



Annual Report 2018/19





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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A1 Performance of Principal Activities

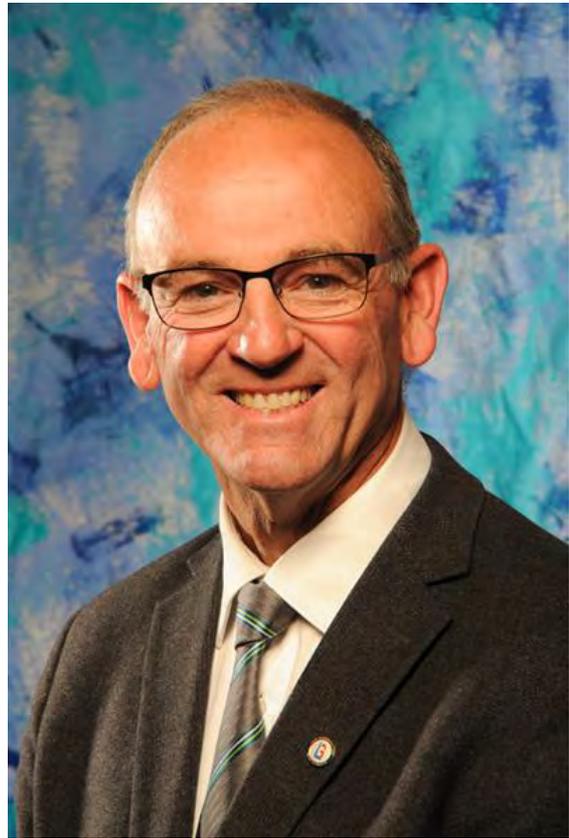
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MAYOR'S FOREWORD

It's my pleasure to present the Mayor's foreword for Blayney Shire Council's 2018-2019 Annual Report.

This year has seen the completion of many community projects around our shire with the Stronger Country Communities program Round 1 being very successfully delivered by our staff and contractors. The new skate park at Blayney is one example of an important value add to the existing facilities at Heritage Park. While these projects from the first round have been completed commencement of round 2 projects have started throughout our shire and I would like to acknowledge the support of the State government for this popular program which has delivered around \$1.7 M of much needed infrastructure upgrades and improvements.

We have also been fortunate to have had great support from the Federal government in attracting a \$1.9m grant for the major upgrades of our swimming pool and associated facilities. This project is expected to be completed in April 2020 and will provide a modern and fun facility for the community to enjoy. Blayney Shire Council has also received \$1m from the Federal government's Drought Community Program to stimulate our local economy during this prolonged drought that we are experiencing. Again with the support of our community groups, Blayney Shire council has helped deliver these projects throughout the shire supporting local business and employment.

This year has seen the commencement of our Central West Livestock and Equestrian Centre at the Blayney Showground. This is an extremely exciting project that will give our shire a genuine regional facility that will support and grow horse sports and other activities within a modern covered arena. This

project is supporting many local businesses in its construction and is another strong example of all three tiers of government working together to deliver facilities for our communities and stimulating economic activity.

Blayney Shire Council has continued to focus on its bridge replacement program and this year saw the completion of our biggest bridge in the shire at Browns Creek. This \$2.5m two lane concrete bridge has replaced a single lane timber bridge and has greatly improved access to this part of our shire increasing safety and agricultural productivity.

This year we also celebrated and acknowledged the 40 year anniversary of Lyndhurst Shire being renamed as Blayney Shire. This event was attended by former Mayors and councillors and was an opportunity to reflect on the past achievements of the organisation and our community in general.

Construction of our new residential development in Blayney has started this year and Streatfeild Close will be completed by the end of the year. Six blocks have already been sold and we are looking forward to this project offering quality residential land to the market. This development has helped stimulate other land and building opportunities which will help our town grow into the future.

The reopening of the Millthorpe Railway Station for passengers was one of the highlights of the year with a large crowd attending the official opening. The state government had invested over one million dollars to extend the platform to allow trains to stop and the increase in people using this new service from Millthorpe has justified the reopening of the station. Blayney Railway Station has also had major upgrades to the buildings with a wonderful heritage colour scheme and associated works very much appreciated by our local community.

My fellow councillors have continued to work closely with our community through all the various council committees, external boards and county councils that they represent. Through the commitment of all our staff at Blayney Shire Council we have delivered a diverse and extensive range of projects throughout our shire and I thank them for their ongoing efforts and professionalism. Blayney Shire Council is a well managed and proactive council that is focused on delivering the best possible outcomes for our community's future growth and success.

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 2018/19 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) (SRV Guidelines 7.1)

During 2018/19 Blayney Shire Council had two (2) Special Rate Variation in force and are summarised as follows:

Infrastructure Renewal Special Rate Variation

IPART approved a section 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 \$458,173 for the 2018/19 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 2018/19 expenditure of these monies was as follows:

Expenditure	Amount
New Footpath – George Street to Victoria Street, Millthorpe	\$13,655
Footpath Renewals – Network renewals	\$9,071
Roads and Bridges Renewal – Sealing Village Streets	\$138,322
Roads and Bridges Renewal – Newbridge Road	\$297,125
Total	\$458,173



Special Rate Variation Outcomes

- Completion of 100 metre footpath linking the Child Care Centre in George Street to Victoria Street, Millthorpe.
- Initial sealing of 1.2 kilometres of Village streets in Ramsay Street in Lyndhurst and Copper, Peach and Cherry Streets Mandurama.
- Rehabilitation and widening of 1.4 kilometres of Newbridge Road.

Mining Category Special Rate Variation

IPART approved a section 508(2) special variation in rate income of 40.7% for 2012/13. This has equated to an additional \$1,571,076 for the 2018/19 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 2019, was \$362,056. These funds will be used in future year programs pursuant to the section 508(2) - Special Rate Variation Instrument of Approval.

During 2018/19 expenditure of these monies was as follows:

Expenditure	Amount
Road Maintenance	\$236,380
Asset Renewals – Roads	\$1,401,551
Other Community Infrastructure	\$297,641
Engineering/Design Works	\$83,246
Community Contributions Program	\$108,565
Transfer to / (from) Restricted Cash – SRV Mining	(\$556,307)
Total	\$1,571,076



Special Rate Variation Outcomes

- Continued funding to community groups through the Community Financial Assistance Program – \$109k.
- A further \$298k expended towards ongoing maintenance and operations of community infrastructure.
- Project Management expertise to assist in bridge renewal delivery.
- Continued engagement and work to secure the Southern Cadia Access Route corridor.
- Finalisation and construction of Southern Cadia Access Route.
- Maintenance grading works on road network in the Cadia district of 15km.
- Construction of concrete bridge to replace timber bridge, providing increased transport and freight productivity by removing pinch point over Dirt Hole Creek on Errownbang Road.
- Maintenance of the sealed road network leading to, and within the Cadia district:
 - \$157,689 on routine maintenance.
 - \$1.4m on Southern Cadia access route.

Productivity savings achieved during 2018/19 include:

The Instruments of Approval for the above Special Rate Variations require Council to report productivity savings achieved during the reporting period. These are detailed as follows:

- Ongoing investigations of opportunities for integration of technology into Council work practices such as engineering solutions and customer service solutions for lodgement of development applications, accessing information.
- Engagement of specialised plant, contractors and material supply procurement 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.
- Consolidation of planned bridge works in future years into one project to gain economies of scale and access.
- Continued integration of mapping solutions to enable community interaction from Council's website.
- Increased mapping and data collection of council assets to improve asset management practices.
- Participation in NetWaste regional waste procurement of the following services:
 - Collection and processing of used mattresses;
 - Scrap steel collection;
 - Household chemical cleanout and removal;
 - Waste organics processing;
 - Audit of Council Landfill Operations; and
 - Container Deposit Scheme refund agreement.

Local Government (General) Regulation 2005

Details of written off Rates and Charges

Clause 132

Rates and charges of \$166,013 were written off during 2018/19, in accordance with the provisions of the Local Government Act 1993. This compares to \$162,286 written off during 2017/18.

Rates and charges written off during 2018/19 are summarised as follows:

Pensioner Rate Rebates	\$163,803
Other	\$2,210
Total	\$166,013

Overseas Visits

Clause 217(1)(a)

No Councillors, Council staff or representatives of Council participated in any overseas visits during 2018/19.

Councillors

Clause 217(1)(a1)

During 2018/19 a total of \$154,072 was expended on the Mayor and Councillors.

Mayoral Fees	\$24,247
Councillor Fees	\$80,969
Councillor Expenses:	
- Overseas visits	-
- Interstate visits	-
- Meeting expenses	\$4,503
- Travel	\$3,574
- Training and skill development	\$286
- Conferences and Seminars	\$9,469
- Provision of dedicated office equipment	\$3,115
- Telephone calls	-
- Expenses of spouse or accompanying persons	-
- Care for child or immediate family member of councillor	-
- Insurance	\$24,770
- Other expenses	\$3,139
Total	\$154,072

Council adopted a policy on the Payment of Expenses and Provision of Facilities for Councillors following their election in September 2017. The policy outlines the services and facilities provided to the 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 policy is provided at Attachment A3.

Councillor Professional Development

Clause 217(1)(a1)(iia) and clause 186

During 2018/19 Councillors participated in ongoing professional development. Councillors took the opportunity to participate in the following seminars, workshops and other professional development programs:

	Cr. Denton	Cr. Ewin	Cr. Ferguson	Cr. Kingham	Cr. Newstead	Cr. Reynolds	Cr. Somerville
Local Strategic Planning Short Course		X		X		X	
LGNSW Conference			X	X			
2019 NSW Local Roads Congress			X				
LGNSW Mayor's Weekend Seminar			X				
Chairing Effective Meetings	X			X	X		
Cyber Security Awareness				X	X	X	
Mental Health First Aid			X		X	X	
Councillor Briefing Sessions* x 13	X	X	X	X	X	X	X

*Internally Organised

Legal Proceedings

Clause 217(1)(a3)

For the year ended 30 June 2019, Council had incurred \$130,096 in legal fees for proceedings taken by or against Council. By comparison, Council had expended \$38,524 in legal fees in 2017/18.

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

Description	Cost	Status
Planning Matters	\$71,765	Open
Debt Recovery	\$29,811	Open
Other matters	\$28,520	Open
Total	\$130,096	

Contracts awarded by Council

Clause 217(1)(a2)

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

Supplier	Supply / Service	Amount \$
Bucher Municipal Pty Ltd	Purchase of plant and parts	355,806
Central Tablelands Water	Water / service charges	172,177
Central West Civil Pty Ltd	Supply of services and hire of plant	181,115
Downer EDI Works P/L	Supply of road material and contract works	1,635,359
Energy Australia	Supply of electricity	177,394
Forpark Australia NSW/ACT	Supply and installation of equipment	157,727
Hadlow Earthmoving	Waste facilities site management / contract works and hire of plant	1,364,022
Hanson Construction Materials	Supply of road material and concrete	1,824,949
ICR Engineering Pty Ltd	Contract services and supply of materials	303,535
Josh Nixon Excavations Pty Ltd	Hire of plant	335,849
JR Richards & Sons	Waste collection contract	539,319
MAAS Plant Hire Pty Ltd	Hire of plant	593,318
Midwest Traffic Management	Traffic Control Services	690,393
Oasis Skate Parks Pty Ltd	Contract services	330,326
Oilsplus Pty Ltd	Fuel purchases	641,448
Origin Energy	Supply of Electricity & Gas	183,207
Rollers Australia Pty Ltd	Hire of plant	269,021
Orange City Council	Rural Fire Service and Central West Libraries contributions	403,480
Skillset Limited	Contract staff	238,954
Statewide Mutual	Insurance renewals	349,755
TCN Earthmoving	Hire of plant	277,316
Tracserv Trucks	Purchase of plant, parts and services	679,738
VEC Civil Engineering Pty Ltd	Bridge construction services	2,098,930
Volvo Group Australia	Purchase of plant	385,065
Westrac P/L	Purchase of plant, parts and services	387,084

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

Name	Supply / Service	Amount
Hadlow Earthmoving	Site Management Services for the Blayney Waste Facility – 1 January 2019 – 30 June 2028	\$6,626,191
Oasis Skate Parks Pty Ltd	Design and Construction of Blayney Skate Park	\$332,200
Oilsplus Holdings Australia Park Ocwen Energy Liberty Oil	Supply and delivery of bulk fuel (Panel contract)	< \$150,000
Australian Native Landscapes Boral Resources NSW Earth Plant Hire Hanson Construction Materials Oberon Quarries Regional Quarries Australia Westlime Canowindra	Supply and Delivery of Quarry Materials (Panel contract)	< \$150,000
Interflow Pty Ltd	Sewer rehabilitation pipe lining services	\$200,000
ICR Engineering Pty Ltd	Construction of Equestrian Livestock Centre Shed	\$1,034,171
Murray Constructions Pty Ltd	Construction of Carcoar Road Bridge over Cowriga Creek	\$416,563
Hines Constructions Pty Ltd	CentrePoint Sport and Leisure Centre Aquatic and Building Upgrades	\$4,723,170

Private Works

Clause 217(1)(a4)

Council's Operational Plan provides for the undertaking of private works. During 2018/19 private works expenditure totaled \$62,080 providing an income of \$73,680. The following table provides a summary of the private works completed by Council during this reporting period.

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

Description of Work	Expenditure
Construction	\$6,946
Hire of Plant & Equipment	\$12,189
Other	\$42,845
Total	\$62,080

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	\$16,636
Financial Assistance Program	\$82,706
Community Organisation Insurance contributions	\$9,223
Heritage Grants (Council portion)	\$14,403
Total	\$122,694



External Bodies

Clause 217(1)(a6)

The following organisations exercised functions delegated by Council during 2018/19:

External Body	Function
Central West Libraries	Library Services
Barry Progress Association	Public Hall
Newbridge Progress Association	Public Hall
Hobbys Yards Community Association	Public Hall

Controlling Interests - Partnerships, Cooperatives and Joint Ventures

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.

Participation in Partnerships, Cooperatives and Joint Ventures

Clause 217(1)(a8)

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

Equal Employment Opportunity - Human Resources

Clause 217(1)(a9)

Council has an Equal Employment Opportunity (EEO) Management Plan that provides the framework which demonstrates Council's commitment to provide a work environment that promotes 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. Practices developed to ensure fair work placement include:

- Recruitment and selection practices that provide equal opportunity and flexibility.
- Job advertisements that contain a clear EEO statement, written in plain English, and have selection criteria relevant and realistic to positions being advertised.
- Provide all employees with appropriate training and development opportunities.

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 2018/19 financial year amounted to \$242,014.

Stormwater Management Services

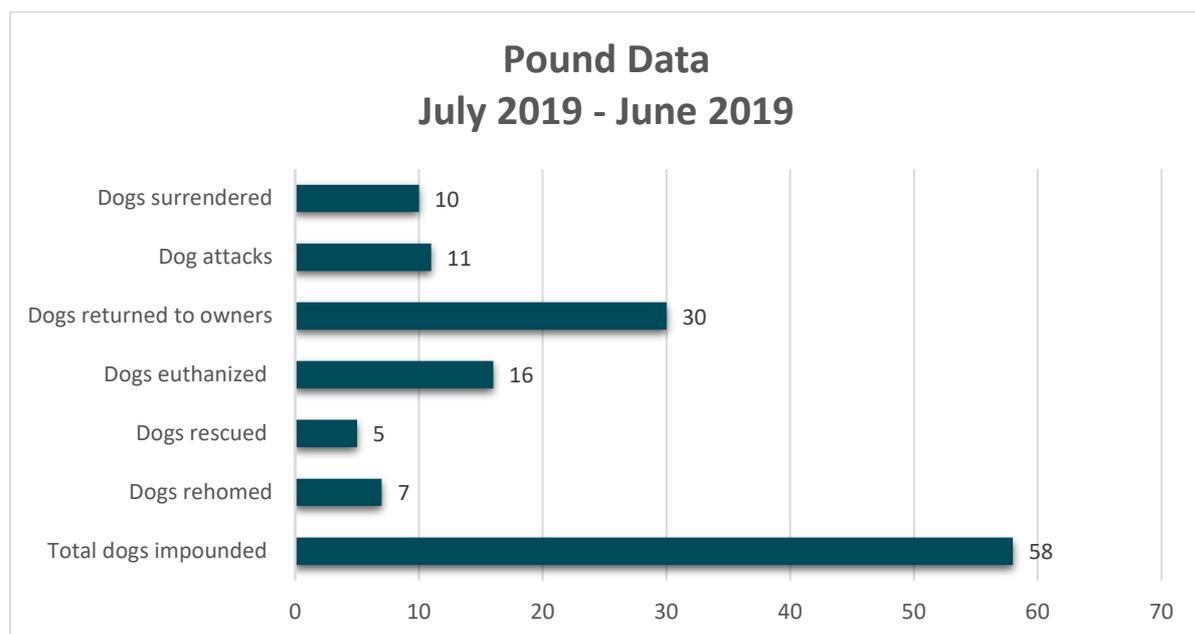
Clause 217(1)(e)

Council did not levy an annual charge for Stormwater Management Services during 2018/19.

Companion Animals Act Enforcement and Compliance Activities

Clause 217 (1)(f)

The Council carried out the following activities in 2018/19 in relation to enforcing, and ensuring compliance with, the provisions of the *Companion Animals Act 1998* and the regulation under that Act.



11 dog attacks resulting in 6 dogs surrendered and euthanized, for the remaining 5 attacks the dogs or animals were unable to be located. 10 dogs were surrendered to Council of which 2 were rescued, 6 euthanized due to dog attacks and 2 euthanized due to failing a temperament assessment.

Amount of funding spent relating to companion animal management and activities:

Council expended \$109,076 on activities relating to the management and control of companion animals during the reporting period.

Companion animal community education programs:

Community Education Programs consisted of promotion in the local and social media, and detailed information delivered with Rate Notices.

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

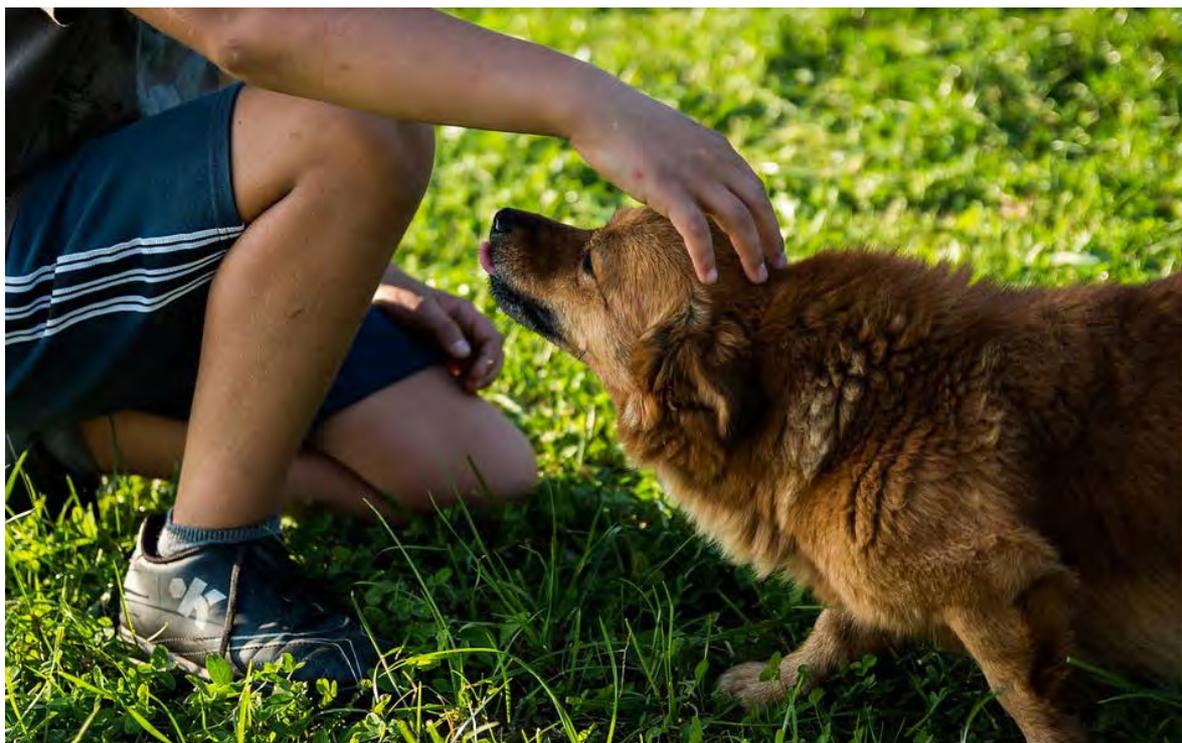
Bathurst Regional, Orange City and Cowra Shire Councils as well as the RSPCA in the re-homing and adoption of Stray/Dumped Dogs.

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	\$1,527
Grants and Contributions	-
Impounding Fees	\$560
Fines & Costs	\$0
Microchip Fees	\$71
Other income	\$5,250
Total Income	\$7,408
Expenditure	
Salaries	\$63,939
Employee Overheads	\$31,469
Depreciation	\$8,637
Impounding & Control Expenses	\$11,403
Microchipping	\$1,036
Total Expenditure	\$116,484
Nett Cost of Companion Animal Operations	\$109,076



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 2018/19 year is provided. Please refer to Attachment A4.

Public Interest Disclosures Act 1994

Public Interest Disclosures Annual Report

Section 31 (and Public Interest Disclosures Regulation 2011 cl.4)

A report on Public Interest Disclosures for the 2018/19 year is provided. Please refer to Attachment A5.

Environmental Planning and Assessment Act 1979

Planning Agreements

Section 7.5(5)

Company	Effective	Purpose	Amount	Due Date	Paid
Cadia Holdings Pty Ltd	July 2013	Road Upgrades Contribution	\$1,000,000	One –off payment payable on date of the agreement.	Yes - Completed
		Annual contribution – Community enhancements and / or Road Upgrades	\$57,819	Due within 28 days of 30 June. Subject to annual increase in accordance with All Groups CPI.	Yes
Flyers Creek Windfarm Pty Ltd	January 2014	Annual contribution – Community Benefit Fund	\$55,000	50% payable 1 July and 50% payable 5 January.	No
		Annual contribution – Road Maintenance	\$40,000		No
		Annual contribution – Project Related Council Administration and Observations	\$12,000		No

Other Information

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 2018/19 is available as a separate document on Council's website under the Environment tab.

Link to State of the Environment Report for 2018/19:

<http://www.blayney.nsw.gov.au/environment/state-of-the-environment-repor>



Information on implementation of the Disability Inclusion Action Plan

Disability Inclusion Act (2014) section 13(1)

Council has adopted the Blayney Shire 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.

The Blayney Shire Access Committee conducted meetings during the year and monitors Council's progress on the Disability Inclusion Action Plan. A report to the elected body and community on outcomes from the plan occurs on a six-month basis and annually in the Annual Report.

Council implemented a number of initiatives to raise the profile of access issues within the Shire. A report on implementation of the Disability Inclusion Action Plan for the 2018/19 year is provided. Please refer to Attachment A6.

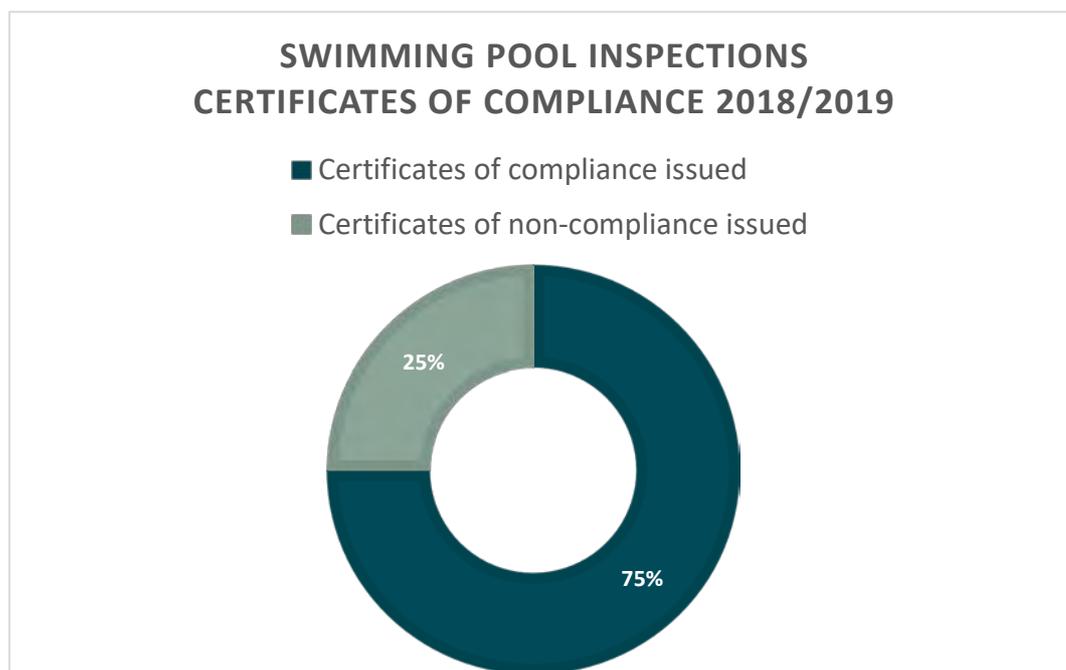
Swimming Pool Inspections

Swimming Pools Act (1992) section 22F(2) & Swimming Pools Regulation (2018) clause 23

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 2018/19 year are as follows:

Number of inspections	4
Number of inspections of tourist and visitor accommodation	0
Number of inspections of premises with more than 2 dwellings	0



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 Canobolas Zone Bush Fire 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 and currently chair of the Canobolas Zone Liaison Committee responsible for advice and operational management of the Canobolas Zone Rural Fire Service.

During 2018/19 Council has facilitated works for upgrade of Bush Fire Sheds at Mandurama, Lyndhurst and Neville.

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>



A field of tall grasses, possibly millet, is silhouetted against a vibrant sunset sky. The sky transitions from a deep purple at the top to a bright orange and pink near the horizon. The grasses are illuminated from below, creating a golden glow. In the background, a body of water reflects the light from the setting sun.

