

Blayney Shire Council



INDEX OF REPORTS OF THE BLAYNEY SHIRE COUNCIL MEETING HELD ON MONDAY 8 DECEMBER 2014

CORPORATE SERVICES REPORTS

02 Annual Report 2013/14

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BLAYNEY SHIRE COUNCIL



ANNUAL REPORT

2013/14



BLAYNEY SHIRE COUNCIL 2013/2014 ANNUAL REPORT

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Mayor's Foreword

It's my pleasure to submit my annual report for the 2013-14 year and reflect on another year where Council has worked hard to deliver the services and infrastructure needed to support our community. Blayney Shire Council has continued to improve and maintain community assets within budget and have undertaken a full year of road works and maintenance including two new bridges throughout the Shire. Councillors have put in place a strong long term plan to improve our infrastructure and community assets within very tight financial forecasts.



This year has been dominated by the Independent Review into Local Government process where Blayney Shire has made many submissions in regards to our long term viability and how we see our future in the region. This process has taken up a lot of staff and councillors' time as we consider how local government delivers its future services and infrastructure.

The Independent Local Government Review Panel report has recommended that Blayney Shire, Cabonne and Orange City Councils merge together to form a large Regional council. This proposal has been rejected by Blayney Shire and Cabonne Councils and we will be working closely with the Office for Local Government to remain independent and sustainable. Blayney Shire Council and its alliance partners in Wellington Council, Cabonne Council and Central Tablelands Water have identified that a shared services model is a viable option to allow the existing rural councils to continue to provide the important services that our communities expect, whilst achieving the benefits of being part of a larger group. As such, we are currently participating in a trial Joint Organisation based around our Centroc group of councils that may deliver the scale and capacity required by the State Government.

Notwithstanding this, Council fully recognises the need for change in the way our services are delivered and improving the structures of Local Government. Councillors are keen to embrace change as long as it is in the best long term interest of rate payers and deliver improved value for the rates that we all pay.

An important part of this strategy was our successful application to IPART (Independent Pricing and Regulatory Tribunal) for a 6% rate variation for two years. Council held many community meetings and launched a Shire wide survey to fully understand the community's expectations of Council services and our residents' capacity to pay increased rates. I thank everyone who participated in the workshops and I believe that the community also now has a better understanding of the economic issues that their Council faces in regards to increase costs and reduced funding.

One of the real positive outcomes of this process was the interaction with our rural community who traditionally wear the brunt of rate increases and who face the same cost pressures as Local Government. Council has worked closely with our local Farmers Federation to review our rate structure including adjusting our base rates to achieve more equity throughout our rate assessments. This process will be ongoing as Council concentrates on delivering as much value as possible to our rate payers and residents.

Council has continued to work closely with our village residents and the delivery of their individual Enhancement Plans throughout the year. These programs have allowed our village residents to identify their own priorities and improvements which have improved the liveability and tourism potential of our entire area. Our Shire Committees have been meeting regularly and working towards improvements to our sporting and recreational facilities as well as improving access and economic development.

We are very fortunate that we have many local people who get involved with all the various Council committees and events and our volunteers at the Cottage (Tourist and Community Information Centre) do a wonderful job promoting our Shire to all our visitors. Councillors really appreciate that with community participation in Council activities and programs we can all work towards improving our Shire and continue to face the future challenges and opportunities together.

Cr SJ Ferguson
Mayor

Local Government Act 1993

Section 428 (4) Council's Audited Financial Reports

Please refer to Attachment A1

Section 356 Contributions

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

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

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

Contribution	Amount
Rates & Charges	7,711
Financial Assistance Program	78,070
Community Organisations Insurance	3,015
Heritage Grants (Council portion)	16,767
	\$105,563

Other Information

Performance of Principal Activities

Please refer to Attachment A2

Condition of Public Works

Special Schedule No. 7 as detailed within Council's General Purpose Financial Reports for the year ended 30 June 2014 provides the condition of the public works under the control of the Council. This schedule also identifies:

- an estimate of the amount of money required to bring the works up to a satisfactory standard;
- an estimate of the annual expense of maintaining the works at that standard; and
- Council's program of maintenance in respect of the works for the 2013/14 year.

Legal Proceedings

For the year ended 30 June 2014, Council had incurred \$81,046 in legal fees for proceedings taken by or against Council. By comparison, Council had expended \$52,975 on legal fees in 2012/13.

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

Description	Cost	Status
Planning Matters	18,003	Open
Debt Recovery	41,631	Open
Other matters	21,412	Open
	81,046	

Contracts awarded by Council

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

Name	Purpose	Amount
Downer Australia	Sprayed Bituminous Sealing Contract No. 8/2013 – 2013 - 2015	\$1,242,405
Wagstaff Piling	Newbridge Road Bridge Piling Works	\$870,000
Semco Equipment	Supply of 16 tonne Dynapac Smooth Drum Roller	\$184,100
Insight Engineering	Blayney Sewerage Treatment Plant – Installation of VSD's and Associated Control Equipment; Design and Installation of SCADA / Telemetry for Blayney Sewer Network	\$235,707

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

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

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

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

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

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

Programs for people from a Multicultural Background

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

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

Private Works

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

During 2013/14 private works expenditure totalled \$137,422 providing an income of \$171,366. The following table provides a summary of the private works completed by Council during this reporting period.

Description of Work	Expenditure
Construction	98,711
Gravel Sales	26,283
Hire of Plant & Equipment	2,160
Other	10,268
	\$137,422

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

Human Resources

Council is committed to developing and maintaining a productive and multi skilled workforce and to ensuring that its employees receive appropriate training and development opportunities.

An integral part of Council's Employee Development Review and Performance Appraisal process is to determine what training requirements Council may have.

Training undertaken in the 2013/14 reporting year included;

- Asbestos training
- Asset management and Engineering
- Chemical application
- Development assessment and Town planning

- Environmental Development
- Feral animal control
- First aid
- Liquid trade waste
- Mechanical maintenance / Plant and fleet management
- Playground inspection
- Pool lifeguard
- Specification writing
- Superannuation, taxation and payroll
- Swimming pool assessment
- Tendering requirements
- Traffic control
- Training and assessment
- Unsealed roads

In addition to the above Council is pleased to report that it had a number of employees successfully complete Certificate III and IV courses in Civil Construction, Horticulture and Frontline Management during the 2013/14 reporting year.

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

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

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

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

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

Council is proud to report that in the 2013/2014 year it was able to celebrate a consecutive 500 day period without a lost time workers compensation injury.

Council has an Equal Employment Opportunity (EEO) Management Plan which provides the framework that demonstrates the commitment of Council to provide a work environment that accepts the principles of EEO and avoids discrimination.

Council incorporates EEO principles into all aspects of its recruitment, induction and staff development processes.

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

External Bodies

The following organisations exercised functions delegated by Council during 2013/14:

External Body	Function
Central West Libraries	Library Services
Blayney & District Tennis Association	Tennis Courts
Lyndhurst Charity Rodeo Committee	Park
Barry Hall Management Committee	Public Hall
Newbridge Community Hall Management Committee	Public Hall
Hobbys Yards Hall Management Committee	Public Hall

Partnerships, Co-Operatives and Joint Ventures

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

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

Special Variation to Rate Income

During 2013/14 Blayney Shire Council had two (2) Special Rate Variations in force and are summarised as follows:

Blayney Shire Community Centre Special Rate Variation

The Minister for Local Government approved a S.508 (A) special variation in rate income of 11.42% for 2008/09. This equated to \$275,415 (8.19%) over the approved rate and for the period 2008/09 to 2017/18. The purpose was for capital improvements to the Blayney Community Centre. As at the end of the reporting period the project was finalised with the completion of the car park, bringing the project to an end. Project expenditure was within budget and was drawn from funds generated in previous years from the special rate variation held as restricted cash for this purpose and borrowings.

The community centre continues to be well utilised by the community for a number activities including balls; school presentations; cultural performances; sport presentations; conferences; meetings and workshops.

Mining Category Special Rate Variation

IPART approved a S.508 (2) special variation in rate income of 40.7% for 2012/13. This has equated to an additional \$1,606,427 for the 2013/14 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.

During 2013/14 expenditure of these monies was as follows:

Expenditure	\$
Road Maintenance	345,677
Asset Renewals - Roads	930,890
Other Community Infrastructure	257,897
Engineering/Design Works	72,159
Community Contributions Program	78,070
Transfer to Restricted Cash – SRV Mining	(78,366)
	1,606,427

The balance of the external cash restriction for Special Rate Variation – Mining, as at 30 June 2014, was \$429,324. These funds will be used in future year programs pursuant to the section 508(2) - Special Rate Variation Instrument of Approval.

Outcomes achieved as a result of the Special Variation include:

- Increased funding for community groups to access through the Financial Assistance Program
- Additional 2.1km of road rehabilitation
- Additional 3.3km of gravel re-sheeting
- Additional 24km of maintenance grading
- Additional funding to sustain community infrastructure
- Engineering design expertise to assist with preparation of rolling plans for works

Productivity savings achieved during 2013/14 include:

- Continuing integration of technology into work practices;
- Procurement of improved or “fit for purpose” plant to assist with streamlining of work practices;
- Activities undertaken through CENTROC such as lobbying; sourcing of grant funding; regional planning; joint initiatives and regional tenders for procurement of electricity; fuel; internal audit services; valuation services;
- Activities undertaken through WBC (Wellington, Blayney, Cabonne, Central Tablelands Councils) such as joint initiatives; sharing equipment, joint tenders, sourcing \$120k funding for the implementation of e-planning tools, joint engagement of specialists and other ongoing joint arrangements. In 2013/14 savings of \$520,269 in Alliance activities were achieved. (Source: <http://www.wbcalliance.nsw.gov.au/images/documents/annual-reports/WBC%20Annual%20Report%202014%20final.pdf>);

- Energy efficiency improvements to Council's Sewerage Treatment Plant, Office and Centrepont Sport & Leisure Centre.

In the comparative information return for 2012/13 published by the Office of Local Government Council's equivalent full time staff numbers were 68 as compared to the Group 10 Council average of 108.

Local Government (General) Regulation 2005

Clause 132 Details of written off Rates and Charges

Rates and charges totalling \$196,776 were written off during 2013/14, in accordance with the provisions of the Local Government Act 1993. This compares to \$161,297 being the amount written off during 2012/13.

Rates and charges written off during 2013/14 can be summarised in the following table:

Pensioner Rate Rebates	\$174,155
Sale of Land for Unpaid Rates	\$22,621

Clause 217 (1) (a) Overseas Visits

No Councillors, Council Staff or representatives of Council participated in any overseas visits during 2013/14.

Clause 217 (1) (a1) Councillors

During 2013/14 a total of \$129,856 was expended on the Mayor and Councillors.

Mayoral Fees		22,870
Councillor Fees		73,360
Councillor Expenses		37,604
- Meeting Expenses	2,033	
- Travel Expenses	5,343	
- Conferences	6,986	
- Communications equipment	1,961	
- Insurance	21,281	
		\$133,834

Council has adopted a policy on the Payment of Expenses and Provision of Facilities for Councillors. The policy outlines the services and facilities provided to Councillors, the Deputy Mayor and the Mayor to enable them to carry out the duties and functions of their civic office. A copy of the Payment of expenses and Provision of facilities to the Mayor and Councillors policy has been provided at Attachment A3.

Clause 217 (1) (b) Senior Staff Remuneration

Council's organisation structure provides for the employment of the General Manager as the only Senior Staff position. 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 2013/14 financial year amounted to \$201,437.

Clause 217 (1) (c) Services and Programs that provide for the Needs of Children

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

Four (4) Music Scholarships at the Mitchell Conservatorium and the Orange Regional Conservatorium which are sponsored by Council and local businesses were offered during 2013/14.

As part of this year's Youth Week activities, Council facilitated five Youth Week events across the Shire.

Through Council's Centrepont Sport & Leisure Centre a number of programs for children are conducted including Learn to Swim; Kids Club vocational programs; Kindy Fit; Kids Fit and Children's birthday parties. Other activities are also facilitated at the Centre including Girl Guides; Table Tennis; Swim squad and school sports activities.

Clause 217 (1) (d) (i) Access and Equity Activities

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

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

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

Clause 217 (1) (d) (ii), (iv), (vi) and (viii) Category 1 Business Activities

Council does not operate any category 1 business activities.

Clause 217 (1) (d) (iii) Category 2 Business Activities

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

Clause 217 (1) (d) (v) Principles of Competitive Neutrality

The Office of Local Government's guidelines "*Pricing and Costing for Council Business: A Guide to Competitive Neutrality*" outline the process for identifying and allocating costs to activities and provide a standard of disclosure requirements. These disclosures are reflected in Council's pricing and financial reporting systems and include taxation equivalents, Council subsidies, rate of return on investments in business unit and dividends paid.

Clause 217 (1) (d) (vii) and (ix) Competitive Neutrality Complaints

Council has established a complaints handling mechanism for competitive neutrality complaints. Council is committed to resolving complaints, so as to improve service delivery and increase community satisfaction. During 2013/14 no such complaints were received.

Clause 217 (1) (e) Stormwater Management Services

Council did not levy an annual charge for Stormwater Management Services during 2013/14.

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

Lodgement of pound data collection returns with the Office of Local Government

Pound Data return was lodged on the 14/07/2014.

Lodgement of data relating to dog attacks with the Office of Local Government
There were 2 Dog Attacks reported to Council during the reporting period.

Amount of funding spent relating to companion animal management and activities

Council expended \$103,341 on activities relating to the management and control of companion animals during the reporting period.

Companion animal community education programs carried out

Community Education Programs consisted of Brochure drops, promotion in the local paper 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, Orange and Cowra Councils as well as the RSPCA in the re-homing and adoption of Stray/Dumped Dogs.

Off leash areas provided in the Council area.

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

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

Income	\$
Registration Fees	3,014
Impounding Fees	373
Fines & Costs	2,238
Microchip Fees	73
Other income	-
Total Income	5,698
Expenditure	\$
Salaries	49,242
Employee Overheads	27,892
Depreciation	9,707
Impounding & Control Expenses	21,727
Microchipping	471
Total Expenditure	109,039
Total Cost of Companion Animal Operations	\$103,341

Clause 217 (2) State of the Environment Report

A Regional State of the Environment Report 2013/14 is available as a separate document on Council's website www.blayney.nsw.gov.au under the Environment tab.

Clause 7 Government Information Public Access Regulation

A report on Government Information Public Access for the 2013/14 year is provided. Please refer to Attachment A4.

Environmental Planning and Assessment Act 1979

Section 93G (5) Planning Agreements

Voluntary Planning Agreement – Cadia Holdings Pty Limited.

Blayney Shire Council in conjunction with Cabonne Council and Orange City Council (parties to the agreement) have entered into a Joint Voluntary Planning Agreement (VPA) with Cadia Holdings Pty Limited (the developer) under section 93F of the Environmental Planning and Assessment Act in connection with the proposed Part 3A Major Projects Application No. 06_0295 known as The Cadia East Project at Cadia Valley Operations located approximately 25km south west of Orange, determined 09/02/2011.

Description of the Agreement:

Cadia Holdings Pty Limited (the developer) made an offer to all Councils party to the agreement to enter into a VPA in connection with the above proposed development.

Under the VPA the developer will pay each Council a one off contribution for Road Upgrades and an annual amount to be used by the Councils for Community Enhancements and / or Road Upgrades. For Blayney Shire Council a one off contribution of \$1m and annual contributions of \$52,632 over the life of the agreement has been undertaken. The Planning Agreement promotes the public interest by requiring Cadia to make Monetary Contributions that are intended to positively affect the economic and social wellbeing of the community.

Date the agreement was entered into:

The agreement was entered into on 9 July 2013 and was effective from that date and remains in effect until 30 June 2031.

Parties to the agreement:

Blayney Shire Council, Cabonne Council and Orange City Council and Cadia Holdings Pty Limited (the developer).

Land to which the agreement applies:

The Planning Agreement applies to land owned by Cadia located in the Cadia Valley (Cadia Valley Operations site) as described in Annexure 2 to the agreement, which is located approximately 25 kilometres south-west of Orange, in the Central Tablelands of NSW.

Public Interest Disclosures Act 1994

Section 31 Public Interest Disclosures Annual Report

A report on Public Interest Disclosures for the 2013/14 year is provided. Please refer to Attachment A5.

Attachment A1:

AUDITED FINANCIAL REPORTS

Blayney Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2014

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



Blayney Shire Council

General Purpose Financial Statements

for the financial year ended 30 June 2014

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Overview

(i) These financial statements are General Purpose Financial Statements and cover the consolidated operations for Blayney Shire Council.

(ii) Blayney Shire Council is a body politic of NSW, Australia - being constituted as a Local Government area by proclamation and is duly empowered by the Local Government Act (LGA) 1993 of NSW.

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

- the ability to provide goods, services & facilities, and to carry out activities appropriate to the current & future needs of the local community and of the wider public,
- the responsibility for administering regulatory requirements under the LGA and
- a role in the management, improvement and development of the resources in the area.

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

(iii) All figures presented in these financial statements are presented in Australian Currency.

(iv) These financial statements were authorised for issue by the Council on 13 October 2014. Council has the power to amend and reissue these financial statements.

Blayney Shire Council

General Purpose Financial Statements

for the financial year ended 30 June 2014

Statement by Councillors and Management

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

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

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

To the best of our knowledge and belief, these Financial Statements:

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

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

Signed in accordance with a resolution of Council made on 11 August 2014.



S J Ferguson
MAYOR



A J Ewin
COUNCILLOR



Alan McCormack
ACTING GENERAL MANAGER



C M Hodge
RESPONSIBLE ACCOUNTING OFFICER

Blayney Shire Council

Income Statement

for the financial year ended 30 June 2014

Budget 2014	¹ \$ '000	Notes	Actual 2014	Actual 2013
Income from Continuing Operations				
Revenue:				
7,836	Rates & Annual Charges	3a	7,796	7,457
996	User Charges & Fees	3b	2,018	1,425
426	Interest & Investment Revenue	3c	480	482
272	Other Revenues	3d	213	227
2,902	Grants & Contributions provided for Operating Purposes	3e,f	2,076 ²	3,815
800	Grants & Contributions provided for Capital Purposes	3e,f	2,341	1,636
Other Income:				
-	Net gains from the disposal of assets	5	283	-
	Net Share of interests in Joint Ventures & Associated			
-	Entities using the equity method	19	-	-
13,232	Total Income from Continuing Operations		15,207	15,042
Expenses from Continuing Operations				
5,361	Employee Benefits & On-Costs	4a	4,920	4,951
204	Borrowing Costs	4b	172	155
2,879	Materials & Contracts	4c	3,026	3,357
4,556	Depreciation & Amortisation	4d	4,718	4,627
-	Impairment	4d	-	-
1,485	Other Expenses	4e	2,065	1,843
-	Net Losses from the Disposal of Assets	5	-	24
14,485	Total Expenses from Continuing Operations		14,901	14,957
(1,253)	Operating Result from Continuing Operations		306	85
Discontinued Operations				
-	Net Profit/(Loss) from Discontinued Operations	24	-	-
(1,253)	Net Operating Result for the Year		306	85
(1,253)	Net Operating Result attributable to Council		306	85
-	Net Operating Result attributable to Non-controlling Interests		-	-
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes				
(2,053)			(2,035)	(1,551)

¹ Original Budget as approved by Council - refer Note 16

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

Blayney Shire Council

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

\$ '000	Notes	Actual 2014	Actual 2013
Net Operating Result for the year (as per Income statement)		306	85
Other Comprehensive Income:			
<i>Amounts which will not be reclassified subsequently to the Operating Result</i>			
Gain (loss) on revaluation of I,PP&E	20b (ii)	528	2,558
Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	(24)
Total Items which will not be reclassified subsequently to the Operating Result		528	2,534
<i>Amounts which will be reclassified subsequently to the Operating Result when specific conditions are met</i>			
Nil			
Total Other Comprehensive Income for the year		528	2,534
Total Comprehensive Income for the Year		834	2,619
Total Comprehensive Income attributable to Council		834	2,619
Total Comprehensive Income attributable to Non-controlling Interests		-	-

Blayney Shire Council

Statement of Financial Position as at 30 June 2014

\$ '000	Notes	Actual 2014	Actual 2013
ASSETS			
Current Assets			
Cash & Cash Equivalents	6a	2,181	4,144
Investments	6b	11,000	7,233
Receivables	7	772	642
Inventories	8	768	900
Other	8	18	149
Non-current assets classified as "held for sale"	22	-	-
Total Current Assets		14,739	13,068
Non-Current Assets			
Investments	6b	-	-
Receivables	7	32	61
Inventories	8	-	-
Infrastructure, Property, Plant & Equipment	9	184,665	184,173
Investments accounted for using the equity method	19	-	-
Investment Property	14	-	-
Intangible Assets	25	281	263
Total Non-Current Assets		184,978	184,497
TOTAL ASSETS		199,717	197,565
LIABILITIES			
Current Liabilities			
Payables	10	963	641
Borrowings	10	183	98
Provisions	10	1,812	1,233
Total Current Liabilities		2,958	1,972
Non-Current Liabilities			
Payables	10	113	123
Borrowings	10	2,506	1,710
Provisions	10	52	506
Total Non-Current Liabilities		2,671	2,339
TOTAL LIABILITIES		5,629	4,311
Net Assets		194,088	193,254
EQUITY			
Retained Earnings	20	60,889	60,583
Revaluation Reserves	20	133,199	132,671
Council Equity Interest		194,088	193,254
Non-controlling Interests		-	-
Total Equity		194,088	193,254

Blayney Shire Council

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

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
2014						
Opening Balance (as per Last Year's Audited Accounts)		60,583	132,671	193,254	-	193,254
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/13)		60,583	132,671	193,254	-	193,254
c. Net Operating Result for the Year		306	-	306	-	306
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	528	528	-	528
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-	-	-	-
Other Comprehensive Income		-	528	528	-	528
Total Comprehensive Income (c&d)		306	528	834	-	834
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		60,889	133,199	194,088	-	194,088

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
2013						
Opening Balance (as per Last Year's Audited Accounts)		60,277	130,137	190,414	-	190,414
a. Correction of Prior Period Errors	20 (c)	221	-	221	-	221
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/12)		60,498	130,137	190,635	-	190,635
c. Net Operating Result for the Year		85	-	85	-	85
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	2,558	2,558	-	2,558
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	(24)	(24)	-	(24)
Other Comprehensive Income		-	2,534	2,534	-	2,534
Total Comprehensive Income (c&d)		85	2,534	2,619	-	2,619
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		60,583	132,671	193,254	-	193,254

Blayney Shire Council

Statement of Cash Flows

for the financial year ended 30 June 2014

Budget 2014 \$ '000		Notes	Actual 2014	Actual 2013
Cash Flows from Operating Activities				
Receipts:				
7,793	Rates & Annual Charges		7,831	7,529
1,045	User Charges & Fees		2,014	1,858
425	Investment & Interest Revenue Received		453	436
3,748	Grants & Contributions		4,632	7,723
-	Bonds, Deposits & Retention amounts received		19	10
327	Other		744	643
Payments:				
(5,361)	Employee Benefits & On-Costs		(4,842)	(4,890)
(2,884)	Materials & Contracts		(3,337)	(4,496)
(193)	Borrowing Costs		(135)	(130)
(1,485)	Other		(2,116)	(1,908)
3,415	Net Cash provided (or used in) Operating Activities	11b	5,263	6,775
Cash Flows from Investing Activities				
Receipts:				
233	Sale of Investment Securities		457	-
-	Sale of Real Estate Assets		113	94
-	Sale of Infrastructure, Property, Plant & Equipment		49	189
-	Deferred Debtors Receipts		2	24
Payments:				
-	Purchase of Investment Securities		(4,000)	(7,000)
(5,667)	Purchase of Infrastructure, Property, Plant & Equipment		(4,708)	(2,947)
-	Deferred Debtors & Advances Made		(20)	-
(5,434)	Net Cash provided (or used in) Investing Activities		(8,107)	(9,640)
Cash Flows from Financing Activities				
Receipts:				
876	Proceeds from Borrowings & Advances		1,000	-
Payments:				
(190)	Repayment of Borrowings & Advances		(119)	(93)
686	Net Cash Flow provided (used in) Financing Activities		881	(93)
(1,333)	Net Increase/(Decrease) in Cash & Cash Equivalents		(1,963)	(2,958)
9,171	plus: Cash & Cash Equivalents - beginning of year	11a	4,144	7,102
7,838	Cash & Cash Equivalents - end of the year	11a	2,181	4,144
Additional Information:				
	plus: Investments on hand - end of year	6b	11,000	7,233
	Total Cash, Cash Equivalents & Investments		13,181	11,377

Please refer to Note 11 for additional cash flow information

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

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n/a - not applicable

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

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

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

(a) Basis of preparation

(i) Background

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

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

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

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

Because AASBs are sector neutral, some standards either:

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

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

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

(iii) New and amended standards adopted by Council

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

- AASB 13 Fair Value Measurement
- AASB 119 Employee Benefits

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

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

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

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

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

(iv) Early adoption of Accounting Standards

Council has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2013.

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

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

(v) Basis of Accounting

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

- (i) certain financial assets and liabilities at fair value through profit or loss and available-for-sale financial assets which are all valued at fair value,
- (ii) the write down of any Asset on the basis of Impairment (if warranted) and
- (iii) certain classes of non current assets (eg. Infrastructure, Property, Plant & Equipment and Investment Property) that are accounted for at fair valuation.

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

(vi) Changes in Accounting Policies

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

There have also been no changes in accounting policies when compared with previous financial statements unless otherwise stated.

(vii) Critical Accounting Estimates

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

Accordingly this requires management to exercise its judgement in the process of applying the Council's accounting policies.

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

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

Critical judgements in applying Council's accounting policies

- (i) Impairment of Receivables - Council has made a significant judgement about the impairment of a number of its receivables in Note 7.
- (ii) Projected Section 94 Commitments - Council has used significant judgement in determining future Section 94 income and expenditure in Note 17.

(b) Revenue recognition

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

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

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is measured on major income categories as follows:

Rates, Annual Charges, Grants and Contributions

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

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

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

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

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

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

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 3(g).

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

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

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

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

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

User Charges, Fees and Other Income

User charges, fees and other income (including parking fees and fines) are recognised as revenue

when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

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

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

Sale of Infrastructure, Property, Plant and Equipment

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

Interest and Rents

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

Interest Income from Cash & Investments is accounted for using the effective interest rate at the date that interest is earned.

Other Income

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

(c) Principles of Consolidation

These financial statements incorporate (i) the assets and liabilities of Council and any entities (or operations) that it **controls** (as at 30 June 2014) and (ii) all the related operating results (for the financial year ended the 30th June 2014).

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

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

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

(i) The Consolidated Fund

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

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

The following entities have been included as part of the Consolidated Fund:

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

(ii) The Trust Fund

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

Trust monies and property subject to Council's control have been included in these statements.

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

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

(iii) Joint Ventures

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

(iv) Associated Entities

Where Council has the power to participate in the financial and operating decisions (of another entity), ie. where Council is deemed to have "significant influence" over the other entities operations but neither controls nor jointly controls the entity, then Council accounts for such interests using the equity

method of accounting – in a similar fashion to Joint Venture Entities & Partnerships.

Such entities are usually termed Associates.

(v) County Councils

▪ Upper Macquarie County Council

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

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

▪ Central Tablelands Water County Council

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

- Blayney Shire Council
- Cabonne Council
- Weddin Shire Council

The governing body of each County Council is responsible for managing its own affairs.

Council is of the opinion that it neither controls nor significantly influences the above County Councils and accordingly these entities have not been consolidated or otherwise included within these financial statements.

(vi) Additional Information

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

(d) Leases

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

Finance Leases

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

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments.

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

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

The interest element of the finance charge is costed to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

Operating Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Lease income from operating leases is recognised in income on a straight-line basis over the lease term.

(e) Cash and Cash Equivalents

For Statement of Cash Flows (and Statement of Financial Position) presentation purposes, cash and cash equivalents includes;

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

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

(f) Investments and Other Financial Assets

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

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

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

Management determines each Investment classification at the time of initial recognition and re-evaluates this designation at each reporting date.

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

Financial assets at fair value through profit or loss include financial assets that are "held for trading".

