




Annual Report 2017/18





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

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Published October 2018

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MAYOR'S FOREWORD

It's my pleasure to present the Mayor's foreword for Blayney Shire Council's 2017-18 Annual Report.

With Council's adoption of the new Operational Plan we saw the commencement of some major planning and infrastructure projects as well as the continuation of our usual services and maintenance activities. This year saw the completion of six new bridges throughout the Shire and the commencement of planning for bridges at Browns Creek Road and Brady Road. Also we have seen the ongoing construction of the Southern Cadia access route along Errowanbang Road which has been one of the biggest road projects in the history of our Shire and with the support of Newcrest Mining and the State Government, we look forward to this important piece of transport infrastructure being finished early 2019.

During the year Council supported an exciting new regional tourism entity called Orange360 which is a collaboration between Blayney, Cabonne and Orange Councils. By working together we are able to promote our region to a much wider audience and we are quickly seeing an increase in the visitor economy throughout the region and our Shire.

This year also saw a new Council elected from the community with three new Councillors joining four returning Councillors for this, a three year, term. One of the first undertakings of the new Council was to review and adopt a new Community Strategic Plan. This was a great opportunity to engage our community about their expectations and plans for the future of our Shire. We also revisited all our existing Village Plans to help inform this Shire strategy.

Council has made a strong commitment to investing in planning for future projects and thank the community for their valuable input which has allowed us to be successful in attracting grants and support from both State and Federal governments.

Our Sport and Recreation Plan consulted all our sporting groups and other stakeholders throughout the Shire which has allowed us to plan for sporting infrastructure and facilities into the future. This plan also assisted the proposed Central West Equestrian and Livestock Centre at the Blayney Showground which has received a \$1.5 million grant from the State Government's Regional Growth Environment and Tourism Fund program. This will be an important and valuable equestrian facility not only for our Shire but also for the entire region.

Council also developed and adopted a Disability Inclusion Action plan to identify and promote facilities and services to allow people with disabilities to fully participate in our community.

Following a residential forum and detailed investigations, Council purchased a parcel of land in the township of Blayney. This land will be developed into quality residential blocks to meet the current demand and future growth for housing within Blayney.

Our Blayney and Villages Healthy and Happy Wellness challenge was well supported by teams and individuals improving their fitness and lifestyles. After lengthy community consultation Blayney Shire Council sold the Inala units in Millthorpe to Housing Plus to ensure that this facility continues to provide affordable housing options within our Shire.

In consultation with our community we identified several projects for the state Government's funding program called "Stronger Country Communities" Round 1. This was quickly followed by Round 2 and has resulted in the delivery of over \$1.7 million in extra projects over the next year with upgrades to sporting facilities, playgrounds, footpaths and toilet facilities all being made possible through this program.

It has been a very busy and successful year and I thank my fellow Councillors for their ongoing work and support. I would also like to acknowledge all the staff at Blayney Shire Council for their committed efforts in delivering the services and infrastructure throughout our Shire for the benefit of our residents. Blayney Shire Council is a well-managed and financially sound organisation working closely with our community towards a strong and positive future.

Cr SJ Ferguson
Mayor

Local Government Act 1993

Performance of Principal Activities

Section 428(1)

Council's achievements in implementing the delivery program and effectiveness of principal activities for the 2017/18 reporting period are outlined. Please refer to Attachment A1

Council's Audited Financial Reports

Section 428(4)(a)

Please refer to Attachment A2

Special Variation to Rate Income

Section 508(A) and Section 508(2)

During 2017/18 Blayney Shire Council had two (2) Special Rate Variation in force and are summarised as follows:

Infrastructure Renewal Special Rate Variation

IPART approved a S.508(A) special variation in rate income of 4.89% for 2014/15 and 5.11% for 2015/16. This has equated to an additional \$447,872 for the 2017/18 financial period. This special variation was applied to all rate categories excluding the Mining Rate category. The purpose was for funding infrastructure renewal works to buildings, footpaths, roads and bridges.

During 2017/18 expenditure of these monies was as follows:

Expenditure	Amount
Footpath Renewals – Ewin Street to Tucker Street	\$112,254
Footpath Renewals – Network renewals	\$2,495
Roads and Bridges Renewal – Browns Creek Road	\$159,547
Roads and Bridges Renewal – Belubula Way	\$173,576
Total	\$447,872



Special Rate Variation Outcomes

- Part funding towards construction of footpath Ewin Street to Tucker Street, Blayney and minor footpath works.
- Part funding towards roadworks works on Belubula Way
- Part funding towards Browns Creek Road construction works

Mining Category Special Rate Variation

IPART approved a S.508(2) special variation in rate income of 40.7% for 2012/13. This has equated to an additional \$1,536,837 for the 2017/18 financial period. This special variation was applied exclusively to the Mining Rate category. The purpose was for funding roads, bridges, land acquisitions, community infrastructure works and community contributions.

The balance of the external cash restriction for Special Rate Variation – Mining, as at 30 June 2018, was \$918,363. These funds will be used in future year programs pursuant to the section 508(2) - Special Rate Variation Instrument of Approval.

During 2017/18 expenditure of these monies was as follows:

Expenditure	Amount
Road Maintenance	\$209,412
Asset Renewals – Roads	\$647,134
Other Community Infrastructure	\$297,641
Engineering/Design Works	\$83,246
Community Contributions Program	\$93,696
Transfer to Restricted Cash – SRV Mining	\$205,708
Total	\$1,536,837



Special Rate Variation Outcomes

- Continued funding to community groups through the Community Financial Assistance Program – \$94k
- A further \$298k expended towards ongoing maintenance and operations of community infrastructure.
- Project Management expertise to assist in bridge renewal delivery.
- Continued engagement and work to secure the Southern Cadia Access Route corridor.
- Continued design and construction of Southern Cadia Access Route.
- Maintenance grading works on road network in the Cadia district of 15km.
- Construction of concrete bridge to replace timber bridge, providing increased transport and freight productivity by removing pinch point over Dirt Hole Creek on Errownbang Road.
- Maintenance of the sealed road network leading to, and within the Cadia district:
 - \$157,689 on routine maintenance
 - \$1.3m on Southern Cadia access route

Productivity savings achieved during 2017/18 include:

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

- Ongoing investigations of opportunities for integration of technology into Council work practices such as engineering solutions and customer service solutions for lodgement of development applications, accessing information.
- Engagement of specialised plant, contractors and material supply procurement to increase production and reduce operating costs at Council quarries.
- Involvement in CENTROC activities, to increase advocacy, source funding, and procurement of goods and services through joint tendering.
- Consolidation of planned bridge works in future years into one project to gain economies of scale and access
- Continued integration of mapping solutions to enable community interaction from Council's website.
- Increased mapping and data collection of council assets to improve asset management practices.

Local Government (General) Regulation 2005

Details of written off Rates and Charges

Clause 132

Rates and charges of \$163,757 were written off during 2017/18, in accordance with the provisions of the Local Government Act 1993. This compares to \$168,031 written off during 2016/17.

Rates and charges written off during 2017/18 can be summarised in the following table:

Pensioner Rate Rebates	\$162,286
Other	\$1,471

Overseas Visits

Clause 217(1)(a)

No Councillors, Council Staff or representatives of Council participated in any overseas visits during 2017/18.

Councillors

Clause 217(1)(a1)

During 2017/18 a total of \$208,840 was expended on the Mayor and Councillors.

Mayoral Fees	\$24,631
Councillor Fees	\$78,525
Councillor Expenses (as detailed below)	\$52,842
- Overseas visits	-
- Interstate visits	-
- Meeting expenses	\$6,308
- Training and skill development	\$1,480
- Conferences and Seminars	\$12,022
- Provision of dedicated office equipment	\$2,683
- Telephone calls	-
- Expenses of spouse or accompanying persons	-
- Care for child or immediate family member of councillor	-
- Insurance	\$24,420
- Other expenses	\$5,929
Total	\$208,840

Council adopted a policy on the Payment of Expenses and Provision of Facilities for Councillors following their election in September 2017. The policy outlines the services and facilities provided to Councillors, the Deputy Mayor and the Mayor to enable them to carry out the duties and functions of their civic office.

A copy of the policy is provided at Attachment A3.

Contracts awarded by Council

Clause 217(1)(a2)

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

Name	Purpose	Amount
Housing Plus	Sale of Inala Units	\$960,000
Midwest Traffic Management	Supply of traffic control services	> \$150,000
Hanson Construction Materials	Supply and delivery of 68,000 tonnes of DGB20 road material	\$1,502,800
SunnyAfternoons Pty Ltd	Grid Connected Solar PV project	\$183,000
Boral Ashphalt	Supply and delivery of Bitumen Emulsion	\$172,000
VEC Civil Engineering	Construction of Browns Creek Road Bridges	\$2,299,570
Atlas Airconditioning Group	CentrePoint Sport and Leisure Centre Pool Hall Mechanical Services	\$247,510

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

Supplier	Supply / Service	Amount
Australian Native Landscapes	Supply of Road Base	\$188,843
Central Tablelands Water	Water / service charges	\$187,542
Complete Crushing Services P/L	Crushing of material	\$220,927
Downer EDI Works P/L	Supply of road material & contract works	\$1,322,687
Hadlow Earthmoving	Waste facility management / contract earthmoving works and plant hire	\$1,200,713
Hanson Construction Materials	Supply of road material and concrete	\$914,687
JCB Construction Equipment	Purchase of plant, parts and services	\$591,492
JHA Recruitment	Contract staff	\$214,220
Josh Nixon Excavations P/L	Hire of plant	\$329,318
JR Richards & Sons	Waste contract	\$489,411
Laser Electrical Services Orange	Electrical works	\$173,616
Midwest Traffic Management	Traffic Control Services	\$599,537
OilsPlus Pty Ltd	Fuel purchases	\$546,317
Orange City Council	Collaborative projects	\$359,230
Origin Energy	Electricity & Gas	\$200,145

Supplier	Supply / Service	Amount
Rocla Pipeline Products	Supply of materials	\$168,367
Rollers Australia	Hire of plant	\$362,880
Statewide Mutual	Insurance renewals	\$316,562
TCN Earthmoving	Hire of plant	\$303,969
Tracserv Trucks	Purchase of plant, parts and services	\$810,186
VEC Civil Engineering Pty Ltd	Bridge construction services	\$2,225,762
Total		\$11,726,411

Legal Proceedings

Clause 217(1)(a3)

For the year ended 30 June 2018, Council had incurred \$38,524 in legal fees for proceedings taken by or against Council. By comparison, Council had expended \$59,325 in legal fees in 2016/17.

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

Description	Cost	Status
Planning Matters	\$4,363	Open
Debt Recovery	\$22,889	Open
Other matters	\$11,272	Open
Total	\$38,524	



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

Private Works

Clause 217(1)(a4)

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

During 2017/18 private works expenditure totalled \$61,406 providing an income of \$67,005. The following table provides a summary of the private works completed by Council during this reporting period.

Description of Work	Expenditure
Construction	\$10,098
Gravel Sales	\$7,633
Hire of Plant & Equipment	\$6,449
Other	\$37,226
Total	\$61,406

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

Section 356 Contributions (to financially assist others)

Clause 217(1)(a5)

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

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

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

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

Contribution	Amount
Rates & Charges	\$15,371
Financial Assistance Program	\$70,089
Community Organisations Insurance	\$8,236
Heritage Grants (Council portion)	\$8,998
Total	\$102,694

External Bodies

Clause 217(1)(a6)

The following organisations exercised functions delegated by Council during 2017/18:

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

Controlling Interests - Partnerships, Cooperatives and Joint Ventures

Clause 217(1)(a7)

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

Participation in Partnerships, Cooperatives and Joint Ventures

Clause 217(1)(a8)

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

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

Equal Employment Opportunity - Human Resources

Clause 217(1)(a9)

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

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

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

Senior Staff Remuneration

Clause 217(1)(b)

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

The all-inclusive remuneration package of senior staff that incorporates salary component, employer superannuation, non-cash benefits and amounts payable for fringe benefits tax in the 2017/18 financial year amounted to \$237,541.

Stormwater Management Services

Clause 217(1)(e)

Council did not levy an annual charge for Stormwater Management Services during 2017/18.

Companion Animals Act Enforcement and Compliance Activities

Clause 217 (1)(f)

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

Pound Data return was lodged on 15 October 2018.

There were 11 Dog Attacks reported to Council during the reporting period.

Amount of funding spent relating to companion animal management and activities

Council expended \$99,474 on activities relating to the management and control of companion animals during the reporting period.

Companion animal community education programs

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



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

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

Off leash areas provided in the Council area.

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

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

Income	
Registration Fees - commission	\$8,515
Grants and Contributions	-
Impounding Fees	\$1,360
Fines & Costs	\$293
Microchip Fees	\$87
Other income	\$5,201
Total Income	\$14,096
Expenditure	
Salaries	\$69,741
Employee Overheads	\$26,263
Depreciation	\$5,005
Impounding & Control Expenses	\$10,768
Microchipping	\$1,793
Total Expenditure	\$113,570
Nett Cost of Companion Animal Operations	\$99,474

Government Information (Public Access) and Regulation

GIPA Activity

Section 125(1) and Clause 7 Sch. 2

A report on Government Information Public Access activity for the 2017/18 year is provided. Please refer to Attachment A4.

Public Interest Disclosures Act 1994

Public Interest Disclosures Annual Report

Section 31

A report on Public Interest Disclosures for the 2017/18 year is provided. Please refer to Attachment A5.

Environmental Planning and Assessment Act 1979

Planning Agreements

Section 7.5(5)

Company	Effective	Purpose	Amount	Due Date	Paid
Cadia Holdings Pty Ltd	July 2013	Road Upgrades Contribution	\$1,000,000	One –off payment payable on date of the agreement.	Yes - Completed
		Annual contribution – Community enhancements and / or Road Upgrades	\$52,632	Due within 28 days of 30 June. Subject to annual increase in accordance with All Groups CPI.	Yes
Flyers Creek Windfarm Pty Ltd	January 2014	Annual contribution – Community Benefit Fund	\$55,000	50% payable 1 July and 50% payable 5 January.	No
		Annual contribution – Road Maintenance	\$40,000		No
		Annual contribution – Project Related Council Administration and Observations	\$12,000		No

Other Information

State of the Environment Report

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

Council has decided to continue reporting on an annual basis so that a detailed Regional State of Environment Report can be prepared that covers trends in the intervening years. A copy of the comprehensive State of the Environment Report for 2017/18 is available as a separate document on Council's website under the Environment tab or by using the following link:

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

Information on implementation of the Disability Inclusion Action Plan

Disability Inclusion Act (2014) section 13(1)

Council has adopted the Blayney Shire Disability Inclusion Action Plan (DIAP) 2017-2021. This plan was developed through collaboration of Orange City, Cabonne and Blayney Shire Councils. The aim of the plan is to ensure that local services, facilities and programs provided by Councils are as inclusive as they can be.

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

Council implemented a number of initiatives to raise the profile of access issues within the Shire. A report on implementation of the Disability Inclusion Action Plan for the 2017/18 year is provided. Please refer to Attachment A6.

Swimming Pool Inspections

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

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

Statistics for the 2017/18 year are as follows:

- Number of inspections: 2
- Number of certificates of compliance issued: 1
- Number of certificates of non-compliance issued: 1

Bush Fire Control

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

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

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

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

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

During 2017/18 Council has facilitated works for upgrade of Bush Fire Sheds at Mandurama, Lyndhurst and Neville.

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



A1

**STATEMENT OF
PRINCIPAL ACTIVITIES**

DELIVERY PLAN PERFORMANCE STATUS REPORT - JUNE 2018

DP Ref.	TASK	MEASURE	COMMENT
STRATEGIC DIRECTION 1: GROW THE WEALTH OF THE SHIRE			
CSP1.1: A viable agricultural sector with niche opportunities and products coupled with lifestyle.			
1.1.1	Maintain and strengthen partnerships with organisations responsible for natural resource management	Attendance at meetings	Ongoing attendance at regional meetings during period by Council delegates and representatives.
1.1.2	Promote sustainable development and protection of our natural resources through the planning system.	Review of LEP and Council	Comprehensive DCP endorsed by Council. Attendance at CENTROC Planners meetings.
1.1.3	Ensure planning activities support long term sustainability of agricultural sector.	Support by agricultural sector/landcare groups for planning scheme	Blayney Farmers' Markets continue on the 3rd Sunday of every month. Sponsor Agribusiness Forum workshops through AusIndustry and FIAL including exploring export markets, IP & Branding, Retail and supermarket opportunities
1.1.4	Explore and promote opportunities for Agriculture value adding industries.	Production of a economic development strategy in 2013. Establishment of new industries.	Hosting small business workshops and forums in partnership with the Business Central HQ (Formerly Business Enterprise Centre - BEC) Economic Development opportunities with Agriculture, including value adding industries continue to be explored.
CSP1.2: A thriving mining industry that supports and works well with the community.			
1.2.1	Manage the development of mining as it develops in the Shire in order to preserve sustainable industrial diversity into the future.	Industry meeting. Policy development.	Continue to meet with current and prospective mining companies on a regular basis. Southern Cadia Access Route project continues, with works 85% complete between Mid-Western Highway and Panuara Road. Works have commenced on Cadia Road from Panuara Road to Woodville Road.
1.2.2	Improve transport linkages across the Local Government Area to support the mining industry.	Development of work plan.	Successful contractor determined for Browns Creek Road bridge, with works programmed for Q1-2 2018/19.
1.2.3	Build meaningful relationships between the mining industry and community.	Established communication channels. Attendance at meetings. Working relationships and cooperation. Mutual projects.	Cadia representation on Financial Assistance Committee. Cadia CCC meetings attended by DPES. Briefed by Regis Resources on imminent lodgement of DA for the McPhillamys Gold Mine at Kings Plains.

DELIVERY PLAN PERFORMANCE STATUS REPORT - JUNE 2018

DP Ref.	TASK	MEASURE	COMMENT
CSP1.3: A well established, connected and prosperous tourism industry.			
1.3.1	Implement Blayney Shire Tourism Plan	Implementation of plan and targets. Tourism business thriving	<p>Blayney & Villages Visitor Guide produced with approximately 50 local businesses contributing to the production and printing costs via advertising. 20,000 copies printed and distributed via local and regional events and regional Visitor Information Centre.</p> <p>Blayney Shire Council is the founding member Council of the new regional tourism entity launched in July as Orange 360. Developed the Winter Fire Festival as the inaugural event with Millthorpe hosting the signature.</p> <p>Working with community groups and Town & Villages Committees to encourage collaboration, cross-promotion and engagement and promotion via Councils communication channels eg. Collaborative marketing campaign via Winter Wonderland promotions involving local businesses, Garage Sale Trail.</p> <p>Media partnerships and advertising campaigns with Blayney Chronicle, Central West Life Style Magazine, Blue Mountains Life, 2BS/ B-Rock Radio and Discover Magazine to promote Blayney & Villages.</p> <p>Improved tourism infrastructure in Millthorpe as part of the VEP budget such as community noticeboard, walking trails, facility signage at the Railway station, setting up the Millthorpe General Store as a Visitor Information hub.</p>
1.3.2	Develop a structure to effectively support and grow tourism and local business.	Structure in place. Productive meetings.	<p>Active member of the CENTROC (Tourism Group) to promote local activities and programs regionally and beyond. Developed ideas for a Regional passport to encourage locals to enjoy a 'staycation' in school holiday periods, progressing through the CENTROC working group.</p> <p>Developing a strategy to link villages with regional centres such as Orange to encourage dispersal and movement throughout the region via Orange 360.</p> <p>Local tourism business development through forums, networking events and upskilling via Destination NSW, CSU Cennovate and other small business opportunities.</p>
CSP1.4: Internationally recognised brand for Blayney Shire.			
1.4.1	Work with the community and organisations within the region to develop a recognised brand for the Blayney Shire.	Brand developed	<p>Tourism campaigns ongoing.</p> <p>Review and update of the www.visitblayney.com.au tourism website</p> <p>Blayney as the Village shire logos used on marketing material. Consistent branding, visual identity, logos for events and activities.</p> <p>Cross-promotion via competitions, What's On events listing and website presence.</p>

DELIVERY PLAN PERFORMANCE STATUS REPORT - JUNE 2018

DP Ref.	TASK	MEASURE	COMMENT
CSP1.5: Sustainable water, energy and transport sectors to support future growth.			
1.5.1	Advocate for increased funding for transportation assets through Federal and State programs	Representations made to relevant agencies	Attend meetings including Centroc Strategic Transport Group, Regional Freight Workshops, and engage with Transport for NSW and Roads and Maritime Services.
1.5.2	Promote sustainable energy development and use within the Shire.	Provision of information.	Continue to lobby Members of Parliament, advocating for reactivation of Blayney - Demondirille and increased freight on rail opportunities.
CSP1.6: A vibrant local retail and business sector.			
1.6.1	Seek opportunities to build a vibrant local retail and business sector.	Cooperative projects. Opportunities identified and followed up.	Council continues to work with Small Business NSW and Central West BEC to facilitate development and upskilling programs for business including Biz Bus program. Representatives on the Board of Central West BEC and RDA Central West economic development committee to co-ordinate regional growth.
1.6.2	Build and retain relationships with government bodies and NGO's to assist small business	Productive relationships. Number of activities.	
1.6.3	Support and encourage the establishment or expansion of local businesses	New businesses. Empowered local business.	
1.6.4	Develop an environment that will attract technology or internet based industry to come to Blayney.	Establishment of technology industries and technologies.	

DELIVERY PLAN PERFORMANCE STATUS REPORT - JUNE 2018

DP Ref.	TASK	MEASURE	COMMENT
STRATEGIC DIRECTION 2: A CENTRE FOR SPORTS AND CULTURE			
CSP2.1: Cultural and sporting events are coordinated and resourced.			
2.1.1	Encourage development of a calendar of sport and cultural events.	Information provided on web site and updated by sporting groups.	Tourism and Calendar of Events website maintained, driven by information submitted from event/sporting club organisers. Hard copy also promoted and distributed throughout region for promotion.
2.1.2	Engage with key groups and organisations with a view to developing community partnerships for conducting activities and programs.	Participation of organisations.	Village plans finalised and actions from these being progressed. Development Coordinator Program ongoing. Funding arrangement providing financial assistance with administrative costs to the Millthorpe Village Association ongoing.
2.1.3	Engage with the Shire youth to facilitate progress and activities across the Shire.	Youth activities held. Meetings of Youth Council.	Towns and Villages committee meetings are ongoing. Youth Week Grants program successful with 4 youth activities conducted and participation by village, community and sporting groups.
2.1.4	Work proactively with the community groups to assist with event management.	Develop Community events guide and policies.	Ongoing engagement and coordination with event holders through Event Management policy and associated funding through Community Financial Assistance program Blayney Shire Sport and Recreation Master Plan completed and adopted by Council.
2.1.5	Encourage and facilitate an active and healthy community by developing accessible programs through CentrePoint and local sporting groups.	Develop programs and activities with the community. Maintain facilities in accordance with financial estimates.	Seating and accessibility improvement project at Blayney Showground completed. CentrePoint promoted during the period. King George Oval and Showground User groups, in addition to sports Council meetings, to develop funding applications and project delivery.
CSP2.2: Strong participation in sporting events and competitions.			
2.2.1	Encourage active participation in sport.	Participation in Regional Sport promotions.	Blayney Shire Sports Council quarterly meetings held, and minutes presented to Council, with additional meetings held with key user groups. Sporting facilities well maintained with various upgrades undertaken.
2.2.2	Establish and support a community based representative body for sporting groups.	Report written and council established	

DELIVERY PLAN PERFORMANCE STATUS REPORT - JUNE 2018

DP Ref.	TASK	MEASURE	COMMENT
CSP2.3: Blayney Shire - a centre for arts, performance and entertainment.			
2.3.1	Encourage participation and continue relationships with music organisations.	Scholarships awarded.	Scholarship auditions held in September 2017 and 3 scholarships awarded in October 2017. Council continues support of regional arts development organisation, Arts OutWest.
2.3.2	Develop partnerships with other arts organisations to help deliver arts and cultural activities	Arts and cultural activities coordinated.	Council support formalised for acquisitive prize Textures of One Art Exhibition and financial support for exhibition provided through Community Financial Assistance program. Hanging space for display of works in Visitor Information Centre also facilitated with art community.
2.3.3	Encourage the use of the Blayney Shire Community Centre as a facility for arts and culture.	Use of facility.	Cultural Centre Working Group meetings conducted.
2.3.4	Provide library services in the Blayney Shire	Usage of library services	Total number of events that hired Community Centre for year was 166 including 1 wedding, 49 meetings or conferences and 116 other activities. The facility was also used for 110 council activities over the reporting period. Blayney Shire Library Statistics for reporting year ending 30/06/2018 are as follows: Visits: 4,306; Issues: 9,198; Membership @30/06/2018: 1,502

DELIVERY PLAN PERFORMANCE STATUS REPORT - JUNE 2018

DP Ref.	TASK	MEASURE	COMMENT
STRATEGIC DIRECTION 3: PRESERVE AND ENHANCE OUR HERITAGE AND RURAL LANDSCAPES			
CSP3.1: Retention of native vegetation with linking corridors.			
3.1.1	Protect and enhance biodiversity, native, vegetation, river and soil health.	Developed strategies for protection	Staff met with Local Government Support Officer (Biodiversity Reform) to discuss new Biodiversity legislation.
3.1.2	Facilitate the delivery of more planting on Council owned and controlled land.	Compliance with strategy	Engagement for bank stabilisation works completed, with agreed works programmed for Q4 2017/18. Revive 2, Belubula River at Carcoar commenced with planning, and quotations for vegetation removal. Works programmed for Q1 2018/19.
CSP3.2: Biodiversity of waterways.			
3.2.1	Adopt and implement the Draft Integrated Water Cycle Management Plan (IWCM) Plan.	Implementation of agreed activities and tasks	Approved IWCM Level of Service actions addressed via revised (2013/14) Strategic Business Plan for Sewerage Services (SBP). Unsewered village expansions removed at request of communities, Levels of Service targets reviewed and revised. Development Servicing Plan and SBP revision brought forward to 2018/19.
3.2.2	Enhance the communities understanding of biodiversity issues and work towards positive behavioural change	Research resourced and made available.	Staff met with Local Government Support Officer (Biodiversity Reform) to discuss new Biodiversity legislation.
CSP3.3: Heritage sites in the natural and built environment are identified and understood.			
3.3.1	Pursue recognition of heritage items in draft LEP 2011	Information to public Heritage advice	Heritage Architect Advisory Service and Local Heritage Assistance Fund available during the period.
3.3.2	Identify items of natural heritage in Blayney Shire.	Information to public Heritage advice	
CSP3.4: Sustainable land use practices across the Shire.			
3.4.1	Pursue sustainable land use practices based on the protection and restoration of natural resources, innovative land use policies and government and community partnerships.	Develop partnerships with relevant organisations.	Development Applications considered land use conflict in the assessment.

