

NAMBUCCA SHIRE COUNCIL

ANNUAL REPORT

**2014 – 2015**



(20701/2015)

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**FORWARD**

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2014-2015 has been a year of triumph and tragedy for our community. We successfully managed and delivered the largest infrastructure project ever undertaken in our Shire, the Bowraville Off River Storage Dam which will secure our water supply into the foreseeable future. In the same year we lost one of the Valley's favourite sons, Australian cricketer Phillip Hughes.

The decision to construct the dam came after many years of consultation and planning. The day Councillors voted to proceed with the project was one of the most memorable times of my tenure. The logistics of road closures, traffic control, parking, security, and organizing volunteers for Phillip Hughes' funeral while our small community was in the spotlight of international media was one of the most difficult.

Our new dam is a source of great pride for our community. Delivering the project within budget was paramount so we took the unusual step of involving councillors and senior staff at every stage through monthly on-site meetings. While at first unsure, the construction contractors agree that this was a positive and helpful move because it meant councillors took ownership of their decisions, were knowledgeable about issues and challenges as they occurred and were able to make informed decisions without delay. We also conducted mid-construction tours of the dam site for our community. They proved very popular and gave a sense of ownership to residents.

We have also focused on delivering on our core responsibilities of road and bridge maintenance. Confirmed by community consultation which identified them as priorities, roads and bridges receive the lion's share of our time and resources. This year we have replaced three bridges – we have 154 timber bridges and 12 concrete bridges, so it is an ongoing task which has been assisted by the State government's Local Infrastructure Renewal Scheme and an extensive loans program.

Still on the infrastructure theme, we have carried out extensive works and improvements on our beach access ways, which is critical for a Council which has one entire boundary fronting the ocean. Showers, walk ways, board walks, revegetation and weed management have improved our lifestyle and helped protect our environment.

This year was also important for community infrastructure, with the securing of almost \$1m from the NSW State government for the development of the Macksville Fun and Fitness Precinct. Combined with \$250k from Council, these works, due for completion at the end of 2015, will secure a first class recreation precinct for residents and visitors. The precinct builds on our successful Healthy Communities Initiative, which was delivered in the three previous years, providing for the first time a Shire-led focus on health through exercise and healthy eating, and a range of free programs to low-income people.

Encouraging economic development is also a major focus and in the last year we have seen the opening of the Nambucca Heads Sewerage Augmentation project which will allow our residential, business and industrial areas to grow. We have also developed and released Industrial land at Nambucca Heads, continue to develop our Valla Growth Area which contains both residential and employment lands and we've upgraded Gumma Camping Reserve and turned a financial liability into a profitable operation.

I take this opportunity to recognise the efforts of all of our elected members and staff, past and present, in creating a local Council that, in partnership with our community, has achieved much of which to be proud. Ours has always been a humble community of quiet achievers but in our Centenary year it is time to sing our praises.