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

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

(ii) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market.

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

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

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

(iii) Held-to-maturity investments

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

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

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

(iv) Available-for-sale financial assets

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

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

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

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

Financial Assets – Reclassification

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

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

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

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

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

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

General Accounting & Measurement of Financial Instruments:

(i) Initial Recognition

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

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

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

(ii) Subsequent Measurement

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

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

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

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

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

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

Impairment

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

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

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

(iii) Types of Investments

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

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

Council maintains its investment Policy in compliance with the Act and ensures that it or its representatives exercise care, diligence and skill that a prudent person would exercise in investing Council funds.

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

(g) Fair value estimation

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

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

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques.

Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.

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

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

These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

(h) Receivables

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

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

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

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

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

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

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

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

(i) Inventories

Raw Materials and Stores, Work in Progress and Finished Goods

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

Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity.

Costs are assigned to individual items of inventory on the basis of weighted average costs.

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

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

Land Held for Resale/Capitalisation of Borrowing Costs

Land held for resale is stated at the lower of cost and net realisable value.

Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development.

When development is completed borrowing costs and other holding charges are expensed as incurred.

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made.

Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

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

Acquisition of assets

Council's non current assets are continually revalued (over a 5 year period) in accordance with the fair valuation policy as mandated by the Office of Local Government.

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

- **Sewerage Networks**
(External Valuation)

Blayney Shire Council

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

Note 1. Summary of Significant Accounting Policies

- **Operational Land** (External Valuation)
- **Buildings – Specialised/Non Specialised** (External Valuation)
- **Plant and Equipment** (as approximated by depreciated historical cost)
- **Roads Assets incl. roads, bridges & footpaths** (Internal Valuation)
- **Drainage Assets** (Internal Valuation)
- **Bulk Earthworks** (Internal Valuation)
- **Community Land** (Internal Valuation)
- **Land Improvements** (Internal Valuation)
- **Other Structures** (Internal Valuation)
- **Other Assets** (as approximated by depreciated historical cost)

Initial Recognition

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

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

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

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

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow

to Council and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Asset Revaluations (including Indexation)

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

- Increases in the combined carrying amounts of asset classes arising on revaluation are credited to the asset revaluation reserve.
- To the extent that a net asset class increase reverses a decrease previously recognised via the profit or loss, then increase is first recognised in profit or loss.
- Net decreases that reverse previous increases of the same asset class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset, with all other decreases charged to the Income statement.

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

For all other assets, Council assesses at each reporting date whether there is any indication that a revalued asset's carrying amount may differ materially from that which would be determined if the asset were revalued at the reporting date.

If any such indication exists, Council determines the asset's fair value and revalues the asset to that amount.

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

Capitalisation Thresholds

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

Land

- council land 100% Capitalised

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

- open space 100% Capitalised

Plant & Equipment

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

Buildings & Land Improvements

Park Furniture & Equipment > \$2,000

Building
- construction/extensions 100% Capitalised
- renovations > \$5,000

Other Structures > \$2,000

Sewer Assets

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

Stormwater Assets

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

Transport Assets

Road construction & reconstruction 100% Capitalised
Reseal/Re-sheet & major repairs: > \$10,000

Bridge construction & reconstruction 100% Capitalised

Other Equipment

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

Buildings

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

Stormwater Drainage

- Drains 80 to 100 years
- Culverts 50 to 80 years

Transportation Assets

- Sealed Roads: Surface 20 years
- Sealed Roads: Structure 50 years
- Unsealed roads 20 years

- Bridge: Concrete 100 years
- Bridge: Other 50 years

- Road Pavements 60 years
- Kerb, Gutter & Paths 40 years

Sewer Assets

- Reticulation pipes: PVC 80 years
- Reticulation pipes: Other 25 to 75 years
- Pumps and telemetry 15 to 20 years

Other Infrastructure Assets

- Bulk earthworks Infinite

Depreciation

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

Land is not depreciated.

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

Plant & Equipment

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

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

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

Disposal and De-recognition

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

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

asset) is included in Council's Income Statement in the year the asset is derecognised.

(k) Land

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

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

(l) Land under roads

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

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

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

(m) 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 bases over periods generally ranging from 3 to 5 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.

(n) Crown Reserves

Crown Reserves under Council's care and control are recognised as assets of the Council.

While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated.

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

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

(o) Rural Fire Service assets

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

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

Until such time as discussions on this matter have concluded and the legislation changed, Council will continue to account for these assets as it has been doing in previous years, which is to incorporate the assets, their values and depreciation charges within these financial statements.

(p) Investment property

Council does not hold any investment property.

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

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

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

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

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

Costs are estimated on the basis of a closure plan.

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

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

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

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

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

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

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

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

Provision is made for the estimated present value of the costs of environmental clean up obligations outstanding at the balance sheet date.

These costs are charged to the income statement.

Movements in the environmental clean up provisions are presented as an operating cost, except for the 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.

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

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

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

either (i) their carrying amount and (ii) fair value less costs to sell, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

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

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

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

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

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

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

(s) Impairment of assets

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

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

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

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

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

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

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

(t) Payables

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

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

(u) Borrowings

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

Borrowings are subsequently measured at amortised cost.

Amortisation results in any difference between the proceeds (net of transaction costs) and the redemption amount being recognised in the Income Statement over the period of the borrowings using the effective interest method.

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

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

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

(v) Borrowing costs

Borrowing costs are expensed.

(w) Provisions

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

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

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date.

The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

The increase in the provision due to the passage of time is recognised as interest expense.

(x) Employee benefits

(i) Short Term Obligations

Short term employee benefit obligations include liabilities for wages and salaries (including non-monetary benefits), annual leave and vesting sick

leave expected to be wholly settled within the 12 months after the reporting period.

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

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

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

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

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

(ii) Other Long Term Obligations

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

These liabilities are measured at the present value of the expected future payments to be made using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are then discounted using market yields at the reporting date based on national government bonds with terms to maturity and currency that match as closely as possible the estimated future cash outflows.

Due to the nature of when and how Long Service Leave can be taken, all Long Service Leave for employees with 4 or more years of service has been classified as Current, as it has been deemed that Council does not have the unconditional right to defer settlement beyond 12 months – even though it is not anticipated that all employees with more than 4 years

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

service (as at reporting date) will apply for and take their leave entitlements in the next 12 months.

(iii) Retirement benefit obligations

All employees of the Council are entitled to benefits on retirement, disability or death.

Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

Defined Benefit Plans

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

The present value of the defined benefit obligation is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

However, when this information is not reliably available, Council can account for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans – i.e. as an expense when they become payable.

Council is party to an Industry Defined Benefit Plan under the Local Government Superannuation Scheme, named the "Local Government Superannuation Scheme – Pool B"

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

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

The last valuation of the Scheme was performed by Mr Martin Stevenson BSc, FIA, FIAA on 21/02/2013 and covered the period ended 30/06/2013.

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

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

The amount of employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense and disclosed as part of Superannuation Expenses at Note 4(a) for the year ending 30 June 2014 was \$168,868.

The amount of additional contributions included in the total employer contribution advised above is \$80,420.

The share of this deficit that can be broadly attributed to Council is estimated to be in the order of \$321,680 as at 30 June 2014.

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

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

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

Defined Contribution Plans

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

(iv) Employee Benefit On-Costs

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

These amounts include Superannuation and Workers Compensation expenses which will be payable upon

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

the future payment of certain Leave Liabilities accrued as at 30/6/14.

(y) Self insurance

Council does not self insure.

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

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

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

Exceptions

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

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

(aa) Taxes

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

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

Goods & Services Tax (GST)

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

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

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

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

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

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

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

(ab) New accounting standards and interpretations

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

Council has not adopted any of these standards early.

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

Applicable to Local Government with implications:

AASB 9 Financial Instruments, associated standards, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and transitional disclosures and AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments (effective from 1 January 2017)

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

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

The standard is not applicable until 1 January 2015 but is available for early adoption.

When adopted, the standard will affect in particular Council's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading.

Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss although there is currently a proposal by the IASB to introduce a Fair value through Other Comprehensive Income category for debt instruments.

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

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

The Council has not yet fully assessed the impact on the reporting financial position and performance on adoption of AASB 9.

Applicable to Local Government but no implications for Council;

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

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

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

AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised

AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (effective for 30 June 2015 Financial Statements for not-for-profit entities)

This suite of five new and amended standards address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

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

The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities.

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

Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both.

Control exists when the investor can use its power to affect the amount of its returns.

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

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

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

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

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

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 1. Summary of Significant Accounting Policies

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

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

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

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

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128.

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

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa.

The amendments also introduce a "partial disposal" concept.

Council is still assessing the impact of these amendments.

Council does not expect to adopt the new standards before their operative date.

They would therefore be first applied in the financial statements for the annual reporting period ending 30 June 2015.

Not applicable to Local Government per se;

None

There are no other standards that are "not yet effective" and expected to have a material impact on

Council in the current or future reporting periods and on foreseeable future transactions.

(ac) Rounding of amounts

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

(ad) Comparative Figures

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

(ae) Disclaimer

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

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

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

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 2(b).												
	Income from Continuing Operations			Expenses from Continuing Operations			Operating Result from Continuing Operations			Grants included in Income from Continuing Operations		Total Assets held (Current & Non-current)	
	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Actual	Actual	Actual	Actual
	2014	2014	2013	2014	2014	2013	2014	2014	2013	2014	2013	2014	2013
Governance	-	14	-	477	459	410	(477)	(445)	(410)	-	-	-	962
Administration	123	547	244	3,406	2,968	3,287	(3,283)	(2,421)	(3,043)	51	-	15,464	7,891
Public Order & Safety	16	66	70	540	448	418	(524)	(382)	(348)	-	-	1,152	1,457
Health	27	16	12	489	55	188	(462)	(39)	(176)	-	-	-	123
Environment	927	1,159	869	1,097	1,229	1,039	(170)	(70)	(170)	262	26	4,440	4,000
Community Services & Education	37	8	51	122	30	98	(85)	(22)	(47)	6	15	63	648
Housing & Community Amenities	177	186	203	388	461	539	(211)	(275)	(336)	22	29	24	25
Sewerage Services	1,238	1,609	1,245	1,912	993	1,055	(674)	616	190	54	16	24,978	24,086
Recreation & Culture	494	846	660	899	2,613	2,331	(405)	(1,767)	(1,671)	198	33	17,355	14,162
Mining, Manufacturing & Construction	227	428	166	125	492	126	102	(64)	40	-	-	245	254
Transport & Communication	1,951	4,614	4,805	4,881	4,856	5,283	(2,930)	(242)	(478)	1,113	2,468	134,843	143,082
Economic Affairs	69	155	147	149	297	183	(80)	(142)	(36)	-	-	1,153	875
Total Functions & Activities	5,286	9,648	8,472	14,485	14,901	14,957	(9,199)	(5,253)	(6,485)	1,706	2,587	199,717	197,565
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)	-	-	-	-	-	-	-	-	-	-	-	-	-
General Purpose Income ¹	7,946	5,559	6,570	-	-	-	7,946	5,559	6,570	1,240	2,345	-	-
Operating Result from Continuing Operations	13,232	15,207	15,042	14,485	14,901	14,957	(1,253)	306	85	2,946	4,932	199,717	197,565

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

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 2(b). Council Functions / Activities - Component Descriptions

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

GOVERNANCE

Costs relating to the Council's role as a component of democratic government, including elections, members' fees and expenses, subscriptions to local authority associations, meetings of council and policy making committees, area representation and public disclosure and compliance.

ADMINISTRATION

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

PUBLIC ORDER & SAFETY

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

HEALTH

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

ENVIRONMENT

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

COMMUNITY SERVICES & EDUCATION

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

HOUSING & COMMUNITY AMENITIES

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

SEWERAGE SERVICES

Activities relating to the monitoring, reduction, collection, reticulation and treatment of all waste water.

RECREATION & CULTURE

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

MINING, MANUFACTURING & CONSTRUCTION

Building control, abattoirs, quarries & pits, other.

TRANSPORT & COMMUNICATION

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

ECONOMIC AFFAIRS

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

Blayney Shire Council

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

Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2014	Actual 2013
(a) Rates & Annual Charges			
Ordinary Rates			
Residential		1,345	1,349
Farmland		1,750	1,689
Mining		672	652
Business		263	244
Total Ordinary Rates		4,030	3,934
Special Rates			
Community Centre Refurbishment		275	275
Mining Special Rate		1,620	1,567
Total Special Rates		1,895	1,842
Annual Charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic Waste Management Services		845	756
Sewerage Services		1,026	925
Total Annual Charges		1,871	1,681
TOTAL RATES & ANNUAL CHARGES		7,796	7,457

Council has used 2012 year valuations provided by the NSW Valuer General in calculating its rates.

Blayney Shire Council

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

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2014	Actual 2013
(b) User Charges & Fees			
Specific User Charges (per s.502 - Specific "actual use" charges)			
Sewerage Services		132	94
Total User Charges		132	94
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s.608)			
Building Regulation		197	192
Private Works - Section 67		70	136
Section 149 Certificates (EPA Act)		16	18
Section 603 Certificates		12	12
Other		4	4
Total Fees & Charges - Statutory/Regulatory		299	362
(ii) Fees & Charges - Other (incl. General User Charges) (per s.608)			
Cemeteries		46	38
Lease Rentals		304	37
Leaseback Fees - Council Vehicles		50	44
Multipurpose Centre		324	313
Quarry Revenues		325	72
RMS (formerly RTA) Charges (State Roads not controlled by Council)		486	346
Waste Disposal Tipping Fees		46	79
Other		6	40
Total Fees & Charges - Other		1,587	969
TOTAL USER CHARGES & FEES		2,018	1,425

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2014	Actual 2013
(c) Interest & Investment Revenue (incl. losses)			
Interest & Dividends			
- Interest on Overdue Rates & Annual Charges (incl. Special Purpose Rates)		31	39
- Interest earned on Investments (interest & coupon payment income)		449	443
<u>TOTAL INTEREST & INVESTMENT REVENUE</u>		<u>480</u>	<u>482</u>
Interest Revenue is attributable to:			
Unrestricted Investments/Financial Assets:			
Overdue Rates & Annual Charges (General Fund)		31	37
General Council Cash & Investments		258	254
Restricted Investments/Funds - External:			
Development Contributions			
- Section 94		34	23
- Section 64		44	29
Sewerage Fund Operations		113	139
<u>Total Interest & Investment Revenue Recognised</u>		<u>480</u>	<u>482</u>
(d) Other Revenues			
Rental Income - Other Council Properties		9	10
Legal Fees Recovery - Other		23	12
Commissions & Agency Fees		-	3
Diesel Rebate		43	50
Insurance Claim Recoveries		13	80
Sale of Abandoned Vehicles		-	1
Sewer Monitoring		-	22
Insurance Rebates		88	-
Other		37	49
<u>TOTAL OTHER REVENUE</u>		<u>213</u>	<u>227</u>

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 3. Income from Continuing Operations (continued)

\$ '000	2014 Operating	2013 Operating	2014 Capital	2013 Capital
(e) Grants				
General Purpose (Untied)				
Financial Assistance - General Component ¹	797	1,549	-	-
Financial Assistance - Local Roads Component ¹	389	741	-	-
Pensioners' Rates Subsidies - General Component	54	55	-	-
Total General Purpose	1,240	2,345	-	-

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

Specific Purpose

Pensioners' Rates Subsidies:

- Sewerage	16	16	-	-
- Domestic Waste Management	24	26	-	-
Sewerage Services	-	-	38	-
Aged Care	5	-	-	-
Community Care	-	14	-	-
Heritage & Cultural	7	13	-	-
Library	48	33	-	-
Recreation & Culture	-	-	150	-
Street Lighting	-	16	-	-
Transport (Roads to Recovery)	-	10	505	470
Transport (Other Roads & Bridges Funding)	94	939	514	1,049
Youth Services	1	1	-	-
Domestic Waste	238	-	-	-
Energy Efficiency	-	-	51	-
Town Planning	-	-	15	-
Total Specific Purpose	433	1,068	1,273	1,519
Total Grants	1,673	3,413	1,273	1,519

Grant Revenue is attributable to:

- Commonwealth Funding	1,186	2,301	505	-
- State Funding	487	172	768	-
- Other Funding	-	940	-	1,519
	1,673	3,413	1,273	1,519

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 3. Income from Continuing Operations (continued)

\$ '000	2014 Operating	2013 Operating	2014 Capital	2013 Capital
(f) Contributions				
Developer Contributions:				
(s93 & s94 - EP&A Act, s64 of the LGA):				
S 94 - Contributions towards amenities/services	-	-	23	91
S 64 - Sewerage Service Contributions	-	-	12	11
Total Developer Contributions 17	-	-	35	102
Other Contributions:				
Bushfire Services	57	57	-	-
LIRS Subsidy	10	-	-	-
Recreation & Culture	-	-	7	15
Roads & Bridges	10	42	-	-
RMS Contributions (Regional Roads, Block Grant)	305	288	-	-
Voluntary Planning Agreement	-	-	1,000	-
Other	21	15	26	-
Total Other Contributions	403	402	1,033	15
Total Contributions	403	402	1,068	117
TOTAL GRANTS & CONTRIBUTIONS	2,076	3,815	2,341	1,636

\$ '000	Actual 2014	Actual 2013
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(g) Restrictions relating to Grants and Contributions

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

Unexpended at the Close of the Previous Reporting Period	1,431	1,347
add: Grants & contributions recognised in the current period but not yet spent:	1,472	258
less: Grants & contributions recognised in a previous reporting period now spent:	(177)	(174)
Net Increase (Decrease) in Restricted Assets during the Period	1,295	84
Unexpended and held as Restricted Assets	2,726	1,431
Comprising:		
- Specific Purpose Unexpended Grants	1,421	239
- Developer Contributions	1,305	1,192
	2,726	1,431

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2014	Actual 2013
(a) Employee Benefits & On-Costs			
Salaries and Wages		3,828	3,846
Travelling		13	64
Employee Leave Entitlements (ELE)		572	450
Superannuation		491	463
Workers' Compensation Insurance		81	135
Fringe Benefit Tax (FBT)		57	51
Training Costs (other than Salaries & Wages)		89	100
Sick Leave Insurance		7	6
Protective Clothing		19	14
Other		41	25
Total Employee Costs		5,198	5,154
less: Capitalised Costs		(278)	(203)
TOTAL EMPLOYEE COSTS EXPENSED		4,920	4,951
Number of "Equivalent Full Time" Employees at year end		70	66
(b) Borrowing Costs			
(i) Interest Bearing Liability Costs			
Interest on Loans		145	130
Total Interest Bearing Liability Costs Expensed		145	130
(ii) Other Borrowing Costs			
Discount adjustments relating to movements in Provisions (other than ELE)			
- Remediation Liabilities	26	27	25
Total Other Borrowing Costs		27	25
TOTAL BORROWING COSTS EXPENSED		172	155
(c) Materials & Contracts			
Raw Materials & Consumables		2,904	3,261
Auditors Remuneration ⁽¹⁾		24	26
Legal Expenses:			
- Legal Expenses: Planning & Development		18	2
- Legal Expenses: Debt Recovery		21	44
- Legal Expenses: Other		42	7
Operating Leases:			
- Operating Lease Rentals: Minimum Lease Payments ⁽²⁾		17	17
TOTAL MATERIALS & CONTRACTS		3,026	3,357

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2014	Actual 2013
(c) Materials & Contracts (continued)			
1. Auditor Remuneration			
During the year, the following fees were incurred for services provided by the Council's Auditor (& the Auditors of other Consolidated Entities):			
(i) Audit and Other Assurance Services			
- Audit & review of financial statements: Council's Auditor		24	26
Remuneration for audit and other assurance services		24	26
Total Auditor Remuneration		24	26
2. Operating Lease Payments are attributable to:			
Other		17	17
		17	17

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2014	Actual 2013	Actual 2014	Actual 2013
Plant and Equipment		-	-	704	701
Office Equipment		-	-	61	74
Furniture & Fittings		-	-	23	23
Land Improvements (depreciable)		-	-	383	383
Buildings - Non Specialised		-	-	115	106
Buildings - Specialised		-	-	537	559
Infrastructure:					
- Roads		-	24	1,904	1,849
- Bridges		-	-	260	261
- Footpaths		-	-	51	49
- Stormwater Drainage		-	-	57	57
- Sewerage Network		-	-	463	454
- Other Open Space/Recreational Assets		-	-	82	81
Asset Reinstatement Costs	9 & 26	-	-	15	13
Intangible Assets	25	-	-	63	17
Total Depreciation & Impairment Costs		-	24	4,718	4,627
less: Impairments (to)/from ARR [Equity]	9a	-	(24)	-	-
TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED		-	-	4,718	4,627

Blayney Shire Council

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

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2014	Actual 2013
(e) Other Expenses			
Other Expenses for the year include the following:			
Advertising		25	28
Bank Charges		21	20
Cleaning		42	71
Contributions/Levies to Other Levels of Government			
- Emergency Services Levy (includes FRNSW, SES, and RFS Levies)		34	50
- NSW Fire Brigade Levy		140	124
Councillor Expenses - Mayoral Fee		23	22
Councillor Expenses - Councillors' Fees		73	71
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		3	14
Donations, Contributions & Assistance to other organisations (Section 356)		306	324
- Contributions to Central West Libraries		119	108
- Contribution to Upper Macquarie County Council		65	62
Election Expenses		-	51
Electricity & Heating		266	264
Insurance		353	239
Postage		16	13
Printing & Stationery		36	32
Street Lighting		102	143
Subscriptions & Publications		188	67
Telephone & Communications		46	40
Valuation Fees		29	26
Water Charges		108	37
Other		70	37
<u>TOTAL OTHER EXPENSES</u>		<u>2,065</u>	<u>1,843</u>

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 5. Gains or Losses from the Disposal of Assets

\$ '000	Notes	Actual 2014	Actual 2013
Plant & Equipment			
Proceeds from Disposal - Plant & Equipment		49	168
less: Carrying Amount of P&E Assets Sold / Written Off		(7)	(192)
Net Gain/(Loss) on Disposal		42	(24)
Real Estate Assets Held For Sale			
Proceeds from Disposal - Real Estate Assets		113	-
less: Carrying Amount of Real Estate Assets Sold / Written Off		(96)	-
Net Gain/(Loss) on Disposal		17	-
Financial Assets*			
Proceeds from Disposal / Redemptions / Maturities - Financial Assets		457	-
less: Carrying Amount of Financial Assets Sold / Redeemed / Matured		(233)	-
Net Gain/(Loss) on Disposal		224	-
<u>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</u>		<u>283</u>	<u>(24)</u>
* Financial Assets disposals / redemptions include:			
- Net Gain/(Loss) from Financial Instruments designated "Held to Maturity"		224	-
Net Gain/(Loss) on Disposal of Financial Instruments		224	-

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

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

		2014	2014	2013	2013
		Actual	Actual	Actual	Actual
\$ '000	Notes	Current	Non Current	Current	Non Current
Cash & Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		1,181	-	644	-
Cash-Equivalent Assets ¹					
- Short Term Deposits		1,000	-	3,500	-
Total Cash & Cash Equivalents		2,181	-	4,144	-
Investments (Note 6b)					
- Long Term Deposits		11,000	-	7,000	-
- CDO's		-	-	233	-
Total Investments		11,000	-	7,233	-
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS		13,181	-	11,377	-

¹ Those Investments where time to maturity is < 3 mths.

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

Cash & Cash Equivalents

a. "At Fair Value through the Profit & Loss"	2,181	-	4,144	-
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Investments

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

- "Held for Trading"	6(b-i)	-	-	-	-
- "Designated at Fair Value on Initial Recognition"	6(b-i)	-	-	-	-
b. "Held to Maturity"	6(b-ii)	-	-	233	-
c. "Loans & Receivables"	6(b-iii)	11,000	-	7,000	-
d. "Available for Sale"	6(b-iv)	-	-	-	-
Investments		11,000	-	7,233	-

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

Blayney Shire Council

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

Note 6b. Investments (continued)

	2014 Actual Current	2014 Actual Non Current	2013 Actual Current	2013 Actual Non Current
\$ '000				
Note 6(b-i)				
Reconciliation of Investments classified as "At Fair Value through the Profit & Loss"				
Nil				
 Note 6(b-ii)				
Reconciliation of Investments classified as "Held to Maturity"				
Balance at the Beginning of the Year	233	-	-	233
Disposals (sales & redemptions)	(233)	-	-	-
Transfers between Current/Non Current	-	-	233	(233)
Balance at End of Year	-	-	233	-
 Comprising:				
- CDO's	-	-	233	-
Total	-	-	233	-
 Note 6(b-iii)				
Reconciliation of Investments classified as "Loans & Receivables"				
Balance at the Beginning of the Year	7,000	-	-	-
Additions	4,000	-	7,000	-
Balance at End of Year	11,000	-	7,000	-
 Comprising:				
- Long Term Deposits	11,000	-	7,000	-
Total	11,000	-	7,000	-
 Note 6(b-iv)				
Reconciliation of Investments classified as "Available for Sale"				
Nil				

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

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

	2014 Actual Current	2014 Actual Non Current	2013 Actual Current	2013 Actual Non Current
\$ '000				
Total Cash, Cash Equivalents and Investments	13,181	-	11,377	-
attributable to:				
External Restrictions (refer below)	6,875	-	4,844	-
Internal Restrictions (refer below)	6,306	-	6,530	-
Unrestricted	-	-	3	-
	13,181	-	11,377	-

2014 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
-----------------	--------------------	------------------------------	--------------------------------	--------------------

Details of Restrictions

External Restrictions - Included in Liabilities

Nil

External Restrictions - Other

Developer Contributions - General (D)	534	58	(1)	591
Developer Contributions - Sewer Fund (D)	658	56	-	714
Specific Purpose Unexpended Grants (F)	235	1,182	-	1,417
Specific Purpose Unexpended Grants-Sewer Fund (F)	4	-	-	4
Sewerage Services (G)	2,817	881	-	3,698
Rates - Special Variation Community Centre	88	-	(67)	21
Rates - Special Variation Mining	508	-	(78)	430
External Restrictions - Other	4,844	2,177	(146)	6,875
Total External Restrictions	4,844	2,177	(146)	6,875

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

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

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

Blayney Shire Council

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

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

2014 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
Internal Restrictions				
Plant & Vehicle Replacement	1,751	-	(92)	1,659
Employees Leave Entitlement	564	-	-	564
Asset Replacement Reserve	1,670	706	-	2,376
Blayney Town Works	185	-	-	185
Cemeteries	6	-	-	6
Construction of Buildings	8	-	-	8
Election Reserve	12	16	-	28
Financial Assistance Grant	1,192	-	(1,192)	-
Golden Gully	23	-	-	23
Grant Matching Reserve	25	-	-	25
Inala Units	12	35	-	47
I.T Reserve	40	-	-	40
Local Museums	15	-	-	15
Multipurpose Centre	163	90	-	253
Property Account	468	-	(11)	457
Quarry	330	20	-	350
Showground Improvement Fund	6	-	-	6
Tourism Promotion Fund	60	154	-	214
Waste	-	50	-	50
Total Internal Restrictions	6,530	1,071	(1,295)	6,306
TOTAL RESTRICTIONS	11,374	3,248	(1,441)	13,181

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 7. Receivables

\$ '000	Notes	2014		2013	
		Current	Non Current	Current	Non Current
Purpose					
Rates & Annual Charges		306	27	340	28
Interest & Extra Charges		43	21	34	67
User Charges & Fees		198	-	135	-
Private Works		85	107	59	107
Accrued Revenues					
- Interest on Investments		135	-	71	-
Government Grants & Subsidies		1	-	1	-
Deferred Debtors		4	18	2	2
Total		772	173	642	204
less: Provision for Impairment					
Rates & Annual Charges		-	(18)	-	(18)
Interest & Extra Charges		-	(7)	-	(7)
Other Debtors		-	(116)	-	(118)
Total Provision for Impairment - Receivables		-	(141)	-	(143)
<u>TOTAL NET RECEIVABLES</u>		<u>772</u>	<u>32</u>	<u>642</u>	<u>61</u>
Externally Restricted Receivables					
Sewerage Services					
- Rates & Availability Charges		83	-	78	-
Total External Restrictions		83	-	78	-
Internally Restricted Receivables					
Nil					
Unrestricted Receivables		689	32	564	61
TOTAL NET RECEIVABLES		772	32	642	61

Notes on Debtors above:

- (i) Rates & Annual Charges Outstanding are secured against the property.
- (ii) Doubtful Rates Debtors are provided for where the value of the property is less than the debt outstanding.
An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.
- (iii) Interest was charged on overdue rates & charges at 9.00% (2013 10.00%).
Generally all other receivables are non interest bearing.
- (iv) Please refer to Note 15 for issues concerning Credit Risk and Fair Value disclosures.

