

**INFORMATION REPORTS**



### **DEVELOPMENT DETERMINATIONS – JULY 2017**

Below is a list of Development Applications determined during the month of July 2017.

<b>DA No.</b>	<b>Construction</b>	<b>Address</b>	<b>Determination Date/Method</b>	<b>Type: DA/CC, Mod, s68, s96 etc.</b>
2016/0026	Erection of a Dwelling	15 Trunkey Street, Newbridge	12 July 2017 Under Delegation	DA/CC
2017/0039	Dwelling Alterations and Additions	19 Ogilvy Street, Blayney	5 July 2017 Under Delegation	DA/CC
2017/0051	Erection of a Dwelling and Attached Garage	4 Haddon Place, Blayney	12 July 2017 Under Delegation	DA/S68
2017/0052	Erection of a Shed	1 Palmer Street, Blayney	12 July 2017 Under Delegation	DA/CC
2017/0066	Private Cemetery	166 Forest Reefs Road, Millthorpe	13 July 2017 Under Delegation	DA

Copies of the consents are available for public inspection, free of charge, during ordinary business hours at Council's Planning and Environmental Services Department.

## Upper Macquarie County Council

Minutes of the **Ordinary Meeting** of the Council held at the  
Council Chambers, Kelso, on  
**Friday 16 June 2017**

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The Chairman declared the meeting open at 2.30 pm.

### **ATTENDANCE**

The following members were present -

#### Councillors

G. Braddon – Chairman  
R. Thompson  
N. Francis  
D. Kingham  
S. Lesslie  
J. Morgan  
I. North  
W. Aubin

The Acting General Manager and the Acting Chief Weeds Officer, were also in attendance.

### **APOLOGIES**

There were no apologies.

### **CONFIRMATION OF MINUTES**

**Moved** Councillor North

**Seconded** Councillor Kingham

**That** the Minutes of the Ordinary Meeting of the Upper Macquarie County Council held on 5 May 2017 be adopted. A copy of which had been provided to each Councillor prior to the meeting, be adopted.

**Resolved in the affirmative**

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#### **Certificate**

This is page 1 of 5 pages of the Minutes of the Ordinary Meeting of the Upper Macquarie County Council held at the Council Chambers, Kelso, on Friday 16 June 2017.

Chairman.....General Manager.....

**Business arising from the Minutes**

Nil

**DECLARATIONS OF INTEREST**

**Moved** Councillor North

**Seconded** Councillor Aubin

**That** Council note that there were no declarations made.

**Resolved in the affirmative**

**COUNTY CHAIRMAN'S REPORT**

**Item A – Chairman's Minute – Appointment of Acting General Manager**

The Chairman presented a verbal report expressing his appreciation for the efforts of the Acting General Manager to date.

**Moved** Councillor Thompson

**Seconded** Councillor Lesslie

**That** Council noted the Chairman's appreciation of the Acting General Manager's efforts to date.

**Resolved in the affirmative**

**CHIEF WEEDS OFFICER'S REPORT**

**Item A – Inspection Report for the period 21/04/17-2/06/17**

**Moved** Councillor Thompson

**Seconded** Councillor Lesslie

**That** Council note the inspections report for the period 21 April 2017 to 2 June 2017.

**Resolved in the affirmative**

**Item B – 45 Arthur St Trunkey Creek**

**Moved** Councillor North

**Seconded** Councillor Aubin

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**Certificate**

This is page 2 of 5 pages of the Minutes of the Ordinary Meeting of the Upper Macquarie County Council held at the Council Chambers, Kelso, on Friday 16 June 2017.

Chairman.....General Manager.....

**That** Council note that the spraying of noxious weeds has been carried out at 45 Arthur St Trunkey Creek under delegated authority amounting to a charge of \$558.14.

**Resolved in the affirmative**

**Item C – Macquarie Valley Weeds Advisory Committee**

**Moved** Councillor North

**Seconded** Councillor Kingham

**That** Council note the report on the Macquarie Valley Weeds Advisory Committee held on Tuesday 9 May 2017 in Warren.

**Resolved in the affirmative**

**GENERAL MANAGER'S REPORT**

**Item A – Statement of Investments – 30 April 2017**

**Moved** Councillor North

**Seconded** Councillor Francis

**That** Council note the Statement of Investments as at 30 April 2017 and total cash and investments of \$855,430.32.

**Item B – Statement of Investments – 31 May 2017**

**Moved** Councillor Thompson

**Seconded** Councillor Kingham

**That** Council note the Statement of Investments as at 30 April 2017 and total cash and investments of \$908,841.44.

**Resolved in the affirmative**

**Item C – Work Health & Safety Action Plan**

**Moved** Councillor Morgan

**Seconded** Councillor Aubin

**That** Council note the updated Upper Macquarie County Council Work Health & Safety Action Plan 2016.

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**Certificate**

This is page 3 of 5 pages of the Minutes of the Ordinary Meeting of the Upper Macquarie County Council held at the Council Chambers, Kelso, on Friday 16 June 2017.

Chairman.....General Manager.....

**Resolved in the affirmative**

**Item D – Biosecurity Act 2015**

**Moved** Councillor North

**Seconded** Councillor Kingham

**That** Council:

1. Note the report on the Biosecurity Act 2015
2. Delegates to the Acting General Manager, Roger William Bailey, once the Biosecurity Act 2015 comes into effect, the authority to exercise all discretionary functions that Council is capable of delegating under the Biosecurity Act 2015 and is not prohibited from doing so and also excluding any specific functions which Council has, by resolution, reserved to Council.

**Resolved in the affirmative**

**Item E – Draft Central Tablelands Regional Strategic Weed Management Plan**

**Moved** Councillor Lesslie

**Seconded** Councillor Morgan

**That** Council:

1. Note the report on the Draft Central Tablelands Regional Strategic Weed Management Plan
2. Make representations to the Central Tablelands Local Lands Services on the need for Bidy Bush to be treated as a noxious weed for the Upper Macquarie County Council area

**Resolved in the affirmative**

**Item F – NSW Government Innovation Fund**

**Moved** Councillor Thompson

**Seconded** Councillor North

**That** Council endorse the application under the NSW Government’s Innovation Fund Round Two for Remotely Piloted Aircraft (Drones) for Weed Inspections and Biosecurity Threats with an estimated project cost of \$51,700 and Council contribution of \$17,200.

**Resolved in the affirmative**

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**Certificate**

This is page 4 of 5 pages of the Minutes of the Ordinary Meeting of the Upper Macquarie County Council held at the Council Chambers, Kelso, on Friday 16 June 2017.

Chairman.....General Manager.....

**BUSINESS ITEMS (PREVIOUSLY MADE) BROUGHT FORWARD**

**Moved** Councillor Kingham  
**Seconded** Councillor Francis

**That** the information on business items previously made be noted.

**Resolved in the affirmative**

**Late General Manager's Report**  
**Item G – Retirement of Long Serving Employee – Mrs Cheryl Brown**

**Moved** Councillor Braddon  
**Seconded** Councillor Thompson

**That** Council consider the late report.

**Resolved in the affirmative**

**Moved** Councillor Braddon  
**Seconded** Councillor Thompson

**That** Council:

1. Hold a presentation to Mrs Cheryl Brown during the Council meeting recognising her long and dedicated service to Upper Macquarie County Council;
2. Invite Mrs Brown and her husband, Allan, to the annual dinner in December.

**Resolved in the affirmative**

The Chairman declared the meeting closed at 3.20 pm

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**Certificate**

This is page 5 of 5 pages of the Minutes of the Ordinary Meeting of the Upper Macquarie County Council held at the Council Chambers, Kelso, on Friday 16 June 2017.

Chairman.....General Manager.....

## LACHLAN REGIONAL TRANSPORT COMMITTEE

### **Minutes of the Ordinary Meeting held in Canowindra at the CWA Hall on Saturday 6<sup>th</sup> May 2017**

Vice Chairman Maurice Simpson opened the meeting and welcomed everyone to the meeting and asked Mayor Ian Gosper to welcome all on behalf of Cabonne Council.

Mayor Gosper gave a very broad rundown of the Shire. The shire has a population of 13,500, area of 6,100 sq Ks, 2,200 Ks of roads, with a \$60 million budget for this year, with 11 shires as neighbours and Cabonne Shire is the biggest user of diesel fuel in any NSW Councils. Also the shire has 1 solar farm with another one in the pipe line which will power 25,000 homes. Cabonne have won the battle against the amalgamation issue and has a \$40 million upgrade on the Mitchel Highway which is in progress.

**ATTENDANCE:** As per the attendance book. Twenty in attendance.

**APOLOGIES:** Dom Figliomeni, Stuart Freudensten, Gordon Bradbery, Judith Hannon, Lawrence Ryan, Phillip Laid, Max Duffy, Bill West, Craig Bembrick, Dale Wiencke, Rob Fisher, Paul Sills. Total of 12 apologies     **Moved:** Ken McGrath     **Seconded:** Ray Morris  
**Carried**

**MINUTES OF THE PREVIOUS MEETING:** Held at Temora in February be accepted as read.

**Moved:** Eddy Wilkinson     **Seconded:** Stephen O'Byrne     **CARRIED.**

**BUSINESS ARISING:** All Letter sent out as instructed by previous meeting

**SECRETARYS REPORT:**     No Report

**CORRESPONDENCE: IN:** From Paul Devery GM Cowra re: Fuel Excise Levy  
From Paul Sills Condobolin re: Article from news.com.au  
From Garry Brathwate Thank you card for information  
Shoalhaven, Lachlan, Cabonne have no amendments to draft letter to Minister of Transport & Minister for Roads  
Cogden's Coaches: re: Unsafe traffic behavior at St Joseph's School Condobolin.  
Ian Gray re: Info for Draft Letter to Ministers  
Graham Dun re: Comments on Highway Development Planning  
Bill West re: Report on Rail, Air, Road & Community  
Ian Gray re: Maps to see how our membership relates to Electorates  
Fuel Excise Levy: Wollondilly.  
Phillip Laird's Report on the down grading of the Maldon-Dombarton line by Infrastructure Australia,  
**OUT:** Cowra Shire re: Bell line of Road.  
Draft letter to all member Councils re: to Ministers Road & Transport  
Member Councils re: Fuel Excise Levy.



Letters to Ministers for Roads, Maritime & Freight, and Minister for Transport      **MOVED:** Ken McGrath That the Correspondence be received and dealt with      **SECONDED:** Ian Gosper      **CARRIED**

### **TREASURERS REPORT:**

The Treasurer Dennis Hughes presented the Treasurer's Report Opening Balance at 1/2/17 \$10476.49 Income \$373.49 Expenses \$150.00 Closing Balance as at 30/4/17 \$10,699.98 which was also attached to the minutes for everyone's information. It was **Moved:** D Hughes      **Seconded:** John Hetherington **CARRIED.**

### **REPORTS:**

**Toongi:** Garry Brathwate reported that he meet with the General Manager of the Toongi project and he stated that the gold mine at Tomingley was up and running and the precious metals mine at Toongi needed a \$1 billion to start but now is planned over 4 stages and are trying to raise \$250 million with 5 years of road transport carting 64 loads per Day of lime stone tough Dubbo then look to move to rail which at a cost of \$13million to open the track for 32ks to Toongi. The life of the project would be around 100 years and they do have all there licences approved and right to proceed but Garry with help would like to try to persuade the company to start with rail. Discussion on a new bridge proposal in Dubbo. Garry to forward his report to Ian Gray for comment.

**Bill West:** Maurice Simpson and Dennis Hughes had a meeting with Bill which cleared up a few issues. Maurice read out the report of that meeting with Bill. Bill is not the chair of the Bell Line of Road Ian Armstrong is at this stage. All reports put forward by Graham Dun have been studied by the Engineers. The \$5million presented to the Hilltops Council is to be put forwarded to another study. Unfortunately the Weddin Shire will not supply anymore funds to this course. The RTA still do not have a preferred route over the mountain reserved nor down over the Hawkesbury. Bill stated that there is no long term plan for rail and road in place. Some discussion took place after Maurice's report.

**Graham Dun:** Reported he had a meeting with Bill West re the route over the Blue Mountains and stated that the highway from Bathurst to Kelso is now complete at a cost of \$103 million. As for State Planning there is no public consultation at all and for Road Development as well and had in his possession a document written 20 years ago on a proposed road over the Blue Mountains.

**Lachlan Valley Rail Ray Morris:** Thanked Bill West for his help in writing reports for a number of newspapers concerning Lachlan Valley Rail and the reopening of the Blayney-Demondrille rail line. Also as a committee we should contact member Councils to ask if they would cover the extra funding to cover Weddin Shire.

**Cabonne Shire Ian Gosper:** Keep sending things to both tears of Government Ministers and MP's. Mitchell Highway upgrade taking place.

**Temora Shire Council Alex Dahlenburg:** Still working on an alternate route around the CBD but now is listed on the State plan for 2036 and still working on the introduction of heavier vehicles (Road Trains) on the eastern side of the Newell Highway.

**Parkes Shire Council Cr Ken McGrath:** Meeting with Darren Chester and Michael McCormack and ARTC from the Hunter region. Darren pointed out that 2500 heavy vehicle pass through Parkes every day and by the year 2030 this will double. There are 1200ks of track for the inland railway with 600ks to be rebuilt. Which will create 16000 jobs and 800 new jobs with 600 permanents. One train would take 110 B-Doubles off the road per day. Two new bridges between Parkes and Narromine being built in the near future.

**Weddin Shire Cr Steve O'Byrne:** Explained why Weddin Shire decided not to support financially the other Councils in there bid to open the Blayney- Demondrille line.

**Eddie Wilkinson:** Face Book to be linked to the web site

#### **GENERAL BUSINESS:**

**Pascale Stendell** Suggested that we could have more information fed to the wider community through the website e.g. (Graham Dun's document) and to improve exposure of the LTRC website using Facebook and Council websites.

**Ian Gray:** The Toongi project will be updated and could be raised at the meeting with the Ministers and MPs also the down grading of the Maldon-Dombarton line and the offer from China Rail for this line. **Moved:** Ian Gray **Seconded:** John Hetherington That we write to the NSW Minister for Transport Andrew Constance and the Federal Minister Hon Darren Chester of Transport to discuss these matters. **Carried**

**John Hetherington:** Discussion on any vested interest on development policy.

**Moved:** Garry Brathwate: That we invite member for Orange Phil Donato or any other politician Federal or State to our next meetings. **Seconded:** Eddy Wilkinson **Carried**

**Alex Dahlenburg:** Discussed the Future of road funding from the NSW and Federal Governments such as Roads to Recovery and the FAG funding. **Moved:** Alex Dahlenburg That we write to the Ministers of both Governments to ask to keep this funding available or something similar of the FAGs and the Roads to Recovery and to discuss with the Ministers at an organised meeting. **Seconded:** Ian Gray **Carried.**

**Bede Ryan:** Made comment from Phillip Laird's report that Bede reminded Phillip about China Rail and gave Phillip Anne Chatfield's email address, Phillip has been in touch with China Rail. **Moved:** Bede Ryan To send China Rail Annie Chatfield's report to our meeting to Anthony Albanese to inform him of the progress of Maldon-Dombarton Line **Seconded:** Maurice Simpson **Carried.**

**Next Meeting:** The Meeting is scheduled to be held at Parkes on the 5<sup>th</sup> August 2017 and a request be sent to Parkes to host the meeting.

