



BLAYNEY SHIRE COUNCIL



ANNUAL REPORT

2012/13



BLAYNEY SHIRE COUNCIL 2012/2013 ANNUAL REPORT

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Attachments

- Attachment A1 – Council's Audited Financial Reports
- Attachment A2 – Performance of Principal Activities
- Attachment A3 – Payment of Expenses and Provision of Facilities to the Mayor and Councillors Policy
- Attachment A4 – Government Information Public Access Annual Report.
- Attachment A5 – Public Interest Disclosures Annual Report

Mayor's Foreword

The 2012/2013 year has been a very progressive year for Blayney Shire Council and is the culmination of events that have refocused the direction of the community and council in the future identification and delivery of quality services and assets to the benefit of future generations.

The election of Councillors in September 2012 allowed the community to appoint a dedicated team of residents to lead the Shire community and promote the changes identified under the Integrated Planning and Reporting structure that was unilaterally developed by the shire village communities.

2012 was a water shed year for council as it was charged under the IP&R process to establish long term budgets, to review its asset conditions and to plan for changes in service delivery based on the advice coming from its most valuable asset; its residents. The election of three new councillors allowed new views and ideas to be explored and a team building of this council that is dedicated to the enhancement of the shire facilities and growth in community participation.

The Council has undertaken a major review of the committee structures and determined to extend the representation on the new committees that allows for full community participation and direct advice to the councillors who chair the individual meetings. This new structure addresses shire wide communities of interest including; Sports Committee, Tidy Towns and Village Enhancement; Economic Development; Access Committee; Cemetery Forum and Financial Assistance Committee. The new committees have been structured to link to the community requests for more direct consultation with council and to continue to set directions for service, asset and financial direction across the shire that commenced as part of the consultation process under the initial IP&R development.

The future of Blayney Shire is very positive due to council's recognition of a need to allow greater community communication and input. This has been further extended by Council in the development and documentation of the Village Enhancement Program. This program has allowed council staff to meet with the Village community groups and to work together to plan for the development of village and locality projects. This process has allowed communities to identify improvements that will provide benefits to future generations of residents and enhancements to local tourism, heritage, economic development and liveability of the village areas.

Community consultation is a key to the future service delivery of the Council and the long term enhancements across the shire. This consultation has allowed council to review and identify the direction that its community expects that local government could develop towards and allowed councillors and staff to workshop and make valuable contributions to the review into Local Government presently being undertaken.

Blayney Shire has undertaken reviews to promote efficient use of resources, commenced programs to improve energy efficiency and to attract grant funding opportunities to enhance asset renewal and provide higher level services across the community. Council finances



have similarly been structured to provide funding for not for profit organisations, to undertake works or services in conjunction with council or through the organisations that form the fabric of our community.

Blayney Shire is a small community that has restructured itself with the valuable assistance of its residents to forge a future that is sustainable, viable and beneficial to future generations.

This directional change will ensure sustainable growth and development of our communities into the future.

Cr SJ Ferguson
Mayor

Local Government Act 1993

Section 428 (4) Council's Audited Financial Reports

Please refer to Attachment A1

Section 356 Contributions

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

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

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

Contribution	Amount
Rates & Charges	12,208
Financial Assistance Program	48,514
General	6,649
Community Organisations Insurance	2,512
Heritage Grants (Council portion)	18,540
	\$88,423

Other Information

Performance of Principal Activities

Please refer to Attachment A2

Condition of Public Works

Special Schedule No. 7 as detailed within Council's General Purpose Financial Reports for the year ended 30 June 2013 provides the condition of the public works under the control of the Council. This schedule also identifies:

- an estimate of the amount of money required to bring the works up to a satisfactory standard;
- an estimate of the annual expense of maintaining the works at that standard; and
- Council's program of maintenance in respect of the works for the 2012/13 year.

Legal Proceedings

For the year ended 30 June 2013, Council had incurred \$52,975 in legal fees for proceedings taken by or against Council. By comparison, Council had expended \$89,681 on legal fees in 2011/2012.

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

Description	Cost	Status
Planning Matters	1,671	Closed
Debt Recovery	44,395	Open
Other matters	6,909	Open
	\$52,975	

Contracts awarded by Council

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

Name	Purpose	Amount
Inland Truck Centres	Supply of Kenworth Tipping Truck and 2 Dog Trailers	\$399,483
Bridge Check Australia Pty Ltd	Naylor Street Bridge Rehabilitation Works	\$407,559

Bush Fire Hazard Reduction Activities

The hazard reduction activities of the Rural Fire Service are undertaken by the Canobolas Zone Rural Fire Service on behalf of the Councils within this zone, and entail four separate areas:

1. Issue of Fire Permits.
2. Issue of Hazard Reduction Certificates.
3. Management of Hazard Complaints.
4. Advice on compliance to "Planning for Bushfire Protection" in regard to Development Applications.

During 2012/2013 the Canobolas Zone carried out the following works in Blayney Shire.

	Number	
	2012/2013	2011/2012
Development Applications 79BA / 100B	0	0
Permits Section 87 & 88	37	42
Hazard Reduction Complaints	25	7

A copy of the NSW Rural Fire Service Annual Report for the 2012/2013 year is now available on the Canobolas Zone webpage. This information can be accessed for your information from the following link:

http://www.canobolas.rfs.nsw.gov.au/dsp_content.cfm?cat_id=1766

Programs for people from a Multicultural Background

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

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

Private Works

Council's Management 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 2012/2013 private works expenditure totalled \$128,725 providing an income of \$136,071. The following table provides a summary of the private works completed by Council during this reporting period.

Description of Work	Expenditure
Construction	29,367
Water Sales	1,172
Gravel Sales	83,933
Hire of Plant & Equipment	7,652
Other	6,601
	\$128,725

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

Human Resources

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

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.

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.

Equal Employment Opportunity (EEO)

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.

Induction procedures incorporate education of the EEO Management Plan and application of EEO principles in the workplace.

Job Advertisements

All Council recruitment adheres to EEO principles and all job advertisements contain a statement that Council is an EEO employer.

Recruitment

Council has a Recruitment and Selection Policy and Procedure that assists in ensuring that during the recruitment process, EEO principles will be adhered to.

Training Plan

As part of the annual staff appraisal process training requirements were identified and documented. This has allowed for an organisation training plan to be developed, allowing for a planned, fair and equitable approach to meeting all staff training needs. The training plan is revised and amended on an annual basis.

Training undertaken in the 2012/2013 reporting year included;

- First Aid
- Engineering
- WHS Construction Induction / WHS Committee Consultation
- Fleet Management
- Superannuation, Taxation and Payroll
- Environmental Development
- Traffic Control Plans
- Mechanical maintenance
- Playground inspection
- Fire warden and building evacuation
- Asset Management
- Unsealed road
- Training and assessment
- Town Planning
- Liquid Trade Waste

As part of the annual staff appraisal process training requirements are identified and documented. Following this appraisal process an organisation

wide training plan is developed which allows for a planned, structured, fair and equitable approach to meeting all staff training needs. The training plan is revised and amended on an annual basis.

External Bodies

The following organisations exercised functions delegated by Council during 2012/2013:

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

Partnerships, Co-Operatives and Joint Ventures

Blayney Shire Council and Cabonne Council jointly participate in the provision of a Family Day Care service to both local government areas. Council is also a member of Central West Libraries, CENTROC Weight of Loads Group, Statewide Mutual Liability, Workers Compensation and Property Schemes.

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

Special Variation to Rate Income

During 2012/13 Blayney Shire Council had two (2) Special Rate Variations in force and are summarised as follows:

Blayney Shire Community Centre Special Rate Variation

The Minister for Local Government approved a S.508 (A) special variation in rate income of 11.42% for 2008/09. This equated to \$275,415 (8.19%) over the approved rate and for the period 2008/09 to 2017/18. The purpose was for capital improvements to the Blayney Community Centre. As at the end of the reporting period building construction had been completed and the Blayney Shire Community Centre had been opened. Project expenditure has been kept within budget and completion of car park works is scheduled to be finalised in 2013/14. Project funding was drawn from funds generated in previous years from the special rate variation held as restricted cash for this purpose and borrowings.

Since its opening the centre has been 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 equated to \$1,555,108 (37.1%) over the approved rate for the period 2008/09 to 2017/18. 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 2012/13 expenditure of these monies was as follows:

Expenditure	\$
Road Maintenance	255,934
Asset Renewals - Roads	420,633
Other Community Infrastructure	250,726
Engineering/Design Works	70,125
Community Contributions Program	50,000
Transfer to Restricted Cash – SRV Mining	507,690
	\$1,555,108

The balance of the external cash restriction for Special Rate Variation – Mining, as at 30 June 2013, was \$507,690. These funds will be used in future year programs pursuant to the section 508(2) - Special Rate Variation Instrument of Approval.

Outcomes achieved as a result of the Special Variation include:

- Increased funding for community groups to access through the Financial Assistance Program
- Additional 6.5km of sealing
- Additional 950m of asset renewal work to roads
- Additional 3km of gravel re-sheeting
- Additional 18km of maintenance grading
- Additional funding to sustain community infrastructure
- Engineering design expertise to assist with preparation of rolling plans for works

Productivity savings achieved during 2012/13 include:

- Integration of technology into work practices
- Activities undertaken through CENTROC such as lobbying; sourcing of grant funding; regional planning; joint initiatives and regional tenders for procurement of electricity; fuel; internal audit services; valuation services;
- Savings of \$546,595 in WBC (Wellington, Blayney, Cabonne, Central Tablelands Councils) Alliance activities.

In the comparative information return for 2011/12 published by the Division of Local Government Council's equivalent full time staff numbers were 70 as compared to the Group 10 Council average of 105.

Local Government (General) Regulation 2005

Clause 132 Details of written off Rates and Charges

Rates and charges totalling \$161,297 were written off during 2012/13, in accordance with the provisions of the Local Government Act 1993. This compares to \$179,887 being the amount written off during 2011/2012.

Rates and charges written off during 2012/2013 can be summarised in the following table:

Pensioner Rate Rebates	\$161,287
Other	\$0

Clause 217 (1) (a) Overseas Visits

No Councillors, Council Staff or representatives of Council participated in any overseas visits during 2012/2013.

Clause 217 (1) (a1) Councillors

During 2012/2013 a total of \$129,856 was expended on the Mayor and Councillors.

Mayoral Fees		22,402
Councillor Fees		71,165
Councillor Expenses		36,289
- Meeting Expenses	6,973	
- Travel Expenses	4,375	
- Conferences	3,778	
- Communications equipment	3,331	
- Insurance	17,832	
		\$129,856

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

Clause 217 (1) (b) Senior Staff Remuneration

Council's organisation structure provides for the employment of the General Manager as the only Senior Staff position. The all inclusive remuneration package of senior staff that incorporates salary component, employer superannuation, non-cash benefits and amounts payable for fringe benefits tax in the 2012/2013 financial year amounted to \$202,252.

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

The Family Day Care scheme jointly operated by Blayney Shire and Cabonne Councils provides care for children aged between 0 and 5 years. Blayney Shire and Cabonne Councils also jointly operate Millthorpe Out of School

Hours (OOSH) Care Service (July 2007 commencement) and Blayney OOSH Care Service (May 2009 commencement).

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

Four (4) Music Scholarships at the Mitchell Conservatorium and the Orange Regional Conservatorium which are sponsored by Council and local businesses were offered during 2012/13.

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

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

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

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

During 2012/2013, Council introduced a Towns and Villages Committee as a means of better engagement with its villages and localities. Senior Staff also attended Village committee meetings held throughout the Shire. These meetings provide an opportunity for members of the locality to address Council on any issues. The meetings were well attended by the community.

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

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

Council does not operate any category 1 business activities.

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

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

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

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

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

Council has established a complaints handling mechanism for competitive neutrality complaints. Council is committed to resolving complaints, so as to improve service delivery and increase community satisfaction. To date no such complaints have been received.

Clause 217 (1) (e) Comparison of Actual and Projected Stormwater Management Services

Council did not levy an annual charge for Stormwater Management Services during 2012/2013.

Clause 217 (1) (f) Activities relating to enforcing and ensuring compliance with the Companion Animals Act and Regulation

Lodgement of pound data collection returns with the Division

Pound Data return was lodged on the 30/06/2013.

Lodgement of data relating to dog attacks with the Division

There were 3 Dog Attacks reported to Council during the reporting period.

Amount of funding spent relating to companion animal management and activities

Council expended \$70,031 on activities relating to the management and control of companion animals during the reporting period.

Companion animal community education programs carried out

Community Education Programs consisted of Brochure drops, promotion in the local paper and detailed information delivered with Rate Notices.

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

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

Off leash areas provided in the Council area.

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

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

Income	\$
Registration Fees	1,584
Impounding Fees	1,628
Fines & Costs	1,888
Microchip Fees	2,300
Other income	9
Total Income	7,409
Expenditure	\$
Salaries	43,324
Employee Overheads	14,316
Depreciation	10,775
Impounding & Control Expenses	8,954
Microchipping	71
Total Expenditure	77,440
Total Cost of Companion Animal Operations	\$70,031

Clause 217 (2) State of the Environment Report

A Regional State of the Environment Report 2012/2013 is available as a separate document on Council's website www.blayney.nsw.gov.au.

Clause 7 Government Information Public Access Regulation

A report on Government Information Public Access for the 2012/2013 year is provided. Please refer to Attachment A4.

Environmental Planning and Assessment Act 1979

Section 93G (5) Planning Agreements

Council did not enter into any Voluntary Planning Agreement in 2012/13.

Public Interest Disclosures Act 1994

Section 31 Public Interest Disclosures Annual Report

A report on Public Interest Disclosures for the 2012/2013 year is provided. Please refer to Attachment A5.

Attachment A1:

AUDITED FINANCIAL REPORTS

Blayney Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2013

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



Blayney Shire Council

General Purpose Financial Statements

for the financial year ended 30 June 2013

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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 dd/mm/yy.
Council has the power to amend and reissue these financial statements.

Blayney Shire Council

General Purpose Financial Statements

for the financial year ended 30 June 2013

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 12 August 2013.



S J Ferguson
MAYOR



AJ Ewin
COUNCILLOR



G A Wilcox
GENERAL MANAGER



C M Hodge
RESPONSIBLE ACCOUNTING OFFICER

Blayney Shire Council

Income Statement

for the financial year ended 30 June 2013

Budget ⁽¹⁾ 2013 \$ '000		Notes	Actual 2013	Actual 2012
Income from Continuing Operations				
Revenue:				
7,271	Rates & Annual Charges	3a	7,457	5,640
1,388	User Charges & Fees	3b	1,425	3,232
386	Interest & Investment Revenue	3c	482	513
131	Other Revenues	3d	227	191
3,171	Grants & Contributions provided for Operating Purposes	3e,f	3,815	4,301
858	Grants & Contributions provided for Capital Purposes	3e,f	1,636	765
Other Income:				
-	Net Share of interests in Joint Ventures & Associated Entities using the equity method	19	-	-
13,205	Total Income from Continuing Operations		15,042	14,642
Expenses from Continuing Operations				
5,121	Employee Benefits & On-Costs	4a	4,951	4,821
223	Borrowing Costs	4b	155	161
2,664	Materials & Contracts	4c	3,357	3,898
4,461	Depreciation & Amortisation	4d	4,627	4,424
-	Impairment	4d	-	-
1,431	Other Expenses	4e	1,843	1,597
-	Net Losses from the Disposal of Assets	5	24	277
13,900	Total Expenses from Continuing Operations		14,957	15,178
(695)	Operating Result from Continuing Operations		85	(536)
Discontinued Operations				
-	Net Profit/(Loss) from Discontinued Operations	24	-	-
(695)	Net Operating Result for the Year		85	(536)
(695)	Net Operating Result attributable to Council		85	(536)
-	Net Operating Result attributable to Non-controlling Interests		-	-
(1,553)	Net Operating Result for the year before Grants and Contributions provided for Capital Purposes		(1,551)	(1,301)

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

Blayney Shire Council

Statement of Comprehensive Income for the financial year ended 30 June 2013

\$ '000	Notes	Actual 2013	Actual 2012
Net Operating Result for the year (as per Income statement)		85	(536)
Other Comprehensive Income:			
<i>Amounts which will not be reclassified subsequently to the Operating Result</i>			
Gain (loss) on revaluation of I,PP&E	20b (ii)	2,558	5,027
Adjustment to correct prior period errors		-	-
Impairment (loss) reversal relating to I,PP&E	20b (ii)	(24)	-
Total Items which will not be reclassified subsequently to the Operating Result		2,534	5,027
<i>Amounts which will be reclassified subsequently to the Operating Result when specific conditions are met</i>			
Realised (gain) loss on available-for-sale investments recognised in P&L	20b (ii)	-	-
Gain (loss) on revaluation of available-for-sale investments	20b (ii)	-	-
Realised (gain) loss from other reserves recognised in P&L	20b (ii)	-	-
Gain (loss) on revaluation of other reserves	20b (ii)	-	-
Total Items which will be reclassified subsequently to the Operating Result when specific conditions are met		-	-
Total Other Comprehensive Income for the year		2,534	5,027
Total Comprehensive Income for the Year		2,619	4,491
Total Comprehensive Income attributable to Council		2,619	4,491
Total Comprehensive Income attributable to Non-controlling Interests		-	-

Blayney Shire Council

Statement of Financial Position as at 30 June 2013

\$ '000	Notes	Actual 2013	Actual 2012	Actual 2011
ASSETS				
Current Assets				
Cash & Cash Equivalents	6a	10,144	7,102	7,622
Investments	6b	1,233	-	380
Receivables	7	642	2,974	1,107
Inventories	8	900	854	1,000
Other	8	149	160	166
Non-current assets classified as 'held for sale'	22	-	-	-
Total Current Assets		13,068	11,090	10,275
Non-Current Assets				
Investments	6b	-	233	233
Receivables	7	61	178	219
Inventories	8	-	-	-
Infrastructure, Property, Plant & Equipment	9	184,173	183,774	179,533
Investments accounted for using the equity method	19	-	-	-
Investment Property	14	-	-	-
Intangible Assets	25	263	-	-
Total Non-Current Assets		184,497	184,185	179,985
TOTAL ASSETS		197,565	195,275	190,260
LIABILITIES				
Current Liabilities				
Payables	10	762	1,106	787
Borrowings	10	98	92	85
Provisions	10	1,233	1,174	1,135
Total Current Liabilities		2,093	2,372	2,007
Non-Current Liabilities				
Payables	10	2	-	-
Borrowings	10	1,710	1,809	1,901
Provisions	10	506	459	429
Total Non-Current Liabilities		2,218	2,268	2,330
TOTAL LIABILITIES		4,311	4,640	4,337
Net Assets		193,254	190,635	185,923
EQUITY				
Retained Earnings	20	60,583	60,498	60,813
Revaluation Reserves	20	132,671	130,137	125,110
Council Equity Interest		193,254	190,635	185,923
Non-controlling Interest		-	-	-
Total Equity		193,254	190,635	185,923

Blayney Shire Council

Statement of Changes in Equity for the financial year ended 30 June 2013

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

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
2012						
Opening Balance (as per Last Year's Audited Accounts)		60,813	125,110	185,923	-	185,923
a. Correction of Prior Period Errors	20 (c)	221	-	221	-	221
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/11)		61,034	125,110	186,144	-	186,144
c. Net Operating Result for the Year		(536)	-	(536)	-	(536)
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	5,027	5,027	-	5,027
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-	-	-	-
Other Comprehensive Income		-	5,027	5,027	-	5,027
Total Comprehensive Income (c&d)		(536)	5,027	4,491	-	4,491
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		60,498	130,137	190,635	-	190,635

Blayney Shire Council

Statement of Cash Flows

for the financial year ended 30 June 2013

Budget 2013	\$ '000	Notes	Actual 2013	Actual 2012
Cash Flows from Operating Activities				
Receipts:				
7,164	Rates & Annual Charges		7,529	5,683
1,200	User Charges & Fees		1,858	3,217
364	Investment & Interest Revenue Received		436	493
4,027	Grants & Contributions		7,723	3,210
-	Bonds, Deposits & Retention amounts received		10	-
144	Other		643	1,094
Payments:				
(5,121)	Employee Benefits & On-Costs		(4,890)	(4,776)
(2,655)	Materials & Contracts		(4,496)	(3,479)
(214)	Borrowing Costs		(130)	(162)
-	Bonds, Deposits & Retention amounts refunded		-	(25)
(1,463)	Other		(1,908)	(2,446)
3,446	Net Cash provided (or used in) Operating Activities	11b	6,775	2,809
Cash Flows from Investing Activities				
Receipts:				
-	Sale of Investment Securities		-	500
-	Sale of Real Estate Assets		94	-
191	Sale of Infrastructure, Property, Plant & Equipment		189	190
197	Deferred Debtors Receipts		24	112
Payments:				
-	Purchase of Investment Securities		(1,000)	-
(3,656)	Purchase of Infrastructure, Property, Plant & Equipment		(2,947)	(4,046)
(3,268)	Net Cash provided (or used in) Investing Activities		(3,640)	(3,244)
Cash Flows from Financing Activities				
Receipts:				
1,000	Proceeds from Borrowings & Advances		-	-
Payments:				
(363)	Repayment of Borrowings & Advances		(93)	(85)
637	Net Cash Flow provided (used in) Financing Activities		(93)	(85)
815	Net Increase/(Decrease) in Cash & Cash Equivalents		3,042	(520)
7,417	plus: Cash & Cash Equivalents - beginning of year	11a	7,102	7,622
8,232	Cash & Cash Equivalents - end of the year	11a	10,144	7,102
Additional Information:				
	plus: Investments on hand - end of year	6b	1,233	233
	Total Cash, Cash Equivalents & Investments		11,377	7,335

Please refer to Note 11 for more information

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

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Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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n/a - not applicable

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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

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

(a) Basis of preparation

(i) Background

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

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

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

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

Because AASBs are sector neutral, some standards either:

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

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

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

(iii) New and amended standards adopted by Council

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2013 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

(iv) Early adoption of Accounting Standards

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

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

(v) Basis of Accounting

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

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

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

(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 2013

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 the entity 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 investment properties
- (ii) Estimated fair values of infrastructure, property, plant and equipment.
- (iii) Estimated tip remediation provisions.