**MICHAEL COULTER**  
**GENERAL MANAGER**

## ELECTED REPRESENTATIVES

### Elected Representatives



**Mayor Cr Rhonda Hoban**



**Deputy Mayor John Ainsworth**



**Cr Martin Ballangarry OAM**



**Cr Brian Finlayson**



**Cr Paula Flack**



**Cr Kim MacDonald**



**Cr Bob Morrison**



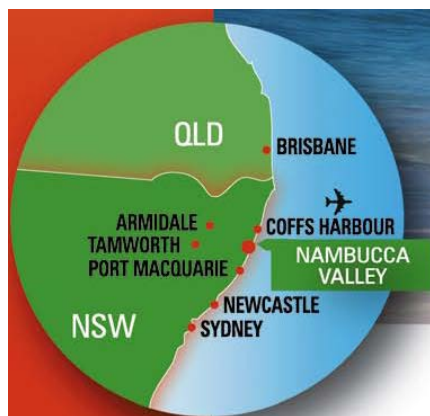
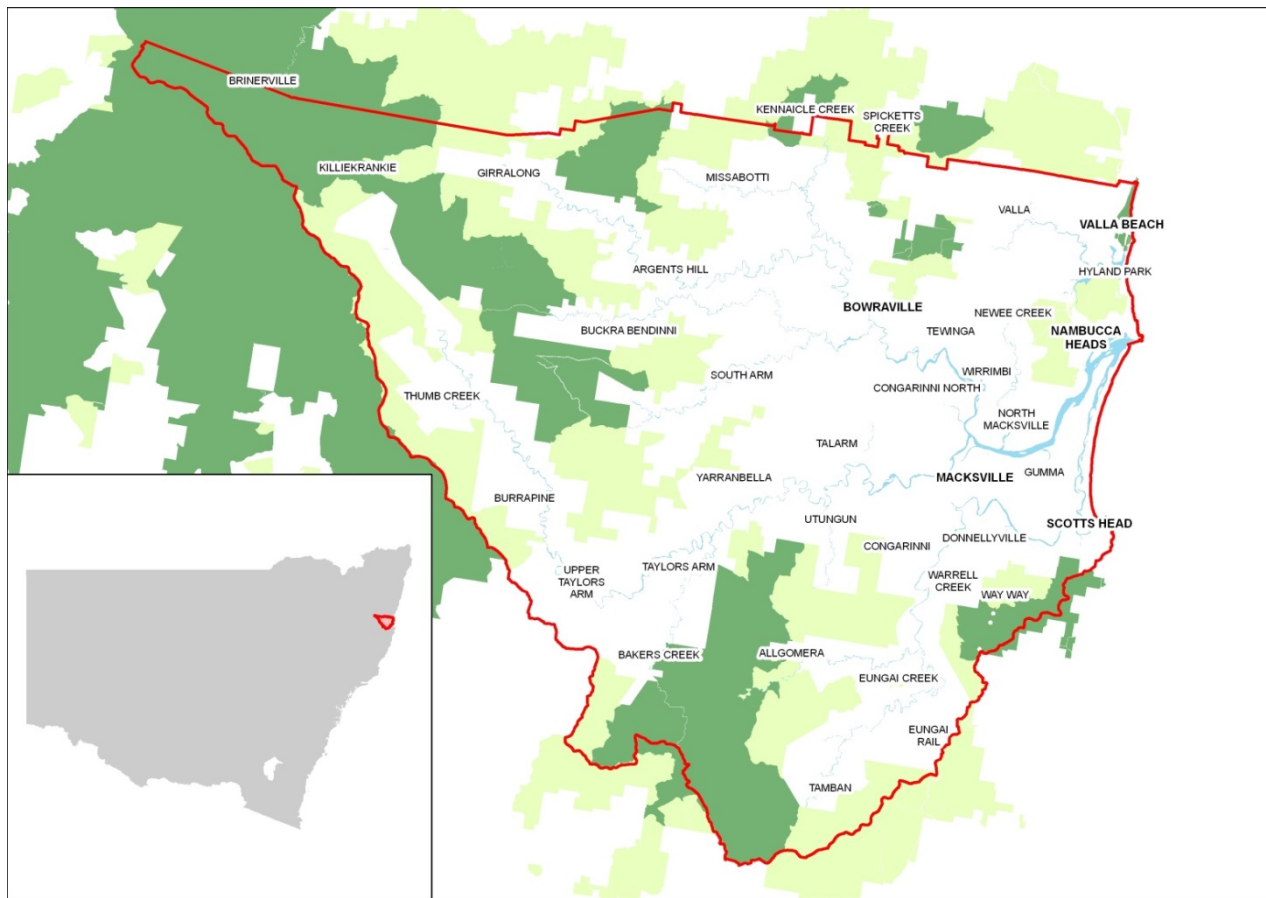
**Cr Anne Smyth**



**Cr Elaine South**



## MAP OF SHIRE



The Nambucca Shire Local Government Area (LGA) is located between Kempsey and Bellingen Shire Councils on the Mid North Coast of NSW, approximately 500km north of Sydney and 480km south of Brisbane. The Shire is 1492.8 km<sup>2</sup> and is situated between 30°30'S and 30°56'S and 152°18'E and 153°01'E. The terrain is steep and intersected by small streams nestled between the foothills of the Great Dividing Range and the coastline of the Pacific Ocean. The rugged topography of the eastern edge of the New England plateau in the western part of the Shire is dominated by steep slopes and valleys, while the eastern portion of the Shire is characterised by the gentle slopes of the river floodplains.