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 8. Inventories & Other Assets

\$ '000	Notes	2014		2013	
		Current	Non Current	Current	Non Current
Inventories					
Real Estate for resale (refer below)		459	-	554	-
Stores & Materials		76	-	108	-
Trading Stock		233	-	238	-
Total Inventories		768	-	900	-
Other Assets					
Prepayments		16	-	149	-
Work In Progress		2	-	-	-
Total Other Assets		18	-	149	-
<u>TOTAL INVENTORIES / OTHER ASSETS</u>		786	-	1,049	-

Externally Restricted Assets

There are no restrictions applicable to the above assets.

(i) Other Disclosures

(a) Details for Real Estate Development

Residential	-	-	95	-
Industrial/Commercial	459	-	459	-
Total Real Estate for Resale	459	-	554	-

(Valued at the lower of cost and net realisable value)

Represented by:

Acquisition Costs	459	-	554	-
Total Costs	459	-	554	-
Total Real Estate for Resale	459	-	554	-

Movements:

Real Estate assets at beginning of the year	554	-	554	-
- Purchases and other costs	1	-	-	-
- WDV of Sales (exp)	(96)	-	-	-
Total Real Estate for Resale	459	-	554	-

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

The following Inventories & Other Assets, even though classified as current are not expected to be recovered in the next 12 months;

	2014	2013
Real Estate for Resale	459	554
	459	554

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

- Stores & Materials	487	639
- Trading Stock	305	542

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

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

Note 9a. Infrastructure, Property, Plant & Equipment

\$ '000	as at 30/6/2013					Asset Movements during the Reporting Period				as at 30/6/2014				
	At	At	Accumulated		Carrying	Asset Additions	WDV of Asset Disposals	Depreciation Expense	Revaluation Increments to Equity (ARR)	At	At	Accumulated		Carrying
	Cost	Fair Value	Dep'n	Impairment	Value					Cost	Fair Value	Dep'n	Impairment	Value
Plant & Equipment	-	10,144	7,444	-	2,700	683	(7)	(704)	-	-	10,593	7,921	-	2,672
Office Equipment	-	574	401	-	173	37	-	(61)	-	-	611	462	-	149
Furniture & Fittings	-	373	318	-	55	83	-	(23)	-	-	456	341	-	115
Land:														
- Operational Land	-	1,467	-	-	1,467	-	-	-	-	-	1,467	-	-	1,467
- Community Land	-	4,122	-	-	4,122	-	-	-	-	-	4,122	-	-	4,122
Land Improvements - depreciable	-	6,654	2,716	-	3,938	-	-	(383)	-	-	6,654	3,099	-	3,555
Buildings - Non Specialised	-	3,557	1,455	-	2,102	184	-	(115)	-	-	3,741	1,570	-	2,171
Buildings - Specialised	-	17,652	6,920	-	10,732	-	-	(537)	-	-	17,652	7,457	-	10,195
Infrastructure:														
- Roads	-	142,235	35,154	-	107,081	1,352	-	(1,904)	-	-	143,587	37,058	-	106,529
- Bridges	-	20,970	7,117	24	13,829	1,787	-	(260)	-	-	22,757	7,377	24	15,356
- Footpaths	-	4,046	1,631	-	2,415	124	-	(51)	-	-	4,170	1,682	-	2,488
- Bulk Earthworks (non-depreciable)	-	10,466	-	-	10,466	-	-	-	-	-	10,466	-	-	10,466
- Stormwater Drainage	-	5,691	1,607	-	4,084	254	-	(57)	-	-	5,946	1,665	-	4,281
- Sewerage Network	-	26,707	7,490	-	19,217	122	-	(463)	528	-	27,580	8,176	-	19,404
- Other Open Space/Recreational Assets	-	2,562	915	-	1,647	-	-	(82)	-	-	2,562	997	-	1,565
Reinstatement, Rehabilitation & Restoration Assets (refer Note 26):														
- Tip Assets	-	225	100	-	125	-	-	(13)	-	-	224	112	-	112
- Quarry Assets	-	37	17	-	20	-	-	(2)	-	-	37	19	-	18
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP.	-	257,482	73,285	24	184,173	4,626	(7)	(4,655)	528	-	262,625	77,936	24	184,665

Additions to Buildings & Infrastructure Assets are made up of Asset Renewals (\$3699K) and New Assets (\$124K).
Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

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

Blayney Shire Council

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

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

\$ '000 Class of Asset	Actual 2014				Actual 2013			
	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value
Sewerage Services								
Plant & Equipment	-	234	114	120	-	234	94	140
Land								
- Community Land	-	238	-	238	-	238	-	238
Buildings	-	338	81	257	-	338	71	267
Infrastructure	-	27,580	8,174	19,406	-	26,707	7,490	19,217
Total Sewerage Services	-	28,390	8,369	20,021	-	27,517	7,655	19,862
Domestic Waste Management								
Land								
- Community Land	-	160	-	160	-	160	-	160
Total DWM	-	160	-	160	-	160	-	160
TOTAL RESTRICTED I,PP&E	-	28,550	8,369	20,181	-	27,677	7,655	20,022

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

(i) Impairment Losses recognised direct to Equity (ARR):

Cowriga Creek Bridge - Failed and Closed	-	(17)
Snake Creek Bridge - Failed and Closed	-	(7)
Total Impairment Losses	-	(24)
IMPAIRMENT of ASSETS - DIRECT to EQUITY (ARR)	20 (ii) -	(24)

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 10a. Payables, Borrowings & Provisions

\$ '000	Notes	2014		2013	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services - operating expenditure		663	-	392	
Payments Received In Advance		111	-	124	-
Accrued Expenses:					
- Borrowings		19	-	9	-
- Other Expenditure Accruals		30	1	43	2
Security Bonds, Deposits & Retentions		72	112	44	121
ATO - Net GST Payable		67	-	29	-
Other		1	-	-	-
Total Payables		963	113	641	123
Borrowings					
Loans - Secured ¹		183	2,506	98	1,710
Total Borrowings		183	2,506	98	1,710
Provisions					
Employee Benefits;					
Annual Leave		336	-	347	-
Long Service Leave		929	50	819	61
ELE On-Costs		78	2	67	3
Sub Total - Aggregate Employee Benefits		1,343	52	1,233	64
Asset Remediation/Restoration (Future Works)	26	469	(0)	-	442
Total Provisions		1,812	52	1,233	506
Total Payables, Borrowings & Provisions		2,958	2,671	1,972	2,339

(i) Liabilities relating to Restricted Assets

	2014		2013	
	Current	Non Current	Current	Non Current
Externally Restricted Assets				
Sewer	60	880	56	927
Liabilities relating to externally restricted assets	60	880	56	927
Internally Restricted Assets				
Nil				
Total Liabilities relating to restricted assets	60	880	56	927
Total Liabilities relating to Unrestricted Assets	2,898	1,791	1,916	1,412
TOTAL PAYABLES, BORROWINGS & PROVISIONS	2,958	2,671	1,972	2,339

¹. Loans are secured over the General Rating Income of Council

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

Blayney Shire Council

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

Note 10a. Payables, Borrowings & Provisions (continued)

	Actual 2014	Actual 2013
\$ '000		
(ii) Current Liabilities not anticipated to be settled within the next 12 months		
The following Liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions - Employees Benefits	1,096	909
Payables - Security Bonds, Deposits & Retentions	28	34
	1,124	943

Note 10b. Description of and movements in Provisions

Class of Provision	2013	2014				
	Opening Balance as at 1/7/13	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	Closing Balance as at 30/6/14
Annual Leave	347	313	(324)	-	-	336
Long Service Leave	880	146	(47)	-	-	979
ELE On-Costs	70	10	-	-	-	80
Asset Remediation	442	1	-	26	-	469
TOTAL	1,739	470	(371)	26	-	1,864

- a. Employees Leave Entitlements & On-Costs represents those benefits accrued and payable and an estimate of those that will become payable in the future as a result of past service.
- b. Asset Remediation, Reinstatement & Restoration Provisions represent the Present Value estimate of future costs Council will incur in order to remove, restore & remediate assets &/or activities as a result of past operations.

Blayney Shire Council

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

Note 11. Statement of Cash Flows - Additional Information

\$ '000	Notes	Actual 2014	Actual 2013
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	2,181	4,144
Less Bank Overdraft	10	-	-
BALANCE as per the STATEMENT of CASH FLOWS		2,181	4,144
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		306	85
Adjust for non cash items:			
Depreciation & Amortisation		4,718	4,627
Net Losses/(Gains) on Disposal of Assets		(283)	24
Unwinding of Discount Rates on Reinstatement Provisions		27	25
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		(81)	2,310
Increase/(Decrease) in Provision for Doubtful Debts		(2)	-
Decrease/(Increase) in Inventories		37	(46)
Decrease/(Increase) in Other Assets		131	11
Increase/(Decrease) in Payables		271	(454)
Increase/(Decrease) in accrued Interest Payable		10	-
Increase/(Decrease) in other accrued Expenses Payable		(14)	45
Increase/(Decrease) in Other Liabilities		45	67
Increase/(Decrease) in Employee Leave Entitlements		98	81
NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		5,263	6,775

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

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

\$ '000	Notes	Actual 2014	Actual 2013
(c) Non-Cash Investing & Financing Activities			
Nil			
(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		20	20
Total Financing Arrangements		70	70
Amounts utilised as at Balance Date:			
- Credit Cards / Purchase Cards		1	4
Total Financing Arrangements Utilised		1	4

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

Interest rates on overdrafts are Interest Rates on Loans & Other Payables are disclosed in Note 15.

(ii) Secured Loan Liabilities

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

Note 12. Commitments for Expenditure

(a) Capital Commitments (exclusive of GST)

Nil

(b) Finance Lease Commitments

Nil

(c) Operating Lease Commitments (Non Cancellable)

Nil

(d) Investment Property Commitments

Nil

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

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

\$ '000	Amounts 2014	Indicator 2014	Prior Periods 2013 2012	
Local Government Industry Indicators - Consolidated				
1. Operating Performance Ratio				
Total continuing operating revenue ⁽¹⁾				
(excl. Capital Grants & Contributions) - Operating Expenses	(2,318)	-18.42%	-11.39%	-8.89%
Total continuing operating revenue ⁽¹⁾	12,583			
(excl. Capital Grants & Contributions)				
2. Own Source Operating Revenue Ratio				
Total continuing operating revenue ⁽¹⁾				
(less ALL Grants & Contributions)	10,507	70.40%	63.76%	65.40%
Total continuing operating revenue ⁽¹⁾	14,924			
3. Unrestricted Current Ratio				
Current Assets less all External Restrictions ⁽²⁾	7,322	4.13 : 1	7.80	4.77
Current Liabilities less Specific Purpose Liabilities ^(3, 4)	1,774			
4. Debt Service Cover Ratio				
Operating Result ⁽¹⁾ before capital excluding interest and depreciation / impairment / amortisation (EBITDA)	2,572	8.84	13.13	13.68
Principal Repayments (from the Statement of Cash Flows)	291			
+ Borrowing Interest Costs (from the Income Statement)				
5. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual and Extra Charges Outstanding	372	4.50%	5.57%	7.68%
Rates, Annual and Extra Charges Collectible	8,271			
6. Cash Expense Cover Ratio				
Current Year's Cash and Cash Equivalents including All Term Deposits	13,181	14.99	11.61	8.03
Payments from cash flow of operating and financing activities	879			

Notes

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

⁽²⁾ Refer Notes 6-8 inclusive.

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

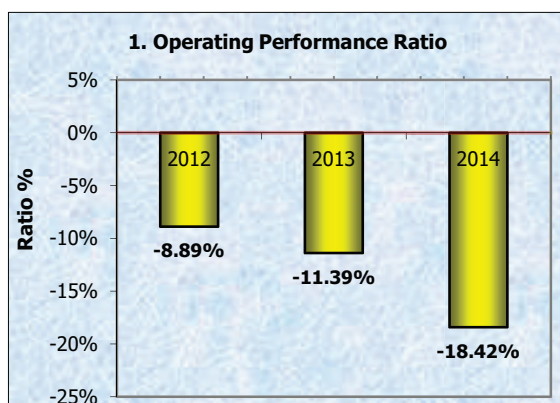
⁽³⁾ Refer to Note 10(a).

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

Blayney Shire Council

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

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



Purpose of Operating Performance Ratio

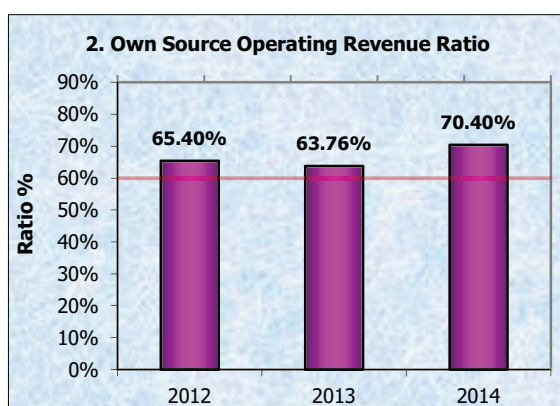
This ratio measures Council's achievement of containing operating expenditure within operating revenue.

Commentary on 2013/14 Result

2013/14 Ratio -18.42%

The decrease in this result is primarily due to the financial assistance grant being prepaid in 2012/13 (only 3 of the 4 cash payments were received in 2013/14). Although this result is an increase in Council's overall deficit it is in line with Councils LTFP forecasts.

Source for Benchmark: Code of Accounting Practice and Financial Reporting



Purpose of Own Source Operating Revenue Ratio

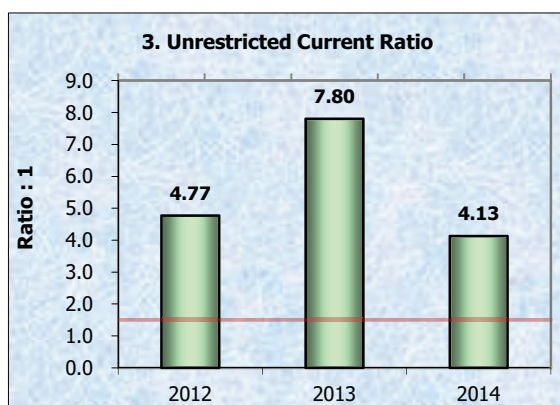
This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants & contributions.

Commentary on 2013/14 Result

2013/14 Ratio 70.40%

This ratio exceeds the industry benchmark of 60% indicating Council's ability to generate own source revenue, mainly through rating revenue.

Source for Benchmark: Code of Accounting Practice and Financial Reporting



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 2013/14 Result

2013/14 Ratio 4.13 : 1

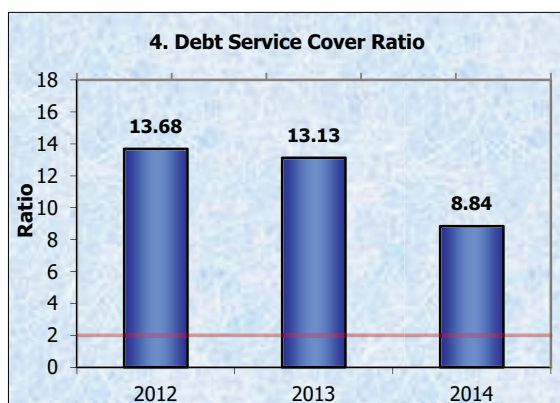
Council's unrestricted current ratio exceeds the industry benchmark of 1.5 indicating that Council is comfortably able to satisfy its debts as and when they fall due.

Source for Benchmark: Code of Accounting Practice and Financial Reporting

Blayney Shire Council

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

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



— Minimum 2.0

Source for Benchmark: NSW Treasury Corporation

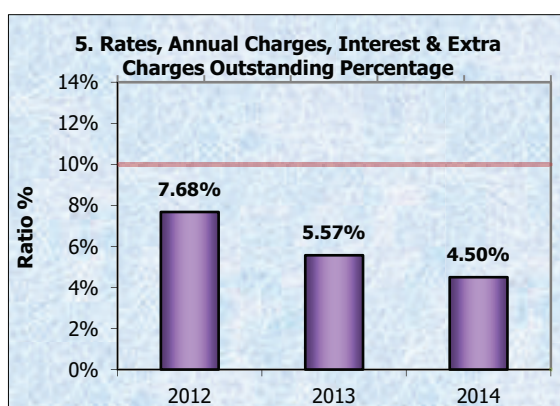
Purpose of Debt Service Cover Ratio

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

Commentary on 2013/14 Result

2013/14 Ratio 8.84

Debt Service Cover Ratio indicates that Council has sufficient operating cash to service its debts.



— Maximum 10.00%

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

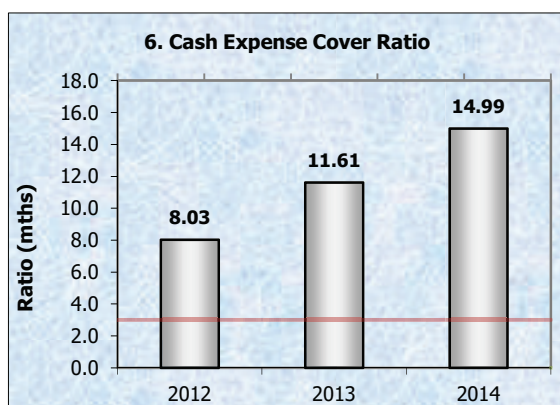
Purpose of Rates & Annual Charges Outstanding Ratio

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

Commentary on 2013/14 Result

2013/14 Ratio 4.50%

Council's result for 2013/14 is a significant improvement to the previous year. Council staff will continue to maintain its recovery efforts throughout 2014/15 in an attempt to reduce outstanding rates and charges even further.



— Minimum 3.00

Source for Benchmark: Code of Accounting Practice and Financial Reporting

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 Result

2013/14 Ratio 14.99

This ratio is well above industry benchmarks indicating that Council has sufficient liquidity to mitigate any unforeseen future events.

Blayney Shire Council

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

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

\$ '000	Sewer 2014	General ⁵ 2014
Local Government Industry Indicators - by Fund		
1. Operating Performance Ratio		
Total continuing operating revenue ⁽¹⁾		
<u>(excl. Capital Grants & Contributions) - Operating Expenses</u>	21.88%	-24.43%
Total continuing operating revenue ⁽¹⁾		
(excl. Capital Grants & Contributions)	prior period: 1.61%	-12.79%
2. Own Source Operating Revenue Ratio		
Total continuing operating revenue ⁽¹⁾	95.90%	67.17%
(less ALL Grants & Contributions)		
Total continuing operating revenue ⁽¹⁾	prior period: 97.95%	60.49%
3. Unrestricted Current Ratio		
Current Assets less all External Restrictions ⁽²⁾	66.72 : 1	4.13 : 1
<u>Current Liabilities less Specific Purpose Liabilities ^(3, 4)</u>		
	prior period: 55.43	7.80
4. Debt Service Cover Ratio		
Operating Result ⁽¹⁾ before capital excluding interest and depreciation / impairment / amortisation (EBITDA)	7.75	9.59
Principal Repayments (from the Statement of Cash Flows)		
+ Borrowing Interest Costs (from the Income Statement)	prior period: 5.03	20.24
5. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage		
<u>Rates, Annual and Extra Charges Outstanding</u>	7.79%	4.01%
Rates, Annual and Extra Charges Collectible		
	prior period: 8.16%	5.22%
6. Cash Expense Cover Ratio		
Current Year's Cash and Cash Equivalents including All Term Deposits	0.00	13.95
Payments from cash flow of operating and financing activities	prior period: 0.00	8.75

Notes

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

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

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 14. Investment Properties

\$ '000

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

Note 15. Financial Risk Management

Risk Management

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

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

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

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

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

	Carrying Value		Fair Value	
	2014	2013	2014	2013
Financial Assets				
Cash and Cash Equivalents	2,181	4,144	2,181	4,144
Investments				
- "Held to Maturity"	-	233	-	233
- "Loans & Receivables"	11,000	7,000	11,000	7,000
Receivables	804	703	786	703
Total Financial Assets	13,985	12,080	13,967	12,080
Financial Liabilities				
Payables	965	640	965	640
Loans / Advances	2,689	1,808	2,689	1,808
Total Financial Liabilities	3,654	2,448	3,654	2,448

Fair Value is determined as follows:

- **Cash & Cash Equivalents, Receivables, Payables** - are estimated to be the carrying value which approximates mkt value.
- **Borrowings & Held to Maturity Investments** - are based upon estimated future cash flows discounted by the current market interest rates applicable to assets & liabilities with similar risk profiles, unless quoted market prices are available.
- Financial Assets classified (i) **"at fair value through profit & loss"** or (ii) **Available for Sale** - are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

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

Blayney Shire Council

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

Note 15. Financial Risk Management (continued)

\$ '000

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

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

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

The risks associated with the investments held are:

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

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

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

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

	Increase of Values/Rates		Decrease of Values/Rates	
	Profit	Equity	Profit	Equity
2014				
Possible impact of a 10% movement in Market Values	50	50	(50)	(50)
Possible impact of a 1% movement in Interest Rates	132	132	(132)	(132)
2013				
Possible impact of a 10% movement in Market Values	64	64	(64)	(64)
Possible impact of a 1% movement in Interest Rates	114	114	(114)	(114)

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 15. Financial Risk Management (continued)

\$ '000

(b) Receivables

Council's major receivables comprise **(i) Rates & Annual charges** and **(ii) User Charges & Fees**.

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

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

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

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

Council makes suitable provision for doubtful receivables as required.

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

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

	2014 Rates & Annual Charges	2014 Other Receivables	2013 Rates & Annual Charges	2013 Other Receivables
(i) Ageing of Receivables - %				
Current (not yet overdue)	0%	33%	0%	23%
Overdue	100%	67%	100%	77%
	100%	100%	100%	100%

(ii) Ageing of Receivables - value

Current (not yet overdue)	-	205	1	110
Past due by up to 30 days	80	122	88	107
Past due between 31 and 60 days	43	18	48	42
Past due between 61 and 90 days	64	16	70	19
Past due by more than 90 days	146	251	161	200
	333	612	368	478

(iii) Movement in Provision for Impairment of Receivables

	2014	2013
Balance at the beginning of the year	143	143
- amounts already provided for & written off this year	(2)	
Balance at the end of the year	141	143

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 15. Financial Risk Management (continued)

\$ '000

(c) Payables & Borrowings

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

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

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

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

\$ '000	Subject to no maturity	payable in:						Total Cash Outflows	Actual Carrying Values
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
2014									
Trade/Other Payables	184	781	-	-	-	-	-	965	965
Loans & Advances	-	354	354	354	354	354	2,049	3,819	2,689
Total Financial Liabilities	184	1,135	354	354	354	354	2,049	4,784	3,654
2013									
Trade/Other Payables	165	475	-	-	-	-	-	640	640
Loans & Advances	-	222	222	222	222	222	1,646	2,756	1,808
Total Financial Liabilities	165	697	222	222	222	222	1,646	3,396	2,448

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

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

	2014		2013	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Trade/Other Payables	965	0.0%	640	0.0%
Loans & Advances - Fixed Interest Rate	2,689	6.4%	1,808	6.7%
	<u>3,654</u>		<u>2,448</u>	

Blayney Shire Council

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

Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 13/14 was adopted by the Council on 23 June 2014.

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

This Note sets out the details of MATERIAL VARIATIONS between Council's Original Budget and its Actual results for the year as per the Income Statement - even though such variations may have been adjusted for during each Quarterly Budget Review.

Note that for Variations* of Budget to Actual :

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

F = Favourable Budget Variation, **U** = Unfavourable Budget Variation

\$ '000	2014 Budget	2014 Actual	2014 Variance* -----		
REVENUES					
Rates & Annual Charges	7,836	7,796	(40)	(1%)	U
User Charges & Fees	996	2,018	1,022	103%	F
Council was awarded various contracts by the Roads and Maritime Services throughout the year which has resulted in a substantial increase in User Charges and Fees for 2013/14. Council also received backdated pipeline lease income that was not budgeted for at the start of the year.					
Interest & Investment Revenue	426	480	54	13%	F
Interest and Investment Revenues are higher than original budgets due to the significant increase in our cash and investment position.					
Other Revenues	272	213	(59)	(22%)	U
Other Revenue is lower than budgeted due to quarry revenues budget inadvertently being coded to other revenues (now coded as user charges and fees).					
Operating Grants & Contributions	2,902	2,076	(826)	(28%)	U
Operating grants are lower than budget due to the Financial Assistance Grant prepayment in 2013.					
Capital Grants & Contributions	800	2,341	1,541	193%	F
Council was awarded various unexpected capital grants for road works throughout the year.					
Net Gains from Disposal of Assets	-	283	283	0%	F
Council's CDO matured during the year resulting in a net gain on sale.					

Blayney Shire Council

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

Note 16. Material Budget Variations (continued)

\$ '000	2014 Budget	2014 Actual	2014 ----- Variance* -----	
EXPENSES				
Employee Benefits & On-Costs	5,361	4,920	441	8% F
Borrowing Costs	204	172	32	16% F
Unbudgeted amortisation of tips and quarries.				
Materials & Contracts	2,879	3,026	(147)	(5%) U
Depreciation & Amortisation	4,556	4,718	(162)	(4%) U
Other Expenses	1,485	2,065	(580)	(39%) U
Other expenses were higher than budgeted for multiple reasons. The larger of these items include higher than anticipated water charges (due to a dry summer) and contributions to other organisations mainly the Library and Rural Fire Service.				

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

Cash Flows from Operating Activities	3,415	5,263	1,848	54.1% F
As per above Council was awarded various unexpected capital grants for road works throughout the year.				
Cash Flows from Investing Activities	(5,434)	(8,107)	(2,673)	49.2% U
As per above Interest and Investment Revenues are higher than original budgets due to the significant increase in Councils Cash and Investment position.				
Cash Flows from Financing Activities	686	881	195	28.4% F
Cash Flows from Financing Activities are higher due to a delay in borrowings received of \$1,000,000 budgeted for in the 2012/13 year. As a result it was determined that a loan for \$876,000 in 2013/14 was no longer required.				

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 17. Statement of Developer Contributions

\$ '000

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

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

SUMMARY OF CONTRIBUTIONS & LEVIES

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Transfers to other funds (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	390	-	-	-	-	(390)	-	-	-	-	-
Open Space	39	-	-	-	-	(39)	-	-	-	-	-
Community Facilities	89	-	-	-	-	(89)	-	-	-	-	-
Local Infrastructure Fund	-	23	-	34	-	534	591	62	(653)	-	-
Other	17	-	-	-	-	(17)	-	-	-	-	-
S94 Contributions - under a Plan	535	23	-	34	-	(1)	591	62	(653)	-	-
Total S94 Revenue Under Plans	535	23	-	34	-	(1)	591				-
S64 Contributions	657	13	-	44	-	-	714	-	714	-	
Total Contributions	1,192	36	-	78	-	(1)	1,305	62	(653)	-	-

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NUMBER BSC1 - Roads Rural

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Transfers to other funds (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	156	-	-	-	-	(156)	0	-	-	0	-
Total	156	-	-	-	-	(156)	0	-	-	0	-

CONTRIBUTION PLAN NUMBER BSC 2 - Streets Blayney

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Transfers to other funds (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	106	-	-	-	-	(106)	0	-	-	0	-
Total	106	-	-	-	-	(106)	0	-	-	0	-

CONTRIBUTION PLAN NUMBER BSC 3 - Streets Villages

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Transfers to other funds (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	118	-	-	-	-	(118)	(0)	-	-	(0)	-
Total	118	-	-	-	-	(118)	(0)	-	-	(0)	-

CONTRIBUTION PLAN NUMBER BSC 7 - Open Space

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Transfers to other funds (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Open Space	39	-	-	-	-	(39)	-	-	-	-	-
Total	39	-	-	-	-	(39)	-	-	-	-	-

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NUMBER BSC 9 - William Street, Milthorpe

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Transfers to other funds (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	9	-	-	-	-	(9)	-	-	-	-	-
Total	9	-	-	-	-	(9)	-	-	-	-	-

CONTRIBUTION PLAN NUMBER BSC 8 - Bushfire

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Transfers to other funds (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Other	17	-	-	-	-	(17)	-	-	-	-	-
Total	17	-	-	-	-	(17)	-	-	-	-	-

CONTRIBUTION PLAN NUMBER BSC 10 - Community Facilities

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Transfers to other funds (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Community Facilities	89	-	-	-	-	(89)	-	-	-	-	-
Total	89	-	-	-	-	(89)	-	-	-	-	-

CONTRIBUTION PLAN NUMBER - Local Infrastructure Fund

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Transfers to other funds (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Local Infrastructure Fund	-	23	-	34	-	534	591	62	(653)	-	-
Total	-	23	-	34	-	534	591	62	(653)	-	-

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 18. Contingencies & Other Assets/Liabilities Not Recognised

\$ '000

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

LIABILITIES NOT RECOGNISED:

1. Guarantees

(i) Defined Benefit Superannuation Contribution Plans

Council participates in an employer sponsored Defined Benefit Superannuation Scheme, and makes contributions as determined by the Superannuation Scheme's Trustees.

