
Bridges on UR – local	–	–	–	–
Bridges on SRR – local	330	(4)	–	(334)
Bridges on URR – local	–	–	–	–
Bridges on regional roads	11	–	–	(11)
Parking areas	–	–	–	–
Footpaths	94	–	338	244
Aerodromes	–	–	–	–
Other transport and communication	482	422	–	(60)
Total transport and communication	5,514	4,520	1,948	954
Economic affairs				
Camping areas and caravan parks	–	–	–	–
Other economic affairs	418	282	–	(136)
Total economic affairs	418	282	–	(136)
Totals – functions	17,825	9,521	2,314	(5,990)
General purpose revenues ⁽¹⁾		10,670		10,670
Share of interests – joint ventures and associates using the equity method	–	144		144
NET OPERATING RESULT ⁽²⁾	17,825	20,335	2,314	4,824

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

Blayney Shire Council

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

for the year ended 30 June 2017

\$'000

Classification of debt	Principal outstanding at beginning of the year			New loans raised during the year	Debt redemption during the year		Transfers to sinking funds	Interest applicable for year	Principal outstanding at the end of the year		
	Current	Non-current	Total		From revenue	Sinking funds			Current	Non-current	Total
Loans (by source)											
Commonwealth Government	–	–	–							–	–
NSW Treasury Corporation	–	–	–							–	–
Other State Government	–	–	–							–	–
Public subscription	–	–	–							–	–
Financial institutions	190	1,982	2,172	–	190	–	–	139	202	1,780	1,982
Other	–	–	–							–	–
Total loans	190	1,982	2,172	–	190	–	–	139	202	1,780	1,982
Other long term debt											
Ratepayers advances	–	–	–							–	–
Government advances	–	–	–							–	–
Finance leases	–	–	–							–	–
Deferred payments	–	–	–							–	–
Total long term debt	–	–	–	–	–	–	–	–	–	–	–
Total debt	190	1,982	2,172	–	190	–	–	139	202	1,780	1,982

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

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

Blayney Shire Council

Special Schedule 5 – Sewerage Service Income Statement

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

\$'000	Actuals 2017	Actuals 2016
A Expenses and income		
Expenses		
1. Management expenses		
a. Administration	361	405
b. Engineering and supervision	–	–
2. Operation and maintenance expenses		
– mains		
a. Operation expenses	280	162
b. Maintenance expenses	3	–
– Pumping stations		
c. Operation expenses (excluding energy costs)	39	52
d. Energy costs	20	16
e. Maintenance expenses	–	–
– Treatment		
f. Operation expenses (excl. chemical, energy, effluent and biosolids management costs)	256	285
g. Chemical costs	8	–
h. Energy costs	36	34
i. Effluent management	–	–
j. Biosolids management	–	–
k. Maintenance expenses	–	–
– Other		
l. Operation expenses	–	–
m. Maintenance expenses	–	–
3. Depreciation expenses		
a. System assets	529	520
b. Plant and equipment	37	24
4. Miscellaneous expenses		
a. Interest expenses	54	57
b. Revaluation decrements	–	–
c. Other expenses	–	–
d. Impairment – system assets	–	–
e. Impairment – plant and equipment	–	–
f. Aboriginal Communities Water and Sewerage Program	–	–
g. Tax equivalents dividends (actually paid)	–	–
5. Total expenses	1,623	1,555

Blayney Shire Council

Special Schedule 5 – Sewerage Service Income Statement (continued)

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

\$'000	Actuals 2017	Actuals 2016
Income		
6. Residential charges (including rates)	1,061	1,030
7. Non-residential charges		
a. Access (including rates)	–	–
b. Usage charges	133	131
8. Trade waste charges		
a. Annual fees	2	2
b. Usage charges	72	130
c. Excess mass charges	–	–
d. Re-inspection fees	–	–
9. Extra charges	–	–
10. Interest income	153	172
11. Other income	9	5
11a. Aboriginal Communities Water and Sewerage Program	–	–
12. Grants		
a. Grants for acquisition of assets	–	–
b. Grants for pensioner rebates	13	13
c. Other grants	8	7
13. Contributions		
a. Developer charges	38	20
b. Developer provided assets	–	–
c. Other contributions	–	–
14. Total income	<u>1,489</u>	<u>1,510</u>
15. Gain (or loss) on disposal of assets	–	8
16. Operating result	<u>(135)</u>	<u>(37)</u>
16a. Operating result (less grants for acquisition of assets)	(135)	(37)

Blayney Shire Council

Special Schedule 5 – Sewerage Service Income Statement (continued)

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

\$'000	Actuals 2017	Actuals 2016
B Capital transactions		
Non-operating expenditures		
17. Acquisition of fixed assets		
a. New assets for improved standards	–	–
b. New assets for growth	–	–
c. Renewals	108	262
d. Plant and equipment	81	80
18. Repayment of debt	40	34
19. Totals	229	376
Non-operating funds employed		
20. Proceeds from disposal of assets	–	8
21. Borrowing utilised	–	–
22. Totals	–	8
C Rates and charges		
23. Number of assessments		
a. Residential (occupied)	1,551	1,458
b. Residential (unoccupied, ie. vacant lot)	126	135
c. Non-residential (occupied)	241	243
d. Non-residential (unoccupied, ie. vacant lot)	46	46
24. Number of ETs for which developer charges were received	– ET	– ET
25. Total amount of pensioner rebates (actual dollars)	\$ 15,062	\$ 15,063

Blayney Shire Council

Special Schedule 6 – Sewerage Service Statement of Financial Position

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

\$'000	Actuals Current	Actuals Non-current	Actuals Total
ASSETS			
26. Cash and investments			
a. Developer charges	860	–	860
b. Special purpose grants	–	–	–
c. Accrued leave	–	–	–
d. Unexpended loans	–	–	–
e. Sinking fund	–	–	–
f. Other	4,482	–	4,482
27. Receivables			
a. Specific purpose grants	–	–	–
b. Rates and availability charges	39	–	39
c. User charges	–	–	–
d. Other	–	–	–
28. Inventories	–	–	–
29. Property, plant and equipment			
a. System assets	–	20,332	20,332
b. Plant and equipment	–	216	216
30. Other assets	–	–	–
31. Total assets	5,381	20,548	25,929
LIABILITIES			
32. Bank overdraft	–	–	–
33. Creditors	22	–	22
34. Borrowings	40	610	650
35. Provisions			
a. Tax equivalents	–	–	–
b. Dividend	–	–	–
c. Other	–	–	–
36. Total liabilities	62	610	672
37. NET ASSETS COMMITTED	5,319	19,938	25,257
EQUITY			
38. Accumulated surplus			9,307
39. Asset revaluation reserve			15,950
40. Other reserves			–
41. TOTAL EQUITY			25,257
Note to system assets:			
42. Current replacement cost of system assets			30,847
43. Accumulated current cost depreciation of system assets			(10,515)
44. Written down current cost of system assets			20,332

Blayney Shire Council

Notes to Special Schedules 5

for the year ended 30 June 2017

Administration ⁽¹⁾

(item 1a of Special Schedule 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 Schedule 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 Schedule 5) comprise the day to day operational expenses excluding maintenance expenses.

Maintenance expenses (item 2 of Special Schedule 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 Schedule 5) includes all expenses not recorded elsewhere.

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

Impairment losses (item 4d and 4e of Special Schedule 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 Schedule 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 12a of Special Schedule 5 is for services provided to the Aboriginal Communities Water and Sewerage Program and is not part of Council's sewerage revenue.

Residential charges ⁽²⁾ (item 6 of Special Schedule 5) 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 Schedule 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 (item 11 of Special Schedule 5) includes all income not recorded elsewhere.

Other contributions (item 13c of Special Schedule 5) including capital contributions for 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 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.

Blayney Shire Council

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

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2016/17 Required maintenance ^a	2016/17 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Buildings	Council Offices/Administration	56	2	15	95	3,019	5,075	93%	4%	3%	0%	0%
	Council Works Depot	104	23	34	77	1,175	2,255	56%	38%	4%	2%	0%
	Council Public Halls	398	93	9	38	271	1,154	13%	23%	38%	26%	0%
	Libraries	283	–	5	9	195	377	0%	100%	0%	0%	0%
	CentrePoint	1,200	253	82	297	2,863	5,418	0%	100%	0%	0%	0%
	Buildings including Amenities	503	267	50	94	2,469	4,970	45%	25%	6%	15%	9%
	Other Buildings	2,409	1,053	180	–	1,309	2,529	42%	26%	8%	13%	11%
	Sub-total	4,953	1,691	375	610	11,301	21,778	43.3%	41.4%	5.4%	6.5%	3.3%
Roads	Sealed roads	2,407	1,850	510	1,237	42,748	57,469	45%	44%	5%	2%	4%
	Unsealed roads	1,522	892	500	857	6,803	17,014	11%	29%	36%	21%	3%
	Bridges	1,833	678	50	21	23,036	26,841	88%	3%	4%	1%	4%
	Footpaths	1,537	13	25	19	4,272	6,301	20%	39%	36%	5%	0%
	Bulk earthworks	–	–	–	–	11,625	11,625	100%	0%	0%	0%	0%
	Kerb & Gutter	2,033	34	15	–	5,947	8,810	17%	52%	23%	8%	0%
	Formations	–	–	–	–	41,522	41,522	100%	0%	0%	0%	0%
	Roadside Furniture	499	222	550	142	1,678	2,443	46%	27%	9%	12%	6%
	Culverts	1,226	–	100	221	785	1,657	0%	0%	100%	0%	0%
	Sub-total	11,057	3,689	1,750	2,497	138,416	173,682	62.4%	22.3%	9.4%	3.6%	2.3%

Blayney Shire Council

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

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2016/17 Required maintenance ^a	2016/17 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Sewerage network	Gravity Reticulations	–	–	250	21	9,301	15,602	100%	0%	0%	0%	0%
	Rising mains	–	–	50	–	3,559	4,797	100%	0%	0%	0%	0%
	Sewerage Treatment Plant	381	–	127	243	5,177	6,746	58%	34%	8%	0%	0%
	Pump Stations	1,006	417	–	24	1,833	3,130	25%	31%	17%	27%	0%
	Sub-total	1,387	417	427	288	19,870	30,275	82.9%	10.8%	3.5%	2.8%	0.0%
Stormwater drainage	Stormwater Pipes/Lines	14	15	25	19	7,480	8,763	3%	97%	0%	0%	0%
	Stormwater Pits	87	10	10	1	144	201	42%	0%	58%	0%	0%
	Sub-total	101	25	35	20	7,624	8,964	3.9%	94.8%	1.3%	0.0%	0.0%
Open space/recreational assets	Fencing	266	29	40	25	560	811	32%	26%	35%	7%	0%
	Park Furniture	757	48	–	377	2,239	3,064	38%	29%	30%	3%	0%
	Roofing/Shadesails	–	–	–	16	156	227	14%	86%	0%	0%	0%
	Sub-total	1,023	77	40	418	2,955	4,102	35.5%	31.6%	29.3%	3.6%	0.0%
	TOTAL – ALL ASSETS	18,521	5,899	2,627	3,833	180,166	238,801	60.6%	25.5%	8.3%	3.7%	2.0%

Notes:

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

Infrastructure asset condition assessment 'key'

1	Excellent	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Average	Maintenance work required

4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

Blayney Shire Council

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

\$ '000	Amounts	Indicator	Benchmark	Prior periods	
	2017	2017		2016	2015
Infrastructure asset performance indicators * consolidated					
1. Infrastructure renewals ratio					
Asset renewals ⁽¹⁾	<u>7,364</u>	196.27%	>= 100%	155.04%	120.09%
Depreciation, amortisation and impairment	<u>3,752</u>				
2. Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	<u>18,521</u>	10.73%	< 2%	21.37%	5.35%
Net carrying amount of infrastructure assets	<u>172,611</u>				
3. Asset maintenance ratio					
Actual asset maintenance	<u>3,833</u>	1.46	> 1.00	1.20	0.90
Required asset maintenance	<u>2,627</u>				
4. Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	<u>5,899</u>	2.47%		6.01%	3.95%
Gross replacement cost	<u>238,801</u>				

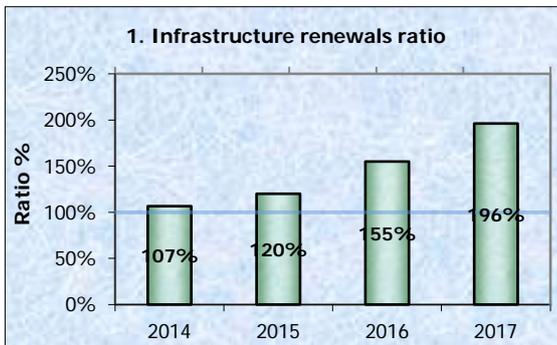
Notes

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

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

Blayney Shire Council

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



Purpose of asset renewals ratio

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

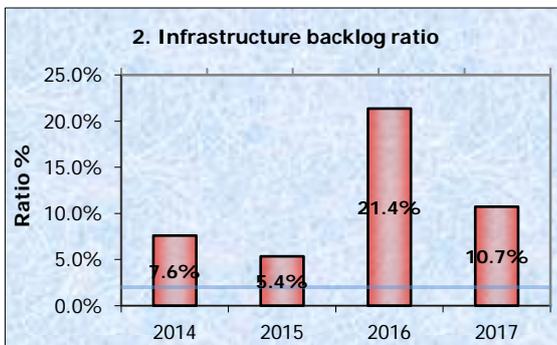
Commentary on 2016/17 result

2016/17 Ratio 196.27%

Council is undertaking a \$2m Bridge Renewal Program and reconstructing a major road corridor, which contributed to this renewal ratio

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

■ Ratio achieves benchmark
■ Ratio is outside benchmark



Purpose of infrastructure backlog ratio

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

Commentary on 2016/17 result

2016/17 Ratio 10.73%

This ratio uses the Office of Local Government measure, based on all assets being brought back to condition 2. Council has always used condition 3 as the target, which gives a backlog figure of 2%.

