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HELD ON MONDAY 21 DECEMBER 2015

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ANNUAL REPORT

2014/15

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Mayor's Foreword

The year commenced with a change to our leadership team with a new General Manager, Rebecca Ryan appointed in November 2014.

The NSW Government's Fit for the Future Local Government reform program has demanded a significant proportion of Councils resources.

Council resolved, in the interests of ratepayers, to continue to be an independent Council in the Central West Joint Organisation (JO). The Improvement Proposal submitted by 30 June 2015, demonstrated that Council will achieve all seven Sustainability, Infrastructure and Service, Management and Efficiency financial performance benchmarks within the five year Action Plan.



In preparing Council's Improvement Plan four key strategies were adopted;

1. Efficient and Cost Effective Service Delivery
2. Workforce and Councillor Capability and Capacity
3. Integrated Planning and Community Engagement
4. Regional Collaboration and Shared Services

As a further independent check Council engaged NSW Treasury (TCorp) to undertake a review of the revised Long Term Financial Plan (LTFP). And based on this review, TCorp considered Council to be in a satisfactory, and improving financial position and rated Council's current financial sustainability as moderate with an outlook of positive.

Council is very proud of the rebranding of Blayney as the Shire of Villages and thanks the efforts and contribution made by the Towns and Villages Committee which coordinated the production of the new logo and branding project. Council has worked very hard to update its website presence, tourism promotion and social media campaigns and is communicating better with the community. The level of engagement with rate payers has been positive and the feedback received at Business Forums, community meetings and Fit for the Future information sessions has been welcomed.

There has been significant progress made to our capital works program. These works included rehabilitation of Errowanbang Road, roadworks on Forest Reefs Road (Blackspot) and Hobbys Yards Road, major refurbishment and energy saving upgrades at Centrepont, new toilet block at Napier Oval, Carcoar Street footpath construction in Blayney and new shire entry signage.

I would like to acknowledge the effort and commitment of our staff at Blayney Shire Council who every day work towards maintaining and upgrading our community infrastructure and improving the liveability of the shire for all our residents.

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 2014/15 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 2014/15 Blayney Shire Council had two (2) Special Rate Variations in force and are summarised as follows:

Blayney Shire Community Centre Special Rate Variation

The Minister for Local Government approved a S.508(A) special variation in rate income of 11.42% for 2008/09. This equated to \$275,415 (8.19%) over the approved rate and for the period 2008/09 to 2017/18. The purpose was for capital improvements to the Blayney Community Centre. The project was finalised during the 2013/14 financial period. During the reporting period funds collected were allocated against borrowings drawn to bring this project to fruition.

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

Mining Category Special Rate Variation

IPART approved a S.508(2) special variation in rate income of 40.7% for 2012/13. This has equated to an additional \$1,643,427 for the 2014/15 financial period. This special variation was applied exclusively to the Mining Rate category. The purpose was for funding roads, bridges, land acquisitions, community infrastructure works and community contributions.

During 2014/15 expenditure of these monies was as follows:

Expenditure	\$
Road Maintenance	264,837
Asset Renewals – Roads	1,145,982
Other Community Infrastructure	257,997
Engineering/Design Works	74,251
Community Contributions Program	55,468
Transfer to Restricted Cash – SRV Mining	(155,161)
	1,643,374

The balance of the external cash restriction for Special Rate Variation – Mining, as at 30 June 2015, was \$274,163. These funds will be used in future year programs pursuant to the section 508(2) - Special Rate Variation Instrument of Approval.

Outcomes achieved as a result of the Special Variation include:

- Increased funding for community groups to access through the Community Financial Assistance Program
- Additional 1.4km of road rehabilitation on Errowanbang Road
- Contribution towards 2.5km of road rehabilitation on Forest Reefs Road (majority funded by Federal Blackspot Program)
- Additional 1.2km of gravel resheeting
- Additional 26km of maintenance grading
- Additional funding toward maintenance of infrastructure
- Maintenance of 3km of roadside vegetation for improved heavy vehicle access
- Engineering design expertise to assist with preparation of rolling plans for works
- Development of strategic road design plan for the sealing of Errowanbang Road

Productivity savings achieved during 2014/15 include:

- Joint procurement with the NetWaste Regional Waste Services Tender seeking Waste Collection Services, Receiving and Processing of Recyclables and Receiving and Processing of Organics. Participation allowed Council to participate in a tender where prices were sought to collect 52,000 bins compared to the 2,700 bins within the Blayney LGA. Therefore by increasing the number of bins to be collected by some 19 times it created significant cost benefit through the increased scale of the tender. Councils that participated within the tender process included; Bathurst Regional Council, Orange Council, Cabonne Council, Parkes Council, Forbes Council, Blue Mountains Council and Wellington Council;
- Other joint procurement activities have included participation in the Request for Quotation for Electronic Housing Code and DA Tracker projects with Cabonne Council, Gilgandra Council and Tenterfield Council;
- Continuing integration of technology into work practices;
- Restructure of Infrastructure Department providing autonomy and empowerment of staff;
- Recruitment of Senior staff with "In-house" resources;
- Procurement of improved or "fit for purpose" plant to assist with streamlining of work practices;
- Activities undertaken through CENTROC such as lobbying; sourcing of grant funding; regional planning; joint initiatives and regional tenders for procurement of goods and services;
- Activities undertaken through WBC (Central Tablelands County, Wellington, Blayney, and Cabonne, Councils) such as joint initiatives; joint training in Risk Management; joint tenders, and other ongoing joint arrangements. In 2014/15 savings of \$619,506 in Alliance activities were achieved. (Source: <http://www.wbcalliance.nsw.gov.au>);
- Undertaking of Fit for Future submission internally rather than engagement of external consultants;

- Review of service requests / complaints workflow to streamline work response timeframes;
- Energy efficiency outcomes at Council's Sewerage Treatment Plant, Office and Centrepont Sport & Leisure Centre as a result of significant capital improvements in 2013/14.

In the comparative information return for 2013/14 published by the Office of Local Government, Council's equivalent full time staff numbers were 70 as compared to the Group 10 Council average of 107.

Local Government (General) Regulation 2005

Details of written off Rates and Charges - Clause 132

Rates and charges totalling \$165,984 were written off during 2014/15, in accordance with the provisions of the Local Government Act 1993. This compares to \$196,776 being the amount written off during 2013/14.

Rates and charges written off during 2014/15 can be summarised in the following table:

Pensioner Rate Rebates	\$164,839
Other	\$1,145

Overseas Visits - Clause 217(1)(a)

No Councillors, Council Staff or representatives of Council participated in any overseas visits during 2014/15.

Councillors - Clause 217(1)(a1)

During 2014/15 a total of \$137,974 was expended on the Mayor and Councillors.

Mayoral Fees		22,870
Councillor Fees		73,360
Councillor Expenses		41,744
- Meeting Expenses	2,746	
- Travel Expenses	6,137	
- Conferences	7,150	
- Expenses of spouse or accompanying persons	-	
- Provision of care for child or immediate family member of councillor	-	
- Communications equipment	2,580	
- Insurance	23,131	
		\$137,974

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

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

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

Name	Purpose	Amount
Isuzu Australia Limited	Supply two (2) FYJ 2000 Medium Auto Isuzu Trucks fitted with steel water cart bodies	\$243,907
Sewer Services	Condition Assessment of Sewer and Stormwater Mains using CCTV inspection techniques	Based on service consumption
ADS Environmental Services	Condition Assessment of Sewer Service Lines using Smoke Testing	Based on service consumption
All About Pipes	Condition Assessment of Sewer Service Lines using Smoke Testing	Based on service consumption
ERM Energy	Electricity Supply Agreement for Large Sites and Metered Lighting for period ending 31 December 2017	Based on service consumption

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

For the year ended 30 June 2015, Council had incurred \$146,937 in legal fees for proceedings taken by or against Council. By comparison, Council had expended \$81,046 on legal fees in 2013/14.

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

Description	Cost	Status
Planning Matters	96,724	Open
Debt Recovery	35,575	Open
Other matters	14,638	Open
	146,937	

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 2014/15 private works expenditure totalled \$120,704 providing an income of \$153,931. The following table provides a summary of the private works completed by Council during this reporting period.

Description of Work	Expenditure
Construction	44,837
Gravel Sales	43,613
Hire of Plant & Equipment	5,105
Other	27,150
	\$120,705

Council has not made any resolutions as required by 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 services in Heritage matters and a Heritage Fund, to assist with advice in the restoration of heritage items and provide financial assistance with restoration of heritage significant properties within the Shire. The service is available to residents, property owners and occupiers within the Shire of Blayney.

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

Contribution	Amount
Rates & Charges	16,412
Financial Assistance Program	55,468
Community Organisations Insurance	10,370
Heritage Grants (Council portion)	13,415
	\$95,664

External Bodies— Clause 217(1)(a6)

The following organisations exercised functions delegated by Council during 2014/15:

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

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

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

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

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

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

Human Resources – Clause 217(1)(a9)

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

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

Training undertaken in the 2014/15 reporting year included;

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

In addition to the above Council is pleased to report that it had a number of employees successfully complete Certificate III and IV courses in Civil Construction, Horticulture and Frontline Management during the 2014/15 reporting year.

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

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

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

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

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

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

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

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 2014/15 financial year amounted to \$231,757.

During the reporting period Council's General Manager, Mr. Glenn Wilcox resigned 8 August 2014. An Interim General Manager, Mr. Alan McCormack was engaged for the period from 11 August 2014 to 31 October 2014. Council appointed its new General Manager, Ms. Rebecca Ryan 3 November 2014. Accordingly, the above figure includes payout of employee leave entitlements payable on termination.

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

Council did not levy an annual charge for Stormwater Management Services during 2014/15.

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 the 24/08/2015.

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

Amount of funding spent relating to companion animal management and activities

Council expended \$86,020 on activities relating to the management and control of companion animals during the reporting period.

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	2,836
Impounding Fees	-
Fines & Costs	-
Microchip Fees	35
Other income	349
Total Income	3,220
Expenditure	\$
Salaries	50,356
Employee Overheads	21,322
Depreciation	8,343
Impounding & Control Expenses	9,122
Microchipping	97
Total Expenditure	89,240
Total Cost of Companion Animal Operations	\$86,020

Companion animal community education programs carried out

Community Education Programs consisted of Brochure drops, 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.

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 2014/15 year is provided. Please refer to Attachment A4.

Environmental Planning and Assessment Act 1979

Planning Agreements Section 93G(5)

Council did not enter into any Voluntary Planning Agreement in 2014/15.

Public Interest Disclosures Act 1994

Public Interest Disclosures Annual Report - Section 31

A report on Public Interest Disclosures for the 2014/15 year is provided. Please refer to Attachment A5.

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 in 2016 that covers trends in the intervening years.

A State of the Environment Snapshot Report 2014/15 is available as a separate document on Council's website www.blayney.nsw.gov.au under the Environment tab.

Services and Programs that provide for the Needs of Children

Junior sporting awards which are sponsored by Council, local businesses and a local radio station are available to the Shire's young sporting achievers. Council through its Financial Assistance Program provides sport related funding for regional, state and national representation.

Four (4) Music Scholarships at the Mitchell Conservatorium and the Orange Regional Conservatorium which are sponsored by Council and local businesses were offered during 2014/15.

Through Council's Centrepont Sport & Leisure Centre a number of programs for children are conducted including Learn to Swim; Kids Club school holiday programs; Kindy Fit; Kids Fit and Children's birthday parties. Other activities are also facilitated at the Centre including Girl Guides; Basketball; Table Tennis; Swim squad and school sports activities. As part of this year's Youth Week activities, a Youth Week event was also facilitated.

Access and Equity Activities

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

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

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

Programs for people from a Multicultural Background

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

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

Principles of Competitive Neutrality

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

Competitive Neutrality Complaints

Council has established a complaints handling mechanism for competitive neutrality complaints. Council is committed to resolving complaints, so as to improve service delivery and increase community satisfaction. During 2014/15 no such complaints were received.

Category 1 Business Activities

Council does not operate any category 1 business activities.

Category 2 Business Activities

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

Bush Fire Control

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

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

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

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

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

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

Attachment A1:

STATEMENT OF PRINCIPAL ACTIVITIES



DELIVERY PLAN PERFORMANCE REPORT - 2014/15

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 meetings during period by Council delegates and representatives. Two Planning Proposals are currently underway.
1.1.2	Promote sustainable development and protection of our natural resources through the planning system.	Review of LEP and Council	Liaison with DCP consultant has taken place to prepare the draft for exhibition and adoption by January 2016.
1.1.3	Ensure planning activities support long term sustainability of agricultural sector.	Support by agricultural sector/landcare groups for planning scheme	Input of information into Regional Growth Plan. Consultant engaged for Blayney 2020 Masterplan Plan, community engagement and councillor workshops have been undertaken. Draft document being prepared.
1.1.4	Explore and promote opportunities for Agriculture value adding industries.	Production of a economic development strategy in 2013. Establishment of new industries.	
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.	Ongoing meetings with current and prospective mining company/s expected to be undertaken in the future.
1.2.2	Improve transport linkages across the Local Government Area to support the mining industry.	Development of work plan.	Forward works continue to be prepared, including funding applications where available.
1.2.3	Build meaningful relationships between the mining industry and community.	Established communication channels. Attendance at meetings. Working relationships and cooperation. Mutual projects.	Participation and representation at Mining Related Councils meetings.

DELIVERY PLAN PERFORMANCE REPORT - 2014/15

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	Ongoing meetings with current and prospective mining company/s expected to be undertaken in the future.
1.3.2	Develop a structure to effectively support and grow tourism and local business.	Structure in place. Productive meetings.	Collaboration continues with Tourism Orange and Central NSW Tourism on promotional opportunities. Regular updates issued to communication distribution list established, tourism directory being expanded in order to improve communication of events/programs. Meetings held with village committees, a number of event organisers and Town and Villages Committee.
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	Shire entry and town signs installed.
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	Updated information provided to public during period.
1.5.2	Promote sustainable energy development and use within the Shire.	Provision of information.	
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.	Ongoing dialogue with Office of Small Business, Dept. of Industry and Investment and RDA.
1.6.2	Build and retain relationships with government bodies and NGO's to assist small business	Productive relationships. Number of activities.	Business Investment information added to Council website.
1.6.3	Support and encourage the establishment or expansion of local businesses	New businesses. Empowered local business.	Blayney 2020 Masterplan is a key element of upcoming consultancy and will complement brand identification and marketing strategy for Blayney Shire. Council conducted Workshop - How To Do Business with Council.
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 REPORT - 2014/15

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. Councils Event Management Plan available on website.
2.1.2	Engage with key groups and organisations with a view to developing community partnerships for conducting activities and programs.	Participation of organisations.	Working through Towns & Villages Committee on engagement on activities. CentrePoint activities and facilities ongoing during period. Member visits: 6800; 348 membership renewals; 3187 attended group fitness classes run through period.
2.1.3	Engage with the Shire youth to facilitate progress and activities across the Shire.	Youth activities held. Meetings of Youth Council.	Learn to swim classes run throughout period with 1,000 enrolments over the four terms. Kids Fit and Kids School Holiday Programs run with good success.
2.1.4	Work proactively with the community groups to assist with event management.	Develop Community events guide and policies.	Mixed Sports competitions run throughout year. Small schools rotation program ran fortnightly and a number of school visits occurred during the period. Activities run by 3rd parties include Basketball; Martial Arts; Table Tennis; Girl Guides; and Physiotherapy.
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.	Promotion of CentrePoint activities and facilities ongoing. Operational program continues in accordance with budget and levels of service. Funding application for Blayney Showground fencing Stage 2 successful. Funding obtained for King George Oval (KGO) kitchen / canteen upgrades through Nestle Purina, sporting clubs and Council. Quotations for (KGO) electronic scoreboard undertaken and successful supplier engaged. Delivery and installation programmed for Q1 (2015/16). 2014/15 Community Financial Assistance Program awarded \$82,250 in funding during period.

DELIVERY PLAN PERFORMANCE REPORT - 2014/15

DP Ref.	TASK	MEASURE	COMMENT
CSP2.2: Strong participation in sporting events and competitions.			
2.2.1	Encourage active participation in sport.	Participation in Regional Sport promotions.	Blayney Sports Council meetings conducted and minutes presented to Council. Shire ovals and sporting facilities well maintained and utilised for sporting programs.
2.2.2	Establish and support a community based representative body for sporting groups.	Report written and council established	
CSP2.3: Blayney Shire - a centre for arts, performance and entertainment.			
2.3.2	Develop partnerships with other arts organisations to help deliver arts and cultural activities	Arts and cultural activities coordinated.	Local Arts and Cultural activities have had a busy Spring, Summer and Autumn.
2.3.3	Encourage the use of the Blayney Shire Community Centre as a facility for arts and culture.	Use of facility.	Community Centre used for functions and regional/Council meetings during period. Meetings: 47; Conferences: 12; Other functions: 71; Council related activities / meetings: 103. Blayney Shire Library for period are as follows: Visits: 5,044; Issues: 10,699; Membership @30/06/15: 1,480
2.3.4	Provide library services in the Blayney Shire	Usage of library services	

DELIVERY PLAN PERFORMANCE REPORT - 2014/15

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	Applied to all applications assessed/determined during period. Village Enhancement Plan Tree Planting project undertaken in Barry.
3.1.2	Facilitate the delivery of more planting on Council owned and controlled land.	Compliance with strategy	On site works for Revive! Belubula River at Pound Flat delayed to Q1 (2015/16) with planning for onsite Community Meeting completed. Mapping system for planting projects under final modifications.
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	IWCM approved by NSW Office of Water.
3.2.2	Enhance the community's understanding of biodiversity issues and work towards positive behavioural change	Research resourced and made available.	Biodiversity education being provided through information in Community News and Ratepayers newsletters.
CSP3.3: Heritage sites in the natural and built environment are identified and understood.			
3.3.1	Pursue recognition of heritage items in draft LEP 2012.	Information to public Heritage advice	Undertaken. Planning Proposal currently being prepared for exhibition.
3.3.2	Identify items of natural heritage in Blayney Shire.	Information to public Heritage advice	Local Heritage Assistance Fund advertised seeking expressions of interest for the 2015/16 financial year.
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.	LLS meetings attended and on-going contact maintained during period. Established links with local Landcare group. Funding application made to Kanangra to Wyangala (K2W) project for improved landcare outcomes at Neville Cemetery.

DELIVERY PLAN PERFORMANCE REPORT - 2014/15

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 inspections and maintenance undertaken in accordance with budget limitations. Safety Improvement/Rehabilitation works on Errowanbang and Forest Reefs Roads as part of Cadia SRV and Federal Blackspot Programs completed.
4.1.2	Manage Regional and State Road Network to agreed service levels.	Service levels provided in accordance with State Government funding.	Maintenance grading continues on unsealed road network as and where required, within budget limitations. Construction of Forest Reefs Road (Cowriga Creek) bridge completed.
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.	Replacement of Carcoar Dam Road bridge with twin cell culvert completed. Bridge condition assessments completed. Load limits being established and review of bridge replacement program priorities commenced.
4.1.4	Source road making materials in environmentally responsible manner.	Regulatory compliance	Park Street and MR245 rehabilitation projects completed.
4.1.5	Implement the Blayney Shire Council Asset Management Plans	Quantity and quality of information allocated	Limited activity in asset inspections on ancillary facilities. Customer complaints continue to be addressed as and when required.
4.1.6	Seek additional grant funding for construction and maintenance of roads and associated facilities	Applications submitted and Grant funds received.	Essential Energy (EE) continue to undertake street lighting maintenance. Australian Energy Regulator (AER) provided final determination on EE distribution network. Injury surveys completed quarterly.
4.1.7	Plan for future transport and road infrastructure to service future needs	Projects are 'shovel ready'	Crushing operations completed in Whites quarry in Q3 (2014/15). Inspection of hired plant to be undertaken to ensure legislative compliance. Road inspections undertaken on regular basis.
4.1.8	Investigate opportunities for stormwater harvesting and reuse	Projects identified and implemented. Successful grant applications.	

DELIVERY PLAN PERFORMANCE REPORT - 2014/15

DP Ref.	TASK	MEASURE	COMMENT
4.1.9	Apply the principles of Water Sensitive Urban Design (WSUD) to stormwater management	Completion of WSUD policy. Investigate grant funding.	Assets system software implementation programmed for Q1 (2015/16) following preparation of data . REPAIR Program (2015/16) funding application for next stage of rehabilitation of Hobbys Yards Road successful.
I.1.10	Prepare Stormwater Management Plans	Completion of Plans	Fixing Country Roads program (2015 - 2017) funding application for upgrade of Errowanbang Road program successful. Active Transport program funding application for shared paths, safety improvements and preparation of an Active Transport Plan successful.
I.1.11	Maintain cemeteries in accordance with the community's needs and expectations	Compliance with regulations. Maintain records.	2015/16 capital works program design documentation commenced. Land negotiations for 2015 - 2017 road realignments commenced. Stormwater harvesting/wetland project in Ogilvy Street to be provided with further maintenance and plantings within budget allocation.
I.1.12	Identify surplus Council owned assets for possible sale to be invested in infrastructure reserve.	Assets identified for sale	Further engagement with Local Land Services/Salinity and Water Quality Alliance to be undertaken.
I.1.13	Maintain and improve Council owned building assets	Implementation of Building maintenance program	Cemeteries were maintained in accordance with the regulations. It has been identified that a long term management plan is needed for the ongoing maintenance of all cemeteries within the shire. Building maintenance was undertaken within the period, with particular note to; CentrePoint, King George Oval, Blayney Show Ground.

DELIVERY PLAN PERFORMANCE REPORT - 2014/15

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.	Routine inspections undertaken of sewerage treatment plant (STP) in conjunction with EPA and NSW Office of Water (NOW).
4.2.2	Ensure Sewerage Treatment Plant are able to meet needs of the Blayney Shire	Maintain to licensing standards	Inspection of STP for new risk based licensing system undertaken in Q3. Strategic Business Plan (SBP) for sewer services adopted by Council in Q3.
4.2.3	Provide an effective and safe Sewerage Collection Network for Blayney Shire	Achieve network maintenance	Developer Servicing Plans for Millthorpe and Blayney deferred until NOW draft guidelines adopted.
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.	Water & Wastewater Engineer engaged with commencement early in Q1. CEEP2 (Centroc) relining works completed. Development of a Blayney Shire Onsite Waste Water Policy included within the PD of the EHO to be advertised.
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. Transport funding applied to Community Bus project facilitated by Blayney Rotary.
CSP4.4: Integrated medical and aged care facilities across the Shire.			
4.4.1	Advocate for the upgrading of rail infrastructure	Meeting attended.	Regional meetings attended. Debrief meeting with Minister for Roads and Ports, and TfNSW representatives attended following completion of tender assessment process for Blayney-Demondrille railway.
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.	Meetings attended during period. Solid waste management by JR Richards monitored quarterly. Liaison with NetWaste regarding the finalisation the 10 year waste collection contract to start in 2016.

DELIVERY PLAN PERFORMANCE REPORT - 2014/15

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 attend and support activities of Town and Villages Committees where possible.
5.1.2	Promote living in the Blayney Shire	Residents Pack developed.	Residents pack on website and available from Tourist & Community Information Centre
CSP5.2: Fit and healthy community members.			
5.2.1	Build partnerships with community groups to increase use of parks and reserves	Interaction with use groups	Preparation of draft Use of council open space by private trainers underway.
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	Staff continue to liaise with stakeholders as and when required, and via Sports Council to further capital improvements and strategic plans for facilities. Active Transport program funding application for shared paths, safety improvements and preparation of an Active Transport Plan successful.
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.	Information on website. Internet access available at Library. Promotion of Seniors Kiosk ongoing though community demand declining.
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 Engagement Policy remains current.
5.4.2	Develop and implement plans for villages and township	Plans developed. Implementation ongoing as funds become available.	Village Enhancement Plans included into works programs.
5.4.3	Encourage volunteerism within the Community	Promotion undertaken	Volunteerism promoted on Council website.

DELIVERY PLAN PERFORMANCE REPORT - 2014/15

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 Council and regional communities as well as community organisations.	Attendance to meeting. Councillor presence on relevant committees.	Your Carcoar Community Plan Workshop conducted, supported by Council staff. Council has participated Central West Pilot JO project.
6.1.2	Promote resource sharing and collaboration with regional organisations.	Participation in meetings. Resource sharing projects.	Fit for the Future Community Engagement Strategy implementation. 8 individual town & village meetings (>110 people). Survey: 193 Responses.
6.1.3	Encourage sound governance practice in community organisations.	Provide assistance and training as requested.	
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.	Website and media communications channels utilised to promote Council activities. Acknowledgement process to emails and correspondence in place and ongoing. Activity reports issued to Directors monthly.
6.2.2	Implement Council's Community Engagement Plan	Engagement activities conducted	
6.2.3	Develop communications between Councillors and the community to provide community opinion.	Community satisfaction with communication processes. Available to community.	
6.2.4	Manage a customer request system to assist communications between community and Council.	Response times to requests.	
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.	Annual report and Financial reports finalised and lodged by required due dates.
6.3.2	Maintain a stable and secure financial structure for Council.	Report financial outcomes as required by legislation.	Fit for the Future Improvement Proposal submitted by 30/06/2015.
6.3.3	Support actions for the sustainable future of local government.	Review Destination 2036 outcomes and actions to improve local government.	Financial Sustainability assessment of Council undertaken in June by NSW TCorp. Financial Sustainability Rating: Moderate Outlook: Positive
6.3.4	Develop strategies that respond to the impact of climate change on the community.	Supply of community information.	Participation at regional Local Government sessions.

DELIVERY PLAN PERFORMANCE REPORT - 2014/15

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.	Preparation of new emergency management plan (EMPLAN) to replace current DISPLAN underway in conjunction with LEMC.
6.4.2	Undertake regulatory responsibilities for environmental health and animal control.	Regulatory responsibilities are met	
6.4.3	Educate communities on road and pedestrian safety	Programs delivered	
6.4.4	Review risk management of council operations.	Plan is implemented and risk managed.	<p>RSO undertook delivery of the Kindy Kits program in Blayney Schools during year . RSO delivered two road safety papers at the International Federation of Municipal Engineering (IFME) and the Institute of Public Works Engineering Australasia (IPWEA) 2015 World Congress and Conference in Rotorua New Zealand.</p> <p>Environmental Health and Animal Control activities were undertaken in accordance with applicable legislation.</p>

Attachment A2:

AUDITED FINANCIAL REPORTS



Blayney Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2015

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



Blayney Shire Council

General Purpose Financial Statements for the financial year ended 30 June 2015

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Overview

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

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

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

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

- (iii) All figures presented in these financial statements are presented in Australian Currency.
- (iv) These financial statements were authorised for issue by the Council on 08 October 2015. Council has the power to amend and reissue these financial statements.
-

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Understanding Council's Financial Statements

Introduction

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

What you will find in the Statements

The financial statements set out the financial performance, financial position & cash flows of Council for the financial year ended 30 June 2015.