A1

**STATEMENT OF
PRINCIPAL ACTIVITIES**

DELIVERY PLAN PERFORMANCE STATUS REPORT – JUNE 2019

DP Ref.	DP Task	OP Measure	Comment
Future Direction 1 - Maintain and Improve Public Infrastructure and Services			
1.1 All levels of government need to work together to plan for ongoing works and capital projects that will improve the Blayney Shire road networks and other assets			
1.1.1	Represent business and community concerns to both State and Federal governments in relation to improved road safety and market access outcomes	Sealed roads and unsealed roads, bridges and culverts are maintained in accordance with agreed service levels	<p>Routine inspections undertaken as programmed and non-routine inspections as required, subject to Customer Requests or other demand. With maintenance response prioritized accordingly and within budget allocations.</p> <p>Southern Cadia Access Route project completed February 2019.</p> <p>Browns Creek Road upgrade project completed February 2019.</p> <p>Burnt Yards Road resealing extended scope of works completed January 2019.</p> <p>Newbridge Road rehabilitation works completed June 2019.</p> <p>Forest Reefs Road rehabilitation works underway.</p> <p>Maintenance grading and resheeting programs underway and within budget allocations.</p> <p>Procurement of materials for small bridges commenced with site works programmed to begin at Lucan Road (Kinds Lane) in early 2019/20.</p>
		Participation in the Central NSW Joint Organisation Transportation Strategic and Technical Advisory Groups	Infrastructure Services staff attend Strategic and Technical Advisory Group meetings.
1.1.2	Manage Regional (State) and Local Road Networks	Sealed roads, unsealed roads and bridges/culverts are maintained in accordance with agreed Service Levels	Routine inspections undertaken in accordance with Routine Maintenance Council Contract, and works programmed as required.
1.1.3	Implement the Blayney Shire Council Asset Management Plans	Implement the Blayney Shire Village Streets Sealing Plan 2018/2022 on streets in residential zones	The Initial sealing of Village Road, Newbridge to the 50/100 zone has been completed following the completion of replacement railway overbridge at Newbridge.
1.1.4	Prepare business cases for submission to NSW and Federal Governments for the upgrade and undertaking of capital works along local roads which provide market access for primary production, tourist drives, and for achieving road safety outcomes	Funding opportunities are identified and applications are prepared and submitted for funding	Expression of Interest to NSW Growing Local Economies program for construction of Blayney Heavy Vehicle Route – Stage 1 submitted in March 2019.
		Representations are made through the local State and Federal Government Agencies for assistance to obtain additional funding for significant projects	Lyndhurst Village Link Project completed.
		Projects are identified and prioritised via Central NSW Joint Organisation	Belubula River Walk Project commenced, with completion expected in July 2019
		Develop a priority list of road projects for regional review that are worthy of funding and investment by NSW and Federal Governments from the Blayney, Orange and Cabonne Regional Economic	Council Officer representations to local MPs, and Government agencies undertaken on regular basis providing opportunities to discuss local issues, inspect current project progress and discuss future opportunities for funding
		Develop plans for a Heavy Vehicle Traffic Relief Route north of Blayney to link the Mid-Western Highway to Orange Road	Infrastructure Services staff attend Strategic and Technical Advisory Group meetings.
			Expression of Interest to NSW Growing Local Economies program for construction of Blayney Heavy Vehicle Route – Stage 1 submitted in March 2019.
1.1.5	Plan for future transport and road infrastructure to service future needs	Road networks and supporting facilities are analysed to identify opportunities for inclusion and development within the Transportation Asset Management Plan	<p>Traffic classifiers installed at various locations across the Shire road network to analyse speeding issues, and alignment with accident locations. Additional layer added to Council GIS to provide single source of information for traffic classifier data.</p> <p>Condition assessment of sealed road network commenced for Transportation Asset Management Plan, revaluation for audit purposes and prioritisation of works for future capital works programs.</p>
		Projects are scoped and designed to a 'shovel ready' state for when funding opportunities arise	<p>Survey and preparatory design undertaken for Newbridge Road</p> <p>Consultancy services for survey works to be obtained for Victoria Street, and Millthorpe railway underpass in 2019/20, Millthorpe.</p>

1.1.6	Investigate opportunities for storm water harvesting and reuse	Projects are scoped from storm water management plan(s) and funding applications submitted	Application for funding submitted to NSW Floodplain Management Program for a flood retarding basins study in March.
1.1.7	Apply the principles of Water Sensitive Urban Design (WSUD) to storm water management	WSUD principles considered as part of development process and implemented where benefits are identified Develop a WSUD policy in relation to development and Council works	Streatfeild Close subdivision designed considering WSUD principles.
1.1.8	Storm water Management Plans are prepared for Blayney, Millthorpe and Carcoar	Prepare a storm water strategic management plan to reduce impacts of storm water quality and quantity on the local environment	Application for funding submitted to NSW Floodplain Management Program for a flood retarding basins study in March. No action related to overall Stormwater Management Plan to date.
1.1.9	Maintain Council cemeteries in accordance with the community's needs and expectations	Maintain Cemetery records and provide online public access Maintain cemeteries to agreed Service Levels	Online mapping database is accessible on Councils website. Digital records continue to be updated. 2 new lawn cemetery strips created at Blayney cemetery. Muslim section, has been surveyed and concrete strip for headstones installed. 26 double sided monument headstones were installed for lawn sections of the cemeteries. 2 old gravestones were restored (one at Millthorpe and one at Lyndhurst). Capital Fencing project completed at all cemeteries.
1.1.10	Speed Zones within the residential zones of the Shire address Traffic Management, Heavy Vehicle noise and Road Safety concerns	Lobby RMS to undertake an audit of speed zones with solutions leading to the designing and installation of traffic calming devices, where opportunities arise Undertake an audit of school bus shelters to ensure they meet agreed Service Levels.	Speed Zone review completed and 50 zone fully signposted in Lyndhurst. Speed zone audit for Village of Neville to be undertaken in 2019/20 by RMS. No action to date
1.2 Ensure provision of Sewerage Treatment is adequate for the growth of the Shire and promotes Residential Development			
1.2.1	Ensure the provision of Sewerage Treatment is planned for in a sustainable manner	Manage treatment plant to effectively treat raw sewerage and ensure compliance with licence requirements Investigate funding opportunities for a Business Case for Town Sewerage for Carcoar, Mandurama and Lyndhurst	Inspections of sewerage treatment plant (STP) undertaken on routine basis in conjunction with EPA and NSW Water. Continue to sample effluent in accordance with Licence conditions to monitor compliance. Council has finalised the draft s64 Development Servicing Plan for independent audit in accordance with NSW Government Best Practice. Consultant seeking to resolve next step in regard delivery of a Strategic Business Plan for sewer, with NSW Office of Water.
1.2.2	Ensure that the disposal of effluent on un-sewered properties is being carried out in a healthy manner without negative environmental impact	Commence preparation of the Blayney On Site Waste Water Strategy	Draft OSWW strategy currently being prepared.
1.3 The Blayney Shire Active Movement Strategy will be continued to be implemented to extend and renew the footpath and shared path networks in each town and village within the shire			
1.3.1	Implementation of the Active Movement Strategy priorities providing safe and accessible connecting pathway networks	Funding of new and replacement footpaths are designed and undertaken in accordance with Council's agreed Service Levels Accessibility compliance is considered prior to works commencing on all projects in accordance with Council's Disability Inclusion Action Plan	Construction of shared pathway from Mid-Western Highway to Recreation Ground (Harrow Street) and Belubula River Heritage Walk from Ogilvy Street to Martin Street in Blayney completed with funding from NSW Stronger Country Communities – Round 1. Works completed under Stronger Country Communities –Round 2:- <ul style="list-style-type: none"> Disabled Parking project at CentrePoint. Accessibility compliant toilets with disabled parking spaces at Lyndhurst Recreation Ground and Neville Memorial Park. Accessibility compliant toilet with disabled parking space for Barry Community Hall in design process with community engagement to ensure duplication of facilities is minimised. CentrePoint Major Upgrade design finalised which includes; several disabled bathrooms, stairs to the 25m pool, pool pod to the 25m pool, complaint ramp to the Learn to Swim pool and compliant ramp to the toddler pool. Central West Equestrian and Livestock Centre (CWELC) platform and ramp referred to the Access Committee. 2019/20 CAPEX list provided to the Access Committee for comment.
1.4 Improved access to community and public transport between villages and centres			
1.4.1	Lobby to improve public and community transport for the Shire	Assess transport needs around the Shire Continue to lobby for retention and innovative ways to deliver transport and other essential services in the Shire	Millthorpe Railway Station 'On Request' Service launched in March 2019

1.5 The Blayney Health Multi-Purpose Service; hospital, emergency, aged care, primary and ancillary support services provided in the Shire must meet the future needs of the community to improve health outcomes			
1.5.1	Work with the community to lobby NSW and Federal governments for expanded and improved health and aged care facilities	Lobby and advocate on behalf of the community to refurbish the Blayney Health Multipurpose Service so that it meets current and future needs of the Shire	Mayor and Cr. Ewin members on Health Council.
1.6 The community supports and values the local village and town primary schools so that they remain active and operational educative facilities			
1.6.1	Advocate on behalf of the community to NSW Government to support accessible quality local education	Advocate on behalf of the community to NSW Government to support accessible quality local education	No program to report.
1.7 Seek opportunities from the Federal Government and NSW Government to re-open the Blayney – Demondrille Railway Line which will provide significant regional benefits, cost effective port and market access for many regional industries			
1.7.1	Lobby and advocate for the re-opening of the Blayney-Demondrille Railway Line	Work with our railway alliance Councils, Central NSW Joint Organisation and stakeholders to lobby the NSW Government for investment to reinstate the Blayney-Demondrille Railway Line	Transport for NSW funding completion of a business case to be undertaken for reopening of line.
1.8 Full and equitable access and strong usage of Information and communication technologies across the Shire			
1.8.1	Lobby the Federal Government for improved internet and mobile phone access to all our villages to facilitate business growth	Lobby and advocate on behalf of the community to the Federal Government for improved mobile phone access to Carcoar and other localities.	Letters and advocacy to relevant Ministers Federal Government and Telecommunications Companies, supporting an application for Round 4. Council continues to work with Department of Agriculture with LoraWan (wide area network) installation in the Blayney Shire.
1.9 Investment by the NSW Government to re-open both Millthorpe and Newbridge Railway Stations for On Request Services			
1.9.1	Advocate on behalf of the villages to NSW Transport to facilitate investment by the NSW Government to reinstate On Request Services at both Millthorpe and Newbridge	Support the investigation of the Business Case for On Request Services in Millthorpe.	Millthorpe Railway Station – On Request Service reinstated March 2019
		Advocate on behalf of Newbridge to NSW Transport to facilitate the reinstatement of On Request Services at Newbridge	Village Road Railway Bridge works in progress, scheduled for completion July 2019.

Future Direction 2 - Build the Capacity and Capability of Local Governance and Finance

2.1 Build on the strength of the individual Town Association & Village Committees so that they are capable, self-sufficient communities involved in decision making about issues that affect their own community

2.1.1	Encourage sound governance practice and build the capacity and capability of local leaders within community organisations	Recognise Town & Village Committees and Progress Associations facilitating two way communication with Council and with each other	Communication ongoing with community organisations
		Provide ongoing financial support for the Community Development Coordinator roles and engagement with the Tourism, Town and Villages Committee	Community Development Coordinator program has realised for 2018/19 period additional \$42k worth of external grants funding local projects.
		Support the development and implementation of improvement projects for the local Halls, School of Arts and other Community facilities	11 Projects completed as part of \$1m Drought Communities program for community facility upgrades. Projects identified in Community Village Plans.
		Continue to support local Community infrastructure projects via the Financial Assistance Program and Village Enhancement Plan allocations	Funds voted by Council in 2018/19 Operational Plan. Round 1 and Round 2 applications assessed and funding allocated. Forum held to raise awareness of program. Funds allocated fully subscribed.
2.1.2	Work proactively with the community groups to assist with event management	Review and update Council Events Management Policy and procedure for holding events within the community, on Council roads and facilities.	Policy reviewed and adopted by Council in February 2019.
		Review risk assessments supporting Event Management Applications and provide feedback where required.	Processes for assessment of applications reviewed and enhanced.

2.2 Whether you choose to live in the town of Blayney or any of our villages, there is both space and time to build the home of your dreams

2.2.1	Facilitate the development of new residential housing blocks and availability in Blayney and Villages	Commence review of the Blayney Settlement Strategy	Elton Consulting have been engaged to undertake the Blayney Settlement Strategy review. Initial round of strategic targeted community engagement undertaken in May 2019.
		Invest and develop available land to stimulate the release of housing blocks in Blayney to meet demand and facilitate investment growth	Streatfeild Close Project Land Sales marketing strategy launched May 2019, and 6 blocks have exchanged contracts.

2.3 Our local planning instruments supports the agricultural, industry, business/tourism and residential growth demands in a sustainable manner

2.3.1	Ensure planning activities support long term sustainability of agricultural sector	Adopt a comprehensive Development Control Plan for the Shire	Adopted June 2018, commenced 1 July 2018.
		Review the 2008 Blayney, Cabonne & Orange Sub Regional Rural and Industrial Strategy	In progress. Elton Consulting undertaking this review.

2.4 Maintain meaningful two-way communication and engagement between State and Federal Governments, our Town Association and Village Committees, Business, Industry, Stakeholders, Council and communities of interest

2.4.1	Councillors to exhibit leadership on Council participating in committees and implementing Council's Community Engagement Strategy	Council delegates are included in committees and community organisation engagement opportunities	Committees of Council meeting on a regular basis. Councillors and staff meeting with community and village representatives.
		Active participation in the Central NSW Joint Organisation	Joint Organisation has adopted Strategic Plan, Centroc has commenced winding up provisions.

2.5 A well-run Council organisation that is flexible enough to take advantage of capital grant opportunities to undertake major projects whilst delivering Council services effectively and efficiently, in a sustainable manner

2.5.1	Provide a framework for the efficient and effective administration of Council.	Implement collaboration with Central NSW Joint Organisation	Council participation with Central NSW JO ongoing.
		Review policies every 4 years following Council election. Introduce and amendment of policies as required.	Policy review program ongoing with majority of Council policies reviewed and endorsed within 12 months of commencement of elected Council.
		Provide training for Councillors and staff	Monthly workshops including Operational Plan Workshops attended by Councillors. Councillors Shire Tour held in January to visit villages and infrastructure projects. Councillors attended Mental First Aid Training, Cyber Security Awareness Training.
		Delivery of Office of Local Government statutory compliance activities within required timeframes.	Reports furnished to Council on six monthly basis on Statutory Compliance and Reporting activities.

2.5.2	Council responsible management and delivery of sustainable services and assets are delivered across the Blayney Shire.	Review and report on Council's performance against Long Term Financial Plan and ensure meet OLG Financial Performance Ratios	Performance ratios reported upon against OLG benchmark in Audited Financial Reports. Long Term Financial Plan review undertaken with Operational Plan and budget preparation process.
		Council's Financial Statements are prepared as per statutory requirements and unqualified	Financial Statements and audit finalised and lodged with OLG on 25/10/2018. Tabled to November 2018 Council meeting. Audit outcome unqualified.
		Equitable distribution of rates and charges and responsible collection and rates and debtors	Rates and charges adopted by Council in June 2018. Review of Council processes on collection of rates and debtors with OLG Debt Management and Hardship Guidelines undertaken.
		Asset management strategy and plans that ensures intergenerational equity.	Whole of Life Costs considerations included within future Capital Works projects reports.
2.5.3	Support the sustainable future of local government	Participate in leading advocacy networks including Local Government NSW, Country Mayors Association and Central NSW Joint Organisation	Country Mayors meetings attended. Mayor elected Regional Vice President of LGNSW. Mayor and General Manager attending meetings of Central NSW JO.
2.5.4	Undertake regulatory responsibilities for environmental health and animal control	Provide animal control services in accordance with agreed Service Levels	Ongoing. 58 animals have been housed in the pound, 30 being returned to owners, 12 rescued/rehomed and 10 dogs euthanized. During period there were 11 dog attacks resulting in 6 dogs surrendered and euthanized, 7 of the attacks the dogs or animals were unable to be located. 10 dogs were surrendered to council of which 2 were rescued, 6 euthanized due to dog attacks and 3 euthanized due to failing temperament assessment.
2.5.5	Review Risk Management Strategy of Council operations	Review and test the Business Continuity Plan	Internal Audit done on Procurement and Project Management – Errowanbang project. Independent members of Audit, Risk and Improvement Committee appointed. Meetings held in July and October 2018 and February 2019. Corporate Risk Register approved by ARIC in March 2019. Capital Expenditure Guidelines adopted, and project teams assess risk matters. Projects identified and reported to Council on monthly basis.
		Implement Statewide Risk Management Action Plans	
		Regular meeting of Audit, Risk and Improvement Committee	
		Ensure a Risk Management Panel considers all major projects prior to commencement	
2.5.6	Continue to be an attractive employer that people want to work for	Implement Workforce Management Plan strategies	Alcohol and Other Drugs Policy adopted.
2.5.7	Administrative and technical services are undertaken to support the organisation	Fleet services are managed	Fleet replacement program for 2018/19 completed in full, with significant long lead time items delivered.
		Payment of suppliers within trading terms	Payments to suppliers made.
		Payroll services undertaken within statutory requirements and on a timely basis	Payroll services delivered on time with statutory requirements being met.
		Management and ongoing development of I.T. Geographical Information and Communication services	Ongoing development of public websites for ease of access of information and online submission of enquiries. Cadastral realignment project ongoing to align mapping systems with Lands data.
2.5.8	Effective management of land under Council control	Management of leases and licences	Ongoing. Crown leases and licences on hold pending Crown Lands Plans of Management program. Council participation in Crown Lands Negotiation program with State Government and Orange Local Aboriginal Lands Council continuing.
		Development of Plans of Management for Crown Reserves	Funding received and collaborative solution for Plans of Management program with other Council proposed. In progress.
		Facilitate property sales and development	Development of residential real estate ongoing and enquiries for land being managed on an ongoing basis.
2.5.9	Customer services and information are delivered effectively and efficiently	Customer support services are provided from Council from all service points	Customer requests captured and request status reviews / follow up undertaken.
		Manage public access for information (GIPA) and privacy	Agency Information Guide adopted by Council in July 2018. Reporting and Formal GIPA requests being attended to within statutory timeframe.
		Councils records are maintained and captured in accord with statutory requirements	Records Management services delivered per statutory requirements Records Management Policy (11B) reviewed to meet statutory requirements and adopted by Council. Records Disaster Management Plan review ongoing.
2.6 A diverse population with the rights to live safely and securely in our communities and villages with opportunity to develop positive neighbourhood relationships			
2.6.1	Provide support for emergency management in Blayney Shire in accordance with the State Emergency and Rescue Management (SERM) Act	Provide executive support to the Local Emergency Management Committee.	Director Infrastructure Services (DIS) chairs Local Emergency Management Committee, on quarterly basis, and provides executive support where required. DIS attends Regional Emergency Management, RFS Bushfire Management and Liaison Committee meetings on quarterly basis or as required.
		Support the operation of the SES.	Support provided as and when requested.
2.6.2	Educate communities on road and pedestrian safety	Continued support to the role and function of a Road Safety Officer and implementation of the annual Road Safety Action Plan	Central Tablelands Road Safety Program continues with delivery of approved Road Safety Action Plan by Acting Road Safety Officer.

Future Direction 3 - Promote Blayney Shire to grow the Local and Visitor Economy

3.1 A viable and productive, sustainable agricultural sector with opportunities for niche production and access to markets

3.1.1	Support the growth of the Shire in order to preserve productive agricultural land and integrate sustainable industrial diversity into the future	Explore and promote opportunities for Agricultural value adding industries	DPES representing Council and Central NSW JO on the Central West Food and Fibre Strategy Stakeholder panel.
		Review the 2008 Blayney, Cabonne & Orange Sub Regional Rural and Industrial Strategy	Commenced, Elton consulting undertaking the review.
		Participate in Central NSW Joint Organisation Planners Group, ensuring input into Department of Planning and Environment proposed policy changes	DPES attended all meetings.
3.1.2	Maintain the availability and quality of water for use in rural areas	Manage the water supply bores in rural locations to provide a secure 'non-potable' supply of water to the Shire	Village Water Bores upgraded across Shire, funded by Australian Government Drought Communities Program.
		Participate in Central NSW Water Utilities Alliance	Council attends Water Utilities Alliance meetings on quarterly basis.
		Support water pipeline projects with Central Tablelands Water	Council provides input and support to Central Tablelands Water as requested.

3.2 A responsible and thriving mining industry that is engaged and works towards the betterment of the Shire with the community and Council as leading corporate citizens

3.2.1	Encourage and support cooperation of mining industry in relation to the economic growth of the shire to protect the environment and address potential impacts.	Actively lobby all levels of government for support for the Cadia Valley Operations and future mining projects.	Both Cadia and Regis have provided informal updates to Councillors at workshops. Membership to Mining and Energy Related Councils renewed and meetings attended by Mayor and General Manager. Councillors attended meeting with Belubula River Headwaters Group. General Manager represents Council on Community Consultative Committee for McPhillamys Gold Mine Project.
		Participate in the Energy and Mining Related Councils Association and Cadia Consultative Committee	
		Lead Voluntary Planning Agreement negotiations with Regis Resources	

3.3 A well-established, connected and prosperous tourism industry supported by local communities

3.3.1	Implement Blayney Shire Destination Marketing Plan to grow the visitor economy	Encourage engagement with tourism and business groups to build relationships and build on local events and attractions	Membership and representation to Orange 360 continues. New Tourism and Communications Manager building relationships with tourism operators and volunteer committees.
3.3.2	Implement Blayney 2020 Masterplan projects	Identify those projects that meet Council's objectives and develop Business Cases as opportunities arise	Sports Infrastructure Grant application unsuccessful for refurbishment of King George Oval project.
3.3.3	3.3.3 Facilitate the re-opening of Junction Reefs Reserve for camping	Facilitate communication between Council, Oceania Gold, Crown Lands and NSW Government to resolve the public access, environmental and road ownership issues to Junction Reefs Reserve	Project to install accessible Public Toilet, undertake roadworks and install Picnic Shelter funded by Drought Communities Extension Program. All works completed, except for Public Toilet, requiring exemption from OEH.
3.3.4	Ensure Food Premises comply with the requirements of the Food Act	Undertake annual food shop inspections and investigate any food related complaints	86 temporary food shop inspections undertaken in the period. 49 inspections of permanent food shops undertaken in the period.

3.4 An internationally recognised brand for the Orange Region that adds value to the vision and appeal of our heritage villages and tourism product within the Shire

3.4.1	As a founding member of Orange Region Tourism, Council works with members to develop a recognised brand and promote the region	Support Orange Region Tourism activities	Monthly tourism manager meeting with Orange360, Cabonne and Orange Councils. Meetings in each village with tourism operators to educate operators on Orange360 and membership prospects. Assistance in developing Orange360 Visitor Guide and Towns and Villages Guide. Regular communication and quarterly meetings with Central NSW Tourism.
		Support the initiatives of Central NSW Tourism.	

3.5 Sustainable water, renewable energy options and transport sectors support future growth of business, industry and residents

3.5.1	Promote sustainable energy development and use within the Shire.	Provide information to public regarding sustainable energy practices	Real time energy consumption data from solar being considered for public information.
		Investigate sustainable energy opportunities on Council land and infrastructure	Council attends and Chairs Central NSW Joint Organisation Energy Group meetings on quarterly basis. Funding made available for provision of 2 electric car charging stations across the shire (final locations to be determined) in 2019/20.

3.6 A vibrant local retail and business sector that employs local people supported by Council and the community			
3.6.1	Seek opportunities to build a vibrant local retail and business sector.	Improve the directional signage and Visitor Information messaging along the Mid-Western Highway and remove old signs of businesses which have closed	Additional signage as approved by RMS is installed. Old signage on private property remains problematic.
		Undertake a review of the Heritage Conservation Areas within the Blayney Shire	Scheduled to be undertaken after the Blayney Settlement Strategy review.
3.6.2	Complete a Business Case considering a new Cultural Centre bringing together the Library and Family History Group for arts and cultural activities.	Complete plans for new Cultural Centre on current library site to a shovel ready status so that funding submissions may be lodged	Application submitted to Regional Cultural Fund for access upgrade and new amenities at current library site unsuccessful.
3.6.3	Investigate options for the utilisation of the Railway Station buildings at Newbridge, Carcoar and Blayney community, art, social and tourism activities	Build relationships with Government bodies and NGO's to assist small business.	Painting and phase 1 refurbishment of Blayney Railway Station completed, open day held late June.
		Support and encourage the establishment or expansion of local businesses.	Council has been working with Transport NSW – Sydney Trains on utilisation of railway station buildings at Blayney, Newbridge and Carcoar. Council continues to engage with local business and groups on opportunities to utilize these facilities.
3.6.4	Provide specialist access consulting advice to facilitate development	Support the engagement of an Access Consultant to assist businesses with specialist access advice for lodgement of development applications	BCA Logic engaged to provide the service. First visit was undertaken in April 2019, providing 4 businesses with preliminary options to expand their businesses whilst also providing compliant, dignified and equitable access solutions.
3.7 A range of quality and affordable childcare and family support services will be available and supported			
Ongoing	Continue to advocate and support children's services.	Advocate for children's services in the Shire.	A number of services are provided for children by Council including junior sporting awards program; sport related funding for regional, state and national representation through the Community Financial Assistance Program; awarding of Music Scholarships at the Mitchell Conservatorium and the Orange Regional Conservatorium. Also, Council's CentrePoint Sport & Leisure Centre offers a number of programs for children including Learn to Swim, school holiday programs, Kids Fit and Funball.
3.8 Implementation of the Regional Economic Development Strategies identified for Blayney Shire			
3.8.1	Review the Blayney Local Environmental Plan (2012).	Undertake a review of the Heritage Conservation Areas within the Blayney Shire, BCO sub regional strategy and Blayney Settlement Strategy in preparation of the BLEP 2012 review	As outlined above per: 2.2.1, 2.3.1, 3.6.1
		Undertake the review of the BLEP 2012 in the time period specified in the amendments to the EPAA 1979	Not required to be undertaken until after the Blayney Cabonne Orange Strategy and Blayney Settlement Strategy reviews are completed.

Future Direction 4 - Enhance facilities and networks that support Community, Sport, Heritage and Culture

4.1 Cultural and sporting events are supported by Council, volunteers and state sporting bodies so that they are coordinated and well resourced

4.1.1	Development of a calendar of sport and cultural events	Promote Council website and social media platforms for promotion of major sporting and cultural events by group	Council provides regular posts to social media platforms of local sporting events, and directs training opportunities to Sports Council members.
4.1.2	Implement Blayney Shire Sports and Recreation Masterplan to enhance and improve sporting facilities	Continue to engage Sports Council to develop business cases for and prioritise sport and recreational facilities capital projects	Application for funding to Crown Reserves Improvement Fund submitted for construction of playing field fencing at Dakers Oval.
		Deliver Multipurpose Covered Arena project at Blayney Showground	Application for funding to NSW Cricket T20 Legacy Fund submitted for construction of cricket pitch at Napier Oval in partnership with Blayney Cricket Club.
		Prepare Business Case for King George Oval refurbishment project and seek funding opportunities	Working Group has met regularly and Tender for construction of structure awarded in February with works commenced onsite March after Blayney Show. Preparation of advocacy documentation for future development of King George Oval underway.