Critical judgements in applying the entity'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 the entity and specific criteria have been met for each of the Council's activities as described below.

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

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).

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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

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

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

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

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

User Charges, Fees and Other Income

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

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

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

Sale of Infrastructure, Property, Plant and Equipment

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

Interest and Rents

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

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

(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 2013) and (ii) all the related operating results (for the financial year ended the 30th June 2013).

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

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

(i) The Consolidated Fund

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

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

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

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

(ii) The Trust Fund

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

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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

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

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

(iii) Joint Ventures

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

(iv) Associated Entities

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

Such entities are usually termed Associates.

(v) County Councils

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

▪ Central Tablelands Water County Council

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

- Blayney Shire Council
- Cabonne Council
- Weddin Shire Council

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

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

(vi) Additional Information

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

(d) Leases

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

Finance Leases

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

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

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

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

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

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

Operating Leases

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

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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

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

(e) Cash and Cash Equivalents

Cash and cash equivalents includes;

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

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

(f) Investments and Other Financial Assets

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

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

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

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

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

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

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

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

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

(ii) Loans and receivables

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

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

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

(iii) Held-to-maturity investments

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

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

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

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

(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 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.

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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

(iii) Types of Investments

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

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

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

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

(g) Fair value estimation

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

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

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

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

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

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

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

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

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

(h) Receivables

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

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

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

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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 Division of Local Government.

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

- **Investment Properties** – refer Note 1(p),
- **Sewerage Networks**
(External Valuation)
- **Operational Land** (External Valuation)
- **Buildings – Specialised/Non Specialised**
(External Valuation)
- **Plant and Equipment**
(as approximated by depreciated historical cost)
- **Roads Assets incl. roads, bridges & footpaths**
(Internal Valuation)
- **Drainage Assets** (/Internal Valuation)
- **Bulk Earthworks** (Internal Valuation)

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

- **Community Land** (Internal Valuation)
- **Land Improvements**
(as approximated by depreciated historical cost)
- **Other Structures**
(as approximated by depreciated historical cost)
- **Other Assets**
(as approximated by depreciated historical cost)

Initial Recognition

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

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

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

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

Subsequent costs

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

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

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 2013

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

Stormwater Drainage

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

Transportation Assets

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

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

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

Sewer Assets

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

Other Infrastructure Assets

- Bulk earthworks Infinite

Depreciation

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

Land is not depreciated.

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

Plant & Equipment

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

Other Equipment

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

Buildings

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

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

(k) Land

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

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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 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

Council has not classified any assets as Intangible.

(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

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

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

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

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

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

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

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

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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 unwind of the discount which is shown as a borrowing cost.

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

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

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

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

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

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

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

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

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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

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

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

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

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

(s) Impairment of assets

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

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in 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:

- Council has a present legal or constructive obligation as a result of past events;

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

- 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 settled within the 12 months after the reporting period.

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

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

Liabilities for non vesting sick leave are recognised at the time when the leave is taken and measured at

the rates paid or payable, and accordingly no Liability has been recognised in these reports.

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

(ii) Other Long Term Obligations

The liability for all long service and annual leave in respect of services provided by employees up to the reporting date (which is not expected to be 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.

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

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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 20/02/2013 and covers the period ended 30/06/2013.

However the position is monitored annually and the Actuary has estimated that as at 30 June 2013 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 2013 was \$165,065.

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 \$373,901 as at 30 June 2013.

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 30/6/13.

(y) Self insurance

Council does not self insure.

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

In the determination of whether an asset or liability is classified as current or non-current, consideration is

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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 UIG interpretations

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2013.

Council has not adopted any of these standards early.

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

Applicable to Local Government with implications:

AASB 9 Financial Instruments, associated standards, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and transitional disclosures (effective from 1 January 2015)

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

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

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

Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss although there is

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

currently a proposal by the IASB to introduce a Fair value through Other Comprehensive Income category for debt instruments.

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

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

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013)

AASB 13 explains how to measure fair value and aims to enhance fair value disclosures.

Council has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance.

It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements.

However, application of the new standard will impact the type of information disclosed in the notes to the financial statements.

Council does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

Applicable to Local Government but no implications for Council;

AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 132 & AASB 7] (effective 1 January 2013)

This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's

recognised financial assets and recognised financial liabilities, on the entity's financial position.

This Standard also amends AASB 132 to refer to the additional disclosures added to AASB 7 by this Standard.

The adoption of this standard will not change the reported financial position and performance of the entity, there are no impact on disclosures as there are no offsetting arrangements currently in place.

AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132] (effective 1 January 2014).

This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

The adoption of this standard will not change the reported financial position and performance of the entity, there are no impact on disclosures as there are no offsetting arrangements currently in place.

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

AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (effective 1 January 2013)

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

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

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The amendments also introduce a "partial disposal" concept.

Council is still assessing the impact of these amendments.

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

They would therefore be first applied in the financial statements for the annual reporting period ending 30 June 2014.

Revised AASB 119 Employee Benefits, AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) and AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements (effective 1 January 2013)

This revised standard on accounting for employee benefits requires the recognition of all re-measurements of defined benefit liabilities/assets immediately in other comprehensive income (removal of the so-called 'corridor' method) and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset.

This replaces the expected return on plan assets that is currently included in profit or loss.

The standard also introduces a number of additional disclosures for defined benefit liabilities/assets and could affect the timing of the recognition of termination benefits.

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

The amendments will have to be implemented retrospectively.

Council does not recognise defined benefit assets and liabilities for the reasons set out in paragraph (x) (iii) and so these changes will not have an impact on its reported results.

Not applicable to Local Government per se;

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle (effective 1 January 2013)

AASB 1 - this standard clarifies that an entity can apply AASB 1 more than once. An entity can elect to apply AASB 123 from the transition date or an earlier date.

AASB 101 - clarifies that a third statement of financial position is required when the opening statement of financial position is materially affected by any adjustments.

AASB 116 - clarifies the classification of servicing equipment.

AASB 132 and Interpretation 2 - clarifies that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with AASB 112 Income Taxes

AASB 134 - provides clarification about segment reporting.

The amendments arising from this standard are not expected to change the reported financial position or performance of the Council.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(ac) Rounding of amounts

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

(ad) Comparative Figures

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

(ae) Disclaimer

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

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 2(b).												
	Income from Continuing Operations			Expenses from Continuing Operations			Operating Result from Continuing Operations			Grants included in Income from Continuing Operations		Total Assets held (Current & Non-current)	
	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Actual	Actual	Actual	Actual
	2013	2013	2012	2013	2013	2012	2013	2013	2012	2013	2012	2013	2012
Governance	-	-	-	441	410	114	(441)	(410)	(114)	-	518	962	723
Administration	279	244	254	2,505	3,287	3,032	(2,226)	(3,043)	(2,778)	-	30	7,891	7,138
Public Order & Safety	16	70	6	532	418	435	(516)	(348)	(429)	-	-	1,457	1,257
Health	77	12	21	356	188	664	(279)	(176)	(643)	-	-	123	111
Environment	882	869	810	1,188	1,039	1,022	(306)	(170)	(212)	26	-	4,000	4,140
Community Services & Education	95	51	55	109	98	65	(14)	(47)	(10)	15	23	648	761
Housing & Community Amenities	195	203	291	421	539	495	(226)	(336)	(204)	29	31	25	572
Sewerage Services	1,239	1,245	1,301	1,156	1,055	981	83	190	320	16	16	24,086	23,697
Recreation & Culture	450	660	802	1,941	2,331	2,598	(1,491)	(1,671)	(1,796)	33	96	14,162	16,667
Mining, Manufacturing & Construction	270	166	107	204	126	2	66	40	105	-	-	254	373
Transport & Communication	2,151	4,805	3,728	4,763	5,283	5,368	(2,612)	(478)	(1,640)	2,468	802	143,082	138,204
Economic Affairs	217	147	317	284	183	402	(67)	(36)	(85)	-	-	875	1,632
Total Functions & Activities	5,871	8,472	7,692	13,900	14,957	15,178	(8,029)	(6,485)	(7,486)	2,587	1,516	197,565	195,275
General Purpose Income ¹	7,334	6,570	6,950	-	-	-	7,334	6,570	6,950	2,345	2,901	-	-
Operating Result from Continuing Operations	13,205	15,042	14,642	13,900	14,957	15,178	(695)	85	(536)	4,932	4,417	197,565	195,275

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

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

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

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

GOVERNANCE

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

ADMINISTRATION

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

PUBLIC ORDER & SAFETY

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

HEALTH

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

ENVIRONMENT

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

COMMUNITY SERVICES & EDUCATION

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

HOUSING & COMMUNITY AMENITIES

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

SEWERAGE SERVICES

RECREATION & CULTURE

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

MINING, MANUFACTURING & CONSTRUCTION

Building control, abattoirs, quarries & pits, other.

TRANSPORT & COMMUNICATION

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

ECONOMIC AFFAIRS

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

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2013	Actual 2012
(a) Rates & Annual Charges			
Ordinary Rates			
Residential		1,349	1,307
Farmland		1,689	1,646
Mining		652	626
Business		244	200
Total Ordinary Rates		3,934	3,779
Special Rates			
Community Centre Refurbishment		275	275
Mining Special Rate		1,567	-
Total Special Rates		1,842	275
Annual Charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic Waste Management Services		756	686
Sewerage Services		925	900
Total Annual Charges		1,681	1,586
TOTAL RATES & ANNUAL CHARGES		7,457	5,640

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

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2013	Actual 2012
(b) User Charges & Fees			
Specific User Charges (per s.502 - Specific "actual use" charges)			
Sewerage Services		94	77
Total User Charges		94	77
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s.608)			
Building Regulation		192	255
Private Works - Section 67		136	302
Section 149 Certificates (EPA Act)		18	22
Section 603 Certificates		12	15
Other		4	-
Total Fees & Charges - Statutory/Regulatory		362	594
(ii) Fees & Charges - Other (incl. General User Charges) (per s.608)			
Cemeteries		38	38
Lease Rentals		37	36
Leaseback Fees - Council Vehicles		44	39
Multipurpose Centre		313	358
Quarry Revenues		72	3
RMS (formerly RTA) Charges (State Roads not controlled by Council)		346	1,957
Waste Disposal Tipping Fees		79	100
Other		40	30
Total Fees & Charges - Other		969	2,561
TOTAL USER CHARGES & FEES		1,425	3,232

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2013	Actual 2012
(c) Interest & Investment Revenue (incl. losses)			
Interest & Dividends			
- Interest on Overdue Rates & Annual Charges (incl. Special Purpose Rates)		39	24
- Interest earned on Investments (interest & coupon payment income)		443	484
Other		-	5
<u>TOTAL INTEREST & INVESTMENT REVENUE</u>		<u>482</u>	<u>513</u>
Interest Revenue is attributable to:			
Unrestricted Investments/Financial Assets:			
Overdue Rates & Annual Charges (General Fund)		37	16
General Council Cash & Investments		254	270
Restricted Investments/Funds - External:			
Development Contributions			
- Section 94		23	22
- Section 64		29	34
Sewerage Fund Operations		139	171
<u>Total Interest & Investment Revenue Recognised</u>		<u>482</u>	<u>513</u>
(d) Other Revenues			
Rental Income - Other Council Properties		10	28
Fines		-	2
Commissions & Agency Fees		3	1
Diesel Rebate		50	35
Insurance Rebates		80	33
Legal Costs Recovered		12	50
Sale of Abandoned Vehicles		1	-
Sewer Monitoring		22	-
Other		49	42
<u>TOTAL OTHER REVENUE</u>		<u>227</u>	<u>191</u>

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 3. Income from Continuing Operations (continued)

\$ '000	2013 Operating	2012 Operating	2013 Capital	2012 Capital
(e) Grants				
General Purpose (Untied)				
Financial Assistance - General Component	1,549	2,144	-	-
Financial Assistance - Local Roads Component	741	700	-	-
Pensioners' Rates Subsidies - General Component	55	57	-	-
Total General Purpose	2,345	2,901	-	-
Specific Purpose				
Pensioners' Rates Subsidies:				
- Sewerage	16	16	-	-
- Domestic Waste Management	26	26	-	-
Bike Paths	-	-	-	3
Community Care	14	-	-	-
Employment & Training Programs	-	30	-	-
Heritage & Cultural	13	5	-	-
Library	33	32	-	-
Recreation & Culture	-	64	-	-
Street Lighting	16	16	-	-
Tourism	-	1	-	-
Transport (Roads to Recovery)	10	-	470	267
Transport (Other Roads & Bridges Funding)	939	752	1,049	281
Youth Services	1	23	-	-
Total Specific Purpose	1,068	965	1,519	551
Total Grants	3,413	3,866	1,519	551
Grant Revenue is attributable to:				
- Commonwealth Funding	2,301	2,957	-	267
- State Funding	172	909	-	284
- Other Funding	940	-	1,519	-
	3,413	3,866	1,519	551

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 3. Income from Continuing Operations (continued)

\$ '000	2013 Operating	2012 Operating	2013 Capital	2012 Capital
(f) Contributions				
Developer Contributions:				
(s93 & s94 - EP&A Act, s64 of the LGA):				
S 94 - Contributions towards amenities/services	-	-	91	72
S 64 - Sewerage Service Contributions	-	-	11	62
Total Developer Contributions 17	-	-	102	134
Other Contributions:				
Bushfire Services	57	57	-	-
Recreation & Culture	-	-	15	59
Roads & Bridges	42	36	-	-
RMS Contributions (Regional Roads, Block Grant)	288	323	-	-
Sewerage (excl. Section 64 contributions)	-	-	-	21
Other	15	19	-	-
Total Other Contributions	402	435	15	80
Total Contributions	402	435	117	214
TOTAL GRANTS & CONTRIBUTIONS	3,815	4,301	1,636	765

\$ '000	Actual 2013	Actual 2012
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(g) Restrictions relating to Grants and Contributions

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

Unexpended at the Close of the Previous Reporting Period	1,347	1,379
add: Grants & contributions recognised in the current period but not yet spent:	258	423
less: Grants & contributions recognised in a previous reporting period now spent:	(174)	(455)

Net Increase (Decrease) in Restricted Assets during the Period **84** **(32)**

Unexpended and held as Restricted Assets **1,431** **1,347**

Comprising:

- Specific Purpose Unexpended Grants	239	309
- Developer Contributions	1,192	1,038
- Other Contributions	-	-
	1,431	1,347

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2013	Actual 2012
(a) Employee Benefits & On-Costs			
Salaries and Wages		3,846	3,486
Travelling		64	84
Employee Leave Entitlements (ELE)		450	707
Superannuation		463	412
Workers' Compensation Insurance		135	184
Fringe Benefit Tax (FBT)		51	21
Training Costs (other than Salaries & Wages)		100	90
Sick Leave Insurance		6	3
Protective Clothing		14	12
Other		25	10
Total Employee Costs		5,154	5,009
less: Capitalised Costs		(203)	(188)
TOTAL EMPLOYEE COSTS EXPENSED		4,951	4,821
Number of "Equivalent Full Time" Employees at year end		66	70
(b) Borrowing Costs			
(i) Interest Bearing Liability Costs			
Interest on Loans		130	137
Total Interest Bearing Liability Costs Expensed		130	137
(ii) Other Borrowing Costs			
Discount adjustments relating to movements in Provisions (other than ELE)			
- Remediation Liabilities	26	25	24
Total Other Borrowing Costs		25	24
TOTAL BORROWING COSTS EXPENSED		155	161

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2013	Actual 2012
(c) Materials & Contracts			
Raw Materials & Consumables		3,261	3,756
Auditors Remuneration ⁽¹⁾		26	28
Legal Expenses:			
- Legal Expenses: Planning & Development		2	66
- Legal Expenses: Debt Recovery		44	10
- Legal Expenses: Other		7	14
Operating Leases:			
- Operating Lease Rentals: Minimum Lease Payments ⁽²⁾		17	24
<u>TOTAL MATERIALS & CONTRACTS</u>		<u>3,357</u>	<u>3,898</u>
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		26	28
Remuneration for audit and other assurance services		<u>26</u>	<u>28</u>
Total Auditor Remuneration		<u>26</u>	<u>28</u>
2. Operating Lease Payments are attributable to:			
Computers		-	24
Other		17	-
		<u>17</u>	<u>24</u>

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2013	Actual 2012	Actual 2013	Actual 2012
(d) Depreciation, Amortisation & Impairment					
Plant and Equipment		-	-	701	699
Office Equipment		-	-	74	57
Furniture & Fittings		-	-	23	24
Land Improvements (depreciable)		-	-	383	381
Buildings - Non Specialised		-	-	106	123
Buildings - Specialised		-	-	559	495
Other Structures		-	-	81	81
Infrastructure:					
- Roads, Bridges & Footpaths		24	-	2,159	2,121
- Stormwater Drainage		-	-	57	57
- Sewerage Network		-	-	454	373
Asset Reinstatement Costs	9 & 26	-	-	13	13
Intangible Assets	25	-	-	17	-
Total Depreciation & Impairment Costs		24	-	4,627	4,424
less: Impairments (to)/from ARR [Equity]	9a	(24)	-	-	-
TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED		-	-	4,627	4,424

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2013	Actual 2012
(e) Other Expenses			
Other Expenses for the year include the following:			
Advertising		28	35
Bad & Doubtful Debts		-	118
Bank Charges		20	19
Boarding House Transport Payment		-	5
Cleaning		71	-
Contributions/Levies to Other Levels of Government			
- Emergency Services Levy		50	40
- NSW Fire Brigade Levy		124	126
Councillor Expenses - Mayoral Fee		22	22
Councillor Expenses - Councillors' Fees		71	69
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		14	21
Donations, Contributions & Assistance to other organisations (Section 356)		324	256
- Contributions to Central West Libraries		108	-
- Contribution to Upper Macquarie County Council		62	-
Election Expenses		51	-
Electricity & Heating		264	299
Insurance		239	184
Postage		13	12
Printing & Stationery		32	27
Street Lighting		143	118
Subscriptions & Publications		67	35
Telephone & Communications		40	24
Valuation Fees		26	25
Water Charges		37	11
Other		37	151
<u>TOTAL OTHER EXPENSES</u>		<u>1,843</u>	<u>1,597</u>

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 5. Gains or Losses from the Disposal of Assets

\$ '000	Notes	Actual 2013	Actual 2012
Plant & Equipment			
Proceeds from Disposal - Plant & Equipment		168	190
less: Carrying Amount of P&E Assets Sold / Written Off		(192)	(177)
Net Gain/(Loss) on Disposal		(24)	13
Infrastructure			
Proceeds from Disposal - Infrastructure		-	21
less: Carrying Amount of Infrastructure Assets Sold / Written Off		-	(452)
Net Gain/(Loss) on Disposal		-	(431)
Real Estate Assets Held For Sale			
Proceeds from Disposal - Real Estate Assets		-	94
less: Carrying Amount of Real Estate Assets Sold / Written Off		-	(73)
Net Gain/(Loss) on Disposal		-	21
Financial Assets*			
Proceeds from Disposal / Redemptions / Maturities - Financial Assets		-	500
less: Carrying Amount of Financial Assets Sold / Redeemed / Matured		-	(380)
Net Gain/(Loss) on Disposal		-	120
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		(24)	(277)
* Financial Assets disposals / redemptions include:			
- Net Gain/(Loss) from Financial Instruments designated "Held to Maturity"		-	120
Net Gain/(Loss) on Disposal of Financial Instruments		-	120

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

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

		2013	2013	2012	2012
		Actual	Actual	Actual	Actual
\$ '000	Notes	Current	Non Current	Current	Non Current
Cash & Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		644	-	102	-
Cash-Equivalent Assets ¹					
- Short Term Deposits		9,500	-	7,000	-
Total Cash & Cash Equivalents		10,144	-	7,102	-
Investments (Note 6b)					
- Long Term Deposits		1,000	-	-	-
- CDO's		233	-	-	233
Total Investments		1,233	-	-	233
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS		11,377	-	7,102	233

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"		10,144	-	7,102	-
--	--	---------------	----------	--------------	----------

Investments

b. "Held to Maturity"	6(b-ii)	1,233	-	-	233
Investments		1,233	-	-	233

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 6b. Investments (continued)

	2013 Actual Current	2013 Actual Non Current	2012 Actual Current	2012 Actual Non Current
\$ '000				
Note 6(b-i)				
Reconciliation of Investments classified as "At Fair Value through the Profit & Loss"				
Nil				
Note 6(b-ii)				
Reconciliation of Investments classified as "Held to Maturity"				
Balance at the Beginning of the Year	-	233	380	233
Additions	1,000	-	-	-
Disposals (sales & redemptions)	-	-	(380)	-
Transfers between Current/Non Current	233	(233)	-	-
Balance at End of Year	1,233	-	-	233
Comprising:				
- Long Term Deposits	1,000	-	-	-
- CDO's	233	-	-	233
Total	1,233	-	-	233

