

Blayney Shire Council



30 September 2011

Dear Councillor,

Your attendance is requested at an Ordinary Council Meeting of the Blayney Shire Council to be held in the Council Chambers on Monday, 10 October 2011 at 6.00 pm for consideration of the following business -

- (1) Acknowledgement of Country
- (2) Apologies for non-attendance
- (3) Confirmation of Minutes
 - Ordinary Council Meeting held on 12.09.11
 - Extraordinary Council Meeting held on 22.09.11
- (4) Disclosures of Interest
- (5) Reports of Staff
 - (a) Corporate Services
 - (b) Engineering Services
 - (c) Environmental Services
- (6) Committee Reports
- (7) Closed Meeting

Yours faithfully

Mr Alan McCormack PSM
INTERIM GENERAL MANAGER

**5:45 PM PRESENTATION TO COUNCILLORS BY:
- MS JENNIFER BENNETT FOR CENTROC**

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HELD ON MONDAY 10 OCTOBER 2011

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CORPORATE SERVICES REPORTS
PRESENTED TO THE BLAYNEY SHIRE COUNCIL
MEETING HELD ON MONDAY, 10 OCTOBER 2011



01) **CADIA EAST VOLUNTARY PLANNING AGREEMENT**
(Interim General Manager)

RECOMMENDED:

1. That this report be received and noted.

REPORT

Executive Summary

The Voluntary Planning Agreement (VPA) between Blayney, Orange and Cabonne Councils and Newcrest Holdings has still not been signed.

Background Information

Clause 13 of the Development Consent issued in relation to the Cadia East Project provided for contributions of \$8M to the Councils of Blayney, Orange and Cabonne. \$1M was to be provided up front and the remaining \$5M was to be provided over 21 years.

Report

The Minister for Planning approved the Cadia East Project on 6 January 2010. A condition of the consent was:

“Contributions to the Councils up to a total of \$8M (\$3M upfront [within the first 3 years] and \$238,000 each year for 21 years) for:

- *Upgrade of the Council’s road infrastructure affected by the project;*
and
- *General community enhancement to address social amenity and community infrastructure requirements arising from the project.”*

None of these funds have been released.

The Department of Planning supports the release of the first \$3M (\$1M for each Council). From this amount it is intended that Cadia Road from the proposed new mine access road to Panuara Road will be upgraded.

A separate Roads Maintenance agreement is currently being developed between the Council's with Blayney's identified priority being Long Swamp Road, from the Cabonne boundary through to the Forest Reefs locality.

The remaining \$5M is to be divided between the 3 Councils on a basis yet to be determined. As those Councils have not agreed on the distribution formula the Department will commission a suitably qualified, experienced and independent person to review the matter and provide advice to the Director General by the end of November 2011.

The effect of these delays is a dilution in the purchasing power of the funds to be made available.

BUDGET IMPLICATIONS

Upon receipt of the initial \$1M, funds will be allocated to the aforementioned Cadia Road/Panuara Road upgrade project.

POLICY IMPLICATIONS

Nil effect.

Attachments

Nil

02) **DA 13/2011 CONSTRUCTION OF ADDITIONS TO AN EXISTING WORKSHOP AND CONSOLIDATION OF 3 ALLOTMENTS AT 14 HILL STREET, BLAYNEY**
(Interim General Manager)

RECOMMENDED:

1. That recommendations 1 and 2, as submitted to the September Meeting and which appear in the Report below, be adopted.
2. That Council staff work through the three recommendations contained in that Report with the applicants to ensure the applicants have a knowledge of the process to be followed.
3. That Council decide if punitive action is necessary.

REPORT

Background Information

Council was notified at the Meeting of 12 September 2011 of a Development Application lodged by IB and RM Reeks for additions to an existing workshop and consolidation of 3 allotments.

Councillors might like to refer to reports provided for that meeting which gave a detailed chronology of the situation. Written advice has been received from Marsdens Law Group and that advice is attached.

Whilst the advice largely deals with the punitive issue the recommendations in Report No. 31 submitted to the September Meeting should again be revisited. These were:

1. *That Council refuse DA13/2011 for construction of additions to an existing workshop and consolidation of three (3) allotments, as the works have been predominantly completed and may not be approved retrospectively.*
2. *That Council invites Mr Reeks to submit a new Development Application for the use of the unapproved workshop addition. This application would be required to be accompanied by an application for a Building Certificate.*
3. *That Council issue a Notice of Intention to serve Order Number 9 under Environmental Planning and Assessment Act 1979, requiring the cessation of the occupation of the building until such time as appropriate provisions for fire safety and fire safety awareness which are adequate to prevent the spread of fire and promote the safety of persons in the event of fire, are installed in the building.*

Whilst not specifically referred to in the written legal advice, the author of the advice has suggested these recommendations should be followed.

The Notice of Intention To Issue An Order, regarding the fire provisions, will remain and it is understood steps have been taken towards compliance.

Turning to the issue of further action by Council, the tone of the advice is that Action is "discretionary" and that Council does not have a "responsibility" to issue a Penalty Notice or to take prosecution proceedings.

Perhaps the most cogent piece of advice is found at the bottom of Page 4, which reads *"The dominant factor in the exercise of the discretion is the public interest"*.

It is also clear from the advice that a decision to prosecute should be taken on an individual case basis, having regard to a number of factors.

BUDGET IMPLICATIONS

Council is awaiting costings related to the legal advice provided to Council by Marsdens Law Group.

POLICY IMPLICATIONS

Nil effect.

Attachments

- | | | |
|---|----------------------|---------|
| 1 | Legal Advice | 7 Pages |
| 2 | Letter of Engagement | 1 Page |

03) REGIONAL DEVELOPMENT AUSTRALIA (RDA)
(Interim General Manager)

RECOMMENDED:

1. That this information be noted.

REPORT

Executive Summary

Council's application for funding under Regional Development Australia Round 1 was not approved.

Background

RDAs replaced Area Consultative Committees as a medium for funding local infrastructure projects. Blayney Council submitted an application for \$825,750.00 for the Community Centre.

Report

Only 9 projects, ranging from \$698,000 to \$8m were approved for NSW. The largest projects were:

- \$8m, rebuild a Homelessness and Drug and Alcohol Rehabilitation Service (Electorate of New England)
- \$7m, Newcastle Regional Art Gallery (Electorate of Newcastle)
- \$4.96m, Lismore City Hall upgrade (Electorate of Page)
- \$3.5m Ballina Airport (Electorate of Page)

No Central West projects were approved.

Round 2 of applications will open in November.

BUDGET IMPLICATIONS

The funding sought was not part of Council's budget.

POLICY IMPLICATIONS

Nil.

Attachments

Nil

04) COMMUNITY BUILDING PARTNERSHIPS 2011

(Interim General Manager)

RECOMMENDED:

1. That the information be noted;
2. That the information be advertised in Council's Bulletin;
3. That Council apply for \$20,000 for Showground Improvements, with Council to provide matching funding.

REPORT**Executive Summary**

The NSW Government will again conduct the Community Building Partnership (CBP) program in 2011. The program provides funds for community groups and local councils to invest in community infrastructure.

Background Information

The Bathurst Electorate District has an allocation of \$400,000. Funds distributed to Councils require a matching contribution from Councils.

The CBP program commenced in 2009. Projects must be ready to commence by early 2012 and be completed by March 2013. Applications close on 31 October 2011.

BUDGET IMPLICATIONS

Council has a 2011/12 budget allocation of \$20,000 for Blayney Showground Improvements.

POLICY IMPLICATIONS

Nil effect.

Attachments

Nil

05) **FAREWELL**
(Interim General Manager)

RECOMMENDED:

1. That this report be received and noted.

REPORT

Executive Summary

This will be the Acting General Manager's final report to Council.

Background

The Acting General Manager commenced duty on 13 July 2011 and will terminate in late October 2011. The new General Manager will commence in early November.

Report

As this will be my last opportunity to report officially to you I would like to offer my appreciation for the opportunity you have given me. As you know I had retired from Local Government after almost 47 years in service.

The appointment at Blayney was always to be of a temporary nature and that time is now quickly coming to an end.

I hope I have been able to assist you during my short stay. Certainly, although it was a temporary position, there have been some issues. It is pleasing for me that, with the co-operation of Council and the assistance of staff, those major issues have largely been dealt with.

There will be challenging times ahead, particularly as the Shire moves towards achieving its potential as a mining and transport centre. I feel confident that the Council is well placed to meet those challenges.

I would like to acknowledge the support that Councillors have given me. It is impossible to have unanimous support on all issues but, on those that are most important, the Council has acted in the best interests of the people it represents.

I also thank the staff who have always been co-operative and professional. Developments are extending our ability to process all applications quickly but steps have been taken to overcome those delays. It is interesting to note that Blayney Shire Council employs the lowest number of staff (65) in its category, compared to a category average of 147. This to me suggests that staff "punch above their weight". If the Shire continues to grow as we are experiencing now, the issue of staff numbers will need to be addressed.

Could I also express appreciation to the local media. Media keeps people informed and governments honest, and we cannot quibble about our media

coverage here. We should always maintain open communication with the media.

Similarly there are people in the community who have offered me their friendship, which has been important to me.

I trust the new General Manager will accord with the culture and philosophies of Council and I wish him well in his role.

Thank you for having me.

BUDGET IMPLICATIONS

Nil effect.

POLICY IMPLICATIONS

Nil effect.

Attachments

Nil

06) **DISCLOSURES OF INTEREST BY DESIGNATED PERSONS**
(Director Corporate Services)

RECOMMENDED:

1. That Council “Disclosures by Councillors and Designated Persons” Returns as tabled be received.

REPORT

In accordance with Section 450A of the Local Government Act 1993, all returns disclosing interests of Councillors and designated persons, for the period 1 July 2010 to 30 June 2011, must be tabled at the first meeting of Council following the last day for lodgement of the returns.

Accordingly, a copy of the returns will be tabled at this meeting for each Councillor and the following designated persons as determined by the General Manager:

- General Manager
- Director Corporate Services
- Director Environmental Services
- Director Engineering
- Manager Financial Services
- Works Manager
- Operations Manager
- Assets Manager
- Manager Health & Building
- Senior Town Planner
- Human Resources Manager

BUDGET IMPLICATIONS

Nil effect.

POLICY IMPLICATIONS

Nil effect.

Attachments

Nil

07) **ADOPTION OF BLAYNEY SHIRE TOURISM COMMITTEE CHARTER**
(Director Corporate Services)

RECOMMENDED:

1. That Council adopt the Blayney Shire Tourism Committee Charter.

REPORT

Council at its meeting held 20 June 2011 in consideration of the minutes of the Blayney Shire Tourism Committee meeting for 12 May 2011 approved to place the Blayney Shire Tourism Committee Charter on public exhibition for 28 days.

At the close of period for public comment no submissions on the Draft Charter were received.

The Charter serves to outline the aims, roles and responsibilities, composition and associated machinery matters for the seamless operation of a Council committee.

The adoption of this Charter for the Tourism Committee will ensure a consistent approach that will align it with other Council Committees.

BUDGET IMPLICATIONS

Nil effect.

POLICY IMPLICATIONS

Nil effect.

Attachments

- 1 Blayney Shire Tourism Committee Charter 3 Pages

08) **REQUEST FOR WAIVER OF CHARGES - MILLTHORPE GARDEN RAMBLE**
(Director Corporate Services)

RECOMMENDED:

1. That Council approve the request from Millthorpe Garden Ramble Committee for waiver of charges in the amount of \$709.02 associated with seating and tree plantings in June 2010.

REPORT

Council is in receipt of a request from The Millthorpe Garden Ramble Committee seeking Council to waive labour charges associated with installation of seating and tree plantings in June 2010.

At its meeting held 8 August 2011 Council resolved the following:

1. *That Council approve the request from Millthorpe Garden Ramble to waive labour charges associated with installation of seating and tree plantings in the amount of \$709.02. (Ferguson/Ewin)*

Council was required to give public notice of this resolution pursuant to section 610E of the Local Government Act.

Submissions closed on 16 September 2011 and no submissions were received during the exhibition period.

Division 3 (section 610E(2)) of the Local Government Act 1993 requires Council to adopt a resolution on its determination following public exhibition as it would a proposed fee under section 610F(2) or (3). A copy of section 610E is shown below:

610E Council may waive or reduce fees

- (1) *A council may waive payment of, or reduce, a fee (whether expressed as an actual or a maximum amount) in a particular case if the council is satisfied that the case falls within a category of hardship or any other category in respect of which the council has determined payment should be so waived or reduced.*
- (2) *However, a council must not determine a category of cases under this section until it has given public notice of the proposed category in the same way as it is required to give public notice of the amount of a proposed fee under section 610F (2) or (3).*

BUDGET IMPLICATIONS

Council will forego the income that would be generated by this activity.

POLICY IMPLICATIONS

Nil effect.

Attachments

Nil

09) **BLAYNEY SHIRE ACCESS STRATEGY**
(Director Corporate Services)

RECOMMENDED:

1. That Council adopt the Blayney Shire Access Strategy and exhibit it for public comment for a period of 28 days.

REPORT

The provision of equal access enhances everyone's capacity to participate fully in community life, regardless of their physical or mental capabilities. People with disabilities, and other people with access limitations, have the same fundamental rights as all members of the community, as articulated by the following principles:

- People with a disability should not be defined by their disability.
- People with disabilities have a right to equal access to facilities, services, programs, activities and employment in order to fully participate in the community and have equal opportunity to fulfil their individual potential.
- Changes to the physical and social environment to improve access and equity assist people with disabilities to integrate more completely into the community, and also benefit the wider community.

In recognition of this the Blayney Shire Access Advisory Committee has undertaken the preparation of an Access Strategy with a focus of assisting to guide the future direction Council takes in its operational decision making.

The draft Strategy has been developed in-house by the Blayney Shire Access Advisory Committee and provides broad objectives for future planning of activities. It also outlines goals and action plans that will allow the monitoring of progress on the Strategy objectives and will inform Council's Corporate plan to assist Council to fulfil its statutory obligations.

The strategy signals the start of a 'journey' for Council, not the completion of it. It will be continually reviewed and updated in light of stakeholder feedback, our experiences and good practice from around the country.

The strategy is provided as an attachment and adoption of this Strategy will allow for its public exhibition and engagement with key stakeholders.

BUDGET IMPLICATIONS

Actions in the Strategy will need to be achieved within existing budget where possible. The Strategy does detail actions that may call for more resources to fulfil objectives. This will be a consideration of Council in its corporate planning approval process.

POLICY IMPLICATIONS

Nil effect.

Attachments

- 1 Blayney Shire Access Strategy 5 Pages

10) ADOPTION OF AMENDED PLANNING FEES

(Director Corporate Services)

RECOMMENDED:

1. That Council adopt the planning fees as amended for inclusion into Council's Fees & Charges as part of the 2011 – 2016 Management Plan.

REPORT

Council at its August 2011 meeting received a report on Amendment to Planning Fees following advice from the NSW Department of Planning & Infrastructure. Council at this meeting resolved as follows:

1. *That Council adopt the proposed planning fees;*
2. *That the fees be exhibited for public comment for 28 days in accord with section 610F of the Local Government Act 1993; (Ferguson/Radburn)*

The exhibition period for the fees closed 16 September 2011 and no comments were received.

The fees for adoption are as set by the NSW Department of Planning & Infrastructure as part of its annual review of statutory fees for all NSW Councils and adoption of these will formalise their inclusion into Council's Fees & Charges for 2011/2012.

The proposed fees are as outlined in the attached schedule.

BUDGET IMPLICATIONS

Council will benefit from the income generated from the increased fees.

POLICY IMPLICATIONS

Nil effect.

Attachments

- 1 Amendments to Planning Fees 3 Pages

11) **BLAYNEY SHIRE YOUTH COUNCIL MEMORANDUM OF UNDERSTANDING**
(Director Corporate Services)

RECOMMENDED:

1. That Council endorse the Memorandum of Understanding between Blayney Shire Council and Blayney High School for a collaborative approach to the facilitation of Blayney Shire Youth Council.
2. That the Blayney Shire Youth Council Committee Charter as amended be adopted and exhibited for public comment for a period of 28 days.

REPORT

The Blayney Shire Youth Council has been in operation for over 3 years and has achieved initial success in forming a good group of young people who have successfully organised/facilitated a number of worthwhile events. However the long term sustainability of the Youth Council is in doubt due to some of the following reasons:

- Inability to attract and retain older youth (18-24yrs)
- Difficulty with meeting times outside of school hours
- Lack of engagement with Council operations
- Finding relevant projects to develop and support
- Attracting a strong mix of youth representatives
- Obtaining representation from a mix of localities within the Shire

The Blayney Shire Youth Council has not held a meeting since July 2010 due to a lack of quorum, although remaining members have assisted with Youth Week and other activities as they have arisen.

The Blayney Shire Youth Council has been working with the Blayney High School with a view to reinvigorating the Youth Council and achieving wider engagement through the conduct of meetings in school hours at the High School. After discussion with the Principal of Blayney High School the following draft overview of how a re-invented Youth Council might work inside of the school environment is provided:

- Recognise that the large majority of youth in the 13-18yr group go to Blayney High School. This would not exclude anybody else who was eligible and wished to be involved.
- Elections/nominations to be held separately but concurrently with the schools normal leadership program selection schedule.
- Nominations for remaining positions would be advertised and sought from the community.
- Youth Council would operate separately from the High School SRC.
- As well as general application from school body, possible compulsory membership of certain years and students as recommended by teaching staff. This could create an extra leadership pathway for students.

- Bi-monthly meetings held at a suitable time during school hours.
- Original charter would still apply with amendments to reflect proposed structure.
- Council staff/mentors to continue to help run meetings.
- Annual yearly induction.
- Increased engagement in Blayney Shire Council's activities would promote consideration of the "bigger picture" community issues.
- Add local government education to the student's school experience.

The benefits of such an approach will also aid Council in achieving its future obligations under the Integrated Planning & Reporting Framework by ongoing engagement with youth and the ability to raise key issues for consideration as they arise.

A draft Memorandum of Understanding (MOU) has been provided to Blayney High School for its consideration and is provided as an attachment. To expedite the process Council's endorsement of the MOU is sought in the hope that Youth Council meetings can resume in Term 4. Should any amendments of a material nature occur a further report will be provided to Council.

A copy of the Blayney Shire Youth Council Charter with amendments to reflect proposed arrangements is also attached for consideration of Council.

BUDGET IMPLICATIONS

Nil effect.

POLICY IMPLICATIONS

Nil effect.

Attachments

1	Memorandum of Understanding between Council and Blayney High School	2 Pages
2	Amended Blayney Shire Youth Council Charter	2 Pages

12) **INVESTMENT POLICY**
(Director Corporate Services)

RECOMMENDED:

1. That the draft Investment Policy be placed on public exhibition for a period of 28 days.

REPORT

The Australian Government recently advised of its introduction of a new cap (guarantee) of \$250,000 under the Financial Claims Scheme for Authorised Deposit – taking Institutions. The guarantee will be permanent and will take effect from 1 February 2012 with existing term deposits which existed on 10 September 2011 to be covered up to \$1 million until 31 December 2012 or until the deposit matures — whichever occurs sooner.

As a consequence of this amendment Council has reconsidered its investment strategy and amended its policy accordingly. It is proposed that Council now invest a maximum of \$500,000 per financial institution with a view to minimising its risk exposure to capital loss.

A copy of the Draft Investment Policy with the change in clause 1.8 marked/underlined and update from Australian Prudential Regulation Authority (APRA) are attached for information.

BUDGET IMPLICATIONS

Nil effect

POLICY IMPLICATIONS

A report seeking the formal adoption of this policy will be presented to an Ordinary Meeting of Council following expiration of the public exhibition period.