There being no further business the meeting closed at 12 Noon

**CHAIRMAN** .....

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# ORANGE CITY COUNCIL

MINUTES OF THE

## EXTRAORDINARY MEETING OF CENTRAL WEST LIBRARIES

HELD IN VIA TELECONFERENCE

ON 21 JUNE 2017

COMMENCING AT 10.40AM

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### 1 INTRODUCTION

#### ATTENDANCE

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Cr R Fagan (Chairperson) (Cowra), Cr S Wilcox (Cabonne), Mr E Webb (Cabonne), Mr A Franze 10.45am (Blayney), Mr G Apthorpe (Cowra), Cr M Herbert 10.50am (Forbes), Cr J Davis OAM (Orange), Ms J Richards AM (Central West Libraries), Mr S Maunder (Orange)

#### 1.1 Apologies and Leave of Absence

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##### RESOLVED

Mr S Maunder/Cr J Davis

That the apologies be accepted from Alison Coe and Kathy Woolley for the Extraordinary Meeting of Central West Libraries held on 21 June 2017.

#### 1.2 Acknowledgement of Country

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#### 1.3 Declaration of pecuniary interests, significant non-pecuniary interests and less than significant non-pecuniary interests

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### 2 PRESENTATIONS

#### 2.1 NEXT MEETING OF THE CENTRAL WEST LIBRARIES COMMITTEE

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TRIM REFERENCE: 2017/1271

##### RESOLVED

Mr S Maunder/Mr G Apthorpe

That the next meeting of the Central West Libraries Committee be held in December 2017 with the date to yet to be decided.

### 3 GENERAL REPORTS

#### 3.1 DECISION - CENTRAL WEST LIBRARIES - FUTURE MODEL

TRIM REFERENCE: 2017/1260

##### RECOMMENDATION

Cr J Davis/Ms M Herbert

- 1 That the report on Decision – Central West Libraries – Future Model be received and acknowledged.
- 2 That Option 1 be adopted as the future model of CWL, being that Orange City Council assumes the full responsibility of the service currently provided by CWL, continuing to deliver a service under the branding of CWL, and that multi-year performance based contracts for the delivery of the CWL service be entered into individually between councils using the service and Orange City Council.
- 3 That, after consultation with member Councils, a draft Transition Plan, including the costs associated with Option 1, be presented to the December meeting of Central West Libraries.
- 4 That individual Service Level Agreements, as per Option 1, be prepared in consultation with the member Councils for implementation on 1 July 2018. Costs will be determined by the level of service required by each member Council.

**THE MEETING CLOSED AT 11.00AM**



**statewide  
mutual.**



**Annual Report**  
and financial statements for  
the year ended 30 June 2016.

**Strength.  
Stability.  
Integrity.**

Mutuality hinges on a shared vision of purpose, outlook and loyalty; collective individual commitment delivers long-term value for all.

Statewide Mutual is a unique local government community. Member-owned and member-driven, together we endure all market conditions – and have done so for over two decades.

Today, members continue to benefit from enviable financial strength, stable member contributions and operational integrity – while enjoying a ‘whole of risk solution’ combining risk management, insurance placement and claims administration.



Warringah Freeway  
Sydney, NSW



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# Going from strength to strength.

Statewide Mutual has been the choice of insurance provider for NSW local government for many years. The figures below provide insight into why we remain the largest self-insurance pool in Australia. The mutual currently has almost nine out of every ten councils as members.

**\$42 million**

Accumulated surplus across all schemes



**\$69.1 million**

Surplus distributions to members since inception

**\$4 million** Surplus distributions for 2015/16 financial year

**1.8%**

Increase in members contributions

Liability Scheme  
12 months to  
30 June 2016



**123**

Number of members

87.3% of NSW local government councils, county councils and associated entities

As at 30 June 2016.





Taralga Wind Farm - Taralga, NSW



# Members.

All schemes as at 30 June 2016

Albury City	L P Cr CO M	Cootamundra Gundagai	L P Cr CO M
Armidale Regional Council	L P Cr CO M	Cowra	L P Cr CO M
Ballina	L P Cr CO M	Dubbo Regional	L P Cr CO M
Balranald	L P Cr CO M	Dungog	L P Cr CO M
Bathurst Regional	L P Cr CO M	Edward River	L P Cr CO M
Bega Valley	L P Cr CO M	Eurobodalla	L P Cr CO M
Bellingen	L P Cr CO M	Federation	L P Cr CO M
Berrigan	L P Cr CO M	Forbes	L P Cr CO M
Bland	L P Cr CO M	Georges River	L P Cr CO M
Blayney	L P Cr CO M	Gilgandra	L P Cr CO M
Bogan	L P Cr CO M	Glen Innes Severn	L P Cr CO M
Bourke	L P Cr CO M	Goldenfields (Water) County	L P Cr CO M
Brewarrina	L P Cr CO M	Goulburn Mulwaree	L P Cr CO M
Broken Hill City	L P Cr CO M	Greater Hume	L P Cr CO M
Byron	L P Cr CO M	Griffith City	L P Cr CO M
Cabonne	L P Cr CO M	Gunnedah	L P Cr CO M
Campbelltown City	L P Cr CO M	Gwydir	L P Cr CO M
Canada Bay City	L P Cr CO M	Hawkesbury River County	L P Cr CO M
Canterbury Bankstown	L P Cr CO M	Hay	L P Cr CO M
Carrathool	L P Cr CO M	Hilltops	L P Cr CO M
Castlereagh Macquarie County	L P Cr CO M	Hornsby	L P Cr CO M
Central Darling	L P Cr CO M	Inner West	L P Cr CO M
Central Murray County	L P Cr CO M	Inverell	L P Cr CO M
Central Tablelands Water	L P Cr M	Junee	L P Cr CO M
Cessnock City	L P Cr CO M	Kempsey	L P Cr CO M
Clarence Valley	L P Cr CO M	Ku-Ring-Gai	L P Cr CO M
Cobar	L P Cr CO M	Kyogle	L P Cr CO M
Cobar Water Board	L P Cr	Lachlan	L P Cr CO M
Coffs Harbour City	L P Cr CO M	Lake Macquarie City	L P Cr CO M
Coolamon	L P Cr CO M	Leeton	L P Cr CO M
Coonamble	L P Cr CO M	Lismore City	L P Cr CO M

Lithgow City	L	P	Cr	CO	M
Liverpool Plains	L	P	Cr	CO	M
Lockhart	L	P	Cr	CO	M
Maitland City	L	P	Cr	CO	M
Mid Coast (Water) County	L	P	Cr	CO	M
Mid-Western Regional	L	P	Cr	CO	M
Moree Plains	L	P	Cr	CO	M
Mosman	L	P	Cr	CO	M
Murray River	L	P	Cr	CO	M
Murrumbidgee	L	P	Cr	CO	M
Muswellbrook	L	P	Cr	CO	M
Nambucca	L	P	Cr	CO	M
Narrabri	L	P	Cr	CO	M
Narrandera	L	P	Cr	CO	M
Narromine	L	P	Cr	CO	M
New England Tablelands	L	P			M
Newcastle City	L	P	Cr	CO	M
Norfolk Island	L	P	Cr	CO	M
North Sydney	L	P	Cr	CO	M
Northern Beaches	L	P	Cr	CO	M
Oberon	L	P	Cr	CO	M
Orange City	L	P	Cr	CO	M
Parkes	L	P	Cr	CO	M
Port Macquarie Hastings	L	P	Cr	CO	M
Port Stephens	L	P	Cr	CO	M
Queanbeyan Palerang	L	P	Cr	CO	M
Randwick City	L	P	Cr	CO	M
Richmond Valley	L	P	Cr	CO	M
Riverina (Water) County	L	P	Cr	CO	M
Rous County	L	P	Cr	CO	M
Ryde, City of	L	P	Cr	CO	M
Shoalhaven City	L	P	Cr	CO	M
Singleton	L	P	Cr	CO	M
Snowy Monaro	L	P	Cr	CO	M
Snowy Valleys	L	P	Cr	CO	M
Southern Slopes County	L	P	Cr	CO	M
Strathfield	L	P	Cr	CO	M
Sutherland	L	P	Cr	CO	M
Tamworth Regional	L	P	Cr	CO	M
Temora	L	P	Cr	CO	M
Tenterfield	L	P	Cr	CO	M
Tweed	L	P	Cr	CO	M
Upper Hunter County	L		Cr		M
Upper Hunter Shire	L	P	Cr	CO	M
Upper Lachlan	L	P	Cr	CO	M
Upper Macquarie County	L		Cr	CO	M
Uralla	L	P	Cr	CO	M
Wagga Wagga City	L	P	Cr	CO	M
Walcha	L	P	Cr	CO	M
Walgett	L	P	Cr	CO	M
Warren	L	P	Cr	CO	M
Warrumbungle	L	P	Cr	CO	M
Weddin	L	P	Cr	CO	M
Wentworth	L	P	Cr	CO	M
Willoughby City	L	P	Cr	CO	M
Wingecarribee	L	P	Cr	CO	M
Wollondilly	L	P	Cr	CO	M
Woollahra	L	P	Cr	CO	M
Yass Valley	L	P	Cr	CO	M

**L** Liability Scheme

**P** Property Mutual Scheme

**Cr** Crime Scheme

**CO** Councillor's & Officers' Cover

**M** Motor Vehicle Cover



# Chairman's welcome.

I'm pleased to present an overview of the 2015/16 financial year for Statewide Mutual. Together we delivered another strong result, especially considering the combined impact of substantial claims from natural disasters, local government reforms and increased competition from the commercial market.

Inside you'll find financial details of the mutual and key operational outcomes for the period. There's commentary from our Executive Officer, Naamon Eurell and Brian Bell as chair of both the Claims & Risk Management and Marketing Committees.

## Members: strength in numbers

We retained all members throughout renewals during the 2015/16 financial year. When considering the impact of amalgamations reducing the number of actual councils, we retained 123 members. This equates to 87% of NSW local government councils, counties and associated entities making the decision to remain with Statewide Mutual.

Membership of the various schemes at 30 June 2016 was:

- Liability Scheme – 123
- Property Mutual Scheme – 121
- Crime Scheme – 122
- Councillors' and Officers' Cover – 119
- Motor Vehicle Cover – 122

A full list of members and schemes in which they participate can be found on the previous pages.

## Scheme performance

All schemes performed very well, culminating in a record accumulated surplus of \$41,956,523 at 30 June 2016. As with recent financial years, this surplus result meant the board could maintain relatively stable member contributions for the period.

## Liability Scheme

The Liability Scheme reported a deficit of \$528,237 for the financial year from ordinary activities, compared a surplus of \$4,578,617 for the 2014/15 financial year. This amounted an accumulated surplus of \$22,793,739 at 30 June 2016.

The deficit was largely due to the lower member contributions, higher reinsurance expense and no reinsurance profit share received this year. Additionally, \$562,869 was provided to the Councillors' and Officers' Scheme to assist break-even in its early years.

A distribution to members of \$2 million was made during the year, while member contributions increased by a mere 1.8% for the period.

## Property Mutual Scheme

The Property Mutual Scheme reported a surplus of \$5,347,878 for the financial year from ordinary activities, compared to a surplus of \$3,771,615 for the previous financial year. This amounted an accumulated surplus of \$17,642,465 at 30 June 2016. A distribution of \$2 million was made during the year.

The result was predominantly due to releases of prior year claims estimates and lower risk management expenses.

The self-insured retention (SIR) component was exceeded during the financial year, however member contributions remain stable.

## Crime Scheme

The Crime Scheme reported a deficit of \$65,529 for the financial year from ordinary activities, compared to the prior year surplus of \$ 93,750. This was mostly due to changes in the scheme, namely adding additional cover for cyber crime and the associated costs.

The accumulated surplus of the Crime Scheme totalled \$1,504,088 at 30 June 2016.

It's noted that renewal terms on this scheme have remained unchanged since June 2006, except where variations have occurred in the amount of surplus refunded each year. The scheme has now been re-rated, meaning the actual cost to member councils has been reduced.

## Surplus distributions

Statewide Mutual continues to distribute funds in surplus of our needs back to members, as has been the practice for many years.

Surplus distributions totalling \$4 million were recently rebated to members, primarily due to low claims occurrences in the Liability and Property Mutual Schemes throughout 2015/16. Widespread member participation in the Risk Management Program has also been a factor.

We don't hold onto surpluses as we acknowledge members could better utilise the funds for the benefit of their communities. To date, we've handed back over \$69.1 million to members, with all receiving a cheque since 1988.

## Motor Vehicle Cover and Councillors' and Officers' Cover

Motor Vehicle Cover and Councillors' and Officers' Cover were introduced in July 2013 to provide member councils with relevant and in-demand products. The popularity of these two schemes continues.

Motor Vehicle Cover performed strongly throughout 2015/16, with members receiving a considerable claims experience discount from underwriters.

A SIR component was introduced for Councillors' and Officers' Cover over the period, allowing more control over costs and the claims process. The incentive here is to also act as a hedge against a hardening insurance market seeking to increase premiums.

## Board of Management

Statewide Mutual is owned by members, governed by the Board of Management and managed by Jardine Lloyd Thompson (JLT).

The board remained true to their cause of improving members' risk situation throughout this challenging year.

I'd like to compliment the entire board on their dedication. They all hold senior positions within their respective councils, yet still go beyond the call of duty for the mutual on a daily basis.

Their input into events such as the annual strategic planning day, which helped determine the direction for future planning to deal with key issues such as competition, are indicative of this commitment.

Most of the board have completed the Australian Institute of Company Directors education initiatives aimed at helping them excel in their duties. They also made themselves more available to members as part of the dispute resolution process.

Special acknowledgment needs to be given Brian Bell as deputy chair of the board and chair of the Claims and Risk Management and Marketing Committees, as well as Ross McCreanor as chair of the Finance Committee. Both gentlemen continue to impress me with their focus on fulfilling their respective roles.

## JLT

JLT contributed heavily to Statewide Mutual's impressive 2015/16 financial year result as scheme manager responsible for re-insurance placement, claims administration and risk management expertise.

Apart from acknowledging the diligent work of Leo Demer and Stephen Penfold who lead-up JLT's operations Australia-wide, I'd like to thank Ron Barnes who left the JLT team in January 2016 after more than two decades. Ron was integral in overseeing the development and implementation of our acclaimed risk management program, including pulling together the Regional Risk Manager Network. His deep understanding of risk provided us with much-needed support in navigating this often complex area.

Also worthy of a special mention is Naamon Eurell, Executive Officer, and the rest of the JLT team. The mutual is as successful as it has ever been largely thanks to their efforts.

2017 will bring further challenges, apart from further local government reforms and a changing landscape, yet I'm confident together we'll continue to deliver unparalleled strength, stability and integrity across the membership.



