

Gwydir Shire Council Annual Report 2017



Table of Contents

Council Statements and Values	4	Section 2: Statutory Reporting Requirements	105
Welcome	5	Amount of Rates and Charges Written off in 2016/2017	106
Mayor Introduction	8	Total Cost of Councillor Expenses in Relaton to Civic Functions	106
General Manager Report	9	Details of contracts over \$150 000	107
Our Council Area	11	Details of overseas travel	107
Gwydir Shire Council at a Glance	12	Summary of Legal Proceedings	107
Gwydir Shire Council Organisation Structure	13	Summary of Resolutions Made Under Section 67 – Private Land	108
Our Elected Council	14	Financial Assistance to Others – Section 356	109
How the Annual Report is Structured	15	External Bodies who Exercised Functions Delegated by Council	110
Section 1: Record of our Achievements Over 2016/17	17	Statement of all entities that Council held a controlling Interest	111
Our Financial Achievements	18	Statement of all entities in which Council participated	111
Our achievements in Social Services	20	Equal Employment Management	112
Our achievements in Aged Care	28	General Manager Review Package	112
Our achievements in Technical Services	31	Senior Staff Members Remuneration Package	112
Our achievements in Building Services	39	Statement of Stormwater Management Services Provided	112
Our achievements in Water Operations	41	Statement of Activities Companion Animals Act 1998 and Reg 2008	114
Our achievements in Sewerage Operations	44	Statement of Government Information Act 2009 and Reg	116
Our achievements in Fleet Managment	45	Planning Agreements Under The Environmental Planning and Assessment Act	116
Our achievements in Parks and Gardens	48	Public Interest Disclosure Action 1994 and Regulation	116
Our achievements in Risk	49	Statement of Carers Recognition Act 2010	116
Our achievements in working towards a Circular Economy	51	Fisheries Management Act 1994	116
Our achievements in Marketing and Promotion	53	Section 2: Financial Statements	117
Our achievements in Procurement, Purchasing & Stores	57		
Our achievements in Library Services	59		
Our achievements in Agency Services	61		
Our achievements in the Gwydir Learning Region	63		
Our achievements in the Gwydir Learning Region	65		
Our achievements in Planning & Development	66		
Our achievements in Weed Management	67		
Our achievements in Waste	68		
Our achievements in Information Services	70		

Council Statements and Values

Our Vision

To be the recognised leader in Local Government through continuous learning and sustainability.

Our Mission

To ensure that the Council's long term role is viable and sustainable by meeting the needs of our residents in a responsible caring way, attract sustainable development while maintaining the traditional rural values, character and culture of our people.

Council Core Values

1. For Our Community and Visitors

We will provide a safe, clean and healthy environment in which all people have the opportunity to participate in, and share in the Council's services and facilities.

2 For Our Community Committees

We will seek their opinion in relation to the services in which they assist us, offer relevant and timely support, and recognise their valuable contribution.

3 For Our Staff

We will create an atmosphere of team support, which encourages frank and honest communication, and the use of common sense and innovation in a safe and friendly working environment with the aim of efficiency.

4 For Our Councillors

We will treat all Councillors equally and ensure that they are provided with accurate and timely advice and expect that they will treat each other and the staff with due respect.

Council acknowledges the traditional owners of the land, the Kamilaroi People and pays its respect to Elders both past and present.

Welcome

Welcome to Gwydir Shire Council's Annual Report for 2016-2017. It is important to both Council and the community that we measure and report on our progress.

The plans are all interconnected. Progress toward the Operational Plan contributes to the implementation of the Delivery Program which contributes to achieving our community's goals and objectives as outlined in the Community Strategic Plan.

Measures are designed to inform each other and tell a story about Council's progress towards achieving the Community Strategic Plan, both day to day and over longer periods of time. The diagram below identifies the types of reports we are required to provide and what reporting periods will be covered.



This Annual Report has been produced for the benefit of our community and stakeholders. It is designed to keep them informed about our activities during the 2016-2017 Financial Year.

It is reporting on our performance against the Operational Plan 2015-2016 which forms part of the combined Delivery Program for 2015-2019 and Operational Plan.

This document reports on performance against the strategies to achieve our community's long term objectives. The priorities were formed through consultation with the Gwydir Community.

Community Consultation resulted in four key themes;



All NSW Councils provide different services. Some of these services are the traditional services such as infrastructure renewal and waste management or 'roads, rates and rubbish'. Others are not so traditional like some of the services we are required to provide including Residential Aged Care, Medical Centres, Childrens and Youth Services.

Gwydir Shire Council is committed to meeting its commitments under the Local Government Act 1993 – Sections 8A, 8B and 8C and to be transparent in reporting to our community and stakeholders. This Annual Report 2016-2017 is the primary means of sharing our performance in the last financial year.

If you would like to find out more about Gwydir Shire Council or contribute, through feedback, to the running of the Council you can do the following;



Visit Council's Website

24/7 access to council is provided through our website www.gwydirshire.com. On our website you will find information on our operations by viewing the IP & R Documentation, Agendas and Minutes along with key documents. Policies and guidelines are also available on the website. www.gwydir.nsw.gov.au



Facebook

We are on Facebook. Look for us on Facebook Gwydir Shire Council (Government Organisation). Enquiries, suggestions and comments can be posted here for consideration by the Administrator. Please 'like' us to make sure you get regular updates. www.facebook.com/GwydirShireCouncil



Gwydir Shire Council Newsletters

We send out Newsletters on a regular basis. These Newsletters are produced in-house with the purpose of providing the community and ratepayers with the latest Council related news and information.

Council & Committee Meetings

Council Meetings are held on the last Thursday of every month commencing at 9am. Committee Meetings (involving the whole Council) are held on the second Thursday of every month commencing at 9am. Although this is not the forum to contribute, members of the public are encouraged to come along and sit in the gallery to view the business of the council. Information on the location and time of these meetings are published in the local media and on the website.

Community Public Meetings

Public Meetings in outlying centres are held once a year or when there are topical issues concerning certain areas. Residents are involved to attend these meetings and have their say on the future planning and current operation of the Council. Information on the location and time of these meetings are published in the local media and on the website.

Mayor's Introduction



It is with pleasure that I introduce the 2016/17 Annual Report for Gwydir Shire Council. Gwydir Shire Council received a reality check in May 2015 when the State Government handed down a finding of unfit with threat of a merger with Moree Plains Shire Council.

The community expressed a strong unwillingness to the merger as did the council team of staff and elected members.

Since that time the entire organisation has become more efficient. Unfortunately in doing so, some employees have taken redundancy packages.

The result for the current year is a healthy financial surplus and a council working co-operatively together with a strong vision for the future.

It is an exciting time for Gwydir. We have received combined funding from the State and Federal Governments to construct a heavy vehicle by-pass around Warialda which will allow road trains and B Triples access to the Gwydir Highway from the north. The total cost of the project, which includes a dump point and truck wash, is in excess of \$6.5m.

The Federal Government significantly increased their contribution to the Roads to Recovery programme over a three year period and this has had a positive effect on both the condition of the shire roads and the liquidity of the local economy.

The State Government has commenced the roll out of funds which have resulted from the sale of the electricity poles and wires and Gwydir will be a direct beneficiary of that scheme.

It was a positive note for Gwydir when the last census revealed that the Shires population had increased by 6% and not fallen as predicted. This is an important factor as one of the criteria in the fit for the future exercise is population. This council is currently looking at a major development that on completion will provide 300 jobs. Stage one which could commence as early as next year will support 64 full time jobs with many more during the construction stage.

This, combined with the proposed behind the meter scheme, will enhance job opportunities within the shire and increase the population making Gwydir even more liveable.

It is pleasing to be able to serve the community in the atmosphere of efficiency and friendliness that is exhibited by the staff. We have a wonderful team.

I also thank my fellow councillors for the contribution they make to the community and admire the way the team works through problems, resulting in a decision that everyone owns and supports.

John Coulton.

General Manager's Report



The Council has addressed many significant issues over the previous year. Foremost among these issues has been addressing the need to move the Council's finances onto a more sustainable basis.

This Annual Report contains the Audited Financial Statements for the year 2016/17 and it is very pleasing to note the significant improvement in Council's net operating result for the year's operations from a deficit of \$7,050,000 in 2015/16 to a surplus of \$3,133,000 in 2016/17.

Over the last few years the State Government's Fit for the Future process has resulted in every Council, including Gwydir Shire, evaluating its operations with a commitment to improvement.

The improvements made over this last year will be used as the springboard going into 2017/18 to consolidate and sustain the gains made to date.

The Integrated Planning and Reporting requirements on Local Government are also been embedded into the way the Council undertakes its public consultation with its community.

The improvements made to the Council's operations don't just happen without hard work and a strong commitment to a shared vision.

The Mayor, elected Councillors and staff work extremely well as a team with a shared prosperous vision for Gwydir's future.

M Eastcott

Our Population has increased by 6%. The 2016 Census released 27 June 2017 informed us that our population had a healthy increase

We welcomed six new citizens during the reporting period. Citizenship ceremonies were held at the February and June Council Meetings.

Our Council Area

Gwydir Shire is located on the North West Slopes and Plains of NSW, approximately 400kms north of Sydney, 120kms north of Tamworth, 300kms south west of Brisbane, 40kms west of Inverell and 40kms east of Moree.

The Shire sits at the crossroads of the Fossickers Way, a popular north-south touring route, the Gwydir Highway, a significant east-west route linking the NSW North Coast to Outback NSW and on Nature's Way (State Touring Route 3), which links Narrabri to Inverell via Gwydir Shire. The Bruxner Highway (east-west route) traverses the northern edge of the Shire with links into southern Queensland.

Much of Gwydir Shire lies between the 29°S and 30°S latitudes, placing it mid-way in the realm of arable lands within the Southern Hemisphere. It has a temperate climate with warm to hot summers (25°C – 35°C) and cool to mild winters (10°C – 20°C). The average elevation across the shire is approximately 350m above sea level. The Gwydir Shire lies about 300kms from the Tasman Sea and the north coast of NSW.

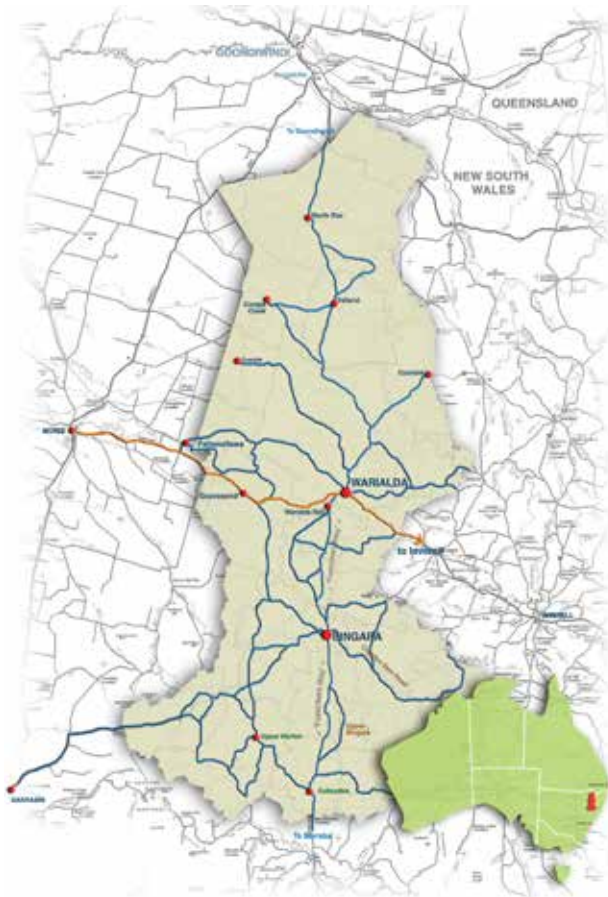
The Shire is part of the New England – North West Region of NSW (also known as the Northern Inland Region) and is bounded by Tamworth Regional Council to the south, Narrabri Shire to the south west, Moree Plains Shire to the west, Inverell Shire to the east and Uralla and Guyra Shires to the south east.

Incorporating an area of 9,122 square kilometres, Gwydir Shire extends from the Nandewar Range in the south and north to close to the Queensland border. The landscapes of the Shire are diverse, and in places, breathtaking.

The southern and central areas of the Shire are located within the Gwydir River catchment area with the Gwydir River flowing through Bingara and Gravesend. The southern areas of the Shire are hilly with pockets of highly fertile river flats along the Gwydir River and its main tributaries.

Mt Kaputar National Park forms the western edge of the Shire, with rugged remnant volcanic peaks and landforms rising above the Gwydir Valley. The northern part of the Shire lies within the 'Golden Triangle'. Built on the black soils from basalt outflows of the New England, it is one of the most productive agricultural areas in Australia.

Agriculture is the primary land use and economic activity within Gwydir Shire. Livestock production dominates in the southern and central areas of the Shire, with the Shire producing prime beef, lamb and pork. The Shire has a collection of beef cattle and sheep properties with a number of renowned beef studs.



Broadacre cropping is undertaken in the northern part of the Shire, with the main crops being wheat, sorghum and barley. Other crops include dryland cotton, other grains (oats, maize, triticale), hay and pasture seeds, pulses (chickpeas, field beans, mung beans, faba beans, lentils) and oilseeds (canola, soybeans and sunflowers).

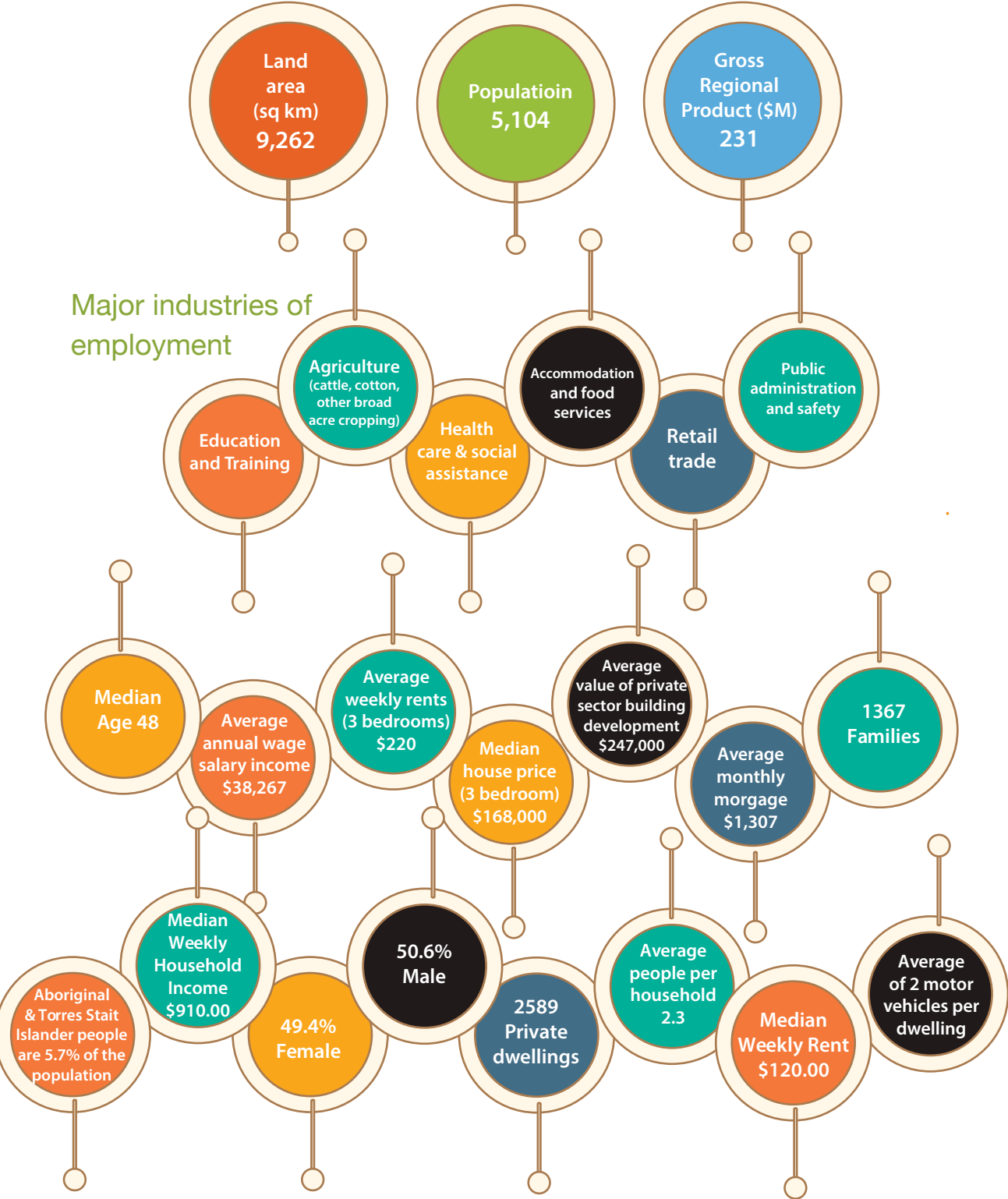
In June 2015, Gwydir Shire had an estimated population of 5,068. The Shire has two small towns, Bingara and Wyallda, located approximately 40km apart. Bingara services the southern part of the Shire. Located on the Gwydir River at the intersection of the Fossickers Way and Nature's Way (State Touring Route 3), Bingara is a popular stop for travellers.

Wyallda is located on the Gwydir Highway, midway between Inverell and Moree. The town is a service centre for both the surrounding rural area and Highway travellers.

Both towns have small, vibrant shopping centres, with IGA supermarkets, historic hotels, eateries and shops that meet the day-to-day needs of the community. There are also a few boutiques and some lifestyle and 'quirky' retailers that are always popular with visitors. Both towns are ideal to use as a stop-over base for exploring the Gwydir Shire and surrounding regions.

The Shire has five rural villages – North Star, Croppa Creek, Coolatai and Gravesend in the northern part of the Shire, and Upper Horton in the south. The Shire has 21 rural localities – Boonal, Blue Nobby, Yallaro, Crooble, (part of) Pallamallawa and Balfours Peak in the northern half of the Shire, and Wyallda Rail, Gineroi, Bangheet, Riverview, Elcombe, Pallal, Rocky Creek, Back Creek, Cobbadah, Gundamulda, Dinoga, Gulf Creek, Upper Bingara, Keera and Copeton in the southern half.

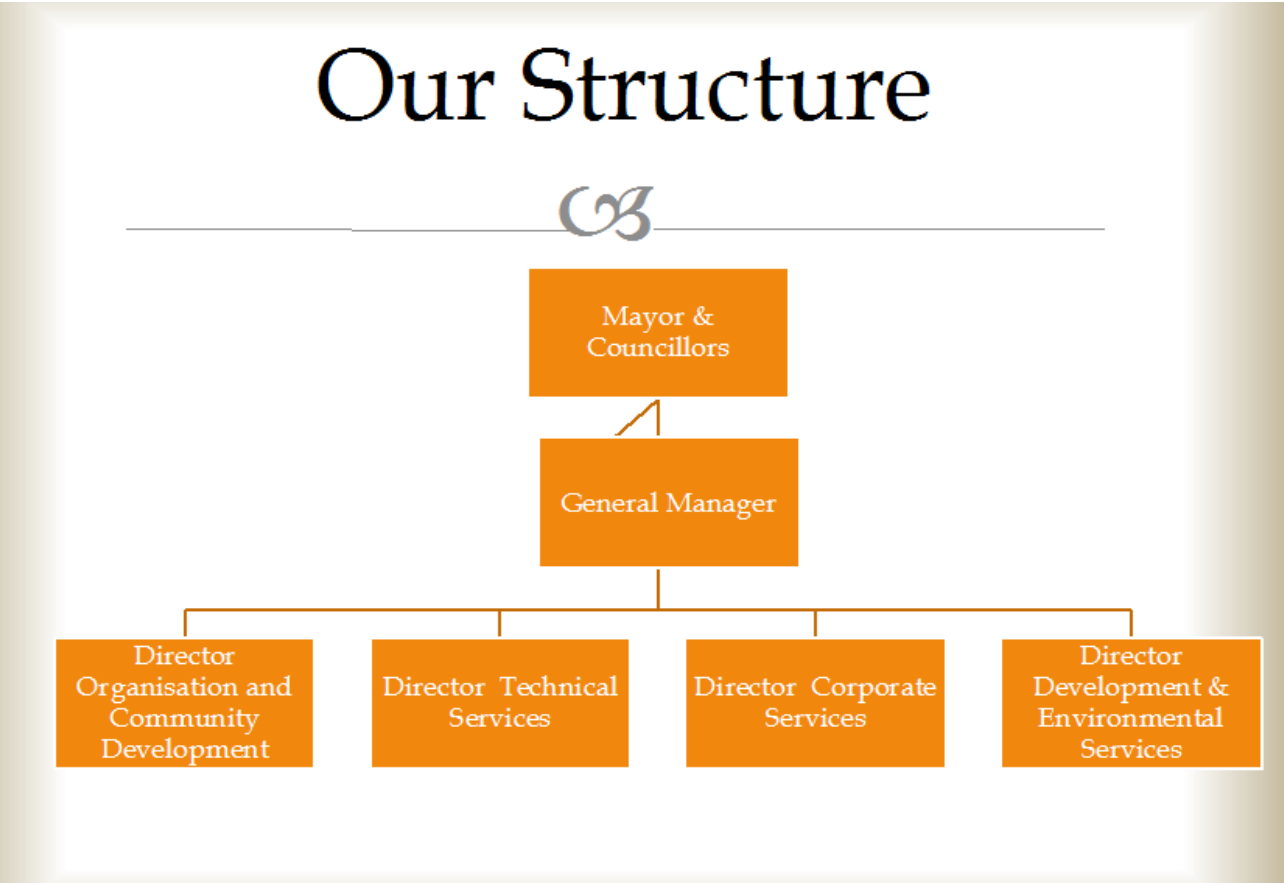
Gwydir Shire Council At A Glance



References:
Australian Bureau of Statistics www.abs.gov.au
Regional Development Australia - Gwydir Shire Local Government Area

Gwydir Shire Council Organisation Structure

Below is the organisation structure in place during this reporting period. This structure was reviewed and changed in the first quarter of the 2017/18 financial year.



Our Elected Council

Gwydir Shire Council elections were held on Saturday 10 September 2016. Outgoing Councillors who did not seek re-election were Crs Peter Pankhurst, Kerry McDonald and Angela Doering.

Councillors John Coulton, Catherine Egan, Stuart Dick, James Moore, Marilyn Dixon and Geoff Smith were all re-elected. Welcomed to Council were new Councillors Tiffany Galvin, David Coulton and Frances Young. John Coulton was re-elected Mayor and Catherine Egan was re-elected Deputy Mayor. Both were re-elected unopposed and for the first time, for a two year term.

Council celebrated the contribution of the outgoing Councillors; of particular note was the presentation of the Office of Local Government NSW Certificate of Appreciation to Peter Pankhurst for 33 years of service.



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Cr Catherine Egan - Deputy Mayor
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Cr. Tiffany Galvin
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Cr Geoff Smith
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Cr Marilyn Dixon
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On Australia Day, 2017 Cr Marilyn Dixon was awarded the Medal of the Order of Australia (OAM) for her tireless community service and her commitment to lifelong volunteering.



How the Annual Report is structured

This Annual Report is divided into three sections:

Section 1 – Gwydir Shire Council Achievements

This section provides an outline of Gwydir Shire Council's progress against the actions set out in the Delivery Program 2016-2020 and Operational Plan 2016-2017.

Section 2 – Statutory Reporting Requirements

This section includes the Statutory reporting requirements prescribed by the Local Government (General) Regulation 2005.

Section 3 – Financial Statements

This section includes Gwydir Shire Council's General Purpose Financial Statements for the Financial Year ending 20 June 2017, including an Income Statement, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows



Record of our Achievements Over 2016/2017

Our Financial Achievements

Operating profit
>\$3 Million

Fit for the Future financial
sustainability position strengthened

Gwydir Shire Council has returned an operating profit of just over \$3 million at the end of June 2017. This progress will strengthen our Fit for the Future position and work towards building solid financial foundation. Below are our main financial indicators for the 2016/2017 year.

Income Statement	(\$'000)
Total Income from Continuing Operations	28 020
Total Expenses from Continuing Operations	24 947
Net Operating Result from Continuing Operations	3 133
Net Operating Result before Capital Grants and Contributions	2 592

Balance Sheet	(\$'000)
Total Current Assets	9 859
Total Current Liabilities	6 282
Net Current Assets	3 577
Total Non-Current Assets	424 032
Total Non-Current Liabilities	11 503
Total Equity	416 106

Impact of the Special Rate Variation

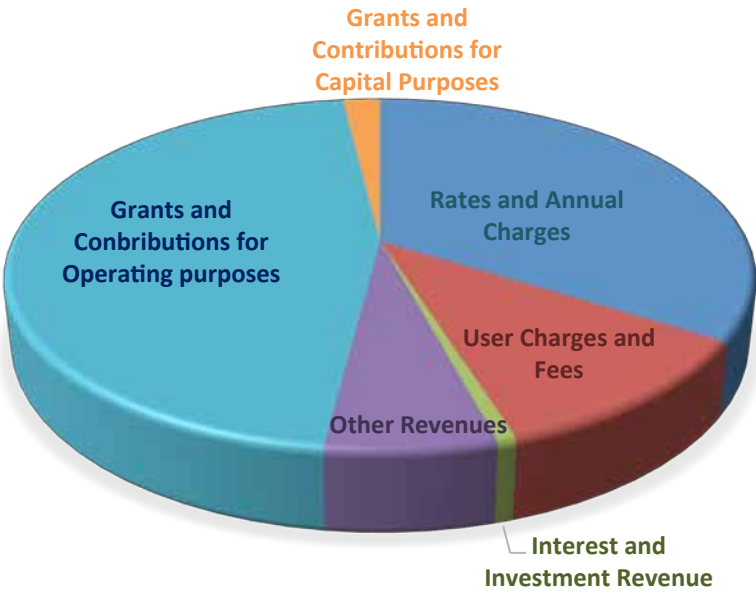
The Special Rate Variation received in the 2016-2017 Financial Year has allowed Council to improve its Financial Position and Sustainability. This is in line with the proposed use of the Special Rate Variation. The Special Rate Variation along with other financial management has allowed Council to return a net operating profit for the 2016-2017 Financial Year.

Council's Budgeted income was \$30 465 000 with an actual Income of \$28 080 000. The reduction in actual income to budget income was due largely to a significant reduction in Roads and Maritime Services income for works completed.

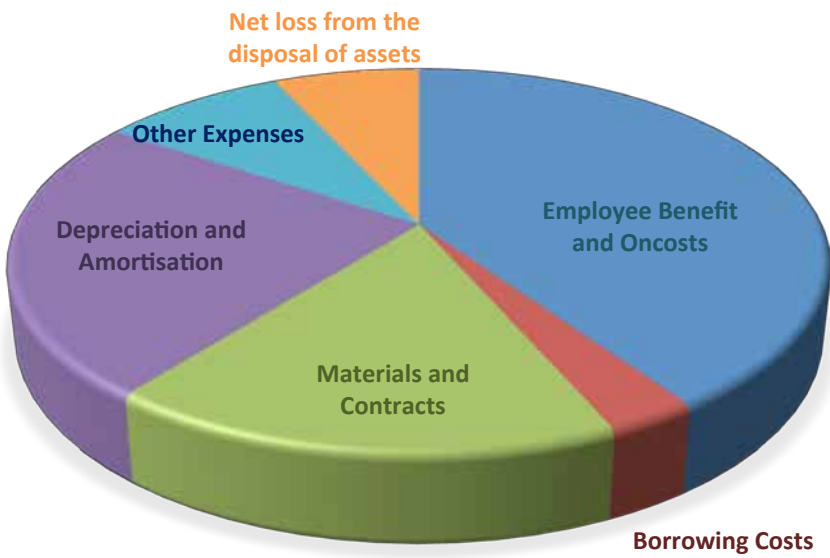
Council's Budgeted expense was \$26 353 000 with an actual expense cost of \$24 947 000. This difference was largely due to the revaluation of tip and quarry rehabilitation.

Gwydir Shire Finances at a Glance

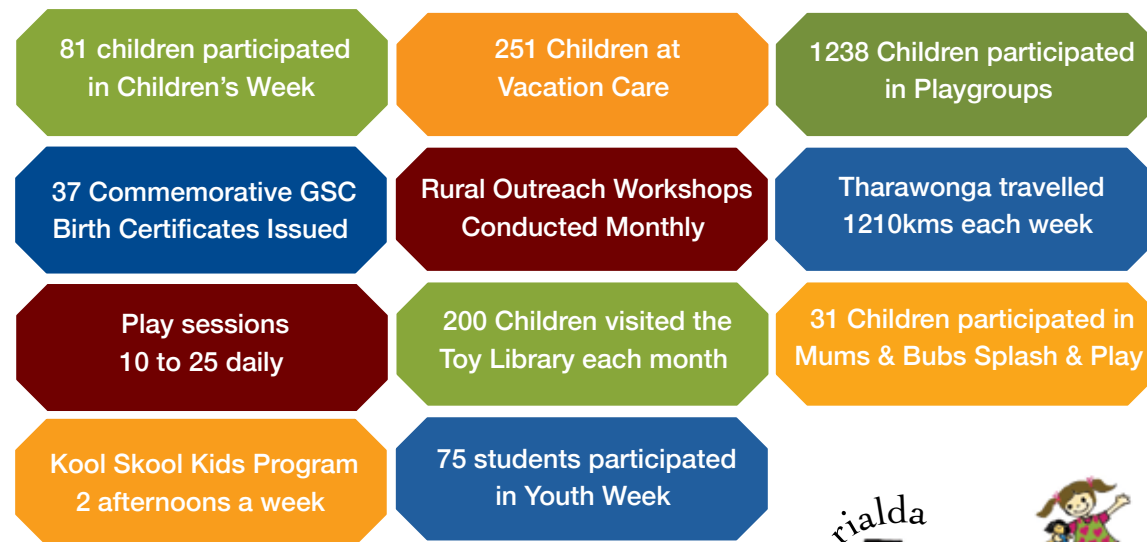
WHERE OUR MONEY COMES FROM



WHERE OUR MONEY GOES



Our achievements in Social Services



Warialda Toy Library

Childrens Week Celebration

Children's week was celebrated with 81 children attending the event. Children were encouraged to engage in a variety of experiences including Police and Ambulance vehicle demonstrations, story time, playdough and painting activities as well as shaving cream sensory play. Visitors on the day included children and staff of the Warialda Preschool, Tharawonga Mobile resource Unit, Gravesend and Warialda Playgroups and members of the Toy Library.

Cooking Day

Each month a cooking day was catered for where children were encouraged to be hands on in the preparation and process of cooking. Families were asked to contribute ideas on the food they would like to see created at the service and families brought along home grown produce to use during these sessions. Children then shared the food prepared with their peers.

Festive events

Warialda Toy Library prides itself in providing opportunities for children and their families to take part in special events celebrating, parents, grandparents, Christmas & Easter celebrations. Experiences were catered for throughout the weeks leading up to the events, building anticipation and excitement, whilst ensuring all children had the opportunity to participate. Special guests were invited along to take part in these events with the children and their families.

Music and movement / Literacy and story time

Children and families engaged in wonderful dance and story time sessions. Story time happens routinely, however, once a month when collaboration with the Town Library takes place.

Commemorative Birth Certificates

Families residing in the Gwydir Shire that have a child born on or after March 17th 2004, (The date in which the Gwydir Shire was formed) are eligible to receive a certificate. Applications are issued upon request by the Supported Playgroup Development Worker or are handed out by Hunter New England Health Child and Family Health Nurse.

Presentations are then organised and an invitation extended to either the Mayor or a Councillor to present the certificates to families. Families are provided with a gold certificate, a parent pack and a light morning tea and play session to follow the presentation.

24 Warialda families were recorded during the 2016/2017 financial year with ceremonies taking place during Oct 2016 and May 2017

13 Bingara families were recorded during the 2016/2017 financial year, with ceremonies taking place during December 2016 and July 2017

Information and Education Mornings

Throughout 2016/2017 an abundance of information sessions were held inviting all members to attend.

The Rural Outreach & Support Service provided a 'Purse Strings Cooking' class for parents and carers. Sandy Scotton from the Hunter New England Area Health Service attended the Toy Library providing education and creating awareness regarding children's speech and the importance of early detection/assessment.

Dietician Sally Lavery, also from the Hunter New England Area Health Service, provided an informative session surrounding nutrition during the early years.

Centrelink joined the service to clarify family and various other payment options and also discussed any changes to eligibility of payments. Beverly Walls from the DET visited in March 2017 and shared a morning with members, providing them with a wonderful presentation regarding Otitis Media and the importance of ear health during the early years of child development and beyond.

Preschool director Sara Turner attended an information morning for parents regarding transition to preschool and held a basic Q&A session for parents attending on the day.

Regular visits each month from Hunter New England Area Health Services, Child and Family Health Nurse, Debbie Armstrong were maintained. During visits from Debbie, parents/carers were able to have their children weighed and or measured and any immunisations administered upon request.

The Toy Library also values, promotes and encourages local home based businesses, inviting them along often to share with members their particular area of interest or expertise. During 2016/2017 the toy library enjoyed visits from Meaghan Stamer, providing valuable information to parents/ carers about placenta encapsulation and baby wearing, Angie Pritchard who is a local 'Your Inspiration At Home' Consultant, Hannah Landrigan showcased her 'Country Rose' (hand and home made

assessor), Hannah Coote made available for viewing a range of ‘Tupperware’ and Amy Brooks joined a session providing the opportunity for families to experience the ‘Scentsy’ range.

Play sessions

Warialda has continued to maintain numbers throughout the year averaging between 10 and 25 children daily. The structure of the service has remained the same with morning sessions being available each week day from 10am – 12noon, (excluding Wednesdays due to playgroup being held in Gravesend on this day). During these morning sessions not only is play provided, but the implementation of art and craft, cooking, music and movement or literacy and story time experiences, education regarding various early childhood developmental stages and general family wellbeing is provided throughout the year as well.

Orange Picking

The Orange Picking Ceremony is always a highlight for Toy Library families. This year playgroup and toy library families enjoyed the school presentation and community commemorative ceremony before joining the school children to pick the oranges.

Inter Service Collaboration

The Bingara Public Librarian provided Toy Library and Playgroup sessions with story time and craft. This was a great collaboration of the two services to encourage children and families to read together. A small table with chairs and a book box filled with children’s and adult books for families to borrow was installed at the Toy Library to continue the important connection with the Town Library. This enabled families to access both services at once.

School Holidays

During the school holidays the Toy Library is open for craft and play sessions for families. The attendance is always high as this offers families a place to come and play with their children and participate in activities with other children and families.

After School Activities

The Public Library initiated Crafty Kids sessions for school aged children at the Toy Library and this was very well attended. At the conclusion of the program it was decided to continue with an after school program for school aged children as there was a demonstrated need for this type of service in Bingara. The Kool Skool Kids Program commenced at the beginning of the 2017 school year and has proved to be an invaluable service to working parents. This service is open to Toy Library members only and accommodates up to 15 children each Tuesday and Wednesday afternoon. The children participate in craft, games and sporting activities. The children are able to catch the “walking bus” from the school to the Toy Library where they are accompanied by a staff member and this really adds to the fun of the program.

New Shade Shelter

With the help of Toy Library staff and one of our regular members over \$1000 was raised for the

New Shade Shelter. The funds raised enabled the Service to purchase and install a permanent shade structure over the sandpit and cubby house. All our members enjoy the new structure and the children can now use this area more in the hotter months of the year. The addition of safety screens on the front and rear doors have also added to the security of the service.

Bubz Biz

Bubz Biz and Mothers’ Group sessions provide families with educational advice on a wide range of areas including diet, alternative therapies, speech, parenting, preschool readiness, food taste testing, lunch box ideas, immunisation, Centrelink, hearing and local business. These sessions are run on a monthly basis with professionals from each field attending to assist families in their role.

Workshops

The Rural Outreach and Support Service in conjunction with the Toy Library provided workshops and sessions for families once a month. Topics covering communication, cooking on a budget, healthy relationships, love and body language were delivered.

Toy Library

Approximately 200 children access the Toy Library each month to attend either playgroup, after school programs or play sessions. Activities are planned in accordance with the age of the children attending and families are able to access the service for specialist discussions or to visit the HNEH Child and Family Health Nurse who attends on a monthly basis. The service continues to thrive and grow with each new child born receiving a complimentary membership so that all families in Bingara and surrounds are welcome to enjoy this wonderful service.

Broadband for Seniors

Broadband for Seniors now runs on Monday and Wednesday mornings from the Bingara Toy Library. Senior members of the community were invited to morning tea and an introductory session. There has been good participation and numbers continue to increase in this valuable service.

Playgroups

Playgroups across the Shire have continued to strive towards providing families with an opportunity to participate in a welcoming and friendly play environment, whereby children are granted the ability to explore their surrounds through play and parents/ carers are encouraged to engage with one another whilst attending to play experiences with their child/ren.

Sessions take place each Monday morning at the Warialda Toy Library and in Bingara each Thursday morning, and in Gravesend each Wednesday morning throughout the school term calendar year. Various arts/crafts, music and movement, literacy and story time experiences are a consistent routine during session times.

A total of 1238 points of contact were achieved during this financial year. This means that 1238 children attended playgroups across the Shire and were able to participate and gain experience in everything that this service has to offer.

Bingara Preschool

Connections to the community

Bingara Preschool continued with its close connection to The Living Classroom. Over last 12 months there have been several visits for planting weaving grasses and other native plants including Bush Tucker propagated and nurtured in the Preschool Green House. 'Aunty Dolly Jerome from Tenterfield visited as part of "The Water Weaving Way" project and she engaged with over 150 people from preschoolers to seniors.



Through funding provided by the Department of Education for Bingara Preschool, Dolly delighted the preschoolers with a range of indigenous arts and crafts. Grinding and mixing coloured ochres led to drawings on the concrete paths and then face/body painting. The session was followed by boomerang throwing and then planting of native grasses around the dam. Children were introduced to language of 'country' learning about the emu and their unusual chick raising habits. Next, the challenge was weaving, but not just with the ready-made products. The students had to first make twine from the leaves of plants like Lomandra, Bull Rushes and Yuccas then fashioning a useful product. Many pieces of jewellery were produced as well as grass skirts and yabby traps. The students and teachers learnt a lot about how things were done in years gone by and how to apply these skills and attitudes to everyday living. The lessons learnt around understanding culture and respect for those around you were invaluable.

35 adults from across the Shire tried their hand at the weaving crafts. Again they had to start with the raw materials to make their weaving cords. It was a great session of craft with some storytelling and some indigenous knowledge and wisdom.

For Childrens Week Bingara Preschool invited Playgroup and preschool families to join in on some 'Old fashioned' games and old fashioned scones, jam and cream. The scones were cooked with help from the children. They made watermelon and banana kebabs as well for an after morning tea treat for the visitors.

The Orange Picking and Orange Festival are always a highlight of the year. This year had a theme of 'Happy Days'. The preschool children performed a rock and roll number called 'Yakety Yak'.

Early Childhood Education

Bingara Preschool prides itself in providing an educational program suited to children's early years learning. Children are engaged in play based learning giving them opportunities for the underpinning knowledge of literacy, maths, science, technology, social and emotional skills. ELLA is part of the literacy program teaching children Japanese using iPads.

Graduation

18 children graduated from Bingara Preschool at the end of 2016 and were presented with official Graduation Certificates.

Tharawonga Mobile Resource Unit

Tharawonga continues to provide a great service to five communities across the northern end of Gwydir Shire. To provide this service the team is covering 1210 kilometres each week. Playgroup, Preschool and Toy Library are delivered to Crooble, North Star, Yallaro, Yetman and Tulloona.



The families who accessed Tharawonga are from a diverse background ranging from international students on working visas to multi-generational farming families. Tharawonga offers an opportunity for children to learn and grow and for families to interact and communicate, to gain confidence and experience in parenting and life skills.

In total 38 children attend Tharawonga during this reporting period. Many families attend more than one service each week. Throughout the last year Tharawonga has celebrated many things with the communities they visit.

Connections to Community and beyond

As a strategy to reach out to families with in the northern reaches of Gwydir Shire, Tharawonga Mobile Resource Unit put on special events at each venue to bring attention to the wonderful service provided to the area. Some of these events included a "Winter Wonderland" at Yallaro, a "Pyjama Party" at Yetman and "Olympic Games" at Tulloona. These events were successful in bringing new families to Tharawonga.

The Rural Health Nurse visits Yallaro on a monthly basis to provide Baby Health checks, talks on relevant topics and immunisations.

An Outreach Library service is at Yallaro Hall. The box of books is available for children to use as if at a regular 'town' library.

Graduation

A total of 14 children graduated from Tharawonga Mobile resource Unit and a beautiful ceremony was held at Yallaro. These children now attend schools in many different towns.

Mums and Bubs Splash & Play

Mums and Bubs 'Splash and Play' sessions continued in the 2016/2017 season at Warialda and Bingara pools. These sessions provide Mums the opportunity to gain skills and help children gain water confidence. The lessons were provided by a qualified Austswim teacher. 31 children accessed this service over the reporting period.

Vacation Care

The Vacation Care Program covered several key developmental areas for children, including gross motor development, creative skills, social development and fine motor skills.

Vacation Care was held in Bingara and a free bus was offered to transport children from Warialda to enable access to the service. By having a single venue the cost efficiency of the program has improved immensely. This was a great way to encourage inter town participation and cooperation.

251 Children enrolled for Holiday Activities over the reporting period.

Youth Service

Youth Week



On Friday the 7th of April, Gwydir Shire Council in conjunction with Bingara Central School held an event to celebrate Youth Week. There was a bus from Warialda with 40 students to participate in the event. 75 students attended the event in total.

Speakers on the day included Sam Bailey who had an amazing story of adaptability and resilience, speakers from Hunter New England health ran a workshop on healthy diet and the importance of maintaining it. They also had a

sexual health education professional make a presentation. There were also speakers from Headspace and UNE. The day was a success for both students and supervisors. It was an excellent opportunity for young people to mix and learn about many of the issues that they face as they grow up.

School Involvement

Gwydir Youth Service continues to support young people across the Shire, offering intake and assessment services. The youth service works closely with Bingara Central School to provide first point of contact for counselling services as well as referral to specialists for young people who are struggling to cope with the pressures of life. Staff accompanied young people from Bingara and Warialda to Youth In Search camps and continue to support these young people.

2016 Gwydir/Willoughby Youth Exchange Program



The 2016 program saw 5 young people from our shire participate in the exchange. Through the Gwydir end of the exchange the Willoughby participants were given the opportunity to experience what Gwydir Shire has to offer and what it is like to live in a rural area and see how different it is compared to city life.

In September the Gwydir participants ventured down to Sydney.