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

The Schemes most recent full actuarial review indicated that the Net Assets of the Scheme were not sufficient to meet the accrued benefits of the Schemes Defined Benefit member category with member Councils required to make significantly higher contributions in future years.

The Actuary has estimated that as at 30 June 2014 a deficit still exists. Effective from 1 July 2009, employers were required to contribute additional contributions to assist in extinguishing this deficit. The share of this deficit that can be broadly attributed to Council was estimated to be in the order of \$321,680 as at 30 June 2014.

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

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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

(iv) Other Guarantees

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

Blayney Shire Council

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

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

\$ '000

LIABILITIES NOT RECOGNISED (continued):

2. Other Liabilities

(i) Third Party Claims

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

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

(ii) S94 Plans

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

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

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

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

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

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

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

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 (& subsequent land asset) from such potential acquisitions has not been possible.

ASSETS NOT RECOGNISED:

(i) Land Under Roads

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

(ii) Infringement Notices/Fines

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

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

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

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

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

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

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2014	Actual 2013
(a) Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		60,583	60,277
a. Correction of Prior Period Errors	20 (c)	-	221
b. Net Operating Result for the Year		306	85
Balance at End of the Reporting Period		60,889	60,583

(b) Reserves

(i) Reserves are represented by:

- Infrastructure, Property, Plant & Equipment Revaluation Reserve	133,199	132,671
Total	133,199	132,671

(ii) Reconciliation of movements in Reserves:

Infrastructure, Property, Plant & Equipment Revaluation Reserve

- Opening Balance	132,671	130,137
- Revaluations for the year	9(a) 528	2,558
- (Impairment of revalued assets) / Impairment reversals	9(a),(c) -	(24)
- Balance at End of Year	133,199	132,671

TOTAL VALUE OF RESERVES

133,199 **132,671**

(iii) Nature & Purpose of Reserves

Infrastructure, Property, Plant & Equipment Revaluation Reserve

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

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

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

(d) Voluntary Changes in Accounting Policies

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

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 21. Financial Result & Financial Position by Fund

Income Statement by Fund \$ '000	Actual 2014	Actual 2014
	Sewer	General¹
Continuing Operations		
Income from Continuing Operations		
Rates & Annual Charges	1,066	6,730
User Charges & Fees	126	1,892
Interest & Investment Revenue	192	288
Other Revenues	8	205
Grants & Contributions provided for Operating Purposes	16	2,060
Grants & Contributions provided for Capital Purposes	50	2,291
Other Income		
Net Gains from Disposal of Assets	224	59
Share of interests in Joint Ventures & Associates using the Equity Method	-	-
Total Income from Continuing Operations	1,682	13,525
Expenses from Continuing Operations		
Employee Benefits & on-costs	115	4,805
Borrowing Costs	72	100
Materials & Contracts	495	2,531
Depreciation & Amortisation	493	4,225
Impairment	-	-
Other Expenses	100	1,965
Total Expenses from Continuing Operations	1,275	13,626
Operating Result from Continuing Operations	407	(101)
Discontinued Operations		
Net Profit/(Loss) from Discontinued Operations	-	-
Net Operating Result for the Year	407	(101)
Net Operating Result attributable to each Council Fund	407	(101)
Net Operating Result attributable to Non-controlling Interests	-	-
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	357	(2,392)

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

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

Blayney Shire Council

Notes to the Financial Statements

as at 30 June 2014

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

Statement of Financial Position by Fund \$ '000	Actual 2014	Actual 2014
ASSETS	Sewer	General¹
Current Assets		
Cash & Cash Equivalents	916	1,265
Investments	3,500	7,500
Receivables	305	689
Inventories	-	768
Other	-	18
Non-current assets classified as 'held for sale'	-	-
Total Current Assets	4,721	10,240
Non-Current Assets		
Investments	-	-
Receivables	236	31
Inventories	-	-
Infrastructure, Property, Plant & Equipment	20,021	164,644
Investments Accounted for using the equity method	-	-
Investment Property	-	-
Intangible Assets	-	281
Total Non-Current Assets	20,257	164,956
TOTAL ASSETS	24,978	175,196
LIABILITIES		
Current Liabilities		
Payables	13	1,172
Borrowings	47	136
Provisions	-	1,812
Total Current Liabilities	60	3,120
Non-Current Liabilities		
Payables	-	348
Borrowings	880	1,626
Provisions	-	52
Total Non-Current Liabilities	880	2,026
TOTAL LIABILITIES	940	5,146
Net Assets	24,038	170,050
EQUITY		
Retained Earnings	9,350	51,539
Revaluation Reserves	14,688	118,511
Total Equity	24,038	170,050

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

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

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

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

\$ '000

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

Note 23. Events occurring after the Reporting Date

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

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

Accordingly, the "authorised for issue" date is 13/10/14.

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

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

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

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

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

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

Note 24. Discontinued Operations

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

Blayney Shire Council

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

Note 25. Intangible Assets

	Actual 2014	Actual 2013
\$ '000		
Intangible Assets represent identifiable non-monetary asset without physical substance.		
Intangible Assets are as follows;		
Opening Values:		
Gross Book Value (1/7)	281	-
Accumulated Amortisation (1/7)	(18)	-
Accumulated Impairment (1/7)	-	-
Net Book Value - Opening Balance	263	-
Movements for the year		
- Purchases	81	128
- Other Capitalised Costs - transfer from Note 9(a)	-	153
- Amortisation charges	(63)	(18)
Closing Values:		
Gross Book Value (30/6)	362	281
Accumulated Amortisation (30/6)	(81)	(18)
Accumulated Impairment (30/6)	-	-
<u>TOTAL INTANGIBLE ASSETS - NET BOOK VALUE</u>¹	<u>281</u>	<u>263</u>

¹. The Net Book Value of Intangible Assets represent:

- Software	281	263
	281	263

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 26. Reinstatement, Rehabilitation & Restoration Liabilities

\$ '000

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

Asset/Operation	Estimated year of restoration	NPV of Provision	
		2014	2013
Blayney Tip	2024	402	379
Blayney Quarry	2024	67	63
Balance at End of the Reporting Period	10(a)	469	442

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

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

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

Reconciliation of movement in Provision for year:

Balance at beginning of year	442	417
Amounts capitalised to new or existing assets:		
Amortisation of discount (expensed to borrowing costs)	27	25
Total - Reinstatement, rehabilitation and restoration provision	469	442

Amount of Expected Reimbursements

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

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 27. Fair Value Measurement

\$ '000

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

- Infrastructure, Property, Plant and Equipment
- Financial Assets & Liabilities

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

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

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

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

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

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

Fair Values:		Fair Value Measurement Hierarchy			Total
2014	Date of latest Valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring Fair Value Measurements					
Financial Assets					
Investments					
Loans and Recievables	30/06/14	-	11,000	-	11,000
Cash and Short Term Deposits	30/06/14	-	2,181	-	2,181
Total Financial Assets		-	13,181	-	13,181
Financial Liabilities					
Payables	30/06/14	-	965	-	965
Loans / Advances	30/06/14	-	2,689	-	2,689
Total Financial Liabilities		-	3,654	-	3,654
Infrastructure, Property, Plant & Equipment					
Plant & Equipment	30/06/14	-	-	2,672	2,672
Office Equipment	30/06/14	-	-	149	149
Furniture and Fittings	30/06/14	-	-	115	115
Operational Land	30/06/13	-	-	1,467	1,467
Community Land	30/06/11	-	-	4,122	4,122
Depreciable Land Improvements	30/06/11	-	-	3,555	3,555
Buildings - Specialised	30/06/13	-	-	10,195	10,195
Buildings - Non Specialised	30/06/13	-	-	2,171	2,171
Open Space/Recreation Assets	30/06/11	-	-	1,565	1,565
Roads	30/06/10	-	-	106,529	106,529
Bridges	30/06/10	-	-	15,356	15,356
Footpaths	30/06/10	-	-	2,488	2,488

(continued on the next page...)

Blayney Shire Council

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

Note 27. Fair Value Measurement (continued)

\$ '000

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

		Fair Value Measurement Hierarchy			
2014		Level 1	Level 2	Level 3	Total
	Date	Quoted	Significant	Significant	
Recurring Fair Value Measurements (cont'd)	of latest	prices in	observable	unobservable	
	Valuation	active mkts	inputs	inputs	
Infrastructure, Property, Plant & Equipment (cont'd)					
Bulk Earthworks	30/06/10	-	-	10,466	10,466
Stormwater	30/06/10	-	-	4,281	4,281
Sewerage Network	30/06/12	-	-	19,404	19,404
Tip Assets	30/06/14	-	-	112	112
Quarry Assets	30/06/14	-	-	18	18
Total Infrastructure, Property, Plant & Equipment		-	-	184,665	184,665

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

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

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 27. Fair Value Measurement (continued)

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

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

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

Financial Assets

Held to Maturity – Term deposits valued at fair value

Valuation Technique: 'Cost approach'

Inputs Used (Level 2): Original investment value

Cash and Short Term Deposits – Cash and short term deposits valued at fair value

Valuation Technique: 'Cost approach'

Inputs Used (Level 2): Original investment value

Financial Liabilities

Payables – Outstanding creditor payments, security bonds & deposits

Valuation Technique: 'Cost approach'

Inputs Used (Level 2): Cost of product or service.

Blayney Shire Council

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

Note 27. Fair Value Measurement (continued)

Loans/Advances – Outstanding bank loans

Valuation Technique: 'Cost approach'

Inputs Used (Level 2): Loan borrowing amount

Infrastructure, Property, Plant & Equipment

Plant and Equipment – Major plant (graders, loaders trucks etc.), fleet vehicles (cars, utes etc.) and minor plant (chainsaws, mowers etc.)

Valuation Techniques: 'Cost approach'

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

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

Office Equipment – Computers, servers

Valuation Techniques: 'Cost approach'

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

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

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

Valuation Techniques: 'Cost approach'

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

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

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 27. Fair Value Measurement (continued)

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

Valuation Techniques: 'Market approach'

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

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

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

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

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

Valuation Techniques: 'Cost approach'

Inputs Used (Level 3): The NSW Valuer General's valuations (as at 30 June 2011)

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

Community Land:

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

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 27. Fair Value Measurement (continued)

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

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

Valuation Techniques: 'Cost approach'

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

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

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

Valuation Techniques: 'Cost approach'

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

Council's buildings were valued at fair value on 30th June 2012 in accordance with Compiled Accounting Standard AASB116 *Property, Plant and Equipment*, the guidance contained in the NSW Treasury Accounting Policy tpp 07-1 and the NSW Department of Local Government Guidelines. 'Fair value' is the best estimate of the price reasonably obtainable in the market at the date of valuation. As defined in AASB 116, it is "the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction"

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

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

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 27. Fair Value Measurement (continued)

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

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

Valuation Techniques: 'Cost approach'

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

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

Roads – Road surface, pavement, formation, major earthworks

Valuation Techniques: 'Cost approach'

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

Councils road infrastructure assets were last valued in-house on 30 June 2010. As per Paragraph 43 of AASB116, Councils roads infrastructure assets were segmented and componentised into the following categories (each representing a significant part of the overall asset):

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

Roads – Sealed and Unsealed

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

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 27. Fair Value Measurement (continued)

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

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

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

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

Culverts

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

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

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

Kerb and Gutter

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

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 27. Fair Value Measurement (continued)

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

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

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

Bridges – (excluding culverts under 6 metres in length)

Valuation Techniques: 'Cost approach'

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

Council's bridge infrastructure assets were last valued on 30 June 2010.

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

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

The Rawlinson's rates were used to validate the rates calculated from the last three bridges that council has replaced in recent years. The unit rate calculated for these bridges was CPI adjusted (using the Reserve Bank of Australia Inflation Calculator) to represent 2010 dollars.

Footpaths – Footways including cycleways

Valuation Techniques: 'Cost approach'

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

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 27. Fair Value Measurement (continued)

Footpaths assets were valued in-house as at 30 June 2010. Aerial imagery was used to calculate the length of Councils footpath/cycleway network combined with an extensive inspection program. In-house unit rates were developed using recent construction data providing a square metre rate which was then applied across the network. Condition data (captured through the inspection program) was then applied to each individual asset segment to provide a written down value.

Stormwater Drainage – includes pits, pipes

Valuation Techniques: 'Cost approach'

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

Stormwater Drainage

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

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

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

Valuation Techniques: 'Cost approach'

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

Councils Sewer Network was valued by CPE Associates as at 30 June 2012. The valuation was based on the NSW Office of Water's *NSW Reference Rates Tables* issued in July 2012, a supplement to the former Ministry of Energy and Utilities' 2003 document *NSW Reference Rates Manual: Valuation of Water Supply, Sewerage and Stormwater Assets*. Valuations in the updated tables are for June 2012.

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

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 27. Fair Value Measurement (continued)

CPEa 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. Field survey sheets were completed and a photographic record also was made.

Surveys were conducted in Blayney only. The sample size of 4,811m represents 11.1% of the length of sewers within Blayney and the Industrial area, and 9.1% of the entire gravity sewerage network for the Shire. 90 AC sewers were inspected.

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

Tip and Quarry Assets – Reinstatement, rehabilitation and restoration

Valuation Techniques: 'Cost approach'

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

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

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

Discontinued Operations

N/A

Blayney Shire Council

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

Note 27. Fair Value Measurement (continued)

\$ '000

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

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

	Operational Land	Community Land	Depreci-able Land Improvements	Buildings - Specialised	Total
Adoption of AASB 13	1,467	4,122	3,938	10,732	20,259
Depreciation & Impairment	-	-	(383)	(537)	(920)
Closing Balance - 30/6/14	1,467	4,122	3,555	10,195	19,339

	Buildings - Non Specialised	Open Space / Recreation Assets	Roads	Bridges	Total
Adoption of AASB 13	2,102	1,647	107,081	13,829	124,659
Purchases (GBV)	184	-	1,352	1,787	3,323
Depreciation & Impairment	(115)	(82)	(1,904)	(260)	(2,361)
Closing Balance - 30/6/14	2,171	1,565	106,529	15,356	125,621

	Footpaths	Bulk Earthworks	Stormwa-ter	Sewerage Network	Total
Adoption of AASB 13	2,415	10,466	4,084	19,217	36,182
Purchases (GBV)	124	-	254	122	500
Depreciation & Impairment	(51)	-	(57)	(463)	(571)
FV Gains - Other Comprehensive Income	-	-	-	528	528
Closing Balance - 30/6/14	2,488	10,466	4,281	19,404	36,639

	Plant & Equipment	Office Equipment	Furniture & Fittings	Tip & Quarry	Total
Adoption of AASB 13	2,700	173	55	145	3,073
Purchases (GBV)	683	37	83	-	803
Disposals (WDV)	(7)	-	-	-	(7)
Depreciation & Impairment	(704)	(61)	(23)	(15)	(803)
Closing Balance - 30/6/14	2,672	149	115	130	3,066

Blayney Shire Council

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

Note 27. Fair Value Measurement (continued)

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

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

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

I,PP&E

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Plant & Equipment	\$2,672	Cost Approach	<ul style="list-style-type: none"> Gross Replacement Cost Remaining Useful Life 	<ul style="list-style-type: none"> Various 5 to 15 years 	Any changes in the gross replacement value or pattern of consumption will have an impact on fair value.
Office Equipment	\$149	Cost Approach	<ul style="list-style-type: none"> Gross Replacement Cost Remaining Useful Life 	<ul style="list-style-type: none"> Various 4 to 10 years 	Any changes in the gross replacement value or pattern of consumption will have an impact on fair value.
Furniture & Fittings	\$115	Cost Approach	<ul style="list-style-type: none"> Gross Replacement Cost Remaining Useful Life 	<ul style="list-style-type: none"> Various 10 to 20 years 	Any changes in the gross replacement value or pattern of consumption will have an impact on fair value.
Operational Land	\$1,467	Market Approach	<ul style="list-style-type: none"> Price per square metre 	<ul style="list-style-type: none"> \$1 - \$90 per sq. metre 	Changes in land zoning restrictions can have significant impacts on land values per sq. metre. Changes in comparable land sales and availability of land can also have a significant impact.

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 27. Fair Value Measurement (continued)

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Community Land	\$4,122	Cost Approach	<ul style="list-style-type: none"> NSW Valuer Generals Valuation (Unimproved Capital Value) 	<ul style="list-style-type: none"> Per Valuer General 	Any change in the average unimproved capital value will increase/decrease fair value.
Depreciable Land Improvements	\$3,555	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Condition Useful life 	<ul style="list-style-type: none"> \$2 - \$840 per sq. metre Excellent (1) to Poor (5) 10 to 100 years 	Any change in the component pricing and asset condition will have an impact on fair value.
Buildings – Specialised	\$10,195	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Conditions Useful Life 	<ul style="list-style-type: none"> \$170 - \$148,000 New (0) to Failed (10) 20 to 60 years 	Any change in the component pricing and asset condition will have an impact on fair value.
Buildings – Non Specialised	\$2,171	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Conditions Useful Life 	<ul style="list-style-type: none"> \$220 - \$2,100 New (0) to Failed (10) 20 to 60 years 	Any change in the component pricing and asset condition will have an impact on fair value.
Open Space/Recreation Assets	\$1,565	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Conditions Useful Life 	<ul style="list-style-type: none"> \$224 - \$25,751 Excellent (1) to Poor (5) 10 to 100 years 	Any change in the component pricing and asset condition will have an impact on fair value.

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 27. Fair Value Measurement (continued)

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Roads	\$106,529	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Conditions Useful Life 	<ul style="list-style-type: none"> \$8 - \$32 per sq. metre (roads) \$88 - \$1,960 (kerb and gutter) \$4,926 - \$12,779 per lineal metre (culverts) Excellent (1) to Poor (5) 20 to 200 years (roads) 80 to 150 years (kerb & gutter) 80 years (culverts) 	Any change in the component pricing and asset condition will have an impact on fair value.
Bridges	\$15,356	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Conditions Useful Life 	<ul style="list-style-type: none"> \$3,250 per sq. metre Excellent (1) to Poor (5) 80 years 	Any change in the component pricing and asset condition will have an impact on fair value.
Footpaths	\$2,488	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Conditions Useful Life 	<ul style="list-style-type: none"> \$101 - \$235 per lineal metre Excellent (1) to Poor (5) 80 years 	Any change in the component pricing and asset condition will have an impact on fair value.

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2014

Note 27. Fair Value Measurement (continued)

Class	Fair Value (30/6/14) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Bulk Earthworks	\$10,466	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Conditions 	<ul style="list-style-type: none"> \$15 - \$72 per cubic metre Excellent (1) to Poor (5) 	Any change in the component pricing and asset condition will have an impact on fair value.
Stormwater Drainage	\$4,281	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Conditions Useful Life 	<ul style="list-style-type: none"> \$134 - \$1,960 per lineal metre Excellent (1) to Poor (5) 80 to 100 years 	Any change in the component pricing and asset condition will have an impact on fair value.
Sewerage Network	\$19,404	Cost Approach	<ul style="list-style-type: none"> Unit Rates Useful Life Residual Life Asset Conditions 	<ul style="list-style-type: none"> Various 16 to 100 years (mean) 11 to 77 years Very Poor (5) to Very Good (1) 	Any change in the component pricing and asset condition will have an impact on fair value.
Tips and Quarries	\$130	Cost Approach	<ul style="list-style-type: none"> Discounted Future Cash Flow 	<ul style="list-style-type: none"> 6% 	Any changes in the future cost estimates and discount rate will have an impact on fair value.

c. The Valuation Process for Level 3 Fair Value Measurements - Refer to above.

(5). Highest and best use

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

Blayney Shire Council

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

Note 28. Financial Review

\$ '000

Key Financial Figures of Council over the past 5 years (consolidated)

Financial Performance Figures	2014	2013	2012	2011	2010
Inflows:					
Rates & Annual Charges Revenue	7,796	7,457	5,640	5,292	5,012
User Charges Revenue	2,018	1,425	3,232	1,354	1,646
Interest & Investment Revenue (Losses)	480	482	513	480	340
Grants Income - Operating & Capital	2,946	4,932	4,417	3,055	2,724
Total Income from Continuing Operations	15,207	15,042	14,642	11,104	11,063
Sale Proceeds from I,PP&E	162	283	190	455	565
New Loan Borrowings & Advances	1,000	-	-	-	-
Outflows:					
Employee Benefits & On-cost Expenses	4,920	4,951	4,821	4,460	4,340
Borrowing Costs	172	155	161	164	169
Materials & Contracts Expenses	3,026	3,357	3,898	2,293	2,508
Total Expenses from Continuing Operations	14,901	14,957	15,178	12,370	10,995
Total Cash purchases of I,PP&E	4,708	2,947	4,046	1,524	2,296
Total Loan Repayments (incl. Finance Leases)	119	93	85	80	123
Operating Surplus/(Deficit) (excl. Capital Income)	(2,035)	(1,551)	(1,301)	(1,699)	(692)
Financial Position Figures	2014	2013	2012	2011	2010
Current Assets	14,739	13,068	11,090	10,275	8,440
Current Liabilities	2,958	1,972	2,372	2,007	2,107
Net Current Assets	11,781	11,096	8,718	8,268	6,333
Available Working Capital (Unrestricted Net Current Assets)	(360)	475	865	713	787
Cash & Investments - Unrestricted	-	3	2	18	2
Cash & Investments - Internal Restrictions	6,306	6,530	3,623	3,377	2,519
Cash & Investments - Total	13,181	11,377	7,335	8,235	6,895
Total Borrowings Outstanding (Loans, Advances & Finance Leases)	2,689	1,808	1,901	1,986	2,066
Total Value of I,PP&E (excl. Land & Earthworks)	246,570	241,427	236,449	230,585	222,181
Total Accumulated Depreciation	77,960	73,309	68,559	66,936	60,949
Indicative Remaining Useful Life (as a % of GBV)	68%	70%	71%	71%	73%

Source: Published audited financial statements of Council (current year & prior year)

Blayney Shire Council

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

Note 29. Council Information & Contact Details

Principal Place of Business:

91 Adelaide Street
Blayney NSW 2799

Contact Details
Mailing Address:

PO Box 62
Blayney NSW 2799

Opening Hours:

9am to 4:30pm
Monday to Friday

Telephone: 02 6368 2104

Facsimile: 02 6368 3290

Internet: www.blayney.nsw.gov.au

Email: council@blayney.nsw.gov.au

Officers
GENERAL MANAGER

Alan McCormack

RESPONSIBLE ACCOUNTING OFFICER

C M Hodge

PUBLIC OFFICER

Anton Franze

AUDITORS

Intentus Chartered Accountants

Elected Members
MAYOR

S J Ferguson

COUNCILLORS

Kevin Radburn

David Kingham

Geoff Braddon

Allan Ewin

Shane Oates

David Somerville

Other Information

ABN: 47 619 651 511

**INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL
ON THE GENERAL PURPOSE FINANCIAL STATEMENTS OF
BLAYNEY SHIRE COUNCIL**

Report on the Financial Statements

We have audited the accompanying general purpose financial statements of Blayney Shire Council for the financial year ended 30 June 2014. The financial statements comprise the Statement by Councillors and Management, Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and accompanying Notes to the Financial Statements.

Councils' Responsibility for the Financial Statements

The Council are responsible for the preparation and fair presentation of the financial statements in accordance with the Local Government Act 1993. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. Our audit responsibility does not extend to the original budget figures included in the Income Statement and Statement of Cash Flows, the original budget disclosures in Notes 2(a) and 16, nor the projected revenue and expenditure of developer contributions reported in Note 17 and accordingly, we express no opinion on them. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.



Chartered Accountants



COVER OF
EXCELLENCE

Liability limited by the Accountants Scheme, approved under the Professional Standards Act 1994 (NSW)

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This auditor's report relates to the general purpose financial statements of Blayney Shire Council (Council) for the year ended 30 June 2014 included on Council's web site. Council is responsible for the integrity of its web site. We have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements to confirm the information included in the audited financial statements presented on this web site.

Audit Opinion

In our opinion:

- (a) the Council's accounting records have been kept in accordance with the requirements of the Local Government Act 1993, Chapter 13, Part 3, Division 2;
- (b) the Council's financial statements:
 - (i) have been prepared in accordance with the requirements of this Division;
 - (ii) are consistent with the Council's accounting records;
 - (iii) present fairly the Council's financial position, the results of its operations and cashflows; and
 - (iv) are in accordance with applicable Australian Accounting Standards
- (c) all information relevant to the conduct of the audit has been obtained; and
- (d) there are no material deficiencies in the accounting records or financial statements that have come to light in the course of the audit.



intentus

14 Sale Street
Orange
Dated: 8 September 2014



JD O'Malley
Partner

8 September 2014

The Mayor
Councillor Scott Ferguson
Blayney Shire Council
PO Box 156
BLAYNEY NSW 2850

Dear Mr Mayor

**INDEPENDENT AUDITOR'S REPORT ON THE CONDUCT OF THE AUDIT - Section 417(3)
BLAYNEY SHIRE COUNCIL YEAR ENDED 30 JUNE 2014**

We advise having completed our audit of the financial statements of Blayney Shire Council for the financial year ended 30 June 2014. Our audit resulted in the issuing of an unmodified audit report on both the general purpose and special purpose financial statements of Council.

In accordance with Section 417 of the Local Government Act 1993 we submit our report on the conduct of the audit of Blayney Shire Council for the year ended 30 June 2014. Our audit reports on the general purpose financial statements of Council and the special purpose financial statements on Council's business units outline the legislative framework of our audit and should be referred to in order to establish the context in which our comments are made.

Council's Responsibility for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with the Local Government Act 1993. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

The following comments are provided in accordance with Section 415(3) of the Local Government Act 1993 and Regulation 227 of the Local Government (General) Regulation 2005 to assist in the understanding of the financial statements and our reports.

Review of Financial Results

(a) Operating Result

As disclosed in Council's Income Statement the year's operations resulted in a net operating result of \$306,000 (2013 – surplus \$85,000). Selected items of note in the operating statement include:

Revenue

- The operating result from ordinary activities *before* capital amounts was a deficit of \$2,035,000 (2013 deficit – \$1,551,000).
- User Charges & Fees have increased substantially to \$2,018,000 (2013 - \$1,425,000) following increased work on State roads on behalf of Roads & Maritime Services (RMS) increased gravel sales and an unanticipated payment for the Cadia pipeline lease.
- Operating Grants & Contributions decreased \$1,739,000 (46%) to \$2,076,000 (2013 - \$3,815,000). The decrease was due to the early payment in the 2013 financial year of the first instalment of the Financial Assistance Grant for 2014. This resulted in higher income last year and lower this year, as such this represents a timing difference rather than a loss of revenue.
- Capital grants and contributions grew by \$705,000 (43%) to \$2,341,000 (2013 - \$1,636,000). The biggest contributor to the increase being the \$1,000,000 voluntary planning agreement contribution received from Newcrest mines.