The format of the financial statements is standard across all NSW Councils and complies with both the accounting & 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 & ownership of the financial statements.

About the Primary Financial Statements

The financial statements incorporate 5 "primary" financial statements:

1. The Income Statement

Summarises Council's financial performance for the year, listing all income & 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 values of Council's Infrastructure, Property, Plant & Equipment.

3. The Statement of Financial Position

A 30 June snapshot of Council's financial position indicating its Assets, Liabilities & "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 5 primary financial statements.

About the Auditor's Reports

Council's financial statements are required to be audited by external accountants (that generally specialize in Local Government).

In NSW, the Auditor provides 2 audit reports:

1. An opinion on whether the financial statements present fairly the Council's financial performance & position, &
2. Their observations on the conduct of the Audit including commentary on the Council's financial performance & financial position.

Who uses the Financial Statements ?

The financial statements are publicly available documents & must be presented at a Council meeting between 7 days & 5 weeks after the date of the Audit Report.

Submissions from the public can be made to Council up to 7 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.

More information

A review of Council's financial performance and position for the 14/15 financial year can be found at Note 28 of the financial statements.

Blayney Shire Council

General Purpose Financial Statements
for the financial year ended 30 June 2015

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 14 September 2015.



S J Ferguson
MAYOR



A J Ewin
COUNCILLOR



R Ryan
GENERAL MANAGER



D Mead
RESPONSIBLE ACCOUNTING OFFICER

Blayney Shire Council

Income Statement

for the financial year ended 30 June 2015

Budget ¹			Actual	Actual
2015	\$ '000	Notes	2015	2014
Income from Continuing Operations				
Revenue:				
8,424	Rates & Annual Charges	3a	9,846	7,796
1,067	User Charges & Fees	3b	2,419	2,018
480	Interest & Investment Revenue	3c	473	480
364	Other Revenues	3d	280	213
2,925	Grants & Contributions provided for Operating Purposes	3e,f	3,439	2,076 ²
695	Grants & Contributions provided for Capital Purposes	3e,f	1,660	2,341
Other Income:				
-	Net gains from the disposal of assets	5	128	283
-	Net Share of interests in Joint Ventures & Associates using the equity method	19	28	98
13,955	Total Income from Continuing Operations		18,273	15,305
Expenses from Continuing Operations				
4,831	Employee Benefits & On-Costs	4a	5,276	4,920
133	Borrowing Costs	4b	186	172
3,548	Materials & Contracts	4c	3,257	3,026
4,779	Depreciation & Amortisation	4d	4,827	4,718
-	Impairment	4d	-	-
1,545	Other Expenses	4e	2,321	2,065
14,836	Total Expenses from Continuing Operations		15,867	14,901
(881)	Operating Result from Continuing Operations		2,406	404
Discontinued Operations				
-	Net Profit/(Loss) from Discontinued Operations	24	-	-
(881)	Net Operating Result for the Year		2,406	404
(881)	Net Operating Result attributable to Council		2,406	404
-	Net Operating Result attributable to Non-controlling Interests		-	-
(1,576)	Net Operating Result for the year before Grants and Contributions provided for Capital Purposes		746	(1,937)

¹ Original Budget as approved by Council - refer Note 16

² Financial Assistance Grants for 13/14 were lower reflecting one off timing differences due to a change in how the grant was paid in prior years - refer Note 3 (e)

Blayney Shire Council

Statement of Comprehensive Income
for the financial year ended 30 June 2015

\$ '000	Notes	Actual 2015	Actual 2014
Net Operating Result for the year (as per Income statement)		2,406	404
Other Comprehensive Income:			
Amounts which will not be reclassified subsequently to the Operating Result			
Gain (loss) on revaluation of I,PP&E	20b (ii)	(64)	528
Total Items which will not be reclassified subsequently to the Operating Result		(64)	528
Amounts which will be reclassified subsequently to the Operating Result when specific conditions are met			
Other Movements in reserves	20a	202	495
Total Items which will be reclassified subsequently to the Operating Result when specific conditions are met		202	495
Total Other Comprehensive Income for the year		138	1,023
Total Comprehensive Income for the Year		2,544	1,427
Total Comprehensive Income attributable to Council		2,544	1,427
Total Comprehensive Income attributable to Non-controlling Interests		-	-

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

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Blayney Shire Council

Statement of Financial Position
as at 30 June 2015

\$ '000	Notes	Actual 2015	Actual 2014
ASSETS			
Current Assets			
Cash & Cash Equivalents	6a	866	2,181
Investments	6b	13,500	11,000
Receivables	7	808	772
Inventories	8	736	768
Other	8	20	18
Non-current assets classified as "held for sale"	22	-	-
Total Current Assets		15,930	14,738
Non-Current Assets			
Investments	6b	-	-
Receivables	7	237	32
Inventories	8	-	-
Infrastructure, Property, Plant & Equipment	9	185,195	184,665
Investments accounted for using the equity method	19	20,059	19,832
Investment Property	14	-	-
Intangible Assets	25	249	281
Total Non-Current Assets		205,740	204,809
TOTAL ASSETS		221,670	219,548
LIABILITIES			
Current Liabilities			
Payables	10	897	1,075
Borrowings	10	178	183
Provisions	10	1,445	1,343
Total Current Liabilities		2,520	2,601
Non-Current Liabilities			
Payables	10	1	1
Borrowings	10	2,171	2,506
Provisions	10	517	521
Total Non-Current Liabilities		2,689	3,028
TOTAL LIABILITIES		5,209	5,629
Net Assets		216,462	213,918
EQUITY			
Retained Earnings	20	83,327	80,719
Revaluation Reserves	20	133,135	133,199
Council Equity Interest		216,462	213,918
Non-controlling Equity Interests		-	-
Total Equity		216,462	213,918

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

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Blayney Shire Council

Statement of Changes in Equity
for the financial year ended 30 June 2015

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
2015						
Opening Balance (as per Last Year's Audited Accounts)		61,482	133,199	194,681	-	194,681
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	19,237	-	19,237	-	19,237
Revised Opening Balance (as at 1/7/14)		80,719	133,199	213,918	-	213,918
c. Net Operating Result for the Year		2,406	-	2,406	-	2,406
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	(64)	(64)	-	(64)
- Comprehensive Income of Joint Associates	20a	202	-	202	-	202
Other Comprehensive Income		202	(64)	138	-	138
Total Comprehensive Income (c&d)		2,608	(64)	2,544	-	2,544
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		83,327	133,135	216,462	-	216,462
2014						
Opening Balance (as per Last Year's Audited Accounts)		60,583	132,671	193,254	-	193,254
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	19,237	-	19,237	-	19,237
Revised Opening Balance (as at 1/7/13)		79,820	132,671	212,491	-	212,491
c. Net Operating Result for the Year		404	-	404	-	404
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	528	528	-	528
- Comprehensive Income of Joint Associates	20a	495	-	495	-	495
Other Comprehensive Income		495	528	1,023	-	1,023
Total Comprehensive Income (c&d)		899	528	1,427	-	1,427
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		80,719	133,199	213,918	-	213,918

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

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Blayney Shire Council

Statement of Cash Flows

for the financial year ended 30 June 2015

Budget 2015	\$ '000	Notes	Actual 2015	Actual 2014
Cash Flows from Operating Activities				
<u>Receipts:</u>				
8,383	Rates & Annual Charges		9,974	7,831
1,068	User Charges & Fees		2,333	2,014
484	Investment & Interest Revenue Received		459	453
3,626	Grants & Contributions		5,160	4,632
-	Bonds, Deposits & Retention amounts received		51	19
300	Other		1,070	744
<u>Payments:</u>				
(4,831)	Employee Benefits & On-Costs		(5,246)	(4,842)
(3,551)	Materials & Contracts		(4,242)	(3,337)
(122)	Borrowing Costs		(178)	(135)
(1,544)	Other		(2,536)	(2,116)
<u>3,813</u>	Net Cash provided (or used in) Operating Activities	11b	<u>6,846</u>	<u>5,263</u>
Cash Flows from Investing Activities				
<u>Receipts:</u>				
-	Sale of Investment Securities		-	457
-	Sale of Real Estate Assets		71	113
-	Sale of Infrastructure, Property, Plant & Equipment		304	49
-	Deferred Debtors Receipts		-	2
<u>Payments:</u>				
-	Purchase of Investment Securities		(2,500)	(4,000)
(5,527)	Purchase of Infrastructure, Property, Plant & Equipment		(5,619)	(4,708)
-	Deferred Debtors & Advances Made		(75)	(20)
<u>(5,527)</u>	Net Cash provided (or used in) Investing Activities		<u>(7,820)</u>	<u>(8,107)</u>
Cash Flows from Financing Activities				
<u>Receipts:</u>				
1,175	Proceeds from Borrowings & Advances		-	1,000
<u>Payments:</u>				
(198)	Repayment of Borrowings & Advances		(340)	(119)
<u>977</u>	Net Cash Flow provided (used in) Financing Activities		<u>(340)</u>	<u>881</u>
<u>(737)</u>	Net Increase/(Decrease) in Cash & Cash Equivalents		<u>(1,315)</u>	<u>(1,963)</u>
9,388	plus: Cash & Cash Equivalents - beginning of year	11a	2,181	4,144
<u>8,651</u>	Cash & Cash Equivalents - end of the year	11a	<u>866</u>	<u>2,181</u>
Additional Information:				
	plus: Investments on hand - end of year	6b	13,500	11,000
	Total Cash, Cash Equivalents & Investments		<u>14,366</u>	<u>13,181</u>
Please refer to Note 11 for additional cash flow information				

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

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Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

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n/a - not applicable

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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

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

(a) Basis of preparation

(i) Background

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

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

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

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

Because AASBs are sector neutral, some standards either:

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

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

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

(iii) New and amended standards adopted by Council

There were no accounting standards that became mandatory this year which materially impacted on Council's financial statements.

(iv) Early adoption of Accounting Standards

Council has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2014.

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

(v) Basis of Accounting

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

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

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

(vi) Changes in Accounting Policies

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

There have also been no changes in accounting policies when compared with previous financial statements unless otherwise stated [refer Note 20(d)].

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

(vii) Critical Accounting Estimates

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

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

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

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

Critical judgements in applying Council's accounting policies

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

(b) Revenue recognition

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

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

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

Revenue is measured on major income categories as follows:

Rates, Annual Charges, Grants and Contributions

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

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

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

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

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

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

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

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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

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

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

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

User Charges, Fees and Other Income

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

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

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

Sale of Infrastructure, Property, Plant and Equipment

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

Interest and Rents

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

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

Dividend Income

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

Other Income

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

(c) Principles of Consolidation

These financial statements incorporate (i) the assets and liabilities of Council and any entities (or operations) that it **controls** (as at 30 June 2015) and (ii) all the related operating results (for the financial year ended the 30th June 2015).

Detailed information relating to the entities that Council Controls can be found at Note 19 (a).

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

(i) The Consolidated Fund

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

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

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

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

(ii) The Trust Fund

In accordance with the provisions of Section 411 of the Local Government Act 1993 (as amended), a separate and distinct Trust Fund is maintained to

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

account for all money and property received by the Council in trust which must be applied only for the purposes of or in accordance with the trusts relating to those monies.

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

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

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

(iii) Joint Arrangements

Council has no interest in any Joint Arrangements.

(iv) Associates

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

Such entities are usually termed Associates.

Any interests in Associates are accounted for using the equity method and are carried at cost.

Detailed information relating to Council's interest in Associates can be found at Note 19(b).

(v) County Councils

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

▪ Upper Macquarie County Council

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

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

- Oberon Council

▪ Central Tablelands Water County Council

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

- Blayney Shire Council
- Cabbonne Council
- Weddin Shire Council

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

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

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

(vi) Unconsolidated Structured Entities

Council has no interest in any Unconsolidated Structured Entities.

(d) Leases

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

Finance Leases

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

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

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

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

The interest element of the finance charge is costed to the income statement over the lease period so as

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

Operating Leases

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

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

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

(e) Cash and Cash Equivalents

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

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

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

(f) Investments and Other Financial Assets

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

- **financial assets at fair value through profit or loss,**

- **loans and receivables,**
- **held-to-maturity investments, and**
- **available-for-sale financial assets.**

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

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

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

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

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

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

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

(ii) Loans and receivables

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

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

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

(iii) Held-to-maturity investments

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

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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

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

(iv) Available-for-sale financial assets

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

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

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

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

Financial Assets – Reclassification

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

Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term.

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

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortised cost as applicable, and no

reversals of fair value gains or losses recorded before reclassification date are subsequently made.

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

General Accounting & Measurement of Financial Instruments:

(i) Initial Recognition

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

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

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

(ii) Subsequent Measurement

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

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

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

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

When securities classified as "**available-for-sale**" are sold or impaired, the accumulated fair value

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

adjustments are included in the income statement as gains and losses from investment securities.

Impairment

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

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

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

(iii) Types of Investments

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

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

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

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

will be disposed of when most financially advantageous to Council.

(g) Fair value estimation

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

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

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

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

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

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

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

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

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

(h) Receivables

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

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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

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

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

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

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

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

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

(i) Inventories

Raw Materials and Stores, Work in Progress and Finished Goods

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

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

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated

costs of completion and the estimated costs necessary to make the sale.

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

Land Held for Resale/Capitalisation of Borrowing Costs

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

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

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

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

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

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

Acquisition of assets

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

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

- **Sewerage Networks**
(External Valuation)
- **Operational Land** (External Valuation)
- **Buildings – Specialised/Non Specialised**
(External Valuation)
- **Plant and Equipment**
(as approximated by depreciated historical cost)

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

- **Roads Assets incl. roads, bridges & footpaths** (Internal Valuation)
- **Drainage Assets** (Internal Valuation)
- **Bulk Earthworks** (Internal Valuation)
- **Community Land** (Internal Valuation)
- **Land Improvements** (Internal Valuation)
- **Other Structures** (Internal Valuation)
- **Other Assets**
(as approximated by depreciated historical cost)

Initial Recognition

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

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

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

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

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably.

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

Asset Revaluations (including Indexation)

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

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

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

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

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

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

Capitalisation Thresholds

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

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

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

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

Buildings & Land Improvements

Park Furniture & Equipment > \$2,000

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

Other Structures > \$2,000

Sewer Assets

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

Stormwater Assets

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

Transport Assets

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

Bridge construction & reconstruction 100% Capitalised

Other Infrastructure Assets

Swimming Pools > \$10,000
Other Open Space/Recreational Assets > \$10,000

Other Infrastructure > \$10,000

Buildings

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

Stormwater Drainage

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

Transportation Assets

- Sealed Roads: Surface 20 years
- Sealed Roads: Structure 50 years
- Unsealed roads: Base 10 to 25 years
- Unsealed Roads: Sub Base 150 years

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

- Road Pavements 40 to 150 years
- Kerb, Gutter & Paths 40 years

Sewer Assets

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

Other Infrastructure Assets

- Bulk earthworks Infinite

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

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

Disposal and De-recognition

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

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

Depreciation

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

Land is not depreciated.

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

Plant & Equipment

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

Other Equipment

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

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

(k) Land

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

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

(l) Land under roads

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

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

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

(m) Intangible Assets

IT Development and Software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems.

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

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

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

(n) Crown Reserves

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

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

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

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

(o) Rural Fire Service assets

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

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

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

(p) Investment property

Council does not hold any investment property.

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

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

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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

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

Costs are estimated on the basis of a closure plan.

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

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

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

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

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

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

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

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

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

These costs are charged to the income statement.

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

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

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

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

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

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

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

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

The exception to this is plant and motor vehicles which are turned over on a regular basis. Plant and motor vehicles are retained in Non Current Assets under the classification of Infrastructure, Property,

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

Plant and Equipment - unless the assets are to be traded in after 30 June and the replacement assets were already purchased and accounted for as at 30 June.

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

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

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

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

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

(s) Impairment of assets

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

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

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

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

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

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

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

(t) Payables

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

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

(u) Borrowings

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

Borrowings are subsequently measured at amortised cost.

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

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

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

(v) Borrowing costs

Borrowing costs are expensed.

(w) Provisions

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

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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

Provisions are not recognised for future operating losses.

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

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

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

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

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

(x) Employee benefits

(i) Short Term Obligations

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

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

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

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

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

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

(ii) Other Long Term Obligations

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

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

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

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

Due to the nature of when and how Long Service Leave can be taken, all Long Service Leave for employees with 4 or more years of service has been classified as Current, as it has been deemed that Council does not have the unconditional right to defer settlement beyond 12 months – even though it is not anticipated that all employees with more than 4 years service (as at reporting date) will apply for and take their leave entitlements in the next 12 months.

(iii) Retirement benefit obligations

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

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

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

Defined Benefit Plans

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

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

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

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

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

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

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

However the position is monitored annually and the Actuary has estimated that as at 30 June 2015 the prior period deficit still exists.

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

The amount of employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an

expense and disclosed as part of Superannuation Expenses at Note 4(a) for the year ending 30 June 2015 was \$ 156,544.

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

The share of this deficit that can be broadly attributed to Council is estimated to be in the order of \$ 241,260 as at 30 June 2015.

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

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

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

Defined Contribution Plans

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

(iv) Employee Benefit On-Costs

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

These amounts include Superannuation and Workers Compensation expenses which will be payable upon the future payment of certain Leave Liabilities accrued as at 30/06/15.

(y) Self insurance

Council does not self insure.

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

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

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

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

Exceptions

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

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

(aa) Taxes

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

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

Goods & Services Tax (GST)

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

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

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

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

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

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

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

(ab) New accounting standards and interpretations

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2015.

Council has not adopted any of these standards early.

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

Apart from the AASB disclosures below, there are no other standards that are "not yet effective" which are expected to have a material impact on Council in the current or future reporting periods and on foreseeable future transactions.

Applicable to Local Government:

AASB 9 - Financial Instruments (and associated amending standards)

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement and has an effective date for reporting periods beginning on or after 1 January 2018 (and must be applied retrospectively).

The overriding impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets.

Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories:

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1. Summary of Significant Accounting Policies

- fair value and
- amortised cost (where financial assets will only be able to be measured at amortised cost where very specific conditions are met).

AASB 15 - Revenue from contracts with customers and associated amending standards

AASB 15 will introduce a five step process for revenue recognition with the core principle of the new Standard being that entities recognise revenue so as to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

The changes in revenue recognition requirements in AASB 15 may cause changes to accounting policies relating to the timing and amount of revenue recorded in the financial statements as well as additional disclosures.

The full impact of AASB 15 has not yet been ascertained or quantified.

AASB 15 will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2017.

AASB 124 - Related Party Disclosures

From 1 July 2016, AASB 124 Related Party Disclosures will apply to Council.

This means that Council will be required to disclose information about related parties and Council transactions with those related parties.

Related parties will more than likely include the Mayor, Councillors and certain Council staff. In addition, the close family members of those people and any organisations that they control or are associated with will be classified as related parties (and fall under the related party reporting requirements).

AASB 2014 - 10 Sale or contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address an acknowledged inconsistency between the requirements in AASB 10 and those in AASB 128 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not).

A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2016.

This standard will only impact Council where there has been a sale or contribution of assets between the entity and the associate/joint venture.

Not applicable to Local Government per se;

None

(ac) Rounding of amounts

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

(ad) Comparative Figures

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

(ae) Disclaimer

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

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

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

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

GOVERNANCE

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

ADMINISTRATION

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

PUBLIC ORDER & SAFETY

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

HEALTH

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

ENVIRONMENT

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

COMMUNITY SERVICES & EDUCATION

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

HOUSING & COMMUNITY AMENITIES

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

WATER SUPPLIES

SEWERAGE SERVICES

RECREATION & CULTURE

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

MINING, MANUFACTURING & CONSTRUCTION

Building control, abattoirs, quarries & pits, other.

TRANSPORT & COMMUNICATION

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

ECONOMIC AFFAIRS

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

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2015	Actual 2014
(a) Rates & Annual Charges			
Ordinary Rates			
Residential		1,463	1,345
Farmland		1,871	1,750
Mining		2,400	686
Business		291	263
Total Ordinary Rates		6,025	4,044
Special Rates			
Community Centre Refurbishment		275	275
Mining Special Rate		1,643	1,606
Total Special Rates		1,919	1,881
Annual Charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic Waste Management Services		939	845
Sewerage Services		963	1,026
Total Annual Charges		1,902	1,871
TOTAL RATES & ANNUAL CHARGES		9,846	7,796

Council has used 2011 year valuations provided by the NSW Valuer General in calculating its rates.

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
(b) User Charges & Fees			
Specific User Charges (per s.502 - Specific "actual use" charges)			
Sewerage Services		174	132
Total User Charges		174	132
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s.608)			
Building Regulation		204	197
Private Works - Section 67		155	70
Section 149 Certificates (EPA Act)		20	16
Section 603 Certificates		14	12
Other		6	4
Total Fees & Charges - Statutory/Regulatory		399	299
(ii) Fees & Charges - Other (incl. General User Charges) (per s.608)			
Cemeteries		33	46
Lease Rentals		184	304
Leaseback Fees - Council Vehicles		49	50
Multipurpose Centre		262	324
Quarry Revenues		278	325
RMS (formerly RTA) Charges (State Roads not controlled by Council)		956	486
Waste Disposal Tipping Fees		82	46
Other		2	6
Total Fees & Charges - Other		1,846	1,587
TOTAL USER CHARGES & FEES		2,419	2,018

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
(c) Interest & Investment Revenue (incl. losses)			
Interest & Dividends			
- Interest on Overdue Rates & Annual Charges (incl. Special Purpose Rates)		19	31
- Interest earned on Investments (interest & coupon payment income)		454	449
<u>TOTAL INTEREST & INVESTMENT REVENUE</u>		<u>473</u>	<u>480</u>
Interest Revenue is attributable to:			
Unrestricted Investments/Financial Assets:			
Overdue Rates & Annual Charges (General Fund)		19	31
General Council Cash & Investments		254	258
Restricted Investments/Funds - External:			
Development Contributions			
- Section 94		21	34
- Section 64		25	44
Sewerage Fund Operations		154	113
<u>Total Interest & Investment Revenue Recognised</u>		<u>473</u>	<u>480</u>
(d) Other Revenues			
Rental Income - Other Council Properties		8	9
Legal Fees Recovery - Other		31	23
Diesel Rebate		57	43
Insurance Claim Recoveries		-	13
Insurance Rebates		87	88
Recycling Income (non domestic)		2	-
Weight of Loads Disbursement		22	-
Paid Parental Leave		47	-
Other		26	37
<u>TOTAL OTHER REVENUE</u>		<u>280</u>	<u>213</u>

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 3. Income from Continuing Operations (continued)

\$ '000	2015 Operating	2014 Operating	2015 Capital	2014 Capital
(e) Grants				
General Purpose (Untied)				
Financial Assistance - General Component	1,617	797	-	-
Financial Assistance - Local Roads Component	792	389	-	-
Pensioners' Rates Subsidies - General Component	51	54	-	-
Total General Purpose	2,460	1,240	-	-

¹ The Financial Assistance Grant for the comparative 13/14 year reflects a one off timing difference (reduction). This grant ceased being paid in advance in the 13/14 year by up to 50% as had occurred in previous years.