4.2 There is capacity to host within the Shire regional and state sporting events and competitions that will attract strong participation

4.2.1	Encourage active participation in sport	Participate in programs and maintain Council membership to the Western Regional Academy of Sport	Membership renewed.
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4.3 Blayney Shire is a centre for cultural interest, heritage and history, arts, performance and entertainment

4.3.1	Engage with the Shire youth to facilitate progress and activities across the Shire	Facilitate youth activities held in Shire during Youth Week	3 events held in Council area for 2019 Youth Week.
		Support the hosting of the WRAS regional Skate Boarding event in Millthorpe	Event held and funding provided.
4.3.2	Encourage participation and continue relationships with music organisations	Participate in programs and maintain Council's membership to Regional Music Programs	4 Blayney Music Scholarships awarded for 2019 year.
4.3.3	Develop partnerships with other arts organisations to help deliver arts and cultural activities	Actively support and promote the Arts OutWest	Membership renewed.
		Encourage the use of the Blayney Shire Community Centre as a facility for arts and culture	Community Centre continues to receive bookings for use of its facility for arts and cultural purposes. Council also provides financial assistance for such activities.
4.3.4	Provide effective and consumer friendly library services in the Blayney Shire.	Maintain and operate Blayney Library via Service Level Agreement in place with Orange City Council	Agreement finalised and in place.
		Undertake access and refurbishment works to current Library in conjunction with planning for Cultural Centre	Refurbishment works undertaken in May 2019. Funding application for access improvements for Library lodged under Regional Cultural Fund was unsuccessful.

4.4 Implementation of the Blayney Shire Sports and Recreation Masterplan priorities and strategies will realise opportunities for improved healthy lifestyle for our community

4.4.1	Implement the priorities identified in Blayney Sport and Recreation Masterplan to enhance and improve our sporting facilities	Provide and maintain active and passive recreation facilities for the shire communities	Routine inspections undertaken as programmed and non-routine inspections as required, subject to Customer Requests or other demand. With maintenance response delivered in accordance prioritisation and within budget allocations.
		Investigate opportunities to develop shovel ready projects and implement the Blayney Sport and Recreation Masterplan to improve facilities at our major sporting precincts	Engagement with Blayney Cricket Club underway for lodgement of DA for future amenities block at Dakers Oval. Engagement with Blayney Netball Club underway for future funding applications for Stillingfleet Netball precinct renewal works.
		Undertake an audit and upgrade the children's play equipment in the Shire's parks and recreation grounds	Carcoar Sportsground <ul style="list-style-type: none"> Multipurpose court (NSW Community Building Partnership 2017) completed with acrylic sports surface to be applied during Spring 2019. Amenities building (NSW Stronger Country Communities – Round 2) location agreed with Carcoar Sport and Recreation Club, and final design to be confirmed, prior to a Request for Tender being issued in first half 2019/20. Playground equipment and shade cloth installations completed through NSW Stronger Country Communities Fund – Round 2.

4.5 The Blayney Health Service Integrated Care Program will provide innovative methods to connect health care providers, ancillary and community services for those in need and deliver better preventative health outcomes

4.5.1	Encourage and facilitate an active and healthy community by developing accessible programs through CentrePoint and local sporting groups	Establish CentrePoint as the Shire's health and fitness centre	Tender for the CentrePoint Major Upgrade awarded in June 2019.
		Lobby Federal and NSW Government's for funding to undertake the CentrePoint Sport and Leisure swimming pools major \$3.9M refurbishment project	Ongoing for stage 2.
4.5.2	Advocate and support Integrated Care Management Plan and Disability Services	Support Blayney Shire Interagency and implement Disability Inclusion Action Plan	Council support to facilitate Interagency continues and meetings held quarterly in Community Centre. Disability Inclusion Plan status reports to Council on six monthly basis.

Future Direction 5 - Protect Our Natural Environment

5.1 Retention and regeneration of native vegetation corridors and removal of invasive weed and pest species throughout the Shire

5.1.1	Maintain and strengthen partnerships with organisations responsible for natural resource management	Ongoing liaison and support and participating with Local Land Services Landcare and as a constituent Council of Upper Macquarie County Council	Council continues to actively participate in Local Land Services (LLS) programs, and as part of the Environment and Waterways Alliance. Council Officers attend regular UMCC meetings.
		Continue with native planting and river health programs	Community planting day for Belubula River Walk project to be aligned with Planet Ark National tree day in early 2019/20.

5.2 Biodiversity and cleaning up of the Belubula River waterways and tributaries within the Central NSW region water catchment

5.2.1	Enhance the communities understanding of biodiversity issues and work towards positive behavioural change	Actively participate in local and regional catchment management groups to increase sharing of knowledge and participate in catchment wide projects and programs	Council continues to actively participate in Environment and Waterways Alliance.
		Continue with the Belubula River Restoration Program at riverbank areas in Blayney and Carcoar to remove willow trees and other noxious species, plant natives and improve water quality and fish habitat	Revive 2 project on Belubula River alongside Carcoar showground completed with routine maintenance ongoing.
		Clean up the creeks in throughout the Shire including removal of willow trees, other noxious species and creating wildlife habitat	No action to date

5.3 Heritage and Indigenous significant sites in the natural and built environment are identified and protected

5.3.1	Identify items of natural and built heritage in Blayney Shire.	Promote Councils Heritage Assistance Fund to owners of Heritage items to assist with maintenance of heritage items.	HAP was advertised and 8 applications were received for the 2 rounds.
		Heritage Advisory services are continued to be provided to owners of heritage items ensuring heritage is preserved whilst allowing development to occur	Provided on a monthly and referral basis.
		Undertake review of the Heritage Conservation Areas within the Blayney Shire.	To be completed after the Blayney Settlement Strategy review.
		Install interpretative signage within our Town and Villages at historically significant sites	
5.3.2	Ensure the Shire's 8 heritage listed cemeteries are maintained and protected	Support the engagement of specialist stone masons to commence restoration works on derelict graves	2 headstones were restored in June 2019.
		Continue to eradicate vermin and install vermin prevention measures.	Ongoing. Eradication program targeting rabbits was undertaken at Blayney Cemetery.

5.4 Sustainable land use practices across the Shire is improved and tree planting projects are supported

5.4.1	Promote sustainable development and protection of our natural resources	Disseminate information to the community as it becomes available	No action to date
		Facilitate the delivery of environment initiatives on Council owned and controlled land	Council working in partnership with Carcoar Urban Landcare Group to provide improved environmental outcomes along Belubula River in Carcoar.
5.4.2	Pursue sustainable land use practices based on the protection and restoration of natural resources, innovative land use policies and government and community partnerships	Undertake a review of the BCO sub regional strategy and Blayney Settlement Strategy in preparation of the BLEP 2012 review	As detailed above in 2.2.1, 2.3.1, 3.1.1, 3.8.1
		Improve the look of the town and villages by ongoing tree planting program including on the highway, and cleaning up entrances	Council planted additional street trees in partnership with Blayney Rotary along Mid-Western approaches to Blayney. Council finalised street and open space tree program in partnership with Millthorpe Village Committee with planting to be programmed for early 2019/20.

5.5 Rural Fire Services, Weeds and Local Land Services protect and manage environmentally significant areas to maintain biodiversity of native vegetation

5.5.1	Protect and enhance biodiversity, native vegetation, river and soil health	Assess all DA's with appropriate regard to the minimisation and mitigation of loss or harm to native vegetation	Ongoing. New Biodiversity Conservation Act has commenced. Cowra Council facilitating, Local Government Support Officer (Biodiversity Reforms) Officer on behalf of Central NSW JO.
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5.6 Crown Lands are better managed to control weeds, pest species and bushfire			
5.6.1	Participate and share resources required to complete the NSW Crown Land Negotiation program with Orange Local Aboriginal Lands Council, Orange City and Cabonne Councils	Provide resources and participate in NSW Crown Land Negotiation program with Orange Local Aboriginal Lands Council, Orange City and Cabonne Councils	Crown Land Negotiation program ongoing. Meetings attended by staff and Crown Lands assessment for identification of lands for negotiation of control by Council completed.
5.7 Sustainable waste management and recycling or reuse of waste will extend the life of Council's landfill and provide opportunities for industry to reduce costs			
5.7.1	Ensure Waste Management Services are delivered in a financially sustainable manner	Review services at the Blayney Waste Facility before proceeding to re-tender the contract management of the Blayney Waste Facility.	Management of the Blayney Waste Facility were tendered in December 2019, which included review of opening hours.
		Encourage separation of products at the Blayney Waste Facility to reduce the amount of material deposited to landfill	Ongoing with education undertaken by NetWaste, Councils GM conversation and media avenues.
		Implement a new covering plan technique, to cap completed areas once they have been filled with waste	Part of the contract management services which commenced on 1 January 2019.
5.7.2	Develop and promote programs with NetWaste that increase recycling within the community and reduce the volume of waste going to landfill	Consider installation of additional collection points for waste transfer and recycling in the villages if the need is identified	Location and contamination levels continually evaluated.
		Investigate installation of a CDS reverse vending machine for Blayney	Royal Hotel providing over the counter service, Bathurst Recycling providing service to Blayney LGA. DA approved for private CDS operator in the Blayney Industrial Area.

An aerial photograph of a white wind turbine standing on a grassy hill. In the background, a winding river flows through a valley between rolling hills. The scene is captured during sunset, with a warm, golden light across the sky and landscape. The turbine's blades are positioned in a 'Y' shape, and its tower is a solid white. The surrounding terrain is a mix of green grass and some trees, with the river reflecting the light from the sky.

A2

**AUDITED FINANCIAL
REPORTS**

Blayney Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2019



General Purpose Financial Statements

for the year ended 30 June 2019

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Overview

Blayney Shire Council is constituted under the Local Government Act 1993 (NSW) and has its principal place of business at:

91 Adelaide Street
Blayney NSW 2799

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).

Through the use of the internet, we have ensured that our reporting is timely, complete and available at minimum cost. All press releases, financial statements and other information are publicly available on our website: www.blayney.nsw.gov.au.

Blayney Shire Council

General Purpose Financial Statements

for the year ended 30 June 2019

Understanding Council's Financial Statements

Introduction

Each year, individual Local Governments across NSW are required to present a set of audited financial statements to their council 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 2019.

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 Council and 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 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.

Blayney Shire Council

General Purpose Financial Statements

for the year ended 30 June 2019

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 other pronouncements of the Australian Accounting Standards Board
- the *Local Government Code of Accounting Practice and Financial Reporting*.

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

- present fairly the Council's operating result and financial position for the year
- 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 19 August 2019.



Cr. S.J. Ferguson
Mayor
19 August 2019



Cr. D. Kingham
Deputy Mayor
19 August 2019



R. Ryan
General Manager
19 August 2019



T. Irlam
Responsible Accounting Officer
19 August 2019

Income Statement

for the year ended 30 June 2019

Original unaudited budget 2019	\$ '000	Notes	Actual 2019	Actual 2018 ¹
Income from continuing operations				
<u>Revenue:</u>				
10,929	Rates and annual charges	3a	10,991	10,617
1,949	User charges and fees	3b	2,258	2,435
378	Interest and investment revenue	3c	445	413
218	Other revenues	3d	284	356
3,534	Grants and contributions provided for operating purposes	3e,3f	4,141	3,555
5,391	Grants and contributions provided for capital purposes	3e,3f	9,160	6,085
<u>Other income:</u>				
174	Net gains from the disposal of assets	5	–	180
30	Net share of interests in joint ventures and associates using the equity method	16	382	188
22,603	Total income from continuing operations		27,661	23,829
Expenses from continuing operations				
6,817	Employee benefits and on-costs	4a	7,138	6,501
288	Borrowing costs	4b	90	176
2,127	Materials and contracts	4c	2,642	2,535
5,410	Depreciation and amortisation	4d	5,364	5,457
2,442	Other expenses	4e	2,993	2,579
–	Net losses from the disposal of assets	5	655	–
17,084	Total expenses from continuing operations		18,882	17,248
5,519	Operating result from continuing operations		8,779	6,581
5,519	Net operating result for the year		8,779	6,581
5,519	Net operating result attributable to council		8,779	6,581
128	Net operating result for the year before grants and contributions provided for capital purposes		(381)	496

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*

The above Income Statement should be read in conjunction with the accompanying notes.

Statement of Comprehensive Income

for the year ended 30 June 2019

\$ '000	Notes	2019	2018 ¹
Net operating result for the year (as per Income Statement)		8,779	6,581
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of IPP&E	10(a)	311	3,108
Other comprehensive income – joint ventures and associates		191	3,281
Total items which will not be reclassified subsequently to the operating result		502	6,389
Total other comprehensive income for the year		502	6,389
Total comprehensive income for the year		9,281	12,970
Total comprehensive income attributable to Council		9,281	12,970

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2019

\$ '000	Notes	2019	Restated 2018 ¹	Restated 1 July 2017
ASSETS				
Current assets				
Cash and cash equivalent assets	6(a)	3,548	2,715	9,743
Investments	6(b)	13,000	14,500	7,500
Receivables	7	1,392	2,113	1,288
Inventories	8a	1,758	1,417	1,063
Other	8b	58	67	63
Current assets classified as 'held for sale'		–	–	650
Total current assets		<u>19,756</u>	<u>20,812</u>	<u>20,307</u>
Non-current assets				
Receivables	7	102	76	126
Infrastructure, property, plant and equipment	10(a)	222,664	211,671	200,582
Intangible assets	11	137	126	173
Investments accounted for using the equity method	16	25,017	24,444	20,975
Total non-current assets		<u>247,920</u>	<u>236,317</u>	<u>221,856</u>
TOTAL ASSETS		<u>267,676</u>	<u>257,129</u>	<u>242,163</u>
LIABILITIES				
Current liabilities				
Payables	12	1,294	1,148	2,143
Income received in advance	12	222	260	221
Borrowings	12	455	317	202
Provisions	13	2,147	1,850	1,753
Total current liabilities		<u>4,118</u>	<u>3,575</u>	<u>4,319</u>
Non-current liabilities				
Payables	12	3	2	2
Borrowings	12	5,304	4,439	1,780
Provisions	13	717	860	779
Total non-current liabilities		<u>6,024</u>	<u>5,301</u>	<u>2,561</u>
TOTAL LIABILITIES		<u>10,142</u>	<u>8,876</u>	<u>6,880</u>
Net assets		<u>257,534</u>	<u>248,253</u>	<u>235,283</u>
EQUITY				
Accumulated surplus	14a	113,532	104,562	94,700
Revaluation reserves	14a	144,002	143,691	140,583
Council equity interest		<u>257,534</u>	<u>248,253</u>	<u>235,283</u>
Total equity		<u>257,534</u>	<u>248,253</u>	<u>235,283</u>

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the year ended 30 June 2019

	Notes	2019			2018 ¹		
		Accumulated surplus	IPP&E revaluation reserve	Total equity	Accumulated surplus Restated	IPP&E revaluation reserve Restated	Total equity Restated
\$ '000							
Opening balance		104,562	143,691	248,253	93,741	140,583	234,324
Correction of prior period errors	14b	–	–	–	959	–	959
Restated opening balance		104,562	143,691	248,253	94,700	140,583	235,283
Net operating result for the year		8,779	–	8,779	6,581	–	6,581
Other comprehensive income							
– Gain (loss) on revaluation of IPP&E	10(a)	–	311	311	–	3,108	3,108
– Joint ventures and associates		191	–	191	3,281	–	3,281
Other comprehensive income		191	311	502	3,281	3,108	6,389
Total comprehensive income		8,970	311	9,281	9,862	3,108	12,970
Equity – balance at end of the reporting period		113,532	144,002	257,534	104,562	143,691	248,253

(1) The Council has not restated comparatives when initially applying AASB 9. The comparative information has been prepared under *AASB 139 Financial Instruments: Recognition and Measurement*

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2019

Original unaudited budget 2019	\$ '000	Notes	Actual 2019	Actual 2018
Cash flows from operating activities				
<u>Receipts</u>				
10,920	Rates and annual charges		10,960	10,534
1,943	User charges and fees		3,635	1,861
382	Investment and interest revenue received		425	429
8,926	Grants and contributions		13,070	9,751
–	Bonds, deposits and retention amounts received		–	12
224	Other		1,800	1,783
<u>Payments</u>				
(6,817)	Employee benefits and on-costs		(6,852)	(6,392)
(2,149)	Materials and contracts		(3,234)	(4,985)
(261)	Borrowing costs		(231)	(157)
–	Bonds, deposits and retention amounts refunded		(6)	–
(2,446)	Other		(4,520)	(2,724)
10,722	Net cash provided (or used in) operating activities	15b	15,047	10,112
Cash flows from investing activities				
<u>Receipts</u>				
–	Sale of real estate assets		9	–
1,035	Sale of infrastructure, property, plant and equipment		237	1,431
70	Deferred debtors receipts		49	38
<u>Payments</u>				
(500)	Purchase of investment securities		1,500	(7,000)
(14,882)	Purchase of infrastructure, property, plant and equipment		(16,898)	(13,992)
–	Purchase of real estate assets		(54)	(391)
–	Purchase of intangible assets		(60)	–
(14,277)	Net cash provided (or used in) investing activities		(15,217)	(19,914)
Cash flows from financing activities				
<u>Receipts</u>				
2,820	Proceeds from borrowings and advances		1,320	3,000
<u>Payments</u>				
(395)	Repayment of borrowings and advances		(317)	(226)
2,425	Net cash flow provided (used in) financing activities		1,003	2,774
(1,130)	Net increase/(decrease) in cash and cash equivalents		833	(7,028)
6,565	Plus: cash and cash equivalents – beginning of year	15a	2,715	9,743
5,435	Cash and cash equivalents – end of the year	15a	3,548	2,715
Additional Information:				
–	plus: Investments on hand – end of year	6(b)	13,000	14,500
5,435	Total cash, cash equivalents and investments		16,548	17,215

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

for the year ended 30 June 2019

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Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Basis of preparation

These financial statements were authorised for issue by Council on 19 August 2019. Council has the power to amend and reissue these financial statements.

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.

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.

The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

Unless otherwise indicated, all amounts disclosed in the financial statements are actual amounts. Specific budgetary amounts have been included for comparative analysis (to actuals) in the following reports and notes:

- Income statement
- Statement of cash flows
- Note 21 – Material budget variations

and are clearly marked.

(a) New and amended standards adopted by Council

During the year, Council adopted all standards which were mandatorily effective for the first time at 30 June 2019.

Those newly adopted standards which had an impact on reported position, performance and/or disclosures have been discussed in Note 14.

(b) 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 infrastructure, property, plant and equipment and investment property.

(c) 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:

- (ii) estimated fair values of infrastructure, property, plant and equipment – refer Note 10
- (iii) estimated rehabilitation remediation provisions – refer Note 13

Significant judgements in applying the council's accounting policies

- (i) Impairment of receivables

Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Basis of preparation (continued)

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

Council has made provision for a number of receivables based on the effectiveness of Council's debt recovery actions to date and deemed it highly likely that these receivables will not be recoverable.

Monies and other assets received by Council

(a) 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
- Sewerage service

(b) 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.

Goods and Services Tax (GST)

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

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

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

New accounting standards and interpretations issued not yet effective

New accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods (and which have not been early adopted by Council).

Council's assessment of these new standards and interpretations (where they have been deemed as having a material impact on Council's future financial performance, financial position and cash flows) are set out below:

AASB 16 Leases

AASB 16 will result (for YE 19/20 and beyond) in almost all operating leases being recognised on the balance sheet by Council (alongside existing finance leases) with the distinction between operating and finance leases removed.

Under the new standard, a financial liability (ie. a lease liability) and an asset (ie. a right to use the leased item) will be recognised for nearly all arrangements where Council commits itself to paying a rental fee for the use of a specific asset.

The only exceptions are short-term and low-value leases which are exempt from the accounting (but not disclosure) requirements of AASB 16 - Leases.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Basis of preparation (continued)

Council staff have reviewed all of Council's leasing arrangements over the last 12 months taking into consideration the new lease accounting rules in AASB 16 (applicable from 1/7/19).

AASB 16 will (on the whole) affect Council's accounting for existing operating lease agreements that are in place as at 30/6/19.

At the end of this reporting period, Council has non-cancellable operating lease commitments of \$119,046 - refer Note 17.

Of these commitments approximately \$16,067 relate to low value leases.

Both these lease types and amounts will continue to be accounted for as they currently are (being expensed on a straight-line basis within the Income Statement).

For the remaining operating lease commitments of \$102,978, Council anticipates it will recognise lease liabilities (on its balance sheet) of \$98,944 (after adjustments for prepayments and accrued lease payments recognised as at 30 June 2019) and also recognise complimentary right-of-use assets (on its balance sheet) totaling \$98,944 on 1 July 2019.

From a financial position standpoint, as a result of recognising the above lease liabilities and right-of-use assets, Council's net assets (as at 1 July 2019) will be approximately \$68,199 lower while net current assets will be \$30,745 lower due to the presentation of a portion of the lease liability as a current liability.

From a financial performance standpoint, Council expects that net operating result will increase by approximately \$311 for the 19/20 financial year as a result of adopting the standard.

Operating cash flows will increase and financing cash flows decrease by approximately \$311 as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities.

Council's activities as a lessor are not material and hence Council does not expect any significant impact on the financial statements. However, some additional disclosures will be required from next year.

AASB 15 Revenue from Contracts with Customers and associated amending standards.

AASB15 introduces a five-step process for revenue recognition, with the core principle of the new standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

Accounting policy changes will arise in the timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element.

Councils should assess each revenue stream but particular impact is expected for grant income and rates which are paid before the commencement of the rating period.

The changes in revenue recognition requirements in AASB15 may cause changes to the timing and amount of revenue recorded in the financial statements as well as additional disclosures.

Following a review of all income streams, Council does not anticipate a huge impact on adoption of AASB 15 from 1 July 2019. Community projects funded under the Drought Communities Program (DCF) were accessed as being captured under AASB 15, however the project was finalised by 30 June 2019 will all funds acquitted prior to this date and the balance of remaining grant funds recognised as a receivable.

Council will continue to assess the impact of AASB 15 going forward.

AASB 1058 Income of NFP Entities

AASB 1058 supersedes all the income recognition requirements relating to councils, previously in AASB 1004 Contributions.

Under AASB 1058 the future timing of income recognition will depend on whether the transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service) related to an asset (such as cash or another asset) received by an entity.

AASB 1058 also applies when a council receives volunteer services or enters into other transactions in which the consideration to acquire an asset is significantly less than the fair value of the asset, and where the council's objective is principally to enable the asset to further the council's objectives.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 1. Basis of preparation (continued)

Upon initial recognition of the asset, this standard requires council to consider whether any other financial statement elements (called 'related amounts') should be recognised in accordance with the applicable accounting standard, such as:

- (a) contributions by owners
- (b) revenue, or a contract liability arising from a contract with a customer
- (c) a lease liability
- (d) a financial instrument, or
- (e) a provision.

If the transaction is a transfer of a financial asset to enable council to acquire or construct a recognisable non-financial asset to be controlled by council (i.e. an in-substance acquisition of a non-financial asset), the council recognises a liability for the excess of the fair value of the transfer over any related amounts recognised. Council will then recognise income as it satisfies its obligations under the transfer similarly to income recognition in relation to performance obligations under AASB 15.

If the transaction does not enable council to acquire or construct a recognisable non-financial asset to be controlled by council, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income.

On adoption of this standard Council's future income recognition particularly surrounding the receipt of capital grant and contributions received will be impacted. As at 1 July 2019 a number of grant funded capital projects are in progress including Stronger Country Communities Round 1 & 2, Building Better Regions Fund Infrastructure Projects and NSW Regional Growth & Tourism. As per the funding agreement milestones all current projects are scheduled for completion by 31 May 2020 and income brought to account by 30 June 2020.

Based on the current assessment undertaken it is unlikely that adoption of AASB 1058 will have any material impact on Council's income recognition initially. Council will continue to monitor new and existing income streams particularly in relation to grants and contributions for any change and prepare additional disclosures as required.

AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities

This Standard provides a temporary option for not-for-profit entities to not apply the fair value initial measurement requirements for right-of-use assets arising under leases with significantly below market terms and conditions, principally to enable the entity to further its objectives (for example, concessionary or peppercorn leases).

The Standard requires an entity that elects to apply the option (i.e. measures a class or classes of such right-of-use assets at cost rather than fair value) to include additional disclosures in the financial statements to ensure users understand the effects on the financial position, financial performance and cash flows of the entity arising from these leases

As per a NSW Office of Local Government recommendation, Council has elected to measure right-of-use assets (under a concessionary or peppercorn lease) at cost. The standard requires additional disclosures be provided in relation to below market-value leases measured at cost.

Council does not expect any significant impact on the financial statements. However, some additional disclosures will be required from next year.

Council has not applied any pronouncements before its operative date in the annual reporting period beginning 1 July 2018.

Notes to the Financial Statements
for the year ended 30 June 2019

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

Income, expenses and assets have been directly attributed to the following functions or activities.
Details of those functions or activities are provided in Note 2(b).

\$ '000	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)	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Functions or activities										
1. Public Infrastructure and Services	12,548	10,065	9,784	8,709	2,764	1,356	6,916	6,591	231,273	222,250
2. Local Governance and Finance	11,360	10,767	2,802	2,795	8,558	7,972	1,909	1,713	26,653	25,963
3. The Local and Visitor Economy	122	507	323	407	(201)	100	15	23	16	–
4. Community, Sport, Heritage and Culture	1,905	952	3,759	3,245	(1,854)	(2,293)	1,484	482	9,628	8,748
5. The Natural Environment	1,726	1,538	2,214	2,092	(488)	(554)	34	13	106	168
Total functions and activities	27,661	23,829	18,882	17,248	8,779	6,581	10,358	8,822	267,676	257,129

Notes to the Financial Statements

for the year ended 30 June 2019

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:

1. Maintain and Improve Public Infrastructure and Services

Public infrastructure and services are the bones that support a community. Council Functions included are Engineering Services, Plant Operations, Local, Regional and State Roads, Bridges, Footpaths, Sewerage Operations, Stormwater Drainage, Public Cemeteries and Public Conveniences.

2. Build the Capacity and Capability of Local Governance and Finance

To achieve our preferred future we will all need to work together. Council functions included are Governance, Corporate Services, Public Order & Safety, Health and Food Control, Public Halls and Community Centres, Real Estate and General Purpose Revenues.

3. Promote Blayney Shire to grow the Local and Visitor Economy

Ensuring that industry, agriculture and mining exist in harmony working together and collaborating for regional economic growth of the region. Council functions included are Tourism, Industrial and Economic Development and Private Works.

4. Enhance facilities and networks that supports Community Sport, Heritage and Culture

Preserving our history while being productive and innovative we will enhance and develop our sporting and recreational assets so that the facilities are modern and have regional standing. Council functions included are Public Libraries, Swimming Pool and Leisure Centre, Sporting Grounds, Parks and Showgrounds, Rural Fire Services and Youth, Family and Aged and Disabled Services.