The Nambucca River drains the Shire and is 47km long. The Shire has two National Parks, eight local nature reserves and 25km of coastline.

The main localities of the Shire include Nambucca Heads, Macksville, Bowraville, Valla Beach and Scotts Head with many smaller villages and rural settlements. The Shire has a population density of 13 people per km<sup>2</sup>.

#### NAMBUCCA SHIRE POPULATION - SELECTED CHARACTERISTICS

	Males	Females	Persons	%
Total persons ABS 2013 estimated data	9,567	9,962	19,529	100.0%
Aged 14 years and under ABS 2013 estimated data	1,696	1,686	3,382	17.3%
Aged 65 years and over ABS 2013 estimated data	2,373	2,626	4,999	25.6%
Born overseas				14.9%
Unemployed Persons (2015)			787	
Unemployment Rate (2015)	9.7%			
Households with internet access	63%			
Occupied Private Dwellings	7,616			
Unoccupied Private Dwellings	1,175			

#### NAMBUCCA SHIRE - TOWNS, VILLAGES AND RURAL POPULATION

	1991*	1996*	2001*	2006	2011
Bowraville	969	884	956	954	1,208
Eungai **	158	139	583	584	658
Hyland Park	153	284	321	315	441
Macksville	2,872	2,722	2,661	2,658	2,567
Nambucca Heads	5,669	6,248	6,146	6,121	6,222
Scotts Head	834	832	793	794	821
Valla Beach	488	729	814	819	1,200
Rural/Non-Urban Balance	5,556	5,729	5,444	5,415	5,527
<b>TOTAL SHIRE</b>	<b>16,699</b>	<b>17,567</b>	<b>17,718</b>	<b>17,660</b>	<b>18,644</b>

**Source:** ABS Census

\*\* Area extended in 2001 to include Eungai Creek, Eungai Rail and Allgomera

\*Includes overseas visitors

Nambucca Heads from 2006 includes Kingsworth Estate (not previously included in town population)

#### Audited Financial Reports and Independent Auditor's Report

Council's audited financial reports for the year ended 30 June 2015 are available to the public at Council's Administration Centre (44 Princess Street, Macksville) and on Council's website [www.nambucca.nsw.gov.au](http://www.nambucca.nsw.gov.au).

**Rates and Charges Written Off - Clause 132 of Local Government (General) Regulations 2005**
**General and Special Rates**

Pensioners write off (Section 575)	\$399,816.55	
Other (includes Farmland > 20%)	\$4,601.81	
		\$404,418.36

**Water Supply Charges**

Pensioners write off (Section 575)	\$151,676.62	
Other	\$21,729.43	
		\$173,406.05

**Sewerage Service Charges**

Pensioners write off (Section 575)	\$136,939.32	
Other	\$11,762.36	
		\$148,701.68

**Waste Management Charges**

Pensioners write off (Section 575)	\$197,822.49	
Other	\$5,606.32	
		\$203,428.81

TOTAL AMOUNTS WRITTEN OFF		\$929,954.90
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**Comparison of Actual Performance**

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Comparing the actual budget performance for Council's principal activities (functions) for the year 2014/2015 with the original budget, the major reasons for the variances are listed below.

With all Council's activities the budgeted figure shown also reflects an imprecise estimated breakup of materials and contracts between activities that is potentially distorted through the mix of own labour, contracted services, self-constructed and contracted works during the year resulting in fluctuations between the activities.

**1 ADMINISTRATION & GOVERNANCE**

All actual allocations other than expenses and revenue deemed to be hard core overheads and unable to be distributed on a reliable basis, have been distributed to other activities and therefore contribute to the variations between the original budget and actuals for activities at year end. Other significant variations for each of the activities are discussed below.

**2 PUBLIC ORDER AND SAFETY**

An increase in Animal Control expenses occurred.

**3 HEALTH**

There were no major variations apart from the variances associated with the redistributions mentioned earlier.

**4 ENVIRONMENT**

In the original budget both Waste Management and Noxious Plants are shown under Housing & Community Services but externally reported under Environment. There were also increases in fees and charges relating to development and also subsidies for environmental projects.