DELIVERY PLAN PERFORMANCE STATUS REPORT - JUNE 2018

DP Ref.	TASK	MEASURE	COMMENT
STRATEGIC DIRECTION 4: DEVELOP AND MAINTAIN SHIRE INFRASTRUCTURE			
CSP4.1: Adequate provision of transport, roads, rail, information and communication technologies and community social assets.			
4.1.1	Manage Local Road Network to agreed service levels.	Performance budget/time/quality. Meeting service levels. Customer request system.	Routine and non routine inspections undertaken, and maintenance delivered in accordance with prioritisation protocols, within budget allocations.
4.1.2	Manage Regional and State Road Network to agreed service levels.	Service levels provided in accordance with State Government funding.	Southern Cadia Access Route project continues, with works 85% complete between Mid-Western Highway and Panuara Road. Works have commenced on Cadia Road from Panuara Road to Woodville Road.
4.1.3	Ensure Ancillary Road facilities are serviceable and in line with current standards e.g. footpaths, cycleways, kerb and gutter, bus stops etc.	Performance budget/time/quality. Meeting service levels. Customer request system.	Browns Creek Road upgrade (Year 2) funded under Fixing Country Roads Round 2 underway. Successful contractor determined for Browns Creek Road bridge, with works programmed for Q1-2 2018/19.
4.1.4	Source road making materials in environmentally responsible manner.	Regulatory compliance	Maintenance grading and resheeting programs underway and within budget allocations. Some delays resulting from lack of soil moisture.
4.1.5	Implement the Blayney Shire Council Asset Management Plans	Quantity and quality of information allocated	Design for small bridges progressed in house, in partnership with Charles Sturt University, Engineering degree program. Awaiting peer review from Charles Sturt University.
4.1.6	Seek additional grant funding for construction and maintenance of roads and associated facilities	Applications submitted and Grant funds received.	Informal discussions with Roads and Maritime Services held to discuss future State Road works.
4.1.7	Plan for future transport and road infrastructure to service future needs	Projects are 'shovel ready'	Council attends Centroc Strategic and Technical Transport Committee meetings.
4.1.8	Investigate opportunities for stormwater harvesting and reuse	Projects identified and implemented. Successful grant applications.	Essential Energy continue to undertake street lighting maintenance. Centroc Energy Group advocating for future street light replacement program with LED and smart controls.
4.1.9	Apply the principles of Water Sensitive Urban Design (WSUD) to stormwater management	Completion of WSUD policy. Investigate grant funding.	Injury surveys completed in accordance with requirements on quarterly basis.
4.1.10	Prepare Stormwater Management Plans	Completion of Plans	Inspection of hired plant undertaken in accordance with legislative requirements.
4.1.11	Maintain cemeteries in accordance with the community's needs and expectations	Compliance with regulations. Maintain records.	Assets system data input ongoing, with increased detail. Asset Management Policy, Strategy and Plans updated in accordance with OLG requirements.
4.1.12	Identify surplus Council owned assets for possible sale to be invested in infrastructure reserve.	Assets identified for sale	Council attends quarterly meetings with Local Land Services (Environment and Waterways Alliance), and seeks specialist advice as and where required.
4.1.13	Maintain and improve Council owned building assets	Implementation of Building maintenance program	Council staff engaged in Crown Lands Negotiation Pilot Project.
			Cemeteries were maintained in accordance with regulations.
			Various maintenance works undertaken to Council facilities as identified in Capital Works Program.

DELIVERY PLAN PERFORMANCE STATUS REPORT - JUNE 2018

DP Ref.	TASK	MEASURE	COMMENT
CSP4.2: Every village has access to water and sewerage services.			
4.2.1	Maintain the availability and quality of water for use in rural areas	Water availability and quality. Operational bores.	Inspections of sewerage treatment plant (STP) undertaken on routine basis in conjunction with EPA and NSW Office of Water.
4.2.2	Ensure Sewerage Treatment Plant are able to meet needs of the Blayney Shire	Maintain to licensing standards	Sewer main CCTV condition assessment undertaken subject to prioritisation and resource availability.
4.2.3	Provide an effective and safe Sewerage Collection Network for Blayney Shire	Achieve network maintenance	Upgrade works to Pump Station 1 underway.
4.2.4	Ensure that the disposal of liquid waste in rural areas is carried out in a healthy manner without negative environmental impact.	SMF's (sewerage management facilities) reviewed.	Magnesium Hydroxide Liquid delivery project at Millthorpe programmed.
CSP4.3: Improved access to community and public transport between villages and centres.			
4.3.1	Lobby to improve public transport around the shire	Improved transport services. Greater accessibility across the Shire.	Public Transport services maintained. Engagement ongoing with LiveBetter Transport over Community Transport service.
CSP4.4: Preservation and continued Development of Rail Infrastructure			
4.4.1	Advocate for the upgrading of rail infrastructure	Meeting attended.	<p>Continue to advocate with NSW Government, and State agencies including Transport for NSW Transport, for Blayney-Demondrille Railway, and other key transport requirements.</p> <p>Advocacy via Centroc, Central West Strategic Transport Group, in conjunction with village progress associations for improved rail infrastructure.</p> <p>Advocate for reinstatement of Stop on Request services at Newbridge Railway Station.</p>
CSP4.5: Sustainable Waste Management.			
4.5.1	Develop and promote programs that increase the participation of the community in recycling and reducing waste going to landfill.	Attendance at NetWaste meetings. Educational material developed. Participation in recycling program.	<p>NetWaste meetings attended during period. Domestic Waste Collection undertaken by JR Richards and monitoring report provided monthly.</p> <p>Council resolved to continue recycling program after China Sword Policy created international policy implications.</p>

DELIVERY PLAN PERFORMANCE STATUS REPORT - JUNE 2018


DP Ref.	TASK	MEASURE	COMMENT
STRATEGIC DIRECTION 5: DEVELOP STRONG AND CONNECTED COMMUNITIES			
CSP5.1: A diverse and sustainable population in our communities and villages.			
5.1.1	Assist incorporated village committees, progress associations and hall committees.	Active village committees	Council staff and Councillors attended various meetings, events and activities. Active engagement ongoing as outlined in CSP 2.1 above.
5.1.2	Promote living in the Blayney Shire	Residents Pack developed.	Residents pack updated and promoted through Visitor Information centre and Council website.
CSP5.2: Fit and healthy community members.			
5.2.1	Build partnerships with community groups to increase use of parks and reserves	Interaction with use groups	Undertook user group meetings with King George Oval users to develop projects for funding in accordance with Sport and Recreation Master Plan, and Showground user to deliver covered equestrian and livestock arena.
5.2.2	Provide for the implementation of projects, identified in Council's Pedestrian and Access Mobility, Bike Plan to improve community health and fitness	Meetings attended	New footpath works at Tucker/Ewin Streets, and Lindsay Street, Blayney completed. Renewal works in Olive Street, Mandurama and Montgomery Street, Millthorpe, completed.
CSP5.3: Full and equitable access and strong usage of Information and communication technologies across the Shire.			
5.3.1	Implement programs to build community skills with computer technology, to build community participation and social inclusion amongst older Australians.	Internet access available to community. Program participation.	Internet access and computer maintained at Library. Public Wi-Fi available at Visitor Information Centre. Seniors Kiosk program discontinued following diminishing numbers and interest.
CSP5.4: Capable, self sufficient communities engaged in decision making about issues that affect them.			
5.4.1	Develop and implement a community engagement process and policy	Informed communities	Community informed through a number of avenues including Newspaper, Facebook, email newsletters, rates notice newsletter, radio engagement, media releases and Mayor / Councillor attendance at every Town and Village Association meetings.
5.4.2	Develop and implement plans for villages and township	Plans are implemented.	Community Engagement Policy remains current.
5.4.3	Encourage volunteerism within the Community	Promotion undertaken	Volunteerism promoted on Council website. Inquiries by interested community members addressed and facilitation with groups as required.

DELIVERY PLAN PERFORMANCE STATUS REPORT - JUNE 2018

DP Ref.	TASK	MEASURE	COMMENT
STRATEGIC DIRECTION 6: LEADERSHIP			
CSP6.1: Good governance across our communities.			
6.1.1	Councillors to exhibit leadership on Council and participate in committees and community organisations.	Attendance to meeting. Councillor presence on relevant committees.	Council continues to support Centroc / Central West JO activities and work within the strategic alliance of Blayney, Cabonne and Central Tablelands Councils.
6.1.2	Promote resource sharing and collaboration with regional organisations.	Participation in meetings. Resource sharing projects.	Councillor representation on committees and community organisations continuing. Participation in resource sharing and regional projects ongoing.
6.1.3	Encourage sound governance practice in community organisations.	Provide assistance and training as requested.	Workshops held for community groups and funding opportunities for training of volunteers promoted.
CSP6.2: Meaningful communication between the Shires communities and Council.			
6.2.1	Identify and engage with Shire Community Groups.	Establish regular communications with Shire Community Groups.	Engagement with community being undertaken being undertaken in various forms.
6.2.2	Implement Council's Community Engagement Plan	Engagement activities conducted	Website and media communications channels utilised to promote Council activities.
6.2.3	Develop communications between Councillors and the community to provide community opinion.	Community satisfaction with communication processes. Available to community.	Acknowledgement process to emails and correspondence in place and ongoing. Activity reports issued to Directors monthly to ensure correspondence received status is updated and addressed.
6.2.4	Manage a customer request system to assist communications between community and Council.	Response times to requests.	Email and rates notice newsletters, 2GZ, B Rock and 2BS radio presence, half page Blayney Chronicle advert and GM conversation weekly.
CSP6.3: A well-run Council organisation.			
6.3.1	Provide a framework for the efficient and effective administration of Council.	Assess Council's position against Better Practice Review.	2016/17 Audited Financial Statements submitted to OLG, presented to Council unqualified and within regulations. Reviews of Council processes ongoing. Program include Risk Management Action Plan.
6.3.2	Maintain a stable and secure financial structure for Council.	Report financial outcomes as required by legislation.	Annual report and Financial reports finalised and lodged within statutory timeframes.
6.3.3	Support actions for the sustainable future of local government.	Review Destination 2036 outcomes and actions to improve local government.	All legislative reporting submitted per requirements and regulations including PID report, GIPA report etc.
6.3.4	Develop strategies that respond to the impact of climate change on the community.	Supply of community information.	Draft DCP contains measures that consider the impact of development on the natural environment. Considered in the assessment of each Development Application.

DELIVERY PLAN PERFORMANCE STATUS REPORT - JUNE 2018

DP Ref.	TASK	MEASURE	COMMENT
CSP6.4: A safe community.			
6.4.1	Provide support for emergency management in Blayney Shire in accordance with SERM Act	Emergencies responded to.	Local Emergency Management Committee meets on quarterly basis. LEMO attended community briefing and Orange LEMC meeting, and staff responded to Cadia Northern Tailings Storage Facility failure.
6.4.2	Undertake regulatory responsibilities for environmental health and animal control.	Regulatory responsibilities are met	LEMO and staff responded to industrial fire in Blayney Industrial Estate. Staff responded to fire at Mandurama.
6.4.3	Educate communities on road and pedestrian safety	Programs delivered	Traffic Committee meets on bi-monthly basis, and otherwise as required.
6.4.4	Review risk management of council operations.	Plan is implemented and risk managed.	Acting Road Safety officer engaged for Central Tablelands Road Safety Program. Responsibilities during the period were completed.

An aerial photograph of a landscape at sunset. A large white wind turbine stands prominently on a grassy hill in the foreground. In the background, a winding river flows through a valley, surrounded by rolling hills and scattered trees. The sky is a warm, golden-orange color, reflecting on the water. The overall scene is peaceful and scenic.

A2

**AUDITED FINANCIAL
REPORTS**

Blayney Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2018

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



Blayney Shire Council

General Purpose Financial Statements for the year ended 30 June 2018

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Overview

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

91 Adelaide Street
Blayney NSW 2799

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

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

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

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

Blayney Shire Council

General Purpose Financial Statements for the year ended 30 June 2018

Understanding Council's financial statements

Introduction

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

What you will find in the statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2018.

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

About the Councillor/Management Statement

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

About the primary financial statements

The financial statements incorporate five 'primary' financial statements:

1. The Income Statement

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

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

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

Who uses the financial statements?

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

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

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

Blayney Shire Council

General Purpose Financial Statements for the year ended 30 June 2018

Statement by Councillors and Management

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 20 August 2018



S. J. Ferguson

Mayor

20/8/2018



D. Kingham

Councillor

20/8/2018



R. Ryan

General Manager

20/8/18



T. Irlam

Responsible Accounting Officer

20/8/2018

Blayney Shire Council

Income Statement

for the year ended 30 June 2018

Original unaudited budget 2018	\$ '000	Notes	Actual 2018	Restated Actual 2017
Income from continuing operations				
Revenue:				
10,555	Rates and annual charges	3a	10,530	10,479
1,846	User charges and fees	3b	2,435	2,399
375	Interest and investment revenue	3c	413	514
227	Other revenues	3d	356	221
3,450	Grants and contributions provided for operating purposes	3e,f	3,642	6,419
8,924	Grants and contributions provided for capital purposes	3e,f	6,085	2,314
Other income:				
713	Net gains from the disposal of assets	5	180	159
—	Net share of interests in joint ventures and associates using the equity method	16	188	144
26,090	Total income from continuing operations		23,829	22,649
Expenses from continuing operations				
6,516	Employee benefits and on-costs	4a	6,501	6,545
202	Borrowing costs	4b	176	157
2,224	Materials and contracts	4c	2,535	3,476
5,400	Depreciation and amortisation	4d	5,457	5,051
2,598	Other expenses	4e	2,579	2,674
16,940	Total expenses from continuing operations		17,248	17,903
9,150	Operating result from continuing operations		6,581	4,746
9,150	Net operating result for the year		6,581	4,746
9,150	Net operating result attributable to Council		6,581	4,746
Net operating result for the year before grants and contributions provided for capital purposes				
226			496	2,432

Blayney Shire Council

Statement of Comprehensive Income for the year ended 30 June 2018

\$ '000	Notes	2018	Restated 2017
Net operating result for the year (as per Income Statement)		6,581	4,746
Other comprehensive income:			
Amounts that will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of IPP&E	10a	3,108	693
Other comprehensive income – joint ventures and associates	16	3,281	286
Total items which will not be reclassified subsequently to the operating result		6,389	979
Total other comprehensive income for the year		6,389	979
Total comprehensive income for the year		12,970	5,725
Total comprehensive income attributable to Council		12,970	5,725

Blayney Shire Council

Statement of Financial Position as at 30 June 2018

\$ '000	Notes	2018	Restated 2017	Restated 1 July 2016
ASSETS				
Current assets				
Cash and cash equivalents	6a	2,715	9,743	1,075
Investments	6b	14,500	7,500	16,000
Receivables	7	2,113	1,288	640
Inventories	8	1,417	1,063	839
Other	8	67	63	52
Non-current assets classified as 'held for sale'	9	–	650	–
Total current assets		20,812	20,307	18,606
Non-current assets				
Receivables	7	76	126	208
Infrastructure, property, plant and equipment	10	210,712	199,623	194,456
Investments accounted for using the equity method	16	24,444	20,975	20,545
Intangible assets	11	126	173	241
Total non-current assets		235,358	220,897	215,450
TOTAL ASSETS		256,170	241,204	234,056
LIABILITIES				
Current liabilities				
Payables	12	1,148	2,143	748
Income received in advance	12	260	221	196
Borrowings	12	317	202	190
Provisions	13	1,850	1,753	1,623
Total current liabilities		3,575	4,319	2,757
Non-current liabilities				
Payables	12	2	2	1
Borrowings	12	4,439	1,780	1,982
Provisions	13	860	779	717
Total non-current liabilities		5,301	2,561	2,700
TOTAL LIABILITIES		8,876	6,880	5,457
Net assets		247,294	234,324	228,599
EQUITY				
Accumulated surplus	14	103,603	93,741	88,709
Revaluation reserves	14	143,691	140,583	139,890
Council equity interest		247,294	234,324	228,599
Total equity		247,294	234,324	228,599

Blayney Shire Council

Statement of Changes in Equity

for the year ended 30 June 2018

\$ '000	Notes	2018	IPP&E	Total equity	2017	IPP&E	Restated
		Accumulated surplus	revaluation reserve		Accumulated surplus	revaluation reserve	Total equity
Opening balance		93,741	140,583	234,324	88,787	135,145	223,932
Correction of prior period errors	14 (b)	—	—	—	(78)	4,745	4,667
Restated opening balance		93,741	140,583	234,324	88,709	139,890	228,599
Net operating result for the year prior to correction of errors and changes in accounting policies		6,581	—	6,581	4,824	—	4,824
Correction of prior period errors	14 (b)	—	—	—	(78)	—	(78)
Restated net operating result for the year		6,581	—	6,581	4,746	—	4,746
Other comprehensive income							
— Gain (loss) on revaluation of IPP&E	10a	—	3,108	3,108	—	693	693
— Joint ventures and associates	16	3,281	—	3,281	286	—	286
Other comprehensive income		3,281	3,108	6,389	286	693	979
Total comprehensive income (c&d)		9,862	3,108	12,970	5,032	693	5,725
Equity – balance at end of the reporting period		103,603	143,691	247,294	93,741	140,583	234,324

Blayney Shire Council

Statement of Cash Flows
for the year ended 30 June 2018

Original unaudited budget 2018	\$ '000	Notes	Actual 2018	Actual 2017
Cash flows from operating activities				
Receipts:				
10,544	Rates and annual charges		10,534	10,494
1,874	User charges and fees		1,861	2,239
402	Investment and interest revenue received		429	475
12,372	Grants and contributions		9,751	8,740
	Bonds, deposits and retention amounts received		12	9
216	Other		1,783	1,370
Payments:				
(6,516)	Employee benefits and on-costs		(6,392)	(6,393)
(2,144)	Materials and contracts		(4,985)	(3,614)
(185)	Borrowing costs		(157)	(141)
(2,612)	Other		(2,724)	(2,867)
13,951	Net cash provided (or used in) operating activities	15b	10,112	10,312
Cash flows from investing activities				
Receipts:				
2,500	Sale of investment securities		–	–
–	Sale of real estate assets		–	45
1,627	Sale of infrastructure, property, plant and equipment		1,431	341
60	Deferred debtors receipts		38	8
Payments:				
–	Purchase of investment securities		(7,000)	8,500
(19,254)	Purchase of infrastructure, property, plant and equipment		(13,992)	(10,268)
–	Purchase of real estate assets		(391)	–
–	Deferred debtors and advances made		–	(80)
(15,067)	Net cash provided (or used in) investing activities		(19,914)	(1,454)
Cash flows from financing activities				
Receipts:				
1,800	Proceeds from borrowings and advances		3,000	–
Payments:				
(287)	Repayment of borrowings and advances		(226)	(190)
1,513	Net cash flow provided (used in) financing activities		2,774	(190)
397	Net increase/(decrease) in cash and cash equivalents		(7,028)	8,668
947	Plus: cash and cash equivalents – beginning of year	15a	9,743	1,075
1,344	Cash and cash equivalents – end of the year	15a	2,715	9,743
Additional Information:				
	plus: Investments on hand – end of year	6b	14,500	7,500
	Total cash, cash equivalents and investments		17,215	17,243

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

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Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 1. Basis of preparation

These financial statements were authorised for issue by Council on 20/08/2018.

Council has the power to amend and reissue these financial statements.

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

Basis of preparation

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

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

Full dollars have been used in Note 22 Related party disclosures in relation to the disclosure of specific related party transactions.

Unless otherwise indicated, all amounts disclosed in the financial statements are actual amounts.

Specific budgetary amounts have been included for comparative analysis (to actuals) in the following reports and notes:

- Income statement
- Statement of cash flows
- Note 20 – Material budget variations

and are clearly marked .

(a) New and amended standards adopted by Council

There have been no new (or amended) accounting standards adopted by Council in this year's financial statements which have had any material impact on reported financial position, performance or cash flows.

(b) Historical cost convention

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

(c) Significant accounting estimates and judgements

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

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 1. Basis of preparation (continued)

of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- (i) estimated fair values of infrastructure, property, plant and equipment – refer Note 10,
- (ii) estimated tip remediation provisions – refer Note 13,
- (iii) employee benefit provisions – refer Note 13.

Significant judgements in applying the Council's accounting policies

- (iv) Impairment of receivables

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

Monies and other assets received by Council

(a) The Consolidated Fund

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

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

- General purpose operations
- Sewerage service

(b) The Trust Fund

In accordance with the provisions of Section 411 of the *Local Government Act 1993 (NSW)* (as amended), a separate and distinct Trust Fund is maintained to account for all money and other assets 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 other assets subject to Council's control have been included in these reports.

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

Goods and Services Tax (GST)

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

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

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

New accounting standards and interpretations issued not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting period and which have not been applied.

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 1. Basis of preparation (continued)

As at the date of authorisation of these financial statements, Council considers that the standards and interpretations listed below will have an impact upon future published financial statements ranging from additional and / or revised disclosures to actual changes as to how certain transactions and balances are accounted for.

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

- *AASB 9 Financial Instruments*

This replaces AASB 139 Financial Instruments: Recognition and Measurement, and addresses the classification, measurement and disclosure of financial assets and liabilities.

The standard introduces a new impairment model that requires impairment provisions to be based on expected credit losses, rather than incurred credit losses.

Based on assessments to date, Council expects a small increase to impairment losses however the standard is not expected to have a material impact overall.

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

- *AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities and AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities*

AASB 15 will replace AASB 118 Revenue, AASB 111 Construction Contracts and a number of Interpretations. AASB 2016-8 provides Australian requirements and guidance for not-for-profit entities in applying AASB 9 and AASB 15, and AASB 1058 will replace AASB 1004 Contributions.

Together they contain a comprehensive and robust framework for the recognition, measurement and disclosure of income including revenue from contracts with customers.

While Council is still reviewing the way that income is measured and recognised to identify whether there will be any material impact arising from these standards, these standards may affect the timing of the recognition of some grants and donations.

- *AASB 16 Leases*

Council is currently a party to leases that are not recognised in the Statement of Financial Position.

It is likely that some of these leases will need to be included in the Statement of Financial Position when this standard comes into effect.

A lease liability will initially be measured at the present value of the lease payments to be made over the lease term.

A corresponding right-of-use asset will also be recognised over the lease term.

Council has not elected to apply any pronouncements before their operative date in these financial statements.

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

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

Functions/activities	Income, expenses and assets have been directly attributed to the following functions/activities. Details of these functions/activities are provided in Note 2(b).									
	Income from continuing operations		Expenses from continuing operations		Operating result from continuing operations		Grants included in income from continuing operations		Total assets held (current and non-current)	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
1. Grow the wealth of the Shire	248	336	650	763	(402)	(427)	23	10	2,899	2,671
2. A centre for sports and culture	402	400	1,260	1,190	(858)	(790)	40	40	1,161	270
3. Preserve and enhance our heritage and rural landscapes	142	137	331	317	(189)	(180)	7	4	–	–
4. Develop and maintain shire infrastructure	10,275	8,450	8,718	8,925	1,557	(475)	6,598	5,191	210,764	200,605
5. Develop strong and connected communities	943	493	2,028	2,177	(1,085)	(1,684)	442	239	8,144	8,565
6. Leadership	11,819	12,833	4,261	4,531	7,558	8,302	1,799	2,505	33,202	29,093
Total functions and activities	23,829	22,649	17,248	17,903	6,581	4,746	8,909	7,989	256,170	241,204

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

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

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

1. Grow the wealth of the Shire

To provide opportunities for growth particularly in the areas of agriculture, mining and tourism. Council Functions included are Tourism & Area Development, Industrial Development, Real Estate and Building Control.

2. A centre for sports and culture

To promote participation in sports and cultural activities across the shire. Council functions included are Public Libraries, CentrePoint Sport & Leisure, Youth Services and Other Cultural Services.

3. Preserve and enhance our heritage and rural landscapes

To preserve and encourage sustainable land use practices particularly in areas of increasing population whilst addressing vegetation and salinity issues. Council functions included are Noxious Plants and Town Planning.

4. Develop and maintain shire infrastructure

Transport, rail and roads connect the Shire to the region and help people and goods move throughout it. Water and Sewerage infrastructure are essential for public health and economic growth. Council functions included are Engineering and Works Operations, Plant Operations, Public Conveniences, Sewerage Services, Other Waste Management, Street Cleaning, Stormwater Drainage and Roads, Bridges, Footpaths, Kerb & Gutter and Street Lighting.