5. Protect our Natural Environment

Encourage sustainable land use practices and protect the biodiversity and health of our waterways. Council Functions include Environmental Services, Noxious Plant Management, Domestic and Other Waste Management, Street Cleaning, Town Planning and Building Control.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations

\$ '000	2019	2018
(a) Rates and annual charges		
Ordinary rates		
Residential	1,811	1,763
Farmland	2,146	2,108
Mining	2,718	2,643
Business	337	346
Less: pensioner rebates (mandatory)	(81)	(83)
Rates levied to ratepayers	6,931	6,777
Pensioner rate subsidies received	45	46
Total ordinary rates	6,976	6,823
Special rates		
Mining special rate	1,571	1,537
Rates levied to ratepayers	1,571	1,537
Total special rates	1,571	1,537
Annual charges		
<small>(pursuant to s.496, s.496A, s.496B, s.501 & s.611)</small>		
Domestic waste management services	1,084	1,069
Sewerage services	1,142	1,085
Waste management services (non-domestic)	251	138
Less: pensioner rebates (mandatory)	(73)	(76)
Annual charges levied	2,404	2,216
Pensioner subsidies received:		
– Sewerage	14	14
– Domestic waste management	26	27
Total annual charges	2,444	2,257
TOTAL RATES AND ANNUAL CHARGES	10,991	10,617

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

Accounting policy for rates and charges

Rates and annual charges are recognised as revenue when the Council obtains control over the assets comprising these receipts.

Pensioner rebates relate to reductions in rates and certain annual charges for eligible pensioners' place of residence in the local government council area that are not subsidised by the NSW Government.

Pensioner rate subsidies are received from the NSW Government to provide a contribution towards the pensioner rebates.

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.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	2019	2018
(b) User charges and fees		
Specific user charges		
<small>(per s.502 - specific 'actual use' charges)</small>		
Sewerage services	224	238
Total specific user charges	224	238
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s.608)		
Building regulation	161	205
Private works – section 67	73	67
Section 10.7 certificates (EP&A Act)	18	20
Section 603 certificates	13	19
Other	12	8
Total fees and charges – statutory/regulatory	277	319
(ii) Fees and charges – other (incl. general user charges (per s.608))		
Cemeteries	79	105
Lease rentals	136	163
Leaseback fees – Council vehicles	71	61
CentrePoint	309	352
Quarry revenues	891	637
RMS (formerly RTA) charges (state roads not controlled by Council)	64	456
Waste disposal tipping fees	204	84
Other	3	20
Total fees and charges – other	1,757	1,878
TOTAL USER CHARGES AND FEES	2,258	2,435
Accounting policy for user charges and fees		
User charges and fees are recognised as revenue when the service has been provided.		
(c) Interest and investment revenue (including losses)		
Interest on financial assets measured at amortised cost		
– Overdue rates and annual charges (incl. special purpose rates)	15	12
– Cash and investments	424	401
– Deferred debtors	6	–
TOTAL INTEREST AND INVESTMENT REVENUE	445	413
Interest revenue is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	15	12
General Council cash and investments	257	246
Restricted investments/funds – external:		
Development contributions		
– Section 7.11	24	22
– Section 64	24	22
Sewerage fund operations	125	111
Total interest and investment revenue	445	413

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

Accounting policy for interest and investment revenue

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

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

(d) Other revenues

Rental income – other council properties	17	17
Legal fees recovery – other	23	23
Diesel rebate	129	143
Insurance claims recoveries	4	8
Insurance rebates	36	42
Other	75	123
TOTAL OTHER REVENUE	284	356

Accounting policy for other revenue

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.

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

Miscellaneous sales are recognised when physical possession has transferred to the customer which is deemed to be the point of transfer of risks and rewards.

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

\$ '000	Operating 2019	Operating 2018	Capital 2019	Capital 2018
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(e) Grants**General purpose (untied)****Current year allocation**

Financial assistance – general component	917	846	–	–
Financial assistance – local roads component	429	411	–	–
Payment in advance - future year allocation				
Financial assistance – general component	951	868	–	–
Financial assistance – local roads component	445	423	–	–
Total general purpose	2,742	2,548	–	–

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	Operating 2019	Operating 2018	Capital 2019	Capital 2018
Specific purpose				
Bushfire and emergency services	–	–	27	220
Employment and training programs	2	12	–	–
Environmental programs	–	43	–	–
Heritage and cultural	7	7	–	–
Library	34	39	–	–
LIRS subsidy	24	28	–	–
Public halls	–	–	17	–
Recreation and culture	–	–	388	32
Street lighting	22	21	–	–
Transport (roads to recovery)	400	395	–	–
Transport (other roads and bridges funding)	–	75	4,976	4,830
Tourism	7	5	8	15
Youth services	4	1	–	–
Innovations Funding	–	–	–	183
Stronger Country Communities	–	–	659	365
Other	41	3	–	–
Drought Communities Funding Program	480	–	520	–
Total specific purpose	1,021	629	6,595	5,645
Total grants	3,763	3,177	6,595	5,645
Grant revenue is attributable to:				
– Commonwealth funding	3,622	2,946	520	3,020
– State funding	141	231	4,439	2,625
– Other funding	–	–	1,636	–
	3,763	3,177	6,595	5,645

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	Notes	Operating 2019	Operating 2018	Capital 2019	Capital 2018
(f) Contributions					
Developer contributions: (s7.4 & s7.11 - EP&A Act, s64 of the LGA):					
Cash contributions					
S 7.11 – contributions towards amenities/services		–	–	132	87
S 64 – sewerage service contributions		–	–	23	6
Total developer contributions – cash		–	–	155	93
Total developer contributions	23	–	–	155	93
Other contributions:					
Cash contributions					
Bushfire services		35	46	–	–
Recreation and culture		–	–	–	89
Roads and bridges		10	3	2,410	258
RMS contributions (regional roads, block grant)		333	327	–	–
Tourism		–	2	–	–
Total other contributions – cash		378	378	2,410	347
Total other contributions		378	378	2,410	347
Total contributions		378	378	2,565	440
TOTAL GRANTS AND CONTRIBUTIONS		4,141	3,555	9,160	6,085

Accounting policy for grants and contributions

Control over grants and contributions is normally obtained upon their receipt (or acquittal) and is valued at the fair value of the granted or contributed asset 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 below.

Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of sections 7.4, 7.11 and 7.12 of the *Environmental Planning and Assessment Act 1979*.

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

Developer contributions may only be expended for the purposes for which the contributions were required, but the Council may apply contributions according to the priorities established in work schedules.

A 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.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 3. Income from continuing operations (continued)

\$ '000	2019	2018
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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:

Operating grants

Unexpended at the close of the previous reporting period	39	77
Add: operating grants recognised in the current period but not yet spent	43	39
Add: operating grants received for the provision of goods and services in a future period	–	–
Less: operating grants recognised in a previous reporting period now spent	(39)	(77)
Unexpended and held as restricted assets (operating grants)	43	39

Council received funding from Crown Lands to facilitate the complete Plans of Management. Additional Youth Week funding was received to fund youth week activities for the period 1 July 2019 to 31 December 2019.

Capital grants

Unexpended at the close of the previous reporting period	421	102
Add: capital grants recognised in the current period but not yet spent	363	371
Add: capital grants received for the provision of goods and services in a future period	–	–
Less: capital grants recognised in a previous reporting period now spent	(421)	(52)
Unexpended and held as restricted assets (capital grants)	363	421

Council's unexpended capital grants as at 1 July 2018 included funding received under Stronger Country Communities Round 1 for completion of the Blayney Skate Park, Lyndhurst Village Link, Belubula River Walk, recreation ground improvements and amenities upgrade. The restricted funding was fully expended during 2018/19.

Unexpended grants as at 30 June 2019 include Milestone 1 payments for projects funded under Stronger Country Communities Round 2 including CentrePoint amenities, Carcoar Recreation Ground amenities, Blayney Sports Facility Master Plan and additional funding for the construction of cricket nets at Dakers Oval.

Contributions

Unexpended at the close of the previous reporting period	1,700	1,672
Add: contributions recognised in the current period but not yet spent	203	137
Add: contributions received for the provision of goods and services in a future period	–	–
Add: contributions recognised as income in the current period obtained in respect of a future rating identified by Council for the purpose of establishing a rate	–	–
Less: contributions recognised in a previous reporting period now spent	(117)	(109)
Unexpended and held as restricted assets (contributions)	1,786	1,700

Unexpended contributions as at 30 June 2019 include contributions received under Sec 7.11 Developer Contributions and Sec 64 Contributions.

Sec 7.11 contributions funded 50% balance of the Mechanical Heating Unit replacement at CentrePoint.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations

\$ '000	2019	2018
(a) Employee benefits and on-costs		
Salaries and wages	5,973	5,635
Travel expenses	8	10
Employee leave entitlements (ELE)	1,048	926
ELE on-costs	28	7
Superannuation	695	642
Workers' compensation insurance	135	110
Fringe benefit tax (FBT)	61	72
Training costs (other than salaries and wages)	138	147
Protective clothing	33	25
Other	25	23
Total employee costs	8,144	7,597
Less: capitalised costs	(1,006)	(1,096)
TOTAL EMPLOYEE COSTS EXPENSED	7,138	6,501
Number of 'full-time equivalent' employees (FTE) at year end	95	92

Accounting policy for employee benefits and on-costs

Employee benefit expenses are recorded when the service has been provided by the employee.

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.

Superannuation 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.

Council participates in a defined benefit plan under the Local Government Superannuation Scheme, however, sufficient information to account for the plan as a defined benefit is not available and therefore 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 – refer to Note 19 for more information.

\$ '000	Notes	2019	2018
(b) Borrowing costs			
(i) Interest bearing liability costs			
Interest on loans		229	171
Total interest bearing liability costs expensed		229	171
(ii) Other borrowing costs			
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	13	(139)	5
Total other borrowing costs		(139)	5
TOTAL BORROWING COSTS EXPENSED		90	176

Accounting policy for borrowing costs

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

\$ '000	2019	2018
(c) Materials and contracts		
Raw materials and consumables	2,233	2,306
Contractor and consultancy costs	188	135
Auditors remuneration ²	61	33
Legal expenses:		
– Legal expenses: planning and development	72	4
– Legal expenses: debt recovery	30	23
– Legal expenses: other	17	10
Operating leases:		
– Operating lease rentals: minimum lease payments ¹	41	24
Total materials and contracts	<u>2,642</u>	<u>2,535</u>
TOTAL MATERIALS AND CONTRACTS	<u>2,642</u>	<u>2,535</u>

Accounting policy for operating leases

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.

1. Operating lease payments are attributable to:

Other	41	24
	<u>41</u>	<u>24</u>

2. Auditor remuneration

During the year, the following fees were incurred for services provided by the auditor of Council, related practices and non-related audit firms

Auditors of the Council - NSW Auditor-General:**(i) Audit and other assurance services**

Audit and review of financial statements	40	32
Remuneration for audit and other assurance services	<u>40</u>	<u>32</u>
Total Auditor-General remuneration	<u>40</u>	<u>32</u>

Non NSW Auditor-General audit firms**(i) Audit and other assurance services**

Audit and review of financial statements	21	1
Remuneration for audit and other assurance services	<u>21</u>	<u>1</u>
Total remuneration of non NSW Auditor-General audit firms	<u>21</u>	<u>1</u>
Total Auditor remuneration	<u>61</u>	<u>33</u>

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	2019	2018
(d) Depreciation, amortisation and impairment of intangible assets and IPP&E			
Depreciation and amortisation			
Plant and equipment		872	810
Office equipment		80	58
Furniture and fittings		10	17
Land improvements (depreciable)		349	353
Infrastructure:			
– Buildings – non-specialised		47	90
– Buildings – specialised		531	713
– Roads		2,296	2,331
– Bridges		265	246
– Footpaths		88	81
– Stormwater drainage		87	86
– Sewerage network		517	509
– Swimming pools		40	1
– Other open space/recreational assets		104	85
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	10(a),13	14	11
– Quarry assets	10(a),13	15	15
Intangible assets	11	49	51
Total gross depreciation and amortisation costs		5,364	5,457
Total depreciation and amortisation costs		5,364	5,457
<u>TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT / REVALUATION DECREMENT FOR INTANGIBLES AND IPP&E</u>		5,364	5,457

Accounting policy for depreciation, amortisation and impairment expenses of intangibles and IPP&E**Depreciation and amortisation**

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note 10 for IPPE assets and Note 12 for intangible assets.

Depreciation is capitalised where in-house assets have contributed to new assets.

Impairment of non-financial assets

Council assets held at fair value that are not held primarily for their ability to generate net cash flow, and that are deemed to be specialised, are no longer required to be tested for impairment under AASB 136. This is because these assets are assessed on an annual basis to ensure that the carrying amount is not materially different from fair value and therefore an impairment loss would be captured during this assessment.

Intangible assets that have an indefinite useful life, or are not yet available for use, are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets that do not meet the criteria above 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-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

Impairment losses for revalued assets are firstly offset against the amount in the revaluation surplus for the class of asset, with only the excess to be recognised in the Income Statement.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 4. Expenses from continuing operations (continued)

\$ '000	2019	2018
(e) Other expenses		
Advertising	61	79
Bad and doubtful debts	3	–
Bank charges	20	22
Cleaning	6	7
Contributions/levies to other levels of government		
Contributions/levies to other levels of government		
– Emergency services levy (includes FRNSW, SES, and RFS levies)	29	32
– NSW fire brigade levy	236	214
Councillor expenses – mayoral fee	24	25
Councillor expenses – councillors' fees	81	79
Councillors' expenses (incl. mayor) – other (excluding fees above)	17	19
Donations, contributions and assistance to other organisations (Section 356)	290	303
– Contributions to Central West Libraries	143	154
– Contribution to Upper Macquarie County Council	72	70
- Community Projects - Drought Communities Program	480	–
Electricity and heating	252	254
Insurance	431	417
Postage	14	16
Printing and stationery	29	48
Street lighting	161	135
Subscriptions and publications	320	284
Telephone and communications	46	48
Valuation fees	33	32
Water charges	133	161
Other	112	180
Total other expenses	2,993	2,579
TOTAL OTHER EXPENSES	2,993	2,579

Accounting policy for other expenses

Other expenses are recorded on an accruals basis as the Council receives the goods or services.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 5. Gains or losses from the disposal, replacement and de-recognition of assets

\$ '000	Notes	2019	2018
Property (excl. investment property)			
Less: carrying amount of property assets sold/written off		–	(35)
Net gain/(loss) on disposal		–	(35)
Plant and equipment			
	10(a)		
Proceeds from disposal – plant and equipment		237	473
Less: carrying amount of plant and equipment assets sold/written off		(175)	(286)
Net gain/(loss) on disposal		62	187
Infrastructure			
	10(a)		
Less: carrying amount of infrastructure assets sold/written off		(726)	(298)
Net gain/(loss) on disposal		(726)	(298)
Real estate assets held for sale			
	8		
Proceeds from disposal – real estate assets		9	–
Net gain/(loss) on disposal		9	–
Non-current assets classified as ‘held for sale’			
	9		
Proceeds from disposal – non-current assets ‘held for sale’		–	958
Less: carrying amount of ‘held for sale’ assets sold/written off		–	(632)
Net gain/(loss) on disposal		–	326
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		(655)	180

Accounting policy for disposal of assets

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

The gain or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer and the asset is de-recognised.

Note 6(a). Cash and cash equivalent assets

\$ '000	2019	2018
Cash and cash equivalents		
Cash on hand and at bank	3,548	2,715
Total cash and cash equivalents	3,548	2,715

Accounting policy for cash and cash equivalents

For Statement of Cash Flow presentation purposes, cash and cash equivalents include: 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.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(b). Investments

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Investments				
b. 'Financial assets at amortised cost' / 'held to maturity' (2018)	13,000	–	14,500	–
Total Investments	<u>13,000</u>	<u>–</u>	<u>14,500</u>	<u>–</u>
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS	<u>16,548</u>	<u>–</u>	<u>17,215</u>	<u>–</u>
Financial assets at amortised cost / held to maturity (2018)				
Long term deposits	13,000	–	14,500	–
Total	<u>13,000</u>	<u>–</u>	<u>14,500</u>	<u>–</u>

Accounting policy for investments**Accounting policy under AASB 9 – applicable from 1 July 2018**

Financial instruments are recognised initially on the date that the Council becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, Council classifies its financial assets into the following categories – those measured at:

- amortised cost
- fair value through profit and loss (FVTPL)
- fair value through other comprehensive income – equity instrument (FVOCI-equity)

Financial assets are not reclassified subsequent to their initial recognition.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Council's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the Statement of Financial Position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, impairment and gains or loss on de-recognition are recognised in profit or loss.

Fair value through other comprehensive income – equity instruments

Council has a number of strategic investments in entities over which they do not have significant influence nor control. Council has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to accumulated surplus and is not reclassified to profit or loss.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 6(b). Investments (continued)

Other net gains and losses excluding dividends are recognised in Other Comprehensive Income Statement.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss.

Net gains or losses, including any interest or dividend income, are recognised in profit or loss.

Council's financial assets measured at fair value through profit or loss comprise investments in FRNs and NCDs in the Statement of Financial Position.

Accounting policy under AASB 139 – applicable for 2018 comparatives only

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.

(b) 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. Assets in this category are measured at amortised cost.

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

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. Investments 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.

Impairment of financial assets

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.

Notes to the Financial Statements

for the year ended 30 June 2019

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

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Total cash, cash equivalents and investments	16,548	–	17,215	–
attributable to:				
External restrictions	9,713	–	9,090	–
Internal restrictions	6,777	–	8,093	–
Unrestricted	58	–	32	–
	<u>16,548</u>	<u>–</u>	<u>17,215</u>	<u>–</u>

\$ '000	2019	2018
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Details of restrictions

External restrictions – other

Developer contributions – general	851	812
Developer contributions – sewer fund	936	888
Specific purpose unexpended grants	406	460
Sewerage services	4,991	4,808
Domestic waste management	1,071	987
Voluntary planning agreement – mining	215	217
Rates – special variation mining	362	918
Unexpended borrowings	881	–
	<u>9,713</u>	<u>9,090</u>

External restrictions – other

Total external restrictions

Internal restrictions

Plant and vehicle replacement	238	766
Employees leave entitlement	857	764
Asset reserve – buildings	127	149
Asset reserve – parks and recreation	81	322
Asset reserve – stormwater	52	105
Asset reserve – transport	1,062	1,907
Blayney sports facility master plans	40	126
Blayney town works	–	5
Cemeteries	–	49
Centrepoint reserve	717	866
Election reserve	58	40
Environmental projects – Belubula river	53	53
Financial assistance grant	1,396	1,290
I.T reserve	114	96
King George Oval	258	161
Property account	1,466	1,145
Quarry	174	174
Village enhancement program	84	75
	<u>6,777</u>	<u>8,093</u>

Total internal restrictions

TOTAL RESTRICTIONS

	<u>16,490</u>	<u>17,183</u>
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Notes to the Financial Statements

for the year ended 30 June 2019

Note 7. Receivables

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Purpose				
Rates and annual charges	115	102	110	76
Interest and extra charges	38	–	37	–
User charges and fees	254	–	1,333	–
Private works	62	–	286	–
Accrued revenues				
– Interest on investments	185	–	166	–
Deferred debtors	43	–	92	–
Government grants and subsidies	504	–	2	–
Net GST receivable	320	–	213	–
Total	1,521	102	2,239	76
Less: provision of impairment				
Other debtors	(129)	–	(126)	–
Total provision for impairment – receivables	(129)	–	(126)	–
TOTAL NET RECEIVABLES	1,392	102	2,113	76
Externally restricted receivables				
Sewerage services				
– Rates and availability charges	46	–	43	–
Domestic waste management	–	–	24	–
Total external restrictions	46	–	67	–
Unrestricted receivables	1,346	102	2,046	76
TOTAL NET RECEIVABLES	1,392	102	2,113	76

\$ '000	2019	2018
Movement in provision for impairment of receivables		
Balance at the beginning of the year (calculated in accordance with AASB 139)	126	135
+ new provisions recognised during the year	15	–
– amounts provided for but recovered during the year	(12)	(9)
Balance at the end of the period	129	126

Accounting policy for receivables

Recognition and measurement

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

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.

Impairment

Notes to the Financial Statements

for the year ended 30 June 2019

Note 7. Receivables (continued)

Accounting policy under AASB 9 applicable from 1 July 2018

Impairment of financial assets measured at amortised cost is recognised on an expected credit loss (ECL) basis.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, and when estimating ECL, the Council considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on Council's historical experience and informed credit assessment, and including forward-looking information.

When considering the ECL for rates debtors, Council takes into account that unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold. For non-rates debtors, Council uses the presumption that an asset which is more than 30 days past due has seen an increase in credit risk.

The Council uses the presentation that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Council in full, without recourse by the Council to actions such as realising security (if any is held) or
- the financial assets (for non-rates debtors) are more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the entity in accordance with the contract, and the cash flows expected to be received. This is applied using a probability weighted approach.

On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Council writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

None of the receivables that have been written off are subject to enforcement activity.

Where the Council renegotiates the terms of receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Accounting policy under AASB 139 – applicable for 2018 comparatives only

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.

Collectability of receivables is reviewed on an ongoing basis. Debts that are known to be uncollectable 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 the 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. When a receivable for which an impairment allowance had been recognised becomes uncollectable 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.

Rates and annual charges outstanding are secured against the property.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 8. Inventories and other assets

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
(a) Inventories				
(i) Inventories at cost				
Real estate for resale	824	–	770	–
Stores and materials	112	–	99	–
Trading stock	822	–	548	–
Total inventories at cost	1,758	–	1,417	–
<u>TOTAL INVENTORIES</u>	<u>1,758</u>	<u>–</u>	<u>1,417</u>	<u>–</u>
(b) Other assets				
Prepayments	58	–	67	–
<u>TOTAL OTHER ASSETS</u>	<u>58</u>	<u>–</u>	<u>67</u>	<u>–</u>

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Total externally restricted assets	–	–	–	–
Total internally restricted assets	–	–	–	–
Total unrestricted assets	1,816	–	1,484	–
TOTAL INVENTORIES AND OTHER ASSETS	1,816	–	1,484	–

(i) Other disclosures

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
(a) Details for real estate development				
Residential	824	–	391	–
Industrial/commercial	–	–	379	–
Total real estate for resale	824	–	770	–
(Valued at the lower of cost and net realisable value)				
Represented by:				
Acquisition costs	770	–	764	–
Development costs	54	–	6	–
Total costs	824	–	770	–
Total real estate for resale	824	–	770	–
Movements:				
Real estate assets at beginning of the year	770	–	379	–
– Purchases and other costs	54	–	391	–
Total real estate for resale	824	–	770	–

Notes to the Financial Statements

for the year ended 30 June 2019

Note 8. Inventories and other assets (continued)

(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;

\$ '000	2019	2018
Real estate for resale	824	379
Trading Stock - Quarry	457	–
	1,281	379

Accounting policy for inventories and other assets**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. Costs are assigned to individual items of inventory on the 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.

Inventory held for distribution

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

Land held for resale/capitalisation of borrowing costs

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

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 9. Non-current assets classified as held for sale

(i) 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.

(ii) Reconciliation of non-current assets 'held for sale' and disposal groups – i.e. discontinued operations

\$ '000	2019 Assets 'held for sale'	2018 Assets 'held for sale'
Opening balance	–	650
Less: carrying value of assets/operations sold	–	(632)
Balance still unsold after 12 months:	–	18
<u>Plus new transfers in:</u>		
– Assets 'held for sale'	–	(18)
Closing balance of 'held for sale' non-current assets and operations	–	–

Accounting policy for non-current assets classified as held for sale

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 continued use. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as assets arising from employee benefits; financial assets; and investment properties that are carried at fair value.

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.