Attachments

- | | | |
|---|---|------------|
| 1 | Draft Investment Policy | 6
Pages |
| 2 | Financial Claims Scheme Frequently Asked Questions (APRA) | 5
Pages |

13) REPORT OF COUNCIL INVESTMENTS AS AT 30 SEPTEMBER 2011
 (Manager Financial Services)

RECOMMENDED:

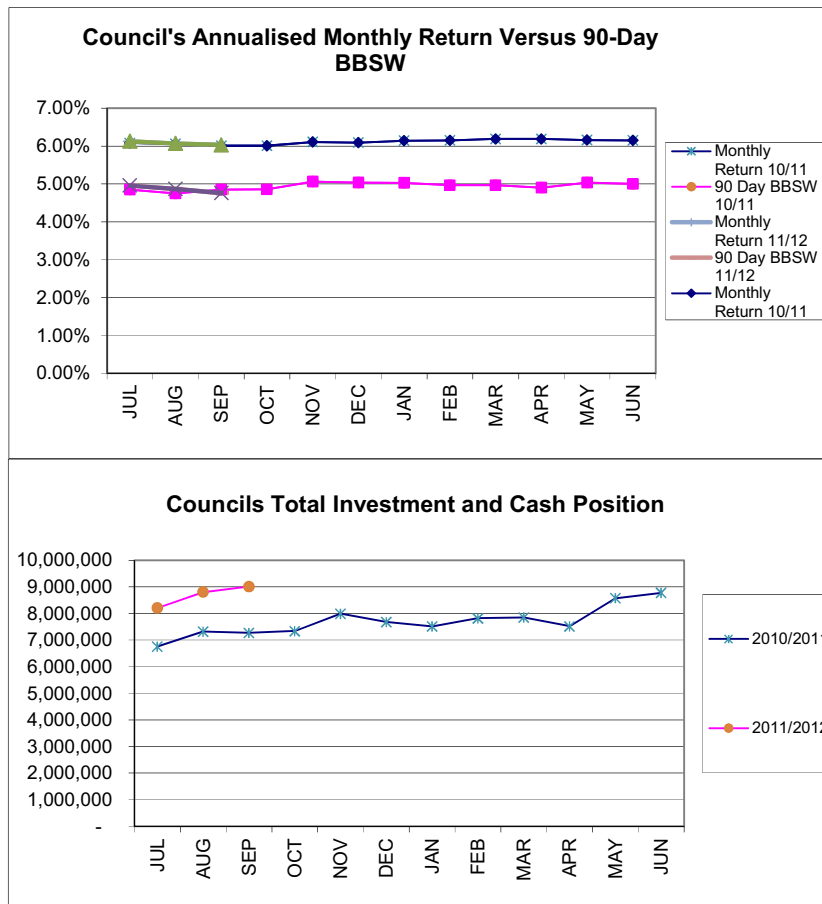
1. That the Report indicating Council’s Investment position as at 30 September 2011 be received and noted.
2. That the Certification of the Responsible Accounting Officer be noted and the Report be adopted.

REPORT

This report provides details of Council’s Investment Portfolio as at 30 September 2011.

Council’s total investment and cash position as at 30 September 2011 is \$9,006,669. Investments earned interest of \$41,024 for the month of September 2011.

Council’s monthly net return annualised for September of 6.03% outperformed the 90 day Bank Bill Swap Rate of 4.76%.



REGISTER OF INVESTMENTS AND CASH AS AT 30 SEPTEMBER 2011

Institution	Amount \$	Monthly Net Return Annualised
<u>Term Deposits</u>		
Bank of Cyprus Australia	500,000.00	6.05%
Bank of Cyprus Australia	500,000.00	6.05%
Bankstown City Credit Union	500,000.00	6.00%
Bankstown City Credit Union	500,000.00	6.00%
Beirut Hellenic Bank Ltd	500,000.00	6.01%
Credit Union Australia	500,000.00	5.84%
Credit Union Australia	500,000.00	5.70%
ING Direct	1,000,000.00	6.00%
ME Bank	500,000.00	5.85%
New England Credit Union	500,000.00	5.77%
Peoples Choice Credit Union	500,000.00	6.01%
Police & Nurses Credit Society	500,000.00	6.08%
Queensland Country Credit Union	500,000.00	6.00%
Suncorp Metway	500,000.00	6.00%
Total	7,500,000.00	5.95%
<u>Collateralised Debt Obligation (CDO's)</u>		
ANZ Custodian (Kakadu, BBSW + 140 points)	500,000.00	6.39%
ANZ Custodian (Flinders, BBSW + 150 points)	500,000.00	6.49%
Total	1,000,000.00	6.44%
Total Investments	8,500,000.00	6.02%
Benchmark: BBSW 90 Day Index		4.76%
Commonwealth Bank - At Call Account	331,710.42	
Commonwealth Bank Balance	174,958.19	
TOTAL INVESTMENTS & CASH	9,006,668.61	

Summary of Investment movements - SEPTEMBER			
Financial Institution	Fund Rating	Invst/(Recall) Amount \$	Commentary
<u>Term Deposits</u>			
Bankstown City Credit Union		(507,451.78)	Term Deposit matured 06/09/2011
Bankstown City Credit Union		500,000.00	Term Deposit invested 06/09/2011
Bankstown City Credit Union		(507,451.78)	Term Deposit matured 13/09/2011
Bankstown City Credit Union		500,000.00	Term Deposit invested 13/09/2011
Bank of Cyprus Australia		(507,678.90)	Term Deposit matured 20/09/2011
Bank of Cyprus Australia		500,000.00	Term Deposit invested 20/09/2011
ME Bank		500,000.00	Term Deposit invested 21/09/2011
Community CPS Australia		(507,666.44)	Term Deposit matured 27/09/2011
Peoples Choice Credit Union		(507,458.90)	Term Deposit matured 27/09/2011
ING Direct		1,000,000.00	Term Deposit invested 28/09/2011

Collateralised Debt Obligations (CDO's)

As per Council's Auditor recommendations, the disclosure of the impact of market conditions on the value of the Collateralised Debt Obligations held is provided. It is estimated by ANZ Custodian Services that the market value of Flinders and Kakadu are \$436,884.49 and \$199,175.79 respectively as at 30 June 2011. It is anticipated that as the investments draw near to maturity the market values will increase. Council is also involved in ongoing legal action to minimise any losses.

Council's monthly net return annualised for June on the CDO's is 6.44% outperforming the 90 day Bank Bill Swap Rate of 4.76%.

CERTIFICATION – RESPONSIBLE ACCOUNTING OFFICER

I, Chris Hodge, certify that the investments listed in this report have been made in accordance with Section 625 of the Local Government Act 1993, the Local Government (General) Regulation 2005 and Council Policy.

BUDGET IMPLICATIONS

A good investment strategy optimises Council's return on investments.

POLICY IMPLICATIONS

Nil effect.

Attachments

Nil

14) 2010/2011 GENERAL PURPOSE FINANCIAL STATEMENTS
(Manager Financial Services)

RECOMMENDED:

1. That Council adopt the 2010/2011 General Purpose Financial Reports and accept the Auditor's Report, as submitted by Hill Rogers Spencer Steer Assurance Partners.

REPORT

Mr Brett Hanger of Hill Rogers Spencer Steer Assurance Partners will make a presentation to Council regarding the Auditor's Report.

Council has presented a net operating result deficit of (\$1,266,000) for the year. Before the inclusion of grants and contributions for capital purposes this net operating result was (\$692,000).

After the exclusion of non-cash items incorporated into the income statement there is a cash surplus from operating activities of \$2,429,000. This operating cash surplus contributed to funding Council's capital works program for the year, with the remainder of the required funding coming from the proceeds from asset sales and Council's reserves.

Council expended \$1,524,000 on new non-financial assets throughout the year. A large amount of this was spent improving Council's road infrastructure with the remaining balance spent on a variety of infrastructure projects including BBQ and picnic facilities in the villages of Neville, Carcoar and Lyndhurst, playground equipment in Newbridge, resurfacing Blayney Netball Courts, construction of Sewerage Treatment Plant Lab and Amenities building and ongoing expenditure on plant and fleet replacement.

A copy of the Auditors report is included in the 2010/2011 Financial Statements is provided as an attachment. An overview of key information is provided as follows:

Income Statement for the financial year ended 30 June 2011

	Actual 2011 \$ '000	Actual 2010 \$ '000
Income from Continuing Operations		
Rates & Annual Charges	5,292	5,012
User Charges & Fees	1,354	1,646
Interest & Investment Revenue	480	340
Other Revenues	200	170
Grants & Contributions provided for Operating Purposes	3,341	2,966
Grants & Contributions provided for Capital Purposes	433	760
Net Gains from Disposal of Assets	4	169
Total Income from Continuing Operations	11,104	11,063

Expenses from Continuing Operations

Employee Benefits	4,460	4,340
Borrowing Costs	164	169
Materials & Contracts	2,293	2,508
Depreciation & Amortisation	4,023	2,582
Other Expenses	1,430	1,396

Total Expenses from Continuing Operations	12,370	10,995
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Operating Result for the Year	(1,266)	68
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Net Operating Result for the year before Grants & Contributions provided for Capital Purposes	(1,699)	(692)
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Balance Sheet as at 30 June 2011

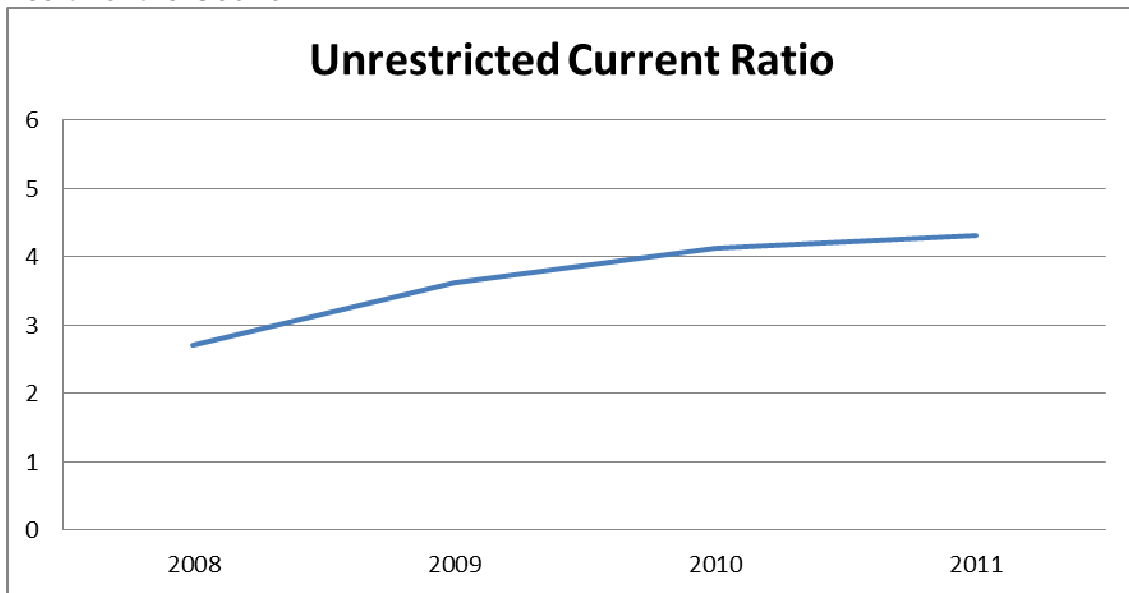
	Actual 2011 \$ '000	Actual 2010 \$ '000
Current Assets		
Cash & Cash Equivalents	7,622	6,282
Investments	380	-
Receivables	1,107	1,130
Inventories	1,000	891
Other	166	137
Total Current Assets	10,275	8,440
Non-Current Assets		
Investments	233	613
Receivables	219	224
Inventories	-	-
Plant, Property & Equipment	179,533	173,929
Total Non-Current Assets	179,985	174,766
Total Assets	190,260	183,206
Current Liabilities		
Payables	787	817
Interest Bearing Liabilities	85	80
Provisions	1,135	1,210
Total Current Liabilities	2,007	2,107
Non-Current Liabilities		
Interest Bearing Liabilities	1,901	1,986
Provisions	429	395
Total Non-Current Liabilities	2,330	2,381
Total Liabilities	4,337	4,488
Net Assets	185,923	178,718
Equity		
Retained Earnings	60,813	62,079
Asset Revaluation Reserve	125,110	116,639
Total Equity	185,923	178,718

Performance Indicators

These indicators are intended to be indicative of the financial health and presence of good business management practices being conducted at Council.

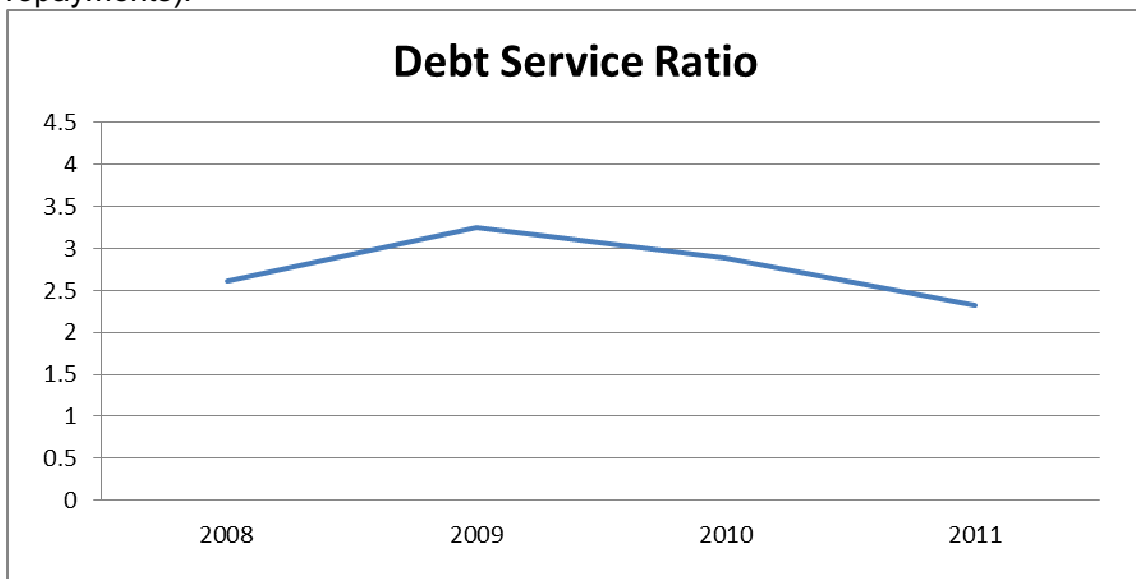
1. Unrestricted Current Ratio – 4.32:1

This ratio demonstrates the ability of Council to satisfy its financial obligations in the short term. The higher the ratio the stronger the short-term financial health of the Council.



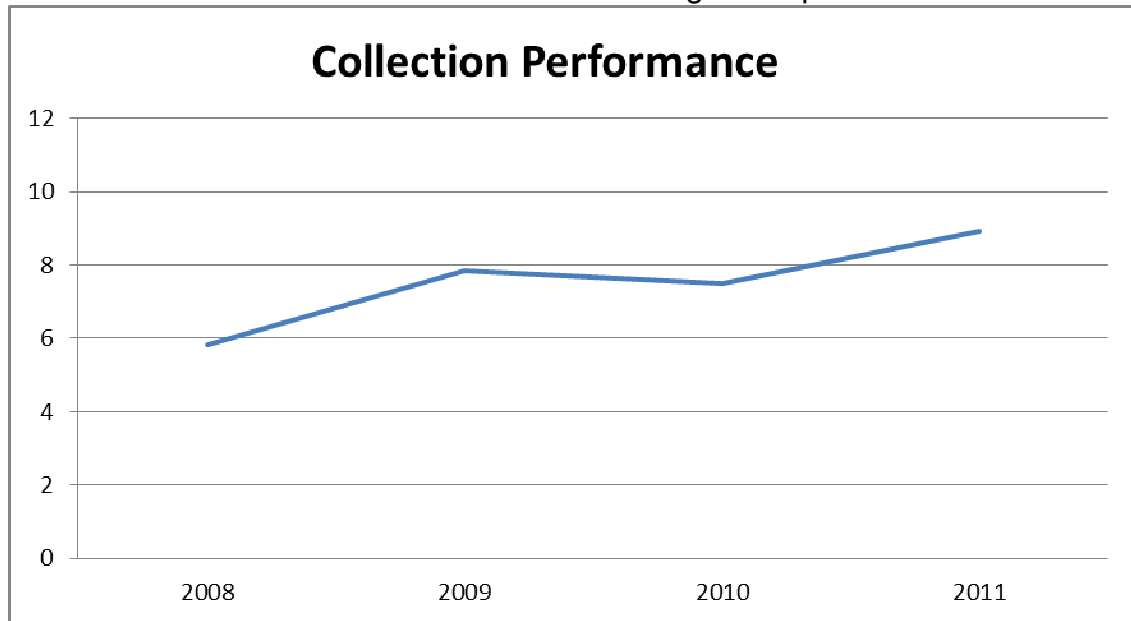
2. Debt Service Ratio – 2.32%

This ratio reflects the ability of Council to service its debt. It shows the amount of annual revenue necessary to service annual debt obligations (loan repayments).



3. Collection Performance – 8.92%

This ratio measure the effectiveness of Council in recovering debts legally owed to it. This ratio is a reflection of debt management policies.

**BUDGET IMPLICATIONS**

The budget result for 2010/2011 was presented to Council at the September 2011 meeting.

POLICY IMPLICATIONS

Nil effect.

Attachments

1 2010/11 General Purpose Financial Statements 114 Pages

15) **COMPARATIVE INFORMATION ON NSW LOCAL GOVERNMENT COUNCILS 2009/2010**
(Manager Financial Services)

RECOMMENDED:

1. That the information on Comparative information on NSW Local Government Councils for 2009/2010 be noted.

REPORT

The Department of Local Government released its report on the Comparative Information on NSW Local Government Councils for 2009/2010 on 14 September, 2011. The publication is designed to assist communities and Councils to assess the performance of Council across a broad range of activities, whether they have improved or declined and also the comparison of performance with other Councils. It is important to note that they are indicators only across certain activities and should not be used in isolation to assess the performance of Council. The report however provides a good tool for undertaking further analysis or qualitative assessments.

In the report Blayney Shire Council is in Group 10, which comprises 25 Councils including Wellington, Narromine & Oberon. The Australian Classification of Local Governments (ACLG) classifies Councils into categories according to their socioeconomic characteristics and their capacity to deliver a range of services to the community. Rural Councils are divided into three categories – significant growth, agricultural or remote.

Following this report are a number of graphs providing a comparison between Blayney, our Alliance partners, our neighbouring Councils, the Group 10 average and the State average.

As can be seen from these charts, Blayney Shire ranks favourably in the areas concerning:

- Average rate per Residential Assessment,
- Average rate per Business Assessment,
- Net Recreation & Leisure Expenses per Capita,
- Debt Service Ratio.

A copy of the full comprehensive Comparative Information report as released by the Department is available to be downloaded or viewed from the Department's website at www.dlg.nsw.gov.au.

BUDGET IMPLICATIONS

Nil effect.

POLICY IMPLICATIONS

Nil effect.

Attachments

1 2009-2010 Comparative Information 3 Pages

16) **PENSIONER AND HARDSHIP ASSISTANCE POLICY**
(Manager Financial Services)

RECOMMENDED:

1. That the draft Pensioner and Hardship Assistance Policy be placed on public exhibition for a period of at least 28 days.

REPORT

The Local Government Shires Association of NSW (LGSA) recently released guidelines for a Council Rates and Hardship Policy in August 2011. The guidelines were released to assist Councils across NSW to develop a policy that would outline how Council may help resident ratepayers who experience genuine financial difficulties to pay their rates and charges.

As a result of this guideline a review of Blayney Shire's current policy has been completed and rewritten to align it with that recommended by the LGSA and neighbouring Councils.

A copy of the amended policy has been provided as an attachment to this report.

As part of Council's commitment to transparency and openness, public notice must be given prior to the policy adoption process.

BUDGET IMPLICATIONS

Nil effect.

POLICY IMPLICATIONS

As outlined above.

Attachments

- 1 Pensioner and Hardship Assistance Policy 4 Pages

17) **RATES AND DEBTORS RECOVERY POLICY**
(Manager Financial Services)

RECOMMENDED:

1. That the draft Rates and Debtors Recovery Policy be placed on public exhibition for a period of at least 28 days.

REPORT

A recent review of Council's rates and debt recovery procedures has highlighted the need to make significant changes to the current Rates and Debtors Recovery Policy.

As a result of the review the policy has been rewritten to provide clear guidelines on how and when rates and charges will be collected to ensure monies owed to Council are recovered in a timely and effective manner.

A copy of the policy has been provided as an attachment to this report.

As part of Council's commitment to transparency and openness, public notice must be given prior to the policy adoption process.

BUDGET IMPLICATIONS

Nil effect.

POLICY IMPLICATIONS

As outlined above.

Attachments

1 Rates and Debtors Recovery Policy 3 Pages

18) **CATEGORISATION OF LAND AS FARMLAND FOR RATING PURPOSES POLICY**
(Manager Financial Services)

RECOMMENDED:

1. That the Categorisation of Land as Farmland for Rating Purposes Policy be adopted as part of Council's policy review process and be included in Council's policy register.

REPORT

Council has introduced a process of review of Council policies as part of its process of continuous improvement.

A review of the Categorisation of Land as Farmland for Rating Purposes policy has been undertaken with no changes to the policy being required.

A copy of the policy has been provided as an attachment to this report.

BUDGET IMPLICATIONS

Nil effect.

POLICY IMPLICATIONS

As outlined above.