5. Develop strong and connected communities

The geographical spread and distances between our town and villages can at times cause a lack of cohesion. There is a need to integrate, improve communication and linkages between our communities so they can share, support and learn from one another helping to build their capacity to be self reliant. Council functions included are Family & Community Services, Aged & Disabled, Community Services Administration and Fire & Emergency Services.

6. Leadership

To help build the capacity of existing and emerging community leaders throughout the Shire to strengthen networks, build trust and result in more successful outcomes. Council needs to be well run and resourced to do the work it has to help achieve the desired outcomes for the community. Council functions included are Governance, Corporate Support, Environmental Services, Animal and Food Control, Domestic Waste Management and the collection of Rates and other General Purpose revenues.

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 3. Income from continuing operations

\$ '000	2018	2017
(a) Rates and annual charges		
Ordinary rates		
Residential	1,763	1,844
Farmland	2,108	1,968
Mining	2,643	2,539
Business	346	405
Less: pensioner rebates (mandatory)	(83)	(89)
Total ordinary rates	6,777	6,667
Special rates		
Mining special rate	1,537	1,688
Total special rates	1,537	1,688
Annual charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)		
Domestic waste management services	1,069	1,022
Sewerage services	1,085	1,046
Waste management services (non-domestic)	138	134
Less: pensioner rebates (mandatory)	(76)	(78)
Total annual charges	2,216	2,124
TOTAL RATES AND ANNUAL CHARGES	10,530	10,479

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

Accounting policy for rates and annual charges

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

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

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 3. Income from continuing operations (continued)

\$ '000	2018	2017
(b) User charges and fees		
Specific user charges (per s.502 – specific 'actual use' charges)		
Sewerage services	238	200
Total specific user charges	238	200
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s.608)		
Building regulation	205	220
Private works – section 67	67	202
Section 149 certificates (EPA Act)	20	20
Section 603 certificates	19	17
Other	8	8
Total fees and charges – statutory/regulatory	319	467
(ii) Fees and charges – other (incl. general user charges (per s.608))		
Cemeteries	105	44
Fire and emergency services levy (FESL) implementation	–	266
Lease rentals	163	204
Leaseback fees – Council vehicles	61	56
Multipurpose centre	352	356
Quarry revenues	637	236
RMS (formerly RTA) charges (state roads not controlled by Council)	456	402
Waste disposal tipping fees	84	161
Other	20	7
Total fees and charges – other	1,878	1,732
TOTAL USER CHARGES AND FEES	2,435	2,399

Accounting policy for user charges and fees

User charges and fees are recognised as revenue when the service has been provided.

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 3. Income from continuing operations (continued)

\$ '000	2018	2017
(c) Interest and investment revenue (including losses)		
Interest		
– Overdue rates and annual charges (incl. special purpose rates)	12	14
– Cash and investments	401	495
– Deferred debtors	–	5
<u>TOTAL INTEREST AND INVESTMENT REVENUE</u>	<u>413</u>	<u>514</u>
Interest revenue is attributable to:		
Unrestricted investments/financial assets:		
Overdue rates and annual charges (general fund)	12	14
General Council cash and investments	246	327
Restricted investments/funds – external:		
Development contributions		
– Section 7.11	22	20
– Section 64	22	23
Sewerage fund operations	111	130
<u>Total interest and investment revenue recognised</u>	<u>413</u>	<u>514</u>
Accounting policy for interest and investment revenue		
Interest income is recognised using the effective interest rate at the date that interest is earned.		
(d) Other revenues		
Rental income – other council properties	17	8
Legal fees recovery – other	23	30
Diesel rebate	143	73
Insurance claim recoveries	8	14
Insurance rebates	42	56
Other	123	40
<u>TOTAL OTHER REVENUE</u>	<u>356</u>	<u>221</u>

Accounting policy for other revenue

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Council and specific criteria have been met for each of the Council's activities as described below. Council bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Parking fees and fines are recognised as revenue when the service has been provided, or when the penalty has been applied, whichever occurs first.

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

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

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

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 3. Income from continuing operations (continued)

\$ '000	2018 Operating	2017 Operating	2018 Capital	2017 Capital
(e) Grants				
General purpose (untied)				
Current year allocation				
Financial assistance – general component	846	1,598	–	–
Financial assistance – local roads component	411	786	–	–
Payment in advance – future year allocation				
Financial assistance – general component	868	826	–	–
Financial assistance – local roads component	423	403	–	–
Other				
Pensioners' rates subsidies – general component	46	49	–	–
Total general purpose	2,594	3,662	–	–
Specific purpose				
Pensioners' rates subsidies:				
– Sewerage	14	15	–	–
– Domestic waste management	27	28	–	–
Bushfire and emergency services	–	–	220	109
Domestic waste	–	84	–	–
Employment and training programs	12	2	–	–
Environmental protection	43	52	–	–
Heritage and cultural	7	4	–	–
Library	39	39	–	–
LIRS subsidy	28	32	–	–
Recreation and culture	–	–	32	129
Street lighting	21	21	–	–
Tourism	5	10	15	–
Transport (roads to recovery)	395	1,401	–	–
Transport (other roads and bridges funding)	75	690	4,830	1,707
Youth services	1	1	–	–
Innovations Funding	–	–	183	–
Stronger Country Communities	–	–	365	–
Other	3	3	–	–
Total specific purpose	670	2,382	5,645	1,945
Total grants	3,264	6,044	5,645	1,945
Grant revenue is attributable to:				
– Commonwealth funding	2,946	5,020	3,020	535
– State funding	318	1,024	2,625	1,410
	3,264	6,044	5,645	1,945

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 3. Income from continuing operations (continued)

\$ '000	Notes	2018 Operating	2017 Operating	2018 Capital	2017 Capital
(f) Contributions					
Developer contributions:					
(s7.4 & s7.11 – EP&A Act, s64 of the LGA):					
Cash contributions					
S 7.11 – contributions towards amenities/services		–	–	87	77
S 64 – sewerage service contributions		–	–	6	38
Total developer contributions – cash		–	–	93	115
Total developer contributions	23	–	–	93	115
Other contributions:					
Cash contributions					
Bushfire services		46	45	–	–
Other councils – joint works/services		–	3	–	–
Recreation and culture		–	–	89	90
Roads and bridges		3	5	258	164
RMS contributions (regional roads, block grant)		327	322	–	–
Tourism		2	–	–	–
Total other contributions – cash		378	375	347	254
Total other contributions		378	375	347	254
Total contributions		378	375	440	369
TOTAL GRANTS AND CONTRIBUTIONS		3,642	6,419	6,085	2,314

Accounting policy for contributions

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

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were un-discharged at reporting date, the unused grant or contribution is disclosed above.

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

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 3. Income from continuing operations (continued)

\$ '000	2018	2017
(g) Unspent grants and contributions		
Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:		
Operating grants		
Unexpended at the close of the previous reporting period	179	1,282
Add: operating grants recognised in the current period but not yet spent	460	179
Less: operating grants recognised in a previous reporting period now spent	(179)	(1,282)
Unexpended and held as restricted assets (operating grants)	460	179
Contributions		
Unexpended at the close of the previous reporting period	1,672	1,515
Add: contributions recognised in the current period but not yet spent	137	157
Less: contributions recognised in a previous reporting period now spent	(109)	–
Unexpended and held as restricted assets (contributions)	1,700	1,672

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 4. Expenses from continuing operations

\$ '000	2018	2017
(a) Employee benefits and on-costs		
Salaries and wages	5,635	5,411
Travel expenses	10	12
Employee leave entitlements (ELE)	926	755
ELE on-costs	7	4
Superannuation	642	603
Workers' compensation insurance	110	103
Fringe benefit tax (FBT)	72	77
Training costs (other than salaries and wages)	147	179
Protective clothing	25	28
Other	23	28
Total employee costs	7,597	7,200
Less: capitalised costs	(1,096)	(655)
TOTAL EMPLOYEE COSTS EXPENSED	6,501	6,545
Number of 'full-time equivalent' employees (FTE) at year end	92	84

Accounting policy for employee benefits and on-costs

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

Retirement benefit obligations

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

Superannuation plans

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

Council participates in a Defined Benefit Plan under the Local Government Superannuation Scheme, however, when sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note 18 for more information.

(b) Borrowing costs	2018	2017
(i) Interest bearing liability costs		
Interest on loans	171	139
Total interest bearing liability costs expensed	171	139
(ii) Other borrowing costs		
Discount adjustments relating to movements in provisions (other than ELE)		
– Remediation liabilities	5	18
Total other borrowing costs	5	18
TOTAL BORROWING COSTS EXPENSED	176	157

Accounting policy for borrowing costs

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

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 4. Expenses from continuing operations (continued)

\$ '000	2018	2017
(c) Materials and contracts		
Raw materials and consumables	2,306	2,956
Contractor and consultancy costs	135	346
Auditors remuneration ⁽²⁾	33	36
Legal expenses:		
– Legal expenses: planning and development	4	3
– Legal expenses: debt recovery	23	35
– Legal expenses: other	10	21
Operating leases:		
– Operating lease rentals: minimum lease payments ⁽¹⁾	24	18
Return of contaminated land management grant	–	61
<u>TOTAL MATERIALS AND CONTRACTS</u>	<u>2,535</u>	<u>3,476</u>

Operating leases

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

1. Operating lease payments are attributable to:

Other	24	18
	<u>24</u>	<u>18</u>

2. Auditor remuneration

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

Auditors of the Council – NSW Auditor-General:

(i) Audit and other assurance services

Audit and review of financial statements	32	28
Remuneration for audit and other assurance services	<u>32</u>	<u>28</u>
Total Auditor-General remuneration	<u>32</u>	<u>28</u>

Non NSW Auditor-General audit firms:

(i) Audit and other assurance services

Audit and review of financial statements	1	8
Remuneration for audit and other assurance services	<u>1</u>	<u>8</u>
Total remuneration of non NSW Auditor-General audit firms	<u>1</u>	<u>8</u>
Total Auditor remuneration	<u>33</u>	<u>36</u>

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	2018	2017
(d) Depreciation, amortisation and impairment			
Depreciation and amortisation			
Plant and equipment		810	663
Office equipment		58	69
Furniture and fittings		17	19
Land improvements (depreciable)		353	351
Infrastructure:			
– Buildings – non-specialised		90	121
– Buildings – specialised		713	680
– Roads		2,331	2,004
– Bridges		246	265
– Footpaths		81	75
– Stormwater drainage		86	81
– Sewerage network		509	519
– Swimming pools		1	–
– Other open space/recreational assets		85	85
Reinstatement, rehabilitation and restoration assets:			
– Tip assets	10 & 13	11	25
– Quarry assets	10 & 13	15	–
Intangible assets	11	51	94
Total depreciation and amortisation costs		5,457	5,051
<u>TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT / REVALUATION DECREMENT COSTS EXPENSED</u>		<u>5,457</u>	<u>5,051</u>

Accounting policy for depreciation, amortisation and impairment expenses

Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note 10 for IPPE assets and Note 11 for intangible assets.

Impairment of non-financial assets

Intangible assets that have an indefinite useful life or are not yet available for use are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

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

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 4. Expenses from continuing operations (continued)

\$ '000	2018	2017
(e) Other expenses		
Advertising	79	71
Bad and doubtful debts	–	83
Bank charges	22	24
Cleaning	7	5
Contributions/levies to other levels of government		
– Emergency services levy (includes FRNSW, SES, and RFS levies)	32	32
– NSW fire brigade levy	214	257
Councillor expenses – mayoral fee	25	24
Councillor expenses – councillors' fees	79	77
Councillors' expenses (incl. mayor) – other (excluding fees above)	19	8
Donations, contributions and assistance to other organisations (Section 356)	303	298
– Contributions to Central West Libraries	154	158
– Contribution to Upper Macquarie County Council	70	69
Electricity and heating	254	258
Fire and emergency services levy (FESL) implementation costs	–	177
Insurance	417	445
Postage	16	18
Printing and stationery	48	39
Street lighting	135	113
Subscriptions and publications	284	247
Telephone and communications	48	46
Valuation fees	32	31
Water charges	161	124
Other	180	70
<u>TOTAL OTHER EXPENSES</u>	<u>2,579</u>	<u>2,674</u>

Accounting policy for other expenses

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 5. Gains or losses from the disposal of assets

\$ '000	Notes	2018	2017
Property (excl. investment property)	10		
Proceeds from disposal – property		–	2
Less: carrying amount of property assets sold/written off		(35)	–
Net gain/(loss) on disposal		(35)	2
Plant and equipment	10		
Proceeds from disposal – plant and equipment		473	339
Less: carrying amount of plant and equipment assets sold/written off		(286)	(126)
Net gain/(loss) on disposal		187	213
Infrastructure	10		
Less: carrying amount of infrastructure assets sold/written off		(298)	(35)
Net gain/(loss) on disposal		(298)	(35)
Real estate assets held for sale	8		
Proceeds from disposal – real estate assets		–	45
Less: carrying amount of real estate assets sold/written off		–	(66)
Net gain/(loss) on disposal		–	(21)
Non-current assets classified as ‘held for sale’	9		
Proceeds from disposal – non-current assets ‘held for sale’		958	–
Less: carrying amount of ‘held for sale’ assets sold/written off		(632)	–
Net gain/(loss) on disposal		326	–
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		180	159

Accounting policy for disposal of assets

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

Note 6(a). Cash and cash equivalent assets

\$ '000	2018	2017
Cash and cash equivalents		
Cash on hand and at bank	2,715	2,243
Cash-equivalent assets		
– Short-term deposits	–	7,500
Total cash and cash equivalents	2,715	9,743

Accounting policy for cash and cash equivalents

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

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 6(b). Investments

\$ '000	2018	2018	2017	2017
	Current	Non-current	Current	Non-current
Investments				
'Held to maturity'	14,500	—	7,500	—
Total investments	14,500	—	7,500	—
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS	17,215	—	17,243	—
Held to maturity investments				
Long term deposits	14,500	—	7,500	—
Total	14,500	—	7,500	—

Accounting policy for investments

Classification

Council classifies its financial assets in the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

Held to maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Council's management has the positive intention and ability to hold to maturity. Assets in this category are measured at amortised cost.

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

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date: the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Investments are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

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

\$ '000	2018	2018	2017	2017
	Current	Non-current	Current	Non-current
Total cash, cash equivalents and investments	17,215	–	17,243	–
attributable to:				
External restrictions (refer below)	9,090	–	9,111	–
Internal restrictions (refer below)	8,093	–	7,616	–
Unrestricted	32	–	516	–
	17,215	–	17,243	–

\$ '000	2018	2017
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Details of restrictions

External restrictions – other

Developer contributions – general	812	812
Developer contributions – sewer fund	888	860
Specific purpose unexpended grants	460	179
Sewerage services	4,808	4,482
Domestic waste management	987	848
Voluntary planning agreement – mining	217	1,217
Rates – special variation mining	918	713

External restrictions – other

	9,090	9,111
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Total external restrictions

Internal restrictions

Plant and vehicle replacement	766	219
Employees leave entitlement	764	661
Asset reserve – buildings	149	157
Asset reserve – parks and recreation	322	347
Asset reserve – stormwater	105	51
Asset reserve – transport	1,907	2,454
Blayney sports facility master plans	126	153
Blayney town works	5	5
Cemeteries	49	41
Centrepont reserve	866	997
Election reserve	40	78
Environmental projects – Belubula river	53	54
Financial assistance grant	1,290	1,229
Inala units	–	96
I.T reserve	96	96
King George Oval	161	170
Property account	1,145	545
Quarry	174	174
Village enhancement program	75	89

Total internal restrictions

	8,093	7,616
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TOTAL RESTRICTIONS

	17,183	16,727
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Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 7. Receivables

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
Purpose				
Rates and annual charges	110	76	136	54
Interest and extra charges	37	–	46	–
User charges and fees	1,333	–	880	–
Private works	286	–	–	–
Accrued revenues				
– Interest on investments	166	–	173	–
Deferred debtors	92	–	58	72
Government grants and subsidies	2	–	3	–
Net GST receivable	213	–	127	–
Total	2,239	76	1,423	126
Less: provision for impairment				
Other debtors	(126)	–	(135)	–
Total provision for impairment – receivables	(126)	–	(135)	–
<u>TOTAL NET RECEIVABLES</u>	<u>2,113</u>	<u>76</u>	<u>1,288</u>	<u>126</u>
Externally restricted receivables				
Water supply				
– Rates and availability charges	–	–	39	–
Sewerage services				
– Rates and availability charges	43	–	–	–
Domestic waste management	24	–	31	–
Total external restrictions	67	–	70	–
Unrestricted receivables	2,046	76	1,218	126
<u>TOTAL NET RECEIVABLES</u>	<u>2,113</u>	<u>76</u>	<u>1,288</u>	<u>126</u>
Movement in provision for impairment of receivables			2018	2017
Balance at the beginning of the year			135	133
+ new provisions recognised during the year			–	135
– amounts already provided for and written off this year			–	(133)
– amounts provided for but recovered during the year			(9)	–
Balance at the end of the year			126	135

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 7. Receivables (continued)

Accounting policy for receivables

Recognition and measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in other receivables (Note 8) and receivables (Note 7) in the Statement of Financial Position. Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

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

Impairment

For loans and receivables the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

Collectability of receivables is reviewed on an on-going basis. Debts that are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of receivables) is used when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired. When a receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the Income statement.

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 8. Inventories and other assets

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
(a) Inventories				
(i) Inventories at cost				
Real estate for resale (refer below)	770	—	379	—
Stores and materials	99	—	83	—
Trading stock	548	—	601	—
Total inventories at cost	1,417	—	1,063	—
<u>TOTAL INVENTORIES</u>	<u>1,417</u>	<u>—</u>	<u>1,063</u>	<u>—</u>
(b) Other assets				
Prepayments	67	—	63	—
<u>TOTAL OTHER ASSETS</u>	<u>67</u>	<u>—</u>	<u>63</u>	<u>—</u>

Externally restricted assets

There are no restrictions applicable to the above assets.

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 8. Inventories and other assets (continued)

\$ '000	Notes	2018		2017	
		Current	Non-current	Current	Non-current

(i) Other disclosures

(a) Details for real estate development

Residential		391	—	—	—
Industrial/commercial		379	—	379	—
Total real estate for resale		770	—	379	—

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

Represented by:

Acquisition costs		764	—	379	—
Development costs		6	—	—	—
Total costs		770	—	379	—
Total real estate for resale		770	—	379	—

Movements:

Real estate assets at beginning of the year		379	—	445	—
– Purchases and other costs		391	—	—	—
– WDV of sales (expense)	5	—	—	(66)	—
Total real estate for resale		770	—	379	—

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

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

	2018	2017
Real estate for resale	379	379
	379	379

Accounting policy

Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventory held for distribution

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

Land held for resale/capitalisation of borrowing costs

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

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

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 9. Non-current assets classified as held for sale (and disposal groups)

\$ '000	2018	2018	2017	2017
	Current	Non-current	Current	Non-current
(i) Non-current assets and disposal group assets				
Non-current assets 'held for sale'				
Buildings	–	–	650	–
Total non-current assets 'held for sale'	–	–	650	–
TOTAL NON-CURRENT ASSETS CLASSIFIED AS 'HELD FOR SALE'				
	–	–	650	–

(ii) Details of assets and disposal groups

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

\$ '000	Assets 'held for sale'	
	2018	2017

(iii) Reconciliation of non-current assets 'held for sale' and disposal groups

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

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

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets; assets arising from employee benefits; financial assets; and investment property that are carried at fair value.

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

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Blayney Shire Council

Notes to the Financial Statements
for the year ended 30 June 2018

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

Asset class \$ '000	as at 30/6/2017			Asset movements during the reporting period									as at 30/6/2018		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	WIP transfers	Adjustments and transfers	Tfrs from/(to) 'held for sale' category	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
Capital work in progress	152	–	152	340	247	–	–	(72)	–	–	–	–	667	–	667
Plant and equipment	12,950	8,356	4,594	–	1,982	(285)	(810)	–	(42)	–	–	–	12,463	7,024	5,439
Office equipment	798	654	144	–	154	–	(58)	–	42	–	–	–	741	459	282
Furniture and fittings	531	389	142	–	3	(1)	(17)	–	(45)	–	–	–	398	316	82
Land:															
– Operational land	1,317	–	1,317	–	–	–	–	–	(187)	–	–	35	1,165	–	1,165
– Community land	4,043	–	4,043	–	–	–	–	–	–	–	–	–	4,043	–	4,043
Land improvements – depreciable	6,552	2,482	4,070	–	–	(32)	(353)	68	(107)	–	–	–	6,313	2,667	3,646
Infrastructure:															
– Buildings – non-specialised	2,671	1,254	1,417	–	–	(1)	(90)	–	22	18	–	13	1,991	612	1,379
– Buildings – specialised	26,753	12,130	14,623	189	209	(34)	(713)	–	(843)	–	–	2,874	26,247	9,942	16,305
– Roads	128,915	29,432	99,483	7,357	–	–	(2,331)	–	33	–	–	–	136,307	31,765	104,542
– Bridges	26,841	3,805	23,036	1,993	–	(266)	(246)	–	(15)	–	–	–	27,816	3,314	24,502
– Footpaths	6,301	2,029	4,272	–	128	–	(81)	–	6	–	–	–	6,435	2,110	4,325
– Bulk earthworks (non-depreciable)	11,625	–	11,625	–	–	–	–	–	–	–	–	–	11,625	–	11,625
– Stormwater drainage	8,964	1,340	7,624	–	1,159	–	(86)	–	–	–	–	–	10,123	1,426	8,697
– Sewerage network	30,275	10,405	19,870	–	–	–	(509)	–	–	–	–	407	30,911	11,143	19,768
– Swimming pools	–	–	–	–	–	–	(1)	–	1,050	–	(221)	–	1,500	672	828
– Other open space/recreational assets	4,102	1,147	2,955	67	107	–	(85)	4	86	–	–	–	4,524	1,390	3,134
Reinstatement, rehabilitation and restoration assets (refer Note 13):															
– Tip assets	225	146	79	–	53	–	(11)	–	–	–	–	–	278	157	121
– Quarry assets	214	37	177	–	–	–	(15)	–	–	–	–	–	214	52	162
TOTAL INFRASTRUCTURE, PROPERTY, PLANT AND EQUIP.	273,229	73,606	199,623	9,946	4,042	(619)	(5,406)	–	–	18	(221)	3,329	283,761	73,049	210,712

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

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

Accounting policy for infrastructure, property, plant and equipment

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

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

Increases in the carrying amounts arising on revaluation are credited to the asset revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss relating to that asset class, the increase is first recognised as profit or loss. Decreases that reverse previous increases of assets in the same class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

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

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income statement.

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

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

Land under roads

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

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

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

Crown reserves

Crown Reserves under Council's care and control are recognised as assets of the Council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated. Improvements on Crown Reserves are also recorded as assets, while maintenance costs incurred by Council and revenues relating to the reserves are recognised within Council's Income Statement.

Rural Fire Service assets

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

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

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

\$ '000 Class of asset	2018			2017		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount
Sewerage services						
WIP	—	—	—	5	—	5
Plant and equipment	368	176	192	364	148	216
Land						
– Community land	229	—	229	229	—	229
Buildings	—	—	—	338	110	228
Infrastructure	30,911	11,143	19,768	30,275	10,405	19,870
Total sewerage services	31,508	11,319	20,189	31,211	10,663	20,548
Domestic waste management						
Land						
– Community land	160	—	160	160	—	160
Total DWM	160	—	160	160	—	160
TOTAL RESTRICTED IPP&E	31,668	11,319	20,349	31,371	10,663	20,708

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 11. Intangible assets

\$ '000	2018	2017
Intangible assets represent identifiable non-monetary assets without physical substance.		
Intangible assets are as follows:		
Opening values:		
Gross book value (1/7)	499	472
Accumulated amortisation (1/7)	(326)	(231)
Net book value – opening balance	173	241
Movements for the year		
– Purchases	11	27
– Amortisation charges	(51)	(94)
– Gross book value written off	(9)	–
– Accumulated amortisation charges written off	2	–
Closing values:		
Gross book value (30/6)	501	499
Accumulated amortisation (30/6)	(375)	(326)
<u>TOTAL INTANGIBLE ASSETS – NET BOOK VALUE</u> ¹	<u>126</u>	<u>173</u>

¹ The net book value of intangible assets represent:

– Software	126	173
	126	173

Accounting policy for intangible assets

IT development and software

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

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

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 12. Payables and borrowings

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
Payables				
Goods and services – operating expenditure	833	–	1,856	–
Accrued expenses:				
– Borrowings	29	–	15	–
– Other expenditure accruals	34	2	32	2
Security bonds, deposits and retentions	252	–	240	–
Total payables	1,148	2	2,143	2
Income received in advance				
Payments received in advance	260	–	221	–
Total income received in advance	260	–	221	–
Borrowings				
Loans – secured ¹	317	4,439	202	1,780
Total borrowings	317	4,439	202	1,780
TOTAL PAYABLES AND BORROWINGS	1,725	4,441	2,566	1,782

(a) Payables and borrowings relating to restricted assets

	2018		2017	
	Current	Non-current	Current	Non-current
Externally restricted assets				
Sewer	88	567	62	610
Payables and borrowings relating to externally restricted assets	88	567	62	610
Total payables and borrowings relating to restricted assets	88	567	62	610
Total payables and borrowings relating to unrestricted assets	1,637	3,874	2,504	1,172
TOTAL PAYABLES AND BORROWINGS	1,725	4,441	2,566	1,782

¹. Loans are secured over the general rating income of Council

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note 19.