Expenditure

- Materials and contracts expense have decreased from \$3,357,000 to \$3,026,000. The decrease following a greater level of capital works than in the prior year. This is consistent with the growth in capital funding discussed above.
- Other expenses were marginally higher at \$2,065,000 (2013 - \$1,843,000) with the largest increases attributable to insurance and increased water charges.

Council's other major items of income and expenditure were relatively consistent with the prior period.

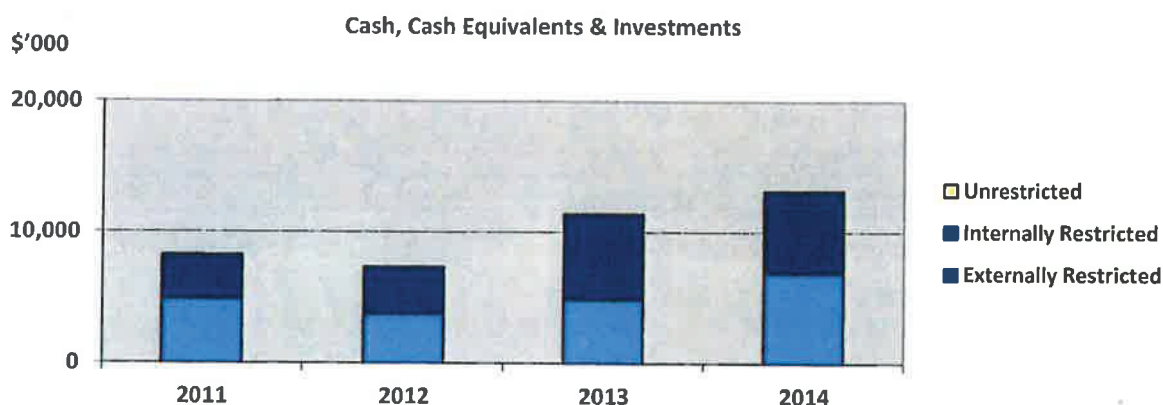
(b) Financial Position

The Statement of Financial Position discloses that for the year ended 30 June 2014 Council's net assets stood at \$194,088,000 (2013 - \$193,254,000), which represents an increase of \$834,000. That movement is comprised of the net operating surplus after capital amounts of \$306,000 combined with the net asset revaluation increment of \$528,000 relating to the revaluation of Council's sewer assets.

To assess the health of Council's net current asset position (available working capital) it is necessary to review the level of restrictions placed against the use of Council's assets. The notes to the financial statements indicate clearly where restrictions exist, and the effect of the restrictions is summarised as follows: -

	2014 \$'000	2013 \$'000
Net Current Assets	11,781	11,096
Less: Amounts externally restricted for special purposes (refer Notes 6; 7; & 8 of financial statements)	(6,958)	(4,922)
Less: Council internally imposed restrictions (refer Note 6 of financial statements)	(6,306)	(6,530)
Add: Applicable current liabilities refer Note 10 - Sewerage	60	56
Add: Employee Leave Entitlements to be paid > 12 months	1,124	943
Unrestricted net current asset surplus/(deficit)	(299)	643
Unrestricted net current assets comprise: -		
Assets		
Cash	-	3
Receivables	689	564
Inventories	768	900
Other	18	149
Less: General Purpose Liabilities	(2,898)	(1,916)
Plus: Employee Leave Entitlements to be paid > 12 months	1,124	943
Unrestricted net current asset surplus/(deficit)	(299)	643

Although Council's unrestricted net asset position has deteriorated to the point of being negative, the decline is mainly due to increases in internal restrictions made by council, notably \$706,000 for asset replacement. There is also an existing \$1,659,000 restriction for plant replacement. Given that council has discretion over the timing and amount of any expenditure of those restrictions, we do not consider the negative net unrestricted asset position as cause for immediate alarm.



Liquidity

Note 6 to the accounts discloses total cash and investments of \$13,181,000 (2013 - \$11,377,000), of this amount \$6,875,000 (2013 - \$4,844,000) is subject to external restrictions requiring Council to commit those funds to the purposes for which they were provided and \$6,306,000 (2013 - \$6,530,000) is subject to internal restrictions agreed upon by Council for designated purposes. These internal restrictions may be altered at the discretion of Council, consistent with its management plan.

The unrestricted balance of \$Nil (2013 - \$3,000) represents liquid assets available to cover non-budgeted discretionary expenditure and meet short-term cash flow requirements.

Whilst the consolidated financial statements displays sound levels of cash and investments, we remind the reader that the consolidated data is not necessarily reflective of the position of the individual funds (General & Sewer) and this is equally applicable when reviewing the performance indicators considered below. General information on the financial position and performance by fund is provided in Note 21 to the financial statements.

(c) Performance Indicators

Note 13 to the Financial Statements provides a measure of Council's performance using a number of selected ratios:

Unrestricted Current Ratio

The Unrestricted Current Ratio is a measure of Council's liquidity that demonstrates its ability to satisfy obligations out of short-term and immediate asset balances. Council's ratio of 4.13:1 indicates that it is comfortably able to settle its debts as and when they fall due.

Debt Service Cover Ratio

This is a new ratio this year that measures the ability of council to service debt by expressing that capacity as a multiple of the operating result from continuing operations, excluding capital items and depreciation / impairment, over the principal and interest costs.

At 8.84 times (2013 - 13.13) Blayney Shire Council's ratio indicates that council can comfortably meet its current levels of debt.

Rates & Annual Charges, Interest & Extra Charges Outstanding Ratio

The ratio is a measure of management efficiency. Whilst prevailing economic conditions may influence Council's ability to collect revenue, the efficiency and application of collection procedures are still the largest determinant of this ratio.

Blayney Shire Council's rates and annual charges outstanding percentage of 4.5% (2013 – 5.57%) indicates effective rates debtor management.

Cash Expense Cover Ratio

Another new performance measure, the purpose of this ratio is to assess the number of months cash expenses the accumulated cash and investments at 30 June would cover.

We suspect that this is a ratio that may vary considerably from year-to-year, but note that the increase in the measure this year to 14.99 months (2013 11.61) is likely due to the higher level of capital works this year which results in lower materials and contract payments in the operating activities section of the cash flow statement which is the denominator of this measure.

(d) Cash Flow Statement

The Statement of Cash Flows provides information regarding the movement in cash and cash-equivalents, which are highly liquid and have an original term to maturity of less than three months. The current year reports a net decrease in cash assets held of \$1,963,000 (2013 – decrease \$2,958,000) as follows:

	2014 \$'000	2013 \$'000	Movement \$'000
Cash flow provided by / (used in)			
Operating activities	5,263	6,775	(1,512)
Investing activities	(8,107)	(9,640)	1,533
Financing activities	881	(93)	974
Net increase / (decrease) in cash held	(1,963)	(2,958)	995

Cash flows from operating activities

The cashflows from operating activities have decreased due to the decrease in grants and subsidies received as a result of their early payment in 2013.

Cash flows from investing activities

Cash outflows related to acquisitions of infrastructure, property, plant and equipment were up by \$1,761,000 with significant expenditure on bridge replacement. This was offset by lower levels of net purchases of investments (> 3 months to maturity) which were down by \$3,000,000 resulting in an overall lower net cash outflow.

Cash flows from financing activities

The net cash inflow provided by financing activities was the result of a new loan of \$1,000,000 being drawn down less principal repayments on council's borrowings.

(e) Comparison of Actual and Budgeted Performance

Council's surplus from ordinary activities after capital amounts of \$306,000 was \$1,559,000 better than Council's original estimates.

It is beyond the purpose of this report to provide a detailed analysis of individual budget variations. Note 16 to Council's financial statements addresses the contributing factors to these variations in detail.

(f) Other Matters

National Competition Policy

In accordance with the requirements of National Competition Policy guidelines, Blayney Shire Council has prepared special purpose financial statements on its business units for the year ended 30 June 2014. Council has determined that it has one business unit within its operations: Sewerage Services.

The Office of Local Government's July 1997 guidelines 'Pricing and Costing for Council Businesses: A Guide to Competitive Neutrality' outlines the process for identifying and allocating costs of activities and provide a standard of disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, rate of return on investments in business units and dividends paid.

An unqualified audit report on the special purpose statements for the year ended 30 June 2014 has been issued.

Management Letters

Our most recent management letter was issued on 1 July 2014, with a further management letter to follow.

(g) Legislative compliance

As a result of our audit we advise that there are no material deficiencies in the accounting records or financial statements that have come to our attention during the conduct of the audit and that Blayney Shire Council's accounting records have been kept in accordance with the requirements of the Local Government Act, 1993 and regulations.

(h) Matters Relating to the Electronic Presentation of the Audited Financial Statements

This auditor's report relates to the financial statements of Blayney Shire Council (Council) for the year ended 30 June 2013 included on Council's web site. Council is responsible for the integrity of its web site. We have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements to confirm the information included in the audited financial statements presented on this web site.

Conclusion

- (a) The Council's accounting records have been kept in a manner and form that facilitated the preparation of the general purpose financial statements and allowed proper and effective audit of these statements;
- (b) The Council's accounting records have been kept in a manner and form that facilitated the preparation of the special purpose financial statements and allowed proper and effective audit of these statements; and
- (c) all information relevant to the conduct of the audit has been obtained.

The logo for Intentus, featuring the word "intentus" in a lowercase, cursive script font.

Intentus

14 Sale Street
Orange

Dated: 8 September 2014

A handwritten signature in black ink, appearing to read "JD O'Malley".

JD O'Malley
Partner

Blayney Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2014

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



Blayney Shire Council

Special Purpose Financial Statements

for the financial year ended 30 June 2014

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

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

Essentially, the principle is that government businesses, whether Commonwealth, State or Local, should operate without net competitive advantages over other businesses as a result of their public ownership.

- (iii) For Council, the principle of competitive neutrality & public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation and **(b)** those activities with a turnover of over \$2 million that Council has formally declared as a Business Activity (defined as Category 1 activities).

- (iv) In preparing these financial statements for Council's self classified Category 1 businesses and ABS defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax equivalent regime payments & debt guarantee fees (where the business benefits from councils borrowing position by comparison with commercial rates).
-

Blayney Shire Council

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

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

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

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

To the best of our knowledge and belief, these Financial Statements:

- Present fairly the Operating Result and Financial Position for each of Council's declared Business Activities for the year, and
- Accord with Council's accounting and other records.

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

Signed in accordance with a resolution of Council made on 11 August 2014.



S J Ferguson
MAYOR



A J Ewin
COUNCILLOR



Alan McCormack
ACTING GENERAL MANAGER



C M Hodge
RESPONSIBLE ACCOUNTING OFFICER

Blayney Shire Council

Income Statement of Council's Sewerage Business Activity

for the financial year ended 30 June 2014

\$ '000	Actual 2014	Actual 2013
Income from continuing operations		
Access charges	1,066	956
User charges	119	94
Liquid Trade Waste charges	7	-
Fees	-	8
Interest	192	168
Grants and contributions provided for non capital purposes	16	16
Profit from the sale of assets	224	-
Other income	8	61
Total income from continuing operations	1,632	1,303
Expenses from continuing operations		
Employee benefits and on-costs	115	114
Borrowing costs	72	75
Materials and contracts	495	486
Depreciation and impairment	493	487
Loss on sale of assets	-	-
Calculated taxation equivalents	-	-
Debt guarantee fee (if applicable)	-	-
Other expenses	100	120
Total expenses from continuing operations	1,275	1,282
Surplus (deficit) from Continuing Operations before capital amounts	357	21
Grants and contributions provided for capital purposes	50	11
Surplus (deficit) from Continuing Operations after capital amounts	407	32
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	407	32
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(107)	(6)
SURPLUS (DEFICIT) AFTER TAX	300	26
plus Opening Retained Profits	8,943	8,900
plus/less: Prior Period Adjustments	-	11
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	-	-
- Debt guarantee fees	-	-
- Corporate taxation equivalent	107	6
less:		
- Tax Equivalent Dividend paid	-	-
- Surplus dividend paid	-	-
Closing Retained Profits	9,350	8,943
Return on Capital %	2.1%	0.5%
Subsidy from Council	284	653
Calculation of dividend payable:		
Surplus (deficit) after tax	300	26
less: Capital grants and contributions (excluding developer contributions)	(38)	-
Surplus for dividend calculation purposes	262	26
Potential Dividend calculated from surplus	131	13

Blayney Shire Council

Statement of Financial Position - Council's Sewerage Business Activity

as at 30 June 2014

\$ '000	Actual 2014	Actual 2013
ASSETS		
Current Assets		
Cash and cash equivalents	916	2,746
Investments	3,500	733
Receivables	305	287
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	4,721	3,766
Non-Current Assets		
Investments	-	-
Receivables	236	458
Inventories	-	-
Infrastructure, property, plant and equipment	20,021	19,862
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
Total non-Current Assets	20,257	20,320
TOTAL ASSETS	24,978	24,086
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	13	6
Interest bearing liabilities	47	50
Provisions	-	-
Total Current Liabilities	60	56
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	880	927
Provisions	-	-
Total Non-Current Liabilities	880	927
TOTAL LIABILITIES	940	983
NET ASSETS	24,038	23,103
EQUITY		
Retained earnings	9,350	8,943
Revaluation reserves	14,688	14,160
Council equity interest	24,038	23,103
Non-controlling equity interest	-	-
TOTAL EQUITY	24,038	23,103

Blayney Shire Council

Special Purpose Financial Statements

for the financial year ended 30 June 2014

Contents of the Notes accompanying the Financial Statements

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2	Water Supply Business Best Practice Management disclosure requirements	n/a
3	Sewerage Business Best Practice Management disclosure requirements	9

Blayney Shire Council

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

Note 1. Significant Accounting Policies

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

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

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

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

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

- the Local Government Act and Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

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

Certain taxes and other costs (appropriately described) have been imputed for the purposes of the National Competition Policy.

National Competition Policy

Council has adopted the principle of 'competitive neutrality' to its business activities as part of the national competition policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 Government Policy statement on the "Application of National Competition Policy to Local Government".

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

The pricing & costing guidelines outline the process for identifying and allocating costs to activities and provide a standard of disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents; council subsidies; return on investments (rate of return); and dividends paid.

Declared Business Activities

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

Category 1

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

Nil

Category 2

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

a. Blayney Sewerage Service

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

b. Millthorpe Sewerage Service

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

Monetary Amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest one thousand dollars, with the exception of some figures disclosed in Note 3 (Sewerage Best Practice Management Disclosures).

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

(i) Taxation Equivalent Charges

Council is liable to pay various taxes and financial duties in undertaking its business activities. Where this is the case, they are disclosed in these

Blayney Shire Council

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

Note 1. Significant Accounting Policies

statements as a cost of operations just like all other costs.

However, where Council is exempt from paying taxes which are generally paid by private sector businesses (such as income tax), equivalent tax payments have been applied to all Council nominated business activities and are reflected in these financial statements.

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

Notional Rate Applied %

Corporate Income Tax Rate – 30%

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

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

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

Income Tax

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

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

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

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

Since this taxation equivalent is notional - that is, it is payable to the "Council" as the owner of business operations, it represents an internal payment and has no effect on the operations of the council. Accordingly, there is no need for disclosure of internal charges in Council's General Purpose Financial Statements.

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

Local Government Rates & Charges

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

Loan & Debt Guarantee Fees

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

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

(ii) Subsidies

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

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

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

Blayney Shire Council

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

Note 1. Significant Accounting Policies

The overall effect of subsidies is contained within the Income Statement of each reported Business Activity.

(iii) Return on Investments (Rate of Return)

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

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

The Rate of Return on Capital is calculated as follows:

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 3.56% at 30/6/14.

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

(iv) Dividends

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

Local Government Sewerage Businesses are permitted to pay an annual dividend from its sewerage business surplus.

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

- (i) 50% of this surplus in any one year, or
- (ii) the number of sewerage assessments at 30 June 2014 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

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

Blayney Shire Council

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

Note 3. Sewerage Business Best Practice Management disclosure requirements

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

2014

1. Calculation and Payment of Tax-Equivalents

[All Local Government Local Water Utilities must pay this dividend for tax-equivalents]

(i)	Calculated Tax Equivalents	-
(ii)	No of assessments multiplied by \$3/assessment	5,643
(iii)	Amounts payable for Tax Equivalents [lesser of (i) and (ii)]	-
(iv)	Amounts actually paid for Tax Equivalents	0

2. Dividend from Surplus

(i)	50% of Surplus before Dividends [Calculated in accordance with Best Practice Management for Water Supply and Sewerage Guidelines]	130,950
(ii)	No. of assessments x (\$30 less tax equivalent charges per assessment)	56,430
(iii)	Cumulative surplus before dividends for the 3 years to 30 June 2014, less the cumulative dividends paid for the 2 years to 30 June 2013 & 30 June 2012	396,100

2014 Surplus	261,900	2013 Surplus	25,700	2012 Surplus	108,500
		2013 Dividend	-	2012 Dividend	-

(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	56,430
(v)	Dividend actually paid from surplus [refer below for required pre-dividend payment Criteria]	0

3. Required outcomes for 4 Criteria

[To be eligible for the payment of a "Dividend from Surplus", ALL the Criteria below need a "YES"]

(i)	Completion of Strategic Business Plan (including Financial Plan)	YES
(ii)	Pricing with full cost-recovery, without significant cross subsidies [Refer Item 2(a) in Table 1 on page 22 of the Best Practice Guidelines]	YES
	Complying charges (a) Residential [Item 2(c) in Table 1]	YES
	(b) Non Residential [Item 2(c) in Table 1]	YES
	(c) Trade Waste [Item 2(d) in Table 1]	YES
	DSP with Commercial Developer Charges [Item 2(e) in Table 1]	YES
	Liquid Trade Waste Approvals & Policy [Item 2(f) in Table 1]	YES
(iii)	Complete Performance Reporting Form (by 15 September each year)	YES
(iv)	a. Integrated Water Cycle Management Evaluation	YES
	b. Complete and implement Integrated Water Cycle Management Strategy	YES

Blayney Shire Council

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

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

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

2014

National Water Initiative (NWI) Financial Performance Indicators

NWI F2	Total Revenue (Sewerage) Total Income (s14) - Grants for Acquisition of Assets (s12a) - Interest Income (s10) - Aboriginal Communities W&S Program Income (w10a)	\$'000	1,454
NWI F10	Written Down Replacement Cost of Fixed Assets (Sewerage) Written down current cost of system assets (s48)	\$'000	19,901
NWI F12	Operating Cost (Sewerage) Management Expenses (s1) + Operational & Maintenance Expenses (s2)	\$'000	712
NWI F15	Capital Expenditure (Sewerage) Acquisition of Fixed Assets (s17)	\$'000	122
NWI F18	Economic Real Rate of Return (Sewerage) [Total Income (s14) - Interest Income (s10) - Grants for acquisition of Assets (s12a) - Operating cost (NWI F12) - Current cost depreciation (s3)] x 100 divided by [Written down current cost (ie. WDCC) of System Assets (s48) + Plant & Equipment (s34b)]	%	1.24%
NWI F27	Capital Works Grants (Sewerage) Grants for the Acquisition of Assets (12a)	\$'000	38

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

NWI F3	Total Income (Water & Sewerage) Total Income (w13 + s14) + Gain/Loss on disposal of assets (w14 + s15) minus Grants for acquisition of assets (w11a + s12a) - Interest Income (w9 + s10)	\$'000	1,454
NWI F8	Revenue from Community Service Obligations (Water & Sewerage) Community Service Obligations (NWI F25) x 100 divided by Total Income (NWI F3)	%	1.10%
NWI F16	Capital Expenditure (Water & Sewerage) Acquisition of Fixed Assets (w16 + s17)	\$'000	122
NWI F19	Economic Real Rate of Return (Water & Sewerage) [Total Income (w13 + s14) - Interest Income (w9 + s10) - Grants for acquisition of assets (w11a + s12a) - Operating Cost (NWI F11 + NWI F12) - Current cost depreciation (w3 + s3)] x 100 divided by [Written down replacement cost of fixed assets (NWI F9 + NWI F10) + Plant & equipment (w33b + s34b)]	%	1.24%
NWI F20	Dividend (Water & Sewerage) Dividend paid from surplus (2(v) of Note 2 + 2(v) of Note 3)	\$'000	0
NWI F21	Dividend Payout Ratio (Water & Sewerage) Dividend (NWI F20) x 100 divided by Net Profit after tax (NWI F24)	%	0.00%

Blayney Shire Council

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

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

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

2014

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

NWI F22	Net Debt to Equity (Water & Sewerage)	%	-14.51%
	Overdraft (w36 + s37) + Borrowings (w38 + s39) - Cash & Investments (w30 + s31) x 100 divided by [Total Assets (w35 + s36) - Total Liabilities (w40 + s41)]		
NWI F23	Interest Cover (Water & Sewerage)		> 100
	Earnings before Interest & Tax (EBIT) divided by Net Interest		
	Earnings before Interest & Tax (EBIT):		249
	Operating Result (w15a + s16a) + Interest expense (w4a + s4a) - Interest Income (w9 + s10) - Gain/Loss on disposal of assets (w14 + s15) + Miscellaneous Expenses (w4b + w4c + s4b + s4c)		
	Net Interest:		- 120
	Interest Expense (w4a + s4a) - Interest Income (w9 + s10)		
NWI F24	Net Profit After Tax (Water & Sewerage)	\$'000	369
	Surplus before dividends (w15a + s16a) - Tax equivalents paid (Note 2-1(iv) + Note 3-1(iv))		
NWI F25	Community Service Obligations (Water & Sewerage)	\$'000	16
	Grants for Pensioner Rebates (w11b + s12b)		

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

Blayney Shire Council

SPECIAL SCHEDULES

for the year ended 30 June 2014

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



Blayney Shire Council

Special Schedules

for the financial year ended 30 June 2014

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¹ Special Schedules are not audited (with the exception of Special Schedule 9).

Background

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

Blayney Shire Council

Special Schedule No. 1 - Net Cost of Services

for the financial year ended 30 June 2014

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Governance	459	14	-	(445)
Administration	2,968	496	51	(2,421)
Public Order and Safety				
Fire Service Levy, Fire Protection, Emergency Services	339	59	1	(279)
Beach Control	-	-	-	-
Enforcement of Local Govt. Regulations	-	-	-	-
Animal Control	109	6	-	(103)
Other	-	-	-	-
Total Public Order & Safety	448	65	1	(382)
Health	55	16	-	(39)
Environment				
Noxious Plants and Insect/Vermin Control	65	-	-	(65)
Other Environmental Protection	-	-	-	-
Solid Waste Management	960	1,159	-	199
Street Cleaning	139	-	-	(139)
Drainage	65	-	-	(65)
Stormwater Management	-	-	-	-
Total Environment	1,229	1,159	-	(70)
Community Services and Education				
Administration & Education	18	-	2	(16)
Social Protection (Welfare)	-	-	-	-
Aged Persons and Disabled	-	5	-	5
Children's Services	12	1	-	(11)
Total Community Services & Education	30	6	2	(22)
Housing and Community Amenities				
Public Cemeteries	52	46	-	(6)
Public Conveniences	77	-	-	(77)
Street Lighting	102	-	-	(102)
Town Planning	230	125	15	(90)
Other Community Amenities	-	-	-	-
Total Housing and Community Amenities	461	171	15	(275)
Sewerage Services	993	1,559	50	616

Blayney Shire Council

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

for the financial year ended 30 June 2014

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Recreation and Culture				
Public Libraries	157	50	-	(107)
Museums	-	-	-	-
Art Galleries	-	-	-	-
Community Centres and Halls	356	285	-	(71)
Performing Arts Venues	-	-	-	-
Other Performing Arts	-	-	-	-
Other Cultural Services	6	-	-	(6)
Sporting Grounds and Venues	233	12	50	(171)
Swimming Pools	895	332	83	(480)
Parks & Gardens (Lakes)	906	3	-	(903)
Other Sport and Recreation	60	6	25	(29)
Total Recreation and Culture	2,613	688	158	(1,767)
Fuel & Energy	-	-	-	-
Agriculture	-	-	-	-
Mining, Manufacturing and Construction				
Building Control	189	103	-	(86)
Other Mining, Manufacturing & Construction	303	325	-	22
Total Mining, Manufacturing and Const.	492	428	-	(64)
Transport and Communication				
Urban Roads (UR) - Local	1,962	10	-	(1,952)
Urban Roads - Regional	-	-	-	-
Sealed Rural Roads (SRR) - Local	770	1,620	550	1,400
Sealed Rural Roads (SRR) - Regional	187	299	109	221
Unsealed Rural Roads (URR) - Local	783	100	-	(683)
Unsealed Rural Roads (URR) - Regional	-	-	-	-
Bridges on UR - Local	260	-	-	(260)
Bridges on SRR - Local	2	-	-	(2)
Bridges on URR - Local	18	-	351	333
Bridges on Regional Roads	6	-	-	(6)
Parking Areas	-	-	-	-
Footpaths	60	-	33	(27)
Aerodromes	-	-	-	-
Other Transport & Communication	808	521	1,021	734
Total Transport and Communication	4,856	2,550	2,064	(242)
Economic Affairs				
Camping Areas & Caravan Parks	-	-	-	-
Other Economic Affairs	297	155	-	(142)
Total Economic Affairs	297	155	-	(142)
Totals – Functions	14,901	7,307	2,341	(5,253)
General Purpose Revenues ⁽²⁾		5,559		5,559
Share of interests - joint ventures & associates using the equity method	-	-		-
NET OPERATING RESULT ⁽¹⁾	14,901	12,866	2,341	306

(1) As reported in the Income Statement

(2) Includes: Rates & Annual Charges (incl. Ex Gratia, excl. Water & Sewer), Non Capital General Purpose Grants, Interest on Investments (excl. Ext. Restricted Assets) & Interest on overdue Rates & Annual Charges

Blayney Shire Council

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

for the financial year ended 30 June 2014

\$'000

Classification of Debt	Principal outstanding at beginning of the year			New Loans raised during the year	Debt redemption during the year		Transfers to Sinking Funds	Interest applicable for Year	Principal outstanding at the end of the year		
	Current	Non Current	Total		From Revenue	Sinking Funds			Current	Non Current	Total
Loans (by Source)											
Commonwealth Government	-	-	-	-	-	-	-	-	-	-	-
Treasury Corporation	-	-	-	-	-	-	-	-	-	-	-
Other State Government	-	-	-	-	-	-	-	-	-	-	-
Public Subscription	-	-	-	-	-	-	-	-	-	-	-
Financial Institutions	98	1,710	1,808	1,000	119	-	-	145	183	2,506	2,689
Other	-	-	-	-	-	-	-	-	-	-	-
Total Loans	98	1,710	1,808	1,000	119	-	-	145	183	2,506	2,689
Other Long Term Debt											
Ratepayers Advances	-	-	-	-	-	-	-	-	-	-	-
Government Advances	-	-	-	-	-	-	-	-	-	-	-
Finance Leases	-	-	-	-	-	-	-	-	-	-	-
Deferred Payments	-	-	-	-	-	-	-	-	-	-	-
Total Long Term Debt	-	-	-	-	-	-	-	-	-	-	-
Total Debt	98	1,710	1,808	1,000	119	-	-	145	183	2,506	2,689

Notes: Excludes (i) Internal Loans & (ii) Principal Inflows/Outflows relating to Loan Re-Financing.

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

Blayney Shire Council

Special Schedule No. 2(b) - Statement of Internal Loans [Section 410(3) LGA 1993]

for the financial year ended 30 June 2014

\$'000

Summary of Internal Loans

Borrower (by purpose)	Amount originally raised	Total repaid during the year (Principal & Interest)	Principal Outstanding at end of year
General	1,050	245	458
Water			
Sewer			
Domestic Waste Management			
Gas			
Other			
Totals	1,050	245	458

Note: The summary of Internal Loans (above) represents the total of Council's Internal Loans categorised according to the borrower.