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

■ Ratio achieves benchmark
■ Ratio is outside benchmark



Purpose of asset maintenance ratio

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

Commentary on 2016/17 result

2016/17 Ratio 1.46 x

Council has increased the size of its day labour workforce in the last 2 years, enabling the required and budgeted maintenance to be achieved.

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

■ Ratio achieves benchmark
■ Ratio is outside benchmark



Purpose of agreed service level ratio

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

Commentary on 2016/17 result

2016/17 Ratio 2.47%

This ratio refers to Council bringing assets back to condition 3 (the agreed level of service) and better reflects the actual outstanding renewal works required.

Blayney Shire Council

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

\$ '000	Benchmark	Sewer 2017	General ⁽¹⁾ 2017
Infrastructure asset performance indicators by fund			
1. Infrastructure renewals ratio			
<u>Asset renewals ⁽²⁾</u>			
Depreciation, amortisation and impairment	>= 100%	22.93%	224.10%
	prior period:	50.44%	170.26%
2. Infrastructure backlog ratio			
<u>Estimated cost to bring assets to a satisfactory standard</u>			
Net carrying amount of infrastructure assets	< 2%	6.98%	11.22%
	prior period:	26.76%	20.66%
3. Asset maintenance ratio			
<u>Actual asset maintenance</u>			
Required asset maintenance	> 1.00	0.67	1.61
	prior period:	0.90	1.27
4. Cost to bring assets to agreed service level			
<u>Estimated cost to bring assets to an agreed service level set by Council</u>			
Gross replacement cost		1.38%	2.63%
	prior period:	10.34%	5.39%

Notes

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

Blayney Shire Council

Special Schedule 8 – Permissible Income Calculation

for the year ended 30 June 2018

\$'000		Calculation 2016/17	Calculation 2017/18
Notional general income calculation ⁽¹⁾			
Last year notional general income yield	a	8,566	8,532
Plus or minus adjustments ⁽²⁾	b	79	(33)
Notional general income	c = (a + b)	8,645	8,499
Permissible income calculation			
Special variation percentage ⁽³⁾	d	0.00%	0.00%
Or rate peg percentage	e	1.80%	1.50%
Or crown land adjustment (incl. rate peg percentage)	f	0.00%	0.00%
Less expiring special variation amount	g	(485)	–
Plus special variation amount	h = d x (c – g)	–	–
Or plus rate peg amount	i = c x e	147	127
Or plus Crown land adjustment and rate peg amount	j = c x f	–	–
Sub-total	k = (c + g + h + i + j)	8,307	8,626
Plus (or minus) last year's carry forward total	l	16	(208)
Less valuation objections claimed in the previous year	m	–	(1)
Sub-total	n = (l + m)	16	(209)
Total permissible income	o = k + n	8,323	8,417
Less notional general income yield	p	8,532	8,421
Catch-up or (excess) result	q = o – p	(209)	(4)
Plus income lost due to valuation objections claimed ⁽⁴⁾	r	1	6
Less unused catch-up ⁽⁵⁾	s	–	–
Carry forward to next year	t = q + r – s	(208)	2

Notes

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



INDEPENDENT AUDITOR'S REPORT

Special Schedule No. 8

Blayney Shire Council

To the Councillors of Blayney Shire Council

Opinion

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

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Matter

Special Schedule No.8 of the Council for the year ended 30 June 2017 was audited by another auditor who expressed an unmodified opinion on Special Schedule No. 8 on 28 October 2016.

Councillors' Responsibility for Special Schedule No. 8

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

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

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

My objectives are to:

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

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

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

My opinion does not provide assurance:

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



Chris Clayton
Director, Financial Audit Services

24 October 2017
SYDNEY

An aerial photograph of a rural town. A main road curves through the center, flanked by fields and scattered houses. In the foreground, there's a cluster of houses with green and red roofs. The background shows a vast, flat landscape under a clear blue sky.

A3

**PAYMENT OF EXPENSES &
PROVISION OF FACILITIES
TO THE MAYOR AND
COUNCILLORS POLICY**

Blayney Shire Council



Policy Register

Policy No 1A

Policy Title Payment of Expenses and the Provision of Facilities to the Mayor and Councillors Policy

Officer Responsible Director Corporate Services

Last Review Date 19/09/2016

Objectives

Section 252 (1) of the Local Government Act 1993 requires Council to adopt a policy concerning the payment of expenses incurred or to be incurred by, and the provision of facilities to, the mayor, the deputy mayor and other councillors in relation to discharging the functions of civic office.

Policy Statement

Blayney Shire Council



Payment of Expenses and the Provision of Facilities to the Mayor and Councillors Policy

1. OBJECTIVE OF POLICY

Section 252 (1) of the Local Government Act 1993 requires Council to adopt a policy concerning the payment of expenses incurred or to be incurred by, and the provision of facilities to, the mayor, the deputy mayor and other councillors (including Administrators) in relation to discharging the functions of civic office.

The purpose of this policy is to ensure that councillors receive adequate and reasonable expenses and facilities to enable them to carry out their civic duties and that there is accountability and transparency in the payment of expenses incurred, or to be incurred by Councillors (including Administrators). The overriding principle to be addressed in the development of this policy is that the provisions of the policy meet the expectations of the local community.

This policy does not deal with matters associated with the setting and payment of annual fees to the Mayor and Councillors, which are determined by the Local Government Remuneration Tribunal.

Any reference hereon in this policy to Councillors will encompass Administrators.

2. STATUS OF THE POLICY

This policy has been prepared in accordance with the "Guidelines for the Payment of Expenses and the Provision of Facilities for Mayors and Councillors in NSW" as issued by the Office of Local Government, Department of Premier and Cabinet dated 7 October 2009 (Circular 09-36).

3. PAYMENT OF EXPENSES

3.1. CONFERENCES AND SEMINARS

Requests for attending conferences shall be in writing outlining the benefits for Council. A written report shall be furnished to Council from the Councillor or staff accompanying the Councillor on the aspects of the conference relevant to council business and / or the community. No written report shall be required for the Local Government NSW Annual Conference.

Council will meet the following expenses for Councillors attending conferences and seminars which have been authorised by Council resolution or by the Mayor under delegated authority.

3.1.1. Registration Fees

- i) Payment of registration fees for attendance at conference / seminar sessions.
- ii) Payment of official conference / seminar lunches and dinners, and associated tours where they are relevant to the business and interests of Council, if not covered by the registration cost.

3.1.2. Accommodation

Payment of accommodation costs on the following basis:

- i) Accommodation selected by the Council or General Manager on the basis of cost and convenience of location to the conference. A Councillor may choose accommodation at a different location but which is the same cost or less.
- ii) The number of accommodation days provided under this policy shall be limited to:
 - a. Registration day;
 - b. Each day on which official sessions of the conference / seminar are held, as well as the night preceding the conference / seminar where travelling schedules reasonably require such accommodation; and
 - c. Each day on which a Councillor is required to be accommodated en route to and from the conference / seminar.
- iii) Any additional accommodation costs incurred as a result of the attendance of partners and/or children shall be borne by the Councillor.

3.1.3. Car Parking Fees

Council shall meet the cost of the following car parking fees.

- i) Hotel / Motel parking – additional car parking fees not included in accommodation costs.
- ii) Airport parking – costs incurred in the parking of a Councillor's private vehicle at an airport for the duration of a conference / seminar, subject to the vehicle being parked in the most economical airport car park.

Reimbursement for parking expenses shall be made upon the production of appropriate receipts and tax invoices, and the completion of the required claim form. Claim for such expenses shall be made within two (2) months of the date of return from the conference / seminar.

The driver is personally liable for all traffic infringements and parking fines incurred while travelling in private or Council vehicles. Claims for reimbursement or payment of expenses shall be refused.

3.2. TRAINING AND PROFESSIONAL DEVELOPMENT

Council shall meet the expenses for Councillors attending training and professional development which have been authorised by Council resolution or by the Mayor under delegated authority, where the training or educational course is directly related to Councillors civic functions and responsibilities.

The specific expense items met by Council are the same as those applicable to “Conferences and Seminars”, as listed at clause 3.1.

3.3. REIMBURSEMENT AND RECONCILIATION OF EXPENSES

Councillors seeking reimbursement of costs and expenses, incurred in accordance with the requirements of this Policy, shall only be approved upon the production of appropriate receipts and tax invoices, and the completion of the required claim form.

Claims for reimbursement of costs and expenses shall be made within two (2) months of the costs and/or expenses being incurred, unless otherwise specified within this policy.

3.4. CLAIM FORM

Provided as an attachment (Attachment A) to this Policy, is the prescribed Claim Form which shall be completed by any Councillor seeking reimbursement of their costs and expenses.

It is the responsibility of the Councillor to ensure that the Claim Form is submitted accurately and complete, and within the prescribed timeframe as required by this Policy.

Incomplete claim forms may result in costs and expenses not being reimbursed.

3.5. PAYMENTS IN ADVANCE

Councillors may request payment in advance in anticipation of expenses to be incurred in attending conferences, seminars and training away from home. Councillors may also request an advance payment for the cost of any other service or facility covered by this Policy. However, Councillors shall fully reconcile all expenses against the cost of the advance within fourteen (14) days of their return.

Note: No general allowance type payment shall be made under any circumstances.

3.6. PAYMENT OF EXPENSES FOR SPOUSES, PARTNERS AND ACCOMPANYING PERSONS

Where the business of Council includes an invitation to a Councillor's spouse, partner or accompanying person, Council shall meet all reasonable costs associated with the spouse, partner or accompanying person attending that function.

In circumstances where an invitation is not extended to a Councillor's spouse, partner or accompanying person, that spouse, partner or accompanying person may accompany the Councillor on the business of Council, at the expense of the Councillor.

Attendance at the Local Government NSW Annual Conference shall be regarded as business of the Council and, as permitted by the Office of Local Government Guidelines, registration and official conference dinner costs be met by Council.

An accompanying person is a person who has a close personal relationship with the councillor and/or provides carer support to the councillor.

3.7. INCIDENTAL EXPENSES

Claims for reimbursement of reasonable out-of-pocket or incidental expenses incurred by a Councillor whilst attending conferences, seminars or training courses shall only be approved upon presentation of receipts and the completion of the prescribed claim form. Payments of general expense allowances shall not be permitted under this policy.

Incidental expenses will be paid in accordance with the annual Taxation Determination issued by the Australian Taxation Office titled: *Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the xxxx-xx income year?* Amounts claimed shall not exceed amounts specified in the Taxation Determination.

3.8. INSURANCE

Council shall effect an appropriate level of insurance for Councillors in the following areas:

- i) Public Liability – for matters arising out of a Councillor's performance of their civic duties and/or exercise of their Council functions.
- ii) Professional Indemnity – for matters arising out of a Councillor's performance of their civic duties and/or exercise of their Council functions.
- iii) Personal Accident – coverage of Councillor and/or spouse while on Council business.
- iv) Defamation – excluding Councillor to Councillor, Councillor to Staff and Staff to Councillor.
- v) Travel – for approved travel on Council business.

Council shall meet any excess applicable under a policy for:

- Councillor and Officers – in relation to a Councillor performing their civic duties or Council functions;
- Other Insurances – in specific instances when considered necessary by the General Manager (e.g. travel insurance).

3.9. LEGAL EXPENSES

Council may indemnify or reimburse the reasonable legal expenses of:-

- i) A Councillor defending an action arising from the performance in good faith of a function under the Local Government Act 1993 (refer Section 731), provided that the outcome of the legal proceedings is favourable to the Councillor.
- ii) A Councillor defending an action in defamation, provided that the outcome of the legal proceedings is favourable to the Councillor.
- iii) A Councillor involved in the event of:
 - An inquiry, investigation or hearing into a Councillor's conduct by any of the following:
 - Independent Commission Against Corruption
 - Office of the NSW Ombudsman
 - Office of Local Government, Department of Premier and Cabinet
 - NSW Police Force
 - Director of Public Prosecutions
 - Local Government Pecuniary Interest Tribunal
 - Council's Conduct Review Committee / Reviewer

This is provided that the subject of the inquiry, investigation or hearing arises from the performance in good faith of a councillor's functions under the Local Government Act 1993 and the matter before the investigative or review body has proceeded past any initial assessment phase to a formal investigation or review. In the case of a conduct complaint made against a councillor, legal costs shall only be made available where a matter has been referred by the General Manager to the conduct reviewer/conduct review committee to make formal enquiries into that matter in accordance with the procedures in the Code of Conduct. In the case of a pecuniary interest or misbehaviour matter legal costs shall only be made available where a formal investigation has been commenced by the Office of Local Government.