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 12. Payables and borrowings (continued)

\$ '000	2018	2017
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(b) Current payables and borrowings not anticipated to be settled within the next twelve months

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

Payables – security bonds, deposits and retentions	177	216
	177	216

(c) Changes in liabilities arising from financing activities

Class of borrowings	2017	Non-cash changes				2018
	Opening balance as at 1/7/17	Cash flows	Acquisition	Fair value changes	Other non-cash movements	Closing balance as at 30/6/18
Loans – secured	1,982	2,774	–	–	–	4,756
TOTAL	1,982	2,774	–	–	–	4,756

\$ '000	2018	2017
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(d) Financing arrangements

(i) Unrestricted access was available at balance date to the following lines of credit:

Bank overdraft facilities ⁽¹⁾	50	50
Credit cards/purchase cards	40	40
Total financing arrangements	90	90
Drawn facilities as at balance date:		
– Credit cards/purchase cards	6	8
Total drawn financing arrangements	6	8
Undrawn facilities as at balance date:		
– Bank overdraft facilities	50	50
– Credit cards/purchase cards	34	32
Total undrawn financing arrangements	84	82

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 12. Payables and borrowings (continued)

Accounting policy for payables and borrowings

Payables

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

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

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

Finance leases

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

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

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 13. Provisions

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
Provisions				
Employee benefits:				
Annual leave	492	–	488	–
Long service leave	1,270	111	1,182	89
ELE on-costs	88	4	83	3
Sub-total – aggregate employee benefits	1,850	115	1,753	92
Asset remediation/restoration:				
Asset remediation/restoration (future works)	–	745	–	687
Sub-total – asset remediation/restoration	–	745	–	687
<u>TOTAL PROVISIONS</u>	<u>1,850</u>	<u>860</u>	<u>1,753</u>	<u>779</u>

(a) Provisions relating to restricted assets

There are no restricted assets (external or internal) applicable to the above provisions

\$ '000	2018	2017
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(b) Current provisions not anticipated to be settled within the next twelve months

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

Provisions – employees benefits	1,377	1,305
	<u>1,377</u>	<u>1,305</u>

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 13. Provisions (continued)

\$ '000

(c) Description of and movements in provisions

	Other provisions	
	Asset remediation	Total
2018		
At beginning of year	687	687
Changes to provision:		
Additional provisions	53	53
Unwinding of discount	5	5
Total other provisions at end of year	745	745
2017		
At beginning of year	657	657
Changes to provision:		
Additional provisions	12	12
Unwinding of discount	18	18
Total other provisions at end of year	687	687

Nature and purpose of non-employee benefit provisions

Asset remediation

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 13. Provisions (continued)

Accounting policy for provisions

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

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

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

Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Other long-term employee benefit obligations

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

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

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 13. Provisions (continued)

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

Restoration

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

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

Rehabilitation

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

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

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

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

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

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

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

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

(a) Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

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

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

Nature of prior-period error

Buildings Specialised - during the revaluation process for Buildings, Council staff investigated the large increase in the valuation of Council's Multipurpose Centre. It was identified that during the previous valuation the size of the building had been valued using roughly 1/3 of the actual footprint resulting in a significant error in the previous value of this building. A similar error was identified with the Showground Pavilion.

Operational Land - A parcel of land categorised as Operational Land was also classified as Industrial Land Held for Sale. The error was identified during the revaluation of Operational Land.

The errors identified above have been corrected by restating the balances at the beginning of the earliest period presented (1 July 2016) and taking the adjustment through to accumulated surplus at that date.

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

Adjustments to the comparative figures for the year ended 30 June 2017

	Original Balance 30 June, 2017	Impact Increase/ (decrease)	Restated Balance 30 June, 2017
Statement of Financial Position			
Infrastructure property plant and equipment	195,034	4,589	199,623
Total assets	236,615	4,589	241,204
Total liabilities	6,880	–	6,880
Revaluation reserve - buildings	9,214	4,817	14,031
Revaluation reserve - land	4,330	(150)	4,180
Retained earnings	88,787	(78)	88,709
Total equity	229,735	4,589	234,324
Income Statement			
Total income from continuing operations	22,649	–	22,649
Depreciation	4,973	78	5,051
Total expenses from continuing operations	17,825	78	17,903
Net operating result for the year	4,824	(78)	4,746

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 15. Statement of cash flows – additional information

\$ '000	Notes	2018	2017
(a) Reconciliation of cash assets			
Total cash and cash equivalent assets	6a	2,715	9,743
Balance as per the Statement of Cash Flows		2,715	9,743
(b) Reconciliation of net operating result to cash provided from operating activities			
Net operating result from Income Statement		6,581	4,746
Adjust for non-cash items:			
Depreciation and amortisation		5,457	5,051
Net losses/(gains) on disposal of assets		(180)	(159)
Unwinding of discount rates on reinstatement provisions		5	18
Share of net (profits) or losses of associates/joint ventures		(188)	(144)
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		(804)	(496)
Increase/(decrease) in provision for doubtful debts		(9)	2
Decrease/(increase) in inventories		37	(290)
Decrease/(increase) in other assets		(4)	(11)
Increase/(decrease) in payables		(1,023)	1,435
Increase/(decrease) in accrued interest payable		14	(2)
Increase/(decrease) in other accrued expenses payable		2	2
Increase/(decrease) in other liabilities		51	(14)
Increase/(decrease) in employee leave entitlements		120	162
Increase/(decrease) in other provisions		53	12
Net cash provided from/(used in) operating activities from the Statement of Cash Flows		10,112	10,312

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 16. Interests in other entities

\$ '000

	Council's share of net income		Council's share of net assets	
	2018	2017	2018	2017
Associates	188	144	24,444	20,975
Total	188	144	24,444	20,975

(a) Associates

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

(a) Net carrying amounts – Council's share

Name of entity	Nature of relationship	Measurement method	2018	2017
Central Tablelands Water	Associate	Equity	24,213	20,786
Upper Macquarie County Council	Associate	Equity	231	189
Total carrying amounts – material associates			24,444	20,975

(b) Details

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

(c) Relevant interests and fair values

Name of entity	Proportion of voting power	
	2018	2017
Central Tablelands Water	33%	33%
Upper Macquarie County Council	25%	25%

(d) Summarised financial information for associates

	Central Tablelands Water		Upper Macquarie County Council	
	2018	2017	2018	2017
Statement of financial position				
Current assets				
Cash and cash equivalents	1,165	873	818	874
Other current assets	6,835	9,124	76	133
Non-current assets	67,961	56,284	175	160
Current liabilities				
Current financial liabilities (excluding trade and other payables and provisions)	274	409	—	—
Other current liabilities	1,130	1,156	129	327
Non-current liabilities				
Non-current financial liabilities (excluding trade and other payables and provisions)	1,912	2,352	16	85
Net assets	72,645	62,364	924	755

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 16. Interests in other entities (continued)

\$ '000

(a) Associates (continued)

	Central Tablelands Water		Upper Macquarie County Council	
	2018	2017	2018	2017
Reconciliation of the carrying amount				
Opening net assets (1 July)	62,364	60,978	755	885
Profit/(loss) for the period	539	532	33	(130)
Dividends received	11,128	854	–	–
Other adjustments to equity	(1,386)	–	136	–
Closing net assets	72,645	62,364	924	755
Council's share of net assets (%)	33.3%	33.3%	25.0%	25.0%
Council's share of net assets (\$)	24,213	20,786	231	189
Statement of comprehensive income				
Income	5,774	5,697	1,193	1,740
Interest income	210	206	14	14
Depreciation and amortisation	(1,807)	(1,822)	(50)	(45)
Interest expense	(172)	(198)	–	–
Other expenses	(3,466)	(3,351)	(1,124)	(1,839)
Profit/(loss) from continuing operations	539	532	33	(130)
Profit/(loss) for period	539	532	33	(130)
Other comprehensive income	9,742	854	–	–
Total comprehensive income	10,281	1,386	33	(130)
Share of income – Council (%)	33.3%	33.3%	25.0%	25.0%
Profit/(loss) – Council (\$)	180	177	8	(33)
Total comprehensive income – Council (\$)	3,427	462	8	(33)
Summarised Statement of cash flows				
Cash flows from operating activities	2,145	2,446	158	(105)
Cash flows from investing activities	(1,444)	(1,594)	(105)	(4)
Cash flows from financing activities	(409)	(383)	–	–
Net increase (decrease) in cash and cash equivalents	292	469	53	(109)

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 16. Interests in other entities (continued)

(a) Associates (continued)

Accounting policy for associates

Interests in associates are accounted for using the equity method in accordance with AASB128 Investments in *Associates and Joint Ventures*. Under this method, the investment is initially recognised as a cost and the carrying amount is increased or decreased to recognise the Council's share of the profit or loss and other comprehensive income of the investee after the date of acquisition.

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

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

Adjustments are made to the associate's accounting policies where they are different from those of the Council for the purpose of the consolidated financial statements.

Note 17. Commitments for expenditure

\$ '000	2018	2017
Operating lease commitments (non-cancellable)		
a. Commitments under non-cancellable operating leases at the reporting date, but not recognised as liabilities are payable:		
Within the next year	37	23
Later than one year and not later than 5 years	89	60
Later than 5 years	—	—
Total non-cancellable operating lease commitments	126	83

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

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

Conditions relating to operating leases:

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 18. Contingencies and other liabilities/assets not recognised

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

LIABILITIES NOT RECOGNISED:

1. Guarantees

(i) Defined benefit superannuation contribution plans

Council 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.

While the scheme's most recent full actuarial review indicated that the net assets of the scheme were sufficient to meet the accrued benefits of the scheme's defined benefit member category, member councils are required to make contributions in future years where the scheme goes into deficit (as has occurred in previous years).

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

Future planned contributions being made to the defined benefit scheme to rectify past (and projected) deficit positions will be recognised as an expense when they become payable – similar to the accounting for defined contributions plans.

Member councils are treated as Pooled Employers for the purposes of AASB119. Pooled Employers are required to pay standard employer contributions and additional lump sum contributions to the Fund.

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

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

The additional lump sum contribution for each Pooled Employer is a share of the total additional contributions of \$40.0 million per annum from 1 July 2017 for 4 years to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2017. These additional lump sum contributions are used to fund the deficit of assets to accrued liabilities as 30 June 2017.

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

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

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

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

There is no provision for the allocation of any surplus which may be present at the date of withdrawal of an employer.

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

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

LIABILITIES NOT RECOGNISED (continued):

1. Guarantees (continued)

(i) Defined benefit superannuation contribution plans (continued)

The plan is a defined benefit plan. However, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers and hence shares in the associated gains and losses (to the extent that they are not borne by members). As such, there is not sufficient reliable information to allow each sponsoring employer to account for its proportionate share of the defined benefit obligation, sub-group assets and costs associated with the sub-group in the same way as it would for a single employer sponsored defined benefit plan.

The amount of Council employer contributions to the defined benefit section of the Fund and recognised as an expense and disclosed as part of superannuation expenses at Note 4 (a) for the year ending 30 June 2018 was

The last valuation of the Fund was by the Actuary, Mr Richard Boyfield, FIAA on 12 December 2017, relating to the period ended 30 June 2017.

Council's expected contributions to the Fund for the next annual reporting period is **\$ 55,000.00**.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2018 is:

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

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

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

Investment return	6.0% per annum
Salary inflation *	3.5% per annum
Increase in CPI	2.5% per annum

* Plus promotional increases

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

Please note that the estimated employer reserves financial position above is a preliminary calculation and once all the relevant information has been received by the Funds Actuary, the 2018 triennial review will be completed around December 2018.

Council's additional lump sum contribution is around **7%** of the total additional lump sum contributions for all Pooled Employers (of \$40m each year from 1 July 2017 to 30 June 2021) provides an indication of the level of participation of Council compared with other employers in the Pooled Employer sub-group.

(ii) Statewide Limited

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

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

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

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

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

LIABILITIES NOT RECOGNISED (continued):

1. Guarantees (continued)

(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.

2. Other liabilities

(i) Third party claims

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

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

(ii) Potential land acquisitions due to planning restrictions imposed by Council

Council has classified a number of privately owned land parcels as local open space or bushland.

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

At reporting date, reliable estimates as to the value of any potential liability (and subsequent land asset) from such potential acquisitions has not been possible.

ASSETS NOT RECOGNISED:

(i) Land under roads

As permitted under AASB 1051, Council has elected not to bring to account land under roads that it owned or controlled up to and including 30/6/08.

(ii) Infringement notices/fines

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

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

Accordingly, at year end, there is a potential asset due to Council representing issued but unpaid infringement notices.

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

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 19. 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 and financial liabilities recognised in the financial statements is presented below.

	Carrying value		Fair value	
	2018	2017	2018	2017
Financial assets				
Cash and cash equivalents	2,715	9,743	2,715	9,743
Investments				
– 'Held to maturity'	14,500	7,500	14,500	7,500
Receivables	2,189	1,414	2,189	1,414
Total financial assets	19,404	18,657	19,404	18,657
Financial liabilities				
Payables	1,150	2,145	1,150	2,145
Loans/advances	4,756	1,982	4,873	2,025
Total financial liabilities	5,906	4,127	6,023	4,170

Fair value is determined as follows:

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 19. Financial risk management (continued)

\$ '000

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

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

Council has an investment policy which complies with the *Local Government Act 1993* and Ministerial Investment Order 625. This policy is regularly reviewed by Council and its staff and a monthly Investment report is provided to Council setting out the make-up and performance of the portfolio as required by Local Government regulations.

The risks associated with the investments held are:

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

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

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

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

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

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

	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
2018				
Possible impact of a 1% movement in interest rates	27	27	(27)	(27)
2017				
Possible impact of a 1% movement in interest rates	22	22	(22)	(22)

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 19. Financial risk management (continued)

\$ '000

(b) Credit risk

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

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

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

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

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

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

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

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

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

	2018 Rates and annual charges	2018 Other receivables	2017 Rates and annual charges	2017 Other receivables
(i) Ageing of receivables – %				
Current (not yet overdue)	0%	80%	0%	45%
Overdue	100%	20%	100%	55%
	100%	100%	100%	100%

(ii) Ageing of receivables – value

Rates and annual charges

	2018	2017
< 1 year overdue	110	136
1 – 2 years overdue	34	27
2 – 5 years overdue	38	27
> 5 years overdue	4	–
	186	190

Other receivables

	2018	2017
Current	1,712	748
0 – 30 days overdue	68	237
31 – 60 days overdue	46	8
61 – 90 days overdue	44	61
> 91 days overdue	259	305
	2,129	1,359

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 19. Financial risk management (continued)

\$ '000

(c) Liquidity risk

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

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

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

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. Council manages this risk by borrowing long term and fixing the interest rate on a 4-year renewal basis. The Finance Section regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

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

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in:		Total cash outflows	Actual carrying values
				1 – 5 Years	> 5 Years		
2018							
Trade/other payables	0.00%	252	896	2	–	1,150	1,150
Loans and advances	6.10%	–	548	2,190	3,852	6,590	4,756
Total financial liabilities		252	1,444	2,192	3,852	7,740	5,906
2017							
Trade/other payables	0.00%	240	1,903	2	–	2,145	2,145
Loans and advances	6.63%	–	330	1,320	964	2,614	1,982
Total financial liabilities		240	2,233	1,322	964	4,759	4,127

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 20. Material budget variations

\$ '000

Council's original financial budget for 17/18 was adopted by the Council on 19 June 2017 and is not required to be audited.

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

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

Note that for variations* of budget to actual :

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

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

\$ '000	2018 Budget	2018 Actual	2018 Variance*	
REVENUES				
Rates and annual charges	10,555	10,530	(25)	(0%) U
User charges and fees	1,846	2,435	589	32% F
Quarry revenues were higher than forecast due to the large volume of material used in completion of works on the Southern Cadia Access and Browns Creek Road upgrades.				
Interest and investment revenue	375	413	38	10% F
Interest forecasts were conservative given the low interest rate climate that has been experienced over the last couple of years. A 2.5% rate was forecast with the average annual interest rate achieved being 2.63%				
Other revenues	227	356	129	57% F
Diesel fuel rebates received were 60k more than forecast due to the massive capital works programs undertaken this financial year and the purchase of additional temporary fleet to resources works. Council also received 16k in energy savings credits for two of its high use sites.				
Operating grants and contributions	3,450	3,642	192	6% F
Capital grants and contributions	8,924	6,085	(2,839)	(32%) U
Council forecast major works to CentrePoint but was unsuccessful with the first round of funding needed to complete the works, 437k of grant funding was forecast to help fund this project. Council was also unsuccessful in securing funding for works on Mandurama Rd of 391k. Major works were programmed on both Browns Creek Rd & the Southern Cadia Access which forecast grant funding of 7.1m. Both projects are well under construction but did not reach the anticipated completion milestone by 30 June 2018. Progress claims for works are submitted in arrears and as such were not received in 2017/18 as originally forecast				
Net gains from disposal of assets	713	180	(533)	(75%) U
Council replaced six timber bridges in 2017/18 and did not foresee a significant loss on the disposal of assets of 266k. Some of the bridges were still in a reasonable state however efficiencies were made by replacing all six bridges at once.				
Joint ventures and associates - net profits	–	188	188	0% F
Council did not budget any share of interests in Joint Ventures and associates.				

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 20. Material budget variations (continued)

\$ '000	2018 Budget	2018 Actual	2018 Variance*	
EXPENSES				
Employee benefits and on-costs	6,516	6,501	15	0% F
Borrowing costs	202	176	26	13% F
New borrowings to fund the Bridge Replacement Program were drawn later than forecast				
Materials and contracts	2,224	2,535	(311)	(14%) U
Council budgeted for the recruitment of a temporary workforce to manage general operations during construction of its major capital works program. Temporary staff proved difficult to recruit and operations were resourced through contracts with labour hire companies including a temporary Operations Manager.				
Depreciation and amortisation	5,400	5,457	(57)	(1%) U
Other expenses	2,598	2,579	19	1% F

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

Cash flows from operating activities	13,951	10,112	(3,839)	(27.5%) U
A number of budgeted capital grants were either unsuccessful or tracking behind anticipated milestones resulting in \$2.8m variance in Capital Grants received in the 2017/18 year. This funding will be recognised on receipt in the 2018/19 Financial Year.				
Cash flows from investing activities	(15,067)	(19,914)	(4,847)	32.2% U
Cash flows from financing activities	1,513	2,774	1,261	83.3% F
Borrowings to fund the Bridge Replacement Program in 2016/17 were deferred and combined with proposed borrowings in 2017/18. Total new borrowings in 2017/18 was \$3m instead of \$1.8m originally forecast.				

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 21. Fair value measurement

\$ '000

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

– Infrastructure, property, plant and equipment

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

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

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

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

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

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

2018	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring fair value measurements					
Infrastructure, property, plant and equipment					
Plant and equipment	30/06/18	—	—	5,439	5,439
Office equipment	30/06/18	—	—	282	282
Furniture and fittings	30/06/18	—	—	82	82
Operational land	30/06/18	—	—	1,165	1,165
Community land	30/06/18	—	—	4,043	4,043
Depreciable land improvements	30/06/18	—	—	3,646	3,646
Buildings – specialised	30/06/18	—	—	1,379	1,379
Buildings – non-specialised	30/06/18	—	—	16,305	16,305
Open space/recreation assets	30/06/18	—	—	3,134	3,134
Roads	30/06/18	—	—	104,542	104,542
Bridges	30/06/18	—	—	24,502	24,502
Footpaths	30/06/18	—	—	4,325	4,325
Bulk earthworks	30/06/18	—	—	11,625	11,625
Stormwater	30/06/18	—	—	8,697	8,697
Sewerage network	30/06/18	—	—	19,768	19,768
Tip assets	30/06/18	—	—	121	121
Quarry assets	30/06/18	—	—	162	162
Capital Work In Progress	30/06/18	—	—	667	667
Swimming Pools	30/06/18	—	—	828	828
Total infrastructure, property, plant and equipment		—	—	210,712	210,712

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 21. Fair value measurement (continued)

\$ '000

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

		Fair value measurement hierarchy			
		Level 1	Level 2	Level 3	Total
	Date	Quoted	Significant	Significant	
	of latest	prices in	observable	unobservable	
	valuation	active mkts	inputs	inputs	
Recurring fair value measurements					
Infrastructure, property, plant and equipment					
Plant and equipment	30/06/17	—	—	4,594	4,594
Office equipment	30/06/17	—	—	144	144
Furniture and fittings	30/06/17	—	—	142	142
Operational land	30/06/17	—	—	1,317	1,317
Community land	30/06/17	—	—	4,043	4,043
Depreciable land improvements	30/06/17	—	—	4,070	4,070
Buildings – specialised	30/06/17	—	—	1,417	1,417
Buildings – non-specialised	30/06/17	—	—	14,623	14,623
Open space/recreation assets	30/06/17	—	—	2,955	2,955
Roads	30/06/17	—	—	99,483	99,483
Bridges	30/06/17	—	—	23,036	23,036
Footpaths	30/06/17	—	—	4,272	4,272
Bulk earthworks	30/06/17	—	—	11,625	11,625
Stormwater	30/06/17	—	—	7,624	7,624
Sewerage network	30/06/17	—	—	19,870	19,870
Tip assets	30/06/17	—	—	79	79
Quarry assets	30/06/17	—	—	177	177
Capital Work In Progress	30/06/17	—	—	152	152
Total infrastructure, property, plant and equipment		—	—	199,623	199,623

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

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 21. Fair value measurement (continued)

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

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

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

Infrastructure, Property, Plant & Equipment

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

Valuation Techniques: 'Cost approach'

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

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

Office Equipment – Computers, servers

Valuation Techniques: 'Cost approach'

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

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

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

Valuation Techniques: 'Cost approach'

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

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 21. Fair value measurement (continued)

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

Valuation Techniques: 'Market approach'

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

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

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

With regard to the above Australis Asset Advisory Group analysed sales of similar properties as a basis of comparison in order to arrive at a value

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

Valuation Techniques: 'Cost approach'

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

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

Community Land:

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 21. Fair value measurement (continued)

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

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

Valuation Techniques: 'Cost approach'

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

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

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

Valuation Techniques: 'Cost approach'

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

Council's buildings were valued at fair value on 30th June 2018 in accordance with Australian Property Institute's (API) Code of Professional Practice, TPP 14-01 Valuation of Physical Non-Current Assets at Fair Value and Australian Accounting Standard (including AASB13) and the NSW Department of Local Government Guidelines. 'Fair value' is the best estimate of the price reasonably obtainable in the market at the date of valuation.

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

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

Valuation Techniques: 'Cost approach'

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 21. Fair value measurement (continued)

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

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

Roads – Road surface, pavement, formation, major earthworks

Valuation Techniques: 'Cost approach'

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

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

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

Roads – Sealed and Unsealed

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

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

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 21. Fair value measurement (continued)

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

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

Culverts

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

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

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

Kerb and Gutter

Asset register was developed using a combination of 10cm Aerial imagery for Blayney and Millthorpe and 50cm Aerial imagery for the other Villages. This data was verified with an inspection program to determine the accuracy and materials used. The bulk of BSC's Kerb and Gutter network is concrete ('high back' or 'roll back'), however some Kerb and Gutter is constructed from Bluestone or River Stone. Condition assessment for Kerb and Gutter was assumed to be an average of 2; as the vast majority of Council's Kerb and Gutter is in satisfactory condition, in that it is still able to function.

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 21. Fair value measurement (continued)

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

Bridges – (excluding culverts under 6 metres in length)

Valuation Techniques: 'Cost approach'

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

Council's bridge infrastructure assets were last valued on 30 June 2015.

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

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

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

Footpaths – Footways including cycleways

Valuation Techniques: 'Cost approach'

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

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

Stormwater Drainage – includes pits, pipes

Valuation Techniques: 'Cost approach'

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 21. Fair value measurement (continued)

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

Stormwater Drainage

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

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

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

Valuation Techniques: 'Cost approach'

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

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

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

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

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 21. Fair value measurement (continued)

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

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

Swimming Pools

Valuation Techniques: 'Cost approach'

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

Council's swimming pools were valued at fair value on 30th June 2018 in accordance with Australian Property Institute's (API) Code of Professional Practice, TPP 14-01 Valuation of Physical Non-Current Assets at Fair Value and Australian Accounting Standard (including AASB13) and the NSW Department of Local Government Guidelines. 'Fair value' is the best estimate of the price reasonably obtainable in the market at the date of valuation.