Bill Warne  
Chairman of the Board of Management





# Executive Officer's report.

Once again, it's been an enormous honour to administer Statewide Mutual on behalf of our member councils for another year.

## Board of Management

First and foremost, I'd like to thank our entire board for their commitment to running the scheme on behalf of the councils they represent. Their guidance ensures the scheme is truly run to benefit members in a manner befitting the local government industry. In particular, I'd like to acknowledge the work of our Chairman, Bill Warne of Queanbeyan - Palerang Regional Council, along with the chairs of the Claims and Risk, and Finance Committees: Brian Bell of Lake Macquarie City Council and Ross McCreanor of North Sydney Council, respectively.

Since the last annual report, Kyme Lavelle, Daryl Hagger and Roger Bailey have left the board for differing reasons – I thank them (and their families) for their contributions to the scheme. They've all served the board for a considerable period and are great advocates for mutuality. However, we are delighted to have the contributions of the newest members of our board: Gary Murphy (Lismore City Council), Blair Hancock (Port Macquarie-Hastings Council) and Rebecca Ryan (Blayney Shire Council).

## Amalgamations

It has been a turbulent year for our members. Many councils have either gone through amalgamations or are enduring the uncertainty of impending amalgamations, subject to legal action and changes in political will.

Notwithstanding all the changes, as always it has been an enormous honour to service our loyal client base throughout the financial year.

## Competition from the commercial market

Our competitors continue to make many questionable claims. Members are being enticed to consider leaving the tried and tested model the mutual provides, and resort back to the traditional model that's historically, and repeatedly failed the industry. Despite increasing competitor activity over the past 18 months, our members have mostly remained loyal to their mutual.

However, we understand the need to stay current and demonstrate value. We rolled out three significant endorsements for members during 2016/17 renewals, including adding Drone and Pollution Cover within the Liability Scheme. Additionally, the Property Mutual added Flood Cover, with the value of that placement currently being realised for our members in Northern NSW.

## JLT acknowledgments

Finally, I'd like to acknowledge the work of JLT in the management of the scheme. The ongoing premium stability and bespoke cover we're able to provide our members is a testament to their strong understanding of the insurance market and its relationship with the reinsurers of the scheme. For the last 20-odd years, Ken Edwards and Ron Barnes have been part of a team that's delivered the very best in service to our members. Both gentlemen have moved on from JLT, however I thank them for their many years of work, the guidance they've provided me and wish them well.

In closing, I'd also like to thank each member for their support over the past financial year. I look forward to again working closely with as many as possible in 2017.

Naamon Eurell  
Executive Officer



# Board and Committees.

## Board of Management

<i>Representative</i>	<i>Council</i>
Bill Warne (Chairman)	Queanbeyan-Palerang Regional Council
Roger Bailey	Lithgow City Council
Brian Bell	Lake Macquarie City Council
Daryl Hagger	Kempsey Shire Council
Guy McAnally-Elwin	Gilgandra Shire Council
Melissa McCoy	Shoalhaven City Council
Ross McCreanor	North Sydney Council
Gary Murphy	Lismore City Council
Jack O'Hara	Walcha Council
Scott Phillips	Hornsby Shire Council
Craig Richardson	City of Wagga Wagga

## Finance Committee

<i>Representative</i>	<i>Council</i>
Ross McCreanor (Chair)	North Sydney Council
Roger Bailey	Lithgow City Council
Leo Demer	Jardine Lloyd Thompson
Guy McEnally-Elwin	Gilgandra Shire Council
Jack O'Hara	Walcha Council

## Claims and Risk Management Committee

<i>Representative</i>	<i>Council</i>
Brian Bell (Chair)	Lake Macquarie City Council
Daryl Hagger	Kempsey Shire Council
Melissa McCoy	Shoalhaven City Council
Gary Murphy	Lismore City Council
Stephen Penfold	Jardine Lloyd Thompson
Scott Phillips	Hornsby Shire Council
Craig Richardson	City of Wagga Wagga
Bill Warne	Queanbeyan-Palerang Regional Council

## Marketing Committee

<i>Representative</i>	<i>Council</i>
Brian Bell (Chair)	Lake Macquarie City Council
Gary Murphy	Lismore City Council
Scott Phillips	Hornsby Shire Council
Bill Warne	Queanbeyan-Palerang Regional Council



# Claims and Risk Management Committee report.

The 2015/16 financial year, my second as chair of the Claims and Risk Management committee, brought with it a variety of exciting challenges. These included the fallout from amalgamations, policy enhancements and further development of risk management initiatives.

The committee continued to deal with claims in an effective and efficient manner throughout the period.

## My appreciation

I'd like to extend my appreciation to the following people who greatly assisted the Claims and Risk Management Committee during the financial year:

- **Bill Warne** for his continual inspiration, leadership and relentless hard work
- **Naamon Eurell**, who is an invaluable source of advice to members and assisted the board and committees in countless ways.
- **Melissa Tooke** (Senior Regional Risk Manager) for providing concise information for board papers and feedback from the field throughout the period.
- **Michael Down** and his team at Mills Oakley Lawyers for providing invaluable support and guidance in claims management throughout the year.
- **Stephen Penfold & Ron Barnes** from JLT their participation on the committee and undertaking the reinsurance placement in London.

## Cover enhancements

Flood cover, drone insurance and environmental protection were added to the overall policy throughout the financial year.

As each council's exposure to flooding is different, we assessed the flood risk of an LGA on a case by case basis in order to tailor the best solution for individual members.

The Liability Scheme was further expanded to include *drone cover*. With the ever-increasing council use of drones for a myriad of purposes, this cover provides for damage done to property or individuals due to drone accidents.

Thanks to our close relationship with underwriters, the committee also helped negotiate the sourcing of *environmental protection* at no additional cost to members.

We also finally resolved a long-running claim for Byron Shire Council that has been in the courts since 2005. We worked very hard with residents to ensure a practical compromise could be reached.

## Risk Management initiatives

Our team of seven Regional Risk Managers played a vital function in reassuring members we have professionals on the ground ready to offer support and guidance. They relayed region-specific happenings back to the board following their many Regional Risk Management group meetings.

From an education point of view, the various e-learning platforms continued to be promoted. These included the CIMS contractor and 'Fundamentals to risk management for local government' e-learning modules, as well as the Affiliated FM training portal.

Many members undertook tailored coaching and mentoring programs over the period. Some of the most popular programs include risk management awareness training for new staff members, event management workshops and incident investigation.

## What's in store for 2017?

Among many initiatives planned for the coming year, the board will be talking directly with NSW local government opinion leaders on all things risk management. We seek member input on what they'd like to see regarding programs, initiatives and tools.

We'll also be winding-up one of our long-standing member council initiatives: Integrity Management for Local Government program. The interactive training program helped senior managers identify systems and behaviours that exposed organisations to reputation-damaging risks, and councillors to potential liabilities. Please contact Naamon Eurell, Executive Officer, for more information on this program.

I look forward to being of further service to members over the next financial year.



Brian Bell  
Claims and Risk Management committee





# Marketing Committee report

It's been three and a half years since the Marketing Committee was established – my second as chair. Our remit from the beginning has been to plan, develop, assess and approve all internal and external marketing communications activity.

The goal of the Marketing Committee is to enhance the mutual's image as the industry-wide leading expert in local government insurance and grow member confidence. We certainly made headway towards this goal throughout the financial year, even in the face of some stiff competition from the commercial market.

Our strategic marketing partner, Cuckoo Creative, worked closely with Naamon Eurell, Executive Officer, in delivering a range of activities including:

- sponsorship and events;
- member and industry communications; and
- member satisfaction research.

I'd like to thank all Marketing Committee members (listed on page 10), Naamon and Cuckoo for their dedication to the often challenging tasks involved in communicating to such a broad range with often limited budgets. The commitment and collaboration shown by all is most impressive.

## Sponsorship activity

Over the past three years, we've gained enormous exposure through sponsorship arrangements of key industry conferences, awards nights and seminars.

The key sponsorship event of the 2015/16 financial year was the 2015 LGNSW Annual Conference. The conference presented an excellent platform for building relationships with elected officials and decision makers from member and non-member councils. We achieved great brand exposure, but most importantly we reconnected with many members.

Other sponsorship activity included the LG Week Awards, at which our chairman Bill Warne presented an awards category, and the Mayors' Weekend Seminar run by LGNSW.

## Risk Management Conference

Cuckoo also worked closely with the mutual on the 2015 Risk Management Conference, themed *Communicating Risk*. Speakers from all corners of industry spoke on topics that aimed to help risk managers better connect with stakeholders outside of the risk team.

## Member and industry communications

Our e-newsletter Statewide News continued to provide members and the local government sector with topical news and notice of key happenings. Three issues were released during the period which was read by an impressive 43% of recipients; the industry average for this communication medium is 10-15%.

Like most of my colleagues, I was concerned about the previous-mentioned large commercial market competitor contacting members with false information; in one case coercing members into going to tender by alleging they're in breach of their statutory obligations if they don't. Needing to set the story straight, we undertook an extensive member email campaign to diffuse this.

Other communications initiatives included:

- reformatting and simplifying best practice manuals, guidance notes and training modules under the one 'Guidance Materials' library; and
- creating a company LinkedIn page, continual updates of the website and producing updated marketing collateral to showcase the evolution of our offering.

## Benchmarking survey

We undertook a benchmarking survey later in the financial year, gauging member opinions of key components of Statewide Mutuals offering over a two-year period. A great response was received from an eager and engaged audience.

Among many positive outcomes, members told us familiarity of the mutual's product range has increased over the period, and the mutual appears to be providing better levels of service than two years ago.

The committee derives much value from these types of research projects. Analysis of the results are key ingredients that'll be used to guide an innovative and cost-efficient marketing strategy into 2017 and beyond.

Brian Bell  
Marketing Committee



# Benefits of mutuality.

With today's insurance industry becoming increasingly fragmented, commercial market providers are hungrily vying for a slice of the lucrative local government sector. Ultimately, these competitors exist to get their hands on Council's scarce dollars to satisfy underwriters' appetites for profits. Nothing more, nothing less.

This is in stark contrast to Statewide Mutual's model, which primarily focuses on benefitting our members. Fortunately, we remain steadfast in our mission to ensure the protection of members through stable premiums, cost containment and spread of risk – providing a significant degree of certainty in an ever-changing industry.

While we welcome competition, we object to misinformation being placed in the public domain. Grandiose claims continue to be made to entice members away from the mutual structure and its inherent benefits. Assertions regarding the limitations of mutuals, legislation requirements for tendering and grossly exaggerated premium savings are being bandied around willy-nilly.

We'd like to set the story straight by addressing some of these myths. At the same time, we want to reassure members they're part of a unique collective that's greater than the sum of its parts – benefiting from enviable levels of strength, stability and integrity.

## Myth 1

*Mutuals are a 'one size fits' all solution that doesn't account for diverse council size and needs.*

False. As a mutual, we cater to the individual risk requirements of councils big and small. We actively listen to members and regularly create new solutions based on what they want (e.g. the introduction of cyber insurance and drone cover).

The cover we provide is specific to wide-ranging and changing needs of the membership. Statewide Mutual's policy wordings have evolved over 23 years working intimately with NSW local government. Our mutual model is scalable and provides broad cover to meet all contingencies while incorporating a high degree of flexibility to provide for councils of all sizes.

## Myth 2

*Commercial market providers exist to benefit local government.*

False. Commercial market providers' primary goal is to maximise profits for underwriters. These 'traditional insurance placements' involve the insurer retaining 100% of accumulated profits. No surplus funds are rebated to councils for re-investment back into their communities.

Statewide Mutual members share in the accumulated surpluses across the various schemes, valued at \$42 million. To date, \$69.1 million has been returned to members in the form of surplus distributions.

The commercial market has little experience in NSW local government, no experience with rural council and no experience of our complex legislative framework. Furthermore, they've shown no ability or intention to use such experience to deliver the best outcomes for councils.

Statewide Mutual was created by local government to solely benefit local government. We're managed by member representatives who are elected by fellow members. The best interests of the mutual and NSW local government sector are our priorities.

### Myth 3

*Commercial market providers can offer lower premiums with comparable limits of cover.*

False. Without the kind of economies of scale operating within Statewide Mutual, the competition can't offer lower premiums together with equivalent limits of cover.

Low premiums can usually only be offered by commercial market providers in the immediate sense, based on short-term claims records, and are usually accompanied by high deductibles. As the market fluctuates premiums will increase. Their inability to effectively spread risk across a large membership base compounds the likelihood of increased premiums.

It's also very unlikely commercial providers can match the mutual's \$500 million limit of cover for Public Liability and Professional Indemnity. Our collective purchasing power allows members access to the broadest possible protection at highly competitive premiums (member contributions). One of the key benefits of being part of a mutual is the ability to leverage membership scale, in turn creating long-term member contribution stability and relieve market volatility.

### Myth 4

*Commercial market providers offer comparable value-added services.*

False. Compared to Statewide Mutual, commercial market providers offer extremely limited value-adding services.

Our 'whole of risk' solution, which includes industry-leading risk management programs and the expertise of a specialist local government claims team, has no peer. We go out of our way to help members manage their total risk exposures to the benefit of individual councils and the membership as a whole.

Risk management exists at the core of all we do, aimed at reducing incidences leading to claims. As a Mutual, we focus on risk because we have more skin in the game. We help identify risks, analyse potential consequences and establish adequate controls and measures.

We empower members to manage their own risk through better decisions, making communities better places to live, work and visit.

### Myth 5

*Statewide Mutual members are in breach of their statutory obligations if they don't go to tender for the provision of insurance services.*

False. This is an inaccurate claim espoused by a large commercial market provider who failed to make headway in coercing NSW councils to resign from Statewide Mutual and review their insurance arrangements.

We commissioned legal advice to ascertain whether members are obliged to tender to continue participating in the mutual. The advice received unequivocally stated that the nature of the relationship between Statewide Mutual and its members was not a contract of the type defined in section 55 of the Local Government Act, entitled 'What are the requirements for tendering?'. The advice concluded that our members are under no statutory obligation to proceed to tender.

Let's not forget that Statewide Mutual was formed in response to commercial market underwriters withdrawing their support for local government in Public Liability and Professional Indemnity cover. If Council becomes a poor risk, what's stopping these same underwriters from simply walking away?

Members are urged to objectively examine any approaches from commercial providers, all while thinking about the real value being offered by Statewide Mutual.



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# Statement of Financial Performance.