Our achievements in Aged Care

Naroo underwent a period of change	1310 days of respite	Bingara CHSP - Transport – 948 occasions of service
Reduction of transfers from Naroo by 90% in second half of the year	60 new admissions	Warialda/Delungra CHSP - Assistance to 165 clients, Served 7050 meals
Provision of End of Life Care at Naroo	Bingara CHSP - 2363 occasions of service, 170 Social support	Warialda/Delungra CHSP - Meals On Wheels 2788, Provided transport to 2511 clients
Falls reduced by 25%	Bingara CHSP - 52 Centre Based Day care, Meals – 537	



Aged Care Services within the Gwydir Shire have had a busy year. Added to the activity that the year has brought there have been significant staff changes. After a period four months of temporary management arrangements Sharon Baker commenced in October, 2017 as Aged Care Manager for the Gwydir Shire Council. The Aged Care Manager position was newly created. This position is responsible for all of Gwydir Shire Council's Aged Care services.

Naroo Aged Care Facility

Naroo is a 36 bed Aged Care Facility. 10 beds are designated as dementia specific. The ongoing problem of securing a Registered Nurse at Naroo Hostel to support care staff with the care of residents in the facility was solved with the appointment of another competent Registered Nurse. The Aged Care Manager is also a Registered Nurse and is based at Naroo.

Naroo has undergone many changes throughout the year focusing on staff education and improved care for the residents and community. The first half of the reporting period saw a dramatic reduction in resident numbers. For a considerable period of the time 12 of the available 36 beds were vacant. This had a damaging impact on the end of year financial result.

Since the new Aged Care Manager has commenced the following changes have been made to the operations at Naroo;

- Review and adjustment of staffing hours
- Restricted overtime
- Partnership with Warialda Multipurpose Centre (Resource Sharing)
- Industry specific training delivered in-house by Manager
- Established networks with health care professionals and regional health facilities

- Review of procurement practices resulting in costs savings
- Dietician review of menus
- Review of sick leave culture
- Updated ACFI Reviews for all residents

These changes collectively have provided a solid basis for an improved financial performance in this area over the next financial period and beyond.

The team at Naroo have put together “Above and Below the Line Behaviours” to assist with improved teamwork and communication.

Naroo Hostel has provided care on 45 Respite occasions of service to a total of 1310 days and 98 permanent occasions of service to a total of 27503 days. Total admissions to Naroo 60. There has been extensive work on falls prevention and education to staff. Falls have been reduced by 25% in the last 6 months.

There were a total of 22 transfers out of Naroo from July 2016 to December 2016. From January 2017 to June 2017 there was a total of 3. There has been a reduction in transfers by 90%. Focus has been on provision of end of life care within Naroo and impact of reduction in both falls and associated injuries, as well as support from Registered Nurses to care staff within the facility.

Naroo Advisory Committee

The purpose of Naroo Committee is to provide support to Management within the Naroo facility and promote Ageing In Place within the community as well as fundraising to provide those extra special items to our residents. The Committee consists of 11 community members.

The Committee has purchased a brand new mechanical lifter and falls prevention equipment which has been utilised on a daily basis.

During the reporting period a subcommittee was formed to provide catering within the community. All profits from this group will come back to the Naroo committee to spend within the facility and support the residents.

Some committee members and staff also ran the canteen at the local show in March raising over \$3500.00 for Naroo. This was a massive effort by the staff and volunteers who participated.



Commonwealth Home Support Services

Home and Community Care (HACC) services were replaced by the Commonwealth Home Support Program(CHSP) in July 2015. This is the second year that the CHSP has been running. This model for older Australians provides entry level support to allow them to continue living independently in their home and in their community for longer.

We aim to provide services that support good health and well-being, through increasing independence and community involvement. Residents registered with Gwydir Commonwealth Home Support Services can access Meals, Transport and Social Support (Individual and Social). Additionally Bingara Community Transport is funded through Transport NSW and provides for a comprehensive Community Transport Program.

Both Bingara and Wialda CHSP Services rely heavily on volunteer workers to assist with the delivery of services. Bingara CHSP service boasts a large number of competent volunteer drivers for the Transport service.

Our Community Transport Service is both local and inter-town. The Local Service operates Monday to Friday and is available for residents who want to go shopping, to medical appointments, social events or visits to the Community Health Centre or Multipurpose Centre. The Inter-Town Service provides transport to the towns of Tamworth, Armidale, Moree, Narrabri, Inverell, Barraba and Wialda for medical appointments as well as professional services and access. The Access Bus travels to Tamworth and Inverell on alternate monthly visits.

CHSP Bingara had some dramatic changes after it farewelled its two long serving staff members and two new staff members were recruited for the service. This service has provided the following over the reporting period;

- 2363 occasions of service
- 170 Social support
- 52 Centre Based Day care
- 537 Meals provided
- 948 occasions of Transport service

The Bingara CHSP staff commenced working towards healthy community through the implementation of a program to improve overall health and wellbeing aimed at reducing falls and increasing confidence in members of the Bingara community.

Wialda and Delungra CHSP services are operated by the competent Wialda team. During this reporting period they have provided the following;

- Assistance to 165 clients
- Served 7050 meals
- Meals On Wheels 2788
- Provided transport to 2511 clients

They have also organised many events throughout the year including celebrations such as St Patrick’s Day, Christmas in July and Volunteers morning tea.

The Gwydir Health Alliance

During the 2016/17 year Gwydir Shire Council formed the Gwydir Community Health Alliance.

The primary role of this Committee is to monitor the provision of the ongoing quality and consistency of healthcare within Gwydir Shire.

The Committee will achieve this role through reviewing the various benchmarks used in measuring the provision of health care within the Shire's two Multipurpose Services.

The Committee will:

- recommend to Council what support and/or assistance may be required to attract and maintain appropriately qualified General Practitioners with Visiting Medical Officer accreditation or other relevant matters pertaining to the provision of healthcare within the Shire.
- act as an advocate group on behalf of the Gwydir Community with other levels of Government as and when required.
- table the minutes of each Committee Meeting at the next available Council Meeting
- meet at least quarterly or more often if required.

Our Achievements in Technical Services



The Technical Services department is responsible for the maintenance and construction of 369.27km of sealed Local Roads, 1,397.63km of unsealed Local Roads and 258.8km of Regional Roads. The replacement value of these roads and their associated infrastructure (including large culverts and bridges) exceeds \$360 million.

During the 2016-2017 Financial Year the Technical Services Department completed a very full program of Shire Road maintenance and construction. This included 80.2km of gravel resheeting, 16.26km of rural road bitumen resealing, 7.5km of urban resealing, and 6.0km of bitumen road rehabilitation.

In addition to the Shire Road network, the Technical Services department undertook Regional Road construction and maintenance. This included 4.7km bitumen resealing and 5.7km of rehabilitation.

These works have enabled Gwydir Shire Council to maintain the enviable position of having 93% of all road surfaces, within the Shire, passable after rain events.

Further to the above, the Technical Services department also maintained Aerodromes, Carparks, Footpaths, Kerb & Gutter, Stormwater, Bridges and Bus Shelters throughout the Shire.

These achievements are enabled by a very mature asset management system, designed and assembled in-house, that allows the Technical Services staff to specifically identify service needs and then direct resources to those needs.

Emergency Services were also coordinated through the Local Emergency Management Committee (LEMC) with direct administrative assistance provided to the Rural Fire Service (RFS).

The Technical Services team has continued with process improvement, particularly in Road Construction and Maintenance that has created efficiencies in the order of 25%. This has allowed additional works to be undertaken for the budgets allocated which, in turn, have enabled the reduction of identified backlog works. It is anticipated that the backlog of work will be cleared in the 2018-2019 financial year.

Warialda High Productivity Vehicle (HPV) Bypass

In 2016/2017 Council's applications for funding under the Fixing Country Roads Program and Heavy Vehicle Safety and Productivity Program for the Warialda High Productivity Vehicle Bypass were approved with over \$6million of Federal and State government funding granted. The success of these applications will provide significant economic benefit to the Council and the community as construction is phased over 2 years. In addition to this, an application under the Fixing Country Truckwashes Program was successful, granting over \$300,000 towards the construction of a truck wash-down facility and effluent dump point.

The objective of developing the Warialda Bypass is to provide significant improvements in the efficiency of the local freight industry, making local roads safer, and to improve the amenity values in the centre of town. The Bypass will allow truck traffic generated from the northern parts of the Shire to travel shorter distances to eastern markets, therefore avoiding the current requirement to travel west to the Moree Plains Shire to access the Gwydir Highway via intersections designed for truck access. The existing intersection of Stephen Street and the Gwydir Highway is not designed for truck turning paths. The project is also expected to remove safety hazards associated with truck traffic and pedestrians access through the centre of Warialda. It will allow trucks to avoid the current intersection of Stephen Street onto the Gwydir Highway, reducing the impacts of noise and odour within Warialda.

The development involves construction of a new bridge over Reedy Creek and 3.7 kilometres of new road that will connect Warialda Road to the north of Warialda town area to the Gwydir Highway east of the town centre. It will cater for heavy vehicles up to 36.5m Type 1 road trains. The truckwash facility will be located near the bypass intersection with the Gwydir Highway and will include two wash down bays suitable for type 1 road trains, along with two effluent dump points, an amenities block and a hard stand area for truck parking.



Figure 1 – Locality Map of the Warialda HPV Bypass.

Rehabilitation

During the first 6 months of the 2016-2017 Financial Year, Southern crews underwent rehabilitation works on SR003 Elcombe Road, from 27.68km to 31.18km from SH012 Gwydir Highway. These works involved ripping the existing pavement and incorporating locally imported road base material for shape correction up to 200mm below the proposed design level. A 200mm layer of locally imported road base material was then placed over the existing pavement where it was stabilised by an external contractor, 'Stabilfix', using a mobile reclaimer to incorporate a 70:30 slag/lime blend. The pavement was then re-compacted, final trimmed to design level and sealed with a 14/7 double/double bitumen seal, completed by 'NSW Spray Seal'. Other works during the rehabilitation project included culvert extensions, drainage works, tree removal and general earthworks, the majority of which was all completed by Council staff.



Figure 2 – Crews working hard to complete the SR003 Elcombe Road Rehabilitation Project.

For five of the first six months of the Financial Year, Northern crews completed rehabilitation works on RR7705 North Star Road, from 23.96km to 27.23km from RR063 Warialda Road. These works involved a similar process to that used on Elcombe Road where the existing pavement was widened and brought up to 200mm below design level. A 200mm layer of road-base material was then imported from a local quarry, stabilised with a 70:30 slag/lime product and re-compacted, sealed with a 20/10 double/double seal with a 5mm scatter coat. Other works during the rehabilitation included culvert extensions, drainage works and general earthworks, all completed by Council staff.

Interesting Fact #1:

Lime is often used in road pavement stabilisation as it breaks down the clay matter within the existing material to obtain a less plastic and more rigid pavement. The slag used in a slag/lime blend also significantly improves the physical and strength properties of the material whilst reducing the swelling pressures potentially created by the reactions of lime and clay matter in the material.

Interesting Fact #2:

A double/double seal is a term used for a seal that contains a layer of bitumen with a layer of pre-coated aggregate, followed by another layer of bitumen with another layer of pre-coated aggregate. The numerals used (14/7, 20/10) refer to the size of the pre-coated aggregate used for each layer respectively. A scatter coat refers to a light spread of small pre-coated aggregate over the top of the double/double seal to help fill the voids and lock in the larger aggregates used.

Starting in February 2017, Northern crews then completed rehabilitation works on SR004 Baroma Downs Road, from 6.8km to 9.3km from RR7705 North Star Road. Before construction took place on the road pavement, it was a necessity to rehabilitate the bridge approaches. The approaches were dug out to a suitable depth below the deck. Gabion rock baskets were used to prevent washing around the bridge piers. A no fines concrete was then poured into the approaches up to 150mm below design level. The existing road pavement was then ripped, widened and brought up to 150mm below design level also, where it was stabilised with a 70:30 slag/ lime product and then re-compacted. 150mm of locally imported DGB20 road-base material was then placed over the top of the road pavement and the bridge approaches, compacted, final trimmed and then sealed with a 20/10 double/double bitumen seal with a 5mm scatter coat. Other works during the rehabilitation project included the construction of a side road, drainage works and general earthworks, all completed by Council staff.



Figure 3 – The approaches of the bridge on SR004 Baroma Downs Road filled with no fines concrete.

Gravel Resheeting

The following table gives the details of gravel resheeting that was completed throughout the Gwydir Shire during the 2016-2017 Financial Year. Council resheeting works were entirely funded through the 'Roads to Recovery' program.

Left: Gravel resheeting undertaken on Oakey Creek Road.



Interesting Fact #3:

A no fines concrete is, as it suggests, a concrete mix that contains only water, aggregate and cement, with no fines (sand). This allows for a porous yet very solid platform that moisture can dissipate through without any movement of the pavement around it.

Interesting Fact #4:

Interesting Fact #4: DGB20 refers to a material that has been graded to a specific standard in regards to base layer road pavements. The DGB stands for 'Densely Graded Base' Course material and the numeral (20) refers to the nominal particle size of the material.

ROAD NAME	CHAINAGE LOCATION / LENGTH
SR037 Oakey Creek Road	4.0 – 8.0km from MR063 Cobbadah Road (Fossickers Way)
SR051 Towarra Road	13.1 – 14.3km, 19.2 – 21.0km, 25.2 – 27.2km from SR001
Copeton Dam Road	
SR038 Adams Scrub Road	0.7 – 6.4km, 7.0 – 8.8km from SH012 Gwydir Highway
SR044 Boundary Creek Road	1.0 – 1.8km, 4.0 – 4.7km, 9.8 – 13.0km from MR133 Killarney
Gap Road	
SR090 Old Bora Road	2.0 – 6.3km from SR001 Copeton Dam Road
SR100 Kellys Access Road	0.0 – 0.7km, 2.7 – 3.9km from SR044 Boundary Creek Road
SR096 Duftys Road	0.0 – 1.5km from SR095 Bangheet Road
SR085 Butlers Road	0.0 – 1.0km from SR055 Moreena Mail Road
SR286 Sonoma Road	0.7 – 2.2km from SR018 Gineroi Road
SR013 Oregon Road	24.6 – 27.0km, 39.2 – 47.4km from RR7705 North Star Road
SR063 Gil Gil Creek Road	19.0 – 21.6km from SR014 Mosquito Creek Road
SR036 Baroma Road	13.8 – 15.1km from RR7705 North Star Road
SR041 County Boundary Road	4.0 – 12.2km from MPSC Boundary
SR081 Langley Road	0.0 – 2.0km, 2.4 – 4.3km from SR008 Gragin Road
SR006 Getta Getta Road	0.0 – 3.0km from existing bitumen (RR7705 North Star Road)
SR010 Yallaro Road	15.1 – 17.7km, 18.5 – 23.0km from RR7705 North Star Road
SR043 Buckie Road	8.5 – 10.0km from SR005 Croppa Moree Road
SR238 Talula Road	Gravel patching haul road to gravel pit
SR065 Munsies Road	6.3km total between SR010 Yallaro Road & SR067 Agincourt Road

Bitumen Resurfacing (Reseals)

The following three (3) tables show respectively, the Rural, Urban and Regional Roads that received segmented/full resurfacing works during the 2016-2017 Financial Year. These were all completed using a pre-coated aggregate of various sizes and a Polymer Modified Bitumen (PMB). All resurfacing works were completed by NSW Spray Seal as part of a full service bitumen spray sealing contract.



Interesting Fact #5:

A PMB seal is used throughout our Shire for our resurfacing works as it provides the wearing surface with greater physical and strength properties. By modifying the bitumen with a polymer material we obtain a bitumen seal that is more elastic and hence a seal holds the pre-coated aggregate in a stronger position as opposed to a cutback bitumen. This results in a longer life cycle for our seals, as well as maintaining a strong wearing surface throughout our colder months, where often a cutback bitumen can become too brittle and begin to lose its hold on the stone.

REGIONAL ROADS RESURFACING	
STREET NAME	CHAINAGE LOCATION / LENGTH
MR132 Macintyre Road	Segments 30 (2.785km) and 120 (0.910km)

RURAL ROADS RESURFACING	
ROAD NAME	CHAINAGE LOCATION / LENGTH
SR022 Upper Bingara Road	0.925 – 1.215km, 5.030 – 5.206km, 7.142 – 10.390km, 11.710 – 11.960km from MR063 Cobbadah Road (Fossickers Way)
SR088 Kywarra Road	5.790 – 6.720km from MR063 Cobbadah Road (Fossickers Way)
SR011 Horton Road	7.038 – 13.064km from MR63 Cobbadah Road (Fossickers Way)
SR020 Gravesend Road	0.000 – 2.000km from SH012 Gwydir Highway
SR064 Gournama Road	0.000 – 0.850km from RR063 Warialda Road
SR004 Baroma Downs Road	18.600 – 20.600km from RR7705 North Star Road



Work crews heavy patching MR063 Fossickers Way using Council's Asphalt Zipper.

URBAN STREETS RESURFACING	
STREET NAME	CHAINAGE LOCATION / LENGTH
Pound Street, Bingara	Heber Street to Martyn Street
Byrnes Street, Bingara	Heber Street to Martyn Street
Belford Street, Croppa Creek	0.00 – 0.46km from SR043 Buckie Road
Bowling Club Road, Croppa Creek	0.00 – 0.23km from SR043 Buckie Road
Cleveland Street, North Star	0.00 – 0.14km from Wilby Street
David Street, North Star	0.00 – 0.51km from RR7705 North Star Road
Dunrobyn Road, Gravesend	0.00 – 0.16km from SH012 Gwydir Highway
Gwydir Street, Gravesend	0.00 – 0.24km from SH012 Gwydir Highway
Onus Street, Gravesend	0.11 – 0.41km from Yagobie Street
Warialda Street, Gravesend	0.00 – 0.53km from West Street
Yagobie Street, Gravesend	0.00 – 0.75km from West Street
Queen Street, Warialda	0.00 – 1.11km from SH012 Gwydir Highway
Stewart Avenue, Warialda	0.00 – 0.22km from Stephen Street
Riddell Street, Warialda	0.00 – 0.46km from James Street
Christie Street, Warialda	0.00 – 0.22km from Long Street
Cross Street, Warialda	0.00 – 0.26km from Queen Street
Holden Street, Warialda	0.00 – 0.20km from Long Street
Hope Street, Warialda	0.00 – 0.45km from Market Street
Market Street, Warialda	0.00 – 0.41km from SH012 Gwydir Highway

State Roads (RMS)

Within our Shire, we also maintain and undertake ordered works on two (2) State Roads, these being MR063 Fossickers Way and SH012 Gwydir Highway. For these particular works, Council is bound by the Roads Maintenance Council Contract (RMCC) with the Roads and Maritime Services (RMS). All Work Orders issued by the RMS are quality assurance schedule of rates projects carried out by Council staff under the RMCC.

During the 2016-2017 Financial Year, Council staff undertook general maintenance activities throughout the year such as drainage/culvert maintenance, guardrail replacement and maintenance, vegetation control (weed spraying, slashing, sucker bashing etc.), rest area servicing, fortnightly inspections, sign replacement and maintenance and bitumen repairs (potholes, edge breaks etc.).

Other works this Financial Year included Heavy Patching works throughout various segments, Reseal Preparation through various segments and also a resurfacing program throughout various segments on both State Roads. Reseal preparation and resurfacing took place throughout segments shown in the table below, where the highlighted sections show segments that were completed as Final Reseals from construction projects the previous Financial Year.

ROAD NAME	SEGMENT NUMBER	AREA RESURFACED (m ²)
SH012 Gwydir Highway	8095	5400
SH012 Gwydir Highway	8100	9270
SH012 Gwydir Highway	8115	6080
MR063 Fossickers Way	5020	8856
MR063 Fossickers Way	5030	7760
MR063 Fossickers Way	5035	5360
MR063 Fossickers Way	5080	10164
MR063 Fossickers Way	5095	8640
MR063 Fossickers Way	5100	8910
MR063 Fossickers Way	5211	1950
MR063 Fossickers Way	5260	4770
MR063 Fossickers Way	5300	11074
MR063 Fossickers Way	5305	6435
MR063 Fossickers Way	5310	10004
MR063 Fossickers Way	5340	7740
MR063 Fossickers Way	5350	8266
MR063 Fossickers Way	6105	9990
MR063 Fossickers Way	6110	4050

Self Help

Council’s Self Help Program continued successfully in 2015/2016 with gravel resheeting works being carried out on SR079 Girraween Road, SR247 Fairview Road and SR262 Nunga Road. The Self Help Program allows ratepayers to contribute to the overall cost of resheeting works by providing financial resources, machinery, gravel or gravel carting. In a true community building arrangement, privately owned and operated trucks will typically operate in concert with Council machinery and staff carrying out construction works on Council’s unsealed road network. This innovative program allows resheeting projects to take place where Council’s finite financial resources and strategic priorities would typically prevent works from happening.

Our Achievements in Building Services



Councils Building Services Business Unit comprises 6 full time, 1 part time and 1 school based trainee staff members and is responsible for, but not limited to, providing the following services to the community:

- Building certification and inspections
- Swimming pool compliance and inspections
- Building repairs & maintenance
- Capital works construction

Building Certification and Inspections

Building Services staff provided effective and affordable building certification and inspection services to the community. Services extended to the assessment and issuing of construction certificates, building certificates, occupation certificates and OSSM approvals and inspections.

Swimming Pool Inspections

Building Services have a private swimming pool inspection program in place where all known swimming pools in Gwydir Shire are inspected once every 3 years. The program is designed to ensure owners of private swimming pools maintain their pools and pool barriers in an effective manner to ensure the safety of all pool users. In the 2016/17 financial year Council inspectors carried out 26 inspections and issued 24 swimming pool compliance certificates.

Building Repairs & Maintenance

Building Services carried out 105 planned maintenance activities and responded to a large number of reactive repairs and maintenance request across over 100 Council owned facilities.

Capital Works

Building Services carried out a number of Capital Works projects for 2016/17. These included the following:

- Plunkett Street Aged Units – Refurbishment of Unit 3
- 84 Finch Street residence - Roof and ceiling repairs
- Bingara Court House – Refurbishment of public amenities
- Warialda Rivercare Shed – External painting
- Bingara Administration Building – Internal painting and floor coverings to western sections

- 123 High Street residence – Refurbish bathroom
- 12 Olive Pyrke Terrace residence – Internal painting and floor coverings
- Warialda Administration Building – Refurbish male amenities
- Warialda Memorial Hall – External painting

We were also able to work with different community groups to partner in delivering the following projects:

- Crooble Hall - Installation of awning
- Coolatai Public Hall – Installation of air-conditioning

Thursday 11 November 2016 saw the opening of the new kitchen at the Bingara Senior Citizens' rooms in Maitland Street. Miss Daphne King was acknowledged for the many years she cooked luncheons for members and the new facility was named 'Daphne's Kitchen'.

Council maintains the building and agreed to partner the group with the upgrade of the kitchen. Bingara Senior Citizens purchased the new kitchen and Council staff installed it including tiling. Council also installed a new hot water system and organised the necessary plumbing and electrical works.

It is through partnerships like those mentioned above that the Council is able to assist the community to ensure that we continue to enjoy high quality facilities and services.



Plaster repairs and painting of Council's Administration Buildings



Bingara Living Classroom – Installation of Greenhouse



Warialda Memorial Hall – External painting

Our achievements in Water Operations

706 Mega Litres was treated and delivered to residents

90 service lines from main to meter repaired

33 main breaks were repaired

All reservoirs were inspected

49 water meters replaced

Water alerts Bingara and Gravesend

8 water service lines were replaced from main to meter

Gwydir Shire Council provides water supply to Warialda, Bingara, Gravesend and North Star.

Warialda's water supply is sourced from groundwater from 5 bores. The water is aerated and disinfected with sodium hypochlorite before being delivered to residents.

Bingara's water is sourced from the Gwydir River via bank infiltration chamber, the water is then treated using dissolved air floatation/filtration process, and disinfected with chlorine before delivery to reservoirs where the water gravitates to users.

Gravesend water is sourced from the Gwydir River via bank infiltration bores located north east of Gravesend. Water is disinfected with sodium hypochlorite before being delivered to residents. North Star's water supply is sourced from sub artesian ground water. The water is aerated, then treated using Reverse Osmosis and disinfection with sodium hypochlorite before being delivered to residents.

In 2016/17 a total of 706ML of water was treated and delivered to users in the Shire.

Water Charges have an access component and a usage component with a two part tariff. Water usage less than 600KL is \$1.25/KL and water usage over 600KL is \$1.95/KL. Water billing is undertaken on a quarterly basis.

Water Supply Capital improvements 2016/17 included:

- Water main replacement Riddell Street Warialda from Long to James Street
- Gravesend River under boring – rising main replacement
- Gravesend – submersible bore pump replacement
- Water main replacement High Street Warialda – Stephen to Market Street
- Water main replacement Crane Street Warialda- Market to Olive Pyrke Terrace.
- Water line Gragin Road
- Water main replacement – Queen St Warialda – Holden to Plunkett Street
- The Living Classroom irrigation additional area
- Gravesend – Redbank service connection
- Coin operated Standpipe
- Replacement of water main Gwydir River and Halls Creek Bridge Bingara
- Extension of water main to supply Warialda Airstrip RFS tank



Above: Queen St Wialda – Water main replacement



Left: Water main replacement and new sewer main over Gwydir Bridge

Maintenance

In December 2016 all nine of Council's water storage reservoirs were inspected and as a result 5 reservoirs underwent cleaning. The inspections were carried out by an external company and several defects were identified. Most notable was Gravesend ground reservoir being classified as "past economic repair".

One new water connection was installed during 2016/17. Eight (8) water service lines were replaced from main to meter and ninety (90) service lines repaired.

Forty nine (49) water meters were replaced due to age limit or faults and thirty three (33) water main breaks were repaired.

There were two major incidents with the water supplies during November. The first incident was at Bingara water treatment plant with a variable speed drive of the filtered water pump burnt out. Bingara was placed on emergency water restrictions for 3 days while the problem was repaired.

The second incident was with Gravesend water supply. Ecoli bacteria was found in the regular testing of the water. The ecoli bacteria most likely from bird droppings in the Gravesend reservoir. As a result NSW Public Health department advised Council to issue a Boil Water alert for Gravesend. The Boil water alert was in place from Friday 18th November to Thursday 24th November.

Water Restrictions

Water restrictions were introduced at Gravesend for household use only as the main bore struggled to keep up with the demand. These restrictions were in place from the 5th February to the 15th of February. These were in place until March. The old original bore located at Redbank was equipped with a submersible pump and was used to supplement the water supply to meet the demands.

Water restrictions were introduced in Wialda from 23rd February to 1st March 2017. The submersible pump located at the sale yard bore burnt out and the other 3 bores struggled to keep up with demand. The pump was replaced and restrictions were removed on the 1st of March 2017.

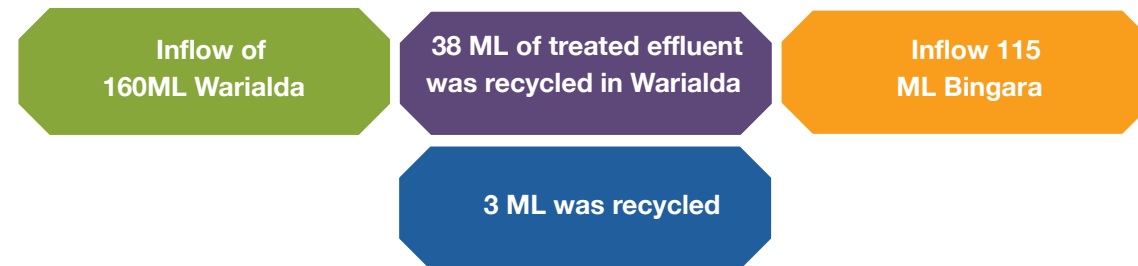


Gravesend reservoir roof repairs



RPZ valve at Gwydir Oval

Our achievements in Sewerage Operations



Sewerage Systems

Gwydir Shire Council operates two sewerage systems.

Warialda system, built in 1969-70 has a design size of 1500EP (equivalent population). Warialda operates under Environmental Protection (EPA) Licence L584 for small treatment plants with an allowable discharge of 250ML/year into Reedy Creek. The yearly inflow into the sewerage treatment was 160ML. 38ML of treated effluent was recycled and used at the local Golf Course to irrigate the fairways and tees.

Bingara sewerage system was commissioned in 1971 and has a design capacity of 2000EP. The Bingara system operates under EPA licence L586 for small treatment plants with an allowable discharge of 250ML/year into the Gwydir River. The inflow for Bingara sewerage treatment plant was 115ML and 3ML of treated effluent was recycled and used on site.

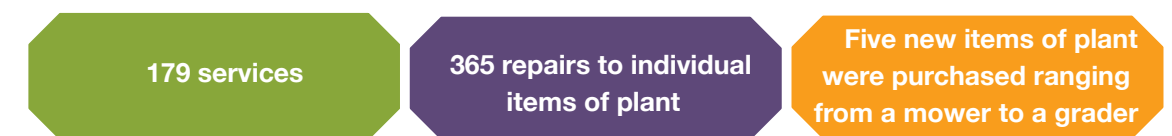
- Sewer extension Dinoga Street Bingara
- Sewer extension Keera Lane Bingara
- Sewer pump Station No 2 Bingara – access ladder replacement
- Sewer pump Station No 3 Bingara – inflow stop valve replacement
- Sewer jetting trailer purchase
- Relocation of sewer dump point
- Warialda Sewer treatment plant – concrete refurbishment
- Sewer pump station No 2 Warialda – pump replacement
- Sewer pump station gantries at No 1, 2 and 3 pump stations
- Warialda sewer manhole inspection report



Left top: Warialda sewer pump station No 1 Gantry installation

Left bottom: Bingara SPS 3 stop valve

Our achievements in Fleet Management



Workshop

Council operates two workshops. There are two fulltime mechanics, a fabricator/welder, three (3) apprentice mechanics and two (2) school based trainee mechanics. During 2016/17 the workshop completed 179 services and carried out a total of 365 repairs to individual items of plant.



Bingara workshop service bay with air operated oil dispersers



Fabrication of BBQ's for Glacial area



Apprentices rebuilding an engine from JCB Backhoe



Grid Roller drums being refurbished

Council's heavy plant fleet consists of the following equipment:

Description	Number
Plant	
Graders	7
Excavators	2
Front end Loaders	2
Backhoes	4
Skid Steer Loader/sweeper	1
Rollers – smooth drum	3
Roller – padfoot	2
Roller – rubber tyred	1
Tractor – Grid roller combination	3
Tractor – Slasher combinations	5
Compactor – Landfill	1
Rock Crusher	1
Zipper	1
Trucks	
Prime mover/low loader	1
Tipper and pig trailer	2
Jetpatcher	2
Watercarts	5
Medium tipper trucks	5
Light trucks	5

Plant replacement Program:

The following new items of plant were purchased in 2016/17.

- P1855 Mower – Toro 7210 zero turn
- P1856 Mower – Toro MX4800
- P1859 Grader – Caterpillar 140M
- P1863 Roller – Ammann ASC150D
- P1866 Tractor – John Deere 6105M



*P1856 Mower Toro MX4800
on fabricated Parks trailer*



*P1859 Grader Caterpillar -
140M*

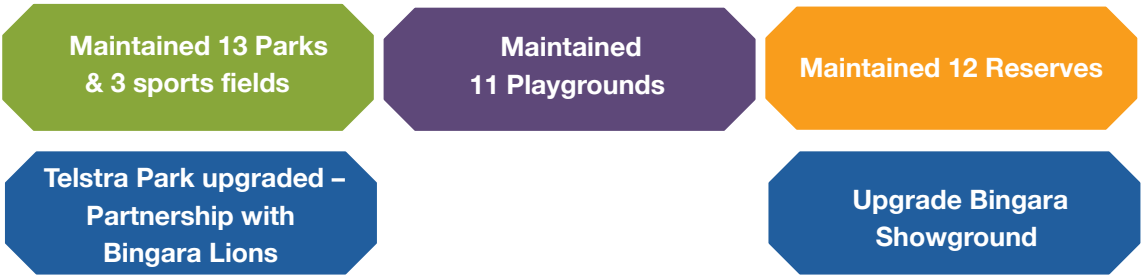


*P1866 Tractor – John Deere
6105M used for slashing*

Council surplus equipment was sold through Grays online auctions:

- Plant 1103 Pig Trailer
- Plant 1445 – International Prime mower
- Plant 1101 – Moore tipping trailer

Our achievements in Parks & Gardens



Gwydir Shire Council operates and maintains 15 parks, 3 sports fields, including 11 playgrounds, 12 reserves and numerous gardens. There are two separate teams the South Crew which maintain Bingara, Gravesend, Upper Horton, Glacial area and Myall Creek memorial site. The North Crew maintain Warialda, Warialda Rail, Coolatai and Cranky Rock reserve. The community and numerous visitors use these facilities and it is Councils aim to keep these areas in prime condition.

Fays Park Bingara

In 2016/17 Council under took a joint project with the local Lions Club to upgrade Telstra Park in Maitland Street Bingara. The work involved placement of two life size silhouettes in memory of a local Doctor and Chemist who contributed to the Bingara Community. The project also involved construction of a rotunda, paving and installation of turf. The paving was funded by families in the community purchasing individual personalised pavers. The Lions club funded the Rotunda and Council carried out the installation of paths, paving and turf.

Lions Park Bingara

Gwydir Shire Council is the trustee for Crown Land reserve D560019 Bingara Showground. The showground is maintained by Council in consultation with four main user groups; Bingara Show Society, Bingara Pony Club, Bingara Polocrosse and Bingara Jockey Club. The showground is a popular for holding large regional equestrian events due the size and facilities available on the site. During 2016/17 the following major events were held.

- Bingara Pony Camp
- Bingara Central School – Prime Stock Competition
- Barrel Racing
- Bingara Show
- Pony Club mini camp
- Anglican Youth Muster
- State Show jumping championships
- Polocrosse carnival and
- Numerous one day events

Capital Improvements to the Bingara Showground during 2016/17 included the extension of a stable block, funded by a grant from Public Reserves Management Fund Program of \$12,000, \$12000 from the Bingara Jockey Club and \$4,000 from Gwydir Shire Council.

Our achievements in Risk



Statewide Mutual was created in 1993 in response to NSW Councils’ volatile risk portfolio which led to spiralling insurance premiums ultimately resulting in underwriters withdrawing their support to Local Government.

The Mutual is owned by the Members which are NSW Councils and is run in accordance with the NSW Local Government Mutual Liability Scheme. It is managed by the Statewide Board of Management (the Board). The Board comprises senior level managers from Member Councils representing 11 regions in NSW and the Mutual is managed by Jardine Lloyd Thompson.

As the manager of the Statewide Mutual, JLT works with NSW Local Government to ensure that the insurance programs provide the comprehensive protection required by Councils and that it is robust enough to weather any cycles of the insurance market.

One of the benefits of participating in the Mutual includes the annual rebate program which provides a return of each Member’s annual contribution where the scheme has performed well. Since commencement of Membership, Gwydir Shire Council has received over \$235,347.41 in combined rebates from Statewide Mutual.

Insurance costs over the last 2 years

Insurance Class	2016/17	2015/16
Casual Hirers Liability	\$3,685.00	\$2,948.00
Councillors and Officers Liability	\$33,334.29	\$32,744.88
Crime	\$8,807.52	\$8,807.52
Motor Vehicle	\$166,094.50	\$148,268.51
Property	\$231,885.34	\$200,984.61
Public Liability-Professional Indemnity	\$181,517.56	\$178,308.02
Totals	\$625,324.21	\$572,061.54

Contractor Insurance Management System

Council has fully implemented a Contractor Insurance Management System (CIMS) for Contractors in the reporting period. The system is a secure, web-based database, where regular Contractors working with Council are required to register their business and insurance information. Prior to engagement for works with Council, contractor insurance records are uploaded into the system and Council’s Insurers review and verify the policies so that Council has a clear overview of the policy coverage, limits and exclusions for each Contractor. This ensures that all insurances have been verified by an insurance professional and enables Council staff to focus their attention on the management of works and/or services provided by the Contractor.

Business Continuity Plan

Risk has commenced development of a Business Continuity Plan during the reporting period and will complete the project in 17/18.

A key objective of the Business Continuity Plan (BCP) is to increase the awareness within Council of potential business interruption events that could impact on the organisation. The plan outlines the response and recovery protocols associated with such an event.

The BCP is intended to provide guidance to Council officers to assist continuity of service for critical services, where those officers are not normally responsible for managing the specific service affected.

A BCP does not directly deal with individual events; it provides the methodology to effectively deal with an event.

To implement a BCP in the event of an event you need people to manage it. A successful Continuity Management Team (CMT) relies on expertise from within the organisation as they are the people who understand the business processes and related risks. The GM and Council's Directors are the designated leaders of the CMT.

The focus of the CMT is to manage a crisis from a corporate perspective while providing guidance and support to the Managers on site. This process is facilitated by the development of pre-determined guidance sub plans which allows the CMT to focus on the strategic or whole of business response to the business interruption event.

Strategic Risk Register

Risk has commenced development of Strategic and Operational Risk Registers during the reporting period, using CAMMS enterprise risk management software which complies with international standards such as ISO 31000:2009.

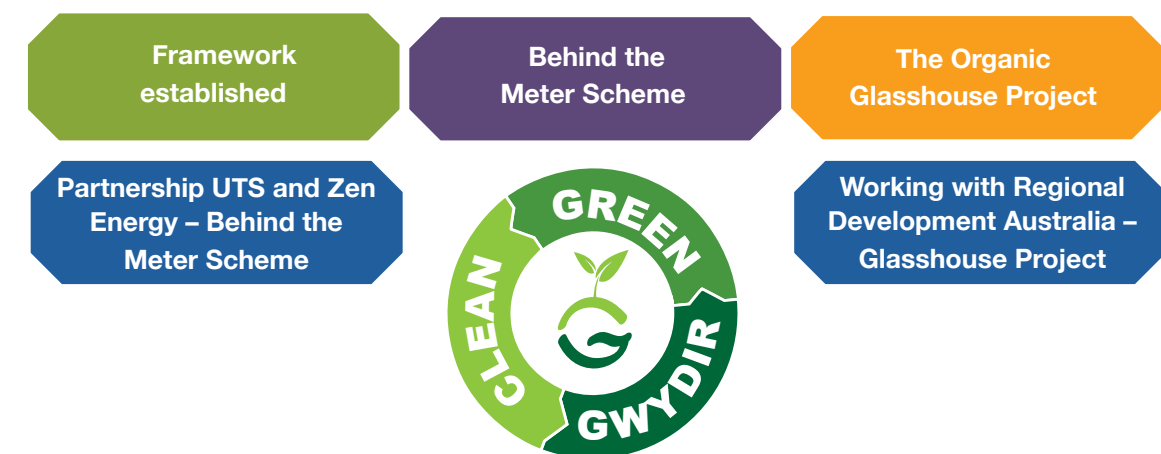
The purpose of risk management is to proactively establish programmes and processes that support the achievement of Gwydir Shire Council's strategic goals and objectives while protecting the organisation's assets—its employees, property, income and reputation—from loss or harm, at the lowest possible cost.

To be effective, Gwydir Shire Council's risk management plan requires the development and maintenance of an ongoing process that enables the identification, analysis, evaluation, and treatment of risks that may impact the council. This knowledge further enables the prioritisation of actions to reduce these risks to an acceptable level.

GSC can manage its risk management information through developing Strategic and Operational Risk Registers using CAMMS risk management software. The Risk Registers will serve as a central repository for risk information and allows for the information that results from the risk management process to be suitably sorted, standardised, and merged for relevance to the appropriate level of management. Its key function is to provide management, Council, and key stakeholders with significant information on the main risks faced by GSC.

The project is expected to be completed in 2017/2018.

Our achievements in working towards a Circular Economy



In 2016 and Gwydir Shire Council established the framework for the establishment of a Circular Economy in the Shire.

During the first half of 2017 Council staff have been working with external stakeholders to complete the structure for our Behind the Meter Scheme and Stage of the Development application to construct an organic Glasshouse Project.

The following statement provides an update on where we are with the two major Projects, The Behind the Meter Energy Efficiency Scheme (BTM) and the 20 Hectare Glasshouse Project.

The Behind the Meter and Energy Efficiency Scheme

Our aim is to provide, at no upfront finance, the opportunity for residential and commercial property owners to upgrade buildings with energy efficiency improvements and/or install Solar panels and/or storage batteries.

The Council has engaged the University of Technology Sydney (UTS) to work with the support of Zen Energy to produce a Model for this Scheme. This model will be used to source the capital required to float the 'not for profit' program.

Property assessments will be carried out by private technicians who wish to participate in our scheme. Training for technicians will be provided by UTS and our solar partners.

Property owners will be provided with an Energy Efficiency and Solar Plan. If the property owner approves the plan, a contract between the Council and the Property Owner will allow for repayments to be structured within existing rate notifications.

This is a perfect opportunity for rate payers in the Gwydir Shire to beat the rapidly rising electricity costs and add value to their properties.

Access to cheap power is also an attraction for new residents and businesses to our region.

20 Hectare Organic Aquaculture Glasshouse Project

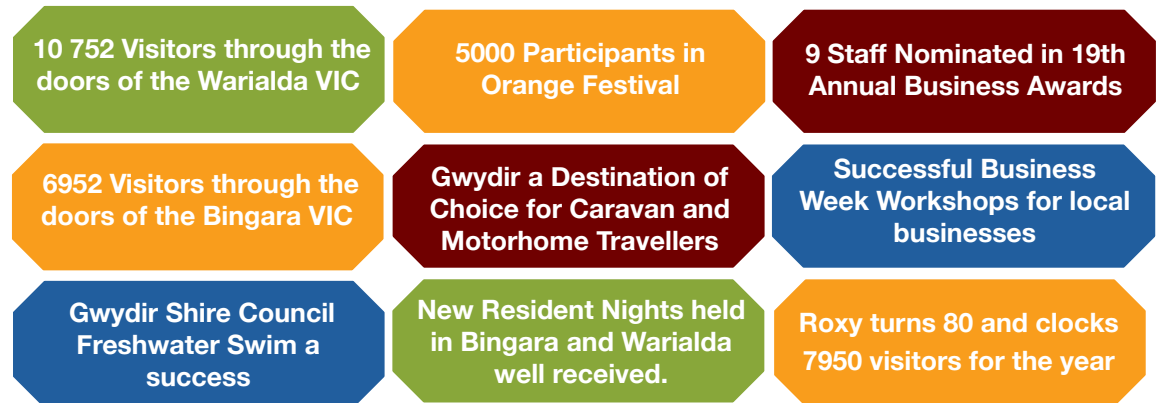
During the reporting period Gwydir Shire Council embarked on a most exciting job creation project with a leading tomato grower and a major fresh fruit retailer. Collectively we have almost completed Stage 1 of a Development Application (DA) and the Council is now exploring the financial opportunities for project funds.