Attachments

1	Categorisation of Land as Farmland for Rating Purposes Policy	11 Pages
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27/09/2011

15:16

MARSDEN LAW GROUP → 00263629640

NO. 065 0002



Our Ref: 58 35 6398
Contact: Adam Seton
Contact Tel: 4626 5077
Contact Email: aseton@marsdens.net.au

Your Ref: Alan McCormack PSM

The General Manager
 Blayney Shire Council
 PO Box 62
 BLAYNEY NSW 2799

27 September 2011

Dear General Manger,

Re: Unauthorised Building Works at 14 Hill Street, Blayney

We refer to the letter received from Council's Acting General Manager and note that we have been asked to advise in relation to the Council's obligations to take legal action against the owners of land at 14 Hill Street, Blayney for the offence of carrying out development on that land without prior development consent.

BACKGROUND

We are instructed that on 7 July 2011 Mr Ian Reeks who is a Director of ICR Engineering Pty Limited and one of the owners of the land at 14 Hill Street, Blayney met with Council Officers to advise of his proposal for the construction of additions to an existing workshop on the land and the consolidation of 3 existing allotments (Lots 11, 13 and 16 Section 16 DP 758121). Mr Reeks apparently informed the Council Officers that he had a tight timeframe for construction of the additions because he had equipment arriving from Italy.

On 18 July 2011 a development application for the construction of additions to the existing workshop and consolidation of the 3 allotments was lodged with Council.

On 11 August 2011 Council Officers observed that the construction of the additions to the existing workshop that were proposed in the development application had been completed.

On 17 August 2011 a Notice of Intention to issue an Order in terms of Order No. 2 under Section 121B of the Environmental Planning and Assessment Act 1979 ("EP&A Act") was given to Mr Ian Reeks and Mrs Roxanne Reeks in respect of the additions to the workshop on the basis that they comprised a building that had been erected without prior development consent and a construction certificate.

ABN 59 874 202 616

All correspondence to
 PO Box 291
 Campbelltown NSW 2580
 DX 5107 Campbelltown

www.marsdens.net.au
email@marsdens.net.au

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 J B Adam
 K J Searle
 A I Perchval
 A J Seton
 D R Baird
 P J Crittenden
 T C Reeve
 G P Butterfield
 J Bonura
 E M White
 J T Henshaw
 J J Tunks
 N M Yousef
 J R Thomson
Consultant
 R H Norwood
Senior Associates
 P D Hudson
Associates
 D A Vardy
 T M Danjoux
 N Kalipolitis
 E Macfarlane
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 M: 0415 184 412

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 Accredited Specialist Criminal Law



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AGENTS IN VICTORIA, QUEENSLAND AND AUSTRALIAN CAPITAL TERRITORY

Re: Unauthorised Building Works at 14 Hill Street, Blayney

27 September 2011

In a letter signed by Ian Reeks as director of JCR Engineering Pty Limited to Council's General Manager dated 31 September 2011 Mr Reeks says:

"I refer to the letter we received on 18/08/2011 asking as (sic) to remove the building that we have erected without DA approval.

We had to erect this structure when we did as it was pointed out to your staff at a site meeting prior to lodging the DA that there was a machine ordered from Italy that is worth nearly one million dollars and that it had to go straight under cover and located in it's correct position as it weighs nearly 40 ton in total. This was taken on board by Paul and Greg and I thought that everything would be taken care of, after all, it is in an industrial area and we already had a approved DA for a similer (sic) building in the same spot but just smaller. I hadn't lodged a DA earlier because of the on-going issues with the Council but I thought these were over with the General Manager resigning as I felt that a DA lodged then would never have been approved, one would like to think that this is not still the case, rest assured that I would take no convincing in moving my business to Orange as they are trying to persuade me to and are making it very attractive to do so.

This machine is now here and has been for many weeks, we have had technicians here from Perth and now Italy installing and commissioning this state of the art machine of which I might add is the first of its kind in Australia and only about fifth in the world. I would like your assistance in this matter to resolve it as quickly as possible so we can move forward from here and promote this machine in the Blayney Shire."

We assume for the purposes of this advice that the building that has been erected without prior development consent is a building that Council would have been likely to approve and that subject to compliance with relevant requirements of the Building Code of Australia (in particular fire safety requirements) the Council would not require the building to demolished.

ADVICE

Pursuant to Section 125(1) of the EP & A Act where any matter or thing that is by or under the EP&A Act forbidden to be done is done, a person offending against that prohibition is guilty of an offence against the EP & A Act. In that regard, Section 76A of the EP&A Act provides:

"(1) General

If an environmental planning instrument provides that specified development may not be carried out except with development consent, a person must not carry the development out on land to which the provision applies unless:

(a) such a consent has been obtained and is in force, and

Re: Unauthorised Building Works at 14 Hill Street, Blayney

27 September 2011

(b) the development is carried out in accordance with the consent and the instrument."

For the purpose of this advice it is assumed that the development that has been carried out on the subject land was development that could not be carried out except with development consent under the planning instrument applying to the land and was not exempt or complying development under State Environmental Planning Policy (Exempt and Complying Development Codes) 2008.

The Council may take proceedings for an offence against the EP&A Act in either the Local Court or the Land and Environment Court of NSW.

If proceedings in respect of an offence against are brought in the Local Court the maximum monetary penalty that the Court may impose in respect of the offence is \$110,000 (see Section 127(3) of the EP & A Act). If proceedings in respect of an offence against the EP & A Act are brought in the Land and Environment Court of NSW, the Court may impose a penalty not exceeding \$1,100,000.

Instead of taking proceedings in either the Local Court or the Land and Environment Court for the offence, an authorised person (being an employee of the Council who is generally or specifically authorised by the Council to be an authorised person for the purposes of Section 127A of the EP & A Act) may serve a Penalty Notice on the person who appears to have committed an offence under the Act. In respect of a contravention of Section 76A(1) of the EP & A Act, the prescribed penalty in the case of an individual is \$750.00 (for a class 1 or class 10 building) or \$1,500.00 for an individual in any other case.

If a Penalty Notice is given and the amount of penalty prescribed for the offence is paid, no person will be liable to any further proceedings for the offence.

Whilst the Council may have the power to issue a Penalty Notice or to take proceedings in the Local Court or the Land and Environment Court of New South Wales to prosecute the person who carried out development on the subject land without prior development consent, the Council does not have a "responsibility" or "obligation" to issue a Penalty Notice or to take prosecution proceedings. Not every offence against the EP & A Act is automatically prosecuted or made the subject of a Penalty Notice. The taking of such action is discretionary.

In *Ryde City Council v Echt & Anor 107 LGERA 317* the Court of Appeal held that a Council does not have a "responsibility" to enforce the law in the nature of a legal obligation to act on a statutory power. The Court was however prepared to accept that there was in general terms a duty to consider the exercise of the respective power and that a repository of a statutory power may commit a legal error by failing to turn his or her mind to the exercise of that power.

In *Stockland Development Pty Limited v Wollangong City Council [2004] NSWLEC 594* Justice Talbot referred to and applied the *Ryde City Council v Echt* decision and said at paragraph 7 of his judgment:

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Re: Unauthorised Building Works at 14 Hill Street, Blayney27 September 2011

*"That the Council clearly has a discretion to act against any person who it considers not to be complying with the law and the nature of that discretion can be explained by taking the analogy of the position of the Attorney General, discussed by McHugh J in **Bateman's Bay Local Aboriginal Land Council and Another v The Aboriginal Community Benefit Fund Pty Limited and Another (1998) 194 CLR 247** at [81] to [86] in particular."*

At paragraph 83 of the judgment of the High Court in the **Bateman's Bay Local Aboriginal Land Council** case McHugh J said:

"The enforcement of the public law of a community is part of the political process; it is one of the chief responsibilities of the executive government. In most cases, it is for the executive government[153] and not for the civil courts acting at the behest of disinterested private individuals to enforce the law. There are sometimes very good reasons why the public interest of a society is best served by not attempting to enforce a particular law. To enforce a law at a particular time or in particular circumstances may result in the undermining of the authority of the executive government or the courts of justice. In extreme cases, to enforce it may lead to civil unrest and bloodshed."

Whilst a Council may in general terms have a ^{genuine} duty to consider whether or not to exercise a statutory power to prosecute or issue a Penalty Notice it is not a breach of any statutory duty or obligation or responsibility that the Council has in the *Echt* sense to decide not to prosecute an alleged offence or seek to prevent its continuation. There are many reasons the Council could have for not pursuing a formal remedy including issues of Council policy, the consequences of the alleged offence and the prospects of reaching a settlement by other means.

The basic pre-requisite for issuing a Penalty Notice or taking prosecution proceedings is that the available evidence establishes a prima-facie case. However, as noted in the prosecution policy and the guidelines of the Office of the Director of Public Prosecutions, NSW:

"it has never been the rule in this Country that suspected criminal offences must automatically be the subject of prosecution. Indeed the very first regulations under which the Director of Public Prosecutions worked provided that he should... prosecute "wherever it appears that the offence or the circumstances of its commission is or are of such nature that a prosecution thereof is required in the public interest." That is still the dominant consideration."

Whilst it would seem that there is sufficient evidence to issue a Penalty Notice or to take prosecution proceedings in either the Local Court or the Land and Environment Court of NSW against the person who carried out the development on the subject land, sufficiency of evidence is not the sole criteria for prosecution. The dominant factor in the exercise of the discretion is the "public interest".

The Prosecution Policy of the Commonwealth states:

Re: Unauthorised Building Works at 14 Hill Street, Blayney

27 September 2011

"The decision whether or not to prosecute is the most important step in the prosecution process... the criteria for the exercise of this discretion cannot be reduced to something akin to a mathematical formula; indeed it would be undesirable to attempt to do so. The breadth of the factors to be considered in exercising this discretion indicates a candid recognition of the need to tailor general principles to individual cases."

In the Environmental Protection Authority Prosecution Guidelines the factors which alone or in conjunction arise for consideration in determining whether the public interest requires a prosecution are stated to include:

- (a) The seriousness or, conversely, the triviality of the alleged offence or that it is of a "technical" nature only;
- (b) The harm or potential harm to the environment caused by the offence;
- (c) Any mitigating or aggravating circumstances;
- (d) The degree of culpability of the alleged offender in relation to the offence;
- (e) The availability and efficacy of any alternatives to prosecution;
- (f) Whether the offender had been dealt with previously by non prosecutorial means;
- (g) Whether the breach is a continuing or a second offence;
- (h) Whether the issue of Court Orders are necessary to prevent a recurrence of the offence;
- (i) The prevalence of the alleged offence and the need for deterrence, both specific and general;
- (j) The length of time since the alleged offence;
- (k) The age, physical or mental health or special infirmity of the alleged offenders or witnesses;
- (l) Whether there are counter productive features of the prosecution;
- (m) The length and expense of a Court hearing;
- (n) The likely outcome in the event of a conviction having regard to the sentencing options available to the Court;
- (o) Any precedent which may be set by not instituting proceedings;
- (p) Whether the consequences of any conviction would be unduly harsh or oppressive;

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Re: Unauthorised Building Works at 14 Hill Street, Blayney**27 September 2011**

- (q) Whether proceedings are to be instituted against others arising out of the same incident.

It is a cardinal principle that a prosecution must not be bought for improper purposes and that a decision whether or not to prosecute should not be influenced by:

- (a) Any elements of discrimination against the person, for example, race, nationality, political association;
- (b) Personal empathy or antipathy towards the offender; or
- (c) The political or other affiliations of those responsible for the prosecution decision.

In deciding whether to take prosecution proceedings in the Local Court or the Land and Environment Court or to issue a Penalty Notice, it is essential that a consistent and fair approach be adopted. In that regard the issue of a Penalty Notice may be appropriate where:

- (a) The breach is minor;
- (b) The facts are apparently incontrovertible;
- (c) The breach is a one off situation that can be remedied easily; and
- (d) The issue of a Penalty Notice is likely to be a viable deterrent.

It is not appropriate to issue a Penalty Notice where the penalty prescribed on the notice would be inadequate for the severity of the offence.

It would seem that there is sufficient evidence for the Council to issue either a Penalty Notice or take prosecution proceedings against the person who carried out development without prior development consent of the subject land. It would also seem that the person was aware of the need for development consent to be obtained (having met with Council Officers in a pre DA meeting and subsequently lodging a development application). The development was apparently carried out within 24 days of the date of lodgement of the development application (which is less than the 40 day period for an application to be taken to have been refused).

The only factor which would seem to weigh against prosecuting the person who carried out the development is that there does not appear to have been any harm or potential harm to the environment caused by the offence.

Whilst Council is not obliged to issue either a Penalty Notice or take prosecution proceedings against the person who carried out the development in our view Council should give serious consideration to the factors set out above in determining whether the public interest requires such action to be taken.

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27/09/2011

15:16

MARSDEN LAW GROUP → 00263689640

NO. 065 0008

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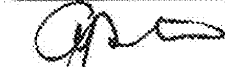
Re: Unauthorised Building Works at 14 Hill Street, Blayney**27 September 2011**

Ultimately it is for the Council to decide in its discretion whether or not to take prosecution proceedings in the circumstances of this particular case. It is important in making that decision for the Council to bear in mind its charter as set out in Section 8(1) of the Local Government Act 1993 which includes:

- *To exercise community leadership.*
- *To exercise its functions in a manner that is consistent with and promotes social justice principles of equity, access, participation and rights.*
- *To ensure that, in the exercise of its regulatory functions, it acts consistently and without bias...*

We trust the above advice is of assistance and remain available to discuss the advice with you or to provide further advice should the need arise and in that regard, please do not hesitate to contact Adam Seton at our Campbelltown Office.

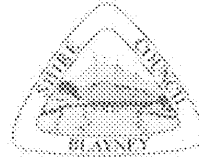
Yours faithfully
MARSDEN LAW GROUP



A.J. SETON
Partner
*Accredited Local Government and
Planning Law Specialist*

1977074_1

Blayney Shire Council



14 September 2011

Attention: Mr Adam Seton
Marsdens Law Group
Cnr Queen and Dumaresq Street
CAMPBELLTOWN NSW 2560

Dear Sir

RE: Request for Advice

Blayney Shire Council seeks your advice on a matter which is largely explained on the attached report to open Council.

There is no question that the builder has transgressed, nor is the professional approach of Council's Director of Environmental Services in question. However the builder has maintained he had reasons for moving quickly in erecting the building.

Council is seeking a solution which protects its position and offers a path forward.

Yours faithfully

Alan McCormack PSM
Acting General Manager

COUNCIL CHAMBERS
81 ADELAIDE STREET,
BLAYNEY NSW 2799

TELEPHONE (02) 5368 2104
FAX: (02) 5368 3290

ALL COMMUNICATIONS TO
BE ADDRESSED TO:

GENERAL MANAGER
BLAYNEY SHIRE COUNCIL
PO BOX 62
BLAYNEY NSW 2799

Email: council@blayney.nsw.gov.au

Blayney Shire Council



CHARTER

BLAYNEY SHIRE TOURISM COMMITTEE

Role

The Blayney Shire Tourism Committee aims to promote Blayney Shire as a tourist destination. The Committee's primary role is to provide strategic advice to assist Council in the development, implementation and performance assessment of Council's strategic plans, policies, goals and strategies. A secondary role is to consider any matters referred to the Committee by Council.

Responsibilities

The Blayney Shire Tourism Committee is responsible for advising and making recommendations to Council on matters relating to Tourism issues, with particular emphasis on actions from the Blayney Shire Tourism Strategy.

Compliance

The Committee and members will be required to comply with applicable Council Policies and statutory requirements. These may include but not be limited to

- Code of Conduct
- Meeting procedures
- Code of Meeting Practice
- OH&S
- Risk Management
- Privacy
- Government Information Public Access Act

Each Committee member who is not otherwise a Councillor or staff member shall be provided with a copy of:

- * Council's Code of Conduct – Standards for Volunteers and Community Representation on a Council Meeting;
- * Code of Meeting Practice; and
- * Other related policies that may be applicable to the operation of the Committee.

Other Responsibilities

Review the charter, and the effectiveness and performance of the Committee on an annual basis.

Membership, Chairperson and Voting

Membership of the Tourism Committee comprises:

- 2 Councillors (one of whom shall be Chairperson)
- Up to 9 Community representatives
- General Manager (or nominee) and Council staff as required. Council staff will be ex-officio members.

Meetings

Meetings are to be held on a needs basis as determined by the committee. A required quorum of 50% committee members will be needed at each meeting.

All operations of the Committee shall be in accordance with Council's adopted code of meeting practice. The Council, General Manager or committee Chair will have the power to call a special meeting at any time to discuss business of an urgent nature.

Appointment

Council will advertise for Community representatives. Community members seeking appointment to the Tourism Committee are to nominate by contacting the General Manager.

Term

The Tourism Committee shall dissolve at the General Election of Blayney Shire Council. Council may dissolve the Committee at any time, and any authority conferred by Council to this Committee may be withdrawn – either wholly or in part – by resolution of Council.

Communication and Reporting

An agenda will be circulated by post or email to all members of the Tourism Committee at least one week prior to the meeting.

Committee minutes to be issued 3 weeks in advance of meeting requesting Agenda items.

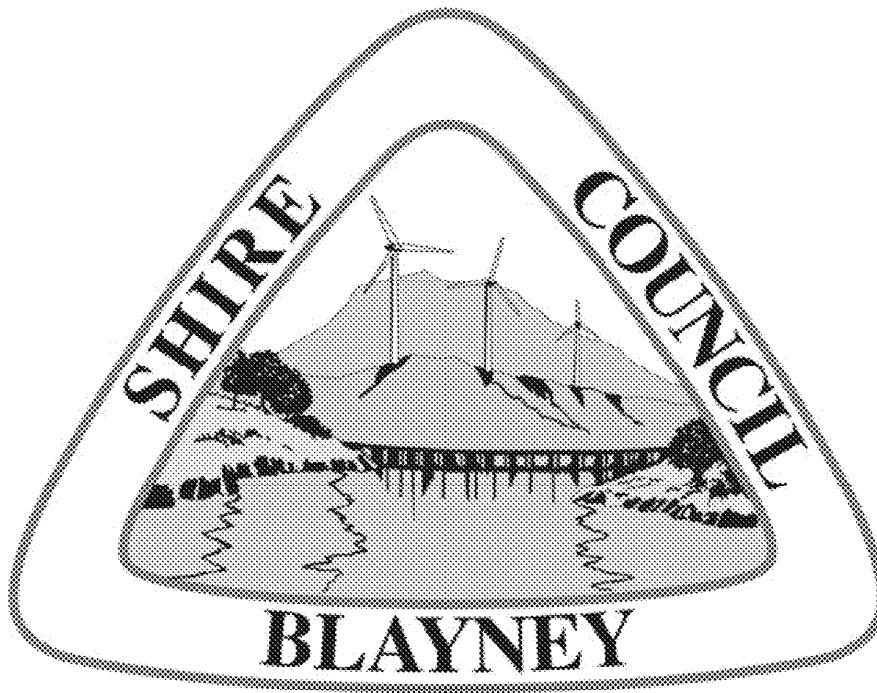
Matters to be considered must be included in the Agenda for the meeting and must be provided in writing to the General Manager (or nominee) at least ten (10) days before the date of the meeting. The agenda will include an open session for general business where new issues can be raised, and members of the public can speak and be heard.

Formal minutes of the Tourism Committee will be produced in accordance with Council's Code of Meeting Practice. The mover and seconder of any recommendation are to be recorded.

The main items of business and recommendations will be reported to the ordinary meeting of Blayney Shire Council. Council may amend any recommendation or any portion thereof, or may refer it back to the Committee for further investigation.

A calendar of meeting dates to be issued to members.

BLAYNEY SHIRE



ACCESS STRATEGY

Objective 1: Council and the wider community to be more aware and informed of issues relating to access.

	Goal	Action Plan	Responsibility
1.1	To ensure that Council will act as a leader and role model for universal access.	<ul style="list-style-type: none"> ▪ Incorporate actions into all corporate plans of Council. ▪ Have their own facilities i.e. parks, bridges etc fully accessible within budgetary constraints. ▪ Develop an updated access database for accessibility of venues. ▪ Develop "Accessible checklist" for Council website and events. 	<p>Council</p> <p>Council</p> <p>DCS</p> <p>DCS</p>
1.2	To ensure that relevant Council staff are aware of the requirements of the DDA and the DIS.	<ul style="list-style-type: none"> ▪ Training of relevant staff. ▪ Provide education in particular about disability etiquette. 	<p>HRM</p> <p>HRM</p>
1.3	To improve the abilities of Council staff to communicate effectively with people with disabilities.	<ul style="list-style-type: none"> ▪ Appropriate staff training. 	<p>HRM</p>
1.4	To ensure that information regarding Council meetings, Committees and other activities is distributed widely and in a variety of accessible formats.	<ul style="list-style-type: none"> ▪ Promotion in accord with Council's Communication strategy to target audiences. ▪ Order and distribute publications which assist to raise awareness of access issues. 	<p>Council</p> <p>Council</p>
1.5	To ensure that the views and needs of people with disabilities are heard by the community and decision makers.	<ul style="list-style-type: none"> ▪ Advocacy. ▪ Promotion / increase awareness. ▪ Facilitate. ▪ Seek input. ▪ Regular contact with service providers. 	<p>Council / Access Advisory Committee</p>
1.6	To encourage the State and Federal Governments to provide funding, universally accessible services and facilities that are beyond the responsibility and ability of Local Government and community organisations to provide.	<ul style="list-style-type: none"> ▪ Make representations regarding access issues. ▪ Advocate a right based system where individual needs are looked at more closely. ▪ Lobby for additional funding. 	<p>Council</p> <p>Council / External stakeholders</p> <p>Council / External stakeholders</p>

Objective 2: To advise Council on provision of access for all members of the community to Council facilities, infrastructure and buildings and to encourage the community to address access issues also.