In addition, legal costs shall only be provided where the investigative or review body makes a finding that is not substantially unfavourable to the councillor. This may include circumstances in which a matter does not proceed to a finding. In relation to a councillor's conduct, a finding by an investigative or review body that an inadvertent minor technical breach had occurred may not necessarily be considered a substantially unfavourable outcome.

Council shall not meet the legal costs of legal proceedings initiated by a Councillor under any circumstance.

Council shall not meet the legal costs of a councillor seeking advice in respect of possible defamation, or in seeking a non-litigious remedy for possible defamation.

Legal costs shall not be met for legal proceedings that do not involve a councillor performing their role as a councillor.

Council may lawfully obtain insurance cover against the risk of having to meet the reasonable legal costs of a councillor, or to reimburse those costs, provided that the costs or reimbursements are ones that it is authorised to meet.

Council may reimburse such Councillor, after the conclusion of the inquiry, investigation, hearing or proceeding, for all legal expenses properly and reasonable incurred, given the nature of the inquiry, investigation, hearing or proceeding, on a solicitor / client basis. Such determination shall be by resolution of Council.

3.10. CARER'S PROVISIONS

3.10.1. Carer's Expenses

Councillors who are the principal carer of a child or other elderly, disabled and/or sick immediate family member shall be entitled to reimbursement of carer's expenses up to a maximum of \$1,000 per annum for attendance at Council and Committee meetings and other official civic functions noted below, plus reasonable travel from their principal place of residence. Child care expenses may be claimed for children up to and including the age of 16 years. Reimbursement of carer's expenses shall be made after submission of receipts and tax invoices and completion of the prescribed claim form. Claims for such expenses shall be made within one (1) month of the expense being incurred. Official civic functions may include:

- Attendance at Ordinary and Extraordinary meetings of Council.
- Attendance at Council Committee meetings of which the Councillor is a member.
- Attendance at Ordinary, Committee and Sub-Committee meetings of an organisation where the Councillor has, by Council resolution, been duly elected as a Council delegate.
- Attendance at inspections, within or outside the area as authorised by Council resolution or by the Mayor under delegated authority.
- Attendance at official Council functions as authorised as Council business by a resolution of Council.
- Attendance at conferences or seminars approved by Council resolution or by the Mayor under delegated authority.
- Attendance at training or professional development approved by Council resolution or by the Mayor under delegated authority.

- Attendance at functions to which the Mayor has been invited, which are attended at the request of the Mayor.
- Councillors shall provide suitable evidence to the General Manager that reimbursement is applicable, such as advice from a medical practitioner in the event of caring for an adult person.

3.10.2. Expenses and Facilities for Councillors with Disabilities

In addition to the provisions of 3.10.1, for any councillor with a disability, Council may resolve to provide reasonable additional facilities and expenses, in order to allow that Councillor to perform their civic duties.

4. CONSIDERATION OF SPECIFIC EXPENSES FOR MAYORS AND COUNCILLORS

4.1. GENERAL TRAVEL ARRANGEMENTS

All travel by Councillors shall be undertaken by utilising the most direct route and the most practicable and economical mode of transport subject to any personal medical considerations.

Note: The driver is personally responsible for all traffic infringements and parking fines incurred while travelling in private or council vehicles on Council business.

4.2. LOCAL TRAVEL ARRANGEMENTS AND EXPENSES

For the purposes of this Policy, Local Travel will include travel conducted within the following Local Government Areas:-

- Blayney
- Cowra
- Bathurst
- Orange
- Cabonne
- Wellington

For the purposes of this Policy, where Council Delegates attend meetings of the Lachlan Regional Transport Committee Inc, Local Travel will include travel conducted within, and transiting to, the Local Government Areas of the members to this Committee.

Travelling expenses within these Local Government Areas shall be paid to Councillors upon submission of the completed claim form for:

- Attendance at Council or Committee meetings;
- Undertaking approved business of the Council.

Councillors are encouraged to pool vehicles where practicable.

4.3. NON-LOCAL AND OTHER TRAVEL ARRANGEMENTS AND EXPENSES

Payment of travelling expenses for all other travel outside of the “local area” as defined above shall be submitted to Council for consideration, and shall only be paid if approved.

All non-local and other travel should be advised to the General Manager in advance for coordination of accommodation and travel arrangements (if required). Such advice shall be on a travel authority and submitted in time for approval by Council as attached to this policy. For risk minimisation Councillors are to pool vehicles where practicable. All travel by vehicle shall be by the following priority:

- a. Council vehicle (if available)
- b. Councillor vehicle
- c. Hire vehicle

Claims for expenses incurred shall be submitted on the approved claim form as attached to this Policy, and each claim shall clearly state the purpose of the travel.

4.4. TRAVELLING EXPENSES PER KILOMETRE RATE

Approved claims for payment of travelling expenses shall be fixed at the rate of the cents per kilometre method for vehicles, as determined by the Australian Taxation Office, effective from the 1st July of that financial year.

4.5. OTHER EXPENSES

Councillor claims for payment of “Other Expenses” not specifically covered by this Policy shall be presented in a report to Council for consideration, and shall only be paid if approved.

5. PROVISION OF FACILITIES

5.1. GENERAL PRINCIPLES

The provision of facilities, equipment and services to the Mayor and Councillors shall be used by the Mayor and Councillors only for the purposes of fulfilling their civic duties and functions. However, Council acknowledges that infrequent private use of the facilities and equipment may occur.

Council facilities, equipment and services shall not be used to produce and disseminate election material, personalised pamphlets or newsletters (and the like) or material for any other political purpose.

5.2. TELEPHONE LINE

At Council's expense a separate telephone direct line shall be connected to all Councillors' residences for Council business upon receipt of a written request from each respective Councillor. All costs associated with the operation of this line shall be paid by Council.

In circumstances where a Councillor elects not to have a separate telephone line connected, and instead utilises their own private telephone line, Council shall reimburse only the call costs identified by the Councillor as relating to council business. Claims for this reimbursement shall be accompanied by a copy of the telephone account for this line with each council business call highlighted.

5.3. TECHNOLOGY EQUIPMENT

At the expense of Council, each Councillor shall be provided with Technology equipment, the provision of tablet technology (i.e., iPad or similar). Such equipment will be provided with required applications for Councillors to undertake their duties. Any additional applications at Council expense must be made in writing with substantiation of need.

Council will not be responsible for purchase, update or replacement of applications not purchased through Council in the event of equipment failure.

5.4. APPAREL

At the expense of Council, each Councillor shall be provided with the following apparel each term:

- One (1) corporate blazer or jacket of Council;
- Two (2) ties or scarves;
- Two Corporate Polo shirts; and
- Protective clothing as deemed required by the General Manager.

Any apparel purchased under this section shall carry the Council logo.

5.5. OTHER FACILITIES

Councillors are to receive the benefit of:

- Provision and use of business cards and name badges;
- Postage of official correspondence - all mail is to be directed through the Council's own mailing systems;
- Meals/refreshments at Council, Committee, Sub-Committee Meetings and Working Parties, or at any other time deemed appropriate by the Mayor or General Manager whilst on Council business;

5.6. RETURN OF FACILITIES

Councillors shall return any equipment or other facilities to Council after the completion of their term of office, extended leave of absence or at the cessation of their civic duties.

Where a separate sim card / telephone had been established, this line shall be disconnected at Council's expense. However, should the Councillor wish to retain the use of this line, then at Council's expense, the line shall be transferred into the name of the Councillor.

Councillors will also have the option of purchasing the equipment previously allocated at an agreed fair market price or written down price value.

6. PROVISION OF ADDITIONAL EQUIPMENT AND FACILITIES FOR MAYORS

6.1. SECRETARIAL SUPPORT

Secretarial support facilities are available to the mayor during normal office hours, through the General Manager.

6.2. CREDIT CARD

- i) The Mayor will be provided with a Corporate Credit Card to facilitate payment of incidental expenses such as attendance at functions, accommodation, parking and entertainment in conjunction with discharging the functions of the Mayoral Office.
- ii) The credit card will have a limit of \$2,000 personally issued to the Mayor. The application form is to be signed by the Mayor.
- iii) The credit card is to be used for Council-related business expenditure only.
- iv) The credit card must not be used for obtaining cash advances.
- v) Upon completion of the Mayoral term, the credit card is to be returned to the General Manager on or prior to the date the term ceases.
- vi) Ongoing use of the credit card by the Mayor will be in accordance with and subject to any other policy relating to the use of such credit facilities adopted by Council from time to time.

ATTACHMENT B – TRAVEL AUTHORITY

**BLAYNEY SHIRE COUNCIL
COUNCILLOR TRAVEL AUTHORITY
FOR NON-LOCAL AND OTHER TRAVEL**

Pursuant to the Payment of Expenses and the Provision of Facilities to the Mayor and Councillors Policy the following application is submitted:

Name of Councillor: _____

Purpose of Travel: _____

Date(s): _____ Time from / to: _____

Location: _____

Venue: _____

Mode of Transport: (please circle)

Air Council Vehicle Councillor Vehicle Hire Vehicle

Accommodation (if required):

Single Room: _____ Double Room: _____ Other: _____

Motel preference: _____

Please provide other relevant details (e.g. special requirements):

SIGNATURE: _____ **DATE:** _____

(Authority should be lodged with sufficient time for Council report for approval to be submitted.)

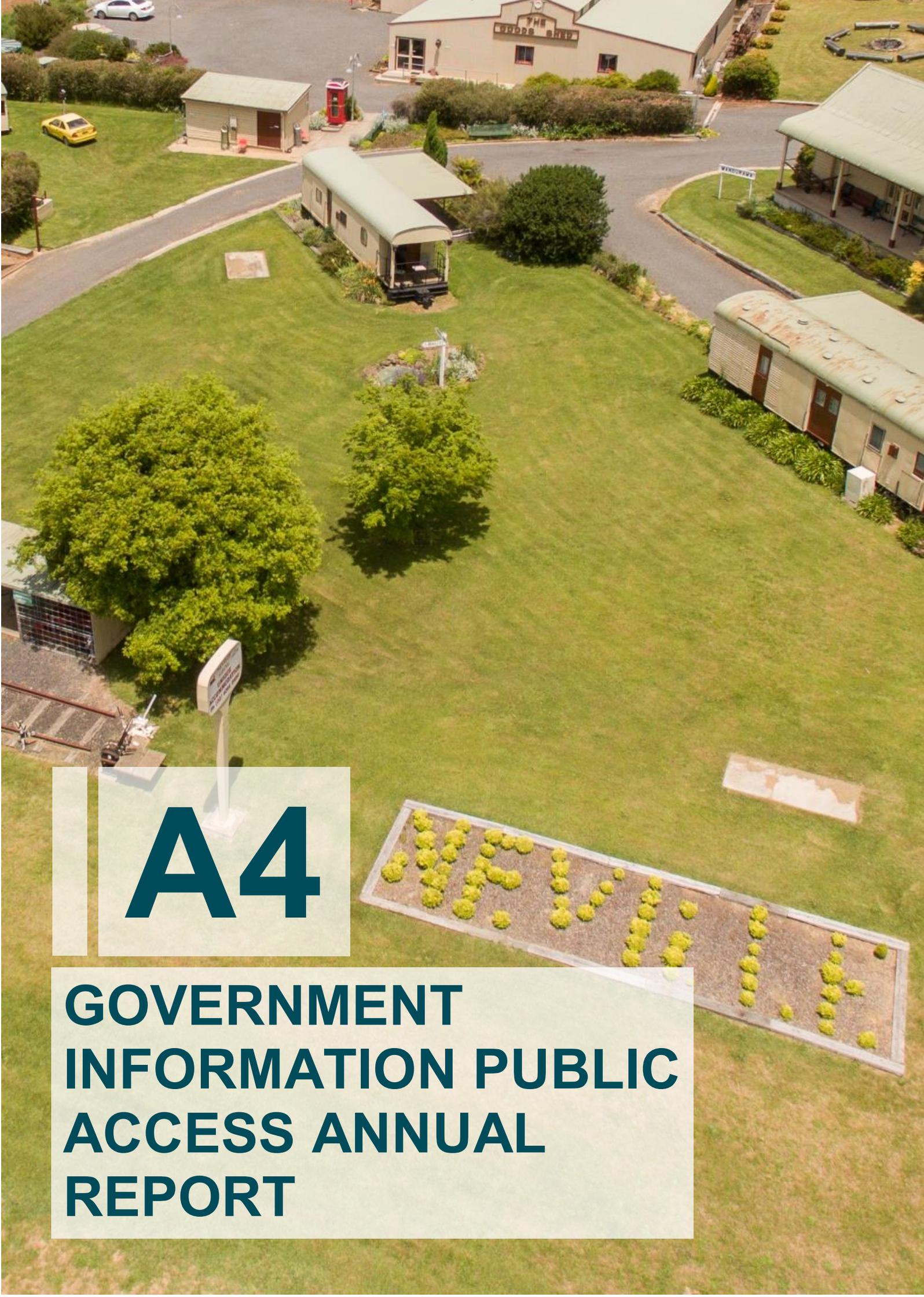
Office Use Only

Council meeting date: _____ Minute No.: _____

Transport: _____ Order No.: _____

Motel: _____ Order No.: _____

	Date	Minute No.
First Adopted:	20/9/1999	592
Last Reviewed:	13/08/2001	388
	12/02/2007	7
	14/05/2007	07/094
	12/05/2008	08/105
	29/09/2008	08/231
	08/02/2010	1002/010
	09/05/2011	1105/007
	12/09/2011	1109/022
	10/12/2012	1212/005
	09/09/2013	1309/009
	16/09/2014	1409/010
	14/09/2015	1509/006
	19/09/2016	1609/009
Next Review:	17/07/2017	