Note 6(b-iii)
Reconciliation of Investments
classified as "Loans & Receivables"
 Nil

Note 6(b-iv)
Reconciliation of Investments
classified as "Available for Sale"
 Nil

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

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

	2013 Actual Current	2013 Actual Non Current	2012 Actual Current	2012 Actual Non Current
\$ '000				
Total Cash, Cash Equivalents and Investments	11,377	-	7,102	233
attributable to:				
External Restrictions (refer below)	4,844	-	3,477	233
Internal Restrictions (refer below)	6,530	-	3,623	-
Unrestricted	3	-	2	-
	11,377	-	7,102	233

2013	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
\$ '000				

Details of Restrictions

External Restrictions - Included in Liabilities

Nil

External Restrictions - Other

Developer Contributions - General (D)	420	114	-	534
Developer Contributions - Sewer Fund (D)	618	40	-	658
Specific Purpose Unexpended Grants (F)	305	-	(70)	235
Specific Purpose Unexpended Grants-Sewer Fund (F)	4	-	-	4
Sewerage Services (G)	2,171	646	-	2,817
Rates - Special Variation Community Centre	155	50	(117)	88
Rates - Special Variation Mining	-	508	-	508
Other	37	-	(37)	-
External Restrictions - Other	3,710	1,358	(224)	4,844
Total External Restrictions	3,710	1,358	(224)	4,844

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

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

2013 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
Internal Restrictions				
Plant & Vehicle Replacement	1,188	563	-	1,751
RMS Debtor Restriction	(1,375)	1,375	-	-
Employees Leave Entitlement	564	-	-	564
Asset Replacement Reserve	728	942	-	1,670
Blayney Town Works	185	-	-	185
Cemeteries	6	-	-	6
Community Centre - PA	50	-	(50)	-
Construction of Buildings	8	-	-	8
Election Reserve	42	15	(45)	12
Financial Assistance Grant	1,156	36	-	1,192
Golden Gully	23	-	-	23
Inala Units	12	-	-	12
Local Museums	15	-	-	15
Multipurpose Centre	163	-	-	163
Property Account	468	-	-	468
Quarry	364	39	(73)	330
Showground Improvement Fund	6	-	-	6
Tourism Promotion Fund	20	40	-	60
I.T Reserve	-	40	-	40
Grant Matching Reserve	-	25	-	25
Total Internal Restrictions	3,623	3,075	(168)	6,530
TOTAL RESTRICTIONS	7,333	4,433	(392)	11,374

- 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 2013

Note 7. Receivables

\$ '000	Notes	2013		2012	
		Current	Non Current	Current	Non Current
Purpose					
Rates & Annual Charges		340	28	401	39
Interest & Extra Charges		34	67	20	39
User Charges & Fees		135	-	299	18
Private Works		59	107	38	221
Capital Debtors (being sale of assets)					
- Sale of Land		-	-	94	-
- Other Asset Sales		-	-	21	-
Accrued Revenues					
- Interest on Investments		71	-	67	-
Government Grants & Subsidies		1	-	1,863	-
Deferred Debtors		2	2	24	4
Net GST Receivable		-	-	80	-
Other Debtors		-	-	67	-
Total		642	204	2,974	321
less: Provision for Impairment					
Rates & Annual Charges		-	(18)	-	(18)
Interest & Extra Charges		-	(7)	-	(7)
Other Debtors		-	(118)	-	(118)
Total Provision for Impairment - Receivables		-	(143)	-	(143)
<u>TOTAL NET RECEIVABLES</u>		<u>642</u>	<u>61</u>	<u>2,974</u>	<u>178</u>
Externally Restricted Receivables					
Sewerage Services					
- Rates & Availability Charges		78	-	63	-
- Other		-	-	50	-
Total External Restrictions		78	-	113	-
Internally Restricted Receivables					
- Internal Restricted Receivables		-	-	1,375	-
Internally Restricted Receivables		-	-	1,375	-
Unrestricted Receivables		564	61	1,486	178
TOTAL NET RECEIVABLES		642	61	2,974	178

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 10.00% (2012 11.00%).
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 2013

Note 8. Inventories & Other Assets

\$ '000	Notes	2013		2012	
		Current	Non Current	Current	Non Current
Inventories					
Real Estate for resale (refer below)		554	-	554	-
Stores & Materials		108	-	95	-
Trading Stock		238	-	205	-
Total Inventories		900	-	854	-
Other Assets					
Prepayments		149	-	159	-
Work In Progress		-	-	1	-
Total Other Assets		149	-	160	-
<u>TOTAL INVENTORIES / OTHER ASSETS</u>		<u>1,049</u>	<u>-</u>	<u>1,014</u>	<u>-</u>

Externally Restricted Assets

There are no restrictions applicable to the above assets.

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 8. Inventories & Other Assets (continued)

\$ '000	2013		2012	
	Current	Non Current	Current	Non Current
(i) Other Disclosures				
(a) Details for Real Estate Development				
Residential	95	-	95	-
Industrial/Commercial	459	-	459	-
Total Real Estate for Resale	554	-	554	-
(Valued at the lower of cost and net realisable value)				
Represented by:				
Development Costs	554	-	554	-
Total Costs	554	-	554	-
Total Real Estate for Resale	554	-	554	-
Movements:				
Real Estate assets at beginning of the year	554	-	627	-
- WDV of Sales (exp)	-	-	(73)	-
Total Real Estate for Resale	554	-	554	-

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

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

	2013	2012
Real Estate for Resale	554	554
	554	554

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

- Stores & Materials	639	565
- Trading Stock	542	95

(d) Inventory Write Downs

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

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 9a. Infrastructure, Property, Plant & Equipment

\$ '000	as at 30/6/2012					Asset Movements during the Reporting Period						as at 30/6/2013				
	At Cost	At Fair Value	Accumulated Dep'n	Impairment	Carrying Value	Asset Additions	WDV of Asset Disposals	Depreciation Expense	Impairment Loss (recognised in Equity)	Transfer to Note 25 Intangible Assets	Revaluation Increments to Equity (ARR)	At Cost	At Fair Value	Accumulated Dep'n	Impairment	Carrying Value
Plant & Equipment	-	10,115	6,806	-	3,309	284	(192)	(701)	-	-	-	-	10,144	7,444	-	2,700
Office Equipment	-	669	333	-	336	81	-	(74)	-	(170)	-	-	574	401	-	173
Furniture & Fittings	-	371	295	-	76	2	-	(23)	-	-	-	-	373	318	-	55
Land:																
- Operational Land	-	1,296	-	-	1,296	-	-	-	-	-	171	-	1,467	-	-	1,467
- Community Land	-	4,122	-	-	4,122	-	-	-	-	-	-	-	4,122	-	-	4,122
Land Improvements - depreciable	-	6,654	2,333	-	4,321	-	-	(383)	-	-	-	-	6,654	2,716	-	3,938
Buildings - Non Specialised	-	3,291	1,350	-	1,941	-	-	(106)	-	-	267	-	3,557	1,455	-	2,102
Buildings - Specialised	-	15,797	6,360	-	9,437	202	-	(559)	-	-	1,652	-	17,652	6,920	-	10,732
Other Structures	-	2,535	833	-	1,702	26	-	(81)	-	-	-	-	2,562	915	-	1,647
Infrastructure:																
- Roads, Bridges, Footpaths	-	165,039	41,742	-	123,297	2,211	-	(2,159)	(24)	-	-	-	167,251	43,926	-	123,325
- Bulk Earthworks (non-depreciable)	-	10,466	-	-	10,466	-	-	-	-	-	-	-	10,466	-	-	10,466
- Stormwater Drainage	-	5,691	1,550	-	4,141	-	-	(57)	-	-	-	-	5,691	1,607	-	4,084
- Sewerage Network	-	26,025	6,853	-	19,172	31	-	(454)	-	-	468	-	26,707	7,490	-	19,217
Reinstatement, Rehabilitation & Restoration Assets (refer Note 26)																
- Tip Asset	-	225	89	-	136	-	-	(11)	-	-	-	-	225	100	-	125
- Quarry Asset	-	37	15	-	22	-	-	(2)	-	-	-	-	37	17	-	20
<u>TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP.</u>	-	252,333	68,559	-	183,774	2,837	(192)	(4,610)	(24)	(170)	2,558	-	257,482	73,309	-	184,173

Additions to Depreciable Land Improvements, Buildings, Other Structures & Infrastructure Assets are made up of Asset Renewals (\$2380) and New Assets (\$90).

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

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

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

\$ '000 Class of Asset	Actual 2013				Actual 2012			
	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value
Sewerage Services								
Plant & Equipment	-	234	94	140	-	234	70	164
Land								
- Community Land	-	238	-	238	-	238	-	238
Buildings	-	338	71	267	-	427	74	353
Infrastructure	-	26,707	7,490	19,217	-	26,025	6,853	19,172
Total Sewerage Services	-	27,517	7,655	19,862	-	26,924	6,997	19,927
Domestic Waste Management								
Land								
- Community Land	-	160	-	160	-	160	-	160
Total DWM	-	160	-	160	-	160	-	160
TOTAL RESTRICTED I,PP&E	-	27,677	7,655	20,022	-	27,084	6,997	20,087

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

\$ '000	Notes	Actual 2013	Actual 2012
(i) Impairment Losses recognised direct to Equity (ARR) include:			
Cowriga Creek Bridge - Failed and Closed		(17)	-
Snake Creek Bridge - Failed and Closed		(7)	-
Total Impairment Losses		(24)	-
IMPAIRMENT of ASSETS - DIRECT to EQUITY (ARR)	20 (ii)	(24)	-

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 10a. Payables, Borrowings & Provisions

\$ '000	Notes	2013		2012	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services - operating expenditure		392	-	846	-
Payments Received In Advance		124	-	96	-
Accrued Expenses:					
- Borrowings		9	-	9	-
- Other Expenditure Accruals (Workers Co		43	2	-	-
Security Bonds, Deposits & Retentions		165	-	155	-
ATO - Net GST Payable		29	-	-	-
Total Payables		762	2	1,106	-
Borrowings					
Loans - Secured ¹		98	1,710	92	1,809
Total Borrowings		98	1,710	92	1,809
Provisions					
Employee Benefits;					
Annual Leave		347	-	341	-
Long Service Leave		819	61	833	42
ELE On-Costs		67	3	-	-
Sub Total - Aggregate Employee Benefits		1,233	64	1,174	42
Asset Remediation/Restoration (Future Works)	26	-	442	-	417
Total Provisions		1,233	506	1,174	459
Total Payables, Borrowings & Provisions		2,093	2,218	2,372	2,268
(i) Liabilities relating to Restricted Assets					
		2013		2012	
		Current	Non Current	Current	Non Current
Externally Restricted Assets					
Sewer		56	927	47	970
Liabilities relating to externally restricted assets		56	927	47	970
Internally Restricted Assets					
Nil					
Total Liabilities relating to restricted assets		56	927	47	970
Total Liabilities relating to Unrestricted Assets		2,037	1,291	2,325	1,298
TOTAL PAYABLES, BORROWINGS & PROVISIONS		2,093	2,218	2,372	2,268

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 2013

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

	Actual 2013	Actual 2012
\$ '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	909	831
Payables - Security Bonds, Deposits & Retentions	34	37
	943	868

Note 10b. Description of and movements in Provisions

Class of Provision	2012	2013				Closing Balance as at 30/6/13
	Opening Balance as at 1/7/12	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	
Annual Leave	341	257	(251)	-	-	347
Long Service Leave	875	34	(29)	-	-	880
ELE On-Costs	-	70	-	-	-	70
Asset Remediation	417	-	-	25	-	442
TOTAL	1,633	361	(280)	25	-	1,739

- 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.
- 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 2013

Note 11. Statement of Cash Flows - Additional Information

\$ '000	Notes	Actual 2013	Actual 2012
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	10,144	7,102
Less Bank Overdraft	10	-	-
BALANCE as per the STATEMENT of CASH FLOWS		10,144	7,102
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		85	(536)
Adjust for non cash items:			
Depreciation & Amortisation		4,627	4,424
Net Losses/(Gains) on Disposal of Assets		24	277
Unwinding of Discount Rates on Reinstatement Provisions		25	-
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		2,310	(1,941)
Increase/(Decrease) in Provision for Doubtful Debts		-	118
Decrease/(Increase) in Inventories		(46)	73
Decrease/(Increase) in Other Assets		11	6
Increase/(Decrease) in Payables		(454)	346
Increase/(Decrease) in accrued Interest Payable		-	(1)
Increase/(Decrease) in other accrued Expenses Payable		45	-
Increase/(Decrease) in Other Liabilities		67	(26)
Increase/(Decrease) in Employee Leave Entitlements		81	45
Increase/(Decrease) in Other Provisions		-	24
NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		6,775	2,809

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

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

\$ '000	Notes	Actual 2013	Actual 2012
(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:			
- Bank Overdraft Facilities		-	-
- Credit Cards / Purchase Cards		4	3
Total Financing Arrangements Utilised		4	3

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

(ii) Secured Loan Liabilities

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

(e) Net Cash Flows Attributable to Discontinued Operations

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

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 2013

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

\$ '000	Amounts 2013	Indicator 2013	Prior Periods 20122011	
Local Government Industry Indicators - Consolidated				
1. Unrestricted Current Ratio				
Current Assets less all External Restrictions ⁽¹⁾	7,592	6.94 : 1	4.77	4.32
Current Liabilities less Specific Purpose Liabilities ^(2,3)	1,094			
2. Debt Service Ratio				
Debt Service Cost	223	1.87%	1.78%	2.32%
Income from Continuing Operations (excl. Capital Items & Specific Purpose Grants/Contributions)	11,936			
3. Rates & Annual Charges Coverage Ratio				
Rates & Annual Charges	7,457	49.57%	38.52%	47.66%
Income from Continuing Operations	15,042			
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual & Extra Charges Outstanding	444	5.57%	7.68%	8.92%
Rates, Annual & Extra Charges Collectible	7,970			
5. Building & Infrastructure Renewals Ratio				
Asset Renewals ⁽⁴⁾	2,380	70.85%	96.84%	16.21%
Depreciation, Amortisation & Impairment	3,359			

Notes

⁽¹⁾ Refer Notes 6-8 inclusive.

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

⁽²⁾ Refer to Note 10(a).

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

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

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

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

<p>1. Unrestricted Current Ratio</p> <table><tr><th>Year</th><th>Ratio : 1</th></tr><tr><td>2010</td><td>4.12</td></tr><tr><td>2011</td><td>4.32</td></tr><tr><td>2012</td><td>4.77</td></tr><tr><td>2013</td><td>6.94</td></tr></table>	Year	Ratio : 1	2010	4.12	2011	4.32	2012	4.77	2013	6.94	<p>Purpose of Unrestricted Current Ratio</p> <p>To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.</p>	<p>Commentary on 2012/13 Result</p> <p>2012/13 Ratio 6.94 : 1</p> <p>Council's Unrestricted Current Ratio has increased substantially from the previous year, it indicates that Council is comfortably able to satisfy its debts as and when they fall due.</p>
Year	Ratio : 1											
2010	4.12											
2011	4.32											
2012	4.77											
2013	6.94											
<p>2. Debt Service Ratio</p> <table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2010</td><td>2.89%</td></tr><tr><td>2011</td><td>2.32%</td></tr><tr><td>2012</td><td>1.78%</td></tr><tr><td>2013</td><td>1.87%</td></tr></table>	Year	Ratio %	2010	2.89%	2011	2.32%	2012	1.78%	2013	1.87%	<p>Purpose of Debt Service Ratio</p> <p>To assess the impact of loan principal & interest repayments on the discretionary revenue of council.</p>	<p>Commentary on 2012/13 Result</p> <p>2012/13 Ratio 1.87%</p> <p>This ratio indicates Council requires 1.87% of its revenue to fund its loan repayments. This ratio compares very favourably with similar size Council's, indicating Council's strong capacity to meet its commitments.</p>
Year	Ratio %											
2010	2.89%											
2011	2.32%											
2012	1.78%											
2013	1.87%											
<p>3. Rates & Annual Charges Coverage Ratio</p> <table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2010</td><td>45.30%</td></tr><tr><td>2011</td><td>47.66%</td></tr><tr><td>2012</td><td>38.52%</td></tr><tr><td>2013</td><td>49.57%</td></tr></table>	Year	Ratio %	2010	45.30%	2011	47.66%	2012	38.52%	2013	49.57%	<p>Purpose of Rates & Annual Charges Coverage Ratio</p> <p>To assess the degree of Council's dependence upon revenue from rates and annual charges and to assess the security of Council's income.</p>	<p>Commentary on 2012/13 Result</p> <p>2012/13 Ratio 49.57%</p> <p>Council's reliance on rates income increased during this financial year as a result of an increase in Rates Revenue and a decrease in Government Grants.</p>
Year	Ratio %											
2010	45.30%											
2011	47.66%											
2012	38.52%											
2013	49.57%											
<p>4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage</p> <table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2010</td><td>7.50%</td></tr><tr><td>2011</td><td>8.92%</td></tr><tr><td>2012</td><td>7.68%</td></tr><tr><td>2013</td><td>5.57%</td></tr></table>	Year	Ratio %	2010	7.50%	2011	8.92%	2012	7.68%	2013	5.57%	<p>Purpose of Rates & Annual Charges Outstanding Ratio</p> <p>To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.</p>	<p>Commentary on 2012/13 Result</p> <p>2012/13 Ratio 5.57%</p> <p>Council's result of 5.57% is a significant improvement to the previous year. Council staff will continue to maintain its recovery efforts throughout 2013/14 in an attempt to reduce outstanding rates and charges even further.</p>
Year	Ratio %											
2010	7.50%											
2011	8.92%											
2012	7.68%											
2013	5.57%											
<p>5. Building & Infrastructure Renewals Ratio</p> <table><tr><th>Year</th><th>Ratio %</th></tr><tr><td>2010</td><td>45.32%</td></tr><tr><td>2011</td><td>16.21%</td></tr><tr><td>2012</td><td>96.84%</td></tr><tr><td>2013</td><td>70.85%</td></tr></table>	Year	Ratio %	2010	45.32%	2011	16.21%	2012	96.84%	2013	70.85%	<p>Purpose of Asset Renewals Ratio</p> <p>To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.</p>	<p>Commentary on 2012/13 Result</p> <p>2012/13 Ratio 70.85%</p> <p>The reduction this year is a result of the completion of the Community Centre. However, the higher result compared with recent years averages are a result of works undertaken as a result of the Mining Special Variation.</p>
Year	Ratio %											
2010	45.32%											
2011	16.21%											
2012	96.84%											
2013	70.85%											

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

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

\$ '000	Water 2013	Sewer 2013	General ¹ 2013
Local Government Industry Indicators - by Fund			
1. Unrestricted Current Ratio			
Current Assets less all External Restrictions ⁽¹⁾	n/a	55.43 : 1	6.94 : 1
Current Liabilities less Specific Purpose Liabilities ^(2,3)			
prior period:	n/a	47.83 : 1	4.77 : 1
2. Debt Service Ratio			
Debt Service Cost	n/a	5.76%	0.90%
Income from Continuing Operations			
(excl. Capital Items & Specific Purpose Grants/Contributions)	prior period:	n/a	9.32%
			0.95%
3. Rates & Annual Charges Coverage Ratio			
Rates & Annual Charges	n.a	72.75%	47.36%
Income from Continuing Operations			
prior period:	n/a	69.63%	35.44%
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage			
Rates, Annual & Extra Charges Outstanding	n/a	8.16%	5.22%
Rates, Annual & Extra Charges Collectible			
prior period:	n/a	6.87%	7.82%
5. Building & Infrastructure Renewals Ratio			
Asset Renewals (Building & Infrastructure assets)	n/a	0.00%	81.93%
Depreciation, Amortisation & Impairment			
prior period:	n/a	0.00%	109.76%

Notes

⁽¹⁾ General Fund refers to all of Council's activities except for its Water & Sewer activities which are listed separately.

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 14. Investment Properties

\$ '000

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

Note 15. Financial Risk Management

\$ '000

Risk Management

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

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

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

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

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

	Carrying Value		Fair Value	
	2013	2012	2013	2012
Financial Assets				
Cash and Cash Equivalents	10,144	7,102	10,144	7,102
Investments				
- "Held to Maturity"	1,233	233	1,199	63
Receivables	703	3,152	703	3,152
Total Financial Assets	12,080	10,487	12,046	10,317
Financial Liabilities				
Payables	640	1,010	640	1,010
Loans / Advances	1,808	1,901	1,808	1,901
Total Financial Liabilities	2,448	2,911	2,448	2,911

Fair Value is determined as follows:

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

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 15. Financial Risk Management (continued)

\$ '000

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

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

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

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

The major risk associated with Investments is price risk - the risk that the capital value of Investments may fluctuate due to changes in market prices, whether there changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.

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

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

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

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

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

	Increase of Values/Rates		Decrease of Values/Rates	
	Profit	Equity	Profit	Equity
2013				
Possible impact of a 10% movement in Market Values	64	64	(64)	(64)
Possible impact of a 1% movement in Interest Rates	114	114	(114)	(114)
2012				
Possible impact of a 10% movement in Market Values	10	10	(10)	(10)
Possible impact of a 1% movement in Interest Rates	62	61	(61)	(61)

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

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 and carries out credit checks on most non-rate debtors.