Notes to the Financial Statements for the year ended 30 June 2019

Note 10(a). Infrastructure, property, plant and equipment

\$ '000	as at 30/6/2018			Asset movements during the reporting period							as at 30/6/2019		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
Capital work in progress	667	–	667	2,143	912	–	–	(557)	–	–	3,165	–	3,165
Plant and equipment	12,463	(7,024)	5,439	–	2,157	(176)	(872)	–	–	–	14,178	(7,630)	6,548
Office equipment	741	(459)	282	–	97	–	(80)	–	–	–	765	(466)	299
Furniture and fittings	398	(316)	82	–	59	–	(10)	–	–	–	457	(326)	131
Land:													
– Operational land	1,165	–	1,165	–	–	–	–	–	–	–	1,165	–	1,165
– Community land	5,002	–	5,002	–	–	–	–	–	–	–	5,002	–	5,002
– Land under roads (post 30/6/08)	–	–	–	–	16	–	–	–	–	–	16	–	16
Land improvements – depreciable	6,313	(2,667)	3,646	1	316	(20)	(349)	18	–	–	6,592	(2,980)	3,612
Infrastructure:													
– Buildings – non-specialised	1,991	(612)	1,379	–	72	–	(47)	–	123	–	2,186	(659)	1,527
– Buildings – specialised	26,247	(9,942)	16,305	298	94	(193)	(531)	312	(191)	–	26,461	(10,367)	16,094
– Roads	136,307	(31,765)	104,542	8,085	–	–	(2,296)	–	–	–	144,392	(34,061)	110,331
– Bridges	27,816	(3,314)	24,502	1,918	–	(405)	(265)	80	–	–	28,450	(2,620)	25,830
– Footpaths	6,435	(2,110)	4,325	241	–	–	(88)	–	–	–	6,676	(2,198)	4,478
– Bulk earthworks (non-depreciable)	11,625	–	11,625	–	–	–	–	–	–	–	11,625	–	11,625
– Stormwater drainage	10,123	(1,426)	8,697	1	–	–	(87)	–	–	–	10,124	(1,513)	8,611
– Sewerage network	30,911	(11,143)	19,768	53	18	–	(517)	141	68	311	31,708	(11,866)	19,842
– Swimming pools	1,500	(672)	828	–	–	(3)	(40)	(10)	–	–	1,487	(712)	775
– Other open space/recreational assets	4,524	(1,390)	3,134	381	62	(104)	(104)	16	–	–	4,766	(1,381)	3,385
Reinstatement, rehabilitation and restoration assets (refer Note 14):													
– Tip assets	278	(157)	121	–	–	–	(14)	–	(56)	–	222	(171)	51
– Quarry assets	214	(52)	162	–	30	–	(15)	–	–	–	244	(67)	177
Total Infrastructure, property, plant and equipment	284,720	(73,049)	211,671	13,121	3,833	(901)	(5,315)	–	(56)	311	299,681	(77,017)	222,664

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 10(a). Infrastructure, property, plant and equipment (continued)

	as at 30/6/2017			Asset movements during the reporting period									as at 30/6/2018		
	Gross carrying amount	Accumulated depreciation	Net carrying amount	Additions renewals ¹	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Tfrs from/(to) 'held for sale' category	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation	Net carrying amount
Capital work in progress	152	–	152	340	247	–	–	(72)	–	–	–	–	667	–	667
Plant and equipment	12,950	(8,356)	4,594	–	1,982	(285)	(810)	–	(42)	–	–	–	12,463	(7,024)	5,439
Office equipment	798	(654)	144	–	154	–	(58)	–	42	–	–	–	741	(459)	282
Furniture and fittings	531	(389)	142	–	3	(1)	(17)	–	(45)	–	–	–	398	(316)	82
Land:															
– Operational land	1,317	–	1,317	–	–	–	–	–	(187)	–	–	35	1,165	–	1,165
– Community land	5,002	–	5,002	–	–	–	–	–	–	–	–	–	5,002	–	5,002
Land improvements – depreciable	6,552	(2,482)	4,070	–	–	(32)	(353)	68	(107)	–	–	–	6,313	(2,667)	3,646
Infrastructure:															
– Buildings – non-specialised	2,671	(1,254)	1,417	–	–	(1)	(90)	–	22	18	–	13	1,991	(612)	1,379
– Buildings – specialised	26,753	(12,130)	14,623	189	209	(34)	(713)	–	(843)	–	–	2,874	26,247	(9,942)	16,305
– Roads	128,915	(29,432)	99,483	7,357	–	–	(2,331)	–	33	–	–	–	136,307	(31,765)	104,542
– Bridges	26,841	(3,805)	23,036	1,993	–	(266)	(246)	–	(15)	–	–	–	27,816	(3,314)	24,502
– Footpaths	6,301	(2,029)	4,272	–	128	–	(81)	–	6	–	–	–	6,435	(2,110)	4,325
– Bulk earthworks (non-depreciable)	11,625	–	11,625	–	–	–	–	–	–	–	–	–	11,625	–	11,625
– Stormwater drainage	8,964	(1,340)	7,624	–	1,159	–	(86)	–	–	–	–	–	10,123	(1,426)	8,697
– Sewerage network	30,275	(10,405)	19,870	–	–	–	(509)	–	–	–	–	407	30,911	(11,143)	19,768
– Swimming pools	–	–	–	–	–	–	(1)	–	1,050	–	(221)	–	1,500	(672)	828
– Other open space/recreational assets	4,102	(1,147)	2,955	67	107	–	(85)	4	86	–	–	–	4,524	(1,390)	3,134
Reinstatement, rehabilitation and restoration assets (refer Note 14):															
– Tip assets	225	(146)	79	–	53	–	(11)	–	–	–	–	–	278	(157)	121
– Quarry assets	214	(37)	177	–	–	–	(15)	–	–	–	–	–	214	(52)	162
Total Infrastructure, property, plant and equipment	274,188	(73,606)	200,582	9,946	4,042	(619)	(5,406)	–	–	18	(221)	3,329	284,720	(73,049)	211,671

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 10(a). Infrastructure, property, plant and equipment (continued)

Accounting policy for infrastructure, property, plant and equipment

Infrastructure, property, plant and equipment are held at fair value. Independent valuations are performed at least every 5 years, however the carrying amount of assets is assessed at each reporting date to confirm that it is not materially different from current fair value.

Sewerage network assets are indexed at each reporting period in accordance with the NSW Rates Reference Manual issued by Crown Lands and Water (CLAW).

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.

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	Years	Other equipment	Years
Office equipment	5 to 10	Playground equipment	40
Office furniture	10 to 20	Benches, seats etc.	25 to 50
Computer equipment	4		
Vehicles	5 to 8	Buildings	
Heavy plant/road making equipment	5 to 8	Buildings: masonry	15 to 150
Other plant and equipment	5 to 15	Buildings: other	15 to 150
		Stormwater assets	
Sewer assets		Pits	80
Dams and reservoirs	20 to 80	Pipes	100
Bores	20 to 40	Culverts	100
Reticulation pipes: PVC	50 to 95	Flood control structures	80 to 100
Reticulation pipes: other	50 to 95		
Pumps and telemetry	10 to 80		
		Other infrastructure assets	
Transportation assets		Other infrastructure	14 to 100
Sealed roads: surface	13 to 25	Swimming pools	80
Sealed roads: structure	40 to 150	Other open space/recreational assets	25 to 100
Unsealed roads	10 to 150		
Bridge: concrete/steel	100		
Bridge: other	50		
Bulk earthworks	infinite		
Kerb, gutter and footpaths	20 to 200		

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.

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.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 10(a). Infrastructure, property, plant and equipment (continued)

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.

Rural Fire Service assets

Under Section 119 of the *Rural Fire Services Act 1997 (NSW)*, "all firefighting 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 firefighting equipment has been purchased or constructed".

Until such time as discussions on this matter have concluded and the legislation changed, Council will not recognise rural fire service plant and vehicles consistent with Council's guidelines on recognition of Rural Fire Service Assets

Note 10(b). Externally restricted infrastructure, property, plant and equipment

\$ '000	2019			2018		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount
Sewerage services						
Plant and equipment	447	215	232	368	176	192
Land						
– Community land	314	–	314	229	–	229
Infrastructure	31,708	11,866	19,842	30,911	11,143	19,768
Total sewerage services	32,469	12,081	20,388	31,508	11,319	20,189
Domestic waste management						
Land						
– Community land	160	–	160	160	–	160
Total DWM	160	–	160	160	–	160
TOTAL RESTRICTED I,PP&E	32,629	12,081	20,548	31,668	11,319	20,349

Notes to the Financial Statements

for the year ended 30 June 2019

Note 11. Intangible assets

\$ '000	2019	2018
Intangible assets are as follows:		
Opening values at 1 July		
Gross book value	501	499
Accumulated amortisation	(375)	(326)
Net book value – opening balance	126	173
Movements for the year		
– Purchases	61	11
– Amortisation charges	(49)	(51)
– Gross book value written off	–	(9)
– Accumulated amortisation charges written off	–	2
Closing values at 30 June		
Gross book value	562	501
Accumulated amortisation	(425)	(375)
TOTAL INTANGIBLE ASSETS – NET BOOK VALUE	137	126
The net book value of intangible assets represents:		
– Software	137	126
	137	126

Accounting policy for 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.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 12. Payables and borrowings

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Payables				
Goods and services – operating expenditure	976	–	833	–
Accrued expenses:				
– Borrowings	27	–	29	–
– Other expenditure accruals	45	3	34	2
Security bonds, deposits and retentions	246	–	252	–
Total payables	1,294	3	1,148	2
Income received in advance				
Payments received in advance	222	–	260	–
Total income received in advance	222	–	260	–
Borrowings				
Loans – secured ¹	455	5,304	317	4,439
Total borrowings	455	5,304	317	4,439
<u>TOTAL PAYABLES AND BORROWINGS</u>	<u>1,971</u>	<u>5,307</u>	<u>1,725</u>	<u>4,441</u>

(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 20.

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
(a) Payables and borrowings relating to restricted assets				
Externally restricted assets				
Sewer	68	520	88	567
Payables and borrowings relating to externally restricted assets	68	520	88	567
Total payables and borrowings relating to restricted assets	68	520	88	567
Total payables and borrowings relating to unrestricted assets	1,903	4,787	1,637	3,874
<u>TOTAL PAYABLES AND BORROWINGS</u>	<u>1,971</u>	<u>5,307</u>	<u>1,725</u>	<u>4,441</u>

\$ '000	2019	2018
---------	------	------

(b) Current payables and borrowings 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.

Payables – security bonds, deposits and retentions	146	177
Total payables and borrowings	146	177

Notes to the Financial Statements

for the year ended 30 June 2019

Note 12. Payables and borrowings (continued)

(c) Changes in liabilities arising from financing activities

\$ '000	as at 30/6/2018					as at 30/6/2019	
	Opening Balance	Cash flows	Non-cash acquisitions	Non-cash fair value changes	Other non-cash movements	Closing balance	
Loans – secured	4,756	1,003	–	–	–	5,759	
TOTAL	4,756	1,003	–	–	–	5,759	

\$ '000	as at 30/6/2017					as at 30/6/2018	
	Opening Balance	Cash flows	Non-cash acquisitions	Non-cash fair value changes	Other non-cash movements	Closing balance	
Loans – secured	1,982	2,774	–	–	–	4,756	
TOTAL	1,982	2,774	–	–	–	4,756	

\$ '000	2019	2018
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(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

Drawn facilities as at balance date:

– Credit cards/purchase cards	10	6
Total drawn financing arrangements	10	6

Undrawn facilities as at balance date:

– Bank overdraft facilities	50	50
– Credit cards/purchase cards	30	34
Total undrawn financing arrangements	80	84

Additional financing arrangements information**Breaches and defaults**

During the current and prior year, there were no defaults or breaches on any of the loans.

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

Accounting policy for payables and borrowings

Council measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Council comprise trade payables, bank and other loans and finance lease liabilities.

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.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 12. Payables and borrowings (continued)

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 drawdown occurs. To the extent that 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.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 13. Provisions

\$ '000	2019 Current	2019 Non-current	2018 Current	2018 Non-current
Provisions				
Employee benefits				
Annual leave	524	–	492	–
Long service leave	1,521	132	1,270	111
ELE on-costs	102	5	88	4
Sub-total – aggregate employee benefits	2,147	137	1,850	115
Asset remediation/restoration:				
Asset remediation/restoration (future works)	–	580	–	745
Sub-total – asset remediation/restoration	–	580	–	745
TOTAL PROVISIONS	2,147	717	1,850	860

(a) Provisions relating to restricted assets

Total provisions relating to restricted assets	–	–	–	–
Total provisions relating to unrestricted assets	2,147	717	1,850	860
TOTAL PROVISIONS	2,147	717	1,850	860

\$ '000	2019	2018
---------	------	------

(b) Current provisions not anticipated to be settled within the next twelve months

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

Provisions – employees benefits	1,692	1,377
	1,692	1,377

(c) Description of and movements in provisions

\$ '000	ELE provisions			Total
	Annual leave	Long service leave	ELE on-costs	
2019				
At beginning of year	492	1,381	92	1,965
Additional provisions	32	272	15	319
Total ELE provisions at end of period	524	1,653	107	2,284
2018				
At beginning of year	488	1,271	86	1,845
Additional provisions	4	110	6	120
Total ELE provisions at end of period	492	1,381	92	1,965

Other provisions

Notes to the Financial Statements

for the year ended 30 June 2019

Note 13. Provisions (continued)

\$ '000	Asset remediation	Total
2019		
At beginning of year	745	745
Additional provisions	(26)	(26)
Unwinding of discount	(139)	(139)
Total other provisions at end of period	580	580
2018		
At beginning of year	687	687
Additional provisions	53	53
Unwinding of discount	5	5
Total other provisions at end of period	745	745

Nature and purpose of non-employee benefit provisions

Asset remediation

Council has a legal/public obligation to make, restore, rehabilitate and reinstate the council tip and quarry.

Accounting policy for 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.

Employee benefits

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.

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.

On-costs

The employee benefit provisions include the aggregate on-cost liabilities that will arise when payment of current employee benefits is made in future periods.

These amounts include superannuation, payroll tax and workers compensation expenses which will be payable upon the future payment of certain leave liabilities which employees are entitled to at the reporting period.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 13. Provisions (continued)

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.

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

Restoration

Close-down and restoration costs include the dismantling and demolition of infrastructure, and the removal of residual materials and remediation of disturbed areas. Estimated close-down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs.

Provisions for close-down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The costs are estimated on the basis of a closure plan. The cost estimates are calculated annually during the life of the operation to reflect known developments, e.g. updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

Rehabilitation

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

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

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

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

Other movements in the provisions for close-down and restoration costs, including those resulting from new disturbance, updated cost estimates, changes to the estimated lives of operations, and revisions to discount rates, are capitalised within property, plant and equipment. These costs are then depreciated over the lives of the assets to which they relate.

Close-down and restoration costs are a normal consequence of tip and quarry operations, and the majority of close-down and restoration expenditure is incurred at the end of the life of the operations. Although the ultimate cost to be incurred is uncertain, Council estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 14. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors

(a) 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.

Available for sale investments revaluation reserve (2018 only)

Changes in fair value are taken to the available-for-sale investments revaluation reserve, amounts are recognised in profit and loss when the associated assets are sold or impaired.

Other reserves

Council does not hold any additional reserves.

(b) Correction of errors relating to a previous reporting period

Nature of prior-period error

Council undertook a reconciliation of Crown Land and identified a number of parcels that had not been accounted for. 18 additional parcels were identified totalling \$959k.

The errors identified above have been corrected by restating the balances at the beginning of the earliest period presented (1 July 2017) and taking the adjustment through accumulated surplus at that date.

Comparatives have been changed to reflect the correction of errors. The impact on each line item is shown in the tables below.

Changes to the opening Statement of Financial Position at 1 July 2017

Statement of Financial Position

\$ '000	Original Balance 1 July, 2017	Impact Increase/ (decrease)	Restated Balance 1 July, 2017
Infrastructure property plant and equipment	199,623	959	200,582
Total assets	241,204	959	242,163
Total liabilities	6,880	–	6,880
Accumulated surplus	93,741	959	94,700
Total equity	234,324	959	235,283

Notes to the Financial Statements

for the year ended 30 June 2019

Note 14. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)

Statement of Financial Position

\$ '000	Original Balance 30 June, 2018	Impact Increase/ (decrease)	Restated Balance 30 June, 2018
Adjustments to the comparative figures for the year ended 30 June 2018			
Infrastructure property plant and equipment	210,712	959	211,671
Total assets	256,170	959	257,129
Total liabilities	8,876	–	8,876
Accumulated surplus	103,603	959	104,562
Total equity	247,294	959	248,253

(c) Changes in accounting policies due to adoption of new accounting standards (not-retrospective)

During the year, Council adopted a number of new accounting standards. The impact of the adoption and associated transition disclosures are shown below.

The Council has adopted AASB 9 Financial Instruments for the first time in the current year with a date of initial adoption of 1 July 2017. As part of the adoption of AASB 9, the Council adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

- AASB 101 Presentation of Financial Statements requires the impairment of financial assets to be presented in a separate line item in the income statement. In prior year, this information was presented as part of other expenses.
- AASB 7 Financial Instruments: Disclosures requires amended disclosures due to changes arising from AASB 9. These disclosures have been provided for the current year.

The key changes to Council's accounting policy and the impact on these financial statements from applying AASB 9 are described below.

Changes in accounting policies resulting from the adoption of AASB 9 have been applied retrospectively except Council has not restated any amounts relating to classification and measurement requirements, including impairment, which have been applied from 1 July 2018.

Classification of financial assets

The financial assets of Council have been reclassified into one of the following categories on adoption of AASB 9, based primarily on the business model in which a financial asset is managed and its contractual cash flow characteristics are:

- measured at amortised cost
- fair value through profit or loss
- fair value through other comprehensive income – equity instruments

Measurement of equity instruments

All equity instruments of the Council are measured at fair value under AASB 9 whereas there was a cost exception under AASB 139 that allowed certain unlisted investments to be carried at amortised cost in the absence of a reliable measurement of fair value. Any difference in the previous carrying amount and the fair value is recognised in the opening retained earnings (or other component of equity, as appropriate) at 1 July 2018.

Equity instruments are no longer subject to impairment testing and therefore all movements on equity instruments, classified as fair value through other comprehensive income, are taken to the relevant reserve.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 14. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors (continued)**Impairment of financial assets**

The incurred loss model from AASB 139 has been replaced with an expected credit loss model in AASB 9 for assets measured at amortised cost. This has resulted in the earlier recognition of credit loss (bad debt provisions).

Transition adjustments

The table below illustrates the classification and measurement of financial assets and liabilities under AASB 9 and AASB 139 at 1 July 2018.

\$ '000	Classific- ation under AASB 139	Classific- ation under AASB 9	Carrying amount under AASB 139	Reclassi- fication	Remeasu- rements	Carrying amount under AASB 9
Financial assets						
Term deposits	held to maturity	amortised cost	–	14,500	–	14,500
Total financial assets under AASB 9 at 1 July 2018			–	14,500	–	14,500

Notes to the table above**Reclassification from FVTPL to FVOCI–equity**

Certain equity instruments that were previously measured at FVTPL have been designated at FVOCI–equity since, on initial application of AASB 9, these instruments are not held for trading. No related fair value movements were transferred from retained earnings to FVOCI reserve on adoption of AASB 9. Therefore no fair value movement was recognised in profit or loss for the current year.

Reclassification from 'held to maturity' to 'amortised cost'

Term deposits that would previously have been classified as 'held to maturity' are now classified at 'amortised cost'. Council intends to hold the assets to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding. There was no difference between the previous carrying amount and the revised carrying amount of these assets.

(d) Changes in accounting policies due to adoption of new accounting standards (retrospective)**Changes in accounting policies due to adoption of new accounting accounting standard (retrospective)**

Council continues to invest in financial assets measured at amortised cost. The introduction of this stanard will have no material impact on Council's treatment of financial assets at amortised cost.

The above change/s in accounting policy had no impact (OR an immaterial impact) on the Statement of Financial Position at 1 July, 2017.

(e) Changes in accounting estimates**Nature and effect of changes in accounting estimates on current year**

Nil

Nature and effect of changes in accounting estimates on future years

Nil

Notes to the Financial Statements

for the year ended 30 June 2019

Note 15. Statement of cash flows - additional information

\$ '000	Notes	2019	2018
(a) Reconciliation of cash assets			
Total cash and cash equivalent assets	6(a)	3,548	2,715
Balance as per the Statement of Cash Flows		3,548	2,715
(b) Reconciliation of net operating result to cash provided from operating activities			
Net operating result from Income Statement		8,779	6,581
Adjust for non-cash items:			
Depreciation and amortisation		5,364	5,457
Net losses/(gains) on disposal of assets		655	(180)
Unwinding of discount rates on reinstatement provisions		(139)	5
Share of net (profits)/losses of associates/joint ventures using the equity method		(382)	(188)
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		643	(804)
Increase/(decrease) in provision for impairment of receivables		3	(9)
Decrease/(increase) in inventories		(287)	37
Decrease/(increase) in other current assets		9	(4)
Increase/(decrease) in payables		143	(1,023)
Increase/(decrease) in accrued interest payable		(2)	14
Increase/(decrease) in other accrued expenses payable		12	2
Increase/(decrease) in other liabilities		(44)	51
Increase/(decrease) in provision for employee benefits		319	120
Increase/(decrease) in other provisions		(26)	53
Net cash provided from/(used in) operating activities from the Statement of Cash Flows		15,047	10,112

Notes to the Financial Statements

for the year ended 30 June 2019

Note 16. Interests in other entities

\$ '000	Council's share of net income		Council's share of net assets	
	2019	2018	2019	2018
Associates	382	188	25,017	24,444
Total	382	188	25,017	24,444

Associates

The following information is provided for associates that are individually material to the Council. Included are the amounts as per the individual associates' financial statements, adjusted for fair-value adjustments at acquisition date and differences in accounting policies, rather than the Council's share.

(a) Net carrying amounts – Council's share

\$ '000	Nature of relationship	Measurement method	2019	2018
Central Tablelands Water	Associate	Equity	24,761	24,213
Upper Macquarie County Council	Associate	Equity	256	231
Total carrying amounts – material associates			25,017	24,444

(b) Details

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

(c) Relevant interests and fair values

\$ '000	Proportion of voting power	
	2019	2018
Central Tablelands Water	33%	33%
Upper Macquarie County Council	25%	25%

Notes to the Financial Statements

for the year ended 30 June 2019

Note 16. Interests in other entities (continued)

\$ '000	Central Tablelands Water		Upper Macquarie County Council	
	2019	2018	2019	2018
(d) Summarised financial information for associates				
Statement of financial position				
Current assets				
Cash and cash equivalents	817	1,165	993	818
Other current assets	6,763	6,835	132	76
Non-current assets	69,618	67,961	124	175
Current liabilities				
Current financial liabilities (excluding trade and other payables and provisions)	202	274	–	–
Other current liabilities	1,250	1,130	211	129
Non-current liabilities				
Non-current financial liabilities (excluding trade and other payables and provisions)	1,455	1,912	13	16
Net assets	74,291	72,645	1,025	924
Reconciliation of the carrying amount				
Opening net assets (1 July)	72,645	62,364	924	755
Profit/(loss) for the period	1,070	539	101	33
Dividends received	576	11,128	–	–
Other adjustments to equity	–	(1,386)	–	136
Closing net assets	74,291	72,645	1,025	924
Council's share of net assets (%)	33%	33%	25%	25%
Council's share of net assets (\$)	24,761	24,213	256	231
Statement of comprehensive income				
Income	6,846	5,774	1,419	1,193
Interest income	182	210	17	14
Depreciation and amortisation	(2,111)	(1,807)	(53)	(50)
Interest expense	(144)	(172)	–	–
Other expenses	(3,703)	(3,466)	(1,282)	(1,124)
Profit/(loss) from continuing operations	1,070	539	101	33
Profit/(loss) for period	1,070	539	101	33
Other comprehensive income	1,646	9,742	–	–
Total comprehensive income	2,716	10,281	101	33
Share of income – Council (%)	33%	33%	25%	25%
Profit/(loss) – Council (\$)	357	180	25	8
Total comprehensive income – Council (\$)	905	3,427	25	8
Summarised Statement of cash flows				
Cash flows from operating activities	3,050	2,145	177	158
Cash flows from investing activities	(2,961)	(1,444)	(2)	(105)
Cash flows from financing activities	(437)	(409)	–	–
Net increase (decrease) in cash and cash equivalents	(348)	292	175	53

Notes to the Financial Statements

for the year ended 30 June 2019

Note 16. Interests in other entities (continued)

In addition to the joint ventures and associates disclosed individually above, Council has interests in a number of individually immaterial joint ventures and associates that have still been accounted for using the equity method.

Accounting policy for associates

Interests in associates are accounted for using the equity method in accordance with *AASB128 Investments in Associates and Joint Ventures*.

Under this method, the investment is initially recognised as a cost and the carrying amount is increased or decreased to recognise the Council's share of the profit or loss and other comprehensive income of the investee after the date of acquisition.

If the Council's share of losses of an associate equals or exceeds its interest in the associate, the Council discontinues recognising its share of further losses.

The Council's share in the associates gains or losses arising from transactions between itself and its associate are eliminated.

Adjustments are made to the associates accounting policies where they are different from those of the Council for the purposes of the consolidated financial statements.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 17. Commitments

\$ '000	2019	2018
Operating lease commitments (non-cancellable)		
a. Commitments under non-cancellable operating leases at the reporting date, but not recognised as liabilities are payable:		
Within the next year	44	37
Later than one year and not later than 5 years	75	89
Total non-cancellable operating lease commitments	119	126

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

- Gym equipment lease for 40 months including 3 treadmills, 2 cross trainers, 2 rowers, 3 lifecycle bikes and one powermill.
- Photocopier equipment lease for 60 months for 5 photocopiers and 1 large format printer.
- Forklift equipment lease for 60 months.

Conditions relating to finance and operating leases:

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 18. Contingencies and other assets/liabilities not recognised

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

LIABILITIES NOT RECOGNISED**1. Guarantees****(i) Defined benefit superannuation contribution plans**

Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named The Local Government Superannuation Scheme – Pool B (the Scheme) which is a defined benefit plan that has been deemed to be a 'multi-employer fund' for purposes of AASB119 Employee Benefits for the following reasons:

- Assets are not segregated within the sub-group according to the employees of each sponsoring employer.
- The contribution rates have been the same for all sponsoring employers. That is, contribution rates have not varied for each sponsoring employer according to the experience relating to the employees of that sponsoring employer.
- Benefits for employees of all sponsoring employers are determined according to the same formulae and without regard to the sponsoring employer.
- The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

Given the factors above, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers, and hence shares in the associated gains and losses (to the extent that they are not borne by members).

Description of the funding arrangements.

Pooled employers are required to pay standard employer contributions and additional lump sum contributions to the fund.

The standard employer contributions were determined using the new entrant rate method under which a contribution rate sufficient to fund the total benefits over the working life-time of a typical new entrant is calculated. The current standard employer contribution rates are:

Division B	1.9x times employee contributions
Division C	2.5% salaries
Division D	1.64 times employee contributions

The additional lump sum contribution for each Pooled Employer is a share of the total additional contributions of \$40 million per annum from 1 July 2017 for 4 years to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2018. These additional lump sum contributions are used to fund the deficit of assets to accrued liabilities as at 30 June 2017.

The adequacy of contributions is assessed at each triennial actuarial investigation and monitored annually between triennials.

Description of the extent to which Council can be liable to the plan for other Council's obligations under the terms and conditions of the multi-employer plan

As stated above, each sponsoring employer (Council) is exposed to the actuarial risks associated with current and former employees of other sponsoring employers and hence shares in the associated gains and losses.

However, there is no relief under the Fund's trust deed for employers to walk away from their defined benefit obligations. Under limited circumstances, an employer may withdraw from the plan when there are no active members, on full payment of outstanding additional contributions. There is no provision for allocation of any surplus which may be present at the date of withdrawal of the Council.

There are no specific provisions under the Fund's trust deed dealing with deficits or surplus on wind-up.

The amount of Council employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2019 was \$ 55,000. The last valuation of the Scheme was performed by the Actuary, Mr Rickard Boyfield, FIAA on 12 December 2017, and covers the period ended 30 June 2017.

Notes to the Financial Statements

for the year ended 30 June 2019

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

The amount of additional contributions included in the total employer contribution advised above is \$55,000. Council's expected contribution to the plan for the next annual reporting period is \$57,700.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2019 is:

Employer reserves only *	\$millions	Asset Coverage
Assets	1,817.8	
Past Service Liabilities	1,787.5	101.7%
Vested Benefits	1,778.0	102.2%

* excluding member accounts and reserves in both assets and liabilities.

The share of this deficit that is broadly attributed to Council is estimated to be in the order of \$xx as at 30 June 2019.

Council's share of that deficiency cannot be accurately calculated as the Scheme is a mutual arrangement where assets and liabilities are pooled together for all member councils. For this reason, no liability for the deficiency has been recognised in Council's accounts. Council has a possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

The key economic long term assumptions used to calculate the present value of accrued benefits are:

Investment return	5.75% per annum
Salary inflation *	3.5% per annum
Increase in CPI	2.5% per annum

* Plus promotional increases

The contribution requirements may vary from the current rates if the overall sub-group experience is not in line with the actuarial assumptions in determining the funding program; however, any adjustment to the funding program would be the same for all sponsoring employers in the Pooled Employers group.

(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.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 18. Contingencies and other assets/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) 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.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 19. 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.