The immediate aim is to source funding for Stage 1, which is the first of four 5 hectare self-contained organic aquaculture glasshouses. This project is unique in the Australian organic fresh fruit market. When Stage 1 is operational we will source third party investment in stages 2, 3 & 4.

As stated, job creation is the main catalyst and in addition there will be significant economic benefit for local business, housing and education.

The Council commissioned Regional Development Australia to conduct a recently completed Capital Expenditure Analysis of our Circular Economy Project. Readers will be interested to learn that the Direct and Indirect Economic Impacts of the fully complete 20Ha Glasshouse Project will be \$26.6 million, annually.

Our achievements in Marketing and Promotion



The Roxy

Roxy management has been working towards the listing of the Roxy Theatre on the NSW State Heritage Register. Late in 2016 the Roxy and its staff were visited by representatives of the Department of Heritage who were overwhelmed by the building, its heritage significance and the activation of the space as a community venue, as a function centre and as a regional hub for performing arts. After a long waiting period the Roxy was successfully listed on the register in August 2017.

On the 28th March 2016 the community of Bingara celebrated the 80th Anniversary of the opening of the Roxy Theatre. To commemorate the milestone the annual Bingara Orange Festival on the 2nd July took on a Greek theme. The festival celebrated the contribution of Greek immigrants to rural Australia, and in particular the lasting legacy they left in Bingara through the Roxy Theatre and Peter's Cafe.

All things Greek were on offer including Greek music and exhibitions, toga fun run, Greek feast, gardening demonstrations, tours of the Mediterranean garden at Bingara's 'Living Classroom', followed by the Orange Festival military ball and Roxy Birthday celebrations on the Saturday evening and Greek films at the Roxy on the Sunday. Patron of the festival was Costa Georgiadis from ABC's Gardening Australia who delighted guests with his gardening tips and playful and lively spirit.

From July 2016 and June 2017 the Roxy saw just over 7950 visitors to the venue for live shows, school performances, private functions and tours.

Visitor Centres

The Shire is proving to be growing in popularity amongst tourists, with large numbers of RV travellers flocking to the area for our clean air, wide open spaces and picturesque landscapes. Although it is difficult to estimate the exact number of visitors to the shire each year, the visitation statistics collected through our Visitor Information Centres is a good indication. In Warialda 4680 visitors were greeted at the Warialda Information Centre with an additional 3686 visiting the centre for the café and another 2386 for the RMS services, a grand total of 10,752 visitors to the centre in the year. In Bingara a whopping 6952 visitors were met by our friendly staff for tourism related information.



Orange Festival

This year's Bingara Orange Festival has been reported as one of the best on record with an estimated 5000 participants.

The Greek theme attracted a number of people of Greek heritage from as far away as Nowra, Canberra, Sydney, Melbourne and Brisbane.

All aspects of the festival proved to be successful with the Long Lunch and ball selling out, and all tours and lectures presenting to a full house.



Honey Festival

After years of battling with hot weather the Honey Festival faced a new challenge this year, rain and lots of it. After torrential rain the night before the festival had to be moved, even the plan B wet weather option at the showground was too wet and the festival was moved to the town hall.

Despite the series of disasters that the organisers faced the event was successful with a steady stream of visitors throughout the day and a packed auditorium for the talent show and Benny Nelson concert.

Gwydir Community Business Awards

2017 saw another successful business awards function. Now in its 19th year the awards drew a 130 strong crowd.

The winners of the business awards categories were Small Business under 5 employees The Warialda Golf and Bowling Club, Large Business over 5 employees the Bingara Sportsman's Hotel, Junior Employee (under 21) Katelyn South of Pally Styles Bingara and Senior Employee (over 21) Erin Hall from the Warialda Toy Library. Bingara Central School student Rosalie Carr took out Gwydir Vocation Education Student of the year.

An outstanding number of nominations were received this year with over 30 separate nominations for the Senior category alone. 9 council staff received a nomination which is testament to the hard work and dedication of Gwydir Shire Staff.

Newcastle Caravan and Camping Show

Gwydir once again proves to be the destination of choice for caravan and motorhome travellers with overwhelming numbers of requests for information by attendees at the Newcastle Caravan and Camping Expo.

The Gwydir Shire Council participated in the expo as part of the New England North West Tourism which is made up of several councils throughout the region and the stand was manned by representatives from each local government area.

The staff member who represented Council stated that "Despite the heat, crowd numbers were still high and overwhelmingly most of the requests by visitors to the stand were for information on the Gwydir".

New England North West Tourism represented the region throughout Australia including Melbourne, Sydney, Brisbane and Coffs Harbour.

Business Workshops

As part of back to business week Gwydir Shire council held two workshops. The first was an E Commerce seminar held by Derek Tink from Nortec and the second was a media writing workshop for community groups and small business.

The Media writing workshop was a one day free course where participants learnt how to identify their target audience, select the best method to communicate to their target market and how to deliver their message effectively. The course also looked at how to write social media posts that engage target audiences and news media releases that get results.

Copeton Fresh Water Swim

The annual Gwydir Shire council Freshwater swim was held on Saturday 8th April with excellent conditions for both swimmers and spectators. Numbers were down on previous year which was due to a large number of swimming events held the same week, as well as clashes with other sporting events on the same day.

New Residents Evenings – May

During the month of May Gwydir Shire Council's Economic Development Department held two new resident nights. The first was in Bingara on Thursday 11th May with over 65 participants, 30-35 of whom were new residents. The majority of these new residents were in the over 50s age bracket, many of whom relocated to Bingara after visiting the town as free campers.

The second evening was held in Warialda on Thursday the 18th May with 42 participants 11 of which were new residents.

Both evenings were very well received and gained lots of positive feedback from both community groups and new residents.

“We would just like to say last night was so great met heaps of nice people over lovely food and drink. We feel really welcome to this lovely country town, so happy we have settled here, country people are so different to city people they talk to one another. Thanks again for organising the night”

Regards Pam & Graham Cooper



Left: Bernadette Gunthorpe, Bingara Lions Club. New residents Shirley, Yvonne Foster. Right: The crowd at the Warialda evening being addressed by Mayor John Coulton



Left: The crowd at the Warialda evening being addressed by Mayor John Coulton. Right: New Residents Pam and Graham Cooper



Left: New Residents Sam and Anne Tink, Bingara VIC Officer Jenny Mead with new resident Oisin Stamer. Right: New residents Suzanne Buckland and Gay and John Raymond with Brenda Pankhurst from Friends of Touriandi.

Our achievements in Procurement, Purchasing & Stores



Procurement

Gwydir Shire Council has adopted a strategic plan in relation to procurement and the management of contracts. Council strives to obtain the best value for money when negotiating their procurement and major contracts. A strong commitment to utilisation of regional partnerships has enabled Council to deliver the highest value for money through a collaborative approach. This includes the development and utilisation of regional best practice framework for procurement to be adopted for use throughout Councils across the region.

When entering into agreements, Council strives to deliver not only the necessary goods and services to perform its functions, but to also use funds in the most effective way and ensure honesty and compliance and always consider the public's interest. For major contracts (exceeding \$150,000 incl GST) an open and transparent process is followed to comply with Local Government Regulated standards. All other procurement outside major contracts is undertaken within Council's policies and procedures to ensure value for money, compliance and a high level of ethical behaviour and sound probity practice. A complete review of the internal framework for Purchasing and Procurement has been developed and is being introduced which will comply with current standards from an audit and probity perspective.

Within Gwydir Shires procurement practices, specific consideration is given to local and regional suppliers, as well as the social, environmental, economic and cultural basis of the products themselves and the suppliers with whom Council transacts.

Gwydir Shire Council has been actively driving the development of a Regional Procurement Network within the Namoi Joint Organisation of Councils. The initial project plan recommending the formation of a working group within the region was delivered to the Namoi Executive and subsequently the Namoi Board for consideration and the plan was adopted and included in the Namoi JO's Strategic Plan.

The Project Objectives will be to:

- Educate Namoi JO Working Groups on good procurement practices
- Establish Category expenditure profiles for each council and each working group
- Identify categories where aggregated expenditure would be advantageous
- Deliver against agreed objectives and Key Performance Indicators (KPIs) with Namoi JO working groups assigned to target categories.

Since the adoption of the Procurement Project by the Namoi JO, Gwydir Shire has led in the development of a comprehensive framework, which has also been adopted by the Namoi JO. This includes Policy, Guidelines and templates for the use of the Regional Procurement Group or by individual member councils when procuring, or entering into, or managing contracts.

Now that a guiding framework has been established, the Regional Procurement group will be implementing the following the actions:

1. Implementation of a program of data collation and analysis of Namoi JO member Councils expenditure by category (type).
2. Using data from Action #1, to highlight the key opportunities across all Namoi JO councils that can be addressed through strategic aggregated procurement. This would be co-ordinated through the Namoi JO Procurement Working Group.
3. Define and implement prioritised activities by category under the Namoi JO Procurement Working Group.

Our achievements in Library Services



Gwydir Shire libraries are continually exploring the realms of innovative ways to reach members across its vast Shire. In addition to the existing successful branches in Bingara and Warialda, Council has expanded the services through the introduction of an Outreach Program. The program was developed as part of the library service strategy to deliver library services to outlying villages and communities who may suffer from geographical isolation or may not have access to information services which support traditional library usage.

Gwydir Libraries continue to prove very popular with local residents and visitors to the Gwydir Communities with services being well patronised. Gwydir Library services are delivered using the Central Northern Regional Library (CNRL) contract which enables a much larger access to quality collections, resources and library management systems than those Gwydir Council could possibly deliver as a standalone service provider.

Statistics from the CNRL annual report consistently rate the usage and services levels delivered by Gwydir Shire Libraries per capita very highly, and in many cases the highest, within our region. The children and youth participation are exceptionally high and indicative of the wonderful job our library staff are doing.

Patrons are very happy with the variety, size and quality of the collections which are regularly rotated through weekly deliveries from CNRL. Positive customer feedback is regularly received with the approval rating of the library services scoring very highly during community consultation.

In addition to the general collection, specialised resources and equipment has been made available throughout 2016-2017 at Bingara and Warialda Libraries including

- | | |
|--|---------------------|
| • Autism Spectrum Disorder Support Collection | • 3D Printers |
| • Law Week Display and Presentation | • Robotics |
| • Themed craft and learning units | • Large Print Books |
| • eBook, eMagazines. eAudio and EMusic collections | |

The very popular children's programs continue to be well supported with regular and special holiday programs being often booked out and a waiting list required. These very well delivered programs include:

- | | |
|-------------------------|-------------------|
| • Baby Bounce and Rhyme | • Toddler Tales |
| • Kids Book Club | • Homework Helper |
| • Craft Groups | |

A variety of activities are delivered in school holidays

- Summer Reading Club
- School child collection and drop off at library – The “Virtual Bus”
- Study Groups for older children and teenagers
- A group formed for the tweenies for children aged 9 -12 years.

Some of the other programs and events that have being successfully delivered by Gwydir Libraries in 2016-2017 include:

- Adult book clubs
- Men’s groups
- Author visits
- Local History and Special Interest groups
- Celebration of Local Government Week (involving Councillors and the children who studied and delivered presentations to council on their vision for the future for Gwydir Shire).
- Read across the Shire where one book is read by as many participants as possible.
- Older residents reading to Children has become quite popular as have the visits by the children from the library to the aged care facilities.

The focus for the year was to deliver Council’s outreach program to as many residents across the Shire as possible. The outreach program enables residents to connect with their local library through digital technology as well as having exposure to a travelling librarian who visits remote sites across the Shire.

The outreach program has been very successful with new memberships and relationships forged throughout the Shire. The mobile service has delivered to schools, pre-schools, play groups, toy libraries and private groups across all sectors of the Gwydir Region. Travelling book collections, craft sessions and access via digital formats have been encouraged and the communities have been very welcoming of this unique service. In addition to the face to face elements of the program these remote residents have been trained and encouraged to utilise the vast range of digital resources that can be accessed through Gwydir libraries and as members of the CNRL. Geographically disadvantaged children have been offered a research and study assistance resource whereby they email the local libraries to be guided through a myriad of questions and research techniques that the library now offers.

During the year Gwydir libraries were privileged to be visited by the State Library representative, Ellen Forsyth (Consultant Public Library Services), who conducted a review of the Gwydir Library Services. The report received subsequent to the visit was very positive and encouraging. Ms Forsyth was especially pleased with the collection, program delivery, community connection, technology, local study initiatives and in particular the strong connection between the Local and Regional Library and the outstanding success of the Gwydir Outreach Program.

The State Library was also supportive of a proposal to relocate the Bingara Library to a more suitable space as the existing space has been outgrown as the Service has developed in recent years. This proposition has been identified as one of the foremost ideas that the local community identified from community consultation in 2016-2017. The existing Bingara Civic Centre has been earmarked as the possible new location. Initial feasibility, design briefs, funding proposals and costings have commenced and the project will be considered as a future project in the Long Term Plan.

Our achievements in Agency Services

**Gwydir Centrelink Services
rated very highly**

**High levels of conversion
of clientele to the digital
reporting format**

**Services NSW Transactions
Bingara 2866**

**Gail Phillpott recognised
for Outstanding
Service Delivery**

**Tech Savvy courses
delivered to seniors**

**Services NSW Transactions
Warialda 4792**

Centrelink

The delivery of the contracted Centrelink contract continues to operate as a vital service within the Bingara Community. The Department of Human Resources renewed the contract for another year and during their annual performance review rated this service very highly. During 2016-2017 the local agency was led by Gail Phillpott who was recognised by the Department of Human Services for her outstanding service delivery of the range of services provided at Bingara. This award was in recognition of the way she “delivers excellent customer service and goes above and beyond what is required to assist our customers”

During the last twelve months there has been a big shift for clients to use digital reporting and lodgements and the Bingara Branch has achieved very high levels of conversion of clientele to the new format. Additionally clients are being urged once they have converted to the digital format aggregate and connect a range for services which are delivered by Human Services. These include not only regular social security payments but also:

- Medicare
- Australian Taxation Office
- Centrelink
- Australian JobSearch
- My Health Record
- My Aged Care
- Child Support
- Department of Veterans’ Affairs
- National Disability Insurance Scheme
- Drought and Disaster Relief

The agency integrates Centrelink online services and myGov into Tech Savvy courses delivered to seniors through work the Bingara library. Connections to other services delivered by Council and the wider community are frequently used to refer Human Services clients to. The situation of this service in the existing space with other like services continues to work well with customers being able to meet multiple needs from the one centre.

Services NSW

Services NSW continues to operate out of out two main centres, in Bingara on Monday and Thursday and Warialda on Tuesday, Wednesday and Friday.

The majority of transactions processed at both sites helps support the agricultural and transport industries within the Shire by renewing and registering many conditional, general and seasonal registrations.

People in both towns appreciate having friendly competent staff to help with Service NSW transactions rather than navigating the online website or call centre themselves.

Transactions range from licence and registration renewal to birth certificate applications, boat registrations, fair trading transactions and many more. The local service provides immediate access to the community, in contrast to visiting Inverell or Moree which may be inaccessible to them during opening hours or may involve extensive waiting times.

Offering driver testing in both towns gives locals increased opportunity to obtain a drivers licence without having to travel elsewhere. It also minimises applicants' need to take time off employment. During 2016/2017 the Bingara branch undertook 2866 transactions and Wyalda 4792.

Our achievements in the Gwydir Learning Region

New nursery at the Living Classroom

Partnership with Bingara Central School Civics Class

The Living Classroom a location for research

'Greenest and Most Sustainable Garden' Award

The Gwydir Learning Region (GLR) has maintained its principal focus on facilities, skills provision and the pursuit of learning across Gwydir Shire.

The GLR is a Registered Training Organisation (RTO) and continues to offer Heavy Vehicle Training and Licensing. There is a Learn to Drive vehicle and trainer and three Trade Training Centres.

The RTO supports the Men's Sheds, school activities and community interest groups, and continuously looks to find new and varied opportunities to broaden the interests and outcomes of our citizens.

The RTO responds to Grant opportunities, and teams up with groups like Northern Slopes Landcare Association, Gwydir Ark, Country Women's Association (CWA) and Schools to champion environmental and social fabric of our community and encourage visitors to Gwydir Shire.



Major 2016-17 Projects and Programs:

- Automotive Trade Training Centre (ATTC) Warialda: Fence repairs and gate construction. Purchase of a new welder. Delivery of Welding Programs.
- Hospitality Trade Training Centre (HTTC) Bingara: Use by Cookery classes; catering for Roxy Theatre events
- The Living Classroom, (TLC) Bingara, Primary Industries Trade Training Centre: New Nursery; development of a Cochineal beetle nursery working with Northern Slopes Landcare Association (NSLA); establishment of a Berry Patch; further development of an expansive Mediterranean Garden; further development of Nourish Bush Tucker Garden; creation of connecting pathways/cycleways; construction of raised mandala Garden beds; construction of benches for Nursery.
- Heavy Vehicle (HV) and Learn to Drive offered at ATTC.
- Work for the Dole Program at TLC
- Working with the visiting Bingara Central School Civics Class
- Indigenous Arts & Crafts

Visitors

During the reporting period there have been many visitors at TLC. These have included community groups like the Bingara Lions Club, Bingara Garden Club, Taree Car Club, Inverell Legacy, Tamworth Probus and Warialda Craft Group. Other visitors have included Costa Georgiadis; representatives from Tocal College; Narrabri Sydney University Research, Northern Tablelands Local Land Services and the Bingara Community College.

Regular Users

- ATTC – Tertiary And Further Education (TAFE);
- HTTC – Cookery skills Inverell Rural Outreach & Support Services
- TLC – Bingara Country Women’s Association; Selah Yoga; Gwydir Ark; Namoi Joint Organisation of Council; North West Risk Management; Work for Dole; Bingara Central School; Bingara Pre-school.

Research

The Living Classroom has become a location for research. Research undertaken over this reporting period has included; research on Honey Bees (Tocal), Native Plants & Grasses (Dr Judi Earl); Fauna (Alex Dudley); Soil Carbon (The Carbon Farm).

Education:

In addition to our local Gwydir Schools, school groups visiting our Gwydir Learning Region facilities have included Collarenebri & Mungindi Central School and Cavendish Road High School, Brisbane. TLC also hosted a group of mature aged students undertaking Certificate 3 in Horticulture.

Awards:

The Living Classroom Kitchen Garden was awarded the ‘Greenest and Most Sustainable Garden’ by the Centre for Organic Research & Education.

Our achievements in the Gwydir Learning Region

Opening of 24/7 Bingara Fitness Centre



The much anticipated second 24 hour Fitness Centre was officially opened by local member Adam Marshall in Bingara on Monday July 25.

The new facility was made possible through a partnership between the Gwydir Fitness Centre fundraising committee and the Gwydir Shire Council proving anything is possible when a community works together.

The fundraising committee worked tirelessly over three years to see the project to fruition, raising funds through a number of events and activities including a fundraising dinner and Fitness Centre Fun Run as part of the annual Bingara Orange Festival which has run for the last three years.

In the past 12 months, the project also received a much welcomed boost when Member for Northern Tablelands Adam Marshall presented the committee with a grant of \$25,000 from the NSW Government’s Sport and Recreation Participation and Facility Programs. The total spend for this project was approximately \$98,000.00.

This is an exciting project for Bingara and an excellent example of the outcomes that can be achieved when community groups work in partnership with Council. One of the courts is now designed as an aerobics exercise room, the other court is a weight training room and the foyer houses all the cardio exercise equipment. The upstairs viewing area is now a boxing punch fit workout area.

The new Bingara Centre compliments the first 24/7 gym set up in Warialda three years ago by the Council. The Warialda Fitness Centre continues to operate successfully.

Our achievements in Planning & Development

51 Development Applications

4 Complying Development Certificate Applications

Total Value of development \$4 229 276.00

During the 2016/2017 financial year Council received 51 Development Applications and 4 Complying Development Certificate Applications with a total value of \$4,229,276.00. The types of development applied for were 16 new dwellings, 18 applications for residential ancillary developments (such as dwelling additions and alterations, sheds, garages, carports, verandahs and patios), 7 commercial applications, 4 rural subdivision and 2 urban subdivision, 2 quarries, 2 events and 4 miscellaneous applications (such as signage).

The total number of development applications and complying development certificates approved for the year was 47 as seen in the below table which also includes various other applications and approvals issued under the Environmental Planning & Assessment Act 1979 and the Local Government Act 1993.

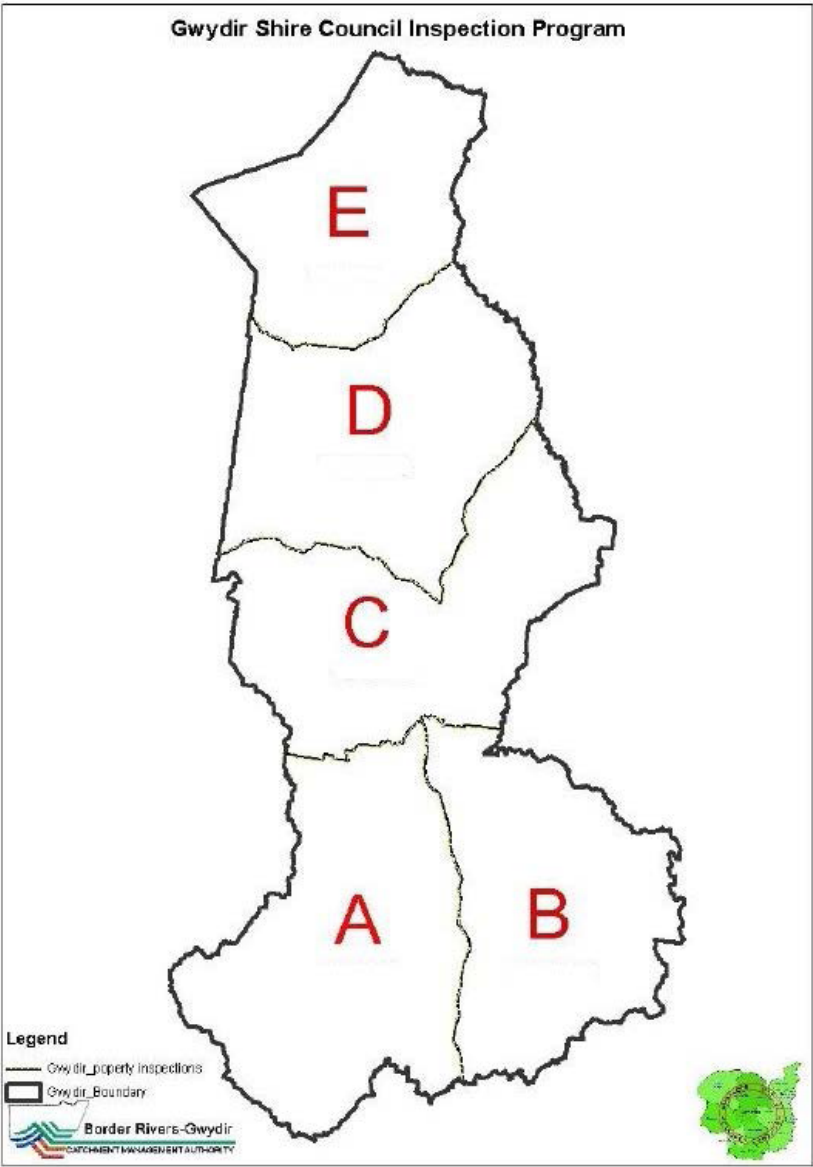
	Development Applications	Construction Certificate	Complying Development Certificates	S96 Modification Applications	Subdivision Certificates	S68 Applications	Building Certificates
Applications Received	51	37	4	9	9	18	7
Cancelled	1	0	0	0	0	0	0
Total Applications Approved	43	34	4	6	9	18	7
Applications Approved by Delegation	42	28	3	5	9	18	7
Applications Approved by Council	1	0	0	1	0	0	0
Applications Approved by Private Certifier	-	6	1	-	0	-	-

Throughout the 2016/2017 year Council also issued two hundred s149(2) Certificates (Zoning Certificate under Environmental Planning & Assessment Act 1979), twenty three s149(5) Certificates (Annexure to s149(2)), twenty 735A Certificates (Outstanding Notices under the Local Government Act 1993), nineteen 121ZP Certificates (Outstanding Notices under the Environmental Planning & Assessment Act 1979) and twenty eight s64 Certificates (Noxious Weeds). In addition Council replied to eighty two requests for Drainage Diagrams.

Our achievements in Weed Management

This year marked the second year of the 5 year Weed Action Plan. The large majority of properties in section B (see map below) were inspected and control information and advice given to landholders. Noxious Weeds were successfully controlled in hotspots identified around the Shire and across our road network. The Harissa Cactus containment line at North Star was held with works done across the area.

This was the 2nd year of a 3 year grant program to control green cestrum in Slaughterhouse Creek in partnership with Moree Plains Shire Council. The Noxious Weeds Officers ran information stalls at Bingara and Wialda Shows where they have a display of Noxious Weeds and booklets for weed control focusing on the targeted weeds for our geographical area.



Our achievements in Waste

1.354 Tonnes of Chemical Waste was collected

337.5 kg per service of waste was collected over 1439 Services

197kg of recycled material per service was collected over 1439 Services

159 kg per service was collected from Green Bins over the 1376 services

Through the hierarchy of Avoid, Reduce, Reuse, Recycle the Gwydir Shire Council aims to achieve sustainability and the responsible use and disposal of resources within the region.

The Shire provides Landfill and Transfer sites services at 7 facilities across the Shire. Warialda and Bingara have a fully staffed landfill operating 7 days a week. There are remote landfills at Coolatai, Croppa Creek, Gravesend, Warialda Rail and Upper Horton, and a transfer station facility at North Star. All residents and ratepayers across the Gwydir Shire have access to a landfill or transfer station. Gwydir Shire Council provides households with a 3 bin system consisting of general waste, recycling and food and kitchen organics (FOGO). Commercial and Non Rateable properties have a general waste, recycling service and food and kitchen organics upon request as needed.

There are Public Place Bins in parks, ovals and rest areas across the Shire. Commercial and domestic 'Cardboard cage' recycling services are located at Bingara, Coolatai, Croppa Creek, Gravesend, Warialda and Upper Horton.

The Gwydir Shire Council also provides a range of specialised recycling and disposal services such as Asbestos, DrumMuster, Mobile Muster, Printer Cartridge, E-Waste, Petroleum and Cooking Oil and Household Chemical Collections.

We are a member of the Northern Inland Regional Waste Group. This group was formed in 1998. Northern Inland Regional Waste (NIRW) is a collaboration of Councils from the New England and North West region of New South Wales who are focused on delivering cost effective and sustainable waste management options for the regional community. Tamworth Regional Council hosts the positions of the NIRW Executive Officer and Program Coordinator. Current member councils are Armidale Dumaresq, Glen Innes Severn Shire, Gunnedah Shire, Guyra Shire, Gwydir Shire, Inverell Shire, Liverpool Plains Shire, Moree Plains Shire, Narrabri Shire, Tamworth Regional, Uralla Shire, Tenterfield Shire and Walcha Shire.

1.354 Tonnes of Chemical waste was collected for proper disposal through The Household Chemical clean out. This program is 50% funded by the NIRW and NSW EPA.

Waste Collection

An online fortnightly promotional campaign targeting the improvement of recycling habits has been undertaken along with a fortnightly campaign aimed at promoting increased use of FOGO bin (Food Organics Garden Organics Bin).

- An average of 337.5 kg per service was collected in the Red bin over 1439 services
- An average of 197 kg per service was collected in the Yellow bin over 1439 services
- An average of 159 kg per service was collected in the Green bin over 1376 services

Landfills and Transfer Stations

At the Warialda Landfill the all-weather access roads were completed, a new general waste disposal cell was excavated, the lower section was shaped for better access and stockpiled tyres were recycled. There was \$2176.27 in 'Tip-Shop' sales.

At the Bingara Landfill the all-weather access roads were completed. The compound fencing by Council's Building Services Team was commenced and is being continued into the new financial year. There was \$1378.17 in 'Tip-Shop' sales.

The Bingara Landfill was also the recipient of the Bingara Garden Club's Certificate Of Appreciation *"to acknowledge the time and effort spent by staff in planting and maintaining green and colourful areas at and around the entrance to the Waste Recovery Centre. We feel that this shows co-operative and commendable community spirit, and brings pleasure to residents visiting this place."*

A new general waste disposal cell was excavated at Gravesend and a bank of 12 recycle bins on stands were installed.

Croppa Creek landfill and North Star Transfer Station also saw a bank of 12 recycle bins on stands installed at both facilities.

The North Star Transfer Station site was also fenced by Council's Building Services Team.



Our achievements in Information Services



Information Services

Council's Information Services team consists of 4 full time staff who are ultimately responsible for all Information and Technology systems. These include, but not limited to

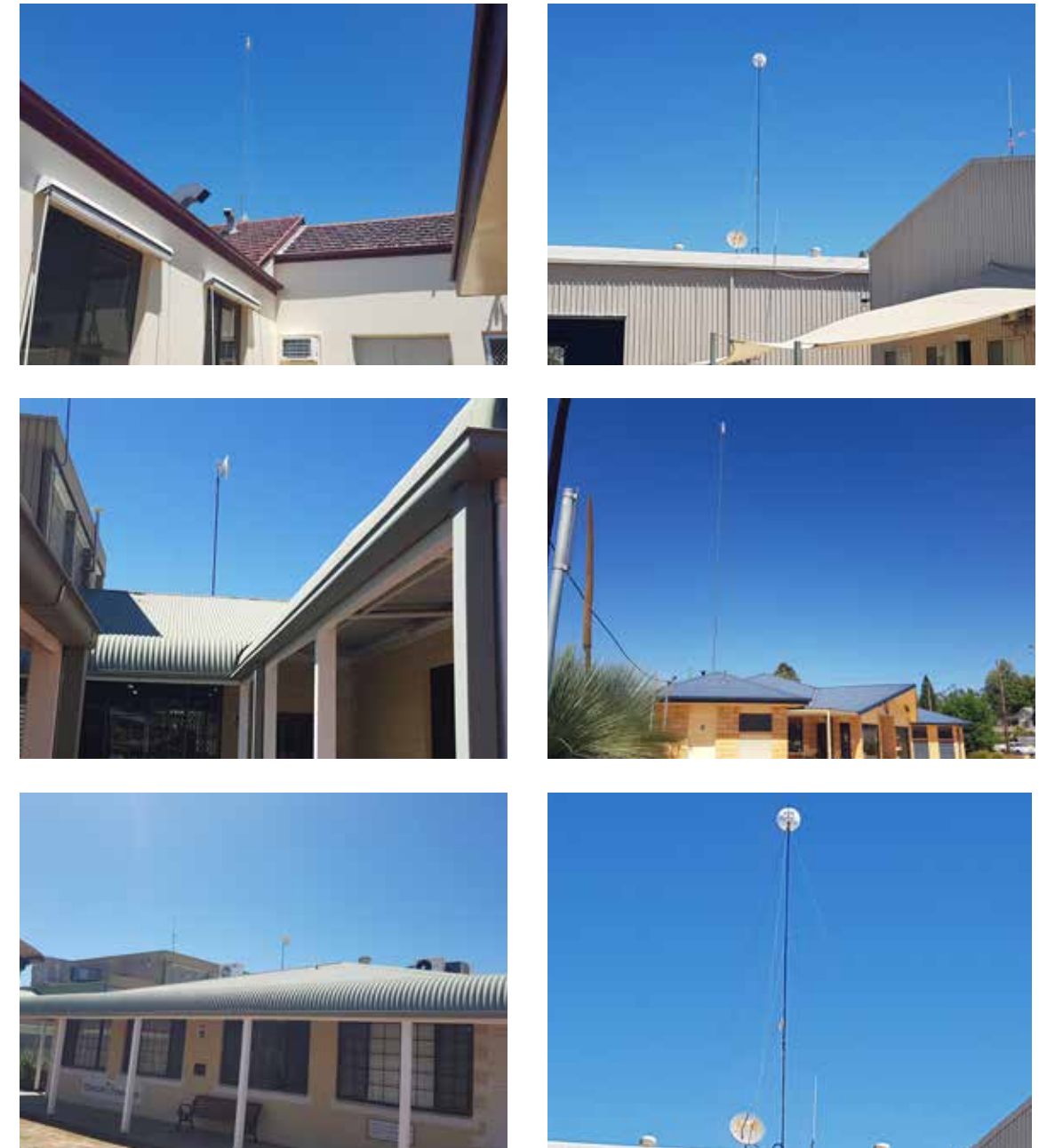
- Support for over 500 + devices including
 - o Desktops, laptops and tablets
 - o Printers and scanners
 - o Network and server equipment
 - o Telephony devices, phones, mobiles & tablets
- Information Contract Management
 - o Telecommunication Contracts
 - o Printer fleet contracts
 - o Software contracts – Microsoft, Civica etc.
- Records Management
 - o Maintenance of Council's Electronic Document Management System (EDMS)
 - o Supporting over 23000 records inputted into our EDMS annually
 - o Classification, Resentencing, Storage and Maintenance of all physical (paper) based records

Information Services respond to over 7500 support requests, queries & training annually. We support a network that transfers over 60 terabytes annually. We are supporting over 500 devices. We have over 23000 records entered into our Electronic Document Management System a year.

Key Achievements for 2016/2017 Include

- Software Implementation. iFerrett – Council's digital assets, such as records, emails and databases have been growing at an exponential rate. This creates challenges for council staff to adequately find appropriate information in a timely manner. iFerrett scans and indexes all our digital assets. Any user can now find any piece of information which they have permission to access, whether that information is in a document management system, file system, e-mail or database.
- Warialda Data upgrade – A point to multipoint (PTMP) wireless network upgrade has allowed Information Services team to deliver the same access to Gwydir Shire's information systems and telephony network. These sites no longer have to rely on slow and expensive data networks.

- Naroo	- Warialda Toylibrary
- Warialda Library	- Warialda CHSP
- Warialda Tourism Centre	



- Warialda Wireless Upgrade – Our Corporate & Public WiFi system have been extended to include all primary council offices in Warialda. This allows council staff to work in any council owned office and still access the same Information Systems as if they were in the Warialda Admin Office. This upgrade has also allowed council to offer free public WiFi in all council owned buildings.

The following pages include an outline of actions included in the 2016/17 Operational Plan and Council's Delivery Program covering this period.

Corporate Services
Financial Operations
Financial Administration

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
5.1.1.17 September Quarter Budget Review --> Refer operational action	Ronald Wood - Chief Financial Officer	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
ACTION PROGRESS COMMENTS: Incorrectly created as a delivery plan action rather than operational plan. Refer operational plan item. Last Updated: 10-Jan-2017						

Information Services
Information Services

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
5.1.2.7 IT replacement program	Timothy Greensill - Information Services Manager	Not started	01-Jul-2016	30-Jun-2017	-	100.00%
ACTION PROGRESS COMMENTS: Capital Program deferred to FY 2017 Last Updated: 30-Jun-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
5.1.3.8 Continuous improvement program	Timothy Greensill - Information Services Manager	Ongoing	01-Jul-2016	30-Jun-2020	100%	100.00%
ACTION PROGRESS COMMENTS: Current Reviews - Accounts Payable - On going review. Purchase cards to replace majority of orders sub \$200 in FY 2017 Last Updated: 30-Jun-2017						

Development and Environmental Services
Building Services
Administration Buildings

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.18 Bingara Court House refurbish public amenities	Colin Cuell - Building Services Manager	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
ACTION PROGRESS COMMENTS: Work completed. Last Updated: 06-Mar-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.23 Bingara Office paint internal and floor coverings to southern section of office	Colin Cuell - Building Services Manager	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
ACTION PROGRESS COMMENTS: Completed Last Updated: 21-Dec-2016						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.24 Bingara Office paint internally and floor coverings to northern section of office	Colin Cuell - Building Services Manager	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
ACTION PROGRESS COMMENTS: Completed Last Updated: 30-June 2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.69 Warialda Office refurbish male amenities	Colin Cuell - Building Services Manager	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
ACTION PROGRESS COMMENTS: Completed Last Updated: 21-Dec-2016						

Community Housing

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.11 10 Olive Pyrke Terrace Residence paint internally and floor coverings	Colin Cuell - Building Services Manager	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
ACTION PROGRESS COMMENTS: Completed Last Updated: 30-June 2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.16 Bingara Arts Centre refurbish kitchen	Colin Cuell - Building Services Manager	Not Started	01-Jul-2016	30-Jun-2017	0.00%	100.00%
ACTION PROGRESS COMMENTS: Project was not undertaken due to budget restrictions imposed by GM Last Updated: 30-June 2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.27 Bingara Senior Citizens Centre paint internally	Colin Cuell - Building Services Manager	Not Started	01-Jul-2016	30-Jun-2017	0.00%	100.00%
ACTION PROGRESS COMMENTS: Capex project not required as work done by Committee. Last Updated: 30-June 2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.56 Plunkett Street Aged Units refurbish unit	Colin Cuell - Building Services Manager	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
ACTION PROGRESS COMMENTS: Completed Last Updated: 21-Dec-2016						

Council Housing

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.7 123 High Street Residence refurbish bathroom	Colin Cuell - Building Services Manager	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
ACTION PROGRESS COMMENTS: Completed Last Updated: 21-Dec-2016						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.9 8 Olive Pyrke Terrace Residence paint internally and floor coverings	Colin Cuell - Building Services Manager	Not Started	01-Jul-2016	30-Jun-2017	0.00%	100.00%
ACTION PROGRESS COMMENTS: Work to be deferred on request of tenant Last Updated: 06-Mar-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.64 Rosehill Drive Residence paint internally and floor coverings	Colin Cuell - Building Services Manager	Not Started	01-Jul-2016	30-Jun-2017	0.00%	100.00%
ACTION PROGRESS COMMENTS: Advised by GM to hold off doing this work until a later date. Last Updated: 06-Mar-2017						

Other Buildings

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.51 Old SES Rivercare shed paint externally	Colin Cuell - Building Services Manager	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
ACTION PROGRESS COMMENTS: Project completed under budget. Last Updated: 21-Dec-2016						

Pools

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
1.1.3.21 Bingara pool leak rectification and filtration system upgrade	Colin Cuell - Building Services Manager	Completed	01-Jul-2015	30-Jun-2017	100.00%	100.00%
ACTION PROGRESS COMMENTS: Filtration system has been upgraded. Sump has been repaired. This project was originally arranged and assigned to Duncan Thain. During organisational changes pools were transferred to Building Services. Last Updated: 04-Feb-2016						

Public Halls

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.66 Warialda Memorial Hall paint externally	Colin Cuell - Building Services Manager	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
ACTION PROGRESS COMMENTS: Work completed. Last Updated: 06-Mar-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.67 Warialda Memorial Hall refurbish amenities	Colin Cuell - Building Services Manager	Not Started	01-Jul-2016	30-Jun-2017	0.00%	100.00%
ACTION PROGRESS COMMENTS: Project was not undertaken due to budget restrictions. Last Updated: 06-Mar-2017						

Development and Land Use Management Planning

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
1.2.1.7 Prepare a local housing market study	Glen Pereira - Development & Environmental Services Dir	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
ACTION PROGRESS COMMENTS: This action is not considered relevant. Last Updated: 02-Mar-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
1.2.3.10 Implement the Shire wide Heritage study with community consultation	Glen Pereira - Development & Environmental Services Dir	In Progress	01-Jul-2016	30-Jun-2017	76.00%	100.00%
ACTION PROGRESS COMMENTS: Heritage Study has been completed. Initial consultation with property owners has been completed. Last Updated: 02-Mar-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
1.2.3.11 Partner with local land services & indigenous groups for cultural & heritage projects	Glen Pereira - Development & Environmental Services Dir	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
ACTION PROGRESS COMMENTS: There have been a number of partnerships commenced with NWLLS and the Moree Local Area Lands Council, Anaiwan Local Area Lands Council and NSW Office of Environment and Heritage to Develop Cultural and Heritage Projects, including Last Updated: 02-Mar-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.73 Identify and create land development opportunities for residential, industrial and other land use needs	Glen Pereira - Development & Environmental Services Dir	In Progress	01-Jul-2016	30-Jun-2017	60.00%	100.00%
ACTION PROGRESS COMMENTS: land has been identified for residential and industrial uses. Last Updated: 06-Mar-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.2.2.1 Partner with educational and research institutes and related groups to identify opportunities	Glen Pereira - Development & Environmental Services Dir	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
ACTION PROGRESS COMMENTS: Council through the Living Classroom and agricultural industry initiatives is engaging with educational and research institutes. Last Updated: 06-Mar-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
3.1.1.3 Support the existing agricultural industry as well as providing new opportunities	Glen Pereira - Development & Environmental Services Dir	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
ACTION PROGRESS COMMENTS: Council continues to support the agricultural industry. Last Updated: 06-Mar-2017						

Environment

Environment

Environmental Services

ACTION	RESPONSIBLE PERSON	STATUS	START	END DATE	COMPLETED	TARGET
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ACTION	RESPONSIBLE PERSON	STATUS	START	END DATE	COMPLETE	TARGET
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ACTION	RESPONSIBLE PERSON	STATUS	START	END DATE	COMPLETE	TARGET
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ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
3.1.3.3 Develop of a community permaculture garden to help foster an understanding of sustainable living within both Bingara and Warialda	Glen Pereira - Development & Environmental Services Dir	In Progress	01-Jul-2016	30-Jun-2017	72.00%	100.00%
ACTION PROGRESS COMMENTS: Community garden developed in Bingara at the Living Classroom. Last Updated: 06-Mar-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
3.1.3.7 Investigate the possibility of joint funding applications with the LLS and neighbouring Council's to achieve regional biodiversity outcomes	Saul Standerwick - Environment and Sustainability (234)	Ongoing	01-Jul-2016	30-Jun-2017	100.00%	100.00%
ACTION PROGRESS COMMENTS: Joint weed eradication and containment projects undertaken Last Updated: 30-June 2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
3.1.3.11 Partner with LLS and Landcare groups to revegetate areas affected by degradation within the Shire	Saul Standerwick - Environment and Sustainability (234)	In progress	01-Jul-2016	30-Jun-2017	70.00%	70.00%
ACTION PROGRESS COMMENTS: Hall creek bio-links project ongoing revegetation project ongoing. Last Updated: 30-June 2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
3.1.3.12 Seek funding opportunities for native vegetation programs	Saul Standerwick - Environment and Sustainability (234)	In progress	01-Jul-2016	30-Jun-2017	100.00%	100.00%
ACTION PROGRESS COMMENTS: Working with LLS on obtaining funding-additional funding granted for High Risk Pathways Feral Fruit Tree eradication Program Last Updated: 30-June 2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
3.1.3.13 Support the development of re- vegetation corridors & fish habitat in consultation with local owners along waterways.	Saul Standerwick - Environment and Sustainability (234)	Ongoing	01-Jul-2016	30-Jun-2017	70.00%	70.00%
ACTION PROGRESS COMMENTS: Hall creek bio-links project ongoing revegetation project ongoing Last Updated: 30-June 2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
3.2.1.1 Biogas investigation	Duncan Thain - Recreation Manager	Ongoing	01-Jul-2016	30-Jun-2017	0.00%	100.00%
ACTION PROGRESS COMMENTS: A desk top study has been completed by independent engineering contractor, Sohum Gandhi. This is with the Circular Economy committee for consideration. Last Updated: 30-June 2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
3.2.1.2 Explore alternative energy options	Duncan Thain - Recreation Manager	Ongoing	01-Jul-2016	30-Jun-2017	0.00%	100.00%
ACTION PROGRESS COMMENTS: In addition to the Desk top Study, there is a proposal put forward by a community member to build a biomass plant in Bingara. This is still being considered. Last Updated: 30-June 2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
3.2.1.3 Investigate any opportunities to reduce electricity costs within the Shire through the introduction of a community based alternative energy production scheme	Duncan Thain - Recreation Manager	Ongoing	01-Jul-2016	30-Jun-2017	-	100.00%
ACTION PROGRESS COMMENTS: UTS have been commissioned to complete a Behind the Meter Energy Efficiency Model as presented by GSC. Zen Energy are a stakeholder in this process. Through the support of Professor Ross Garnaut GSC has applied to become part of the NSW Energy Challenge. Professor Garnaut has advised we are at the presentation stage of this Last Updated: 30-June 2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
3.2.3.1 Implement Council's Waste Management Strategy, in consultation with the community	Saul Standerwick - Environment and Sustainability (234)	Ongoing	01-Jul-2016	30-Jun-2017	100.00%	100.00%
ACTION PROGRESS COMMENTS: Strategy implemented and ongoing management Last Updated: 30-June 2017						

Parks and Urban Spaces

Town Streets Improvement

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
1.1.3.15 Town streets beautification program - not defined	Carl Tooley - Manager Compliance and Urban Spaces	Not Approved	01-Jul-2016	30-Jun-2017		100.00%
ACTION PROGRESS COMMENTS: Not funded in 16/17 Last Updated: 02-Mar-2017						

Public Health

Public Health Administration

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
1.2.2.14 Develop a Community Safety Plan	Glen Pereira - Development & Environmental Services Dir	In Progress	01-Jul-2015	30-Jun-2017	15.00%	100.00%
ACTION PROGRESS COMMENTS: consultation with the Barwon Area Command needed to review existing agreement. Last Updated: 06-Mar-2017						

Regulatory Services

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
1.2.2.13 Animal pound construction	Saul Standerwick - Environment and Sustainability (234)	Deferred	01-Jul-2016	30-Jun-2017	20.00%	100.00%
ACTION PROGRESS COMMENTS: Deferred until 2020/21 Last Updated: 30-June 2017						

Recreational Facilities

Community Fitness

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
1.1.3.25 Continue to explore ways to maximise the potential of Council's recreational resources.	Duncan Thain - Recreation Manager	Ongoing	01-Jul-2016	01-Jul-2020	-	100.00%
ACTION PROGRESS COMMENTS: The Gwydir River is an under utilized recreation resource. NSW Canoe and Slalom Assn has made a preliminary approach to establish a Junior slalom course in Bingara. An official approach is pending Last Updated: 30-June 2017						

Waste Management

Waste Management

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
3.2.3.14 Fence erection Landfills Shire Wide	Saul Standerwick - Environment and Sustainability (234)	In Progress	01-Jul-2016	30-Jun-2017	70.00%	100.00%
ACTION PROGRESS COMMENTS: North Star Transfer Station Complete-Bingara 2 of 4 sides completed Last Updated: 30-June 2017						

Governance, Plant and Town Utilites

Governance

Executive Services

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
5.1.5.1 A report on the progress on implementation of the Community Strategic Plan must be presented at the final meeting of the outgoing Council	Maxwell Eastcott - General Manager	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
Last Updated: 30-June 2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
5.1.5.8 Major review of Community Strategic Plan and Delivery Plan following local government elections.	Maxwell Eastcott - General Manager	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
Last Updated: 30-June 2017						

Sewerage Services

Sewerage Services

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
3.2.3.2 Bingara Sewer main relining	Andrew Cooper - Town Utilities and Plant Manager	Not Started	01-Jul-2016	30-Jun-2017	0.00%	100.00%
Nil carried out in 2016-17 deferred to 2017-18						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
3.2.3.3 Bingara Sewer Treatment Plant amenity building roof replacement	Andrew Cooper - Town Utilities and Plant Manager	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
Building services department completed in 2016						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
3.2.3.4 OHS work renewal	Andrew Cooper - Town Utilities and Plant Manager	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
Sewer pump station 2 access ladder replaced February 2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
3.2.3.9 Warialda sewer mains relining	Andrew Cooper - Town Utilities and Plant Manager	In Progress	01-Jul-2016	30-Jun-2017	10.00%	100.00%
Nil carried out in 2016-17 deferred to 2017-18						

Town Utilities and Plant Plant Operations

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
5.1.3.28 Plant renewal Program 2016-17	Andrew Cooper - Town Utilities and Plant Manager	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
Major plant items replaced in 2016-17 were Grader, Slasher tractor, smooth drum roller and two zero turn mowers.						