As at 30 June 2016

	2016 \$	2015 \$
Member Contributions	96,896,034	97,543,106
Outward Reinsurance Expense	(68,667,103)	(69,965,588)
Reinsurance Profit Share	-	1,896,008
Claims Expense (Note 7)	(8,436,793)	(6,230,153)
Other Scheme Expenses (Note 8)	(13,640,628)	(12,709,785)
Excess of contributions and reinsurance profit share over claims and related expenses	6,151,510	10,533,588
Investment Income	1,933,183	2,202,131
General Expenses (Note 8)	(3,877,215)	(4,291,741)
<b>Surplus from Ordinary Activities</b>	<b>4,207,478</b>	<b>8,443,978</b>
<b>ACCUMULATED SURPLUS</b>		
Accumulated Surplus at the beginning of the year	41,749,045	39,819,241
Operating Surplus from Ordinary Activities	4,207,478	8,443,978
Assistance to Councillors and Officers Scheme	-	-
Current year Surplus Distribution	(4,000,000)	(6,514,174)
<b>ACCUMULATED SURPLUS</b>	<b>41,956,523</b>	<b>41,749,045</b>

# Statement of Financial Position.

As at 30 June 2016

	2016 \$	2015 \$
<b>CURRENT ASSETS</b>		
Cash Assets (Note 5)	6,095,688	5,160,968
Receivables (Note 6)	102,636,984	109,606,064
Reinsurance Recoveries (Note 6)	36,258,008	40,149,795
Non Reinsurance Recoveries (Note 6)	507,441	507,441
Provision for Doubtful Debts (Note 6)	(507,441)	(507,441)
Investments	51,215,000	49,982,000
	196,205,680	204,898,827
<b>NON-CURRENT ASSETS</b>		
Reinsurance Recoveries (Note 6)	94,012,364	98,204,731
	94,012,364	98,204,731
<b>TOTAL ASSETS</b>	<b>290,218,044</b>	<b>303,103,558</b>
<b>CURRENT LIABILITIES</b>		
Creditors and Accrued Expenses	13,372,834	14,279,453
Outstanding Claims (Note 10)	43,107,882	44,593,928
Unearned Contributions	90,009,406	93,980,695
Accrued Surplus Distributions	-	203,582
	146,490,122	153,057,658
<b>NON-CURRENT LIABILITIES</b>		
Outstanding Claims (Note 10)	101,771,399	108,296,855
<b>TOTAL LIABILITIES</b>	<b>248,261,521</b>	<b>261,354,513</b>
<b>NET ASSETS/(LIABILITIES)</b>	<b>41,956,523</b>	<b>41,749,045</b>
<b>MEMBERS EQUITY</b>		
<b>ACCUMULATED SURPLUS/(DEFICIT)</b>	<b>41,956,523</b>	<b>41,749,045</b>



# Statement of Financial Position.

As at 30 June 2016

	2016 \$	2015 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipt of contributions from members (including advance contributions & GST)	96,431,029	81,365,896
Receipt of Profit Share	-	1,896,008
Claims payments (net of recoveries)	(8,180,909)	(6,120,097)
Outward Reinsurance Payment	(65,580,244)	(55,598,328)
Payment of other expenses	(18,462,694)	(16,229,364)
Interest received	2,164,120	2,268,173
<b>Net cash flows provided by operating activities</b>	<b>6,371,302</b>	<b>7,582,288</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Surplus Distribution	(4,203,582)	(6,514,174)
<b>Net cash flows used in financing activities</b>	<b>(4,203,582)</b>	<b>(6,514,174)</b>
<b>Net cash flows</b>	<b>2,167,720</b>	<b>1,068,114</b>
Cash at the beginning of the year	55,142,968	54,074,854
<b>Net increase / (decrease) in cash</b>	<b>2,167,720</b>	<b>1,068,114</b>
<b>Cash at the end of the year</b>	<b>57,310,688</b>	<b>55,142,968</b>
<b>RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO OPERATING RESULT FOR THE YEAR</b>		
Operating Result for the year	4,207,478	8,443,978
(Increase) / Decrease in Receivables	6,969,079	(19,490,022)
(Decrease) / Increase in Creditors & Accrued Expenses	(906,617)	2,215,709
(Increase) / Decrease in Accrued Profit Share Commission	-	-
Decrease / (Increase) in Reinsurance Recoveries	8,084,154	(22,449,988)
(Decrease) / Increase in Provisions for Doubtful Debts	-	(400,000)
(Decrease) / Increase in Outstanding Claims Provisions	(8,011,503)	22,903,773
(Decrease) / Increase in Unearned Contributions	(3,971,289)	16,358,837
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>6,371,302</b>	<b>7,582,288</b>

# Notes to and forming part of the Financial Statements.

For the year ended 30th June 2016

## 1. SIGNIFICANT ACCOUNTING POLICIES

Statewide Mutual is a member owned self-insurance pool, providing insurance cover to Local Government Authorities in New South Wales.

The address of Statewide Mutual's principal place of business is Level 11, 66 Clarence Street, Sydney NSW 2000.

The principal accounting policies adopted by Statewide Mutual in respect of the Liability Scheme, the Crime Scheme, the Property Mutual Scheme, the Councillors and Officers Scheme, and the Motor Vehicle Scheme are stated to assist in a general understanding of these financial statements and have been consistently applied during the year.

The financial statements have been made out in accordance with the requirements in the Deed of Establishment dated 22 March 1994, and the accounting policies described below.

The presentation of the Financial Statements has changed and are on a total basis for all schemes. This change is a presentational change and no restatement has been made from the prior year.

### (a) Accounting basis

The directors have prepared the financial statements on the basis that Statewide Mutual is a non reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of members.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below which the directors have determined are appropriate to meet the needs of the members. Such accounting policies are consistent with the previous period unless stated otherwise.

The amounts in the financial statements have been rounded off to the nearest dollar, unless otherwise stated.

The financial report is presented in Australian Dollars, Statewide Mutual's functional currency.

### (b) Contributions

Contributions comprise amounts charged to members of the Schemes for policy cover. The earned portion of contributions received is recognised as revenue. Contributions are earned from the date of attachment of risk.

All contributions received, except for amounts received in advance were fully earned at balance date. The pattern of recognition over the policy is based on time, which is considered to closely approximate the pattern of risks undertaken.

Contributions are recognised net of the amount of goods and services tax (GST). Receivables are stated with the amount of GST included. The amount of GST payable to the Australian Tax Office (ATO) is recognised as a current liability in the Statement of Financial Position.

### (c) Claims

#### *Liability and Councillors and Officers Schemes*

Claims incurred expense and a liability for outstanding claims are recognised in respect of business written during the period. The liability covers claims incurred but not yet paid, incurred but not reported claims, and the anticipated costs of settling those claims. Claims outstanding are assessed by reviewing individual claim files and estimating un-notified claims and settlement costs using statistical and actuarial techniques. The liability for outstanding claims is measured as the present value of the expected future payments, reflecting the fact that all claims do not have to be paid out in the immediate future. The outstanding claims liability for the Liability and Councillors and Officers Schemes have been set having regard to independent actuarial advice.

The expected future payments are estimated on the basis of the ultimate cost of settling claims, which is affected by factors arising during the period to settlement such as normal inflation and "superimposed inflation". Superimposed inflation refers to factors such as trends in court awards, for example increases in the level and period of compensation for injury. The expected future payments are then discounted to a present value at the reporting date using risk free discount rates. The discount recognised is limited to interest income that can be earned on cash and other financial assets held by the Liability and Councillors and Officers Schemes.

#### *Property Scheme*

The outstanding claims liability for the Property Scheme has been set by management estimates with regards to the current notified claims and the aggregate level for the scheme before reinsurance.

#### *Motor Vehicle Scheme*

The Motor Vehicle scheme is fully reinsured and all claims are managed by the reinsurer. The claims and corresponding reinsurance recoveries on these schemes have been calculated, recorded and reported in the financial statements on a net basis.

#### *Crime Scheme*

The outstanding claims liability for the Crime Scheme has been set based on the value of notified claims adjusted for paid claims plus an allowance for incurred but not reported claims.

### (d) Investments

Investments comprise of primarily cash on deposit with banks. Cash on deposit with banks are carried at the face value of the amounts deposited. The carrying amounts of cash on deposit approximates fair value.

### (e) Non Reinsurance recoveries

The non reinsurance recoveries represents recoveries pursued against third parties as a result of claims previously paid by Statewide. The recoveries of such claims are generally litigious and can take considerable time to collect. As such, recoveries are only recognised when the amount is certain to be recovered.

### (f) Cash flows

For the purpose of the statements of cash flows, cash includes

cash at bank, deposits held at call with banks, and other short term deposits.

**(g) Excess and Recoveries**

When claim payments made by the Schemes include excesses (or part thereof) recoverable from Members, excesses due at balance date are brought to account as recoveries outstanding.

**(h) Taxation**

The Scheme operates as a trust in accordance with existing Australian tax law and intends to distribute all its taxable income (investment income) to beneficiaries. Accordingly, no provision for income tax has been made.

**2. ACCOUNTING ESTIMATES AND JUDGEMENTS**

**Accounting estimates and Judgements**

Management discussed with the Finance Committee the development, selection and disclosure of the Scheme's critical accounting policies and estimates and the application of these policies and estimates.

**Key sources of estimation uncertainty**

The key area of estimation uncertainty for the Schemes are in its estimation of outstanding claims, reinsurance recoveries and profit commissions.

*Outstanding Claims*

The outstanding claims provision comprises the central estimate and a risk margin which is added to the central estimate to achieve a desired probability of adequacy. The outstanding claim provision is discounted to reflect the time value of money.

A central estimate is an estimate of the level of claims provision that is intended to contain no intentional under or over estimation. A risk margin is added to the central estimate of outstanding claims in order to increase the probability that the estimates will be adequate.

Central estimates for each Scheme is determined by reference to a variety of estimation techniques. For the Liability and Councillors and Officers Schemes these are based on actuarial analysis of historical experience and assume an underlying pattern of claims development and payment. The final selected central estimates are based on a judgmental consideration of the results of each method and other qualitative information. Qualitative information might include for example, the class of business, the maturity of the portfolio and the expected term to settlement of the class. Projections are based on both historical experience and external benchmarks where relevant. The Property and Crime Schemes are based on managements estimations based on current notified claims and the aggregate before reinsurance.

*Reinsurance Recoveries*

Central estimates are calculated gross of any reinsurance and non-reinsurance recoveries. A separate estimate is made of the amounts recoverable from reinsurers and other parties.

The nature of the liability claims for which Statewide Mutual provides cover is such that they can take many years to settle with related "Excess Layer" reinsurance recoveries not falling due for payment until the primary claim has been finalised.

*Reinsurance Profit Commissions*

From 2004 the Scheme has participated in a national reinsurance programme which covers Statewide Mutual and similar schemes in other states. The reinsurance treaty includes a profit commission clause which pays a profit commission to the member schemes after 10 years if premium paid to reinsurers exceed the ultimate claims paid by the schemes in the relevant underwriting year.

The reinsurance profit commission represents the present value of the projected surplus on the 2004 to 2007 Liability Fund years. The entitlement to profit commission is sensitive to future claims expense on the 2008 to 2013 Fund Years, the cumulative national claims experience and the interest rate movements over the next 10 years.

The profit commissions are accounted for on a cash basis and therefore only accounted for when they are received.

# Notes to and forming part of the Financial Statements.

For the year ended 30th June 2016

3 REVENUE AND EXPENSES	Crime Fund \$	Liability Fund \$	Property Fund \$	Councillors and Officers Fund \$	Motor Vehicle Fund \$	Total \$
<b>2016</b>						
Member Contributions	1,290,095	42,180,485	33,434,064	5,381,306	14,610,084	96,896,034
Outward Reinsurance Expense	(1,237,181)	(34,192,117)	(15,093,880)	(3,550,072)	(14,593,853)	(68,667,103)
Reinsurance Profit Share	-	-	-	-	-	-
Claims Expense (Note 7)	(46,520)	261,100	(7,052,694)	(1,598,679)	-	(8,436,793)
Other Scheme Expenses (Note 8)	(114,273)	(7,003,328)	(5,731,575)	(791,452)	-	(13,640,628)
Excess of contributions and reinsurance profit share over claims and related expenses	(107,879)	1,246,140	5,555,915	(558,897)	16,231	6,151,510
Investment Income	49,977	767,520	1,094,593	21,093	-	1,933,183
General Expenses (Note 8)	(7,627)	(2,541,897)	(1,302,630)	(25,061)	-	(3,877,215)
<b>Surplus from Ordinary Activities</b>	<b>(65,529)</b>	<b>(528,237)</b>	<b>5,347,878</b>	<b>(562,865)</b>	<b>16,231</b>	<b>4,207,478</b>
<b>ACCUMULATED SURPLUS</b>						
Accumulated surplus at the beginning of the year	1,569,617	25,884,845	14,294,587	(4)	-	41,749,045
Operating Surplus from Ordinary Activities	(65,529)	(528,237)	5,347,878	(562,865)	16,231	4,207,478
Assistance to/from Councillors and Officers Scheme	-	(562,869)	-	562,869	-	-
Current year Surplus Distribution	-	(2,000,000)	(2,000,000)	-	-	(4,000,000)
<b>ACCUMULATED SURPLUS</b>	<b>1,504,088</b>	<b>22,793,739</b>	<b>17,642,465</b>	<b>0</b>	<b>16,231</b>	<b>41,956,523</b>
<b>2015</b>						
Member Contributions	483,962	42,550,021	34,932,244	5,230,003	14,346,876	97,543,106
Outward Reinsurance Expense	(350,000)	(33,592,117)	(16,446,592)	(5,230,003)	(14,346,876)	(69,965,588)
Reinsurance Profit Share	-	1,896,008	-	-	-	1,896,008
Claims Expense (Note 7)	(7,983)	1,932,034	(8,154,204)	-	-	(6,230,153)
Other Scheme Expenses (Note 8)	(90,000)	(6,841,345)	(5,778,440)	-	-	(12,709,785)
Excess of contributions and reinsurance profit share over claims and related expenses	35,979	5,944,601	4,553,008	-	-	10,533,588
Investment Income	61,309	967,367	1,173,455	-	-	2,202,131
General Expenses (Note 8)	(3,538)	(2,333,351)	(1,954,848)	(4)	-	(4,291,741)
<b>Surplus from Ordinary Activities</b>	<b>93,750</b>	<b>4,578,617</b>	<b>3,771,615</b>	<b>(4)</b>	<b>-</b>	<b>8,443,978</b>
<b>ACCUMULATED SURPLUS</b>						
Accumulated surplus at the beginning of the year	1,475,867	25,820,402	12,522,972	-	-	39,819,241
Operating Surplus from Ordinary Activities	93,750	4,578,617	3,771,615	(4)	-	8,443,978
Assistance to/from Councillors and Officers Scheme	-	-	-	-	-	-
Current year Surplus Distribution	-	(4,514,174)	(2,000,000)	-	-	(6,514,174)
<b>ACCUMULATED SURPLUS</b>	<b>1,569,617</b>	<b>25,884,845</b>	<b>14,294,587</b>	<b>(4)</b>	<b>-</b>	<b>41,749,045</b>