A4

**GOVERNMENT
INFORMATION PUBLIC
ACCESS ANNUAL
REPORT**

Clause 7A: Details of the review carried out by the agency under section 7 (3) of the Act during the reporting year and the details of any information made publicly available by the agency as a result of the review

Reviews carried out by the agency	Information made publicly available by the agency
Yes	Yes

Council under Clause 7 of the Government Information (Public Access) Regulation 2009 is required to provide details of the review for the release of government information carried out during the reporting year and to provide details of any information made publicly available under the review. Council's program for the proactive release of information involves maintaining and promoting to staff a practice of openness and accountability of corporate information and decision making. The focus of access to information held by Blayney Shire Council is to promote proactive release of where possible via the website: www.blayney.nsw.gov.au and social media. Council staff have been engaged and encouraged to make available information on the website to improve the level of understanding by users and ease interpretation by staff thus allowing for easier and more efficient access to information. Council's Agency Information Guide details the documents that are made publicly available by Council. Council prefers written requests for access to information that is not proactively released from its website or not otherwise publically accessible in order to create an audit trail, clearly identify the information sought and assist in its review of information for proactive release. Council conducts an ongoing review of its program of proactive release of information and while no significant improvements were effected we continue to proactively release information as follows:

- Council has embarked on a rates e-notice project encouraging ratepayers to receive notices electronically enabling them to access a 5 year history.
- Council has also worked mapping projects for proactive release of cemetery information and location across Council's cemeteries; rate categories of properties across the Shire and garbage collection runs. This information is due for launch in November 2017.
- Reporting to the community through prominent display on its website and local print media, Public Exhibition notices of proposed activities, policies and strategies which invites community feedback during the decision making process.
- Distributing regular Media Releases on Council decisions, projects, services and events and matters of community interest and activities that are supported by Council.
- Advertising local Council managed and community activities and events through a weekly advertisement in the local paper and through radio segments, a monthly e -newsletter, a What's On Calendar of Events e-newsletter and a web based Calendar of Events.
- Through the Electronic Housing Code enquiries can be undertaken online to establish whether a development application must be lodged or will be a complying development. The DA Tracker enables also enquiries to be done online to ascertain the status of a development application.
- Council released information on a number of projects, initiatives and developments on its website including: Plans; policies and strategies; Community Strategic Plan and related plans under the Integrated Planning and Reporting Framework; Mapping; Spatial Information Links; various forms of community information.
- Council uses other forms of electronic media i.e. Facebook and Twitter in attempting to better engage and inform the community on Council activities. Council has a practice of promoting new updates to its website on these other forms of media as part of Council's commitment to transparency. Council is satisfied that all relevant and applicable information is being made available to the public.

Clause 7B: The total number of access applications received by the agency during the reporting year (including withdrawn applications but not including invalid applications)

Total number of applications received
0

Clause 7C: The total number of access applications received by the agency during the reporting year that the agency refused either wholly or partly, because the application was for the disclosure of information referred to in Schedule 1 to the Act (information for which there is conclusive presumption of overriding public interest against disclosure)

Number of Applications Refused	Wholly	Partly	Total
	0	0	0
% of Total	0%	0%	

Schedule 2 Statistical information about access applications to be included in 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	Total	% of Total
Media	0	0	0	0	0	0	0	0	0	0%
Members of Parliament	0	0	0	0	0	0	0	0	0	0%
Private sector business	0	0	0	0	0	0	0	0	0	0%
Not for profit organisations or community groups	0	0	0	0	0	0	0	0	0	0%
Members of the public (by legal representative)	0	0	0	0	0	0	0	0	0	0%
Members of the public (other)	0	0	0	0	0	0	0	0	0	0%
Total	0	0	0	0	0	0	0	0	0	
% of Total	0%	0%	0%	0%	0%	0%	0%	0%		

* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

Table B: Number of applications by type of application 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	Total	% of Total
Personal information applications*	0	0	0	0	0	0	0	0	0	0%
Access applications (other than personal information applications)	0	0	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	0	0%
Total	0	0	0	0	0	0	0	0	0	
% of Total	0%	0%	0%	0%	0%	0%	0%	0%		

* A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

Table C: Invalid applications

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

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

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

*More than one public interest consideration may apply in relation to a particular access application and if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E

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

	Number of times consideration used*	% of Total
Responsible and effective government	0	0%
Law enforcement and security	0	0%
Individual rights, judicial processes and natural justice	0	0%
Business interests of agencies and other persons	0	0%
Environment, culture, economy and general matters	0	0%
Secrecy provisions	0	0%
Exempt documents under interstate Freedom of Information legislation	0	0%
Total	0	

Table F: Timeliness

	Number of applications*	% of Total
Decided within the statutory timeframe (20 days plus any extensions)	0	0%
Decided after 35 days (by agreement with applicant)	0	0%
Not decided within time (deemed refusal)	0	0%
Total	0	

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

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

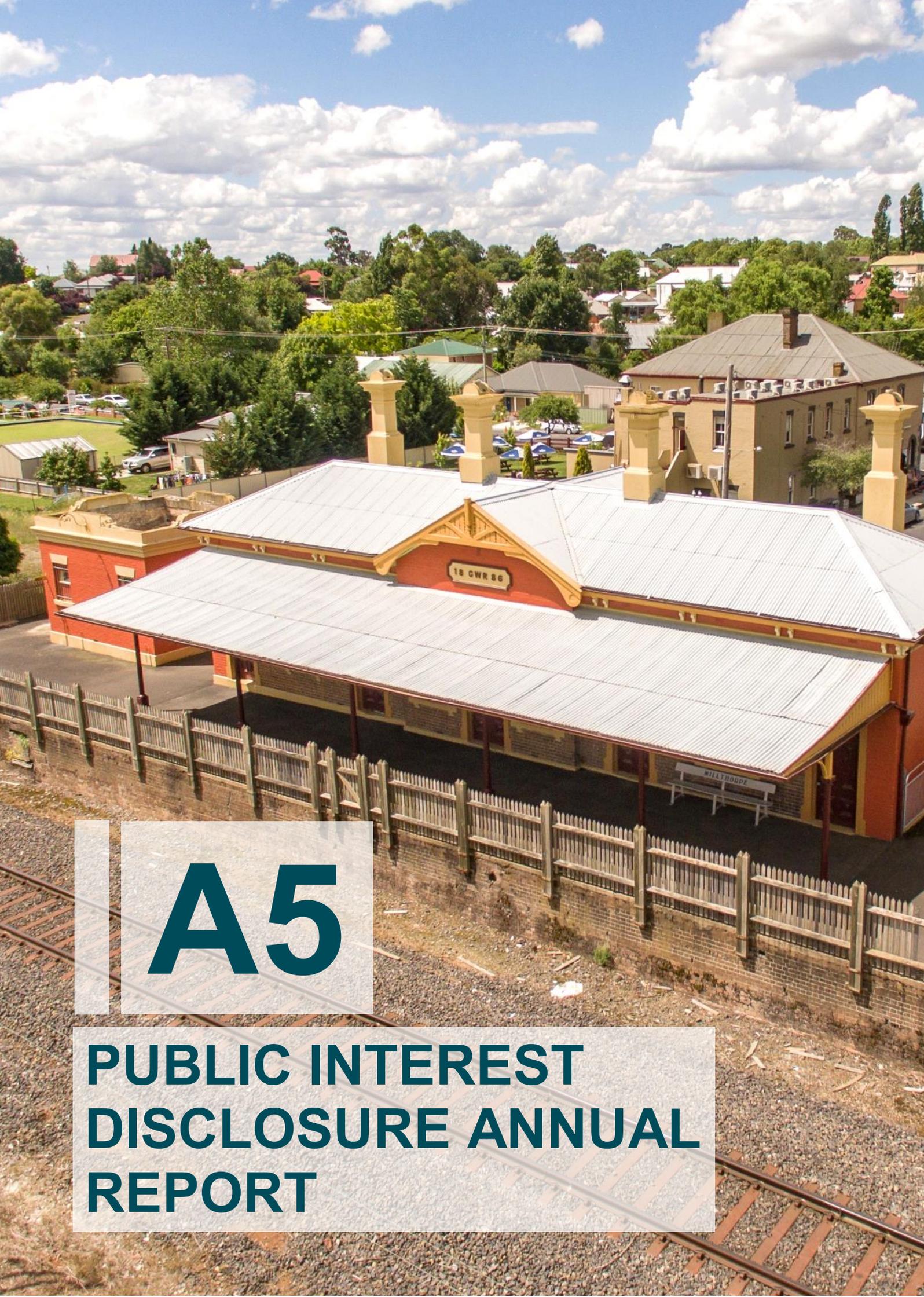
*The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

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

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

Table I: Applications transferred to other agencies.

	Number of applications transferred	% of Total
Agency-Initiated Transfers	0	0%
Applicant - Initiated Transfers	0	0%
Total	0	



A5

**PUBLIC INTEREST
DISCLOSURE ANNUAL
REPORT**

2016/17 ANNUAL REPORT



PUBLIC INTEREST DISCLOSURES ANNUAL REPORT

Public Interest Disclosures

Council is required under the Public Interest Disclosures Act to collect and report on information about public interest disclosures (PIDs).

No PIDs were made for the period 1 July 2016 to 30 June 2017:

The number of public officials who have made a public interest disclosure to the public authority	Nil
The number of public interest disclosures received by the public authority in total and the number of public interest disclosures received by the public authority relating to each of the following: <ul style="list-style-type: none">• Corrupt conduct• Maladministration• Serious and substantial waste of public money or local government money (as appropriate)• Corrupt conduct	Nil Nil Nil Nil
Government information contraventions	Nil
Local government pecuniary interest contraventions	Nil
The number of public interest disclosures finalised by the public authority	Nil

Council has a public interest disclosures policy in place.

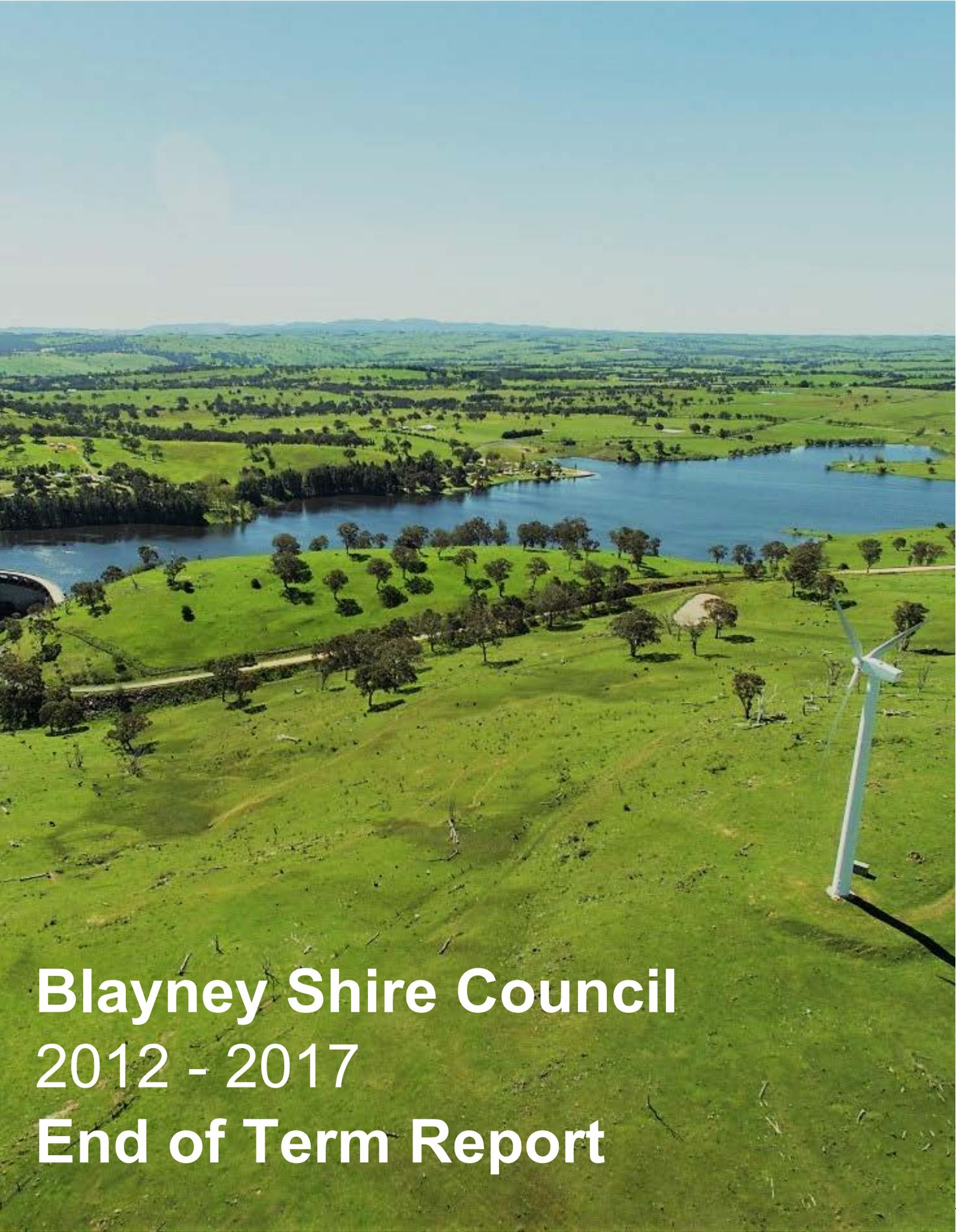
Council has taken the following actions to ensure that staff are aware of their responsibilities under section 6E(1)(b) of the Act:

- Information on public interest disclosures included in Council's *Employee Manual*.
- Discussion of policy during induction and re-induction of all Council staff.
- The Policy was available in Council's Policy Register on Intranet and Website.
- Promotional posters displayed in work areas and lunchrooms.
- Promotional information on Intranet home page.
- Discussion at staff and team meetings and toolbox talks.



A6

**END OF TERM
REPORT**



Blayney Shire Council 2012 - 2017 End of Term Report



***Here in Blayney Shire, we gather
on Wiradjuri Country on which
members and Elders of the local
Indigenous community and their
forbearers have been custodians
for many centuries and on which
Aboriginal people have
performed age old ceremonies of
celebration, initiation and
renewal, We acknowledge their
living culture and their unique
role in the region.***

Blayney Shire Council

91 Adelaide Street,
Blayney NSW 2799

PO Box 62
Blayney NSW 2799

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Email: council@blayney.nsw.gov.au

Web: www.blayney.nsw.gov.au

August 2017

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What is the End of Term Report?

Background

The Local Government Amendment (Planning and Reporting) Act 2009 was assented to on 1 October 2009. This legislation introduced an Integrated Planning and Reporting framework for local government in NSW. The specific aims of that framework are to:

- Improve integration of various statutory planning
- and reporting processes undertaken by councils
- Strengthen Council's strategic focus
- Streamline reporting processes
- Ensure legislation supports a strategic and integrated approach to planning and reporting by local councils.

Blayney Shire Council embraced the new framework and after much community consultation during 2011, the Blayney Shire Community Strategic Plan 2025 (CSP), the foundation of this framework, was prepared and adopted by the community and Council on 12 March 2012. The specific details of projects and programs that support the community's strategic objectives reflected in the CSP are spelt out in Council's Delivery Program (4 years) and Operational Plan (1 year). These documents are readily available to the community on Council's website or by contacting Council. Supporting documents, via a Resourcing Strategy, that are integral to the Integrated Planning and Reporting framework and guide future planning processes include a Long Term Financial Plan (10 years), an Asset Management Plan (10 years) and a Workforce Management Plan (4 years).

The Report

The End of Term Report is a reporting requirement under the new framework. It serves as the outgoing Council's report to its community, reporting on Council's progress in implementing the Community Strategic Plan during its term, focusing on the initiatives Council has direct influence over. It will also assist in informing the new Council when it reviews the Community Strategic Plan within nine months of its election.

This End of Term Report covers the highlights and achievements over the five year term of Council.

Blayney 2025

All the pieces together

The Community Strategic Plan

Our Shire of welcoming communities

- The many communities of the Shire's town, villages and settlements are supportive and welcoming to those who live here and also those who visit.

Beautiful and productive landscapes

- The landscape in which we live is both beautiful and productive.

Rural and mining heritage

- Our heritage of rural living amidst agricultural and mining production has taught us much about the nature of these activities and how they can exist in harmony.

Showing the world how agriculture, mining and industry can work together

- We are eager to share these lessons and learnings with other communities around the world.

A place to live your dreams

- In Blayney Shire there is both space and time to make and live your dreams!

Values

These are the values that will guide our future choices and the way we work together as a community



Councillors 2012-2017



Cr Scott Ferguson (Mayor) has served on Blayney Shire Council since 1999 as a Councillor, interim Mayor in 2008 and elected as Mayor 2012 for the current term. Cr Ferguson and his family have made Blayney their home. As a successful local business, Ferguson Plumbing is owned and operated by Scott and his wife Michelle – a good example for aspiring business owners of what can be achieved with hard work and dedication.

Cr Ferguson is a current member of the Blayney Rotary Club and Director of Skillset Apprenticeship and Training Organisation. His passion for community development and economic growth has been evident throughout the years as the towns and villages continue to thrive. His strategic leadership skills have inspired the Council body and as a result, Blayney Shire Council is united and very positive.



Cr Allan Ewin (Deputy Mayor) has served two terms from 2008 on Blayney Shire Council - the first term as a Councillor and currently serving in his second term as Deputy Mayor. The Ewin family have lived in the Blayney Shire for over six generations as graziers.

Cr Ewin is an active member of the Cultural Centre Working Group and Towns and Villages Council Committee as Chairman where his passion for business development and tourism has been a valuable asset to both committees. Cr Ewin is well-known community ambassador, as a long-term member within Blayney Rotary Club, A & P Association and the Blayney Health Council. He is currently the Council delegate of the Bushfire Management and Liaison committee.



Cr Kevin Radburn has served on Blayney Shire Council for two consecutive terms, one as Deputy Mayor from 2008-2012 and currently as Councillor from 2012. Before taking on his role as a Councillor, Cr Radburn was an employee at Blayney Shire Council Treatment Works. The Radburn family own and operate one of the region's most unique accommodation businesses called Neville Siding in the picturesque village of Neville, which features refurbished train carriages from yesteryear. As the current Chair of the Flood Plan Risk Management committee, Chair of the Traffic Committee and Treasurer of the Lee Hostel Board in Blayney, Cr Radburn is a valuable community leader.



Cr Shane Oates has served on Blayney Shire Council since 2012. Mr Oates currently works in Bathurst as a statutory assistant at the state government run Lands and Property Information offices. He has also worked in the public service for the past nine years with agencies such as the Department of Community Services and Ageing, Homecare and Disability.



Cr Geoff Braddon OAM As a lifetime resident of Carcoar, Geoff Braddon was one of first elected members of the newly constituted Blayney Shire Council in 1978. Cr Geoff Braddon has continued as a Councillor throughout the years, only taking one term off during his service. He has also served as Deputy Mayor from 1984-87 and for a short period in 2001. As at 2016, he has served a total of 32 years in local government. In recognition of service to the Australia Army Reserve as CQM Sgt, Alpha Company, Royal NSW Regiment, Cr Geoff Braddon was awarded with an Order of Australia Medal on 10 June 1991. As a current member and past long serving Lyndhurst RSL Secretary, Cr Braddon is a respected community leader.

Geoff has dedicated his life to serving the community for Blayney Shire Council and associated organisations and forums, having served on more than 25 Council Committees as Chair or Council representative. Geoff established the Carmanhurst Military Museum in Carcoar and was Trustee of the Carcoar School of Arts from 1969 – 2016. He continues to be a Council delegate and the current Chair for Upper Macquarie County Council. He is also a Council delegate and past Chair of Central Tablelands Water. He is the current Chair of the Council Cemeteries Committee with a passion for history and ANZAC cultural heritage.



Cr David Kingham has served on Blayney Shire Council as a Councillor for two terms from 1987-1991 and 2012 to the present day. During this time, Cr Kingham has been an active member of Council with a keen interest in sports and recreation, parks and community infrastructure. Cr Kingham and his family are graziers in the local Blayney area, making it their home for many years.

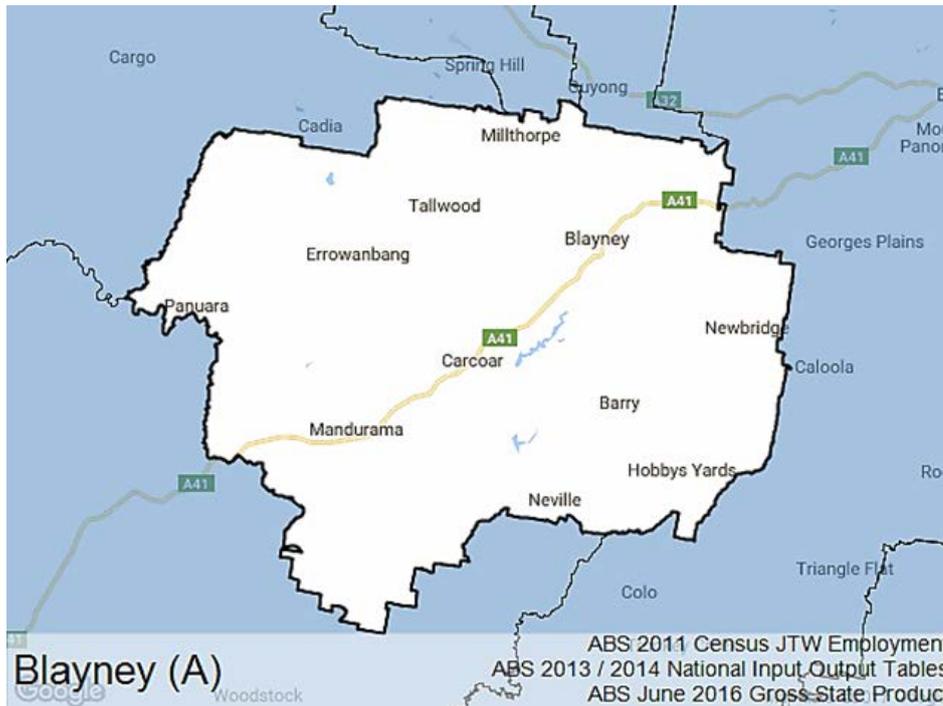
Cr Kingham is a Council delegate of the Upper Macquarie County Council and is Chair of the Blayney Sports Council. He is currently the honourable Secretary of the NSW Farmers Association, Blayney Branch.



Cr David Somerville, David and his wife, Karen, live on Newbridge Road. They run the function centre known as Athol Gardens, as well as an Angus cattle breeding business on the property. David and Karen have 4 daughters: Mia lives and works in Blayney, Hannah lives in Melbourne; Veronica was recently married in Millthorpe and now lives in Berry and Ella lives in Sydney.

Cr Somerville has been a resident in the district since 1972. He has commuted to Sydney for his practice as a corporate and finance lawyer, but now works almost exclusively from Athol.

Snapshot of Blayney Shire



Blayney Shire is comprised of the principal town of Blayney, as well as a number of villages including Millthorpe; Carcoar; Mandurama; Lyndhurst; Neville; Newbridge; Hobbys Yards and Barry. The Shire is located in the Central Tablelands of New South Wales, approximately three hours by road from the centre of Sydney. It is the centre of a district, which stretches east to Bathurst, southwest to Cowra and north to Orange.

Our town, villages and settlements are spread throughout a beautiful landscape of undulating hills and tablelands. Blayney Shire communities enjoy a pace of living that is relaxing, genuine and in tune with the changes of a temperate climate with four distinct seasons. The spirit of community is strong. The Shire has quality schools, and facilities support participation in sports, recreation and healthy lifestyles.