Details of Individual Internal Loans

Borrower (by purpose)	Lender (by purpose)	Date of Minister's Approval	Date Raised	Term (years)	Dates of Maturity	Rate of Interest	Amount Originally raised	Total repaid during year (Princ. & Int.)	Principal Outstanding at end of year
BSC General Fund	BSC Sewer Fund	04/03/11	01/07/11	5	30/06/16	6.00%	1,050	245	458
Totals							1,050	245	458

Blayney Shire Council

Special Schedule No. 5 - Sewerage Service Income Statement

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

\$'000	Actuals 2014	Actuals 2013
A Expenses and Income Expenses		
1. Management expenses		
a. Administration	247	227
b. Engineering and Supervision	-	-
2. Operation and Maintenance expenses		
- Mains		
a. Operation expenses	83	50
b. Maintenance expenses	-	-
- Pumping Stations		
c. Operation expenses (excluding energy costs)	29	87
d. Energy costs	15	17
e. Maintenance expenses	-	-
- Treatment		
f. Operation expenses (excl. chemical, energy, effluent & biosolids management costs)	265	262
g. Chemical costs	22	17
h. Energy costs	51	60
i. Effluent Management	-	-
j. Biosolids Management	-	-
k. Maintenance expenses	-	-
- Other		
l. Operation expenses	-	-
m. Maintenance expenses	-	-
3. Depreciation expenses		
a. System assets	473	463
b. Plant and equipment	20	24
4. Miscellaneous expenses		
a. Interest expenses	72	75
b. Revaluation Decrements	-	-
c. Other expenses	-	-
d. Impairment - System assets	-	-
e. Impairment - Plant and equipment	-	-
f. Aboriginal Communities Water & Sewerage Program	-	-
g. Tax Equivalents Dividends (actually paid)	-	-
5. Total expenses	1,277	1,282

Blayney Shire Council

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

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

\$'000	Actuals 2014	Actuals 2013
Income		
6. Residential charges (including rates)	1,066	956
7. Non-residential charges		
a. Access (including rates)	-	-
b. Usage charges	119	94
8. Trade Waste Charges		
a. Annual Fees	7	-
b. Usage charges	-	-
c. Excess mass charges	-	-
d. Re-inspection fees	-	-
9. Extra charges	-	-
10. Interest income	192	168
11. Other income	231	69
11a. Aboriginal Communities Water & Sewerage Program	-	-
12. Grants		
a. Grants for acquisition of assets	38	-
b. Grants for pensioner rebates	16	16
c. Other grants	-	-
13. Contributions		
a. Developer charges	12	11
b. Developer provided assets	-	-
c. Other contributions	3	-
14. Total income	1,684	1,314
15. Gain (or loss) on disposal of assets	-	-
16. Operating Result	407	32
16a. Operating Result (less grants for acquisition of assets)	369	32

Blayney Shire Council

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

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

\$'000	Actuals 2014	Actuals 2013
B Capital transactions		
Non-operating expenditures		
17. Acquisition of Fixed Assets		
a. New Assets for Improved Standards	-	-
b. New Assets for Growth	-	-
c. Renewals	122	-
d. Plant and equipment	-	-
18. Repayment of debt		
a. Loans	47	41
b. Advances	-	-
c. Finance leases	-	-
19. Transfer to sinking fund	-	-
20. Totals	169	41
Non-operating funds employed		
21. Proceeds from disposal of assets	-	-
22. Borrowing utilised		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
23. Transfer from sinking fund	-	-
24. Totals	-	-
C Rates and charges		
25. Number of assessments		
a. Residential (occupied)	1,448	1,452
b. Residential (unoccupied, ie. vacant lot)	143	187
c. Non-residential (occupied)	244	245
d. Non-residential (unoccupied, ie. vacant lot)	46	43
26. Number of ETs for which developer charges were received	- ET	- ET
27. Total amount of pensioner rebates (actual dollars)	\$ 15,386	\$ 15,863

Blayney Shire Council

Special Schedule No. 5 - Sewerage Cross Subsidies

for the financial year ended 30 June 2014

\$'000	Yes	No	Amount
D Best practice annual charges and developer charges*			
28. Annual charges			
a. Does Council have best-practice sewerage annual charges, usage charges and trade waste fees & charges*?	<input type="checkbox"/> Yes	<input type="checkbox"/>	
If Yes, go to 29a.			
If No, please report if council has removed land value from access charges (ie rates)?			
<input type="checkbox"/>			
<input type="checkbox"/>			
NB. Such charges for both residential customers and non-residential customers comply with section 4.2 & 4.3 of the Water Supply, Sewerage and Trade Waste Pricing Guidelines, NSW Office of Water, December, 2002. Such charges do not involve significant cross subsidies.			
b. Cross-subsidy to non-residential customers (page 45 of Guidelines)			<input type="text"/>
c. Cross-subsidy to trade waste discharges (page 46 of Guidelines)			<input type="text"/>
29. Developer charges			
a. Has council completed a sewerage Development Servicing** Plan?	<input type="checkbox"/> Yes	<input type="checkbox"/>	
b. Total cross-subsidy in sewerage developer charges for 2012/13 (page 47 of Guidelines)			<input type="text"/>
** In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, NSW Office of Water, December, 2002.			
30. Disclosure of cross-subsidies			
Total of cross-subsidies (28b + 28c + 29b)			<input type="text" value="-"/>
<p>* Councils which have not yet implemented best practice sewer pricing & liquid waste pricing should disclose cross-subsidies in items 28b and 28c above.</p> <p>However, disclosure of cross-subsidies is not required where a Council has implemented best practice sewerage and liquid waste pricing and is phasing in such pricing over a period of 3 years.</p>			

Blayney Shire Council

Special Schedule No. 6 - Sewerage Service Statement of Financial Position

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

\$'000	Actuals Current	Actuals Non Current	Actuals Total
ASSETS			
31. Cash and investments			
a. Developer charges	714	-	714
b. Special purpose grants	4	-	4
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	3,698	-	3,698
32. Receivables			
a. Specific purpose grants	-	-	-
b. Rates and Availability Charges	83	-	83
c. User Charges	-	-	-
d. Other	222	236	458
33. Inventories	-	-	-
34. Property, plant and equipment			
a. System assets	-	19,901	19,901
b. Plant and equipment	-	120	120
35. Other assets	-	-	-
36. Total Assets	4,721	20,257	24,978
LIABILITIES			
37. Bank overdraft	-	-	-
38. Creditors	13	-	13
39. Borrowings			
a. Loans	47	880	927
b. Advances	-	-	-
c. Finance leases	-	-	-
40. Provisions			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	-	-
41. Total Liabilities	60	880	940
42. NET ASSETS COMMITTED	4,661	19,377	24,038
EQUITY			
42. Accumulated surplus			9,350
44. Asset revaluation reserve			14,688
45. TOTAL EQUITY			24,038
Note to system assets:			
46. Current replacement cost of system assets			28,158
47. Accumulated current cost depreciation of system assets			(8,257)
48. Written down current cost of system assets			19,901

Blayney Shire Council

Note to Special Schedule No. 5 for the financial year ended 30 June 2014

Administration ⁽¹⁾

(item 1a of Special Schedule 5) comprises the following:

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

Engineering and supervision ⁽¹⁾

(item 1b of Special Schedule 5) comprises the following:

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

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

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

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

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

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

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

Residential charges ⁽²⁾ (items 6a, 6b and item 6 of Special Schedules 5) include all income from residential charges.

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

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

Other income (item 11 of Special Schedule 5) include all income not recorded elsewhere.

Other contributions (item 13c of Special Schedules 5) incl. capital contributions sewerage services received by Council under Section 565 of the Local Government Act.

Notes:

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

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

Special Schedule No. 7 - Report on Infrastructure Assets

as at 30 June 2014

\$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard ⁽¹⁾	Required Annual Maintenance ⁽²⁾	Actual Maintenance 2013/14 ⁽³⁾	Written Down Value (WDV) ⁽⁴⁾	Assets in Condition as a % of WDV ^{(4), (5)}				
						1	2	3	4	5
Buildings										
	Council Offices / Administration Centres	70	15	8	730	0%	20%	70%	10%	0%
	Council Works Depot	200	34	14	1,516	0%	45%	30%	20%	5%
	Council Public Halls	175	62	20	2,737	60%	0%	30%	10%	0%
	Libraries	-	6	1	224	0%	90%	10%	0%	0%
	CentrePoint	400	82	34	3,171	0%	35%	45%	20%	0%
	Other Buildings Inc. Amenities/Toilets	250	50	33	3,988	10%	35%	45%	8%	2%
	sub total	1,095	249	110	12,366	16.5%	28.6%	40.7%	13.0%	1.3%
Roads										
	Sealed Roads Surface	927	510	556	9,849	31%	40%	26%	3%	0%
	Sealed Roads Structure	2,656	550	463	46,010	26%	36%	30%	8%	0%
	Unsealed Road Structure	1,367	500	707	40,917	30%	37%	29%	4%	0%
	Bridges	3,434	50	21	15,356	59%	29%	6%	6%	0%
	Footpaths & Cycle ways	880	25	9	2,488	25%	43%	28%	3%	1%
	Kerb and Gutter	99	15	1	5,527	5%	10%	60%	15%	10%
	Other Road Assets	175	150	101	1,149	5%	10%	60%	15%	10%
	Culverts	190	25	18	3,077	4%	35%	45%	12%	4%
	sub total	9,728	1,825	1,876	124,373	30.1%	34.5%	28.3%	6.4%	0.7%

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

\$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard ⁽¹⁾	Required Annual Maintenance ⁽²⁾	Actual Maintenance 2013/14 ⁽³⁾	Written Down Value (WDV) ⁽⁴⁾	Assets in Condition as a % of WDV ^{(4), (5)}				
						1	2	3	4	5
Sewerage Network	Rising Mains	-	50	2	4,430	1%	95%	3%	1%	0%
	Pumping Station/s	203	-	40	1,950	0%	99%	0%	1%	0%
	Treatment	70	127	127	2,565	0%	100%	0%	0%	0%
	Reticulation	1,307	250	14	10,459	18%	18%	18%	46%	0%
	sub total	1,580	427	183	19,404	9.9%	54.6%	10.4%	25.1%	0.0%
Stormwater Drainage	Stormwater	150	15	5	4,281	0%	40%	50%	10%	0%
	sub total	150	15	5	4,281	0.0%	40.0%	50.0%	10.0%	0.0%
Open Space/ Recreational Assets	Fences and Parks Furniture	35	40	45	1,565	15%	40%	40%	5%	0%
	Other	-	-	-	-					
	sub total	35	40	45	1,565	15.0%	40.0%	40.0%	5.0%	0.0%
	TOTAL - ALL ASSETS	12,588	2,556	2,219	161,989	25.7%	36.7%	27.8%	9.2%	0.6%

Notes:

- (1). Satisfactory is defined as "satisfying expectations or needs, leaving no room for complaint, causing satisfaction, adequate".
The estimated cost to bring assets to a satisfactory standard is the amount of money that is required to be spent on an asset to ensure that it is in a satisfactory standard.
This estimated cost should not include any planned enhancements (ie.to heighten, intensify or improve the facilities).
- (2). Required Annual Maintenance is "what should be spent to maintain assets in a satisfactory standard.
- (3). Actual Maintenance is what has been spent in the current year to maintain the assets.
Actual Maintenance may be higher or lower than the required annual maintenance due to the timing of when the maintenance actually occurs.
- (4). Written Down Value is in accordance with Note 9 of Council's General Purpose Financial Statements

(5). Infrastructure Asset Condition Assessment "Key"

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

Blayney Shire Council

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

for the financial year ended 30 June 2014

\$ '000	Amounts 2014	Indicator 2014	Prior Periods 20132012	
Infrastructure Asset Performance Indicators Consolidated				
1. Building and Infrastructure Renewals Ratio				
Asset Renewals (Building and Infrastructure) ⁽¹⁾	3,699	106.63%	69.19%	96.84%
Depreciation, Amortisation & Impairment	3,469			
2. Infrastructure Backlog Ratio				
Estimated Cost to bring Assets to a Satisfactory Condition	12,588	0.08	0.13	0.02
Total value ⁽²⁾ of Infrastructure, Building, Other Structures & depreciable Land Improvement Assets	165,544			
3. Asset Maintenance Ratio				
Actual Asset Maintenance	2,219	0.87	0.68	0.80
Required Asset Maintenance	2,556			
4. Capital Expenditure Ratio				
Annual Capital Expenditure	4,619	0.98	0.57	0.91
Annual Depreciation	4,718			

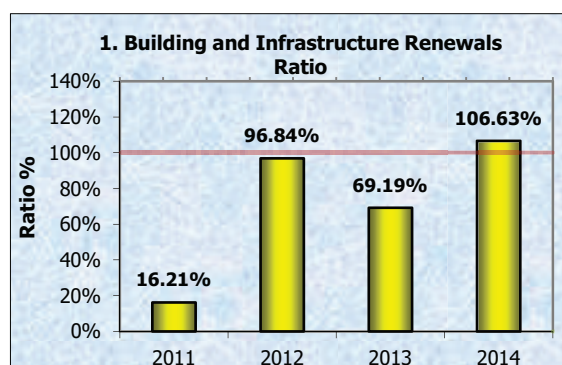
Notes

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

⁽²⁾ Written down value

Blayney Shire Council

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



Minimum 100.00%

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

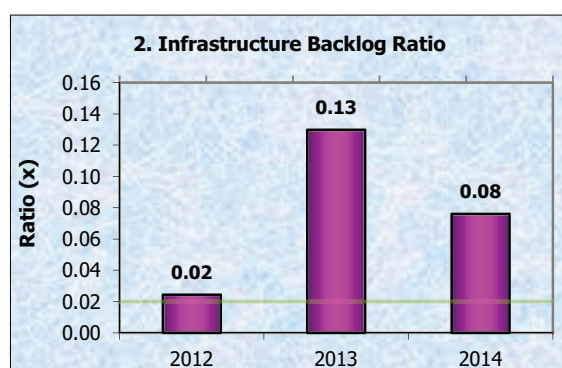
Purpose of Asset Renewals Ratio

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

Commentary on 2013/14 Result

2013/14 Ratio 106.63%

Higher result is due to works being undertaken as a result of the Mining special variation.



Maximum 0.02

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

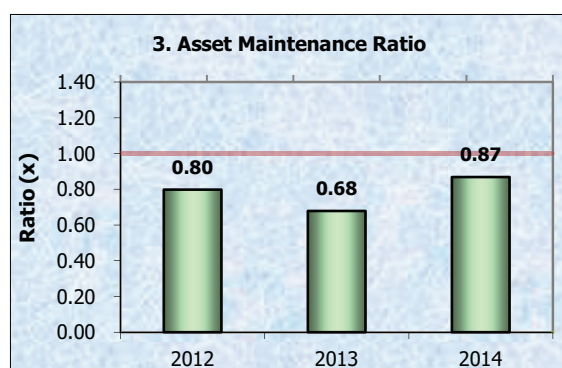
Purpose of Infrastructure Backlog Ratio

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

Commentary on 2013/14 Result

2013/14 Ratio 0.08 x

Councils result of 0.08 in 2014 is still well above the industry benchmark. However, Councils approved special rate variations will continue to reduce the current infrastructure backlog into the future.



Minimum 1.00

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

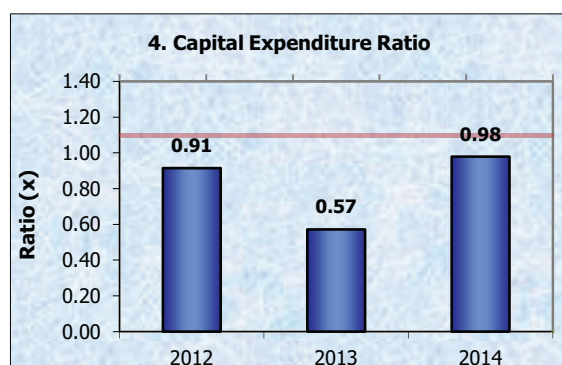
Purpose of Asset Maintenance Ratio

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

Commentary on 2013/14 Result

2013/14 Ratio 0.87 x

Councils result of 0.87 is below the industry benchmark of 1. Councils approved special rate variation will allow for increased maintenance works to be conducted in future years.



Minimum 1.10

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

Purpose of Capital Expenditure Ratio

To assess the extent to which a Council is expanding its asset base thru capital expenditure on both new assets and the replacement and renewal of existing assets.

Commentary on 2013/14 Result

2013/14 Ratio 0.98 x

Councils result of 0.98 is slightly under industry benchmarks. However, is a solid result that should be bolstered by future special rate variations.

Blayney Shire Council

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

for the financial year ended 30 June 2014

\$ '000	Sewer 2014	General ⁽¹⁾ 2014
Infrastructure Asset Performance Indicators By Fund		
1. Building and Infrastructure Renewals Ratio		
<u>Asset Renewals (Building and Infrastructure) ⁽¹⁾</u>	26.35%	119.00%
Depreciation, Amortisation & Impairment		
prior period:	0.00%	79.71%
2. Infrastructure Backlog Ratio		
<u>Estimated Cost to bring Assets to a Satisfactory Condition</u>	0.08	0.08
Total value ⁽³⁾ of Infrastructure, Building, Other Structures & Depreciable Land Improvement Assets		
prior period:	0.00	0.15
3. Asset Maintenance Ratio		
<u>Actual Asset Maintenance</u>	0.43	0.96
Required Asset Maintenance		
prior period:	0.00	0.68
4. Capital Expenditure Ratio		
<u>Annual Capital Expenditure</u>	0.25	1.06
Annual Depreciation		
prior period:	0.00	0.53

Notes

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

⁽²⁾ Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance. Asset Renewals include building and infrastructure assets only.

⁽³⁾ Written down value

Blayney Shire Council

Special Schedule No. 8 - Financial Projections

as at 30 June 2014

\$'000	Actual ⁽¹⁾ 13/14	Forecast ⁽³⁾ 14/15	Forecast ⁽³⁾ 15/16	Forecast ⁽³⁾ 16/17	Forecast ⁽³⁾ 17/18	Forecast ⁽³⁾ 18/19	Forecast ⁽³⁾ 19/20	Forecast ⁽³⁾ 20/21	Forecast ⁽³⁾ 21/22	Forecast ⁽³⁾ 22/23	Forecast ⁽³⁾ 23/24
(i) OPERATING BUDGET											
Income from continuing operations	15,207	13,955	14,663	14,638	15,605	16,407	17,114	20,924	21,253	20,103	21,323
Expenses from continuing operations	14,901	14,836	15,512	15,992	16,433	16,819	17,345	18,169	18,699	19,226	19,682
Operating Result from Continuing Operations	306	(881)	(849)	(1,354)	(828)	(412)	(231)	2,755	2,554	877	1,641
(ii) CAPITAL BUDGET											
New Capital Works ⁽²⁾	927	2,597	2,083	1,864	1,493	1,798	1,195	7,021	6,413	1,695	1,042
Replacement/Refurbishment of Existing Assets	3,699	2,930	3,011	3,200	2,534	3,037	4,311	2,549	3,380	3,431	4,416
Total Capital Budget	4,626	5,527	5,094	5,064	4,027	4,835	5,506	9,570	9,793	5,126	5,458
Funded by:											
– Loans	1,000	1,175	-	484	-	810	1,407	615	1,266	-	-
– Asset sales	162	-	-	-	-	-	-	-	-	-	-
– Reserves	-	387	1,173	751	-	-	65	1,672	1,377	-	-
– Grants/Contributions	2,341	695	908	520	750	790	683	3,653	3,127	616	629
– Recurrent revenue	1,123	3,270	3,013	3,309	3,277	3,235	3,351	3,630	4,023	4,510	4,829
– Other	-	-	-	-	-	-	-	-	-	-	-
	4,626	5,527	5,094	5,064	4,027	4,835	5,506	9,570	9,793	5,126	5,458

Notes:

(1) From 13/14 Income Statement.

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

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

Blayney Shire Council

Special Schedule No. 9 - Permissible Income Calculation for the financial year ended 30 June 2015

\$'000		Calculation 2013/14	Calculation 2014/15
Notional General Income Calculation ⁽¹⁾			
Last Year Notional General Income Yield	a	4,031	6,140
Plus or minus Adjustments ⁽²⁾	b	1,899	1,649
Notional General Income	c	5,930	7,789
Permissible Income Calculation			
Special variation percentage ⁽³⁾	d		4.69%
or Rate peg percentage	e	3.40%	
or Crown land adjustment incl. rate peg percentage	f		
less expiring Special variation amount	g	-	-
plus Special variation amount	h = c x d	-	365
or plus Rate peg amount	i = c x e	202	-
or plus Crown land adjustment and rate peg amount	j = c x f	-	-
sub-total	k = (c+g+h+i+j)	6,132	8,154
plus (or minus) last year's Carry Forward Total	l	23	19
less Valuation Objections claimed in the previous year	m	-	(4)
sub-total	n = (l + m)	23	15
Total Permissible income	o = k + n	6,155	8,169
less Notional General Income Yield	p	6,140	8,130
Catch-up or (excess) result	q = o - p	15	39
plus Income lost due to valuation objections claimed ⁽⁴⁾	r	4	-
less Unused catch-up ⁽⁵⁾	s	-	(19)
Carry forward to next year	t = q + r - s	19	20

Notes

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

**AUDITOR'S REPORT
PERMISSIBLE GENERAL INCOME (SPECIAL SCHEDULE No.9)
OF BLAYNEY SHIRE COUNCIL**

Scope

We have audited the special purpose financial report comprising the reconciliation of total permissible general income (Special Schedule No. 9) of Blayney Shire Council for the 2014-'15 financial year.

Responsibility of Council for Special Schedule No. 9

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

Responsibility of the Auditor

Our responsibility is to express an opinion on Special Schedule No. 9 based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether Special Schedule No. 9 is free from material misstatement.

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

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

In making our risk assessments, we consider internal controls relevant to the entity's preparation of Special Schedule No. 9 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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

Audit Opinion

In our opinion, the reconciliation of Council's total permissible general income (Special Schedule 9) which shows a carry forward catch-up total for 2014-'15 of **thirty eight thousand five hundred and eighty three dollars (\$38,583)** is properly drawn up in accordance with the requirements of the Office of Local Government and in accordance with the books and records of the Council.

Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to the fact that Special Schedule 9 - the reconciliation of total permissible general income is a special purpose financial report which has been prepared for distribution to the Council and the Office of Local Government for the purposes of confirming that Council's reconciliation of Council's total permissible general income is presented fairly. As a result, the financial report may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report or on the financial statements to which it relates to any person other than the Council or the Office of Local Government or for any purpose other than for which the financial report was prepared.

intentus

intentus

14 Sale Street
Orange
Dated: 8 September 2014

JD O'Malley
JD O'Malley
Partner

Attachment A2:

STATEMENT OF PRINCIPAL ACTIVITIES

4TH QUARTER OPERATIONAL PLAN PERFORMANCE STATUS REPORT - JUNE 2014

**COMMUNITY
STRATEGIC
PLAN**

DELIVERY PLAN

OPERATIONAL PLAN

4TH QUARTER REPORT

CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR	ONGOING	COMPLETED	COMMENT
STRATEGIC DIRECTION 1: GROW THE WEALTH OF THE SHIRE										
1.1	1.1.1	Maintain and strengthen partnerships with organisations responsible for natural resource management	Attendance at meetings	1.1.1.a	Ongoing liaison and support and participating local CMA's and Landcare groups.	Meetings attended. Partnership activities undertaken.	DPES		X	Ongoing attendance at meetings during period.
				1.1.1.b	Ongoing liaison, support and participation in CENTROC.	Meetings and on-going initiatives undertaken.	DPES		X	Ongoing attendance at meetings during period.
	1.1.2	Promote sustainable development and protection of our natural resources through the planning system.	Review of LEP and Council	1.1.2.a	Actively support local CMA's and Landcare Groups.	Meetings and activities undertaken.	DPES		X	Ongoing attendance at meetings and activities undertaken during period
				1.1.2.b	Disseminate information to the community as it becomes available	Information disseminated to the public	DPES		X	Ongoing availability of information disseminated during period
	1.1.3	Ensure planning activates support long term sustainability of agricultural sector.	Support by agricultural sector/landcare groups for planning scheme	1.1.3.a	BLEP2011 and DCP maintained in accordance with statutory requirements and any Council adopted studies	Ongoing maintenance and review of BLEP 2011 and DCP	DPES	X		BLEP 2012 now in place. DCP now nearing completion of first draft to detail Blayney Shire specific requirements.
				1.1.3.b	Provide technical advice/planning advice to sector as required.	Provision of advice as requested.	DPES		X	Advice continually provided as requested
	1.1.4	Explore and promote opportunities for Agriculture value adding industries.	Production of a economic development strategy in 2013. Establishment of new industries.	1.1.4.a	Seek funding opportunities for production of economic development strategy	Grant application lodged.	DCS		X	Application lodged and funding for 'Economic Revival' Plan approved for \$85,000. Contract finalised and signed by Dept. EOI Document to be released publically for response. Appointment of Consultant thereafter.

4TH QUARTER OPERATIONAL PLAN PERFORMANCE STATUS REPORT - JUNE 2014

COMMUNITY STRATEGIC PLAN		DELIVERY PLAN		OPERATIONAL PLAN			4TH QUARTER REPORT			
CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR	ONGOING	COMPLETED	COMMENT
1.2	1.2.1	Manage the development of mining as it develops in the Shire in order to preserve sustainable industrial diversity into the future.	Industry meeting. Policy development.	1.2.1.a	Encourage and support cooperation of mining industry in relation to the environment and addressing mining impacts; and review Council's land planning with the provision of information regarding industry growth and future land requirements and other industry information.	Meetings and interaction undertaken.	DPES		X	On-going meetings with current and prospective mining company/s expected to be undertaken in the future.
				1.2.1.b	Address issues in Council's response to any proposed mining activities in Blayney Shire.	Provision of assistance as required.	DPES		X	Assistance provided as required/requested during period
	1.2.2	Improve transport linkages across the Local Government Area to support the mining industry.	Development of work plan.	1.2.2.a	Provide for the upgrade of road linkages supporting the Cadia Valley district.	Projects completed within budgetary constraints.	DIS	X		Forest Reefs Road (Ch. 6.90 - 8.75) preparatory works commenced, with project to be reprogrammed. Routine maintenance completed.
				1.2.2.b	Advocate the upgrading of the Blayney - Demondrille Railway to support the transport of bulk materials to/from the Blayney Local Government Area.	Meetings and interaction undertaken	GM, DIS	X		Transport for NSW issued Tender for reopening of rail lines. All required meetings attended during period. Tender assessment anticipated Q1 2014/15

4TH QUARTER OPERATIONAL PLAN PERFORMANCE STATUS REPORT - JUNE 2014

COMMUNITY STRATEGIC PLAN		DELIVERY PLAN		OPERATIONAL PLAN			4TH QUARTER REPORT			
CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR	ONGOING	COMPLETED	COMMENT
				1.2.2.c	Actively lobby all levels of government for support for the Cadia Valley Operation and future mining projects.	Representations and contact made by Council.	DIS, DPES		X	Council officers continue to attend Consultative Committee meetings. Representations and contact made on opportunities available. Attendance at Cadia East Official Opening, and tour conducted in conjunction with Councillors.

4TH QUARTER OPERATIONAL PLAN PERFORMANCE STATUS REPORT - JUNE 2014

COMMUNITY STRATEGIC PLAN		DELIVERY PLAN		OPERATIONAL PLAN			4TH QUARTER REPORT			
CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR	ONGOING	COMPLETED	COMMENT
	1.2.3	Build meaningful relationships between the mining industry and community.	Established communication channels. Attendance at meetings. Working relationships and cooperation. Mutual projects.	1.2.3.a	Participate in the Association of Mine Related Council's meetings.	Attendance at meetings.	GM		X	Association meetings attended.
				1.2.3.b	Participate in individual Mine Community Consultative Committee Meetings.	Attendance at meetings, communication of meeting outcomes to Council.	DPES		X	On-going attendance at Community Consultative C'ttee meetings during period.
				1.2.3.c	Actively contribute to Cadia Mine Communities initiatives.	Provide information to community groups, as appropriate.	DPES		X	Community groups provided with information when requested / necessary.
1.3	1.3.1	Implement Blayney Shire Tourism Plan	Implementation of plan and targets. Tourism business thriving	1.3.1.a	Develop and market tourism products	Participation in marketing campaigns.	DCS		X	Part of Orange region promotion. New brochure concept to market Orange Region.
				1.3.1.b	Identify new and developing products and commercial opportunities.	Work with state agencies to develop opportunities.	DCS		X	Identifying and reviewing <u>all</u> Blayney Shire tourism events with a view to better coordination and optimisation (where possible). Working with Central NSW Tourism on subsequent product development/promotion. A public 'Event Coordination' workshop held during May to develop event strategy.