Specific Purpose

Pensioners' Rates Subsidies:

- Sewerage	15	16	-	-
- Domestic Waste Management	24	24	-	-
Sewerage Services	27	-	56	38
Aged Care	1	5	-	-
Domestic Waste	-	238	-	-
Energy Efficiency	-	-	-	51
Environmental Protection	37	-	42	-
Heritage & Cultural	6	7	-	-
Library	33	48	-	-
LIRS Subsidy	38	10	-	-
Recreation & Culture	-	-	412	150
Street Lighting	16	-	-	-
Town Planning	28	-	13	15
Transport (Roads to Recovery)	155	-	-	505
Transport (Other Roads & Bridges Funding)	43	94	1,063	514
Youth Services	1	1	-	-
Total Specific Purpose	424	443	1,586	1,273
Total Grants	2,884	1,683	1,586	1,273

Grant Revenue is attributable to:

- Commonwealth Funding	2,564	1,186	210	505
- State Funding	312	497	1,376	768
- Other Funding	8	-	-	-
	2,884	1,683	1,586	1,273

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 3. Income from Continuing Operations (continued)

\$ '000		2015 Operating	2014 Operating	2015 Capital	2014 Capital
(f) Contributions					
Developer Contributions:					
(s93 & s94 - EP&A Act, s64 of the LGA):					
S 94 - Contributions towards amenities/services		-	-	57	23
S 64 - Sewerage Service Contributions		-	-	17	12
Total Developer Contributions	17	-	-	74	35
Other Contributions:					
Bushfire Services		58	57	-	-
Other Councils - Joint Works/Services		20	-	-	-
Recreation & Culture		-	-	-	7
Roads & Bridges		166	10	-	-
RMS Contributions (Regional Roads, Block Grant)		311	305	-	-
Voluntary Planning Agreement		-	-	-	1,000
Other		-	21	-	26
Total Other Contributions		555	393	-	1,033
Total Contributions		555	393	74	1,068
TOTAL GRANTS & CONTRIBUTIONS		3,439	2,076	1,660	2,341

\$ '000		Actual 2015	Actual 2014
(g) Restrictions relating to Grants and Contributions			
Certain grants & contributions are obtained by Council on condition that they be spent in a specified manner:			
Unexpended at the Close of the Previous Reporting Period		2,726	1,431
add: Grants & contributions recognised in the current period but not yet spent:		543	1,472
less: Grants & contributions recognised in a previous reporting period now spent:		(363)	(177)
Net Increase (Decrease) in Restricted Assets during the Period		180	1,295
Unexpended and held as Restricted Assets		2,906	2,726
Comprising:			
- Specific Purpose Unexpended Grants		1,480	1,421
- Developer Contributions		1,426	1,305
		2,906	2,726

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2015	Actual 2014
(a) Employee Benefits & On-Costs			
Salaries and Wages		4,191	3,828
Travelling		17	13
Employee Leave Entitlements (ELE)		634	572
Superannuation		524	491
Workers' Compensation Insurance		78	81
Fringe Benefit Tax (FBT)		56	57
Training Costs (other than Salaries & Wages)		103	89
Sick Leave Insurance		4	7
Protective Clothing		21	19
Other		25	41
Total Employee Costs		5,653	5,198
less: Capitalised Costs		(377)	(278)
TOTAL EMPLOYEE COSTS EXPENSED		5,276	4,920
Number of "Equivalent Full Time" Employees at year end		72	70
(b) Borrowing Costs			
(i) Interest Bearing Liability Costs			
Interest on Loans		177	145
Total Interest Bearing Liability Costs Expensed		177	145
(ii) Other Borrowing Costs			
Discount adjustments relating to movements in Provisions (other than ELE)			
- Remediation Liabilities	26	9	27
Total Other Borrowing Costs		9	27
TOTAL BORROWING COSTS EXPENSED		186	172
(c) Materials & Contracts			
Raw Materials & Consumables		3,061	2,904
Auditors Remuneration ⁽¹⁾		31	24
Legal Expenses:			
- Legal Expenses: Planning & Development		97	18
- Legal Expenses: Debt Recovery		36	21
- Legal Expenses: Other		15	42
Operating Leases:			
- Operating Lease Rentals: Minimum Lease Payment ⁽²⁾		17	17
TOTAL MATERIALS & CONTRACTS		3,257	3,026

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
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(c) Materials & Contracts (continued)

1. Auditor Remuneration

During the year, the following fees were incurred for services provided by the Council's Auditor (& the Auditors of other Consolidated Entities):

(i) Audit and Other Assurance Services

- Audit & review of financial statements: Council's Auditor

		31	24
--	--	----	----

Remuneration for audit and other assurance services		31	24
--	--	-----------	-----------

Total Auditor Remuneration

		31	24
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2. Operating Lease Payments are attributable to:

Other		17	17
		17	17

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2015	Actual 2014	Actual 2015	Actual 2014

(d) Depreciation, Amortisation & Impairment

Plant and Equipment		-	-	675	704
Office Equipment		-	-	63	61
Furniture & Fittings		-	-	23	23
Land Improvements (depreciable)		-	-	383	383
Buildings - Non Specialised		-	-	119	115
Buildings - Specialised		-	-	576	537
Infrastructure:					
- Roads		-	-	1,932	1,904
- Bridges		-	-	282	260
- Footpaths		-	-	52	51
- Stormwater Drainage		-	-	60	57
- Sewerage Network		-	-	493	463
- Other Open Space/Recreational Assets		-	-	85	82
Asset Reinstatement Costs	9 & 26	-	-	13	15
Intangible Assets	25	-	-	71	63
TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED		-	-	4,827	4,718

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
(e) Other Expenses			
Other Expenses for the year include the following:			
Advertising		63	25
Bank Charges		22	21
Cleaning		5	42
Contributions/Levies to Other Levels of Government			
- Emergency Services Levy (includes FRNSW, SES, and RFS Levies)		28	34
- NSW Fire Brigade Levy		140	140
Councillor Expenses - Mayoral Fee		23	23
Councillor Expenses - Councillors' Fees		73	73
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		3	3
Donations, Contributions & Assistance to other organisations (Section 356)		290	306
- Contributions to Central West Libraries		141	119
- Contribution to Upper Macquarie County Council		66	65
Electricity & Heating		278	266
Insurance		357	353
Postage		14	16
Printing & Stationery		40	36
Street Lighting		103	102
Subscriptions & Publications		206	188
Telephone & Communications		50	46
Valuation Fees		30	29
Water Charges		108	108
Repayment Local Govt. Organics Collection Grant		238	-
Other		43	70
TOTAL OTHER EXPENSES		2,321	2,065

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 5. Gains or Losses from the Disposal of Assets

\$ '000	Notes	Actual 2015	Actual 2014
Plant & Equipment			
Proceeds from Disposal - Plant & Equipment		304	49
less: Carrying Amount of P&E Assets Sold / Written Off		(230)	(7)
Net Gain/(Loss) on Disposal		74	42
Real Estate Assets Held For Sale			
Proceeds from Disposal - Real Estate Assets		71	113
less: Carrying Amount of Real Estate Assets Sold / Written Off		(17)	(96)
Net Gain/(Loss) on Disposal		54	17
Financial Assets*			
Proceeds from Disposal / Redemptions / Maturities - Financial Assets		-	457
less: Carrying Amount of Financial Assets Sold / Redeemed / Matured		-	(233)
Net Gain/(Loss) on Disposal		-	224
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		128	283
* Financial Assets disposals / redemptions include:			
- Net Gain/(Loss) from Financial Instruments "At Fair Value through profit & loss"		-	224
Net Gain/(Loss) on Disposal of Financial Instruments		-	224

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

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

\$ '000	Notes	2015 Actual Current	2015 Actual Non Current	2014 Actual Current	2014 Actual Non Current
Cash & Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		366	-	1,181	-
Cash-Equivalent Assets ¹					
- Short Term Deposits		500	-	1,000	-
Total Cash & Cash Equivalents		866	-	2,181	-
Investments (Note 6b)					
- Long Term Deposits		13,500	-	11,000	-
Total Investments		13,500	-	11,000	-
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS		14,366	-	13,181	-
¹ Those Investments where time to maturity (from date of purchase) is < 3 mths.					
Cash, Cash Equivalents & Investments were classified at year end in accordance with AASB 139 as follows:					
Cash & Cash Equivalents					
a. "At Fair Value through the Profit & Loss"		866	-	2,181	-
Investments					
a. "Held to Maturity"	6(b-ii)	-	-	-	-
b. "Loans & Receivables"	6(b-iii)	13,500	-	11,000	-
Investments		13,500	-	11,000	-
Note 6(b-i) Reconciliation of Investments classified as "Held to Maturity"					
Balance at the Beginning of the Year		-	-	233	-
Disposals (sales & redemptions)		-	-	(233)	-
Balance at End of Year		-	-	-	-
Note 6(b-ii) Reconciliation of Investments classified as "Loans & Receivables"					
Balance at the Beginning of the Year		11,000	-	7,000	-
Additions		2,500	-	4,000	-
Balance at End of Year		13,500	-	11,000	-
Comprising:					
- Long Term Deposits		13,500	-	11,000	-
Total		13,500	-	11,000	-

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

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

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

\$ '000	2015 Actual Current	2015 Actual Non Current	2014 Actual Current	2014 Actual Non Current
Total Cash, Cash Equivalents and Investments	14,366	-	13,181	-
attributable to:				
External Restrictions (refer below)	7,411	-	6,875	-
Internal Restrictions (refer below)	6,444	-	6,306	-
Unrestricted	511	-	0	-
	14,366	-	13,181	-

2015 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
-----------------	--------------------	------------------------------	--------------------------------	--------------------

Details of Restrictions

External Restrictions - Included in Liabilities

Nil

External Restrictions - Other

Developer Contributions - General (D)	591	78	-	669
Developer Contributions - Sewer Fund (D)	714	43	-	757
Specific Purpose Unexpended Grants (F)	1,417	63	-	1,480
Specific Purpose Unexpended Grants-Sewer Fund (F)	4	-	(4)	-
Sewerage Services (G)	3,698	364	-	4,062
Domestic Waste Management (G)	-	169	-	169
Rates - Special Variation Community Centre	21	-	(21)	-
Rates - Special Variation Mining	430	-	(156)	274
External Restrictions - Other	6,875	717	(181)	7,411
Total External Restrictions	6,875	717	(181)	7,411

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

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

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

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

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

2015 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
Internal Restrictions				
Plant & Vehicle Replacement	1,659	-	(35)	1,623
Employees Leave Entitlement	564	-	-	564
Asset Replacement Reserve	2,376	299	(128)	2,547
Blayney Town Works	185	-	-	185
Cemeteries	6	-	-	6
Construction of Buildings	8	-	(8)	-
Election Reserve	28	16	-	44
Golden Gully	24	-	(24)	-
Grant Matching Reserve	25	-	(25)	-
Inala Units	47	68	(32)	84
I.T Reserve	40	11	-	51
Local Museums	15	-	(15)	-
Multipurpose Centre	253	90	(61)	282
Property Account	457	68	-	525
Quarry	350	-	(41)	309
Showground Improvement Fund	6	-	(6)	-
Tourism Promotion Fund	214	-	(214)	-
Land Fill remediations & Assets	50	63	-	113
Village Enhancement Program	-	88	-	88
Environmental Projects - Belubula River	-	24	-	24
Total Internal Restrictions	6,306	726	(588)	6,444
TOTAL RESTRICTIONS	13,181	1,443	(769)	13,855

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 7. Receivables

\$ '000	Notes	2015		2014	
		Current	Non Current	Current	Non Current
Purpose					
Rates & Annual Charges		143	44	306	27
Interest & Extra Charges		46	-	43	21
User Charges & Fees		420	50	198	-
Private Works		111	107	85	107
Accrued Revenues					
- Interest on Investments		160	-	135	-
Government Grants & Subsidies		2	-	1	-
Deferred Debtors		61	36	4	18
Net GST Receivable		2	-	-	-
Total		945	237	772	173
less: Provision for Impairment					
Rates & Annual Charges		-	-	-	(18)
Interest & Extra Charges		-	-	-	(7)
Other Debtors		(137)	-	-	(116)
Total Provision for Impairment - Receivables		(137)	-	-	(141)
<u>TOTAL NET RECEIVABLES</u>		<u>808</u>	<u>237</u>	<u>772</u>	<u>32</u>
Externally Restricted Receivables					
Sewerage Services					
- Rates & Availability Charges		31	-	83	-
- Other		236	-	-	-
Total External Restrictions		267	-	83	-
Internally Restricted Receivables					
Nil					
Unrestricted Receivables		541	237	689	32
TOTAL NET RECEIVABLES		808	237	772	32

Notes on Debtors above:

- (i) Rates & Annual Charges Outstanding are secured against the property.
- (ii) Doubtful Rates Debtors are provided for where the value of the property is less than the debt outstanding.
An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.
- (iii) Interest was charged on overdue rates & charges at 8.50% (2014 9.00%).
Generally all other receivables are non interest bearing.
- (iv) Please refer to Note 15 for issues concerning Credit Risk and Fair Value disclosures.

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 8. Inventories & Other Assets

\$ '000	Notes	2015		2014	
		Current	Non Current	Current	Non Current
Inventories					
Real Estate for resale (refer below)		445	-	459	-
Stores & Materials		60	-	76	-
Trading Stock		231	-	233	-
Total Inventories		736	-	768	-
Other Assets					
Prepayments		20	-	16	-
Work In Progress		-	-	2	-
Total Other Assets		20	-	18	-
TOTAL INVENTORIES / OTHER ASSETS		756	-	786	-

Externally Restricted Assets

There are no restrictions applicable to the above assets.

Other Disclosures**(a) Details for Real Estate Development**

Industrial/Commercial	445	-	459	-
Total Real Estate for Resale	445	-	459	-

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

Represented by:

Acquisition Costs	445	-	459	-
Total Costs	445	-	459	-
Total Real Estate for Resale	445	-	459	-

Movements:

Real Estate assets at beginning of the year	459	-	554	-
- Purchases and other costs	3	-	1	-
- WDV of Sales (exp)	(17)	-	(96)	-
Total Real Estate for Resale	445	-	459	-

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

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

	2015	2014
Real Estate for Resale	445	459
	445	459

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

- Stores & Materials	486	487
- Trading Stock	-	305

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

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

\$ '000 Class of Asset	Actual 2015				Actual 2014			
	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value
Sewerage Services								
Plant & Equipment	-	254	134	120	-	234	114	120
Land								
- Community Land	-	238	-	238	-	238	-	238
Buildings	-	338	91	247	-	338	81	257
Infrastructure	-	28,334	8,798	19,536	-	27,580	8,174	19,406
Total Sewerage Services	-	29,164	9,023	20,141	-	28,390	8,369	20,021
Domestic Waste Management								
Land								
- Community Land	-	160	-	160	-	160	-	160
Total DWM	-	160	-	160	-	160	-	160
TOTAL RESTRICTED I,PP&E	-	29,324	9,023	20,301	-	28,550	8,369	20,181

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

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

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 10a. Payables, Borrowings & Provisions

\$ '000	Notes	2015		2014	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services - operating expenditure		443	-	663	-
Payments Received In Advance		157	-	111	-
Accrued Expenses:					
- Borrowings		18	-	19	-
- Other Expenditure Accruals		26	1	30	1
Security Bonds, Deposits & Retentions		235	-	184	-
ATO - Net GST Payable		18	-	67	-
Other		-	-	1	-
Total Payables		897	1	1,075	1
Borrowings					
Loans - Secured ¹		178	2,171	183	2,506
Total Borrowings		178	2,171	183	2,506
Provisions					
Employee Benefits;					
Annual Leave		361	-	336	-
Long Service Leave		977	36	929	50
ELE On-Costs		77	3	78	2
Sub Total - Aggregate Employee Benefits		1,415	39	1,343	52
Asset Remediation/Restoration (Future Works) ²⁶		-	478	-	469
Other		30	-	-	-
Total Provisions		1,445	517	1,343	521
Total Payables, Borrowings & Provisions		2,520	2,689	2,601	3,028

(i) Liabilities relating to Restricted Assets

	2015		2014	
	Current	Non Current	Current	Non Current
Externally Restricted Assets				
Sewer	83	687	60	880
Liabilities relating to externally restricted assets	83	687	60	880
Internally Restricted Assets				
Nil				
Total Liabilities relating to restricted assets	83	687	60	880
Total Liabilities relating to Unrestricted Assets	2,437	2,002	2,541	2,148
TOTAL PAYABLES, BORROWINGS & PROVISIONS	2,520	2,689	2,601	3,028

¹ Loans are secured over the General Rating Income of Council

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

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

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

	Actual 2015	Actual 2014
\$ '000		

(ii) Current Liabilities not anticipated to be settled within the next 12 months

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

Provisions - Employees Benefits	1,063	1,096
Payables - Security Bonds, Deposits & Retentions	214	119
	1,277	1,215

Note 10b. Description of and movements in Provisions

Class of Provision	2014	2015				
	Opening Balance as at 1/7/14	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	Closing Balance as at 30/6/15
Annual Leave	336	330	(305)	-	-	361
Long Service Leave	979	183	(149)	-	-	1,013
ELE On-Costs	80	9	(9)	-	-	80
Asset Remediation	469	(0)	-	9	-	478
Other	-	30	-	-	-	30
TOTAL	1,864	552	(463)	9	-	1,962

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

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 11. Statement of Cash Flows - Additional Information

\$ '000	Notes	Actual 2015	Actual 2014
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	866	2,181
Less Bank Overdraft	10	-	-
BALANCE as per the STATEMENT of CASH FLOWS		866	2,181
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		2,406	404
Adjust for non cash items:			
Depreciation & Amortisation		4,827	4,718
Net Losses/(Gains) on Disposal of Assets		(128)	(283)
Unwinding of Discount Rates on Reinstatement Provisions		9	27
Share of Net (Profits) or Losses of Associates/Joint Ventures		(28)	(98)
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		(162)	(81)
Increase/(Decrease) in Provision for Doubtful Debts		(4)	(2)
Decrease/(Increase) in Inventories		18	37
Decrease/(Increase) in Other Assets		(2)	131
Increase/(Decrease) in Payables		(220)	271
Increase/(Decrease) in accrued Interest Payable		(1)	10
Increase/(Decrease) in other accrued Expenses Payable		(4)	(14)
Increase/(Decrease) in Other Liabilities		47	45
Increase/(Decrease) in Employee Leave Entitlements		59	98
Increase/(Decrease) in Other Provisions		30	-
NET CASH PROVIDED FROM/(USED IN)		6,846	5,264
OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		6,846	5,264

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

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

\$ '000	Notes	Actual 2015	Actual 2014
(c) Non-Cash Investing & Financing Activities			
Nil			
(d) Financing Arrangements			
(i) Unrestricted access was available at balance date to the following lines of credit:			
Bank Overdraft Facilities ⁽¹⁾		50	50
Credit Cards / Purchase Cards		20	20
Total Financing Arrangements		70	70
Amounts utilised as at Balance Date:			
- Credit Cards / Purchase Cards		6	1
Total Financing Arrangements Utilised		6	1

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

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

(ii) Secured Loan Liabilities

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

Note 12. Commitments for Expenditure

(a) Capital Commitments (exclusive of GST)

Nil

(b) Finance Lease Commitments

Nil

(c) Operating Lease Commitments (Non Cancellable)

Nil

(d) Investment Property Commitments

Nil

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

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

\$ '000	Amounts 2015	Indicator 2015	Prior Periods 2014 2013	
Local Government Industry Indicators - Consolidated				
1. Operating Performance Ratio				
Total continuing operating revenue ⁽¹⁾				
(excl. Capital Grants & Contributions) - Operating Expenses	590	3.58%	-18.42%	-11.39%
Total continuing operating revenue ⁽¹⁾	16,457			
(excl. Capital Grants & Contributions)				
2. Own Source Operating Revenue Ratio				
Total continuing operating revenue ⁽¹⁾				
(excl. ALL Grants & Contributions)	13,018	71.86%	70.40%	63.76%
Total continuing operating revenue ⁽¹⁾	18,117			
3. Unrestricted Current Ratio				
Current Assets less all External Restrictions ⁽²⁾	7,807	6.73x	5.52	7.80
Current Liabilities less Specific Purpose Liabilities ^(3, 4)	1,160			
4. Debt Service Cover Ratio				
Operating Result ⁽¹⁾ before capital excluding interest and depreciation / impairment / amortisation	5,603	10.65x	8.84	13.13
Principal Repayments (from the Statement of Cash Flows) + Borrowing Costs (from the Income Statement)	526			
5. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual and Extra Charges Outstanding	233	2.28%	4.50%	5.57%
Rates, Annual and Extra Charges Collectible	10,237			
6. Cash Expense Cover Ratio				
Current Year's Cash and Cash Equivalents + All Term Deposits	14,366	13.75	14.99	11.61
Payments from cash flow of operating and financing activities	1,045	mths		

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 & associates.

⁽²⁾ Refer Notes 6-8 inclusive.

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

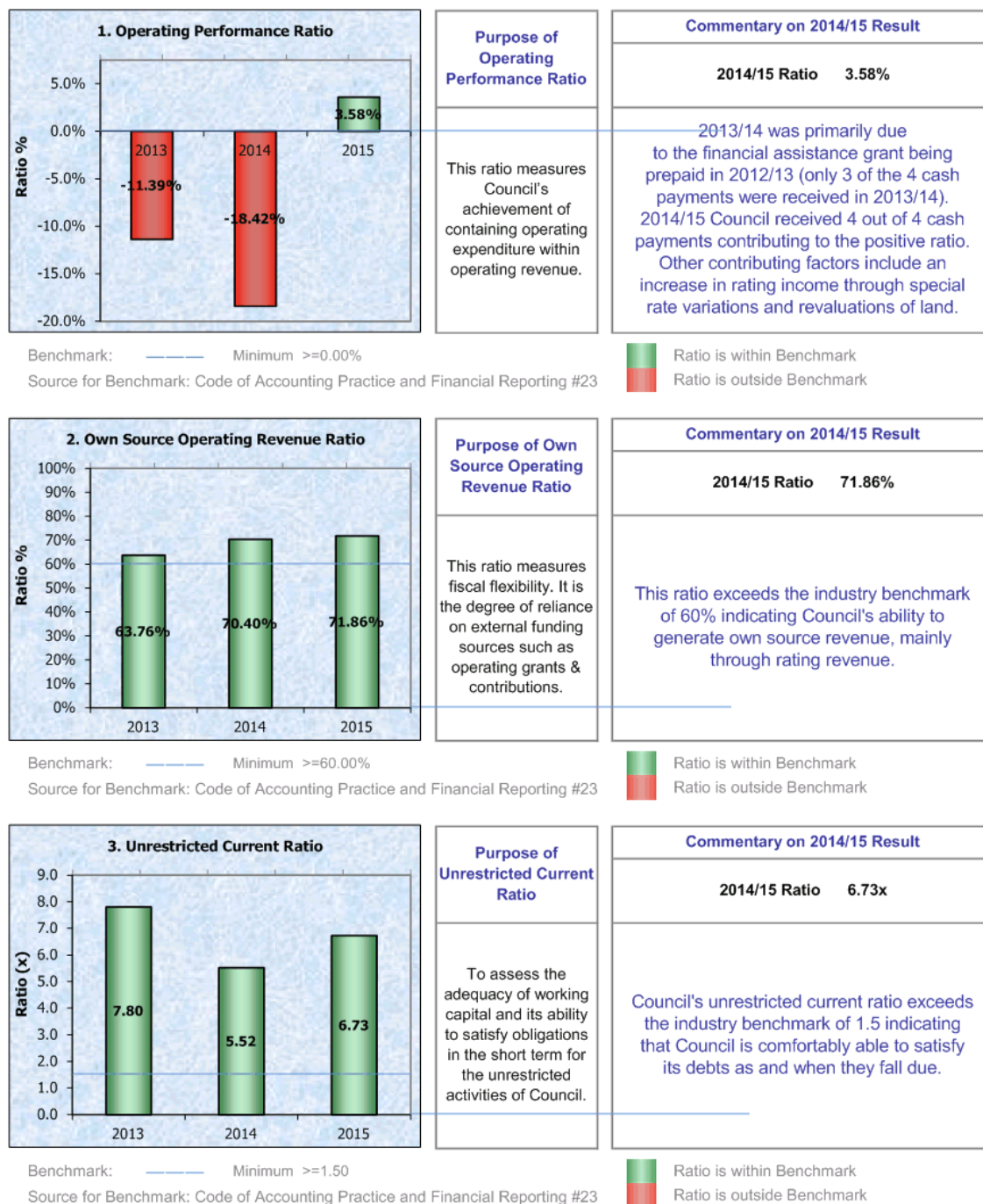
⁽³⁾ Refer to Note 10(a).

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

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

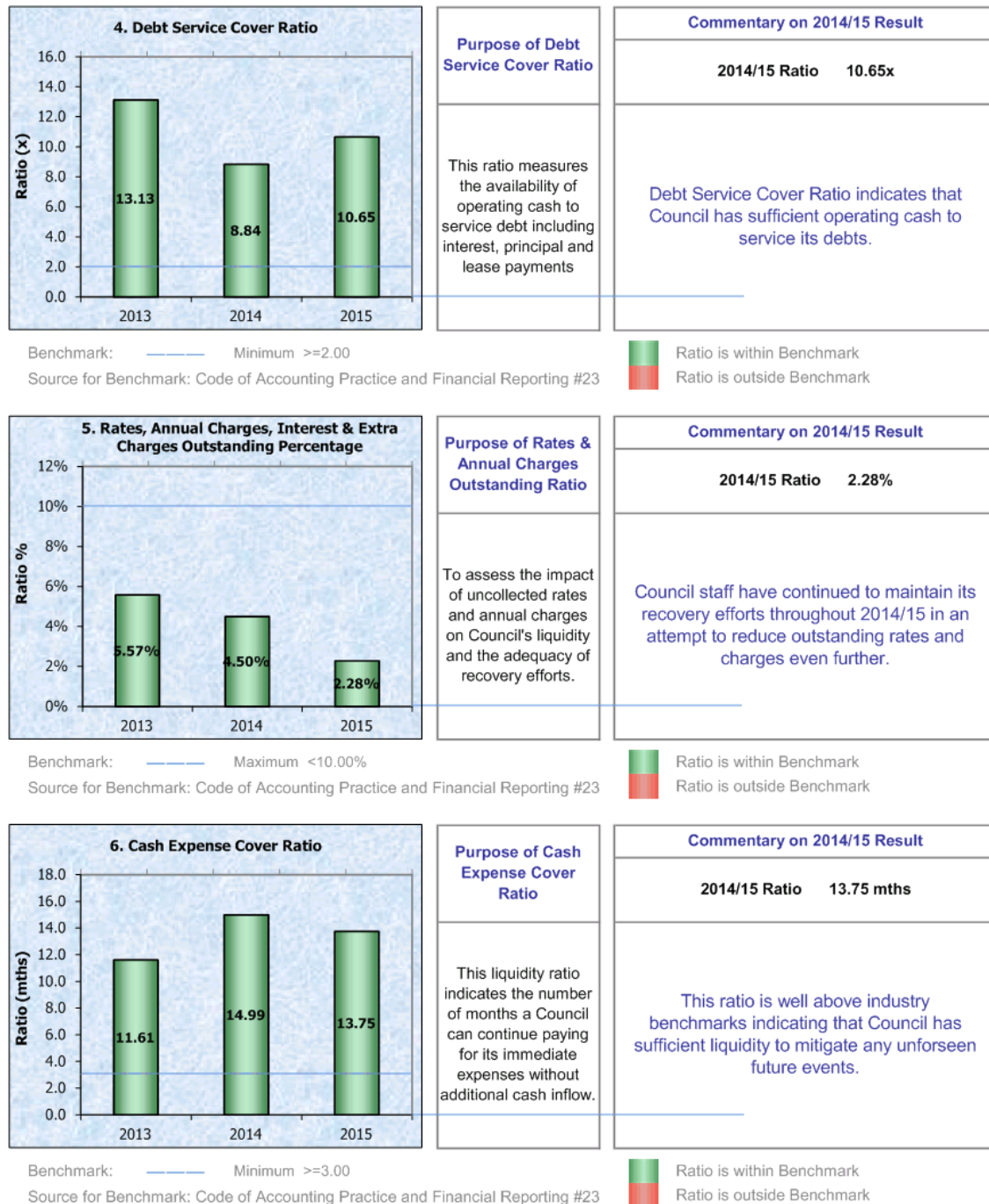
Note 13a(ii). Local Government Industry Indicators - Graphs (Consolidated)



Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

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



Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

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

\$ '000	Sewer 2015	General ⁵ 2015
Local Government Industry Indicators - by Fund		
1. Operating Performance Ratio		
Total continuing operating revenue ⁽¹⁾		
(excl. Capital Grants & Contributions) - Operating Expenses	4.19%	3.53%
Total continuing operating revenue ⁽¹⁾		
(excl. Capital Grants & Contributions)	prior period: 21.88%	-24.43%
2. Own Source Operating Revenue Ratio		
Total continuing operating revenue ⁽¹⁾	91.97%	70.13%
(excl. ALL Grants & Contributions)		
Total continuing operating revenue ⁽¹⁾	prior period: 95.90%	67.17%
3. Unrestricted Current Ratio		
Current Assets less all External Restrictions ⁽²⁾	52.16x	6.73x
Current Liabilities less Specific Purpose Liabilities ^(3, 4)	prior period: 66.72	5.52
4. Debt Service Cover Ratio		
Operating Result ⁽¹⁾ before capital excluding interest and depreciation / impairment / amortisation	2.32x	20.28x
Principal Repayments (from the Statement of Cash Flows) + Borrowing Costs (from the Income Statement)	prior period: 7.75	9.59
5. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage		
Rates, Annual and Extra Charges Outstanding	3.23%	2.18%
Rates, Annual and Extra Charges Collectible	prior period: 7.79%	4.01%
6. Cash Expense Cover Ratio		
Current Year's Cash and Cash Equivalents + All Term Deposits	0.00	13.75
Payments from cash flow of operating and financing activities	prior period: 0.00	mths 14.99

Notes

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

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

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 14. Investment Properties

\$ '000

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

Note 15. Financial Risk Management

Risk Management

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

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

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

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

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

	Carrying Value		Fair Value	
	2015	2014	2015	2014
Financial Assets				
Cash and Cash Equivalents	866	2,181	866	2,181
Investments				
- "Loans & Receivables"	13,500	11,000	13,500	11,000
Receivables	1,045	804	1,045	804
Total Financial Assets	15,411	13,985	15,411	13,985
Financial Liabilities				
Payables	741	965	741	965
Loans / Advances	2,349	2,689	2,349	2,689
Total Financial Liabilities	3,090	3,654	3,090	3,654

Fair Value is determined as follows:

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

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

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 15. Financial Risk Management (continued)

\$ '000

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

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

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

The risks associated with the investments held are:

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

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

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

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

	Increase of Values/Rates		Decrease of Values/Rates	
	Profit	Equity	Profit	Equity
2015				
Possible impact of a 1% movement in Interest Rates	9	9	(9)	(9)
2014				
Possible impact of a 1% movement in Interest Rates	17	17	(17)	(17)

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 15. Financial Risk Management (continued)

\$ '000

(b) Receivables

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

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

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

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

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

Council makes suitable provision for doubtful receivables as required.