\$ '000	Carrying value 2019	Carrying value 2018	Fair value 2019	Fair value 2018
Financial assets				
Measured at amortised cost				
Cash and cash equivalents	3,548	2,715	3,548	2,715
Receivables	1,494	2,189	1,494	2,189
Investments				
– 'Financial assets at amortised cost' / 'held to maturity' (2018)	13,000	14,500	13,000	14,500
Total financial assets	18,042	19,404	18,042	19,404
Financial liabilities				
Payables	1,297	1,150	1,297	1,150
Loans/advances	5,759	4,756	6,747	4,873
Total financial liabilities	7,056	5,906	8,044	6,023

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.

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 625. This policy is regularly reviewed by Council and its staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance as required by Local Government regulations.

The risks associated with the instruments held are:

- **Price risk** – the risk that the capital value of Investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.
- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 19. Financial risk management (continued)

- **Liquidity risk** – the risk that Council will not be able to pay its debts as and when they fall due.
- **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 impact on result for the year and equity of a reasonably possible movement in the price of investments held and interest rates is shown below. The reasonably possible movements were determined based on historical movements and economic conditions in place at the reporting date.

\$ '000	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
2019				
Possible impact of a 1% movement in interest rates	35	35	(35)	(35)
2018				
Possible impact of a 1% movement in interest rates	27	27	(27)	(27)

(b) Credit risk

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

Council manages the credit risk associated with these receivables by monitoring outstanding debt and employing stringent debt recovery procedures. Council also encourages ratepayers to pay their rates by the due date through incentives.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

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 quarterly 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.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 19. Financial risk management (continued)

Receivables – rates and annual charges

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.

\$ '000	Not yet overdue	< 1 year overdue	1 - 2 years overdue	2 - 5 years overdue	> 5 years overdue	Total
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Credit risk profile**2019**

Gross carrying amount	–	115	48	46	8	217
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2018

Gross carrying amount	–	110	34	38	4	186
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Receivables - non-rates and annual charges

Council applies the simplified approach for non-rates and annual charges debtors to provide for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision. To measure the expected credit losses, non-rates and annual charges debtors have been grouped based on shared credit risk characteristics and the days past due.

The loss allowance provision as at 30 June 2019 is determined as follows. The expected credit losses incorporate forward-looking information.

\$ '000	Not yet overdue	0 - 30 days overdue	31 - 60 days overdue	61 - 90 days overdue	> 91 days overdue	Total
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2019

Gross carrying amount	1,033	16	6	8	343	1,406
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Expected loss rate (%)	0.00%	0.00%	0.00%	0.00%	37.60%	9.17%
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ECL provision	–	–	–	–	129	129
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Notes to the Financial Statements

for the year ended 30 June 2019

Note 19. Financial risk management (continued)

(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.

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 diversification of borrowing types, maturities and interest rate structures. The finance team regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

The timing of cash flows presented in the table below to settle financial liabilities reflects the earliest contractual settlement dates. The timing of expected outflows is not expected to be materially different from contracted cashflows.

The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in: 1 - 5 Years	> 5 Years	Total cash outflows	Actual carrying values
2019							
Trade/other payables	0.00%	246	1,048	3	–	1,297	1,297
Loans and advances	5.43%	–	694	2,717	4,098	7,509	5,759
Total financial liabilities		246	1,742	2,720	4,098	8,806	7,056
2018							
Trade/other payables	0.00%	252	896	2	–	1,150	1,150
Loans and advances	6.10%	–	548	2,190	3,852	6,590	4,756
Total financial liabilities		252	1,444	2,192	3,852	7,740	5,906

Loan agreement breaches

There have been no breaches to loan agreements throughout the financial year.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 20. Material budget variations

Council's original financial budget for 18/19 was adopted by the Council on 25/06/2018 and is unaudited.

While the Income Statement included in this General Purpose Financial Statements 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.

Material variations represent those variances between the original budget figure and the actual result that amount to <10% or more.

Variation Key: **F** = Favourable budget variation, **U** = Unfavourable budget variation.

\$ '000	2019 Budget	2019 Actual	2019 ----- Variance -----	
REVENUES				
Rates and annual charges	10,929	10,991	62	1% F
User charges and fees	1,949	2,258	309	16% F
Council received additional one off waste disposal fees and increased quarry revenues resulting from completion of significant capital works projects.				
Interest and investment revenue	378	445	67	18% F
Increased interest income due to average rate of return on investments being higher than forecast.				
Other revenues	218	284	66	30% F
Increased fuel rebate levies resulting from increased plant expenditure following the completion of a number of major capital works.				
Operating grants and contributions	3,534	4,141	607	17% F
Council received funding under the Drought Communities Program facilitating the payment of Community grants of \$480k to help stimulate economic growth of the Shire.				
Capital grants and contributions	5,391	9,160	3,769	70% F
Council completed major capital works projects including the Southern Cadia Access Route and Browns Creek Rd which were carried over from last financial year along with associated capital grants. Council also received additional Capital Grants under Stronger Country Communities Round 2, Drought Communities Program and Club Grants.				
Net gains from disposal of assets	174	-	(174)	100% U
Council incurred significant write off on disposal of infrastructure assets replaced including two major bridges, replacement of the mechanical air handling unit at CentrePoint which broke down beyond repair and playground renewal program funded under SCCF round 2.				
Joint ventures and associates – net profits	30	382	352	1,173% F
Council's share of income from Joint Ventures including Central Tablelands Water and Upper Macquarie County Council was higher than forecast.				

Notes to the Financial Statements

for the year ended 30 June 2019

Note 20. Material budget variations

\$ '000	2019 Budget	2019 Actual	2019 ----- Variance -----	
EXPENSES				
Employee benefits and on-costs	6,817	7,138	(321)	(5)% U
Council's ELE provisions increased by \$122k. Additionally Council has engaged additional project management resources to deliver a number of grant funded programs including SCCF rounds 1 & 2, Drought Communities Program, Building Better Regions and Resources for Regions.				
Borrowing costs	288	90	198	69% F
Council deferred borrowings of \$1.5m to fund major upgrade works to CentrePoint and borrowings to fund residential land development in Plumb Street were not drawn until June 2019. Council also remeasured the costs and remaining years to remediation for rehabilitation assets compounding with a fall in interest rates which had a negative impact on discount adjustments relating to this provision.				
Materials and contracts	2,127	2,642	(515)	(24)% U
Additional fleet maintenance costs resulting from increase plant usage and additional plant purchased for the construction of the Southern Cadia Access Route and Browns Creek Rd projects. Increased quarry production costs were also incurred in connection with the same projects. Planning legal fees were higher than budgeted resulting from an ongoing legal matter. Demolition costs of \$50k were incurred on the disposal of three bridges and an additional \$10k to facilitate the Blayney Shire Playground upgrade. Rural roads maintenance was \$148k higher than forecast and the result of increased contract employment including traffic control.				
Depreciation and amortisation	5,410	5,364	46	1% F
Other expenses	2,442	2,993	(551)	(23)% U
Council received funding under the Drought Communities Program facilitating the payment of Community grants of \$480k to help stimulate economic growth of the Shire.				
Net losses from disposal of assets	-	655	(655)	∞ U
Council incurred significant write off on disposal of infrastructure assets replaced including two major bridges, replacement of the mechanical air handling unit at CentrePoint which broke down beyond repair and playground renewal program funded under Stronger Country Communities Round 2.				
STATEMENT OF CASH FLOWS				
Net cash provided from (used in) operating activities	10,722	15,047	4,325	40% F
Borrowings to fund the residential land development of \$1.32m were drawn down on 28th June into Council's TCorp Cash Management account. Council has increased its holding in this account in an attempt to maximise falling investment returns. Term Deposits of more than 3 months are becoming less favourable in the current market than what was forecast in Council's original budget.				
Net cash provided from (used in) investing activities	(14,277)	(15,217)	(940)	7% U
Net cash provided from (used in) financing activities	2,425	1,003	(1,422)	(59)% U
Council did not draw down borrowings of \$1.32m to fund the residential land development project in Plumb St until the end of June resulting in no repayment of principal in 2018/19. Additionally Council deferred borrowings of \$1.5m to fund the upgrade to CentrePoint until 2019/20.				

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Fair Value Measurement

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

– Infrastructure, property, plant and equipment

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

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

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

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

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

(1) Assets and liabilities that have been measured and recognised at fair values

2019	Notes	Fair value measurement hierarchy				Total
		Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Infrastructure, property, plant and equipment	10(a)					
Plant and equipment		30/06/19	–	–	6,548	6,548
Office equipment		30/06/19	–	–	299	299
Furniture and fittings		30/06/19	–	–	131	131
Operational land		30/06/19	–	–	1,165	1,165
Community land		30/06/19	–	–	5,018	5,018
Depreciable land improvements		30/06/19	–	–	3,612	3,612
Buildings – specialised		30/06/19	–	357	15,737	16,094
Buildings – non-specialised		30/06/19	–	–	1,527	1,527
Open space/recreation assets		30/06/19	–	–	3,385	3,385
Roads		30/06/19	–	–	110,331	110,331
Bridges		30/06/19	–	–	25,830	25,830
Footpaths		30/06/19	–	–	4,478	4,478
Bulk earthworks		30/06/19	–	–	11,625	11,625
Stormwater		30/06/19	–	–	8,611	8,611
Sewerage network		30/06/19	–	–	19,842	19,842
Tip assets		30/06/19	–	–	51	51
Quarry assets		30/06/19	–	–	177	177
Capital Work In Progress		30/06/19	–	–	3,165	3,165
Swimming Pools		30/06/19	–	–	775	775
Total infrastructure, property, plant and equipment			–	357	222,307	222,664

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Fair Value Measurement (continued)

2018	Notes	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	
Infrastructure, property, plant and equipment	10(a)					
Plant and equipment		30/06/18	–	–	5,439	5,439
Office equipment		30/06/18	–	–	282	282
Furniture and fittings		30/06/18	–	–	82	82
Operational land		30/06/18	–	–	1,165	1,165
Community land		30/06/18	–	–	5,002	5,002
Depreciable land improvements		30/06/18	–	–	3,646	3,646
Buildings – specialised		30/06/18	–	–	1,379	1,379
Buildings – non-specialised		30/06/18	–	–	16,305	16,305
Open space/recreation assets		30/06/18	–	–	3,134	3,134
Roads		30/06/18	–	–	104,542	104,542
Bridges		30/06/18	–	–	24,502	24,502
Footpaths		30/06/18	–	–	4,325	4,325
Bulk earthworks		30/06/18	–	–	11,625	11,625
Stormwater		30/06/18	–	–	8,697	8,697
Sewerage network		30/06/18	–	–	19,768	19,768
Tip assets		30/06/18	–	–	121	121
Quarry assets		30/06/18	–	–	162	162
Capital Work In Progress		30/06/18	–	–	667	667
Swimming Pools		30/06/18	–	–	828	828
Total infrastructure, property, plant and equipment			–	–	211,671	211,671

Note that capital WIP is not included above since it is carried at cost.

(2) Valuation techniques used to derive level 2 and level 3 fair values

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

The fair valuation techniques Council has employed while utilising level 2 and level 3 inputs are as follows:

Infrastructure, property, plant and equipment (IPP&E)

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Fair Value Measurement (continued)

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.

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

Council's 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 Australis Asset Advisory Group analysed sales of similar properties as a basis of comparison in order to arrive at a value

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

Valuation Techniques: 'Market approach adjusted for restrictions'

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

Council's 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.

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/softfall areas, cricket pitches and recreation ground pathways

Valuation Techniques: 'Cost approach'

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

Depreciable Land Improvements were valued as at 30 June 2016. Valuations are based on unit rates derived from historical costs and from industry rates such as the 'Rawlinson's Australian Construction handbook'. 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 & Market approach'

Inputs Used (Level 2 and Level 3): Market approach, Unit rates, useful life, asset condition

Council's buildings were valued at fair value on 30th June 2018 in accordance with Australian Property Institute's (API) Code of Professional Practice, TPP 14-01 Valuation of Physical Non-Current Assets at Fair Value and Australian Accounting Standard

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Fair Value Measurement (continued)

(including AASB13) 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.

Council's Specialised Buildings were valued by Australis Asset Advisory Group as at 30 June 2018. The methodology adopted by Australis Asset Advisory Group is on an individually assessed (asset-by-asset) basis to determine which method is most appropriate.

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

Council's road infrastructure assets were last valued in-house on 30 June 2015. As per Paragraph 43 of AASB116, Council's 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).

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 Australian Construction handbook. 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).

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Fair Value Measurement (continued)

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 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 Council's 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; Australian Construction handbook. 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)
Footpaths assets were valued in-house as at 30 June 2015. Aerial imagery was used to calculate the length of Council's 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.

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Fair Value Measurement (continued)

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

Council's 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.

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.

Swimming Pools

Valuation Techniques: 'Cost approach'

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

Council's swimming pools were valued at fair value on 30th June 2018 in accordance with Australian Property Institute's (API) Code of Professional Practice, TPP 14-01 Valuation of Physical Non-Current Assets at Fair Value and Australian Accounting Standard (including AASB13) 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.

Council's swimming pools were valued by Australis Asset Advisory Group as at 30 June 2018. The methodology adopted by Australis Asset Advisory Group is on an individually assessed (asset-by-asset) basis to determine which method is most appropriate.

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.

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Fair Value Measurement (continued)

\$ '000	Operational Land	Community Land	Depreciable land improvements	Building specialised	Buildings non-specialised
a. The following tables present the changes in level 3 fair value asset classes.					
2018					
Opening balance	1,317	5,002	4,070	14,623	1,417
Transfers from/(to) level 2 FV hierarchy ^{23 4(b)}	–	–	–	–	–
Transfers from/(to) another asset class	(187)	–	(107)	(843)	40
Other adjustments and transfers	–	–	–	–	–
Purchases (GBV)	–	–	68	398	–
Disposals (WDV)	–	–	(32)	(34)	(1)
Depreciation and impairment	–	–	(353)	(713)	(90)
FV gains – other comprehensive income	35	–	–	2,874	13
Closing balance	1,165	5,002	3,646	16,305	1,379
2019					
Opening balance	1,165	5,002	3,646	16,305	1,379
Transfers from/(to) level 2 FV hierarchy ^{23 4(b)}	–	–	–	(357)	–
Transfers from/(to) another asset class	–	–	–	(191)	123
Other adjustments and transfers	–	–	–	–	–
Purchases (GBV)	–	–	335	704	72
Disposals (WDV)	–	–	(20)	(193)	–
Depreciation and impairment	–	–	(349)	(531)	(47)
FV gains – other comprehensive income	–	–	–	–	–
Closing balance	1,165	5,002	3,612	15,737	1,527

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Fair Value Measurement (continued)

\$ '000	Open space/recreati on assets	Roads	Bridges	Footpaths	Bulk earthworks
2018					
Opening balance	2,955	99,483	23,036	4,272	11,625
Transfers from/(to) level 2 FV hierarchy	–	–	–	–	–
Transfers from/(to) another asset class	86	33	(15)	6	–
Other adjustments and transfers	–	–	–	–	–
Purchases (GBV)	178	7,357	1,994	128	–
Disposals (WDV)	–	–	(267)	–	–
Depreciation and impairment	(85)	(2,331)	(246)	(81)	–
FV gains – other comprehensive income	–	–	–	–	–
Closing balance	3,134	104,542	24,502	4,325	11,625
2019					
Opening balance	3,134	104,542	24,502	4,325	11,625
Transfers from/(to) level 2 FV hierarchy	–	–	–	–	–
Other adjustments and transfers	–	–	–	–	–
Purchases (GBV)	459	8,085	1,998	241	–
Disposals (WDV)	(104)	–	(405)	–	–
Depreciation and impairment	(104)	(2,296)	(265)	(88)	–
FV gains – other comprehensive income	–	–	–	–	–
Closing balance	3,385	110,331	25,830	4,478	11,625

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Fair Value Measurement (continued)

\$ '000	Stormwater	Sewerage network	Plant and equipment	Office equipment	Furniture and fittings
2018					
Opening balance	7,624	19,870	4,594	144	142
Transfers from/(to) level 2 FV hierarchy	–	–	–	–	–
Transfers from/(to) another asset class	–	–	(42)	42	(45)
Other adjustments and transfers	–	–	–	–	–
Purchases (GBV)	1,159	–	1,983	154	3
Disposals (WDV)	–	–	(286)	–	(1)
Depreciation and impairment	(86)	(509)	(810)	(58)	(17)
FV gains – other comprehensive income	–	407	–	–	–
Closing balance	8,697	19,768	5,439	282	82
2019					
Opening balance	8,697	19,768	5,439	282	82
Transfers from/(to) level 2 FV hierarchy	–	–	–	–	–
Transfers from/(to) another asset class	–	68	–	–	–
Other adjustments and transfers	–	–	–	–	–
Purchases (GBV)	1	212	2,157	97	59
Disposals (WDV)	–	–	(176)	–	–
Depreciation and impairment	(87)	(517)	(872)	(80)	(10)
FV gains – other comprehensive income	–	311	–	–	–
Closing balance	8,611	19,842	6,548	299	131

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Fair Value Measurement (continued)

\$ '000	Tip, Quarry & Swimming Pool	Total
2018		
Opening balance	256	200,430
Transfers from/(to) level 2 FV hierarchy	–	–
Transfers from/(to) another asset class	1,050	18
Other adjustments and transfers	–	–
Purchases (GBV)	53	13,475
Disposals (WDV)	–	(621)
Depreciation and impairment	(27)	(5,406)
FV gains – other comprehensive income	(221)	3,108
Closing balance	1,111	211,004
2019		
Opening balance	1,111	211,004
Transfers from/(to) level 2 FV hierarchy	–	(357)
Transfers from/(to) another asset class	(10)	(10)
Other adjustments and transfers	(56)	(56)
Purchases (GBV)	46	14,466
Disposals (WDV)	(3)	(901)
Depreciation and impairment	(69)	(5,315)
FV gains – other comprehensive income	–	311
Closing balance	1,019	219,142

b. Information relating to the transfers into and out of the level 3 fair valuation hierarchy (as disclosed in the table above) includes:

For each FV hierarchy transfer into or out of level 3, please reference and list the details and reasons for the change here.

As non specialised buildings there were able to be valued using market analysis.

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

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving the various level 3 asset class fair values.

	Valuation technique/s	Unobservable inputs
Infrastructure, property, plant and equipment		
Office Equipment	Cost Approach	<ul style="list-style-type: none"> • Gross Replacement Cost • Remaining Useful Life
Furniture & Fittings	Cost Approach	<ul style="list-style-type: none"> • Gross Replacement Cost • Remaining Useful Life
Operational Land	Market Approach	<ul style="list-style-type: none"> • Price per square metre
Community Land	Market Approach - adjusted for restrictions	<ul style="list-style-type: none"> • NSW Valuer Generals Valuation (Unimproved Capital Value)
Depreciable Land Improvements	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Condition • Useful life
Buildings – Specialised	Cost Approach & Market Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Condition • Useful life

Notes to the Financial Statements

for the year ended 30 June 2019

Note 21. Fair Value Measurement (continued)

	Valuation technique/s	Unobservable inputs
Buildings – Non Specialised	Cost Approach & Market Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Condition • Useful life
Open Space/Recreation Assets	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Condition • Useful life
Roads	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Conditions • Useful Life
Bridges	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Conditions • Useful Life
Footpaths	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Conditions • Useful Life
Bulk Earthworks	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Conditions
Stormwater Drainage	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Conditions • Useful Life
Sewerage Network	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Useful Life • Residual Life • Asset Conditions
Swimming Pools	Cost Approach	<ul style="list-style-type: none"> • Unit Rates • Asset Conditions • Useful Life
Tips & Quarries	Cost Approach	<ul style="list-style-type: none"> • Discounted Future Cash Flow

(4) Highest and best use

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 22. Related Party Transactions

(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:

\$ '000	2019	2018
Compensation:		
Short-term benefits	913	882
Post-employment benefits	72	69
Other long-term benefits	34	33
Total	1,019	984

(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	Ref	Value of transactions during year	Outstanding balance (incl. loans and commitments)	Terms and conditions	Provisions for impairment of receivables outstanding	Expense recognised for impairment of receivables
\$ '000						
2019						
Catering	1	2		– Paid on invoice	–	–
Donations & Financial Assistance Grants	2	5		– Paid on completion of works	–	–
Supply of Water	3	188		– Payable by instalment date	–	–
2018						
Catering	1	7		– Paid on invoice	–	–
Donations & Financial Assistance Grants	2	3		– Paid of completion of works	–	–
Supply of Water	3	188		– 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

Notes to the Financial Statements
for the year ended 30 June 2019

Note 22. Related Party Transactions (continued)

3 A KMP is the Chair of a joint organisation (County Council) who supplies water to Council Facilities

Notes to the Financial Statements

for the year ended 30 June 2019

Note 23. Statement of developer contributions

Under the *Environmental Planning and Assessment Act 1979*, Council has significant obligations to provide Section 7.11 (contributions towards provision or improvement of amenities or services) infrastructure in new release areas.

It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

Summary of contributions and levies

	as at 30/6/2018						as at 30/6/2019	
	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)
\$ '000		Cash	Non-cash					
Local infrastructure fund	812	132	–	24	(117)	–	851	–
S7.11 contributions – under a plan	812	132	–	24	(117)	–	851	–
Total S7.11 and S7.12 revenue under plans	812	132	–	24	(117)	–	851	–
S64 contributions	888	24	–	24	–	–	936	–
Total contributions	1,700	156	–	48	(117)	–	1,787	–

Notes to the Financial Statements
for the year ended 30 June 2019

Note 23. Statement of developer contributions (continued)

	as at 30/6/2018			Interest earned in year	Expenditure during year	Internal borrowing (to)/from	as at 30/6/2019	
	Opening Balance	Contributions received during the year					Held as restricted asset	Cumulative internal borrowings due/(payable)
\$ '000		Cash	Non-cash					
S7.11 Contributions – under a plan								
CONTRIBUTION PLAN NUMBER – Local infrastructure fund								
Local infrastructure fund	812	132	–	24	(117)	–	851	–
Total	812	132	–	24	(117)	–	851	–
S64 contributions								
S64 contributions								
Community facilities	888	24	–	24	–	–	936	–
Total	888	24	–	24	–	–	936	–

Notes to the Financial Statements

for the year ended 30 June 2019

Note 24. Financial result and financial position by fund

\$ '000	General ¹ 2019	Sewer 2019
Income Statement by fund		
Income from continuing operations		
Rates and annual charges	9,838	1,153
User charges and fees	2,030	228
Interest and investment revenue	296	149
Other revenues	278	6
Grants and contributions provided for operating purposes	4,117	24
Grants and contributions provided for capital purposes	9,137	23
Other income		
Share of interests in joint ventures and associates using the equity method	382	–
Total income from continuing operations	26,078	1,583
Expenses from continuing operations		
Employee benefits and on-costs	6,881	257
Borrowing costs	43	47
Materials and contracts	2,043	599
Depreciation and amortisation	4,800	564
Other expenses	2,879	114
Net losses from the disposal of assets	655	–
Total expenses from continuing operations	17,301	1,581
Operating result from continuing operations	8,777	2
Net operating result for the year	8,777	2
Net operating result attributable to each council fund	8,777	2
Net operating result for the year before grants and contributions provided for capital purposes	(360)	(21)

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

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 24. Financial result and financial position by fund (continued)

\$ '000	General ¹ 2019	Sewer 2019
Statement of Financial Position by fund		
ASSETS		
Current assets		
Cash and cash equivalents	(1,879)	5,427
Investments	12,500	500
Receivables	1,346	46
Inventories	1,758	–
Other	58	–
Total current assets	13,783	5,973
Non-current assets		
Receivables	102	–
Infrastructure, property, plant and equipment	201,982	20,682
Investments accounted for using the equity method	25,017	–
Intangible assets	137	–
Total non-current assets	227,238	20,682
TOTAL ASSETS	241,021	26,655
LIABILITIES		
Current liabilities		
Payables	1,273	21
Income received in advance	222	–
Borrowings	408	47
Provisions	2,147	–
Total current liabilities	4,050	68
Non-current liabilities		
Payables	3	–
Borrowings	4,784	520
Provisions	717	–
Total non-current liabilities	5,504	520
TOTAL LIABILITIES	9,554	588
Net assets	231,467	26,067
EQUITY		
Accumulated surplus	104,255	9,277
Revaluation reserves	127,212	16,790
Council equity interest	231,467	26,067
Total equity	231,467	26,067

NB. All amounts disclosed above are gross – that is, they include internal charges and recoveries made between the funds. Assets and liabilities shown in the water and sewer columns are restricted for use for these activities.

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

Notes to the Financial Statements

for the year ended 30 June 2019

Note 25(a). Statement of performance measures – consolidated results

\$ '000	Amounts 2019	Indicator 2019	Prior periods		Benchmark
			2018	2017	
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}	(108)				
Total continuing operating revenue excluding capital grants and contributions ¹	18,119	(0.60)%	0.74%	10.63%	>0.00%
2. Own source operating revenue ratio					
Total continuing operating revenue excluding all grants and contributions ¹	13,893				
Total continuing operating revenue ¹	27,279	50.93%	58.54%	60.92%	>60.00%
3. Unrestricted current ratio					
Current assets less all external restrictions	8,716				
Current liabilities less specific purpose liabilities	2,212	3.94x	5.83x	3.93x	>1.50x
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹	5,346				
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	407	13.14x	14.33x	21.14x	>2.00x
5. Rates, annual charges, interest and extra charges outstanding percentage					
Rates, annual and extra charges outstanding	255				
Rates, annual and extra charges collectible	11,144	2.29%	2.07%	2.20%	<10.00%
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	16,548				
Monthly payments from cash flow of operating and financing activities	1,263	13.10 mths	14.26 mths	15.70 mths	>3.00 mths

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

(2) Excludes impairment/revaluation decrements, net loss on sale of assets, and net loss on share of interests in joint ventures and associates

Notes to the Financial Statements

for the year ended 30 June 2019

Note 25(b). Statement of performance measures – by fund

\$ '000	General Indicators ³		Sewer Indicators		Benchmark
	2019	2018	2019	2018	
1. Operating performance ratio					
Total continuing operating revenue excluding capital grants and contributions less operating expenses ^{1,2}					
Total continuing operating revenue excluding capital grants and contributions ¹	(0.53)%	1.05%	(1.35)%	(2.60)%	>0.00%
2. Own source operating revenue ratio					
Total continuing operating revenue excluding capital grants and contributions ¹					
Total continuing operating revenue ¹	48.09%	55.80%	97.03%	98.47%	>60.00%
3. Unrestricted current ratio					
Current assets less all external restrictions					
Current liabilities less specific purpose liabilities	3.94x	5.83x	74.07x	55.13x	>1.50x
4. Debt service cover ratio					
Operating result before capital excluding interest and depreciation/impairment/amortisation ¹					
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	13.21x	17.08x	12.55x	5.81x	>2.00x
5. Rates, annual charges, interest and extra charges outstanding percentage					
Rates, annual and extra charges outstanding					
Rates, annual and extra charges collectible	2.09%	1.86%	4.04%	3.91%	<10.00%
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits					
Payments from cash flow of operating and financing activities	9.04 mths	10.27 mths	67.10 mths	66.62 mths	>3.00 mths

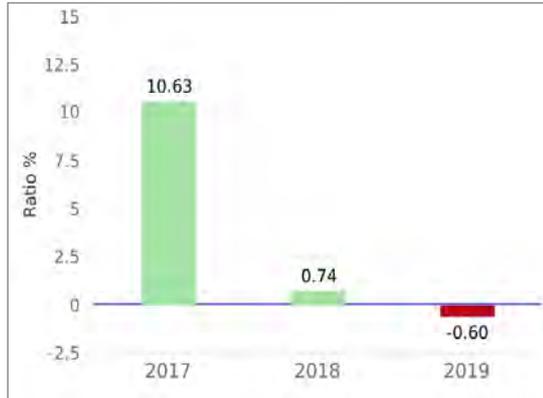
(1) - (2) Refer to Notes at Note 28a above.