Showground Facilities

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
1.1.3.49 Showground revenues	Andrew Cooper - Town Utilities and Plant Manager	In Progress	01-Jul-2016	30-Jun-2017	85.00%	100.00%
ACTION PROGRESS COMMENTS: Income from user groups and private hire has been received						

Water Supply Services Water Supply Services

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
3.2.2.1 Warialda Water replacement of bore pumps	Andrew Cooper - Town Utilities and Plant Manager	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
ACTION PROGRESS COMMENTS: Replaced Saleyard bore submersible pump June 2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
3.2.2.3 Water Main replacement Gwydir Hwy Warialda from Apex Park to Motel	Andrew Cooper - Town Utilities and Plant Manager	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
started June 2017 and completed August 2018						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
3.2.2.10 Water meter replacement program	Andrew Cooper - Town Utilities and Plant Manager	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
ACTION PROGRESS COMMENTS:						
49 water meters were replaced during 2016/17						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
3.2.2.17 Installation of Water bottle refilling stations in Warialda and Bingara	Andrew Cooper - Town Utilities and Plant Manager	Not Started	18-May-2017	30-Jun-2017	10.00%	100.00%
Water refilling stations have been ordered and will be installed November 2017						

Organisation and Community Development

Aged and Disability Services

Commonwealth Home Support Program

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
1.1.3.1 Identify and support initiatives that create new opportunities for the participation of older people in our community	Sharon Baker - Aged Care Manager	In Progress	01-Jul-2016	30-Jun-2017	75.00%	100.00%
ACTION PROGRESS COMMENTS:						
This is an ongoing process that involves input from the Doctors, council care providers, health and private care providers. Regular Community Care Meetings are held where opportunities for the participation of older people in the community are discussed and planned for.						
Last Updated: 27-Feb-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
1.2.1.6 Continue and expand partnerships with service providers to ensure the provision of home help and assistance to frail, older and disabled people.	Sharon Baker - Aged Care Manager	In Progress	01-Jul-2016	30-Jun-2020	75.00%	100.00%
ACTION PROGRESS COMMENTS:						
Ongoing as part of daily operational activities. Our staff participate in community meetings and one-on-one discussions with medical staff at the Medical Centres and						
Last Updated: 27-Feb-2017						

Naroom

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
1.2.1.4 Preparation of independent living residential options floor plans, subdivision layout etc	Sharon Baker - Aged Care Manager	Not approved	01-Jul-2015	30-Jun-2017	0.00%	100.00%
Plan developed awaiting funding opportunities						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.1 Pursue the acquisition of land from the State Government for development of independent living units adjacent to Naroom	Leeah Daley - Organisation & Community Development Dir	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
Land purchased						

Marketing & Promotion

Events Co-ordination

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.3.22 Attract new events to the shire	Georgia Standerwick - Economic Development Officer	Not Started	12-Apr-2017	30-Jun-2017	0.00%	100.00%
New events will be investigated when funding is available. Staff are concentrating on existing events to value add ensuring sustainability.						

Organisation Development Administration

Organisational Development Administration

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
1.1.3.4 Identify and rectify any barriers to the involvement of residents with a disability in the activities promoted by the Shire	Suzanne Webber - Social Services Manager	Completed	01-Jul-2015	30-Jun-2017	100.00%	100.00%
ACTION PROGRESS COMMENTS: The Disability Access Action Plan is complete and has been implemented into interplan for action. Last Updated: 30-June-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
1.2.1.8 Undertake a community survey with the ageing to identify housing needs and priorities.	Leeah Daley - Organisation & Community Development Dir	Not Started	01-Jul-2016	30-Jun-2017	0.00%	100.00%
Deferred to a future year.						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.2.2.5 Continue the development of the GLR initiative	Leeah Daley - Organisation & Community Development Dir	In Progress	04-Jan-2016	30-Jun-2018	75.00%	100.00%
ACTION PROGRESS COMMENTS: Promotional material has been designed to promote the Driver Training opportunities. Relationships have been developed with TAFE and Landcare to increase exposure for Last Updated: 27-Feb-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
4.1.2.1 Develop Council Engagement Strategy	Leeah Daley - Organisation & Community Development Dir	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
ACTION PROGRESS COMMENTS: Complete Commenced in February expected to be complete by 31 March 2017. Strategy reviewed, and revised version adopted by Council. Last Updated: 30-June 2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
4.2.1.1 Develop and promote volunteering initiatives in the Shire	Leeah Daley - Organisation & Community Development Dir	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
ACTION PROGRESS COMMENTS: Volunteer Plan developed and objectives included in the IPR documentation. Implementing volunteering initiatives are ongoing, however the strategy, and induction processes are finalised. Last Updated: 30-June 2017						

Social Services

Families NSW

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
1.1.2.5 Advocate on behalf of service providers and community groups for additional family support services and facilities	Suzanne Webber - Social Services Manager	Ongoing	01-Jul-2016	30-Jun-2020	100.00%	100.00%
ACTION PROGRESS COMMENTS: Discussions are underway with Families NSW in conjunction with the Targeted Early Intervention Reform Package which is due to be implemented in the 2018/2019 financial year. This will possibly see an increase in funding for Playgroups and toy library services in the form of an Early Intervention Family Worker being employed. Last Updated: 30-June-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
1.1.2.6 Facilitate community awareness and support for important health issues, including to: Identify existing agencies and programs providing relevant health awareness education; develop programs for short to medium implementation and identify potential partners for collaborative programs	Suzanne Webber - Social Services Manager	Completed	01-Jul-2016	30-Jun-2020	100.00%	100.00%
ACTION PROGRESS COMMENTS: Twenty four sessions were held in Bingara and Warialda through the Toy Library Services. Over 200 families were assisted to access information and education regarding health and well being. Last Updated: 30-June-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
1.1.2.7 Facilitate the provision of services that aim to reduce alcohol and drug abuse in the community	Suzanne Webber - Social Services Manager	Completed	01-Jul-2016	30-Jun-2020	100.00%	100.00%
ACTION PROGRESS COMMENTS: The Rural Outreach Service delivered sessions in both Bingara and Warialda which related to this topic. The service offers information, education and referral to specialist services and is facilitated through the Toy Library Services in both towns. Last Updated: 30-June-2017						

Social Services Administration

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
1.1.2.9 Identify and prioritise child care delivery options, both government funded/private services	Suzanne Webber - Social Services Manager	In Progress	01-Jul-2016	30-Jun-2020	80.00%	100.00%
ACTION PROGRESS COMMENTS: This is ongoing and continually monitored as to the possibilities available. Wherever possible encouragement is forthcoming to individuals wanting to engage in the childcare industry. Traineeships are offered in the hope that on completion individuals may take up the option of Family Day Care as this is a significant gap in both Bingara and Warialda. Bingara Preschool has extended the hours of operation to try to fill this gap. Last Updated: 30-June-2017						

Youth Services

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
1.1.3.32 Develop and maintain youth space	Suzanne Webber - Social Services Manager	Completed	01-Jul-2016	30-Jun-2020	100.00%	100.00%
ACTION PROGRESS COMMENTS: Programs are offered in both towns of Bingara and Warialda which captures young people from across the Shire and events are run in conjunction with SRC's from both schools. These are planned and delivered by young people and attendance has been good. Last Updated: 30-June-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
1.1.3.35 Foster relationships between Council and other service providers to maximise the provision of and effectiveness of youth services, especially the GLR	Suzanne Webber - Social Services Manager	Completed	01-Jul-2016	30-Jun-2020	100.00%	100.00%
ACTION PROGRESS COMMENTS: Throughout the year sessions are held for Young people in conjunction with health services and other agencies to keep young people engaged and employed where needed. Young people are encouraged to engage in education and training through the GLR and other providers to maximise potential for employment. Last Updated: 30-June-2017						

Technical Services
Asset Management
Asset Management Administration

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.2 Actively support agricultural productivity improvements by completion of all requests for assessment for extension to existing applicable HPV routes within the financial year.	Richard Jane - Director Technical Services	Ongoing	01-Jul-2016	30-Jun-2020	-	100.00%
Last Updated: 17-Jan-2017						

Emergency Services
Rural Fire Service

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
1.2.2.12 Warialda Rail RFS shed contracted works	Colin Cuell - Building Services Manager	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
ACTION PROGRESS COMMENTS: Works completed and handover undertaken. Awaiting copies of some invoices from finance before claim for reimbursement from RFS can be completed. Last Updated: 06-Mar-2017						

Roads

Sealed Local Roads

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.106 Rehab Program, Arterial road, Baroma Downs Road Funded Internally and S94 Contribution	Richard Jane - Director Technical Services	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
Last Updated: 24-Apr-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.107 R2R - Rehab Program, Arterial road, Elcombe Road	Richard Jane - Director Technical Services	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
Last Updated: 17-Jan-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.134 Rehab Program, road, Shire Roads Heavy Patching Program	Richard Jane - Director Technical Services	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
Last Updated: 24-Apr-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.136 Rural Resealing, Minor road, Shire Roads Resealing	Richard Jane - Director Technical Services	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
Last Updated: 24-Mar-2017						

Sealed Regional Roads

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.127 Regional Roads Structure Pavement Renewal - not defined	Richard Jane - Director Technical Services	Completed	01-Jul-2016	30-Jun-2018	100.00%	100.00%
Last Updated: 17-Jan-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.129 Regional Roads Structure Pavement Renewal - not defined	Richard Jane - Director Technical Services	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
Last Updated: 24-Mar-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.130 Regional Roads Surface Reseal Program - not defined	Richard Jane - Director Technical Services	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
Last Updated: 24-Apr-2017						

Stormwater Drainage

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.157 Stormwater Drainage Renewal Program - not defined	Richard Jane - Director Technical Services	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
Last Updated: 24-Apr-2017						

Unsealed Local Roads

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.189 Actively support 'just in time' agricultural contracts by maintaining the percentage of gravel roads passable after 50mm rain.	Richard Jane - Director Technical Services	Ongoing	01-Jul-2016	30-Jun-2020	100.00%	100.00%
Last Updated: 17-Jan-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.108 R2R - Resheeting, Arterial road, SR36 Baroma Road: 1.3 13.8kms to 15.1kms	Richard Jane - Director Technical Services	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
Last Updated: 17-Jan-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.109 R2R - Resheeting, Arterial road, SR41 County Boundary Road: 8.2 4kms to 12.2kms	Richard Jane - Director Technical Services	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
Last Updated: 17-Jan-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.110 R2R - Resheeting, Arterial road, SR43 Buckie Road: 1.5 8.5 kms to 10kms	Richard Jane - Director Technical Services	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
Last Updated: 24-Mar-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.111 R2R - Resheeting, Arterial road, SR6 Getta Getta Road : 3 0kms to 3kms plus 1000m3 patching out	Richard Jane - Director Technical Services	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
Last Updated: 24-Mar-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.112 R2R - Resheeting, Arterial road, SR90 Old Bora Rd: 4.25 1.95- 2.15, 2.2-6.25. From SR1	Richard Jane - Director Technical Services	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
Last Updated: 24-Mar-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.113 R2R - Resheeting, Collector road, SR10 Yallaroi Road: 7.1 15.1kms to 17.7kms & 18.5kms to 23kms	Richard Jane - Director Technical Services	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
Last Updated: 24-Mar-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.114 R2R - Resheeting, Collector road, SR13 Oregon Road: 10.6 24.6kms to 27kms & 39.2kms to 47.4 kms	Richard Jane - Director Technical Services	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
Last Updated: 24-Mar-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.115 R2R - Resheeting, Collector road, SR38 Adams Scrub Rd: 6.72 0.68-6.40, 7.0-8.0 From SH12	Richard Jane - Director Technical Services	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
Last Updated: 05-Feb-2016						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.116 R2R - Resheeting, Collector road, SR63 Gil Gil Road: 2.6 19kms to 21.6kms	Richard Jane - Director Technical Services	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
Last Updated: 24-Apr-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.117 R2R - Resheeting, Local road, SR44 Boundary Crk Rd: 4.7 1.0-1.8, 4.0-4.7, 9.8, 13.0 From MR133	Richard Jane - Director Technical Services	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
Last Updated: 05-Feb-2016						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.118 R2R - Resheeting, Local road, SR81 Langley Road: 4 0kms to 2kms & 2.4kms to 4.3kms	Richard Jane - Director Technical Services	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
Last Updated: 24-Mar-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.119 R2R - Resheeting, Minor road, SR100 Kelly's Access Rd: 1.9 0-700, 2.7-3.9 From SR44	Richard Jane - Director Technical Services	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
Last Updated: 24-Mar-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.120 R2R - Resheeting, Minor road, SR238 Talula Road: 4 Gravel Patching Haul Road to gravel pit	Richard Jane - Director Technical Services	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
Last Updated: 24-Apr-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.121 R2R - Resheeting, Minor road, SR286 Sonoma Rd: 1.5 700-2.2 from SR18	Richard Jane - Director Technical Services	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
Last Updated: 24-Apr-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.122 R2R - Resheeting, Minor road, SR85 Butlers Rd: 0-1.0 From SR55	Richard Jane - Director Technical Services	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
Last Updated: 24-Mar-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.123 R2R - Resheeting, Minor road, SR96 Duftys Rd: 1.5 0.1.5 From SR95	Richard Jane - Director Technical Services	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
Last Updated: 24-Mar-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.135 Upgrade Program, Warialda High Productivity Vehicle Route	Richard Jane - Director Technical Services	Not Approved	01-Jul-2016	30-Jun-19	0.00%	0.00%
Last Updated: 05-Feb-2016						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.151 Self help program - 50% funded by contributions	Richard Jane - Director Technical Services	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
Last Updated: 24-Apr-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.171 Upgrade Mosquito Creek Rd. HVSPP project.	Richard Jane - Director Technical Services	Completed	01-Jul-2015	30-Jun-2017	100.00%	100.00%
Last Updated: 24-Apr-2017						

Urban Roads

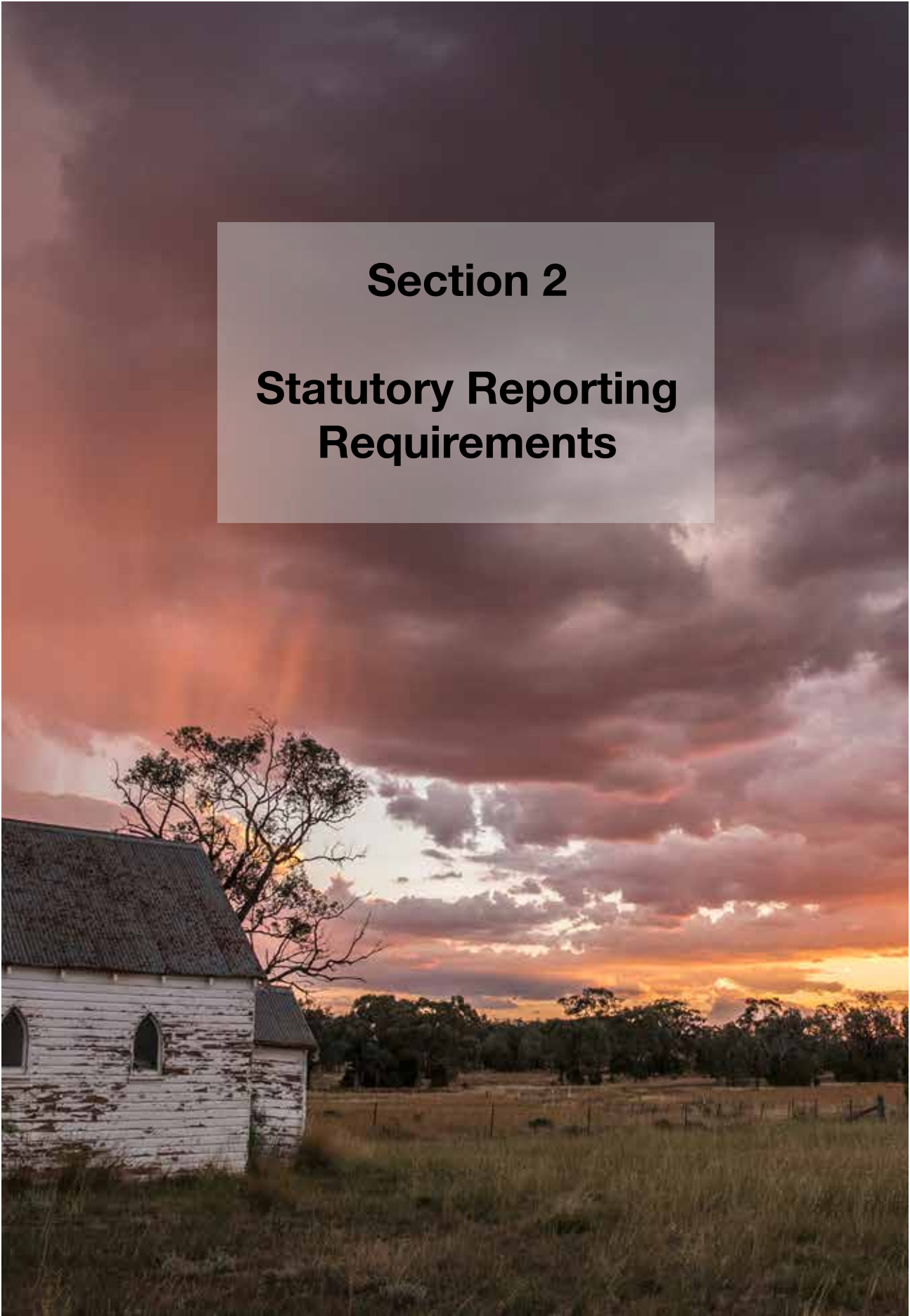
ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.150 Sealed Urban Roads Surface Renewal - not defined	Richard Jane - Director Technical Services	Completed	01-Jul-2016	30-Jun-2017	100.00%	100.00%
Last Updated: 17-Jan-2017						

Technical Services Administration

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
1.2.1.10 Actively support 'off farm income' by maintaining the level of all-weather access on gravel Shire roads.	Richard Jane - Director Technical Services	Ongoing	01-Jul-2016	30-Jun-2020	100.00%	100.00%
Last Updated: 17-Jan-2017						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
2.1.1.176 Completion of the Warialda High Productivity Vehicle Route (bypass) to allow A-doubles and B-triples to access the Gwydir Highway at Warialda.	Richard Jane - Director Technical Services	Not Approved	01-Jul-2016	30-Jun-19	0.00%	0.00%
Last Updated: 25-Nov-2015						

ACTION	RESPONSIBLE PERSON	STATUS	START DATE	END DATE	COMPLETE %	TARGET
4.2.2.1 Liaise with RMS, neighbouring Councils, RJO to resolve issues re regional, freight transport	Richard Jane - Director Technical Services	Ongoing	01-Jul-2016	30-Jun-2017	100.00%	100.00%
Last Updated: 25-Nov-2015						



Section 2

Statutory Reporting Requirements

Amount of Rates and Charges Written Off in 2016/2017 Year

Pension Rebate Breakdown 2016 2017

Pension Rebate - 2016/2017				
Rate Classification	Rebate Given	Council	Govt	Total (\$)
General Rates	Pensioner Farmland	\$ 7,961.86	\$ 9,731.13	\$ 17,692.99
	Pensioner Residential	\$ 36,614.33	\$ 44,750.67	\$ 81,365.00
Water & Sewerage Rates	Pensioner Water	\$ 19,877.06	\$ 24,288.57	\$ 44,165.63
	Pensioner Sewerage	\$ 17,002.32	\$ 20,775.81	\$ 37,778.13
Waste Charges	Pensioner Domestic Waste & Disposal	\$ 20,407.90	\$ 24,943.89	\$ 45,351.79
	Pensioner Rebate Waste Management	\$ 7,196.41	\$ 8,794.92	\$ 15,991.33
Total Rebate				\$ 242,344.87

Total Cost of Councillor Expenses In Relation To Civic Functions

Councillor fees and expenses

The total cost during the year of the payment of expenses of, and the provision of, facilities to Councillors in relation to their civic functions resulted in a net cost of **\$266,450**. Details of the reportable items forming part of this expense are outlined in the table below;

Details – Reportable Items Councillor Expenses	Amount (\$)
Note these items are included in the amount above they are not additional expenses.	
• Elected Members Allowance	132,951
• Provision of dedicated office equipment	7,674
• Telephone and internet	6,691
• Intrastate training, conferences & meetings	Nil
• Interstate visits representing Council	Nil
• Overseas visits representing Council	Nil
• Spouse expenses	161
• Child care expenses	Nil

Conferences, seminars and training attended by councillors

Conference	Location
Intrastate	
Local Government NSW State Conference - 16 - 18th October 2016	Wollongong
72nd MDA National Conference: 26 - 27th October 2016	Dubbo
Strategic Workshop: 2 - 4th November 2016	Bingara
Local Government Councillor's Workshop: 223rd November 2016	Moree
Workshop: 12th January 2016	Bingara
Namoi Joint Organisation Strategic Planning Workshop: 3rd March 2017	Bingara
Financial Issues in Local Government Workshop: 7th March 2017	Port Macquarie
Country Mayors Meeting - 24th March 2017	Sydney
Budget Workshop: 30th March 2017	Bingara
Company Director's Course: 1 - 5th May 2017	Tamworth
Budget/Finance Workshop: 8th June 2017	Warralida
Interstate	
Local Roads Congress: 9 - 11th November 2016	Toowoomba

Details of Contracts over \$150 000

Contract	Nature of Contract	Supplier Name	Date	Value inc GST
LGP707-3	Supply Caterpillar 140M Grader	Westrac Pty Ltd	29/11/2016	\$503,002.50
VP59543	Supply Ammann ASC150D Smooth drum roller	ConPlant Pty Ltd	28/11/2016	\$170,170.00
2012/13/09	Provide waste removal services	Transpacific Cleanaway Pty Ltd	ongoing	\$403,525.10
VP53879	Provide bitumen sealing services	NSW Spray Seal Pty Ltd	19/07/2016	\$2,189,993.04
VP55506	Provide pavement stabilisation services	Stabilifix Pty Ltd	3/08/2016	\$258,112.38

Council awarded 5 contracts exceeding \$150,000 during 2016/17 totalling \$3,524,803.02.

Details of Overseas Travel

There were no overseas visits by councillors, council staff or other persons representing council in the 2016/2017 financial year.

There were no overseas visits, sponsored by other organisations, by councillors, council staff or other persons representing council in the 2016/2017 financial year.

Summary of Legal Proceedings

There were two legal actions brought against Council during the 2016/17 period. Both involved Development Applications before the Land and Environment Court, NSW.

The first matter occurred when Council refused a DA. The matter was finalised through mediation (coordinated by the Court). Legal costs incurred totalled \$19,825.75.

The second matter occurred when Council did not approve a DA modification to the satisfaction of the applicant. This matter is ongoing. Council has engaged legal representation but to date has not received any invoices for costs incurred.

Summary of Resolutions Made Under Section 67 – Private Land

Below is a summary of Private Works for the 2016-2017 Financial period.

WO Number	Summary or Details of Work	Cost of Work (excl. GST)	Ampunt subsidised by Council (excl. GST)
5476	Hollow - Grading of property access	\$131.39	\$0.00
5513	Stieger - Grading of property access	\$131.39	\$0.00
5514	Monie - Gading of property access	\$343.10	\$0.00
5518	Cush - Hire of watercart, delivery of water to Warialda Aerodrome for Spray Planes	\$112.41	\$0.00
5529	Bancroft - Sweep Bingara IGA Carpark	\$103.72	\$0.00
5560	Lee - Frazer Street	\$81.91	\$0.00
5561	Bogan - Transport heavy machinery	\$94.68	\$0.00
5573	Riley - Delivery of 1m³ of granite	\$160.91	\$0.00
5574	McCartney - Delivery of 1m³ of granite	\$53.64	\$0.00
5593	Gill - Slashing of vacant block, Bingara	\$33.39	\$0.00
5600	Gorman - Warialda Rail property access	\$6,498.93	\$0.00
5609	Egan - Shifting of loam, plant hire	\$101.18	\$0.00
5610	Grieve - Purchase of removed grid on Elcombe Road	\$454.55	\$0.00
5624	Smith - Purchase of property sign	\$91.80	\$0.00
5637	Bogan - Transport heavy machinery	\$191.58	\$0.00
5643	Craddock - Grading of property access	\$131.39	\$0.00
5656	Bogan - Transport heavy machinery	\$201.44	\$0.00
5663	Bogan - Transport heavy machinery	\$259.61	\$0.00
5671	Riley - Hire of Jetpatcher	\$56.22	\$0.00
5672	Traffic accident - Back Creek, Killarney Gap Road	\$257.36	\$0.00
5708	Copeton Dam Inland Waters Holiday Parks - Supply of guideposts	\$2,603.17	\$0.00
5723	Bogan - Transport heavy machinery	\$129.37	\$0.00
5762	Zabba - Grading of property access	\$131.39	\$0.00
5764	Doake - Grading of property access	\$197.09	\$0.00
5771	Warialda P&A Committee - Purchase of reflectaline	\$130.68	\$0.00
5777	Egan Plumbing - Trench Digging, Warialda	\$24.61	\$0.00

Financial Assistance to Others – Section 356

Grants provided by Council under Section 356 of the Local Government Act 1993 (NSW) during the 2015/2016 year are outlined below.

Donation Budget Totals			
Organisation	2016/2017 Purpose	Recommended Donation	With Oncost
Donations over \$1,000			
Barraba PA & H Association Inc	Annual Donation	\$1,500	\$1,605.00
Warialda Motor Sports Club Inc	Warialda Off Road 200	\$3,000	\$3,210.00
Warialda & District Chamber of Commerce - Honey Festival	Annual Sponsorship	\$5,000	\$5,350.00
Bingara Show Society	Annual Donation	\$1,500	\$1,605.00
Bingara Dash - new event - foot race to the top of the look out	Sponsorship	\$15,000	\$16,050.00
North Star Public Hall Committee	Restumping, sanding and other minor works	\$10,000	\$10,700.00
Warialda Pastoral & Agricultural Association	Repayment of advance	\$1,500	\$1,605.00
Barwon Division of General Practice Ltd	Annual scholarship	\$1,500	\$1,605.00
Bingara Orange Festival	Annual sponsorship	\$5,000	\$5,350.00
Gwydir Learning Region	Annual Sponsorship	\$20,000	\$21,400.00
Gwydir Art Prize	Annual Sponsorship	\$2,500	\$2,675.00
Industry Annual Awards and School Book Prizes	Prizes and assistance during event	\$10,000	\$10,700.00
Copeton Freshwater Swim Committee	Annual Sponsorship	\$5,000	\$5,350.00
2016 Sports Shear	National Shearing and Woolhandling Championships (Gold Sponsor: Open Shearing; Open Wool Handling; and; Open blade)	\$5,000	\$5,350.00
Willoughby-Gwydir Exchange Program	Annual Sponsorship	\$5,000	\$5,350.00
In Kind Support			
Bingara Show Society	Showground Maintenance	\$3,000	\$3,210.00
Warialda Jockey Club	Preparation for annual race day	\$2,000	\$2,140.00
Warialda Pastoral & Agricultural Association	Support during events	\$3,000	\$3,210.00
Bingara Jockey Club	Preparation for annual race day	\$2,000	\$2,140.00
Warialda APEX Committee	Support during events	\$500	\$535.00
Carinda House Committee	Annual support	\$300	\$321.00
Myall Creek Memorial Committee	Ground maintenance for annual commemoration	\$1,000	\$1,070.00
Warialda Fall Progress Association	Maintenance	\$500	\$535.00
Bingara RSL Club and Bingara RSL Sub-Branch - Upkeep of the Memorial Gardens in Bingara	Maintenance	\$500	\$535.00
Warialda Tennis Club	Ground maintenance	\$500	\$535.00
Warialda Pre School	Sealing of car park	\$4,000	\$4,280.00
Warialda Events Unallocated	Support for community events	\$6,000	\$6,420.00
Bingara Events unallocated	Support for community events	\$6,000	\$6,420.00
Foregone Income			
Bingara Radiance Club Inc.	Rates and other charges subsidy	\$2,000	\$2,140.00
Country Women's Association North Star	Rates and other charges subsidy	\$1,000	\$1,070.00
Country Women's Association Warialda	Rates and other charges subsidy	\$1,250	\$1,337.50
Warialda Girl Guides	Rates and other charges subsidy	\$1,500	\$1,605.00
Warialda Pre School	Rates and other charges subsidy	\$2,000	\$2,140.00
Bingara 'Bullets' Rugby League Club Club	Use of oval and training lights	\$800	\$856.00
St John's Anglican Church Bingara	Water, sewerage and waste charges	\$1,800	\$1,926.00
Boggabilla Anglican Parish	Water, sewerage and waste charges	\$500	\$535.00
Gwydir Rugby Club	Use of oval and training facilities	\$800	\$856.00

Organisation	2016/2017 Purpose	Recommended Donation	With Oncost
Catholic Church, Presbytery, Convent and St Joseph's Primary School Warialda	Water, sewerage and waste charges	\$6,000	\$6,420.00
Presbyterian Church Warialda	Water, sewerage and waste charges	\$900	\$963.00
Salvation Army Bingara	Water, sewerage and waste charges	\$900	\$963.00
Scots Presbyterian Church Bingara	Water, sewerage and waste charges	\$900	\$963.00
St Mary's Catholic Church Bingara	Water, sewerage and waste charges	\$2,700	\$2,889.00
St Simon's and St Jude's Anglican Church Warialda	Water, sewerage and waste charges	\$1,100	\$1,177.00
Uniting Church Bingara	Water, sewerage and waste charges	\$900	\$963.00
Warialda Pastoral & Agricultural Association	Rates, water, sewerage and waste charges	\$4,000	\$4,280.00
All Junior and School Sports	Waiving of all hire fees	\$5,000	\$5,350.00
Waiving Development Application and other fees	Annual support	\$3,000	\$3,210.00
Donations \$1,000 and under			
Bingara Anglers Club	Annual Donation (Easterfish)	\$400	\$428.00
Bingara 'Bullets' Rugby League Club	Match equipment	\$500	\$535.00
Northern Inland Academy of Sport	Annual Donation	\$500	\$535.00
Upper Horton Sports Club - Sheep Dog Trials	Sheep Dog Trials Donation	\$200	\$214.00
Warialda Model Plane Display	Annual Donation	\$200	\$214.00
Upper Horton Pony Club	Annual Donation	\$500	\$535.00
Bingara Otag Association	Annual Donation	\$300	\$321.00
Warialda Rotary Club	Annual Donation for Australia Day Celebrations	\$1,000	\$1,070.00
Bingara Australia Day Celebrations	Assistance during event	\$1,000	\$1,070.00
Bingara Historical Society	Annual Sponsorship plus a request for \$1500 for storage boxes. Only the annual subsidy is recommended until the need for the money is proven as not being available from their own bank balance.	\$300	\$321.00
Warialda Historical Society	Annual Sponsorship	\$300	\$321.00
Gwydir Concert Band	Instruments	\$1,000	\$1,070.00
Warialda Rail Progress Association	Renovate kitchen and other minor works	\$1,000	\$1,070.00
Unallocated Donations	Support during the year upon request approved by	\$5,000	\$5,350.00
Upper Horton Rodeo	Annual sponsorship	\$500	\$535.00
Warialda Sports Council	Annual sponsorship of Awards' Night	\$350	\$374.50
Warialda Show Photographic Prize	Annual sponsorship	\$200	\$214.00
Bingara Central School	Support for a breakfast club together with Bingara IGA	\$1,000	\$1,070.00
Total Allocated		\$172,100	\$184,147.00
Total Budget			\$190,169.00
Contingency Remaining			\$6,022.00

Statement of all external bodies which exercised functions delegated by Council

Local Government Border River Project
 Joint Weight of Loads Committee
 Fossickers' Way Promotion Committee
 Traffic Committee
 Regional Tourism Committee
 Bush Fire Liaison (Service Level Agreement) Committee
 Border Regional Organisations of Councils
 Copeton Dam Trust
 Arts North West
 B Division
 Namoi Joint Organisation

To better engage the community and reflect local community views and needs, Gwydir Shire Council delegates a range of its functions to volunteer committees.

Bingara Historical Society
 Gravesend Historical Society
 Naroo Advisory Committee
 Bingara Anglers' Club
 Bingara Showground Committee
 Warialda Historical Society
 Coolatai Sportsgrounds Committee
 North Star Hall Committee
 Croppa Creek Hall Committee
 Yallaroi Hall Committee
 Crooble Hall Committee

Statements of all corporations, partnerships, trusts, joint ventures, syndicates or other bodies in which council held a controlling interest.

Gwydir Shire Council did not hold a controlling interest in any corporation, private company, partnership, trust, joint venture, syndicate or any other body in the year ending 30 June 2017.

Statements of all corporations, partnerships, trusts, joint ventures, syndicates or other bodies in which council participated.

The Council is involved in several co-operative arrangements with a non-controlling interest in the following entities:

StateCover Mutual – a co-operative body providing workers' compensation insurance coverage for Council staff

Statewide Mutual – a co-operative body providing liability and property insurance services to Council

Central Northern Regional Library and Information Service -a jointly funded relationship with a number of Councils to provide library services throughout the region

Namoi JO - A Regional Organisation of Councils providing a forum for Councils to consider matters of common interest

Border ROC – A Regional Organisation of seven (7) councils giving strategic direction to the region

The Fossickers Way Committee - Providing tourism support and coordinated services to the Region

The Copeton Dam Trust - Administering the operations of the dam and its facilities

B Division of the Shires Association of NSW - providing a forum for councils to consider significant regional and state matters affecting local government and their communities

Australian Rural Roads Group – an incorporated association of Councils petitioning for improved local road infrastructure and management

Equal Employment Management

During this period review of the Equal Employment Management policies were commenced with a view to completion in the 2017/2018 financial year. Existing policies and induction programs highlight the importance of treating all staff and customers with respect and reinforce that discrimination in any form will not be tolerated.

Gwydir Shire Council demonstrates a commitment to EEO principles through the development of systems and processes for recruitment and promotion. All decisions made regarding recruitment and promotion are based on merit not influenced by gender, disability, race, age, religion or any other attribute.

Council has several trained EEO Contact Officers who have been trained by the Anti-Discrimination Board of NSW to assist with the application of EEO policies and procedures and provide support and guidance to staff.

General Manager Remuneration Package

Item	Amount \$
Salary	256,337
Superannuation	26,514
Non Cash Benefits	27,600
FBT	0
Total Package	310,451

Senior Staff Members Remuneration Package

Not applicable. The only staff member classified as Senior Staff is the General Manager.

Statement of Stormwater Management Services Provided

Council levied a Stormwater Management Service Charge (SWSC) of \$25 per residential property, \$12.50 for residential strata lots, \$25 per 350sq.m for business properties capped at a maximum charge of \$1000.

The total received funds for the 2016-2017 FY was \$39,633. The budgeted expenditure was \$45,617 for Maintenance and \$55,630 for Capital Works.

The maintenance expenditure totalled \$21,855, which included Repairs & Maintenance, Cleaning of Gross Pollutant Traps and Removal of Debris from Grates and Inlets.

The planned Capital Works in Spring Street, Bingara was not completed by the end of the financial year and was rolled over to the 2017-2018 Financial Year.

Coastal Protection Services

Not applicable

Environmental Upgrade Agreements – Section 406

There were no Environmental Upgrade Agreements entered into in the 2016/2017 Financial Year.

Report on Capital Works Projects

Capital Works Projects are included in the body of the report.

Statement Of Activities Companion Animals Act 1998 And Regulation 2008

Companion Animals management

Gwydir Shire Council employs Regulatory Officers who are responsible for administering the Companion Animals Act 1998. The officers patrol the region to provide companion animal owners with support, education and regulation. A summary of the activities undertaken in 2016-17 are listed below.

Pound data / Collection returns

Council reports annually on impounded animals in the Gwydir Shire region. This information is provided to the Department of Local Government, and forms part of the Survey of Council Seizures of Cats and Dogs. Council lodged its pound data collection return in July 2017. A brief summary of the pound data collections for the year is presented in the table below.

ACTIVITY	CATS	DOGS
Total Animals Seized	28	30
returned to owner	2	5
Impounded	26	25
Released to owner		13
Euthanised Dangerous dog		2
Euthanised un-rehomed	1	2
Euthanised feral	25	0
Rehomed	0	2
Released to Organisations for Rehoming	0	6

Dog Attack Statistics

Known dog attacks reported and investigated by Council’s Regulatory officers are entered into the Companion Animals Database, in accordance with the requirements of the Companion Animals Act 1998. During 2016-17 there were 4 dog attacks reported to Council which were investigated and reported on the Companion Animals Database.

Funds spent on Companion Animal management and activities

Funding spent by Council in 2016-17 totalled \$107720.24

This figure includes the employment of Regulatory officers, the operation and maintenance of Council’s Companion Animal Impounding facility, as well as educational and awareness activities.

Educational activities

The Strategic Companion Animal Management Plan (SCAMP) contains objectives for undertaking companion animal awareness and educational activities. This year saw an increasing use of social media for a range of Companion Animal Management Activities including education, reuniting lost pets and rehoming pets. The free microchipping strategy uses this face to face contact to educate people on their roles and responsibilities as a pet owner. The Shire also produces a range of factsheets for companion animal owners which are distributed physically and information is available online at Council’s website.

Strategies to promote the desexing and permanent Identification of companion animals

It is recognised that the desexing of cats and dogs helps to reduce nuisance behaviours such as roaming, aggression and the production of unwanted litters. We promote desexing to our customers highlighting these advantages both socially and financially. This year saw a successful funding application for the Responsible Pet Ownership Grant. Funding was secured to run free microchipping days, free desexing programs for eligible pensioner’s companion animals and free desexing for companion animals suitable for rehoming. During the 2016-17 period over forty companion animals were microchipped, twenty dogs and five cats were desexed and an additional two dogs were desexed before rehoming.