Land Area (ha):
152,488.271



GDP (\$'000):
\$3.171/ha



Census Population Density:
0.046/ha



GDP (\$'000):
\$69.233/capita



Gross Regional Product
(\$M): \$483.596



GDP (\$'000):
\$200.579/worker

Total Output in 2016 for the Blayney LGA is estimated at \$1,218.562 million.
The major contributors to output are:

Industry Sector	\$M	%
Mining	\$402.870	33.1%
Manufacturing	\$289.594	23.8%
Agriculture, Forestry & Fishing	\$98.305	8.1%
Other	\$427.793	35.1%

Employment

The major contributors to employment are:

Industry Sector	Jobs	%
Mining	442	18.3%
Agriculture, Forestry & Fishing	352	14.6%
Manufacturing	303	12.6%
Other	1,314	54.5%

Data sourced from:

ABS 2011 Census JTW Employment

ABS 2013 / 2014 National Input Output Tables

ABS June 2016 Gross State Product

Within the shire:



1 High School



2 Child Care Centres



7 Primary School



1 Mens Shed



1 Pre School



1 Hospital

ABS Statistics – Blayney (LGA)

	2011	2016
People Total	6,985	7,257
People - Male	49.9%	49.8%
People - Female	50.1%	50.2%
People – Median Age	40	42
People – Aboriginal or Torres Strait Islander	205	266
Country of Birth (Australia)	88.3%	85.8%
Language spoken at home (English)	93.7%	91.5%
Median Weekly Income (Household)	\$1092	\$1227
Unpaid Work – Voluntary through organisation or group	22.9%	24.2%
Families – With children	43.3%	41.6%
Families – Without children	40.2%	41.8%
Families – One parent	15.2%	15.4%
Dwellings – Occupied private	87.5%	88.3%
Dwellings – Unoccupied private	12.5%	11.7%
Dwelling – Separate house	94.7%	94.8%
Dwelling – Median rent	\$165/wk	\$220/wk
Dwelling – Median mortgage repayments	\$1430/m	\$1500/m
Dwelling – Internet connection	N/A	75.3%
Average motor vehicles per dwelling	2	2.1

Source: 2011 and 2016 Census

Central West NSW snapshot



2012-17 COUNCIL TERM WHAT WE ACHIEVED



15 Youth Week Events supported via Councils Youth Week Grants Program



Development of Disability Inclusion Action Plan



16 scholarships awarded under Blayney Shire Music Scholarship program



Maintenance and repairs to over 709kms of sealed and unsealed roads within the shire.



Over 5000 trees have been planted within the shire



Over 20kms waterways, roadside and cemeteries rehabilitated and maintained.



Maintenance of 32km network of footpaths and shared paths within the shire.



Centrepoint improvements Climate control, water temperature and expanded gym area.



Upgrade of Redmond Oval playing surface, carpark, irrigation & canteen.



5 free bulky waste pick ups for over 3,200 shire residents



\$416,000 paid out via Community Financial Assistance Program



Funding for improvements to Napier Oval toilet block and Blayney Showground



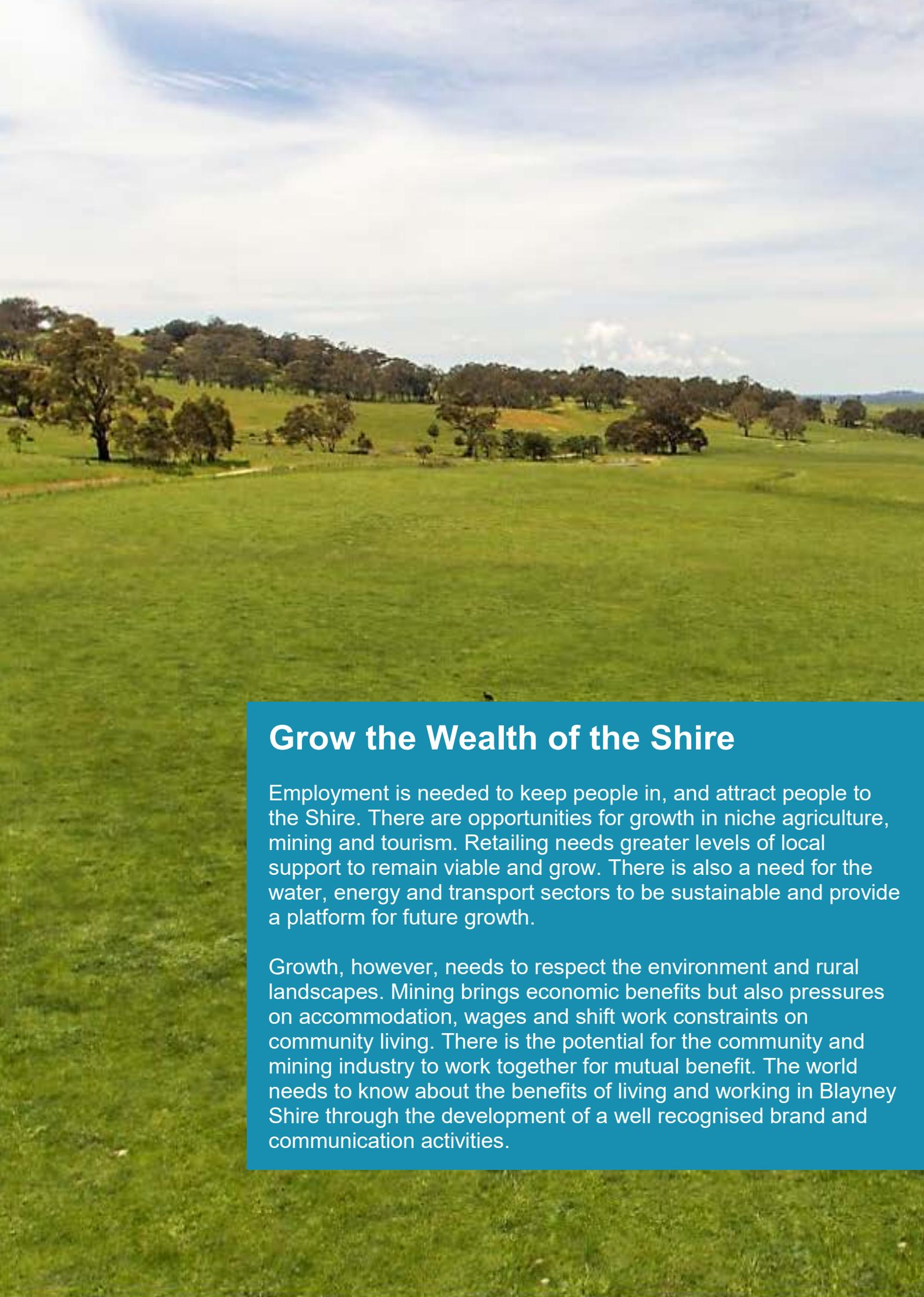
New electronic scoreboard at King George Oval



Variety Liberty Swing installed at Heritage Park



Installation of 620 seats in King George Oval grandstands



Grow the Wealth of the Shire

Employment is needed to keep people in, and attract people to the Shire. There are opportunities for growth in niche agriculture, mining and tourism. Retailing needs greater levels of local support to remain viable and grow. There is also a need for the water, energy and transport sectors to be sustainable and provide a platform for future growth.

Growth, however, needs to respect the environment and rural landscapes. Mining brings economic benefits but also pressures on accommodation, wages and shift work constraints on community living. There is the potential for the community and mining industry to work together for mutual benefit. The world needs to know about the benefits of living and working in Blayney Shire through the development of a well recognised brand and communication activities.

Future Direction 1: Grow the Wealth of the Shire

Strategic outcome		Council Role	Who should collaborate
CSP 1.1	A viable agricultural sector with niche opportunities and products coupled with lifestyle.	Provider (planning and promotion) Facilitator	<ul style="list-style-type: none"> • Communities • Industry bodies • State and Australian Governments • Educational institutions
CSP 1.2	A thriving mining industry that supports and works well with the community.	Provider Facilitator	<ul style="list-style-type: none"> • Mining industry • Industry bodies • Community • Educational institutions • State and Australian Governments
CSP 1.3	A well established, connected and prosperous tourism industry.	Provider Facilitator	<ul style="list-style-type: none"> • Local tourism businesses • State and Australian Governments • Other LGA's • Industry bodies • Community groups • Business sector • Mine
CSP 1.4	Internationally recognised brand for Blayney Shire.	Provider Facilitator Advocate	<ul style="list-style-type: none"> • State and Australian Governments • Other LGA's • Industry bodies, • Community groups • Business sector, • Mine
SP 1.5	Sustainable water, energy and transport sectors to support future growth.	Provider Facilitator Advocate	<ul style="list-style-type: none"> • State and Australian Governments • Central Tablelands Water • Industry bodies
CSP 1.6	A vibrant local retail and business sector.	Facilitator Advocate	<ul style="list-style-type: none"> • Shire Businesses • Community • State and Australian Governments

Achievements

- Council completed the Blayney 2020 MasterPlan which was nominated for a NSW 2016 Planning Institute of Australia Award for Excellence
- The \$35m Orange to Carcoar regional pipeline project commenced.
- In 2017 Council renovated the Visitor Information Centre to include a commercial café
- During the period 4 modifications were approved by the NSW Department of Planning for Newcrest's Cadia East Gold/Copper Mine. Cadia East underground mine was opened by the NSW Premier, the Hon. Mike Baird in May 2014
- \$200M Flyers Creek Wind Farm 100MW (42 turbines) was approved by the NSW Department of Planning on 14 March 2014.
- MOU signed with State Government following Council advocating the upgrade of the Blayney – Demondrille Railway to support transport of bulk materials.
- Participation in CNSW tourism campaigns including “Discovery Trail”, “While You’re Here”, Advertising and promotions for ‘Blayney & Villages’.
- Regular updates issued to communication distribution list established and tourism directory expanded in order to improve communication of events/programs.
- New brand for Blayney Shire developed and town entry signs installed.
- ‘How To Do Business’ Council workshop.
- 6 Planning Proposals have been completed during the period to amend and update the Blayney Local Environmental Plan 2012 during the period. A further 2 have commenced but yet to be completed.
- In 2016 Council completed an Employment Lands Study.
- Community noticeboards for Mandurama, Newbridge, Neville and Lyndhurst developed and installed.
- New Tourism billboards “Welcome to Wiradjuri Country” and promotion launched.
- Business seminars series for local business development and networking with local expert speakers.
- Distribution of “What’s On” events listing bi-monthly on Council’s website and hard copies distributed through village and region.
- Launch of Blayney Bike month campaign around B2B and Newcrest Orange Cycle Challenge including Blayney Hay Bale Art Challenge.

Blayney Hay Bale Art Challenge 2017 Awardees





B2B Cycling Festival



New tourism billboards



A Centre for Sports and Culture

Participation in sports and cultural activities and events has and will continue to bring the community together. A co-ordinated program of events also has the potential to attract visitors and help to grow and sustain local businesses.

Events can be subject to funding pressures, red tape, regulation and rising insurance costs.

A cooperative community approach to events can help overcome these issues. The aim is for Blayney Shire to become known as a centre where sports, arts and entertainment are central to an enviable lifestyle and great visitor experience.

Future Direction 2: A Centre for Sports and Culture

Strategic outcome	Council Role	Who should collaborate
CSP 2.1 Cultural and sporting events are coordinated and resourced.	Facilitator Advocate	<ul style="list-style-type: none"> • Event organisers • Sponsors • Newcrest Mining Operations • Schools • Sport and recreation • Village Associations
CSP 2.2 Strong participation in sporting events and competitions.	Facilitator	<ul style="list-style-type: none"> • Schools • State and Australian Governments • Business sector • Sponsors • Families • Village Associations
CSP 2.3 Blayney Shire - a centre for arts, performance and entertainment.	Facilitator	<ul style="list-style-type: none"> • Newcrest Mining Operations • Sponsors • State Government • Schools • Village Associations



Redmond Oval Opening

Achievements

A Cultural Centre Working Group was established involving the Blayney Town Association, Arts Council, Family History Group, Blayney Library and local artists with the objective of investigating and developing the project.

Outcomes: Improvements to Centrepont Sport & Leisure Centre – new gas heaters, energy efficiency upgrades and expanded gym area.

- 15 Youth Week Events over term.
- Continued support for Blayney Junior Sports Award program, run in conjunction with private sector, supporting state and national representation level.
- Community Financial Assistance Program expanded to financially support participation by talented sportspersons at regional, state and national levels.
- Continued support of Blayney Shire Music Scholarship program, with regional partners Mitchell Conservatorium and Orange Regional Conservatorium. 16 scholarships were awarded to musicians in the Blayney Shire.
- Funding obtained for Napier Oval toilet block, King George Oval and Blayney Showground building improvements.
- Council support towards art exhibitions held at Blayney Shire Community Centre.
- Installation of new electronic scoreboard at King George Oval.
- Upgrade to King George Oval grandstands, including the installation of 620 individual plastic seats, and construction of new field side seating.
- Individual Community Plans were facilitated and developed following community workshops for Carcoar, Mandurama, Lyndhurst, Neville, Newbridge and Blayney. Millthorpe Village Community Plan was reviewed and updated.
- Variety Liberty Swing installed in Heritage Park.
- Visitor Information Centre toilets upgraded to ensure disabled access compliance.
- Redmond Oval canteen construction and playing surface upgraded, irrigation installed and carpark built.
- Renewal of the ring fence, new lining in ceiling of the pavilion, erection of additional cattle pavilion and kitchen refurbishment completed at Blayney Showground.
- Installation of a new irrigation system in soccer fields and world class equestrian arenas at Blayney Showground.
- Newbridge Recreational Ground Tennis Court renewal completed.
- Blayney Tennis Courts resurfaced.
- Financial support for acquisitive prize of Textures of One Art Exhibition.
- Annual Community Financial Assistance Program donated \$100,000 per annum that supported local community groups, organisations for infrastructure projects and community events.