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

Notes to the Financial Statements
for the year ended 30 June 2019

Note 25(c). Statement of performance measures – consolidated results (graphs)

1. Operating performance ratio



Purpose of operating performance ratio

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

Commentary on 2018/19 result

2018/19 ratio (0.60)%

Council did not achieve the benchmark for the 2018/19 financial year. Significant contributing factors include increased employee costs materials and service contracts associated with increased rural roads maintenance, quarry operations and additional project management and demolition costs attributed to an extensive capital works program undertaken this financial year.

Benchmark: — > 0.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark (green)
Ratio is outside benchmark (red)

2. Own source operating revenue ratio



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 2018/19 result

2018/19 ratio 50.93%

Council again received a significant number of Capital Grants & Contributions this year totalling \$9.16m. This ratio does not reflect a decrease in Own Source Revenue for the 2018/19 Financial Year.

Benchmark: — > 60.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark (green)
Ratio is outside benchmark (red)

3. Unrestricted current ratio



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 2018/19 result

2018/19 ratio 3.94x

Council remains in a strong position to satisfy obligations in the short term.

Benchmark: — > 1.50x

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark (green)
Ratio is outside benchmark (red)

Notes to the Financial Statements
for the year ended 30 June 2019

Note 25(c). Statement of performance measures – consolidated results (graphs)

4. Debt service cover ratio



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 2018/19 result

2018/19 ratio 13.14x

New borrowings of \$1.32m were financed this year to fund a residential land development project under the low cost loans initiative. The ratio continues to decrease with new borrowings drawn to fund major capital projects but still remains well above the industry benchmark.

Benchmark: — > 2.00x

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark

Ratio is outside benchmark

5. Rates, annual charges, interest and extra charges outstanding percentage



Purpose of rates, annual charges, interest and extra charges outstanding

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

Commentary on 2018/19 result

2018/19 ratio 2.29%

The effective processes implemented by Council's Revenue staff for the collection of outstanding rates and charges is demonstrated by a continual result well below the benchmark for a rural Council.

Benchmark: — < 10.00%

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark

Ratio is outside benchmark

6. Cash expense cover ratio



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 2018/19 result

2018/19 ratio 13.10 mths

Council continues to maintain sufficient cash restrictions to fund ongoing expenses.

Benchmark: — > 3.00mths

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

Ratio achieves benchmark

Ratio is outside benchmark

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2019

Note 26. 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

Internet: www.blayney.nsw.gov.au

Email: council@blayney.nsw.gov.au

Officers**General Manager**

R. Ryan

Responsible Accounting Officer

T. Irlam

Public Officer

Anton Franze

Auditors

Auditor General New South Wales
Level 19 Tower 2 Darling Park
201 Sussex Street
SYDNEY NSW 2000

Elected members**Mayor**

Cr. S.J. Ferguson

Deputy Mayor

Cr. D. Kingham

Councillors

Cr. J Newstead

Cr. A Ewin

Cr. B Reynolds

Cr. S Denton

Cr. D Somerville



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

To the Councillors of the Blayney Shire Council

Opinion

I have audited the accompanying financial statements of Blayney Shire Council (the Council), which comprise the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2019, the Statement of Financial Position as at 30 June 2019, the 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 2019, 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 Information

The Council's annual report for the year ended 30 June 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the special purpose financial statements and Special Schedules (the Schedules).

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the special purpose financial statements and Special Schedule - Permissible income for general rates.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Councillors' Responsibilities 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 are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting except where the Council will be dissolved or amalgamated by an Act of Parliament, or otherwise cease operations.

Auditor's Responsibilities 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/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 Original Budget information included in the Income Statement, Statement of Cash Flows, and Note 20 Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Karen Taylor
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

16 October 2019
SYDNEY



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

Contact: Karen Taylor
Phone no: 02 92757 311
Our ref: D1924143/1695

16 October 2019

Dear Mayor

**Report on the Conduct of the Audit
for the year ended 30 June 2019
Blayney Shire Council**

I have audited the general purpose financial statements (GPFS) of the Blayney Shire Council (the Council) for the year ended 30 June 2019 as required by section 415 of the *Local Government Act 1993* (the Act).

I expressed an unmodified opinion on the Council's GPFS.

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2019 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the GPFS issued under section 417(2) of the Act.

INCOME STATEMENT

Operating result

	2019	2018	Variance
	\$m	\$m	%
Rates and annual charges revenue	10.99	10.62	↑ 3.5
Grants and contributions revenue	13.30	9.64	↑ 37.9
Operating result for the year	8.78	6.58	↑ 33.4
Net operating result before capital grants and contributions	(0.38)	0.50	↓ 176.0

Rates and annual charges revenue (\$11.0 million) increased by \$0.4 million in 2018–2019. This increase was higher than the approved rate pegging of 2.3 per cent, however ordinary rates only increased by 2.5 per cent with annual charges contributing to the higher overall percentage increase.

Grants and contributions revenue (\$13.3 million) increased by \$3.7 million in 2018–2019 due to:

- \$1.0 million received in grants under the Drought Communities Funding Program, used for both operational and capital works
- \$2.3 million contribution received from Cadia Valley Operations for the Southern Cadia Access Route.

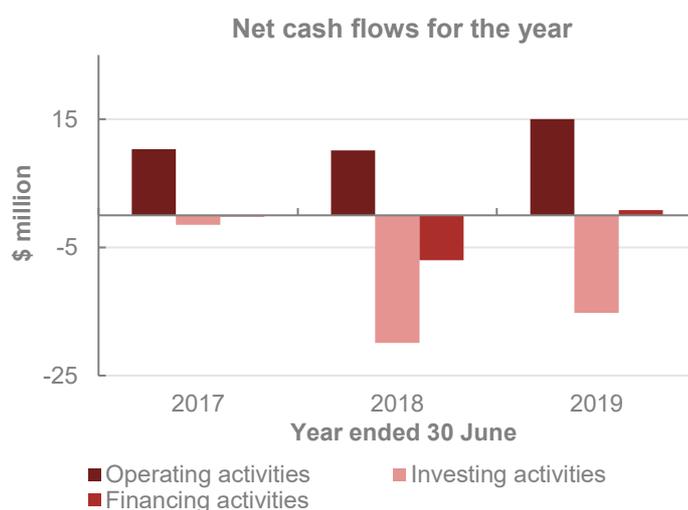
Council’s operating result (\$8.8 million including the effect of depreciation and amortisation expense of \$5.4 million) was \$2.2 million higher than the 2017–18 result. The main reason for this movement was an increase in grants and contributions provided for capital purposes of \$3.1 million.

The net operating result before capital grants and contributions (\$0.4 million deficit) was \$0.9 million lower than the 2017–18 result. The increased level of capital grants and contributions saw some existing items of infrastructure, property, plant and equipment demolished and new assets constructed in their place. As these assets were not fully depreciated at the time, a net loss of \$0.7 million was recorded for the write off.

STATEMENT OF CASH FLOWS

The increase in grants and contributions was the main contributor to the increase in cash flows from operating activities over the prior year

Cash from financing activities was positive as Council drew down \$1.3 million in loans during the 2018–19 financial year.



FINANCIAL POSITION

Cash and investments

Cash and investments	2019	2018	Commentary
	\$m	\$m	
External restrictions	9.7	9.1	Externally restricted balances include unexpended developer contributions, water, sewer and domestic waste management charges.
Internal restrictions	6.8	8.1	
Unrestricted	0.1	--	Balances are internally restricted due to Council policy or decisions for forward plans including works program. These decrease due to capital works conducted. Unrestricted balances provide liquidity for day-to-day operations.
Cash and investments	16.6	17.2	

Debt

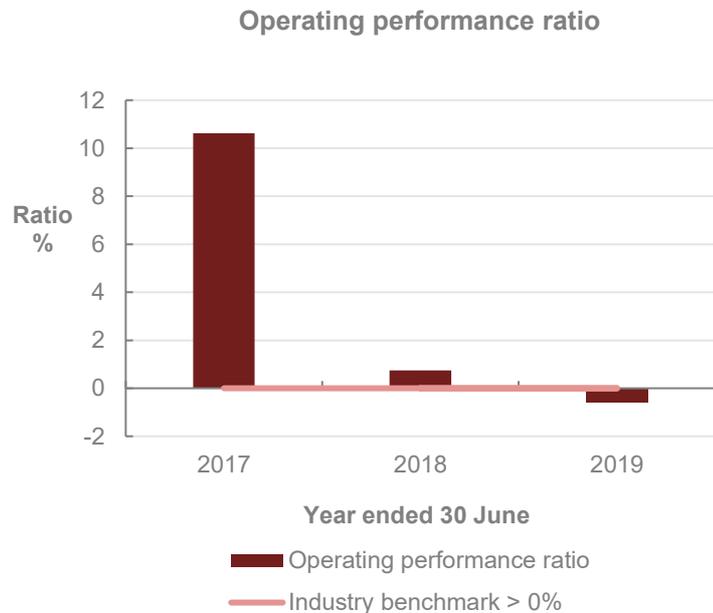
Council has an approved overdraft facility of \$50,000 and an approved credit card facility of \$40,000. At 30 June 2019, Council had utilised \$10,000 of its approved credit card facility, and none of its approved overdraft facility.

PERFORMANCE

Operating performance ratio

Council has fallen marginally below the benchmark during the current year. This is impacted by high levels of grants and contributions.

The 'operating performance 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 former Office of Local Government (OLG) is greater than zero per cent.



Own source operating revenue ratio

The relatively high level of grants and contributions received by Council during the year have seen this ratio continue remain below the benchmark set by the OLG. Council's own source operating revenue has remained consistent in terms of dollar value.

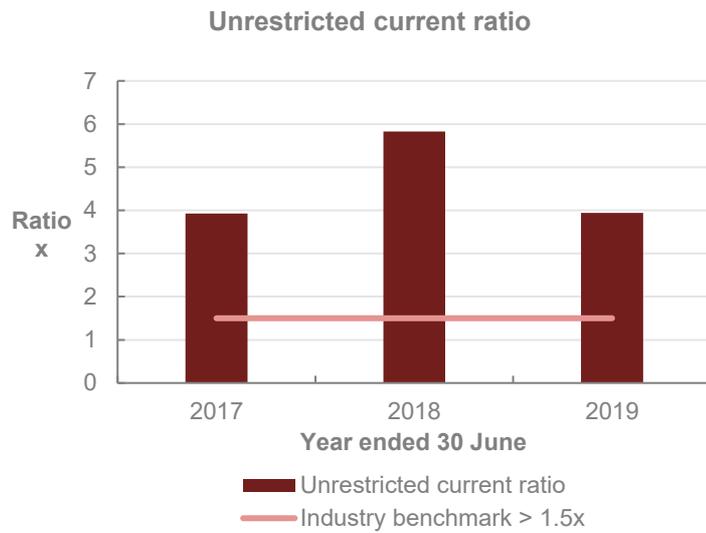
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by the former OLG is greater than 60 per cent.



Unrestricted current ratio

Despite a decrease in Council's ratio in the current year, it remains well above the OLG benchmark

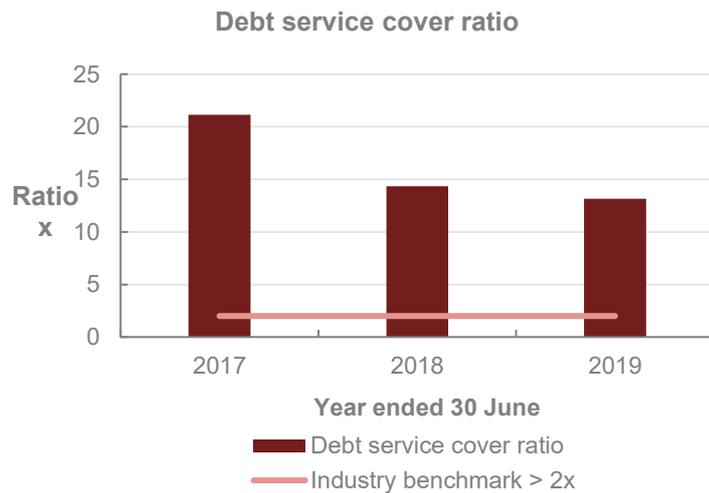
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by the former OLG is greater than 1.5 times.



Debt service cover ratio

Council took out \$1.3 million in new borrowings during the year, which has seen this ratio decrease compared to the prior year.

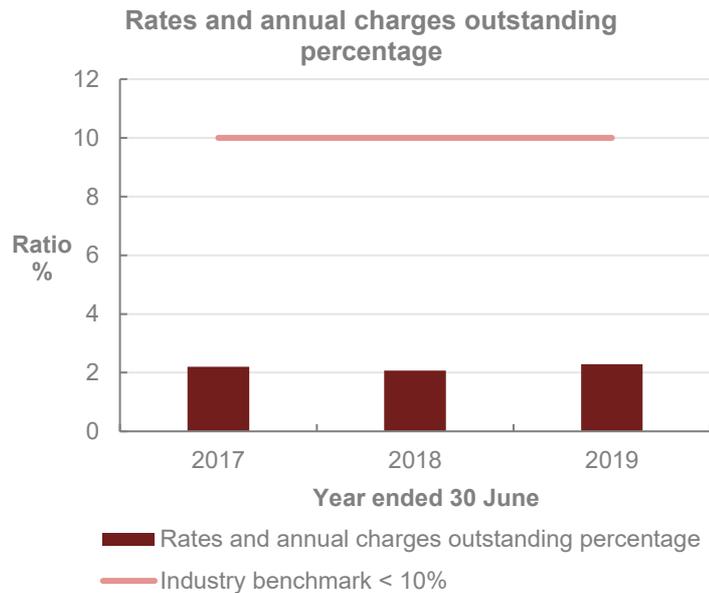
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by the former OLG is greater than two times.



Rates and annual charges outstanding percentage

Whilst this ratio has increased slightly over the prior year, Council has continued to effectively manage its recovery, maintaining a ratio which is well below the benchmark for rural councils.

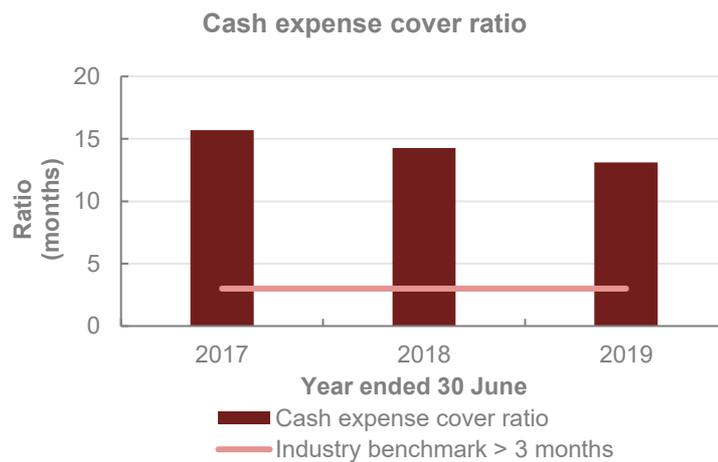
The 'rates and annual charges outstanding percentage' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by the former OLG is less than 10 per cent for regional and rural councils.



Cash expense cover ratio

Council's strong liquidity is reflected by this measure. Council has comfortably exceeded the benchmark for a number of 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 the former OLG is greater than three months.



Infrastructure, property, plant and equipment renewals

Council has renewed \$13.1 million of assets in the 2018–19 financial year compared to \$9.9 million in the 2017–18 financial year. Council spent \$3.2 million during the year to upgrade the Southern Cadia Access Road which was a specific one-off project to support the current expansion of the mine operated by Cadia Valley Operations.

The unaudited infrastructure renewals ratio was 276.1 per cent compared to 231.9 per cent in the prior year (benchmark set by OLG is 100).

OTHER MATTERS

New accounting standards implemented

Application period	Overview
AASB 9 'Financial Instruments' and revised AASB 7 'Financial Instruments: Disclosures'	
For the year ended 30 June 2019	<p>AASB 9 replaces AASB 139 'Financial Instruments: Recognition and Measurement' and changes the way financial instruments are treated for financial reporting.</p> <p>Key changes include:</p> <ul style="list-style-type: none">• a simplified model for classifying and measuring financial assets• a new method for calculating impairment• a new type of hedge accounting that more closely aligns with risk management. <p>The revised AASB 7 includes new disclosures due to AASB 9. Council's disclosure of the impact of adopting AASB 9 is disclosed in Note 14.</p>

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 statements. The Council's:

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



Karen Taylor

Delegate of the Auditor-General for New South Wales

Blayney Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2019



Special Purpose Financial Statements

for the year ended 30 June 2019

Contents	Page
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Auditor's Report on Special Purpose Financial Statements	10

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).

Blayney Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2019

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 statements:

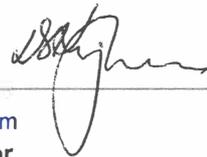
- present fairly the operating result and financial position for each of Council's declared business activities for the year, and
- accord with Council's accounting and other records.
- present overhead reallocation charges to the water and sewerage businesses as fair and reasonable.

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 19 August 2019.



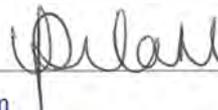
Cr. S.J. Ferguson
Mayor
19 August 2019



Cr. D. Kingham
Deputy Mayor
19 August 2019



R. Ryan
General Manager
19 August 2019



T. Irlam
Responsible Accounting Officer
19 August 2019

Income Statement – Sewerage Business Activity

for the year ended 30 June 2019

\$ '000	2019	2018
Income from continuing operations		
Access charges	1,153	1,100
User charges	151	173
Liquid trade waste charges	77	68
Interest	149	133
Grants and contributions provided for non-capital purposes	24	17
Other income	6	7
Total income from continuing operations	1,560	1,498
Expenses from continuing operations		
Employee benefits and on-costs	257	259
Borrowing costs	47	51
Materials and contracts	599	571
Depreciation, amortisation and impairment	564	557
Loss on sale of assets	–	1
Other expenses	114	98
Total expenses from continuing operations	1,581	1,537
Surplus (deficit) from continuing operations before capital amounts	(21)	(39)
Grants and contributions provided for capital purposes	23	6
Surplus (deficit) from continuing operations after capital amounts	2	(33)
Surplus (deficit) from all operations before tax	2	(33)
SURPLUS (DEFICIT) AFTER TAX	2	(33)
Plus accumulated surplus	9,275	9,308
Closing accumulated surplus	9,277	9,275
Return on capital %	0.1%	0.1%
Subsidy from Council	247	532
Calculation of dividend payable:		
Surplus (deficit) after tax	2	(33)
Less: capital grants and contributions (excluding developer contributions)	(23)	–
Surplus for dividend calculation purposes	–	–
Potential dividend calculated from surplus	–	–

Statement of Financial Position – Sewerage Business Activity

as at 30 June 2019

\$ '000	2019	2018
ASSETS		
Current assets		
Cash and cash equivalents	5,427	911
Investments	500	4,785
Receivables	46	43
Total current assets	5,973	5,739
Non-current assets		
Infrastructure, property, plant and equipment	20,682	20,669
Total non-current assets	20,682	20,669
TOTAL ASSETS	26,655	26,408
LIABILITIES		
Current liabilities		
Payables	21	45
Borrowings	47	43
Total current liabilities	68	88
Non-current liabilities		
Borrowings	520	567
Total non-current liabilities	520	567
TOTAL LIABILITIES	588	655
NET ASSETS	26,067	25,753
EQUITY		
Accumulated surplus	9,277	9,274
Revaluation reserves	16,790	16,479
TOTAL EQUITY	26,067	25,753

Statement of Financial Position –
as at 30 June 2019

TOTAL EQUITY

_____	_____
_____	_____

Blayney Shire Council

Notes to the Special Purpose Financial Statements

for the year ended 30 June 2019

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 2005*, 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.

The Statement of Financial Position includes notional assets/liabilities receivable from/payable to Council's general fund. These balances reflect a notional intra-entity funding arrangement with the declared business activities.

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

Notes to the Special Purpose Financial Statements

for the year ended 30 June 2019

Note 1. Significant Accounting Policies (continued)

Monetary amounts

Amounts shown in the financial statements are in Australian dollars and rounded to the nearest one thousand dollars.

(i) Taxation equivalent charges

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

However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-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 – 27.5%

Land tax – the first \$692,000 of combined land values attracts 0%. For the combined land values in excess of \$692,001 up to \$4,231,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$4,231,000 a premium marginal rate of 2.0% applies.

Payroll tax – 5.45% on the value of taxable salaries and wages in excess of \$850,000.

In accordance with the Department of Industry (DoI) – Water guidelines, 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 DoI – Water guidelines 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 DoI – 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 27.5%.

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 27.5% 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.

Notes to the Special Purpose Financial Statements for the year ended 30 June 2019

Note 1. Significant Accounting Policies (continued)

Loan and debt guarantee fees

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

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

(ii) Subsidies

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

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

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

(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 1.32% at 30/6/19.

(iv) Dividends

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

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

Each dividend must be calculated and approved in accordance with the Department of Industry – Water guidelines and must not exceed:

- 50% of this surplus in any one year, or
- the number of water supply or sewerage assessments at 30 June 2019 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

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



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statements

Blayney Shire Council

To the Councillors of the 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 activity, Sewerage, which comprise the Income Statement of the declared business activity for the year ended 30 June 2019, the Statement of Financial Position of the declared business activity as at 30 June 2019, Note 1 Significant accounting policies for the business activity declared by Council, and the Statement by Councillors and Management.

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's declared business activity as at 30 June 2019, and its 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 – update number 27 (LG Code).

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 the auditor of councils
- precluding the Auditor-General from providing non-audit services.

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

Emphasis of Matter - Basis of Accounting

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

Other Information

The Council's annual report for the year ended 30 June 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements and Special Schedule 'Permissible income for general rates'.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Councillors' Responsibilities 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 are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it is not appropriate to do so.

Auditor's Responsibilities 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/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
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

A handwritten signature in blue ink, appearing to read 'Karen Taylor', is centered on the page.

Karen Taylor
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

16 October 2019
SYDNEY

Blayney Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2019



Special Schedules

for the year ended 30 June 2019

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Permissible income for general rates for the year ended 30 June 2019

\$ '000		Calculation 2019/20	Calculation 2018/19
Notional general income calculation ¹			
Last year notional general income yield	a	8,597	8,421
Plus or minus adjustments ²	b	29	(12)
Notional general income	c = a + b	8,626	8,409
Permissible income calculation			
Or rate peg percentage	e	2.70%	2.30%
Or plus rate peg amount	$i = e \times (c + g)$	233	193
Sub-total	k = (c + g + h + i + j)	8,859	8,602
Plus (or minus) last year's carry forward total	l	1	2
Less valuation objections claimed in the previous year	m	–	(6)
Sub-total	n = (l + m)	1	(4)
Total permissible income	o = k + n	8,860	8,598
Less notional general income yield	p	8,858	8,597
Catch-up or (excess) result	q = o – p	2	1
Less unused catch-up ⁵	s	(2)	–
Carry forward to next year ⁶	t = q + r + s	–	1

Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the Valuation of Land Act 1916.
- (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 Permissible income for general rates Statement in the financial data return (FDR) to administer this process.



INDEPENDENT AUDITOR'S REPORT
Special Schedule - Permissible income for general rates
Blayney Shire Council

To the Councillors of Blayney Shire Council

Opinion

I have audited the accompanying Special Schedule – Permissible income for general rates (the Schedule) of Blayney Shire Council (the Council) for the year ending 30 June 2020.

In my opinion, the Schedule is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting – update number 27 (LG Code), 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.

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 Schedule' 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 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 special purpose framework used to prepare the Schedule. The Schedule has been prepared for the purpose of fulfilling the Council's reporting obligations under the LG Code. As a result, the Schedule may not be suitable for another purpose.

Other Information

The Council's annual report for the year ended 30 June 2019 includes other information in addition to the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements, special purpose financial statements and Special Schedule 'Report on infrastructure assets as at 30 June 2019'.

My opinion on the Schedule does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements and the special purpose financial statements.

In connection with my audit of the Schedule, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Schedule or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

The Councillors are responsible for the preparation of the Schedule 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 the Schedule that is free from material misstatement, whether due to fraud or error.

In preparing the Schedule, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it is not appropriate to do so.

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

- obtain reasonable assurance whether the Schedule 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 the Schedule.

A description of my responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: 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 Schedule on any website where it may be presented
- about any other information which may have been hyperlinked to/from the Schedule.