Strategies to reduce euthanasia rates

Council operates a Facebook page and eligible impounded animals are advertised for rehoming. This allows the community to view and share that information and reach a wider audience. Partnerships have been developed across the State with rehoming organisations and companion animals that are not rehomed ocaly are picked up by these organisations and taken to larger population centres for rehoming.

Through the Responsible Pet Ownership Grant funding the Shire offered free desexing for impounded companion animals eligible for rehoming to help reduce rehoming costs. For the period a total of eight dogs were rehomed using these tools. A total of four dogs have been euthanased as they were unable and unsuitable to be rehomed. All the euthanised cats were feral cats.

Off leash areas

Council provides five designated off leash areas in the region.

Bingara - Bicentennial Park including part-Bingara River Common-crown reserve area under council management and All Nations Hill, Hill Street, Bingara.

Warialda - Pioneer Cemetery Park, Long Street Triangle Park corner of Long and Mosquito Creek Road (triangle reserve)

Gravesend - Off leash Reserve Gwydir Street Gravesend

STATEMENT GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT 2009 AND REGULATION

During the 2016/17 period Council received three requests under the Government Information (Public Access) Act, 2009. All three were dealt with and the relevant and appropriate information furnished.

PLANNING AGREEMENTS UNDER THE ENVIRONMENTAL PLANNING AND ASSESSMENT ACT 1979

Nil

PUBLIC INTEREST DISCLOSURE ACTION 1994 AND REGULATION

No disclosures were made during the reporting period. Council's Privacy Management Plan is available at www.gwydirshire.com to view or download.

STATEMENT CARERS RECOGNITION ACT 2010

In our Aged Care services carers play an important role. Community consultation is undertaken with carers to determine any specific needs that they have that can be accommodated by the council. There is a representative number of carers involved in the Naroo Advisory Committee who meet on a monthly basis. Carers are always invited to attend celebrations at our aged care services.

When considering carer responsibilities the Council introduced flexible work arrangement for our staff. This provides the opportunity for flexibility in handling work, family and carer responsibilities. Staff are encouraged to speak with their supervisors or a representative from the Human Resources Team regarding their personal circumstances and the need for flexible work arrangements. Flexible work arrangements have been developed in consultation with the internal Consultative Committee.

FISHERIES MANAGEMENT ACT 1994

Gwydir Shire Council has not been identified as responsible for the implementation of measures in any Recovery Threat Abatement Plan.

Section 3 Financial Statements

Gwydir Shire Council

General Purpose Financial Statements for the year ended 30 June 2017

Contents

	Page
1. Understanding Council's Financial Statements	2
2. Statement by Councillors and Management	3
3. Primary Financial Statements:	
– Income Statement	4
– Statement of Comprehensive Income	5
– Statement of Financial Position	6
– Statement of Changes in Equity	7
– Statement of Cash Flows	8
4. Notes to the Financial Statements	9
5. Independent Auditor's Reports:	
– On the Financial Statements (Sect 417 [2])	76
– On the Conduct of the Audit (Sect 417 [3])	78

Overview

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

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

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

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

- (iii) All figures presented in these financial statements are presented in Australian currency.
- (iv) These financial statements were authorised for issue by the Council on 31 October 2017. Council has the power to amend and reissue these financial statements.

Gwydir Shire Council

General Purpose Financial Statements for the year ended 30 June 2017

Understanding Council's financial statements

Introduction

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

What you will find in the statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2017.

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

About the Councillor/Management Statement

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

About the primary financial statements

The financial statements incorporate five 'primary' financial statements:

1. The Income Statement

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

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

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

Who uses the financial statements?

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

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

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

Gwydir Shire Council

General Purpose Financial Statements for the year ended 30 June 2017

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 26 October 2017.


Catherine Egan
Deputy Mayor


Marilyn Dixon
Councillor


Max Eastcott
General manager


Helen Thomas
Responsible accounting officer

Gwydir Shire Council

Income Statement for the year ended 30 June 2017

Budget ¹ 2017	\$ '000	Notes	Actual 2017	Actual 2016
Income from continuing operations				
Revenue:				
10,131	Rates and annual charges	3a	9,538	8,499
5,297	User charges and fees	3b	3,123	5,321
425	Interest and investment revenue	3c	196	238
1,590	Other revenues	3d	1,745	1,854
12,340	Grants and contributions provided for operating purposes	3e,f	12,937	11,677
682	Grants and contributions provided for capital purposes	3e,f	541	1,020
<u>30,465</u>	Total income from continuing operations		<u>28,080</u>	<u>28,609</u>
Expenses from continuing operations				
10,180	Employee benefits and on-costs	4a	11,423	10,877
678	Borrowing costs	4b	856	802
6,313	Materials and contracts	4c	4,869	6,392
6,594	Depreciation and amortisation	4d	6,693	6,072
–	Impairment	4d	–	130
2,588	Other expenses	4e	2,470	8,036
–	Net losses from the disposal of assets	5	1,957	3,350
–	Restatement of provisions	9a, 26	(3,321)	–
<u>26,353</u>	Total expenses from continuing operations		<u>24,947</u>	<u>35,659</u>
<u>4,112</u>	Operating result from continuing operations		<u>3,133</u>	<u>(7,050)</u>
<u>4,112</u>	Net operating result for the year		<u>3,133</u>	<u>(7,050)</u>
4,112	Net operating result attributable to Council		3,133	(7,050)
–	Net operating result attributable to non-controlling interests		–	–
<u>3,430</u>	Net operating result for the year before grants and contributions provided for capital purposes		<u>2,592</u>	<u>(8,070)</u>

¹ Original budget as approved by Council – refer Note 16

Gwydir Shire Council

Statement of Comprehensive Income for the year ended 30 June 2017

\$ '000	Notes	Actual 2017	Actual 2016
Net operating result for the year (as per Income Statement)		3,133	(7,050)
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of I,PP&E	20b (ii)	272	5,121
Total items which will not be reclassified subsequently to the operating result		272	5,121
Amounts which will be reclassified subsequently to the operating result when specific conditions are met			
Nil			
Total other comprehensive income for the year		272	5,121
Total comprehensive income for the year		3,405	(1,929)
Total comprehensive income attributable to Council		3,405	(1,929)
Total comprehensive income attributable to non-controlling interests		—	—

Gwydir Shire Council

Statement of Financial Position as at 30 June 2017

\$ '000	Notes	Actual 2017	Actual 2016
ASSETS			
Current assets			
Cash and cash equivalents	6a	6,517	6,451
Investments	6b	2,000	2,068
Receivables	7	1,108	1,051
Inventories	8	224	230
Other	8	10	15
Non-current assets classified as 'held for sale'	22	—	—
Total current assets		9,859	9,815
Non-current assets			
Investments	6b	1,016	—
Receivables	7	463	518
Inventories	8	—	—
Infrastructure, property, plant and equipment	9	422,553	422,664
Investments accounted for using the equity method	19	—	—
Investment property	14	—	—
Intangible assets	25	—	—
Total non-current assets		424,032	423,182
TOTAL ASSETS		433,891	432,997
LIABILITIES			
Current liabilities			
Payables	10	2,175	1,924
Income received in advance	10	204	234
Borrowings	10	1,010	948
Provisions	10	2,893	2,833
Total current liabilities		6,282	5,939
Non-current liabilities			
Payables	10	—	—
Borrowings	10	9,381	10,363
Provisions	10	2,122	3,994
Total non-current liabilities		11,503	14,357
TOTAL LIABILITIES		17,785	20,296
Net assets		416,106	412,701
EQUITY			
Retained earnings	20	280,293	277,160
Revaluation reserves	20	135,813	135,541
Other reserves	20	—	—
Council equity interest		416,106	412,701
Non-controlling equity interests		—	—
Total equity		416,106	412,701

Statement of Changes in Equity
for the year ended 30 June 2017

	Notes	2017	Asset revaluation reserve (Refer 20b)	Other reserves (Refer 20b)	Council controlling interest	Non- controlling interest	Total equity
\$ '000		Retained earnings					
Opening balance (as per last year's audited accounts)		277,160	135,541	-	412,701	-	412,701
a. Correction of prior period errors	20 (c)	-	-	-	-	-	-
b. Changes in accounting policies (prior year effects)	20 (d)	277,160	135,541	-	412,701	-	412,701
Revised opening balance							
c. Net operating result for the year		3,133	-	-	3,133	-	3,133
d. Other comprehensive income		-	272	-	272	-	272
- Revaluations: IPP&E asset revaluation rsve	20b (ii)	-	272	-	272	-	272
Other comprehensive income		3,133	272	-	3,405	-	3,405
Total comprehensive income (c&d)							
e. Distributions to (contributions from) non-controlling interests		-	-	-	-	-	-
f. Transfers between equity		-	-	-	-	-	-
Equity – balance at end of the reporting period		280,293	135,813	-	416,106	-	416,106

Gwydir Shire Council

Statement of Cash Flows
for the year ended 30 June 2017

	Budget 2017	\$ '000	Notes	Actual 2017	Actual 2016
Cash flows from operating activities					
Receipts:					
10,131 Rates and annual charges				9,566	8,559
5,297 User charges and fees				3,144	6,266
425 Investment and interest revenue received				237	219
13,022 Grants and contributions				13,487	12,697
- Bonds, deposits and retention amounts received				-	4
1,590 Other				2,781	3,612
Payments:					
(10,180) Employee benefits and on-costs				(11,312)	(11,014)
(6,313) Materials and contracts				(5,755)	(8,232)
(678) Borrowing costs				(856)	(583)
- Bonds, deposits and retention amounts refunded				(4)	-
(2,588) Other				(2,443)	(1,951)
10,706 Net cash provided (or used in) operating activities			11b	8,845	9,577
Cash flows from investing activities					
Receipts:					
- Sale of investment securities				-	932
422 Sale of infrastructure, property, plant and equipment				758	145
Payments:					
- Purchase of investment securities				(948)	-
(8,851) Purchase of infrastructure, property, plant and equipment				(7,669)	(8,597)
(8,429) Net cash provided (or used in) investing activities				(7,859)	(7,520)
Cash flows from financing activities					
Receipts:					
Nil					
Payments:					
(912) Repayment of borrowings and advances				(920)	(1,030)
(912) Net cash flow provided (used in) financing activities				(920)	(1,030)
1,365 Net increase/(decrease) in cash and cash equivalents				66	1,027
5,918 Plus: cash and cash equivalents – beginning of year			11a	6,451	5,424
7,283 Cash and cash equivalents – end of the year			11a	6,517	6,451
Additional Information:					
plus: Investments on hand – end of year			6b	3,016	2,068
Total cash, cash equivalents and investments				9,533	8,519

Please refer to Note 11 for information on the following:

- Non-cash financing and investing activities
- Financing arrangements
- Net cash flow disclosures relating to any discontinued operations

Notes to the Financial Statements

for the year ended 30 June 2017

Contents of the notes accompanying the financial statements

Note	Details	Page
1	Summary of significant accounting policies	10
2(a)	Council functions/activities – financial information	26
2(b)	Council functions/activities – component descriptions	27
3	Income from continuing operations	28
4	Expenses from continuing operations	33
5	Gains or losses from the disposal of assets	36
6(a)	Cash and cash equivalent assets	37
6(b)	Investments	37
6(c)	Restricted cash, cash equivalents and investments – details	38
7	Receivables	39
8	Inventories and other assets	40
9(a)	Infrastructure, property, plant and equipment	41
9(b)	Externally restricted infrastructure, property, plant and equipment	42
9(c)	Infrastructure, property, plant and equipment – current year impairments	42 n/a
10(a)	Payables, borrowings and provisions	43
10(b)	Description of (and movements in) provisions	44
11	Statement of cash flows – additional information	45
12	Commitments for expenditure	46
13	Statement of performance measures:	
13a (i)	Local government industry indicators (consolidated)	47
13a (ii)	Local government industry graphs (consolidated)	48
13b	Local government industry indicators (by fund)	50
14	Investment properties	52 n/a
15	Financial risk management	52
16	Material budget variations	56
17	Statement of developer contributions	58
18	Contingencies and other liabilities/assets not recognised	59
19	Interests in other entities	60 n/a
20	Retained earnings, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors	60
21	Financial result and financial position by fund	61
22	'Held for sale' non-current assets and disposal groups	63 n/a
23	Events occurring after the reporting date	63 n/a
24	Discontinued operations	63 n/a
25	Intangible assets	63 n/a
26	Reinstatement, rehabilitation and restoration liabilities	64
27	Fair value measurement	66
28	Related party disclosures	75

n/a – not applicable

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies

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

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

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

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

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

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

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

Because AASBs are sector neutral, some standards either:

- (a) have local Australian content and prescription that is specific to the not-for-profit sector (including local government) which are not in compliance with IFRSs, or
- (b) specifically exclude application by not-for-profit entities.

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

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

(iii) New and amended standards adopted by Council

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

(iv) Early adoption of accounting standards

Council has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2015, except for AASB2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities, which has reduced the fair value disclosures for Level 3 assets.

For summary information relating to the effects of standards with future operative dates refer further to paragraph (ab).

(v) Basis of accounting

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

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

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

(vi) Changes in accounting policies

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

Notes to the Financial Statements
for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

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

(vii) Critical accounting estimates

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

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

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

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

Significant judgements in applying Council's accounting policies include the impairment of receivables – Council has made significant judgements about the impairment of a number of its receivables in Note 7.

(b) Revenue recognition

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

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

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

Revenue is measured on major income categories as follows:

Rates, Annual Charges, Grants and Contributions

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

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

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

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

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

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

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

Notes to the Financial Statements
for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

The Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of s94 of the *EPA Act 1979*.

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

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

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

User charges, fees and other income

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

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

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

Sale of infrastructure, property, plant and equipment

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

Interest and rents

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

Interest income from cash and investments is accounted for using the effective interest rate at the date that interest is earned.

Other Income

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

(c) Principles of consolidation

These consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

(i) The Consolidated Fund

In accordance with the provisions of section 409(1) of the LGA 1993, all money and property received by Council is held in the Council's consolidated fund unless it is required to be held in the Council's trust fund.

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

The following entities have been included as part of the consolidated fund:

- * General purpose operations
- * Water supply
- * Sewerage service
- * Waste management service
- * Naroo Aged Care

Council controls a number of S355 Committees. The majority of the Committees financial figures were consolidated into Councils financial statements at year end, the results of the remainder were not known at balance date; however this is not considered material.

The committees controlled by Council are the following:

- * Bingara District Historical Society
- * Gravesend Historical Society
- * Warialda Historical Society
- * Coolatai Sports' Ground Committee
- * Croppa Creek Public Hall Management
- * Crooble Public Hall Management
- * Coolatai Public Hall Management
- * Gravesend Public Hall Management

Gwydir Shire Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

* Warialda Community Culture Centre (Carinda House)
* Bingara Hatchery
* North Star Public Hall
* Warialda Sports Council

The (i) total income and expenditure from continuing operations and (ii) net assets held by these excluded committees and operations is as follows:

Total income from continuing operations	\$5,000
Total expenditure from continuing operations	\$5,000
Total net assets held (i.e. equity)	\$12,000

Note:
Where actual figures are not known, best estimates have been applied.

(ii) The trust fund

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

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

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

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

(iii) Interests in other entities

Subsidiaries

Council has no interest in any subsidiaries.

Joint arrangements

Council has no interest in any joint arrangements.

Associates

Council has no interest in any associates.

County councils

Council is not a member of any county councils.

Unconsolidated structured entities

Council has no interest in any unconsolidated structured entities.

(d) Leases

All leases entered into by Council are reviewed and classified on inception date as either a finance lease or an operating lease.

Finance leases

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

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

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

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

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

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

Operating Leases

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

Payments made under operating leases (net of any incentives received from the lessor) are charged to

Gwydir Shire Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

the income statement on a straight-line basis over the period of the lease.

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

(e) Cash and Cash Equivalents

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

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

(f) Investments and other financial assets

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

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

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

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

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

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

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

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

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

(ii) Loans and receivables

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

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

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

(iii) Held-to-maturity investments

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

In contrast to the 'loans and receivables' classification, these investments are generally quoted in an active market.

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

(iv) Available-for-sale financial assets

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

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

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

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

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

Financial assets – reclassification

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

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

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

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

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

General accounting and measurement of financial instruments:

(i) Initial recognition

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

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

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

(ii) Subsequent measurement

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

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

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

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

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

Impairment

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

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

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

(iii) Types of investments

Council has an approved Investment Policy in order to invest in accordance with (and to comply with) section 625 of the *Local Government Act* and s212 of the LG (General) Regulation 2005.

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

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

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

(g) Fair value estimation – financial instruments

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

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

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

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

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

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

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

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

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

(h) Receivables

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

Receivables (excluding rates and annual charges) are generally due for settlement no more than 30 days from the date of recognition.

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

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

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

Subsequent recoveries of amounts previously written off are credited against other expenses in the Income Statement.

(i) Inventories

(i) Raw materials and stores, work in progress and finished goods

Raw materials are all stated at the lower of cost and net realisable value.

Cost comprises direct materials.

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

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

(ii) Inventory held for distribution

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

(j) Infrastructure, property, plant and equipment (I,PP&E)

Acquisition of assets

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

At balance date, the following classes of I,PP&E were stated at their fair value:

- **Plant and equipment**
(as approximated by depreciated historical cost)
- **Operational land** (external valuation)
- **Community land** (external valuation)
- **Land improvements**
(as approximated by depreciated historical cost)
- **Buildings – specialised/non-specialised**
(external valuation)

- **Other structures**
(as approximated by depreciated historical cost)
- **Roads assets including roads, bridges and footpaths**
(internal valuation)
- **Bulk earthworks** (internal valuation)
- **Stormwater drainage** (internal valuation)
- **Water and sewerage networks**
(internal valuation)
- **Swimming pools**
(internal valuation)
- **Other open space/recreational assets**
(internal valuation)
- **Other infrastructure**
(internal valuation)
- **Other assets**
(as approximated by depreciated historical cost)

Initial recognition

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

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

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

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

Subsequent costs

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably.

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

Asset revaluations (including indexation)

In accounting for asset revaluations relating to infrastructure, property, plant and equipment:

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

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

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

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

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

Capitalisation thresholds

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

Land	
- council land	100% Capitalised
- open space	100% Capitalised
- land under roads (purchases after 30/6/08)	100% Capitalised

Plant and Equipment	
Office Furniture	> \$1,000
Office Equipment	> \$1,000

Other Plant and Equipment	> \$1,000
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Buildings and Land Improvements	
Park Furniture and Equipment	> \$2,000

Building	
- construction/extensions	100% Capitalised
- renovations	> \$10,000

Other Structures	> \$2,000
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Water and Sewer Assets	
Reticulation extensions	> \$5,000
Other	> \$5,000

Stormwater Assets	
Drains and Culverts	> \$5,000
Other	> \$5,000

Transport Assets	
Road construction and reconstruction	> \$10,000
Reseal/Re-sheet and major repairs	> \$10,000

Bridge construction and reconstruction	> \$10,000
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Other Infrastructure Assets	
Swimming Pools	> \$10,000
Other Open Space/Recreational Assets	> \$10,000

Other Infrastructure	> \$10,000
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Depreciation

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

Land is not depreciated.

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

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

- Office Equipment	3 to 20 years
- Office furniture	3 to 30 years
- Vehicles and Road Making equip	3 to 30 years
- Other plant and equipment	3 to 30 years
- Buildings	50 to 150 years
- Other Structures	10 to 100 years
- Playground equipment	15 to 25 years
- Benches, seats etc	10 to 20 years
- Dams and reservoirs	80 to 100 years
- Reticulation pipes	100 years
- Pump Stations	50 to 75 years
- Treatment Works	50 to 70 years
- Drains	80 to 100 years
- Culverts	50 to 80 years
- Flood Control Structures	80 to 100 years
- Sealed Roads : Surface	15 to 60 years
- Sealed Roads : Structure	50 to 100 years
- Unsealed roads	10 to 20 years
- Bridges	50 to 100 years
- Bulk earthworks	Infinite
- Swimming Pools	15 to 25 years
- Other Open Space/ Recreational Assets	50 to 100 years
- Other Infrastructure	50 to 100 years

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

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

Disposal and derecognition

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

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

(k) Land

Land (other than land under roads) is in accordance with Part 2 of Chapter 6 of the *Local Government Act (1993)* classified as either operational or community.

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

(l) Land under roads

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

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

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

(m) Intangible assets

Council has not classified any assets as intangible.

(n) Crown reserves

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

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

(o) Rural fire service assets

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

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

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

(p) Provisions for close down, restoration and for environmental clean-up costs – including tips and quarries

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

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

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

Costs are estimated on the basis of a closure plan.

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

Close down, restoration and remediation costs are a normal consequence of tip and quarry operations, and the majority of close down and restoration

expenditure is incurred at the end of the life of the operations.

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

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

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

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

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

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

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

These costs are charged to the Income Statement.

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

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

As noted above, the ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors, including changes to the relevant legal requirements, the emergence of new

Notes to the Financial Statements
for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

restoration techniques or experience at other locations.

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

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

Specific information about Council's provisions relating to close down, restoration and remediation costs can be found at Note 26.

(q) Impairment of assets

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

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

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

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

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

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

Goodwill and other intangible assets that have an indefinite useful life and are not subject to amortisation are tested annually for impairment.

(r) Payables

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

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

(s) Borrowings

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

Borrowings are subsequently measured at amortised cost.

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

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

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

(t) Borrowing costs

Borrowing costs are expensed as incurred.

(u) Provisions

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

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

Notes to the Financial Statements
for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

Provisions are not recognised for future operating losses.

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

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

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

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

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

(v) Employee benefits

(i) Short-term obligations

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

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

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

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

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

Wages and salaries, annual leave and vesting sick leave are all classified as current liabilities.

(ii) Other long-term obligations

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

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

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

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

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

(iii) Retirement benefit obligations

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

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

Defined benefit plans

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

Note 1. Summary of significant accounting policies (continued)

The present value of the defined benefit obligation is based on expected future payments that arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. However, when this information is not reliably available, Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable.

Defined contribution plans

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

(iv) Employee benefit on-costs

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

These amounts include superannuation and workers compensation expenses which will be payable upon the future payment of certain leave liabilities accrued as at 30/06/16.

(w) Self-insurance

Council does not self-insure.

(x) Allocation between current and non-current assets and liabilities

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

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

Exceptions

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

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

(y) Taxes

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

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

Goods and Services Tax (GST)

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

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

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

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

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

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

Note 1. Summary of significant accounting policies (continued)

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

(z) New accounting standards and Interpretations issued (not yet effective)

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2017.

Council has not adopted any of these standards early.

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

Council's assessment of the impact of upcoming new standards and interpretations that are likely to have an effect are set out below.

AASB 9 – Financial Instruments

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

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

These requirements are designed to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.

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

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

Council is yet to undertake a detailed assessment of the impact of AASB 9.

AASB 15 – Revenue from Contracts with Customers and associated amending standards

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

AASB 15 will introduce a 5-step process for revenue recognition with the core principle of the new standard being that entities recognise revenue so as to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

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

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2018.

Council is yet to undertake a detailed assessment of the impact of AASB 15.

AASB ED 260 Income of Not-for-Profit Entities

The AASB previously issued exposure draft AASB ED 260 on Income of Not-for-Profit Entities in April 2015.

The exposure draft proposed specific not-for-profit entity requirements and guidance when applying the principles of AASB 15 to income from certain transactions.

Much of the material in AASB 1004 is expected to be replaced by material included in AASB ED 260.

Specific revenue items that may considerably change are Grants and Contributions.

The most likely financial statement impact is the deferred recognition of Grants and Contributions (i.e. recognition as unearned revenue [liability]) until Council has met the associated performance obligation/s relating to the Grants or Contribution.

Notes to the Financial Statements

for the year ended 30 June 2017

Note 1. Summary of significant accounting policies (continued)

At this stage there is no specific date of release for a standard nor a date of applicability.

AASB16 – Leases

AASB 116 Leases replaces AASB 117 Leases and some associated lease-related Interpretations.

AASB 16 introduces a single lease accounting model (for lessees) that will require all leases to be accounted for on the balance sheet (ie. recognition of both a right-of-use asset and a corresponding lease) for all leases with a term of more than 12 months unless the underlying assets are determined to be of 'low value'. There will also be detailed disclosure requirements for all lessees.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2019.

Council is yet to undertake a detailed assessment of the accounting impacts from AASB 16. However, based on preliminary assessments, impacts from the first time adoption of the standard are likely to include:

- a significant increase in lease assets and financial liabilities recognised on the balance sheet,
- a reduction in reported equity as the carrying amount of lease assets will reduce more quickly than the carrying amount of lease liabilities,
- lower operating cash outflows and higher financing cash flows in the statement of cash flows as principal repayments on all lease liabilities will now be included in financing activities rather than operating activities.

AASB2015-6 – Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities

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

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

Related parties will more than likely include the Mayor, Councillors and certain Council staff. In

addition, the close family members of those people and any organisations that they control or are associated with will be classified as related parties (and fall under the related party reporting requirements).

(aa) Rounding of amounts

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

(ab) Comparative figures

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

(ac) Disclaimer

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

Functions/activities	Income, expenses and assets have been directly attributed to the following functions/activities. Details of these functions/activities are provided in Note 2(b).													
	Income from continuing operations			Expenses from continuing operations			Operating result from continuing operations			Grants included in income from continuing operations			Total assets held (current & non-current)	
	Original budget	Actual	Actual	Original budget	Actual	Actual	Original budget	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	2017	2017	2016	2017	2017	2016	2017	2017	2016	2017	2016	2016	2017	2016
Governance	–	148	–	367	1,114	270	(367)	(966)	(270)	–	–	–	–	–
Administration	421	(62)	1,030	267	3,603	1,918	154	(3,665)	(888)	36	–	–	28,314	26,652
Public order and safety	556	423	387	1,191	1,132	983	(635)	(709)	(596)	312	317	317	2,101	1,988
Health	29	23	28	62	65	69	(33)	(42)	(41)	–	–	–	1,144	1,166
Environment	1,467	1,358	1,365	1,799	(950)	1,707	(332)	2,308	(342)	130	169	169	–	–
Community services and education	4,092	3,352	3,536	4,264	4,278	3,202	(172)	(926)	334	2,437	2,627	2,627	10,428	8,015
Housing and community amenities	310	387	373	662	574	514	(352)	(187)	(141)	20	89	89	8,481	8,809
Water supplies	1,694	1,401	1,463	1,327	1,514	1,159	367	(113)	304	69	24	24	16,599	16,839
Sewerage services	967	776	795	596	566	487	371	210	308	21	20	20	13,266	12,939
Recreation and culture	184	419	219	1,946	2,165	1,622	(1,762)	(1,746)	(1,403)	134	67	67	24,364	27,312
Mining, manufacturing and construction	40	78	98	461	118	460	(421)	(40)	(362)	–	–	–	643	356
Transport and communication	8,243	5,641	8,229	12,158	9,359	22,240	(3,915)	(3,718)	(14,011)	1,883	3,109	3,109	325,985	326,291
Economic affairs	474	411	426	1,253	1,409	1,028	(779)	(998)	(602)	18	13	13	2,566	2,630
Total functions and activities	18,477	14,355	17,949	26,353	24,947	35,659	(7,876)	(10,592)	(17,710)	5,060	6,435	6,435	433,891	432,997
Share of gains/(losses) in associates and joint ventures (using the equity method)	–	–	–	–	–	–	–	–	–	–	–	–	–	–
General purpose income ¹	11,988	13,725	10,660	–	–	–	11,988	13,725	10,660	6,318	4,268	4,268	–	–
Operating result from continuing operations	30,465	28,080	28,609	26,353	24,947	35,659	4,112	3,133	(7,050)	11,378	10,703	10,703	433,891	432,997

1. Includes: rates and annual charges (incl. ex-gratia), untied general purpose grants and unrestricted interest and investment income.

Gwydir Shire Council

Notes to the Financial Statements for the year ended 30 June 2017

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

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

GOVERNANCE

Includes costs relating to Council's role as a component of democratic government, including elections, members' fees and expenses, subscriptions to local authority associations, meetings of Council and policy-making committees, public disclosure (e.g. GIPA), and legislative compliance.

ADMINISTRATION

Includes corporate support and other support services, engineering works, and any Council policy compliance.

PUBLIC ORDER AND SAFETY

Includes Council's fire and emergency services levy, fire protection, emergency services, beach control, enforcement of regulations and animal control.

HEALTH

Includes immunisation, food control, health centres etc.

ENVIRONMENT

Includes noxious plants and insect/vermin control; other environmental protection; solid waste management, including domestic waste; other waste management; other sanitation; and garbage, street cleaning, drainage and stormwater management.

COMMUNITY SERVICES AND EDUCATION

Includes administration and education; social protection (welfare); migrant, Aboriginal and other community services and administration (excluding accommodation – as it is covered under 'housing and community amenities'); youth services; aged and disabled persons services; children's services, including family day care; child care; and other family and children services.

HOUSING AND COMMUNITY AMENITIES

Includes public cemeteries; public conveniences; street lighting; town planning; other community amenities, including housing development and accommodation for families and children, aged persons, disabled persons, migrants and Indigenous persons.

WATER SUPPLIES

Provision of a cost effective, environmentally sensitive and ecologically sustainable water supply service. Including business plan, service delivery, customer service, demand management, infrastructure management.

SEWERAGE SERVICES

Provision of a cost effective, environmentally sensitive & ecologically sustainable sewerage service. Including business plan, service delivery, customer service, demand management, infrastructure management.

RECREATION AND CULTURE

Includes public libraries; museums; art galleries; community centres and halls, including public halls and performing arts venues; sporting grounds and venues; swimming pools; parks; gardens; lakes; and other sporting, recreational and cultural services.

MINING, MANUFACTURING AND CONSTRUCTION

Includes building control, quarries and pits, mineral resources, and abattoirs.

TRANSPORT AND COMMUNICATION

Urban local, urban regional, includes sealed and unsealed roads, bridges, footpaths, parking areas, and aerodromes.

ECONOMIC AFFAIRS

Includes camping areas and caravan parks; tourism and area promotion; industrial development promotion; sale yards and markets; real estate development; commercial nurseries; and other business undertakings.

Gwydir Shire Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 3. Income from continuing operations

		Actual 2017	Actual 2016
\$ '000	Notes		
(a) Rates and annual charges			
Ordinary rates			
Residential		1,147	948
Farmland		5,984	5,213
Business		188	142
Total ordinary rates		7,319	6,303
Special rates			
Nil			
Annual charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic waste management services		543	536
Stormwater management services		36	36
Water supply services		589	586
Sewerage services		591	591
Waste management services (non-domestic)		460	447
Total annual charges		2,219	2,196
TOTAL RATES AND ANNUAL CHARGES		9,538	8,499

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

Gwydir Shire Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 3. Income from continuing operations (continued)

\$ '000	Notes	Actual 2017	Actual 2016
(b) User charges and fees			
Specific user charges (per s.502 – specific 'actual use' charges)			
Water supply services		471	507
Sewerage services		60	64
Total user charges		531	571
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s.608)			
Inspection services		6	6
Planning and building regulation		64	73
Private works – section 67		133	90
Registration fees		24	23
Section 603 certificates		13	12
Total fees and charges – statutory/regulatory		240	204
(ii) Fees and charges – other (incl. general user charges (per s.608))			
Caravan park		334	344
Cemeteries		35	36
Gwydir Learning Region		11	29
Home and community care / community transport		80	86
Pre-school services		79	66
RMS (formerly RTA) charges (state roads not controlled by Council)		1,667	3,847
Roxy theatre		56	54
Tourism		8	8
Wow fitness		26	24
Other		–	1
Other		56	51
Total fees and charges – other		2,352	4,546
TOTAL USER CHARGES AND FEES		3,123	5,321

Gwydir Shire Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 3. Income from continuing operations (continued)

\$ '000	Notes	Actual 2017	Actual 2016
(c) Interest and investment revenue (including losses)			
Interest			
– Interest on overdue rates and annual charges (incl. special purpose rates)		30	22
– Interest earned on investments (interest and coupon payment income)		166	216
TOTAL INTEREST AND INVESTMENT REVENUE		196	238
Interest revenue is attributable to:			
Unrestricted investments/financial assets:			
Overdue rates and annual charges (general fund)		30	22
General Council cash and investments		34	36
Restricted investments/funds – external:			
Development contributions			
– Section 94		7	7
Water fund operations		18	35
Sewerage fund operations		61	78
Domestic waste management operations		22	29
Restricted investments/funds – internal:			
Internally restricted assets		24	31
Total interest and investment revenue recognised		196	238
(d) Other revenues			
Rental income – other council properties		246	252
Fines – other		12	11
Commissions and agency fees		99	102
Diesel rebate		75	115
Emergency services reimbursements		32	21
Employee related		13	37
Festivals		8	3
Insurance claim recoveries		91	72
Medical centres		1	–
Naroo		720	702
Other – governance		24	17
Sales – general		40	56
Sewer operations		3	1
Tourism		31	34
Waste management revenues		31	12
Water supplies		2	2
Other		317	417
TOTAL OTHER REVENUE		1,745	1,854

Gwydir Shire Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 3. Income from continuing operations (continued)

\$ '000	2017 Operating	2016 Operating	2017 Capital	2016 Capital
(e) Grants				
General purpose (untied)				
Financial assistance	6,264	4,216	–	–
Pensioners' rates subsidies – general component	54	52	–	–
Total general purpose	6,318	4,268	–	–
Specific purpose				
Pensioners' rates subsidies:				
– Water	24	24	–	–
– Sewerage	21	20	–	–
– Domestic waste management	34	36	–	–
Aged care	1,397	1,707	–	–
Employment and training programs	21	19	–	–
Family first – DOCS	115	132	–	–
Home and community care	282	310	–	–
Library	47	42	–	–
Noxious weeds	89	123	–	–
NSW rural fire services	173	238	–	75
Public halls	–	10	–	–
Street lighting	20	19	–	–
Tharawonga operational	317	256	–	–
Transport (3x3, flood works, roads to recovery)	2,048	2,550	10	573
Preschool	252	–	–	–
Other	162	284	48	17
Total specific purpose	5,002	5,770	58	665
Total grants	11,320	10,038	58	665
Grant revenue is attributable to:				
– Other funding	11,320	10,038	58	665
	11,320	10,038	58	665

Gwydir Shire Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 3. Income from continuing operations (continued)

\$ '000	2017 Operating	2016 Operating	2017 Capital	2016 Capital
(f) Contributions				
Developer contributions:				
(s93 & s94 – EP&A Act, s64 of the LGA):				
S 94 – contributions towards amenities/services	–	–	35	70
Total developer contributions	–	–	35	70
Other contributions:				
RMS contributions (regional roads, block grant)	1,583	1,566	284	269
Self Help roadwork contributions	–	–	23	–
Other	34	73	141	16
Total other contributions	1,617	1,639	448	285
Total contributions	1,617	1,639	483	355
TOTAL GRANTS AND CONTRIBUTIONS	12,937	11,677	541	1,020

\$ '000	Actual 2017	Actual 2016
(g) Unspent grants and contributions		
Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:		
Unexpended at the close of the previous reporting period	703	1,140
Add: grants and contributions recognised in the current period but not yet spent:	85	10,892
Less: grants and contributions recognised in a previous reporting period now spent:	(561)	(11,329)
Net increase (decrease) in restricted assets during the period	(476)	(437)
Unexpended and held as restricted assets	227	703
Comprising:		
– Specific purpose unexpended grants	227	387
– Developer contributions	–	316
	227	703

Gwydir Shire Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 4. Expenses from continuing operations

\$ '000	Notes	Actual 2017	Actual 2016
(a) Employee benefits and on-costs			
Salaries and wages		8,240	8,421
Travel expenses		128	163
Employee leave entitlements (ELE)		2,141	1,545
Superannuation		1,131	1,110
Workers' compensation insurance		650	693
Fringe benefit tax (FBT)		23	38
Training costs (other than salaries and wages)		123	181
Other		316	171
Total employee costs		12,752	12,322
Less: capitalised costs		(1,329)	(1,445)
TOTAL EMPLOYEE COSTS EXPENSED		11,423	10,877
(b) Borrowing costs			
(i) Interest bearing liability costs			
Interest on loans		793	501
Total interest bearing liability costs expensed		793	501
(ii) Other borrowing costs			
Amortisation of discounts and premiums: – unwinding discount on reduced interest loan		63	82
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	26	–	219
Total other borrowing costs		63	301
TOTAL BORROWING COSTS EXPENSED		856	802

Gwydir Shire Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	Actual 2017	Actual 2016
(c) Materials and contracts			
Raw materials and consumables		2,516	2,454
Contractor and consultancy costs			
– Consultants		205	139
– Domestic waste management contract		91	89
– Health services		2	7
– Pools		113	113
– Road infrastructure contractors		695	2,258
– Valuations		30	36
– Other		1,101	1,144
Auditors remuneration ⁽¹⁾		32	102
Legal expenses:			
– Legal expenses: debt recovery		75	48
– Legal expenses: other		9	2
TOTAL MATERIALS AND CONTRACTS		4,869	6,392
1. Auditor remuneration			
a. During the year, the following fees were incurred for services provided by the Auditor-General:			
(i) Audit and other assurance services			
– Audit and review of financial statements: Auditor-General		32	–
Remuneration for audit and other assurance services		32	–
Total Auditor-General remuneration		32	–
b. During the year, the following fees were incurred for services provided by the other Council's Auditors:			
(i) Audit and other assurance services			
– Audit and review of financial statements: Forsyths Chartered Accountants		–	91
– Due diligence services		–	11
Remuneration for audit and other assurance services		–	102
Total remuneration of other Council's Auditors		–	102
Total Auditor remuneration		32	102

Gwydir Shire Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	Actual 2017	Actual 2016
(d) Depreciation, amortisation and impairment			
Plant and equipment		935	1,002
Office equipment		60	58
Furniture and fittings		56	56
Infrastructure:			
– Buildings – non-specialised		538	532
– Buildings – specialised		549	455
– Other structures		308	96
– Roads		3,755	3,374
– Bridges		12	11
– Footpaths		19	19
– Stormwater drainage		48	46
– Water supply network		100	99
– Sewerage network		71	70
Other assets			
– Other		9	18
Asset reinstatement costs	9 & 26	233	236
Total gross depreciation and amortisation costs		6,693	6,072
Less: capitalised costs		–	–
Total depreciation and amortisation costs		6,693	6,072
Impairment			
Infrastructure:			
– Buildings – non-specialised		–	130
Total gross impairment costs		–	130
Total impairment costs		–	130
TOTAL DEPRECIATION AND IMPAIRMENT COSTS EXPENSED		6,693	6,202

Gwydir Shire Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	Actual 2017	Actual 2016
(e) Other expenses			
Advertising		106	72
Bad and doubtful debts		–	192
Bushfire and ses equipment		461	412
Councillor expenses – mayoral fee		26	25
Councillor expenses – councillors' fees		107	105
Councillors' expenses (incl. mayor) – other (excluding fees above)		3	12
Donations, contributions and assistance to other organisations (Section 356)		85	102
Electricity and heating		512	536
Fair value decrements – I,PP&E	9(a)	–	5,430
Insurance		743	656
Street lighting		74	78
Subscriptions and publications		100	158
Telephone and communications		253	253
Other		–	5
TOTAL OTHER EXPENSES		2,470	8,036

Note 5. Gains or losses from the disposal of assets

Property (excl. investment property)		
Proceeds from disposal – property	180	6
Less: carrying amount of property assets sold/written off	(139)	(6)
Net gain/(loss) on disposal	41	–
Plant and equipment		
Proceeds from disposal – plant and equipment	275	139
Less: carrying amount of plant and equipment assets sold/written off	(264)	(128)
Net gain/(loss) on disposal	11	11
Infrastructure		
Proceeds from disposal – infrastructure	303	–
Less: carrying amount of infrastructure assets sold/written off	(2,312)	(3,361)
Net gain/(loss) on disposal	(2,009)	(3,361)
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS	(1,957)	(3,350)

Gwydir Shire Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 6a. – Cash assets and Note 6b. – investments

		2017 Actual Current	2017 Actual Non-current	2016 Actual Current	2016 Actual Non-current
\$ '000	Notes				
Cash and cash equivalents (Note 6a)					
Cash on hand and at bank		2,174	–	2,223	–
Cash-equivalent assets ¹					
– Deposits at call		256	–	229	–
– Short-term deposits		4,087	–	3,999	–
Total cash and cash equivalents		6,517	–	6,451	–
Investments (Note 6b)					
– Managed funds		–	1,016	–	–
– Long term deposits		2,000	–	2,068	–
Total investments		2,000	1,016	2,068	–
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS		8,517	1,016	8,519	–

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

Cash, cash equivalents and investments were classified at year end in accordance with AASB 139 as follows:

Cash and cash equivalents					
a. 'At Cost'		6,517	–	6,451	–
Investments					
a. 'At fair value through the profit and loss'					
– 'Designated at fair value on initial recognition'		–	1,016	–	–
b. 'Held to maturity'		2,000	–	2,068	–
Investments		2,000	1,016	2,068	–

Refer to Note 27. Fair value measurement for information regarding the fair value of investments held.

Gwydir Shire Council

Notes to the Financial Statements for the year ended 30 June 2017

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

	2017 Actual Current	2017 Actual Non-current	2016 Actual Current	2016 Actual Non-current
\$ '000				
Total cash, cash equivalents and investments	8,517	1,016	8,519	–
attributable to:				
External restrictions (refer below)	4,525	1,016	6,233	–
Internal restrictions (refer below)	3,889	–	3,459	–
Unrestricted	103	–	(1,173)	–
	8,517	1,016	8,519	–

2017 \$ '000	Opening balance	Transfers to restrictions	Transfers from restrictions	Closing balance
-----------------	--------------------	------------------------------	--------------------------------	--------------------

Details of restrictions

External restrictions – included in liabilities

Aged care bonds	290	–	–	290
External restrictions – included in liabilities	290	–	–	290

External restrictions – other

Developer contributions – general (A)	316	42	(316)	–
RMS (formerly RTA) contributions (B)	81	(81)	–	–
Specific purpose unexpended grants (C)	306	–	(79)	227
Water supplies (D)	1,028	–	(241)	787
Sewerage services (D)	3,002	16	–	3,018
Domestic waste management (D)	1,210	9	–	1,219

External restrictions – other	5,943	(14)	(636)	5,251
Total external restrictions	6,233	(14)	(636)	5,541

Internal restrictions

Employees leave entitlement	420	429	–	849
Deposits, retentions and bonds	101	–	(4)	97
Other waste	808	5	–	813
Working capital	2,130	–	–	2,130

Total internal restrictions	3,459	434	(4)	3,889
TOTAL RESTRICTIONS	9,692	420	(640)	9,430

- A Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans (refer Note 17).
- B RMS contributions which are not yet expended for the provision of services and amenities in accordance with those contributions.
- C Grants which are not yet expended for the purposes for which the grants were obtained. (refer Note 1 (b))
- D Water, sewerage, domestic waste management (DWM) and other special rates/levies/charges are externally restricted assets and must be applied for the purposes for which they were raised.