**5 COMMUNITY SERVICES AND EDUCATION**

Council received a further grant for Sports Professional Development.

**6 HOUSING AND COMMUNITY AMENITIES**

A variation related to the categorisation of Noxious Plants and Waste Management as explained above in Environment.

**7 WATER SUPPLIES**

Variations related to Water were mainly due to the delayed commencement of the Water Storage Project and associated subsidy. Also borrowing costs were slightly higher than estimate.

**8 SEWERAGE SERVICES**

The unwinding to present value of an interest free loan for the Nambucca Sewerage Augmentation Works and savings in energy costs were the major variations in Sewerage.

**9 RECREATION AND CULTURE**

Council received grant funding for flood damage expended in the previous year as well as other grants for public recreation.

**10 MINING, MANUFACTURING AND CONSTRUCTION**

There were also increases in fees and charges relating to an increase in development.

**11 TRANSPORT AND COMMUNICATION**

Major variations related to \$1.4m in flood damage works and associated subsidy.

**12 ECONOMIC AFFAIRS**

Council undertook additional private works with additional funding associated for the works.

**13 GENERAL PURPOSE INCOME**

Advance of the Financial Assistance Grant was not received this financial year and was offset slightly by better than expected returns from investments.

**COMPARISON OF BUDGET TO ACTUAL 2014/2015**

	<b>(\$'000)</b>			
	<b>EXPENSES</b>	<b>ORIGINAL BUDGET</b>	<b>INCOME</b>	<b>ORIGINAL BUDGET</b>
	<b>2015 \$'000</b>	<b>2015 \$'000</b>	<b>2015 \$'000</b>	<b>2015 \$'000</b>
GOVERNANCE	505	700	0	0
ADMINISTRATION	3,893	2,694	372	41
PUBLIC ORDER & SAFETY	1,172	731	485	407
HEALTH	228	98	173	150
ENVIRONMENT	6,382	5,264	5,504	5,061
COMMUNITY SERVICES & EDUCATION	423	390	303	198
HOUSING & COMMUNITY AMENITIES	1,476	1,718	371	430
WATER SUPPLIES	4,837	5,539	6,505	5,773
SEWERAGE SERVICES	4,670	4,803	5,078	4,706
RECREATION & CULTURE	3,383	2,993	1,320	214
MINING, MANUFACTURING & CONSTRUCTION	373	121	169	98
TRANSPORT & COMMUNICATION	12,691	15,127	13,573	7,818
ECONOMIC AFFAIRS	452	257	102	762
<b>TOTALS - FUNCTIONS</b>	<b>40,485</b>	<b>40,435</b>	<b>33,955</b>	<b>25,658</b>
GENERAL PURPOSE REVENUES	0	0	13,331	13,000
<b>TOTALS</b>	<b>40,485</b>	<b>40,435</b>	<b>47,286</b>	<b>38,658</b>

The above functions conform to those used by the Australian Bureau of Statistics and provide a basis for comparison with other councils.



## **Comparison of Actual Performance of Principal Activities**

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Comparison of the Council's actual performance of principal activities for 2014/2015 are provided in the twelve month review ending 30 June 2015 of Delivery Program 2012-2016 and the Operational Plan 2014-2015 below:

## **Achievements in Implementing the Community Strategic Plan**

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### **TWELVE MONTH REVIEW ENDING 30 JUNE 2015**

**of**

### **DELIVERY PROGRAM 2012 – 2016**

**and**

### **OPERATIONAL PLAN 2014 – 2015**

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## **INTRODUCTION**

The intention of this report is to document Council's progress and effectiveness of Council activities as it strives to implement its stated strategies to achieve the objectives under each of the eleven (11) Key Strategic Directions outlined in its Community Strategic Plan 2022.

### **The 11 Key Strategic Directions are:**

- 1 Civic Leadership and Administration
- 2 Public Order and Safety
- 3 Public Health
- 4 Community Support and Education
- 5 Environmental Planning
- 6 Building Regulation
- 7 Environmental Services and Community Amenities
- 8 Recreation and Culture
- 9 Transport
- 10 Local Economy
- 11 Water Cycle

This report should be read in conjunction with Council's Quarterly Budget Reviews which outline how Council is tracking against allocated budgets. Over time, it is intended to better integrate both the financial measures and strategic outcomes into one snapshot, easily understood document, rather than the two current large standalone documents.