# Notes to and forming part of the Financial Statements.

For the year ended 30th June 2016

4 FINANCIAL POSITION	Crime Fund \$	Liability Fund \$	Property Fund \$	Councillors and Officers Fund \$	Motor Vehicle Fund \$	Total \$
<b>2016</b>						
<b>CURRENT ASSETS</b>						
Cash Assets (Note 5)	262,758	4,046,124	1,496,823	289,983	-	6,095,688
Receivables (Note 6)	1,486,242	43,662,998	35,072,332	6,165,565	16,249,847	102,636,984
Reinsurance Recoveries (Note 6)	97,000	32,326,029	3,834,979	-	-	36,258,008
Non Reinsurance Recoveries (Note 6)	-	507,441	-	-	-	507,441
Provision for Doubtful Debts (Note 6)	-	(507,441)	-	-	-	(507,441)
Investments	1,315,000	17,950,000	31,450,000	500,000	-	51,215,000
	3,161,000	97,985,151	71,854,134	6,955,548	16,249,847	196,205,680
<b>NON CURRENT ASSETS</b>						
Reinsurance Recoveries (Note 6)	-	94,012,364	-	-	-	94,012,364
Provision for Doubtful Debts (Note 6)	-	-	-	-	-	-
	-	94,012,364	-	-	-	94,012,364
<b>TOTAL ASSETS</b>	<b>3,161,000</b>	<b>191,997,515</b>	<b>71,854,134</b>	<b>6,955,548</b>	<b>16,249,847</b>	<b>290,218,044</b>
<b>CURRENT LIABILITIES</b>						
Creditors and Accrued Expenses	142,906	5,077,285	6,153,208	530,242	1,469,193	13,372,834
Outstanding Claims (Note 10)	171,718	23,846,089	17,756,841	1,333,234	-	43,107,882
Unearned Contributions	1,342,288	38,509,004	30,301,619	5,092,072	14,764,423	90,009,406
Accrued Surplus Distributions	-	-	-	-	-	-
	1,656,912	67,432,377	54,211,668	6,955,548	16,233,616	146,490,122
<b>NON CURRENT LIABILITIES</b>						
Outstanding Claims (Note 10)		101,771,399				101,771,399
<b>TOTAL LIABILITIES</b>	<b>1,656,912</b>	<b>169,203,776</b>	<b>54,211,668</b>	<b>6,955,548</b>	<b>16,233,616</b>	<b>248,261,521</b>
<b>NET ASSETS/(LIABILITIES)</b>	<b>1,504,088</b>	<b>22,793,739</b>	<b>17,642,465</b>	<b>-</b>	<b>16,231</b>	<b>41,956,523</b>
<b>MEMBERS EQUITY</b>						
<b>ACCUMULATED SURPLUS/(DEFICIT)</b>	<b>1,504,088</b>	<b>22,793,739</b>	<b>17,642,465</b>	<b>0</b>	<b>16,231</b>	<b>41,956,523</b>

	Crime Fund \$	Liability Fund \$	Property Fund \$	Councillors and Officers Fund \$	Motor Vehicle Fund \$	Total \$
<b>2015</b>						
<b>CURRENT ASSETS</b>						
Cash Assets (Note 5)	250,460	2,814,943	2,047,618	47,946	-	5,160,968
Receivables (Note 6)	1,447,459	48,778,322	37,640,207	5,827,841	15,912,235	109,606,064
Reinsurance Recoveries (Note 6)	5,000	35,102,535	5,042,259	-	-	40,149,795
Non Reinsurance Recoveries (Note 6)	-	507,441	-	-	-	507,441
Provision for Doubtful Debts (Note 6)	-	(507,441)	-	-	-	(507,441)
Investments	1,540,000	19,337,000	29,105,000	-	-	49,982,000
	3,242,919	106,032,800	73,835,085	5,875,788	15,912,235	204,898,827
<b>NON CURRENT ASSETS</b>						
Reinsurance Recoveries (Note 6)	-	98,204,732	-	-	-	98,204,732
Provision for Doubtful Debts (Note 6)	-	-	-	-	-	-
	-	98,204,732	-	-	-	98,204,732
<b>TOTAL ASSETS</b>	<b>3,242,919</b>	<b>204,237,532</b>	<b>73,835,085</b>	<b>5,875,788</b>	<b>15,912,235</b>	<b>303,103,559</b>
<b>CURRENT LIABILITIES</b>						
Creditors and Accrued Expenses	134,564	5,029,262	7,141,456	530,622	1,443,549	14,279,453
Outstanding Claims (Note 10)	37,642	25,054,098	19,502,187	-	-	44,593,928
Unearned Contributions	1,297,515	39,972,471	32,896,854	5,345,169	14,468,685	93,980,695
Accrued Surplus Distributions	203,582	-	-	-	-	203,582
	1,673,302	70,055,831	59,540,498	5,875,791	15,912,235	153,057,659
<b>NON CURRENT LIABILITIES</b>						
Outstanding Claims (Note 10)	-	108,296,855	-	-	-	108,296,855
<b>TOTAL LIABILITIES</b>	<b>1,673,302</b>	<b>178,352,686</b>	<b>59,540,498</b>	<b>5,875,791</b>	<b>15,912,235</b>	<b>261,354,514</b>
<b>NET ASSETS/(LIABILITIES)</b>	<b>1,569,617</b>	<b>25,884,846</b>	<b>14,294,588</b>	<b>(4)</b>	<b>-</b>	<b>41,749,045</b>
<b>MEMBERS EQUITY</b>						
<b>ACCUMULATED SURPLUS/(DEFICIT)</b>	<b>1,569,617</b>	<b>25,884,845</b>	<b>14,294,587</b>	<b>(4)</b>	<b>-</b>	<b>41,749,045</b>

# Notes to and forming part of the Financial Statements.

For the year ended 30th June 2016

5 CASH FLOWS	Crime Fund \$	Liability Fund \$	Property Fund \$	Councillors and Officers Fund \$	Motor Vehicle Fund \$	Total \$
<b>2016</b>						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipt of contributions from members (including advance contributions & GST)	1,279,123	42,073,970	33,260,187	5,332,426	14,485,323	96,431,029
Receipt of Profit Share	-	-	-	-	-	-
Claims payments (net of recoveries)	(4,444)	(117,471)	(7,789,098)	(269,897)	-	(8,180,909)
Outward Reinsurance Payment	(1,237,181)	(31,105,258)	(15,093,880)	(3,550,072)	(14,593,853)	(65,580,244)
Payment of other expenses	(118,034)	(9,913,593)	(7,748,084)	(791,514)	108,531	(18,462,694)
Interest received	71,416	906,530	1,165,081	21,093	-	2,164,120
<b>NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES</b>	<b>(9,120)</b>	<b>1,844,179</b>	<b>3,794,206</b>	<b>742,036</b>	<b>0</b>	<b>6,371,302</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Surplus Distribution	(203,582)	(2,000,000)	(2,000,000)	-	-	(4,203,582)
<b>NET CASH FLOWS USED IN FINANCING ACTIVITIES</b>	<b>(203,582)</b>	<b>(2,000,000)</b>	<b>(2,000,000)</b>	<b>-</b>	<b>-</b>	<b>(4,203,582)</b>
<b>NET CASH FLOWS</b>	<b>(212,702)</b>	<b>(155,821)</b>	<b>1,794,206</b>	<b>742,036</b>	<b>0</b>	<b>2,167,720</b>
Cash at the beginning of the year	1,790,459	22,151,943	31,152,619	47,946	-	55,142,968
Net increase/(decrease) in cash	(212,702)	(155,821)	1,794,206	742,036	0	2,167,720
<b>CASH AT THE END OF THE YEAR</b>	<b>1,577,758</b>	<b>21,996,122</b>	<b>32,946,825</b>	<b>789,983</b>	<b>0</b>	<b>57,310,688</b>
<b>2015</b>						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipt of contributions from members (including advance contributions & GST)	406,933	40,638,109	35,573,523	4,747,331	-	81,365,896
Receipt of Profit Share	-	1,896,008	-	-	-	1,896,008
Claims payments (net of recoveries)	(96,052)	(221,529)	(5,802,516)	-	-	(6,120,097)
Outward Reinsurance Payment	(350,000)	(33,571,733)	(16,446,592)	(5,230,003)	-	(55,598,328)
Payment of other expenses	(11,838)	(9,423,671)	(7,324,473)	530,618	-	(16,229,364)
Interest received	63,169	905,860	1,299,145	-	-	2,268,173
<b>NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES</b>	<b>12,212</b>	<b>223,044</b>	<b>7,299,087</b>	<b>47,946</b>	<b>-</b>	<b>7,582,288</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
Surplus Distribution	-	(4,514,174)	(2,000,000)	-	-	(6,514,174)
<b>NET CASH FLOWS USED IN FINANCING ACTIVITIES</b>	<b>-</b>	<b>(4,514,174)</b>	<b>(2,000,000)</b>	<b>-</b>	<b>-</b>	<b>(6,514,174)</b>
<b>NET CASH FLOWS</b>	<b>12,211</b>	<b>(4,291,130)</b>	<b>5,299,087</b>	<b>47,946</b>	<b>-</b>	<b>1,068,114</b>
Cash at the beginning of the year	1,778,247	26,443,073	25,853,532	-	-	54,074,854
Net increase/(decrease) in cash	12,211	(4,291,130)	5,299,087	47,946	-	1,068,114
<b>CASH AT THE END OF THE YEAR</b>	<b>1,790,459</b>	<b>22,151,943</b>	<b>31,152,619</b>	<b>47,946</b>	<b>-</b>	<b>55,142,968</b>



## 5 CASH FLOWS (continued)

	Crime Fund \$	Liability Fund \$	Property Fund \$	Councillors and Officers Fund \$	Motor Vehicle Fund \$	Total \$
<b>2016</b>						
<b>RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO OPERATING RESULT FOR THE YEAR.</b>						
Operating Result for the year	(65,529)	(528,237)	5,347,878	(562,865)	16,231	4,207,478
<i>Non-cash items:</i>						
Assistance to/from Councillors and Officers Scheme	-	(562,869)	-	562,869	-	-
<i>Movement in Operating Assets and Liabilities:</i>						
(Increase)/Decrease in Receivables	(38,783)	5,115,324	2,567,875	(337,724)	(337,612)	6,969,079
(Decrease)/Increase in Creditors & Accrued Expenses	8,343	48,023	(988,248)	(380)	25,643	(906,617)
(Increase)/Decrease in Accrued Profit Share Commission	-	-	-	-	-	-
Decrease/(Increase) in Reinsurance Recoveries	(92,000)	6,968,873	1,207,280	-	-	8,084,154
(Decrease)/Increase in Provisions for Doubtful Debts	-	-	-	-	-	-
(Decrease)/Increase in Outstanding Claims Provisions	134,075	(7,733,467)	(1,745,346)	1,333,234	-	(8,011,503)
(Decrease)/Increase in Unearned Contributions	44,774	(1,463,467)	(2,595,235)	(253,098)	295,738	(3,971,289)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>(9,120)</b>	<b>1,844,180</b>	<b>3,794,205</b>	<b>742,036</b>	<b>0</b>	<b>6,371,302</b>

**2015**

<b>RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO OPERATING RESULT FOR THE YEAR.</b>						
Operating Result for the year	93,750	4,578,617	3,771,615	(4)	-	8,443,978
<i>Non-cash items:</i>						
Assistance to/from Councillors and Officers Scheme	-	-	-	-	-	-
<i>Movement in Operating Assets and Liabilities:</i>						
(Increase)/Decrease in Receivables	(883,025)	739,136	2,393,944	(5,827,841)	(15,912,235)	(19,490,022)
(Decrease)/Increase in Creditors & Accrued Expenses	81,699	(248,974)	408,813	530,622	1,443,549	2,215,709
(Increase)/Decrease in Accrued Profit Share Commission	-	-	-	-	-	-
Decrease/(Increase) in Reinsurance Recoveries	195,000	(19,097,265)	(3,547,723)	-	-	(22,449,988)
(Decrease)/Increase in Provisions for Doubtful Debts	-	(400,000)	-	-	-	(400,000)
(Decrease)/Increase in Outstanding Claims Provisions	(283,084)	17,390,953	5,795,904	-	-	22,903,773
(Decrease)/Increase in Unearned Contributions	807,872	(2,739,422)	(1,523,468)	5,345,169	14,468,685	16,358,837
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>12,212</b>	<b>223,043</b>	<b>7,299,087</b>	<b>47,946</b>	<b>-</b>	<b>7,582,288</b>

# Notes to and forming part of the Financial Statements.

For the year ended 30th June 2016

6 RECEIVABLES	Crime Fund \$	Liability Fund \$	Property Fund \$	Councillors and Officers Fund \$	Motor Vehicle Fund \$	Total \$
<b>2016</b>						
Recoveries Outstanding	-	16,037	832,080	-	-	848,118
Accrued Interest	10,773	222,529	371,579	-	-	604,881
Prepayment	-	31,767	-	-	-	31,767
Prepayment GST	-	-	-	-	-	-
GST Debtors	-	123,139	39,991	4,452	-	167,582
Debtors Sundry	-	920,604	-	562,869	15,240	1,498,714
Debtors	1,475,470	42,348,920	33,828,681	5,598,244	16,234,607	99,485,922
	1,486,242	43,662,998	35,072,332	6,165,565	16,249,847	102,636,984
Non Reinsurance Recoveries - current	-	507,441	-	-	-	507,441
Reinsurance Recoveries - current	97,000	32,326,029	3,834,979	-	-	36,258,008
Reinsurance Recoveries - non-current	-	94,012,364	-	-	-	94,012,364
Provision for Doubtful Debts - current	-	(507,441)	-	-	-	(507,441)
Provision for Doubtful Debts - non-current	-	-	-	-	-	-
	1,583,242	170,001,391	38,907,311	6,165,565	16,249,847	232,907,356
<b>2015</b>						
Recoveries Outstanding	-	31,744	661,277	-	-	693,021
Accrued Interest	32,212	361,539	442,068	-	-	835,819
Prepayment	-	3,118,627	-	-	-	3,118,627
Prepayment GST	-	-	-	-	-	-
GST Debtors	0	120,122	12,456	-	-	132,578
Debtors Sundry	-	1,293,938	-	-	130,854	1,424,791
Debtors	1,415,247	43,852,353	36,524,405	5,827,841	15,781,381	103,401,227
	1,447,459	48,778,322	37,640,207	5,827,841	15,912,235	109,606,064
Non Reinsurance Recoveries - current	-	507,441	-	-	-	507,441
Reinsurance Recoveries - current	5,000	35,102,535	5,042,259	-	-	40,149,795
Reinsurance Recoveries - non-current	-	98,204,731	-	-	-	98,204,731
Provision for Doubtful Debts - current	-	(507,441)	-	-	-	(507,441)
Provision for Doubtful Debts - non-current	-	-	-	-	-	-
	1,452,459	182,085,588	42,682,466	5,827,841	15,912,235	247,960,590