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

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

	2013	2013	2012	2012
	Rates & Annual Charges	Other Receivables	Rates & Annual Charges	Other Receivables
(i) Ageing of Receivables				
Current (not yet overdue)	1	110	-	2,377
Past due by up to 30 days	88	107	106	11
Past due between 31 and 180 days	48	42	57	64
Past due between 181 and 365 days	70	19	84	-
Past due by more than 1 year	161	200	194	403
	368	478	440	2,855
(ii) Movement in Provision for Impairment of Receivables			2013	2012
Balance at the beginning of the year			143	25
+ new provisions recognised during the year			-	118
Balance at the end of the year			143	143

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 15. Financial Risk Management (continued)

\$ '000

(c) Payables & Borrowings

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

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

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

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

\$ '000	Subject to no maturity	payable in:						Total Cash Outflows	Actual Carrying Values
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
2013									
Trade/Other Payables	165	475	-	-	-	-	-	640	640
Loans & Advances	-	222	222	222	222	222	1,646	2,756	1,808
Total Financial Liabilities	165	697	222	222	222	222	1,646	3,396	2,448
2012									
Trade/Other Payables	155	855	-	-	-	-	-	1,010	1,010
Loans & Advances	-	222	222	222	222	222	1,868	2,978	1,901
Total Financial Liabilities	155	1,077	222	222	222	222	1,868	3,988	2,911

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:

	2013		2012	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Trade/Other Payables	640	0.0%	1,010	0.0%
Loans & Advances - Fixed Interest Rate	1,808	6.7%	1,901	6.7%
	<u>2,448</u>		<u>2,911</u>	

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 12/13 was adopted by the Council on 12 June 2012.

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	2013 Budget	2013 Actual	2013 ----- Variance* -----	
REVENUES				
Rates & Annual Charges	7,271	7,457	186	3% F
User Charges & Fees	1,388	1,425	37	3% F
Interest & Investment Revenue	386	482	96	25% F
Interest and Investment Revenues are higher than original budgets due to the significant increase in our Cash and Investment position.				
Other Revenues	131	227	96	73% F
Other Revenue is higher due to higher than anticipated insurance rebates received during the year and an increase in the diesel fuel rebate.				
Operating Grants & Contributions	3,171	3,815	644	20% F
Council was awarded various unexpected operating grants for road works throughout the year.				
Capital Grants & Contributions	858	1,636	778	91% F
Council was awarded various unexpected capital grants for road works throughout the year.				

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 16. Material Budget Variations (continued)

\$ '000	2013 Budget	2013 Actual	2013 ----- Variance* -----	
EXPENSES				
Employee Benefits & On-Costs	5,121	4,951	170	3% F
Borrowing Costs	223	155	68	30% F
Unbudgeted amortisation of Tips and Quarries.				
Materials & Contracts	2,664	3,357	(693)	(26%) U
As a result of Council being awarded various unexpected capital grants for road works throughout the year.				
Depreciation & Amortisation	4,461	4,627	(166)	(4%) U
Other Expenses	1,431	1,843	(412)	(29%) U
Other expenses were higher than budgeted for multiple reasons. The larger of these items include higher than anticipated election fees, water charges (due to a dry summer) and valuation fees.				
Net Losses from Disposal of Assets	-	24	(24)	0% U

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

Cash Flows from Operating Activities	3,446	6,775	3,329	96.6% F
As per above Council was awarded various unexpected capital grants for road works throughout the year.				
Cash Flows from Investing Activities	(3,268)	(3,640)	(372)	11.4% U
As per above Interest and Investment Revenues are higher than original budgets due to the significant increase in Councils Cash and Investment position.				
Cash Flows from Financing Activities	637	(93)	(730)	(114.6%) U
Original Budget included borrowing for the bridge replacement program. As a result in the delay of this project commencing, borrowings were not undertaken in the 2012/13 financial year. It is anticipated that this project will commence in 2013/2014.				

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 17. Statement of Developer Contributions

\$ '000

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

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

SUMMARY OF CONTRIBUTIONS & LEVIES

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	303	71	-	16	-	-	390	53	(442)	1	-
Open Space	36	1	-	2	-	-	39	2	(41)	-	-
Community Facilities	72	13	-	4	-	-	89	5	(94)	-	-
Other	10	6	-	1	-	-	17	1	(18)	-	-
S94 Contributions - under a Plan	421	91	-	23	-	-	535	61	(595)	1	-
Total S94 Revenue Under Plans	421	91	-	23	-	-	535				-
S64 Contributions	617	11	-	29	-	-	657				
Total Contributions	1,038	102	-	52	-	-	1,192	61	(595)	1	-

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NUMBER BSC1 - Roads Rural

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	90	60	-	6	-	-	156	37	(193)	-	-
Total	90	60	-	6	-	-	156	37	(193)	-	-

CONTRIBUTION PLAN NUMBER BSC 2 - Streets Blayney

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	93	9	-	4	-	-	106	14	(120)	0	-
Total	93	9	-	4	-	-	106	14	(120)	0	-

CONTRIBUTION PLAN NUMBER BSC 3 - Streets Villages

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	111	2	-	5	-	-	118	2	(120)	0	-
Total	111	2	-	5	-	-	118	2	(120)	0	-

CONTRIBUTION PLAN NUMBER BSC 7 - Open Space

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Open Space	36	1	-	2	-	-	39	2	(41)	-	-
Total	36	1	-	2	-	-	39	2	(41)	-	-

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NUMBER BSC 9 - William Street, Milthorpe

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	8	-	-	1	-	-	9	-	(9)	-	-
Total	8	-	-	1	-	-	9	-	(9)	-	-

CONTRIBUTION PLAN NUMBER BSC 8 - Bushfire

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Other	10	6	-	1	-	-	17	1	(18)	-	-
Total	10	6	-	1	-	-	17	1	(18)	-	-

CONTRIBUTION PLAN NUMBER BSC 10 - Community Facilities

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Community Facilities	72	13	-	4	-	-	89	5	(94)	-	-
Total	72	13	-	4	-	-	89	5	(94)	-	-

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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 last valuation of the Scheme was performed by Mr Martin Stevenson BSc, FIA, FIAA on 20 February 2013 and covers the period ended 30 June 2013. However the position is monitored annually and the Actuary has estimated that as at 30 June 2013 a deficit still exists. Effective from 1 July 2009, employers were required to contribute additional contributions to assist in extinguishing this deficit. The share of this deficit that can be broadly attributed to Council was estimated to be in the order of \$373,901 as at 30 June 2013.

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 2013

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

\$ '000

LIABILITIES NOT RECOGNISED (continued):

2. Other Liabilities

(i) Third Party Claims

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

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

(ii) S94 Plans

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

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

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

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

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

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

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

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

ASSETS NOT RECOGNISED:

(i) Land Under Roads

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

(ii) Infringement Notices/Fines

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

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

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

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

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

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

\$ '000

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

Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2013	Actual 2012
(a) Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		60,277	60,813
a. Correction of Prior Period Errors	20 (c)	221	221
d. Net Operating Result for the Year		85	(536)
Balance at End of the Reporting Period		60,583	60,498

(b) Reserves

(i) Reserves are represented by:

- Infrastructure, Property, Plant & Equipment Revaluation Reserve	132,671	130,137
Total	132,671	130,137

(ii) Reconciliation of movements in Reserves:

Infrastructure, Property, Plant & Equipment Revaluation Reserve

- Opening Balance	130,137	125,110
- Revaluations for the year	9(a) 2,558	5,027
- Impairment of revalued assets (incl. impairment reversals)	9(a),(c) (24)	-
- Balance at End of Year	132,671	130,137

TOTAL VALUE OF RESERVES

132,671	130,137
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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.

Blayney Shire Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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

\$ '000	Notes	Actual 2013	Actual 2012
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(c) Correction of Error/s relating to a Previous Reporting Period

As part of Council's transition to measuring all it's I,PP&E at Fair Values, Council this year reviewed and brought to account Fair Values for the following Asset Classes:

- Community Land
- Buildings

As part of that evaluation & measurement process, the remaining useful life of each asset has been reassessed to actual.

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

Council does not have sufficient and reliable information that will allow the restatement of information prior to 30/6/12 (the closing date for the comparative figures in this report).

As a result, Council has adjusted the accumulated depreciation for the following asset classes as at 30/6/12 to reflect the correct value of accumulated depreciation;

Buildings decrease to accumulated depreciation	221
--	-----

This adjustment resulted in net increase / (decrease) in Council's Accumulated Surplus as at 30/6/12.

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

These amounted to the following Equity Adjustments:

- Adjustments to Opening Equity - 1/7/11 (relating to adjustments for the 30/6/11 reporting year end and prior periods)	221	-
- Adjustments to Closing Equity - 30/6/12 (relating to adjustments for the 30/6/12 year end)	-	-
Total Prior Period Adjustments - Prior Period Errors	221	-

(d) Voluntary Changes in Accounting Policies

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

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 21. Financial Result & Financial Position by Fund

Income Statement by Fund \$ '000	Actual 2013	Actual 2013	Actual 2013
	Water	Sewer	General ¹
Continuing Operations			
Income from Continuing Operations			
Rates & Annual Charges	-	956	6,501
User Charges & Fees	-	102	1,323
Interest & Investment Revenue	-	168	314
Other Revenues	-	61	166
Grants & Contributions provided for Operating Purposes	-	16	3,799
Grants & Contributions provided for Capital Purposes	-	11	1,625
Total Income from Continuing Operations	-	1,314	13,728
Expenses from Continuing Operations			
Employee Benefits & on-costs	-	114	4,837
Borrowing Costs	-	75	80
Materials & Contracts	-	486	2,871
Depreciation & Amortisation	-	487	4,140
Other Expenses	-	120	1,723
Net Losses from the Disposal of Assets	-	-	24
Total Expenses from Continuing Operations	-	1,282	13,675
Operating Result from Continuing Operations	-	32	53
Discontinued Operations			
Net Profit/(Loss) from Discontinued Operations	-	-	-
Net Operating Result for the Year	-	32	53
Net Operating Result attributable to each Council Fund	-	32	53
Net Operating Result attributable to Non-controlling Interests	-	-	-
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	-	21	(1,572)

¹ General Fund refers to all Council's activities other than Water & 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 2013

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

Statement of Financial Position by Fund \$ '000	Actual 2013	Actual 2013	Actual 2013
	Water	Sewer	General ¹
ASSETS			
Current Assets			
Cash & Cash Equivalents	-	2,746	7,398
Investments	-	733	500
Receivables	-	287	564
Inventories	-	-	900
Other	-	-	149
Total Current Assets	-	3,766	9,511
Non-Current Assets			
Receivables	-	458	61
Infrastructure, Property, Plant & Equipment	-	19,862	164,311
Intangible Assets			263
Total Non-Current Assets	-	20,320	164,635
TOTAL ASSETS	-	24,086	174,146
LIABILITIES			
Current Liabilities			
Payables	-	6	965
Borrowings	-	50	48
Provisions	-	-	1,233
Total Current Liabilities	-	56	2,246
Non-Current Liabilities			
Payables	-	-	460
Borrowings	-	927	783
Provisions	-	-	506
Total Non-Current Liabilities	-	927	1,749
TOTAL LIABILITIES	-	983	3,995
Net Assets	-	23,103	170,151
EQUITY			
Retained Earnings	-	8,943	51,640
Revaluation Reserves	-	14,160	118,511
Council Equity Interest	-	23,103	170,151
Non-controlling Interests	-	-	-
Total Equity	-	23,103	170,151

¹ General Fund refers to all Council's activities other than Water & 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 2013

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 Period

Events that occur between the end of the reporting period (ending 30 June 2013) 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 dd/mm/yy.

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 2013.

(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 2013 and which are only indicative of conditions that arose after 30 June 2013.

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 2013

Note 25. Intangible Assets

\$ '000

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

	Actual 2013 Carrying Amount	Actual 2012 Carrying Amount
Intangible Assets are as follows;		
Opening Values:		
Gross Book Value (1/7/12)	-	-
Accumulated Amortisation (1/7/12)	-	-
Accumulated Impairment (1/7/12)	-	-
Net Book Value - Opening Balance	-	-
Movements for the year		
- Purchases	110	-
- Other Capitalised Costs - Transfer from Note 9(a) (11/12)	153	-
- Amortisation charges	(17)	-
Closing Values:		
Gross Book Value (30/6/13)	281	-
Accumulated Amortisation (30/6/13)	(18)	-
Accumulated Impairment (30/6/13)	-	-
<u>TOTAL INTANGIBLE ASSETS - NET BOOK VALUE ¹</u>	<u>263</u>	<u>-</u>

¹. The Net Book Value of Intangible Assets represent:

- Software	263	-
	263	-

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

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	
		2013	2012
Blayney Tip	2024	379	357
Blayney Quarry	2024	63	60
Balance at End of the Reporting Period	10(a)	442	417

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	417	393
Amounts capitalised to new or existing assets:		
Amortisation of discount (expensed to borrowing costs)	25	24
Total - Reinstatement, rehabilitation and restoration provision	442	417

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 2013

Note 27. Financial Review

\$ '000

Key Financial Figures of Council over the past 5 years (consolidated)

Financial Performance Figures	2013	2012	2011	2010	2009
Inflows:					
Rates & Annual Charges Revenue	7,457	5,640	5,292	5,012	4,747
User Charges Revenue	1,425	3,232	1,354	1,646	1,774
Interest & Investment Revenue (Losses)	482	513	480	340	301
Grants Income - Operating & Capital	4,932	4,417	3,055	2,724	3,317
Total Income from Continuing Operations	15,042	14,642	11,104	11,063	11,860
Sale Proceeds from I,PP&E	283	190	455	565	701
New Loan Borrowings & Advances	-	-	-	-	-
Outflows:					
Employee Benefits & On-cost Expenses	4,951	4,821	4,460	4,340	4,246
Borrowing Costs	155	161	164	169	179
Materials & Contracts Expenses	3,357	3,898	2,293	2,508	2,497
Total Expenses from Continuing Operations	14,957	15,178	12,370	10,995	10,822
Total Cash purchases of I,PP&E	2,947	4,046	1,524	2,296	2,411
Total Loan Repayments (incl. Finance Leases)	93	85	80	123	162
Operating Surplus/(Deficit) (excl. Capital Income)	(1,551)	(1,301)	(1,699)	(692)	149
Financial Position Figures	2013	2012	2011	2010	2009
Current Assets	13,068	11,090	10,275	8,440	7,754
Current Liabilities	2,093	2,372	2,007	2,107	2,046
Net Current Assets	10,975	8,718	8,268	6,333	5,708
Available Working Capital (Unrestricted Net Current Assets)	354	865	713	787	1,009
Cash & Investments - Unrestricted	3	2	18	2	1
Cash & Investments - Internal Restrictions	6,530	3,623	3,377	2,519	2,253
Cash & Investments - Total	11,377	7,335	8,235	6,895	6,155
Total Borrowings Outstanding (Loans, Advances & Finance Leases)	1,808	1,901	1,986	2,066	2,189
Total Value of I,PP&E (excl. Land & Earthworks)	241,427	236,449	230,585	222,181	101,698
Total Accumulated Depreciation	73,309	68,559	66,936	60,949	31,582
Indicative Remaining Useful Life (as a % of GBV)	70%	71%	71%	73%	69%

Source: Published audited financial statements of Council (current year & prior year)

Blayney Shire Council

Notes to the Financial Statements for the financial year ended 30 June 2013

Note 28. Council Information & Contact Details

Principal Place of Business:

91 Adelaide Street
Blayney NSW 2799

Contact Details

Mailing Address:

PO Box 62
Blayney NSW 2799

Opening Hours:

9am to 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

G A Wilcox

RESPONSIBLE ACCOUNTING OFFICER

C M Hodge

PUBLIC OFFICER

Anton Franze

AUDITORS

Intentus Chartered Accountants

Elected Members

MAYOR

S J Ferguson

COUNCILLORS

Kevin Radburn

David Kingham

Geoff Braddon

Allan Ewin

Shane Oates

David Somerville

Other Information

ABN: 47 619 651 511

**INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL
ON THE GENERAL PURPOSE FINANCIAL STATEMENTS OF
BLAYNEY SHIRE COUNCIL**

Report on the Financial Statements

We have audited the accompanying general purpose financial statements of Blayney Shire Council for the financial year ended 30 June 2013. The financial statements comprise the Statement by Councillors and Management, Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and accompanying Notes to the Financial Statements.

Councils' Responsibility for the Financial Statements

The Council are responsible for the preparation and fair presentation of the financial statements in accordance with the Local Government Act 1993. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. Our audit responsibility does not extend to the original budget figures included in the Income Statement and Statement of Cash Flows, the original budget disclosures in Notes 2(a) and 16, nor the projected revenue and expenditure of developer contributions reported in Note 17 and accordingly, we express no opinion on them. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Council, as well as evaluating the overall presentation of the financial statements

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

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 2013 included on Council's web site. Council is responsible for the integrity of Council's 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.

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237 Lords Place
Orange

Dated: 16 September, 2013


JD O'Malley
Partner

16 September 2013

The Mayor
Councillor Scott Ferguson
Blayney Shire Council
PO Box 156
BLAYNEY NSW 2850

Dear Mr Mayor

**INDEPENDENT AUDITOR'S REPORT ON THE CONDUCT OF THE AUDIT - Section 417(3)
BLAYNEY SHIRE COUNCIL YEAR ENDED 30 JUNE 2013**

We advise having completed our audit of the financial statements of Blayney Shire Council for the financial year ended 30 June 2013. Our audit resulted in the issuing of an unmodified audit report on both the general purpose and special purpose financial statements of Council.

In accordance with Section 417 of the Local Government Act 1993 we submit our report on the conduct of the audit of Blayney Shire Council for the year ended 30 June 2013. Our audit reports on the general purpose financial statements of Council and the special purpose financial statements on Council's business units outline the legislative framework of our audit and should be referred to in order to establish the context in which our comments are made.

Council's Responsibility for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with the Local Government Act 1993. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant technical and ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Council, as well as evaluating the overall presentation of the financial statements.

The following comments are provided in accordance with Section 415(3) of the Local Government Act 1993 and Regulation 227 of the Local Government (General) Regulation 2005 to assist in the understanding of the financial statements and our reports.

Review of Financial Results

(a) Operating Result

As disclosed in Council's Income Statement the year's operations resulted in a net operating result of \$85,000 (2012 – deficit \$536,000). Selected items of note in the operating statement include:

Revenue

- The operating result from ordinary activities *before* capital amounts was a deficit of \$1,551,000 (2012 deficit – \$1,301,000).
- Rates & Annual Charges have increased substantially to \$7,457,000 (2012 - \$5,640,000) following the introduction of a mining special rate.
- Conversely, User charges & Fees decreased \$1,807,000 (56%) to \$1,425,000 (2012 - \$3,232,000). The decrease was driven on several fronts. Firstly, building activity slowed, leading to a reduction in regulatory fees. Private works performed by council fell by \$166,000. Finally, and most significantly, RMS ordered road works decreased \$1,611,000 to \$346,000.
- Operating grants and contributions were \$486,000 down on the prior year. This was mainly due to the first two instalments of the 2012/13 Federal (FAG) grants being paid during the 2011/12 financial year. In the ordinary course of events, only one instalment is paid in advance.
- Capital grants and contributions grew by \$871,000 (114%) to \$1,636,000 (2012 - \$765,000). The biggest contributors to the increase being Roads to Recovery funds received \$470,000 in 2013 (\$267,000 in 2012) and RMS funds received, in particular \$623,000 received for Belubula Way Road construction in 2013.

Expenditure

- Materials and contracts expense have decreased from \$3,898,000 to \$3,357,000. The decrease following a greater level of capital works than in the prior year. This is consistent with the growth in capital funding discussed above.
- Other expenses were marginally higher at \$1,843,000 (2012 - \$1,597,000) with the largest components being contributions to Central West Libraries, Upper Macquarie County Council and s.356 committees.

Council's other major items of income and expenditure were relatively consistent with the prior period.