4TH QUARTER OPERATIONAL PLAN PERFORMANCE STATUS REPORT - JUNE 2014

**COMMUNITY
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CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR	ONGOING	COMPLETED	COMMENT
				1.3.1.c	Implement the tourism/visitor strategy for Blayney Shire that increases visitation and length of stay and yield.	Develop relationships with tourism operators.	DCS		X	Communication distribution list established, tourism directory being expanded in order to improve communication of events/programs. Ongoing - Newsletters, information bulletins distributed on a regular basis.
	1.3.2	Develop a structure to effectively support and grow tourism and local business.	Structure in place. Productive meetings.	1.3.2.a	Engage with tourism and business groups to build relationships and develop concept.	Meetings held.	DCS		X	Village committee meetings attended and major event meetings held. Dialogue ongoing.
1.4	1.4.1	Work with the community and organisations within the region to develop a recognised brand for the Blayney Shire.	Brand developed	1.4.1.a	Seek partners and funding for brand development.	Partners and Funding sought.	DCS		X	Identification and development of a 'Blayney' brand undertaken within budget constraints. Draft brand image and marketing concept finalised for approval.
1.5	1.5.1	Advocate for increased funding for transportation assets through Federal and State programs	Representations made to relevant agencies	1.5.1.a	Meet with Australian and NSW Government Transport Department representatives on a regular basis.	Representations made by Council.	GM, DIS		X	Discussions held with local State and Federal members as to bridge, road and other funding. Lobbying and applications submitted for future funding opportunities.
				1.5.1.b	Attend Roads and Maritime Services Regional Consultative Committee and Public Engagement Group (PEG) meetings on a regular basis.	Meetings attended.	DIS		X	Council officers attended PEG meeting in March.

4TH QUARTER OPERATIONAL PLAN PERFORMANCE STATUS REPORT - JUNE 2014

**COMMUNITY
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4TH QUARTER REPORT

CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR	ONGOING	COMPLETED	COMMENT
	1.5.2	Promote sustainable energy development and use within the Shire.	Provision of information.	1.5.2.a	Provide information to public regarding sustainable energy practices e.g. BASIX	Information provided to public.	DPES		X	Updated information provided to public during period
1.6	1.6.1	Seek opportunities to build a vibrant local retail and business sector.	Cooperative projects. Opportunities identified and followed up.	1.6.1.a	Seek partners and funding for project development.	Partners and Funding sought.	DCS		X	Funding obtained. Town Centre Revival Plan is a key element of upcoming consultancy and will complement brand identification and marketing strategy for Blayney Shire. Retail Sector plan will focus on (retail) business attraction and growth in weekend visitation.
	1.6.2	Build and retain relationships with government bodies and NGO's to assist small business	Productive relationships. Number of activities.	1.6.2.a	Engage with small business assistance government bodies and develop concept.	Meetings held	DCS		X	Ongoing dialogue with Office of Small Business, Dept of Industry and Investment and RDA regarding business attraction and development. Meeting with RDA re: Business Investment on 30/1/14. Business Investment information added to Council website.
	1.6.3	Support and encourage the establishment or expansion of local businesses	New businesses. Empowered local business.	1.6.3.a	Develop promotional package with shire information on business development.	No. of enquiries.	DCS		X	Information on Council website expanded. Major thrust will follow completion of the Economic Planning consultancy. A number of approaches accommodated.

4TH QUARTER OPERATIONAL PLAN PERFORMANCE STATUS REPORT - JUNE 2014

COMMUNITY STRATEGIC PLAN		DELIVERY PLAN		OPERATIONAL PLAN			4TH QUARTER REPORT			
CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR	ONGOING	COMPLETED	COMMENT
	1.6.4	Develop an environment that will attract technology or internet based industry to come to Blayney.	Establishment of technology industries and technologies.				DCS			<i>Planned for future years.</i> To be incorporated in Planning Review forming part of consultancy work. NBN Fixed Wireless technology being rolled-out in Shire Villages [not Blayney township] Operational in 12 months time (April 2015).

4TH QUARTER OPERATIONAL PLAN PERFORMANCE STATUS REPORT - JUNE 2014

**COMMUNITY
STRATEGIC
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DELIVERY PLAN

OPERATIONAL PLAN

4TH QUARTER REPORT

CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR	ONGOING	COMPLETED	COMMENT
STRATEGIC DIRECTION 2: A CENTRE FOR SPORTS AND CULTURE										
2.1	2.1.1	Encourage development of a calendar of sport and cultural events.	Information provided on web site and updated by sporting groups.	2.1.1.a	Website development to accommodate calendar maintenance by groups.	Website upgrade.	DCS	X		Decision to be taken re: development of a dedicated Sports website. Consultation required through Sports Council. Sports Tourism promotional plan to be developed.
	2.1.2	Engage with key groups and organisations with a view to developing community partnerships for conducting activities and programs.	Participation of organisations.	2.1.2.a	Build relationships and meet with key organisations and groups.	Meetings held.	DCS		X	Working through Towns & Villages Committee.
	2.1.3	Engage with the Shire youth to facilitate progress and activities across the Shire.	Youth activities held. Meetings of Youth Council.	2.1.3.a	Consultation through Youth Council meetings held in partnership with Blayney High School	Attendance at meetings.	DCS	X		Consultation through High SRC on pertinent matters.School Review of future to be undertaken.
				2.1.3.b	Youth activities held in Shire during Youth Week.	Grant submission and acquittal completed in accordance with requirements.	DCS		X	2014 Youth Week Application approved. Blayney Youth Week grant to be offered during 3rd Quarter.
	2.1.4	Work proactively with the community groups to assist with event management.	Develop Community events guide and policies.	2.1.4.a	Develop a how to guide to conduct community events	Guide to organising community events available.	GM	X		Guide is being developed along with policy to assist communities. Risk assessments have been developed and trialled.
				2.1.4.b	Review and update Council policy for holding events at Council facilities.	Policy review and updated.	GM		X	See above. Trial at Cadia Open Day well covered and details being reviewed.
	2.1.5	Encourage and facilitate an active and healthy community by developing accessible programs through Centrepoint and local sporting groups.	Develop programs and activities with the community. Maintain facilities in accordance with financial estimates.	2.1.5.a	Provide a broad range of quality sport and leisure opportunities for Shire residents.	Continued community promotion of healthy living.	DPES		X	Promotion of CentrePoint activities and facilities ongoing during period

4TH QUARTER OPERATIONAL PLAN PERFORMANCE STATUS REPORT - JUNE 2014

**COMMUNITY
STRATEGIC
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DELIVERY PLAN

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4TH QUARTER REPORT

CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR	ONGOING	COMPLETED	COMMENT
				2.1.5.b	Provide and maintain active and passive recreation facilities for the shire communities	Maintenance to be provided as in accordance with Council's adopted Assets Management Plan.	DIS, DCS		X	Maintenance and Parks improvements undertaken per Parks and Gardens Facilities Assets management Plan and within resource constraints.
2.2	2.2.1	Encourage active participation in sport.	Participation in Regional Sport promotions.	2.2.1.a	Participate in programs and maintain Council membership to Western Region Academy of Sport	Membership renewed	DCS		X	Membership renewed.
				2.2.1.b	Continue partnership in Sport Award Program to encourage participation at representative level.	Sports awards issued.	DCS		X	Working with Radio 2BS to promote awards program. Sports Council also provided with material.
	2.2.2	Establish and support a community based representative body for sporting groups.	Report written and council established	2.2.2.a	Establish Council and develop Terms of Reference/Constitution. For the collation of information to be used to develop Parks & Gardens Asset Management Plan.	Meetings conducted with strong attendance rates.	DIS		X	Meetings held on regular basis with sound attendance rates
				2.2.2.b	Provide funding for sporting group development projects.	Grant applications take up available funding.	DIS		X	Funding provided through Financial Assistance Program as and when applications received.
				2.2.2.c	Develop relations with NSW Sport & Recreation and apply annually for grants to increase recreational activities in Blayney Shire.	Funding made available.	DIS		X	Funding provided through NSW Government programs for Napier Oval toilet block, KGO and Showground building improvements.
2.3	2.3.1	Encourage participation and continue relationships with music organisations.	Scholarships awarded	2.3.1.a	Participate in programs and maintain Council's membership to Regional Music Programs.	Membership renewed.	DCS		X	Membership renewed.

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				2.3.1.b	Continue partnership in the Blayney Shire Music Scholarship program with regional partners	Music scholarships awarded.	DCS		X	Music Scholarships awarded during quarter.
	2.3.2	Develop partnerships with other arts organisations to help deliver arts and cultural activities	Arts and cultural activities coordinated.	2.3.2.a	Actively support and promote the Arts Outwest division of NSW Ministry of the Arts.	Programs promoted in the Shire	DCS		X	Approaches made to and by Council. Art exhibitions held in November 2013 and March 2014.
	2.3.3	Encourage the use of the Blayney Shire Community Centre as a facility for arts and culture.	Use of facility.	2.3.3.a	Develop marketing and promotional information for website and distribution to promote use of the facility.	Marketing and promotional information developed	DCS		X	Council website populated with 'Community Centre' and available on-line.
	2.3.4	Provide library services in the Blayney Shire	Usage of library services	2.3.4.a	Maintain and operate Blayney Library	Maintain membership of Central West Libraries	DCS		X	Membership renewed and joint agreement signed.

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STRATEGIC DIRECTION 3: PRESERVE AND ENHANCE OUR HERITAGE AND RURAL LANDSCAPES										
3.1	3.1.1	Protect and enhance biodiversity, native, vegetation, river and soil health.	Developed strategies for protection	3.1.1.a	Assess all DA's with appropriate regard to the minimisation and mitigation of loss or harm to native vegetation.	Proper regard given to native vegetation in DA Assessment / Determination.	DPES		X	Applied to all applications assessed/determined during period
				3.1.1.b	Engage with CMA's and landcare group to promote value of retention of native vegetation	Attendance at meetings and availability of information.	DPES		X	Ongoing attendance at meetings and available information considered during period
				3.1.1.c	Mapping and calculate area of remnant native vegetation in Blayney Shire	In consultation with Centroc identify remaining native cover mapped in BLEP 2011.	DPES	X		Future project to be done when funding and provider available
	3.1.2	Facilitate the delivery of more planting on Council owned and controlled land.	Compliance with strategy	3.1.2.a	Identify suitable planting areas	Areas identified and mapped.	DIS		X	Locations identified in village enhancement programs.
				3.1.2.b	Complete Roadside Vegetation Management Plan (RVMP)	Completed RVMP	DIS		X	Project finalised. Plan utilised for future funding opportunities.
3.2	3.2.1	Adopt and implement the Draft Integrated Water Cycle Management Plan.	Implementation of agreed activities and tasks	3.2.1.a	Prepare a report for Council consideration to adopt IWCM Plan	IWCM Plan adopted	DIS	X		Council continues to await NSW Office of Water approval.
	3.2.2	Enhance the community's understanding of biodiversity issues and work towards positive behavioural change	Research resourced and made available.	3.2.2.a	Actively participate in local and regional catchment management groups to increase sharing of knowledge and participate in catchment wide projects and programs	Number of meetings attended	DPES		X	Meetings attended during period

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3.3	3.3.1	Pursue recognition of heritage items in draft LEP 2011.	Information to public advice Heritage	3.3.1.a	Implement heritage matters adopted in the BLEP 2011	Implement BLEP 2011	DPES		X	BLEP 2012 now in place and heritage continually being addressed..
				3.3.1.b	Review and promote Heritage Grants program	Promotion of Heritage Grants program	DPES		X	Ongoing review and promotion during period
				3.3.1.c	Provide quality functional and accessible heritage advice	Heritage Advisor service available	DPES		X	Ongoing service provided monthly
	3.3.2	Identify items of natural heritage in Blayney Shire.	Information to public Heritage advice	3.3.2.a	Source funding for natural heritage research and identification	Apply for grants, as appropriate.	DPES		X	Grant applications to be made when money available and appropriate
				3.3.2.b	Promote advantages of heritage listing and availability of funding/grants through Heritage branch and Council.	Public information made available. Number of local grants made.	DPES		X	Local grants during period reported to Council. Public information made available in Council foyer and on website
3.4	3.4.1	Pursue sustainable land use practices based on the protection and restoration of natural resources, innovative land use policies and government and community partnerships.	Develop partnerships with relevant organisations.	3.4.1.a	Regularly attend and participate in local Catchment Management Authority meetings/workshops	Maintain regular contact with CMA	DPES		X	CMA meetings attended and on-going contact maintained during period
				3.4.1.b	Liaise with and support local Bushcare and Landcare groups.	Maintain regular contact with local landcare groups.	DPES		X	Established links with local Landcare group.
				3.4.1.c	Investigate/review best practice in local government related to sustainable land use practices for urban and rural areas.	Review information as available.	DPES		X	New information reviewed as it becomes available and used in Blayney Shire Council where appropriate

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STRATEGIC DIRECTION 4: DEVELOP AND MAINTAIN SHIRE INFRASTRUCTURE										
4.1	4.1.1	Manage Local Road Network to agreed service levels.	Performance budget/time/quality. Meeting service levels. Customer request system.	4.1.1.a	Sealed roads are provided to meet the needs of road users within financial constraints.	Asset inspections undertaken in accordance with Asset Management Plan. Construction undertaken, as per budget. Reseal program, as per budget. Record customer issues and monitor response times.	DIS		X	Routine inspections and maintenance undertaken within budget limitations. Reseal program completed with some exceptions. Heavy Patching works associated with flood damage program completed.
				4.1.1.b	Unsealed roads are maintained in accordance with Council's Asset Management Plan and financial constraints.	Asset inspections undertaken in accordance with Assets Management Plan. Gravel re-sheeting program undertaken, as per budget. Length of road maintained (e.g. Graded, patched, table drains) for each classification. Record customer issues and monitor response times.	DIS		X	Maintenance and Gravel resheeting programs undertaken.

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CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR	ONGOING	COMPLETED	COMMENT
				4.1.1.c	Bridges and major culverts are maintained in accordance with Council's Assets Management Plan and financial constraints.	Asset inspections undertaken in accordance with Asset Management Plan. Record customer issues and monitor response times.	DIS		X	Newbridge Rd and Garland Rd bridge replacements completed. Structural inspections undertaken with load limits imposed on Felltimber Rd over Coombing Creek, and Gallymont Rd over Felltimber Creek. Bypass constructed on Gallymont Rd to ensure heavy vehicle access.
	4.1.2	Manage Regional and State Road Network to agreed service levels.	Service levels provided in accordance with State Government funding.	4.1.2.a	Sealed roads are maintained in accordance with Council's Assets Management Plan and financial constraints.	Asset inspections undertaken in accordance with Asset Management Plan. Construction program designed and implemented in line with financial constraints. Record customer issues and monitor response times.	DIS	X		Patching program ongoing Council continues to address customer complaints in reactive manner due to limited resources.

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Csp Ref.	Dp Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR	ONGOING	COMPLETED	COMMENT
	4.1.3	Ensure Ancillary Road facilities are serviceable and in line with current standards e.g. footpaths, cycleways, kerb and gutter, bus stops etc.	Performance budget/time/quality. Meeting service levels. Customer request system.	4.1.3.a	Footpaths and cycle ways are provided to meet the needs of pedestrians within financial constraints.	Asset inspections undertaken in accordance with Asset Management Plan Construction program designed and implemented in line with financial constraints. Construction program designed and completed as per budget constraints. Record customer issues and monitor response times.	DIS		X	Program adjusted in consultation with RMS. Shared path pram ramps installed in Binstead Street.
				4.1.3.b	Kerb and gutter is provided in accordance with Council's Assets Management Plan.	Asset inspections undertaken in accordance with Asset Management Plan Construction program designed and implemented in line with financial constraints. Construction program designed and implemented as per budget constraints. Record customer issues and monitor response times.	DIS	X		Council continues to address customer complaints in reactive manner due to limited resources.

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				4.1.3.c	Parking areas provided in accordance with Council's Assets Management Plan.	Asset inspections undertaken in accordance with Asset Management Plan. Construction of new parking areas in line with financial constraints. Record customer issues and monitor response times.	DIS		X	Blayney Shire Community Centre carpark resealed and linemarked.
				4.1.3.d	Bus facilities are provided for new residential and rural residential estates, in accordance with Council's Section 94 Plans.	Conditions applied to Development Applications.	DIS		X	Further facilities subject to request and investigation.
				4.1.3.e	Traffic facilities are provided, in accordance with Council's Asset Management Plan, to enhance road safety.	Asset inspections undertaken in accordance with Asset Management Plan. Construction program developed in line with financial constraints. Record customer issues and monitor response times.	DIS	X		Council continues to address customer complaints in reactive manner due to limited resources.
				4.1.3.f	Street lighting is provided to meet the needs of road users and reduce Council's costs.	Compliance within Australian Standards is maximised as funding permits.	DIS		X	Essential Energy continues to undertake street lighting maintenance program
				4.1.3.g	Street cleaning is undertaken, as required.	Street cleaning program is developed and implemented.	DIS		X	Street cleaning undertaken subject to demand.

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	4.1.4	Source road making materials in environmentally responsible manner.	Regulatory compliance	4.1.4.a	Ensure compliance with legislation pertaining to operation of gravel pits.	Asset inspections carried out. Performance reports developed to identify legislative requirements.	DIS		X	Injury surveys completed on quarterly basis.
				4.1.4.b	Manage contractors engaged in the processing of road making materials to ensure legislative compliance	Review Contractors and Performance	DIS		X	Contractors plant inspected as required for individual projects.
				4.1.4.c	Road making materials stocks are maintained at a level to ensure timely supply for works.	Stockpile levels are monitored on a regular basis. Road making materials availability is linked to works program.	DIS		X	Crushing operations undertaken to support project demand. Increased levels resulting from increased roadwork demands.
				4.1.4.d	Closed gravel pits are rehabilitated	Pit Management Plans are developed	DIS	X		Plans not commenced due to resourcing constraints.
				4.1.4.e	Road making supplies are sought to ensure future needs are met	New road making supply sources are identified.	DIS	X		Project not commenced.
	4.1.5	Implement the Blayney Shire Council Asset Management Plan	Quantity and quality of information allocated	4.1.5.a	Data for the Asset Management Plan is collected in a timely manner	Information recorded in the asset management database. Asset Management Plan is maintained and up to date.	DIS		X	Condition assesment of footpaths completed, other assets based upon resourcing ability.
				4.1.5.b	Programs are developed in accordance with Road Asset Management Plan principles	Works programs are developed utilising data and principles from the Roads Asset Management Plan	DIS		X	Councillor Roads Tour undertaken (April). Road inspections undertaken on regular basis. Works priorities and principles reviewed as part of Asset Management review.

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	4.1.6	Seek additional grant funding for construction and maintenance of roads and associated facilities	Applications submitted and Grant funds received.	4.1.6.a	Applications are prepared and submitted for funding under the NSW Government's REPAIR Program on a yearly basis	Applications are submitted in full and on time	DIS		X	Application for Hobbys Yards Rd (Ch. 9.8 - 10.9km from Trunkey Creek) submitted and approved.
				4.1.6.b	Applications are prepared and submitted for funding under Government programs as they arise	Applications are submitted in full, and on time.	DIS		X	Blackpot funding applied for and succesful for Forest Reefs Road, and Newbridge Road.
				4.1.6.c	Representations are made through the local State and Federal Members of Parliament for assistance to obtain additional funding for significant projects	Details of representations made are recorded including outcomes	DIS		X	Engagement with NSW and Australian Government Local Members of Parliament seeking further funding undertaken. Specific request made for Forestry operations damage to Neville Road.
	4.1.7	Plan for future transport and road infrastructure to service future needs	Projects are 'shovel ready'	4.1.7.a	Road network and supporting facilities are analysed to identify opportunities for development	Projects identified for further investigation	DIS		X	Bridge and waterway crossing program adopted by Council March 2014.
				4.1.7.b	Projects are scoped and designed to a 'job ready' state for when funding opportunities arise.	A suite of suitable projects have documentation prepared.	DIS		X	2013/14 capital program documentation completed. 2014/15 capital program design underway, including negotiation with affected landholders.
	4.1.8	Investigate opportunities for stormwater harvesting and reuse	Projects identified and implemented. Successful grant applications.				DIS, DPES			<i>Planned for future years.</i>

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	4.1.9	Apply the principles of Water Sensitive Urban Design (WSUD) to stormwater management	Completion of WSUD policy. Investigate grant funding.				DIS, DPES			<i>Planned for future years.</i>
	4.1.10	Prepare Stormwater Management Plans	Completion of Plans	4.1.10.a	Prepare and implement stormwater strategic management plan to reduce impacts of stormwater quality and quantity on the local environment.	Millthorpe Stormwater Strategic Management Plan completed.	DIS, DPES	X		Tender brief for Millthorpe Stormwater Management Plan commenced.
	4.1.11	Maintain cemeteries in accordance with the community's needs and expectations	Compliance with regulations. Maintain records.	4.1.11.a	Maintain Cemetery Records in accordance with adopted procedures	Cemetery records up to date. Burial permits and approvals for monumental work issued.	DPES		X	Updated records maintained and approvals issued as required
				4.1.11.b	Cemetery Management Plan developed	Draft Cemetery Management Plan adopted. Consultation conducted.	DPES	X		Draft Plan developed and referred to Cemetery C'ttee for review and minor amendments made awaiting final sign off by c'ttee before going to Council
				4.1.11.c	Maintain cemeteries within available funding levels	Record customer issues and monitor response times	DPES		X	Issues and response times monitored
	4.1.12	Identify surplus Council owned assets for possible sale to be invested in infrastructure reserve.	Assets identified for sale	4.1.12.a	Undertake review of Council assets to identify those surplus to requirements	Review commenced	DPES, DIS		X	Continued review of assets
				4.1.12.b	Proceeds from sale of surplus Council assets restricted for future infrastructure purpose (i.e. Infrastructure Reserve)	Funds transferred	DCS		X	Surplus land identified and reported to Council. No asset sales during year.

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	4.1.13	Maintain and improve Council owned building assets	Implementation of Building maintenance program	4.1.13.a	Complete buildings asset management plan	Asset Management Plan available for review.	DPES		X	Completed and adopted by Council. Ongoing. Plan now part of IP&R Plan documents.
4.2	4.2.1	Maintain the availability and quality of water for use in rural areas	Water availability and quality. Operational bores.	4.2.1.a	Manage the water supply bores in rural locations to provide a secure 'non potable' supply of water to the Shire	Maintain bore licences and comply with conditions.	DIS		X	Licences renewed as required. Village bores secured with new key system.
				4.2.1.b	Meet with Central Tablelands Water representatives on a regular basis	Meetings attended	DIS		X	Meetings undertaken to discuss CWUA.
				4.2.1.c	Participate in Centroc Water Utilities Alliance	Meetings attended.	DIS	X		Regular teleconference meetings for sewer strategic business plan (SBP) development. Draft SBP on public exhibition. Community newsletter and mailouts provided.
	4.2.2	Ensure Sewerage Treatment Plant are able to meet needs of the Blayney Shire	Maintain to licensing standards	4.2.2.a	Manage treatment plant to effectively treat raw sewage	Ensure compliance with licence requirements.	DIS		X	Licence review completed with NSW EPA.
				4.2.2.b	Implement CEEP2 Aeration pond upgrade (Subject to successful grant application)	Project implemented.	DIS		X	CEEP2 Project completed. Operational tuning for enhanced energy outcomes to be refined.

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	4.2.3	Provide an effective and safe Sewerage Collection Network for Blayney Shire	Achieve network maintenance	4.2.3.a	Maintain the network of collection mains and manholes	Number of overflows. Annual replacement program implemented. Provide a level of service for connections including attending to chokes and overflows. Problem sewer mains identified and remedial works undertaken.	DIS	X		CEEP2 (Centroc) project to be refined to reduce inflows. Chokes attended as and when they occur.
				4.2.3.b	Monitor and maintain pump stations to provide efficient conveyance of sewage	Number of overflows annually	DIS	X		Pump stations operating per normal. Network telemetry upgrade underway as part of CEEP2 project. Anticipate works to be completed Q1 2014/15
				4.2.3.c	Provide treated effluent to Cadia Valley Operations	Compliance with agreement.	DIS		X	Treated effluent transferred subject to demand.
				4.2.3.d	Update the 'Developer Servicing Plan' in relation to sewer services.	Consultation undertaken and Plan updated	DIS	X		Revised scenarios being considered as part of NSW Public Works engagement.
				4.2.3.e	Review Best Practice Compliance	Review undertaken to identify compliance gaps and development of action plan	DIS		X	Council sewerage infrastructure continues to be operated in accordance with Best Practice requirements.
	4.2.4	Ensure that the disposal of liquid waste in rural areas is carried out in a healthy manner without negative environmental impact.	SMF's (sewerage management facilities) reviewed.	4.2.4.a	Review and update Council's Sewer Management Facilities Procedure	Review and update of procedure completed.	DPES	X		Review and update being done by Environmental Officer

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4.3	4.3.1	Lobby to improve public transport around the shire	Improved transport services. Greater accessibility across the Shire.				DCS			<i>Planned for future years.</i>
4.4	4.4.1	Advocate for the upgrading of rail infrastructure	Meeting attended.	4.4.1.a	Advocate the upgrading of the Blayney-Demondrille Railway to support transport to/from the Blayney Local Government Area	Meetings attended.	DIS, GM		X	Transport for NSW issued Tender for reopening of rail lines. All required meetings attended during period. Tender assessment anticipated Q1 2014/15
4.5	4.5.1	Develop and promote programs that increase the participation of the community in recycling and reducing waste going to landfill.	Attendance at Netwaste meetings. Educational material developed. Participation in recycling program.	4.5.1.a	Develop programs with Netwaste that support recovery, reuse and recycling.	Attend Netwaste meetings. Waste going to landfill. Manage solid waste in an efficient, affordable and sustainable manner.	DPES		X	Meetings attended during period and solid waste management by JR Richards monitored quarterly

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STRATEGIC DIRECTION 5: DEVELOP STRONG AND CONNECTED COMMUNITIES										
5.1	5.1.1	Assist incorporated village committees, progress associations and hall committees.	Active village committees	5.1.1.a	Identify Village Committees, progress associations and hall committees requiring assistance to develop programs and local improvements.	Implement insurance contributions funding program.	DCS		X	Community Insurance contributions program implemented. Financial Assistance approved and paid during previous quarters.
	5.1.2	Promote living in the Blayney Shire	Residents Pack developed.	5.1.2.a	Develop a Promotions Program for living in the Blayney Shire	Information on website. Develop new residents pack.	DCS		X	New resident pack finalised and featured on website. Further website enhancement being developed (Maps, Tourism Information, Investment Information information etc.).
5.2	5.2.1	Build partnerships with community groups to increase use of parks and reserves	Interaction with use groups	5.2.1.a	Identify Community groups using parks and reserves	Meet with community groups. Identify strategic plans to enhance existing facilities across the Shire.	DIS	X		Village Enhancement program completed. Sporting field management plans in draft form. Project prioritisation list being developed.
	5.2.2	Provide for the implementation of projects, identified in Council's Pedestrian and Access Mobility, Bike Plan to improve community health and fitness	Meetings attended	5.2.2.a	Develop annual implementation plan of priority pedestrian/cycling projects	Plan is developed annually. PAMP is used to identify remaining priority projects.	DIS	X		Implementation plan developed in consultation with RMS, subject to funding. PAMP to be revised.
				5.2.2.b	Implement the annual pedestrian cycling projects plan.	Projects compliant with RMS funding guidelines to maximise funding potential	DIS	X		Funding approved for Carcoar Street (Charles - Stillingfleet St) shared path project.
				5.2.2.c	Participate in Blayney Shire Access Committee	Attendance at Access Committee Meetings	DCS		X	Committee meetings held.