	Goal	Action Plan	Responsibility
2.1	To identify what access issues people with disabilities face.	<ul style="list-style-type: none"> ▪ Community engagement. ▪ Incorporate issues into plans. 	Council / Access Advisory Committee
2.2	To ensure that all people have fair and equitable access to Council services.	<ul style="list-style-type: none"> ▪ Follow up identified community issues. ▪ Conduct access audits on Council facilities and services. ▪ Develop "Accessible Business" information package. 	Council Dept's GM DCS
2.3	To provide information to people with disabilities about services and facilities available for their use.	<ul style="list-style-type: none"> ▪ Create database of available services. ▪ Create awareness of service providers. ▪ Develop promotional material. ▪ Create partnerships with service providers. ▪ Engage with existing services in region. 	Council / Access Advisory Committee /external stakeholders
2.4	To improve access & awareness to sport and recreation activities for people with disabilities.	<ul style="list-style-type: none"> ▪ Develop improvement program for Council facilities. ▪ Engage with Dept. Sport & Recreation to encourage participation of local sporting groups. ▪ Seek funding for sporting groups to modify facilities. 	Council Council Council / Access Advisory Committee
2.5	To provide accessible library and information services.	<ul style="list-style-type: none"> ▪ Engage with Central West Libraries to undertake a services review of services with a view to the provision of universal access. ▪ Develop services improvement program. 	DCS Council / CWL

Objective 3: This Committee will strive to assist Council to provide services that are accessible to all of the community.

	Goal	Action Plan	Responsibility
3.1	To determine which Council buildings and facilities require works to improve access for people with disabilities.	<ul style="list-style-type: none"> ▪ Physical audit of Shire by a variety of people with disabilities. ▪ Develop priorities following community consultation. 	Access Advisory Committee Council
3.2	To ensure that access improvements to buildings and facilities are planned and undertaken within resource constraints.	<ul style="list-style-type: none"> ▪ All development applications for public buildings & facilities referred to Access Advisory Committee. ▪ Inform community on Council's plans for accessibility. 	Council Council
3.3	To promote the construction and modification of accessible buildings as required by the Disability Discrimination Act, Building Code of Australia and other relevant legislation.	<ul style="list-style-type: none"> ▪ Encourage accessible commercial and residential development. ▪ Ensure accessibility standards and legislative requirements are met within Council projects. 	Council Council
3.4	To ensure that sufficient accessible parking spaces are available for people with disabilities.	<ul style="list-style-type: none"> ▪ Accessible parking spaces audit of streets and Council's community facilities. ▪ Provide more accessible parking to high usage facilities. ▪ Ensure compliance with Disability Discrimination Act, Building Code of Australia and relevant Australian Standard (AS1428.1) 	Council Council
3.5	To ensure that people with disabilities can safely travel footpaths and across streets.	<ul style="list-style-type: none"> ▪ Prioritise implementation of Destination Zones (5.2) as outlined in Blayney Bike Plan, Pedestrian Access & Mobility Plan. ▪ Implement priorities identified from customer requests, reports, Council inspections and Asset Management Plan. 	Council Council

Objective 4: This Committee will strive to improve community transport options available to all residents and in particular people with disabilities within the Blayney Shire.

	Goal	Action Plan	Responsibility
4.1	Increase access and awareness to community transport.	<ul style="list-style-type: none"> ▪ Collaborative approach with transport service providers to review services. ▪ Promotion of services and entitlement benefits 	Council Council / External stakeholders
4.2	To support transport projects that lessen social isolation.	<ul style="list-style-type: none"> ▪ Gather information on the unmet transport need in community. ▪ Work with transport service providers to advocate for more frequent, widespread and accessible services. ▪ Investigate supplementary support programs e.g. Village neighbour transport program. 	Council / External Stakeholders Council Council
4.3	Ensure future access issues and needs of community are met.	<ul style="list-style-type: none"> ▪ Survey community ▪ Encourage issues to be raised with Council ▪ Increase awareness through community engagement 	Council / External Stakeholders Council

Principal Activity	Housing & Community Amenities	Job No.	Pricing Principle	Adopted Fee		New Fee 2011/2012		Comments
				2010 / 2011	Fee	GST	Total Fee	
Section 149 Certificates								
- Standard Certificate		Code 287	Statutory	40.00	53.00	-	53.00	Council pricing reflects nature of service and costs.
- Certificate requiring additional information		13503-000	Statutory	60.00	80.00	-	80.00	
- Additional Urgent Fee (within 48hrs)			User Pay	120.00	109.09	10.91	120.00	

Description of Activity	Adopted Initial Fee 2010 / 2011	New Initial Fee 2011/2012	Adopted Additional Fee 2010 / 2011	New Additional Fee 2011/2012	GST Appl.
4 Development not involving building work or subdivision	\$220.00	\$285.00	nil	nil	No
7 Subdivision of Land					
(a) New Road	\$500.00	\$665.00	\$65.00 per additional lot	\$50.00 per additional lot	No
(b) No New Road	\$250.00	\$330.00	\$53.00 per additional lot	\$40.00 per additional lot	No
(c) Strata	\$250.00	\$330.00	\$53.00 per additional lot	\$50.00 per additional lot	No
(d) Registration & Release fee	\$110.00	\$110.00	nil	nil	No
(e) Notification of Adjoining Owners Fee	\$130.00	\$135.00	nil	nil	No
(f) Leased Land (combined with (a) & (e))	\$210.00	\$210.00	nil	nil	No
(g) Subdivision Certificate	\$170.00	\$170.00	nil	nil	No
(h) Survey Plans submitted to Council for certification that consent is not required	\$170.00	\$110.00	nil	nil	No
8 Designated Development	\$715.00	\$920.00	nil	nil	No
9 Integrated Development Referral fee (Per Agency)	\$250.00	\$320.00	nil	nil	No

Description of Activity	Adopted Initial Fee 2010/2011	New Initial Fee 2011/2012	Adopted Additional Fee 2010/2011	New Additional Fee 2011/2012	GST Appl.
10 Development requiring advertising					
(a) Designated Development	\$1700.00	\$2200.00	nil	nil	No
(b) Advertised Development	\$500.00	\$1105.00	nil	nil	No
(c) Prohibited & Other Advertised Development	\$830.00	\$1105.00	nil	nil	No
(d) Development Requiring Notice	\$830.00	\$1105.00	nil	nil	No
(e) Adjoining Owner Notification	\$135.00	\$135.00	nil	nil	No
12 Section 96 Modification					
(a) Application Fee	\$55.00	\$71.00	nil	nil	No
(i) s96(1)	\$500 or 50 per cent of the fee for the original development, whichever is the lesser	\$645 or 50 per cent of the fee for the original development application, whichever is the lesser	nil	nil	
(ii) s96(1A)	\$500 or 50 per cent of the fee for the original development, whichever is the lesser	\$500 or 50 per cent of the fee for the original development application, whichever is the lesser	nil	nil	
(iii) s96(2)	\$500.00	\$500.00	nil	nil	
(iv) s96(1AA)	\$500.00	\$500.00	nil	nil	
(b) Section 102(2) - in addition to fee 10(a) Note: surplus monies to be refunded	\$500.00	\$500.00	nil	nil	No
(c) Review of DA conditions	\$110.00	\$110.00	nil	nil	No
22 Building Certificate (149D)					
(a) Floor area of building or part not exceeding 200m ²	\$210.00	\$250.00	nil	nil	No
(b) Floor area exceeding 200m ² but less than 2,000m ²	\$210.00	\$250.00	\$0.10/m ² over 200m ²	\$0.50/m ² over 200m ²	No
(c) Floor area exceeding 2,000m ²	\$230.00	\$1165.00	\$0.075/m ² over 2,000m ²	\$0.075/m ² over 2,000m ²	No

Description of Activity	Adopted Initial Fee 2010/2011	New Initial Fee 2011/2012	Adopted Additional Fee 2010/2011	New Additional Fee 2011/2012	GST Appl.
29 Advertising Structures	New Fee	\$285.00	New Fee	\$93.00 per additional sign on some applications or the fee calculated in accordance in DA Fee table, whichever is greater.	No
30 Dwellings having an estimated construction cost of \$100,000 or less	New Fee	\$455.00	New Fee	nil	No
31 Private Certifier Fee	New Fee	\$36.00	New Fee	nil	No
32 Integrated Development Fee / Concurrence Fee	New Fee	\$140.00	New Fee	nil	No
33 Assessment of a variation to the provisions of a DCP or Council Policy relating to Clause 1 or 10 building (In addition to DA Fee)	New Fee	\$200.00	New Fee	nil	No

Memorandum of Understanding
between
Blayney Shire Council
and
Blayney High School

PURPOSE

- 1) The purpose of this memorandum of understanding is to outline the general principles for a collaborative approach to the facilitation of the Blayney Shire Youth Council.

DEFINITIONS

- 2) In this document the following definitions will apply:

Council: means Blayney Shire Council

School: means Blayney High School

Youth Council: means Blayney Shire Youth Council, a committee of Council bound by the policies and practices of Council.

COMMENCEMENT & PERIOD OF OPERATION

- 3) This MOU will commence on the day it is signed by the parties and will continue in force until either party advises in writing that it no longer wishes to participate in the MOU.

ACKNOWLEDGEMENTS

- 4) The parties acknowledge that:
 - a) The aim of the Youth Council is to empower young people to play a positive role in the Blayney Shire.
 - b) The activities of the Youth Council will be governed by the Youth Council Charter and as a committee of Council will be bound to Council's policies.
 - c) The School will nominate 2 student representative council representatives from Years 8 – 11 to participate in the Youth Council.
 - d) That the School will nominate students in the Leaders of the Future (LOFT) program will participate in the Youth Council.
 - e) That excess positions vacant will be advertised in accord with the Youth Council Charter.

GENERAL

- 5) The parties acknowledge that:
 - a) Students in the Leaders of the Future (LOFT) program will be nominated to participate in the Youth Council by the School.

- b) The Youth Council will hold meetings on regular cycle as it determines, at Blayney High School during lunch time on a day that suits the schools weekly timetable.
- c) Length of term will be one year and annual cycle to commence in October and end in September and School election cycle.
- d) Nominations for the Youth Council will be called annually. Existing members will be required to apply for reappointment.
- e) The Youth Council will be supported by two community mentors, one council officer, one selected member of school staff and an elected councillor.

FUNDING CONTRIBUTION

- 6) Council will provide funding support for the Youth Council through its annual budget process and will administer funds as allocated. The School will provide facilities to conduct meetings and school staff member (see 5(e)) for meetings and election nomination / process.

REVIEW OF MEMORANDUM OF UNDERSTANDING

- 7) Through the regular meetings facilitated by the Memorandum of Understanding, the Council and the School agree that the Memorandum of Understanding is open to constant review and can be adjusted when all parties agree that it is required.

Signatures to this memorandum:

Witness:

Signature:

**Bruce R. Kingham
Mayor
Blayney Shire Council**

Date: _____

Witness:

Signature:

**Sue Jones
Principal
Blayney High School**

Date: _____

Blayney Shire Youth Council Charter

1. Name

The name of the Youth Council will be "Blayney Shire Youth Council".

2. Mission Statement

To empower young people to play a positive role in the Blayney Shire.

3. Objectives

- i) To develop a positive image of youth in the Community.
- ii) To be a voice to community leaders.
- iii) To help the Council solve problems and accomplish the goals of this community by working directly with youth representatives.
- iv) To work with the Council on youth issues in the Blayney Shire Local Government Area.
- v) To work with other community groups as Youth Representatives

4. Role of Blayney Youth Council

- i) To raise awareness of youth issues.
- ii) To inform the Council of the needs and wishes of local youth.
- iii) To promote youth in a positive way through community and youth events.
- iv) To represent youth in the Blayney Shire Council to schools, service clubs promoting leadership opportunities for youth such as Rotary.
- v) To promote youth community pride.
- vi) To develop leadership skills among young people in the Blayney local government area.
- vii) To provide regular reports to Council.

5. Membership – Composition and Nomination

- i) Membership of the Youth Council is open to young people aged between 12 and 25 years. A total of 25 members will be chosen annually.
- ~~ii) Nominations to be put forward through the local junior and high schools, community, church and sporting organisations.~~
- ~~iii) The term of the membership is for twelve months and members can be reappointed for no more than 3 consecutive terms.~~
- iv) Membership will comprise members of the Blayney High School "Leadership Program" and two (2) SRC representatives from each year, commencing from Year 8.
- v) Remaining vacancies will be advertised and nominations invited from the community.
- vi) A member may resign from the Youth Council at any time, following which vacancies can be filled during the year.
- vii) The Youth Council will have the guidance of a Councillor (as determined by the Blayney Shire Council), invited mentors from the community, such as Rotarians, Council employees and Church leaders.

6. Election of Office Bearers

- i) The Annual General Meeting will be advertised in the Council column a week before the meeting.
- ii) Each nomination must be proposed and seconded.

- iii) If more than the required number of candidates is nominated, an election will be conducted by the members of the Youth Council by a secret ballot.
- iv) The result will be published in the Council Column of the Blayney Chronicle ~~within one week of~~ following the election.

7. Officer Bearers

The appointment of Office Bearers will be for a twelve (12) month fixed term.

- i) Chairperson
 - i. Controls each meetings proceedings
 - ii. Prepares the agenda in consultation with the Secretary and Council representative.
 - iii. Enforces standard procedures for meetings.
 - iv. Represents the Blayney Shire Youth Council to the community
- ii) Deputy Chairperson
 - i. To fulfil the role of Chairperson during the absence of the Chairperson
- iii) ~~Secretary and Communications Officer~~
 - i. Is responsible for preparing and recording the minutes of each meeting
- iv) Communications Officer
 - i. Is responsible for coordination of publicity and promotional activities.

8. Role of Council's Youth Council contact / Representative

- i) Type minutes recorded by secretary and distribute minutes.
- ii) Book venues
- iii) Make members aware of income and expenditure and the earmarking of funds
- iv) Inform any members and services to changes to times and dates.
- v) Assist Blayney Shire Youth Council to carry out tasks.

9. Meetings

- i) Blayney Shire Youth Council will meet monthly or at least once per quarter at a time and date agreed by the committee and Council.
- ii) Annual general meetings and ordinary meetings will be advertised in the Council's column ~~a week before the meeting~~ in the Blayney Chronicle.
- iii) The quorum for a meeting will be a least five members

10. Finance

- i) Funding of the Blayney Shire Youth Council ~~remains to be determined. This matter will be considered and determined by Blayney Shire Council following the successful commencement of the Blayney Shire Youth Council through its Corporate Planning process.~~

11. Grounds for Dismissal

- i) Complaints or concerns over the behaviour of a member of the Youth Council are to be referred to a current Mentor of the Youth Council.
- ii) A person who is not playing a constructive role in the group including service providers may be dismissed.
- iii) Persons absent for three consecutive meeting, without prior leave of absence approval, shall be dismissed.

Blayney Shire Council



Policy Register

Policy No 4B

Policy Title	Investment Policy
Document/File No	A8-1
Officer Responsible	Manager Financial Services
Last Review Date	28/09/2011

Objectives

To outline Council's investment Strategy

Policy Statement

Blayney Shire Council



Investment Policy

Policy

1.1 Objectives

- (a) To undertake investment of surplus funds, maximising earnings from authorised investments, whilst ensuring the security of Council Funds.
- (b) To ensure there is sufficient liquidity to meet all reasonably anticipated cash flow requirements, as and when they fall due, without incurring significant costs due to the unanticipated sale of an investment.

1.2 Legislative Requirements

All investments are to be made in accordance with:

- (a) Local Government Act 1993;
- (b) Local Government Act 1993 – Order (of the Minister) dated 12 January 2011
- (c) Trustee Act 1925;
- (d) Local Government (General) Regulation 2005;
- (e) Local Government Code of Accounting Practice and Financial Reporting;
- (f) Australian Accounting Standards; and
- (g) Division of Local Government Circulars.

1.3 Delegation of Authority

Authorised Officer	Roles & Responsibilities
General Manager	Authority to invest surplus funds and authority to delegate this function in accordance with the councils adopted investment policy.
Director Corporate Services	Per Delegation
Manager Financial Services	Per Delegation
Finance Officer	Per Delegation

1.4 Authorised Investments

Investments are limited to those allowed by the most current Ministerial Investment Order that has been issued by the NSW Minister for Local Government.

Council shall only invest money (on the basis that all investments must be denominated in Australian Dollars) in the following forms of investment:

- (a) any public funds or securities issued by or guaranteed by, the Commonwealth, any State of the Commonwealth or a Territory;
- (b) any debentures or securities issued by a council (within the meaning of the Local Government Act 1993 (NSW));
- (c) interest bearing deposits with, or any debentures or bonds issued by, an authorised deposit-taking institution (as defined in the Banking Act 1959 (Cwth)), but excluding subordinated debt obligations;
- (d) any bill of exchange which has a maturity date of not more than 200 days; and if purchased for value confers on the holder in due course a right of recourse against a bank which has been designated as an authorised deposit-taking institution by the Australian Prudential Regulation Authority;
- (e) a deposit with the New South Wales Treasury Corporation or investments in an Hour-Glass investment facility of the New South Wales Treasury Corporation.

All investment instruments (excluding short term discount instruments) referred to above include principal and investment income (interest).

Transitional Arrangements

- (i) Subject to paragraph (ii) nothing in this Order affects any investment made before the Ministerial Order dated 31 July 2008 which was made in compliance with the previous Ministerial Order dated 15 July 2005, and such investments are taken to be in compliance with this Order.
- (ii) Paragraph (i) only applies to those investments made before the Ministerial Order dated 31 July 2008 and does not apply to any restructuring or switching of investments or any re-investment of proceeds received on disposal or maturity of such investments, which for the avoidance of doubt must comply with this Order.

1.5 Prudent Person Standard

The investments shall be managed with care, diligence and skill that a prudent person would exercise. As trustees of public monies, officers are to manage Council's investment portfolios to safeguard the portfolio in accordance with the spirit of this Investment Policy, and not for speculative purposes.

1.6 Ethics and Conflicts of Interest

Officers shall refrain from personal activities that would conflict with the proper execution and management of Council's investment portfolio. This policy requires officers to disclose any conflict of interest to the General Manager.

If engaged, independent advisors shall also be required to declare that they have no actual or perceived conflicts of interest.

1.7 Prohibited Investments

This Investment Policy prohibits any investment carried out for speculative purposes including:

- (a) Derivative based instruments;
- (b) Principal only investments or securities that provide potentially nil or negative cash flow;
- (c) Stand alone securities issued that have underlying futures, options, forward contracts and swaps of any kind; and
- (d) The use of leveraging (borrowing to invest) of any investment.

1.8 Risk Management Guidelines

Investments are to comply with the following criteria:

- (a) Preservation of Capital - all reasonable measures are to be taken to prevent losses in portfolio value (considering the time value of money);
- (b) Institutional Diversification:
 - a. Not less than three (3) quotations shall be obtained from authorised institutions when an investment is proposed.
 - b. Direct investments shall not exceed ~~\$1,000,000~~ \$500,000 with any one institution, at any one time.
 - c. All term deposit investments are to be made with authorised deposit taking institutions covered under the Australian Government Guarantee;
- (c) Maturity Risk - the investment portfolio is to be invested within the following maturity constraints:

Overall Portfolio Return to Maturity		
Portfolio % < 1 year	Min 40%	Max 100%
Portfolio % > 1 year	Min 0%	Max 60%
Portfolio % > 3 year	Min 0%	Max 30%
Portfolio % > 5 year	Min 0%	Max 20%

- (d) Market/Credit Risk - consideration shall be given to the risk that the fair value or the future cash flows of an investment will fluctuate due to changes in market prices, or the risk of failure to repay principal or pay interest on an investment;
- (e) Liquidity Risk -
 - a. Matching investments with cash flow requirements.
 - b. Ensure access is available within seven (7) days to at least \$1,000,000 or 10% of value of total investments, whichever is greater.