Gwydir Shire Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 7. Receivables

\$ '000	Notes	2017		2016	
		Current	Non-current	Current	Non-current
Purpose					
Rates and annual charges		331	–	359	–
Interest and extra charges		113	–	122	–
User charges and fees		147	–	189	–
Accrued revenues					
– Interest on investments		17	–	49	–
– Other income accruals		138	–	54	–
Loans to non-profit organisations		4	39	4	39
Net GST receivable		63	–	3	–
Sundry trade debtors		194	–	151	477
Other debtors		108	424	127	2
Total		1,115	463	1,058	518
Less: provision for impairment					
Sundry debtors		(7)	–	(7)	–
Total provision for impairment – receivables		(7)	–	(7)	–
<u>TOTAL NET RECEIVABLES</u>		<u>1,108</u>	<u>463</u>	<u>1,051</u>	<u>518</u>
Externally restricted receivables					
Water supply					
– Rates and availability charges		44	–	–	–
– Other		118	–	211	–
Sewerage services					
– Rates and availability charges		35	–	50	–
– Other		33	–	29	–
Domestic waste management		62	–	89	–
Total external restrictions		292	–	379	–
Internally restricted receivables					
Nil					
Unrestricted receivables		816	463	672	518
TOTAL NET RECEIVABLES		1,108	463	1,051	518

Notes on debtors above:

- (i) Rates and annual charges outstanding are secured against the property.
- (ii) Doubtful rates debtors are provided for where the value of the property is less than the debt outstanding.
An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.
- (iii) Interest was charged on overdue rates and charges at 8.50% (2016 8.50%).
Generally all other receivables are non-interest bearing.
- (iv) Please refer to Note 15 for issues concerning credit risk and fair value disclosures.

Gwydir Shire Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 8. Inventories and other assets

\$ '000	Notes	2017		2016	
		Current	Non-current	Current	Non-current
(a) Inventories					
(i) Inventories at cost					
Stores and materials		224	–	230	–
Total inventories at cost		224	–	230	–
(ii) Inventories at net realisable value (NRV)					
Nil					
TOTAL INVENTORIES		224	–	230	–
(b) Other assets					
Prepayments		10	–	15	–
TOTAL OTHER ASSETS		10	–	15	–
Externally restricted assets					
Water					
Stores and materials		22	–	22	–
Total water		22	–	22	–
Sewerage					
Stores and materials		2	–	2	–
Total sewerage		2	–	2	–
Total externally restricted assets		24	–	24	–
Total internally restricted assets		–	–	–	–
Total unrestricted assets		210	–	221	–
TOTAL INVENTORIES AND OTHER ASSETS		234	–	245	–

Other disclosures

Inventory write downs

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

Refer to Note 27. Fair value measurement for information regarding the fair value of other assets held.

Notes to the Financial Statements
for the year ended 30 June 2017

Note 9a. Infrastructure, property, plant and equipment

Asset class	Asset movements during the reporting period						as at 30/6/2016			as at 30/6/2017		
\$ '000	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	Adjustments and transfers	Revaluation increments to equity (ARF)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
Capital work in progress	2,616	—	2,616	(704)	—	—	—	—	—	1,912	—	1,912
Plant and equipment	15,929	7,533	8,396	1,335	2	(264)	(935)	(85)	—	16,151	7,718	8,433
Office equipment	1,081	759	322	—	29	—	(60)	—	—	1,124	833	291
Furniture and fittings	1,215	381	834	—	13	—	(56)	3	—	1,254	460	794
Land:												
— Operational land	5,296	—	5,296	—	81	(139)	—	41	—	5,279	—	5,279
— Community land	2,597	—	2,597	—	—	—	—	(40)	—	2,557	—	2,557
Infrastructure:												
— Buildings – non-specialised	33,120	7,428	25,692	210	37	(343)	(538)	(1,195)	—	31,346	7,483	23,863
— Buildings – specialised	28,560	4,517	24,043	329	99	—	(549)	1,138	—	30,176	5,116	25,060
— Other structures	4,657	418	4,239	155	7	(1)	(308)	—	—	4,817	725	4,092
— Roads	321,063	38,688	282,375	4,814	625	(1,805)	(3,755)	—	—	323,492	41,238	282,254
— Bridges	38,547	370	38,177	—	—	—	(12)	—	—	38,547	381	38,166
— Footpaths	3,188	466	2,722	—	—	—	(19)	—	—	3,188	485	2,703
— Stormwater drainage	3,704	2,384	1,320	—	—	—	(48)	—	17	3,755	2,466	1,289
— Water supply network	16,471	5,138	11,333	352	53	(163)	(100)	100	134	16,993	5,284	11,709
— Sewerage network	12,423	3,260	9,163	268	—	—	(71)	38	121	12,954	3,435	9,519
— Swimming pools	2,679	47	2,632	—	—	—	—	—	—	2,679	47	2,632
Other assets:												
— Other	183	18	165	—	—	—	(9)	—	—	183	27	156
Reinstatement, rehabilitation and restoration assets (refer Note 26):												
— Tip assets	2,548	1,880	668	—	—	—	(217)	1,011	—	1,462	—	1,462
— Quarry assets	371	297	74	—	—	—	(16)	323	—	398	16	382
TOTAL INFRASTRUCTURE, PROPERTY, PLANT AND EQUIP.	496,248	73,584	422,664	6,759	946	(2,715)	(6,693)	1,334	272	498,267	75,714	422,553

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

Refer to Note 27. Fair value measurement for information regarding the fair value of other infrastructure, property, plant and equipment.

Gwydir Shire Council

Notes to the Financial Statements
for the year ended 30 June 2017

Note 9b. Externally restricted infrastructure, property, plant and equipment

\$ '000	Actual 2017			Actual 2016		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount
Water supply						
WIP	123	—	123	395	—	395
Plant and equipment	514	74	440	587	116	471
Land						
— Operational land	148	—	148	148	—	148
Buildings	3,483	432	3,051	3,438	369	3,069
Other structures	170	13	157	170	8	162
Infrastructure	16,993	5,284	11,709	16,471	5,138	11,333
Total water supply	21,431	5,803	15,628	21,209	5,631	15,578
Sewerage services						
WIP	89	—	89	147	—	147
Plant and equipment	81	1	80	101	52	49
Land						
— Operational land	284	—	284	284	—	284
Buildings	114	29	85	114	28	86
Other structures	129	8	121	129	2	127
Infrastructure	12,954	3,435	9,519	12,423	3,260	9,163
Total sewerage services	13,651	3,473	10,178	13,198	3,342	9,856
Domestic waste management						
WIP	12	—	12	8	—	8
Plant and equipment	14	4	10	13	3	10
Land						
— Operational land	192	—	192	192	—	192
Buildings	30	1	29	30	1	29
Other structures	371	54	317	350	40	310
Infrastructure	1,461	—	1,461	2,548	1,880	668
Total DWM	2,080	59	2,021	3,141	1,924	1,217
TOTAL RESTRICTED I,PP&E	37,162	9,335	27,827	37,548	10,897	26,651

Note 9c. Infrastructure, property, plant and equipment – current year impairments

\$ '000	Notes	Actual 2017	Actual 2016
Impairment losses recognised in the Income Statement:			
Lowes service station impairment in excess of revaluation reserve.		—	(130)
Impairment of fuel tank due to leaks		—	(130)
IMPAIRMENT OF ASSETS – GAINS/(LOSSES) in P/L	4(d)	—	(130)

Gwydir Shire Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 10a. Payables, borrowings and provisions

\$ '000	Notes	2017		2016	
		Current	Non-current	Current	Non-current
Payables					
Goods and services – operating expenditure		6	–	20	–
Accrued expenses:					
– Interest on bonds and deposits		79	–	89	–
– Other expenditure accruals		243	–	193	–
Security bonds, deposits and retentions		97	–	101	–
Aged Care Deposits and Bonds		1,637	–	1,489	–
Payments received in advance		41	–	–	–
Other		72	–	32	–
Total payables		2,175	–	1,924	–
Income received in advance					
Payments received in advance		204	–	234	–
Total income received in advance		204	–	234	–
Borrowings					
Loans – secured ¹		1,010	9,381	948	10,363
Total borrowings		1,010	9,381	948	10,363
Provisions					
Employee benefits:					
Annual leave		1,136	–	1,041	–
Long service leave		1,757	263	1,792	147
Sub-total – aggregate employee benefits		2,893	263	2,833	147
Asset remediation/restoration (future works)	26	–	1,859	–	3,847
Total provisions		2,893	2,122	2,833	3,994
TOTAL PAYABLES, BORROWINGS AND PROVISIONS					
		6,282	11,503	5,939	14,357

(i) Liabilities relating to restricted assets

	2017		2016	
	Current	Non-current	Current	Non-current
Externally restricted assets				
Water	98	2,213	191	2,419
Sewer	47	5	61	2
Other	290	–	290	–
Liabilities relating to externally restricted assets	435	2,218	542	2,421
Internally restricted assets				
Nil				
Total liabilities relating to restricted assets	435	2,218	542	2,421
Total liabilities relating to unrestricted assets	5,847	9,285	5,397	11,936
TOTAL PAYABLES, BORROWINGS AND PROVISIONS	6,282	11,503	5,939	14,357

¹ Loans are secured over the general rating income of Council

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note 15.

Gwydir Shire Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 10a. Payables, borrowings and provisions (continued)

\$ '000	Actual 2017	Actual 2016
(ii) Current liabilities not anticipated to be settled within the next twelve months		
The following liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions – employees benefits	2,377	2,550
Payables – security bonds, deposits and retentions	982	1,340
	3,359	3,890

Note 10b. Description of and movements in provisions

Class of provision	2016	2017			
	Opening balance as at 1/7/16	Additional provisions	Decrease due to payments	Remeasurement effects due to discounting	Closing balance as at 30/6/17
Annual leave	1,041	95	–	–	1,136
Long service leave	1,939	81	–	–	2,020
Asset remediation	3,847	(1,988)	–	–	1,859
TOTAL	6,827	(1,812)	–	–	5,015

a. Employees leave entitlements and on-costs represents those benefits accrued and payable and an estimate of those that will become payable in the future as a result of past service.

b. Asset remediation, reinstatement and restoration provisions represent the present value estimate of future costs Council will incur in order to remove, restore and remediate assets and/or activities as a result of past operations.

Gwydir Shire Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 11. Statement of cash flows – additional information

\$ '000	Notes	Actual 2017	Actual 2016
(a) Reconciliation of cash assets			
Total cash and cash equivalent assets	6a	6,517	6,451
Less bank overdraft	10	–	–
Balance as per the Statement of Cash Flows		6,517	6,451
(b) Reconciliation of net operating result to cash provided from operating activities			
Net operating result from Income Statement		3,133	(7,050)
Adjust for non-cash items:			
Depreciation and amortisation		6,693	6,072
Net losses/(gains) on disposal of assets		1,957	3,350
Non-cash capital grants and contributions		(23)	–
Impairment losses recognition – I,PP&E		–	130
– Write offs relating to the fair valuation of I,PP&E		–	5,430
– Non cash revenue relating to Note 9a IPP&E		(1,333)	–
Unwinding of discount rates on reinstatement provisions		–	219
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		(2)	1,187
Decrease/(increase) in inventories		6	222
Decrease/(increase) in other assets		5	18
Increase/(decrease) in payables		(14)	(526)
Increase/(decrease) in other accrued expenses payable		50	(29)
Increase/(decrease) in other liabilities		185	691
Increase/(decrease) in employee leave entitlements		176	(137)
Increase/(decrease) in other provisions		(1,988)	–
Net cash provided from/(used in) operating activities from the Statement of Cash Flows		8,845	9,577

Gwydir Shire Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 11. Statement of cash flows – additional information (continued)

\$ '000	Notes	Actual 2017	Actual 2016
(c) Non-cash investing and financing activities			
Other dedications		23	–
Total non-cash investing and financing activities		23	–
(d) Financing arrangements			
(i) Unrestricted access was available at balance date to the following lines of credit:			
Bank overdraft facilities ⁽¹⁾		100	100
Credit cards/purchase cards		50	50
Total financing arrangements		150	150

1. The bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.
Interest rates on overdrafts are interest rates on loans and other payables are disclosed in Note 15.

(ii) Secured loan liabilities

Loans are secured by a mortgage over future years rate revenue only.

Note 12. Commitments for expenditure

(a) Capital commitments (exclusive of GST)

Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:

Property, plant and equipment

Warialda Bypass Project	500	–
Warialda Truck Wash	100	–
Total commitments	600	–
These expenditures are payable as follows:		
Within the next year	400	–
Later than one year and not later than 5 years	200	–
Total payable	600	–
Sources for funding of capital commitments:		
Unrestricted general funds	600	–
Total sources of funding	600	–

(b) Finance lease commitments

Nil

(c) Operating lease commitments (non-cancellable)

Nil

Gwydir Shire Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 13a(i). Statement of performance measurement – indicators (consolidated)

\$ '000	Amounts 2017	Indicator 2017	Prior periods 2016	2015	Benchmark
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Local government industry indicators – consolidated

1. Operating performance ratio

Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions less operating expenses	4,549	16.52%	2.57%	-25.89%	>0.00%
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions	27,539				

2. Own source operating revenue ratio

Total continuing operating revenue ⁽¹⁾ excluding all grants and contributions	14,602	52.00%	55.62%	57.51%	>60.00%
Total continuing operating revenue ⁽¹⁾	28,080				

3. Unrestricted current ratio

Current assets less all external restrictions ⁽²⁾	5,018	2.02x	2.11x	2.22x	>1.5x
Current liabilities less specific purpose liabilities ^(3, 4)	2,488				

4. Debt service cover ratio

Operating result ⁽¹⁾ before capital excluding interest and depreciation/impairment/amortisation	12,098	6.81x	4.21x	3.35x	>2x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	1,776				

5. Rates, annual charges, interest and extra charges outstanding percentage

Rates, annual and extra charges outstanding	444	4.42%	5.32%	6.18%	<10% Rural
Rates, annual and extra charges collectible	10,049				

6. Cash expense cover ratio

Current year's cash and cash equivalents plus all term deposits	8,517	4.80 mths	4.5 mths	4.6 mths	> 3 mths
Payments from cash flow of operating and financing activities	1,774				

Notes

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

⁽²⁾ Refer Notes 6-8 inclusive.

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

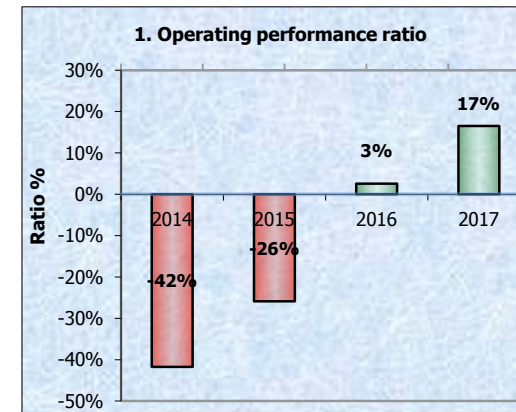
⁽³⁾ Refer to Note 10(a).

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

Gwydir Shire Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 13a(ii). Local government industry indicators – graphs (consolidated)



Benchmark: — Minimum >=0.00%

Source for benchmark: Code of Accounting Practice and Financial Reporting #25

Purpose of operating performance ratio

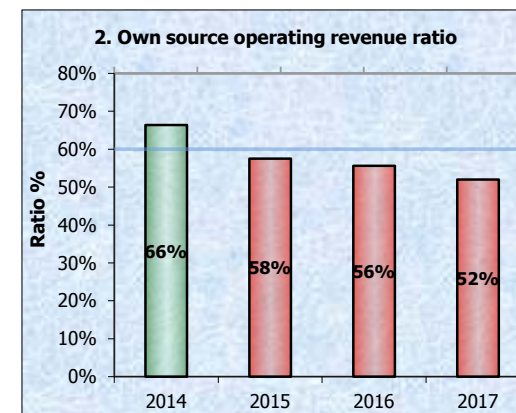
This ratio measures Council's achievement of containing operating expenditure within operating revenue.

Commentary on 2016/17 result

2016/17 ratio 16.52%

The continued improvement in this ratio, which is now above benchmark is pleasing to note.

Ratio achieves benchmark
Ratio is outside benchmark



Benchmark: — Minimum >=60.00%

Source for benchmark: Code of Accounting Practice and Financial Reporting #25

Purpose of own source operating revenue ratio

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.

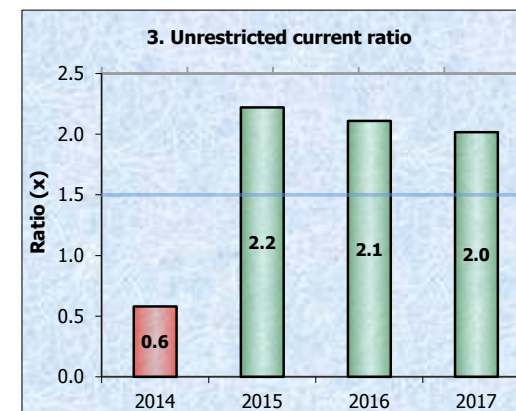
Commentary on 2016/17 result

2016/17 ratio 52.00%

Performance has been affected by reduced levels of RMS contract works in recent years.

If Financial Assistance Grants is included as discussed in the latest State Governments Fit for The Future discussions, Gwydir would meet this benchmark.

Ratio achieves benchmark
Ratio is outside benchmark



Benchmark: — Minimum >=1.50

Source for benchmark: Code of Accounting Practice and Financial Reporting #25

Purpose of unrestricted current ratio

To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.

Commentary on 2016/17 result

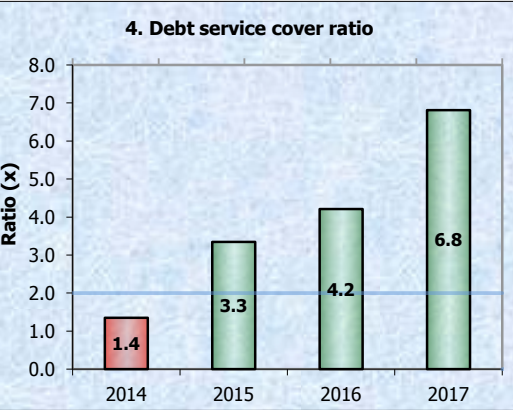
2016/17 ratio 2.02x

Results are satisfactory, being above benchmark for the past three years.

Ratio achieves benchmark
Ratio is outside benchmark

Notes to the Financial Statements
for the year ended 30 June 2017

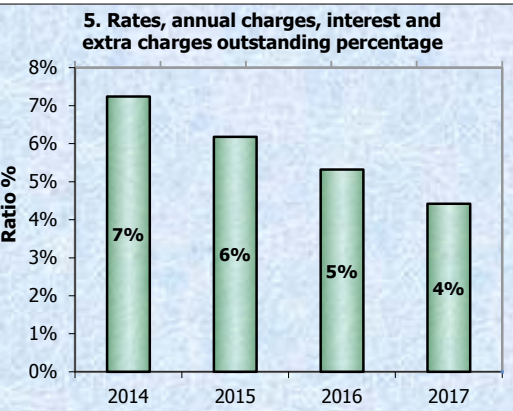
Note 13a(ii). Local government industry indicators – graphs (consolidated)



Benchmark: — Minimum ≥ 2.00
Source for benchmark: Code of Accounting Practice and Financial Reporting #25

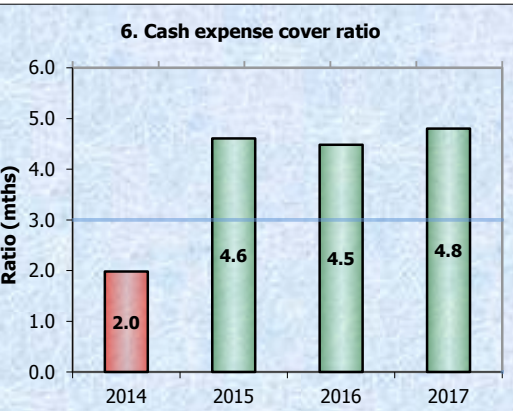
Commentary on 2016/17 result	
2016/17 ratio	6.81x
Results continue to improve on this ratio - a combination of improved income flows and reductions in debts as loans are being repaid.	

Ratio achieves benchmark
Ratio is outside benchmark



Commentary on 2016/17 result	
2016/17 ratio	4.42%
An excellent result - benchmark for this ratio is under 10%.	

Ratio achieves benchmark
Ratio is outside benchmark



Benchmark: — Minimum ≥ 3.00
Source for benchmark: Code of Accounting Practice and Financial Reporting #25

Commentary on 2016/17 result	
2016/17 ratio	4.80 mths
A satisfactory result with benchmark being exceeded for the past three years.	

Ratio achieves benchmark
Ratio is outside benchmark

Gwydir Shire Council

Notes to the Financial Statements
for the year ended 30 June 2017

Note 13b. Statement of performance measurement – indicators (by fund)

	General indicators ⁵		Water indicators		Sewer indicators		Benchmark
\$ '000	2017	2016	2017	2016	2017	2016	
Local government industry indicators – by fund							
1. Operating performance ratio							
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions less operating expenses	17.13%	2.06%	-1.47%	-1.91%	27.96%	26.11%	>0.00%
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions							
2. Own source operating revenue ratio							
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions	48.31%	51.92%	95.07%	98.29%	97.29%	97.49%	>60.00%
Total continuing operating revenue ⁽¹⁾							
3. Unrestricted current ratio							
Current assets less all external restrictions ⁽²⁾	2.02x	2.11x	9.91x	6.60x	65.70x	50.54x	>1.5x
Current liabilities less specific purpose liabilities ^(3, 4)							

Notes
(1) - (4) Refer to Notes at Note 13a(i) above.
(5) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

Notes to the Financial Statements
for the year ended 30 June 2017

Note 13b. Statement of performance measurement – indicators (by fund) (continued)

\$ '000	General indicators ⁵		Water indicators		Sewer indicators		Benchmark
	2017	2016	2017	2016	2017	2016	
Local government industry indicators – by fund (continued)							
4. Debt service cover ratio							
Operating result ⁽¹⁾ before capital excluding interest and depreciation/impairment/amortisation							
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	7.69x	4.80x	1.50x	0.89x	98.67x	295.00x	>2x
5. Rates, annual charges, interest and extra charges outstanding percentage							
Rates, annual and extra charges outstanding							
Rates, annual and extra charges collectible	4.16%	5.55%	6.82%	0.00%	5.55%	7.89%	<10% Rural
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	2.89	3.60	7.64	6.28	73.91	33.32	
Payments from cash flow of operating and financing activities	months	months	months	months	months	months	> 3 months

Notes

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

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

Gwydir Shire Council

Notes to the Financial Statements
for the year ended 30 June 2017

Note 14. Investment properties

\$ '000

Council has not classified any land or buildings as 'investment properties'.

Note 15. Financial risk management

Risk management

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

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

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

Financial risk management is carried out by Council's finance section under policies approved by the Council.

A comparison by category of the carrying amounts and fair values of Council's financial assets and financial liabilities recognised in the financial statements is presented below.

	Carrying value		Fair value	
	2017	2016	2017	2016
Financial assets				
Cash and cash equivalents	6,517	6,451	8,517	6,451
Investments				
– 'Designated at fair value on initial recognition'	1,016	–	1,016	–
– 'Held to maturity'	2,000	2,068	–	2,068
– 'Loans and receivables'	–	–	–	1,569
Receivables	1,571	1,569	1,571	–
Total financial assets	11,104	10,088	11,104	10,088
Financial liabilities				
Payables	2,175	1,924	2,175	1,924
Loans/advances	10,391	11,311	10,391	11,311
Total financial liabilities	12,566	13,235	12,566	13,235

Fair value is determined as follows:

– **Cash** and **cash equivalents**, **receivables**, **payables** – are estimated to be the carrying value that approximates market value.

– **Borrowings** and **held-to-maturity** investments – are based upon estimated future cash flows discounted by the current mkt interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.

– Financial assets classified (i) '**at fair value through profit and loss**' or (ii) '**available-for-sale**' – are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

Refer to Note 27. Fair value measurement for information regarding the fair value of financial assets and liabilities.

Notes to the Financial Statements

for the year ended 30 June 2017

Note 15. Financial risk management (continued)

\$ '000

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

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

Council has an investment policy which complies with the *Local Government Act 1993* and Minister's investment order. This policy is regularly reviewed by Council and it's staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance.

The risks associated with the investments held are:

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

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

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

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

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

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

	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
2017				
Possible impact of a 1% movement in interest rates	73	73	(73)	(73)
2016				
Possible impact of a 1% movement in interest rates	63	63	(63)	(63)

Notes to the Financial Statements

for the year ended 30 June 2017

Note 15. Financial risk management (continued)

\$ '000

(b) Credit risk

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

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

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

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

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

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

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

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

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

	2017 Rates and annual charges	2017 Other receivables	2016 Rates and annual charges	2016 Other receivables
(i) Ageing of receivables – %				
Current (not yet overdue)	90%	50%	70%	34%
Overdue	10%	50%	30%	66%
	100%	100%	100%	100%
(ii) Ageing of receivables – value				
Rates and annual charges		Other receivables	Rates and annual charges	Other receivables
Current	298	620	359	402
< 1 year overdue	33	578	–	706
1 – 2 years overdue	–	5	–	–
2 – 5 years overdue	–	44	–	110
	331	1,247	359	1,217
(iii) Movement in provision for impairment of receivables			2017	2016
Balance at the beginning of the year			7	7
Balance at the end of the year			7	7

Gwydir Shire Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 15. Financial risk management (continued)

\$ '000

(c) Liquidity risk

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

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

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

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

\$ '000	Subject to no maturity	≤ 1 Year	1-2 Yrs	payable in:				Total cash outflows	Actual carrying values
				2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
2017									
Trade/other payables	97	2,078	–	–	–	–	–	2,175	2,175
Loans and advances	–	967	1,077	1,154	1,116	980	5,097	10,391	10,391
Total financial liabilities	97	3,045	1,077	1,154	1,116	980	5,097	12,566	12,566
2016									
Trade/other payables	101	1,823	–	–	–	–	–	1,924	1,924
Loans and advances	–	948	1,000	1,049	1,007	893	6,414	11,311	11,311
Total financial liabilities	101	2,771	1,000	1,049	1,007	893	6,414	13,235	13,235

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

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

	2017		2016	
	Carrying value	Average interest rate	Carrying value	Average interest rate
Trade/other payables	2,175	0.00%	1,924	0.00%
Loans and advances – fixed interest rate	10,391	6.14%	11,311	6.14%
	<u>12,566</u>		<u>13,235</u>	

Gwydir Shire Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 16. Material budget variations

\$ '000

Council's original financial budget for 16/17 was adopted by the Council on 11 February 2016.

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

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

Note that for variations* of budget to actual :

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

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

\$ '000	2017 Budget	2017 Actual	2017 Variance*		
REVENUES					
Rates and annual charges	10,131	9,538	(593)	(6%)	U
User charges and fees	5,297	3,123	(2,174)	(41%)	U
State road contract works original budget overstated \$1.61m					
Interest and investment revenue	425	196	(229)	(54%)	U
Investment holdings did not recover as anticipated. Also contributing was continued suppressed interest rates.					
Other revenues	1,590	1,745	155	10%	F
Operating grants and contributions	12,340	12,937	597	5%	F
Capital grants and contributions	682	541	(141)	(21%)	U
Error in estimating RFS grants \$111k.					

Note 16. Material budget variations (continued)

\$ '000	2017 Budget	2017 Actual	2017 ----- Variance* -----		
EXPENSES					
Employee benefits and on-costs	10,180	11,423	(1,243)	(12%)	U
The unfavourable variance is largely a result of a change in the mix of capital vs operational expenditure.					
Borrowing costs	678	856	(178)	(26%)	U
An error occurred in estimating costs for Naroo Zero Real Interest Rate loan.					
Materials and contracts	6,313	4,869	1,444	23%	F
An error in estimation for RMS contract works \$568k Plant expenses over estimated by \$275k					
Depreciation and amortisation	6,594	6,693	(99)	(2%)	U
Other expenses	2,588	2,470	118	5%	F
Net losses from disposal of assets	-	1,957	(1,957)	0%	U

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

Cash flows from operating activities	10,706	8,845	(1,861)	(17.4%)	U
User fees and charges less than budgeted					
Cash flows from investing activities	(8,429)	(7,859)	570	(6.8%)	F
Investment rate were not as high as anticipated and less investments than budgeted					
Cash flows from financing activities	(912)	(920)	(8)	0.9%	U

Note 17. Statement of developer contributions

\$ '000

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

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

SUMMARY OF CONTRIBUTIONS AND LEVIES

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
S94 not under plans	316	Cash	35	-	(365)	7	-	-
Total contributions	316		35	-	(365)	7	-	-

S94 CONTRIBUTIONS – NOT UNDER A PLAN

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
Roads	316	Cash	35	-	(365)	7	-	-
Total	316		35	-	(365)	7	-	-

Gwydir Shire Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 18. Contingencies and other assets/liabilities not recognised

Contingent Liabilities

1. The Community Mutual Group

Council provides bank guarantees to the value of \$232, 408.07 to provide additional assistance to borrowers for home loans relating to properties within the local government area. The guarantees are provided to The Community Mutual Group.

2. Statewide Limited

Council is a member of Statewide Mutual, a mutual pool scheme providing liability insurance to Local Government. Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. Council's share of the Net Assets or Liabilities reflects Council's contributions to the pool and the result of insurance claims within each of the Fund Years.

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

3. StateCover Limited

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

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

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

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

4. Local Government Superannuation Scheme – Pool B

The Local Government Superannuation Scheme – Pool B (the scheme) is a defined benefit plan that has been deemed to be a "multi-employer fund" for purposes of AASB119. Sufficient information under

AASB119 is not available to account for the Scheme as a defined benefit plan, because the assets to the Scheme are pooled together for all Councils.

The amount of employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ended 30 June 2017 was \$335, 264.97. The last valuation of the Scheme was performed by Mr Richard Boyfield, FIAA on 2nd December 2016 and covers the period ended 30th June 2017.

However, the position is monitored annually and the actuary has estimated that as at the 30th June 2017 a deficit still exists. Effective from 1 July 2009, employers are required to contribute additional contributions to assist in extinguishing this deficit.

The amount of additional contributions included in the total employer contribution advised above is \$426,000.

Council's expected contributions to the plan for the next annual reporting period is \$364, 289.08.

The share of this deficient that can be broadly attributed to the employer was estimated to be in the order of \$202, 641.85 as at 30 June 2017.

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

For this reason, no liability for the deficiency has been recognised in Council's accounts. Council has a possible obligation that may arise should the Scheme require immediate payment to correct the deficiency.

5. Third Party Claims

The Council is involved from time to time in various claims incidental to the ordinary course of business, including claims for damages relating to its services. Council believes that it is appropriately covered for all claims through its insurance coverage and does not expect any material liabilities to eventuate.

Gwydir Shire Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 19. Interests in other entities

Council has no interest in any controlled entities, joint arrangements or associates.

Note 20. Retained earnings, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors

\$ '000	Notes	Actual 2017	Actual 2016
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(a) Retained earnings

Movements in retained earnings were as follows:

Balance at beginning of year (from previous years audited accounts)	277,160	283,503
a. Other comprehensive income (excl. direct to reserves transactions)	–	–
b. Net operating result for the year	3,133	(7,050)
c. Transfers between equity	–	707
Balance at end of the reporting period	280,293	277,160

(b) Revaluation reserves

(i) Reserves are represented by:

Infrastructure, property, plant and equipment revaluation reserve	135,813	135,541
Total	135,813	135,541

(ii) Reconciliation of movements in reserves:

Infrastructure, property, plant and equipment revaluation reserve

– Opening balance	135,541	131,127
– Revaluations for the year	272	5,121
– Transfer to retained earnings for asset disposals	–	(707)
– Balance at end of year	135,813	135,541

TOTAL VALUE OF RESERVES

	135,813	135,541
--	----------------	----------------

(iii) Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

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

(c) Correction of error/s relating to a previous reporting period

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

(d) Voluntary changes in accounting policies

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

Gwydir Shire Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 21. Financial result and financial position by fund

Income Statement by fund \$ '000	Actual 2017	Actual 2017	Actual 2017	Actual 2017
	Waste	Water	Sewer	General ¹
Continuing operations				
Income from continuing operations				
Rates and annual charges	1,069	642	628	7,486
User charges and fees	–	667	60	2,588
Interest and investment revenue	46	21	64	65
Other revenues	31	2	3	1,709
Grants and contributions provided for operating purposes	34	24	21	12,858
Grants and contributions provided for capital purposes	–	45	–	496
Other income				
Share of interests in joint ventures and associates using the equity method	–	–	–	–
Total income from continuing operations	1,180	1,401	776	25,202
Expenses from continuing operations				
Employee benefits and on-costs	432	376	261	10,354
Borrowing costs	7	176	–	673
Materials and contracts	657	415	171	4,105
Depreciation and amortisation	233	185	80	6,195
Impairment	–	–	–	–
Other expenses	7	61	47	2,355
Interest and investment losses	–	–	–	–
Net losses from the disposal of assets	1	163	–	1,793
Restatement of provisions	(2,906)	–	–	(415)
Total expenses from continuing operations	(1,569)	1,376	559	25,060
Operating result from continuing operations	2,749	25	217	142
Discontinued operations				
Net profit/(loss) from discontinued operations	–	–	–	–
Net operating result for the year	2,749	25	217	142
Net operating result attributable to each council fund	2,749	25	217	142
Net operating result attributable to non-controlling interests	–	–	–	–
Net operating result for the year before grants and contributions provided for capital purposes	2,749	(20)	217	(354)

¹ General fund refers to all Council's activities other than Water, Sewer and Waste

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

Gwydir Shire Council

Notes to the Financial Statements as at 30 June 2017

Note 21. Financial result and financial position by fund (continued)

Statement of Financial Position by fund \$ '000	Actual 2017	Actual 2017	Actual 2017	Actual 2017
	Waste	Water	Sewer	General ¹
ASSETS				
Current assets				
Cash and cash equivalents	2,033	787	3,018	679
Investments	–	–	–	2,000
Receivables	71	162	68	807
Inventories	–	22	2	200
Other	–	–	–	10
Total current assets	2,104	971	3,088	3,696
Non-current assets				
Investments	–	–	–	1,016
Receivables	–	–	–	463
Inventories	–	–	–	–
Infrastructure, property, plant and equipment	2,021	15,628	10,178	394,726
Investments accounted for using the equity method	–	–	–	–
Investment property	–	–	–	–
Intangible assets	–	–	–	–
Total non-current assets	2,021	15,628	10,178	396,205
TOTAL ASSETS	4,125	16,599	13,266	399,901
LIABILITIES				
Current liabilities				
Payables	–	–	–	2,175
Income received in advance	–	–	–	204
Borrowings	7	76	–	927
Provisions	27	22	47	2,797
Total current liabilities	34	98	47	6,103
Non-current liabilities				
Payables	–	–	–	–
Borrowings	65	2,207	–	7,109
Provisions	1,462	6	5	649
Total non-current liabilities	1,527	2,213	5	7,758
TOTAL LIABILITIES	1,561	2,311	52	13,861
Net assets	2,564	14,288	13,214	386,040
EQUITY				
Retained earnings	1,985	12,836	12,413	253,059
Revaluation reserves	579	1,552	801	132,881
Total equity	2,564	14,388	13,214	385,940

¹ General Fund refers to all Council's activities other than Water, Sewer and Waste

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

Gwydir Shire Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 22. 'Held for sale' non-current assets and disposal groups

\$ '000

Council did not classify any non-current assets or disposal groups as 'held for sale'.

Note 23. Events occurring after the reporting date

Events that occur between the end of the reporting period (30 June 2017) and the date when the financial statements are 'authorised for issue' have been taken into account in preparing these statements.

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

Accordingly, the 'authorised for issue' date is 31/10/17.

Events that occur after the reporting period represent one of two types:

(i) Events that provide evidence of conditions that existed at the reporting period

These financial statements (and the figures therein) incorporate all 'adjusting events' that provided evidence of conditions that existed at 30 June 2017.

(ii) Events that provide evidence of conditions that arose after the reporting period

These financial statements (and figures therein) do not incorporate any 'non-adjusting events' that have occurred after 30 June 2017 and which are only indicative of conditions that arose after 30 June 2017.

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

Note 24. Discontinued operations

Council has not classified any of its operations as 'discontinued'.

Note 25. Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance.

Council is unaware of any control over intangible assets that warrant recognition in the financial statements, including either internally generated and developed assets or purchased assets.

Gwydir Shire Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 26. Reinstatement, rehabilitation and restoration liabilities

\$ '000

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

Asset/operation	Estimated year of restoration	NPV of provision	
		2017	2016
Tip remediation	2022-2057	1,461	3,358
Quarry remediation	2018-2061	398	489
Balance at end of the reporting period		1,859	3,847

10(a)

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

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

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

Specific uncertainties relating to the final costs and the assumptions made in determining the amounts of provisions include:

- the timing of future rehabilitation works
- the final costs of rehabilitation works - this may be affected by actual line item costs which are estimated on current costs and potential changes in estimates due to changes imposed by legislation.

Reconciliation of movement in provision for year:

Balance at beginning of year	3,847	3,628
Amounts capitalised to new or existing assets:		
Effect of a change in other calculation estimates used	(1,988)	–
Amortisation of discount (expensed to borrowing costs)	–	219
Total – reinstatement, rehabilitation and restoration provision	1,859	3,847

Changes in estimates

Major factors influencing the reduction in rehabilitation provisions include:

- The exclusion of capping from Tip rehabilitaion liability estimates - after consideration, this has been deemed an ongoing operational expense rather than an end of life rehabilitation cost.
- Revisions in lifespan of existing operations from 2018-2026 to 2022-2057 for Tips and from 2018-2028 to 2018 - 2061 for Quarries

Amount of expected reimbursements

Of the above provisions for reinstatement, rehabilitation and restoration works, those applicable to garbage services and waste management are able to be funded through future charges incorporated within Council's annual domestic waste management charge.

Notes to the Financial Statements

for the year ended 30 June 2017

Note 26. Reinstatement, rehabilitation and restoration liabilities (continued)

\$ '000

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

Restoration

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

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

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

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

Rehabilitation

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

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

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

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

Notes to the Financial Statements

for the year ended 30 June 2017

Note 27. Fair value measurement

\$ '000

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

– Infrastructure, property, plant and equipment

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

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

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

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

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

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

2017	Fair value measurement hierarchy			Total
	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring fair value measurements				
Infrastructure, property, plant and equipment				
Plant & Equipment	—	—	8,433	8,433
Office Equipment	—	—	291	291
Furniture & Fittings	—	—	794	794
Operational Land	—	—	5,279	5,279
Community Land	—	—	2,557	2,557
Buildings Specialised	—	—	25,060	25,060
Buildings Non-Specialised	—	—	23,863	23,863
Other Structures	—	—	4,092	4,092
Roads	—	—	282,254	282,254
Bridges	—	—	38,166	38,166
Footpaths	—	—	2,703	2,703
Stormwater Drainage	—	—	1,289	1,289
Water Supply Network	—	—	11,709	11,709
Sewerage Network	—	—	9,519	9,519
Swimming Pools	—	—	2,632	2,632
Other	—	—	156	156
Tip Asset	—	—	1,462	1,462
Quarry Asset	—	—	382	382
Total infrastructure, property, plant and equipment	—	—	420,641	420,641

Notes to the Financial Statements

for the year ended 30 June 2017

Note 27. Fair value measurement (continued)

\$ '000

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

Fair value measurements: (continued)		Fair value measurement hierarchy			Total
2016	Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring fair value measurements					
Infrastructure, property, plant and equipment					
Plant & Equipment	2013	—	—	8,396	8,396
Office Equipment	2013	—	—	322	322
Furniture & Fittings	2013	—	—	834	834
Operational Land	2013	—	—	5,296	5,296
Community Land	2016	—	—	2,597	2,597
Buildings Specialised	2013	—	—	24,043	24,043
Buildings Non-Specialised	2013	—	—	25,692	25,692
Other Structures	2016	—	—	4,239	4,239
Roads	2015	—	—	282,375	282,375
Bridges	2015	—	—	38,177	38,177
Footpaths	2015	—	—	2,722	2,722
Stormwater Drainage	2015	—	—	1,320	1,320
Water Supply Network	2012	—	—	11,333	11,333
Sewerage Network	2012	—	—	9,163	9,163
Swimming Pools	2016	—	—	2,632	2,632
Other	2016	—	—	165	165
Tip Asset	2015	—	—	668	668
Quarry Asset	2015	—	—	74	74
Total infrastructure, property, plant and equipment		—	—	420,048	420,048

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

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

Notes to the Financial Statements

for the year ended 30 June 2017

Note 27. Fair value measurement (continued)

Land & Buildings

Highest and best use

There were no assets valued where it was assumed that the highest and best use was other than its current use.

Valuation techniques and inputs.

Asset	Level of valuation input	Valuation technique	Gross (RC or MV) (\$, 000)	Accumulated Depreciation (\$,000)	Fair Value (\$, 000)
Land					
Saleable land	3	Market	5,279	-	5,279
Non saleable land	3	Cost	2,557	-	2,557
Total			7,836	-	7,836
Buildings (cost approach)					
Specialised buildings	3	Cost	30,176	5,116	25,060
Total			30,176	5,116	25,060
Buildings (market/income approach)					
Residential Buildings	3	Market	31,346	7,483	23,863
Total			69,358	12,599	56,759

Valuation techniques

Plant & Equipment, Office equipment, Furniture & Fittings and Other Structures

Plant & Equipment, Office equipment and Furniture & Fittings are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to approximate fair value due to the nature of the assets. Examples of assets within the classes are as follows:

*Plant & Equipment	Trucks, tractors, ride-on-mowers, earthmoving equipment and motor vehicles.
*Office Equipment	Electronic whiteboards and computer equipment
*Furniture & Fittings	Chairs, desks and filing cabinets.
*Other structures	Fences, small sheds, water tanks and street bins

The key unobservable inputs to the valuations are the remaining useful life and residual value. Council reviews the value of these

Community land

All valuations of Community land are based upon the land valuations issued by the Valuer-General on a regular basis.

Note 27. Fair value measurement (continued)

Valuation techniques used to derive fair values - land and buildings

The council engages external, independent and qualified valuers to determine the fair value of the entities land and buildings on a regular basis. An annual assessment is undertaken to determine whether the carrying amount of the assets is materially different from the fair value. If any variation is considered material a revaluation is undertaken either by comprehensive revaluation or by applying an interim evaluation using appropriate indices.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period and discussed between the Director of Corporate Services, Asset & Risk Manager, valuation team, Council and Audit Committee. As part of this process the team presents a report that explains the reasons for the fair value movements. As at 30 June 2013 a comprehensive revaluation was undertaken for all asset classes subject to revaluation by APV Valuers and Asset Management.