## 7 CLAIMS EXPENSE

	Crime Fund \$	Liability Fund \$	Property Fund \$	Councillors and Officers Fund \$	Motor Vehicle Fund \$	Total \$
<b>2016</b>						
Net Claims Paid	4,445	487,787	7,761,562	265,445	-	8,519,238
Claims outstanding at beginning of year	(37,642)	(133,350,953)	(19,502,187)	-	-	(152,890,782)
Claims outstanding at end of year	171,718	125,617,487	17,756,841	1,333,234	-	144,879,281
Recoveries outstanding at beginning of year	-	31,744	661,277	-	-	693,021
Recoveries outstanding at end of year	-	(16,037)	(832,080)	-	-	(848,118)
Reinsurance Recoveries at beginning of year	5,000	133,307,266	5,042,259	-	-	138,354,525
Less Reinsurance Recoveries at end of year	(97,000)	(126,338,393)	(3,834,979)	-	-	(130,270,372)
Non Reinsurance Recoveries at beginning of year	-	507,441	-	-	-	507,441
Non Reinsurance Recoveries at end of year	-	(507,441)	-	-	-	(507,441)
Doubtful Debts at beginning of year	-	-	-	-	-	-
Doubtful Debts at end of year	-	-	-	-	-	-
	<b>46,520</b>	<b>(261,100)</b>	<b>7,052,694</b>	<b>1,598,679</b>	<b>-</b>	<b>8,436,793</b>
<b>2015</b>						
Net Claims Paid	96,068	125,179	5,798,734	-	-	6,019,981
Claims outstanding at beginning of year	(320,727)	(115,960,000)	(13,706,283)	-	-	(129,987,010)
Claims outstanding at end of year	37,642	133,350,953	19,502,187	-	-	152,890,782
Recoveries outstanding at beginning of year	-	80,844	768,566	-	-	849,410
Recoveries outstanding at end of year	-	(31,744)	(661,277)	-	-	(693,021)
Reinsurance Recoveries at beginning of year	200,000	114,210,000	1,494,536	-	-	115,904,536
Less Reinsurance Recoveries at end of year	(5,000)	(133,307,266)	(5,042,259)	-	-	(138,354,525)
Non Reinsurance Recoveries at beginning of year	-	507,441	-	-	-	507,441
Non Reinsurance Recoveries at end of year	-	(507,441)	-	-	-	(507,441)
Doubtful Debts at beginning of year	-	(400,000)	-	-	-	(400,000)
Doubtful Debts at end of year	-	-	-	-	-	-
	<b>7,983</b>	<b>(1,932,034)</b>	<b>8,154,204</b>	<b>-</b>	<b>-</b>	<b>6,230,153</b>

# Notes to and forming part of the Financial Statements.

For the year ended 30th June 2016

8 EXPENSES	Crime Fund \$	Liability Fund \$	Property Fund \$	Councillors and Officers Fund \$	Motor Vehicle Fund \$	Total \$
<b>2016</b>						
<i>Other Scheme Expenses</i>						
Scheme Administration Fees	114,273	7,003,328	5,731,575	791,452	-	13,640,628
<i>General Expenses</i>						
Actuarial Fees	-	64,739	-	-	-	64,739
Auditors Fees	7,625	59,584	7,517	5,000	-	79,726
Bank Charges	-	371	113	61	-	545
Board of Management Expenses	-	105,841	-	-	-	105,841
General Expenses	2	353,577	-	20,000	-	373,579
Insurance	-	13,875	-	-	-	13,875
Legal Expenses	-	11,231	-	-	-	11,231
Marketing and Communication Expenses	-	162,626	100,000	-	-	262,626
Risk Management Expenses	-	1,770,053	700,000	-	-	2,470,053
Property Valuation Fees	-	-	495,000	-	-	495,000
	7,627	2,541,897	1,302,630	25,061	-	3,877,215
	<b>121,900</b>	<b>9,545,225</b>	<b>7,034,205</b>	<b>816,514</b>	<b>-</b>	<b>17,517,842</b>
<b>2015</b>						
<i>Other Scheme Expenses</i>						
Scheme Administration Fees	90,000	6,841,345	5,778,440	-	-	12,709,785
<i>General Expenses</i>						
Actuarial Fees	-	65,841	-	-	-	65,841
Auditors Fees	3,533	44,954	14,369	-	-	62,856
Bank Charges	5	1,081	479	4	-	1,569
Board of Management Expenses	-	58,734	-	-	-	58,734
General Expenses	-	301,986	(10,000)	-	-	291,986
Insurance	-	13,875	-	-	-	13,875
Legal Expenses	-	2,000	-	-	-	2,000
Marketing and Communication Expenses	-	192,392	120,000	-	-	312,392
Risk Management Expenses	-	1,652,489	1,150,000	-	-	2,802,489
Property Valuation Fees	-	-	680,000	-	-	680,000
	3,538	2,333,351	1,954,848	4	-	4,291,741
	<b>93,538</b>	<b>9,174,696</b>	<b>7,733,288</b>	<b>4</b>	<b>-</b>	<b>17,001,526</b>

## 9 AUDITORS REMUNERATION

### 2016

Audit Services: Audit of Financial Report	7,625	59,584	7,517	5,000	-	79,726
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### 2015

Audit Services: Audit of Financial Report	3,533	44,954	14,369	-	-	62,856
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Auditors' remuneration for the Councillors and Officers Scheme in 2015 and Motor Vehicle Scheme in 2016 and 2015 were by borne by the Liability Scheme and were not recharged.

10 OUTSTANDING CLAIMS	Crime Fund \$	Liability Fund \$	Property Fund \$	Councillors and Officers Fund \$	Motor Vehicle Fund \$	Total \$
<b>2016</b>						
Reported Claims Outstanding	171,718	37,271,441	16,346,841	56,843	-	53,846,843
Provision for claims incurred but not reported, claims development, prudential margin and claims settlement costs	-	95,756,046	1,410,000	862,629	-	98,028,676
Discount to present value	-	(7,410,000)	-	413,762	-	(6,996,238)
	171,718	125,617,487	17,756,841	1,333,234	-	144,879,281
Comprising						
Current Liabilities	171,718	23,846,089	17,756,841	1,333,234	-	43,107,882
Non-Current Liabilities	-	101,771,399	-	-	-	101,771,399
	<b>171,718</b>	<b>125,617,488</b>	<b>17,756,841</b>	<b>1,333,234</b>	<b>-</b>	<b>144,879,281</b>
<b>2015</b>						
Reported Claims Outstanding	37,642	55,841,098	17,902,187	-	-	73,780,928
Provision for claims incurred but not reported, claims development, prudential margin and claims settlement costs	-	88,853,083	1,600,000	-	-	90,453,083
Discount to present value	-	(11,343,228)	-	-	-	(11,343,228)
	37,642	133,350,953	19,502,187	-	-	152,890,783
Comprising						
Current Liabilities	37,642	25,054,098	19,502,187	-	-	44,593,928
Non-Current Liabilities	-	108,296,855	-	-	-	108,296,855
	<b>37,642</b>	<b>133,350,953</b>	<b>19,502,187</b>	<b>-</b>	<b>-</b>	<b>152,890,783</b>

The Actuarial assumptions with respect to the Liability Fund are:

(a) The average term to settlement of outstanding claims is 2016: 3.56 years (2015: 3.49 years)

(b) The following average inflation (normal and superimposed) rates and discount rates were used in measuring the liability for outstanding claims

Inflation Rate	2016	2.50 to 3.50%	2015	2.50 to 3.50%
	2017 and beyond	2.50 to 4.00%	2016 and beyond	2.50 to 4.00%
Superimposed Inflation Professional Indemnity		0.00%		0.00%
Superimposed Inflation Personal Injury		0.00%		0.00%
Discount Rate Range	2016	1.60%	2015	2.00%
	2017 and beyond	1.50 to 3.40%	2016 and beyond	2.00 to 4.50%

The Actuarial assumptions with respect to the Councillors and Officers Fund are:

(a) The average term to settlement of outstanding claims is 2016: 1.68 years (2015: - years)

(b) The following average inflation (normal and superimposed) rates and discount rates were used in measuring the liability for outstanding claims 2016 was the first valuation year and therefore comparative information is not applicable.

Inflation Rate	2016	3.50%
	2017 and beyond	3.50 to 4.00%
Superimposed Inflation Professional Indemnity		0.00%
Superimposed Inflation Personal Injury		0.00%
Discount Rate Range	2016	1.60%
	2017 and beyond	1.50 to 3.40%

## 11 PROVISION FOR SURPLUS DISTRIBUTIONS

In accordance with the Board of Management meeting resolution dated 11 October 2002, and also with Clause 9.11.2 of the Statewide Mutual Deed of Establishment, a distribution (of an amount to be determined by the Board of Management) will be made after the adoption of the Financial Statements at the end of each financial year.

## 12 EVENTS SUBSEQUENT TO REPORTING DATE

No other matter has arisen in the opinion of the directors of Statewide Mutual, to significantly adversely affect the operations of Statewide Mutual, the results of those operations, or the state of affairs of Statewide Mutual in future financial years.



Coastline near Vaucluse - Sydney, NSW

# Certificate by Chairman and Finance Committee Chairman.

In our opinion, the accompanying financial statements of Statewide Mutual comprising the Statement of Financial Position, Statement of Financial Performance, Statements of Cash Flows and accompanying notes as set out on pages 17 to 31:

- (a) presents fairly the financial position of Statewide Mutual as at 30 June 2016 and of its performance as represented by the results of its operations and its cash flows for the year ended on that date;
- (b) are drawn up in accordance with the provisions of the Deed of Establishment dated 22 March 1994; and
- (c) are drawn up in accordance with the accounting policies contained in note 1.

Dated 9 December 2016.



**BILL WARNE**  
Chairman of Board of Management



**ROSS MCCREANOR**  
Chairman of Finance Committee

# Independent audit report.

## **INDEPENDENT AUDIT REPORT TO THE MEMBERS OF STATEWIDE MUTUAL Report on the financial report**

We have audited the accompanying financial report, being a special purpose financial report, of Statewide Mutual, which comprises the Statement of Financial Position as at 30 June 2016, and the Statement of Financial Performance, and Statement of Cash Flows for the year ended on that date, Notes 1 to 12 comprising a summary of significant accounting policies and other explanatory information and the Chairman's assertion statement.

### *Board of Management's responsibility for the financial report*

The Board of Management ("the Board") is responsible for the preparation and fair presentation of the special purpose financial report and has determined that the basis of preparation described in Note 1 to the financial statements is appropriate to meet the requirements of the Deed of Establishment dated 22 March 1994 and is appropriate to meet the needs of the members. The Board's responsibility also includes such internal control as the Board determines necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement whether due to fraud or error.

### *Auditor's responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Statewide Mutual's preparation and fair presentation of the financial report 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 Statewide Mutual's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report.

These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with the basis of accounting described in Note 1 to the financial statements so as to present a view which is consistent with our understanding of Statewide Mutual's financial position, and of its performance and cash flows.

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 have complied with the independence requirements of the Accounting Professional and Ethical Standards Board.

### *Auditor's opinion*

In our opinion the financial report presents fairly, in all material respects, the financial position of Statewide Mutual as of 30 June 2016 and of its financial performance and its cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

### *Basis of accounting and restriction on distribution and use*

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial report has been prepared to assist Statewide Mutual to meet the requirements of the Deed of Establishment dated 22 March 1994. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for Statewide Mutual and its members and should not be distributed to or used by parties other than Statewide Mutual and its members. We disclaim any assumption of responsibility for any reliance on this report, or on the financial report to which it relates, to any person other than the Board of Management and the members of Statewide Mutual or for any other purpose than that for which it was prepared.



**KPMG**

Sydney, 9 December 2016







**statewide  
mutual.**

**Naamon Eurell**

Executive Officer | Statewide Mutual

PO Box H25 AUSTRALIA SQUARE NSW 1215

Ph (02) 9320 2726 | Fax (02) 9299 2029

[mail@statewide.nsw.gov.au](mailto:mail@statewide.nsw.gov.au) | [statewide.nsw.gov.au](http://statewide.nsw.gov.au)

*Cover image: Customs House - Newcastle, NSW*

# Blayney Shire Council



*Blayney Shire Council values an insurance and risk management service that is owned by local government acting in the best interests of local government to support our communities. As a member of Statewide Mutual, we are proud of this successful collaboration of the sector working proactively together to develop and implement best practice risk management strategies which has delivered scale and capacity benefits for councils large and small.*

**Rebecca Ryan**

Statewide Mutual Board Member |  
General Manager at Blayney Shire Council

 **Member Centre**

The Statewide Mutual Member Centre is a member-only online hub providing access to claims history, cover details, and risk management resources such as Best Practice Manuals and Local Government-specific Guidance Notes.

To learn more email us via [mail@statewide.nsw.gov.au](mailto:mail@statewide.nsw.gov.au)

 **Contact Details**

Please feel free to contact us if you have any further questions about your 2016 distribution.

**Naamon Eurell**

Executive Officer  
Statewide Mutual  
T: +61 2 9320 2726  
[Naamon.Eurell@jlta.com.au](mailto:Naamon.Eurell@jlta.com.au)

**Stuart Whitbread**

Executive Manager  
Public Sector, JLT  
T: +61 2 9290 8023  
[Stuart.Whitbread@jlta.com.au](mailto:Stuart.Whitbread@jlta.com.au)



Your total special distribution for 2016

**\$19,706.84**



Your total scheme equity as at 2016

**\$144,168.39**

# The annual rebate journey

Between 1993 and 2005 our scheme was run so effectively that since then Statewide Mutual has been able to start providing members with an annual surplus distribution in the form of a rebate to put back into their communities.

Unique to our mutual model and something the commercial market cannot match, we would like to show you how the rebate journey works.

- ## 1 Why a mutual?

The Mutual was established in response to Councils' volatile risk portfolio producing spiralling premiums in a traditional placement.


- ## 2 Who is behind the model?

JLT recommended its existing Council clients mutualise and start pooling resources, utilising new markets, and focusing on prudent risks and claims strategies.


- ## 3 Putting Councils in the driver's seat

The size of the Mutual means the insurers meet the needs of the Scheme. This leads to tailored wordings, high limits of cover and enhanced insurance coverage.


- ## 4 How does it work?

Our member-elected Board ensures the Mutual works for the benefit of its members while utilising JLT's insurance expertise to provide a whole of risk solution.


- ## 5 What does it include?

Beyond our industry leading insurance placement, our value extends to a proven risk management program and specialised claims advice that address the drivers behind insurance costs.


- ## 6 The mutual rewards good risk management

Improving claims outcomes through better risk management has led to the release of profit share back to members through our annual rebate program.

**\$70m** Returned to members through our annual rebate
- ## 7 How do members benefit year on year?

Whilst delivering on our core promise of stable premiums the Mutual has provided members with improved cover to meet the changing landscape of the Local Government industry.


- ## 8 Surplus funds go back into your community

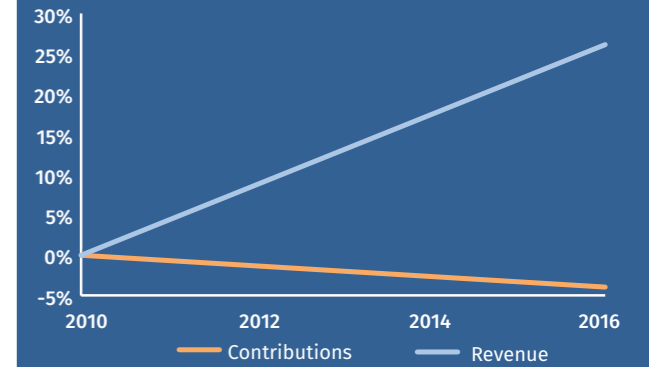
The tailored annual rebate is calculated by taking into account your contributions, your risk management strategies and claims outcomes for the year.