Under Council's Community Strategic Plan the 11 Key Strategic Directions are embellished with 31 Objectives, which are subsequently supported by some 58 Strategies. The 58 Strategies are carried through into the 4 year delivery plan and allocated across the organisation with specific tasks, programs or actions for which their progress is reported on through this 6 monthly review report.

Council's systems are not yet integrated sufficiently, nor does Council have the resources to provide very sophisticated reports with benchmarks or performance percentages which other larger Local Government areas are able to produce. Given time the Nambucca Shire Council Integrated Planning and Reporting processes will be embellished.

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## The Delivery Program 2012 – 2016 and Operational Plan 2014 – 2015

### Strategic Direction: Leadership and Administration

#### 1.1 Objective: Citizen Engagement

The Council and the community support open government where public participation is encouraged in policy development and major decisions, as well as in Council's daily operations.

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Using a variety of tools, engage with the community in ways that are accessible and transparent, and use information from the community in decision making	Continue to liaise with Council Section 355 committees to provide advice on policy areas	General Manager	Minutes of the nine advisory committees are submitted to Council for consideration	Minutes reported. Councillors and Senior Staff attend S355 AGM's.
	Use public relations, printed materials, Council's website and personal communications to inform stakeholders and community	General Manager AGMs	Media releases are developed and distributed. Website is kept up to date	Media releases issued. Rates newsletter issued. Information Technology Officer periodically checking website.  Media release issued on flood damage events, road closure and works and vandalism as required
	Encourage involvement by a variety of community stakeholders in the activities of Council	General Manager Assistant General Managers	Advertisements for relevant activities as required	Encouraging use of media releases instead of paid advertisements to reduce cost. Paid advertisements used where there is a statutory or other requirement. Dam tours conducted plus official opening.
	Plan to undertake Community Satisfaction Survey in December 2013	General Manager	Contract survey as required	Community Survey of 400 residents undertaken by Jetty Research in June 2013 Next Community Survey to be undertaken in 2016.
	Issue a newsletter with the rates notice	General Manager	Newsletter is issued with rates notice.	Newsletter mailed out with Rate Notices

## Strategic Direction: Leadership and Administration

### 1.2 Objective: Delivery of Services

Delivery of services to the community is consistent with their requirements and Council's core values

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Ensure the sustainable delivery of infrastructure and services	Periodic review and ongoing implementation of asset management plans and use in budget and work plan development	Manager Assets	All infrastructure has up to date management plans	<p>Asset Management Working Group comprising of Corporate and Engineering staff was formed to review Asset Management Plans policies, data capture and service delivery Reviewed Policies and Plans reported to Council</p> <p>Internal Asset Management Working Group established comprising of Corporate and Engineering staff to review Asset Management Plans policies, data capture and service delivery Reviewed Policies and Plans reported to Council</p> <p>Three new Asset management plans developed and adopted by Council for:</p> <ol style="list-style-type: none"> <li>1) Bridges</li> <li>2) Urban and rural sealed roads</li> <li>3) Rural gravel roads</li> </ol>
	Implement organisation structure and staffing review outcomes	General Manager AGMs	All adopted review recommendations have been implemented	Most recent organisation review of outdoor operations adopted May 2015 has resulted in a reduction in EFT to 113. Progressively being implemented. Incorporated a review of staff levels as well as work practices

	Continue performance reviews of staff performance and provide training and attendance at external conferences where identified to ensure Council's goals are being met	General Manager  Assistant General Managers	All performance reviews are conducted. Staff receive training and have the capability to meet service delivery requirements	Scheduled performance reviews generally complete  Performance management on-going  Training undertaken to meet statutory and professional development requirements  Restructure of Infrastructure Services. incorporated the development of new position descriptions
	Provide opportunities for Councillors, especially new ones, to attend training relevant to their duties	Manager Human Resources	Councillors attend training and support sessions	
	Implement human resource management practices	General Manager  Manager Human Resources	Retention rates increase over time	Staff turnover has decreased. 11.2% in 2011/12; 8% in 2012/13; 6% in 2013/14; 15% in 2014/15
	Comply with local government legislation, policies and agreed standards	All staff  Manager Development & Environment	Fulfillment all reporting requirements	MANEX maintains a register of known legislative or regulatory noncompliance. Engineering Services' works undertaken in accordance with local government legislation, policies and agreed standards. Coverage achieved Public and private swimming pool inspection regime implemented
	Comply with financial management requirements	All staff	Fulfillment of all financial management requirements	2013/14 Financial Statements and Auditors Report presented to Council October 2014 All reporting was within statutory timeframes.