The main level 3 inputs used are derived and evaluated as follows –

- o Cost for land restricted in use (non-saleable) – estimate cost to replace the existing land if council had to acquire it on the open
- o Relationship between asset consumption rating scale and the level of consumed service potential – Under the cost approach the
- o The consumption rating scales were based initially on the past experience of the valuation firm and industry guides and were then

(i) Recurring fair value measurements

The following methods are used to determine the fair value measurements.

Land

Level 2 valuation inputs were used to value land held in freehold title (investment and noninvestment) as well as land used for special purposes which is restricted in use under current zoning rules. Sales prices of comparable land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.

There were also some parks and reserves for which there was no observable market evidence of sales prices for comparable sites in close proximity. These were subsequently valued at the level 3 valuation input hierarchy by using the professional judgment of a Registered Valuer who adjusted the price per square metre of sales from sites not in close proximity which provided only a low level of comparability.

Buildings and investment properties

Level 2 valuation inputs

These were used to determine the fair value of a range of properties. This included the bulk of residential properties. The residential properties fair value has been derived from sales prices of comparable properties after adjusting for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.

Level 3 valuation inputs

Specialised buildings were valued using the cost approach using professionally qualified Registered Valuers. The approach estimated the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on square metres could be supported from market evidence (level 2) other inputs (such as estimates of residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.

Note 27. Fair value measurement (continued)

(ii) Non-recurring fair value measurements

Land and buildings classified as held for sale during the reporting period was measured at the lower of the carrying amount and the greater of the value in use and fair values less cost to sell. The fair value of these assets was also determined using the sales comparison approach.

Infrastructure assets

Highest and best use

There were no assets valued where it was assumed that the highest and best use was other than its current use.

Valuation techniques used to derive fair values - land and buildings

Recurring fair value measurements

The following methods are used to determine the fair value measurements.

Infrastructure assets

Level 3 valuation inputs

Infrastructure assets were valued using the cost approach using professionally qualified internal staff. The approach estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. The unit rates were based on inputs such as estimates of residual value, useful life, pattern of consumption and asset condition and required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.

Swimming Pools

This is a new class of asset and the fair value amount has been derived from assets originally classed in Other Structures. Swimming pools were valued as part of Other Structures on 30 June 2011 by APV Valuers. The valuation was based upon the depreciated replacement cost approach and unobservable inputs such as estimated patterns of consumption, residual value, asset condition and useful life require extensive professional judgement and rely on the experience of the valuer. The unobservable inputs place this class of asset at level 3. This has been no change to the valuation process during the reporting period.

Open Space and Recreation

This asset class comprises of lighting, benches, bbq's, seating and any other asset relating to open spaces and recreation that where in the Other Structures class of asset. These assets were valued as part of the Other Structures valuation. The market value approach was utilised on a number of assets where there was sufficient market evidence. For some assets the valuation was based upon the depreciated replacement cost approach and unobservable inputs such as estimated patterns of consumption, residual value, asset condition and useful life require extensive professional judgement and rely on the experience of the valuer. The unobservable inputs place this class of asset at Level 3. The last valuation was undertaken on 30 June 2011 by APV Valuers.

There has been no change to the valuation process during the reporting period.

Gwydir Shire Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 27. Fair value measurement (continued)

Water System Assets

This class of assets includes water mains & reticulation, reservoirs, pumping stations and treatment works. The valuation is based on Modern Engineering Equivalent Replacement Asset (MEERA) and standard unit costs. The reference rates are obtained from the NSW Reference Rates Tables issued by NSW Office of Water. The last valuation was undertaken on 30 June 2013. The unobservable inputs are useful life, patterns of consumption, condition ratings, remaining life and residuals which rely on the skill and experience of the valuer. There has been no change to the valuation process during the reporting period.

Sewer System Assets

This class of assets includes sewer mains & reticulation, pumping stations, treatment works and ancillary. The valuation is based on Modern Engineering Equivalent Replacement Asset (MEERA) and standard unit costs. The reference rates are obtained from the NSW Reference Rates Tables issued by NSW Office of Water. The last valuation was undertaken on 30 June 2013. The unobservable inputs are useful life, patterns of consumption, condition ratings, remaining life and residuals which rely on the skill and experience of the valuer. There has been no change to the valuation process during the reporting period.

Roads, Bridges, Bulk Earthworks and other Infrastructure Assets

This class of asset includes roads, culverts, bridges, footpaths, kerb & gutter, bulk earthworks and causeways. The valuation of the infrastructure assets has been undertaken internally by Council's Engineering Department by experiences Engineers. This valuation relies on key unobservable inputs such as unit rates, gross replacement cost, condition ratings, pattern of consumption, useful life and residual value. The valuation process also relied on the skill and experience of the Engineers. The key unobservable inputs and no active market places this asset category at Level 3. The last valuation was undertaken internally by Council's Engineers on 30 June 2012. There has been no change to the valuation process during the reporting year.

Stormwater Drainage

This class of assets includes culverts, mains, open drains, trash screens, GPT. The valuation is based on Modern Engineering Equivalent Replacement Asset (MEERA) and standard unit costs. The reference rates are obtained from the NSW Reference Rates Tables issued by NSW Office of Water. The last valuation was undertaken on 30 June 2013. The unobservable inputs are useful life, patterns of consumption, condition ratings, remaining life and residuals which rely on the skill and experience of the valuer. There has been no change to the valuation process during the reporting period.

Remediation Assets

This class of asset includes the various landfill sites within the local government areas. Restoration, cell capping, leachate collection and site closures have been recognised as significant costs for the remediation assets. In particular the closing of a landfill site will include preparation, final cell capping, site re-vegetation and leachate management. The key unobservable inputs are discount rate, estimated costs, legislative requirements, timing of remediation and indexation of labour costs. There has been changes to the valuation process during the reporting period. Also included in this group are the various gravel pits (quarries) operated by Council. The remediation cost include final site management and works to comply with environmental requirements. The key unobservable inputs are discount rate, estimated costs, legislative requirements, timing of remediation and indexation of labour costs. There has been changes to the valuation process during the reporting period.

Gwydir Shire Council

Notes to the Financial Statements for the year ended 30 June 2017

Note 27. Fair value measurement (continued)

\$ '000

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

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

	Operational Land	Community Land	Buildings & Other	Roads	Total
Opening balance – 1/7/15	4,670	8,404	52,539	283,207	348,820
Transfers from/(to) another asset class	401	(401)	49	–	49
Purchases (GBV)	232	–	557	5,811	6,600
Disposals (WDV)	(6)	–	–	(3,269)	(3,275)
Depreciation and impairment	–	–	(1,213)	(3,374)	(4,587)
Revaluation Decrements to P&L	–	(5,406)	(24)	–	(5,430)
Revaluation Increments to Equity	–	–	2,165	–	2,165

Closing balance – 30/6/16	5,297	2,597	54,073	282,375	344,342
Transfers from/(to) another asset class	41	–	(57)	–	(16)
Purchases (GBV)	81	–	837	5,439	6,357
Disposals (WDV)	(139)	(40)	(344)	(1,805)	(2,328)
Depreciation and impairment	–	–	(1,395)	(3,755)	(5,150)
Revaluation Decrements to P&L	–	–	–	–	–
Revaluation Increments to Equity	–	–	–	–	–

Closing balance – 30/6/17	5,280	2,557	53,114	282,254	343,205
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	Bridges	Footpaths	Stormwater Drainage	Water Supply Network	Total
Opening balance – 1/7/15	38,189	2,742	1,332	11,014	53,277
Transfers from/(to) another asset class	–	–	–	3	3
Purchases (GBV)	–	–	17	334	351
Disposals (WDV)	–	–	–	(92)	(92)
Depreciation and impairment	(11)	(19)	(46)	(99)	(175)
Revaluation Increments to Equity	–	–	19	170	189

Closing balance – 30/6/16	38,178	2,723	1,322	11,330	53,553
Transfers from/(to) another asset class	–	–	–	100	100
Purchases (GBV)	–	(19)	(48)	405	338
Disposals (WDV)	–	–	–	(163)	(163)
Depreciation and impairment	(12)	–	–	(100)	(112)
Revaluation Increments to Equity	–	–	17	134	151

Closing balance – 30/6/17	38,166	2,704	1,291	11,706	53,867
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Note 27. Fair value measurement (continued)

\$ '000

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

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

	Sewerage Network	Other Assets	Tip Assets	Plant and Equipment	Total
Opening balance – 1/7/15	9,074	325	888	9,905	20,192
Transfers from/(to) another asset class	–	(52)	–	–	(52)
Purchases (GBV)	28	–	–	888	916
Disposals (WDV)	–	–	–	(128)	(128)
Depreciation and impairment	(70)	(34)	(220)	(1,116)	(1,440)
Revaluation Increments to Equity	135	–	–	–	135
Closing balance – 30/6/16	9,167	239	668	9,549	19,623
Transfers from/(to) another asset class	38	–	–	(85)	(47)
Purchases (GBV)	268	–	–	1,337	1,605
Disposals (WDV)	–	–	–	(264)	(264)
Depreciation and impairment	(71)	(25)	(217)	(935)	(1,248)
Revaluation Increments to Equity	121	323	1,010	–	1,454
Closing balance – 30/6/17	9,523	537	1,461	9,602	21,123

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

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

Class	Fair value (30/6/17) \$'000	Valuation technique/s	Unobservable inputs
I,PP&E			
Plant and equipment	8,433	Cost	Gross Replacement Costs, Useful Life, Residual Value
Office equipment	291	Cost	Gross Replacement Costs, Useful Life, Residual Value
Furniture and fittings	794	Cost	Gross Replacement Costs, Useful Life, Residual Value
Operational land	5,279	Relevant sales in the area	Land Value
Community land	2,557	Land Values issued by Valuer General	Land Value
Buildings specialised	25,060	Depreciated Replacement Cost	Replacement Costs, Useful Life, Residual Value, Asset Condition

Note 27. Fair value measurement (continued)

\$ '000

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

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

Class	Fair value (30/6/17) \$'000	Valuation technique/s	Unobservable inputs
I,PP&E (continued)			
Buildings non-specialised	23,863	Depreciated Replacement Cost	Replacement Costs, Useful Life, Residual Value, Asset Condition
Other structures	4,092	Depreciated Replacement Cost	Replacement Costs, Useful Life, Residual Value, Asset Condition
Roads	282,254	Unit Rates and Condition Assessment	Replacement Costs, Useful Life, Residual Value, Asset Condition
Bridges	38,166	Unit Rates and Condition Assessment	Replacement Costs, Useful Life, Residual Value, Asset Condition
Footpaths	2,703	Unit Rates and Condition Assessment	Replacement Costs, Useful Life, Residual Value, Asset Condition
Stormwater drainage	1,289	Modern Engineering Equivalent Replacement Assets (MEERA) and Standard unit costs	Replacement Costs, Useful Life, Residual Value, Asset Condition
Water supply network	11,709	Modern Engineering Equivalent Replacement Assets (MEERA) and Standard unit costs	Replacement Costs, Useful Life, Residual Value, Asset Condition
Sewerage network	9,519	Depreciated Replacement Cost	Replacement Costs, Useful Life, Residual Value, Asset Condition
Swimming pools	2,632	Depreciated Replacement Cost	Gross Replacement Costs, Useful Life, Residual Value
Other	156	Depreciated Replacement Cost	Gross Replacement Costs, Useful Life, Residual Value
Tip asset	1,462	Unit Rates and Condition Assessment	Replacement Costs, Useful Life, Residual Value, Asset Condition
Quarry asset	382	Unit Rates and Condition Assessment	Replacement Costs, Useful Life, Residual Value, Asset Condition

(5). Highest and best use

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

Notes to the Financial Statements
for the year ended 30 June 2017

Note 28. Related party disclosures

\$ '000

a. Key management personnel

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

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

Compensation:	Actual 2017
Short-term benefits	958
Post-employment benefits	102
Total	1,060

b. Other transactions with KMP and their related parties

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

Nature of the transaction

	Value of transactions during year	Outstanding balance (incl. loans and commitments)	Terms and conditions	Provisions for doubtful debts outstanding	Doubtful debts expense recognised
	\$'000	\$'000		\$'000	\$'000
Employee Expenses relating to close family members of KMP	107	—	Council staff award	—	—
Supply of Gravel cartage	125	—	7 days on invoice	—	—

c. Other related party transactions**INDEPENDENT AUDITOR'S REPORT****Report on the general purpose financial statements****Gwydir Shire Council**

To the Councillors of Gwydir Shire Council

Opinion

I have audited the accompanying financial statements of Gwydir Shire Council (the Council), which comprise the Statement of Financial Position as at 30 June 2017, the Income Statement, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Councillors and Management.

In my opinion,

- the Council's accounting records have been kept in accordance with the requirements of the *Local Government Act 1993*, Chapter 13, Part 3, Division 2 (the Division)
- the financial statements:
 - have been presented, in all material respects, in accordance with the requirements of this Division
 - are consistent with the Council's accounting records
 - present fairly, in all material respects, the financial position of the Council as at 30 June 2017, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial statements have come to light during the audit.

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

Basis for Opinion

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

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

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

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

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

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

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

Other Matter

The financial statements of the Council for the year ended 30 June 2016 were audited by another auditor who expressed an unmodified opinion on that financial statement on 27 October 2016.

The Councillors’ Responsibility for the Financial Statements

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

In preparing the financial statements, the Councillors must assess the Council’s ability to continue as a going concern except where the Council will be dissolved or amalgamated by an Act of Parliament. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor’s Responsibility for the Audit of the Financial Statements

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar3.pdf. The description forms part of my auditor’s report.

This opinion does *not* provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, Note 2(a) and Note 16 Budget variation explanations
- on the attached Special Schedules. I have issued a separate opinion on Special Schedule 8 – Permissible Income Calculation
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Lawrissa Chan
Director, Financial Audit Services

31 October 2017
SYDNEY



Mr John Coulton
Mayor
Gwydir Shire Council
Locked Bag 5
BINGARA NSW 2404

Contact: Lawrissa Chan
Phone no: (02) 9275 7255
Our ref: D1728513/1736

31 October 2017

Dear Mr Coulton

Report on the Conduct of the Audit
for the year ended 30 June 2017
Gwydir Shire Council

I have audited the general purpose financial statements of the Gwydir Shire Council (the Council) for the year ended 30 June 2017 as required by section 415 of the *Local Government Act 1993* (the Act).

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

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2017 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the general purpose financial statements issued under section 417(2) of the Act.

INCOME STATEMENT

Operating result

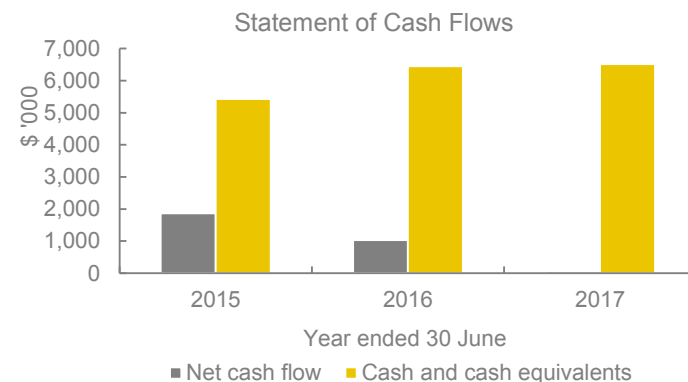
	2017	2016	Variance
	\$m	\$m	%
Rates and annual charges revenue	9.5	8.5	11.8 ↑
Grants and contributions revenue	13.5	12.7	6.3 ↑
Operating result for the year	3.1	(7.1)	143.7 ↑
Net operating result before capital amounts	2.6	(8.1)	132.1 ↑

The following comments are made in respect of Council's operating result for the year:

- Rates and annual charges revenue has increased by \$1 million (11.8 per cent). This increase is mainly attributable to the IPART approved special rate variation of 30 per cent (prior year 15 per cent). The remaining variance is attributable to an increase in the number of rateable properties in the 2016/17 financial year.
- Grants and contributions revenue increased by \$0.8 million (6.3 per cent) from the previous year. This was mainly attributed to the receipt of \$2.0 million 2017-18 financial assistance grants in advance, which has been offset by a reduction in aged care, flood damage works and roads to recovery funding.
- Council's operating result for the year was a surplus of \$3.1 million. This has increased by \$10.2 million (143.7 per cent) from the previous year. This is mainly due to the receipt of \$2.0 million (50%) of 2017-18 Financial Assistance Grants in advance, special rate variation and a reduction in other expenses due to the re-statement of landfill and quarry rehabilitation balances in the current year. The Council budgeted for a surplus of \$4.1 million.
- The net operating result before capital amounts was \$2.6 million. This has increased by \$10.7 million (132.1 per cent) compared with the prior year. This was driven by the same factors as noted above.
- Total expenses of \$24.9 million have decreased by \$10.7 million (30 per cent) compared with the prior year. This is mainly attributable to the restatement of provisions (\$3.3 million) with regard to landfill and quarry rehabilitation balances in the current year. Council conducted a detailed review of its landfill and quarry lifespans as well as rehabilitation requirements and costs. Also, there was a nil fair value decrement for infrastructure, property, plant and equipment in the current year (\$5.4 million decrement in the prior year).

STATEMENT OF CASH FLOWS

- Council's cash and cash equivalent's balance was \$6.5 million as at 30 June 2017, and has remained steady compared with the prior year.
- The small net cash flows in 2016-17 of \$66,000 were due to transfer of surplus cash to investments.



FINANCIAL POSITION

Cash and Investments

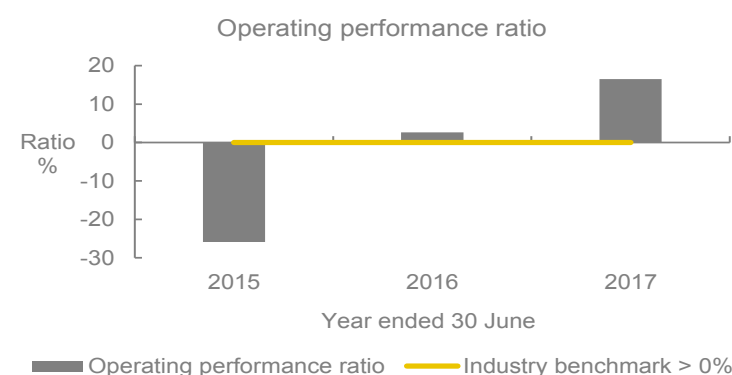
Restricted Cash and Investments	2017	2016	Commentary
	\$m	\$m	
External restrictions	5.5	6.2	• Externally restricted cash and investments are restricted in their use by externally imposed requirements. The decrease of \$0.7 million is mainly driven by a decrease in developer contributions (\$0.3 million), water supplies (\$0.2 million) and specific purpose unexpended grants (\$0.1 million).
Internal restrictions	3.9	3.5	
Unrestricted	0.1	(1.2)	
Cash and investments	9.5	8.5	• Internally restricted cash and investments have been restricted in their use by resolution or policy of Council to reflect identified programs of works and any forward plans identified by Council. The increase of \$0.4 million is due to employee leave entitlements (\$0.4 million).
			• Unrestricted balances provide liquidity for day-to-day operations of the Council. Council generally has a policy not to hold unrestricted cash. The negative result for the prior year is a result of Council also restricting not only cash and investments but also a portion of receivable assets.

PERFORMANCE RATIOS

The definition of each ratio analysed below (except for the 'building and infrastructure renewals ratio') is included in Note 13 of the Council's audited general purpose financial statements. The 'building and infrastructure renewals ratio' is defined in Council's Special Schedule 7.

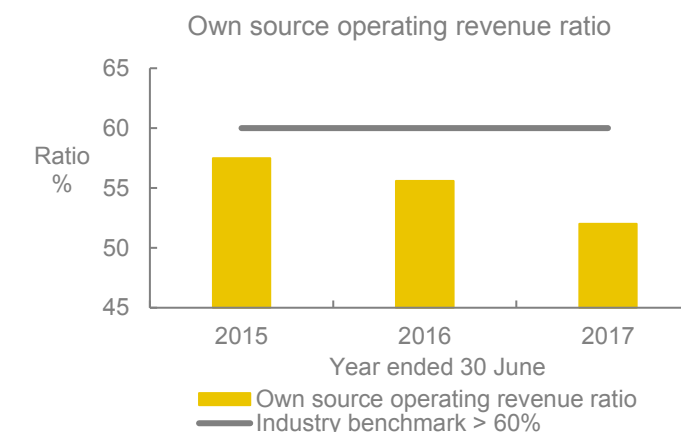
Operating performance ratio

- The Council's operating performance ratio in the current year is 16.52 per cent. The increase is due to:
 - Council receiving \$2.0 million (50 per cent) of its 2017-18 Financial Assistance Grants in advance
 - the re-statement of landfill and quarry rehabilitation balances in the current year (\$3.3 million). Council conducted a detailed review of its landfill and quarry lifespans as well as rehabilitation requirements and costs
 - Council increasing its rates and annual charges due to a special rate variation of 30 per cent in the 2016-17 year (\$1.0 million)
 - Reduction in materials and contract costs (\$1.5 million).
- Council has exceeded the industry benchmark of > 0 per cent for the past two years, but the result for the 2015 year was unfavourable. Council needs to aim to meet the benchmark of 0 per cent consistently.
- The 'operating performances ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by the Office of Local Government (OLG) is greater than zero per cent.



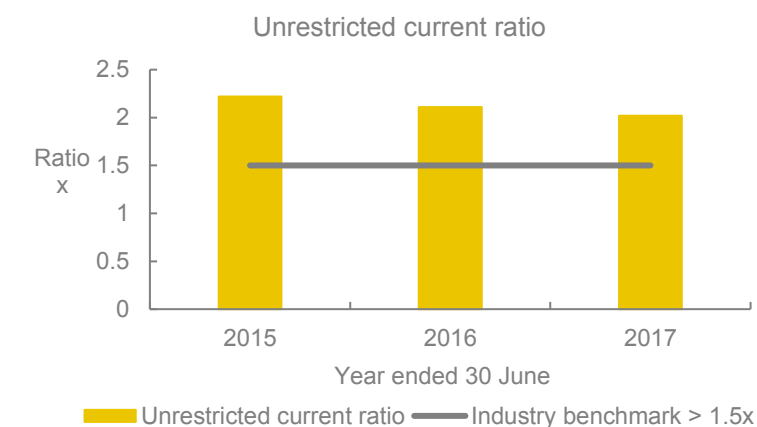
Own source operating revenue ratio

- Council's own source operating revenue ratio in the current year is 52 per cent. This has decreased over the last three years and is below the industry benchmark of > 60 per cent. The decrease in the current year is predominantly due to the impact of the early receipt of \$2 million of 2017/18 Financial Assistance Grants.
- The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.



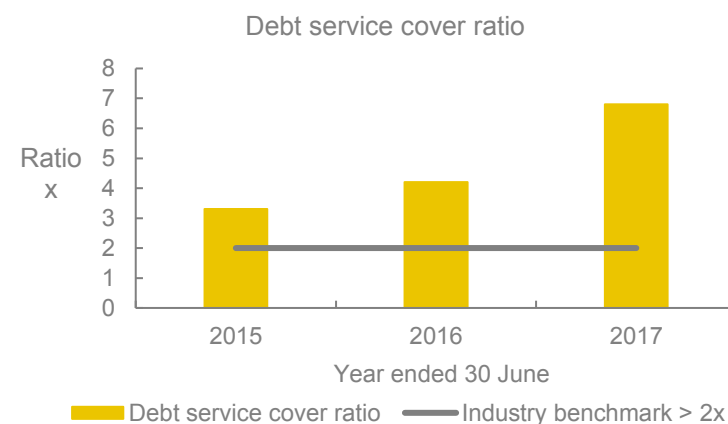
Unrestricted current ratio

- Council's unrestricted current ratio is 2.02x. This ratio indicates that Council currently has \$2.02 of unrestricted current assets available to service every \$1.00 of its unrestricted current liabilities, including loan repayments and payables. This indicates that the Council has sufficient liquidity to meet its current liabilities when they fall due. This ratio excludes current assets and liabilities subject to external restrictions.
- Council has exceeded the industry benchmark of > 1.5x over the past three years.
- The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



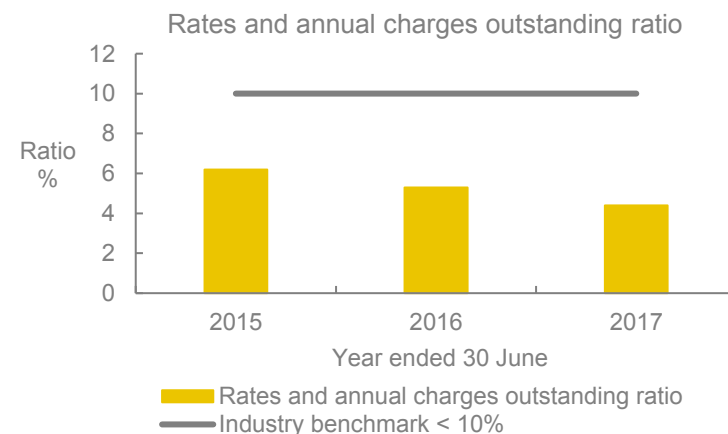
Debt service cover ratio

- Council's debt service cover ratio is 6.8x. This ratio indicates that Council has adequate revenue to cover the principal repayments and borrowing costs.
- Council's debt service cover ratio exceeded the industry benchmark of > 2.00x over the past three years. The increase in this ratio is a result of the receipt of 2017-18 Financial Assistance Grants in advance.
- The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



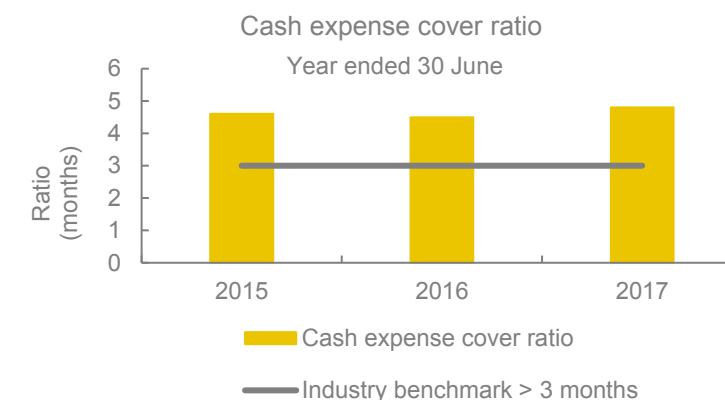
Rates and annual charges outstanding ratio

- Council's rates and annual charges outstanding ratio is 4.4 per cent. This ratio has steadily improved over the past three years and indicates that Council's rate recovery measures are effective in collecting outstanding debts.
- Council has exceeded the industry benchmark of < 10 per cent for rural councils over the past three years.
- The 'rates and annual charges outstanding ratio' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is greater than 10 per cent for rural councils.



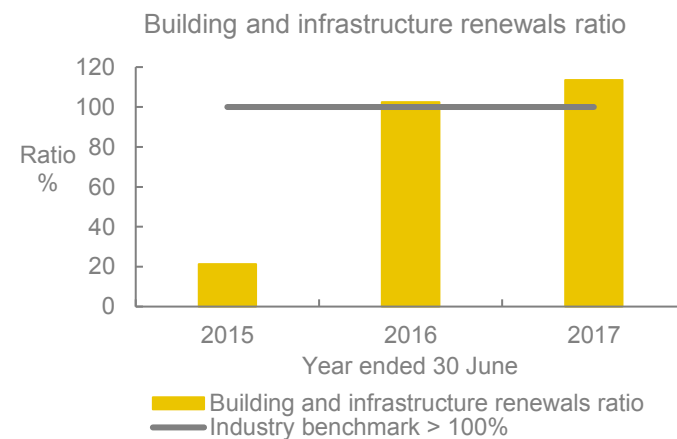
Cash expense cover ratio

- Council's cash expense cover ratio is 4.8 months. This indicates that Council has the capacity to cover 4.8 months of cash expenditure without additional cash inflows.
- Council has exceeded the industry benchmark of > 3 months over the past three years.
- This liquidity ratio indicates the number of months the council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by OLG is greater than three months.



Building and infrastructure renewals ratio

- The Council's building and infrastructure renewals ratio is 113.5 per cent. The building and infrastructure renewals ratio indicates that Council spent \$1.14 for every \$1.00 in estimated asset deterioration.
- Over the past two years, the Council has met the industry benchmark of > 100 per cent due to a focus on renewal of existing infrastructure. The low asset renewal ratio for 2015 was due to Council diverting resources to new assets and maintenance rather than infrastructure renewal in that period.
- The 'building and infrastructure renewals ratio assesses the rate at which these assets are being renewed against the rate at which they are depreciating. The benchmark set by OLG is greater than 100 per cent. This ratio is sourced from information contained in council's Special Schedule 7 which has not been audited.



OTHER MATTERS

New accounting standards implemented

AASB 124 'Related Party Disclosures'

Effective for annual reporting periods beginning on 1 July 2016

AASB 2015-6 extended the scope of AASB 124 to include not-for-profit public sector entities. As a result, Council's financial statements disclosed the:

- compensation paid to their key management personnel
- nature of their related party relationships
- amount and nature of their related party transactions, outstanding balances and commitments and outstanding balances (including commitments).

Legislative compliance

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

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

Yours sincerely

Lawrissa Chan
Director, Financial Audit Services

31 October 2017
SYDNEY

cc: Max Eastcott, General Manager
Tim Hurst, Acting Chief Executive of the Office of Local Government

Gwydir Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2017

*"To be the recognised leader in Local Government
through continuous learning and sustainability"*



Gwydir Shire Council

Special Purpose Financial Statements for the year ended 30 June 2017

Contents	Page
1. Statement by Councillors and Management	2
2. Special Purpose Financial Statements:	
Income Statement – Water Supply Business Activity	3
Income Statement – Sewerage Business Activity	4
Income Statement – Other Business Activities	5
Statement of Financial Position – Water Supply Business Activity	6
Statement of Financial Position – Sewerage Business Activity	7
Statement of Financial Position – Other Business Activities	8
3. Notes to the Special Purpose Financial Statements	9
4. Auditor's Report	18

Background

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

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

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

Gwydir Shire Council

Special Purpose Financial Statements for the year ended 30 June 2017

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 26 October 2017.


Catherine Egan
Deputy Mayor


Marilyn Dixon
Councillor


Max Eastcott
General manager


Helen Thomas
Responsible accounting officer

Gwydir Shire Council

Income Statement of Council's Water Supply Business Activity for the year ended 30 June 2017

\$ '000	Actual 2017	Actual 2016
Income from continuing operations		
Access charges	642	630
User charges	663	767
Fees	4	4
Interest	21	35
Grants and contributions provided for non-capital purposes	24	24
Other income	2	2
Total income from continuing operations	1,356	1,462
Expenses from continuing operations		
Employee benefits and on-costs	376	389
Borrowing costs	176	166
Materials and contracts	415	413
Depreciation, amortisation and impairment	185	190
Loss on sale of assets	163	92
Debt guarantee fee (if applicable)	14	15
Share of loss from equity accounted investment	—	—
Other expenses	61	241
Total expenses from continuing operations	1,390	1,506
Surplus (deficit) from continuing operations before capital amounts	(34)	(44)
Grants and contributions provided for capital purposes	45	1
Surplus (deficit) from continuing operations after capital amounts	11	(43)
Surplus (deficit) from discontinued operations	—	—
Surplus (deficit) from all operations before tax	11	(43)
Less: corporate taxation equivalent (30%) [based on result before capital]	—	—
SURPLUS (DEFICIT) AFTER TAX	11	(43)
Plus opening retained profits	12,811	12,839
Plus/less: prior period adjustments	—	—
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	—	—
– Debt guarantee fees	14	15
– Corporate taxation equivalent	—	—
Less:		
– Tax equivalent dividend paid	—	—
– Surplus dividend paid	—	—
Closing retained profits	12,836	12,811
Return on capital %	0.9%	0.8%
Subsidy from Council	230	188
Calculation of dividend payable:		
Surplus (deficit) after tax	11	(43)
Less: capital grants and contributions (excluding developer contributions)	(45)	(1)
Surplus for dividend calculation purposes	—	—
Potential dividend calculated from surplus	—	—

Gwydir Shire Council

Income Statement of Council's Sewerage Business Activity for the year ended 30 June 2017

\$ '000	Actual 2017	Actual 2016
Income from continuing operations		
Access charges	628	631
User charges	60	64
Fees	—	1
Interest	64	78
Grants and contributions provided for non-capital purposes	21	20
Profit from the sale of assets	—	39
Other income	3	1
Total income from continuing operations	776	834
Expenses from continuing operations		
Employee benefits and on-costs	261	253
Borrowing costs	—	—
Materials and contracts	171	181
Depreciation, amortisation and impairment	80	77
Loss on sale of assets	—	1
Calculated taxation equivalents	—	—
Debt guarantee fee (if applicable)	—	—
Other expenses	47	105
Total expenses from continuing operations	559	617
Surplus (deficit) from continuing operations before capital amounts	217	217
Grants and contributions provided for capital purposes	—	1
Surplus (deficit) from continuing operations after capital amounts	217	218
Surplus (deficit) from discontinued operations	—	—
Surplus (deficit) from all operations before tax	217	218
Less: corporate taxation equivalent (30%) [based on result before capital]	(65)	(65)
SURPLUS (DEFICIT) AFTER TAX	152	153
Plus opening retained profits	12,196	11,978
Plus/less: prior period adjustments	—	—
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	—	—
– Debt guarantee fees	—	—
– Corporate taxation equivalent	65	65
Less:		
– Tax equivalent dividend paid	—	—
– Surplus dividend paid	—	—
Closing retained profits	12,413	12,196
Return on capital %	2.1%	2.2%
Subsidy from Council	25	—
Calculation of dividend payable:		
Surplus (deficit) after tax	152	153
Less: capital grants and contributions (excluding developer contributions)	—	(1)
Surplus for dividend calculation purposes	152	152
Potential dividend calculated from surplus	76	76

Gwydir Shire Council

Income Statement of Council's Other Business Activities for the year ended 30 June 2017

	Waste business activity Category 2		Naroo aged care Category 2	
\$ '000	Actual 2017	Actual 2016	Actual 2017	Actual 2016
Income from continuing operations				
Access charges	1,069	1,045	—	—
Rentals	—	—	716	698
Fees	—	4	—	—
Interest	46	59	—	—
Grants and contributions provided for non-capital purposes	34	36	1,397	1,707
Investment revenues	—	—	6	6
Other income	31	12	4	4
Total income from continuing operations	1,180	1,156	2,123	2,415
Expenses from continuing operations				
Employee benefits and on-costs	432	425	1,819	1,975
Borrowing costs	7	7	351	125
Materials and contracts	657	742	416	425
Depreciation, amortisation and impairment	233	416	144	101
Loss on sale of assets	1	—	—	—
Debt guarantee fee (if applicable)	—	—	16	22
Restatement of provisions	(2,906)	—	—	—
Other expenses	7	37	102	79
Total expenses from continuing operations	(1,569)	1,627	2,848	2,727
Surplus (deficit) from continuing operations before capital amounts	2,749	(471)	(725)	(312)
Grants and contributions provided for capital purposes	—	—	—	40
Surplus (deficit) from continuing operations after capital amounts	2,749	(471)	(725)	(272)
Surplus (deficit) from discontinued operations	—	—	—	—
Surplus (deficit) from all operations before tax	2,749	(471)	(725)	(272)
Less: corporate taxation equivalent (30%) [based on result before capital]	(825)	—	—	—
SURPLUS (DEFICIT) AFTER TAX	1,924	(471)	(725)	(272)
Plus opening retained profits	(764)	(293)	655	1,060
Plus/less: prior period adjustments	—	—	—	—
Plus adjustments for amounts unpaid:				
– Taxation equivalent payments	—	—	—	—
– Debt guarantee fees	—	—	16	22
– Corporate taxation equivalent	825	—	—	—
Add:				
– Subsidy paid/contribution to operations	—	—	—	(155)
Less:				
– TER dividend paid	—	—	—	—
– Dividend paid	—	—	—	—
Closing retained profits	1,985	(764)	(54)	655
Return on capital %	136.4%	-38.1%	-6.5%	-3.2%
Subsidy from Council	—	488	510	302

Gwydir Shire Council

Statement of Financial Position – Council's Water Supply Business Activity as at 30 June 2017

\$ '000	Actual 2017	Actual 2016
ASSETS		
Current assets		
Cash and cash equivalents	787	778
Investments	–	250
Receivables	162	211
Inventories	22	22
Other	–	–
Non-current assets classified as held for sale	–	–
Total current assets	971	1,261
Non-current assets		
Investments	–	–
Receivables	–	–
Inventories	–	–
Infrastructure, property, plant and equipment	15,628	15,578
Investments accounted for using equity method	–	–
Investment property	–	–
Intangible assets	–	–
Total non-current assets	15,628	15,578
TOTAL ASSETS	16,599	16,839
LIABILITIES		
Current liabilities		
Bank overdraft	–	–
Payables	–	36
Income received in advance	–	–
Borrowings	76	62
Provisions	22	93
Total current liabilities	98	191
Non-current liabilities		
Payables	–	–
Borrowings	2,207	2,418
Provisions	6	1
Total non-current liabilities	2,213	2,419
TOTAL LIABILITIES	2,311	2,610
NET ASSETS	14,288	14,229
EQUITY		
Retained earnings	12,836	12,811
Revaluation reserves	1,552	1,418
Other reserves	–	–
Council equity interest	14,388	14,229
Non-controlling equity interest	–	–
TOTAL EQUITY	14,388	14,229

Gwydir Shire Council

Statement of Financial Position – Council's Sewerage Business Activity as at 30 June 2017

\$ '000	Actual 2017	Actual 2016
ASSETS		
Current assets		
Cash and cash equivalents	3,018	1,502
Investments	–	1,500
Receivables	68	79
Inventories	2	2
Other	–	–
Non-current assets classified as held for sale	–	–
Total current Assets	3,088	3,083
Non-current assets		
Investments	–	–
Receivables	–	–
Inventories	–	–
Infrastructure, property, plant and equipment	10,178	9,856
Investments accounted for using equity method	–	–
Investment property	–	–
Intangible assets	–	–
Total non-current assets	10,178	9,856
TOTAL ASSETS	13,266	12,939
LIABILITIES		
Current liabilities		
Bank overdraft	–	–
Payables	–	–
Income received in advance	–	–
Borrowings	–	3
Provisions	47	58
Total current liabilities	47	61
Non-current liabilities		
Payables	–	–
Borrowings	–	2
Provisions	5	–
Total non-current liabilities	5	2
TOTAL LIABILITIES	52	63
NET ASSETS	13,214	12,876
EQUITY		
Retained earnings	12,413	12,196
Revaluation reserves	801	680
Other reserves	–	–
Council equity interest	13,214	12,876
Non-controlling equity interest	–	–
TOTAL EQUITY	13,214	12,876

Gwydir Shire Council

Statement of Financial Position – Council's Other Business Activities

as at 30 June 2017

	Waste business activity Category 2		Naroo aged care Category 2	
\$ '000	Actual 2017	Actual 2016	Actual 2017	Actual 2016
ASSETS				
Current assets				
Cash and cash equivalents	2,033	1,768	290	290
Investments	–	250	–	–
Receivables	71	89	56	63
Aged care bonds	–	–	–	–
Total Current Assets	2,104	2,107	346	353
Non-current assets				
Investments	–	–	–	–
Receivables	–	–	387	443
Inventories	–	–	–	–
Infrastructure, property, plant and equipment	2,021	1,218	5,712	5,801
Investment property	–	–	–	–
Total non-current assets	2,021	1,218	6,099	6,244
TOTAL ASSETS	4,125	3,325	6,445	6,597
LIABILITIES				
Current liabilities				
Bank overdraft	–	–	1,292	848
Payables	–	1	–	–
Income received in advance	–	–	–	–
Borrowings	7	6	192	189
Aged care bonds	–	–	1,637	1,489
Provisions	27	73	–	–
Total current liabilities	34	80	3,121	2,526
Non-current liabilities				
Payables	–	–	–	–
Borrowings	65	72	3,256	3,295
Aged care bonds	–	–	–	–
Provisions	1,462	3,358	–	–
Other Liabilities	–	–	117	117
Total non-current liabilities	1,527	3,430	3,373	3,412
TOTAL LIABILITIES	1,561	3,510	6,494	5,938
NET ASSETS	2,564	(185)	(49)	659
EQUITY				
Retained earnings	1,985	(764)	(54)	654
Revaluation reserves	579	579	5	5
Other reserves	–	–	–	–
Council equity interest	2,564	(185)	(49)	659
Non-controlling equity interest	–	–	–	–
TOTAL EQUITY	2,564	(185)	(49)	659

Gwydir Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2017

Contents of the notes accompanying the financial statements

Note	Details	Page
1	Summary of significant accounting policies	10
2	Water Supply Business Best-Practice Management disclosure requirements	13
3	Sewerage Business Best-Practice Management disclosure requirements	15

Notes to the Special Purpose Financial Statements

for the year ended 30 June 2017

Note 1. Significant accounting policies

These financial statements are a Special Purpose Financial Statements (SPFS) prepared for use by Council and the Office of Local Government.

For the purposes of these statements, the Council is not a reporting not-for-profit entity.

The figures presented in the SPFS, unless otherwise stated, have been prepared in accordance with:

- the recognition and measurement criteria of relevant Australian Accounting Standards,
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB), and
- Australian Accounting Interpretations.

The disclosures in the SPFS have been prepared in accordance with:

- the Local Government Act (1993) NSW,
- the Local Government (General) Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

The statements are also prepared on an accruals basis, based on historic costs and do not take into account changing money values nor current values of non-current assets (except where specifically stated).

Certain taxes and other costs (appropriately described) have been imputed for the purposes of the National Competition Policy.

National Competition Policy

Council has adopted the principle of 'competitive neutrality' to its business activities as part of the national competition policy which is being applied throughout Australia at all levels of government.

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

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

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide standards for disclosure. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, return on investments (rate of return), and dividends paid.

Declared business activities

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

Category 1

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

Nil**Category 2**

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

Gwydir Water Supply -

Comprising the whole of the operations and net assets of the water supply systems servicing the towns of Bingara, Warialda, Gravesend and North Star.

Gwydir Sewerage Services -

Comprising the whole of the operations and assets of the sewerage reticulation and treatment systems servicing the towns of Bingara and Warialda

Naroo Aged Care Facility -

Comprising the whole of the operations and assets of the aged care facility located at Warialda.

Gwydir Waste Management Services -

Comprising the whole of the operations and assets of the waste management service carried out by the

Monetary amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest thousand dollars, with the exception of some figures disclosed in Note 2 (Water Supply Best-Practice Management Disclosures) and Note 3 (Sewerage Best-Practice Management Disclosures).