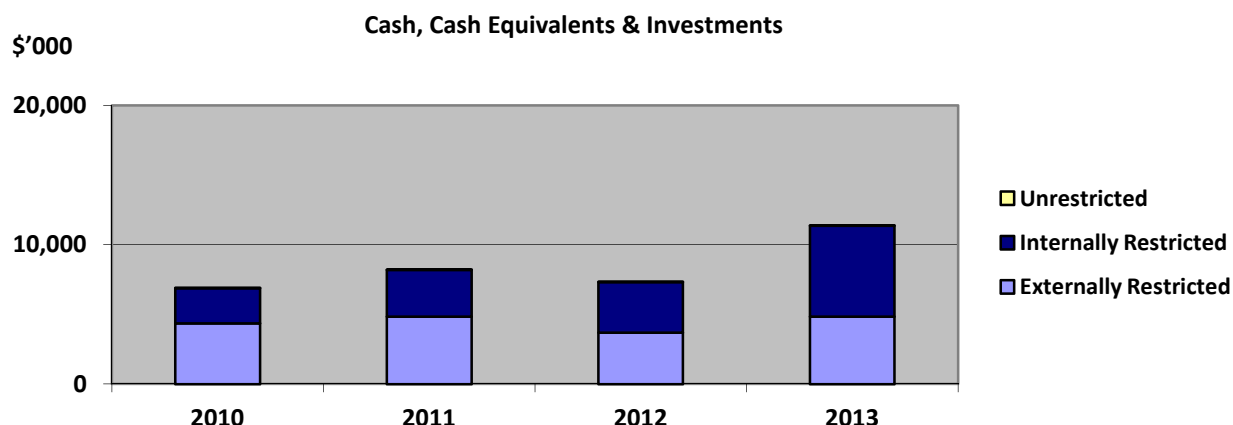
(b) Financial Position

The Statement of Financial Position discloses that for the year ended 30 June 2013 Council's net assets stood at \$193,254,000 (2012 - \$190,635,000), which represents an increase of \$2,619,000. That movement is comprised of the net operating surplus after capital amounts of \$85,000 combined with the net asset revaluation increment of \$2,090,000 relating to the revaluation of Council's buildings and operational land. There was also an indexation revaluation to sewer assets of \$468,000 less an impairment write-down of (\$24,000) to council's road assets following the closure of bridges on Snake Creek Road and Cowriga Creek

To assess the health of Council's net current asset position (available working capital) it is necessary to review the level of restrictions placed against the use of Council's assets. The notes to the financial statements indicate clearly where restrictions exist, and the effect of the restrictions is summarised as follows: -

	2013 \$'000	2012 \$'000
Net Current Assets	10,975	8,718
Less: Amounts externally restricted for special purposes (refer Notes 6; 7; & 8 of financial statements)	(4,922)	(3,590)
Less: Council internally imposed restrictions (refer Note 6 of financial statements)	(6,530)	(3,623)
Add: Applicable current liabilities refer Note 10 - Sewerage	56	47
Add: Employee Leave Entitlements to be paid > 12 months	943	868
Unrestricted net current asset surplus/(deficit)	522	2,420
Unrestricted net current assets comprise: -		
Assets		
Cash	3	2
Receivables	564	2,861
Inventories	900	854
Other	149	160
Less: General Purpose Liabilities	(2,037)	(2,325)
Plus: Employee Leave Entitlements to be paid > 12 months	943	868
Unrestricted net current asset surplus/(deficit)	522	2,420

Council continues to enjoy an effective surplus of net current assets to cover the restrictions placed on those assets. The reduction in this surplus is due to increased internal restrictions.



Liquidity

Note 6 to the accounts discloses total cash and investments of \$11,377,000 (2012 - \$7,335,000), of this amount \$4,844,000 (2012 - \$3,710,000) is subject to external restrictions requiring Council to commit those funds to the purposes for which they were provided and \$6,530,000 (2012 - \$3,623,000) 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 \$3,000 (2012 - \$2,000) represents liquid assets available to cover non-budgeted discretionary expenditure and meet short-term cash flow requirements.

Whilst the consolidated financial statements displays sound levels of cash and investments, we remind the reader that the consolidated data is not necessarily reflective of the position of the individual funds (General & Sewer) and this is equally applicable when reviewing the performance indicators considered below. General information on the financial position and performance by fund is provided in Note 21 to the financial statements.

(c) Performance Indicators

Note 13 to the Financial Statements provides a measure of Council's performance using a number of selected ratios:

Unrestricted Current Ratio

The Unrestricted Current Ratio is a measure of Council's liquidity that demonstrates its ability to satisfy obligations out of short-term and immediate asset balances. Council's ratio of 6.94:1 indicates that it is comfortably able to settle its debts as and when they fall due.

Debt Service Ratio

The cost of repaying debt is reflected in the debt service ratio, which expresses that cost as a percentage of revenue from continuing operations, excluding capital items and specific purpose grants and contributions.

Whilst there is no definitive guide on what constitutes an acceptable ratio it is generally accepted that a ratio of up to 20% depending on the level of long-term development (infrastructure) work, is considered manageable. At 1.87% (2012 – 1.78%) Blayney Shire Council's ratio is well below that benchmark and represents manageable debt and latent borrowing capacity.

Rates & Annual Charges Coverage Ratio

The ability of Council to meet community expectations for the delivery of services and facilities is directly influenced by the discretion it can exercise in the allocation of resources.

This ratio indicates the proportion of revenue generated by Council's through rates and annual charges.

Blayney Shire Council's ratio of 49.57% (2012 – 38.52%) is higher than the prior period due to the impact of the special mining rate and reflects a somewhat higher proportion of revenue being generated from this source than is typical of non-metropolitan councils generally.

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 5.57% (2012 – 7.68%) indicates effective rates debtor management. Without seeking to detract from the improvement in the ratio, the reduction appears to have resulted from the increased rates income through the mining special rate significantly increasing the denominator, while the balance outstanding is fractionally lower than last year. Each percentage point movement in this ratio equates to \$80,000.

Building & Infrastructure Renewals Ratio

The purpose of this ratio is to assess the rate at which infrastructure assets are being renewed against the rate at which they are depreciating.

Because the distinction between replacements, renewals and repairs is not well defined, it is difficult to make meaningful analysis from this ratio. The fact that this ratio has varied from 16.21% to 96.84% over the last three years, and stands at 70.85% in the current year simplistically suggests that Council is not spending sufficient funds to effectively maintain its infrastructure assets.

(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 increase in cash assets held of \$3,042,000 (2012 – decrease \$520,000) as follows:

	2013 \$'000	2012 \$'000	Movement \$'000
Cash flow provided by / (used in)			
Operating activities	6,775	2,809	3,966
Investing activities	(3,640)	(3,244)	(396)
Financing activities	(93)	(85)	(8)
Net increase / (decrease) in cash held	3,042	(520)	3,562

Cash flows from operating activities

The cashflows from operating activities have increased due to the collection of over \$1,800,000 of grants and subsidies that were reported as debtors in 2012. Other positive impacts were higher receipts for rates, again mainly due to the mining special rate.

Cash flows from investing activities

Cash outflows related to acquisitions of infrastructure, property, plant and equipment were down by \$1,099,000 following the construction of the community centre in 2012. This was offset by the net purchase of investments (> 3 months to maturity) which was up by \$1,000,000.

Cash flows from financing activities

The net cash outflow used in financing activities was the principal repayment on councils borrowings.

(e) Comparison of Actual and Budgeted Performance

Council's surplus from ordinary activities after capital amounts of \$85,000 was \$780,000 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 2013. Council has determined that it has one business unit within its operations: Sewerage Services.

The Division 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 2013 has been issued.

Management Letters

Our most recent management letter was issued on 7 June 2013.

(g) Legislative compliance

As a result of our audit we advise that there are no material deficiencies in the accounting records or financial statements that have come to our attention during the conduct of the audit and that Blayney Shire Council's accounting records have been kept in accordance with the requirements of the Local Government Act, 1993 and regulations.

(h) Matters Relating to the Electronic Presentation of the Audited Financial Statements

This auditor's report relates to the financial statements of Blayney Shire Council (Council) for the year ended 30 June 2013 included on Council's web site. Council is responsible for the integrity of its web site. We have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements to confirm the information included in the audited financial statements presented on this web site.

Conclusion

- (a) The Council's accounting records have been kept in a manner and form that facilitated the preparation of the general purpose financial statements and allowed proper and effective audit of these statements;
- (b) The Council's accounting records have been kept in a manner and form that facilitated the preparation of the special purpose financial statements and allowed proper and effective audit of these statements; and
- (c) all information relevant to the conduct of the audit has been obtained.

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237 Lords Place
Orange
Dated: 16 September, 2013

JD O'Malley
JD O'Malley
Partner

Blayney Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2013

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



Blayney Shire Council

Special Purpose Financial Statements

for the financial year ended 30 June 2013

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Income Statement - Other Business Activities	n/a
Statement of Financial Position - Water Supply Business Activity	n/a
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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 2013

Statement by Councillors and Management

made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

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

- The NSW Government Policy Statement "Application of National Competition Policy to Local Government".
- The Division of Local Government Guidelines "Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality".
- The Local Government Code of Accounting Practice and Financial Reporting.
- The NSW Office of Water (Department of Environment, Climate Change and Water) Guidelines - "Best Practice Management of Water and Sewerage".

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

- Present fairly the Operating Result and Financial Position for each of Council's declared Business Activities for the year, and
- Accord with Council's accounting and other records.

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

Signed in accordance with a resolution of Council made on 12 August 2013.



S J Ferguson
MAYOR



A J Ewin
COUNCILLOR



G A Wilcox
GENERAL MANAGER



C M Hodge
RESPONSIBLE ACCOUNTING OFFICER

Blayney Shire Council

Income Statement of Council's Sewerage Business Activity for the financial year ended 30 June 2013

\$ '000	Actual 2013	Actual 2012
Income from continuing operations		
Access charges	956	917
User charges	94	78
Liquid Trade Waste charges	-	-
Fees	8	16
Interest	168	205
Grants and contributions provided for non capital purposes	16	16
Profit from the sale of assets	-	-
Other income	61	2
Total income from continuing operations	1,303	1,234
Expenses from continuing operations		
Employee benefits and on-costs	114	96
Borrowing costs	75	78
Materials and contracts	486	529
Depreciation and impairment	487	400
Loss on sale of assets	-	-
Calculated taxation equivalents	-	-
Debt guarantee fee (if applicable)	-	-
Other expenses	120	66
Total expenses from continuing operations	1,282	1,169
Surplus (deficit) from Continuing Operations before capital amounts	21	65
Grants and contributions provided for capital purposes	11	83
Surplus (deficit) from Continuing Operations after capital amounts	32	148
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	32	148
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(6)	(20)
SURPLUS (DEFICIT) AFTER TAX	26	129
plus Opening Retained Profits	8,900	8,752
plus/less: Prior Period Adjustments	11	-
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	-	-
- Debt guarantee fees	-	-
- Corporate taxation equivalent	6	20
less:		
- Tax Equivalent Dividend paid	0	-
- Surplus dividend paid	0	-
Closing Retained Profits	8,943	8,900
Return on Capital %	0.5%	0.7%
Subsidy from Council	653	461
Calculation of dividend payable:		
Surplus (deficit) after tax	26	129
less: Capital grants and contributions (excluding developer contributions)	-	(20)
Surplus for dividend calculation purposes	26	109
Potential Dividend calculated from surplus	13	54

Blayney Shire Council

Statement of Financial Position - Council's Sewerage Business Activity

as at 30 June 2013

\$ '000	Actual 2013	Actual 2012
ASSETS		
Current Assets		
Cash and cash equivalents	2,746	2,560
Investments	733	-
Receivables	287	310
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	3,766	2,870
Non-Current Assets		
Investments	-	233
Receivables	458	667
Inventories	-	-
Infrastructure, property, plant and equipment	19,862	19,927
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
Total non-Current Assets	20,320	20,827
TOTAL ASSETS	24,086	23,697
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	6	-
Interest bearing liabilities	50	47
Provisions	-	-
Total Current Liabilities	56	47
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	927	970
Provisions	-	-
Total Non-Current Liabilities	927	970
TOTAL LIABILITIES	983	1,017
NET ASSETS	23,103	22,680
EQUITY		
Retained earnings	8,943	8,900
Revaluation reserves	14,160	13,780
Council equity interest	23,103	22,680
Non-controlling equity interest	-	-
TOTAL EQUITY	23,103	22,680

Blayney Shire Council

Special Purpose Financial Statements

for the financial year ended 30 June 2013

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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 2013

Note 1. Significant Accounting Policies

These financial statements are a Special Purpose Financial Statements (SPFS) prepared for use by Council and the Division 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 Division 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 2 (Water Supply Best Practice Management Disclosures) and Note 3 (Sewerage Best Practice Management Disclosures).

As required by the NSW Office of Water (Department of Primary Industries) the amounts shown in Notes 2 and Note 3 are disclosed in whole dollars.

Blayney Shire Council

Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2013

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 **\$406,000** of combined land values attracts **0%**. From \$406,001 to \$2,482,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$2,482,000, a premium marginal rate of **2.0%** applies.

Payroll Tax – **5.45%** on the value of taxable salaries and wages in excess of \$689,000.

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 Water Supply and Sewerage Business activities.

The payment of taxation equivalent charges, referred in the Best Practice Management of Water Supply and Sewerage Guides to as a “Dividend for Taxation equivalent”, may be applied for any purpose allowed under the Local Government Act, 1993.

Achievement of substantial compliance against the guidelines for Best Practice Management of Water Supply and Sewerage is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

Income Tax

An income tax equivalent has been applied on the profits of each reported Business Activity.

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

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

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

Since this taxation equivalent is notional - that is, it is payable to the “Council” as the owner of business operations, it represents an internal payment and has no effect on the operations of the council. Accordingly, there is no need for disclosure of internal charges in Council's General Purpose Financial Statements.

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

Local Government Rates & Charges

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

Loan & Debt Guarantee Fees

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

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

Blayney Shire Council

Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2013

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 3.77% at 30/6/13.

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 Water Supply and Sewerage Businesses are permitted to pay an annual dividend from its water supply or 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 water supply or sewerage assessments at 30 June 2013 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 2013

Note 3. Sewerage Business Best Practice Management disclosure requirements

Dollars Amounts shown below are in **WHOLE DOLLARS** (unless otherwise indicated)

2013

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	5,781
(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]	12,850
(ii)	No. of assessments x (\$30 less tax equivalent charges per assessment)	57,810
(iii)	Cumulative surplus before dividends for the 3 years to 30 June 2013, less the cumulative dividends paid for the 2 years to 30 June 2012 & 30 June 2011	292,700

2013 Surplus	25,700	2012 Surplus	108,500	2011 Surplus	158,500
		2012 Dividend	-	2011 Dividend	

(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	12,850
(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]	NO
	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 2013

Note 3. Sewerage Business Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2013

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	1,146
NWI F10	Written Down Replacement Cost of Fixed Assets (Sewerage) Written down current cost of system assets (s48)	\$'000	19,722
NWI F12	Operating Cost (Sewerage) Management Expenses (s1) + Operational & Maintenance Expenses (s2)	\$'000	720
NWI F15	Capital Expenditure (Sewerage) Acquisition of Fixed Assets (s17)	\$'000	-
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)]	%	-0.31%
NWI F27	Capital Works Grants (Sewerage) Grants for the Acquisition of Assets (12a)	\$'000	-

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	1,146
NWI F8	Revenue from Community Service Obligations (Water & Sewerage) Community Service Obligations (NWI F25) x 100 divided by Total Income (NWI F3)	%	1.40%
NWI F16	Capital Expenditure (Water & Sewerage) Acquisition of Fixed Assets (w16 + s17)	\$'000	-
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)]	%	-0.31%
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 2013

Note 3. Sewerage Business Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2013

National Water Initiative (NWI) Financial Performance Indicators Water & Sewer (combined)

NWI F22	Net Debt to Equity (Water & Sewerage)	%	-10.83%
	Overdraft (w36 + s37) + Borrowings (w38 + s39) - Cash & Investments (w30 + s31) x 100 divided by [Total Assets (w35 + s36) - Total Liabilities (w40 + s41)]		
NWI F23	Interest Cover (Water & Sewerage)		> 100
	Earnings before Interest & Tax (EBIT) divided by Net Interest		
	Earnings before Interest & Tax (EBIT):		32
	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:		- 93
	Interest Expense (w4a + s4a) - Interest Income (w9 + s10)		
NWI F24	Net Profit After Tax (Water & Sewerage)	\$'000	32
	Surplus before dividends (w15a + s16a) - Tax equivalents paid (Note 2-1(iv) + Note 3-1(iv))		
NWI F25	Community Service Obligations (Water & Sewerage)	\$'000	16
	Grants for Pensioner Rebates (w11b + s12b)		

- Notes:
- References to w (eg. s12) refer to item numbers within Special Schedules No. 5 & 6 of Council's Annual Financial Statements.
 - The NWI Performance Indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators & Definitions.

**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 2013, 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 Division 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 2013 included on Council's web site. Council is responsible for the integrity of Council's 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 Division 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 Division of Local Government or for any purpose other than for which the statements were prepared.

The logo for the firm 'intentus' is written in a lowercase, cursive script.

intentus

237 Lords Place
Orange
Dated: 16 September, 2013

A handwritten signature in black ink, appearing to read 'JD O'Malley', is written over the printed name and title.

JD O'Malley
Partner

Blayney Shire Council

SPECIAL SCHEDULES

for the year ended 30 June 2013

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



Blayney Shire Council

Special Schedules

for the financial year ended 30 June 2013

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- Special Schedule No. 3	Water Supply - Income Statement	n/a
- Special Schedule No. 4	Water Supply - Statement of Financial Position	n/a
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¹ Special Purpose Schedules are not audited.

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,
 - the Department of Environment, Climate Change and Water, and
 - the Division of Local Government (DLG).
- (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 2013

\$'000

Function or Activity	Expenses from. Continuing. Operations.	Income from continuing operations		Net Cost. of Services.
		Non Capital.	Capital.	
Governance	410	-	-	(410)
Administration	3,287	244	-	(3,043)
Public Order and Safety				
Fire Service Levy, Fire Protection, Emergency Services	325	57	6	(262)
Beach Control	-	-	-	-
Enforcement of Local Govt. Regulations	-	-	-	-
Animal Control	93	7	-	(86)
Other	-	-	-	-
Total Public Order & Safety	418	64	6	(348)
Health	188	12	-	(176)
Environment				
Noxious Plants and Insect/Vermin Control	62	869	-	807
Other Environmental Protection	-	-	-	-
Solid Waste Management	811	-	-	(811)
Street Cleaning	135	-	-	(135)
Drainage	31	-	-	(31)
Stormwater Management	-	-	-	-
Total Environment	1,039	869	-	(170)
Community Services and Education				
Administration & Education	-	-	-	-
Social Protection (Welfare)	-	-	-	-
Aged Persons and Disabled	86	37	13	(36)
Children's Services	12	1	-	(11)
Total Community Services & Education	98	38	13	(47)
Housing and Community Amenities				
Public Cemeteries	47	38	-	(9)
Public Conveniences	70	-	-	(70)
Street Lighting	143	16	-	(127)
Town Planning	278	-	-	(278)
Other Community Amenities	1	149	-	148
Total Housing and Community Amenities	539	203	-	(336)
Water Supplies	-	-	-	-
Sewerage Services	1,055	1,234	11	190

Blayney Shire Council

Special Schedule No. 1 - Net Cost of Services (continued)

for the financial year ended 30 June 2013

\$'000

Function or Activity	Expenses from Continuing Operations.	Income from continuing operations		Net Cost. of Services.
		Non Capital.	Capital.	
Recreation and Culture				
Public Libraries	135	35	-	(100)
Museums	-	-	-	-
Art Galleries	-	-	-	-
Community Centres and Halls	178	281	-	103
Performing Arts Venues	-	-	-	-
Other Performing Arts	-	-	-	-
Other Cultural Services	5	-	-	(5)
Sporting Grounds and Venues	204	6	16	(182)
Swimming Pools	877	313	-	(564)
Parks & Gardens (Lakes)	890	7	-	(883)
Other Sport and Recreation	42	2	-	(40)
Total Recreation and Culture	2,331	644	16	(1,671)
Fuel & Energy	-	-	-	-
Agriculture	-	-	-	-
Mining, Manufacturing and Construction				
Building Control	1	94	-	93
Other Mining, Manufacturing & Construction	125	72	-	(53)
Total Mining, Manufacturing and Const.	126	166	-	40
Transport and Communication				
Urban Roads (UR) - Local	989	-	-	(989)
Urban Roads - Regional	-	-	-	-
Sealed Rural Roads (SRR) - Local	673	1,641	565	1,533
Sealed Rural Roads (SRR) - Regional	113	327	978	1,192
Unsealed Rural Roads (URR) - Local	810	900	-	90
Unsealed Rural Roads (URR) - Regional	-	-	-	-
Bridges on UR - Local	1	-	-	(1)
Bridges on SRR - Local	-	-	-	-
Bridges on URR - Local	-	-	-	-
Bridges on Regional Roads	-	-	-	-
Parking Areas	-	-	-	-
Footpaths	41	-	47	6
Aerodromes	-	-	-	-
Other Transport & Communication	2,656	347	-	(2,309)
Total Transport and Communication	5,283	3,215	1,590	(478)
Economic Affairs				
Camping Areas & Caravan Parks	41	1	-	(40)
Other Economic Affairs	142	146	-	4
Total Economic Affairs	183	147	-	(36)
Totals – Functions	14,957	6,836	1,636	(6,485)
General Purpose Revenues⁽²⁾		6,570		6,570
Share of interests - joint ventures & associates using the equity method	-	-		-
NET OPERATING RESULT⁽¹⁾	14,957	13,406	1,636	85

(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

Special Schedule No. 2(a) - Statement of Long Term Debt (all purpose)

for the financial year ended 30 June 2013

\$'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	92	1,809	1,901	-	93	-	-	130	98	1,710	1,808
Other	-	-	-	-	-	-	-	-	-	-	-
Total Loans	92	1,809	1,901	-	93	-	-	130	98	1,710	1,808
Other Long Term Debt											
Ratepayers Advances	-	-	-	-	-	-	-	-	-	-	-
Government Advances	-	-	-	-	-	-	-	-	-	-	-
Finance Leases	-	-	-	-	-	-	-	-	-	-	-
Deferred Payments	-	-	-	-	-	-	-	-	-	-	-
Total Long Term Debt	-	-	-	-	-	-	-	-	-	-	-
Total Debt	92	1,809	1,901	-	93	-	-	130	98	1,710	1,808

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 2013

\$'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	667
Water			
Sewer			
Domestic Waste Management			
Gas			
Other			
Totals	1,050	245	667

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	667
Totals							1,050	245	667