- ## 9 Your rebate total from all scheme years is **\$221,445.36**

## Decreasing Insurance Costs

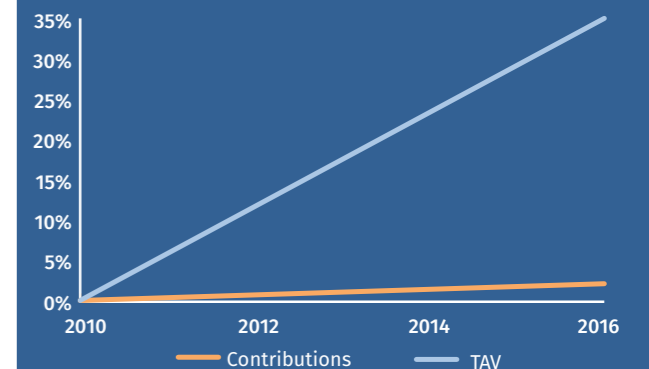
### Liability

Whilst the size of our members business has increased, insurance costs have remained quite contained. In real terms this means the cost of participation in the Mutual has decreased over time.



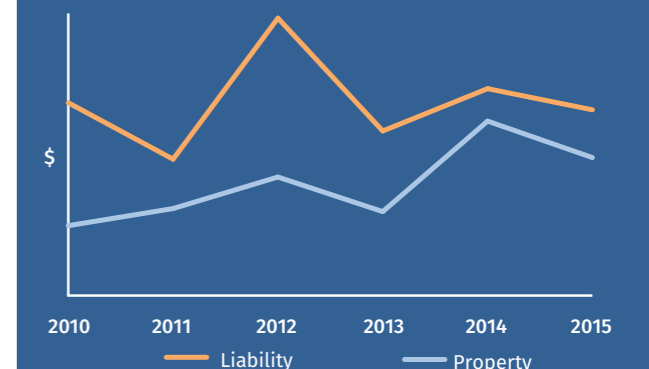
### Property

As members provide better facilities to their communities the cost of insuring that additional infrastructure has remained the same. This highlights that the actual cost of cover is reducing.



### Taking out the volatility

In contrast to the above you will see that there can be substantial variations in claims outcomes. However, the mutual model allows us to deliver stable premiums to our members notwithstanding claims pressure.



# **Quarterly Report for Blayney Shire Council**

Tablelands Area Road Safety Officer - Iris Dorsett

## **Child Restraints**

A free check your restraint day was delivered in Blayney on Thursday 22 June 2017. The Blayney Free Check Your Restraint Day was held at the Blayney Early Learners Long Day Centre. The checks were conducted in the neighbouring Anglican Church car park area, Thursday 22 June 2017 from 3.00pm – 4.30pm. A Risk Management Assessment was undertaken at the check site. Authorised restraint fitter Michael Baker from Michael Baker Automotive attended to complete the restraint checks. While the target audience were the parents of the Centre, the event was open to the wider community.

Promotion of the Free Check Your Restraints Day saw an intensive promotional and media campaign which involved radio interviews, newsprint editorials, promotion via Council's social media streams and promotion via Child Day Care Centres' newsletters.

In order to participate, people had to call the Road Safety Officer and pre book a time. A total of six checks were pre- booked, with three unbooked persons attending on the day to take advantage of the free checks.

Of the nine child restraints that were presented for checking five required minor adjustments which involved the installation of gated buckles, and one out of date restraint was detected. Feedback from all participants was very positive.

People who participated in the free Check Your Restraints day were eligible to enter a draw to win a \$100 service voucher to be used at Michael Baker Auto with the winner being Jane Webb of Errowanbang.

Actions completed include:

- Media promotion of event
- Request to Blayney Anglican Church to use their car park are for checks
- Undertake check site rick assessment
- Deliver free restraint checks as planned and all associated activities with event
- Finalise all financials for project
- Complete Project Final Report

## **Safety Around Schools**

The RSO and the RMS Safety for Schools Officer are currently working with Blayney Public and Millthorpe Public Schools to improve road safety near the school environment.

## **Council Work**

The RSO has been involved in:

- Addressing resident speed concerns in Lyndhurst
- Providing feedback for the Blayney Shire Disability Inclusion Plan
- Winter weather education (in partnership with RMS)
- Safety around school buses education
- Blayney Hay Bale Art Trail – meeting to discuss potential bicycle trail ride and funding opportunities



## Summary of value delivered to your LGA 2016

This page accompanies the Arts OutWest 2016 Annual Report

[artsoutwest.org.au/annualreport2016](http://artsoutwest.org.au/annualreport2016)

**blayney**  
**shire council**

### LGA population

Invoiced for 2015 ABS population figure of 7,380 (4% of Arts OutWest service area)

#### **Blayney Shire Council contribution to the regional arts program**

On a per capita basis as per MOU \$4,428 + GST

#### **Estimated value of Arts OutWest services to communities in Blayney Shire Council area 2016**

Arts media program \$6,450  
(43 events @ \$150 per event promoted)

Specific projects \$5,750

+ estimated core services delivered over \$3,107

**Total estimated value \$15,307**

This conservative estimate of services represents a **346% return** on the council's contribution to Arts OutWest.

**Board Member:** Nyree Reynolds (visual artist), Blayney Shire Council representative

# highlights

**Medleko Meropa South African drumming workshop** at Lyndhurst Primary School.

**Textures of One** exhibition (supported by Arts OutWest).

Nyree Reynolds was a featured artist in exhibitions at Kew-Y-Ahn Gallery at Hartley (Gallery in National Parks venue, curated by Arts OutWest) with her exhibition Yindyamarra. Arts OutWest also supported Nyree in developing an approach for art and health work in Blayney and in participating in the Corridor Project's Cool Burn exhibition. Nyree is on Arts OutWest's Aboriginal Advisory Group.

Blayney Shire residents attended Arts OutWest programs and events including exhibitions at Bathurst Health Service and Arts OutWest workshops.

**Arts practitioners from Blayney Shire supported by Arts OutWest** (eg. Zenio Lapka from Blayney exhibited as part of the Artist Run Initiative Artshed at BMEC; Loretta Kervin from Barry attended the grant writing workshop in Bathurst; Jason and Chloe Roweth from Millthorpe were

paid to perform at Inland Sea of Sound festival on Mount Panorama, a project in which Arts OutWest is a partner).

Arts OutWest presented Winter Arts Networking night from

53 attendances by people from Blayney Shire directly participating in Arts OutWest exhibitions, performances or events.

Supported Zoe Newman from Millthorpe to put together her successful funding application for arts workshops.

Liaised with Orange Regional Museum in developing **Villages of the Heart project** plans for Blayney and Carcoar.

Arts OutWest employed Zoe Rodwell from Newbridge as our Young People's Project Coordinator until June 2016. When Zoe left AOW mid-year after seven and a half years with the organisation she was replaced with Penny May from Blayney as the new Project Officer.



## Key relationships

Examples of key groups, organisations and individuals met with, consulted or assisted during 2016:

- Textures of One team
- Penny May
- Nyree Reynolds
- Ruth Stone
- Joe Velikovsky
- Zoe Newman

## Arts media program stats

43 events promoted

Radio interviews produced for **ABC Central West**

Local media relationships with **2BS, 2EL, 2GZ, 2MCE, ABC Central West**

Increased reach through **social media**



*Left: Tracey Callinan judged the Textures of One exhibition; Right: Nyree Reynolds and Aleshia Lonsdale hang Nyree's exhibition, Yindyamarra, at Kew-Y-Ahn Gallery. Top left: The Jason & Chloe Roweth Band from Millthorpe performed at the Inland Sea of Sound festival in Bathurst; Top right: Blayney resident and Arts OutWest Project Officer Penny May (centre) with Artshed artists*



## Regional representation and advocacy

Executive Director of Arts OutWest, Tracey Callinan, was a member of the 7 person **NSW Taskforce for Health and the Arts**, producing the first NSW Framework.

Arts and Health Coordinator Christine McMillan was a member of the **NSW & ACT Leadership Team for the Arts and Health** with the Creative Institute for Health.

Aboriginal Arts Development Officer Aleshia Lonsdale was a member of **funding assessment panels for Arts NSW and for Regional Arts NSW**.

Tracey moderated the main **Arts and Health panel at Artlands**, the national regional arts conference.

Arts OutWest was involved in **Artlands** through managing the finances for Bathurst theatre company Lingua Franca to be one of the main theatre presentations; Aleshia was featured as one of the artists in an exhibition of leading NSW Aboriginal artists; Christine was featured in exhibitions;

Tracey gave a presentation on art in hospitals and Christine gave a print-making workshop. Tracey was also on the speakers panel that selected the main presenters for the conference.

Tracey and Christine were invited as **keynote speakers** to the **Arts and Health Conference** at NSW Art Gallery.

Tracey judged the regional **Waste to Art** awards.

Tracey presented at the **Land Dialogues conference** at CSU in Wagga Wagga.

Tracey was one of the judges for the **NSW Health Awards** in the arts and health category.

Arts OutWest staff were involved in network meetings and teleconferences with the other **Regional Arts Development Organisations** in NSW and with **Regional Arts NSW**

**Arts OutWest Inc  
Financial Report  
For the Year Ended  
31 December 2016**

# Arts OutWest Inc.

PO Box 8272  
CSU LPO  
BATHURST NSW 2795

ABN: 61 526 423 775

Email: artsoutwest@csu.edu.au

## Profit & Loss [Last Year Analysis]

January 2016 To December 2016

	This Year	Last Year
<b>Income</b>		
<b>Grants</b>		
Accessible Arts	\$6,340.00	\$0.00
Arts NSW Regional Theatre	\$0.00	\$60,000.00
Australia Council for the Arts	\$35,200.00	\$20,000.00
Aus Gov- Ministry for the Arts	\$84,747.04	\$84,317.35
Regional Arts NSW	\$45,144.10	\$25,069.79
Western NSW LHD	\$2,156.77	\$56,553.07
Arts NSW Administration Grant	\$150,000.00	\$140,000.00
<b>Total Grants</b>	<b>\$323,587.91</b>	<b>\$385,940.21</b>
<b>Contributions</b>		
Council Contributions	\$109,675.70	\$109,064.77
<b>Total Contributions</b>	<b>\$109,675.70</b>	<b>\$109,064.77</b>
<b>Trading/Operating Activities</b>		
Workshop Fees	\$2,960.00	\$0.00
Project income	\$22,013.44	\$0.00
Consulancy Fees	\$15,885.88	\$0.00
Expenses Reimbursed (Health)	\$74,430.68	\$0.00
<b>Total Trading/Operating Activities</b>	<b>\$115,290.00</b>	<b>\$0.00</b>
<b>Other Fees &amp; Charges</b>		
Auspice Fee	\$7,765.00	\$1,382.00
MV Lease Fees	\$10,200.00	\$10,200.00
<b>Total Other Fees &amp; Charges</b>	<b>\$17,965.00</b>	<b>\$11,582.00</b>
<b>Sponsorship</b>		
CSU Contribution	\$9,031.13	\$10,000.00
<b>Total Sponsorship</b>	<b>\$9,031.13</b>	<b>\$10,000.00</b>
<b>Other Income</b>		
Interest Received	\$4,099.81	\$5,979.08
Miscellaneous	\$1,120.84	\$13,734.57
Membership Fees	\$433.61	\$327.24
Donations Received - DGR	\$42,718.64	\$612.75
<b>Total Other Income</b>	<b>\$48,372.90</b>	<b>\$20,653.64</b>
<b>Total Income</b>	<b>\$623,922.64</b>	<b>\$537,240.62</b>
<b>Gross Profit</b>	<b>\$623,922.64</b>	<b>\$537,240.62</b>
<b>Expenses</b>		
<b>Administration Expenses</b>		
Audit Fees	\$6,750.00	\$7,050.00
Advertising	\$21.00	\$1,142.42
Bank Charges	\$1,320.08	\$1,008.37
<b>Board &amp; Governance Expenses</b>		
Travel for Board	\$792.00	\$1,859.52
Catering for Board Meetings	\$1,299.20	\$1,444.62
<b>Total Board &amp; Governance Expenses</b>	<b>\$2,091.20</b>	<b>\$3,304.14</b>
Postage, Freight & Courier	\$1,281.66	\$312.25
Printing & Stationery	\$2,472.08	\$4,737.59
Telephone, Fax & Internet	\$2,185.98	\$1,318.86
Website host fees	\$2,594.14	\$999.45

The accompanying notes form part of these Financial Statements.  
These Financial Statements should be read in conjunction with the attached Audit Report.

## Profit & Loss [Last Year Analysis]

January 2016 To December 2016

Arts OutWest Inc.

PO Box 8272  
CSU LPO  
BATHURST NSW 2795

ABN: 61 526 423 775

Email: artsoutwest@csu.edu.au

	This Year	Last Year
Computer Expenses		
Computer Hire - Lease	\$1,509.81	\$236.19
Computer Maintenance	\$1,448.72	\$50.00
<b>Total Computer Expenses</b>	<b>\$2,958.53</b>	<b>\$286.19</b>
Depreciation expense	\$488.60	\$2,470.48
General Expenses	\$50.86	\$52.00
Insurance Expenses		
General Contents Insurance	\$564.21	\$522.63
Association Liability Ins.	\$984.45	\$462.37
Public Liability	\$1,570.85	\$1,580.97
Volunteer Personal Accident	\$68.76	\$47.50
Business Pak - Works of Art	\$837.51	\$571.81
Licence Fees	\$77.52	\$84.01
<b>Total Insurance Expenses</b>	<b>\$4,103.30</b>	<b>\$3,269.29</b>
Equipment Hire / Lease	\$3,036.89	\$227.27
Legal Fees & Permits	\$0.00	\$53.00
Meeting expenses	\$722.20	\$688.35
Motor Vehicle Expenses		
MV Depreciation	\$10,054.39	\$10,054.39
Fuel and Oil	\$3,492.45	\$4,811.89
Registration & Insurance	\$3,607.54	\$2,021.16
MV Lease	\$12,271.35	\$13,916.17
Repairs & Maintenance	\$5,203.65	\$1,993.16
<b>Total Motor Vehicle Expenses</b>	<b>\$34,629.38</b>	<b>\$32,796.77</b>
Rent	\$0.00	\$10,000.00
Resources		
Publications & Information	\$20.00	\$0.00
Subscriptions & Membership	\$464.55	\$2,087.46
<b>Total Resources</b>	<b>\$484.55</b>	<b>\$2,087.46</b>
Travel & Accommodation		
Travel for Staff	\$9,911.28	\$14,281.53
Staff Accommodation	\$2,806.72	\$0.00
Travel IVAS	\$1,407.74	\$0.00
Travel for Artists	\$1,310.65	\$8,019.08
<b>Total Travel &amp; Accommodation</b>	<b>\$15,436.39</b>	<b>\$22,300.61</b>
Seminars & Conferences	\$5,021.91	\$1,054.55
Small Capital Items	\$753.59	\$0.00
<b>Total Administration Expenses</b>	<b>\$86,402.34</b>	<b>\$95,159.05</b>
Program Expenses		
Artists Fee/Consultants		
Administration	\$2,140.00	\$50.00
Artists Fees	\$103,052.25	\$76,234.36
Artists Accom	\$8,762.55	\$0.00
Artists Travel	\$7,355.14	\$0.00
Consultancy Fees	\$15,285.45	\$45,020.92
Contract Workers	\$6,051.07	\$0.00
Per Diems	\$3,459.24	\$0.00
Workshop Facilitation	\$11,610.00	\$0.00
<b>Total Artists Fee/Consultants</b>	<b>\$157,715.70</b>	<b>\$121,305.28</b>

The accompanying notes form part of these Financial Statements.  
These Financial Statements should be read in conjunction with the attached Audit Report.