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

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

	2015 Rates & Annual Charges	2015 Other Receivables	2014 Rates & Annual Charges	2014 Other Receivables
(i) Ageing of Receivables - %				
Current (not yet overdue)	0%	51%	0%	33%
Overdue	100%	49%	100%	67%
	100%	100%	100%	100%

		2015 Rates & Annual Charges	2015 Other Receivables	2014 Rates & Annual Charges	2014 Other Receivables
(ii) Ageing of Receivables - value					
Rates & Annual Charges	Other Receivables				
Current	Current	-	742	-	205
< 1 year overdue	0 - 30 days overdue	143	23	333	122
1 - 2 years overdue	30 - 60 days overdue	44	7	-	18
2 - 5 years overdue	60 - 90 days overdue	-	223	-	16
> 5 years overdue	> 90 days overdue	-	-	-	251
		187	995	333	612

(iii) Movement in Provision for Impairment of Receivables

	2015	2014
Balance at the beginning of the year	141	143
- amounts already provided for & written off this year	(4)	(2)
Balance at the end of the year	137	141

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 15. Financial Risk Management (continued)

\$ '000

(c) Payables & Borrowings

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

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

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

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

\$ '000	Subject to no maturity	payable in:						Total Cash Outflows	Actual Carrying Values
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
2015									
Trade/Other Payables	235	506	-	-	-	-	-	741	741
Loans & Advances	-	329	329	329	329	329	1,622	3,267	2,349
Total Financial Liabilities	235	835	329	329	329	329	1,622	4,008	3,090
2014									
Trade/Other Payables	184	781	-	-	-	-	-	965	965
Loans & Advances	-	354	354	354	354	354	2,049	3,819	2,689
Total Financial Liabilities	184	1,135	354	354	354	354	2,049	4,784	3,654

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

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

	2015		2014	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Trade/Other Payables	741	0.0%	965	0.0%
Loans & Advances - Fixed Interest Rate	2,349	6.6%	2,689	6.4%
	3,090		3,654	

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 14/15 was adopted by the Council on 23 June 2014.

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

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

Note that for Variations* of Budget to Actual :

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

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

\$ '000	2015 Budget	2015 Actual	2015 Variance*	
REVENUES				
Rates & Annual Charges	8,424	9,846	1,422	17% F
Increased rating revenue from the mining category due to increases to land valuations				
User Charges & Fees	1,067	2,419	1,352	127% F
Higher than anticipated building control income Increase in state roads funding (RMS)				
Interest & Investment Revenue	480	473	(7)	(1%) U
Other Revenues	364	280	(84)	(23%) U
Recognition of additional rebates received Higher than anticipated recovery of legal fees				
Operating Grants & Contributions	2,925	3,439	514	18% F
Council was awarded various unexpected operating grants throughout the year.				
Capital Grants & Contributions	695	1,660	965	139% F
Anticipated additional income from capital grants was not available.				
Net Gains from Disposal of Assets	-	128	128	0% F
Gains made from various plant sales throughout the year.				
Joint Ventures & Associates - Net Profits	-	28	28	0% F
Due to changes in accounting policy recognition of entities that Council has been considered to have "significant influence" is now recognised in the annual financial report using the equity method.				

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 16. Material Budget Variations (continued)

\$ '000	2015 Budget	2015 Actual	2015 Variance*	
EXPENSES				
Employee Benefits & On-Costs	4,831	5,276	(445)	(9%) U
Borrowing Costs	133	186	(53)	(40%) U
A loan of \$500,000 was repaid early.				
Materials & Contracts	3,548	3,257	291	8% F
Depreciation & Amortisation	4,779	4,827	(48)	(1%) U
Other Expenses	1,545	2,321	(776)	(50%) U
Other expenses were higher than budgeted for multiple reasons. The larger of these items include higher than anticipated water charges and contributions to other organisations mainly the Library and Rural Fire Service. Also communication to the public has increased which relates to increased advertising costs.				

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

Cash Flows from Operating Activities	3,813	6,846	3,033	79.5%	F
As per above Council was awarded various unexpected capital grants for road works throughout the year.					
Cash Flows from Investing Activities	(5,527)	(7,820)	(2,293)	41.5%	U
Non recognition in cash flow budgeting of investing in term deposits greater than 90 days					
Cash Flows from Financing Activities	977	(340)	(1,317)	(134.8%)	U
Budgeted borrowings not needed as capital project requirements had changed.					

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 18. Contingencies & Other Assets/Liabilities Not Recognised

\$ '000

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

LIABILITIES NOT RECOGNISED:

1. Guarantees

(i) Defined Benefit Superannuation Contribution Plans

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

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

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

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

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

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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

(iv) Other Guarantees

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

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

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

\$ '000

LIABILITIES NOT RECOGNISED (continued):

2. Other Liabilities

(i) Third Party Claims

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

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

(ii) S94 Plans

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

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

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

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

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

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

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

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

ASSETS NOT RECOGNISED:

(i) Land Under Roads

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

(ii) Infringement Notices/Fines

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

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

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

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

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 19. Interests in Other Entities

\$ '000

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

These operations and entities range from 100% ownership and control through to lower levels of ownership and control via co-operative arrangements with other Councils, Bodies and other Outside Organisations.

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

Controlled Entities (Subsidiaries)

Note 19(a)

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

Joint Ventures & Associates

Note 19(b)

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

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

Joint Operations

Note 19(c)

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

Unconsolidated Structured Entities

Note 19(d)

Unconsolidated Structured Entities represent "special vehicles" that Council has an interest in but which are not controlled by Council and therefore not consolidated as a Subsidiary, Joint Arrangement or Associate. Attributes of Structured Entities include restricted activities, a narrow and well-defined objective and insufficient equity to finance its activities without financial support.

Subsidiaries, Joint Arrangements and Associates not recognised

Note 19(e)

Accounting Recognition:

- (i) Subsidiaries disclosed under Note 19(a) and Joint Operations disclosed at Note 19(c) are accounted for on a "line by line" consolidation basis within the Income Statement and Statement of Financial Position.
- (ii) Joint Ventures and Associates as per Notes 19(b)(i) & (ii) are accounted for using the Equity Accounting Method and are disclosed as a 1 line entry in both the Income Statement and Statement of Financial Position.

	Council's Share of Net Income		Council's Share of Net Assets	
	Actual 2015	Actual 2014	Actual 2015	Actual 2014
Joint Ventures	-	-	-	-
Associates	28	98	20,059	19,832
Total	28	98	20,059	19,832

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 19. Interests in Other Entities (continued)

\$ '000

(a) Controlled Entities (Subsidiaries) - being entities & operations controlled by Council

Council has no interest in any Controlled Entities (Subsidiaries).

(b) Joint Ventures and Associates

Council has incorporated the following Joint Ventures and Associates into it's consolidated Financial Statements.

(a) Net Carrying Amounts - Council's Share

Name of Entity	Nature of Relationship	Measurement Method	2015	2014
Central Tablelands Water	Associate	Equity	19,864	19,637
Upper Macquarie County Council	Associate	Equity	195	195
Total Carrying Amounts - Material Joint Ventures and Associates			20,059	19,832

(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 & Fair Values

Name of Entity	Proportion of Voting Power	
	2015	2014
Central Tablelands Water	33.3%	33.3%
Upper Macquarie County Council	25%	25%

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 19. Interests in Other Entities (continued)

\$ '000

(b) Joint Ventures and Associates (continued)

(d) Summarised Financial Information for Joint Ventures & Associates

	Central Tablelands Water		Upper Macquarie County Council	
	2015	2014	2015	2014
Statement of Financial Position				
Current Assets				
Cash and Cash Equivalents	404	681	1,097	1,097
Other Current Assets	6,677	5,707	51	51
Total Current Assets	7,081	6,388	1,148	1,148
Non-Current Assets	56,722	57,034	151	151
Current Liabilities				
Financial Liabilities (excl. Accounts Payable)	383	359	-	-
Other Current Liabilities	1,064	1,007	273	273
Total Current Liabilities	1,447	1,366	273	273
Non-Current Liabilities	2,764	3,146	246	246
Net Assets	59,592	58,910	780	780
Reconciliation of the Carrying Amount				
Opening Net Assets (1 July)	58,910	57,140	780	765
Profit/(Loss) for the period	74	284	-	15
Other Comprehensive Income	608	1,486	-	-
Closing Net Assets	59,592	58,910	780	780
Council's share of Net Assets (%)	33.3%	33.3%	25.0%	25.0%
Council's share of Net Assets (\$)	19,864	19,637	195	195
Statement of Comprehensive Income				
Income	5,248	5,249	1,370	1,370
Interest Income	206	185	27	27
Depreciation & Amortisation	(1,808)	(1,785)	(43)	(43)
Interest Expense	(222)	(244)	-	-
Other Expenses	(3,350)	(3,121)	(1,339)	(1,339)
Profit/(Loss) for Period	74	284	15	15
Total Comprehensive Income	682	1,770	15	15
Council's share of Income (%)	33.3%	33.3%	25.0%	25.0%
Council's share of Profit/(Loss) (\$)	25	95	4	4
Council's share of Comprehensive Income (\$)	227	590	4	4

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 19. Interests in Other Entities (continued)

\$ '000

(c) Joint Operations

Council has no interest in any Joint Operations.

(d) Unconsolidated Structured Entities

Council has no Unconsolidated Structured Entities

(e) Subsidiaries, Joint Arrangements & Associates not recognised

The following Subsidiaries, Joint Arrangements & Associates have not been recognised in this Financial Report.

Name of Entity/Operation	Principal Activity/Type of Entity
Central West Libraries	Library services to member Councils
Strategic Alliance; Wellington, Blayney & Cabonne Councils	Investigation & provision of economies of scale opportunities for member Councils

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2015	Actual 2014
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(a) Retained Earnings

Movements in Retained Earnings were as follows:

Balance at beginning of Year (from previous years audited accounts)		61,482	60,583
a. Changes in Accounting Policies (prior period effects)	20 (d)	19,237	19,237
b. Other Comprehensive Income (excl. direct to Reserves transactions)		202	495
c. Net Operating Result for the Year		2,406	404
Balance at End of the Reporting Period		83,327	80,719

(b) Reserves

(i) Reserves are represented by:

- Infrastructure, Property, Plant & Equipment Revaluation Reserve	133,135	133,199
Total	133,135	133,199

(ii) Reconciliation of movements in Reserves:

Infrastructure, Property, Plant & Equipment Revaluation Reserve

- Opening Balance	133,199	132,671
- Revaluations for the year	9(a) (64)	528
- Balance at End of Year	133,135	133,199

TOTAL VALUE OF RESERVES

133,135	133,199
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(iii) Nature & Purpose of Reserves

Infrastructure, Property, Plant & Equipment Revaluation Reserve

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

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

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

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

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

\$ '000	Notes	Actual 2015	Actual 2014
(d) Voluntary Changes in Accounting Policies			
The recognition of 'significant influence' under AASB 12 of Central Tablelands Water and Upper Macquarie County Council with voting power greater than 20%.		19,237	-
Income Statement - Associates using the equity method		-	-
Statement of Financial Position - Investments accounted for using the equity method		-	-
Statement of Financial Position - Retained Earnings		-	-
In accordance with AASB 108 - Accounting Policies, Changes in Accounting Estimates and Errors, the above changes in Accounting Policy have been recognised retrospectively.			
These amounted to the following Equity Adjustments:			
- Adjustments to Opening Equity - 1/7/13 (relating to adjustments for the 30/6/13 reporting year end and prior periods)		19,237	-
- Adjustments to Closing Equity - 30/6/14 (relating to adjustments for the 30/6/14 year end)		-	-
Total Prior Period Adjustments - Accounting Policy Changes		19,237	-

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 21. Financial Result & Financial Position by Fund

Income Statement by Fund \$ '000	Actual 2015	Actual 2015
	Sewer	General¹
Continuing Operations		
Income from Continuing Operations		
Rates & Annual Charges	960	8,886
User Charges & Fees	176	2,243
Interest & Investment Revenue	179	294
Other Revenues	2	278
Grants & Contributions provided for Operating Purposes	42	3,397
Grants & Contributions provided for Capital Purposes	73	1,587
Other Income		
Net Gains from Disposal of Assets	-	128
Share of interests in Joint Ventures & Associates using the Equity Method	-	28
Total Income from Continuing Operations	1,432	16,841
Expenses from Continuing Operations		
Employee Benefits & on-costs	114	5,162
Borrowing Costs	75	111
Materials & Contracts	535	2,722
Depreciation & Amortisation	523	4,304
Impairment	-	-
Other Expenses	55	2,266
Total Expenses from Continuing Operations	1,302	14,565
Operating Result from Continuing Operations	130	2,276
Discontinued Operations		
Net Profit/(Loss) from Discontinued Operations	-	-
Net Operating Result for the Year	130	2,276
Net Operating Result attributable to each Council Fund	130	2,276
Net Operating Result attributable to Non-controlling Interests	-	-
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	57	689

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

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

Blayney Shire Council

Notes to the Financial Statements
as at 30 June 2015

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

Statement of Financial Position by Fund \$ '000	Actual 2015	Actual 2015
ASSETS	Sewer	General¹
Current Assets		
Cash & Cash Equivalents	319	547
Investments	4,500	9,000
Receivables	267	541
Inventories	-	736
Other	-	20
Non-current assets classified as 'held for sale'	-	-
Total Current Assets	5,086	10,844
Non-Current Assets		
Investments	-	-
Receivables	-	237
Inventories	-	-
Infrastructure, Property, Plant & Equipment	20,141	165,054
Investments Accounted for using the equity method	-	20,059
Investment Property	-	-
Intangible Assets	-	249
Total Non-Current Assets	20,141	185,599
TOTAL ASSETS	25,227	196,443
LIABILITIES		
Current Liabilities		
Payables	49	848
Borrowings	34	144
Provisions	-	1,445
Total Current Liabilities	83	2,437
Non-Current Liabilities		
Payables	-	1
Borrowings	687	1,484
Provisions	-	517
Total Non-Current Liabilities	687	2,002
TOTAL LIABILITIES	770	4,439
Net Assets	24,457	192,005
EQUITY		
Retained Earnings	9,480	73,847
Revaluation Reserves	14,977	118,158
Total Equity	24,457	192,005

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

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

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

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

\$ '000

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

Note 23. Events occurring after the Reporting Date

Events that occur between the end of the reporting period (ending 30 June 2015) and the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

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

Accordingly, the "authorised for issue" date is 08/10/15.

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

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

These financial statements (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2015.

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

These financial statements (& figures therein) do not incorporate any "non-adjusting events" that have occurred after 30 June 2015 and which are only indicative of conditions that arose after 30 June 2015.

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

Note 24. Discontinued Operations

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

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 25. Intangible Assets

\$ '000	Actual 2015	Actual 2014
Intangible Assets represent identifiable non-monetary asset without physical substance.		
Intangible Assets are as follows;		
Opening Values:		
Gross Book Value (1/7)	362	281
Accumulated Amortisation (1/7)	(81)	(18)
Accumulated Impairment (1/7)	-	-
Net Book Value - Opening Balance	281	263
Movements for the year		
- Purchases	39	81
- Amortisation charges	(71)	(63)
Closing Values:		
Gross Book Value (30/6)	401	362
Accumulated Amortisation (30/6)	(152)	(81)
Accumulated Impairment (30/6)	-	-
<u>TOTAL INTANGIBLE ASSETS - NET BOOK VALUE ¹</u>	<u>249</u>	<u>281</u>

¹. The Net Book Value of Intangible Assets represent:

- Software	249	281
	249	281

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 26. Reinstatement, Rehabilitation & Restoration Liabilities

\$ '000

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

Asset/Operation	Estimated year of restoration	NPV of Provision	
		2015	2014
Blayney Tip	2024	410	402
Blayney Quarry	2024	68	67
Balance at End of the Reporting Period	10(a)	478	469

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

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

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

Reconciliation of movement in Provision for year:

Balance at beginning of year	469	442
Amounts capitalised to new or existing assets:		
Amortisation of discount (expensed to borrowing costs)	9	27
Total - Reinstatement, rehabilitation and restoration provision	478	469

Amount of Expected Reimbursements

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

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 27. Fair Value Measurement

\$ '000

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

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

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

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

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

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

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

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

Fair values		Fair Value Measurement Hierarchy			
2015		Level 1	Level 2	Level 3	Total
	Date of latest Valuation	Quoted prices in active mkts	Significant observable inputs	Significant unobservable inputs	
Recurring Fair Value Measurements					
Financial Assets					
Loans and Recievables	30/06/15	-	13,500	-	13,500
Cash and Short Term Deposits	30/06/15	-	865	-	865
Total Financial Assets		-	14,365	-	14,365
Financial Liabilities					
Loans / Advances	30/06/15	-	2,349	-	2,349
Payables	30/06/15	-	741	-	741
Total Financial Liabilities		-	3,090	-	3,090
Infrastructure, Property, Plant & Equipment					
Plant & Equipment	30/06/15	-	-	2,675	2,675
Office Equipment	30/06/15	-	-	127	127
Furniture and Fittings	30/06/15	-	-	104	104
Operational Land	30/06/15	-	-	1,467	1,467
Community Land	30/06/15	-	-	4,122	4,122
Depreciable Land Improvements	30/06/15	-	-	3,172	3,172
Buildings - Specialised	30/06/15	-	-	10,144	10,144
Buildings - Non Specialised	30/06/15	-	-	2,052	2,052
Open Space/Recreation Assets	30/06/15	-	-	1,542	1,542
Roads	30/06/15	-	-	96,018	96,018
Bridges	30/06/15	-	-	22,649	22,649
Footpaths	30/06/15	-	-	3,138	3,138
Bulk Earthworks	30/06/15	-	-	11,507	11,507
Stormwater	30/06/15	-	-	6,827	6,827
Sewerage Network	30/06/15	-	-	19,535	19,535
Tip Assets	30/06/15	-	-	101	101
Quarry Assets	30/06/15	-	-	16	16
Total Infrastructure, Property, Plant & Equipment		-	-	185,195	185,195

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Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

\$ '000

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

Fair Values: (continued)		Fair Value Measurement Hierarchy			Total
		Level 1	Level 2	Level 3	
	Date	Quoted	Significant	Significant	
	of latest	prices in	observable	unobservable	
	Valuation	active mkt	inputs	inputs	
Recurring Fair Value Measurements					
Financial Assets					
Loans and Recievables	30/06/14	-	11,000	-	11,000
Cash and Short Term Deposits	30/06/14	-	2,181	-	2,181
Total Financial Assets		-	13,181	-	13,181
Financial Liabilities					
Loans / Advances	30/06/14	-	2,689	-	2,689
Payables	30/06/14	-	965	-	965
Total Financial Liabilities		-	3,654	-	3,654
Infrastructure, Property, Plant & Equipment					
Plant & Equipment	30/06/14	-	-	2,672	2,672
Office Equipment	30/06/14	-	-	149	149
Furniture and Fittings	30/06/14	-	-	115	115
Operational Land	30/06/13	-	-	1,467	1,467
Community Land	30/06/11	-	-	4,122	4,122
Depreciable Land Improvements	30/06/11	-	-	3,555	3,555
Buildings - Specialised	30/06/13	-	-	10,195	10,195
Buildings - Non Specialised	30/06/13	-	-	2,171	2,171
Open Space/Recreation Assets	30/06/11	-	-	1,565	1,565
Roads	30/06/10	-	-	106,529	106,529
Bridges	30/06/10	-	-	15,356	15,356
Footpaths	30/06/10	-	-	2,488	2,488
Bulk Earthworks	30/06/10	-	-	10,466	10,466
Stormwater	30/06/10	-	-	4,281	4,281
Sewerage Network	30/06/12	-	-	19,404	19,404
Tip Assets	30/06/14	-	-	112	112
Quarry Assets	30/06/14	-	-	18	18
Total Infrastructure, Property, Plant & Equipment		-	-	184,665	184,665

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

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

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

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

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

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

Financial Assets

Held to Maturity – Term deposits valued at fair value

Valuation Technique: 'Cost approach'

Inputs Used (Level 2): Original investment value

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

Valuation Technique: 'Cost approach'

Inputs Used (Level 2): Original investment value

Financial Liabilities

Payables – Outstanding creditor payments, security bonds & deposits

Valuation Technique: 'Cost approach'

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

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

Loans/Advances – Outstanding bank loans

Valuation Technique: 'Cost approach'

Inputs Used (Level 2): Loan borrowing amount

Infrastructure, Property, Plant & Equipment

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

Valuation Techniques: 'Cost approach'

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

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

Office Equipment – Computers, servers

Valuation Techniques: 'Cost approach'

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

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

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

Valuation Techniques: 'Cost approach'

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

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

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

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

Valuation Techniques: 'Market approach'

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

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

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

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

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

Valuation Techniques: 'Cost approach'

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

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

Community Land:

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

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

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

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

Valuation Techniques: 'Cost approach'

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

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

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

Valuation Techniques: 'Cost approach'

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

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

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

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

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

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

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

Valuation Techniques: 'Cost approach'

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

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

Roads – Road surface, pavement, formation, major earthworks

Valuation Techniques: 'Cost approach'

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

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

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

Roads – Sealed and Unsealed

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

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

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

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

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

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

Culverts

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

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

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

Kerb and Gutter

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

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

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

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

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

Bridges – (excluding culverts under 6 metres in length)

Valuation Techniques: 'Cost approach'

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

Councils bridge infrastructure assets were last valued on 30 June 2010.

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

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

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

Footpaths – Footways including cycleways

Valuation Techniques: 'Cost approach'

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

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

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

Stormwater Drainage – includes pits, pipes

Valuation Techniques: 'Cost approach'

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

Stormwater Drainage

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

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

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

Valuation Techniques: 'Cost approach'

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

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

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

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

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

The object of the survey was to uncover any evidence that will challenge the default useful life for that asset class such as corrosion (or lack of), obvious mechanical/electrical defects or structural damage. Field survey sheets were completed and a photographic record also was made.

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

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

Tip and Quarry Assets – Reinstatement, rehabilitation and restoration

Valuation Techniques: 'Cost approach'

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

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

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

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

\$ '000

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

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

	Operational Land	Community Land	Depreciable Land Impro- vements	Buildings - Specialised	Total
Adoption of AASB 13	1,467	4,122	3,938	10,732	20,259
Depreciation & Impairment	-	-	(383)	(537)	(920)
Closing Balance - 30/6/14	1,467	4,122	3,555	10,195	19,339
Purchases (GBV)	-	-	-	525	525
Depreciation & Impairment	-	-	(383)	(576)	(959)
Closing Balance - 30/6/15	1,467	4,122	3,172	10,144	18,905

	Buildings - Non Specialised	Open Space / Recreation Assets	Roads	Bridges	Total
Adoption of AASB 13	2,102	1,647	107,081	13,829	124,659
Purchases (GBV)	184	-	1,352	1,787	3,324
Depreciation & Impairment	(115)	(82)	(1,904)	(260)	(2,361)
Closing Balance - 30/6/14	2,171	1,565	106,529	15,356	125,622
Purchases (GBV)	-	62	2,833	383	3,278
Depreciation & Impairment	(119)	(85)	(1,933)	(282)	(2,419)
FV Gains - Other Comprehensive Income	-	-	(11,412)	7,192	(4,220)
Closing Balance - 30/6/15	2,052	1,542	96,018	22,649	122,262

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 27. Fair Value Measurement (continued)

\$ '000

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

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

	Footpaths	Bulk Earthworks	Stormwater	Sewerage Network	Total
Adoption of AASB 13	2,415	10,466	4,084	19,217	36,182
Purchases (GBV)	124	-	254	122	500
Depreciation & Impairment	(51)	-	(57)	(463)	(571)
FV Gains - Other Comprehensive Income	-	-	-	528	528
Closing Balance - 30/6/14	2,488	10,466	4,281	19,404	36,639
Purchases (GBV)	205	-	278	335	818
Depreciation & Impairment	(52)	-	(62)	(493)	(606)
FV Gains - Other Comprehensive Income	497	1,041	2,329	289	4,155
Closing Balance - 30/6/15	3,138	11,507	6,826	19,535	41,006

	Plant & Equipment	Office Equipment	Furniture & Fittings	Tip & Quarry	Total
Adoption of AASB 13	2,700	173	55	145	3,073
Purchases (GBV)	683	37	83	-	803
Disposals (WDV)	(7)	-	-	-	(7)
Depreciation & Impairment	(704)	(61)	(23)	(15)	(803)
Closing Balance - 30/6/14	2,672	149	115	130	3,066
Purchases (GBV)	907	41	12	(13)	947
Disposals (WDV)	(230)	-	-	-	(230)
Depreciation & Impairment	(675)	(63)	(23)	-	(761)
Closing Balance - 30/6/15	2,674	127	104	117	3,022

(5). Highest and best use

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

Blayney Shire Council

Notes to the Financial Statements
for the financial year ended 30 June 2015

Note 28. Financial Review

\$ '000

Key Financial Figures of Council over the past 5 years (consolidated)

Financial Performance Figures	2015	2014	2013	2012	2011
Inflows:					
Rates & Annual Charges Revenue	9,846	7,796	7,457	5,640	5,292
User Charges Revenue	2,419	2,018	1,425	3,232	1,354
Interest & Investment Revenue (Losses)	473	480	482	513	480
Grants Income - Operating & Capital	4,470	2,956	4,932	4,417	3,055
Total Income from Continuing Operations	18,273	15,305	15,042	14,642	11,104
Sale Proceeds from I,PP&E	375	162	283	190	455
New Loan Borrowings & Advances	-	1,000	-	-	-
Outflows:					
Employee Benefits & On-cost Expenses	5,276	4,920	4,951	4,821	4,460
Borrowing Costs	186	172	155	161	164
Materials & Contracts Expenses	3,257	3,026	3,357	3,898	2,293
Total Expenses from Continuing Operations	15,867	14,901	14,957	15,178	12,370
Total Cash purchases of I,PP&E	5,619	4,708	2,947	4,046	1,524
Total Loan Repayments (incl. Finance Leases)	340	119	93	85	80
Operating Surplus/(Deficit) (excl. Capital Income)	746	(1,937)	(1,551)	(1,301)	(1,699)
Financial Position Figures	2015	2014	2013	2012	2011
Current Assets	15,930	14,738	13,068	11,090	10,275
Current Liabilities	2,520	2,601	1,972	2,372	2,007
Net Current Assets	13,410	12,137	11,096	8,718	8,268
Available Working Capital (Unrestricted Net Current Assets)	458	(4)	475	865	713
Cash & Investments - Unrestricted	511	0	3	2	18
Cash & Investments - Internal Restrictions	6,444	6,306	6,530	3,623	3,377
Cash & Investments - Total	14,366	13,181	11,377	7,335	8,235
Total Borrowings Outstanding (Loans, Advances & Finance Leases)	2,349	2,689	1,808	1,901	1,986
Total Value of I,PP&E (excl. Land & Earthworks)	232,099	246,570	241,427	236,449	230,585
Total Accumulated Depreciation	64,000	77,960	73,309	68,559	66,936
Indicative Remaining Useful Life (as a % of GBV)	72%	68%	70%	71%	71%

Source: Published audited financial statements of Council (current year & prior year)

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Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 29. Council Information & Contact Details

Principal Place of Business:

91 Adelaide Street
Blayney NSW 2799

Contact Details**Mailing Address:**

PO Box 62
Blayney NSW 2799

Opening Hours:

9am to 4:30pm
Monday to Friday

Telephone: 02 6368 2104

Facsimile: 02 6368 3290

Internet: www.blayney.nsw.gov.au

Email: council@blayney.nsw.gov.au

Officers**GENERAL MANAGER**

R Ryan

Elected Members**MAYOR**

S J Ferguson

RESPONSIBLE ACCOUNTING OFFICER

D Mead

AUDITORS

Intentus

237 Lords Place, Orange NSW 2800



**INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL
ON THE GENERAL PURPOSE FINANCIAL STATEMENTS OF
BLAYNEY SHIRE COUNCIL**

Report on the Financial Statements

We have audited the accompanying general purpose financial statements of Blayney Shire Council for the financial year ended 30 June 2015. The financial statements comprise the Statement by Councillors and Management, Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and accompanying Notes to the Financial Statements.