1.9 Performance Benchmarks

The performance of the investment portfolio shall be against the industry standard 11am Cash Rate for cash investments and BBSW 90 Day Swap Rate for direct investments.

1.10 Measurement

As Council continues to hold grandfathered investments such as Collateralised Debt Obligations (CDOs), the investment returns of the portfolio is to be regularly reviewed by an independent financial advisor by assessing the market value of the portfolio.

1.11 Reporting and Responsibilities of Council Officers

- (e) The Responsible Accounting Officer shall be responsible for reconciling the investment register on a monthly basis and ensuring sufficient records are maintained, including:
 - a. the source and amount of money invested;
 - b. particulars of the security or form of investment in which the money was invested;
 - c. the term of the investment, and
 - d. if appropriate, the rate of interest to be paid, and the amount of money earned, in respect of money invested.
- (f) A monthly report shall be provided to Council, detailing the investment portfolio in terms of performance, investment institution and amount of each investment.
- (g) The report should also detail each average return percentage against the performance benchmark rates.
- (h) For audit purposes, certificates must be obtained from financial institution confirming the amounts of investment held on the council's behalf at 30th June each year.

- (i) The documentary evidence must provide Council legal title to the investment.

1.12 Investment Advisor

Should council engage an investment advisor, the advisor must be approved by Council and licensed by the Australian Securities and Investment Commission. The advisor must be an independent person who has no actual or potential conflict of interest in relation to investment products being recommended and is free to choose the most appropriate product within the terms and conditions of the investment policy.

The independent advisor is required to provide written confirmation that they do not have any actual or potential conflicts of interest in relation to the investments they are recommending or reviewing, including that they are not receiving any commissions or other benefits in relation to the investments being recommended or reviewed.

1.13 Review of Investment Policy

This policy shall be reviewed annually and any amendments, if necessary shall be approved by resolution of council.

End of Policy

Adopted:	Date: 14/10/2003	Minute: 123
Last Reviewed:	Date: 11/10/2005	Minute: 280
	Date: 14/05/2007	Minute: 07/094
	Date: 09/08/2010	Minute: 1008/04
	Date: 14/03/2011	Minute: 1103/010
	Date: 30/08/2011	Minute: 1108/004
	Date:	
Next Review:	Date:18/06/2012	



12 September 2011

FAQ - Financial Claims Scheme for Authorised Deposit-taking Institutions

Key features of the Financial Claims Scheme

- The Financial Claims Scheme (FCS) protects depositors through the provision of a guarantee on deposits (up to the cap) held in authorised deposit-taking institutions (ADIs) incorporated in Australia and allows quick access to their deposits if an ADI becomes insolvent.
- A permanent guarantee of \$250,000 for deposits will be in place effective from 1 Feb 2012.
- The \$250,000 cap applies per person, per ADI.
- All deposits will continue to be guaranteed to \$1 million until the new scheme comes into effect on 1 February 2012.
- Existing term deposits which existed on 10 September 2011 will be covered up to \$1 million until 31 December 2012 or until the deposit matures – whichever occurs sooner.
- The Treasurer announced the details of the revised scheme on 11 September 2011. Please see the Treasurer's [media release](#) for further details.

Questions and Answers

Which authorised deposit-taking institutions are covered by the FCS?

The FCS applies to deposits held with ADIs incorporated in Australia. This includes:

- Australian banks, building societies and credit unions; and
- Foreign subsidiary banks.

Please refer to the APRA website for a full [list of ADIs](#).

The FCS **does not apply** to deposits held in the following types of financial institutions:

- branches of foreign-incorporated ADIs operating in Australia (listed as 'branches of foreign banks' on the APRA website);
- Specialist Credit Card Institutions and Providers of Purchased Payment Facilities; and
- interest-bearing investments in finance companies and other institutions that are not ADIs supervised by APRA.



What types of deposit accounts are covered by the FCS?

The FCS applies to a wide range of deposits held with ADIs, including:

- savings accounts;
- call accounts;
- term deposits;
- current accounts;
- cheque accounts;
- debit card accounts;
- transactions accounts;
- personal basic account;
- cash management accounts;
- farm management deposits;
- pensioner deeming accounts;
- mortgage offset accounts, either 100 per cent or partial offset, that are separate deposit accounts;
- trustee accounts;
- retirement Savings Accounts; and
- first home saver accounts that are deposit accounts.

The FCS applies to deposits denominated in Australian dollars. Foreign currency deposits will no longer be covered from 12 October 2011.

How much money is covered by the FCS?

The Commonwealth Government will guarantee deposits held in ADIs up to \$250,000 from 1 February 2012.

All deposits will be guaranteed at the old cap of \$1 million per person, per ADI until 1 February 2012.

For term deposits that existed on 10 September 2011, the \$1 million cap will apply until:

- 1 February 2012, for term deposits which mature on or before this date;
- the maturity date, for term deposits which mature between 1 February 2012 and 31 December 2012; and
- 31 December 2012, for term deposits which mature on or after this date.

The new \$250,000 cap will then apply. If a term deposit rolls over, the rollover date is taken to be the maturity date for this purpose.

For term deposits that did not exist until after 10 September 2011, the \$1 million cap will apply until 1 February 2012. The new \$250,000 cap will apply from this date onwards.

How does the FCS apply across multiple accounts with one ADI?

The FCS applies per depositor, per ADI. It is applied on an aggregated basis across all eligible deposit accounts held by a depositor with the ADI.



Example of how this applies under the new cap of \$250,000:

- A depositor has three deposit accounts each containing \$100,000.
- These three accounts are held with one ADI, meaning that the depositor holds a total of \$300,000 with this ADI.
- These accounts are added together and the FCS protects the depositor up to \$250,000.
- The remaining \$50,000 is not guaranteed by the FCS and will need to be claimed through the liquidation process.

Example of how this applies to depositors with existing term deposits:

- A depositor had an existing term deposit account on 10 September, containing \$1 million, and an at-call account containing \$250,000. The term deposit matures on 1 July 2012 and is rolled over on that date.
- These two accounts are held with one ADI, meaning that the depositor holds a total of \$1.25 million with this ADI.
- The FCS protects the depositor up to \$1 million until 1 July 2012.
- From 1 July 2012, the FCS protects the depositor up to \$250,000.
- The remaining \$1 million is not guaranteed by the FCS and will need to be claimed through the liquidation process.

How does the FCS apply with respect to joint accounts?

In the case of joint accounts, a depositor's share of the joint account will be added to their other deposits and the FCS cap will be applied to the aggregated amount. Each depositor maintains an individual guarantee up to \$250,000 each.

Why has the cap been reduced from \$1 million to \$250,000?

The original cap, set at \$1 million in October 2008, was intended as a temporary measure to assist the financial system through a particularly turbulent period. At that time, the Government committed to review the settings of the FCS after three years. The new cap reflects the soundness of the Australian financial system and brings the scheme more into line with its counterparts in other countries.

When does the \$1 million cap on the FCS finish?

The \$1 million cap will finish on 1 February 2012. From this date, the new cap of \$250,000 will apply to deposits held with ADIs.

For term deposits that existed on 10 September 2011, the \$1 million cap will apply until:

- 1 February 2012, for term deposits which mature on or before this date;
- the maturity date, for term deposits which mature between 1 February 2012 and 31 December 2012; and
- 31 December 2012, for term deposits which mature on or after this date.

The new \$250,000 cap will then apply. If a term deposit rolls over, the rollover date is taken to be the maturity date for this purpose.

For term deposits that did not exist until after 10 September 2011, the \$1 million cap will apply until 1 February 2012. The new \$250,000 cap will apply from this date onwards.



How long will the new scheme guaranteeing deposits to \$250,000 be in place? Will there be another revision of the cap?

The \$250,000 guarantee is designed to be a permanent guarantee scheme. There is no expiry date for the new cap.

How does the FCS apply to branches of Australian ADIs operating overseas?

Branches of Australian ADIs operating overseas will remain covered by the FCS until the legislative changes are passed. It is expected that legislative changes will occur in late 2012.

Administration of the Financial Claims Scheme

When would the FCS apply?

The FCS applies when the Australian Prudential Regulation Authority (APRA) has decided to use its powers under the *Banking Act 1959* to apply to place an ADI into wind-up (liquidation) and when the Treasurer determines that the FCS will be applied to that ADI.

The FCS would only be used in a situation where an ADI is insolvent and where the best course of action is to close the ADI and wind it up.

Who will administer the FCS if it is invoked?

APRA is responsible for the administration of the FCS and for making payments to depositors.

Who provides the money to make payments under the FCS?

The Government initially provides the funds to make payments under the FCS. Monies paid under the FCS are then recovered from the ADI in the winding up process. There is provision to make up any shortfall by applying a levy on the ADI sector.

How will deposits be repaid under the Financial Claims Scheme?

As administrator of the FCS, APRA is responsible for determining the amounts payable to each depositor and for arranging the payments to depositors. The means of payment will be determined according to the circumstances of the failed ADI. Options include, but are not limited to:

- payment by cheque;
- electronic transfer of funds into bank accounts nominated by depositors at another ADI; or
- electronic transfer of funds into new bank accounts opened by APRA in the names of depositors in a designated ADI.

Depositors will be advised how their deposits will be paid to them and what actions they need to take to access their money.



How quickly will payments be available?

APRA will aim to pay eligible depositors their money as quickly as possible. For basic, non-complex accounts, particularly transaction and at-call accounts, it is intended that depositors will receive or be able to access their funds (up to the cap applicable at the time) within 7 days of the FCS being invoked. Other accounts may take longer.

How will deposits held in foreign currency be treated?

Foreign currency coverage will cease from 12 October 2011.

If the FCS is activated before 12 October 2011 then, in the case of deposits denominated in a foreign currency, the amount will be converted into Australian dollars at the exchange rate prevailing at the time FCS is invoked.

Further information on the FCS

APRA is in the process of finalising requirements and guidelines on the administration of the FCS. You can view the initial discussion paper issued in January 2010 and APRA's response paper and draft reporting requirements issued in August 2010 in the 'Policy' section of the APRA website [here](#).

Blayney Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS

for the year ended 30 June 2011

*"an innovative, inspirational
and enjoyable environment..."*



Blayney Shire Council

General Purpose Financial Statements
for the financial year ended 30 June 2011

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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 specified in Paragraph 8 of the LGA and includes;

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

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

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

(iv) These financial statements were authorised for issue by the Council on 30/08/11. Council has the power to amend and reissue the financial statements.

Blayney Shire Council

General Purpose Financial Statements
for the financial year ended 30 June 2011

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:

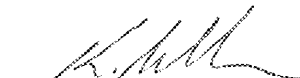
- present fairly the Council's operating result and financial position for the year, and
- accords with Council's accounting and other records.

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 08 August 2011.



B R Kingham
MAYOR



K G Radburn
COUNCILLOR



A McCormack
GENERAL MANAGER



C M Hedge
RESPONSIBLE ACCOUNTING OFFICER

Blayney Shire Council

Income Statement

for the financial year ended 30 June 2011

Budget ⁽¹⁾			Actual	Actual
2011	\$ '000	Notes	2011	2010
Income from Continuing Operations				
<i>Revenue:</i>				
5,434	Rates & Annual Charges	3a	5,292	5,012
1,014	User Charges & Fees	3b	1,354	1,646
404	Interest & Investment Revenue	3c	480	340
130	Other Revenues	3d	200	170
2,423	Grants & Contributions provided for Operating Purposes	3e,f	3,341	2,966
320	Grants & Contributions provided for Capital Purposes	3e,f	433	760
<i>Other Income:</i>				
-	Net gains from the disposal of assets	5	4	169
-	Net Share of interests in Joint Ventures & Associated Entities using the equity method	18	-	-
9,725	Total Income from Continuing Operations		11,104	11,063
Expenses from Continuing Operations				
3,987	Employee Benefits & On-Costs	4a	4,460	4,340
260	Borrowing Costs	4b	164	169
1,994	Materials & Contracts	4c	2,293	2,508
2,606	Depreciation & Amortisation	4d	4,023	2,582
-	Impairment	4e	-	-
1,486	Other Expenses	4f	1,430	1,396
10,333	Total Expenses from Continuing Operations		12,370	10,995
(608)	Operating Result from Continuing Operations		(1,266)	68
Discontinued Operations				
-	Net Profit/(Loss) from Discontinued Operations	24	-	-
(608)	Net Operating Result for the Year		(1,266)	68
(608)	Net Operating Result attributable to Council		(1,266)	68
-	Net Operating Result attributable to Minority interests		-	-
(928)	Net Operating Result for the year before Grants and Contributions provided for Capital Purposes		(1,599)	(692)

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

Financial Statements 2011

Blayney Shire Council

Statement of Comprehensive Income
for the financial year ended 30 June 2011

\$ '000	Notes	Actual 2011	Actual 2010
Net Operating Result for the year (as per income statement)		(1,266)	68
Other Comprehensive Income			
Gain (loss) on revaluation of I,PP&E	206 (ii)	8,471	100,498
Gain (loss) on revaluation of available-for-sale investments	206 (ii)	-	-
Gain (loss) on revaluation of other reserves	206 (ii)	-	-
Realised (gain) loss on available-for-sale investments recognised in P&L	106 (ii)	-	-
Realised (gain) loss from other reserves recognised in P&L	206 (ii)	-	-
Impairment (loss) reversal relating to I,PP&E	206 (ii)	-	-
Total Other Comprehensive Income for the year		8,471	100,498
Total Comprehensive Income for the Year		7,205	100,566
Total Comprehensive Income attributable to Council		7,205	100,566
Total Comprehensive Income attributable to Minority Interests		-	-

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

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Blayney Shire Council

Balance Sheet
as at 30 June 2011

\$ '000	Notes	Actual 2011	Actual 2010	Actual 2009
ASSETS				
Current Assets				
Cash & Cash Equivalents	6a	7,622	6,282	3,542
Investments	6b	380	-	2,000
Receivables	7	1,107	1,130	1,325
Inventories	8	1,000	891	755
Other	9	166	137	132
Non-current assets classified as 'held for sale'	22	-	-	-
Total Current Assets		10,275	8,440	7,754
Non-Current Assets				
Investments	6b	233	613	613
Receivables	7	219	224	399
Inventories	8	-	-	-
Infrastructure, Property, Plant & Equipment	9	179,533	173,929	73,253
Investments accounted for using the equity method	19	-	-	-
Investment Property	14	-	-	-
Intangible Assets	25	-	-	-
Total Non-Current Assets		179,985	174,766	74,265
TOTAL ASSETS		190,260	183,206	82,019
LIABILITIES				
Current Liabilities				
Payables	10	787	817	765
Borrowings	10	85	80	123
Provisions	10	1,135	1,210	1,158
Total Current Liabilities		2,007	2,107	2,046
Non-Current Liabilities				
Payables	10	-	-	-
Borrowings	10	1,901	1,986	2,066
Provisions	10	429	395	394
Total Non-Current Liabilities		2,330	2,381	2,460
TOTAL LIABILITIES		4,337	4,488	4,506
Net Assets		185,923	178,718	77,513
EQUITY				
Retained Earnings	20	60,813	62,079	61,372
Revaluation Reserves	20	125,110	116,639	16,141
Council Equity Interest		185,923	178,718	77,513
Minority Equity Interest		-	-	-
Total Equity		185,923	178,718	77,513

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

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Blayney Shire Council

Statement of Changes in Equity
for the financial year ended 30 June 2011

\$ '000	Notes	Council				
		Retained Earnings	Reserves (Refer 200)	Equity Interest	Minority Interest	Total Equity
2011						
Opening Balance (as per Last Year's Audited Accounts)		61,440	116,639	178,079	-	178,079
a. Correction of Prior Period Errors	20 (c)	639	-	639	-	639
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/10)		62,079	116,639	178,718	-	178,718
c. Net Operating Result for the Year		(1,266)	-	(1,266)	-	(1,266)
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	200 (e)	-	8,471	8,471	-	8,471
- Revaluations: Other Reserves	200 (e)	-	-	-	-	-
- Transfers to Income Statement	200 (e)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	200 (e)	-	-	-	-	-
- Other Movements	200 (e)	-	-	-	-	-
Other Comprehensive Income		-	8,471	8,471	-	8,471
Total Comprehensive Income (c&d)		(1,266)	8,471	7,205	-	7,205
e. Distributions to/(Contributions from) Minority Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		60,813	125,110	185,923	-	185,923
2010						
Opening Balance (as per Last Year's Audited Accounts)		56,053	16,141	72,194	-	72,194
a. Correction of Prior Period Errors	20 (c)	5,958	-	5,958	-	5,958
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/09)		62,011	16,141	78,152	-	78,152
c. Net Operating Result for the Year		68	-	68	-	68
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	200 (e)	-	100,498	100,498	-	100,498
- Revaluations: Other Reserves	200 (e)	-	-	-	-	-
- Transfers to Income Statement	200 (e)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	200 (e)	-	-	-	-	-
- Other Movements	200 (e)	-	-	-	-	-
Other Comprehensive Income		-	100,498	100,498	-	100,498
Total Comprehensive Income (c&d)		68	100,498	100,566	-	100,566
e. Distributions to/(Contributions from) Minority Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		62,079	116,639	178,718	-	178,718

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

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Blayney Shire Council

Statement of Cash Flows
for the financial year ended 30 June 2011

Budget 2011	\$ '000	Notes	Actual 2011	Actual 2010
Cash Flows from Operating Activities				
<u>Receipts:</u>				
5,434	Rates & Annual Charges		5,195	5,005
715	User Charges & Fees		1,420	1,725
404	Investment & Interest Revenue Received		453	325
2,743	Grants & Contributions		3,849	3,531
386	Other		561	748
<u>Payments:</u>				
(3,500)	Employee Benefits & On-Costs		(4,523)	(4,308)
(1,922)	Materials & Contracts		(2,615)	(2,469)
(260)	Borrowing Costs		(142)	(149)
-	Bonds & Deposits Refunded		(88)	-
(1,145)	Other		(1,681)	(1,922)
<u>2,855</u>	Net Cash provided (or used in) Operating Activities	11b	<u>2,429</u>	<u>2,486</u>
Cash Flows from Investing Activities				
<u>Receipts:</u>				
-	Sale of Investment Securities		-	2,000
-	Sale of Real Estate Assets		55	43
402	Sale of Infrastructure, Property, Plant & Equipment		400	522
-	Deferred Debtors Receipts		103	204
<u>Payments:</u>				
(1,790)	Purchase of Infrastructure, Property, Plant & Equipment		(1,524)	(2,296)
-	Purchase of Real Estate Assets		(3)	(96)
-	Deferred Debtors & Advances Made		(40)	-
<u>(1,388)</u>	Net Cash provided (or used in) Investing Activities		<u>(1,009)</u>	<u>377</u>
Cash Flows from Financing Activities				
<u>Receipts:</u>				
Nil				
<u>Payments:</u>				
(202)	Repayment of Borrowings & Advances		(80)	(123)
<u>(202)</u>	Net Cash Flow provided (used in) Financing Activities		<u>(80)</u>	<u>(123)</u>
1,265	Net Increase/(Decrease) in Cash & Cash Equivalents		1,340	2,740
2,848	plus. Cash & Cash Equivalents - beginning of year	11a	6,282	3,542
<u>4,113</u>	Cash & Cash Equivalents - end of the year	11a	<u>7,622</u>	<u>6,282</u>
Additional Information:				
	plus. Investments on hand - end of year	8b	613	613
	Total Cash, Cash Equivalents & Investments		<u>8,235</u>	<u>6,895</u>

Please refer to Note 11 for more information.

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

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Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

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n/a - not applicable

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 1. Summary of Significant Accounting Policies

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

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

(a) Basis of preparation**(i) Background**

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

- Australian Accounting Standards,
- Other authoritative pronouncements of the Australian Accounting Standards Board,
- Urgent Issues Group Interpretations,
- the Local Government Act (1993) and Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

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

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

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

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

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

(iii) Basis of Accounting

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

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

(iv) Changes in Accounting Policies

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

Unless otherwise stated, there have also been no changes in accounting policies when compared with previous financial statements.

(v) Critical Accounting Estimates

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

It also requires Council management to exercise their judgement in the process of applying Council's accounting policies.

(b) Revenue recognition

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

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

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (continued)

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

Revenue is measured on major income categories as follows:

Rates, Annual Charges, Grants and Contributions

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

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

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

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

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

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

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

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

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

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

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

User Charges, Fees and Other Income

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

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

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

Sale of Infrastructure, Property, Plant and Equipment

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

Interest and Rents

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

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

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (continued)

(c) Principles of Consolidation

These financial statements incorporate **(i)** the assets and liabilities of Council and any Entities (or operations) that it **controls** (as at 30/6/11) and **(ii)** all the related operating results (for the financial year ended the 30th June 2011).