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

Notes to the Special Purpose Financial Statements

for the year ended 30 June 2017

Note 1. Significant accounting policies (continued)

(i) Taxation-equivalent charges

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

However, where Council is exempt from paying taxes which are generally paid by private sector businesses (such as income tax), equivalent tax payments have been applied to all Council-nominated business activities and are reflected in these financial statements.

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

Notional rate applied (%)**Corporate income tax rate – 30%**

Land tax – the first **\$482,000** of combined land values attracts **0%**. For that valued from \$482,001 to \$2,947,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$2,947,000, a premium marginal rate of **2.0%** applies.

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

In accordance with the Best-Practice Management of Water Supply and Sewerage Guidelines, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred in the Best-Practice Management of Water Supply and Sewerage Guidelines to as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the *Local Government Act, 1993*.

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

Income tax

An income tax equivalent has been applied on the profits of each reported business activity.

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

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

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

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

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

Local government rates and charges

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

Loan and debt guarantee fees

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

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

Gwydir Shire Council

Notes to the Special Purpose Financial Statements for the year ended 30 June 2017

Note 1. Significant accounting policies (continued)

(ii) Subsidies

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

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

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

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

(iii) Return on investments (rate of return)

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

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

The rate of return on capital is calculated as follows:

Operating result before capital income + interest expense

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

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 2.38% at 30/6/17.

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

(iv) Dividends

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

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

The dividend, calculated and approved in accordance with the Best-Practice Management of Water Supply and Sewerage Guidelines, must not exceed either:

- (i) 50% of this surplus in any one year, or
- (ii) the number of water supply or sewerage assessments at 30 June 2017 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the Best-Practice Management of Water Supply and Sewerage Guidelines, a Dividend Payment Form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the NSW Office of Water prior to making the dividend and only after it has approved the payment.

Gwydir Shire Council

Notes to the Special Purpose Financial Statements for the year ended 30 June 2017

Note 2. Water supply business best-practice management disclosure requirements

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

2017

1. Calculation and payment of tax-equivalents

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

(i) Calculated tax equivalents	14,000
(ii) Number of assessments multiplied by \$3/assessment	4,860
(iii) Amounts payable for tax equivalents [lesser of (i) and (ii)]	4,860
(iv) Amounts actually paid for tax equivalents	

2. Dividend from surplus

(i) 50% of surplus before dividends [calculated in accordance with Best-Practice Management for Water Supply and Sewerage Guidelines]	—
(ii) Number of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment	43,740
(iii) Cumulative surplus before dividends for the 3 years to 30 June 2017, less the cumulative dividends paid for the 2 years to 30 June 2016 and 30 June 2015	(115,000)

2017 Surplus	(34,000)	2016 Surplus	(44,000)	2015 Surplus	(37,000)
		2016 Dividend	—	2015 Dividend	—

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

3. Required outcomes for 6 criteria

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

(i) Completion of strategic business plan (including financial plan)	YES
(ii) Full cost recovery, without significant cross subsidies [refer item 2 (a) in table 1 on page 22 of the Best-Practice Guidelines]	YES
– Complying charges [item 2 (b) in table 1]	YES
– DSP with commercial developer charges [item 2 (e) in table 1]	NO
– If dual water supplies, complying charges [item 2 (g) in table 1]	
(iii) Sound water conservation and demand management implemented	YES
(iv) Sound drought management implemented	YES
(v) Complete performance reporting form (by 15 September each year)	YES
(vi) a. Integrated water cycle management evaluation	YES
b. Complete and implement integrated water cycle management strategy	YES

Gwydir Shire Council

Notes to the Special Purpose Financial Statements for the year ended 30 June 2017

Note 2. Water supply business best-practice management disclosure requirements (continued)

Dollars amounts shown below are in whole dollars (unless otherwise indicated)			2017
National Water Initiative (NWI) financial performance indicators			
NWI F1	Total revenue (water) Total income (w13) – grants for the acquisition of assets (w11a) – interest income (w9) – Aboriginal Communities W&S Program income (w10a)	\$'000	1,338
NWI F4	Revenue from residential usage charges (water) Income from residential usage charges (w6b) x 100 divided by the sum of [income from residential usage charges (w6a) + income from residential access charges (w6b)]	%	47.12%
NWI F9	Written down replacement cost of fixed assets (water) Written down current cost of system assets (w47)	\$'000	15,187,567
NWI F11	Operating cost (OMA) (water) Management expenses (w1) + operational and maintenance expenses (w2)	\$'000	762
NWI F14	Capital expenditure (water) Acquisition of fixed assets (w16)	\$'000	443
NWI F17	Economic real rate of return (water) [total income (w13) – interest income (w9) – grants for acquisition of assets (w11a) – operating costs (NWI F11) – current cost depreciation (w3)] x 100 divided by [written down current cost of system assets (w47) + plant and equipment (w33b)]	%	0.00%
NWI F26	Capital works grants (water) Grants for the acquisition of assets (w11a)	\$'000	45

- Notes:
- References to w (e.g. w12) refer to item numbers within Special Schedules 3 and 4 of Council's Annual Financial Statements.
 - The NWI performance indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators and Definitions.
- ^a refer to 3.2 (2) on page 15 of the Best-Practice Management of Water Supply and Sewerage Guidelines, 2007

Gwydir Shire Council

Notes to the Special Purpose Financial Statements for the year ended 30 June 2017

Note 3. Sewerage business best-practice management disclosure requirements

Dollars amounts shown below are in whole dollars (unless otherwise indicated) 2017

1. Calculation and payment of tax-equivalents

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

(i)	Calculated tax equivalents	–
(ii)	Number of assessments multiplied by \$3/assessment	3,825
(iii)	Amounts payable for tax equivalents [lesser of (i) and (ii)]	–
(iv)	Amounts actually paid for tax equivalents	

2. Dividend from surplus

(i)	50% of surplus before dividends [calculated in accordance with Best-Practice Management for Water Supply and Sewerage Guidelines]	75,950
(ii)	Number of assessments x (\$30 less tax equivalent charges per assessment)	38,250
(iii)	Cumulative surplus before dividends for the 3 years to 30 June 2017, less the cumulative dividends paid for the 2 years to 30 June 2016 and 30 June 2015	474,600

2017 Surplus	151,900	2016 Surplus	151,900	2015 Surplus	170,800
		2016 Dividend	–	2015 Dividend	–

(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	38,250
(v)	Dividend actually paid from surplus [refer below for required pre-dividend payment criteria]	
(vi)	Are the overhead reallocation charges to the sewer business fair and reasonable? ^a	

3. Required outcomes for 4 criteria

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

(i)	Completion of strategic business plan (including financial plan)	YES
(ii)	Pricing with full cost-recovery, without significant cross subsidies [refer item 2 (a) in table 1 on page 22 of the Best-Practice Guidelines]	YES
	Complying charges	
	(a) Residential [item 2 (c) in table 1]	YES
	(b) Non-residential [item 2 (c) in table 1]	YES
	(c) Trade waste [item 2 (d) in table 1]	YES
	DSP with commercial developer charges [item 2 (e) in table 1]	NO
	Liquid trade waste approvals and policy [item 2 (f) in table 1]	YES
(iii)	Complete performance reporting form (by 15 September each year)	YES
(iv)	a. Integrated water cycle management evaluation	YES
	b. Complete and implement integrated water cycle management strategy	YES

Notes to the Special Purpose Financial Statements
for the year ended 30 June 2017

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

Dollars amounts shown below are in whole dollars (unless otherwise indicated)			2017
National Water Initiative (NWI) financial performance indicators			
NWI F2	Total revenue (sewerage) Total income (s14) – grants for acquisition of assets (s12a) – interest income (s10) – Aboriginal Communities W&S Program income (w10a)	\$'000	715
NWI F10	Written down replacement cost of fixed assets (sewerage) Written down current cost of system assets (s48)	\$'000	10,097,982
NWI F12	Operating cost (sewerage) Management expenses (s1) + operational and maintenance expenses (s2)	\$'000	406
NWI F15	Capital expenditure (sewerage) Acquisition of fixed assets (s17)	\$'000	192
NWI F18	Economic real rate of return (sewerage) [total income (s14) – interest income (s10) – grants for acquisition of assets (s12a) – operating cost (NWI F12) – current cost depreciation (s3)] x 100 divided by [written down current cost (i.e. WDCC) of system assets (s48) + plant and equipment (s34b)]	%	0.00%
NWI F27	Capital works grants (sewerage) Grants for the acquisition of assets (12a)	\$'000	–

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

NWI F3	Total income (water and sewerage) Total income (w13 + s14) + gain/loss on disposal of assets (w14 + s15) minus grants for acquisition of assets (w11a + s12a) – interest income (w9 + s10)	\$'000	1,957
NWI F8	Revenue from community service obligations (water and sewerage) Community service obligations (NWI F25) x 100 divided by total income (NWI F3)	%	2.30%
NWI F16	Capital expenditure (water and sewerage) Acquisition of fixed assets (w16 + s17)	\$'000	635
NWI F19	Economic real rate of return (water and sewerage) [total income (w13 + s14) – interest income (w9 + s10) – grants for acquisition of assets (w11a + s12a) – operating cost (NWI F11 + NWI F12) – current cost depreciation (w3 + s3)] x 100 divided by [written down replacement cost of fixed assets (NWI F9 + NWI F10) + plant and equipment (w33b + s34b)]	%	0.00%
NWI F20	Dividend (water and sewerage) Dividend paid from surplus (2 (v) of Note 2 + 2 (v) of Note 3)	\$'000	–
NWI F21	Dividend payout ratio (water and sewerage) Dividend (NWI F20) x 100 divided by net profit after tax (NWI F24)	%	0.00%

Notes to the Special Purpose Financial Statements
for the year ended 30 June 2017

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

Dollars amounts shown below are in whole dollars (unless otherwise indicated)			2017
National Water Initiative (NWI) financial performance indicators Water and sewer (combined)			
NWI F22	Net debt to equity (water and sewerage) Overdraft (w36 + s37) + borrowings (w38 + s39) – cash and investments (w30 + s31) x 100 divided by [total assets (w35 + s36) – total liabilities (w40 + s41)]	%	-5.53%
NWI F23	Interest cover (water and sewerage) Earnings before interest and tax (EBIT) divided by net interest Earnings before interest and tax (EBIT): 470 Operating result (w15a + s16a) + interest expense (w4a + s4a) – interest income (w9 + s10) – gain/loss on disposal of assets (w14 + s15) + miscellaneous expenses (w4b + w4c + s4b + s4c) Net interest: 63 Interest expense (w4a + s4a) – interest income (w9 + s10)		7
NWI F24	Net profit after tax (water and sewerage) Surplus before dividends (w15a + s16a) – tax equivalents paid (Note 2-1 (iv) + Note 3-1 (iv))	\$'000	197
NWI F25	Community service obligations (water and sewerage) Grants for pensioner rebates (w11b + s12b)	\$'000	45

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



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial statement

Gwydir Shire Council

To the Councillors of Gwydir Shire Council

Opinion

I have audited the accompanying special purpose financial statements (the financial statements) of Gwydir Shire Council's (the Council) Declared Business Activities, which comprise the statement of financial position of each Declared Business Activity as at 30 June 2017, the income statement of each Declared Business Activity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information for the Business Activities declared by Council, and the Statement by Councillors and Management.

The Declared Business Activities of the Council are:

- Water supply
- Sewerage
- Waste
- Naroo Aged Care

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Council's declared Business Activities as at 30 June 2017, and their financial performance for the year then ended, in accordance with the Australian Accounting Standards described in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting (LG Code).

My opinion should be read in conjunction with the rest of this report and in particular, the Emphasis of Matter referring to the basis of accounting.

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Matter

The financial statements of the Council for the year ended 30 June 2016 were audited by another auditor who expressed an unmodified opinion on that financial statement on 27 October 2016.

The Councillors' Responsibility for the Financial Statements

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

In preparing the financial statements, the Councillors must assess the Council's ability to continue as a going concern except where the Council will be dissolved or amalgamated by an Act of Parliament. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting, as it affects the Council's Declared Business Activities.

Auditor's Responsibility for the Audit of the Financial Statements

My objectives are to:

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

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

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

The description forms part of my auditor's report.

My opinion does not provide assurance:

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



Lawrissa Chan
Director, Financial Audit Services

31 October 2017
SYDNEY

Gwydir Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2017

*"To be the recognised leader in Local Government
through continuous learning and sustainability"*



Special Schedules

for the year ended 30 June 2017

Contents

Special Schedules¹

		Page
Special Schedule 1	Net Cost of Services	2
Special Schedule 2(a)	Statement of Long Term Debt (all purposes)	4
Special Schedule 2(b)	Statement of Internal Loans (Sect. 410(3) LGA 1993)	n/a
Special Schedule 3	Water Supply Operations – incl. Income Statement	5
Special Schedule 4	Water Supply – Statement of Financial Position	8
Special Schedule 5	Sewerage Service Operations – incl. Income Statement	9
Special Schedule 6	Sewerage Service – Statement of Financial Position	12
Notes to Special Schedules 3 and 5		13
Special Schedule 7	Report on Infrastructure Assets	14
Special Schedule 8	Permissible Income Calculation	19

¹ Special Schedules are not audited (with the exception of Special Schedule 8).

Background

(i) These Special Schedules have been designed to meet the requirements of special purpose users such as;

- the NSW Grants Commission
- the Australian Bureau of Statistics (ABS),
- the NSW Office of Water (NOW), and
- the Office of Local Government (OLG).

(ii) The financial data is collected for various uses including;

- the allocation of Financial Assistance Grants,
- the incorporation of Local Government financial figures in national statistics,
- the monitoring of loan approvals,
- the allocation of borrowing rights, and
- the monitoring of the financial activities of specific services.

Special Schedule 1 – Net Cost of Services

for the year ended 30 June 2017

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
Governance	1,114	148	–	(966)
Administration	3,603	(68)	6	(3,665)
Public order and safety				
Fire service levy, fire protection, emergency services	811	263	129	(419)
Beach control	–	–	–	–
Enforcement of local government regulations	48	9	–	(39)
Animal control	117	22	–	(95)
Other	156	–	–	(156)
Total public order and safety	1,132	294	129	(709)
Health	65	23	–	(42)
Environment				
Noxious plants and insect/vermin control	210	104	–	(106)
Other environmental protection	–	34	–	34
Solid waste management	(1,568)	1,180	–	2,748
Street cleaning	338	–	–	(338)
Drainage	–	–	–	–
Stormwater management	70	40	–	(30)
Total environment	(950)	1,358	–	2,308
Community services and education				
Administration and education	832	684	–	(148)
Social protection (welfare)	144	111	–	(33)
Aged persons and disabled	3,215	2,487	–	(728)
Children's services	87	70	–	(17)
Total community services and education	4,278	3,352	–	(926)
Housing and community amenities				
Public cemeteries	59	63	–	4
Public conveniences	120	–	–	(120)
Street lighting	74	20	–	(54)
Town planning	19	59	35	75
Other community amenities	302	210	–	(92)
Total housing and community amenities	574	352	35	(187)
Water supplies	1,514	1,356	45	(113)
Sewerage services	566	776	–	210

Special Schedule 1 – Net Cost of Services (continued)
for the year ended 30 June 2017

\$'000				
Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
Recreation and culture				
Public libraries	241	48	-	(193)
Museums	36	-	-	(36)
Art galleries	-	-	-	-
Community centres and halls	372	23	6	(343)
Performing arts venues	283	57	-	(226)
Other performing arts	-	-	-	-
Other cultural services	-	-	-	-
Sporting grounds and venues	298	152	-	(146)
Swimming pools	228	-	-	(228)
Parks and gardens (lakes)	667	86	3	(578)
Other sport and recreation	40	44	-	4
Total recreation and culture	2,165	410	9	(1,746)
Fuel and energy	-	-	-	-
Agriculture	-	-	-	-
Mining, manufacturing and construction				
Building control	510	37	-	(473)
Other mining, manufacturing and construction	(392)	41	-	433
Total mining, manufacturing and const.	118	78	-	(40)
Transport and communication				
Urban roads (UR) – local	359	-	-	(359)
Urban roads – regional	23	-	-	(23)
Sealed rural roads (SRR) – local	2,824	-	-	(2,824)
Sealed rural roads (SRR) – regional	2,373	1,578	284	(511)
Unsealed rural roads (URR) – local	2,191	2,048	23	(120)
Unsealed rural roads (URR) – regional	-	-	-	-
Bridges on UR – local	1	-	-	(1)
Bridges on SRR – local	6	-	-	(6)
Bridges on URR – local	28	-	-	(28)
Bridges on regional roads	8	-	-	(8)
Parking areas	2	-	-	(2)
Footpaths	35	-	-	(35)
Aerodromes	13	-	-	(13)
Other transport and communication	1,496	1,698	10	212
Total transport and communication	9,359	5,324	317	(3,718)
Economic affairs				
Camping areas and caravan parks	474	348	-	(126)
Other economic affairs	935	63	-	(872)
Total economic affairs	1,409	411	-	(998)
Totals – functions	24,947	13,814	541	(10,592)
General purpose revenues ⁽¹⁾		13,725		13,725
Share of interests – joint ventures and associates using the equity method	-	-		-
NET OPERATING RESULT ⁽²⁾	24,947	27,539	541	3,133

(1) Includes: rates and annual charges (including ex gratia, excluding water and sewer), non-capital general purpose

grants, interest on investments (excluding externally restricted assets) and interest on overdue rates and annual charges

(2) As reported in the Income Statement

Gwydir Shire Council

Special Schedule 2(a) – Statement of Long Term Debt (all purpose)
for the year ended 30 June 2017

\$'000										
Classification of debt	Principal outstanding at beginning of the year			New loans raised during the year	Debt redemption during the year		Transfers to sinking funds	Interest applicable for year	Principal outstanding at the end of the year	
	Current	Non-current	Total		From revenue	Sinking funds			Current	Non-current
Loans (by source)										
Commonwealth Government	150	2,700	2,850	—	150	—	—	56	150	2,550
NSW Treasury Corporation	—	—	—	—	—	—	—	—	—	—
Other State Government	—	—	—	—	—	—	—	—	—	—
Public subscription	—	—	—	—	—	—	—	—	—	—
Financial institutions	798	7,663	8,461	—	770	—	—	737	860	6,831
Other	—	—	—	—	—	—	—	—	—	—
Total loans	948	10,363	11,311	—	920	—	—	793	1,010	9,381
										10,391
Other long term debt										
Ratepayers advances	—	—	—	—	—	—	—	—	—	—
Government advances	—	—	—	—	—	—	—	—	—	—
Finance leases	—	—	—	—	—	—	—	—	—	—
Deferred payments	—	—	—	—	—	—	—	—	—	—
Total long term debt	—	—	—	—	—	—	—	—	—	—
Total debt	948	10,363	11,311	—	920	—	—	793	1,010	9,381
										10,391

Notes: excludes (i) internal loans and (ii) principal inflows/outflows relating to loan re-financing.
This schedule is prepared using the **face value** of debt obligations, rather than **fair value** (which are reported in the GPFS).

Gwydir Shire Council

Special Schedule 3 – Water Supply Income Statement

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2017

\$'000	Actuals 2017	Actuals 2016
A Expenses and income		
Expenses		
1. Management expenses		
a. Administration	46	64
b. Engineering and supervision	18	16
2. Operation and maintenance expenses		
– dams and weirs		
a. Operation expenses	–	–
b. Maintenance expenses	–	–
– Mains		
c. Operation expenses	84	79
d. Maintenance expenses	133	170
– Reservoirs		
e. Operation expenses	6	5
f. Maintenance expenses	34	14
– Pumping stations		
g. Operation expenses (excluding energy costs)	82	108
h. Energy costs	155	171
i. Maintenance expenses	21	26
– Treatment		
j. Operation expenses (excluding chemical costs)	23	20
k. Chemical costs	61	70
l. Maintenance expenses	66	77
– Other		
m. Operation expenses	31	18
n. Maintenance expenses	2	–
o. Purchase of water	–	–
3. Depreciation expenses		
a. System assets	318	165
b. Plant and equipment	18	25
4. Miscellaneous expenses		
a. Interest expenses	142	166
b. Revaluation decrements	–	–
c. Other expenses	40	296
d. Impairment – system assets	–	–
e. Impairment – plant and equipment	–	–
f. Aboriginal Communities Water and Sewerage Program	–	–
g. Tax equivalents dividends (actually paid)	–	–
5. Total expenses	1,280	1,490

Gwydir Shire Council

Special Schedule 3 – Water Supply Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2017

\$'000	Actuals 2017	Actuals 2016
Income		
6. Residential charges		
a. Access (including rates)	533	502
b. Usage charges	475	410
7. Non-residential charges		
a. Access (including rates)	109	128
b. Usage charges	187	358
8. Extra charges	3	4
9. Interest income	18	31
10. Other income	7	6
10a. Aboriginal Communities Water and Sewerage Program	–	–
11. Grants		
a. Grants for acquisition of assets	45	–
b. Grants for pensioner rebates	24	24
c. Other grants	–	–
12. Contributions		
a. Developer charges	–	–
b. Developer provided assets	–	–
c. Other contributions	–	1
13. Total income	1,401	1,464
14. Gain (or loss) on disposal of assets	(96)	–
15. Operating result	25	(26)
15a. Operating result (less grants for acquisition of assets)	(20)	(26)

Gwydir Shire Council

Special Schedule 3 – Water Supply Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2017

\$'000	Actuals 2017	Actuals 2016
B Capital transactions		
Non-operating expenditures		
16. Acquisition of fixed assets		
a. New assets for improved standards	–	–
b. New assets for growth	–	–
c. Renewals	443	334
d. Plant and equipment	–	–
17. Repayment of debt	154	186
18. Totals	597	520
Non-operating funds employed		
19. Proceeds from disposal of assets	–	–
20. Borrowing utilised	–	–
21. Totals	–	–
C Rates and charges		
22. Number of assessments		
a. Residential (occupied)	1,364	1,349
b. Residential (unoccupied, ie. vacant lot)	–	160
c. Non-residential (occupied)	250	241
d. Non-residential (unoccupied, ie. vacant lot)	6	32
23. Number of ETs for which developer charges were received	– ET	– ET
24. Total amount of pensioner rebates (actual dollars)	\$ 44,538	\$ 45,691

Gwydir Shire Council

Special Schedule 4 – Water Supply Statement of Financial Position

Includes internal transactions, i.e. prepared on a gross basis
as at 30 June 2017

\$'000	Actuals Current	Actuals Non-current	Actuals Total
ASSETS			
25. Cash and investments			
a. Developer charges	–	–	–
b. Special purpose grants	–	–	–
c. Accrued leave	–	–	–
d. Unexpended loans	–	–	–
e. Sinking fund	–	–	–
f. Other	787	–	787
26. Receivables			
a. Specific purpose grants	–	–	–
b. Rates and availability charges	44	–	44
c. User charges	118	–	118
d. Other	–	–	–
27. Inventories	22	–	22
28. Property, plant and equipment			
a. System assets	–	15,188	15,188
b. Plant and equipment	–	440	440
29. Other assets	–	–	–
30. Total assets	971	15,628	16,599
LIABILITIES			
31. Bank overdraft	–	–	–
32. Creditors	–	–	–
33. Borrowings	76	2,207	2,283
34. Provisions			
a. Tax equivalents	–	–	–
b. Dividend	–	–	–
c. Other	22	6	28
35. Total liabilities	98	2,213	2,311
36. NET ASSETS COMMITTED	873	13,415	14,288
EQUITY			
37. Accumulated surplus			12,809
38. Asset revaluation reserve			1,479
39. Other reserves			–
40. TOTAL EQUITY			14,288
Note to system assets:			
41. Current replacement cost of system assets			20,916,862
42. Accumulated current cost depreciation of system assets			(5,729,295)
43. Written down current cost of system assets			15,187,567

Gwydir Shire Council

Special Schedule 5 – Sewerage Service Income Statement

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2017

\$'000	Actuals 2017	Actuals 2016
A Expenses and income		
Expenses		
1. Management expenses		
a. Administration	68	57
b. Engineering and supervision	–	–
2. Operation and maintenance expenses		
– mains		
a. Operation expenses	1	1
b. Maintenance expenses	27	38
– Pumping stations		
c. Operation expenses (excluding energy costs)	39	41
d. Energy costs	11	12
e. Maintenance expenses	20	17
– Treatment		
f. Operation expenses (excl. chemical, energy, effluent and biosolids management costs)	148	146
g. Chemical costs	–	7
h. Energy costs	25	28
i. Effluent management	–	–
j. Biosolids management	2	2
k. Maintenance expenses	48	44
– Other		
l. Operation expenses	11	27
m. Maintenance expenses	6	–
3. Depreciation expenses		
a. System assets	79	73
b. Plant and equipment	–	4
4. Miscellaneous expenses		
a. Interest expenses	–	–
b. Revaluation decrements	–	–
c. Other expenses	74	120
d. Impairment – system assets	–	–
e. Impairment – plant and equipment	–	–
f. Aboriginal Communities Water and Sewerage Program	–	–
g. Tax equivalents dividends (actually paid)	–	–
5. Total expenses	559	617

Gwydir Shire Council

Special Schedule 5 – Sewerage Service Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2017

\$'000	Actuals 2017	Actuals 2016
Income		
6. Residential charges (including rates)	559	513
7. Non-residential charges		
a. Access (including rates)	62	111
b. Usage charges	–	–
8. Trade waste charges		
a. Annual fees	7	7
b. Usage charges	60	64
c. Excess mass charges	–	–
d. Re-inspection fees	–	–
9. Extra charges	3	3
10. Interest income	61	75
11. Other income	3	2
11a. Aboriginal Communities Water and Sewerage Program	–	–
12. Grants		
a. Grants for acquisition of assets	–	–
b. Grants for pensioner rebates	21	20
c. Other grants	–	–
13. Contributions		
a. Developer charges	–	–
b. Developer provided assets	–	–
c. Other contributions	–	1
14. Total income	776	796
15. Gain (or loss) on disposal of assets	–	39
16. Operating result	217	218
16a. Operating result (less grants for acquisition of assets)	217	218

Gwydir Shire Council

Special Schedule 5 – Sewerage Service Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2017

\$'000	Actuals 2017	Actuals 2016
B Capital transactions		
Non-operating expenditures		
17. Acquisition of fixed assets		
a. New assets for improved standards	–	–
b. New assets for growth	–	–
c. Renewals	192	28
d. Plant and equipment	–	–
18. Repayment of debt	3	1
19. Totals	195	29
Non-operating funds employed		
20. Proceeds from disposal of assets	–	–
21. Borrowing utilised	–	–
22. Totals	–	–
C Rates and charges		
23. Number of assessments		
a. Residential (occupied)	1,101	1,086
b. Residential (unoccupied, ie. vacant lot)	–	129
c. Non-residential (occupied)	173	135
d. Non-residential (unoccupied, ie. vacant lot)	1	15
24. Number of ETs for which developer charges were received	– ET	– ET
25. Total amount of pensioner rebates (actual dollars)	\$ 38,281	\$ 37,866

Gwydir Shire Council

Special Schedule 6 – Sewerage Service Statement of Financial Position

Includes internal transactions, i.e. prepared on a gross basis
as at 30 June 2017

\$'000	Actuals Current	Actuals Non-current	Actuals Total
ASSETS			
26. Cash and investments			
a. Developer charges	–	–	–
b. Special purpose grants	–	–	–
c. Accrued leave	–	–	–
d. Unexpended loans	–	–	–
e. Sinking fund	–	–	–
f. Other	3,018	–	3,018
27. Receivables			
a. Specific purpose grants	–	–	–
b. Rates and availability charges	35	–	35
c. User charges	33	–	33
d. Other	–	–	–
28. Inventories	2	–	2
29. Property, plant and equipment			
a. System assets	–	10,098	10,098
b. Plant and equipment	–	80	80
30. Other assets	–	–	–
31. Total assets	3,088	10,178	13,266
LIABILITIES			
32. Bank overdraft	–	–	–
33. Creditors	–	–	–
34. Borrowings	–	–	–
35. Provisions			
a. Tax equivalents	–	–	–
b. Dividend	–	–	–
c. Other	47	5	52
36. Total liabilities	47	5	52
37. NET ASSETS COMMITTED	3,041	10,173	13,214
EQUITY			
38. Accumulated surplus			12,484
39. Asset revaluation reserve			730
40. Other reserves			–
41. TOTAL EQUITY			13,214
Note to system assets:			
42. Current replacement cost of system assets			13,570,316
43. Accumulated current cost depreciation of system assets			(3,472,334)
44. Written down current cost of system assets			10,097,982

Notes to Special Schedules 3 and 5

for the year ended 30 June 2017

Administration ⁽¹⁾

(item 1a of Special Schedules 3 and 5) comprises the following:

- Administration staff:
 - Salaries and allowance
 - Travelling expenses
 - Accrual of leave entitlements
 - Employment overheads.
- Meter reading
- Bad and doubtful debts
- Other administrative/corporate support services

Engineering and supervision ⁽¹⁾

(item 1b of Special Schedules 3 and 5) comprises the following:

- Engineering staff:
 - Salaries and allowance
 - Travelling expenses
 - Accrual of leave entitlements
 - Employment overheads.
- Other technical and supervision staff:
 - Salaries and allowance
 - Travelling expenses
 - Accrual of leave entitlements
 - Employment overheads.

Operational expenses (item 2 of Special Schedules 3 and 5) comprise the day to day operational expenses excluding maintenance expenses.

Maintenance expenses (item 2 of Special Schedules 3 and 5) comprise the day to day repair and maintenance expenses. (Refer to Section 5 of the Local Government Asset Accounting Manual regarding capitalisation principles and the distinction between capital and maintenance expenditure).

Other expenses (item 4c of Special Schedules 3 and 5) includes all expenses not recorded elsewhere.

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

Impairment losses (item 4d and 4e of Special Schedules 3 and 5) are to be used when the carrying amount of an asset exceeds its recoverable amount (refer to page D-31).

Aboriginal Communities Water and Sewerage Program (item 4f of Special Schedules 3 and 5) is to be used when operation and maintenance work has been undertaken on behalf of the Aboriginal Communities Water and Sewerage Program. Similarly, income for item 11a of Special Schedule 3 and item 12a of Special Schedule 5 are for services provided to the Aboriginal Communities Water and Sewerage Program and is not part of Council's water supply and sewerage revenue.

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

Non-residential charges ⁽²⁾ (items 7a, 7b of Special Schedules 3 and 5) include all income from non-residential charges separated into 7a access charges (including rates if applicable) and 7b usage charges.

Trade waste charges (item 8 of Special Schedule 5) include all income from trade waste charges separated into 8a annual fees, 8b usage charges and 8c excess mass charges and 8d re-inspection fees.

Other income (items 10 and 11 of Special Schedules 3 and 5 respectively) include all income not recorded elsewhere.

Other contributions (items 12c and 13c of Special Schedules 3 and 5 respectively) including capital contributions for water supply or sewerage services received by Council under Section 565 of the *Local Government Act*.

Notes:

⁽¹⁾ Administration and engineering costs for the development of capital works projects should be reported as part of the capital cost of the project and not as part of the recurrent expenditure (ie. in item 16 for water supply and item 17 for sewerage, and **not** in items 1a and 1b).

⁽²⁾ To enable accurate reporting of **residential revenue from usage charges**, it is essential for councils to accurately separate their residential (item 6) charges and non-residential (item 7) charges.

Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2017

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2016/17 Required maintenance ^a	2016/17 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Buildings	Buildings – non-specialised	59	–	350	350	23,864	31,345	42%	56%	2%	0%	0%
	Buildings – specialised	50	–	381	381	25,059	30,176	61%	39%	1%	0%	-1%
	Sub-total	109	–	731	731	48,923	61,521	51.3%	47.7%	1.5%	0.0%	-0.5%
Other structures	Other structures	98	–	75	75	4,092	4,818	64%	28%	8%	0%	0%
	Sub-total	98	–	75	75	4,092	4,818	64.0%	28.0%	8.0%	0.0%	0.0%
Roads	Sealed roads	4,990	–	1,390	1,390	185,569	216,525	44%	46%	6%	4%	0%
	Unsealed roads	1,704	–	803	803	94,158	103,857	85%	5%	4%	3%	3%
	Bridges	10	–	6	6	38,165	38,547	47%	49%	4%	0%	0%
	Footpaths	266	–	15	15	2,703	3,188	2%	21%	60%	17%	0%
	Kerb & Guttering	–	–	16	16	2,528	3,111	12%	54%	17%	14%	3%
	Sub-total	6,970	–	2,230	2,230	323,123	365,228	55.3%	34.5%	5.8%	3.5%	0.9%

Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2017 (continued)

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2016/17 Required maintenance ^a	2016/17 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Water supply network	Water supply network	532	–	370	370	11,709	16,977	50%	39%	3%	8%	0%
	Sub-total	532	–	370	370	11,709	16,977	50.0%	39.0%	3.0%	8.0%	0.0%
Sewerage network	Sewerage network	2,456	–	158	158	9,519	12,954	8%	50%	0%	42%	0%
	Sub-total	2,456	–	158	158	9,519	12,954	8.0%	50.0%	0.0%	42.0%	0.0%
Stormwater drainage	Stormwater drainage	2,307	–	22	22	1,289	3,755	1%	99%	0%	0%	0%
	Sub-total	2,307	–	22	22	1,289	3,755	1.0%	99.0%	0.0%	0.0%	0.0%
Open space/recreational assets	Swimming pools	16	–	–	–	2,632	2,679	0%	0%	100%	0%	0%
	Sub-total	16	–	–	–	2,632	2,679	0.0%	0.0%	100.0%	0.0%	0.0%
	TOTAL – ALL ASSETS	12,488	–	3,586	3,586	401,287	467,932	52.6%	37.1%	5.5%	4.2%	0.6%

Notes:

a Required maintenance is the amount identified in Council's asset management plans.

Infrastructure asset condition assessment 'key'

1	Excellent	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Average	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

Special Schedule 7 – Report on Infrastructure Assets (continued)
for the year ended 30 June 2017

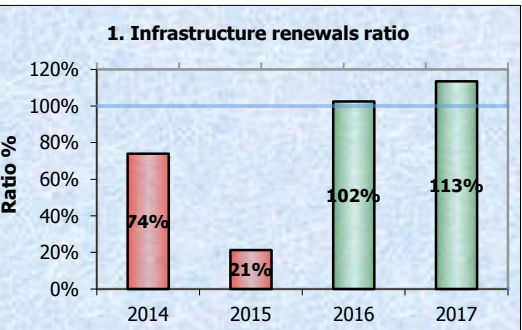
\$ '000	Amounts 2017	Indicator 2017	Benchmark	Prior periods 2016	2015
Infrastructure asset performance indicators * consolidated					
1. Infrastructure renewals ratio					
Asset renewals ⁽¹⁾	6,128	113.48%	>= 100%	102.48%	21.30%
Depreciation, amortisation and impairment	5,400				
2. Infrastructure backlog ratio					
Estimated cost to bring assets to a satisfactory standard	12,488	3.11%	< 2%	3.05%	5.01%
Net carrying amount of infrastructure assets	401,287				
3. Asset maintenance ratio					
Actual asset maintenance	3,586	1.00	> 1.00	1.00	0.93
Required asset maintenance	3,586				
4. Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	-	0.00%		0.00%	
Gross replacement cost	467,932				

Notes

* All asset performance indicators are calculated using the asset classes identified in the previous table.

⁽¹⁾ Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Special Schedule 7 – Report on Infrastructure Assets (continued)
for the year ended 30 June 2017



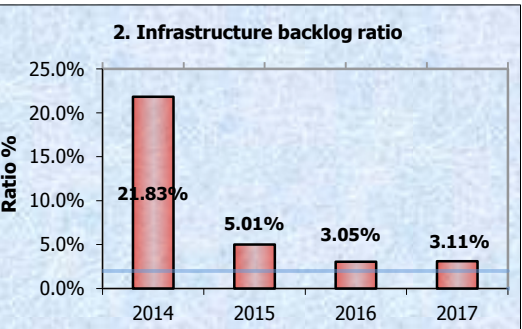
Benchmark: 100.00%
Source for benchmark: Code of Accounting Practice and Financial Reporting #25

Ratio achieves benchmark
Ratio is outside benchmark

Purpose of asset renewals ratio

To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

2016/17 Ratio 113.48%



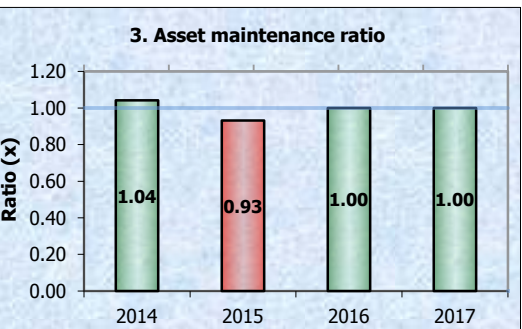
Benchmark: 2.00%
Source for benchmark: Code of Accounting Practice and Financial Reporting #25

Ratio achieves benchmark
Ratio is outside benchmark

Purpose of infrastructure backlog ratio

This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

2016/17 Ratio 3.11%



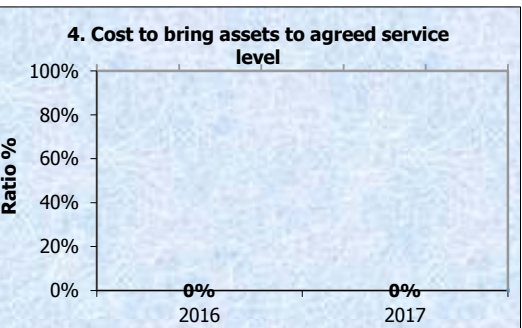
Benchmark: 1.00
Source for benchmark: Code of Accounting Practice and Financial Reporting #25

Ratio achieves benchmark
Ratio is outside benchmark

Purpose of asset maintenance ratio

Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.

2016/17 Ratio 1.00 x



Purpose of agreed service level ratio

This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.

2016/17 Ratio 0.00%

Special Schedule 7 – Report on Infrastructure Assets (continued)
for the year ended 30 June 2017

		Water	Sewer	General ⁽¹⁾
\$ '000	Benchmark	2017	2017	2017

Infrastructure asset performance indicators by fund

1. Infrastructure renewals ratio

Asset renewals ⁽²⁾				
Depreciation, amortisation and impairment	>= 100%	352.00%	377.46%	105.34%
	prior period:	337.37%	40.00%	106.20%

2. Infrastructure backlog ratio

Estimated cost to bring assets to a satisfactory standard				
Net carrying amount of infrastructure assets	< 2%	4.54%	25.80%	2.50%
	prior period:	4.90%	24.94%	2.47%

3. Asset maintenance ratio

Actual asset maintenance				
Required asset maintenance	> 1.00	1.00	1.00	1.00
	prior period:	1.00	1.00	1.00

4. Cost to bring assets to agreed service level

Estimated cost to bring assets to an agreed service level set by Council				
Gross replacement cost		0.00%	0.00%	0.00%

Notes

⁽¹⁾ General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

⁽²⁾ Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Special Schedule 8 – Permissible Income Calculation

for the year ended 30 June 2018

\$'000		Calculation 2016/17	Calculation 2017/18
Notional general income calculation ⁽¹⁾			
Last year notional general income yield	a	6,505	7,503
Plus or minus adjustments ⁽²⁾	b	10	(6)
Notional general income	c = (a + b)	6,515	7,497
Permissible income calculation			
Special variation percentage ⁽³⁾	d	30.00%	0.00%
Or rate peg percentage	e	0.00%	1.50%
Or crown land adjustment (incl. rate peg percentage)	f	0.00%	0.00%
Less expiring special variation amount	g	(719)	–
Plus special variation amount	h = d x (c – g)	1,739	–
Or plus rate peg amount	i = c x e	–	112
Or plus Crown land adjustment and rate peg amount	j = c x f	–	–
Sub-total	k = (c + g + h + i + j)	7,535	7,609
Plus (or minus) last year's carry forward total	l	22	53
Less valuation objections claimed in the previous year	m	–	–
Sub-total	n = (l + m)	22	53
Total permissible income	o = k + n	7,556	7,663
Less notional general income yield	p	7,503	7,662
Catch-up or (excess) result	q = o – p	53	1
Plus income lost due to valuation objections claimed ⁽⁴⁾	r	–	–
Less unused catch-up ⁽⁵⁾	s	–	–
Carry forward to next year	t = q + r – s	53	1

Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916*.
- (3) The 'special variation percentage' is inclusive of the rate peg percentage and where applicable Crown land adjustment.
- (4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- (5) Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- (6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the *NSW Government Gazette* in accordance with section 512 of the *Local Government Act 1993*. The OLG will extract these amounts from Council's Special Schedule 8 in the financial data return (FDR) to administer this process.



INDEPENDENT AUDITOR'S REPORT

Special Schedule No. 8

Gwydir Shire Council

To the Councillors of Gwydir Shire Council

Opinion

I have audited the accompanying special purpose financial statement comprising the reconciliation of total permissible general income (Special Schedule No. 8) of Gwydir Shire Council (the Council) for the year ending 30 June 2018.

In my opinion, Special Schedule No. 8 of Gwydir Shire Council for 30 June 2018 is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting (LG Code) issued by the Office of Local Government (OLG), and is in accordance with the books and records of the Council.

My opinion should be read in conjunction with the rest of this report, and in particular the Emphasis of Matter paragraph, which describes the basis of accounting.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of Special Schedule No.8' section of my report.

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

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

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

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

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

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

Without modifying my opinion, I draw attention to the notes and explanations in Special Schedule No. 8 that instruct councils in its preparation so it complies with OLG's requirements as described in the LG Code. As a result, Special Schedule No. 8 may not be suitable for another purpose.

Other Matter

Special Schedule No.8 of the Council for the year ended 30 June 2017 was audited by another auditor who expressed an unmodified opinion on Special Schedule No. 8 on 27 October 2016.

Councillors' Responsibility for Special Schedule No. 8

The Councillors of the Council are responsible for the preparation of Special Schedule No. 8 in accordance with the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of Special Schedule No. 8 that is free from material misstatement, whether due to fraud or error.

In preparing Special Schedule No.8, the Councillors must assess the Council's ability to continue as a going concern except where the Council will be dissolved or amalgamated by an Act of Parliament. The assessment must disclose, as applicable, matters related to going concern and the appropriateness of using the going concern basis of accounting.

Auditor's Responsibility for the Audit of Special Schedule No. 8

My objectives are to:

- obtain reasonable assurance whether Special Schedule No. 8 as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on Special Schedule No.8.

A description of my responsibilities for the audit of Special Schedule No.8 is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/auditors_responsibilities/ar8.pdf. The description forms part of my auditor's report.

This opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited Special Schedule No.8 on any website where they may be presented
- about any other information which may have been hyperlinked to/from Special Schedule No 8.



Lawrissa Chan
Director, Financial Audit Services

31 October 2017
SYDNEY