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

Tip and Quarry Assets – Reinstatement, rehabilitation and restoration

Valuation Techniques: 'Cost approach'

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

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

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

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 21. Fair value measurement (continued)

\$ '000

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

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

	Operational land	Community land	Depreciable land impro- vements	Buildings – specialised	Total
Opening balance – 1/7/16	1,467	4,043	4,385	10,114	20,009
Purchases (GBV)	–	–	36	372	408
Depreciation and impairment	–	–	(351)	(602)	(953)
Prior Period Adjustment	(150)	–	–	4,739	4,589
Closing balance – 30/6/17	1,317	4,043	4,070	14,623	24,053
Transfers from/(to) another asset class	(187)	–	(107)	(843)	(1,137)
Purchases (GBV)	–	–	68	398	466
Disposals (WDV)	–	–	(32)	(34)	(66)
Depreciation and impairment	–	–	(353)	(713)	(1,066)
FV gains – other comprehensive income	35	–	–	2,874	2,909
Closing balance – 30/6/18	1,165	4,043	3,646	16,305	25,159

	Buildings – non- specialised	Open space/ recreation assets	Roads	Bridges	Total
Opening balance – 1/7/16	1,960	2,576	96,905	22,591	124,032
Transfers from/(to) another asset class	–	–	23	(23)	–
Purchases (GBV)	228	465	4,559	768	6,020
Disposals (WDV)	–	–	–	(35)	(35)
Depreciation and impairment	(121)	(85)	(2,004)	(265)	(2,475)
Transfer to asset held for sale	(650)	–	–	–	(650)
Closing balance – 30/6/17	1,417	2,955	99,483	23,036	126,891
Transfers from/(to) another asset class	40	86	33	(15)	144
Purchases (GBV)	–	178	7,357	1,994	9,529
Disposals (WDV)	(1)	–	–	(267)	(268)
Depreciation and impairment	(90)	(85)	(2,331)	(246)	(2,752)
FV gains – other comprehensive income	13	–	–	–	13
Closing balance – 30/6/18	1,379	3,134	104,542	24,502	133,557

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 21. Fair value measurement (continued)

\$ '000

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

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

	Footpaths	Bulk earthworks	Stormwater	Sewerage network	Total
Opening balance – 1/7/16	3,721	11,625	7,339	19,577	42,262
Purchases (GBV)	626	–	366	119	1,111
Depreciation and impairment	(75)	–	(81)	(519)	(675)
FV gains – Income Statement ¹	–	–	–	693	693
Closing balance – 30/6/17	4,272	11,625	7,624	19,870	43,391
Transfers from/(to) another asset class	6	–	–	–	6
Purchases (GBV)	128	–	1,159	–	1,287
Depreciation and impairment	(81)	–	(86)	(509)	(676)
FV gains – other comprehensive income	–	–	–	407	407
Closing balance – 30/6/18	4,325	11,625	8,697	19,768	44,415

	Plant and equipment	Office equipment	Furniture and fittings	Tip, Quarry & Swimming Pool	Total
Opening balance – 1/7/16	2,829	161	143	269	3,402
Purchases (GBV)	2,554	52	18	–	2,624
Disposals (WDV)	(126)	–	–	–	(126)
Depreciation and impairment	(663)	(69)	(19)	(25)	(776)
FV gains – other comprehensive income	–	–	–	12	12
Closing balance – 30/6/17	4,594	144	142	256	5,136
Transfers from/(to) another asset class	(42)	42	(45)	1,050	1,005
Purchases (GBV)	1,983	154	3	53	2,193
Disposals (WDV)	(286)	–	(1)	–	(287)
Depreciation and impairment	(810)	(58)	(17)	(27)	(912)
FV gains – other comprehensive income	–	–	–	(221)	(221)
Closing balance – 30/6/18	5,439	282	82	1,111	6,914

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 21. Fair value measurement (continued)

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

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

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

I,PP&E

Class	Fair Value (30/6/18) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Plant & Equipment	5,439	Cost Approach	<ul style="list-style-type: none"> Gross Replacement Cost Remaining Useful Life 	<ul style="list-style-type: none"> Various 5 to 15 years 	Any changes in the gross replacement value or pattern of consumption will have an impact on fair value.
Office Equipment	282	Cost Approach	<ul style="list-style-type: none"> Gross Replacement Cost Remaining Useful Life 	<ul style="list-style-type: none"> Various 4 to 10 years 	Any changes in the gross replacement value or pattern of consumption will have an impact on fair value.
Furniture & Fittings	82	Cost Approach	<ul style="list-style-type: none"> Gross Replacement Cost Remaining Useful Life 	<ul style="list-style-type: none"> Various 10 to 20 years 	Any changes in the gross replacement value or pattern of consumption will have an impact on fair value.
Operational Land	1,165	Market Approach	<ul style="list-style-type: none"> Price per square metre 	<ul style="list-style-type: none"> \$1 - \$90 per sq. metre 	Changes in land zoning restrictions can have significant impacts on land values per sq. metre. Changes in comparable land sales and availability of land can also have a significant impact.

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 21. Fair value measurement (continued)

Class	Fair Value (30/6/18) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Community Land	4,043	Cost Approach	<ul style="list-style-type: none"> NSW Valuer Generals Valuation (Unimproved Capital Value) 	<ul style="list-style-type: none"> Per Valuer General 	Any change in the average unimproved capital value will increase/decrease fair value.
Depreciable Land Improvements	3,646	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Condition Useful life 	<ul style="list-style-type: none"> \$2 - \$840 per sq. metre Excellent (1) to Poor (5) 10 to 100 years 	Any change in the component pricing and asset condition will have an impact on fair value.
Buildings – Specialised	16,305	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Conditions Useful Life 	<ul style="list-style-type: none"> \$170 - \$148,000 New (0) to Failed (10) 20 to 60 years 	Any change in the component pricing and asset condition will have an impact on fair value.
Buildings – Non Specialised	1,379	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Conditions Useful Life 	<ul style="list-style-type: none"> \$220 - \$2,100 New (0) to Failed (10) 20 to 60 years 	Any change in the component pricing and asset condition will have an impact on fair value.
Open Space/Recreation Assets	3,134	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Conditions Useful Life 	<ul style="list-style-type: none"> \$224 - \$25,751 Excellent (1) to Poor (5) 10 to 100 years 	Any change in the component pricing and asset condition will have an impact on fair value.

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 21. Fair value measurement (continued)

Class	Fair Value (30/6/18) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Roads	104,542	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Conditions Useful Life 	<ul style="list-style-type: none"> \$8 - \$32 per sq. metre (roads) \$88 - \$1,960 (kerb and gutter) \$4,926 - \$12,779 per lineal metre (culverts) Excellent (1) to Poor (5) 20 to 200 years (roads) 80 to 150 years (kerb & gutter) 80 years (culverts) 	Any change in the component pricing and asset condition will have an impact on fair value.
Bridges	24,502	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Conditions Useful Life 	<ul style="list-style-type: none"> \$3,250 per sq. metre Excellent (1) to Poor (5) 80 years 	Any change in the component pricing and asset condition will have an impact on fair value.
Footpaths	4,325	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Conditions Useful Life 	<ul style="list-style-type: none"> \$101 - \$235 per lineal metre Excellent (1) to Poor (5) 80 years 	Any change in the component pricing and asset condition will have an impact on fair value.

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 21. Fair value measurement (continued)

Class	Fair Value (30/6/18) \$'000	Valuation Techniques	Unobservable Inputs	Range of Inputs (incl probable)	Relationship of unobservable inputs to Fair Value
Bulk Earthworks	11,625	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Conditions 	<ul style="list-style-type: none"> \$15 - \$72 per cubic metre Excellent (1) to Poor (5) 	Any change in the component pricing and asset condition will have an impact on fair value.
Stormwater Drainage	8,697	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Conditions Useful Life 	<ul style="list-style-type: none"> \$134 - \$1,960 per lineal metre Excellent (1) to Poor (5) 80 to 100 years 	Any change in the component pricing and asset condition will have an impact on fair value.
Sewerage Network	19,768	Cost Approach	<ul style="list-style-type: none"> Unit Rates Useful Life Residual Life Asset Conditions 	<ul style="list-style-type: none"> Various 16 to 100 years (mean) 11 to 77 years Very Poor (5) to Very Good (1) 	Any change in the component pricing and asset condition will have an impact on fair value.
Swimming Pools	828	Cost Approach	<ul style="list-style-type: none"> Unit Rates Asset Conditions Useful Life 	<ul style="list-style-type: none"> \$5,000 - \$192,000 New (0) to Failed (10) 15 to 80 years 	Any change in the component pricing and asset condition will have an impact on fair value.
Tips & Quarries	283	Cost Approach	<ul style="list-style-type: none"> Discounted Future Cash Flow 	<ul style="list-style-type: none"> 6% 	Any changes in the future cost estimates and discount rate will have an impact on fair value.

(5). Highest and best use

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 22. Related party transactions

\$ '000

a. Key management personnel

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

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

Compensation:	2018	2017
Short-term benefits	882	800
Post-employment benefits	69	60
Other long-term benefits	33	45
Total	984	905

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 22. Related party transactions (continued)

b. Other transactions with KMP and their related parties

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

Nature of the transaction		Value of transactions during year	Outstanding balance (incl. loans and commitments)	Terms and conditions	Provisions for doubtful debts outstanding	Doubtful debts expense recognised
	Ref	Actual \$	Actual \$		Actual \$	Actual \$
2018						
Catering	1	7,006	—	Paid on invoice	—	—
Donations & Financial Assistance Grants	2	2,696	—	Paid on completion of works	—	—
Supply of Water	3	187,543	—	Payable by instalment date	—	—
2017						
Catering	1	12,000	—	Paid on invoice	—	—
Donations & Financial Assistance Grants	2	28,000	—	Paid on completion of works	—	—
Supply of Water	3	127,000	—	Payable by instalment date	—	—

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 23. Statement of developer contributions

\$ '000

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

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

SUMMARY OF CONTRIBUTIONS AND LEVIES

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Local infrastructure fund	813	87	–	22	(109)	–	813	–
S7.11 contributions – under a plan	813	87	–	22	(109)	–	813	–
Total S7.11 and S7.12 revenue under plans	813	87	–	22	(109)	–	813	–
S64 contributions	860	6	–	22	–	–	888	–
Total contributions	1,672	93	–	44	(109)	–	1,700	–

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 23. Statement of developer contributions (continued)

\$ '000

S7.11 CONTRIBUTIONS – UNDER A PLAN

CONTRIBUTION PLAN NUMBER – Local infrastructure fund

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Local infrastructure fund	813	87	–	22	(109)	–	813	–
Total	813	87	–	22	(109)	–	813	–

S64 contributions

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Community facilities	860	6	–	22	–	–	888	–
Total	860	6	–	22	–	–	888	–

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 24. Financial result and financial position by fund

Income Statement by fund		
\$ '000	2018	2018
Continuing operations	Sewer	General¹
Income from continuing operations		
Rates and annual charges	1,100	9,430
User charges and fees	241	2,194
Interest and investment revenue	133	280
Other revenues	7	349
Grants and contributions provided for operating purposes	17	3,625
Grants and contributions provided for capital purposes	6	6,079
Other income		
Net gains from disposal of assets	–	181
Share of interests in joint ventures and associates using the equity method	–	188
Total income from continuing operations	1,504	22,326
Expenses from continuing operations		
Employee benefits and on-costs	259	6,242
Borrowing costs	51	125
Materials and contracts	571	1,964
Depreciation and amortisation	557	4,900
Other expenses	98	2,481
Net losses from the disposal of assets	1	–
Total expenses from continuing operations	1,537	15,712
Operating result from continuing operations	(33)	6,614
Net operating result attributable to each council fund	(33)	6,614
Net operating result for the year before grants and contributions provided for capital purposes	(39)	535

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

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

Blayney Shire Council

Notes to the Financial Statements as at 30 June 2018

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

Statement of Financial Position by fund		
\$ '000	2018	2018
ASSETS	Sewer	General¹
Current assets		
Cash and cash equivalents	911	1,804
Investments	4,785	9,715
Receivables	43	2,070
Inventories	–	1,417
Other	–	67
Total current assets	5,739	15,073
Non-current assets		
Receivables	–	76
Infrastructure, property, plant and equipment	20,669	190,043
Investments accounted for using the equity method	–	24,444
Intangible assets	–	126
Total non-current assets	20,669	214,689
TOTAL ASSETS	26,408	229,762
LIABILITIES		
Current liabilities		
Payables	45	1,103
Income received in advance	–	260
Borrowings	43	274
Provisions	–	1,850
Total current liabilities	88	3,487
Non-current liabilities		
Payables	–	2
Borrowings	567	3,872
Provisions	–	860
Total non-current liabilities	567	4,734
TOTAL LIABILITIES	655	8,221
Net assets	25,753	221,541
EQUITY		
Accumulated surplus	9,274	94,329
Revaluation reserves	16,479	127,212
Total equity	25,753	221,541

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

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

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

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

\$ '000	Amounts 2018	Indicator 2018	Prior periods		Benchmark
			2017	2016	
Local government industry indicators – consolidated					
1. Operating performance ratio					
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions less operating expenses	128	0.74%	10.63%	7.12%	> 0.00%
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions	17,376				
2. Own source operating revenue ratio					
Total continuing operating revenue ⁽¹⁾ excluding all grants and contributions	13,734	58.54%	60.92%	64.24%	> 60.00%
Total continuing operating revenue ⁽¹⁾	23,461				
3. Unrestricted current ratio					
Current assets less all external restrictions ⁽²⁾	11,276	5.83x	3.93x	7.23x	> 1.5x
Current liabilities less specific purpose liabilities ^(3, 4)	1,933				
4. Debt service cover ratio					
Operating result ⁽¹⁾ before capital excluding interest and depreciation/impairment/amortisation	5,761	14.33x	21.14x	19.39x	> 2x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	402				
5. Rates, annual charges, interest and extra charges outstanding percentage					
Rates, annual and extra charges outstanding	223	2.07%	2.20%	2.23%	< 10% regional & rural
Rates, annual and extra charges collectible	10,778				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	17,215	14.26 mths	15.7 mths	17.3 mths	> 3 mths
Monthly payments from cash flow of operating and financing activities	1,207				

Notes

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

⁽²⁾ Refer Notes 6-8 inclusive.

Also excludes any real estate and land for resale not expected to be sold in the next 12 months.

⁽³⁾ Refer to Notes 12 and 13.

⁽⁴⁾ Refer to Note 12(b) and 13(b) – excludes all payables and provisions not expected to be paid in the next 12 months (incl. ELE).

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

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

\$ '000	General indicators ⁵		Sewer indicators		Benchmark
	2018	2017	2018	2017	
Local government industry indicators – by fund					
1. Operating performance ratio					
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions less operating expenses	1.05%	12.39%	-2.60%	-11.93%	> 0.00%
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions					
2. Own source operating revenue ratio					
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions	55.80%	58.41%	98.47%	96.03%	> 60.00%
Total continuing operating revenue ⁽¹⁾					
3. Unrestricted current ratio					
Current assets less all external restrictions ⁽²⁾	5.83x	3.93x	55.13x	72.92x	> 1.5x
Current liabilities less specific purpose liabilities ^(3, 4)					

Notes

(1) - (4) Refer to Notes at Note 25a above.

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

Blayney Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

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

\$ '000	General indicators ⁵		Sewer indicators		Benchmark
	2018	2017	2018	2017	
Local government industry indicators – by fund (continued)					
4. Debt service cover ratio					
Operating result ⁽¹⁾ before capital excluding interest and depreciation/impairment/amortisation	17.08x	27.23x	5.81x	4.76x	> 2x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)					
5. Rates, annual charges, interest and extra charges outstanding percentage					
Rates, annual and extra charges outstanding	1.86%	2.04%	3.91%	3.68%	< 10% regional & rural
Rates, annual and extra charges collectible					
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	10.27	11.48	66.62	61.94	> 3 months
Monthly payments from cash flow of operating and financing activities	months	months	months	months	

Notes

(1) Refer to Notes at Note 25a above.

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

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

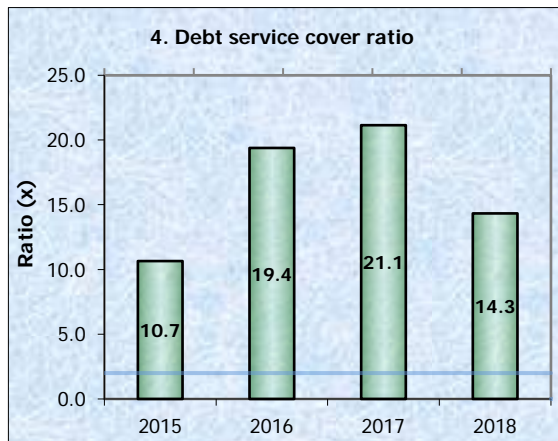
Note 25(c). Statement of performance measures – consolidated results (graphs)

<p>1. Operating performance ratio</p> <p>Benchmark: — Minimum $\geq 0.00\%$ Source for benchmark: Code of Accounting Practice and Financial Reporting #26</p>	<p>Purpose of operating performance ratio</p> <p>This ratio measures Council's achievement of containing operating expenditure within operating revenue.</p>	<p>Commentary on 2017/18 result</p> <p>2017/18 ratio 0.74%</p> <p>The advance payment of the Financial Assistance Grant in 2016/17 was the contributing factor in the variance between this year and last year. Whilst only 1% it is above the industry benchmark.</p>
<p>2. Own source operating revenue ratio</p> <p>Benchmark: — Minimum $\geq 60.00\%$ Source for benchmark: Code of Accounting Practice and Financial Reporting #26</p>	<p>Purpose of own source operating revenue ratio</p> <p>This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.</p>	<p>Commentary on 2017/18 result</p> <p>2017/18 ratio 58.54%</p> <p>Council received a significant number of Capital Grants this year to fund a major works program in 2017/18. The ratio is not a reflection in a decrease in Own Source Revenue</p>
<p>3. Unrestricted current ratio</p> <p>Benchmark: — Minimum ≥ 1.50 Source for benchmark: Code of Accounting Practice and Financial Reporting #26</p>	<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 2017/18 result</p> <p>2017/18 ratio 5.83x</p> <p>Council remains in a strong position to satisfy obligations in the short term.</p>

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

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



Benchmark: — Minimum ≥ 2.00

Source for benchmark: Code of Accounting Practice and Financial Reporting #26

Purpose of debt service cover ratio

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

Commentary on 2017/18 result

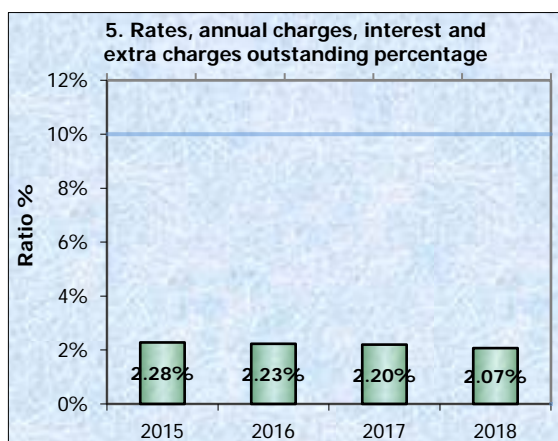
2017/18 ratio 14.33x

New borrowings were financed this year for completion of the bridge replacement program showing a reduction in the ratio but still well above the industry benchmark.



Ratio achieves benchmark

Ratio is outside benchmark



Benchmark: — Maximum $< 10.00\%$

Source for Benchmark: Code of Accounting Practice and Financial Reporting #26

Purpose of rates and annual charges outstanding ratio

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

Commentary on 2017/18 result

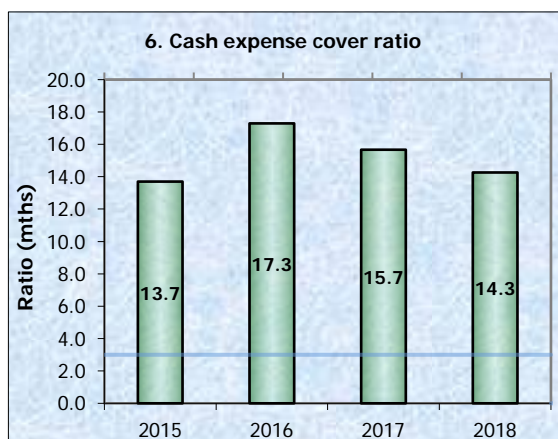
2017/18 ratio 2.07%

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



Ratio is within Benchmark

Ratio is outside Benchmark



Benchmark: — Minimum ≥ 3.00

Source for benchmark: Code of Accounting Practice and Financial Reporting #26

Purpose of cash expense cover ratio

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

Commentary on 2017/18 result

2017/18 ratio 14.26 mths

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



Ratio achieves benchmark

Ratio is outside benchmark

Blayney Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 26. Council information and contact details

Principal place of business:

91 Adelaide Street
Blayney NSW 2799

Contact details**Mailing address:**

PO Box 62
Blayney NSW 2799

Opening hours:

9am to 4:30pm
Monday to Friday

Internet: www.blayney.nsw.gov.au

Email: council@blayney.nsw.gov.au

Officers**GENERAL MANAGER**

R. Ryan

RESPONSIBLE ACCOUNTING OFFICER

T. Irlam

Elected members**MAYOR**

S.J. Ferguson



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial report

Blayney Shire Council

To the Councillors of the Blayney Shire Council

Opinion

I have audited the accompanying financial report of Blayney Shire Council (the Council), which comprise the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Councillors and Management.

In my opinion,

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial report:
 - has been presented, in all material respects, in accordance with the requirements of this Division
 - is consistent with the Council's accounting records
 - presents fairly, in all material respects, the financial position of the Council as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial report have come to light during the audit.

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

Other information comprises the information included in the Council's annual report for the year ended 30 June 2018, other than the financial report and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the special purpose financial statements and Special Schedules (the Schedules).

My opinion on the financial report does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the special purpose financial statements and Special Schedule 2 - Permissible income for general rates.

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note 20 Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule 2 - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial report on any website where it may be presented
- about any other information which may have been hyperlinked to/from the financial report.

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

Karen Taylor
Director, Financial Audit Services

24 October 2018
SYDNEY

The Mayor
Councillor Scott Ferguson
c/- Blayney Shire Council
PO Box 62
BLAYNEY NSW 2799

Contact: Karen Taylor
Phone no: 02 92757311
Our ref: D1825853/1695

24 October 2018

Dear Mayor

**Report on the Conduct of the Audit
for the year ended 30 June 2018
Blayney Shire Council**





I have audited the general purpose financial statements of the Blayney Shire Council (the Council) for the year ended 30 June 2018 as required by section 415 of the *Local Government Act 1993* (the Act).

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

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2018 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the general purpose financial statements issued under section 417(2) of the Act.

INCOME STATEMENT

Operating result

	2018 \$m	2017 \$m	Variance %
Rates and annual charges revenue	10.5	10.5	 --
Grants and contributions revenue	9.7	8.7	 11.5
Operating result for the year	6.6	4.7	 40.4
Net operating result before capital amounts	0.5	2.4	 79.2

Rates and annual charges revenue was consistent with the previous year. Whilst the rate pegging for 2017–18 was set at 1.5 per cent, Council had a carry forward excess from the cessation of a special variation from prior years which has resulted in the actual amount levied being lower than the approved rate pegging.

Council's operating result (\$6.6 million including the effect of depreciation and amortisation expense of \$5.5 million) was \$1.9 million higher than the 2016–17 result.

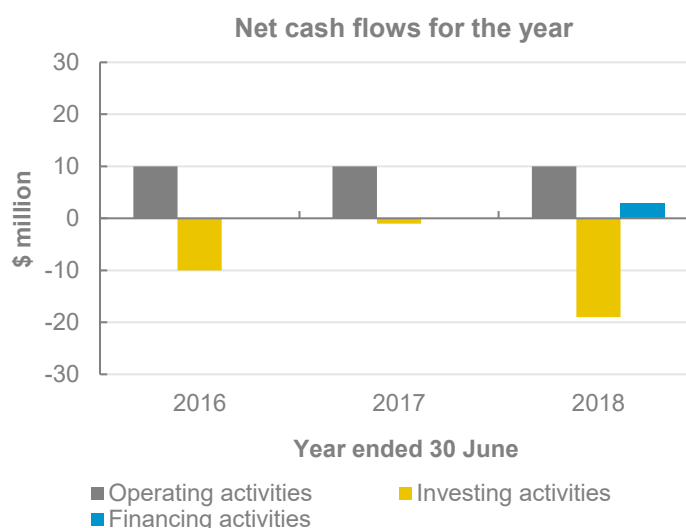
Conversely, the net operating result before capital grants and contributions (\$0.5 million) was \$1.9 million lower than the 2016–17 result.

Total grants and contributions revenue (\$9.7 million) increased by \$1.0 million in 2017–18. This was the net result of a \$2.8 million decrease in operating grants and contributions of and a \$3.8millionincrease in capital grants and contributions mainly due to:

- financial assistance grants received in 2017–18 were \$2.5 million compared to \$3.6 million in 2016–17 due to the timing of payments by the Commonwealth
- receipt of \$3.0 million in capital grants, from Infrastructure NSW, for transport projects under the Resources for Regions program.

STATEMENT OF CASH FLOWS

The net cash inflow for 2017–18 was \$2.7 million (2017 net cash inflow of \$9.7 million). The reduction was primarily due to a net purchase of investment securities in 2017–18 of \$7.0 million compared to a net disposal of \$8.5 million in 2016–17.



FINANCIAL POSITION

Cash and Investments

Cash and Investments	2018	2017	Commentary
	\$m	\$m	
External restrictions	9.1	9.1	Externally restricted balances include unexpended developer contributions water, sewer and domestic waste management charges.
Internal restrictions	8.1	7.6	
Unrestricted	0.1	0.5	
Cash and investments	17.3	17.2	Balances are internally restricted due to Council policy or decisions for forward plans including works program. Unrestricted balances provide liquidity for day-to-day operations.

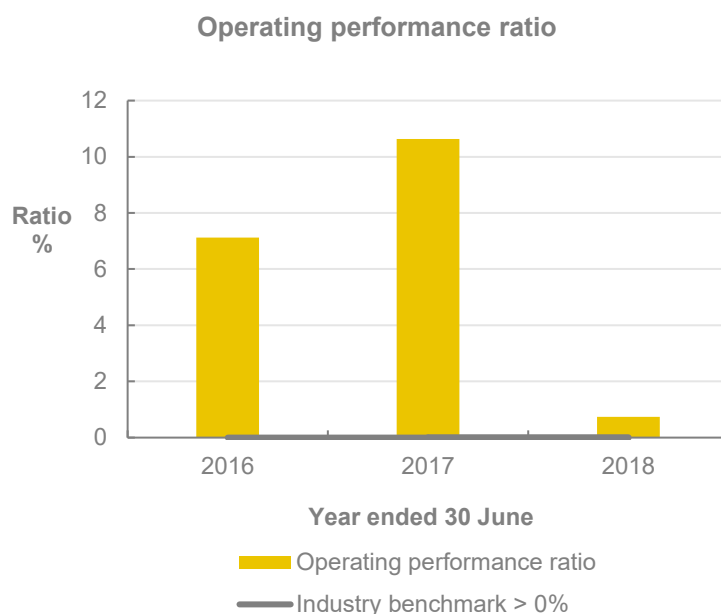
PERFORMANCE RATIOS

The definition of each ratio analysed below (except for the 'building and infrastructure renewals ratio') is included in Note 25 of the Council's audited general purpose financial statements. The 'building and infrastructure renewals ratio' is defined in Council's Special Schedule 7 which has not been audited.