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

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

(i) The Consolidated Fund

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

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

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

- General Purpose Operations
- Blayney Sewerage Fund
- Millthorpe Sewerage Fund
- CentrePoint Blayney Limited - (Council's multipurpose sports centre)

(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**Jointly Controlled Assets & Operations**

The proportionate interests in the assets, liabilities and expenses of a Joint Venture Activity have been incorporated throughout the financial statements under the appropriate headings.

Jointly Controlled Entities

Any interests in Joint Venture Entities & Partnerships are accounted for using the equity method and is carried at cost.

Under the equity method, the share of the profits or losses of the partnership is recognised in the income statement, and the share of movements in retained earnings & reserves is recognised in the balance sheet.

(iv) Associated Entities

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

Such entities are usually termed Associates.

(v) County Councils

Council is a member of the following County Councils (which are bodies corporate under the Local Government Act);

- **Upper Macquarie County Council**

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

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (continued)

- o Bathurst Regional Council
- o Blayney Shire Council
- o 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:

- o Blayney Shire Council
- o Cabbonne Council
- o 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.

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

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**,

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (continued)

- **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.

Derivatives are classified as held for trading unless they are designated as hedges.

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

(ii) Loans and receivables

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

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

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

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management

has the positive intention and ability to hold to maturity.

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

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

(iv) Available-for-sale financial assets

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

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

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

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

Financial Assets – Reclassification

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

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

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (continued)

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

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

General Accounting & Measurement of Financial Instruments:

(i) Initial Recognition

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

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

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

(ii) Subsequent Measurement

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

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

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

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

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

Impairment

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

In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired.

If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement.

(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.

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (continued)

(g) Fair value estimation

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

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

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

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

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

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

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

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

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

(h) Receivables

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

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

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

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

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

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

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

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

(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.

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (continued)

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

Land Held for Resale/Capitalisation of Borrowing Costs

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

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

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

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

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

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

Acquisition of assets

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

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

- **Investment Properties** – refer Note 1(p),
- **Water and Sewerage Networks**
(Internal Valuation)
- **Operational Land** (External Valuation)
- **Buildings – Specialised/Non Specialised**
(External Valuation)
- **Plant and Equipment**
(as approximated by depreciated historical cost)

- **Roads Assets incl. roads, bridges & footpaths**
(Internal Valuation)

- **Drainage Assets** (Internal Valuation)

- **Bulk Earthworks** (Internal Valuation)

- **Community Land** (Internal Valuation)

- **Land Improvements**
(as approximated by depreciated historical cost)

- **Other Structures**
(as approximated by depreciated historical cost)

- **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.

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (continued)

Asset Revaluations (including Indexation)

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

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

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

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

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

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

Capitalisation Thresholds

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

Land	
- council land	100% Capitalised
- open space	100% Capitalised

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

Depreciation

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

Land is not depreciated.

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

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

Other Equipment

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

Buildings

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

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (continued)

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

Government Act (1993) classified as either Operational or Community.

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

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

(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.

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

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

Other Infrastructure Assets	
- Bulk earthworks	Infinite

(m) Intangible Assets

IT Development and Software

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

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.

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.

Costs capitalised include external direct costs of materials and service, direct payroll and payroll related costs of employees' time spent on the project.

Disposal and De-recognition

Amortisation is calculated on a straight line bases over periods generally ranging from 3 to 5 years.

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.

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.

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

(n) Crown Reserves

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

(k) Land

While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance

Land (other than Land under Roads) is in accordance with Part 2 of Chapter 6 of the Local

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (continued)

and use in accordance with the specific purposes to which the reserves are dedicated.

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

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

(o) Rural Fire Service assets

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

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

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

(p) Investment property

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

Investment property is carried at fair value, representing an in-house valuation based on a discounted cash flow analysis.

Annual changes in the fair value of Investment Properties are recorded in the Income Statement as part of "Other Income".

Full revaluations are carried out every three years with an appropriate index utilised each year in between the full revaluations.

(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 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.

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (continued)

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

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

Provision is made for the estimated present value of the costs of environmental clean up obligations outstanding at the balance sheet date. These costs are charged to the income statement.

Movements in the environmental clean up provisions are presented as an operating cost, except for the unwind of the discount which is shown as a borrowing cost.

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

As noted above, the ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other locations.

The expected timing of expenditure can also change, for example in response to changes in quarry reserves or production rates.

As a result there could be significant adjustments to the provision for close down and restoration and environmental clean up, which would affect future financial results.

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

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

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

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

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

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

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

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

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

(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

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (continued)

circumstances indicate that the carrying amount may not be recoverable.

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

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

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

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

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

(t) Payables

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

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

(u) Borrowings

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

Borrowings are subsequently measured at amortised cost.

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

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

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

(v) Borrowing costs

Borrowing costs are expensed.

(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.

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (continued)

(x) Employee benefits**(i) Short Term Obligations**

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

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

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

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

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

(ii) Other Long Term Obligations

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

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

Due to the nature of when and how Long Service Leave can be taken, all Long Service Leave for employees with 4 or more years of service has been classified as Current, as it has been deemed that

Council does not have the unconditional right to defer settlement beyond 12 months – even though it is not anticipated that all employees with more than 4 years service (as at reporting date) will apply for and take their leave entitlements in the next 12 months.

(iii) Retirement benefit obligations

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

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

Defined Benefit Plans

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

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

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

The Local Government Superannuation Scheme – Pool B (the Scheme) is a defined benefit plan that has been deemed to be a "multi-employer fund" for purposes of AASB119. Sufficient information under AASB119 is not available to account for the Scheme as a defined benefit plan, because the assets to the Scheme are pooled together for all employers.

The amount of employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2011 was \$199,010.42. The last valuation of the Scheme was

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (continued)

performed by Mr Martin Stevenson BSc, FIA, FIAA on 16 February 2010 and covers the period ended 30 June 2009. However the position is monitored annually and the Actuary has estimated that as at 30 June 2011 a deficit still exists. Effective from 1 July 2009, employers were required to contribute at twice the "notional" or long term cost for a period of up to ten years in order to rectify this deficit. The share of this deficit that can be broadly attributed to the employer was estimated to be in the order of \$433,217 as at 30 June 2011

Defined Contribution Plans

Contributions to Defined Contribution Plans are recognised as an expense as they become payable.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) Employee Benefit On-Costs

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

These amounts include Superannuation and Workers Compensation expenses which will be payable upon the future payment of certain Leave Liabilities accrued as at 30/6/11.

(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.

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (continued)

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

(ab) New accounting standards and IIG interpretations

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2011.

Council has not adopted any of these standards early.

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

Applicable to Local Government with implications:

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

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities.

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

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

Applicable to Local Government but no implications for Council;

AASB 2009 14 Amendments to Australian Interpretation – Prepayments of a Minimum**Funding Requirement (effective from 1 January 2011)**

In December 2009, the AASB made an amendment to Interpretation 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction.

The amendment removes an unintended consequence of the interpretation related to voluntary prepayments when there is a minimum funding requirement in regard to the entity's defined benefit scheme.

It permits entities to recognise an asset for a prepayment of contributions made to cover minimum funding requirements. Council does not make any such prepayments.

AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets (effective for annual reporting periods beginning on or after 1 July 2011)

Amendments made to AASB 7 Financial Instruments: Disclosures in November 2010 introduce additional disclosures in respect of risk exposures arising from transferred financial assets.

The amendments will affect particularly entities that sell, factor, securitise, lend or otherwise transfer financial assets to other parties.

They are not expected to have any significant impact on Council's disclosures.

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

None

Not applicable to Local Government per se;

Revised AASB 124 Related Party Disclosures and AASB 2009 12 Amendments to Australian Accounting Standards (effective from 1 January 2011)

In December 2009 the AASB issued a revised AASB 124 Related Party Disclosures.

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 1. Summary of Significant Accounting Policies (continued)

It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively.

The amendment clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities.

AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements (effective from 1 July 2013)

On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia.

Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements.

Local Government are specifically excluded from adopting the new Australian Accounting Standards – Reduced Disclosure Requirements.

AASB 2010-8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets (effective from 1 January 2012)

In December 2010, the AASB amended AASB 112 Income Taxes to provide a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model.

AASB 112 requires the measurement of deferred tax assets or liabilities to reflect the tax consequences that would follow from the way management expects to recover or settle the carrying amount of the relevant assets or liabilities, that is through use or through sale.

Council is not subject to Income Tax and accordingly this amendment will have no impact on future financial statements.

(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 2011

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 2011	Actual 2011	Actual 2010	Original Budget 2011	Actual 2011	Actual 2010	Original Budget 2011	Actual 2011	Actual 2010	Actual 2011	Actual 2010	Actual 2011	Actual 2010
Governance	-	-	-	205	108	112	(205)	(108)	(112)	-	-	957	639
Administration	160	279	347	2,759	2,972	2,882	(2,599)	(2,693)	(2,535)	-	-	7,928	7,495
Public Order & Safety	26	7	20	451	495	473	(425)	(488)	(453)	-	-	1,422	1,582
Health	28	20	13	481	474	444	(453)	(454)	(431)	-	-	123	124
Environment	-	700	546	-	1,007	1,045	-	(307)	(499)	24	21	4,198	4,255
Community Services & Education	46	56	105	79	79	98	(39)	(29)	7	23	62	797	834
Housing & Community Amenities	917	179	210	1,437	470	465	(520)	(291)	(255)	3	30	626	2,404
Sewerage Services	1,069	1,279	1,103	823	829	803	246	450	300	16	28	18,561	17,979
Recreation & Culture	175	777	834	1,215	1,748	2,046	(1,040)	(971)	(1,212)	181	140	15,657	8,560
Mining, Manufacturing & Construction	324	143	223	142	10	112	182	133	111	-	-	465	390
Transport & Communication	388	1,354	1,481	2,555	3,948	2,188	(2,167)	(2,594)	(707)	573	394	137,772	137,162
Economic Affairs	204	271	397	186	230	327	18	41	70	5	-	1,754	1,782
Total Functions & Activities	3,337	5,065	5,279	10,333	12,370	10,995	(6,995)	(7,305)	(5,716)	325	675	190,260	183,206
General Purpose Income	6,388	6,039	5,784	-	-	-	6,388	6,039	5,784	2,230	2,049	-	-
Operating Result from Continuing Operations	9,725	11,104	11,063	10,333	12,370	10,995	(608)	(1,265)	68	3,055	2,724	190,260	183,206

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

Blayney Shire Council**Notes to the Financial Statements**
for the financial year ended 30 June 2011**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, other community amenities.

SEWERAGE SERVICES**RECREATION & CULTURE**

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

MINING, MANUFACTURING & CONSTRUCTION

Building control, 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, RTA 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 2011

Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2011	Actual 2010
(a). Rates & Annual Charges			
Ordinary Rates			
Residential		1,229	1,193
Farmland		1,579	1,521
Mining		601	591
Business		188	181
Total Ordinary Rates		3,597	3,486
Special Rates			
Community Centre Refurbishment		275	275
Total Special Rates		275	275
Annual Charges (pursuant to s.496, s.501 & s.611)			
Domestic Waste Management Services		573	457
Sewerage Services		847	794
Total Annual Charges		1,420	1,251
TOTAL RATES & ANNUAL CHARGES		5,292	5,012

Council has used 2007 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 2011

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2011	Actual 2010
(b). User Charges & Fees			
Specific User Charges (per s.502 - Specific "actual use" charges)			
Sewerage Services		74	87
Total User Charges		74	87
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s608 & 610A)			
Building Regulation		198	189
Private Works - Section 67		199	346
Section 149 Certificates (EPA Act)		17	13
Section 603 Certificates		11	10
Total Fees & Charges - Statutory/Regulatory		425	558
(ii) Fees & Charges - Other (incl. General User Charges (per s.610C))			
Cemeteries		26	32
Lease Rentals		36	32
Leaseback Fees - Council Vehicles		42	42
Multipurpose Centre		297	367
Quarry Revenues		60	139
RTA Charges (State Roads not controlled by Council)		234	281
Waste Disposal Tipping Fees		105	65
Other		55	43
Total Fees & Charges - Other		855	1,001
TOTAL USER CHARGES & FEES		1,354	1,646

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2011	Actual 2010
(c). Interest & Investment Revenue (incl. losses)			
Interest & Dividends			
- Interest on Overdue Rates & Annual Charges		30	31
- Interest earned on Investments (interest & coupon payment income)		444	305
Other		6	4
TOTAL INTEREST & INVESTMENT REVENUE		480	340
Interest Revenue is attributable to:			
Unrestricted Investments/Financial Assets:			
Overdue Rates & Annual Charges		30	24
General Council Cash & Investments		212	249
Restricted Investments/Funds - External:			
Development Contributions			
- Section 94		16	8
- Section 64		25	15
Sewerage Fund Operations		197	44
Total Interest & Investment Revenue Recognised		480	340
(d). Other Revenues			
Rental Income - Other Council Properties		37	38
Fines		1	2
Commissions & Agency Fees		1	1
Diesel Rebate		27	20
Insurance Claim Recoveries		30	-
Insurance Rebates		40	15
Road Closure Income		-	38
Sale of Abandoned Vehicles		1	2
Other		63	54
TOTAL OTHER REVENUE		200	170

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 3. Income from Continuing Operations (continued)

\$ '000	2011 Operating	2010 Operating	2011 Capital	2010 Capital
(e). Grants				
General Purpose (Untied)				
Financial Assistance - General Component	1,492	1,329	-	-
Financial Assistance - Local Roads Component	680	660	-	-
Pensioners' Rates Subsidies - General Component	58	60	-	-
Total General Purpose	2,230	2,049	-	-
Specific Purpose				
Pensioners' Rates Subsidies:				
- Sewerage	16	16	-	-
- Domestic Waste Management	24	21	-	-
Sewerage Services	-	11	-	-
Bike Paths	-	-	2	18
Heritage & Cultural	4	14	-	-
Library	32	30	-	-
Recreation & Culture	149	109	-	4
Street Lighting	15	15	-	-
Transport (Roads to Recovery)	-	113	236	259
Transport (Other Roads & Bridges Funding)	320	-	-	4
Youth Services	22	61	-	-
Tourism	5	-	-	-
Total Specific Purpose	567	390	238	265
Total Grants	2,817	2,439	238	265
Grant Revenue is attributable to:				
- Commonwealth Funding	2,363	2,211	236	259
- State Funding	454	228	2	26
- Other Funding	-	-	-	-
	2,817	2,439	238	265

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 3. Income from Continuing Operations (continued)

\$ '000	2011 Operating	2010 Operating	2011 Capital	2010 Capital
(f). Contributions				
Developer Contributions:				
(s93 & s94 - EP&A Act, s64 of the NSW LG Act):				
S 94 - Contributions towards amenities/services	-	-	73	100
S 64 - Sewerage Service Contributions	-	-	99	124
Total Developer Contributions	17	-	172	224
Other Contributions:				
Bushfire Services	57	62	-	-
Donated Assets RFS	-	-	-	225
Recreation & Culture	-	-	-	23
Roads & Bridges	8	11	-	2
RTA Contributions (Regional/Local, Block Grant)	441	434	-	-
Bike Path	-	-	23	-
Other	18	20	-	1
Total Other Contributions	524	527	23	251
Total Contributions	524	527	195	475
TOTAL GRANTS & CONTRIBUTIONS	3,341	2,966	433	760

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 3. Income from Continuing Operations (continued)

\$ '000	Actual 2011	Actual 2010
(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	984	781
add: Grants and contributions recognised in the current period which have not been spent:	682	549
less: Grants and contributions recognised in a previous reporting period which have been spent in the current reporting period:	(287)	(346)
Net Increase (Decrease) in Restricted Assets during the Current Reporting Period	395	203
Unexpended at the Close of this Reporting Period and held as Restricted Assets	1,379	984
Comprising:		
- Specific Purpose Unexpended Grants	530	348
- Developer Contributions	849	636
	1,379	984

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2011	Actual 2010
(a) Employee Benefits & On-Costs			
Salaries and Wages		3,109	3,099
Travelling		84	69
Employee Leave Entitlements (ELE)		613	589
Superannuation		434	441
Workers' Compensation Insurance		113	229
Fringe Benefit Tax (FBT)		21	8
Training Costs (other than Salaries & Wages)		116	104
Sick Leave Insurance		8	7
Protective Clothing		13	16
Other		3	34
Total Employee Costs		4,514	4,596
less: Capitalised Costs		(54)	(256)
TOTAL EMPLOYEE COSTS EXPENSED		4,460	4,340
Number of "Equivalent Full Time" Employees at year end		63	65
(b) Borrowing Costs			
(i) Interest Bearing Liability Costs			
Interest on Loans		142	148
Total Interest Bearing Liability Costs		142	148
less: Capitalised Costs		-	-
Total Interest Bearing Liability Costs Expensed		142	148
(ii) Other Borrowing Costs			
Discount adjustments relating to movements in Provisions (other than ELE)			
- Remediation Liabilities	28	22	21
Total Other Borrowing Costs		22	21
TOTAL BORROWING COSTS EXPENSED		164	169

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2011	Actual 2010
(c) Materials & Contracts			
Raw Materials & Consumables		2,115	2,294
Auditors Remuneration			
- Audit Services: Council's Auditor		26	24
Legal Expenses:			
- Legal Expenses: Planning & Development		10	33
- Legal Expenses: Other		17	27
- Legal Expenses: Debt Recovery		33	24
Operating Leases:			
- Operating Lease Rentals: Minimum Lease Payments ⁽¹⁾		92	106
Total Materials & Contracts		2,293	2,508
less: Capitalised Costs		-	-
TOTAL MATERIALS & CONTRACTS		2,293	2,508
1. Operating Lease Payments are attributable to:			
- Computers		92	106
		92	106

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2011	Actual 2010	Actual 2011	Actual 2010
(d) Depreciation, Amortisation & Impairment					
		-	-	728	689
		-	-	24	17
		-	-	24	23
		-	-	9	14
		-	-	116	116
		-	-	488	481
		-	-	78	78
		Infrastructure:			
		-	-	2,119	727
		-	-	57	57
		-	-	361	360
		Other Assets			
		-	-	7	7
	9.5.25	-	-	12	13
		-	-	4,023	2,582
		-	-	-	-
	9.6	-	-	-	-
		-	-	4,023	2,582

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2011	Actual 2010
(e) Other Expenses			
Other Expenses for the year include the following:			
Advertising		35	31
Bank Charges		17	21
Boarding House Transport Payment		19	40
- NSW Fire Brigade Levy		121	124
- Emergency Services Levy		40	40
Councillor Expenses - Mayoral Fee		21	20
Councillor Expenses - Councillors' Fees		67	65
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		20	27
Donations, Contributions & Assistance to other organisations (Section 356)		262	236
Electricity & Heating		276	234
Insurance		184	184
Postage		11	10
Printing & Stationery		22	20
Street Lighting		106	98
Subscriptions & Publications		25	31
Telephone & Communications		26	20
Valuation Fees		23	22
Water Charges		9	26
Other		146	147
Total Other Expenses		1,430	1,396
less: Capitalised Costs		-	-
TOTAL OTHER EXPENSES		1,430	1,396

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 5. Gains or Losses from the Disposal of Assets

\$ '000	Notes	Actual 2011	Actual 2010
Plant & Equipment			
Proceeds from Disposal		324	530
less: Carrying Amount of P&E Assets Sold		(334)	(397)
Net Gain/(Loss) on Disposal		(10)	133
Infrastructure			
Proceeds from Disposal		-	-
less: Carrying Amount of Infrastructure Assets Sold / Written Off		(34)	(3)
Net Gain/(Loss) on Disposal		(34)	(3)
Real Estate Assets Held For Sale			
Proceeds from Disposal		55	43
less: Carrying Amount of Real Estate Assets Sold		(7)	(4)
Net Gain/(Loss) on Disposal		48	39
Financial Assets*			
Proceeds from Disposal / Redemptions		-	2,000
less: Carrying Amount of Financial Assets Sold / Redeemed		-	(2,000)
Net Gain/(Loss) on Disposal		-	-
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		4	169

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

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

\$ '000	Notes	2011		2010	
		Actual Current	Actual Non Current	Actual Current	Actual Non Current
Cash & Cash Equivalents (Note 6a)					
	Cash on Hand and at Bank	622	-	282	-
	Cash-Equivalent Assets ¹				
	- Short Term Deposits	7,000	-	6,000	-
	Total Cash & Cash Equivalents	7,622	-	6,282	-
Investment Securities (Note 6b)					
	- CDO's	380	233	-	613
	Total Investment Securities	380	233	-	613
	TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS	8,002	233	6,282	613

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

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

Cash & Cash Equivalents					
	a. "At Fair Value through the Profit & Loss"	7,622	-	6,282	-
Investments					
	a. "At Fair Value through the Profit & Loss"				
	- "Held for Trading" §(b-1)	-	-	-	-
	- "Designated at Fair Value on Initial Recognition" §(b-1)	-	-	-	-
	b. "Held to Maturity" §(b-2)	380	233	-	613
	c. "Loans & Receivables" §(b-3)	-	-	-	-
	d. "Available for Sale" §(b-4)	-	-	-	-
	Investments	380	233	-	613