Arts OutWest Inc.

PO Box 8272  
 CSU LPO  
 BATHURST NSW 2795

**Profit & Loss [Last Year Analysis]**

January 2016 To December 2016

ABN: 61 526 423 775

Email: artsoutwest@csu.edu.au

	This Year	Last Year
Auspicing Fees	\$2,225.00	\$1,382.00
Catering	\$3,730.13	\$3,617.89
Documentation	\$2,790.91	\$0.00
Funding - Grants	\$40,660.00	\$1,500.00
Materials	\$17,956.90	\$1,110.49
Promotion	\$0.00	\$100.00
Venue Hire	\$193.50	\$47.27
<b>Total Program Expenses</b>	<b>\$225,272.14</b>	<b>\$129,062.93</b>
<b>Staff Expenses</b>		
Annual Leave Expense	\$18,460.08	\$8,694.54
Long Service Expense	-\$1,352.56	\$8,265.95
Wages & Salaries	\$273,112.11	\$254,312.63
Superannuation	\$27,960.96	\$24,006.26
Fringe Benefits Tax	\$608.38	\$4,315.00
Workers Compensation	\$1,793.89	\$1,814.07
Staff Amenities	\$466.48	\$765.99
Staff Training & Welfare	\$722.60	\$1,938.82
<b>Total Staff Expenses</b>	<b>\$321,771.94</b>	<b>\$304,113.25</b>
<b>Total Expenses</b>	<b>\$633,446.42</b>	<b>\$528,335.23</b>
<b>Operating Profit</b>	<b>-\$9,523.78</b>	<b>\$8,905.39</b>
<b>Total Other Income</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Total Other Expenses</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>Net Profit/(Loss)</b>	<b>-\$9,523.78</b>	<b>\$8,905.39</b>

*The accompanying notes form part of these Financial Statements.  
 These Financial Statements should be read in conjunction with the attached Audit Report.*

# Balance Sheet [Last Year Analysis]

December 2016

Arts OutWest Inc.

PO Box 8272  
CSU LPO  
BATHURST NSW 2795

ABN: 61 526 423 775

Email: artsoutwest@csu.edu.au

	This Year	Last Year
<b>Assets</b>		
<b>Current Assets</b>		
<b>Cash on Hand</b>		
CBA Working A/c 10578333	\$192,615.39	\$60,273.78
CBA Higher Int A/c 10578341	\$118,326.51	\$117,067.07
St George - 043867771 OPS	\$908.57	\$47,908.41
St George - 068256854 - ROCO	\$6,082.04	\$31,351.93
St George - 410617661	\$0.00	\$84.00
St George - 491697147 DGR	\$0.00	\$0.01
Term Dept 0353 688 664 22/6/16	\$108,507.52	\$106,078.24
Electronic Clearing Account	\$0.00	\$0.00
<b>Total Cash on Hand</b>	<b>\$426,440.04</b>	<b>\$362,763.45</b>
<b>Prepayments</b>		
Prepaid Contents Insurance	\$461.64	\$382.73
Prepaid Workers Compensation	\$1,326.44	\$1,202.45
Prepaid Association Liability	\$570.31	\$0.00
Prepaid Public Liability	\$789.82	\$985.04
Prepaid MV Insurance	\$1,408.27	\$1,390.72
<b>Total Prepayments</b>	<b>\$4,556.48</b>	<b>\$3,960.94</b>
<b>Accrued Income</b>		
Interest accrued	\$484.27	\$488.25
Accrued Income	\$7,501.90	\$7,244.62
<b>Total Accrued Income</b>	<b>\$7,986.17</b>	<b>\$7,732.87</b>
<b>Accounts Receivable</b>		
Accounts Receivable	\$103,261.84	\$44,440.00
<b>Total Current Assets</b>	<b>\$542,244.53</b>	<b>\$418,897.26</b>
<b>Non-Current Assets</b>		
<b>Motor Vehicle Mtsbshi BU60ZL</b>		
Motor Vehicle Mtsbshi BU60ZL	\$38,581.45	\$38,581.45
Acc Amortisation Motor Vehicle	-\$19,013.23	-\$13,613.23
<b>Total Motor Vehicle Mtsbshi BU60ZL</b>	<b>\$19,568.22</b>	<b>\$24,968.22</b>
<b>Motor Vehicle RAV4 CB01EV</b>		
Motor Vehicle RAV4 CB01EV	\$31,029.27	\$31,029.27
Acc Amortisation Motor Vehicle	-\$10,175.90	-\$5,521.51
<b>Total Motor Vehicle RAV4 CB01EV</b>	<b>\$20,853.37</b>	<b>\$25,507.76</b>
<b>Computer Equipment</b>		
Dell Computer - CSL15537	\$0.00	\$1,563.64
Accum Depreciatiion	\$0.00	-\$1,075.04
<b>Total Computer Equipment</b>	<b>\$0.00</b>	<b>\$488.60</b>
<b>Total Non-Current Assets</b>	<b>\$40,421.59</b>	<b>\$50,964.58</b>
<b>Total Assets</b>	<b>\$582,666.12</b>	<b>\$469,861.84</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
VISA 8010 9152 (TC)	\$37.17	\$33.02
Trade Creditors	\$18,360.22	\$2,507.44
<b>Accrued Expenses</b>		
Accrued Wages	\$11,595.58	\$7,485.93
Accrued Audit Fees	\$6,250.00	\$5,150.00
Accrued Expenses	\$0.00	\$8,307.15
<b>Total Accrued Expenses</b>	<b>\$17,845.58</b>	<b>\$20,943.08</b>

The accompanying notes form part of these Financial Statements.  
These Financial Statements should be read in conjunction with the attached Audit Report.

# Balance Sheet [Last Year Analysis]

December 2016

Arts OutWest Inc.

PO Box 8272  
CSU LPO  
BATHURST NSW 2795

ABN: 61 526 423 775

Email: artsoutwest@csu.edu.au

	This Year	Last Year
PAYG Withholding Payable	\$4,910.06	\$7,078.06
Superannuation Payable	\$3,833.16	\$2,749.17
Current Tax Liabilities		
GST Collected	\$36,946.49	\$12,528.00
GST Paid	-\$6,563.76	-\$1,742.00
GST Adjustments	\$685.47	\$643.13
Total Current Tax Liabilities	\$31,068.20	\$11,429.13
Prov for Employee Entitlements		
Provision for Annual Leave	\$50,874.88	\$33,363.23
Total Prov for Employee Entitlements	\$50,874.88	\$33,363.23
Equipment Lease Liabilities		
Dell Desktop - Zoe	\$0.00	\$148.92
Dell Computer - Finance Dept	\$0.00	\$322.58
Total Equipment Lease Liabilities	\$0.00	\$471.50
Revenue in Advance - Admin		
Council Contributions	\$54,014.70	\$53,661.00
Total Revenue in Advance - Admin	\$54,014.70	\$53,661.00
Revenue in Advance - Grants		
Arts NSW Grant	\$140,000.00	\$0.00
CWAADO - IVAIS	\$40,000.04	\$44,747.08
Exposure Project - Fusion	\$0.00	\$39,938.00
Mental Health, Drug & Alcohol	\$3,857.73	\$3,857.73
Unsustainable Behaviour	\$4,437.91	\$28,082.01
01-0007 - Jimmy Little	\$15,000.00	\$0.00
LHS	\$4,931.00	\$4,931.00
01-0009 History Here	\$12,675.00	\$0.00
The Waiting Room Project	\$3,310.00	\$0.00
JRV - Art and Dementia	\$4,556.56	\$0.00
JRV - Interactive Garden	\$8,379.08	\$0.00
Total Revenue in Advance - Grants	\$237,147.32	\$121,555.82
Other Current Liabilities		
The Big Sing	\$30.37	\$4,775.37
Multicultural Choir	\$8,541.65	\$6,875.87
MIRO	\$0.00	\$31,200.00
Accessible Arts ARI	\$0.00	\$6,340.00
Total Other Current Liabilities	\$8,572.02	\$49,191.24
Total Current Liabilities	\$426,663.31	\$302,982.69
Non-current Liabilities		
Prov for Employee Entitlements		
Provision: Long Service Leave	\$27,379.78	\$28,732.34
Total Non-current Liabilities	\$27,379.78	\$28,732.34
Total Liabilities	\$454,043.09	\$331,715.03
Net Assets	\$128,623.03	\$138,146.81
Equity		
Accumulated Surplus	\$137,221.16	\$128,315.77
Current Earnings	-\$9,523.78	\$8,905.39
Total Equity	\$127,697.38	\$137,221.16

The accompanying notes form part of these Financial Statements.  
These Financial Statements should be read in conjunction with the attached Audit Report.

**Arts OutWest Inc**  
**Notes to the Financial Statements**  
**For the Year Ended**  
**31 December 2016**

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**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act 2009 New South Wales. The management committee has determined that the association is not a reporting entity.

The financial report has been prepared on an accruals basis and is based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

**(a) Economic Dependency**

The Association receives the major part of its income as grants from government departments. Consequently the Association is economically dependent on the continuation of these grants.

**(b) Plant and Equipment**

Plant and equipment are carried at cost. The depreciable amount of all plant and equipment is depreciated over the useful lives of the assets to Arts OutWest Inc from the time the asset is held ready to use.

**(c) Goods and Services Tax (GST)**

Revenue, expenses and assets are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

**(d) Employee Benefits**

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee provisions have been measured using current costs at balance date including on-costs. While provision is made for employee benefits for annual leave and long service leave in the financial statements, it should be noted that no provision have been raised for time in lieu. Employee entitlements to time in lieu as at 31<sup>st</sup> December 2016 amount to \$8,604.58.

**(e) Contingent Liabilities**

There were no contingent liabilities noted for the Association as at 31<sup>st</sup> December, 2016. However, it should be noted that employee entitlements to personal leave as at 31<sup>st</sup> December, 2016 totalled \$46,800.07 and that the majority of this leave belongs to a small number of key employees.

**(f) Related Parties**

During the year, there was no contract entered with any related parties.



**Arts OutWest Inc  
Management Committee Declaration  
For the Year Ended  
31 December 2016**

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The Management Committee has determined that the Association is not a reporting entity. The Management Committee has determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Management Committee the accompanying financial statements and notes of the Association as at 31 December 2016;

- a) present a true and fair view of the Association's financial position as at 31 December 2016 and its performance for the year ended on that date.
- b) the date of this statement there are reasonable grounds to believe that the Association will be able to meet its debts as and when they fall due.

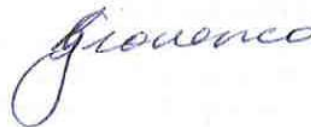
This declaration is made in accordance with a resolution of the Management Committee and is signed for and on behalf of the committee by:

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President



Treasurer



Dated this 3 day of May 2017.

# DJ Weekes & Co

Pty Limited ABN: 67 107 735 73 CHARTERED ACCOUNTANTS  
**TAX & BUSINESS SOLUTIONS**  
Liability limited by a scheme approved under  
Professional Standards Legislation

Principal: David Weekes MBus FCA

211 George Street  
BATHURST NSW 2795

PO Box 1303

BATHURST NSW 2795

Telephone: (02) 6332 3110  
Facsimile: (02) 6332 3132  
e-mail: admin@webx.com.au

## INDEPENDENT AUDITOR'S REPORT

To the Members of Arts OutWest Inc,

### Report on the Financial Report

We have audited the accompanying Financial Report, being a special purpose Financial Report, of Arts OutWest Inc, which comprises the Balance Sheet as at 31 December 2016, and the Income and Expenditure Statement for the year then ended, a summary of significant Accounting Policies, other explanatory notes and the Management Committee's Declaration.

#### *The Responsibility of the Committee for the Financial Report*

The Management Committee of the Association is responsible for the preparation and fair presentation of the Financial Report and has determined that the accounting policies described in Note 1, which form part of the Financial Report, are appropriate to meet the financial reporting requirements of the *Associations Incorporation Act 2009 New South Wales* and are appropriate to meet the needs of the Members. The Management Committee's responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the Financial Report; that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the Financial Report 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 Members. 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 Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Report. The procedures selected depend on the Auditor's judgement, including the assessment of the risks of material misstatement of the Financial Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the Financial Report 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 Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting

estimates made by the Management Committee, as well as evaluating the overall presentation of the Financial Report.

The Financial Report has been prepared for distribution to members for the purpose of fulfilling the Committee's financial reporting under the *Associations Incorporation Act 2009 New South Wales*. We disclaim any assumption of responsibility for any reliance on this report or on the Financial Report to which it relates to any person other than the Members, or for any purpose other than that for which it was prepared.

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 have complied with the independence requirements of the Australian Professional Accounting Bodies.

The audit opinion expressed in this Report has been formed on the above basis.

*Auditor's Opinion*

In our opinion, the Financial Report presents fairly, in all material respects, the financial position of Arts OutWest Inc as of 31 December 2016 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements and the *Associations Incorporation Act 2009 New South Wales*.

The Financial Report has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012* including complying with Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

*Emphasis of Matter - Basis of Accounting*

Without modifying our opinion, we draw attention to Note 1 to the Financial Report, which describes the basis of accounting. The financial report has been prepared to assist Arts OutWest Inc to meet the requirement of Associations Incorporation Act 2009 New South Wales. As a result, the Financial Report may not be suitable for another purpose.

**DJ WEEKES & CO. PTY LTD**

Chartered Accountants



**Victoria A Black CA**

Bathurst, New South Wales.

Dated this 4<sup>th</sup> Day of May 2017.

**Arts OutWest Inc  
Resolution of the Management Committee  
For the Year Ended  
31 December 2016**

---

The Management Committee resolved;

**Financial**

To confirm that the Financial Accounts of the Association in respect of the year ended 31 December 2016 had been prepared as special purpose financial reports in accordance with the accounting policies outlined in Note 1 to the accounts.

To confirm that the Association is a non-reporting entity and to the best of the knowledge and belief of the Management Committee would remain so in the current financial year.

**Solvency**

That in their opinion the Association could pay its debts as and when they fall due.

**Management Committee Declaration**

That the Declaration by the Management Committee in respect of the year ended 31 December 2016 be approved and be signed by two Committee Members on behalf of the Board.

We hereby agree with the above resolutions.

President



Treasurer



Dated this .....3.....Day of .....May.....2017.