Councils' Responsibility for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with the Local Government Act 1993. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. Our audit responsibility does not extend to the original budget figures included in the Income Statement and Statement of Cash Flows, the original budget disclosures in Notes 2(a) and 16, nor the projected revenue and expenditure of developer contributions reported in Note 17 and accordingly, we express no opinion on them. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Council, as well as evaluating the overall presentation of the financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.



Matters Relating to the Electronic Presentation of the Audited Financial Statements

This auditor's report relates to the general purpose financial statements of Blayney Shire Council (Council) for the year ended 30 June 2015 included on Council's web site. Council is responsible for the integrity of its web site. We have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements to confirm the information included in the audited financial statements presented on this web site.

Audit Opinion

In our opinion:

- (a) the Council's accounting records have been kept in accordance with the requirements of the Local Government Act 1993, Chapter 13, Part 3, Division 2;
- (b) the Council's financial statements:
 - (i) have been prepared in accordance with the requirements of this Division;
 - (ii) are consistent with the Council's accounting records;
 - (iii) present fairly the Council's financial position, the results of its operations and cashflows; and
 - (iv) are in accordance with applicable Australian Accounting Standards
- (c) all information relevant to the conduct of the audit has been obtained; and
- (d) there are no material deficiencies in the accounting records or financial statements that have come to light in the course of the audit.



intentus

14 Sale Street
Orange
Dated: 26 October 2015



John O'Malley
Director



Thorough, Attentive, Earnest

26 October 2015

The Mayor
Councillor Scott Ferguson
Blayney Shire Council
PO Box 156
BLAYNEY NSW 2850

Dear Mr Mayor

**INDEPENDENT AUDITOR'S REPORT ON THE CONDUCT OF THE AUDIT OF
BLAYNEY SHIRE COUNCIL FOR THE YEAR ENDED 30 JUNE 2015**

We advise having completed our audit of the financial statements of Blayney Shire Council for the financial year ended 30 June 2015. Our audit resulted in the issuing of an unmodified audit report on both the general purpose and special purpose financial statements of Council.

In accordance with Section 417(3) of the Local Government Act 1993 we submit our report on the conduct of the audit of Blayney Shire Council for the year ended 30 June 2015. Our audit reports on the general purpose financial statements of Council and the special purpose financial statements on Council's business units outline the legislative framework of our audit and should be referred to in order to establish the context in which our comments are made.

Council's Responsibility for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with the Local Government Act 1993. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant technical and ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Council, as well as evaluating the overall presentation of the financial statements.

The following comments are provided in accordance with Section 415(3) of the Local Government Act 1993 and Regulation 227 of the Local Government (General) Regulation 2005 to assist in the understanding of the financial statements and our reports.



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14 Sale Street, Orange NSW 2800
Phone: 02 6362 5100
Liability limited by a scheme approved under Professional Standards Legislation

PO Box 9013, Bathurst West NSW 2795
291 Stewart Street, Bathurst NSW 2795
Phone: 02 6333 7611

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Review of Financial Results

(a) Operating Result

As disclosed in Council's Income Statement the year's operations resulted in a net operating result of \$2,406,000 (2014 – surplus \$404,000). Selected items of note in the operating statement include:

Revenue

- The operating result from ordinary activities *before* capital amounts was a surplus of \$746,000 (2014 deficit – \$1,937,000).
- Rates & Annual Charges income has been significantly boosted through an increase in the value of land subject to mining rates. This has seen the rate take from mining increase by \$1,728,000 and the overall Rates and Annual Charges grow to \$9,846,000 (2014 - \$7,796,000) or 54% of total income.
- User Charges & Fees have also increased by 20% to \$2,419,000 (2014 - \$2,018,000) following increased work on State roads on behalf of Roads & Maritime Services (RMS).
- Operating Grants & Contributions returned to usual after a timing difference in the payment of the Financial Assistance Grant for 2014 saw a sharp decline. Operating Grants this year totaled \$3,439,000 (2014 - \$2,076,000)
- Conversely, Capital grants and contributions to \$1,660,000 (2014 - \$2,341,000). The prior year saw a \$1,000,000 voluntary planning agreement contribution received from Newcrest mines. There being no repeat this year, the income fell to more familiar territory.

Expenditure

- Employee Benefits Expense increased by \$356,000 or 7% with a slight increase in staff numbers.
- Materials and contracts expenses were also slightly higher at \$3,257,000 (2014 - \$3,026,000).
- Other expenses were marginally higher at \$2,321,000 (2014 - \$2,065,000) with the largest increases attributable to legal costs and the repayment of a grant for collection of organic waste.

Council's other major items of income and expenditure were relatively consistent with the prior period.

(b) Financial Position

The Statement of Financial Position discloses that for the year ended 30 June 2015 Council's net assets stood at \$216,462,000 (2014 - \$213,918,000), which represents an increase of \$2,544,000. That movement is comprised of the net operating surplus after capital amounts of \$2,406,000 combined with the recognition of council's proportionate interest in joint associates of \$202,000 and the net asset revaluation decrement of \$64,000 relating to the revaluation of Council's roads, bridges, footpaths, storm water and sewer assets.

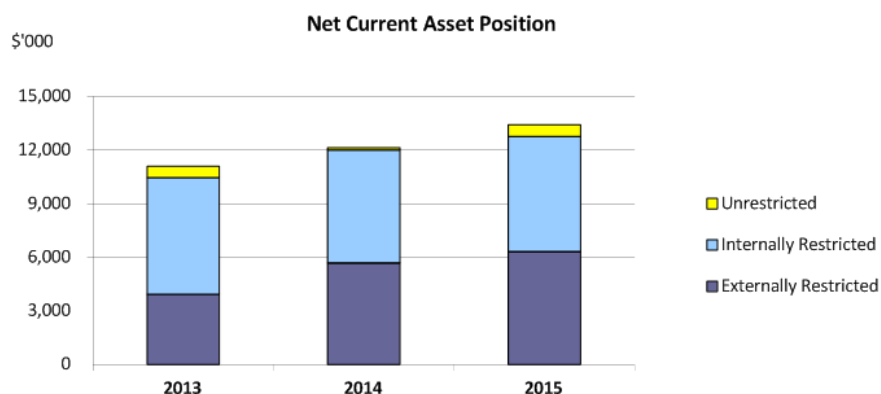
To assess the health of Council's net current asset position (available working capital) it is necessary to review the level of restrictions placed against the use of Council's assets. The notes to the financial statements indicate clearly where restrictions exist, and the effect of the restrictions is summarised below.

Unrestricted Net Current Assets

	2015 \$'000	2014 \$'000
Net Current Assets	13,410	12,137
Less: Amounts externally restricted for special purposes (refer Notes 6; 7; & 8 of financial statements)	(7,678)	(6,958)
Less: Council internally imposed restrictions (refer Note 6 of financial statements)	(6,444)	(6,306)
Add: Applicable current liabilities refer Note 10 - Sewerage	83	60
Add: Employee Leave Entitlements to be paid > 12 months	1,277	1,215
Unrestricted net current asset surplus/(deficit)	648	148
Unrestricted net current assets comprise: -		
Assets		
Cash	511	-
Receivables	540	689
Inventories	736	768
Other	20	18
Less: General Purpose Liabilities	(2,436)	(2,542)
Plus: Employee Leave Entitlements to be paid > 12 months	1,277	1,215
Unrestricted net current asset surplus/(deficit)	648	148

Council's continues to enjoy a surplus of net current assets to cover the restrictions placed on those assets.

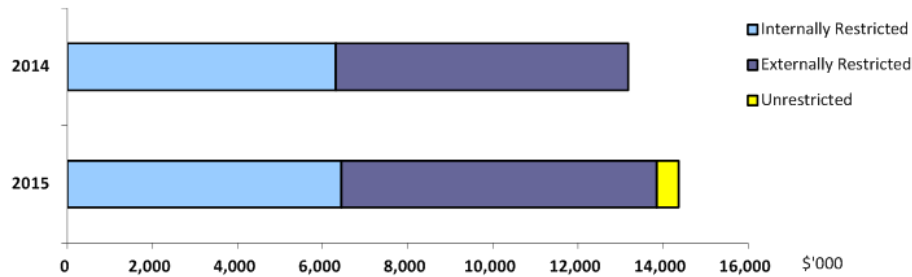
The following table shows the Council's calculated net current asset position over the past three years:



Cash & Investments

Note 6 to the accounts discloses total cash and investments of \$14,366,000 (2014 - \$13,181,000), of this amount \$7,411,000 (2014 - \$6,875,000) is subject to external restrictions requiring Council to commit those funds to the purposes for which they were provided and \$6,444,000 (2014 - \$6,306,000) is subject to internal restrictions agreed upon by Council for designated purposes. These internal restrictions may be altered at the discretion of Council, consistent with its management plan.

The unrestricted balance of \$511,000 (2014 - \$Nil) represents liquid assets available to cover non-budgeted discretionary expenditure and meet short-term cash flow requirements.



Whilst the consolidated financial statements displays sound levels of cash and investments, we remind the reader that the consolidated data is not necessarily reflective of the position of the individual funds (General & Sewer) and this is equally applicable when reviewing the performance indicators considered below. General information on the financial position and performance by fund is provided in Note 21 to the financial statements.

(c) Performance Indicators

Note 13 to the Financial Statements provides a measure of Council's performance using a number of selected ratios:

Operating Performance Ratio

This ratio expresses council's ability to contain operating expenses, including depreciation, within its continuing operating revenue. The outcome of positive 3.58 % (2014 – negative 18.42 %) represents the buffer between continuing operating revenue and continuing operating expenses. The improvement in this ratio has several contributors, but in particular the growth in mining rates and the restoration of a full year of the Federal Assistance Grant payments have served to restore the performance measured by this ratio.

Unrestricted Current Ratio

The Unrestricted Current Ratio is a measure of Council's liquidity that demonstrates its ability to satisfy obligations out of short-term and immediate asset balances. Council's ratio of 6.73:1 indicates that it is comfortably able to settle its debts as and when they fall due.

Debt Service Cover Ratio

This ratio measures the ability of council to service debt by expressing that capacity as a multiple of the operating result from continuing operations, excluding capital items and depreciation / impairment, over the principal and interest costs.

At 10.65 times (2014 – 8.84 times) Blayney Shire Council's ratio indicates that it can comfortably meet its current levels of debt.

Rates & Annual Charges, Interest & Extra Charges Outstanding Ratio

The ratio is a measure of management efficiency. Whilst prevailing economic conditions may influence Council's ability to collect revenue, the efficiency and application of collection procedures are still the largest determinant of this ratio.

Blayney Shire Council's rates and annual charges outstanding percentage of 2.28% (2014 – 4.5%) indicates effective rates debtor management.

Cash Expense Cover Ratio

The purpose of this ratio is to assess the number of months cash expenses the accumulated cash and investments at 30 June would cover.

We suspect that this is a ratio that may vary considerably from year-to-year, but note that the slight decline in the measure this year to 13.75months (2014 14.99 months) is likely due to the lower level of capital works this year which results in higher wages and materials and contract payments in the operating activities section of the cash flow statement which is the denominator of this measure.

(d) Cash Flow Statement

The Statement of Cash Flows provides information regarding the movement in cash and cash-equivalents, which are highly liquid and have an original term to maturity of less than three months. The current year reports a net decrease in cash assets held of \$1,315,000 (2014 – decrease \$1,963,000) as follows:

	2015 \$'000	2014 \$'000	Movement \$'000
Cash flow provided by / (used in)			
Operating activities	6,846	5,263	1,583
Investing activities	(7,821)	(8,107)	286
Financing activities	(340)	881	(1,221)
Net increase / (decrease) in cash held	(1,315)	(1,963)	648

Cash flows from operating activities

The cashflows from operating activities have increased due to the growth in rates income and the return to the full year of instalments for the Financial Assistance Grant.

Cash flows from investing activities

Cash outflows related to acquisitions of infrastructure, property, plant and equipment were up by \$912,000 with significant expenditure on the Forest Reefs blackspot road improvements. This was offset by lower levels of net purchases of investments (> 3 months to maturity) which were down by \$1,500,000 resulting in an overall lower net cash outflow.

Cash flows from financing activities

The net cash outflow used in financing activities was the repayment of principal on council's borrowings.

(e) Comparison of Actual and Budgeted Performance

Council's surplus from ordinary activities after capital amounts of \$2,406,000 was \$3,287,000 better than Council's original estimates.

It is beyond the purpose of this report to provide a detailed analysis of individual budget variations. Note 16 to Council's financial statements addresses the contributing factors to these variations in detail.

(f) Other Matters**National Competition Policy**

In accordance with the requirements of National Competition Policy guidelines, Blayney Shire Council has prepared special purpose financial statements on its business units for the year ended 30 June 2015. Council has determined that it has one business unit within its operations: Sewerage Services.

The Office of Local Government's July 1997 guidelines 'Pricing and Costing for Council Businesses: A Guide to Competitive Neutrality' outlines the process for identifying and allocating costs of activities and provide a standard of disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, rate of return on investments in business units and dividends paid.

An unqualified audit report on the special purpose statements for the year ended 30 June 2015 has been issued.

Management Letters

Our most recent management letter was issued on 21 July 2015, with a further management letter to follow.

(g) Progress of Asset Revaluation Program

Council's asset revaluation program has kept in accordance with the timetable established by the Office of Local Government.

The 2015 financial year saw the revaluation of roads, bridges, footpaths and storm water drainage infrastructure which yielded a net revaluation increment of just \$66,000.

While the methodology applied was consistent with the council's past practice, we note that the valuation of culverts and storm water drainage assets in particular was largely a "desktop" exercise with very little physical condition assessment. This resulted in highly generic assumptions being applied to both the condition of the infrastructure and its valuation. In our view, this approach is not consistent with industry best practice. We recommend that Council obtains current condition data for these assets in the short-term in order to confirm the appropriateness of the assumptions made in the current year valuations.

(h) Legislative compliance

As a result of our audit we advise that there are no material deficiencies in the accounting records or financial statements that have come to our attention during the conduct of the audit and that Blayney Shire Council's accounting records have been kept in accordance with the requirements of the Local Government Act, 1993 and regulations.

(i) Matters Relating to the Electronic Presentation of the Audited Financial Statements

This auditor's report relates to the financial statements of Blayney Shire Council (Council) for the year ended 30 June 2015 included on Council's web site. Council is responsible for the integrity of its web site. We have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements to confirm the information included in the audited financial statements presented on this web site.

Conclusion

- (a) The Council's accounting records have been kept in a manner and form that facilitated the preparation of the general purpose financial statements and allowed proper and effective audit of these statements;
- (b) The Council's accounting records have been kept in a manner and form that facilitated the preparation of the special purpose financial statements and allowed proper and effective audit of these statements; and
- (c) all information relevant to the conduct of the audit has been obtained.

The logo for intentus, featuring the word "intentus" in a stylized, lowercase, handwritten-style font.

intentus

14 Sale Street
Orange
Dated: 26 October 2015

A handwritten signature in black ink, appearing to read "John O'Malley". Below the signature, the text "John O'Malley" and "Director" are printed in a small, sans-serif font.

John O'Malley
Director

Blayney Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2015

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



Blayney Shire Council

Special Purpose Financial Statements for the financial year ended 30 June 2015

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1. Statement by Councillors & Management	2
2. Special Purpose Financial Statements:	
Income Statement - Water Supply Business Activity	n/a
Income Statement - Sewerage Business Activity	3
Statement of Financial Position - Water Supply Business Activity	n/a
Statement of Financial Position - Sewerage Business Activity	4
3. Notes to the Special Purpose Financial Statements	5
4. Auditor's Report	12

Background

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

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

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

Blayney Shire Council

Special Purpose Financial Statements
for the financial year ended 30 June 2015Statement by Councillors and Management
made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

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

- The NSW Government Policy Statement "Application of National Competition Policy to Local Government".
- The Division of Local Government Guidelines "Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality".
- The Local Government Code of Accounting Practice and Financial Reporting.
- The NSW Office of Water (Department of Environment, Climate Change and Water) Guidelines - "Best Practice Management of Water and Sewerage".

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

- Present fairly the Operating Result and Financial Position for each of Council's declared Business Activities for the year, and
- Accord with Council's accounting and other records.

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

Signed in accordance with a resolution of Council made on 14 September 2015.



S J Ferguson
MAYOR



A J Ewin
COUNCILLOR



R Ryan
GENERAL MANAGER



D Mead
RESPONSIBLE ACCOUNTING OFFICER

Blayney Shire Council

Income Statement of Council's Sewerage Business Activity
for the financial year ended 30 June 2015

\$ '000	Actual 2015	Actual 2014
Income from continuing operations		
Access charges	960	1,066
User charges	168	119
Liquid Trade Waste charges	8	7
Fees	-	-
Interest	179	192
Grants and contributions provided for non capital purposes	42	16
Profit from the sale of assets	-	224
Other income	2	8
Total income from continuing operations	1,359	1,632
Expenses from continuing operations		
Employee benefits and on-costs	114	115
Borrowing costs	75	72
Materials and contracts	535	495
Depreciation and impairment	523	493
Loss on sale of assets	-	-
Calculated taxation equivalents	-	-
Debt guarantee fee (if applicable)	-	-
Other expenses	55	100
Total expenses from continuing operations	1,302	1,275
Surplus (deficit) from Continuing Operations before capital amounts	57	357
Grants and contributions provided for capital purposes	73	50
Surplus (deficit) from Continuing Operations after capital amounts	130	407
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	130	407
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(17)	(107)
SURPLUS (DEFICIT) AFTER TAX	113	300
plus Opening Retained Profits	9,350	8,943
plus/less: Prior Period Adjustments	-	-
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	-	-
- Debt guarantee fees	-	-
- Corporate taxation equivalent	17	107
less:		
- Tax Equivalent Dividend paid	-	-
- Surplus dividend paid	-	-
Closing Retained Profits	9,480	9,350
Return on Capital %	0.7%	2.1%
Subsidy from Council	476	284
Calculation of dividend payable:		
Surplus (deficit) after tax	113	300
less: Capital grants and contributions (excluding developer contributions)	(56)	(38)
Surplus for dividend calculation purposes	57	262
Potential Dividend calculated from surplus	29	131

Blayney Shire Council

Statement of Financial Position - Council's Sewerage Business Activity
as at 30 June 2015

\$ '000	Actual 2015	Actual 2014
ASSETS		
Current Assets		
Cash and cash equivalents	319	916
Investments	4,500	3,500
Receivables	267	305
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	5,086	4,721
Non-Current Assets		
Investments	-	-
Receivables	-	236
Inventories	-	-
Infrastructure, property, plant and equipment	20,141	20,021
Investments accounted for using equity method	-	-
Investment property	-	-
Intangible Assets	-	-
Other	-	-
Total non-Current Assets	20,141	20,257
TOTAL ASSETS	25,227	24,978
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	49	13
Interest bearing liabilities	34	47
Provisions	-	-
Total Current Liabilities	83	60
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	687	880
Provisions	-	-
Total Non-Current Liabilities	687	880
TOTAL LIABILITIES	770	940
NET ASSETS	24,457	24,038
EQUITY		
Retained earnings	9,480	9,350
Revaluation reserves	14,977	14,688
Council equity interest	24,457	24,038
Non-controlling equity interest	-	-
TOTAL EQUITY	24,457	24,038

Blayney Shire Council

Special Purpose Financial Statements for the financial year ended 30 June 2015

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2	Water Supply Business Best Practice Management disclosure requirements	n/a
3	Sewerage Business Best Practice Management disclosure requirements	9

Blayney Shire Council

Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2015

Note 1. Significant Accounting Policies

These financial statements are a Special Purpose Financial Statements (SPFS) prepared for use by Council and the Office of Local Government.

For the purposes of these statements, the Council is not a reporting not-for-profit entity.

The figures presented in these special purpose financial statements, unless otherwise stated, have been prepared in accordance with:

- the recognition and measurement criteria of relevant Australian Accounting Standards,
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB) &
- Australian Accounting Interpretations.

The disclosures in these special purpose financial statements have been prepared in accordance with:

- the Local Government Act and Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

The statements are also prepared on an accruals basis, based on historic costs and do not take into account changing money values nor current values of non-current assets (except where specifically stated).

Certain taxes and other costs (appropriately described) have been imputed for the purposes of the National Competition Policy.

National Competition Policy

Council has adopted the principle of 'competitive neutrality' to its business activities as part of the national competition policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 Government Policy statement on the "Application of National Competition Policy to Local Government".

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

The pricing & costing guidelines outline the process for identifying and allocating costs to activities and provide a standard of disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents; council subsidies; return on investments (rate of return); and dividends paid.

Declared Business Activities

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

Category 1

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

Nil

Category 2

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

a. Blayney Sewerage Service

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

b. Millthorpe Sewerage Service

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

Monetary Amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest one thousand dollars, with the exception of some figures disclosed in Note 3 (Sewerage Best Practice Management Disclosures).

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

Blayney Shire Council

Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2015

Note 1. Significant Accounting Policies

(i) Taxation Equivalent Charges

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

However, where Council is exempt from paying taxes which are generally paid by private sector businesses (such as income tax), equivalent tax payments have been applied to all Council nominated business activities and are reflected in these financial statements.

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

Notional Rate Applied %

Corporate Income Tax Rate – 30%

Land Tax – The first **\$432,000** of combined land values attracts **0%**. From \$432,001 to \$2,641,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$2,641,000, a premium marginal rate of **2.0%** applies.

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

In accordance with the guidelines for Best Practice Management of Water Supply and Sewerage, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from Sewerage Business activity.

The payment of taxation equivalent charges, referred in the Best Practice Management of Water Supply and Sewerage Guides to as a "Dividend for Taxation equivalent", may be applied for any purpose allowed under the Local Government Act, 1993.

Achievement of substantial compliance against the guidelines for Best Practice Management of Water Supply and Sewerage is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

Income Tax

An income tax equivalent has been applied on the profits of each reported Business Activity.

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

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

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

Since this taxation equivalent is notional - that is, it is payable to the "Council" as the owner of business operations, it represents an internal payment and has no effect on the operations of the council. Accordingly, there is no need for disclosure of internal charges in Council's General Purpose Financial Statements.

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

Local Government Rates & Charges

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

Loan & Debt Guarantee Fees

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

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

Blayney Shire Council

Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2015

Note 1. Significant Accounting Policies

(ii) Subsidies

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

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

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

The overall effect of subsidies is contained within the Income Statement of each reported Business Activity.

(iii) Return on Investments (Rate of Return)

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

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

The Rate of Return on Capital is calculated as follows:

Operating Result before Capital Income + Interest Expense

Written Down Value of I,PP&E as at 30 June

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 3.02% at 30/6/15.

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

(iv) Dividends

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

Local Government Sewerage Businesses are permitted to pay an annual dividend from its sewerage business surplus.

The dividend, calculated and approved in accordance with the Best Practice Management Guidelines, must not exceed either:

- (i) 50% of this surplus in any one year, or
- (ii) the number of sewerage assessments at 30 June 2015 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the guidelines for Best Practice Management of Water Supply and Sewerage, a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the NSW Office of Water prior to making the dividend and only after it has approved the payment.