Karen Taylor
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

16 October 2019
SYDNEY

Report on Infrastructure Assets

as at 30 June 2019

Asset Class	Asset Category	Estimated cost		2018/19 Required maintenance ^a	2018/19 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					1	2	3	4	5
(a) Report on Infrastructure Assets - Values												
Buildings	Council Offices/Administration	–	–	36	90	1,501	2,772	33.0%	67.0%	0.0%	0.0%	0.0%
	Council Works Depot	354	236	105	91	969	1,584	70.0%	0.0%	1.0%	22.0%	7.0%
	Council Public Halls	290	193	47	71	2,466	3,938	77.0%	11.0%	7.0%	5.0%	0.0%
	Libraries	–	–	13	16	176	390	13.0%	87.0%	0.0%	0.0%	0.0%
	CentrePoint	–	–	100	92	7,756	10,974	100.0%	0.0%	0.0%	0.0%	0.0%
	Buildings including Amenities	329	219	136	156	1,428	2,560	56.0%	26.0%	2.0%	8.0%	8.0%
	Other Buildings	1,548	1,032	–	–	3,325	6,430	46.0%	18.0%	22.0%	5.0%	9.0%
	Sub-total	2,521	1,680	437	516	17,621	28,648	71.5%	15.5%	6.1%	3.7%	3.2%
Roads	Sealed roads	2,725	1,190	950	972	53,161	72,617	63.0%	30.0%	3.0%	2.0%	2.0%
	Unsealed roads	1,552	892	850	711	5,490	15,243	11.0%	29.0%	36.0%	21.0%	3.0%
	Bridges	1,076	326	17	69	25,837	28,450	94.0%	1.0%	2.0%	2.0%	1.0%
	Footpaths	1,787	330	21	6	4,479	6,676	40.0%	24.0%	26.0%	8.0%	2.0%
	Bulk earthworks	–	–	–	–	11,625	11,625	100.0%	0.0%	0.0%	0.0%	0.0%
	Kerb & Gutter	3,282	627	15	5	6,061	9,097	16.0%	36.0%	34.0%	9.0%	5.0%
	Formations	–	–	–	–	43,273	43,273	0.0%	0.0%	0.0%	0.0%	100.0%
	Roadside Furniture	745	236	88	88	1,566	2,484	40.0%	20.0%	22.0%	12.0%	6.0%
	Culverts	1,226	–	287	106	772	1,678	3.0%	0.0%	97.0%	0.0%	0.0%
Sub-total	12,393	3,601	2,228	1,957	152,264	191,143	47.6%	16.7%	8.0%	3.6%	24.1%	
Sewerage network	Gravity Reticulations	–	–	39	31	9,286	16,202	100.0%	0.0%	0.0%	0.0%	0.0%
	Rising mains	–	–	–	2	3,549	4,971	100.0%	0.0%	0.0%	0.0%	0.0%
	Sewerage Treatment Plant	395	–	24	172	5,109	7,060	59.0%	34.0%	7.0%	0.0%	0.0%
	Pump Stations	976	400	58	39	1,898	3,475	26.0%	35.0%	15.0%	24.0%	0.0%
	Sub-total	1,371	400	121	244	19,842	31,708	82.8%	11.4%	3.2%	2.6%	0.0%
Stormwater drainage	Stormwater Pipes/Lines	14	–	27	40	8,472	9,924	22.0%	78.0%	0.0%	0.0%	0.0%
	Stormwater Pits	87	–	11	9	139	201	42.0%	0.0%	58.0%	0.0%	0.0%
	Sub-total	101	–	38	49	8,611	10,125	22.4%	76.5%	1.2%	0.0%	(0.1%)

Report on Infrastructure Assets - Values (continued)

as at 30 June 2019

Asset Class	Asset Category	Estimated cost		2018/19 Required maintenance ^a	2018/19 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
		Estimated cost to bring assets to satisfactory standard	to bring to the agreed level of service set by Council					1	2	3	4	5
Open space / recreational assets	Swimming pools	–	–	29	27	837	1,487	31.0%	69.0%	0.0%	0.0%	0.0%
	Fencing	221	15	–	–	624	809	21.0%	9.0%	45.0%	5.0%	20.0%
	Park Furniture	752	30	70	258	2,593	3,739	25.0%	42.0%	31.0%	2.0%	0.0%
	Roofing/Shadesails	–	–	–	–	106	218	0.0%	100.0%	0.0%	0.0%	0.0%
	Sub-total	973	45	99	285	4,160	6,253	25.0%	46.2%	24.4%	1.8%	2.6%
	TOTAL - ALL ASSETS	17,359	5,726	2,923	3,051	202,498	267,877	52.8%	18.9%	7.3%	3.3%	17.7%

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

Infrastructure asset condition assessment 'key'

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

Report on Infrastructure Assets (continued)

as at 30 June 2019

\$ '000	Amounts 2019	Indicator 2019	Prior periods		Benchmark
			2018	2017	
Infrastructure asset performance indicators (consolidated) *					
Buildings and infrastructure renewals ratio ¹					
Asset renewals ²	10,977	276.15%	231.92%	192.27%	>=100.00%
Depreciation, amortisation and impairment	3,975				
Infrastructure backlog ratio ¹					
Estimated cost to bring assets to a satisfactory standard	17,359	8.57%	8.28%	10.44%	<2.00%
Net carrying amount of infrastructure assets	202,498				
Asset maintenance ratio					
Actual asset maintenance	3,051	104.38%	104.98%	145.91%	>100.00%
Required asset maintenance	2,923				
Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	5,726	2.14%	2.07%	2.47%	
Gross replacement cost	267,877				

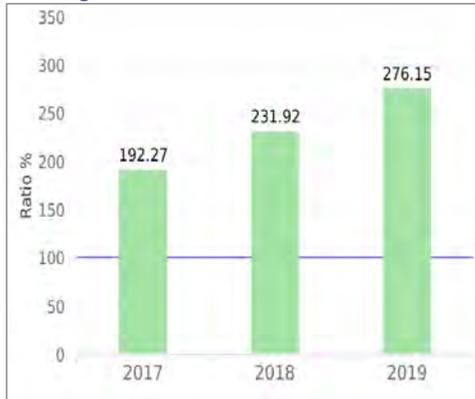
(*) All asset performance indicators are calculated using classes identified in the previous table.

(1) Excludes Work In Progress (WIP)

(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.

Report on Infrastructure Assets (continued)
as at 30 June 2019

Buildings and infrastructure renewals ratio ¹



Infrastructure renewals ratio

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

Commentary on result	
18/19 ratio	276.15%
Council has continued to undertake significant renewal works on a number of buildings and road corridors including the replacement of bridges.	

Benchmark: — $\geq 100.00\%$

■ Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

■ Ratio is outside benchmark

Asset maintenance ratio



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 result	
18/19 ratio	104.38%
Council is continuing to fund required maintenance through its budgeted maintenance. Further refinement of the General Ledger will better capture the actual and required maintenance.	

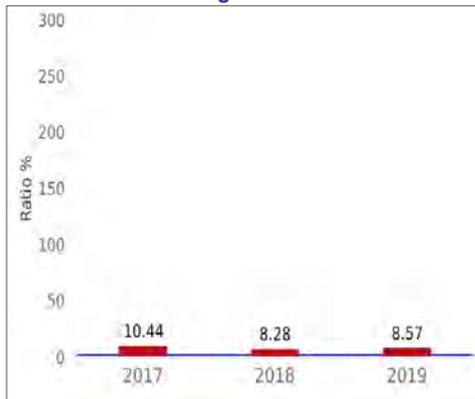
Benchmark: — $> 100.00\%$

■ Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

■ Ratio is outside benchmark

Infrastructure backlog ratio ¹



Infrastructure backlog ratio

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

Commentary on result	
18/19 ratio	8.57%
This ratio uses the Office of Local Government measure based on all assets being brought back to condition 2. Council has a target condition of 3, giving a significant lower backlog percentage.	

Benchmark: — $< 2.00\%$

■ Ratio achieves benchmark

Source of benchmark: Code of Accounting Practice and Financial Reporting #27

■ Ratio is outside benchmark

Cost to bring assets to agreed service level



Cost to bring assets to agreed service level

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 result	
18/19 ratio	2.14%
This ratio refers to Council bringing assets to condition 3 or better. The ratio is has declined slightly compared to last year, although is expected to continue to improve over the medium term.	

(1) Excludes Work In Progress (WIP)



A3

PAYMENT OF EXPENSES & PROVISION OF FACILITIES TO THE MAYOR AND COUNCILLORS POLICY



SHIRE COUNCIL
Blayney

**Payment of Expenses and the
provision of Facilities to the Mayor and
Councillors Policy**

Policy	1A
Officer Responsible	Director Corporate Services
Last Review Date	16/04/2018

Strategic 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.

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.

3.2. 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.

3.3. 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.

3.4. 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.

3.5. 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.

3.6. 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.

3.7. 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).

3.8. 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:
 - o Independent Commission Against Corruption
 - o Office of the NSW Ombudsman
 - o Office of Local Government, Department of Premier and Cabinet
 - o NSW Police Force
 - o Director of Public Prosecutions
 - o Local Government Pecuniary Interest Tribunal
 - o 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.

3.9. CARER'S PROVISIONS

3.9.1. 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.

3.9.2. 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
- Dubbo

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 per kilometre for vehicles per the cents per kilometre method as determined by the Australian Taxation Office.

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. TECHNOLOGY EQUIPMENT

5.2.1. Mobile Devices

At the expense of Council, each Councillor shall be provided with Technology equipment, the provision of a mobile device (i.e tablet or phone). 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. Where a phone is provided Council shall not be responsible for phone charges.

Councillors shall be provided a \$100 itunes card on commencement of each Council term for purchase, update or replacement of applications.

Council will not be responsible for purchase, update or replacement of applications not purchased through Council in the event of equipment failure.

5.2.2. Data Allowance

Tablet devices shall include a data plan allowance of 1 gigabyte per month. Councillors shall be eligible to claim a data allowance of up to 50% reimbursement of data charges associated with home internet and telephone up to a maximum value determined by Council annually.

5.3. APPAREL

At the expense of Council, each Councillor shall be provided with the following apparel each term:

- Two (2) ties or scarves;
- Two corporate polo shirts or dress shirts or a combination thereof;
- and
- Protective clothing as deemed required by the General Manager.

Any apparel purchased under this section shall carry the Council logo.

5.4. 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;

5.5. 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.: _____

BLAYNEY SHIRE COUNCIL COUNCILLOR DATA ALLOWANCE CLAIM FORM

Council has adopted a Policy for payment of expenses and provision of facilities to the Mayor, Deputy Mayor and Councillors in relation to reimbursement of internet (data) charges associated with home internet and telephone.

A new data allowance claim is required to be lodged annually or where an internet (data) plan or provider is changed.

Name of Councillor: _____

Date	Data provider	Internet Plan value per month \$	Claim per month \$

Maximum claimable is amount determined and approved by Council annually.

Please attach copy of invoice to substantiate plan value.

Please note: A new claim must be submitted where the plan value changes.

SIGNATURE: _____ **DATE:** _____

Office Use Only

PAYMENT

TOTAL CLAIM

TOTAL

\$ _____

=====

	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
	16/04/2018	1804/009
Next Review:	15/03/2021	

The logo consists of the letters 'A4' in a bold, dark teal font. To the left of the 'A4' is a vertical bar with a white-to-teal gradient. The entire logo is set against a white rectangular background.

A4

The title is displayed in a bold, dark teal font on a white rectangular background. The background of the entire page is a landscape with a rainbow in the sky and a field in the foreground.

**GOVERNMENT INFORMATION
(PUBLIC ACCESS) ACT
ANNUAL REPORT**

2018/19 ANNUAL REPORT



**GOVERNMENT INFORMATION
(PUBLIC ACCESS) ACT**

Clause 8A: 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 publicly 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 continued promotion of its rates e-notice project encouraging ratepayers to receive notices electronically enabling them to access a 5 year history.
- Council has mapping accessible from its website for proactive release of cemetery information and location across Council's cemeteries; rate categories of properties across Blayney Shire and waste collection runs.
- 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, 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 is progressing expansion of this facility with enhanced functionality and capability with accessing information. It is anticipated that this will be finalised and rolled out in 2019/20.
- 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 8B: 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
5

Clause 8C: 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)	2	0	0	0	0	0	0	0	2	40%
Members of the public (other)	1	1	0	0	0	0	0	1	3	60%
Total	3	1	0	0	0	0	0	1	5	
% of Total	60%	20%	0%	0%	0%	0%	0%	20%		

* 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)	3	1	0	0	0	0	0	1	5	100%
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0	0	0%
Total	3	1	0	0	0	0	0	1	5	
% of Total	60%	20%	0%	0%	0%	0%	0%	20%		

* 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%
Privilege generally - Sch 1(5A)	0	0%
Information provided to High Risk Offenders Assessment Committee	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)	4	100%
Decided after 35 days (by agreement with applicant)	0	0%
Not decided within time (deemed refusal)	0	0%
Total	4	

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%		

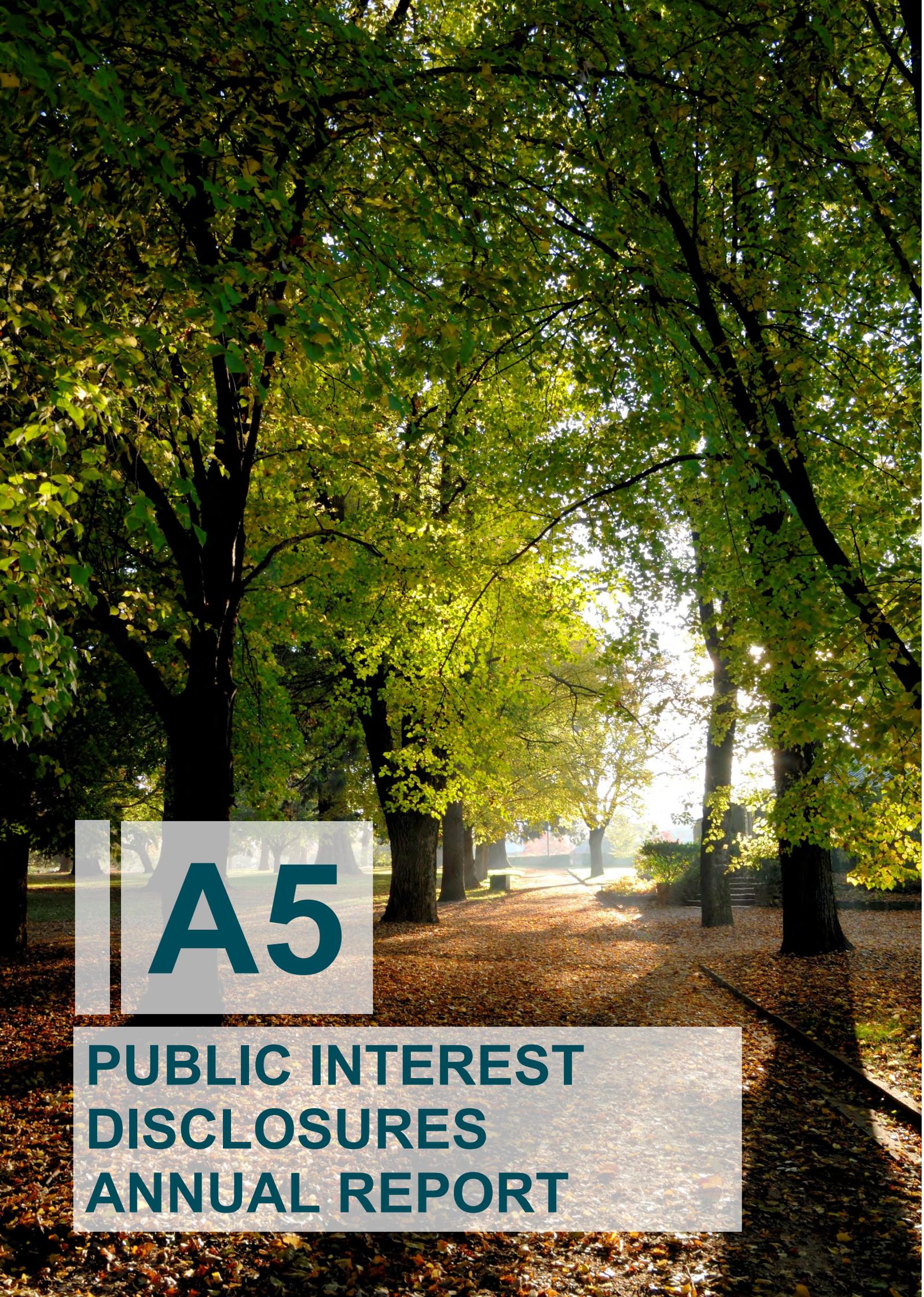
*The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

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
DISCLOSURES
ANNUAL REPORT**

2018/19 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).

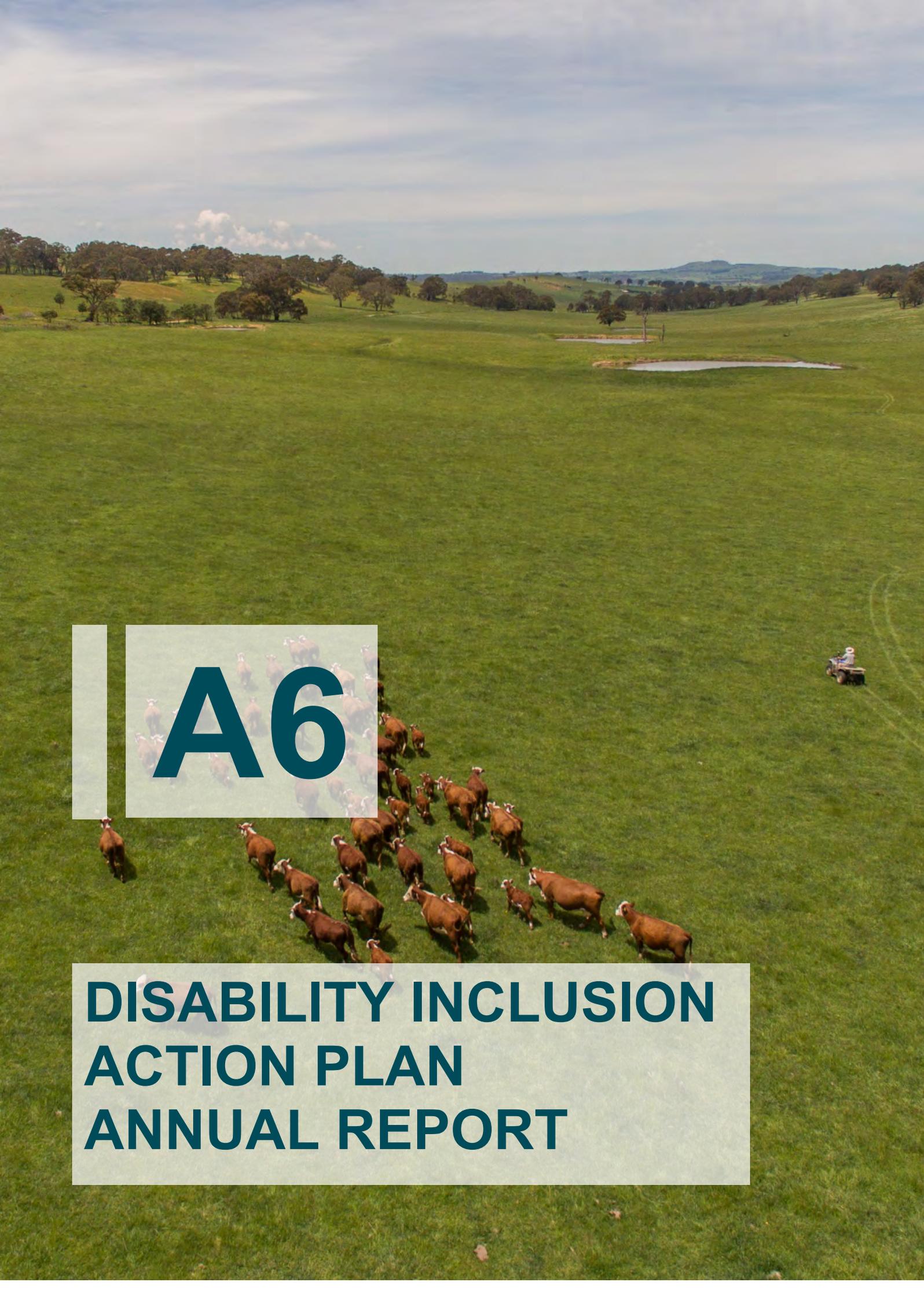
No PIDs were made for the period 1 July 2018 to 30 June 2019:

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

**DISABILITY INCLUSION
ACTION PLAN
ANNUAL REPORT**

Blayney Shire Disability Inclusion Action Plan Strategies and Actions - 2018/19 Annual Report

Attitudes and behaviours					
Strategy	Actions	CSP Ref.	Outcome	Time - frame	Status
1. Raise awareness of the contribution that people with disability make in the community	Include positive images of people with disability in general promotional material.	6.2	Increased number of documents including diversity	Ongoing	Media and Publications inclusive.
	Use of correct language in all media and publications when referencing people with disabilities.	6.2	Establishment of standard and staff informed	Ongoing	
2. Ensure that customer service staff and other staff who have contact with the community continue to be educated in disability awareness	Integrate training on access into Council staff inductions.	6.3	Included in induction training	2018	Free Mental Health First Aid Training provided for Interagency members, attended by 2 staff. Disability Awareness training conducted in August 2018.
	Provide ongoing training on disability inclusion to employees	6.3	Training identified in training plan	2019	
3. Work with local disability organisations and community to make events, activities and facilities accessible and inclusive	Partner with community organisations and groups to promote events, activities and services.	6.3	Opportunities to partner identified	2018	Quarterly Blayney Interagency Meeting held at Community Centre. Engagement with event organisers through event management approval process to raise awareness to make events more accessible. Event management guidelines updated to promote making events more accessible.
5. Engage with local businesses to encourage and support inclusive practices	Work with the business community to raise awareness of the importance of inclusion for people with disability	1.6	Engage with local business to promote inclusiveness	2019	In April 2019, 4 businesses were the first beneficiaries of Councils new Access Consulting Support Program. The program provides businesses by providing preliminary accessibility compliance advice triggered when a Construction Certificate is lodged.
Create Liveable Communities					
Strategy	Actions	CSP Ref.	Outcome	Time - frame	Status
1. Improve accessible paths of travel to key destinations	Identify the suitability of paths of travel to key destinations such as recreation facilities, parks and community facilities.	5.2	Assessment completed	2018	Active Movement Strategy Works completed:- Montgomery Street, Millthorpe Ewin/Tucker Street, Blayney Lindsay Street, Blayney Renewals completed:- Olive Street, Mandurama Montgomery Street, Millthorpe Ogilvy St between Farm Lane and the new Belubula River walk path completed.

Blayney Shire Disability Inclusion Action Plan Strategies and Actions - 2018/19 Annual Report

Create Liveable Communities					
Strategy	Actions	CSP Ref.	Outcome	Time - frame	Status
2. Contribute towards liveable and accessible public places	Promote universal access principles for new and upgraded buildings and facilities in public places.	4.1	Access principles included in project	Ongoing	All Construction Certificate applications are assessed in accordance with the Building Code of Australia and the Disability (Access to Premises - Buildings) Standards 2010. New compliant public toilets completed in Mandurama, Lyndhurst and Neville, including accessible parking and pathways. Shared pathways completed in Blayney and Lyndhurst. Wheelchair friendly pathway provided across historic Naylor Street timber bridge in Carcoar. As part of the CentrePoint Major Upgrade the existing amenities have been reconfigured to now include 6 accessible bathrooms plus ambulant toilets. 2 new accessible car spaces were completed in Oggilvy St for use by CentrePoint patrons. Several new doors were installed at CentrePoint, of which the; swing direction, weight and width of all doors specifically considered accessibility compliance. A 20mm lip was also removed through tiling on the Scout Hall entrance.
	Consider the particular needs of children with disability in the design, layout and security of parks and playgrounds.	4.1	Playgrounds are safe and inclusive	Ongoing	Consultant engaged to facilitate community engagement for future inclusive playground in Blayney.
3. Promote universal access to all Council events within the community	Promote disability inclusion in community events and festivals e.g. availability of accessible toilet facilities.	1.6	Promotion of inclusive events by Council	Ongoing	Event organisers informed on disability inclusion including suggestions on considerations with Council's Event Management approval process. Conducting an event guideline updated to include information on making events more accessible. "Tips for making your event more accessible" brochure on Council's website.
4. Continuously upgrade Council's assets to meet legislative requirements for accessibility	Complete an audit of all Council assets to ensure accessibility and identify priorities for upgrade	4.1	Audit completed and priorities identified	2019	Not yet commenced.
5. Improve accessible public toilet facilities and parking	Review, update and promote the location of accessible facilities and parking on Council's Mobility Map.	4.3	Development of Mobility map	Ongoing	The Access at a Glance project will be creating a digital online map identifying all facilities and business that are accessible.
	Promote needs of people with disability to event organisers of special events particularly where parking is temporary and movement around venue may be restricted.	2.1	Events include accessible parking	Ongoing	Through Event management approval process event organisers are asked to consider accessible facilities and parking with event planning. Accessible parking provided for at Newbridge Winter Solstice event.

Blayney Shire Disability Inclusion Action Plan Strategies and Actions - 2018/19 Annual Report

Create Liveable Communities					
Strategy	Actions	CSP Ref.	Outcome	Time - frame	Status
6. Contribute towards programs which aim to increase social inclusion and community connection	Awareness of concessional access programs to Council facilities and community events e.g. NSW Companion Card	4.3	Investigate and participate in programs. Promotion to event holders.	2019	Not yet commenced.
7. Improve and promote community transport options available within the region	Promote local transport options including bus timetables and accessible transport services for all ages.	4.1	Opportunities to promote identified	2018	Council website updated to include available options for transport. Refer website link: http://www.blayney.nsw.gov.au/business-and-tourism/transport/public-transport-in-blayney-shire
Employment					
Strategy	Actions	CSP Ref.	Outcome	Time - frame	Status
1. Develop employment opportunities for people with disability	Make reasonable adjustment to workplaces to facilitate work placement and employment opportunities for people with disability.	5.1	Workplace capable of supporting people with disabilities	Ongoing	Modifications made to ground floor of administrative office to accommodate people with disabilities. Program of work experience with Blayney High School undertaken in May 2019.
	Where volunteers are required, provide volunteering opportunities that are inclusive.	5.1	Development of an inclusive Volunteer Policy	2019	Not yet commenced. Planned for July 2019.
Systems and Processes					
Strategy	Actions	CSP Ref.	Outcome	Time - frame	Status
1. Ensure accessible and inclusive community engagement across all areas of Council	Include the principles of access and inclusion in Council's service delivery.	SJP*	Consistency in messaging and communication	Ongoing	Principles of access inclusion in Media and Publications.
	Promote Council's implementation of access and inclusion principles and recognise the rights and contribution of people with disability in the community.	6.3	Promotion of the DIAP has been undertaken	Ongoing	Website review being undertaken to determine features to cater for the hearing and visually impaired. Quotation obtained for inclusion into 2019/20 Operational Plan. Introduction of program proposed for 2018/19 to assist business. Council has included \$5k in its Operational Plan to be used as a contribution to assist businesses if they require an access consultant report when lodging a DA and/or CC. 3 businesses will utilise this service in 2018/19.
3. Improve regulatory processes within Council	Utilise the Access Advisory Committee to provide comment on capital projects and development applications that relate to council buildings; facilities and infrastructure.	3.4	Process in place for Access Advisory Committee to review proposals	Ongoing	Council projects including CentrePoint major project have been referred to Access Committee on an as needs basis.
	Internal process to ensure that access is not overlooked when developing new facilities; buildings, parks, playgrounds, footpaths.	4.1	Review of internal processes for planning works	Ongoing	Design staff have undertaken accessibility training. Construction staff routinely reminded to maintain vigilance when preparing works for construction, and direct concerns to design staff for potential changes. Further staff training programmed for 2018/19.

* Social Justice Principles