\$416,000 has been paid to successful applicants through Councils Community Financial Assistance Program.





Redmond Oval opening



Redmond Oval Opening



Upgrade to King George Oval grandstands



Launch of equestrian arenas at Blayney Showground



Preserve and Enhance Our Heritage and Rural Landscapes

Although the rural landscapes are beautiful, the environmental facts are that less than 10% of native vegetation remains in the Shire and there are issues with erosion and salinity. Action must be taken to encourage sustainable land use practices particularly if population increases. The biodiversity of our water ways is also important and there are rich and productive soil types that need to be mapped and protected.

Our heritage stories need to be interpreted and made accessible. We have a built heritage that gives character to our villages. This can be enhanced and supported through sympathetic urban design and landscaping

Future Direction 3: Preserve and Enhance our Heritage and Rural Landscapes

	Strategic outcome	Council Role	Who should collaborate
	Retention of native vegetation with linking corridors.	Provider Facilitator	<ul style="list-style-type: none"> • Community Groups • Village Associations • State and Australian Governments • Private enterprise • Mine • Farmers • Schools • Catchment Management Authorities
CSP 3.2	Biodiversity of waterways.	Facilitate	<ul style="list-style-type: none"> • Catchment Management Authorities • Water users • Land holders • Land Care • State and Australian Governments
CSP 3.3	Heritage sites in the natural and built environment are identified and understood.	Provider Facilitator	<ul style="list-style-type: none"> • Community groups • State Government • Historical Society
CSP 3.4	Sustainable land use practices across the Shire.	Provider (planning LEP)	<ul style="list-style-type: none"> • Community

Since 2012



Over 20km roadside reserves, riverside habitats and cemeteries rehabilitated and maintained



Over 5,000 trees have been planted with the engagement of volunteer groups & over 300 students

Achievements

- K2W native rehabilitation project at Neville Cemetery.
- Revive! Belubula River native and riparian rehabilitation project at Carcoar, in conjunction with Carcoar Urban Landcare Group.
- Schedule 5 – Environmental Heritage of the Blayney Local Environmental Plan 2012 was updated in 2016.
- Council provided grants totaling \$38,000 to owners of heritage items under its Local Heritage Assistance Fund.
- Submission made to Department of Planning and Environment on the Central West Regional Plan.
- Integrated Water Cycle Management Plan approved by NSW Office of Water.
- Biodiversity education programs through community news, newsletters and community tree planting days.
- Neville cemetery project completed, delivery improved landcare outcomes rehabilitation with grant funding.
- Green Army grant funding (2 rounds) secured for community rehabilitation works.
- Tree planting project undertaken in Barry as part of Village Enhancement Plan.
- Tree planting undertaken on Lucks Lane and Burnt Yards Road to encourage native vegetation growth.
- Roadside Vegetation Management Plan Study and prioritisation report completed helping inform Road side maintenance practices and areas of high conservation value.



Belubula Revive Project





Develop and Maintain Shire Infrastructure

Social and physical infrastructure is the skeleton that supports a community. Transport, rail and roads connect the Shire to the region and help people and goods move in to, out of and around.

Information and communication technologies are the new highways to the world and it is important that there is coverage across the Shire so everyone can be connected.

Water and sewer infrastructure are essential for public health and economic growth through property development.

Social infrastructure includes schools, government and emergency services, medical facilities, aged care and housing. This infrastructure needs to be funded, maintained and developed to ensure it meets the needs of the community.

Future Direction 4: Develop and Maintain Shire Infrastructure

	Strategic outcome	Council Role	Who should collaborate
CSP 4.1	Adequate provision of transport, roads, rail, information and communication technologies and community social assets.	Provider Facilitator Advocate	<ul style="list-style-type: none"> State and Australian Governments Industry Community members
CSP 4.2	Every village has access to water and sewerage services.	Provider Facilitator Advocate	<ul style="list-style-type: none"> State and Australian Governments Central Tablelands Water Village Associations
CSP 4.3	Improved access to community and public transport between villages and centres.	Facilitator Advocate	<ul style="list-style-type: none"> State Government Transport operators Industry
CSP 4.4	Integrated medical and aged care facilities across the Shire	Provider Facilitator Advocate	<ul style="list-style-type: none"> State and Australian Governments Facility operators
CSP 4.5	Preservation and continued development of rail infrastructure.	Advocate	<ul style="list-style-type: none"> State and Australian Governments Industry
CSP 4.6	Sustainable waste management	Provider Facilitator Advocate	<ul style="list-style-type: none"> State and Australian Governments Facility operators



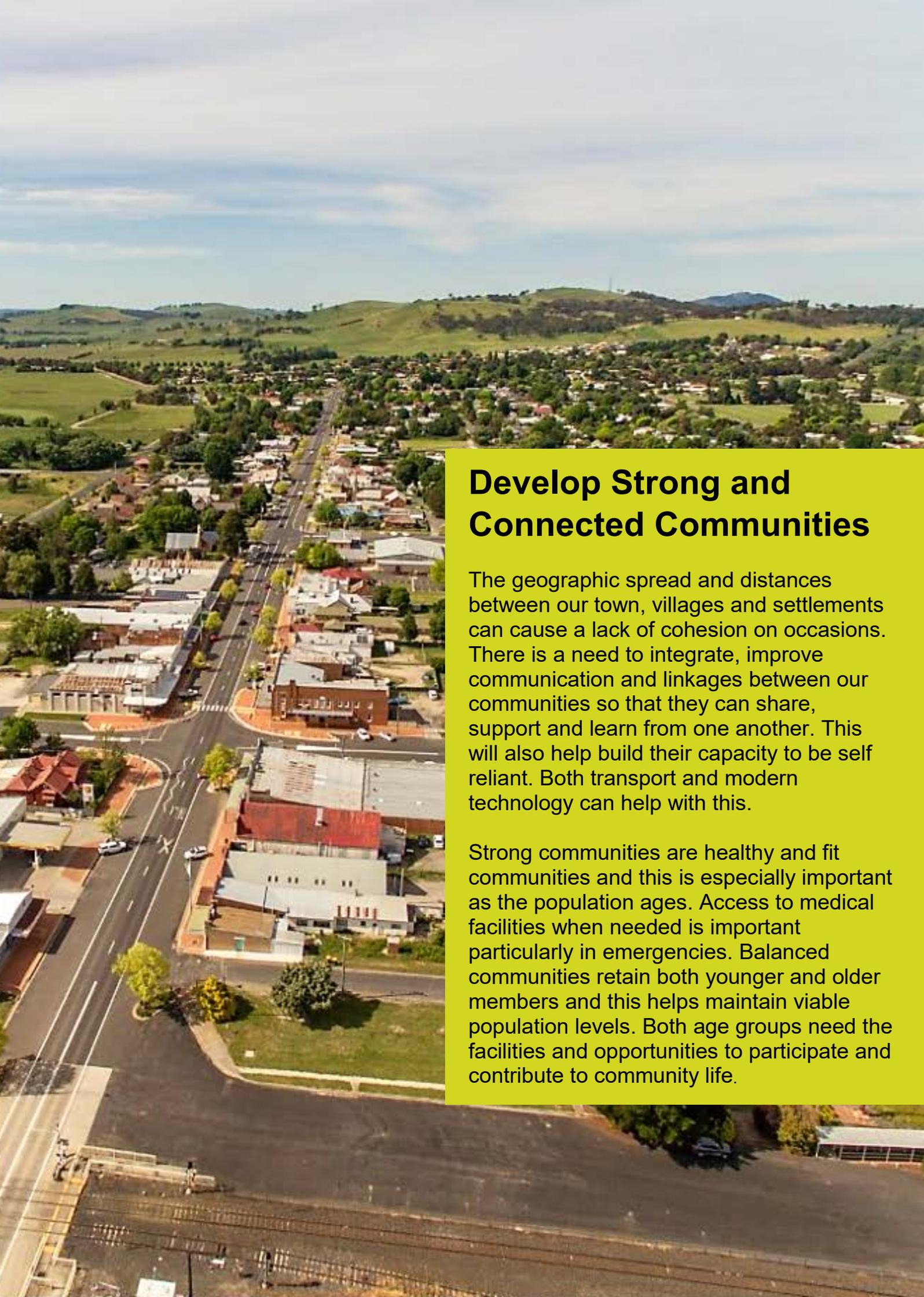
Achievements

- In 2015 an independent strategic study confirmed Blayney Waste Management Facility has capacity for another 40+ years.
- In 2016 JR Richards commenced a new 10 year Domestic Waste Collection Contract for 2605 weekly general waste and fortnightly recycling services.
- In 2016 the Neville Landfill ceased as an operational landfill and was formally closed to the satisfaction of the NSW EPA.
- Councillor roads tour completed to review and understand conditions and set works priorities and principles for Asset Management review.
- Water bore licences renewal and ongoing inspection regime to ensure compliance with licence conditions.
- Sewer main relining program implemented.
- Smoke testing/CCTV inspection program implemented.
- Calcium Nitrate dosing plant installed at Millthorpe sewer pump station.
- Inlet channel bypass at Blayney Sewer Treatment Plant completed.
- Completion of heavy patching works associated with flood damage program in 2013/14.
- Rehabilitation of Naylor Street bridge completed.
- Blayney Shire Community Centre Carpark upgrade including reseal and linemarking.
- Adoption of Cemeteries Management Plan assisting Council to maintain cemeteries in the Blayney Shire the highest possible standard, within budget limitations, and to ensure that the cemeteries are peaceful and comforting for bereaved relatives and friends, and as a sign of respect for the deceased.
- Timber bridges replaced with concrete structures on Garland, Newbridge, Forest Reefs, Carcoar Dam and Fell Timber Roads.
- Shared path accessible / pram ramps installed in Binstead Street.
- Successful Blackspot Funding projects completed on Forest Reefs Road, Belubula Way, Burnt Yards Road, and Newbridge Road.
- Licence review completed with NSW EPA for Sewer Treatment Plant.
- Community energy Efficiency Program funding obtained as part of regional submission by CENTROC for energy efficiency projects at Sewer Treatment Plant, Blayney Shire Council office and Centrepont. \$330,000 funding secured.
- Completing safety improvement and rehabilitation works on Errowanbang and Forest Rees Roads funded with the assistance of Federal Blackspot programs and Special Rate Variation from Cadia.
- Completion of Park St Millthorpe and MR245 rehabilitation projects.
- Strategic Business Plan for sewer services adopted in 2014/15.
- Transport for NSW funding \$20,000 applied to Community Bus Project facilitated by Blayney Rotary.
- Completion of Fixing Country Roads. Round 1 Project on Errowanbang Road..
- Stage 1 of Fixing Country Roads – Round 2 project on Browns Creek Road completed.
- Replacement of Old Lachlan and Snake Creek Road bridges with wet crossings.
- Asphaltting of Adelaide Street between Church Street and Stillingfleet Street in conjunction with Roads and Maritime Services.

- Replacement of street bins with larger, lower operating cost bins.
- Heavy patching and resealing programs implemented.
- Road widening works and rehabilitation completed on Hobbys Yards Road, Burnt Yards Road, Carcoar Road, Errowanbang Road, Forest Reefs Road, Moorilda Road, Guyong Road, Newbridge Road, Barry Road, and Mandurama Road.
- Completion of Active Transport program funded works along Carcoar and Martha Streets.
- Advocacy for improved rail infrastructure via CENTROC, Central West Strategic Regional Roads Group in conjunction with Village committees and progress associations.



Felltimber Road Bridge Replacement



Develop Strong and Connected Communities

The geographic spread and distances between our town, villages and settlements can cause a lack of cohesion on occasions. There is a need to integrate, improve communication and linkages between our communities so that they can share, support and learn from one another. This will also help build their capacity to be self reliant. Both transport and modern technology can help with this.

Strong communities are healthy and fit communities and this is especially important as the population ages. Access to medical facilities when needed is important particularly in emergencies. Balanced communities retain both younger and older members and this helps maintain viable population levels. Both age groups need the facilities and opportunities to participate and contribute to community life.

Future Direction 5: Develop Strong and Connected Communities

Strategic outcome	Council Role	Who should collaborate
CSP 5.1	A diverse and sustainable population in our communities and villages.	Provider (land use planning) Facilitator Advocate Village Associations Progress Associations State and Australian Governments Industry Landowners Developers
CSP 5.2	Fit and healthy community members.	Provider Facilitator Advocate Schools Local produce providers Sport and recreation groups Community groups Australian Government
CSP 5.3	Full and equitable access and strong usage of Information and communication technologies across the Shire.	Provider Facilitator Advocate State and Australian Governments NBN Co Telco's
CSP 5.4	Capable, self-sufficient communities engaged in decision making about issues that affect them.	Facilitator Residents Schools Community groups Service clubs Village Associations Progress Associations

Achievements

- Community Insurance contributions program assisting village committees, progress associations and hall committees implemented through Community Financial Assistance Program. \$416,000 in financial assistance paid over term.
- New residents information package developed and promoted through Visitor Information Centre and Council website.
- Village Enhancement Plans developed.
- Blayney Shire Active Movement Strategy developed in consultation with Roads and Maritime Services and community.
- Engagement strategies developed to help inform community including electronic and social media updates, community newsletters, press releases, regular General Manager column in newspaper, radio segments and media advertising.
- Sporting field management plans developed and project prioritisation list developed through engagement of Blayney Shire Sports Council and other key stakeholders.
- Database of community organisations developed and maintained on website.
- Consultation program conducted with community around Fit For The Future process and Merger preference with meetings, events and activities held across Shire.
- Towns and villages engaged and Community Plans developed and adopted for Blayney, Millthorpe, Lyndhurst, Mandurama, Neville, Carcoar and Newbridge.
- Delivery of National Broadband Network to Blayney commenced by NBNC.
- Funding approved to improve Mobile Blackspots under the Australian Government Mobile Blackspot program.