Operating performance ratio

The ratio decreased primarily due to a change in the relative mix of operating and capital grants and contributions, while other revenue sources were relatively stable.

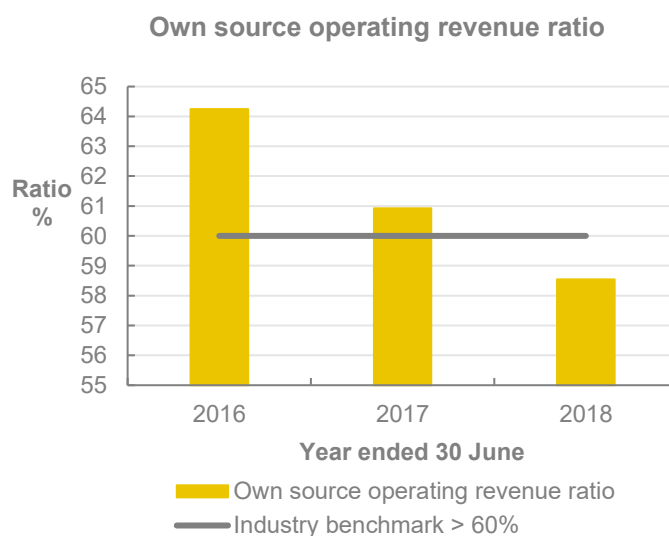
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by the Office of Local Government (OLG) is greater than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



Own source operating revenue ratio

The increase in total grants and contributions for the year was the key driver of the fall in this ratio, rather than a reduction in the level of Council's own source operating revenue.

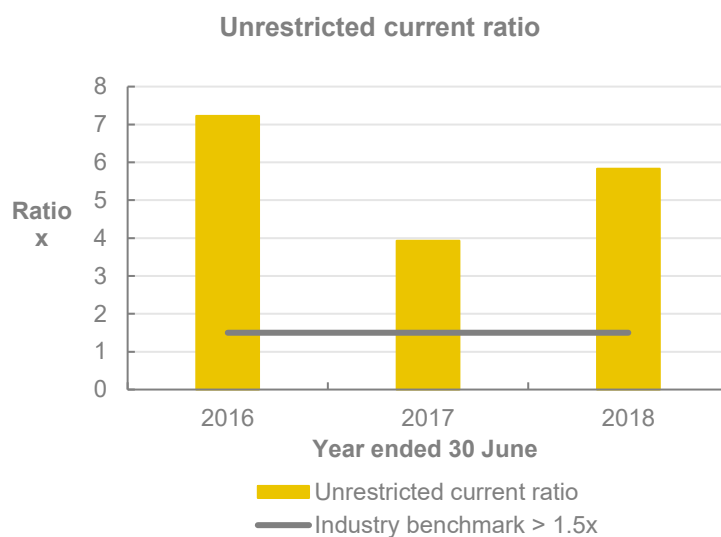
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



Unrestricted current ratio

Council effectively manages its liquidity to consistently exceed the benchmark, having \$5.83 of current assets per \$1 of current obligations.

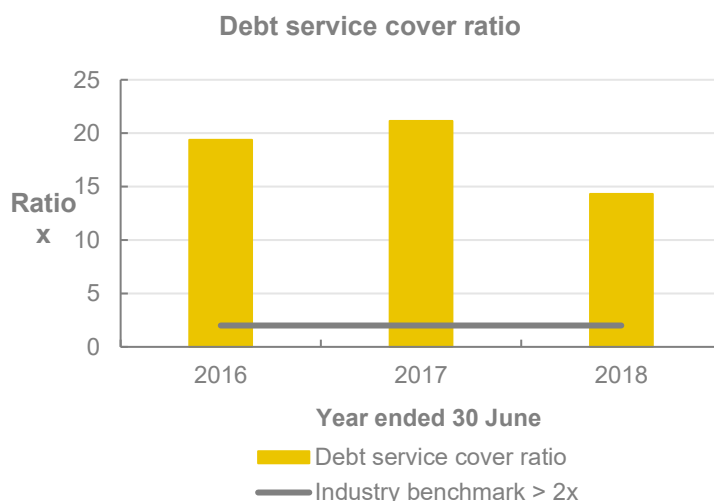
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Debt service cover ratio

This drop in this ratio is due to \$3.0 million in new borrowings drawn down by Council during 2017–18.

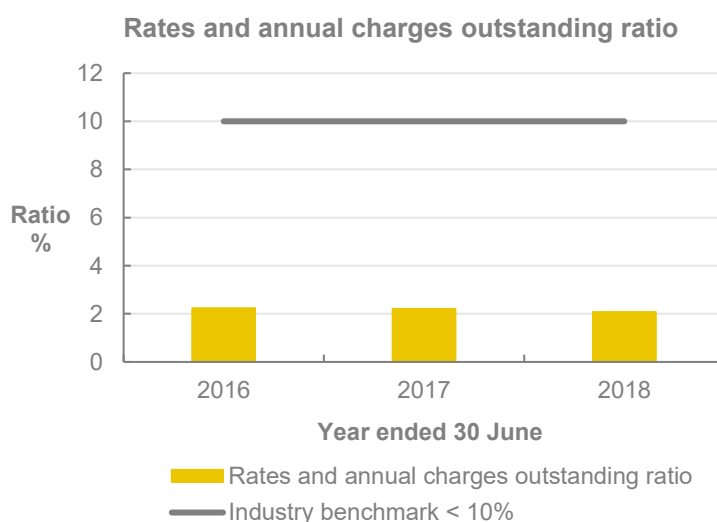
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



Rates and annual charges outstanding ratio

A sustained effort to effectively manage recovery has seen Council consistently outperform the benchmark for rural councils.

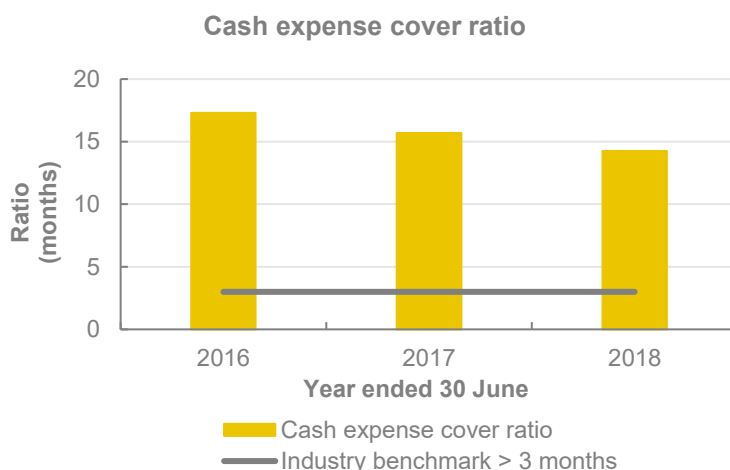
The 'rates and annual charges outstanding ratio' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for rural councils.



Cash expense cover ratio

Council's strong liquidity is reflected by this measure. Council comfortably exceeded the benchmark, as it has done for a number of years.

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

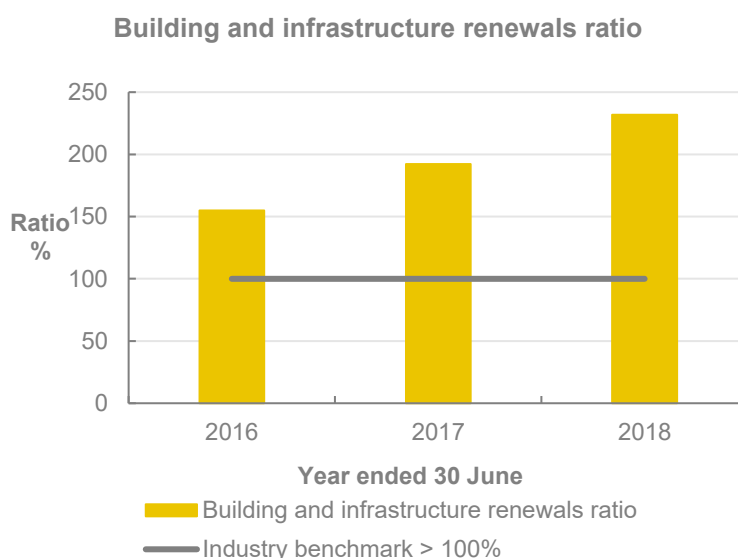


Building and infrastructure renewals ratio (unaudited)

Council has exceeded the building and infrastructure renewals ratio benchmark over the past two years. Council has continued to focus on renewing its assets to meet a standard acceptable to the community. Capital funding for transport projects contributed to this result.

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

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



OTHER MATTERS

New accounting standards implemented

AASB 2016–2 ‘Disclosure Initiative – Amendments to AASB 107’

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

This Standard requires entities to provide disclosures that enable users of financial statements to evaluate changes (both cash flows and non-cash changes) in liabilities arising from financing activities.

Council's disclosure of the changes in their liabilities arising from financing activities is disclosed in Note 11.

Legislative compliance

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

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



Karen Taylor
Director, Financial Audit Services

Blayney Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2018

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



Blayney Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2018

Contents	Page
1. Statement by Councillors and Management	2
2. Special Purpose Financial Statements:	
Income Statement – Sewerage Business Activity	3
Statement of Financial Position – Sewerage Business Activity	4
3. Notes to the Special Purpose Financial Statements	5
4. Auditor's Report	13

Background

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

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

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

Blayney Shire Council

Special Purpose Financial Statements for the year ended 30 June 2018

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 20 August 2018



S. J. Ferguson
Mayor

20/8/2018



D. Kingham
Councillor

20/8/2018



R. Ryan
General Manager

20/8/18



T. Irlam
Responsible Accounting Officer

20/8/2018

Blayney Shire Council

Income Statement of Council's Sewerage Business Activity for the year ended 30 June 2018

\$ '000	2018	2017
Income from continuing operations		
Access charges	1,100	1,061
User charges	173	133
Liquid trade waste charges	68	74
Interest	133	153
Grants and contributions provided for non-capital purposes	17	20
Other income	7	9
Total income from continuing operations	1,498	1,450
Expenses from continuing operations		
Employee benefits and on-costs	259	299
Borrowing costs	51	54
Materials and contracts	571	601
Depreciation, amortisation and impairment	557	566
Loss on sale of assets	1	—
Other expenses	98	103
Total expenses from continuing operations	1,537	1,623
Surplus (deficit) from continuing operations before capital amounts	(39)	(173)
Grants and contributions provided for capital purposes	6	38
Surplus (deficit) from continuing operations after capital amounts	(33)	(135)
Surplus (deficit) from all operations before tax	(33)	(135)
SURPLUS (DEFICIT) AFTER TAX	(33)	(135)
Plus opening retained profits	9,308	9,443
Closing retained profits	9,275	9,308
Return on capital %	0.1%	-0.6%
Subsidy from Council	532	608
Calculation of dividend payable:		
Surplus (deficit) after tax	(33)	(135)

Blayney Shire Council

Statement of Financial Position – Council's Sewerage Business Activity
as at 30 June 2018

\$ '000	2018	2017
ASSETS		
Current assets		
Cash and cash equivalents	911	695
Investments	4,785	4,647
Receivables	43	39
Total current Assets	5,739	5,381
Non-current assets		
Infrastructure, property, plant and equipment	20,669	20,548
Total non-current assets	20,669	20,548
TOTAL ASSETS	26,408	25,929
LIABILITIES		
Current liabilities		
Payables	45	22
Borrowings	43	40
Total current liabilities	88	62
Non-current liabilities		
Borrowings	567	610
Total non-current liabilities	567	610
TOTAL LIABILITIES	655	672
NET ASSETS	25,753	25,257
EQUITY		
Accumulated surplus	9,274	9,307
Revaluation reserves	16,479	15,950
Council equity interest	25,753	25,257
TOTAL EQUITY	25,753	25,257

Blayney Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2018

Contents of the notes accompanying the financial statements

Note	Details	Page
1	Summary of significant accounting policies	6
2	Water Supply Business Best-Practice Management disclosure requirements	n/a
3	Sewerage Business Best-Practice Management disclosure requirements	10

Blayney Shire Council

Notes to the Special Purpose Financial Statements for the year ended 30 June 2018

Note 1. Significant accounting policies

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

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

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

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

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

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

National Competition Policy

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

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

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

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard for disclosure requirements.

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

Declared business activities

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

Category 1

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

Nil

Blayney Shire Council

Notes to the Special Purpose Financial Statements for the year ended 30 June 2018

Note 1. Significant accounting policies (continued)

Category 2

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

a. Blayney Sewerage Service

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

b. Millthorpe Sewerage Service

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

Monetary amounts

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

As required by Crown Lands and Water (CLAW), the amounts shown in Note 3 are disclosed in whole dollars.

(i) Taxation-equivalent charges

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

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

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

Notional rate applied (%)

Corporate income tax rate – 30%

Land tax – the first \$629,000 of combined land values attracts **0%**. For the combined land values in excess of \$629,001 up to \$3,846,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$3,846,000 a premium marginal rate of **2.0%** applies.

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

In accordance with Crown Lands and Water (CLAW), a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from sewerage business activities.

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

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

Blayney Shire Council

Notes to the Special Purpose Financial Statements for the year ended 30 June 2018

Note 1. Significant accounting policies (continued)

Income tax

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

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

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

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

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

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

Local government rates and charges

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

Loan and debt guarantee fees

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

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

(ii) Subsidies

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

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

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

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

(iii) Return on investments (rate of return)

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

Blayney Shire Council

Notes to the Special Purpose Financial Statements for the year ended 30 June 2018

Note 1. Significant accounting policies (continued)

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

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

The rate of return is calculated as follows:

Operating result before capital income + interest expense

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

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 2.63% at 30/6/18.

(iv) Dividends

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

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

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

- (i) 50% of this surplus in any one year, or
- (ii) the number of sewerage assessments at 30 June 2018 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

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

END OF AUDITED SPECIAL PURPOSE FINANCIAL STATEMENTS

Blayney Shire Council

Notes to the Special Purpose Financial Statements for the year ended 30 June 2018

Note 3. Sewerage business best-practice management disclosure requirements

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

2018

1. Calculation and payment of tax-equivalents

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

(i)	Calculated tax equivalents	<input type="text" value="–"/>
(ii)	Number of assessments multiplied by \$3/assessment	<input type="text" value="5,703"/>
(iii)	Amounts payable for tax equivalents [lesser of (i) and (ii)]	<input type="text" value="–"/>
(iv)	Amounts actually paid for tax equivalents	<input type="text" value="–"/>

2. Dividend from surplus

(i)	50% of surplus before dividends [calculated in accordance with Best-Practice Management for Water Supply and Sewerage Guidelines]	<input type="text" value="–"/>
(ii)	Number of assessments x (\$30 less tax equivalent charges per assessment)	<input type="text" value="57,030"/>
(iii)	Cumulative surplus before dividends for the 3 years to 30 June 2018, less the cumulative dividends paid for the 2 years to 30 June 2017 and 30 June 2016	<input type="text" value="(204,843)"/>

2018 Surplus	<input type="text" value="(33,000)"/>	2017 Surplus	<input type="text" value="(135,000)"/>	2016 Surplus	<input type="text" value="(36,843)"/>
		2017 Dividend	<input type="text" value="–"/>	2016 Dividend	<input type="text" value="–"/>

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

3. Required outcomes for 4 criteria

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

(i)	Completion of strategic business plan (including financial plan)	<input type="text"/>
(ii)	Pricing with full cost-recovery, without significant cross subsidies [refer item 2 (a) in table 1 on page 22 of the Best-Practice Guidelines]	<input type="text"/>
	Complying charges	
	(a) Residential [item 2 (c) in table 1]	<input type="text"/>
	(b) Non-residential [item 2 (c) in table 1]	<input type="text"/>
	(c) Trade waste [item 2 (d) in table 1]	<input type="text"/>
	DSP with commercial developer charges [item 2 (e) in table 1]	<input type="text"/>
	Liquid trade waste approvals and policy [item 2 (f) in table 1]	<input type="text"/>
(iii)	Complete performance reporting form (by 15 September each year)	<input type="text"/>
(iv)	a. Integrated water cycle management evaluation	<input type="text"/>
	b. Complete and implement integrated water cycle management strategy	<input type="text"/>

Blayney Shire Council

Notes to the Special Purpose Financial Statements for the year ended 30 June 2018

Note 3. Sewerage business best-practice management disclosure requirements (continued)

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

2018

National Water Initiative (NWI) financial performance indicators

NWI F2	Total revenue (sewerage) Total income (s14) – grants for acquisition of assets (s12a) – interest income (s10) – Aboriginal Communities W&S Program income (w10a)	\$'000	1,371
NWI F10	Written down replacement cost of fixed assets (sewerage) Written down current cost of system assets (s48)	\$'000	20,478
NWI F12	Operating cost (sewerage) Management expenses (s1) + operational and maintenance expenses (s2)	\$'000	928
NWI F15	Capital expenditure (sewerage) Acquisition of fixed assets (s17)	\$'000	41
NWI F18	Economic real rate of return (sewerage) [total income (s14) – interest income (s10) – grants for acquisition of assets (s12a) – operating cost (NWI F12) – current cost depreciation (s3)] x 100 divided by [written down current cost (i.e. WDCC) of system assets (s48) + plant and equipment (s34b)]	%	-0.55%
NWI F27	Capital works grants (sewerage) Grants for the acquisition of assets (12a)	\$'000	–

National Water Initiative (NWI) financial performance indicators Water and sewer (combined)

NWI F3	Total income (water and sewerage) Total income (w13 + s14) + gain/loss on disposal of assets (w14 + s15) minus grants for acquisition of assets (w11a + s12a) – interest income (w9 + s10)	\$'000	1,370
NWI F8	Revenue from community service obligations (water and sewerage) Community service obligations (NWI F25) x 100 divided by total income (NWI F3)	%	0.80%
NWI F16	Capital expenditure (water and sewerage) Acquisition of fixed assets (w16 + s17)	\$'000	41
NWI F19	Economic real rate of return (water and sewerage) [total income (w13 + s14) – interest income (w9 + s10) – grants for acquisition of assets (w11a + s12a) – operating cost (NWI F11 + NWI F12) – current cost depreciation (w3 + s3)] x 100 divided by [written down replacement cost of fixed assets (NWI F9 + NWI F10) + plant and equipment (w33b + s34b)]	%	-0.55%
NWI F20	Dividend (water and sewerage) Dividend paid from surplus (2 (v) of Note 2 + 2 (v) of Note 3)	\$'000	–
NWI F21	Dividend payout ratio (water and sewerage) Dividend (NWI F20) x 100 divided by net profit after tax (NWI F24)	%	0.00%

Blayney Shire Council

Notes to the Special Purpose Financial Statements for the year ended 30 June 2018

Note 3. Sewerage business best-practice management disclosure requirements (continued)

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

2018

National Water Initiative (NWI) financial performance indicators Water and sewer (combined)

NWI F22	Net debt to equity (water and sewerage)	%	-19.75%
	Overdraft (w36 + s37) + borrowings (w38 + s39) – cash and investments (w30 + s31) x 100 divided by [total assets (w35 + s36) – total liabilities (w40 + s41)]		
NWI F23	Interest cover (water and sewerage)		-
	Earnings before interest and tax (EBIT) divided by net interest		
	Earnings before interest and tax (EBIT):		(114)
	Operating result (w15a + s16a) + interest expense (w4a + s4a) – interest income (w9 + s10) – gain/loss on disposal of assets (w14 + s15) + miscellaneous expenses (w4b + w4c + s4b + s4c)		
	Net interest:		(82)
	Interest expense (w4a + s4a) – interest income (w9 + s10)		
NWI F24	Net profit after tax (water and sewerage)	\$'000	(33)
	Surplus before dividends (w15a + s16a) – tax equivalents paid (Note 2-1 (iv) + Note 3-1 (iv))		
NWI F25	Community service obligations (water and sewerage)	\$'000	11
	Grants for pensioner rebates (w11b + s12b)		

- Notes:
- References to w (eg. s12) refer to item numbers within Special Schedules 5 and 6 of Council's Annual Financial Statements.
 - The NWI performance indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators and Definitions.
- a refer to 3.2 (2) on page 15 of the Best-Practice Management of Water Supply and Sewerage Guidelines, 2007



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial report

Blayney Shire Council

To the Councillors of the Blayney Shire Council

Opinion

I have audited the accompanying special purpose financial report (the financial report) of Blayney Shire Council's (the Council) Sewerage Business Activity, which comprise the Income Statement of the Sewerage Business Activity for the year ended 30 June 2018, the Statement of Financial Position of the Sewerage Business Activity as at 30 June 2018, notes comprising a summary of Significant accounting policies and other explanatory information for the Business Activity declared by Council, and the Statement by Councillors and Management.

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Council's Sewerage Business Activity as at 30 June 2018, and its financial performance for the year then ended, in accordance with the Australian Accounting Standards described in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting (LG Code).

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

Emphasis of Matter - Basis of Accounting

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

Other information comprises the information included in the Council's annual report for the year ended 30 June 2018, other than the financial report and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

My opinion on the financial report does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements and Special Schedule 2 - Permissible income for general rates.

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Report

The Councillors are responsible for the preparation and fair presentation of the financial report and for determining that the accounting policies, described in Note 1 to the financial report, are appropriate to meet the requirements in the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the best practice management disclosures in Notes 2 and 3 of the financial report
- about the security and controls over the electronic publication of the audited financial report on any website where it may be presented
- about any other information which may have been hyperlinked to/from the financial report.

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

Karen Taylor
Director, Financial Audit Services

24 October 2018
SYDNEY

Blayney Shire Council

SPECIAL SCHEDULES

for the year ended 30 June 2018

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



Blayney Shire Council

Special Schedules for the year ended 30 June 2018

Contents		Page
Special Schedules ¹		
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¹ Special Schedules are not audited (with the exception of Special Schedule 2).

Background

- (i) These Special Schedules have been designed to meet the requirements of special purpose users such as;
- the NSW Grants Commission
 - the Australian Bureau of Statistics (ABS),
 - the NSW Office of Water (NOW), and
 - the Office of Local Government (OLG).
- (ii) The financial data is collected for various uses including;
- the allocation of Financial Assistance Grants,
 - the incorporation of Local Government financial figures in national statistics,
 - the monitoring of loan approvals,
 - the allocation of borrowing rights, and
 - the monitoring of the financial activities of specific services.

Blayney Shire Council

Special Schedule 1 – Net Cost of Services for the year ended 30 June 2018

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
Governance	536	6	–	(530)
Administration	3,070	515	183	(2,372)
Public order and safety				
Fire service levy, fire protection, emergency services	391	46	220	(125)
Beach control	–	–	–	–
Enforcement of local government regulations	–	–	–	–
Animal control	114	10	–	(104)
Other	1	–	–	(1)
Total public order and safety	506	56	220	(230)
Health	59	12	–	(47)
Environment				
Noxious plants and insect/vermin control	70	–	–	(70)
Other environmental protection	–	–	–	–
Solid waste management	1,204	1,292	–	88
Street cleaning	115	–	–	(115)
Drainage	114	6	–	(108)
Stormwater management	–	–	–	–
Total environment	1,503	1,298	–	(205)
Community services and education				
Administration and education	6	–	–	(6)
Social protection (welfare)	–	–	–	–
Aged persons and disabled	–	–	–	–
Children's services	13	1	–	(12)
Total community services and education	19	1	–	(18)
Housing and community amenities				
Public cemeteries	50	105	–	55
Public conveniences	127	(3)	46	(84)
Street lighting	135	21	–	(114)
Town planning	297	142	–	(155)
Other community amenities	–	–	–	–
Total housing and community amenities	609	265	46	(298)
Water supplies	–	–	–	–
Sewerage services	1,537	1,498	6	(33)

Blayney Shire Council

Special Schedule 1 – Net Cost of Services (continued)

for the year ended 30 June 2018

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
Recreation and culture				
Public libraries	188	39	—	(149)
Museums	—	—	—	—
Art galleries	—	—	—	—
Community centres and halls	165	14	—	(151)
Performing arts venues	—	—	—	—
Other performing arts	—	—	—	—
Other cultural services	5	—	—	(5)
Sporting grounds and venues	350	14	180	(156)
Swimming pools	1,088	361	—	(727)
Parks and gardens (lakes)	1,036	42	90	(904)
Other sport and recreation	93	—	5	(88)
Total recreation and culture	2,925	470	275	(2,180)
Fuel and energy	—	—	—	—
Agriculture	—	—	—	—
Mining, manufacturing and construction				
Building control	139	102	—	(37)
Other mining, manufacturing and construction	733	637	—	(96)
Total mining, manufacturing and const.	872	739	—	(133)
Transport and communication				
Urban roads (UR) – local	2,362	—	—	(2,362)
Urban roads – regional	—	—	—	—
Sealed rural roads (SRR) – local	1,544	2,008	4,643	5,107
Sealed rural roads (SRR) – regional	220	327	202	309
Unsealed rural roads (URR) – local	—	—	—	—
Unsealed rural roads (URR) – regional	—	—	—	—
Bridges on UR – local	—	—	—	—
Bridges on SRR – local	377	(238)	—	(615)
Bridges on URR – local	—	—	165	165
Bridges on regional roads	11	—	—	(11)
Parking areas	—	—	—	—
Footpaths	115	—	330	215
Aerodromes	—	—	—	—
Other transport and communication	515	478	—	(37)
Total transport and communication	5,144	2,575	5,340	2,771
Economic affairs				
Camping areas and caravan parks	—	—	—	—
Other economic affairs	468	492	15	39
Total economic affairs	468	492	15	39
Totals – functions	17,248	7,927	6,085	(3,236)
General purpose revenues ⁽¹⁾		9,629		9,629
Share of interests – joint ventures and associates using the equity method	—	188		188
NET OPERATING RESULT ⁽²⁾	17,248	17,744	6,085	6,581

(1) Includes: rates and annual charges (including ex gratia, excluding water and sewer), non-capital general purpose grants, interest on investments (excluding externally restricted assets) and interest on overdue rates and annual charges (2) As reported in the Income Statement

Blayney Shire Council

Special Schedule 2 – Permissible income for general rates

for the year ended 30 June 2019

\$'000		Calculation 2018/19	Calculation 2017/18
Notional general income calculation ⁽¹⁾			
Last year notional general income yield	a	8,421	8,532
Plus or minus adjustments ⁽²⁾	b	(12)	(33)
Notional general income	c = (a + b)	8,409	8,499
Permissible income calculation			
Special variation percentage ⁽³⁾	d	0.00%	0.00%
Or rate peg percentage	e	2.30%	1.50%
Or crown land adjustment (incl. rate peg percentage)	f	0.00%	0.00%
Less expiring special variation amount	g	—	—
Plus special variation amount	h = d x (c – g)	—	—
Or plus rate peg amount	i = c x e	193	127
Or plus Crown land adjustment and rate peg amount	j = c x f	—	—
Sub-total	k = (c + g + h + i + j)	8,602	8,626
Plus (or minus) last year's carry forward total	l	2	(208)
Less valuation objections claimed in the previous year	m	(6)	(1)
Sub-total	n = (l + m)	(4)	(209)
Total permissible income	o = k + n	8,598	8,417
Less notional general income yield	p	8,597	8,421
Catch-up or (excess) result	q = o – p	1	(4)
Plus income lost due to valuation objections claimed ⁽⁴⁾	r	—	6
Less unused catch-up ⁽⁵⁾	s	—	—
Carry forward to next year	t = q + r – s	1	2

Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916*.
- (3) The 'special variation percentage' is inclusive of the rate peg percentage and where applicable Crown land adjustment.
- (4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- (5) Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- (6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the *NSW Government Gazette* in accordance with section 512 of the *Local Government Act 1993*. The OLG will extract these amounts from Council's Special Schedule 2 in the financial data return (FDR) to administer this process.