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 6b. Investments (continued)

\$ '000	2011		2010	
	Actual Current	Actual Non Current	Actual Current	Actual Non Current
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	-	613	2,000	613
Disposals (sales & redemptions)	-	-	(2,000)	-
Transfers between Current/Non Current	380	(380)	-	-
Balance at End of Year	380	233	-	613
Comprising:				
- CDO's	380	233	-	613
Total	380	233	-	613
Note 6(b-iii) Reconciliation of Investments classified as "Loans & Receivables"				
Nil				
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 2011

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

\$ '000	2011		2010	
	Actual Current	Actual Non Current	Actual Current	Actual Non Current
Total Cash, Cash Equivalents and Investment Securities	8,002	233	6,282	613
attributable to:				
External Restrictions (refer below)	4,607	233	3,761	613
Internal Restrictions (refer below)	3,377	-	2,519	-
Unrestricted	18	-	2	-
	8,002	233	6,282	613

2011	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
\$ '000				

Details of Restrictions

External Restrictions - Included in Liabilities

Nil

External Restrictions - Other

Developer Contributions - General (D)	238	89	-	327
Developer Contributions - Sewer Fund (D)	398	124	-	522
Specific Purpose Unexpended Grants (F)	344	182	-	526
Specific Purpose Unexpended Grants (F) - Sewer Fund	4	-	-	4
Sewerage Services (G)	2,866	-	(137)	2,729
Rates - Special Variation	455	275	(60)	670
Other	69	-	(7)	62
External Restrictions - Other	4,374	670	(204)	4,840
Total External Restrictions	4,374	670	(204)	4,840

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

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

2011 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
Internal Restrictions				
Plant & Vehicle Replacement	287	1,196	(760)	723
Employees Leave Entitlement	663	-	-	663
Blayney Town Works	110	42	-	152
Cemeteries	8	-	(2)	6
Construction of Buildings	8	-	-	8
Election Reserve	15	11	-	26
Financial Assistance Grant	519	2,172	(2,141)	550
Golden Gully	24	-	-	24
Inala Units	16	-	(3)	13
I.T Reserve	74	50	(26)	98
Multipurpose Centre	48	96	(25)	119
Property Account	307	55	(3)	359
Quarry	348	32	-	380
Road Reserve	72	173	(5)	240
Showground Improvement Fund	10	6	(10)	6
Tourism Promotion Fund	10	-	-	10
Total Internal Restrictions	2,519	3,833	(2,975)	3,377
TOTAL RESTRICTIONS	6,893	4,503	(3,179)	8,217

- A Loan moneys which must be applied for the purposes for which the loans were raised.
- B Advances by the Roads and Traffic Authority for works on the State's classified roads.
- C Self insurance liability resulting from reported claims or incurred claims not yet reported.
- D Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans (refer Note 17).
- E RTA Contributions which are not yet expended for the provision of services and amenities in accordance with those contributions.
- F Grants which are not yet expended for the purposes for which the grants were obtained. (refer Note 1)
- G Water, Sewerage, Domestic Waste Management (DWM) & other Special Rates/Levies/Charges are externally restricted assets and must be applied for the purposes for which they were raised.

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 7. Receivables

\$ '000	Notes	2011		2010	
		Current	Non Current	Current	Non Current
Purpose					
Rates & Annual Charges		445	38	357	29
Interest & Extra Charges		16	37	17	30
User Charges & Fees		155	7	113	10
Private Works		264	136	258	131
Contributions to Works		-	-	11	-
Capital Debtors (being sale of assets)					
- Other Asset Sales		-	-	76	-
Accrued Revenues					
- Interest on Investments		53	-	32	-
Government Grants & Subsidies		7	-	5	-
Deferred Debtors		114	26	154	49
Net GST Receivable		25	-	30	-
Other Debtors		28	-	77	-
Total		1,107	244	1,130	249
less: Provision for impairment					
Rates & Annual Charges		-	(18)	-	(18)
Interest & Extra Charges		-	(7)	-	(7)
Total Provision for Impairment - Receivables		-	(25)	-	(25)
TOTAL NET RECEIVABLES		1,107	219	1,130	224
Externally Restricted Receivables					
Sewerage Services					
- Rates & Availability Charges		57	-	81	-
- Other		37	-	-	-
Total External Restrictions		94	-	81	-
Internally Restricted Receivables					
Nil					
Unrestricted Receivables		1,013	219	1,049	224
TOTAL NET RECEIVABLES		1,107	219	1,130	224

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% (2010 9.00%).
Generally all other receivables are non interest bearing.
- (iv) Please refer to Note 15 for issues concerning Credit Risk and Fair Value disclosures.

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 8. Inventories & Other Assets

\$ '000	Notes	2011		2010	
		Current	Non Current	Current	Non Current
Inventories					
Real Estate for resale (refer below)		627	-	631	-
Stores & Materials		79	-	43	-
Trading Stock		294	-	217	-
Total Inventories		1,000	-	891	-
Other Assets					
Prepayments		166	-	137	-
Total Other Assets		166	-	137	-
TOTAL INVENTORIES / OTHER ASSETS		1,166	-	1,028	-
Total Unrestricted Assets		1,166	-	1,028	-
TOTAL INVENTORIES & OTHER ASSETS		1,166	-	1,028	-

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 8. Inventories & Other Assets (continued)

\$ '000	2011		2010	
	Current	Non Current	Current	Non Current
(i) Other Disclosures				
(a) Details for Real Estate Development				
Residential	-	-	-	-
Industrial/Commercial	627	-	631	-
Total Real Estate for Resale	627	-	631	-
(Valued at the lower of cost and net realisable value)				
Represented by:				
Acquisition Costs	-	-	-	-
Development Costs	627	-	631	-
Total Costs	627	-	631	-
Total Real Estate for Resale	627	-	631	-
Movements:				
Real Estate assets at beginning of the year	631	-	539	-
- Purchases and other costs	3	-	96	-
- WDV of Sales (exp)	(7)	-	(4)	-
Total Real Estate for Resale	627	-	631	-

(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;

	2011	2010
Real Estate for Resale	627	631
	627	631

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

- Stores & Materials	431	370
- Trading Stock	78	43

(d) Inventory Write Downs

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

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 9a. Infrastructure, Property, Plant & Equipment

	as at 30/6/2010					Asset Movements during the Reporting Period					as at 30/6/2011				
	At Cost	At Fair Value	Acc. Dep'n	Carrying Value	Asset Additions	WDV of Asset Disposals	Depreciation Expense	Revaluation Increments (Acft)	At Cost	At Fair Value	Acc. Dep'n	Carrying Value			
\$ '000															
Plant & Equipment	-	9,785	5,603	4,182	596	(334)	(728)	-	-	9,931	6,215	3,716			
Office Equipment	-	338	263	75	43	-	(24)	-	-	381	287	94			
Furniture & Fittings	-	366	247	119	-	-	(24)	-	-	366	271	95			
Land:															
- Operational Land	-	1,296	-	1,296	-	-	-	-	-	1,296	-	1,296			
- Community Land	935	-	-	935	-	-	-	3,187	-	4,122	-	4,122			
Land Improvements - depreciable	321	-	87	234	-	-	(9)	4,338	-	6,515	1,962	4,563			
Buildings - Non Specialised	-	3,642	1,453	2,189	-	-	(116)	-	-	3,642	1,569	2,073			
Buildings - Specialised	-	14,841	6,124	8,717	284	-	(488)	-	-	15,125	6,612	8,513			
Other Structures	1,581	-	437	1,144	132	-	(78)	554	-	2,505	753	1,752			
Infrastructure:															
- Roads, Bridges, Footpaths	-	163,267	37,600	125,667	442	(34)	(2,119)	-	-	163,577	39,621	123,956			
- Bulk Earthworks (non-depreciable)	-	10,466	-	10,466	-	-	-	-	-	10,466	-	10,466			
- Stormwater Drainage	-	5,691	1,436	4,255	-	-	(57)	-	-	5,691	1,493	4,198			
- Sewerage Network	-	21,906	7,486	14,420	27	-	(361)	432	-	22,590	8,072	14,518			
Other Assets:															
- Other	182	-	135	47	-	-	(7)	(40)	-	-	-	-			
Restatement, Rehabilitation & Restoration Assets (refer Note 26)															
- Tip Asset	224	-	66	158	-	-	(11)	-	226	-	78	147			
- Quarry Asset	37	-	12	25	-	-	(1)	-	37	-	13	24			
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP.	3,280	231,598	60,949	173,929	1,524	(368)	(4,029)	8,471	262	246,207	66,936	179,533			

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Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

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

\$ '000	Actual 2011				Actual 2010			
	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	-	182	52	100	-	60	36	24
Land								
- Community Land	-	238	-	238	9	-	-	9
Buildings	-	421	65	356	-	236	58	178
Infrastructure	-	22,590	8,072	14,518	-	21,905	7,488	14,419
Total Sewerage Services	-	23,401	8,189	15,212	9	22,201	7,589	14,630
Domestic Waste Management								
Land								
- Community Land	-	160	-	160	96	-	-	96
- Improvements - depreciable	-	-	-	-	113	-	70	43
Total DWM	-	160	-	160	209	-	70	139
TOTAL RESTRICTED I,PP&E	-	23,561	8,189	15,372	218	22,201	7,659	14,769

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

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

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 10a. Payables, Borrowings & Provisions

\$ '000	Notes	2011		2010	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services - operating expenditure		500	-	480	-
Payments Received In Advance		97	-	59	-
Accrued Expenses:					
- Borrowings		10	-	10	-
Security Bonds, Deposits & Retentions		180	-	268	-
Total Payables		787	-	817	-
Borrowings					
Loans - Secured ¹		85	1,901	80	1,986
Total Borrowings		85	1,901	80	1,986
Provisions					
Employee Benefits:					
Annual Leave		310	-	338	-
Long Service Leave		825	36	872	24
Sub Total - Aggregate Employee Benefits		1,135	36	1,210	24
Asset Remediation/Restoration (Future Works) ☹		-	393	-	371
Total Provisions		1,135	429	1,210	395
Total Payables, Borrowings & Provisions		2,007	2,330	2,107	2,381

(i) Liabilities relating to Restricted Assets

	2011		2010	
	Current	Non Current	Current	Non Current
Externally Restricted Assets				
Sewer	44	1,012	42	1,049
Liabilities relating to externally restricted assets	44	1,012	42	1,049
Internally Restricted Assets				
Nil				
Total Liabilities relating to restricted assets	44	1,012	42	1,049

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 2011

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

\$ '000	2011	2010
(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	684	874
Payables - Security Bonds, Deposits & Retentions	133	228
	817	1,102

Note 10b. Description of and movements in Provisions

Class of Provision	2010			2011		Closing Balance as at 30/6/11
	Opening Balance as at 1/7/10	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	
Annual Leave	338	260	(288)	-	-	310
Long Service Leave	896	123	(158)	-	-	861
Asset Remediation	371	-	-	22	-	393
TOTAL	1,605	383	(446)	22	-	1,564

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 2011

Note 11. Statement of Cash Flows - Additional Information

\$ '000	Notes	Actual 2011	Actual 2010
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	7,622	6,282
BALANCE as per the STATEMENT of CASH FLOWS		7,622	6,282
 (b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		(1,266)	68
Adjust for non cash items:			
Depreciation & Amortisation		4,023	2,582
Net Losses/(Gains) on Disposal of Assets		(4)	(169)
Non Cash Capital Grants and Contributions		-	(225)
Unwinding of Discount Rates on Reinstatement Provisions		22	21
+/- Movement in Operating Assets and Liabilities & Other Cash items:			
Decrease/(Increase) in Receivables		(111)	173
Increase/(Decrease) in Provision for Doubtful Debts		-	1
Decrease/(Increase) in Inventories		(113)	(44)
Decrease/(Increase) in Other Assets		(29)	(5)
Increase/(Decrease) in Payables		20	83
Increase/(Decrease) in accrued Interest Payable		-	(1)
Increase/(Decrease) in Other Liabilities		(50)	(30)
Increase/(Decrease) in Employee Leave Entitlements		(63)	32
NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		2,429	2,466

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

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

\$ '000	Notes	Actual 2011	Actual 2010
(c) Non-Cash Investing & Financing Activities			
Donated Assets - Rural Fire Service		-	225
Total Non-Cash Investing & Financing Activities		-	225
(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:			
- Bank Overdraft Facilities		-	-
- Credit Cards / Purchase Cards		2	2
Total Financing Arrangements Utilised		2	2

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

(ii) Secured Loan Liabilities

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

(e) Net Cash Flows Attributable to Discontinued Operations

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

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2011	Actual 2010
(a) Capital Commitments (exclusive of GST)			
Nil			
(b) Other Expenditure Commitments (exclusive of GST)			
Other Non Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
DWM & Recycling Services		2,896	3,560
Cleaning Services		67	123
Audit Services		54	80
Operating Leases - Cancellable		24	120
Total Commitments		3,041	3,883
These expenditures are payable as follows:			
Within the next year		788	847
Later than one year and not later than 5 years		2,253	2,863
Later than 5 years		-	173
Total Payable		3,041	3,883

(c) Finance Lease Commitments

Nil

(d) Operating Lease Commitments (Non Cancellable)

Nil

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 12. Commitments for Expenditure (continued)

\$ '000	Notes	Actual 2011	Actual 2010
Conditions relating to Finance & Operating Leases:			
- All Finance & Operating Lease Agreements are secured only against the Leased Asset.			
- No Lease Agreements impose any financial restrictions on Council regarding future debt etc.			
(e) Investment Property Commitments			
Nil			
(f) Remuneration Commitments			
Commitments for the payment of salaries & other remuneration under long-term employment contracts in existence at reporting date but not recognised as liabilities are payable:			
Within the next year		577	525
Later than one year and not later than 5 years		1,051	1,148
Later than 5 years		-	-
Total Payable		1,628	1,673

(g) Investment in Associates / Joint Ventures - Commitments

For Capital Commitments and Other Commitments relating to Investments in Associates & Joint Ventures, refer to Note 19 (b)

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

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

\$ '000	Amounts		Indicator	Prior Periods	
	2011	2011		2010	2009
Local Government Industry Indicators					
1. Unrestricted Current Ratio					
Current Assets less all External Restrictions ⁽¹⁾	4,947		4.32 : 1	4.12	3.62
Current Liabilities less Specific Purpose Liabilities ^(2,3)	1,146				
2. Debt Service Ratio					
Debt Service Cost	222		2.32%	2.89%	3.25%
Income from Continuing Operations excluding Capital Items & Specific Purpose Grants/Contributions	9,560				
3. Rates & Annual Charges Coverage Ratio					
Rates & Annual Charges	5,292		47.66%	45.30%	40.03%
Income from Continuing Operations	11,104				
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage					
Rates, Annual & Extra Charges Outstanding	511		8.92%	7.50%	7.85%
Rates, Annual & Extra Charges Collectible	5,730				
5. Building & Infrastructure Renewals Ratio					
Asset Renewals ⁽⁴⁾ [Buildings & Infrastructure]	509		16.21%	45.32%	53.13%
Depreciation, Amortisation & Impairment (Building & Infrastructure Assets)	3,141				

Notes

⁽¹⁾ Refer Notes 6-8 inclusive.

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

⁽²⁾ Refer to Note 10(a).

⁽³⁾ Refer to Note 10(c) - excludes all payables & provisions not expected to be paid in the next 12 months (incl. E.L.E.).

⁽⁴⁾ Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity or performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

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

<p>1. Unrestricted Current Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio : 1</th> </tr> </thead> <tbody> <tr> <td>2008</td> <td>2.7</td> </tr> <tr> <td>2009</td> <td>3.62</td> </tr> <tr> <td>2010</td> <td>4.12</td> </tr> <tr> <td>2011</td> <td>4.32</td> </tr> </tbody> </table>	Year	Ratio : 1	2008	2.7	2009	3.62	2010	4.12	2011	4.32	<p>Purpose of Unrestricted Current Ratio</p> <p>To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.</p>	<p>Commentary on 2010/11 Result</p> <p>2010/11 Ratio 4.32 : 1</p> <p>Council's Unrestricted Current Ratio has increased slightly from the previous year, it indicates that Council is comfortably able to satisfy its debts as and when they fall due.</p>
Year	Ratio : 1											
2008	2.7											
2009	3.62											
2010	4.12											
2011	4.32											
<p>2. Debt Service Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2008</td> <td>2.62%</td> </tr> <tr> <td>2009</td> <td>3.25%</td> </tr> <tr> <td>2010</td> <td>2.89%</td> </tr> <tr> <td>2011</td> <td>2.32%</td> </tr> </tbody> </table>	Year	Ratio %	2008	2.62%	2009	3.25%	2010	2.89%	2011	2.32%	<p>Purpose of Debt Service Ratio</p> <p>To assess the impact of loan principal & interest repayments on the discretionary revenue of council.</p>	<p>Commentary on 2010/11 Result</p> <p>2010/11 Ratio 2.32%</p> <p>This means Council requires 2.32 % of its revenue to fund its loan repayments. This ratio compares very favourably with similar size Councils, indicating Council's strong capacity to meet its commitments.</p>
Year	Ratio %											
2008	2.62%											
2009	3.25%											
2010	2.89%											
2011	2.32%											
<p>3. Rates & Annual Charges Coverage Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2008</td> <td>36.85%</td> </tr> <tr> <td>2009</td> <td>40.03%</td> </tr> <tr> <td>2010</td> <td>45.30%</td> </tr> <tr> <td>2011</td> <td>47.66%</td> </tr> </tbody> </table>	Year	Ratio %	2008	36.85%	2009	40.03%	2010	45.30%	2011	47.66%	<p>Purpose of Rates & Annual Charges Coverage Ratio</p> <p>To assess the degree of Council's dependence upon revenue from rates and annual charges and to assess the security of Council's income.</p>	<p>Commentary on 2010/11 Result</p> <p>2010/11 Ratio 47.66%</p> <p>Council's reliance on rates income increased again during this financial year as a result of a decrease in Government Grants and a reduction in private works income.</p>
Year	Ratio %											
2008	36.85%											
2009	40.03%											
2010	45.30%											
2011	47.66%											
<p>4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2008</td> <td>5.82%</td> </tr> <tr> <td>2009</td> <td>7.85%</td> </tr> <tr> <td>2010</td> <td>7.50%</td> </tr> <tr> <td>2011</td> <td>8.92%</td> </tr> </tbody> </table>	Year	Ratio %	2008	5.82%	2009	7.85%	2010	7.50%	2011	8.92%	<p>Purpose of Rates & Annual Charges Outstanding Ratio</p> <p>To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.</p>	<p>Commentary on 2010/11 Result</p> <p>2010/11 Ratio 8.92%</p> <p>Council's result of 8.92% is an increase of 1.42% to the previous year. Council staff will increase its recovery efforts throughout 2011/12 in an attempt to reduce outstanding rates and charges.</p>
Year	Ratio %											
2008	5.82%											
2009	7.85%											
2010	7.50%											
2011	8.92%											
<p>5. Building & Infrastructure Renewals Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2008</td> <td>84.95%</td> </tr> <tr> <td>2009</td> <td>53.13%</td> </tr> <tr> <td>2010</td> <td>45.32%</td> </tr> <tr> <td>2011</td> <td>16.21%</td> </tr> </tbody> </table>	Year	Ratio %	2008	84.95%	2009	53.13%	2010	45.32%	2011	16.21%	<p>Purpose of Bldg & Infrastructure Renewals Ratio</p> <p>To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.</p>	<p>Commentary on Result</p> <p>2010/11 Ratio 0.00%</p> <p>Due to the increased maintenance costs associated with flood damage throughout the Shire, less funds were spent on renewing building & infrastructure assets.</p>
Year	Ratio %											
2008	84.95%											
2009	53.13%											
2010	45.32%											
2011	16.21%											

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

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

\$ '000	Water 2011	Sewer 2011	General ¹ 2011
Local Government Industry Indicators			
1. Unrestricted Current Ratio			
<u>Current Assets less all External Restrictions ⁽¹⁾</u>	n/a	61.23 : 1	4.32 : 1
Current Liabilities less Specific Purpose Liabilities ^(2,3)			
2. Debt Service Ratio			
<u>Debt Service Cost</u>	n/a	9.61%	1.28%
Income from Continuing Operations excluding Capital Items & Specific Purpose Grants/Contributions			
3. Rates & Annual Charges Coverage Ratio			
<u>Rates & Annual Charges</u>	n.a	66.67%	45.15%
Income from Continuing Operations			
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage			
<u>Rates, Annual & Extra Charges Outstanding</u>	n/a	6.60%	9.33%
Rates, Annual & Extra Charges Collectible			
5. Building & Infrastructure Renewals Ratio			
<u>Asset Renewals⁽⁴⁾ [Buildings & Infrastructure]</u>	n/a	0.00%	18.46%
Depreciation, Amortisation & Impairment (Building & Infrastructure Assets)			

Notes

⁽¹⁾ 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 2011

Note 14. Investment Properties

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

Note 15. Financial Risk Management

\$ '000

Risk Management

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

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

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

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

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

	Carrying Value		Fair Value	
	2011	2010	2011	2010
Financial Assets				
Cash and Cash Equivalents	7,622	6,282	7,622	6,282
Investments				
- "Held to Maturity"	613	613	634	574
Receivables	1,326	1,354	1,326	1,354
Total Financial Assets	9,561	8,249	9,582	8,210
Financial Liabilities				
Payables	690	758	690	758
Loans / Advances	1,986	2,066	1,986	2,066
Total Financial Liabilities	2,676	2,824	2,676	2,824

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.