Blayney Shire Council

Notes to the Special Purpose Financial Statements
for the financial year ended 30 June 2015Note 3. Sewerage Business
Best Practice Management disclosure requirements

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2015

1. Calculation and Payment of Tax-Equivalents

[All Local Government Local Water Utilities must pay this dividend for tax-equivalents]

(i)	Calculated Tax Equivalents	-
(ii)	No of assessments multiplied by \$3/assessment	5,556
(iii)	Amounts payable for Tax Equivalents [lesser of (i) and (ii)]	-
(iv)	Amounts actually paid for Tax Equivalents	-

2. Dividend from Surplus

(i)	50% of Surplus before Dividends [Calculated in accordance with Best Practice Management for Water Supply and Sewerage Guidelines]	28,662												
(ii)	No. of assessments x (\$30 less tax equivalent charges per assessment)	55,560												
(iii)	Cumulative surplus before dividends for the 3 years to 30 June 2015, less the cumulative dividends paid for the 2 years to 30 June 2014 & 30 June 2013	344,924												
<table><tr><td>2015 Surplus</td><td>57,324</td><td>2014 Surplus</td><td>261,900</td><td>2013 Surplus</td><td>25,700</td></tr><tr><td></td><td></td><td>2014 Dividend</td><td>-</td><td>2013 Dividend</td><td>-</td></tr></table>			2015 Surplus	57,324	2014 Surplus	261,900	2013 Surplus	25,700			2014 Dividend	-	2013 Dividend	-
2015 Surplus	57,324	2014 Surplus	261,900	2013 Surplus	25,700									
		2014 Dividend	-	2013 Dividend	-									
(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	28,662												
(v)	Dividend actually paid from surplus [refer below for required pre-dividend payment Criteria]													

3. Required outcomes for 4 Criteria

[To be eligible for the payment of a "Dividend from Surplus", ALL the Criteria below need a "YES"]

(i)	Completion of Strategic Business Plan (including Financial Plan)	YES
(ii)	Pricing with full cost-recovery, without significant cross subsidies [Refer Item 2(a) in Table 1 on page 22 of the Best Practice Guidelines]	YES
	Complying charges (a) Residential [Item 2(c) in Table 1]	YES
	(b) Non Residential [Item 2(c) in Table 1]	YES
	(c) Trade Waste [Item 2(d) in Table 1]	YES
	DSP with Commercial Developer Charges [Item 2(e) in Table 1]	YES
	Liquid Trade Waste Approvals & Policy [Item 2(f) in Table 1]	YES
(iii)	Complete Performance Reporting Form (by 15 September each year)	YES
(iv)	a. Integrated Water Cycle Management Evaluation	YES
	b. Complete and implement Integrated Water Cycle Management Strategy	YES

Blayney Shire Council

Notes to the Special Purpose Financial Statements
for the financial year ended 30 June 2015Note 3. Sewerage Business
Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2015

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	1,197
NWI F10	Written Down Replacement Cost of Fixed Assets (Sewerage) Written down current cost of system assets (s48)	\$'000	20,021
NWI F12	Operating Cost (Sewerage) Management Expenses (s1) + Operational & Maintenance Expenses (s2)	\$'000	704
NWI F15	Capital Expenditure (Sewerage) Acquisition of Fixed Assets (s17)	\$'000	356
NWI F18	Economic Real Rate of Return (Sewerage) [Total Income (s14) - Interest Income (s10) - Grants for acquisition of Assets (s12a) - Operating cost (NWI F12) - Current cost depreciation (s3)] x 100 divided by [Written down current cost (ie. WDCC) of System Assets (s48) + Plant & Equipment (s34b)]	%	-0.15%
NWI F27	Capital Works Grants (Sewerage) Grants for the Acquisition of Assets (12a)	\$'000	56

National Water Initiative (NWI) Financial Performance Indicators
Water & Sewer (combined)

NWI F3	Total Income (Water & Sewerage) Total Income (w13 + s14) + Gain/Loss on disposal of assets (w14 + s15) minus Grants for acquisition of assets (w11a + s12a) - Interest Income (w9 + s10)	\$'000	1,197
NWI F8	Revenue from Community Service Obligations (Water & Sewerage) Community Service Obligations (NWI F25) x 100 divided by Total Income (NWI F3)	%	1.09%
NWI F16	Capital Expenditure (Water & Sewerage) Acquisition of Fixed Assets (w16 + s17)	\$'000	356
NWI F19	Economic Real Rate of Return (Water & Sewerage) [Total Income (w13 + s14) - Interest Income (w9 + s10) - Grants for acquisition of assets (w11a + s12a) - Operating Cost (NWI F11 + NWI F12) - Current cost depreciation (w3 + s3)] x 100 divided by [Written down replacement cost of fixed assets (NWI F9 + NWI F10) + Plant & equipment (w33b + s34b)]	%	-0.15%
NWI F20	Dividend (Water & Sewerage) Dividend paid from surplus (2(v) of Note 2 + 2(v) of Note 3)	\$'000	-
NWI F21	Dividend Payout Ratio (Water & Sewerage) Dividend (NWI F20) x 100 divided by Net Profit after tax (NWI F24)	%	0.00%

Blayney Shire Council

Notes to the Special Purpose Financial Statements
for the financial year ended 30 June 2015

Note 3. Sewerage Business

Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2015

National Water Initiative (NWI) Financial Performance Indicators
Water & Sewer (combined)

NWI F22	Net Debt to Equity (Water & Sewerage) Overdraft (w36 + s37) + Borrowings (w38 + s39) - Cash & Investments (w30 + s31) x 100 divided by [Total Assets (w35 + s36) - Total Liabilities (w40 + s41)]	%	-16.76%
NWI F23	Interest Cover (Water & Sewerage) Earnings before Interest & Tax (EBIT) divided by Net Interest Earnings before Interest & Tax (EBIT): - 30 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: - 104 Interest Expense (w4a + s4a) - Interest Income (w9 + s10)		-
NWI F24	Net Profit After Tax (Water & Sewerage) Surplus before dividends (w15a + s16a) - Tax equivalents paid (Note 2-1(iv) + Note 3-1(iv))	\$'000	74
NWI F25	Community Service Obligations (Water & Sewerage) Grants for Pensioner Rebates (w11b + s12b)	\$'000	13

- Notes:
- References to w (eg. s12) refer to item numbers within Special Schedules No. 5 & 6 of Council's Annual Financial Statements.
 - The NWI Performance Indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators & Definitions.



**INDEPENDENT AUDITOR'S REPORT
ON THE SPECIAL PURPOSE FINANCIAL STATEMENTS OF
BLAYNEY SHIRE COUNCIL**

Report on the Financial Statements

We have audited the special purpose financial statements of Blayney Shire Council for the year ended 30 June 2015, comprising the Statement by Council, Income Statement by Business Activities, Statement of Financial Position by Business Activities, and accompanying Notes to the Financial Statements. Our audit responsibility does not extend to the best practice management disclosures in Notes 2 and 3 and accordingly we express no opinion on them.

Councils' Responsibility for the Financial Statements

The Council are responsible for the preparation and fair presentation of the financial statements and have determined that the accounting policies described in Note 1 to the financial statements which form part of the financial statements are appropriate to meet the financial reporting requirements of the Council and the Office of Local Government for the purpose of fulfilling the requirements of National Competition Policy reporting. The Council's responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the Council. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.



Matters Relating to the Electronic Presentation of the Audited Financial Statements

This auditor's report relates to the special purpose financial statements of Blayney Shire Council (Council) for the year ended 30 June 2015 included on Council's web site. Council is responsible for the integrity of their web site. We have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements to confirm the information included in the audited financial statements presented on this web site.

Audit Opinion

In our opinion, the special purpose financial statements of Blayney Shire Council are presented fairly in accordance with the requirements of those applicable accounting policies detailed in Note 1, the accounting requirements of the Local Government Act 1993 and the Local Government Code of Accounting Practice and Financial Reporting.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial statement, which describes the basis of accounting. The special purpose financial statements have been prepared for distribution to the Council and the Office of Local Government for the purpose of fulfilling the requirements of National Competition Policy reporting. As a result, the financial statements may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report or on the financial statements to which it relates to any person other than the Council or the Office of Local Government or for any purpose other than for which the statements were prepared.



intentus

14 Sale Street
Orange
Dated: 26 October 2015


John O'Malley
Director

Blayney Shire Council

SPECIAL SCHEDULES

for the year ended 30 June 2015

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



Blayney Shire Council

Special Schedules

for the financial year ended 30 June 2015

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- Special Schedule No. 3	Water Supply Operations - incl. Income Statement	n/a
- Special Schedule No. 4	Water Supply - Statement of Financial Position	n/a
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¹ Special Schedules are not audited (with the exception of Special Schedule 9).

Background

(i) These Special Schedules have been designed to meet the requirements of special purpose users such as;

- the NSW Grants Commission
- the Australian Bureau of Statistics (ABS),
- the NSW Office of Water (NOW), and
- the Office of Local Government (OLG).

(ii) The financial data is collected for various uses including;

- the allocation of Financial Assistance Grants,
- the incorporation of Local Government financial figures in national statistics,
- the monitoring of loan approvals,
- the allocation of borrowing rights, and
- the monitoring of the financial activities of specific services.

Blayney Shire Council

Special Schedule No. 1 - Net Cost of Services
for the financial year ended 30 June 2015

\$'000				
Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Governance	426	-	-	(426)
Administration	3,094	403	70	(2,621)
Public Order and Safety				
Fire Service Levy, Fire Protection, Emergency Services	304	58	-	(246)
Beach Control	-	-	-	-
Enforcement of Local Govt. Regulations	-	-	-	-
Animal Control	89	3	-	(86)
Other	-	-	-	-
Total Public Order & Safety	393	61	-	(332)
Health	78	9	4	(65)
Environment				
Noxious Plants and Insect/Vermin Control	66	10	-	(56)
Other Environmental Protection	-	-	-	-
Solid Waste Management	1,187	1,047	-	(140)
Street Cleaning	150	-	-	(150)
Drainage	100	29	-	(71)
Stormwater Management	-	-	-	-
Total Environment	1,503	1,086	-	(417)
Community Services and Education				
Administration & Education	6	-	-	(6)
Social Protection (Welfare)	-	-	-	-
Aged Persons and Disabled	1	1	-	-
Children's Services	12	1	-	(11)
Total Community Services & Education	19	2	-	(17)
Housing and Community Amenities				
Public Cemeteries	50	33	-	(17)
Public Conveniences	88	-	-	(88)
Street Lighting	-	-	-	-
Town Planning	319	170	13	(136)
Other Community Amenities	-	-	-	-
Total Housing and Community Amenities	457	203	13	(241)
Water Supplies	-	-	-	-
Sewerage Services	1,332	1,359	73	100

Blayney Shire Council

Special Schedule No. 1 - Net Cost of Services (continued)
for the financial year ended 30 June 2015

\$'000				
Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
Recreation and Culture				
Public Libraries	167	34	-	(133)
Museums	-	-	-	-
Art Galleries	-	-	-	-
Community Centres and Halls	165	287	-	122
Performing Arts Venues	-	-	-	-
Other Performing Arts	-	-	-	-
Other Cultural Services	21	-	-	(21)
Sporting Grounds and Venues	231	19	208	(4)
Swimming Pools	879	270	154	(455)
Parks & Gardens (Lakes)	959	44	-	(915)
Other Sport and Recreation	89	-	50	(39)
Total Recreation and Culture	2,511	654	412	(1,445)
Fuel & Energy	-	-	-	-
Agriculture	-	-	-	-
Mining, Manufacturing and Construction				
Building Control	105	116	-	11
Other Mining, Manufacturing & Construction	315	278	-	(37)
Total Mining, Manufacturing and Const.	420	394	-	(26)
Transport and Communication				
Urban Roads (UR) - Local	1,867	-	-	(1,867)
Urban Roads - Regional	-	-	-	-
Sealed Rural Roads (SRR) - Local	893	2,098	789	1,994
Sealed Rural Roads (SRR) - Regional	241	354	160	273
Unsealed Rural Roads (URR) - Local	678	-	-	(678)
Unsealed Rural Roads (URR) - Regional	-	-	-	-
Bridges on UR - Local	-	-	-	-
Bridges on SRR - Local	337	-	38	(299)
Bridges on URR - Local	-	-	-	-
Bridges on Regional Roads	4	-	-	(4)
Parking Areas	-	-	-	-
Footpaths	78	-	39	(39)
Aerodromes	-	-	-	-
Other Transport & Communication	1,200	972	8	(220)
Total Transport and Communication	5,298	3,424	1,034	(840)
Economic Affairs				
Camping Areas & Caravan Parks	-	-	-	-
Other Economic Affairs	336	232	54	(50)
Total Economic Affairs	336	232	54	(50)
Totals – Functions	15,867	7,827	1,660	(6,380)
General Purpose Revenues ⁽²⁾		8,758		8,758
Share of interests - joint ventures & associates using the equity method	-	28		28
NET OPERATING RESULT ⁽¹⁾	15,867	16,613	1,660	2,406

(1) As reported in the Income Statement

(2) Includes: Rates & Annual Charges (incl. Ex Gratia, excl. Water & Sewer), Non Capital General Purpose Grants, Interest on Investments (excl. Ext. Restricted Assets) & Interest on overdue Rates & Annual Charges

Blayney Shire Council

Special Schedule No. 2(a) - Statement of Long Term Debt (all purpose)
for the financial year ended 30 June 2015

\$'000

Classification of Debt	Principal outstanding at beginning of the year			New Loans raised during the year	Debt redemption during the year		Transfers to Sinking Funds	Interest applicable for Year	Principal outstanding at the end of the year		
	Current	Non Current	Total		From Revenue	Sinking Funds			Current	Non Current	Total
Loans (by Source)											
Commonwealth Government	-	-	-	-	-	-	-	-	-	-	-
Treasury Corporation	-	-	-	-	-	-	-	-	-	-	-
Other State Government	-	-	-	-	-	-	-	-	-	-	-
Public Subscription	-	-	-	-	-	-	-	-	-	-	-
Financial Institutions	183	2,506	2,689	-	340	-	-	177	178	2,171	2,349
Other	-	-	-	-	-	-	-	-	-	-	-
Total Loans	183	2,506	2,689	-	340	-	-	177	178	2,171	2,349
Other Long Term Debt											
Ratepayers Advances	-	-	-	-	-	-	-	-	-	-	-
Government Advances	-	-	-	-	-	-	-	-	-	-	-
Finance Leases	-	-	-	-	-	-	-	-	-	-	-
Deferred Payments	-	-	-	-	-	-	-	-	-	-	-
Total Long Term Debt	-	-	-	-	-	-	-	-	-	-	-
Total Debt	183	2,506	2,689	-	340	-	-	177	178	2,171	2,349

Notes: Excludes (i) Internal Loans & (ii) Principal Inflows/Outflows relating to Loan Re-Financing.

This Schedule is prepared using the **face value** of debt obligations, rather than **fair value** (which are reported in the GPFS).

Blayney Shire Council

Special Schedule No. 2(b) - Statement of Internal Loans [Section 410(3) LGA 1993]
for the financial year ended 30 June 2015

\$'000

Summary of Internal Loans

Borrower (by purpose)	Amount originally raised	Total repaid during the year (Principal & Interest)	Principal Outstanding at end of year
General	1,050	245	236
Water			
Sewer			
Domestic Waste Management			
Gas			
Other			
Totals	1,050	245	236

Note: The summary of Internal Loans (above) represents the total of Council's Internal Loans categorised according to the borrower.

Details of Individual Internal Loans

Borrower (by purpose)	Lender (by purpose)	Date of Minister's Approval	Date Raised	Term (years)	Dates of Maturity	Rate of Interest	Amount Originally raised	Total repaid during year (Princ. & Int.)	Principal Outstanding at end of year
BSC General Fund	BSC Sewer Fund	04/03/11	01/07/11	5	30/06/16	6.00%	1,050	245	236
Totals							1,050	245	236

Blayney Shire Council

Special Schedule No. 5 - Sewerage Service Income Statement

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2015

\$'000	Actuals 2015	Actuals 2014
A Expenses and Income		
Expenses		
1. Management expenses		
a. Administration	324	247
b. Engineering and Supervision	-	-
2. Operation and Maintenance expenses		
- Mains		
a. Operation expenses	27	83
b. Maintenance expenses	-	-
- Pumping Stations		
c. Operation expenses (excluding energy costs)	3	29
d. Energy costs	19	15
e. Maintenance expenses	-	-
- Treatment		
f. Operation expenses (excl. chemical, energy, effluent & biosolids management costs)	259	265
g. Chemical costs	24	22
h. Energy costs	48	51
i. Effluent Management	-	-
j. Biosolids Management	-	-
k. Maintenance expenses	-	-
- Other		
l. Operation expenses	-	-
m. Maintenance expenses	-	-
3. Depreciation expenses		
a. System assets	503	473
b. Plant and equipment	20	20
4. Miscellaneous expenses		
a. Interest expenses	75	72
b. Revaluation Decrements	-	-
c. Other expenses	-	-
d. Impairment - System assets	-	-
e. Impairment - Plant and equipment	-	-
f. Aboriginal Communities Water & Sewerage Program	-	-
g. Tax Equivalents Dividends (actually paid)	-	-
5. Total expenses	1,302	1,277

Blayney Shire Council

Special Schedule No. 5 - Sewerage Service Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2015

\$'000	Actuals 2015	Actuals 2014
Income		
6. Residential charges (including rates)	1,024	1,066
7. Non-residential charges		
a. Access (including rates)	-	-
b. Usage charges	104	119
8. Trade Waste Charges		
a. Annual Fees	8	7
b. Usage charges	-	-
c. Excess mass charges	-	-
d. Re-inspection fees	-	-
9. Extra charges	-	-
10. Interest income	179	192
11. Other income	2	231
11a. Aboriginal Communities Water & Sewerage Program	-	-
12. Grants		
a. Grants for acquisition of assets	56	38
b. Grants for pensioner rebates	13	16
c. Other grants	29	-
13. Contributions		
a. Developer charges	17	12
b. Developer provided assets	-	-
c. Other contributions	-	3
14. Total income	1,432	1,684
15. Gain (or loss) on disposal of assets	-	-
16. Operating Result	130	407
16a. Operating Result (less grants for acquisition of assets)	74	369

Blayney Shire Council

Special Schedule No. 5 - Sewerage Service Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2015

\$'000	Actuals 2015	Actuals 2014
B Capital transactions		
Non-operating expenditures		
17. Acquisition of Fixed Assets		
a. New Assets for Improved Standards	-	-
b. New Assets for Growth	-	-
c. Renewals	314	122
d. Plant and equipment	42	-
18. Repayment of debt		
a. Loans	207	47
b. Advances	-	-
c. Finance leases	-	-
19. Transfer to sinking fund	-	-
20. Totals	563	169
Non-operating funds employed		
21. Proceeds from disposal of assets	-	-
22. Borrowing utilised		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
23. Transfer from sinking fund	-	-
24. Totals	-	-
C Rates and charges		
25. Number of assessments		
a. Residential (occupied)	1,452	1,448
b. Residential (unoccupied, ie. vacant lot)	132	143
c. Non-residential (occupied)	226	244
d. Non-residential (unoccupied, ie. vacant lot)	42	46
26. Number of ETs for which developer charges were received	- ET	- ET
27. Total amount of pensioner rebates (actual dollars)	\$ 14,822	\$ 15,386

Blayney Shire Council

Special Schedule No. 5 - Sewerage Service Cross Subsidies
for the financial year ended 30 June 2015

\$'000	Yes	No	Amount
D Best practice annual charges and developer charges*			
28. Annual charges			
a. Does Council have best-practice sewerage annual charges, usage charges and trade waste fees & charges*?	<input type="checkbox"/> YES	<input type="checkbox"/>	
If Yes, go to 29a.			
If No, please report if council has removed land value from access charges (ie rates)?	<input type="checkbox"/>	<input type="checkbox"/>	
NB. Such charges for both residential customers and non-residential customers comply with section 4.2 & 4.3 of the Water Supply, Sewerage and Trade Waste Pricing Guidelines, NSW Office of Water, December, 2002. Such charges do not involve significant cross subsidies.			
b. Cross-subsidy to non-residential customers (page 45 of Guidelines)			<input type="text"/>
c. Cross-subsidy to trade waste discharges (page 46 of Guidelines)			<input type="text"/>
29. Developer charges			
a. Has council completed a sewerage Development Servicing** Plan?	<input type="checkbox"/> YES	<input type="checkbox"/>	
b. Total cross-subsidy in sewerage developer charges for 2014/15 (page 47 of Guidelines)			<input type="text"/>
** In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, NSW Office of Water, December, 2002.			
30. Disclosure of cross-subsidies			
Total of cross-subsidies (28b + 28c + 29b)			<input type="text" value="-"/>

* Councils which have not yet implemented best practice sewer pricing & liquid waste pricing should disclose cross-subsidies in items 28b and 28c above.

However, disclosure of cross-subsidies is **not** required where a Council has implemented best practice sewerage and liquid waste pricing and is phasing in such pricing over a period of 3 years.

Blayney Shire Council

Special Schedule No. 6 - Sewerage Service Statement of Financial Position

Includes INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
as at 30 June 2015

\$'000	Actuals Current	Actuals Non Current	Actuals Total
ASSETS			
31. Cash and investments			
a. Developer charges	757	-	757
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	4,062	-	4,062
32. Receivables			
a. Specific purpose grants	-	-	-
b. Rates and Availability Charges	31	-	31
c. User Charges	-	-	-
d. Other	236	-	236
33. Inventories	-	-	-
34. Property, plant and equipment			
a. System assets	-	20,021	20,021
b. Plant and equipment	-	120	120
35. Other assets	-	-	-
36. Total Assets	5,086	20,141	25,227
LIABILITIES			
37. Bank overdraft	-	-	-
38. Creditors	49	-	49
39. Borrowings			
a. Loans	34	687	721
b. Advances	-	-	-
c. Finance leases	-	-	-
40. Provisions			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	-	-
41. Total Liabilities	83	687	770
42. NET ASSETS COMMITTED	5,003	19,454	24,457
EQUITY			
42. Accumulated surplus			9,480
44. Asset revaluation reserve			14,977
45. TOTAL EQUITY			24,457
Note to system assets:			
46. Current replacement cost of system assets			28,910
47. Accumulated current cost depreciation of system assets			(8,889)
48. Written down current cost of system assets			20,021

Blayney Shire Council

Note to Special Schedule No. 5

for the financial year ended 30 June 2015

Administration ⁽¹⁾

(item 1a of Special Schedule 5) comprises the following:

- Administration staff:
 - Salaries and allowance
 - Travelling expenses
 - Accrual of leave entitlements
 - Employment overheads.
- Meter reading.
- Bad and doubtful debts.
- Other administrative/corporate support services.

Engineering and supervision ⁽¹⁾

(item 1b of Special Schedule 5) comprises the following:

- Engineering staff:
 - Salaries and allowance
 - Travelling expenses
 - Accrual of leave entitlements
 - Employment overheads.
- Other technical and supervision staff:
 - Salaries and allowance
 - Travelling expenses
 - Accrual of leave entitlements
 - Employment overheads.

Operational expenses (item 2 of Special Schedule 5) comprise the day to day operational expenses excluding maintenance expenses.

Maintenance expenses (item 2 of Special Schedule 5) comprise the day to day repair and maintenance expenses. (Refer to Section 5 of the Local Government Asset Accounting Manual regarding capitalisation principles and the distinction between capital and maintenance expenditure).

Other expenses (item 4c of Special Schedule 5) includes all expenses not recorded elsewhere.

Revaluation decrements (item 4b of Special Schedule 5) is to be used when I,PP&E decreases in FV.

Impairment Losses (item 4d & 4e of Special Schedule 5) are to be used when the carrying amount of an asset exceeds its recoverable amount (refer to page D-31).

Aboriginal Communities Water and Sewerage Program (item 4f of Special Schedule 5) is to be used when operation and maintenance work has been undertaken on behalf of the Aboriginal Communities Water and Sewerage Program. Similarly, income for item 12a of Special Schedule 5 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.

Non-residential charges ⁽²⁾ (items 7a, 7b of Special Schedule 5) include all income from non-residential charges separated into 7a Access Charges (including rates if applicable) and 7b Usage Charges.

Trade waste charges (item 8 of Special Schedule 5) include all income from trade waste charges separated into 8a Annual Fees, 8b Usage Charges and 8c Excess Mass Charges and 8d Re-inspection Fees.

Other income (item 11 of Special Schedule 5) include all income not recorded elsewhere.

Other contributions (item 13c of Special Schedule 5) incl. 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.

Financial Statements 2015

Blayney Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets
as at 30 June 2015

\$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard refer (1)	Required Annual Maintenance refer (2)	Actual Maintenance 2014/15 refer (3)	Written Down Value (WDV) refer (4)	Assets in Condition as a % of WDV				
						1	2	3	4	5
						refer (4) & (5)				
Buildings	Council Offices / Administration Centres		15	30	743	0%	20%	70%	10%	0%
	Council Works Depot	100	34	55	1,261	0%	45%	30%	20%	5%
	Council Public Halls	120	62	9	2,444	60%	0%	30%	10%	0%
	Libraries	-	6	5	221	0%	90%	10%	0%	0%
	CentrePoint	100	82	36	3,254	0%	45%	45%	10%	0%
	Other Buildings Inc. Amenities/Toilets	125	50	-	4,272	10%	35%	45%	8%	2%
	sub total	445	249	135	12,195	15.5%	31.8%	41.3%	10.2%	1.2%
Roads	Sealed Roads Surface	2,477	510	370	10,036	77%	12%	6%	3%	2%
	Sealed Roads Structure	309	550	210	60,930	32%	63%	4%	0%	1%
	Unsealed Roads	594	500	604	16,431	10%	28%	35%	23%	5%
	Bridges	423	50	45	22,650	97%	1%	1%	0%	0%
	Footpaths & Cycle ways	282	25	27	3,138	28%	39%	29%	3%	0%
	Kerb and Gutter	350	15	235	6,117	24%	56%	17%	3%	0%
	Other Road Assets	2,222	150	504	1,700	59%	29%	11%	1%	1%
	Culverts	-	100	15	803	0%	0%	100%	0%	0%
	sub total	6,658	1,900	2,010	121,805	44.4%	40.9%	9.7%	3.7%	1.3%
Sewerage Network	Mains	-	50	2	4,391	1%	96%	3%	0%	0%
	Pumping Station/s	203	-	40	2,119	0%	99%	0%	1%	0%
	Treatment	70	127	127	2,530	0%	100%	0%	0%	0%
	Buildings	-	2	-	244	70%	30%	0%	0%	0%
	Reticulation	1,307	250	14	10,251	18%	18%	18%	45%	1%
	sub total	1,580	429	183	19,535	10.5%	55.1%	10.1%	23.7%	0.5%

Blayney Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)
as at 30 June 2015

\$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard refer (1)	Required Annual Maintenance refer (2)	Actual Maintenance 2014/15 refer (3)	Written Down Value (WDV) refer (4)	Assets in Condition as a % of WDV				
						1	2	3	4	5
						refer (4) & (5)				
Stormwater Drainage	Stormwater	150	15	4	6,767	0%	0%	100%	0%	0%
	Inlet and Junction Pits	-	10	-	60	0%	0%	100%	0%	0%
	sub total	150	25	4	6,827	0.0%	0.0%	100.0%	0.0%	0.0%
Open Space/ Recreational Assets	Swimming Pools	-	-	-	-					
	Fences and Parks Furniture	35	40	45	1,542	0%	0%	0%	0%	100%
	sub total	35	40	45	1,542	0.0%	0.0%	0.0%	0.0%	100.0%
	TOTAL - ALL ASSETS	8,868	2,643	2,377	161,905	35.8%	39.8%	15.9%	6.4%	2.1%

Notes:

- (1). Satisfactory is defined as "satisfying expectations or needs, leaving no room for complaint, causing satisfaction, adequate".
The estimated cost to bring assets to a satisfactory standard is the amount of money that is required to be spent on an asset to ensure that it is in a satisfactory standard.
This estimated cost should not include any planned enhancements (ie.to heighten, intensify or improve the facilities).
- (2). Required Annual Maintenance is "what should be spent to maintain assets in a satisfactory standard.
- (3). Actual Maintenance is what has been spent in the current year to maintain the assets.
Actual Maintenance may be higher or lower than the required annual maintenance due to the timing of when the maintenance actually occurs.
- (4). Written Down Value is in accordance with Note 9 of Council's General Purpose Financial Statements
- (5). **Infrastructure Asset Condition Assessment "Key"**

1	Excellent	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Average	Maintenance work required
4	Poor	Renewal required
5	Very Poor	Urgent renewal/upgrading required