INDEPENDENT AUDITOR'S REPORT

Special Schedule 2 - Permissible Income for general rates

Blayney Shire Council

To the Councillors of Blayney Shire Council

Opinion

I have audited the accompanying Special Schedule 2 – Permissible Income for general rates (the Schedule) of Blayney Shire Council (the Council) for the year ending 30 June 2018.

In my opinion, the Schedule of the Council for the year ending 30 June 2018 is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting (LG Code) issued by the Office of Local Government (OLG), and is in accordance with the books and records of the Council.

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter – Basis of Accounting

Without modifying my opinion, I draw attention to the special purpose framework used to prepare the Schedule. The Schedule had been prepared for the purpose of fulfilling the Council's reporting obligations under the LG Code. As a result, the Schedule may not be suitable for another purpose.

Other Information

Other information comprises the information included in the Council's annual report for the year ended 30 June 2018, other than the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements, special purpose financial statements and the Special Schedules excluding Special Schedule 2 (the other Schedules).

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

The Councillors are responsible for the preparation of the Schedule in accordance with the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

A description of my responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar8.pdf. The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited Schedule on any website where it may be presented
- about any other information which may have been hyperlinked to/from the Schedule.

A handwritten signature in blue ink, appearing to read 'Karen Taylor', is positioned above the printed name and title.

Karen Taylor
Director, Financial Audit Services

24 October 2018
SYDNEY

Blayney Shire Council

Special Schedule 5 – Sewerage Service Income Statement

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2018

\$'000	2018	2017
A Expenses and income		
Expenses		
1. Management expenses		
a. Administration	371	361
b. Engineering and supervision	–	–
2. Operation and maintenance expenses		
– mains		
a. Operation expenses	171	280
b. Maintenance expenses	1	3
– Pumping stations		
c. Operation expenses (excluding energy costs)	60	39
d. Energy costs	17	20
e. Maintenance expenses	–	–
– Treatment		
f. Operation expenses (excl. chemical, energy, effluent and biosolids management costs)	240	256
g. Chemical costs	24	8
h. Energy costs	44	36
i. Effluent management	–	–
j. Biosolids management	–	–
k. Maintenance expenses	–	–
– Other		
l. Operation expenses	–	–
m. Maintenance expenses	–	–
3. Depreciation expenses		
a. System assets	519	529
b. Plant and equipment	38	37
4. Miscellaneous expenses		
a. Interest expenses	51	54
b. Revaluation decrements	–	–
c. Other expenses	–	–
d. Impairment – system assets	–	–
e. Impairment – plant and equipment	–	–
f. Aboriginal Communities Water and Sewerage Program	–	–
g. Tax equivalents dividends (actually paid)	–	–
5. Total expenses	1,536	1,623

Blayney Shire Council

Special Schedule 5 – Sewerage Service Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2018

\$'000	2018	2017
Income		
6. Residential charges (including rates)	1,100	1,061
7. Non-residential charges		
a. Access (including rates)	–	–
b. Usage charges	173	133
8. Trade waste charges		
a. Annual fees	1	2
b. Usage charges	67	72
c. Excess mass charges	–	–
d. Re-inspection fees	–	–
9. Extra charges	–	–
10. Interest income	133	153
11. Other income	7	9
11a. Aboriginal Communities Water and Sewerage Program	–	–
12. Grants		
a. Grants for acquisition of assets	–	–
b. Grants for pensioner rebates	11	13
c. Other grants	6	8
13. Contributions		
a. Developer charges	6	38
b. Developer provided assets	–	–
c. Other contributions	–	–
14. Total income	1,504	1,489
15. Gain (or loss) on disposal of assets	(1)	–
16. Operating result	(33)	(135)
16a. Operating result (less grants for acquisition of assets)	(33)	(135)

Blayney Shire Council

Special Schedule 5 – Sewerage Service Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2018

\$'000	2018	2017
B Capital transactions		
Non-operating expenditures		
17. Acquisition of fixed assets		
a. New assets for improved standards	–	–
b. New assets for growth	–	–
c. Renewals	–	108
d. Plant and equipment	41	81
18. Repayment of debt	47	40
19. Totals	88	229
Non-operating funds employed		
20. Proceeds from disposal of assets	37	–
21. Borrowing utilised	–	–
22. Totals	37	–
C Rates and charges		
23. Number of assessments		
a. Residential (occupied)	1,497	1,551
b. Residential (unoccupied, ie. vacant lot)	109	126
c. Non-residential (occupied)	244	241
d. Non-residential (unoccupied, ie. vacant lot)	51	46
24. Number of ETs for which developer charges were received	– ET	– ET
25. Total amount of pensioner rebates (actual dollars)	\$ 14,131	\$ 15,062

Blayney Shire Council

Special Schedule 6 – Sewerage Service Statement of Financial Position

Includes internal transactions, i.e. prepared on a gross basis
as at 30 June 2018

\$'000	Current	Non-current	Total
ASSETS			
26. Cash and investments			
a. Developer charges	888	—	888
b. Special purpose grants	—	—	—
c. Accrued leave	—	—	—
d. Unexpended loans	—	—	—
e. Sinking fund	—	—	—
f. Other	4,808	—	4,808
27. Receivables			
a. Specific purpose grants	—	—	—
b. Rates and availability charges	43	—	43
c. User charges	—	—	—
d. Other	—	—	—
28. Inventories	—	—	—
29. Property, plant and equipment			
a. System assets	—	20,478	20,478
b. Plant and equipment	—	191	191
30. Other assets	—	—	—
31. Total assets	5,739	20,669	26,408
LIABILITIES			
32. Bank overdraft	—	—	—
33. Creditors	45	—	45
34. Borrowings	43	567	610
35. Provisions			
a. Tax equivalents	—	—	—
b. Dividend	—	—	—
c. Other	—	—	—
36. Total liabilities	88	567	655
37. NET ASSETS COMMITTED	5,651	20,102	25,753
EQUITY			
38. Accumulated surplus			9,274
39. Asset revaluation reserve			16,479
40. Other reserves			—
41. TOTAL EQUITY			25,753
Note to system assets:			
42. Current replacement cost of system assets			31,713
43. Accumulated current cost depreciation of system assets			(11,235)
44. Written down current cost of system assets			20,478

Blayney Shire Council

Notes to Special Schedule 5

for the year ended 30 June 2018

Administration ⁽¹⁾

(item 1a of Special Schedule 5) comprises the following:

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

Engineering and supervision ⁽¹⁾

(item 1b of Special Schedule 5) comprises the following:

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

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

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

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

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

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

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

Residential charges ⁽²⁾ (item 6 of Special Schedule 5) include all income from residential charges. Item 6 of Schedule 3 should be separated into 6a access charges (including rates if applicable) and 6b usage charges.

Non-residential charges ⁽²⁾ (items 7a, 7b of Special Schedule 5) include all income from non-residential charges separated into 7a access charges (including rates if applicable) and 7b usage charges.

Trade waste charges (item 8 of Special Schedule 5) include all income from trade waste charges separated into 8a annual fees, 8b usage charges and 8c excess mass charges and 8d re-inspection fees.

Other income (item 11 of Special Schedule 5) includes all income not recorded elsewhere.

Other contributions (item 13c of Special Schedule 5) including capital contributions for sewerage services received by Council under Section 565 of the *Local Government Act*.

Notes:

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

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

Blayney Shire Council

Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2018

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2017/18 Required maintenance ^a	2017/18 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Buildings	Council Offices/Administration	–	–	36	101	999	2,145	33%	67%	0%	0%	0%
	Council Works Depot	354	227	150	100	1,134	1,746	70%	0%	1%	22%	7%
	Council Public Halls	293	77	47	54	2,326	3,684	78%	11%	7%	4%	0%
	Libraries	–	–	22	8	163	390	0%	100%	0%	0%	0%
	CentrePoint	–	–	100	96	7,608	11,105	100%	0%	0%	0%	0%
	Buildings including Amenities	329	190	37	115	1,478	2,553	56%	26%	2%	8%	8%
	Other Buildings	1,548	394	100	–	3,976	6,615	48%	17%	21%	5%	9%
	Sub-total	2,524	888	492	474	17,684	28,238	72.6%	14.2%	6.1%	3.8%	3.3%
Roads	Sealed roads	3,047	1,415	950	990	53,786	80,870	49%	42%	4%	2%	3%
	Unsealed roads	1,552	892	850	797			11%	29%	36%	21%	
	Bridges	1,370	608	17	47	24,502	27,816	92%	1%	2%	3%	2%
	Footpaths	1,804	282	20	34	4,325	6,435	37%	26%	29%	6%	2%
	Bulk earthworks					11,625	11,625	100%	0%	0%	0%	0%
	Kerb & Gutter	2,053	350	15		6,129	9,078	19%	51%	22%	8%	0%
	Formations					42,207	42,207	100%	0%	0%	0%	0%
	Roadside Furniture	733	475	88	88	1,621	2,462	37%	22%	23%	13%	5%
	Culverts	1,226	–	287	106	799	1,690	0%	0%	100%	0%	0%
	Sub-total	11,785	4,022	2,227	2,062	144,994	182,183	68.1%	22.6%	5.4%	2.1%	1.8%

Blayney Shire Council

Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2018 (continued)

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2017/18 Required maintenance ^a	2017/18 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Sewerage network	Gravity Reticulations	–	–	35	36	9,307	15,929	100%	0%	0%	0%	0%
	Rising mains	–	–	10	9	3,560	4,893	100%	0%	0%	0%	0%
	Sewerage Treatment Plant	389	–	150	260	5,187	6,949	59%	34%	7%	0%	0%
	Pump Stations	961	394	60	66	1,714	3,140	26%	35%	15%	0%	24%
	Sub-total	1,350	394	255	371	19,768	30,911	83.3%	11.2%	3.1%	0.0%	2.4%
Stormwater drainage	Stormwater Pipes/Lines	14	–	27	27	8,555	9,923	24%	76%	0%	0%	0%
	Stormwater Pits	–	–	11	–	142	200	42%	58%	0%	0%	0%
	Sub-total	14	–	38	27	8,697	10,123	24.4%	75.6%	0.0%	0.0%	0.0%
Open space/recreational assets	Swimming pools				28	828	1,500	31%	69%	0%	0%	0%
	Fencing	266	29		–	479	726	19%	26%	46%	9%	0%
	Park Furniture	217	–		–	2,506	3,580	19%	62%	19%	0%	0%
	Roofing/Shadesails				200	149	218	0%	0%	100%	0%	0%
	Sub-total	483	29	–	228	3,962	6,024	21.3%	57.2%	20.5%	1.1%	0.0%
	TOTAL – ALL ASSETS	16,156	5,333	3,012	3,162	195,105	257,479	67.6%	23.2%	5.4%	1.9%	1.9%

Notes:

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

Infrastructure asset condition assessment 'key'

1	Excellent/very good	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Satisfactory	Maintenance work required

4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

Blayney Shire Council

Special Schedule 7 – Report on Infrastructure Assets (continued)

for the year ended 30 June 2018

	Amounts 2018	Indicator 2018	Prior periods		Benchmark
			2017	2016	
Infrastructure asset performance indicators * consolidated					
1. Buildings and infrastructure renewals ratio ⁽¹⁾					
Asset renewals ⁽²⁾	9,606	231.92%	192.27%	155.04%	>= 100%
Depreciation, amortisation and impairment	4,142				
2. Infrastructure backlog ratio ⁽¹⁾					
Estimated cost to bring assets to a satisfactory standard	16,156	8.13%	10.44%	21.37%	< 2.00%
Net carrying amount of infrastructure assets	198,751				
3. Asset maintenance ratio					
Actual asset maintenance	3,162	104.98%	145.91%	120.18%	> 100%
Required asset maintenance	3,012				
4. Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	5,333	2.07%	2.47%	6.01%	
Gross replacement cost	257,479				

Notes

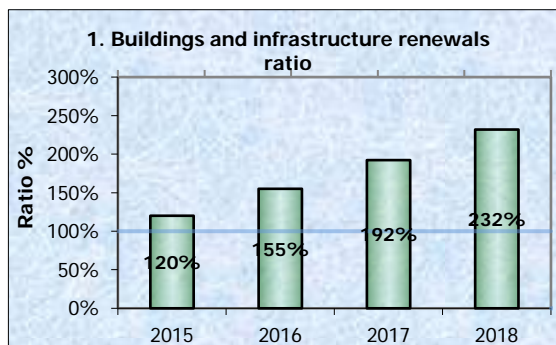
* All asset performance indicators are calculated using the asset classes identified in the previous table.

⁽¹⁾ Excludes Work In Progress (WIP)

⁽²⁾ Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Blayney Shire Council

Special Schedule 7 – Report on Infrastructure Assets (continued) for the year ended 30 June 2018



Benchmark: — Minimum $\geq 100.00\%$

Source for benchmark: Code of Accounting Practice and Financial Reporting #26

Purpose of asset renewals ratio

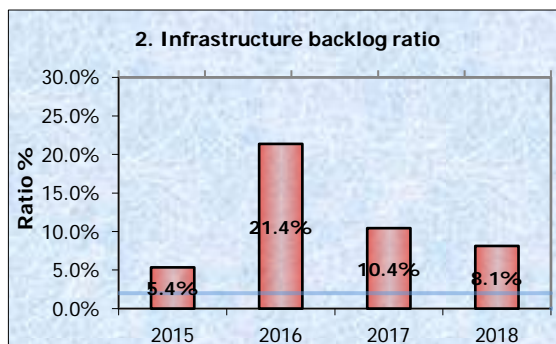
To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

Commentary on 2017/18 result

2017/18 Ratio 231.92%

Council has undertaken significant renewal works on two major road corridors and a number of bridge replacement projects, contributing to this renewal ratio.

Ratio achieves benchmark
Ratio is outside benchmark



Benchmark: — Maximum $< 2.00\%$

Source for benchmark: Code of Accounting Practice and Financial Reporting #26

Purpose of infrastructure backlog ratio

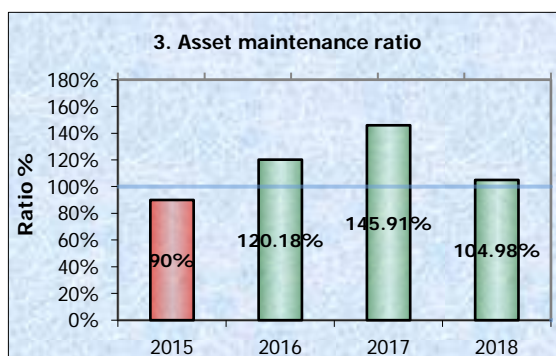
This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

Commentary on 2017/18 result

2017/18 Ratio 8.13%

this ratio uses the Office of Local Government measure, based on all assets being brought back to condition 2. Council has a target of Condition 3, giving a much lower backlog percentage.

Ratio achieves benchmark
Ratio is outside benchmark



Benchmark: — Minimum $> 100.00\%$

Source for benchmark: Code of Accounting Practice and Financial Reporting #26

Purpose of asset maintenance ratio

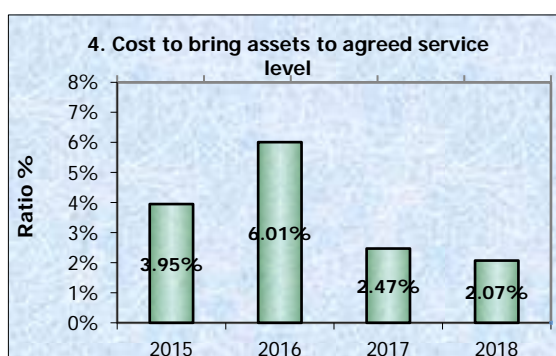
Compares actual vs. required annual asset maintenance. A ratio above 100% indicates Council is investing enough funds to stop the infrastructure backlog growing.

Commentary on 2017/18 result

2017/18 Ratio 104.98%

Council is funding the required levels of maintenance through its budgeted maintenance. Some further refinement of General Ledger will result in better capture of required and actual maintenance.

Ratio achieves benchmark
Ratio is outside benchmark



Purpose of agreed service level ratio

This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.

Commentary on 2017/18 result

2017/18 Ratio 2.07%

This ratio refers to Council bringing assets back to Condition 3, or better, which reflects the agreed level of service. This continues to improve with Council's focus on asset renewal.

Blayney Shire Council

Special Schedule 7 – Report on Infrastructure Assets (continued)

for the year ended 30 June 2018


	General indicators ⁽¹⁾		Sewer indicators		Benchmark
	2018	2017	2018	2017	
Infrastructure asset performance indicators by fund					
1. Buildings and infrastructure renewals ratio ⁽²⁾					
Asset renewals ⁽³⁾	264.41%	218.82%	0.00%	22.93%	>= 100%
Depreciation, amortisation and impairment					
2. Infrastructure backlog ratio ⁽²⁾					
Estimated cost to bring assets to a satisfactory standard	8.27%	10.88%	6.83%	6.98%	< 2.00%
Net carrying amount of infrastructure assets					
3. Asset maintenance ratio					
Actual asset maintenance	101.23%	161.14%	145.49%	67.45%	> 100%
Required asset maintenance					
4. Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	2.18%	2.63%	1.27%	1.38%	
Gross replacement cost					

Notes

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

⁽²⁾ Excludes Work In Progress (WIP)

⁽³⁾ Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.



A3

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



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

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

Strategic Policy

1. OBJECTIVE OF POLICY

Section 252 (1) of the Local Government Act 1993 requires Council to adopt a policy concerning the payment of expenses incurred or to be incurred by, and the provision of facilities to, the mayor, the deputy mayor and other councillors (including Administrators) in relation to discharging the functions of civic office.

The purpose of this policy is to ensure that councillors receive adequate and reasonable expenses and facilities to enable them to carry out their civic duties and that there is accountability and transparency in the payment of expenses incurred, or to be incurred by Councillors (including Administrators). The overriding principle to be addressed in the development of this policy is that the provisions of the policy meet the expectations of the local community.

This policy does not deal with matters associated with the setting and payment of annual fees to the Mayor and Councillors, which are determined by the Local Government Remuneration Tribunal.

Any reference hereon in this policy to Councillors will encompass Administrators.

2. STATUS OF THE POLICY

This policy has been prepared in accordance with the “Guidelines for the Payment of Expenses and the Provision of Facilities for Mayors and Councillors in NSW” as issued by the Office of Local Government, Department of Premier and Cabinet dated 7 October 2009 (Circular 09-36).

3. PAYMENT OF EXPENSES

3.1. CONFERENCES AND SEMINARS

Requests for attending conferences shall be in writing outlining the benefits for Council. A written report shall be furnished to Council from the Councillor or staff accompanying the Councillor on the aspects of the conference relevant to council business and / or the community. No written report shall be required for the Local Government NSW Annual Conference.

Council will meet the following expenses for Councillors attending conferences and seminars which have been authorised by Council resolution or by the Mayor under delegated authority.

3.1.1. Registration Fees

- i) Payment of registration fees for attendance at conference / seminar sessions.
- ii) Payment of official conference / seminar lunches and dinners, and associated tours where they are relevant to the business and interests of Council, if not covered by the registration cost.

3.1.2. Accommodation

Payment of accommodation costs on the following basis:

- i) Accommodation selected by the Council or General Manager on the basis of cost and convenience of location to the conference. A Councillor may choose accommodation at a different location but which is the same cost or less.
- ii) The number of accommodation days provided under this policy shall be limited to:
 - a. Registration day;
 - b. Each day on which official sessions of the conference / seminar are held, as well as the night preceding the conference / seminar where travelling schedules reasonably require such accommodation; and
 - c. Each day on which a Councillor is required to be accommodated en route to and from the conference / seminar.
- iii) Any additional accommodation costs incurred as a result of the attendance of partners and/or children shall be borne by the Councillor.

3.1.3. Car Parking Fees

Council shall meet the cost of the following car parking fees.

- i) Hotel / Motel parking – additional car parking fees not included in accommodation costs.
- ii) Airport parking – costs incurred in the parking of a Councillor's private vehicle at an airport for the duration of a conference / seminar, subject to the vehicle being parked in the most economical airport car park.

Reimbursement for parking expenses shall be made upon the production of appropriate receipts and tax invoices, and the completion of the required claim form. Claim for such expenses shall be made within two (2) months of the date of return from the conference / seminar.

The driver is personally liable for all traffic infringements and parking fines incurred while travelling in private or Council vehicles. Claims for reimbursement or payment of expenses shall be refused.

TRAINING AND PROFESSIONAL DEVELOPMENT

Council shall meet the expenses for Councillors attending training and professional development which have been authorised by Council resolution or by the Mayor under delegated authority, where the training or educational course is directly related to Councillors civic functions and responsibilities.

The specific expense items met by Council are the same as those applicable to “Conferences and Seminars”, as listed at clause 3.1.

3.2. REIMBURSEMENT AND RECONCILIATION OF EXPENSES

Councillors seeking reimbursement of costs and expenses, incurred in accordance with the requirements of this Policy, shall only be approved upon the production of appropriate receipts and tax invoices, and the completion of the required claim form.

Claims for reimbursement of costs and expenses shall be made within two (2) months of the costs and/or expenses being incurred, unless otherwise specified within this policy.

3.3. CLAIM FORM

Provided as an attachment (Attachment A) to this Policy, is the prescribed Claim Form which shall be completed by any Councillor seeking reimbursement of their costs and expenses.

It is the responsibility of the Councillor to ensure that the Claim Form is submitted accurately and complete, and within the prescribed timeframe as required by this Policy.

Incomplete claim forms may result in costs and expenses not being reimbursed.

3.4. PAYMENTS IN ADVANCE

Councillors may request payment in advance in anticipation of expenses to be incurred in attending conferences, seminars and training away from home. Councillors may also request an advance payment for the cost of any other service or facility covered by this Policy. However, Councillors shall fully reconcile all expenses against the cost of the advance within fourteen (14) days of their return.

Note: No general allowance type payment shall be made under any circumstances.

3.5. PAYMENT OF EXPENSES FOR SPOUSES, PARTNERS AND ACCOMPANYING PERSONS

Where the business of Council includes an invitation to a Councillor's spouse, partner or accompanying person, Council shall meet all reasonable costs associated with the spouse, partner or accompanying person attending that function.

In circumstances where an invitation is not extended to a Councillor's spouse, partner or accompanying person, that spouse, partner or accompanying person may accompany the Councillor on the business of Council, at the expense of the Councillor.

Attendance at the Local Government NSW Annual Conference shall be regarded as business of the Council and, as permitted by the Office of Local Government Guidelines, registration and official conference dinner costs be met by Council.

An accompanying person is a person who has a close personal relationship with the councillor and/or provides carer support to the councillor.

3.6. INCIDENTAL EXPENSES

Claims for reimbursement of reasonable out-of-pocket or incidental expenses incurred by a Councillor whilst attending conferences, seminars or training courses shall only be approved upon presentation of receipts and the completion of the prescribed claim form. Payments of general expense allowances shall not be permitted under this policy.

Incidental expenses will be paid in accordance with the annual Taxation Determination issued by the Australian Taxation Office titled: *Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the xxxx-xx income year?* Amounts claimed shall not exceed amounts specified in the Taxation Determination.