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

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's Finance area manages the Cash & Investments portfolio with the assistance of independent advisors.

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

The major risk associated with Investments is price risk - the risk that the capital value of Investments may fluctuate due to changes in market prices, whether 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.

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

A further risk associated with Cash & Investments is credit risk - the risk that the investment counterparty) will not complete their obligations particular to a financial instrument, resulting in a financial loss to Council - be it of a capital or income nature.

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

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

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

2011	Increase of Values/Rates		Decrease of Values/Rates	
	Profit	Equity	Profit	Equity
Possible impact of a 10% movement in Market Values	61	61	(61)	(61)
Possible impact of a 1% movement in Interest Rates	76	76	(76)	(76)
2010				
Possible impact of a 10% movement in Market Values	61	61	(61)	(61)
Possible impact of a 1% movement in Interest Rates	69	69	(69)	(69)

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

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.

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

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

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

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

	2011	2011	2010	2010
	Rates & Annual Charges	Other Receivables	Rates & Annual Charges	Other Receivables
(i) Ageing of Receivables				
Current (not yet overdue)	-	203	-	392
Past due by up to 30 days	141	185	90	83
Past due between 31 and 180 days	76	62	57	241
Past due between 181 and 365 days	90	249	73	87
Past due by more than 1 year	176	169	166	190
	<u>483</u>	<u>868</u>	<u>386</u>	<u>993</u>
(ii) Movement in Provision for Impairment of Receivables			2011	2010
Balance at the beginning of the year			25	24
+ new provisions recognised during the year			-	1
Balance at the end of the year			<u>25</u>	<u>25</u>

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 15. Financial Risk Management (continued)

\$ '000

(c) Payables & Borrowings

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

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

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

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

\$ '000	Subject to no maturity	payable in:						Total Cash Outflows	Actual Carrying Values
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
2011									
Trade/Other Payables	180	510	-	-	-	-	-	690	690
Loans & Advances	-	222	222	222	222	222	2,090	3,200	1,986
Total Financial Liabilities	180	732	222	222	222	222	2,090	3,890	2,676
2010									
Trade/Other Payables	268	490	-	-	-	-	-	758	758
Loans & Advances	-	222	222	222	222	222	2,313	3,423	2,066
Total Financial Liabilities	268	712	222	222	222	222	2,313	4,181	2,824

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:

	2011		2010	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Trade/Other Payables	690	0.0%	758	0.0%
Loans & Advances - Fixed Interest Rate	1,986	6.7%	2,066	6.7%
	<u>2,676</u>		<u>2,824</u>	

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 10/11 was incorporated as part of its Management Plan and was adopted by the Council on 21 June 2010.

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	2011 Budget	2011 Actual	2011 Variance*		
REVENUES					
User Charges & Fees	1,014	1,354	340	34%	F
Council was awarded with more RTA road works throughout the year.					
Interest & Investment Revenue	404	480	76	19%	F
Original Estimates on investment revenue was conservative due to uncertainty in global markets. As a result of better expected financial conditions, investment income has increased substantially.					
Other Revenues	130	200	70	54%	F
Insurance rebates for the year were higher than originally estimated.					
Operating Grants & Contributions	2,423	3,341	918	38%	F
Due to Council receiving grant money flood damage during the an increase in income was higher than expected.					
Capital Grants & Contributions	320	433	113	35%	F
Due to unforeseen circumstances capital grants funding was put aside for Council to be able repair flood damaged roads.					

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 16. Material Budget Variations (continued)

\$ '000	2011 Budget	2011 Actual	2011 "Variance"		
EXPENSES					
Employee Benefits & On-Costs	3,987	4,460	(473)	(12%)	U
Original estimates provided for employee costs could not foresee the departure of staff and long service leave taken by existing staff and the retirement of a long standing Council employee resulting in expenditure being higher than original estimates.					
Borrowing Costs	260	164	96	37%	F
Original estimates provided for repayments to a loan to refurbish the Blayney Community Centre. However, due to project not having commenced during the year the loan was not drawn down.					
Materials & Contracts	1,994	2,293	(299)	(15%)	U
Council was awarded RTA state road contracts throughout the year resulting in higher expenditure than originally estimated					
Depreciation & Amortisation	2,606	4,023	(1,417)	(54%)	U
Due to new revaluations done throughout the year resulting in figures changing from original estimate a significant increase has occurred in depreciation.					
Budget Variations relating to Council's Cash Flow Statement include:					
Cash Flows from Operating Activities	2,855	2,429	(426)	(14.9%)	U
As above Council was awarded with more RTA road works throughout the year.					
Cash Flows from Investing Activities	(1,388)	(1,009)	379	(27.3%)	F
Purchase of Infrastructure, Property, Plant & Equipment was done wisely allowing council to be under budget.					
Cash Flows from Financing Activities	(202)	(60)	122	(60.4%)	F
As above. Original estimates provided for repayments to a loan to refurbish the Blayney Community Centre. However, due to project not having commenced during the year the loan was not drawn down.					

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

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.

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Interest Borrowing (to)/from	Held as Restricted Asset	Projections		Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding (under) Funding	
Roads	172	53	4	12	-	-	237	10	(247)	-
Open Space	23	4	-	1	-	-	28	2	(30)	-
Community Facilities	38	13	-	3	-	-	54	3	(57)	-
Other	6	3	-	-	-	-	9	-	(9)	-
\$S4 Contributions - under a Plan	239	73	-	16	-	-	328	15	(343)	-
\$S4A Levies - under a Plan	-	-	-	-	-	-	-	-	-	-
Total \$S4 Revenue Under Plans	239	73	-	16	-	-	328	-	-	-
\$S4 not under Plans	-	-	-	-	-	-	-	-	-	-
\$S3F Planning Agreements	-	-	-	-	-	-	-	-	-	-
\$S4 Contributions	397	99	-	25	-	-	521	-	-	-
Total Contributions	636	172	-	41	-	-	849	15	(343)	-

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 17. Statement of Developer Contributions (continued)

\$ '000

534 CONTRIBUTIONS - UNDER A PLAN

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Future income	Projections		Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash						Exp still outstanding	Over or (under) Funding	
Roads	55	25	-	4	-	-	34	-	(85)	(1)	-
Total	55	25	-	4	-	-	34	-	(85)	(1)	-

CONTRIBUTION PLAN NUMBER BSC 2 - Streets Blayney

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Future income	Projections		Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash						Exp still outstanding	Over or (under) Funding	
Roads	14	28	-	1	-	-	43	10	(53)	0	-
Total	14	28	-	1	-	-	43	10	(53)	0	-

CONTRIBUTION PLAN NUMBER BSC 3 - Streets Villages

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Future income	Projections		Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash						Exp still outstanding	Over or (under) Funding	
Roads	95	-	-	6	-	-	101	-	(101)	0	-
Total	95	-	-	6	-	-	101	-	(101)	0	-

CONTRIBUTION PLAN NUMBER BSC 7 - Open Space

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Future income	Projections		Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash						Exp still outstanding	Over or (under) Funding	
Open Space	23	4	-	1	-	-	28	2	(30)	-	-
Total	23	4	-	1	-	-	28	2	(30)	-	-

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

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	Internal Borrowing (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	7	-	-	1	-	-	8	-	(8)	-	-
Total	7	-	-	1	-	-	8	-	(8)	-	-

CONTRIBUTION PLAN NUMBER BSC 8 - Bushfire

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned In Year	Expenditure during Year	Internal Borrowing (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	6	3	-	-	-	-	9	-	(9)	-	-
Total	6	3	-	-	-	-	9	-	(9)	-	-

CONTRIBUTION PLAN NUMBER BSC 10 - Community Facilities

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned In Year	Expenditure during Year	Internal Borrowing (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	38	13	-	3	-	-	54	3	(57)	-	-
Total	38	13	-	3	-	-	54	3	(57)	-	-

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 17. Statement of Developer Contributions (continued)

\$ '000

SS4 CONTRIBUTIONS - SEWER

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Sewer	397	99	-	25	-	-	521	-	(621)	-	-
Total	397	99	-	25	-	-	521	-	(621)	-	-

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

Note 18. Contingencies & Other Assets/Liabilities Not Recognised

 \$ '000

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

LIABILITIES NOT RECOGNISED:**1. Guarantees****(i) Defined Benefit Superannuation Contribution Plans**

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

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

The Schemes most recent full actuarial review indicated that the Net Assets of the Scheme were not sufficient to meet the accrued benefits of the Schemes Defined Benefit member category with member Councils required to make significantly higher contributions from 2009/10 & beyond.

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

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

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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

(iv) Other Guarantees

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

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

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 Council's intention to spend funds in the manner and timing set out in those Plans.

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

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

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

At reporting date, reliable estimates as to the value of any potential liability (& 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.

Council's Revenue Recognition policy for such income is to account for it as revenue on receipt.

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

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

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

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

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

Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2011	Actual 2010
a. Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		61,440	56,053
a. Correction of Prior Period Errors	20 (c)	639	5,958
b. Changes in Accounting Policies (prior period effects)	20 (d)	-	-
c. Other Comprehensive Income (excl. direct to Reserves transactions)		-	-
d. Net Operating Result for the Year		(1,266)	68
e. Distributions to/(Contributions from) Minority Interests		-	-
f. Transfers between Equity		-	-
Balance at End of the Reporting Period		<u>60,813</u>	<u>62,079</u>

b. Reserves

(i) Reserves are represented by:

- Infrastructure, Property, Plant & Equipment Revaluation Reserve	125,110	116,639
Total	<u>125,110</u>	<u>116,639</u>

(ii). Reconciliation of movements in Reserves:

Infrastructure, Property, Plant & Equipment Revaluation Reserve		
- Opening Balance	116,639	16,141
- Revaluations for the year	8,471	100,498
- Balance at End of Year	<u>125,110</u>	<u>116,639</u>
TOTAL VALUE OF RESERVES	<u>125,110</u>	<u>116,639</u>

(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.

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

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

\$ '000	Notes	Actual 2011	Actual 2010
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c. Correction of Error/s relating to a Previous Reporting Period

Correction of errors reported in last year's financial statements

Council revalued the following asset classes for the 09/10 Year End:

- Roads, Bridges & Footpaths
- Drainage

This reassessment resulted in a material difference as to where some assets actually sat in with respect to their asset life cycle relative to what the value of accumulated depreciation in Council's Financial Reports had previously indicated.

Council did not have sufficient and reliable information that would allow the restatement of information prior to 30/6/09 (the closing date for the comparative figures in last year's report).

As a result, Council adjusted the accumulated depreciation for the Asset Classes below as at 30/6/09 to reflect the correct value of accumulated depreciation;

- Roads, Bridges & Footpaths [decrease to accumulated depreciation]	4,977
- Drainage [decrease to accumulated depreciation]	342

This adjustment resulted in a net (decrease) in Council's Accumulated Surplus as at 30/6/09.

Council has also adjusted the accumulated depreciation for the following asset classes as at 30/6/10 to reflect the correct value of accumulated depreciation;

Land Improvements decrease to accumulated depreciation	156
Buildings decrease to accumulated depreciation	29
Other Structures decrease to accumulated depreciation	155
Roads, Bridges & Footpaths decrease to accumulated depreciation	299

This adjustment resulted in net decrease in Council's Accumulated Surplus as at 30/6/10.

In accordance with AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors, the above Prior Period Errors have been recognised retrospectively.

These amounted to the following Equity Adjustments:

- Adjustments to Opening Equity - 1/7/09 (relating to adjustments for the 30/6/09 reporting year end and prior periods)	639	5,319
Total Prior Period Adjustments - Prior Period Errors	639	5,319

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

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

d. Voluntary Changes in Accounting Policies

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

Note 21. Financial Result & Financial Position by Fund

Income Statement by Fund	Actual	Actual
\$ '000	2011	2011
<u>Continuing Operations</u>	Sewer	General ¹
Income from Continuing Operations		
Rates & Annual Charges	864	4,428
User Charges & Fees	93	1,261
Interest & Investment Revenue	222	258
Other Revenues	2	198
Grants & Contributions provided for Operating Purposes	16	3,325
Grants & Contributions provided for Capital Purposes	99	334
Other Income		
Net Gains from Disposal of Assets	-	4
Share of interests in Joint Ventures & Associates using the Equity Method	-	-
Total Income from Continuing Operations	1,296	9,808
Expenses from Continuing Operations		
Employee Benefits & on-costs	96	4,364
Borrowing Costs	80	84
Materials & Contracts	497	1,796
Depreciation & Amortisation	383	3,640
Impairment	-	-
Other Expenses	56	1,374
Total Expenses from Continuing Operations	1,112	11,258
Operating Result from Continuing Operations	184	(1,450)
<u>Discontinued Operations</u>		
Net Profit/(Loss) from Discontinued Operations	-	-
Net Operating Result for the Year	184	(1,450)
Net Operating Result attributable to each Council Fund	184	(1,450)
Net Operating Result attributable to Minority Interests	-	-
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	85	(1,784)

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

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

Financial Statements 2011

Blayney Shire Council

Notes to the Financial Statements
as at 30 June 2011

Note 21. Financial Result & Financial Position by Fund

Balance Sheet by Fund	Actual 2011	Actual 2011
\$ '000		
ASSETS	Sewer	General¹
Current Assets		
Cash & Cash Equivalents	3,126	4,496
Investments	-	380
Receivables	94	1,013
Inventories	-	1,000
Other	-	166
Non-current assets classified as 'held for sale'	-	-
Total Current Assets	3,220	7,055
Non-Current Assets		
Investments	129	104
Receivables	-	219
Inventories	-	-
Infrastructure, Property, Plant & Equipment	15,212	164,321
Investments Accounted for using the equity method	-	-
Investment Property	-	-
Intangible Assets	-	-
Total Non-Current Assets	15,341	164,644
TOTAL ASSETS	18,561	171,699
LIABILITIES		
Current Liabilities		
Payables	-	787
Borrowings	44	41
Provisions	-	1,135
Total Current Liabilities	44	1,963
Non-Current Liabilities		
Payables	-	-
Borrowings	1,012	889
Provisions	-	429
Total Non-Current Liabilities	1,012	1,318
TOTAL LIABILITIES	1,056	3,281
Net Assets	17,505	168,418
EQUITY		
Retained Earnings	8,752	52,061
Revaluation Reserves	8,753	116,357
Council Equity Interest	17,505	168,418
Minority Interests	-	-
Total Equity	17,505	168,418

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

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

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Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2011

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 Balance Sheet Date

Events that occur after the reporting date of 30 June 2011, up to and including the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

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

Accordingly, the "authorised for issue" date is 30/08/11.

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

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

These financial statements (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2011.

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

These financial statements (and figures therein) do not incorporate any "non adjusting events" that have occurred after 30 June 2011 and which are only indicative of conditions that arose after 30 June 2011.

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 2011

Note 25. Intangible Assets

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

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	
		2011	2010
Blayney Tip	2024	337	318
Blayney Quarry	2024	56	53
Balance at End of the Reporting Period	10	393	371

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	371	350
Amortisation of discount (expensed to borrowing costs)	22	21
Total - Reinstatement, rehabilitation and restoration provision	393	371

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 2011

Note 27. Financial Information - Key Financial Figures of Council

\$ '000

Key Financial Figures of Council over the past 5 years (consolidated)

Financial Performance Figures	2011	2010	2009	2008	2007
Inflows:					
Rates & Annual Charges Revenue	5,292	5,012	4,747	4,367	4,324
User Charges Revenue	1,354	1,646	1,774	3,539	1,440
Interest & Investment Revenue (Losses)	480	340	301	6	389
Grants Income - Operating & Capital	3,055	2,724	3,317	2,353	3,315
Total Income from Continuing Operations	11,104	11,063	11,860	11,851	9,879
Sale Proceeds from I,PP&E	455	565	701	686	494
New Loan Borrowings & Advances	-	-	-	-	-
Outflows:					
Employee Benefits & On-cost Expenses	4,460	4,340	4,246	4,212	3,705
Borrowing Costs	164	169	179	141	187
Materials & Contracts Expenses	2,293	2,508	2,497	3,359	1,910
Total Expenses from Continuing Operations	12,370	10,995	10,822	11,064	8,946
Total Cash purchases of I,PP&E	1,524	2,296	2,411	2,719	3,942
Total Loan Repayments (incl. Finance Leases)	80	123	162	147	145
Operating Surplus/(Deficit) (excl. Capital Income)	(1,699)	(692)	149	12	933
Financial Position Figures	2011	2010	2009	2008	2007
Current Assets	10,275	8,440	7,754	6,518	5,160
Current Liabilities	2,007	2,107	2,046	2,267	1,831
Net Current Assets	8,268	6,333	5,708	4,251	3,329
Available Working Capital (Unrestricted Net Current Assets)	713	787	1,009	973	1,189
Cash & Investments - Unrestricted	18	2	1	4	2
Cash & Investments - Internal Restrictions	3,377	2,519	2,253	1,925	1,880
Cash & Investments - Total	8,235	6,895	6,155	5,101	5,299
Total Borrowings Outstanding (Loans, Advances & Finance Leases)	1,986	2,066	2,189	2,351	2,498
Total Value of I,PP&E (excl. Land & Earthworks)	230,585	222,181	101,698	98,978	85,031
Total Accumulated Depreciation	66,936	60,949	31,582	34,595	28,012
Indicative Remaining Useful Life (as a % of GBV)	71%	73%	69%	65%	67%

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 2011

Note 28. 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 5pm
Monday to Friday

Telephone: 02 6368 2104

Facsimile: 02 6368 3290

Internet: www.blayney.local-e.nsw.gov.au

Email: council@blayney.nsw.gov.au

Officers

GENERAL MANAGER

A McCormack

RESPONSIBLE ACCOUNTING OFFICER

C M Hodge

PUBLIC OFFICER

Anton Franze

AUDITORS

Hilli Rogers Spencer Steer
Chartered Accountants

Elected Members

MAYOR

B R Kingham

COUNCILLORS

Kevin Radburn

Don Bell

Geoff Braddon


Allan Ewin

Scott Ferguson

Roxanne Reeks

Other Information

ABN: 47 619 651 511



BLAYNEY SHIRE COUNCIL
GENERAL PURPOSE FINANCIAL STATEMENTS
INDEPENDENT AUDITORS' REPORT

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying *general purpose financial statements* of *Blayney Shire Council*, which comprises the Balance Sheet as at 30 June 2011, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Statement by Councillors and Management. The financial statements include the consolidated financial statements of the economic entity and the entities it controlled at year end or from time to time during the year.

Responsibility of Council for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1993. 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 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

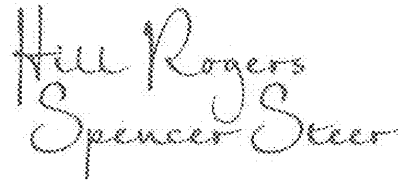
Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. Our audit responsibility does not extend to the original budget information disclosed in the Income Statement, Statement of Cash Flows, and Note 2(a) or the budget variation explanations disclosed in Note 16. Nor does our responsibility extend to the projected future developer contributions and costs disclosed in Note 17 or the additional disclosures in Notes 27 & 28. Accordingly, no opinion is expressed on these matters.

Assurance Partners

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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 Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements. Our audit did not involve an analysis of the prudence of business decisions made by Council or management.

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

Independence

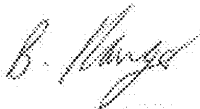
In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Auditor's 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; and
- (b) the financial statements:
 - (i) have been presented 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 its cash flows; and
 - (iv) are in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia.
- (c) all information relevant to the conduct of the audit has been obtained; and
- (d) there are no material deficiencies in the accounting records or financial statements that we have become aware of during the course of the audit.

HILL ROGERS SPENCER STEER



BRETT HANGER
Partner

Dated at Blayney this 30th day of August 2011

*Blayney Shire Council
General Purpose Financial Statements
Independent Auditors' Report*