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				5.2.2.d	Council ensures that adequate access is provided to all buildings and public spaces, as required by legislation.	Street-side access issues identified are assessed and included in future works programs where warranted.	DIS, DPES		X	Access issues, where applicable, addressed in all applications lodged with Council. Applications considered via Access Committee
5.3	5.3.1	Implement programs to build community skills with computer technology, and community participation and social inclusion amongst older Australians.	Internet access available to community. Program participation.	5.3.1.a	Provide support for the provision of information and communication technologies in the Shire	Information provided on Council's website and Blayney Library. Internet access available at library. Identify opportunities within villages for internet café or public access. Promote Seniors Broadband program.	DCS		X	Information on website. Internet access available at Library. Promotion of Seniors Kiosk ongoing.
5.4	5.4.1	Develop and implement a community engagement process and policy	Informed communities	5.4.1.a	Utilise electronic survey processes, social and print media to promote, research and engage with the community.	Undertake community surveys. Issued press releases. Respond to community issues and needs in future delivery plans.	DCS		X	Engagement ongoing. Press releases; community newsletter; electronic media updates; and advertising undertaken.
	5.4.2	Develop and implement plans for villages and township	Plans are implemented	5.4.2.a	Plans developed – Implementation on-going as funds become available.	Plans are implemented	DPES		X	Plans developed and being discussed with local communities. Actions implemented when finances and staff available

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	5.4.3	Encourage volunteerism within the Community	Promotion undertaken	5.4.3.a	Develop promotional campaign material.	Promotion on Council website and Newsletters.	DCS		X	Dedicated section added to website and promoted via flyers and newsletters (printed and on-line).
				5.4.3.b	Develop database of community organisations and contacts in Shire	Information accessible.	DCS		X	Community Directory created and available on-line with 'search' facility. Proposed for further enhancement with targeted promotion to review, correct and add information.

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CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR	ONGOING	COMPLETED	COMMENT
STRATEGIC DIRECTION 6: LEADERSHIP										
6.1	6.1.1	Councillors to exhibit leadership on Council participate in communities and community organisations.	Attendance to meeting. Councillor presence on relevant committees.	6.1.1.a	Council delegates participate in committees and community organisations.	Delegate Reports included in Council's Business Papers.	GM		X	New committees working well. Some delegate reporting to council.
	6.1.2	Promote resource sharing and collaboration with regional organisations.	Participation in meetings. Resource sharing projects.	6.1.2.a	Active participation in the WBC Alliance, Centroc and Central Tablelands Water.	Regional organisations remains strong and provides valuable outcomes.	GM		X	Council current chair of WBC. Shared services are being reviewed with KPMG to assist region and NSW.
	6.1.3	Encourage sound governance practice in community organisations.	Provide assistance and training as requested.	6.1.3.a	Develop program with groups to build capacity.	Training program developed.	DCS			<i>Planned for future years.</i>
6.2	6.2.1	Identify and engage with Shire Community Groups.	Establish regular communications with Shire Community Groups.	6.2.1.a	Identify social, sporting, business groups across the Shire.	Develop an online community register	DCS		X	Register available on website currently.
				6.2.1.b	Council initiates Social Media to communicate with the broader community	Social media networks developed and monitored.	DCS		X	Updates to electronic media occurring on a regular basis and upon demand.
	6.2.2	Implement Council's Community Engagement Plan	Engagement activities conducted	6.2.2.a	Council conduct community surveys, as required to enhance its community services and needs.	Utilise online surveys	DCS		X	Survey on Council Services undertaken as part of Special rate Variation consultation program.
	6.2.3	Develop communications between Councillors and the community to provide community opinion.	Community satisfaction with communication processes. Available to community.	6.2.3.a	To implement and promote Councillor communication through electronic and print media.	Strategies and communications put in place.	GM		X	Council has established web site, face book and twitter accounts and will use these to promote council activities, employment and events.
	6.2.4	Manage a customer request system to assist communications between community and Council.	Response times to requests.	6.2.4.a	Monthly activity report provided to Management.	Reports provided to Management Team	DCS		X	Reports provided monthly to GM & Directors.

4TH QUARTER OPERATIONAL PLAN PERFORMANCE STATUS REPORT - JUNE 2014

COMMUNITY STRATEGIC PLAN		DELIVERY PLAN		OPERATIONAL PLAN			4TH QUARTER REPORT			
CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR	ONGOING	COMPLETED	COMMENT
				6.2.4.b	Develop process of 'acknowledgment of receipt' for customer requests.	Customer request acknowledgements issued.	DCS		X	Automated generation of acknowledgements to correspondence procedure in place and occurring.
6.3	6.3.1	Provide a framework for the efficient and effective administration of Council.	Assess Council's position against Better Practice Review.	6.3.1.a	Implement internal audit program.	Business process reviews undertaken.	DCS	X		Audit committee meetings undertaken during quarter. Business process review deferred to 2013/14.
				6.3.1.b	Review of policies every 4 years.	25% of policies reviewed.	DCS		X	Policies reviewed as required during quarter.
				6.3.1.c	Undertake a Better Practice Review of Council activities	Review commenced	DCS	X		Better practice review template refined for commencement in July 2013. Ongoing.
				6.3.1.d	Provide training for Councillors and staff	Identified Training programs for Councillors and staff	GM	X		Training ongoing.
	6.3.2	Maintain a stable and secure financial structure for Council.	Report financial outcomes as required by legislation.	6.3.2.a	Review ten year financial plan	Plan reviewed.	DCS		X	2014/15 - 2023/24 Financial Plan adopted February 2014.
				6.3.2.b	Review and report on Council's budget performance	Quarterly Budget review to Council.	DCS	X		Quarterly review of Operational Plan undertaken reported quarterly per legislative requirements.
				6.3.2.c	Council's annual statements completed per statutory requirements.	Audited statements lodged with DLG within statutory timeframe.	DCS		X	2012/13 Audited statements lodged with Division of Local Government 18/09/2013.
	6.3.3	Support actions for the sustainable future of local government.	Review Destination 2036 outcomes and actions to improve local government.				GM		X	Council has reviewed all documents and made submissions to relevant organisations. Future submissions to review panel documents ongoing.

4TH QUARTER OPERATIONAL PLAN PERFORMANCE STATUS REPORT - JUNE 2014

**COMMUNITY
STRATEGIC
PLAN**

DELIVERY PLAN

OPERATIONAL PLAN

4TH QUARTER REPORT

CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR	ONGOING	COMPLETED	COMMENT
	6.3.4	Develop strategies that respond to the impact of climate change on the community.	Supply of community information.	6.3.4.a	Promote activities that reduce the volume of greenhouse gases emitted into the atmosphere.	Attend regional organisation meetings and provide information on Council's website.	DPES		X	Meetings attended during period and info placed on website when available and of interest to community
6.4	6.4.1	Provide support for emergency management in Blayney Shire in accordance with SERM Act	Emergencies responded to.	6.4.1.a	Provide executive support to the Local Emergency Operations controller and the Local Emergency Management Committee	LEMO organises and attends meetings. ERM reviewed. Displan reviewed. Exercises conducted with support of Council. The EOC is maintained in a state of readiness.	DIS (LEMO)		X	LEMC meetings conducted on quarterly basis. Council officers attended EM Planning Workshop in February (Sydney) and hosted (Blayney) Pilot Workshop in June.
				6.4.1.b	Support the operation of the SES	Plant and equipment funded. Provide accommodation and support for SES unit.	DIS (LEMO)		X	Council continues to provide facilities and support. Fleet transferred to SES HQ
	6.4.2	Undertake regulatory responsibilities for environmental health and animal control.	Regulatory responsibilities are met	6.4.2.a	Provide the statutory animal control services	Animal control services provided.	DPES		X	On-going animal control services provided during period
	6.4.3	Educate communities on road and pedestrian safety	Programs delivered	6.4.3.a	Work with state and regional organisations in the retention of a Road Safety Officer	Provide financial support for the employment of the Road Safety Officer	DIS		X	RSO position continues to develop programs and deliver safety initiatives to the Shire. RSO Program Funding Agreement confirmed for period 2014-2017
				6.4.3.b	Assist in the development of the annual Road Safety Action Plan	Annual Plan Developed.	DIS	X		Delivery of Annual road safety action plan for 2013/14 completed, in conjunction with Bathurst Regional Council. Action plan for 2014/15 approved by RMS.

4TH QUARTER OPERATIONAL PLAN PERFORMANCE STATUS REPORT - JUNE 2014

COMMUNITY STRATEGIC PLAN		DELIVERY PLAN		OPERATIONAL PLAN			4TH QUARTER REPORT			
CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR	ONGOING	COMPLETED	COMMENT
	6.4.4	Review risk management of council operations.	Plan is implemented and risk managed.	6.4.4.a	Develop Enterprise Risk Management Plan	Plan completed.	GM		X	Risk Management plan being prepared with councils insurer. Future policies will include risk reviews
				6.4.4.b	Implement Risk Management Plan	Implementation commenced.	GM	X		Plan identified with council's insurer and implemented. Reviews undertaken at Centre Point, footpaths and walkways and work sites.

Attachment A3:

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

Blayney Shire Council



Policy Register

Policy No 1A

Policy Title Payment of Expenses and the Provision of Facilities to the Mayor and Councillors Policy

Officer Responsible Director Corporate Services

Last Review Date 16/09/2014

Objectives

Section 252 (1) of the Local Government Act 1993 requires Council to adopt a policy concerning the payment of expenses incurred or to be incurred by, and the provision of facilities to, the mayor, the deputy mayor and other councillors in relation to discharging the functions of civic office.

Policy Statement

Blayney Shire Council



Payment of Expenses and the Provision of Facilities to the Mayor and Councillors Policy

1. OBJECTIVE OF POLICY

Section 252 (1) of the Local Government Act 1993 requires Council to adopt a policy concerning the payment of expenses incurred or to be incurred by, and the provision of facilities to, the mayor, the deputy mayor and other councillors (including Administrators) in relation to discharging the functions of civic office.

The purpose of this policy is to ensure that councillors receive adequate and reasonable expenses and facilities to enable them to carry out their civic duties and that there is accountability and transparency in the payment of expenses incurred, or to be incurred by Councillors (including Administrators). The overriding principle to be addressed in the development of this policy is that the provisions of the policy meet the expectations of the local community.

This policy does not deal with matters associated with the setting and payment of annual fees to the Mayor and Councillors, which are determined by the Local Government Remuneration Tribunal.

Any reference hereon in this policy to Councillors will encompass Administrators.

2. STATUS OF THE POLICY

This policy has been prepared in accordance with the "Guidelines for the Payment of Expenses and the Provision of Facilities for Mayors and Councillors in NSW" as issued by the Office of Local Government, Department of Premier and Cabinet dated 7 October 2009 (Circular 09-36).

3. PAYMENT OF EXPENSES

3.1. CONFERENCES AND SEMINARS

Requests for attending conferences shall be in writing outlining the benefits for Council. A written report shall be furnished to Council from the Councillor or staff accompanying the Councillor on the aspects of the conference relevant to council business and / or the community. No written report shall be required for the Local Government NSW Annual Conference.

Council will meet the following expenses for Councillors attending conferences and seminars which have been authorised by Council resolution or by the Mayor under delegated authority.

3.1.1. Registration Fees

- i) Payment of registration fees for attendance at conference / seminar sessions.
- ii) Payment of official conference / seminar lunches and dinners, and associated tours where they are relevant to the business and interests of Council, if not covered by the registration cost.

3.1.2. Accommodation

Payment of accommodation costs on the following basis:

- i) Accommodation selected by the Council or General Manager on the basis of cost and convenience of location to the conference. A Councillor may choose accommodation at a different location but which is the same cost or less.
- ii) The number of accommodation days provided under this policy shall be limited to:
 - a. Registration day;
 - b. Each day on which official sessions of the conference / seminar are held, as well as the night preceding the conference / seminar where travelling schedules reasonably require such accommodation; and
 - c. Each day on which a Councillor is required to be accommodated en route to and from the conference / seminar.
- iii) Any additional accommodation costs incurred as a result of the attendance of partners and/or children shall be borne by the Councillor.

3.1.3. Car Parking Fees

Council shall meet the cost of the following car parking fees.

- i) Hotel / Motel parking – additional car parking fees not included in accommodation costs.
- ii) Airport parking – costs incurred in the parking of a Councillor's private vehicle at an airport for the duration of a conference / seminar, subject to the vehicle being parked in the most economical airport car park.

Reimbursement for parking expenses shall be made upon the production of appropriate receipts and tax invoices, and the completion of the required claim form. Claim for such expenses shall be made within two (2) months of the date of return from the conference / seminar.

The driver is personally liable for all traffic infringements and parking fines incurred while travelling in private or Council vehicles. Claims for reimbursement or payment of expenses shall be refused.

3.2. TRAINING AND PROFESSIONAL DEVELOPMENT

Council shall meet the expenses for Councillors attending training and professional development which have been authorised by Council resolution or by the Mayor under delegated authority, where the training or educational course is directly related to Councillors civic functions and responsibilities.

The specific expense items met by Council are the same as those applicable to “Conferences and Seminars”, as listed at clause 3.1.

3.3. REIMBURSEMENT AND RECONCILIATION OF EXPENSES

Councillors seeking reimbursement of costs and expenses, incurred in accordance with the requirements of this Policy, shall only be approved upon the production of appropriate receipts and tax invoices, and the completion of the required claim form.

Claims for reimbursement of costs and expenses shall be made within two (2) months of the costs and/or expenses being incurred, unless otherwise specified within this policy.

3.4. CLAIM FORM

Provided as an attachment (Attachment A) to this Policy, is the prescribed Claim Form which shall be completed by any Councillor seeking reimbursement of their costs and expenses.

It is the responsibility of the Councillor to ensure that the Claim Form is submitted accurately and complete, and within the prescribed timeframe as required by this Policy.

Incomplete claim forms may result in costs and expenses not being reimbursed.

3.5. PAYMENTS IN ADVANCE

Councillors may request payment in advance in anticipation of expenses to be incurred in attending conferences, seminars and training away from home. Councillors may also request an advance payment for the cost of any other service or facility covered by this Policy. However, Councillors shall fully reconcile all expenses against the cost of the advance within fourteen (14) days of their return.

Note: No general allowance type payment shall be made under any circumstances.

3.6. PAYMENT OF EXPENSES FOR SPOUSES, PARTNERS AND ACCOMPANYING PERSONS

Where the business of Council includes an invitation to a Councillor's spouse, partner or accompanying person, Council shall meet all reasonable costs associated with the spouse, partner or accompanying person attending that function.

In circumstances where an invitation is not extended to a Councillor's spouse, partner or accompanying person, that spouse, partner or accompanying person may accompany the Councillor on the business of Council, at the expense of the Councillor.

Attendance at the Annual Shires Conference shall be regarded as business of the Council and, as permitted by the Office of Local Government Guidelines, registration and official conference dinner costs be met by Council.

An accompanying person is a person who has a close personal relationship with the councillor and/or provides carer support to the councillor.

3.7. INCIDENTAL EXPENSES

Claims for reimbursement of reasonable out-of-pocket or incidental expenses incurred by a Councillor whilst attending conferences, seminars or training courses shall only be approved upon presentation of receipts and the completion of the prescribed claim form. Payments of general expense allowances shall not be permitted under this policy.

Incidental expenses will be paid in accordance with the annual Taxation Determination issued by the Australian Taxation Office titled: *Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the xxxx-xx income year?* Amounts claimed shall not exceed amounts specified in the Taxation Determination.

3.8. INSURANCE

Council shall effect an appropriate level of insurance for Councillors in the following areas:

- i) Public Liability – for matters arising out of a Councillor's performance of their civic duties and/or exercise of their Council functions.
- ii) Professional Indemnity – for matters arising out of a Councillor's performance of their civic duties and/or exercise of their Council functions.
- iii) Personal Accident – coverage of Councillor and/or spouse while on Council business.
- iv) Defamation – excluding Councillor to Councillor, Councillor to Staff and Staff to Councillor.
- v) Travel – for approved travel on Council business.

Council shall meet any excess applicable under a policy for:

- Councillor and Officers – in relation to a Councillor performing their civic duties or Council functions;
- Other Insurances – in specific instances when considered necessary by the General Manager (e.g. travel insurance).

3.9. LEGAL EXPENSES

Council may indemnify or reimburse the reasonable legal expenses of:-

- i) A Councillor defending an action arising from the performance in good faith of a function under the Local Government Act 1993 (refer Section 731), provided that the outcome of the legal proceedings is favourable to the Councillor.
- ii) A Councillor defending an action in defamation, provided that the outcome of the legal proceedings is favourable to the Councillor.
- iii) A Councillor involved in the event of:
 - An inquiry, investigation or hearing into a Councillor's conduct by any of the following:
 - 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.

3.10. CARER'S PROVISIONS

3.10.1. Carer's Expenses

Councillors who are the principal carer of a child or other elderly, disabled and/or sick immediate family member shall be entitled to reimbursement of carer's expenses up to a maximum of \$1,000 per annum for attendance at Council and Committee meetings and other official civic functions noted below, plus reasonable travel from their principal place of residence. Child care expenses may be claimed for children up to and including the age of 16 years. Reimbursement of carer's expenses shall be made after submission of receipts and tax invoices and completion of the prescribed claim form. Claims for such expenses shall be made within one (1) month of the expense being incurred. Official civic functions may include:

- Attendance at Ordinary and Extraordinary meetings of Council.
- Attendance at Council Committee meetings of which the Councillor is a member.
- Attendance at Ordinary, Committee and Sub-Committee meetings of an organisation where the Councillor has, by Council resolution, been duly elected as a Council delegate.
- Attendance at inspections, within or outside the area as authorised by Council resolution or by the Mayor under delegated authority.
- Attendance at official Council functions as authorised as Council business by a resolution of Council.
- Attendance at conferences or seminars approved by Council resolution or by the Mayor under delegated authority.
- Attendance at training or professional development approved by Council resolution or by the Mayor under delegated authority.
- Attendance at functions to which the Mayor has been invited, which are attended at the request of the Mayor.

Councillors shall provide suitable evidence to the General Manager that reimbursement is applicable, such as advice from a medical practitioner in the event of caring for an adult person.

3.10.2. Expenses and Facilities for Councillors with Disabilities

In addition to the provisions of 3.10.1, for any councillor with a disability, Council may resolve to provide reasonable additional facilities and expenses, in order to allow that Councillor to perform their civic duties.

4. CONSIDERATION OF SPECIFIC EXPENSES FOR MAYORS AND COUNCILLORS

4.1. GENERAL TRAVEL ARRANGEMENTS

All travel by Councillors shall be undertaken by utilising the most direct route and the most practicable and economical mode of transport subject to any personal medical considerations.

Note: The driver is personally responsible for all traffic infringements and parking fines incurred while travelling in private or council vehicles on Council business.

4.2. LOCAL TRAVEL ARRANGEMENTS AND EXPENSES

For the purposes of this Policy, Local Travel will include travel conducted within the following Local Government Areas:-

- Blayney
- Cowra
- Bathurst
- Orange
- Cabonne
- Wellington

For the purposes of this Policy, where Council Delegates attend meetings of the Lachlan Regional Transport Committee Inc, Local Travel will include travel conducted within, and transiting to, the Local Government Areas of the members to this Committee.

Travelling expenses within these Local Government Areas shall be paid to Councillors upon submission of the completed claim form for:

- Attendance at Council or Committee meetings;
- Undertaking approved business of the Council.

Councillors are encouraged to pool vehicles where practicable.

4.3. NON-LOCAL AND OTHER TRAVEL ARRANGEMENTS AND EXPENSES

Payment of travelling expenses for all other travel outside of the “local area” as defined above shall be submitted to Council for consideration, and shall only be paid if approved.

All non-local and other travel should be advised to the General Manager in advance for coordination of accommodation and travel arrangements (if required). Such advice shall be on a travel authority and submitted in time for approval by Council as attached to this policy. For risk minimisation Councillors are to pool vehicles where practicable. All travel by vehicle shall be by the following priority:

- a. Council vehicle (if available)
- b. Councillor vehicle
- c. Hire vehicle

Claims for expenses incurred shall be submitted on the approved claim form as attached to this Policy, and each claim shall clearly state the purpose of the travel.

4.4. TRAVELLING EXPENSES PER KILOMETRE RATE

Approved claims for payment of travelling expenses shall be fixed at the rate per kilometre for vehicles in excess of 3 litre capacity, as determined by the Australian Taxation Office, effective from the 1st July of that financial year.

4.5. OTHER EXPENSES

Councillor claims for payment of “Other Expenses” not specifically covered by this Policy shall be presented in a report to Council for consideration, and shall only be paid if approved.

5. PROVISION OF FACILITIES

5.1. GENERAL PRINCIPLES

The provision of facilities, equipment and services to the Mayor and Councillors shall be used by the Mayor and Councillors only for the purposes of fulfilling their civic duties and functions. However, Council acknowledges that infrequent private use of the facilities and equipment may occur.

Council facilities, equipment and services shall not be used to produce and disseminate election material, personalised pamphlets or newsletters (and the like) or material for any other political purpose.

5.2. TELEPHONE LINE

At Council's expense a separate telephone direct line shall be connected to all Councillors' residences for Council business upon receipt of a written request from each respective Councillor. All costs associated with the operation of this line shall be paid by Council.

In circumstances where a Councillor elects not to have a separate telephone line connected, and instead utilises their own private telephone line, Council shall reimburse only the call costs identified by the Councillor as relating to council business. Claims for this reimbursement shall be accompanied by a copy of the telephone account for this line with each council business call highlighted.

5.3. TECHNOLOGY EQUIPMENT

At the expense of Council, each Councillor shall be provided with Technology equipment, the provision of tablet technology (i.e., IPAD or similar). Such equipment will be provided with required applications for Councillors to undertake their duties. Any additional applications at Council expense must be made in writing with substantiation of need.

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

5.4. APPAREL

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

- One (1) corporate blazer or jacket of Council;
- Two (2) ties or scarves;
- Two Corporate Polo shirts; and
- Protective clothing as deemed required by the General Manager.

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

5.5. OTHER FACILITIES

Councillors are to receive the benefit of:

- Provision and use of business cards and name badges;
- Postage of official correspondence - all mail is to be directed through the Council's own mailing systems;
- Meals/refreshments at Council, Committee, Sub-Committee Meetings and Working Parties, or at any other time deemed appropriate by the Mayor or General Manager whilst on Council business;

5.6. RETURN OF FACILITIES

Councillors shall return any equipment or other facilities to Council after the completion of their term of office, extended leave of absence or at the cessation of their civic duties.

Where a separate sim card / telephone had been established, this line shall be disconnected at Council's expense. However, should the Councillor wish to retain the use of this line, then at Council's expense, the line shall be transferred into the name of the Councillor.

Councillors will also have the option of purchasing the equipment previously allocated at an agreed fair market price or written down price value.

5.7. SECRETARIAL SUPPORT

Secretarial support facilities are available to the mayor during normal office hours, through the General Manager.

ATTACHMENT A – CLAIM FORM

**BLAYNEY SHIRE COUNCIL
COUNCILLOR'S EXPENSES 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 discharging the functions of civic office.

Name of Councillor: _____

TRAVEL

Date	Council Meeting/Committee/Other	Kilometres

ACCOMMODATION/ SUSTENANCE/ OUT OF POCKET EXPENSES

Please provide details and attach receipts

\$

SIGNATURE: _____ **DATE:** _____

Office Use Only

TRAVEL (Kilometres) _____ @ \$ _____

PAYMENT

OTHER _____

TOTAL

\$

=====

ATTACHMENT B – TRAVEL AUTHORITY

**BLAYNEY SHIRE COUNCIL
COUNCILLOR TRAVEL AUTHORITY
FOR NON-LOCAL AND OTHER TRAVEL**

Pursuant to the Payment of Expenses and the Provision of Facilities to the Mayor and Councillors Policy the following application is submitted:

Name of Councillor: _____

Purpose of Travel: _____

Date(s): _____ Time from / to: _____

Location: _____

Venue: _____

Mode of Transport: (please circle)

Air

Council Vehicle

Councillor Vehicle

Hire Vehicle

Accommodation (if required):

Single Room: _____ Double Room: _____ Other: _____

Motel preference: _____

Please provide other relevant details (e.g. special requirements):

SIGNATURE: _____ **DATE:** _____

(Authority should be lodged with sufficient time for Council report for approval to be submitted.)

Office Use Only

Council meeting date: _____ Minute No.: _____

Transport: _____ Order No.: _____

Motel: _____ Order No.: _____

	Date	Minute No.
First Adopted:	20/9/1999	592
Last Reviewed:	13/08/2001	388
	12/02/2007	7
	14/05/2007	07/094
	12/05/2008	08/105
	29/09/2008	08/231
	08/02/2010	1002/010
	09/05/2011	1105/007
	12/09/2011	1109/022
	10/12/2012	1212/005
	09/09/2013	1309/009
	16/09/2014	1409/010
Next Review:	13/07/2015	

Attachment A4:

GOVERNMENT INFORMATION PUBLIC ACCESS ANNUAL REPORT

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. Council staff have been engaged and encouraged to make available information on the website to improve the level of understanding by users and ease interpretation by staff thus allowing for easier and more efficient access to information. Council's Agency Information Guide details the documents that are made publicly available by Council. Council prefers written requests for access to information that is not proactively released from its website or not otherwise publically accessible in order to clearly identify the information sought and assist in its review of information for proactive release.

- All new customer service staff, management and other key staff were provided an outline on legislative requirements of GIPA. A training program has also been placed on Council's Intranet for reference by staff.
- The information that was found to be most highly sought was development application records including plans, floor plans and occupation certificates.

After consideration of the above it was determined that while some of the above information is publicly available it was determined that it is not possible to provide this information due to technology, cost and resource constraints. Plans, excluding internal floor plans, are provided subject to written consent of the copyright owner. Internal floor plans are provided subject to written consent of the property owner. Should copies of internal floor be required, additional written consent of the copyright owner is required.

- Reporting to the community through prominent display on its website and local print media Have your say and 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
- 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
- Advertising local Council managed and community activities and events through a monthly What's On Calendar of Events e-newsletter, web based Calendar of Events
- 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.

The total number of access applications received by Council during the reporting year (including withdrawn applications but not including invalid applications) is 1.

The total number of access applications received by Council during the reporting year that Council 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) is Nil.

SCHEDULE 2 - Statistical information about access applications to be included in annual report

[illegible]

Table B: Number of application 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
Personal information applications*	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	1	0	0	0	0	0	0	0
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0
Note: * 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	
	Number of applications
Reason for invalidity	0
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 to Act	
	Number of times consideration used*
Overriding secrecy laws	n/a
Cabinet information	n/a
Executive Council information	n/a
Contempt	n/a
Legal professional privilege	n/a
Excluded information	n/a
Documents affecting law enforcement and public safety	n/a
Transport safety	n/a
Adoption	n/a
Care and protection of children	n/a
Ministerial code of conduct	n/a
Aboriginal and environmental heritage	n/a
Note: * 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 the Act	
	Number of occasions when application not successful
Responsible and effective government	n/a
Law enforcement and security	n/a
Individual rights judicial processes and natural justice	n/a
Business interests of agencies and other persons	n/a
Environment, culture, economy and general matters	n/a
Secrecy provisions	n/a
Exempt documents under interstate Freedom of Information legislation	n/a

Table F: Timeliness	
	Number of applications
Decided within statutory timeframe (20 days plus any extensions)	1
Decided after 35 days (by agreement with applicant)	n/a
Not decided within time (deemed refusal)	n/a
Total	1

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)			
	Decision varied	Decision upheld	Total
Internal review	n/a	n/a	0
Review by Information Commissioner*	n/a	n/a	0
Internal review following recommendation under section 93 of the Act	n/a	n/a	0
Review by ADT	n/a	n/a	0
Total	0	0	0
Note: * 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: Number of applications reviewed under Part 5 of the Act (by type of applicant)	
	Number of applications for review
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

Attachment A5:

PUBLIC INTEREST DISCLOSURE ANNUAL REPORT

2013/14 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 2013 to 30 June 2014:

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:

- Posters promoting Public Interest Disclosures have been hung in all staff rooms.
- Promotional material attached to all pay slips issued staff.
- Discussion at staff meetings and tool box talks.