3.7. INSURANCE

Council shall effect an appropriate level of insurance for Councillors in the following areas:

- i) Public Liability – for matters arising out of a Councillor's performance of their civic duties and/or exercise of their Council functions.
- ii) Professional Indemnity – for matters arising out of a Councillor's performance of their civic duties and/or exercise of their Council functions.
- iii) Personal Accident – coverage of Councillor and/or spouse while on Council business.
- iv) Defamation – excluding Councillor to Councillor, Councillor to Staff and Staff to Councillor.
- v) Travel – for approved travel on Council business.

Council shall meet any excess applicable under a policy for:

- Councillor and Officers – in relation to a Councillor performing their civic duties or Council functions;
- Other Insurances – in specific instances when considered necessary by the General Manager (e.g. travel insurance).

3.8. LEGAL EXPENSES

Council may indemnify or reimburse the reasonable legal expenses of:-

- i) A Councillor defending an action arising from the performance in good faith of a function under the Local Government Act 1993 (refer Section 731), provided that the outcome of the legal proceedings is favourable to the Councillor.
- ii) A Councillor defending an action in defamation, provided that the outcome of the legal proceedings is favourable to the Councillor.
- iii) A Councillor involved in the event of:
 - An inquiry, investigation or hearing into a Councillor's conduct by any of the following:
 - o Independent Commission Against Corruption
 - o Office of the NSW Ombudsman
 - o Office of Local Government, Department of Premier and Cabinet
 - o NSW Police Force
 - o Director of Public Prosecutions
 - o Local Government Pecuniary Interest Tribunal
 - o Council's Conduct Review Committee / Reviewer

This is provided that the subject of the inquiry, investigation or hearing arises from the performance in good faith of a councillor's functions under the Local Government Act 1993 and the matter before the investigative or review body has proceeded past any initial assessment phase to a formal investigation or review. In the case of a conduct complaint made against a councillor, legal costs shall only be made available where a matter has been referred by the General Manager to the conduct reviewer/conduct review committee to make formal enquiries into that matter in accordance with the procedures in the Code of Conduct. In the case of a pecuniary interest or misbehaviour matter legal costs shall only be made available where a formal investigation has been commenced by the Office of Local Government.

In addition, legal costs shall only be provided where the investigative or review body makes a finding that is not substantially unfavourable to the councillor. This may include circumstances in which a matter does not proceed to a finding. In relation to a councillor's conduct, a finding by an investigative or review body that an inadvertent minor technical breach had occurred may not necessarily be considered a substantially unfavourable outcome.

Council shall not meet the legal costs of legal proceedings initiated by a Councillor under any circumstance.

Council shall not meet the legal costs of a councillor seeking advice in respect of possible defamation, or in seeking a non-litigious remedy for possible defamation.

Legal costs shall not be met for legal proceedings that do not involve a councillor performing their role as a councillor.

Council may lawfully obtain insurance cover against the risk of having to meet the reasonable legal costs of a councillor, or to reimburse those costs, provided that the costs or reimbursements are ones that it is authorised to meet.

Council may reimburse such Councillor, after the conclusion of the inquiry, investigation, hearing or proceeding, for all legal expenses properly and reasonable incurred, given the nature of the inquiry, investigation, hearing or proceeding, on a solicitor / client basis. Such determination shall be by resolution of Council.

3.9. CARER'S PROVISIONS

3.9.1. Carer's Expenses

Councillors who are the principal carer of a child or other elderly, disabled and/or sick immediate family member shall be entitled to reimbursement of carer's expenses up to a maximum of \$1,000 per annum for attendance at Council and Committee meetings and other official civic functions noted below, plus reasonable travel from their principal place of residence. Child care expenses may be claimed for children up to and including the age of 16 years. Reimbursement of carer's expenses shall be made after submission of receipts and tax invoices and completion of the prescribed claim form. Claims for such expenses shall be made within one (1) month of the expense being incurred. Official civic functions may include:

- Attendance at Ordinary and Extraordinary meetings of Council.
- Attendance at Council Committee meetings of which the Councillor is a member.
- Attendance at Ordinary, Committee and Sub-Committee meetings of an organisation where the Councillor has, by Council resolution, been duly elected as a Council delegate.
- Attendance at inspections, within or outside the area as authorised by Council resolution or by the Mayor under delegated authority.
- Attendance at official Council functions as authorised as Council business by a resolution of Council.
- Attendance at conferences or seminars approved by Council resolution or by the Mayor under delegated authority.
- Attendance at training or professional development approved by Council resolution or by the Mayor under delegated authority.
- Attendance at functions to which the Mayor has been invited, which are attended at the request of the Mayor.

Councillors shall provide suitable evidence to the General Manager that reimbursement is applicable, such as advice from a medical practitioner in the event of caring for an adult person.

3.9.2. Expenses and Facilities for Councillors with Disabilities

In addition to the provisions of 3.10.1, for any councillor with a disability, Council may resolve to provide reasonable additional facilities and expenses, in order to allow that Councillor to perform their civic duties.

4. CONSIDERATION OF SPECIFIC EXPENSES FOR MAYORS AND COUNCILLORS

4.1. GENERAL TRAVEL ARRANGEMENTS

All travel by Councillors shall be undertaken by utilising the most direct route and the most practicable and economical mode of transport subject to any personal medical considerations.

Note: The driver is personally responsible for all traffic infringements and parking fines incurred while travelling in private or council vehicles on Council business.

4.2. LOCAL TRAVEL ARRANGEMENTS AND EXPENSES

For the purposes of this Policy, Local Travel will include travel conducted within the following Local Government Areas:-

- Blayney
- Cowra
- Bathurst
- Orange
- Cabonne
- Dubbo

For the purposes of this Policy, where Council Delegates attend meetings of the Lachlan Regional Transport Committee Inc, Local Travel will include travel conducted within, and transiting to, the Local Government Areas of the members to this Committee.

Travelling expenses within these Local Government Areas shall be paid to Councillors upon submission of the completed claim form for:

- Attendance at Council or Committee meetings;
- Undertaking approved business of the Council.

Councillors are encouraged to pool vehicles where practicable.

4.3. NON-LOCAL AND OTHER TRAVEL ARRANGEMENTS AND EXPENSES

Payment of travelling expenses for all other travel outside of the “local area” as defined above shall be submitted to Council for consideration, and shall only be paid if approved.

All non-local and other travel should be advised to the General Manager in advance for coordination of accommodation and travel arrangements (if required). Such advice shall be on a travel authority and submitted in time for approval by Council as attached to this policy. For risk minimisation Councillors are to pool vehicles where practicable. All travel by vehicle shall be by the following priority:

- a. Council vehicle (if available)
- b. Councillor vehicle
- c. Hire vehicle

Claims for expenses incurred shall be submitted on the approved claim form as attached to this Policy, and each claim shall clearly state the purpose of the travel.

4.4. TRAVELLING EXPENSES PER KILOMETRE RATE

Approved claims for payment of travelling expenses shall be fixed at the rate per kilometre for vehicles per the cents per kilometre method as determined by the Australian Taxation Office.

4.5. OTHER EXPENSES

Councillor claims for payment of “Other Expenses” not specifically covered by this Policy shall be presented in a report to Council for consideration, and shall only be paid if approved.

5. PROVISION OF FACILITIES

5.1. GENERAL PRINCIPLES

The provision of facilities, equipment and services to the Mayor and Councillors shall be used by the Mayor and Councillors only for the purposes of fulfilling their civic duties and functions. However, Council acknowledges that infrequent private use of the facilities and equipment may occur.

Council facilities, equipment and services shall not be used to produce and disseminate election material, personalised pamphlets or newsletters (and the like) or material for any other political purpose.

5.2. TECHNOLOGY EQUIPMENT

5.2.1. Mobile Devices

At the expense of Council, each Councillor shall be provided with Technology equipment, the provision of a mobile device (i.e tablet or phone). Such equipment will be provided with required applications for Councillors to undertake their duties. Any additional applications at Council expense must be made in writing with substantiation of need. Where a phone is provided Council shall not be responsible for phone charges.

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

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

5.2.2. Data Allowance

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

5.3. APPAREL

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

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

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

5.4. OTHER FACILITIES

Councillors are to receive the benefit of:

- Provision and use of business cards and name badges;
- Postage of official correspondence - all mail is to be directed through the Council's own mailing systems;
- Meals/refreshments at Council, Committee, Sub-Committee Meetings and Working Parties, or at any other time deemed appropriate by the Mayor or General Manager whilst on Council business;

5.5. RETURN OF FACILITIES

Councillors shall return any equipment or other facilities to Council after the completion of their term of office, extended leave of absence or at the cessation of their civic duties.

Where a separate sim card / telephone had been established, this line shall be disconnected at Council's expense. However, should the Councillor wish to retain the use of this line, then at Council's expense, the line shall be transferred into the name of the Councillor.

Councillors will also have the option of purchasing the equipment previously allocated at an agreed fair market price or written down price value.

6. PROVISION OF ADDITIONAL EQUIPMENT AND FACILITIES FOR MAYORS

6.1. SECRETARIAL SUPPORT

Secretarial support facilities are available to the mayor during normal office hours, through the General Manager.

6.2. CREDIT CARD

- i) The Mayor will be provided with a Corporate Credit Card to facilitate payment of incidental expenses such as attendance at functions, accommodation, parking and entertainment in conjunction with discharging the functions of the Mayoral Office.
- ii) The credit card will have a limit of \$2,000 personally issued to the Mayor. The application form is to be signed by the Mayor.
- iii) The credit card is to be used for Council-related business expenditure only.
- iv) The credit card must not be used for obtaining cash advances.
- v) Upon completion of the Mayoral term, the credit card is to be returned to the General Manager on or prior to the date the term ceases.
- vi) Ongoing use of the credit card by the Mayor will be in accordance with and subject to any other policy relating to the use of such credit facilities adopted by Council from time to time.

ATTACHMENT A – CLAIM FORM

**BLAYNEY SHIRE COUNCIL
COUNCILLOR'S EXPENSES CLAIM FORM**

Council has adopted a Policy for payment of expenses and provision of facilities to the Mayor, Deputy Mayor and Councillors in relation to discharging the functions of civic office.

Name of Councillor: _____

TRAVEL

Date	Council Meeting/Committee/Other	Kilometres

ACCOMMODATION/ SUSTENANCE/ OUT OF POCKET EXPENSES

Please provide details and attach receipts

\$

SIGNATURE: _____ **DATE:** _____

Office Use Only

TRAVEL (Kilometres) _____ @ \$ _____

PAYMENT

OTHER _____

TOTAL

\$

=====

ATTACHMENT B – TRAVEL AUTHORITY

**BLAYNEY SHIRE COUNCIL
COUNCILLOR TRAVEL AUTHORITY
FOR NON-LOCAL AND OTHER TRAVEL**

Pursuant to the Payment of Expenses and the Provision of Facilities to the Mayor and Councillors Policy the following application is submitted:

Name of Councillor: _____

Purpose of Travel: _____

Date(s): _____ Time from / to: _____

Location: _____

Venue: _____

Mode of Transport: (please circle)

Air

Council Vehicle

Councillor Vehicle

Hire Vehicle

Accommodation (if required):

Single Room: _____ Double Room: _____ Other: _____

Motel preference: _____

Please provide other relevant details (e.g. special requirements):

SIGNATURE: _____ **DATE:** _____

(Authority should be lodged with sufficient time for Council report for approval to be submitted.)

Office Use Only

Council meeting date: _____ Minute No.: _____

Transport: _____ Order No.: _____

Motel: _____ Order No.: _____

BLAYNEY SHIRE COUNCIL COUNCILLOR DATA ALLOWANCE CLAIM FORM

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

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

Name of Councillor: _____

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

Maximum claimable is amount determined and approved by Council annually.

Please attach copy of invoice to substantiate plan value.

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

SIGNATURE: _____ **DATE:** _____

Office Use Only

PAYMENT

TOTAL CLAIM

TOTAL

\$

=====

	Date	Minute No.
First Adopted:	20/9/1999	592
Last Reviewed:	13/08/2001	388
	12/02/2007	7
	14/05/2007	07/094
	12/05/2008	08/105
	29/09/2008	08/231
	08/02/2010	1002/010
	09/05/2011	1105/007
	12/09/2011	1109/022
	10/12/2012	1212/005
	09/09/2013	1309/009
	16/09/2014	1409/010
	14/09/2015	1509/006
	19/09/2016	1609/009
	16/04/2018	1804/009
Next Review:	15/03/2021	

The logo consists of a light gray square with a vertical white bar on the left side. The letters 'A4' are printed in a bold, dark teal font within the white bar.

A4

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

Clause 7A: Details of the review carried out by the agency under section 7 (3) of the Act during the reporting year and the details of any information made publicly available by the agency as a result of the review

Reviews carried out by the agency	Information made publicly available by the agency
Yes	Yes

Council under Clause 7 of the Government Information (Public Access) Regulation 2009 is required to provide details of the review for the release of government information carried out during the reporting year and to provide details of any information made publicly available under the review. Council’s program for the proactive release of information involves maintaining and promoting to staff a practice of openness and accountability of corporate information and decision making. The focus of access to information held by Blayney Shire Council is to promote proactive release of where possible via the website: www.blayney.nsw.gov.au and social media. Council staff have been engaged and encouraged to make available information on the website to improve the level of understanding by users and ease interpretation by staff thus allowing for easier and more efficient access to information. Council’s Agency Information Guide details the documents that are made publicly available by Council. Council prefers written requests for access to information that is not proactively released from its website or not otherwise publically accessible in order to create an audit trail, clearly identify the information sought and assist in its review of information for proactive release. Council conducts an ongoing review of its program of proactive release of information and while no significant improvements were effected we continue to proactively release information as follows:

- Council has continued promotion of its rates e-notice project encouraging ratepayers to receive notices electronically enabling them to access a 5 year history.
- Council has mapping accessible from its website for proactive release of cemetery information and location across Council’s cemeteries; rate categories of properties across Blayney Shire and waste collection runs.
- Reporting to the community through prominent display on its website and local print media, Public Exhibition notices of proposed activities, policies and strategies which invites community feedback during the decision making process.
- Distributing regular Media Releases on Council decisions, projects, services and events and matters of community interest and activities that are supported by Council.
- Advertising local Council managed and community activities and events through a weekly advertisement in the local paper and through radio segments, a monthly e -newsletter, a What’s On Calendar of Events, e-newsletter and a web based Calendar of Events.
- Through the Electronic Housing Code enquiries can be undertaken online to establish whether a development application must be lodged or will be a complying development. The DA Tracker enables also enquiries to be done online to ascertain the status of a development application.
- Council released information on a number of projects, initiatives and developments on its website including: Plans; policies and strategies; Community Strategic Plan and related plans under the Integrated Planning and Reporting Framework; Mapping; Spatial Information Links; various forms of community information.
- Council uses other forms of electronic media i.e. Facebook and Twitter in attempting to better engage and inform the community on Council activities. Council has a practice of promoting new updates to its website on these other forms of media as part of Council’s commitment to transparency. Council is satisfied that all relevant and applicable information is being made available to the public.

Clause 7B: The total number of access applications received by the agency during the reporting year (including withdrawn applications but not including invalid applications)

Total number of applications received
3

Clause 7C: The total number of access applications received by the agency during the reporting year that the agency refused either wholly or partly, because the application was for the disclosure of information referred to in Schedule 1 to the Act (information for which there is conclusive presumption of overriding public interest against disclosure)

Number of Applications Refused	Wholly	Partly	Total
	0	0	0
% of Total	0%	0%	

Schedule 2 Statistical information about access applications to be included in annual report

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

	Access Granted in Full	Access Granted in Part	Access Refused in Full	Information not Held	Information Already Available	Refuse to Deal with Application	Refuse to Confirm/Deny whether information is held	Application Withdrawn	Total	% of Total
Media	0	0	0	0	0	0	0	0	0	0%
Members of Parliament	0	0	0	0	0	0	0	0	0	0%
Private sector business	0	0	0	1	0	0	0	1	2	67%
Not for profit organisations or community groups	0	0	0	0	0	0	0	0	0	0%
Members of the public (by legal representative)	0	0	0	0	0	0	0	0	0	0%
Members of the public (other)	1	0	0	0	0	0	0	0	1	33%
Total	1	0	0	1	0	0	0	1	3	
% of Total	33%	0%	0%	33%	0%	0%	0%	33%		

* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

Table B: Number of applications by type of application and outcome*

	Access Granted in Full	Access Granted in Part	Access Refused in Full	Information not Held	Information Already Available	Refuse to Deal with Application	Refuse to Confirm/Deny whether information is held	Application Withdrawn	Total	% of Total
Personal information applications*	0	0	0	0	0	0	0	0	0	0%
Access applications (other than personal information applications)	1	0	0	1	0	0	0	1	3	100%
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0	0	0%
Total	1	0	0	1	0	0	0	1	3	
% of Total	33%	0%	0%	33%	0%	0%	0%	33%		

* A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

Table C: Invalid applications

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

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

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

*More than one public interest consideration may apply in relation to a particular access application and if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E

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

	Number of times consideration used*	% of Total
Responsible and effective government	0	0%
Law enforcement and security	0	0%
Individual rights, judicial processes and natural justice	0	0%
Business interests of agencies and other persons	0	0%
Environment, culture, economy and general matters	0	0%
Secrecy provisions	0	0%
Exempt documents under interstate Freedom of Information legislation	0	0%
Total	0	

Table F: Timeliness

	Number of applications*	% of Total
Decided within the statutory timeframe (20 days plus any extensions)	2	67%
Decided after 35 days (by agreement with applicant)	1	33%
Not decided within time (deemed refusal)	0	0%
Total	3	

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

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

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

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

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

Table I: Applications transferred to other agencies.

	Number of applications transferred	% of Total
Agency-Initiated Transfers	0	0%
Applicant - Initiated Transfers	0	0%
Total	0	



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**PUBLIC INTEREST
DISCLOSURES
ANNUAL REPORT**

2017/18 ANNUAL REPORT



PUBLIC INTEREST DISCLOSURES ANNUAL REPORT

Public Interest Disclosures

Council is required under the Public Interest Disclosures Act to collect and report on information about public interest disclosures (PIDs).

No PIDs were made for the period 1 July 2017 to 30 June 2018:

The number of public officials who have made a public interest disclosure to the public authority	Nil
The number of public interest disclosures received by the public authority in total and the number of public interest disclosures received by the public authority relating to each of the following: <ul style="list-style-type: none">• Corrupt conduct• Maladministration• Serious and substantial waste of public money or local government money (as appropriate)• Corrupt conduct	Nil Nil Nil Nil
Government information contraventions	Nil
Local government pecuniary interest contraventions	Nil
The number of public interest disclosures finalised by the public authority	Nil

Council has a public interest disclosures policy in place.

Council has taken the following actions to ensure that staff are aware of their responsibilities under section 6E(1)(b) of the Act:

- Information on public interest disclosures included in Council's *Employee Manual*.
- Discussion of policy during induction and re-induction of all Council staff.
- The Policy was available in Council's Policy Register on Intranet and Website.
- Promotional posters displayed in work areas and lunchrooms.
- Promotional information on Intranet home page.
- Discussion at staff and team meetings and toolbox talks.



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**DISABILITY INCLUSION
ACTION PLAN
ANNUAL REPORT**

Blayney Shire Disability Inclusion Action Plan
Strategies and Actions - 2017/18 Annual Report as at 30 June 2018

Attitudes and behaviours						
Strategy	Actions	Responsibility	CSP Reference	Outcome	Timeframe	Status
1. Raise awareness of the contribution that people with disability make in the community	Include positive images of people with disability in general promotional material.	Executive Services	CSP 6.2	Increased number of documents including diversity	Ongoing	In progress.
	Use of correct language in all media and publications when referencing people with disabilities.	Executive Services	CSP 6.2	Establishment of standard and staff informed	Ongoing	Media and Publications inclusive.
2. Ensure that customer service staff and other staff who have contact with the community continue to be educated in disability awareness	Integrate training on access into Council staff inductions.	Executive Services	CSP 6.3	Included in induction training	2018	Free Mental Health First Aid Training provided for Interagency members, attended by 2 staff. Disability Awareness training planned in 2018/19 Training Plan. Scheduled for 27 August 2018.
3. Work with local disability organisations and community to make events, activities and facilities accessible and inclusive	Partner with community organisations and groups to promote events, activities and services.	Corporate Services	CSP 6.3	Opportunities to partner identified	2018	Quarterly Blayney Interagency Meeting held at Community Centre. Engagement with event organisers through event management approval process to raise awareness to make events more accessible.
Create Liveable Communities						
Strategy	Actions	Responsibility	CSP Reference	Outcome	Timeframe	Status
1. Improve accessible paths of travel to key destinations	Identify the suitability of paths of travel to key destinations such as recreation facilities, parks and community facilities.	Infrastructure Services	CSP 5.2	Assessment completed	2018	<p>Programmed condition assessments undertaken of pathway network, and repairs/upgrades prioritised accordingly. New works prioritised as per Blayney Shire Active Movement Strategy, which included broad community consultation, including with the Blayney Shire Access Committee.</p> <p>Active Movement Strategy Works completed:- Montgomery Steet, Millthorpe Ewin/Tucker Street, Blayney Lindsay Street, Blayney Renewals completed:- Olive Street, Mandurama Montgomery Steet, Millthorpe</p>

Blayney Shire Disability Inclusion Action Plan
Strategies and Actions - 2017/18 Annual Report as at 30 June 2018

Create Liveable Communities						
Strategy	Actions	Responsibility	CSP Reference	Outcome	Timeframe	Status
2. Contribute towards liveable and accessible public places	Promote universal access principles for new and upgraded buildings and facilities in public places.	Infrastructure Services & Planning and Environmental Services	CSP 4.1	Access principles included in project	Ongoing	New Mandurama Park toilet block finalised and compliant with universal access principles. Successful funding application for compliant toilet upgrades at Neville, Lyndhurst, Barry and new compliant BBQ/picnic shelter at Mandurama. Successful funding application for shared pathways in Blayney and Lyndhurst. Wayfinding signage is upgraded/provided as issues are identified. All Construction Certificate applications are assessed in accordance with the Building Code of Australia and the Disability (Access to Premises - Buildings) Standards 2010.
	Consider the particular needs of children with disability in the design, layout and security of parks and playgrounds.	Infrastructure Services	CSP 4.1	Playgrounds are safe and inclusive	Ongoing	Safety audit undertaken of all Blayney Shire playgrounds (2017) with prioritisation of works identified. Funding application lodged to renew and upgrade playgrounds across the Blayney Shire.
3. Promote universal access to all Council events within the community	Promote disability inclusion in community events and festivals e.g. availability of accessible toilet facilities.	Executive Services	CSP 1.6	Promotion of inclusive events by Council	Ongoing	Event organisers informed on disability inclusion including suggestions on considerations with Council's Event Management approval process. "Tips for making your event more accessible" brochure on Council's website.
5. Improve accessible public toilet facilities and parking	Review, update and promote the location of accessible facilities and parking on Council's Mobility Map.	Infrastructure Services	CSP 4.3	Development of Mobility map	Ongoing	National Public Toilet Map data verified and updated. www.toiletmap.gov.au
	Promote needs of people with disability to event organisers of special events particularly where parking is temporary and movement around venue may be restricted.	Corporate Services	CSP 2.1	Events include accessible parking	Ongoing	Through Event management approval process event organisers are asked to consider accessible parking with event planning.
7. Improve and promote community transport options available within the region	Promote local transport options including bus timetables and accessible transport services for all ages.	Corporate Services	CSP 4.1	Opportunities to promote identified	2018	Information being gathered to update website.

Blayney Shire Disability Inclusion Action Plan
Strategies and Actions - 2017/18 Annual Report as at 30 June 2018

Employment						
Strategy	Actions	Responsibility	CSP Reference	Outcome	Timeframe	Status
1. Develop employment opportunities for people with disability	Make reasonable adjustment to workplaces to facilitate work placement and employment opportunities for people with disability.	Executive Services	CSP 5.1	Workplace capable of supporting people with disabilities	Ongoing	Modifications made to ground floor of administrative office to accommodate people with disabilities.
Systems and Processes						
Strategy	Actions	Responsibility	CSP Reference	Outcome	Timeframe	Status
1. Ensure accessible and inclusive community engagement across all areas of Council	Include the principles of access and inclusion in Council's service delivery.	Corporate Services	Social Justice Principles	Consistency in messaging and communication	Ongoing	Principles of access inclusion in Media and Publications. Website review being undertaken to determine features to cater for the hearing and visually impaired.
	Promote Council's implementation of access and inclusion principles and recognise the rights and contribution of people with disability in the community.	Corporate Services	CSP6.3	Promotion of the DIAP has been undertaken	Ongoing	Access and mobility promoted on Council website including adopted plan. Introduction of program proposed for 2018/19 to assist business. Council has included \$5k in its Operational Plan to be used as a contribution to assist businesses if they require an access consultant report when lodging a DA and/or CC.
3. Improve regulatory processes within Council	Utilise the Access Advisory Committee to provide comment on capital projects and development applications that relate to council buildings; facilities and infrastructure.	Planning and Environmental Services	CSP 3.4	Process in place for Access Advisory Committee to review proposals	Ongoing	DA's and Council projects including CentrePoint major project have been referred to Access Committee on an as needs basis.
	Internal process to ensure that access is not overlooked when developing new facilities; buildings, parks, playgrounds, footpaths.	Infrastructure Services	CSP 4.1	Review of internal processes for planning works	Ongoing	Design staff have undertaken accessibility training. Construction staff routinely reminded to maintain vigilance when preparing works for construction, and direct concerns to design staff for potential changes. Further staff training programmed for 2018/19.