2 world-class sand dressage areas at Blayney Showground





Leadership

To achieve our preferred future we will all need to work together. Working together will be easily achieved if we have strong relationships and networks. Present relationships and networks will benefit from a planned approach to community engagement and involvement in decisions and activities that are important to people.

Building the capacity of existing and emerging community leaders throughout the Shire will strengthen networks, build trust and result in more successful outcomes.

Elected representatives need to work as a team and the Council organisation needs to be well run and resourced to do the work it has to do to help achieve the preferred future. Governance needs to be open with every interaction an opportunity to build trust, confidence and credibility.

Future Direction 6: Leadership

Strategic outcome		Council Role	Who should collaborate
CSP 6.1	Good governance across our communities	Provider	<ul style="list-style-type: none"> • Department Local Government • Community groups and committees • State and Australian Governments
CSP 6.2	Meaningful communication between the Shires communities and Council.	Provider Facilitator	<ul style="list-style-type: none"> • Department Local Government • Community groups and committees • Australian and NSW Governments
CSP 6.3	A well-run Council organisation.	Provider	<ul style="list-style-type: none"> • Department Local Government • State and Australian Governments • ALGA • LGSA
CSP 6.4	A safe community	Provider Facilitator Advocate	<ul style="list-style-type: none"> • Emergency services • Roads & Maritime Services • State and Australian Governments • Australian Local Government Association • Local Government & Shires Associations of NSW

Achievements

- Capacity building workshops on good governance, grant funding and social media for community groups conducted.
- Council satisfied NSW Government 'Fit for the Future' benchmarks for Financial Sustainability, Effective Infrastructure and Services and Efficiency. Council did not satisfy the Scale and Capacity benchmark as the local government area population is below the 10,000 threshold. As a consequence Council was deemed 'Not Fit' under the criteria.
- Financial Sustainability Assessment by NSW TCorp undertaken in June 2015. Financial Sustainability Rating: Moderate; Outlook: Positive.
- Risk Management Plan and framework developed for Council to assist with capture and ongoing review of risks.

Financial Indicators – 2012-2017

\$ '000	Indicator 2017	Prior period 2012	Benchmark
Local government industry indicators – consolidated			
1. Operating performance ratio			
<u>Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions less operating expenses</u>	10.90%	-11.39%	>0.00%
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions			
2. Own source operating revenue ratio			
<u>Total continuing operating revenue ⁽¹⁾ excluding all grants and contributions</u>	61.39%	63.76%	>60.00%
Total continuing operating revenue ⁽¹⁾			
3. Unrestricted current ratio			
<u>Current assets less all external restrictions</u>	2.39x	7.8x	>1.5x
Current liabilities less specific purpose liabilities			
4. Debt service cover ratio			
<u>Operating result ⁽¹⁾ before capital excluding interest and depreciation/impairment/amortisation</u>	27.28x	13.13x	>2x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)			
5. Rates, annual charges, interest and extra charges outstanding percentage			
<u>Rates, annual and extra charges outstanding</u>	2.13%	5.57%	<10% Rural
Rates, annual and extra charges collectible			
6. Cash expense cover ratio			
<u>Current year's cash and cash equivalents plus all term deposits</u> x12	15.23 mths	11.61 mths	> mths
Payments from cash flow of operating and financing activities			

Notes

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

State of Environment

A State of the Environment (SoE) Report is an important management tool which aims to provide the community and Local Council with information on the condition of the environment in the local area to assist in decision-making.

Since 2007, the Councils of the Greater Central West Region of NSW (see map) have joined with Central Tablelands Local Land Services to produce a Regional SoE Reports as part of Council reporting requirements.

Recent changes to NSW legislation mean that Councils are no longer required to produce SoE Reports each year, but only once every four years, in the year of the Council election (which will next be in 2017). However, the participating Councils have decided to continue reporting on an annual basis so that they can provide a detailed Regional SoE report in 2017 that covers trends in the intervening years.

This is a brief snapshot of data for the Blayney Local Government Area in 2014-15 across a range of environmental indicators as shown in the tables below. The tables provide an understanding of trends by comparing this year's data with an average of previous years. The Council snapshot report should be read in conjunction with the 2014-15 Regional SoE snapshot report.

2014-15 Highlights

The area covered by mining and exploration titles declined significantly from last year. The number of native species restocked into local waterways declined from last year. The annual consumption of water declined slightly from last year.

There was a large increase in the hours spent by environmental volunteers working on public open space.

The amount of material recycled by local communities rose significantly from last year.

Land

Issue	Indicator	2011-12	2012-13	2013-14	2014-15
Contamination	Contaminated land sites - Contaminated Land Register	0	0	0	0
	Contaminated land sites - potentially contaminated sites	14	15	24	24
	Contaminated sites rehabilitated	0	0	0	0
Erosion	Erosion affected land rehabilitated (ha)	0	0	0	0
Land use planning and management	Number of development consents and building approvals	151	161	130	100
	Landuse conflict complaints	0	0	0	0
	Loss of primary agricultural land through rezoning (ha)		0	0	0
Minerals & Petroleum	Number of mining and exploration titles	-	36	45	46
	Area covered by mining and petroleum exploration titles (ha)		127,000	131,000	119,000

Towards Sustainability

Issue	Indicator	2011-12	2012-13	2013-14	2014-15
Waste Generation	Total waste entombed at primary landfill (tonnes)	5,120	4,503	4,500	4,002
	Total waste entombed at other landfills (exc recyclables) (tonnes)	80	0	200	0
	Average total waste generated per person (tonnes)	0.72	0.62	0.64	0.54
	Average cost of waste service per residential household	\$280	\$300	\$310	\$310
Hazardous/ Liquid Waste	Farm chemical drums collected through DrumMuster	0	0	0	0
	Household Hazardous Wastes collected (kg)	429	1,065	1,203	921
Reduce	Garden organics collected (diverted from landfill) (tonnes)	473	587	1,026	140
	E-Waste collected (diverted from landfill) (tonnes)	3	2	20	0
Recycle	Amount of material recycled (tonnes)	552	1,133	370	1,239
	Amount of material recycled per person (kg)	77	156	50	167
Littering and illegal	Number of illegal waste disposal complaints to Council	0	0	0	0
Engineering, Infrastructure and Civil	New road construction (km)	0	8	0	0
	Road upgrades (km)	28	6	19	29
Risk Management	Increase in area covered by flood management plans/ flood mapping (km ²)		0	0	1
	Hazard reduction burns			0	0
Climate Change Mitigation	Office paper used by Council (reams)			730	648
	Council sustainability initiatives			1	1
	Council mitigation initiatives			1	1
Council Greenhouse Gas Emissions	Annual electricity consumption for Council controlled facilities (MWh)	682	692	599	599
	Annual natural gas consumption for Council controlled facilities (Gj)			408	40
	Annual bottled gas consumption for Council controlled facilities (L)			40	3
	Total fuel consumption (KL)			272	305
	Council total operational greenhouse gas emissions (tCO ² -e/year)		3,480	4,917	4,672
Community Greenhouse Gas Emissions	Small scale renewable energy uptake (kW)	124	217	365	241
	Number of solar water heaters and heat pumps installed	12	10	9	9

Water and Waterways

Issue	Indicator	2011-12	2012-13	2013-14	2014-15
Riparian	Riparian vegetation recovery actions	0	0	2	3
	Riparian vegetation recovery area (ha)	0	0	1	10
Industrial/ Agricultural Pollution	Load Based Licencing volume (kg)			0	0
	Exceedances of license discharge consent recorded			0	0
	Erosion & Sediment Control complaints received by Council	2	8	0	0
Stormwater Pollution	Number of gross pollutant traps installed	2	2	2	2
	Total catchment area of GPTs (ha)	253	253	253	253
	Water pollution complaints			0	0
Dam Levels	Dam levels	89.1%	83.2%	47.1%	22.1%
Water extraction	Number of Water Supply Work Approvals from surface water sources			61	62
	Volume of surface water permissible for extraction under licences (GL)			102	108
	Number of Water Supply Work Approvals from groundwater resources	1,688	735	688	702
	Volume of groundwater permissible for extraction under licences (GL)		3	0.9	2
Council water consumption	Area of irrigated council managed parks, sportsgrounds, public open space) (ha)	24	24	24	24
	Water used by council for irrigation (including treated and untreated) (ML)	4	4	4	5
Town water consumption	Annual metered supply (ML)			536	532
	Annual consumption (Total from WTP) (ML)			536	532
	Level of water restrictions implemented			0.0	0.0
	Number of water conservation programs			0.0	0.0
Town Water Quality	Number of instances drinking water guidelines not met			0	0
	Number of drinking water complaints	6	0	9	40

People and Communities

Issue	Indicator	2011-12	2012-13	2013-14	2014-15
Active community involvement	Environmental volunteers working on public open space (hrs)	0	0	0	2,880
	Number of environmental community engagement programs		0	0	1
	Number of growers markets/local food retailers specialising in local food operating within LGA		2	2	14
Indigenous Heritage	Number of Indigenous sites on AHIMS register			37	39
	Inclusion in DCPs & rural strategies	0.0	0.0	0.0	0.0
	Extent of liaison with Indigenous communities (self-assessed from 0 = none to 3 = High)	1.0	1.0	0.0	0.0
	Development on listed Indigenous sites	0	0	0	0
	Actions to protect Indigenous heritage (including management plans)			0	0
Non-Indigenous Heritage	NSW Heritage Inventory items	13	14	14	13
	Locally listed heritage items	355	322	350	350
	Actions to protect non-Indigenous heritage (including management plans)	1	1	1	2
	Heritage buildings on statutory heritage lists demolished/ degraded in past year	0	0	0	1
	Heritage buildings on statutory heritage lists renovated/improved in past year	11	15	19	12

Biodiversity

Issue	Indicator	2011-12	2012-13	2013-14	2014-15
Habitat Loss	Total area protected under voluntary conservation agreements and property agreements (ha)	126	126	126	126
	Total area protected in Wildlife Refuges (ha)	12,608	12,608	12,608	12,608
	Habitat areas revegetated			0	20
Threatened Species	Roadside vegetation management plan	1	1	1	1
	Threatened species actions implemented (e.g. PAS, recovery plans)	0	0	0	2
	Fish restocking activities: native species	17,000	10,000	15,000	11,000
Noxious weeds and feral animals	Invasive species (listed noxious or WONS) under active management	0	0	0	8
	Number of declared noxious weeds	107	107	66	125
	Fish restocking activities: non-native species	62,000	62,000	54,000	64,000

CASE STUDY: Ogilvy Street Project (Blayney LGA)

The Belubula River is an important and popular watercourse for recreation in the Blayney Shire. The river starts in the high country between Bathurst and Orange and runs past the eastern side of Blayney through Carcoar Dam - a prevalent water sport and recreation spot in the region – and then into the Lachlan River.

In May 2014, Blayney Shire Council, through collaboration with the Central Tablelands Local Land Services, completed the Ogilvy Street Wetlands project to filter urban run-off water prior to entering the Belubula River. Aged and damaged section of kerb was removed to create a natural filter in the form of a riparian garden.

The project mainly used repurposed materials to minimise the environmental impact and costs. Plants were transplanted from another wetland within Blayney, logs were reclaimed as part of the replacement of the bridge at the end of Ogilvy Street, and the rocks provided from overburden at Council's quarry.

Urbanisation has resulted in large impervious areas which dramatically increase the run off quantity, and frequency, following rain events. These increases are detrimental to stream health, and in recent years it has become desirable to undertake works such as the installation of these wetlands to capture runoff and allow it to absorb into the ground, rather than run off to the streams.

In addition to the reduction in stormwater velocity, the plantings in wetlands also assist with the removal of contaminants that tend to be carried by stormwater that would traditionally end up in streams.

The project continues to provide additional benefits both for the environment and community being closely linked with other rehabilitation projects on the Belubula River including the Heritage Park Wetlands and the proposed Pound Flat rehabilitation in Carcoar.

The streetscape and entrance to Dakers Oval recreational ground has been improved and the project provides continuing environmental education opportunities for local schools. Future walkways are also planned to make the area more inviting and encourage community use of the space.

Ogilvy Street
Wetlands project



Environmental education for local
students at Dakers Oval





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