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 2013

\$'000	Actuals 2013	Actuals 2012
A Expenses and Income Expenses		
1. Management expenses		
a. Administration	227	186
b. Engineering and Supervision	-	-
2. Operation and Maintenance expenses		
- Mains		
a. Operation expenses	50	79
b. Maintenance expenses	-	-
- Pumping Stations		
c. Operation expenses (excluding energy costs)	87	31
d. Energy costs	17	17
e. Maintenance expenses	-	-
- Treatment		
f. Operation expenses (excl. chemical, energy, effluent & biosolids management costs)	262	251
g. Chemical costs	17	-
h. Energy costs	60	49
i. Effluent Management	-	2
j. Biosolids Management	-	-
k. Maintenance expenses	-	-
- Other		
l. Operation expenses	-	4
m. Maintenance expenses	-	-
3. Depreciation expenses		
a. System assets	463	400
b. Plant and equipment	24	-
4. Miscellaneous expenses		
a. Interest expenses	75	78
b. Revaluation Decrements	-	-
c. Other expenses	-	72
d. Impairment - System assets	-	-
e. Impairment - Plant and equipment	-	-
f. Aboriginal Communities Water & Sewerage Program	-	-
d. Tax Equivalents Dividends (actually paid)	-	-
5. Total expenses	1,282	1,169

Blayney Shire Council

Special Schedule No. 5 - Sewerage Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2013

\$'000	Actuals 2013	Actuals 2012
Income		
6. Residential charges (including rates)	956	917
7. Non-residential charges		
a. Access (including rates)	-	-
b. Usage charges	94	78
8. Trade Waste Charges		
a. Annual Fees	-	-
b. Usage charges	-	-
c. Excess mass charges	-	-
d. Re-inspection fees	-	-
9. Extra charges	-	-
10. Interest income	168	205
11. Other income	69	18
11a. Aboriginal Communities Water & Sewerage Program	-	-
12. Grants		
a. Grants for acquisition of assets	-	21
b. Grants for pensioner rebates	16	16
c. Other grants	-	-
13. Contributions		
a. Developer charges	11	62
b. Developer provided assets	-	-
c. Other contributions	-	-
14. Total income	1,314	1,317
15. Gain (or loss) on disposal of assets	-	-
16. Operating Result	32	148
16a. Operating Result (less grants for acquisition of assets)	32	127

Blayney Shire Council

Special Schedule No. 5 - Sewerage Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2013

\$'000	Actuals 2013	Actuals 2012
B Capital transactions		
Non-operating expenditures		
17. Acquisition of Fixed Assets		
a. New Assets for Improved Standards	-	-
b. New Assets for Growth	-	-
c. Renewals	-	-
d. Plant and equipment	-	-
18. Repayment of debt		
a. Loans	41	37
b. Advances	-	-
c. Finance leases	-	-
19. Transfer to sinking fund	-	-
20. Totals	41	37
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	1,398
b. Residential (unoccupied, ie. vacant lot)	187	181
c. Non-residential (occupied)	245	217
d. Non-residential (unoccupied, ie. vacant lot)	43	43
26. Number of ETs for which developer charges were received	- ET	- ET
27. Total amount of pensioner rebates (actual dollars)	\$ 15,863	\$ 16,320

Blayney Shire Council

Special Schedule No. 5 - Sewerage Cross Subsidies

for the financial year ended 30 June 2013

\$'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"/> No	
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"/>	<input type="checkbox"/> No	
b. Total cross-subsidy in sewerage developer charges for 2012/13 (page 47 of Guidelines)			<input type="text"/>
** In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, NSW Office of Water, December, 2002.			
30. Disclosure of cross-subsidies			
Total of cross-subsidies (28b + 28c + 29b)			<input type="text" value="-"/>
<p>* Councils which have not yet implemented best practice sewer pricing & liquid waste pricing should disclose cross-subsidies in items 28b and 28c above.</p> <p>However, disclosure of cross-subsidies is not required where a Council has implemented best practice sewerage and liquid waste pricing and is phasing in such pricing over a period of 3 years.</p>			

Blayney Shire Council

Special Schedule No. 6 - Sewerage Service Statement of Financial Position

Includes INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
as at 30 June 2013

\$'000	Actuals Current	Actuals Non Current	Actuals Total
ASSETS			
31. Cash and investments			
a. Developer charges	658	-	658
b. Special purpose grants	4	-	4
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	2,817	-	2,817
32. Receivables			
a. Specific purpose grants	-	-	-
b. Rates and Availability Charges	78	-	78
c. User Charges	-	-	-
d. Other	209	458	667
33. Inventories	-	-	-
34. Property, plant and equipment			
a. System assets	-	19,722	19,722
b. Plant and equipment	-	140	140
35. Other assets	-	-	-
36. Total Assets	3,766	20,320	24,086
LIABILITIES			
37. Bank overdraft	-	-	-
38. Creditors	6	-	6
39. Borrowings			
a. Loans	50	927	977
b. Advances	-	-	-
c. Finance leases	-	-	-
40. Provisions			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	-	-
41. Total Liabilities	56	927	983
42. NET ASSETS COMMITTED	3,710	19,393	23,103
EQUITY			
42. Accumulated surplus			8,943
44. Asset revaluation reserve			14,160
45. TOTAL EQUITY			23,103
Note to system assets:			
46. Current replacement cost of system assets			27,283
47. Accumulated current cost depreciation of system assets			(7,561)
48. Written down current cost of system assets			19,722

Blayney Shire Council

Notes to Special Schedule No.'s 3 & 5 for the financial year ended 30 June 2013

Administration ⁽¹⁾

(item 1a of Special Schedules 3 and 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 Schedules 3 and 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 Schedules 3 and 5) comprise the day to day operational expenses excluding maintenance expenses.

Maintenance expenses (item 2 of Special Schedules 3 and 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 Schedules 3 and 5) includes all expenses not recorded elsewhere.

Revaluation decrements (item 4b of Special Schedules 3 and 5) is to be used when I,PP&E decreases in FV.

Impairment Losses (item 4d & 4e of Special Schedules 3 and 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 Schedules 3 and 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 11a of Special Schedule 3 and item 12a of Special Schedule 5 are for services provided to the Aboriginal Communities Water and Sewerage Program and is not part of Council's water supply and sewerage revenue.

Residential charges ⁽²⁾ (items 6a, 6b and item 6 of Special Schedules 3 and 5 respectively) include all income from residential charges. Item 6 of Schedule 3 should be separated into 6a Access Charges (including rates if applicable) and 6b Usage Charges.

Non-residential charges ⁽²⁾ (items 7a, 7b of Special Schedules 3 and 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 (items 10 and 11 of Special Schedules 3 and 5 respectively) include all income not recorded elsewhere.

Other contributions (items 12c and 13c of Special Schedules 3 and 5 respectively) incl. capital contributions for water supply or 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 16 for water supply and 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.

ASSET CLASS	Asset Category	Dep'n. Rate (%)	Dep'n Expense (\$)	Cost	Valuation	Accum. Depreciation Amortisation & Impairment	Carrying Amount (WDV)	Asset Condition [#] .	Estimated cost to bring up to a satisfactory condition / standard ⁽¹⁾	Required ⁽²⁾ Annual Maintenance	Current ⁽³⁾ Annual Maintenance
Buildings		per Note 1	per Note 4	<<<<<<<<<< per Note 9 >>>>>>>>>							
	Council Offices	var	66		2,284	1,480	804	4	500	25	5
	Council Works Depot	var	60		2,120	724	1,396	2	200	34	24
	Council Halls	var	141		3,508	870	2,638	2	150	62	15
	Library	var	11		377	131	246	2	75	6	1
	Other Buildings Inc. Amenities/Toilets	var	216		7,782	3,323	4,459	3	100	28	120
	Centre Point	var	171		5,138	1,847	3,291	3	500	82	20
	sub total		665	-	21,209	8,375	12,834		1,525	237	185
Other Structures											
	Assets not included in Buildings	Var	81		2,562	915	1,647	2	210	100	100
	sub total		81	-	2,562	915	1,647		210	100	100
Public Roads											
	Road Surface	5.00%	893		18,737	8,507	10,230	4	4,050	510	490
	Pavement Structure	1.43%	738		52,441	21,010	31,431	3	8,550	3,240	2,150
	Road Formation	0.00%	-		55,450	-	55,450	2	1,033	250	100
	Kerb and Gutter	1.25%	89		8,693	3,077	5,616	3	110	15	-
	Roadside Furniture	3.33%	65		1,866	651	1,215	3	284	60	50
	Culverts	1.25%	63		5,048	1,908	3,140	3	190	100	70
	Bridges	2.00%	262		20,969	7,141	13,828	3	4,540	80	-
	Footpaths	2.00%	49		4,046	1,631	2,415	3	300	25	23
	sub total		2,159	-	167,250	43,925	123,325		19,057	4,280	2,883

Blayney Shire Council

Special Schedule No. 7 - Condition of Public Works (continued) as at 30 June 2013

\$'000

ASSET CLASS	Asset Category	Dep'n. Rate (%)	Dep'n Expense (\$)	Cost	Valuation	Accum. Depreciation Amortisation & Impairment	Carrying Amount (WDV)	Asset Condition [#]	Estimated cost to bring up to a satisfactory condition / standard ⁽¹⁾	Required ⁽²⁾ Annual Maintenance	Current ⁽³⁾ Annual Maintenance
		per Note 1	per Note 4	<<<<<<<<<< per Note 9 >>>>>>>>>>							
Sewerage	Pump Stations	2.00%	70		2,976	1,132	1,844	2	50	50	105
	Treatment Works	2.00%	86		4,013	1,430	2,583	2	150	127	5
	Reticulation	2.00%	224		14,349	3,944	10,405	3	100	75	11
	Rising Mains	2.00%	74		5,370	985	4,385	3	175	75	-
	sub total		454	-	26,708	7,491	19,217		475	327	121
Drainage Works	Stormwater	var	57		5,691	1,607	4,084	3	150	40	31
	sub total		57	-	5,691	1,607	4,084		150	40	31
	TOTAL - ALL ASSETS		3,416	-	223,420	62,313	161,107		21,417	4,984	3,320

Notes:

- (1). Satisfactory refers to estimated cost to bring the asset to a satisfactory condition as deemed by Council. It does not include any planned enhancements to the existing asset.
- (2). Required Annual Maintenance is what should be spent to maintain assets in a satisfactory standard.
- (3). Current Annual Maintenance is what has been spent in the current year to maintain assets.

Asset Condition "Key" - as per the DLG Integrated Planning & Reporting Manual

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. 8 - Financial Projections

as at 30 June 2013

\$'000	Actual ⁽¹⁾ 12/13	Forecast ⁽³⁾ 13/14	Forecast ⁽³⁾ 14/15	Forecast ⁽³⁾ 15/16	Forecast ⁽³⁾ 16/17	Forecast ⁽³⁾ 17/18	Forecast ⁽³⁾ 18/19	Forecast ⁽³⁾ 19/20	Forecast ⁽³⁾ 20/21	Forecast ⁽³⁾ 21/22	Forecast ⁽³⁾ 22/23
(i) OPERATING BUDGET											
Income from continuing operations	15,042	13,232	13,799	15,694	16,150	17,631	19,075	20,425	21,170	21,863	22,579
Expenses from continuing operations	14,957	14,484	14,948	15,982	16,560	16,947	17,447	17,930	18,572	18,941	19,441
Operating Result from Continuing Operations	85	(1,252)	(1,149)	(288)	(410)	684	1,628	2,495	2,598	2,922	3,138
(ii) CAPITAL BUDGET											
New Capital Works ⁽²⁾	-	224	5,250	-	-	-	-	2,001	-	-	-
Replacement/Refurbishment of Existing Assets	3,483	5,443	5,679	5,459	5,506	4,726	5,968	6,174	5,974	5,047	5,586
Total Capital Budget	3,483	5,667	10,929	5,459	5,506	4,726	5,968	8,175	5,974	5,047	5,586
Funded by:											
– Loans	1,000	876	4,460	1,498	1,734	-	1,722	1,500	-	-	-
– Asset sales	-	-	-	-	-	-	-	-	-	-	-
– Reserves	-	1,332	3,220	51	-	-	-	-	-	-	-
– Grants/Contributions	875	800	486	900	515	746	787	561	577	594	611
– Recurrent revenue	1,608	2,659	2,763	3,010	3,257	3,980	3,459	6,114	5,397	4,453	4,975
– Other	-	-	-	-	-	-	-	-	-	-	-
	3,483	5,667	10,929	5,459	5,506	4,726	5,968	8,175	5,974	5,047	5,586

Notes:

(1) From 12/13 Income Statement.

(2) New Capital Works are major non-recurrent projects, eg new Leisure Centre, new Library, new Swimming pool etc.

(3) Financial projections should be in accordance with Council's Integrated Planning and Reporting framework.

Attachment A2:

STATEMENT OF PRINCIPAL ACTIVITIES

STATEMENT OF PRINCIPAL ACTIVITIES PERFORMANCE REPORT - 2012/13

COMMUNITY STRATEGIC PLAN										
PLAN		DELIVERY PLAN			OPERATIONAL PLAN			REPORT		
CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR	ONGOING	COMPLETED	COMMENT
STRATEGIC DIRECTION 1: GROW THE WEALTH OF THE SHIRE										
1.1	1.1.1	Maintain and strengthen partnerships with organisations responsible for natural resource management	Attendance at meetings	1.1.1.a	Ongoing liaison and support and participating local CMA's and Landcare groups.	Meetings attended. Partnership activities undertaken.	DPES		X	Meetings attended during period
				1.1.1.b	Ongoing liaison, support and participation in CENTROC.	Meetings and on-going initiatives undertaken.	DPES	X		Meetings attended during period
	1.1.2	Promote sustainable development and protection of our natural resources through the planning system.	Review of LEP and Council	1.1.2.a	Actively support local CMA's and Landcare Groups.	Meetings and activities undertaken.	DPES		X	Meetings attended and activities undertaken during period
				1.1.2.b	Disseminate information to the community as it becomes available	Information disseminated to the public	DPES		X	Available information disseminatæd during period
	1.1.3	Ensure planning activates support long term sustainability of agricultural sector.	Support by agricultural sector/landcare groups for planning scheme	1.1.3.a	BLEP2011 and DCP maintained in accordance with statutory requirements and any Council adopted studies	Ongoing maintenance and review of BLEP 2011 and DCP	DPES	X		BLEP 2012 now in place. DCP now being prepared to detail Blayney Shire specific requirements.
				1.1.3.b	Provide technical advice/planning advice to sector as required.	Provision of advice as requested.	DPES		X	Advice provided as requested
	1.1.4	Explore and promote opportunities for Agriculture value adding industries.	Production of a economic development strategy in 2013. Establishment of new industries.	1.1.4.a	Seek funding opportunities for production of economic development strategy	Grant application lodged.	DCS		X	Available funding programs investigated. Application lodged in February 2013.
1.2	1.2.1	Manage the development of mining as it develops in the Shire in order to preserve sustainable industrial diversity into the future.	Industry meeting. Policy development.	1.2.1.a	Encourage and support cooperation of mining industry in relation to the environment and addressing mining impacts; and review Council's land planning with the provision of information regarding industry growth and future land requirements and other industry information.	Meetings and interaction undertaken.	DPES		X	Meetings with current mining company/s during period and meetings with prospective miners during period,.

STATEMENT OF PRINCIPAL ACTIVITIES PERFORMANCE REPORT - 2012/13

COMMUNITY STRATEGIC PLAN		DELIVERY PLAN			OPERATIONAL PLAN			REPORT		
CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR	ONGOING	COMPLETED	COMMENT
				1.2.1.b	Address issues in Council's response to any proposed mining activities in Blayney Shire.	Provision of assistance as required.	DPES		X	Assistance provided as required/requested during period
	1.2.2	Improve transport linkages across the Local Government Area to support the mining industry.	Development of work plan.	1.2.2.a	Provide for the upgrade of road linkages supporting the Cadia Valley district.	Projects completed within budgetary constraints.	DIS		X	Programmed works completed for present year.
				1.2.2.b	Advocate the upgrading of the Blayney - Demondrille Railway to support the transport of bulk materials to/from the Blayney Local Government Area.	Meetings and interaction undertaken	GM, DIS		X	MOU signed with State Government. This item is ongoing
				1.2.2.c	Actively lobby all levels of government for support for the Cadia Valley Operation and future mining projects.	Representations and contact made by Council.	DIS, DPES		X	Representations and contact made on opportunities 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.	1.2.3.a	Participate in the Association of Mine Related Council's meetings.	Attendance at meetings.	GM		X	Association meetings attended during period
				1.2.3.b	Participate in individual Mine Community Consultative Committee Meetings.	Attendance at meetings, communication of meeting outcomes to Council.	DPES		X	Community Consultative C'ttee meetings attended during period
				1.2.3.c	Actively contribute to Cadia Mine Communities initiatives.	Provide information to community groups, as appropriate.	DPES		X	Community groups provided with information when requested/necessary

STATEMENT OF PRINCIPAL ACTIVITIES PERFORMANCE REPORT - 2012/13

COMMUNITY STRATEGIC PLAN		DELIVERY PLAN			OPERATIONAL PLAN			REPORT			
CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR		ONGOING	COMPLETED	COMMENT
1.3	1.3.1	Implement Blayney Shire Tourism Plan	Implementation of plan and targets. Tourism business thriving	1.3.1.a	Develop and market tourism products	Participation in marketing campaigns.	DCS			X	Paticipation in a number of campaigns with Central NSW Tourism including Discovery Trail; While You're Here Campaign and Destination Management Plan.
				1.3.1.b	Identify new and developing products and commercial opportunities.	Work with state agencies to develop opportunities.	DCS		X		Working with Central NSW Tourism on product development. Ongoing.
				1.3.1.c	Implement the tourism/visitor strategy for Blayney Shire that increases visitation and length of stay and yield.	Develop relationships with tourism operators.	DCS		X		Communication distribution lists developed. Some plan actions commenced. Ongoing.
	1.3.2	Develop a structure to effectively support and grow tourism and local business.	Structure in place. Productive meetings.				DCS				Planned for future years.
1.4	1.4.1	Work with the community and organisations within the region to develop a recognised brand for the Blayney Shire.	Brand developed				DCS				Planned for future years.
1.5	1.5.1	Advocate for increased funding for transportation assets through Federal and State programs	Representations made to relevant agencies	1.5.1.a	Meet with Australian and NSW Government Transport Department representatives on a regular basis.	Representations made by Council.	GM, DIS			X	Meetings held Minister Gay and dept staff, as to rail and last mile road provisions for regional transport delivery. This item is ongoing.
				1.5.1.b	Attend Roads and Maritime Services Regional Consultative Committee and Public Engagement Group (PEG) meetings on a regular basis.	Meetings attended.	DIS			X	Annual Regional Consultative Committee meeting attended in October. Quarterly PEG meeting attended in December.

STATEMENT OF PRINCIPAL ACTIVITIES PERFORMANCE REPORT - 2012/13

COMMUNITY STRATEGIC PLAN		DELIVERY PLAN		OPERATIONAL PLAN			REPORT				
CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR		ONGOING	COMPLETED	COMMENT
	1.5.2	Promote sustainable energy development and use within the Shire.	Provision of information.	1.5.2.a	Provide information to public regarding sustainable energy practices e.g. BASIX	Information provided to public.	DPES			X	Information provided to public during period
1.6	1.6.1	Seek opportunities to build a vibrant local retail and business sector.	Cooperative projects. Opportunities identified and followed up.				DCS				Planned for future years.
	1.6.2	Build and retain relationships with government bodies and NGO's to assist small business	Productive relationships. Number of activities.				DCS				Planned for future years.
	1.6.3	Support and encourage the establishment or expansion of local businesses	New businesses. Empowered local business.				DCS				Planned for future years.
	1.6.4	Develop an environment that will attract technology or internet based industry to come to Blayney.	Establishment of technology industries and technologies.				DCS				Planned for future years.

STATEMENT OF PRINCIPAL ACTIVITIES PERFORMANCE REPORT - 2012/13

COMMUNITY STRATEGIC PLAN		DELIVERY PLAN			OPERATIONAL PLAN			REPORT		
CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR	ONGOING	COMPLETED	COMMENT
STRATEGIC DIRECTION 2: A CENTRE FOR SPORTS AND CULTURE										
2.1	2.1.1	Encourage development of a calendar of sport and cultural events.	Information provided on web site and updated by sporting groups.				DCS			Planned for future years.
	2.1.2	Engage with key groups and organisations with a view to developing community partnerships for conducting activities and programs.	Participation of organisations.				DCS			Planned for future years.
	2.1.3	Engage with the Shire youth to facilitate progress and activities across the Shire.	Youth activities held. Meetings of Youth Council.	2.1.3.a	Consultation through Youth Council meetings held in partnership with Blayney High School	Attendance at meetings.	DCS	X		Review of future to be undertaken.
				2.1.3.b	Youth activities held in Shire during Youth Week.	Grant submission and acquittal completed in accordance with requirements.	DCS		X	Funding successful. 4 Youth Week events planned for Youth Week 5 - 14 April.
	2.1.4	Work proactively with the community groups to assist with event management.	Develop Community events guide and policies.	2.1.4.a	Develop a how to guide to conduct community events	Guide to organising community events available.	GM	X		Guide is being developed along with policy to assist communities. Community discussion has been undertaken.
				2.1.4.b	Review and update Council policy for holding events at Council facilities.	Policy review and updated.	GM	X		Policy reviewed and requires submission to public.
	2.1.5	Encourage and facilitate an active and healthy community by developing accessible programs through Centrepoint and local sporting groups.	Develop programs and activities with the community. Maintain facilities in accordance with financial estimates.	2.1.5.a	Provide a broad range of quality sport and leisure opportunities for Shire residents.	Continued community promotion of healthy living.	DPES		X	Promotion of CentrePoint activities and facilities carried out during period
				2.1.5.b	Provide and maintain active and passive recreation facilities for the shire communities	Maintenance to be provided as in accordance with Council's adopted Assets Management Plan.	DIS, DCS		X	Maintenance and Parks improvements undertaken per Parks and Gardens Facilities Assets management Plan and within resource constraints.