Blayney Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)
for the financial year ended 30 June 2015

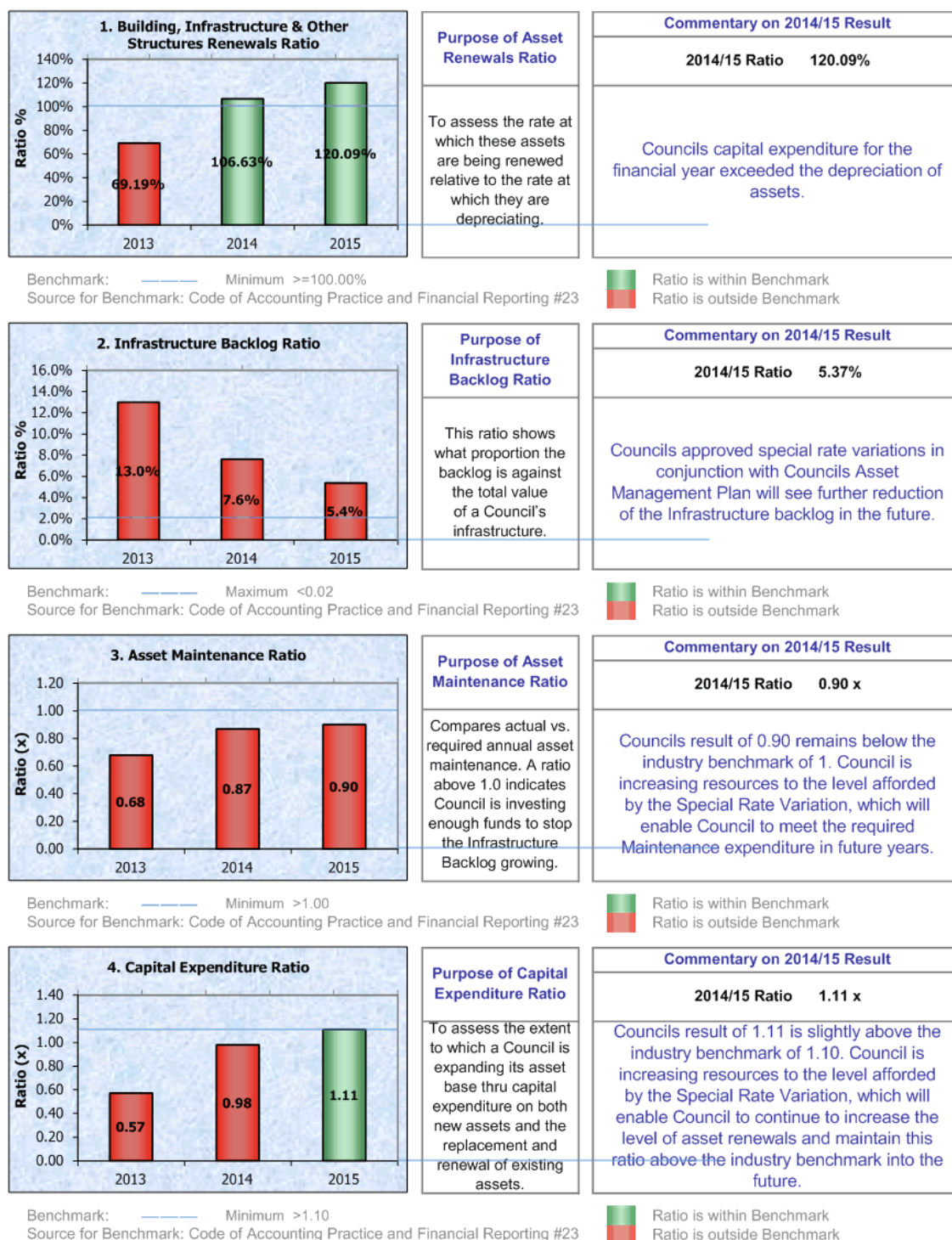
\$ '000	Amounts 2015	Indicator 2015	Prior Periods 2014 2013	
Infrastructure Asset Performance Indicators Consolidated				
1. Building, Infrastructure & Other Structures				
Renewals Ratio				
Asset Renewals				
(Building, Infrastructure & Other Structures) ⁽¹⁾	4,322	120.09%	106.63%	69.19%
Depreciation, Amortisation & Impairment	3,599			
2. Infrastructure Backlog Ratio				
Estimated Cost to bring Assets to a Satisfactory Condition	8,868	5.37%	7.60%	12.98%
Total value ⁽²⁾ of Infrastructure, Building, Other Structures & depreciable Land Improvement Assets	165,077			
3. Asset Maintenance Ratio				
Actual Asset Maintenance	2,377	0.90	0.87	0.68
Required Asset Maintenance	2,643			
4. Capital Expenditure Ratio				
Annual Capital Expenditure	5,352	1.11	0.98	0.57
Annual Depreciation	4,827			

Notes

⁽¹⁾ Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance. Asset Renewals include building, infrastructure & Other Structure assets only.

⁽²⁾ Written Down Value

Blayney Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)
for the financial year ended 30 June 2015

Blayney Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)
for the financial year ended 30 June 2015

\$ '000	Sewer 2015	General ⁽¹⁾ 2015
Infrastructure Asset Performance Indicators By Fund		
1. Building, Infrastructure & Other Structures		
Renewals Ratio		
Asset Renewals		
(Building, Infrastructure & Other Structures) ⁽²⁾	67.95%	128.36%
Depreciation, Amortisation & Impairment		
prior period:	26.35%	119.00%
2. Infrastructure Backlog Ratio		
Estimated Cost to bring Assets to a Satisfactory Condition		
Total value ⁽³⁾ of Infrastructure, Building, Other Structures & Depreciable Land Improvement Assets	8.09%	5.01%
prior period:	8.14%	7.53%
3. Asset Maintenance Ratio		
Actual Asset Maintenance		
Required Asset Maintenance	0.43	0.99
prior period:	0.43	0.96
4. Capital Expenditure Ratio		
Annual Capital Expenditure		
Annual Depreciation	0.68	1.16
prior period:	0.25	1.06

Notes

⁽¹⁾ General Fund refers to all of Council's activities except for its Sewer activity which is listed separately.

⁽²⁾ Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance. Asset Renewals include building, infrastructure & Other Structure assets only.

⁽³⁾ Written Down Value

Blayney Shire Council

Special Schedule No. 9 - Permissible Income Calculation

for the financial year ended 30 June 2016

\$'000		Calculation 2014/15	Calculation 2015/16
Notional General Income Calculation ⁽¹⁾			
Last Year Notional General Income Yield	a	6,140	8,130
Plus or minus Adjustments ⁽²⁾	b	1,649	16
Notional General Income	c = (a + b)	7,789	8,146
Permissible Income Calculation			
Special variation percentage ⁽³⁾	d	4.69%	5.11%
or Rate peg percentage	e		
or Crown land adjustment (incl. rate peg percentage)	f		
less expiring Special variation amount	g	-	-
plus Special variation amount	$h = d \times (c - g)$	365	416
or plus Rate peg amount	$i = c \times e$	-	-
or plus Crown land adjustment and rate peg amount	$j = c \times f$	-	-
sub-total	k = (c + g + h + i + j)	8,154	8,562
plus (or minus) last year's Carry Forward Total	l	19	20
less Valuation Objections claimed in the previous year	m	(4)	-
sub-total	n = (l + m)	15	20
Total Permissible income	o = k + n	8,169	8,582
less Notional General Income Yield	p	8,130	8,566
Catch-up or (excess) result	q = o - p	39	16
plus Income lost due to valuation objections claimed ⁽⁴⁾	r	-	-
less Unused catch-up ⁽⁵⁾	s	(19)	-
Carry forward to next year	t = q + r - s	20	16

Notes

- 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.
- 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.
- The Special Variation Percentage is inclusive of the Rate Peg percentage and where applicable crown land adjustment.
- 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.
- 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.
- 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 councils' Special Schedule 9 in the Financial Data Return (FDR) to administer this process.



**AUDITOR'S REPORT
PERMISSIBLE GENERAL INCOME (SPECIAL SCHEDULE No.9)
OF BLAYNEY SHIRE COUNCIL**

Scope

We have audited the special purpose financial report comprising the reconciliation of total permissible general income (Special Schedule No. 9) of Blayney Shire Council for the 2015-'16 financial year.

Responsibility of Council for Special Schedule No. 9

The Council is responsible for the preparation and fair presentation of Special Schedule No. 9 in accordance with the Local Government Code of Accounting Practice and Financial Reporting (Guidelines) Update No. 22. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Special Schedule No. 9 that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Responsibility of the Auditor

Our responsibility is to express an opinion on Special Schedule No. 9 based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether Special Schedule No. 9 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in Special Schedule No. 9. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of Special Schedule No. 9, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of Special Schedule No. 9.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

In making our risk assessments, we consider internal controls relevant to the entity's preparation of Special Schedule No. 9 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Audit Opinion

In our opinion, the reconciliation of Council's total permissible general income (Special Schedule 9) which shows a carry forward catch-up total for 2015-'16 of **fifteen thousand five hundred and fifty six dollars (\$15,556)** is properly drawn up in accordance with the requirements of the Office of Local Government and in accordance with the books and records of the Council.



Basis of Accounting and Restriction on Distribution

Without modifying our opinion, we draw attention to the fact that Special Schedule 9 - the reconciliation of total permissible general income is a special purpose financial report which has been prepared for distribution to the Council and the Office of Local Government for the purposes of confirming that Council's reconciliation of Council's total permissible general income is presented fairly. As a result, the financial report may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report or on the financial statements to which it relates to any person other than the Council or the Office of Local Government or for any purpose other than for which the financial report was prepared.

The logo for intentus, featuring the word "intentus" in a stylized, handwritten-style font.

intentus

14 Sale Street
Orange
Dated: 26 October 2015

A handwritten signature in black ink, appearing to read "John O'Malley".
John O'Malley
Director

Attachment A3:

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



Blayney Shire Council**Policy Register****Policy No 1A****Policy Title**

Payment of Expenses and the
Provision of Facilities to the
Mayor and Councillors Policy

Officer Responsible

Director Corporate Services

Last Review Date

14/09/2015

Objectives

Section 252 (1) of the Local Government Act 1993 requires Council to adopt a policy concerning the payment of expenses incurred or to be incurred by, and the provision of facilities to, the mayor, the deputy mayor and other councillors in relation to discharging the functions of civic office.

Policy Statement**Blayney Shire Council****Payment of Expenses and the Provision of Facilities to the
Mayor and Councillors Policy**

1. OBJECTIVE OF POLICY

Section 252 (1) of the Local Government Act 1993 requires Council to adopt a policy concerning the payment of expenses incurred or to be incurred by, and the provision of facilities to, the mayor, the deputy mayor and other councillors (including Administrators) in relation to discharging the functions of civic office.

The purpose of this policy is to ensure that councillors receive adequate and reasonable expenses and facilities to enable them to carry out their civic duties and that there is accountability and transparency in the payment of expenses incurred, or to be incurred by Councillors (including Administrators). The overriding principle to be addressed in the development of this policy is that the provisions of the policy meet the expectations of the local community.

This policy does not deal with matters associated with the setting and payment of annual fees to the Mayor and Councillors, which are determined by the Local Government Remuneration Tribunal.

Any reference hereon in this policy to Councillors will encompass Administrators.

2. STATUS OF THE POLICY

This policy has been prepared in accordance with the "Guidelines for the Payment of Expenses and the Provision of Facilities for Mayors and Councillors in NSW" as issued by the Office of Local Government, Department of Premier and Cabinet dated 7 October 2009 (Circular 09-36).

3. PAYMENT OF EXPENSES

3.1. CONFERENCES AND SEMINARS

Requests for attending conferences shall be in writing outlining the benefits for Council. A written report shall be furnished to Council from the Councillor or staff accompanying the Councillor on the aspects of the conference relevant to council business and / or the community. No written report shall be required for the Local Government NSW Annual Conference.

Council will meet the following expenses for Councillors attending conferences and seminars which have been authorised by Council resolution or by the Mayor under delegated authority.

3.1.1. Registration Fees

- i) Payment of registration fees for attendance at conference / seminar sessions.
- ii) Payment of official conference / seminar lunches and dinners, and associated tours where they are relevant to the business and interests of Council, if not covered by the registration cost.

3.1.2. Accommodation

Payment of accommodation costs on the following basis:

- i) Accommodation selected by the Council or General Manager on the basis of cost and convenience of location to the conference. A Councillor may choose accommodation at a different location but which is the same cost or less.
- ii) The number of accommodation days provided under this policy shall be limited to:
 - a. Registration day;
 - b. Each day on which official sessions of the conference / seminar are held, as well as the night preceding the conference / seminar where travelling schedules reasonably require such accommodation; and
 - c. Each day on which a Councillor is required to be accommodated en route to and from the conference / seminar.
- iii) Any additional accommodation costs incurred as a result of the attendance of partners and/or children shall be borne by the Councillor.

3.1.3. Car Parking Fees

Council shall meet the cost of the following car parking fees.

- i) Hotel / Motel parking – additional car parking fees not included in accommodation costs.
- ii) Airport parking – costs incurred in the parking of a Councillor's private vehicle at an airport for the duration of a conference / seminar, subject to the vehicle being parked in the most economical airport car park.

Reimbursement for parking expenses shall be made upon the production of appropriate receipts and tax invoices, and the completion of the required claim form. Claim for such expenses shall be made within two (2) months of the date of return from the conference / seminar.

The driver is personally liable for all traffic infringements and parking fines incurred while travelling in private or Council vehicles. Claims for reimbursement or payment of expenses shall be refused.

3.2. TRAINING AND PROFESSIONAL DEVELOPMENT

Council shall meet the expenses for Councillors attending training and professional development which have been authorised by Council resolution or by the Mayor under delegated authority, where the training or educational course is directly related to Councillors civic functions and responsibilities.

The specific expense items met by Council are the same as those applicable to "Conferences and Seminars", as listed at clause 3.1.

3.3. REIMBURSEMENT AND RECONCILIATION OF EXPENSES

Councillors seeking reimbursement of costs and expenses, incurred in accordance with the requirements of this Policy, shall only be approved upon the production of appropriate receipts and tax invoices, and the completion of the required claim form.

Claims for reimbursement of costs and expenses shall be made within two (2) months of the costs and/or expenses being incurred, unless otherwise specified within this policy.

3.4. CLAIM FORM

Provided as an attachment (Attachment A) to this Policy, is the prescribed Claim Form which shall be completed by any Councillor seeking reimbursement of their costs and expenses.

It is the responsibility of the Councillor to ensure that the Claim Form is submitted accurately and complete, and within the prescribed timeframe as required by this Policy.

Incomplete claim forms may result in costs and expenses not being reimbursed.

3.5. PAYMENTS IN ADVANCE

Councillors may request payment in advance in anticipation of expenses to be incurred in attending conferences, seminars and training away from home. Councillors may also request an advance payment for the cost of any other service or facility covered by this Policy. However, Councillors shall fully reconcile all expenses against the cost of the advance within fourteen (14) days of their return.

Note: No general allowance type payment shall be made under any circumstances.

3.6. PAYMENT OF EXPENSES FOR SPOUSES, PARTNERS AND ACCOMPANYING PERSONS

Where the business of Council includes an invitation to a Councillor's spouse, partner or accompanying person, Council shall meet all reasonable costs associated with the spouse, partner or accompanying person attending that function.

In circumstances where an invitation is not extended to a Councillor's spouse, partner or accompanying person, that spouse, partner or accompanying person may accompany the Councillor on the business of Council, at the expense of the Councillor.

Attendance at the Local Government NSW Annual Conference shall be regarded as business of the Council and, as permitted by the Office of Local Government Guidelines, registration and official conference dinner costs be met by Council.

An accompanying person is a person who has a close personal relationship with the councillor and/or provides carer support to the councillor.

3.7. INCIDENTAL EXPENSES

Claims for reimbursement of reasonable out-of-pocket or incidental expenses incurred by a Councillor whilst attending conferences, seminars or training courses shall only be approved upon presentation of receipts and the completion of the prescribed claim form. Payments of general expense allowances shall not be permitted under this policy.

Incidental expenses will be paid in accordance with the annual Taxation Determination issued by the Australian Taxation Office titled: *Income tax: what are the reasonable travel and overtime meal allowance expense amounts for the xxxx-xx income year?* Amounts claimed shall not exceed amounts specified in the Taxation Determination.

3.8. INSURANCE

Council shall effect an appropriate level of insurance for Councillors in the following areas:

- i) Public Liability – for matters arising out of a Councillor's performance of their civic duties and/or exercise of their Council functions.
 - ii) Professional Indemnity – for matters arising out of a Councillor's performance of their civic duties and/or exercise of their Council functions.
 - iii) Personal Accident – coverage of Councillor and/or spouse while on Council business.
 - iv) Defamation – excluding Councillor to Councillor, Councillor to Staff and Staff to Councillor.
 - v) Travel – for approved travel on Council business.
- Council shall meet any excess applicable under a policy for:

- Councillor and Officers – in relation to a Councillor performing their civic duties or Council functions;
- Other Insurances – in specific instances when considered necessary by the General Manager (e.g. travel insurance).

3.9. LEGAL EXPENSES

Council may indemnify or reimburse the reasonable legal expenses of:-

- i) A Councillor defending an action arising from the performance in good faith of a function under the Local Government Act 1993 (refer Section 731), provided that the outcome of the legal proceedings is favourable to the Councillor.
- ii) A Councillor defending an action in defamation, provided that the outcome of the legal proceedings is favourable to the Councillor.
- iii) A Councillor involved in the event of:
 - An inquiry, investigation or hearing into a Councillor's conduct by any of the following:
 - o Independent Commission Against Corruption
 - o Office of the NSW Ombudsman
 - o Office of Local Government, Department of Premier and Cabinet
 - o NSW Police Force
 - o Director of Public Prosecutions
 - o Local Government Pecuniary Interest Tribunal
 - o Council's Conduct Review Committee / Reviewer

This is provided that the subject of the inquiry, investigation or hearing arises from the performance in good faith of a councillor's functions under the Local Government Act 1993 and the matter before the investigative or review body has proceeded past any initial assessment phase to a formal investigation or review. In the case of a conduct complaint made against a councillor, legal costs shall only be made available where a matter has been referred by the General Manager to the conduct reviewer/conduct review committee to make formal enquiries into that matter in accordance with the procedures in the Code of Conduct. In the case of a pecuniary interest or misbehaviour matter legal costs shall only be made available where a formal investigation has been commenced by the Office of Local Government.

In addition, legal costs shall only be provided where the investigative or review body makes a finding that is not substantially unfavourable to the councillor. This may include circumstances in which a matter does not proceed to a finding. In relation to a councillor's conduct, a finding by an investigative or review body that an inadvertent minor technical breach had occurred may not necessarily be considered a substantially unfavourable outcome.

Council shall not meet the legal costs of legal proceedings initiated by a Councillor under any circumstance.

Council shall not meet the legal costs of a councillor seeking advice in respect of possible defamation, or in seeking a non-litigious remedy for possible defamation.

Legal costs shall not be met for legal proceedings that do not involve a councillor performing their role as a councillor.

Council may lawfully obtain insurance cover against the risk of having to meet the reasonable legal costs of a councillor, or to reimburse those costs, provided that the costs or reimbursements are ones that it is authorised to meet.

Council may reimburse such Councillor, after the conclusion of the inquiry, investigation, hearing or proceeding, for all legal expenses properly and reasonable incurred, given the nature of the inquiry, investigation, hearing or proceeding, on a solicitor / client basis. Such determination shall be by resolution of Council.

3.10. CARER'S PROVISIONS

3.10.1. Carer's Expenses

Councillors who are the principal carer of a child or other elderly, disabled and/or sick immediate family member shall be entitled to reimbursement of carer's expenses up to a maximum of \$1,000 per annum for attendance at Council and Committee meetings and other official civic functions noted below, plus reasonable travel from their principal place of residence. Child care expenses may be claimed for children up to and including the age of 16 years. Reimbursement of carer's expenses shall be made after submission of receipts and tax invoices and completion of the prescribed claim form. Claims for such expenses shall be made within one (1) month of the expense being incurred. Official civic functions may include:

- Attendance at Ordinary and Extraordinary meetings of Council.
- Attendance at Council Committee meetings of which the Councillor is a member.
- Attendance at Ordinary, Committee and Sub-Committee meetings of an organisation where the Councillor has, by Council resolution, been duly elected as a Council delegate.
- Attendance at inspections, within or outside the area as authorised by Council resolution or by the Mayor under delegated authority.
- Attendance at official Council functions as authorised as Council business by a resolution of Council.
- Attendance at conferences or seminars approved by Council resolution or by the Mayor under delegated authority.
- Attendance at training or professional development approved by Council resolution or by the Mayor under delegated authority.
- Attendance at functions to which the Mayor has been invited, which are attended at the request of the Mayor.

Councillors shall provide suitable evidence to the General Manager that reimbursement is applicable, such as advice from a medical practitioner in the event of caring for an adult person.

3.10.2. Expenses and Facilities for Councillors with Disabilities

In addition to the provisions of 3.10.1, for any councillor with a disability, Council may resolve to provide reasonable additional facilities and expenses, in order to allow that Councillor to perform their civic duties.

4. CONSIDERATION OF SPECIFIC EXPENSES FOR MAYORS AND COUNCILLORS

4.1. GENERAL TRAVEL ARRANGEMENTS

All travel by Councillors shall be undertaken by utilising the most direct route and the most practicable and economical mode of transport subject to any personal medical considerations.

Note: The driver is personally responsible for all traffic infringements and parking fines incurred while travelling in private or council vehicles on Council business.

4.2. LOCAL TRAVEL ARRANGEMENTS AND EXPENSES

For the purposes of this Policy, Local Travel will include travel conducted within the following Local Government Areas:-

- Blayney
- Cowra
- Bathurst
- Orange
- Cabonne
- Wellington

For the purposes of this Policy, where Council Delegates attend meetings of the Lachlan Regional Transport Committee Inc, Local Travel will include travel conducted within, and transiting to, the Local Government Areas of the members to this Committee.

Travelling expenses within these Local Government Areas shall be paid to Councillors upon submission of the completed claim form for:

- Attendance at Council or Committee meetings;
- Undertaking approved business of the Council.

Councillors are encouraged to pool vehicles where practicable.

4.3. NON-LOCAL AND OTHER TRAVEL ARRANGEMENTS AND EXPENSES

Payment of travelling expenses for all other travel outside of the "local area" as defined above shall be submitted to Council for consideration, and shall only be paid if approved.

All non-local and other travel should be advised to the General Manager in advance for coordination of accommodation and travel arrangements (if required). Such advice shall be on a travel authority and submitted in time for approval by Council as attached to this policy. For risk minimisation Councillors are to pool vehicles where practicable. All travel by vehicle shall be by the following priority:

- a. Council vehicle (if available)
- b. Councillor vehicle
- c. Hire vehicle

Claims for expenses incurred shall be submitted on the approved claim form as attached to this Policy, and each claim shall clearly state the purpose of the travel.

4.4. TRAVELLING EXPENSES PER KILOMETRE RATE

Approved claims for payment of travelling expenses shall be fixed at the rate per kilometre for vehicles in excess of 3 litre capacity, as determined by the Australian Taxation Office, effective from the 1st July of that financial year.

4.5. OTHER EXPENSES

Councillor claims for payment of "Other Expenses" not specifically covered by this Policy shall be presented in a report to Council for consideration, and shall only be paid if approved.

5. PROVISION OF FACILITIES

5.1. GENERAL PRINCIPLES

The provision of facilities, equipment and services to the Mayor and Councillors shall be used by the Mayor and Councillors only for the purposes of fulfilling their civic duties and functions. However, Council acknowledges that infrequent private use of the facilities and equipment may occur.

Council facilities, equipment and services shall not be used to produce and disseminate election material, personalised pamphlets or newsletters (and the like) or material for any other political purpose.

5.2. TELEPHONE LINE

At Council's expense a separate telephone direct line shall be connected to all Councillors' residences for Council business upon receipt of a written request from each respective Councillor. All costs associated with the operation of this line shall be paid by Council.

In circumstances where a Councillor elects not to have a separate telephone line connected, and instead utilises their own private telephone line, Council shall reimburse only the call costs identified by the Councillor as relating to council business. Claims for this reimbursement shall be accompanied by a copy of the telephone account for this line with each council business call highlighted.

5.3. TECHNOLOGY EQUIPMENT

At the expense of Council, each Councillor shall be provided with Technology equipment, the provision of tablet technology (i.e., iPad or similar). Such equipment will be provided with required applications for Councillors to undertake their duties. Any additional applications at Council expense must be made in writing with substantiation of need.

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

5.4. APPAREL

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

- One (1) corporate blazer or jacket of Council;
- Two (2) ties or scarves;
- Two Corporate Polo shirts; and
- Protective clothing as deemed required by the General Manager.

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

5.5. OTHER FACILITIES

Councillors are to receive the benefit of:

- Provision and use of business cards and name badges;
- Postage of official correspondence - all mail is to be directed through the Council's own mailing systems;
- Meals/refreshments at Council, Committee, Sub-Committee Meetings and Working Parties, or at any other time deemed appropriate by the Mayor or General Manager whilst on Council business;

5.6. RETURN OF FACILITIES

Councillors shall return any equipment or other facilities to Council after the completion of their term of office, extended leave of absence or at the cessation of their civic duties.

Where a separate sim card / telephone had been established, this line shall be disconnected at Council's expense. However, should the Councillor wish to retain the use of this line, then at Council's expense, the line shall be transferred into the name of the Councillor.

Councillors will also have the option of purchasing the equipment previously allocated at an agreed fair market price or written down price value.

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.

BLAYNEY SHIRE COUNCIL COUNCILLOR'S EXPENSES CLAIM FORM

Name of Councillor:_____

[illegible]

\$

Office Use Only PAYMENT
TRAVEL (Kilometres) _____ @ \$ _____

TOTAL	\$	=====
-------	----	-------

ATTACHMENT B – TRAVEL AUTHORITY

**BLAYNEY SHIRE COUNCIL
COUNCILLOR TRAVEL AUTHORITY
FOR NON-LOCAL AND OTHER TRAVEL**

Pursuant to the Payment of Expenses and the Provision of Facilities to the Mayor and Councillors Policy the following application is submitted:

Name of Councillor: _____

Purpose of Travel: _____

Date(s): _____ Time from / to: _____

Location: _____

Venue: _____

Mode of Transport: (please circle)

Air

Council Vehicle

Councillor Vehicle

Hire Vehicle

Accommodation (if required):

Single Room: _____ Double Room: _____ Other: _____

Motel preference: _____

Please provide other relevant details (e.g. special requirements):

SIGNATURE: _____ **DATE:** _____

(Authority should be lodged with sufficient time for Council report for approval to be submitted.)