	Provide information and assistance at front counter for a range of community needs	Business Services Unit  Community Development	Provision of information on development applications, complaints handling protocol, Customer service training	Use of MERIT reviewed and improved. Information being applied and distributed. MERITS being taken and processed Improved work practices for incoming calls
	Ensure Council adheres to Equal Employment Opportunity (EEO) principles	All staff	All recruitment processes incorporate EEO principles.	Compliance being met
Provide and maintain information management systems that meets user needs, including GIS, software and data systems to manage corporate information	Implement Merit customer request system	Manager Information Technology  Senior GIS Officer  Rates Officer	Systems are efficient, effective and information is easily accessible	Council has upgraded Merit to version 10 and the Merit Web module has been purchased. Version 10 provides for a more efficient workbench and allows additional integration options between the Authority property system. Name and Address register and the TRIM records management system. The web module will allow the entry of customer requests directly via Council's website and is currently undergoing testing.  Council is currently upgrading server and network infrastructure to support a more robust and responsive IT environment and to retire end of life equipment and software.
	Continue to improve new Authority software operation	Manager Information Technology	Systems are efficient, effective and information is easily accessible	Council is currently in planning for the implementation of Authority 6.10 in late 2015.  The use of TRIM integration has been significantly improved with recent upgrades allowing the DA tracker to provide access to publically consumable documentation for Development Applications.  Bi-directional integration between Authority and ArcGIS has now been correctly implemented.  An app has been developed to support the reading of water meters. The app takes data directly from Authority via export and allows for updated reads to be subsequently imported.



Establish community needs through consultation and involve community in review and future development of Community Strategic Plan, and Delivery and Operational Plans	Conduct community consultation to review Delivery and Operational plans for 2014-2015 and promote awareness of Community Strategic Plan	General Manager Assistant General Managers Managers	Community consultation opportunities are facilitated and feedback is incorporated into plans where appropriate	Detailed review and community engagement conducted in conjunction with Special Rate Variation application. IPR suite of documents updated and adopted in June 2014 in line with legislative requirements  Involvement from staff with the various Sect 355 Committees and volunteer groups with development and implementation of programs
	Use Community Satisfaction Survey to inform planning processes and help identify infrastructure needs	General Manager AGMs	Survey outcomes are used in developing plans	Next community satisfaction survey planned for 2016.

## Strategic Direction: Leadership and Administration

### 1.3 Objective: Risk Management

Reduce risks to Council's and community operations through effective, timely and affordable risk management strategies

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Implement the risk management action plan	Review the risk management action plan and update if required	Safety & Risk Officer	Documented review of plan	Completed – new plan in draft form due to changes in requirements by Insurer
	Implement WHS action plan, conducting WHS audits and reviewing as required	Safety & Risk Officer	Action plan activities and audits are completed	Completed
	Annual review of insurance coverage	Safety & Risk Officer	Up to date certificates of currency	Completed
	Manage instances of safety, regulatory or financial mishaps which cause a financial risk to Council	Safety & Risk Officer General Manager	Reduction of impact on Council resources	Reduction in claims and notifiable incidents
	Maintain database of all loss events	Safety & Risk Officer	Accurate information is available for insurance purposes	Database maintained
	Maintain and review risk register	Safety & Risk Officer	Accurate risk register kept	Risk Register reviewed and maintained. Electronic JRS profiler introduced.
	Deliver relevant training and effective awareness programs to staff on workplace safety	Safety & Risk Officer	Induction of staff. Number of training awareness programs conducted. Reduction in number of work related claims or reported incidents	All new staff inducted. Training provided as per training needs plans and supervisor requests. Number of workers compensation claims reduced