STATEMENT OF PRINCIPAL ACTIVITIES PERFORMANCE REPORT - 2012/13

COMMUNITY STRATEGIC PLAN		DELIVERY PLAN		OPERATIONAL PLAN			REPORT				
CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR		ONGOING	COMPLETED	COMMENT
2.2	2.2.1	Encourage active participation in sport.	Participation in Regional Sport promotions.	2.2.1.a	Participate in programs and maintain Council membership to Western Region Academy of Sport	Membership renewed	DCS		X		Completed. Membership renewed.
				2.2.1.b	Continue partnership in Sport Award Program to encourage participation at representative level.	Sports awards issued.	DCS		X		Working with Radio 2BS to promote awards program. Sports Council also provided with material. No applications received during 2012/13.
	2.2.2	Establish and support a community based representative body for sporting groups.	Report written and council established				DIS		X		Planned for future years. Sports Council established and operational.
2.3	2.3.1	Encourage participation and continue relationships with music organisations.	Scholarships awarded	2.3.1.a	Participate in programs and maintain Council's membership to Regional Music Programs.	Membership renewed.	DCS		X		Membership renewed to Macquarie Philharmonic.
				2.3.1.b	Continue partnership in the Blayney Shire Music Scholarship program with regional partners	Music scholarships awarded.	DCS		X		Auditions held 22/09/2012. Scholarship awardees to be advised by Mitchell Conservatorium and Orange Regional Conservatorium.
	2.3.2	Develop partnerships with other arts organisations to help deliver arts and cultural activities	Arts and cultural activities coordinated.	2.3.2.a	Actively support and promote the Arts Outwest division of NSW Ministry of the Arts.	Programs promoted in the Shire	DCS	X			Approaches made to and by Council for Art exhibitions - planning in motion.
	2.3.3	Encourage the use of the Blayney Shire Community Centre as a facility for arts and culture.	Use of facility.	2.3.3.a	Develop marketing and promotional information for website and distribution to promote use of the facility.	Marketing and promotional information developed	DCS		X		Updates to Council, Trade Investment and Arts NSW Cultural Facilities Directory websites undertaken.
	2.3.4	Provide library services in the Blayney Shire	Usage of library services	2.3.4.a	Maintain and operate Blayney Library	Maintain membership of Central West Libraries	DCS		X		Membership renewed.

STATEMENT OF PRINCIPAL ACTIVITIES PERFORMANCE REPORT - 2012/13

COMMUNITY STRATEGIC PLAN		DELIVERY PLAN			OPERATIONAL PLAN			REPORT		
CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR	ONGOING	COMPLETED	COMMENT
				2.3.4.b	Proceeds from sale of surplus Council assets restricted for future infrastructure purpose (i.e. Infrastructure Reserve)	Funds transferred	DCS		X	Review undertaken of land in Blayney and reported to Council. Council proceeding as resolved. No surplus assets sold during 2012/13.

STATEMENT OF PRINCIPAL ACTIVITIES PERFORMANCE REPORT - 2012/13

COMMUNITY STRATEGIC PLAN		DELIVERY PLAN			OPERATIONAL PLAN			REPORT		
CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR	ONGOING	COMPLETED	COMMENT
STRATEGIC DIRECTION 3: PRESERVE AND ENHANCE OUR HERITAGE AND RURAL LANDSCAPES										
3.1	3.1.1	Protect and enhance biodiversity, native, vegetation, river and soil health.	Developed strategies for protection	3.1.1.a	Assess all DA's with appropriate regard to the minimisation and mitigation of loss or harm to native vegetation.	Proper regard given to native vegetation in DA Assessment/Determination.	DPES		X	Applied to all applications assessed/determined during period
				3.1.1.b	Engage with CMA's and landcare group to promote value of retention of native vegetation	Attendance at meetings and availability of information.	DPES		X	Meetings attended and available information considered during period
				3.1.1.c	Mapping and calculate area of remnant native vegetation in Blayney Shire	In consultation with Centroc identify remaining native cover mapped in BLEP 2011.	DPES	X		On going search re availability and cost of mapping during period
	3.1.2	Facilitate the delivery of more planting on Council owned and controlled land.	Compliance with strategy	3.1.2.a	Identify suitable planting areas	Areas identified and mapped.	DIS		X	Locations identified as part of draft village enhancement programs. Further areas to be identified in subsequent years.
				3.1.2.b	Complete Roadside Vegetation Management Plan (RVMP)	Completed RVMP	DIS		X	Study and prioritisation report completed and reported to Council.
3.2	3.2.1	Adopt and implement the Draft Integrated Water Cycle Management Plan.	Implementation of agreed activities and tasks	3.2.1.a	Prepare a report for Council consideration to adopt IWCM Plan	IWCM Plan adopted	DIS	X		NSW Office of Water comments considered and addressed. Final study expected Q1 2013/14
	3.2.2	Enhance the community's understanding of biodiversity issues and work towards positive behavioural change	Research resourced and made available.	3.2.2.a	Actively participate in local and regional catchment management groups to increase sharing of knowledge and participate in catchment wide projects and programs	Number of meetings attended	DPES		X	Meetings attended during period
3.3	3.3.1	Pursue recognition of heritage items in draft LEP 2011.	Information to public Heritage advice	3.3.1.a	Implement heritage matters adopted in the BLEP 2011	Implement BLEP 2011	DPES		X	BLEP 2012 now in place and heritage being addressed..

STATEMENT OF PRINCIPAL ACTIVITIES PERFORMANCE REPORT - 2012/13

COMMUNITY STRATEGIC PLAN		DELIVERY PLAN			OPERATIONAL PLAN			REPORT		
CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR	ONGOING	COMPLETED	COMMENT
				3.3.1.b	Review and promote Heritage Grants program	Promotion of Heritage Grants program	DPES		X	Ongoing review and promotion during period
				3.3.1.c	Provide quality functional and accessible heritage advice	Heritage Advisor service available	DPES	X		Service continues to be provided monthly
	3.3.2	Identify items of natural heritage in Blayney Shire.	Information to public advice	3.3.2.a	Source funding for natural heritage research and identification	Apply for grants, as appropriate.	DPES		X	Grant applications made when money available and appropriate
				3.3.2.b	Promote advantages of heritage listing and availability of funding/grants through Heritage branch and Council.	Public information made available. Number of local grants made.	DPES		X	Local grants made and paid during period reported to Council. Public information made available in Council foyer and on website
3.4	3.4.1	Pursue sustainable land use practices based on the protection and restoration of natural resources, innovative land use policies and government and community partnerships.	Develop partnerships with relevant organisations.	3.4.1.a	Regularly attend and participate in local Catchment Management Authority meetings/workshops	Maintain regular contact with CMA	DPES		X	CMA meetings attended and regular contact maintained during period
				3.4.1.b	Liaise with and support local Bushcare and Landcare groups.	Maintain regular contact with local landcare groups.	DPES		X	In process of establishing existence of local Landcare groups and contacts
				3.4.1.c	Investigate/review best practice in local government related to sustainable land use practices for urban and rural areas.	Review information as available.	DPES		X	Information reviewed as it becomes available and it is considered for use in Blayney Shire Council

STATEMENT OF PRINCIPAL ACTIVITIES PERFORMANCE REPORT - 2012/13

COMMUNITY STRATEGIC PLAN		DELIVERY PLAN			OPERATIONAL PLAN			REPORT		
CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR	ONGOING	COMPLETED	COMMENT
STRATEGIC DIRECTION 4: DEVELOP AND MAINTAIN SHIRE INFRASTRUCTURE										
4.1	4.1.1	Manage Local Road Network to agreed service levels.	Performance budget/time/quality. Meeting service levels. Customer request system.	4.1.1.a	Sealed roads are provided to meet the needs of road users within financial constraints.	Asset inspections undertaken in accordance with Asset Management Plan. Construction undertaken, as per budget. Reseal program, as per budget. Record customer issues and monitor response times.	DIS		X	Maintenance and Reseal programs completed.
				4.1.1.b	Unsealed roads are maintained in accordance with Council's Asset Management Plan and financial constraints.	Asset inspections undertaken in accordance with Assets Management Plan. Gravel re-sheeting program undertaken, as per budget. Length of road maintained (e.g. Graded, patched, table drains) for each classification. Record customer issues and monitor response times.	DIS		X	Maintenance and Gravel resheeting programs completed.
				4.1.1.c	Bridges and major culverts are maintained in accordance with Council's Assets Management Plan and financial constraints.	Asset inspections undertaken in accordance with Asset Management Plan. Record customer issues and monitor response times.	DIS		X	Contractor engaged for Naylor St bridge rehabilitation. Garland Rd and Newbridge Rd bridges under negotiation. Further structural inspections programmed for Q1-2 2013/14.

STATEMENT OF PRINCIPAL ACTIVITIES PERFORMANCE REPORT - 2012/13

COMMUNITY STRATEGIC PLAN		DELIVERY PLAN		OPERATIONAL PLAN			REPORT			
CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR	ONGOING	COMPLETED	COMMENT
	4.1.2	Manage Regional and State Road Network to agreed service levels.	Service levels provided in accordance with State Government funding.	4.1.2.a	Sealed roads are maintained in accordance with Council's Assets Management Plan and financial constraints.	Asset inspections undertaken in accordance with Asset Management Plan. Construction program designed and implemented in line with financial constraints. Record customer issues and monitor response times.	DIS		X	Patching program completed. Council continues to address customer complaints in reactive manner due to limited resources.
	4.1.3	Ensure Ancillary Road facilities are serviceable and in line with current standards e.g. footpaths, cycleways, kerb and gutter, bus stops etc.	Performance budget/time/quality. Meeting service levels. Customer request system.	4.1.3.a	Footpaths and cycle ways are provided to meet the needs of pedestrians within financial constraints.	Asset inspections undertaken in accordance with Asset Management Plan Construction program designed and implemented in line with financial constraints. Construction program designed and completed as per budget constraints. Record customer issues and monitor response times.	DIS		X	Footpath construction program underway with works continuing in Q1 2013/14

STATEMENT OF PRINCIPAL ACTIVITIES PERFORMANCE REPORT - 2012/13

COMMUNITY STRATEGIC PLAN		DELIVERY PLAN		OPERATIONAL PLAN			REPORT			
CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR	ONGOING	COMPLETED	COMMENT
				4.1.3.b	Kerb and gutter is provided in accordance with Council's Assets Management Plan.	Asset inspections undertaken in accordance with Asset Management Plan Construction program designed and implemented in line with financial constraints. Construction program designed and implemented as per budget constraints. Record customer issues and monitor response times.	DIS		X	Council continues to address customer complaints in reactive manner due to limited resources.
				4.1.3.c	Parking areas provided in accordance with Council's Assets Management Plan.	Asset inspections undertaken in accordance with Asset Management Plan. Construction of new parking areas in line with financial constraints. Record customer issues and monitor response times.	DIS		X	Blayney Shire Community Centre carpark upgrade programmed for Q1 2013/14
				4.1.3.d	Bus facilities are provided for new residential and rural residential estates, in accordance with Council's Section 94 Plans.	Conditions applied to Development Applications.	DIS		X	Works completed. Further facilities subject to request and investigation.

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COMMUNITY STRATEGIC PLAN		DELIVERY PLAN			OPERATIONAL PLAN			REPORT		
CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR	ONGOING	COMPLETED	COMMENT
				4.1.3.e	Traffic facilities are provided, in accordance with Council's Asset Management Plan, to enhance road safety.	Asset inspections undertaken in accordance with Asset Management Plan. Construction program developed in line with financial constraints. Record customer issues and monitor response times.	DIS		X	Council continues to address customer complaints in reactive manner due to limited resources.
				4.1.3.f	Street lighting is provided to meet the needs of road users and reduce Council's costs.	Compliance within Australian Standards is maximised as funding permits.	DIS		X	Essential Energy continues to undertake street lighting maintenance program
				4.1.3.g	Street cleaning is undertaken, as required.	Street cleaning program is developed and implemented.	DIS		X	Street cleaning undertaken as required.
	4.1.4	Source road making materials in environmentally responsible manner.	Regulatory compliance	4.1.4.a	Ensure compliance with legislation pertaining to operation of gravel pits.	Asset inspections carried out. Performance reports developed to identify legislative requirements.	DIS		X	Injury surveys completed on quarterly basis. Production Managers appointed
				4.1.4.b	Manage contractors engaged in the processing of road making materials to ensure legislative compliance	Review Contractors and Performance	DIS		X	Contractors plant inspected as required for individual projects.
				4.1.4.c	Road making materials stocks are maintained at a level to ensure timely supply for works.	Stockpile levels are monitored on a regular basis. Road making materials availability is linked to works program.	DIS		X	Crushing operations completed, with further programs subject to project demand.

STATEMENT OF PRINCIPAL ACTIVITIES PERFORMANCE REPORT - 2012/13

COMMUNITY STRATEGIC PLAN		DELIVERY PLAN			OPERATIONAL PLAN			REPORT		
CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR	ONGOING	COMPLETED	COMMENT
				4.1.4.d	Closed gravel pits are rehabilitated	Pit Management Plans are developed	DIS	X		Plans not commenced due to resourcing constraints.
				4.1.4.e	Road making supplies are sought to ensure future needs are met	New road making supply sources are identified.	DIS	X		Project not commenced.
	4.1.5	Implement the Blayney Shire Council Asset Management Plan	Quantity and quality of information allocated	4.1.5.a	Data for the Asset Management Plan is collected in a timely manner	Information recorded in the asset management database. Asset Management Plan is maintained and up to date.	DIS	X		Asset data captured as resources allow. Asset Management Plans reviewed on an ongoing basis
				4.1.5.b	Programs are developed in accordance with Road Asset Management Plan principles	Works programs are developed utilising data and principles from the Roads Asset Management Plan	DIS	X		Councillor Roads Tour complete. Works priorities and principles reviewed as part of Asset Management review.
	4.1.6	Seek additional grant funding for construction and maintenance of roads and associated facilities	Applications submitted and Grant funds received.	4.1.6.a	Applications are prepared and submitted for funding under the NSW Government's REPAIR Program on a yearly basis	Applications are submitted in full and on time	DIS		X	Application submitted.
				4.1.6.b	Applications are prepared and submitted for funding under Government programs as they arise	Applications are submitted in full, and on time.	DIS		X	Applications submitted upon identification of funding sources.
				4.1.6.c	Representations are made through the local State and Federal Members of Parliament for assistance to obtain additional funding for significant projects	Details of representations made are recorded including outcomes	DIS		X	Representations made to Australian and State Government seeking funding for Blayney Heavy Vehicle Traffic Relief Route.

STATEMENT OF PRINCIPAL ACTIVITIES PERFORMANCE REPORT - 2012/13

COMMUNITY STRATEGIC PLAN		DELIVERY PLAN			OPERATIONAL PLAN				REPORT		
CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR		ONGOING	COMPLETED	COMMENT
	4.1.7	Plan for future transport and road infrastructure to service future needs	Projects are 'shovel ready'	4.1.7.a	Road network and supporting facilities are analysed to identify opportunities for development	Projects identified for further investigation	DIS		X		Ongoing. Blayney Heavy Vehicle Traffic Relief Route identified for future investigation and discussed with Member for Bathurst
				4.1.7.b	Projects are scoped and designed to a 'job ready' state for when funding opportunities arise.	A suite of suitable projects have documentation prepared.	DIS		X		Project documentation completed for 2012/13 capital works program. Preperation of "Job ready" projects ongoing.
	4.1.8	Investigate opportunities for stormwater harvesting and reuse	Projects identified and implemented. Successful grant applications.				DIS, DPES				Planned for future years.
	4.1.9	Apply the principles of Water Sensitive Urban Design (WSUD) to stormwater management	Completion of WSUD policy. Investigate grant funding.				DIS, DPES				Planned for future years.
	4.1.10	Prepare Stormwater Management Plans	Completion of Plans				DIS, DPES				Planned for future years.
	4.1.11	Maintain cemeteries in accordance with the community's needs and expectations	Compliance with regulations. Maintain records.	4.1.11.a	Maintain Cemetery Records in accordance with adopted procedures	Cemetery records up to date. Burial permits and approvals for monumental work issued.	DPES		X		Updated records maintained and approvals issued
				4.1.11.b	Cemetery Management Plan developed	Draft Cemetery Management Plan adopted. Consultation conducted.	DPES	X			Draft Plan developed and will be referred to Cemetery C'ttee for review and recommendation to Council
				4.1.11.c	Maintain cemeteries within available funding levels	Record customer issues and monitor response times	DPES		X		Issues and response times monitored

STATEMENT OF PRINCIPAL ACTIVITIES PERFORMANCE REPORT - 2012/13

COMMUNITY STRATEGIC PLAN		DELIVERY PLAN			OPERATIONAL PLAN			REPORT		
CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR	ONGOING	COMPLETED	COMMENT
	4.1.12	Identify surplus Council owned assets for possible sale to be invested in infrastructure reserve.	Assets identified for sale	4.1.12.a	Undertake review of Council assets to identify those surplus to requirements	Review commenced	DPES, DIS		X	Ongoing review to be continued
	4.1.13	Maintain and improve Council owned building assets	Implementation of Building maintenance program	4.1.13.a	Complete buildings asset management plan	Asset Management Plan available for review.	DPES		X	Completed and adopted by Council. Ongoing. Plan to be part of IP&R Plan documents review.
4.2	4.2.1	Maintain the availability and quality of water for use in rural areas	Water availability and quality. Operational bores.	4.2.1.a	Manage the water supply bores in rural locations to provide a secure 'non potable' supply of water to the Shire	Maintain bore licences and comply with conditions.	DIS		X	Licences renewed as required. Investigation of suitable drawn points underway.
				4.2.1.b	Meet with Central Tablelands Water representatives on a regular basis	Meetings attended	DIS		X	Drinking fountain installed at Redmond Oval Millthorpe and water supply to Millthorpe Skatepark. Meetings undertaken to discuss IWCM and CWUA.
				4.2.1.c	Participate in Centroc Water Utilities Alliance	Meetings attended.	DIS		X	Meetings attended in September, December, April and June.
	4.2.2	Ensure Sewerage Treatment Plant are able to meet needs of the Blayney Shire	Maintain to licensing standards	4.2.2.a	Manage treatment plant to effectively treat raw sewage	Ensure compliance with licence requirements.	DIS		X	Community Energy Efficiency Program application outcome pending.
	4.2.3	Provide an effective and safe Sewerage Collection Network for Blayney Shire	Achieve network maintenance	4.2.3.a	Maintain the network of collection mains and manholes	Number of overflows. Annual replacement program implemented. Provide a level of service for connections including attending to chokes and overflows. Problem sewer mains identified and remedial works undertaken.	DIS		X	Overflows and chokes reduced due to improved jetting and cleaning regime
				4.2.3.b	Monitor and maintain pump stations to provide efficient conveyance of sewage	Number of overflows annually	DIS		X	Pump station telemetry failures resolved.