Office Use Only

Council meeting date: _____ Minute No.: _____

Transport: _____ Order No.: _____

Motel: _____ Order No.: _____

	Date	Minute No.
First Adopted:	20/9/1999	592
Last Reviewed:	13/08/2001	388
	12/02/2007	7
	14/05/2007	07/094
	12/05/2008	08/105
	29/09/2008	08/231
	08/02/2010	1002/010
	09/05/2011	1105/007
	12/09/2011	1109/022
	10/12/2012	1212/005
	09/09/2013	1309/009
	16/09/2014	1409/010
	14/09/2015	1509/006
Next Review:	11/07/2016	

Attachment A4:

GOVERNMENT INFORMATION PUBLIC ACCESS ANNUAL REPORT



Government Information (Public Access) Act – Annual Report for Agency Blayney Shire Council

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. Council staff have been engaged and encouraged to make available information on the website to improve the level of understanding by users and ease interpretation by staff thus allowing for easier and more efficient access to information. Council's Agency Information Guide details the documents that are made publicly available by Council. Council prefers written requests for access to information that is not proactively released from its website or not otherwise publically accessible in order to clearly identify the information sought and assist in its review of information for proactive release. 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:

- Reporting to the community through prominent display on its website and local print media Have your say and Public Exhibition notices of proposed activities, policies and strategies which invites community feedback during the decision making process
- Distributing regular Media Releases on Council decisions, projects, services and events and matters of community interest and activities that are supported by Council
- Advertising local Council managed and community activities and events through a weekly advertisement in the local paper, a monthly What's On Calendar of Events e-newsletter and a web based Calendar of Events
- 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

Government Information (Public Access) Act – Annual Report for Agency Blayney Shire Council

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%	

Government Information (Public Access) Act – Annual Report for Agency Blayney Shire Council

Schedule 2 Statistical information about access applications to be included in annual report

Table A: Number of applications by type of applicant and outcome*

	Access Granted in Full	Access Granted in Part	Access Refused in Full	Information not Held	Information Already Available	Refuse to Deal with Application	Refuse to Confirm/Deny whether information is held	Application Withdrawn	Total	% of Total
Media	0	0	0	0	0	0	0	0	0	0%
Members of Parliament	0	0	0	0	0	0	0	0	0	0%
Private sector business	0	0	0	0	0	0	0	0	0	0%
Not for profit organisations or community groups	0	0	0	0	0	0	0	0	0	0%
Members of the public (by legal representative)	0	0	0	0	0	0	0	0	0	0%
Members of the public (other)	2	0	0	0	0	0	0	0	2	100%
Total	2	0	0	0	0	0	0	0	2	
% of Total	100%	0%	0%	0%	0%	0%	0%	0%		

* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

Government Information (Public Access) Act – Annual Report for Agency Blayney Shire Council

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)	2	0	0	0	0	0	0	0	2	100%
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0	0	0%
Total	2	0	0	0	0	0	0	0	2	
% of Total	100%	0%	0%	0%	0%	0%	0%	0%		

* A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

Government Information (Public Access) Act – Annual Report for Agency Blayney Shire Council

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%
Total	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	100%
Decided after 35 days (by agreement with applicant)	0	0%
Not decided within time (deemed refusal)	0	0%
Total	2	

Government Information (Public Access) Act – Annual Report for Agency Blayney Shire Council

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	

Attachment A5:

PUBLIC INTEREST DISCLOSURE ANNUAL REPORT



2014/15 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 2014 to 30 June 2015:

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:	
• Corrupt conduct	Nil
• Maladministration	Nil
• Serious and substantial waste of public money or local government money (as appropriate)	Nil
• Corrupt conduct	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:

- Promotional material attached to all pay slips issued staff.
- Discussion at staff and team meetings and tool box talks.



WELLINGTON BLAYNEY CABONNE STRATEGIC ALLIANCE

Annual Report 2014-2015





2014/2015 Annual Report

WELLINGTON BLAYNEY CABONNE STRATEGIC ALLIANCE

Annual Report 2014-2015



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2014/2015 Annual Report

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2014/2015 Annual Report

FROM THE CHAIRMAN

It has been an honour to be the Chairman of the WBC Strategic Alliance for 2014/15. In my role as Mayor of Wellington, I have the opportunity to work with the Mayors and General Managers of the Alliance Councils in a constructive, collaborative and trusting relationship.

This year has been a time of challenge and change. All Councils have had to seriously reflect on their futures – to identify ways to improve their performance, their capacity and sustainability. It has been a time for communities to express their desires for the future of their Councils.

Despite the focus being on Fit for the Future, the Alliance has had another successful year, involved in over twelve projects or initiatives and achieving \$619,506 in savings and efficiencies for the year, taking the overall total since the Alliance began to nearly \$6.5 million. This is an average of \$500,000 a year for the last twelve years – an achievement the member Councils can be very proud of. The Alliance has been an enduring model of co-operation and trust and I wish the member Councils all the very best for whatever the future holds.

Like everything, however, change is inevitable. Wellington's directions have changed over the last two years and, with our decision to focus more on the relationships with our neighbours in the Orana Region of Councils, it is timely for us to break from the Wellington Blayney Cabonne Alliance group. This decision was not taken lightly as we value the benefits derived from being in a strong Alliance with other like-minded councils. We look forward to sharing the valuable learning we have about collaboration with the councils in the Orana Regional Organisation of Councils.

I would like to acknowledge and thank Donna Galvin in her role as WBC Executive Manager. Donna has always been a pleasure to work with and has shown a real commitment to improving the performance of the Alliance Councils. I would also like to thank Karen Roberts, Acting General Manager, Wellington Council, as the current Secretariat of the Alliance.

In handing over the Chairman's role to the Mayor of Blayney, I extend my best wishes to all the Councillors and staff of Blayney, Cabonne and Central Tablelands Water and thank them for the last twelve years of successful partnership, through the WBC Strategic Alliance.

Clr Rod Buhr
Chairman





2014/2015 Annual Report

FROM THE SECRETARIAT

I have been very pleased to act as the Secretariat for the WBC Alliance after taking up the role of Acting General Manager at Wellington in January this year. I have always been a strong supporter of the Alliance and, in my role as Director of Corporate Services, saw first-hand the benefits and value of the collaborative projects and initiatives the Alliance has achieved.

Like my colleagues in the Alliance Councils, this year has presented some significant challenges in planning for the future of our Councils. Whilst the Fit for the Future process was arduous it did force us to reflect on our strengths and weaknesses and to take time to consider strategies that will enhance our Council's capacity and sustainability. It also reinforced the value of collaboration with the resources of the WBC Alliance and the level of trust and co-operation between the member Councils being beneficial during this last year.



Wellington has had to make the hard decision to withdraw from the Alliance at the end of 2015. This decision partly reflects the financial decisions Council has had to face but also the push from State Government into the Orana Region and the need to develop new alliances and regional relationships with our neighbouring councils to the west.

Wellington has been a significant beneficiary of the Alliance achievements and savings over the last twelve years. Some highlights over this time have been:

- Integrated Planning and Reporting Project.
- Development Application Guide, forms and tool kit.
- IT Tender.
- WBC Internal Audit Guide and Project Management Tool Kit.
- Fleet Management review.
- Shared Strategic Planner (with acknowledgement of the work completed by Andrew Napier).
- Funding for training, climate and environmental programmes.
- Sharing staff and resources, knowledge and ideas.
- Business Continuity and Risk Management joint tenders.

I would like to thank the staff of Wellington Council for their involvement in, and commitment to, Alliance projects and for the trust and generosity of the other member Councils to provide Wellington with support when needed or to share their time and knowledge with each other. I wish Blayney, Cabonne and Central Tablelands Water all the very best in the future.



2014/2015 Annual Report

Finally, I would like to acknowledge the efforts of Donna Galvin, WBC Executive Manager. Donna has been a loyal and strong supporter of Wellington Council and has made a significant contribution to Council in her role with the WBC Alliance. She is held in regard by staff who have worked with her and we will miss her involvement and weekly visits.

2016 will bring new challenges for all councils and I look forward to the new chapter that awaits all councils.

Karen Roberts
Acting General Manager

Wellington Gateway





2014/2015 Annual Report

EXECUTIVE MANAGER'S REPORT

"May you live in interesting times." That's certainly been the case for Local Government over the last few years. With the announcement of the next stage of the State Government's reform process – Fit for the Future – all councils in New South Wales faced a new challenge to demonstrate their future sustainability and "fitness".

Since October 2014, when Fit for the Future was announced, my focus shifted to supporting the member councils in the preparation of their submissions. This involved detailed project management, facilitation of a number of workshops for both councillors and staff, extensive data collection and analysis, co-ordination of merger business case studies with Cabonne and Orange City Councils and the compilation of the final submissions. This was an intensive and very busy time for the councils and I was very pleased to provide the additional resources they needed to undertake this very large and challenging body of work. It highlighted, again, the value of the Alliance and the collaborative efforts that really benefit the member councils.



I am confident that the councils have submitted strong evidence to support their future sustainability and to continue to meet the needs of their communities at a local level. Our councils have demonstrated over twelve years the value of collaboration, sharing and innovation through the Alliance. I certainly hope that we have the opportunity to continue to build on our strengths and to reshape a new collaborative model in 2016.

The Alliance will embark on its own transformation in 2016 with the withdrawal of Wellington Council from December. This decision was made in the context of the changing regional areas, with Wellington moving more into the Orana Region and in stronger relationships with Dubbo and the other councils in the OROC region.

Wellington Council was a founding member of the Alliance and has been a valued and committed member over the last twelve years. Staff have forged strong relationships with the other councils and these will endure beyond 2016. I will miss visiting Wellington Council and working with the General Manager and staff who have always made me feel very welcome and part of their team.

With Fit for the Future dominating my time for the best part of nine months, there have not been as many joint projects or initiatives completed during the year. Despite this, we were still able to achieve over \$619,506 in savings and efficiencies, taking the cumulative savings to over \$6,408,986, (an average of \$530,000 per year).



2014/2015 Annual Report

As for the future, we await the outcome of IPART's assessment of our Fit for the Future submissions. In the meantime, we have refocussed our energy back onto projects and initiatives that will strengthen our councils and improve our performance and capacity.

No doubt, 2016 will be a new era for the Alliance but, with the ongoing commitment to collaboration and with a focus on strengthening the member councils' capacity and service delivery, it will be an exciting time to be in Local Government.

Donna Galvin
Executive Manager



*Blayney hosts regional Fit for the Future
Peer Review Workshop*



2014/2015 Annual Report

HOW DOES THE ALLIANCE WORK?

The WBC Board consists of the Mayor, Deputy Mayor and General Manager from each member council. Meetings are held four times a year, or more frequently if required. The Chairman's role rotates on a twelve monthly basis, with the Secretariat services provided by the council whose Mayor is Chairman of the Board. The role of the Board is to:

1. Identify areas/activities of operations that present strategic alliance opportunities.
2. Raise public awareness of strategic alliance issues for the benefit of local government and the community in general.
3. Provide relevant information to interested organisations and individuals.
4. Promote the desired outcomes of the councils' Strategic Alliance concept in the councils' areas and beyond.

The Board develops an action plan to implement particular projects and reviews the Alliance's operation to ensure the goals are being met. The Alliance will adopt a new two year Operational Plan in early 2016, pending the outcome of the Fit for the Future process. This Plan will include common strategies within the Fit for the Future Improvement Plans of the member councils.

The WBC Alliance Executive Manager is responsible for co-ordinating the Alliance activities and implementing the action plan of the Alliance. The role also includes promotion of the Alliance and seeking grant funding and savings through joint procurement and funding applications.



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WBC BENEFIT RECORDS ANALYSIS

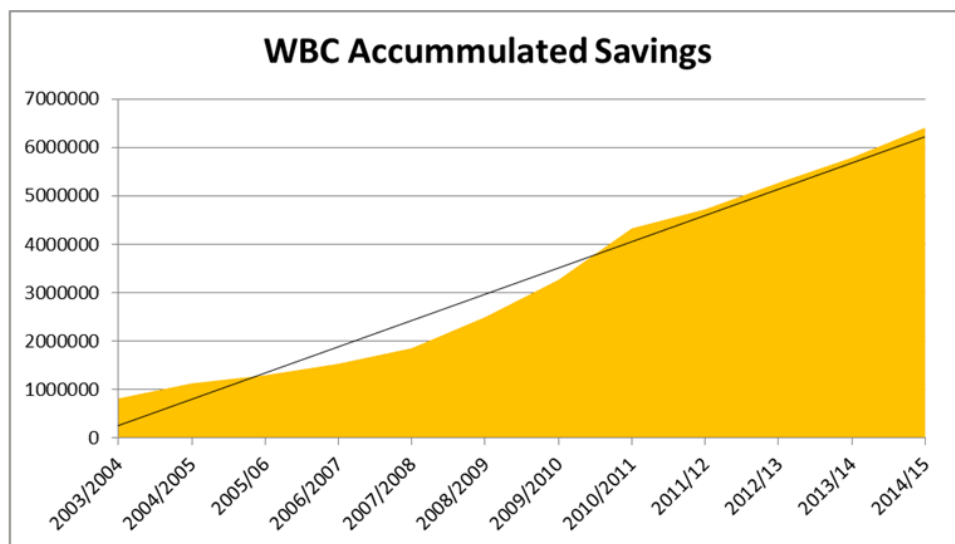
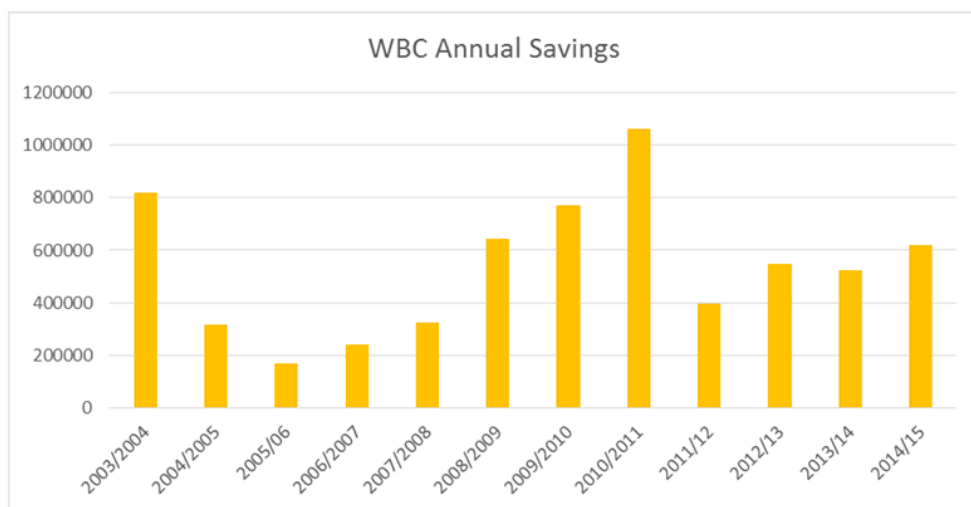
Description	2011/12	2012/13	2013/14	2014/15
Knowledge Sharing	85300	88285	91375	94573
Blayney Records	7955	8233	8521	8819
Wellington Records	11364	11761	12173	12559
CTW - IT & Software Sharing	24471	25327	26213	27130
CTW/Blayney HR/OHS support	4431	4586	4747	4913
Bize Asset Licence	6587	6817	7056	
WHS services BSC from Wellington	5990	4080		1400
Code of conduct committee		11000		
Milthorpe After School grant	16292	16862	17452	
WebEx meetings	6790	4545	3000	3105
Shared Principal Strategic Planner	88268	44134		
Joint Tender Resealing Cabonne/Blayney	29500	227000	227000	278266
IT Tender and Purchase and Implementation of System	25800	17760	7200	
Integrated Planning and Reporting Project	11500			
Joint Purchase sharefile site	3722	3852	3987	4126
Joint Engagement IAB for Internal Audit	11840	11881	12297	12727
Goods and Service Joint Tender	19000		19665	20353
DCP Project - Joint engagement consultant	4000			
Environmental Management Plans developed	15000			
Loan of plant and equipment Cabonne and Blayney	3000	3360	20684	
Business Continuity Planning	2475			
Prospective Councillor Information Sessions	8500			
Shared Services Project	25000			
Speaker Fees - WBC/EM	2000			
Joint Tender Truck & Dog		7000		
Joint engagement Fleet Reviewer Consultants		27000		
Joint Tender Reseal	29500	227000	227000	278266
Internal development WBC website		10925		
Cabonne purchase gravel from Blayney		12187		20000
Dept Planning Funding			50500	
Probono legal advice to SS Project			6400	
Joint engagement Groupwork consultants			2000	
Joint Purchase AssetFinda				27965
Joint Risk Management training				23700
Asbestos Management Plan EOI – administrative saving				19965
Sewer Relining Tender - administration savings				19965
Media Relations Officer Secondment – Cab/Well				10800

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Description	2011/12	2012/13	2013/14	2014/15
2 return airfares Perth donated by IT Vision				3000
Cabonne Project management covering leave for Blayney				9600
Cabonne funding FFF				15000
Roads Benchmarking Project - Well/Cabonne				1500
Annual Total (\$'s)	393785	546595	520269	619506
Accumulated Total (\$'s)	4647579	5194174	5714443	6333949





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PROMOTION, INVOLVEMENT, LEADERSHIP IN THE SECTOR

Presentations/promotions and acknowledgements:

- LG Professionals Conference.
- CENTROC GMAC and Forum.
- Advice to two different groups of councils on Alliance operations and collaborative models. (Hawkesbury, Penrith and Blue Mountains and Snowy River, Bombala and Cooma).
- Participated in OLG Fit for the Future Bootcamp.

Leadership and participation in the future of our sector:

- Consultations by IPART on Fit for the Future submissions.
- CENTROC Joint Organisation Pilot/Model Project.
- LG Act Review consultancies and submissions.
- Facilitator and Presenter at LGNSW Regional Collaboration Workshop.
- Blayney hosted OLG Fit for the Future Peer Review Workshop.
- Finalist in LG Professionals' Excellence Awards in the category "Partnerships for Growth".

*Donna Galvin, David Somervaille, Gavin Rhodes
and Rebecca Ryan at the LG Professionals
Excellence in LG Awards – April 2015*





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PROJECTS, INITIATIVES, COLLABORATION

Despite the focus being on Fit for the Future over the last twelve months, a number of valuable outcomes have been achieved by staff working together in the Alliance.

Grader Operator Workshop

In March, a one-day Operator Workshop was hosted by Cabonne Council. Twelve staff from Wellington, Blayney and Cabonne attended to learn more about soil conditioning and testing and the operation of new satellite technology for grader operations. The staff had a nice barbecue lunch and time to share ideas and tell a few yarns. Thanks to Bob Cohen, Mick Fitzgerald and Kath Coughlin from Cabonne for organising the day.



Asset Management Software

The Directors of Engineering/Technical Services worked together on a joint tender for the purchase of specialist asset management software. The tender process was managed by Cabonne Council on behalf of Wellington and Blayney. The successful provider was Asset Finda. By conducting a joint tender and through reductions offered by the provider in joint training and implementation, this initiative achieved an estimated \$27,000 in savings. Thanks to Richard Minter from Cabonne Council who led this project.

Risk Management

The Risk Officers from Blayney and Cabonne – Jennie Robson and David Kidd – have been working collaboratively on a range of risk functions and processes throughout the year. This has included joint training for staff (achieving significant discounted pricing from the selected provider) and, just recently, a joint Request for Quotation for the engagement of suppliers to develop Asbestos Management Plans, inspections and registers for council-owned buildings and structures. This also included the Councils of Oberon and Weddin – expanding the collaborative efforts and benefits to more councils in the region.

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Joint Tenders

A number of joint tenders have been completed during the year, including Sewer Relining Contract, Suppliers List, Bitumen Reseal, as well as the aforementioned Assets and Asbestos Management. Based on costings provided by LG Procurement NSW, it is estimated that a single tender process costs close to \$20,000 to administer. We calculate that for each joint tender we save at least this amount in running one tender for three councils, instead of three tenders for individual councils.

One significant joint tender this year was between Blayney and Cabonne Councils for the provision of bitumen emulsion. A three year contract has been awarded with the overall savings (due to discounts on pricing due to larger purchase amounts) estimated at over \$775,000 for the three years, or an annual saving of \$213,459 for Cabonne Council and \$45,122 for Blayney Council.

Help is on the Way

One of the most valuable aspects of the Alliance is the willingness of staff to help other councils when needed. There have been a number of examples this year where this has occurred:

- Dale Jones, Media and Communications Officer at Cabonne Council is currently working one day a week for Wellington Council whilst their Media Officer is on maternity leave.
- Cabonne Council works teams provided additional staff and equipment for Blayney Council in January for major works in Millthorpe. Cabonne Council staff also helped with some project management and supervision of jobs whilst Blayney's Operation Manager, Nathan Skelly, was on extended leave. Thanks to Tony Weeks, Bob Cohen and Surendra Sapkota and staff from Cabonne Council and Ian Evans and Henry Smith from Blayney Council.
- Martin Boyd, Human Resources Manager from Blayney Council, co-ordinated some interviews and provided support to Cabonne Council whilst their Human Resources Manager was on leave.
- Jennie Robson, Risk Officer, Blayney Council, provided some remote support to Cabonne Council when their Risk Officer was on extended sick leave.

Thanks to all the staff involved. A telephone call here and there to Alliance colleagues goes on all the time – the immeasurable benefit of strong co-operative relationships.



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FIT FOR THE FUTURE

Announced in October 2014, councils had to submit detailed evidence against a range of seven financial indicators and ten scale and capacity criteria to the State Government by 30 June, 2015.

Each council established internal project teams to assist in the development of submissions with the WBC Executive Manager providing project management expertise.

Councils were required to consult with their communities as part of the process.

Cabonne Council worked with Orange City Council to explore the value and cost of a merger between the two councils, with the evidence demonstrating very little net benefit would be gained from such a merger.

This was a very busy and challenging time for councils to complete their submissions, consult with communities and develop future improvement strategies.

Councils were required to assess their compliance against seven financial benchmarks up to the year 2019/20. This table shows councils' comparison against the seven indicators:

Measure (2019/2020)	Blayney	Cabonne	Wellington
Operating Performance Ratio (> or = to break even over 3 years)	Yes (0.035)	Yes (8.5%)	Yes (5.2%)
Own Source Revenue Ratio (> 60% average over 3 years)	Yes (73.12%)	Yes (67%)	Yes (64.7%)
Buildings and Infrastructure Asset Renewal Ratio (> than 100% average over 3 years)	Yes (122.5%)	Yes (111.8%)	Yes (100%)
Infrastructure Backlog Ratio (> than 2%)	Yes (1.68%)	Yes (1.69%)	Yes (0%)
Asset Maintenance Ratio (> 100% over 3 year average)	Yes (112.69%)	Yes (147%)	Yes (100%)
Debt Service Ratio (> 0% & less than or equal to 20% average over 3 years)	Yes (1.61%)	Yes (0%)	Yes (0.2%)
Real Operating Expenditure Per Capita (a decrease)	Yes (decreasing)	Yes (1.8)	Yes (1.054)



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Whilst it is difficult to estimate exactly the time spent by staff in the preparation of submissions, it is estimated over 7,000 hours were spent across the three member Councils (based on average time per project team member, time of General Manager and WBC Executive Manager). At an hourly rate of an average of \$75, (including on-costs), this is about \$175k per council.

Multiply this amount across 145 councils that had to respond and it exceeds \$25 million. And this does not include costs for the engagement of consultants which a number of councils did, well in excess of \$100,000 per contract.

In determining the benefits summary for 2014/15 (refer Pages 9 and 10), the value of the work completed by the WBC Executive Manager was considered. However, it was difficult to allocate a specific dollar value on this work. However, there is no doubt that having this role certainly saved the member councils from engaging additional consultancies or resources to undertake this complex and demanding project.



*Blayney staff prepare for
Fit for the Future submissions*



*Cabonne staff consulted
on Fit for the Future*



Newbridge community consultation meeting – 26 May 2015



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FAREWELL TO WELLINGTON – A WALK DOWN MEMORY LANE

As this will be the last year Wellington will be a member of the WBC Alliance, it is timely to include some photographs and acknowledge some of the current staff from Wellington Council who have contributed so much to the WBC Alliance projects, events and our success.

Thanks to the following staff who have been part of the Alliance projects or have helped the WBC Executive Manager in her role:

Karen Roberts
Darren Whiteley
David King
Jennifer Shaddock
Anne Hyde
Liz Rich
Linda Lyons
Marj Coon
Jacqui Sullivan
Darren Honnery
Ross Palmer

Paul Miller
Donna Hurst
Chris Toynton
Sandra Melhuish
Alan Bell
Peter James
Bryson Rees
Robyn Brien
Helen Cullen
Tom McInnes
Karen Powyer

Wellington Tribute



*David Babicci & Alan Bell chat
with ex GM Cabonne Council,
Graeme Fleming – 2010 Forum*



*Mel Wall (ex HR Manager) &
Karen Roberts – Wellington
2009 Forum*



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*Peter James & Ross Palmer
- 2008 Forum*



*Evan Webb (Cabonne) with Paul Miller
in Adelaide – IT Tender Project*



*Bryson Rees
- 2008 Forum*



*Donna Hurst, Jan Van der Meer
& Karen Powyer – 2010 Forum*



*Winners 2011 Alliance Challenge for IT Project
Ashley Albury, Paul Miller & Anne Jones
(Wellington), Evan Webb (Cabonne) &
Gavin Rhodes (CTW)*



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*Sandra Melhuish & Vicky Duffield
with DA Kit Project*



*Marj Coon EA to Wellington GM
received a thank you from then
Mayor Anne Jones – 2011 Forum*



*Staff at the inaugural 2008 Staff Forum -
Eric Poga, Jan Van der Meer, Peter James & Owen Johns*



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NEW LEADERSHIP

Rebecca Ryan was appointed as the new General Manager of Blayney Shire Council in September, 2014. Rebecca had previously been the Director of Corporate Services for Warrumbungle Shire Council and has over fourteen years' experience in local government. Rebecca is passionate about local government and serving local communities. As a Board Member of LG Professionals NSW, Rebecca is well respected in the sector as a strong leader and advocate of local government.



Central Tablelands Water's new General Manager, Gavin Rhodes, brings a new era to the water authority after the retirement, in 2014, of long-term General Manager, Tony Perry. Gavin was previously the Finance and Administration Manager for Central Tablelands Water and has also worked at Orange City and Cabonne Councils. Gavin's expertise in financial management provides Central Tablelands Water with sound fiscal leadership and, with a strong cohesive team, Central Tablelands Water's future is strong.

Karen Roberts took up the role of Acting General Manager at Wellington Council in January this year with the sudden resignation of the previous General Manager, Michael Tolhurst. Karen has been the Director of Corporate Services at Wellington for six years and has been a constant and reliable leader over the last few years of high turnover in the General Manager and Director roles at Wellington, this being the third time she has acted in the role. Despite significant staffing and financial challenges, Karen is providing stable and strong leadership in a period of immense changes and challenges at Wellington Council.