STATEMENT OF PRINCIPAL ACTIVITIES PERFORMANCE REPORT - 2012/13

COMMUNITY STRATEGIC PLAN		DELIVERY PLAN			OPERATIONAL PLAN			REPORT		
CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR	ONGOING	COMPLETED	COMMENT
				4.2.3.c	Provide treated effluent to Cadia Valley Operations	Compliance with agreement.	DIS		X	Treated effluent transferred subject to demand.
				4.2.3.d	Update the 'Developer Servicing Plan' in relation to sewer services.	Consultation undertaken and Plan updated	DIS	X		To be undertaken in conjunction with CWUA in Q2 2013/14.
				4.2.3.e	Review Best Practice Compliance	Review undertaken to identify compliance gaps and development of action plan	DIS		X	NSW Office of Water Best Practice compliant, with report provided to Council.
	4.2.4	Ensure that the disposal of liquid waste in rural areas is carried out in a healthy manner without negative environmental impact.	SMF's (sewerage management facilities) reviewed.	4.2.4.a	Review and update Council's Sewer Management Facilities Procedure	Review and update of procedure completed.	DPES	X		Review and update to done by Environmental Officer, when employed
4.3	4.3.1	Lobby to improve public transport around the shire	Improved transport services. Greater accessibility across the Shire.							Planned for future years.
4.4	4.4.1	Advocate for the upgrading of rail infrastructure	Meeting attended.	4.4.1.a	Advocate the upgrading of the Blayney-Demondrille Railway to support transport to/from the Blayney Local Government Area	Meetings attended.	DIS, GM	X	X	All required meetings attended during period. This item is ongoing.
4.5	4.5.1	Develop and promote programs that increase the participation of the community in recycling and reducing waste going to landfill.	Attendance at Netwaste meetings. Educational material developed. Participation in recycling program.	4.5.1.a	Develop programs with Netwaste that support recovery, reuse and recycling.	Attend Netwaste meetings. Waste going to landfill. Manage solid waste in an efficient, affordable and sustainable manner.	DPES		X	Meetings attended during period and solid waste management by JR Richards monitored quarterly

STATEMENT OF PRINCIPAL ACTIVITIES PERFORMANCE REPORT - 2012/13

COMMUNITY STRATEGIC PLAN		DELIVERY PLAN			OPERATIONAL PLAN			REPORT		
CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR	ONGOING	COMPLETED	COMMENT
STRATEGIC DIRECTION 5: DEVELOP STRONG AND CONNECTED COMMUNITIES										
5.1	5.1.1	Assist incorporated village committees, progress associations and hall committees.	Active village committees	5.1.1.a	Identify Village Committees, progress associations and hall committees requiring assistance to develop programs and local improvements.	Implement insurance contributions funding program.	DCS		X	Community Insurance contributions program implemented and requests paid.
	5.1.2	Promote living in the Blayney Shire	Residents Pack developed.	5.1.2.a	Develop a Promotions Program for living in the Blayney Shire	Information on website. Develop new residents pack.	DCS		X	New resident pack developed and placed on website.
5.2	5.2.1	Build partnerships with community groups to increase use of parks and reserves	Interaction with use groups	5.2.1.a	Identify Community groups using parks and reserves	Meet with community groups. Identify strategic plans to enhance existing facilities across the Shire.	DIS	X		Draft Village Enhancement programs provided to community for discussion.
	5.2.2	Provide for the implementation of projects, identified in Council's Pedestrian and Access Mobility, Bike Plan to improve community health and fitness	Meetings attended	5.2.2.a	Develop annual implementation plan of priority pedestrian/cycling projects	Plan is developed annually. PAMP is used to identify remaining priority projects.	DIS		X	Plan developed in consultation with RMS. Subject to funding application.
				5.2.2.b	Implement the annual pedestrian cycling projects plan.	Projects compliant with RMS funding guidelines to maximise funding potential	DIS	X		Cycleway projects underway. Completion expected Q1 2013/14
				5.2.2.c	Participate in Blayney Shire Access Committee	Attendance at Access Committee Meetings	DCS	X		Committee being formed.
				5.2.2.d	Council ensures that adequate access is provided to all buildings and public spaces, as required by legislation.	Street-side access issues identified are assessed and included in future works programs where warranted.	DIS, DPES	X		Access issues, where applicable, addressed in all applications lodged with Council

STATEMENT OF PRINCIPAL ACTIVITIES PERFORMANCE REPORT - 2012/13

COMMUNITY STRATEGIC PLAN											
PLAN		DELIVERY PLAN		OPERATIONAL PLAN			REPORT				
CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR		ONGOING	COMPLETED	COMMENT
5.3	5.3.1	Implement programs to build community skills with computer technology, and community participation and social inclusion amongst older Australians.	Internet access available to community. Program participation.	5.3.1.a	Provide support for the provision of information and communication technologies in the Shire	Information provided on Council's website and Blayney Library. Internet access available at library. Identify opportunities within villages for internet café or public access. Promote Seniors Broadband program.	DCS		X		Information on website. Internet access available at Library. Promotion ongoing.
5.4	5.4.1	Develop and implement a community engagement process and policy	Informed communities	5.4.1.a	Utilise electronic survey processes, social and print media to promote, research and engage with the community.	Undertake community surveys. Issued press releases. Respond to community issues and needs in future delivery plans.	DCS		X		Enagement ongoing. Press releases; community newsletter; electronic media updates; and advertising undertaken.
	5.4.2	Develop and implement plans for villages and township	Plans are implemented				DPES	X			Plans developed and being discussed with local communities. Actions implemented when finances, staff and time permit
	5.4.3	Encourage volunteerism within the Community	Promotion undertaken				DCS				Planned for future years.

STATEMENT OF PRINCIPAL ACTIVITIES PERFORMANCE REPORT - 2012/13

COMMUNITY STRATEGIC PLAN		DELIVERY PLAN			OPERATIONAL PLAN			REPORT		
CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR	ONGOING	COMPLETED	COMMENT
STRATEGIC DIRECTION 6: LEADERSHIP										
6.1	6.1.1	Councillors to exhibit leadership on Council participate in communities and community organisations.	Attendance to meeting. Councillor presence on relevant committees.	6.1.1.a	Council delegates participate in committees and community organisations.	Delegate Reports included in Council's Business Papers.	GM		X	New committee structure adopted by council 3/8/2012 includes requirement for delegate reporting to council.
	6.1.2	Promote resource sharing and collaboration with regional organisations.	Participation in meetings. Resource sharing projects.	6.1.2.a	Active participation in the WBC Alliance, Centroc and Central Tablelands Water.	Regional organisations remains strong and provides valuable outcomes.	GM		X	Action completed for year. Council will continue to actively work ith organisations.
	6.1.3	Encourage sound governance practice in community organisations.	Provide assistance and training as requested.				DCS			Planned for future years.
6.2	6.2.1	Identify and engage with Shire Community Groups.	Establish regular communications with Shire Community Groups.	6.2.1.a	Identify social, sporting, business groups across the Shire.	Develop an online community register	DCS		X	Register available on website currently.
				6.2.1.b	Council initiates Social Media to communicate with the broader community	Social media networks developed and monitored.	DCS		X	Updates to electronic media occurring on a regular basis and upon demand.
	6.2.2	Implement Council's Community Engagement Plan	Engagement activities conducted	6.2.2.a	Council conduct community surveys, as required to enhance its community services and needs.	Utilise online surveys	DCS		X	Surveys undertaken in 2012/13 as part of review of Land Use and LEP
	6.2.3	Develop communications between Councillors and the community to provide community opinion.	Community satisfaction with communication processes. Available to community.	6.2.3.a	To implement and promote Councillor communication through electronic and print media.	Strategies and communications put in place.	GM		X	Council has established web site, face book and twitter accounts and will use these to promote council activities.
	6.2.4	Manage a customer request system to assist communications between community and Council.	Response times to requests.	6.2.4.a	Monthly activity report provided to Management.	Reports provided to Management Team	DCS		X	Reports provided monthly to GM & Directors.
				6.2.4.b	Develop process of 'acknowledgment of receipt' for customer requests.	Customer request acknowledgements issued.	DCS		X	Template developed for implementation in July 2013. Automated generation planned as part of phase 2 of Business Software.

STATEMENT OF PRINCIPAL ACTIVITIES PERFORMANCE REPORT - 2012/13

COMMUNITY STRATEGIC PLAN		DELIVERY PLAN		OPERATIONAL PLAN				REPORT			
CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR		ONGOING	COMPLETED	COMMENT
6.3	6.3.1	Provide a framework for the efficient and effective administration of Council.	Assess Council's position against Better Practice Review.	6.3.1.a	Implement internal audit program.	Business process reviews undertaken.	DCS		X		Review of I.T. planned for May / June. Audit committee meetings undertaken.
				6.3.1.b	Review of policies every 4 years.	25% of policies reviewed.	DCS		X		Policy register reviewed and updated November 2012.
				6.3.1.c	Undertake a Better Practice Review of Council activities	Review commenced	DCS	X			Better practice review template refined for commencement in July 2013.
				6.3.1.d	Provide training for Councillors and staff	Identified Training programs for Councillors and staff	GM		X		Councillor training arranged in Blayney with DLG. Workshops completed for year. Training will be ongoing
	6.3.2	Maintain a stable and secure financial structure for Council.	Report financial outcomes as required by legislation.	6.3.2.a	Review ten year financial plan	Plan reviewed.	DCS		X		Plans adopted following (public exhibition at May Council meeting.
				6.3.2.b	Review and report on Council's budget performance	Quarterly Budget review to Council.	DCS		X		Quarterly review of Operational Plan and budget undertaken reported quarterly per legislative requirements.
				6.3.2.c	Council's annual statements completed per statutory requirements.	Audited statements lodged with DLG within statutory timeframe.	DCS		X		Audited statements lodged with Division of Local Government 25/09/2012.
	6.3.3	Support actions for the sustainable future of local government.	Review Destination 2036 outcomes and actions to improve local government.				GM		X		Planned for future years. Council has reviewed all review documents and made submissions to relevant organisations.
	6.3.4	Develop strategies that respond to the impact of climate change on the community.	Supply of community information.	6.3.4.a	Promote activities that reduce the volume of greenhouse gases emitted into the atmosphere.	Attend regional organisation meetings and provide information on Council's website.	DPES		X		Meetings attended during period and info to website when available and of interest to community

STATEMENT OF PRINCIPAL ACTIVITIES PERFORMANCE REPORT - 2012/13

COMMUNITY STRATEGIC PLAN		DELIVERY PLAN			OPERATIONAL PLAN			REPORT			
CSP Ref.	DP Ref.	TASK	MEASURE	OP Ref.	TASK	MEASURE	DIRECTOR		ONGOING	COMPLETED	COMMENT
6.4	6.4.1	Provide support for emergency management in Blayney Shire in accordance with SERM Act	Emergencies responded to.	6.4.1.a	Provide executive support to the Local Emergency Operations controller and the Local Emergency Management Committee	LEMO organises and attends meetings. ERM reviewed. Displan reviewed. Exercises conducted with support of Council. The EOC is maintained in a state of readiness.	DIS (LEMO)			X	LEMC meetings conducted in August, November, February and May.
				6.4.1.b	Support the operation of the SES	Plant and equipment funded. Provide accommodation and support for SES unit.	DIS (LEMO)			X	Partnership Agreement signed between SES and Council. Council continues to provide facilities and support.
	6.4.2	Undertake regulatory responsibilities for environmental health and animal control.	Regulatory responsibilities are met	6.4.2.a	Provide the statutory animal control services	Animal control services provided.	DPES			X	Animal control services provided during period
	6.4.3	Educate communities on road and pedestrian safety	Programs delivered	6.4.3.a	Work with state and regional organisations in the retention of a Road Safety Officer	Provide financial support for the employment of the Road Safety Officer	DIS			X	Financial support provided. RSO position extended for further 12 months.
				6.4.3.b	Assist in the development of the annual Road Safety Action Plan	Annual Plan Developed.	DIS			X	Annual road Safety Action Plan prepared and approved by RMS in conjunction with Bathurst Regional Council.
	6.4.4	Review risk management of council operations.	Plan is implemented and risk managed.	6.4.4.a	Develop Enterprise Risk Management Plan	Plan completed.	GM	X			Risk Management plan being finalised for organisation. Policy to go to Council once finalised
				6.4.4.b	Implement Risk Management Plan	Implementation commenced.	GM	X			Plan identified with council's insurer and implemented. Ongoing reviews required.

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 09/09/2013

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 Division 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 and Shires Association Annual Conference.

Council will meet the following expenses for Councillors attending conferences and seminars which have been authorised by Council resolution or by the Mayor under delegated authority.

3.1.1. Registration Fees

- i) Payment of registration fees for attendance at conference / seminar sessions.
- ii) Payment of official conference / seminar lunches and dinners, and associated tours where they are relevant to the business and interests of Council, if not covered by the registration cost.

3.1.2. Accommodation

Payment of accommodation costs on the following basis:

- i) Accommodation selected by the Council or General Manager on the basis of cost and convenience of location to the conference. A Councillor may choose accommodation at a different location but which is the same cost or less.
- ii) The number of accommodation days provided under this policy shall be limited to:
 - a. Registration day;
 - b. Each day on which official sessions of the conference / seminar are held, as well as the night preceding the conference / seminar where travelling schedules reasonably require such accommodation; and
 - c. Each day on which a Councillor is required to be accommodated en route to and from the conference / seminar.
- iii) Any additional accommodation costs incurred as a result of the attendance of partners and/or children shall be borne by the Councillor.

3.1.3. Car Parking Fees

Council shall meet the cost of the following car parking fees.

- i) Hotel / Motel parking – additional car parking fees not included in accommodation costs.
- ii) Airport parking – costs incurred in the parking of a Councillor's private vehicle at an airport for the duration of a conference / seminar, subject to the vehicle being parked in the most economical airport car park.

Reimbursement for parking expenses shall be made upon the production of appropriate receipts and tax invoices, and the completion of the required claim form. Claim for such expenses shall be made within two (2) months of the date of return from the conference / seminar.

The driver is personally liable for all traffic infringements and parking fines incurred while travelling in private or Council vehicles. Claims for reimbursement or payment of expenses shall be refused.

3.2. TRAINING AND PROFESSIONAL DEVELOPMENT

Council shall meet the expenses for Councillors attending training and professional development which have been authorised by Council resolution or by the Mayor under delegated authority, where the training or educational course is directly related to Councillors civic functions and responsibilities.

The specific expense items met by Council are the same as those applicable to "Conferences and Seminars", as listed at clause 3.1.

3.3. REIMBURSEMENT AND RECONCILIATION OF EXPENSES

Councillors seeking reimbursement of costs and expenses, incurred in accordance with the requirements of this Policy, shall only be approved upon the production of appropriate receipts and tax invoices, and the completion of the required claim form.

Claims for reimbursement of costs and expenses shall be made within two (2) months of the costs and/or expenses being incurred, unless otherwise specified within this policy.

3.4. CLAIM FORM

Provided as an attachment (Attachment A) to this Policy, is the prescribed Claim Form which shall be completed by any Councillor seeking reimbursement of their costs and expenses.

It is the responsibility of the Councillor to ensure that the Claim Form is submitted accurately and complete, and within the prescribed timeframe as required by this Policy.

Incomplete claim forms may result in costs and expenses not being reimbursed.

3.5. PAYMENTS IN ADVANCE

Councillors may request payment in advance in anticipation of expenses to be incurred in attending conferences, seminars and training away from home. Councillors may also request an advance payment for the cost of any other service or facility covered by this Policy. However, Councillors shall fully reconcile all expenses against the cost of the advance within fourteen (14) days of their return.

Note: No general allowance type payment shall be made under any circumstances.

3.6. PAYMENT OF EXPENSES FOR SPOUSES, PARTNERS AND ACCOMPANYING PERSONS

Where the business of Council includes an invitation to a Councillor's spouse, partner or accompanying person, Council shall meet all reasonable costs associated with the spouse, partner or accompanying person attending that function.

In circumstances where an invitation is not extended to a Councillor's spouse, partner or accompanying person, that spouse, partner or accompanying person may accompany the Councillor on the business of Council, at the expense of the Councillor.

Attendance at the Annual Shires Conference shall be regarded as business of the Council and, as permitted by the Division 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 (eg 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 Division 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 Division 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 reasonably 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 / FACSIMILE LINE

At Council's expense a separate telephone / facsimile 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 / facsimile line connected, and instead utilises their own private telephone / facsimile 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. FACSIMILE MACHINES

At the expense of Council, each Councillor shall be provided with a facsimile machine.

Maintenance and the supply of toner consumables (toner & paper) for the Council provided facsimile machines shall be provided at Council's expense.

5.4. 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.

5.5. 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.

5.6. 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;

5.7. 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 / facsimile line had been established, this line shall be disconnected at Council's expense. However, should the Councillor wish to retain the use of this line, then at Council's expense, the line shall be transferred into the name of the Councillor.

Councillors will also have the option of purchasing the equipment previously allocated at an agreed fair market price or written down price value.

5.8. SECRETARIAL SUPPORT

Secretarial support facilities are available to the mayor during normal office hours, through the General Manager's Executive Assistant.

ATTACHMENT A – CLAIM FORM

**BLAYNEY SHIRE COUNCIL
COUNCILLOR'S EXPENSES CLAIM FORM**

Council has adopted a Policy for payment of expenses and provision of facilities to the Mayor, Deputy Mayor and Councillors in relation to discharging the functions of civic office.

Name of Councillor: _____

TRAVEL

Date	Council Meeting/Committee/Other	Kilometres

ACCOMMODATION/ SUSTENANCE/ OUT OF POCKET EXPENSES

Please provide details and attach receipts

\$

SIGNATURE: _____ **DATE:** _____

Office Use Only

TRAVEL (Kilometres) _____ @ \$ _____

PAYMENT

OTHER _____

TOTAL

\$

=====

ATTACHMENT B – TRAVEL AUTHORITY

**BLAYNEY SHIRE COUNCIL
COUNCILLOR TRAVEL AUTHORITY
FOR NON-LOCAL AND OTHER TRAVEL**

Pursuant to the Payment of Expenses and the Provision of Facilities to the Mayor and Councillors Policy the following application is submitted:

Name of Councillor: _____

Purpose of Travel: _____

Date(s): _____ Time from / to: _____

Location: _____

Venue: _____

Mode of Transport: (please circle)

Air Council Vehicle Councillor Vehicle Hire Vehicle

Accommodation (if required):

Single Room: _____ Double Room: _____ Other: _____

Motel preference: _____

Please provide other relevant details (e.g. special requirements):

SIGNATURE: _____ **DATE:** _____

(Authority should be lodged with sufficient time for Council report for approval to be submitted.)

Office Use Only

Council meeting date: _____ Minute No.: _____

Transport: _____ Order No.: _____

Motel: _____ Order No.: _____

	Date	Minute No.
First Adopted:	20/9/1999	592
Last Reviewed:	13/08/2001	388
	12/02/2007	7
	14/05/2007	07/094
	12/05/2008	08/105
	29/09/2008	08/231
	08/02/2010	1002/010
	09/05/2011	1105/007
	12/09/2011	1109/022
	10/12/2012	1212/005
	09/09/2013	1309/009
Next Review:	14/07/2014	

Attachment A4:

GOVERNMENT INFORMATION PUBLIC ACCESS ANNUAL REPORT

Council under Clause 7 of the Government Information (Public Access) Regulation 2009 is required to provide details of the review for the release of government information carried out during the reporting year and to provide details of any information made publicly available under the review

During the reporting period Council reviewed its program and as a result of the review, implemented the following:

- After consideration of the above it was determined that while some of the above information is publicly available it was determined that it is not possible to provide this information due to technology, cost and resource constraints. Plans, excluding internal floor plans, are provided subject to written consent of the copyright owner. Internal floor plans are provided subject to written consent of the property owner. Should copies of internal floor be required, additional written consent of the copyright owner is required.

- Additional released information on a number of projects, initiatives and developments on its website including:
 - Village Enhancement Plans
 - Local Environmental Plan
 - Community Strategic Plan and related plans under the Integrated Planning and Reporting Framework
 - Mapping
 - Spatial information
 - Media releases
 - Links
 - Various forms of community information

- Council is satisfied that all relevant and applicable information is being made available to the public.

The total number of access applications received by Council during the reporting year (including withdrawn applications but not including invalid applications) is Nil.

The total number of access applications received by Council during the reporting year that Council refused, either wholly or partly, because the application was for the disclosure of information referred to in Schedule 1 to the Act (Information for which there is conclusive presumption of overriding public interest against disclosure) is Nil.

SCHEDULE 2 - Statistical information about access applications to be included in annual report

[illegible]

Table B: Number of application by type of application and outcome*								
	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	0	0	0	0	0	0	0	0
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0
Note: * A "personal information application" is an access application for personal information (as defined in clause 4 of schedule 4 to the Act) about the applicant (the applicant being an individual).								

Table C: Invalid applications	
	Number of applications
Reason for invalidity	0
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 to Act	
	Number of times consideration used*
Overriding secrecy laws	n/a
Cabinet information	n/a
Executive Council information	n/a
Contempt	n/a
Legal professional privilege	n/a
Excluded information	n/a
Documents affecting law enforcement and public safety	n/a
Transport safety	n/a
Adoption	n/a
Care and protection of children	n/a
Ministerial code of conduct	n/a
Aboriginal and environmental heritage	n/a
Note: * More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.	

Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of the Act	
	Number of occasions when application not successful
Responsible and effective government	n/a
Law enforcement and security	n/a
Individual rights judicial processes and natural justice	n/a
Business interests of agencies and other persons	n/a
Environment, culture, economy and general matters	n/a
Secrecy provisions	n/a
Exempt documents under interstate Freedom of Information legislation	n/a

Table F: Timeliness	
	Number of applications
Decided within statutory timeframe (20 days plus any extensions)	n/a
Decided after 35 days (by agreement with applicant)	n/a
Not decided within time (deemed refusal)	n/a
Total	0

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)			
	Decision varied	Decision upheld	Total
Internal review	n/a	n/a	0
Review by Information Commissioner*	n/a	n/a	0
Internal review following recommendation under section 93 of the Act	n/a	n/a	0
Review by ADT	n/a	n/a	0
Total	0	0	0
Note: * The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.			

Table H: Number of applications reviewed under Part 5 of the Act (by type of applicant)	
	Number of applications for review
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

oAttachment A5:

PUBLIC INTEREST DISCLOSURE ANNUAL REPORT

2012/13 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 2012 to 30 June 2013:

The number of public officials who have made a public interest disclosure to the public authority	Nil
The number of public interest disclosures received by the public authority in total and the number of public interest disclosures received by the public authority relating to each of the following: <ul style="list-style-type: none">• Corrupt conduct• Maladministration• Serious and substantial waste of public money or local government money (as appropriate)• Corrupt conduct	Nil Nil Nil Nil
Government information contraventions	Nil
Local government pecuniary interest contraventions	Nil
The number of public interest disclosures finalised by the public authority	Nil

Council has a public interest disclosures policy in place.

Council has taken the following actions to ensure that staff are aware of their responsibilities under section 6E(1)(b) of the Act:

- Council's Internal Reporting - Protected Disclosures Policy and Staff Guidelines were reviewed in December 2012.
- The amendments to the policy were promoted to all staff through Council's intranet, staff meetings and toolbox talks.
- The amendments to the policy were promoted to all staff through Council's staff newsletter and intranet.
- Discussion at staff meetings and tool box talks.

Councillors were informed of the amendments in a report to Council recommending amendments to the policy.