## Strategic Direction: Leadership and Administration

### 1.4 Objective: Sustainable Energy Use

Provide community leadership in sustainable energy use and strive to meet the State government's commitment to becoming carbon neutral by 2020

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Implement technologies in Council facilities and infrastructure to reduce Council's greenhouse gas emissions	Waste Management activities including resident education package which will reduce the need for waste collection and hence greenhouse gas emissions by using less trucks	Manager Business Development  Technical Officer - Assets	WASIP grant is fully expended	On going
Make information available to the community to help them reduce energy use	Provide links on Council's website to reputable websites that provide information on sustainable energy use and Government objectives to reduce greenhouse gas emissions	General Manager	At least one link to be provided, and updated as required	Link provided to Planet Ark.

## Strategic Direction: Public Order and Safety

### 2.1 Objective: Community Safety

To foster a community where people feel safe and secure

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Provide support for local emergency services and beach safety	Participate in rural fire service management and maintain membership of the Nambucca Bush Fire Management Committee	Engineering Services	Council is represented on Committee. Service level agreement is reviewed quarterly	Cr Ainsworth elected as the Council representative to the Committee. Four meetings were held during 2014/15 and the minutes of each meeting was reported to Council. Rural Fire Service (RFS) presented the draft "BID" to Council in January 2015
	Maintain the urban fire trail network to protect public and private infrastructure from bush fires	Engineering Services	Fire trails are mown twice a year, in October and February	Trails were maintained in October 2014 and February 2015 as scheduled with the completed works entered into the RFS BRIMS and payment received from the RFS
	Contribute statutory 13.3% in budget to fire control and other contributions to Volunteer Rescue Authority and Marine Rescue Authority	Engineering Services	Allocations are made in annual budget in line with draft budget prepared by Emergency Services	A budget allocation was provided in the 2014/15 financial year  RFS presented the draft "BID" to Council in January 2015
	Ensure buildings and facilities at fire control centre and SES/Volunteer Rescue/Marine Rescue are managed to meet standards	Engineering Services	WH&S inspections are conducted. Building Management Committee meets regularly	Following the adoption of the Asset Management Plan for the NEOC Council resolved to reduce the meeting cycle from four to two meeting per year as general maintenance issues can be addressed as they arise through the year

	Provide and replace vehicles in accordance with policy for State Emergency Service	Engineering Services	Vehicles are replaced	RFS fleet management is now administered through the NSW RFS who are developing a 10year replacement program in 2015/16 for Council consideration as the provision of funding from Council remains an issue
	Provide lifeguard services as per contract, including annual contribution through s.94 plan	Engineering Services	Lifeguards are on duty at required times and activity reports are submitted to Council by 31 March. Equipment is purchased	A five year contract was entered into during 2013/14 for the provision of life guard services provided over Christmas/New Year holiday period  The end of season Life Guard Services report was presented to Council in March 2015. Contributions allocation is included in budget
	Provide and maintain beach safety signage	Engineering Services	Signage is in place and meets current standards	An audit was undertaken on all Nambucca Shire Council beaches by a State Government program in 2014 for safety on beaches. All signage installed at the beach and access locations are compliant with regulatory and non-regulatory warnings
	Provide ranger service to supervise vehicles on beaches	Manager Development & Environment	4WD vehicles on beaches comply with permit conditions	Two Council Rangers undertook random surveillance of beaches as well as continued passive surveillance from the Volunteer Rangers
Provide leadership in safety initiatives	Advocate for adequate police resources	Mayor  General Manager	Increase in number of hours that police officers spend in Nambucca District	Mayor regularly attends Police Community Advisory Meetings. Lobbied for the continuation of Court House. Attended community meetings concerned with policing.



	Advocate for road safety initiatives, including through active Traffic Advisory Committee considering road safety improvements	Engineering Services	Committee progresses road safety actions	<p>Traffic Committee meetings were conducted through 2014/15.</p> <p>Minutes of the Traffic Committee are reported to Council for formal resolutions and implementation of safety actions.</p>
	Work with District Police to implement specific safety initiatives such as Alcohol Free Zones	<p>Manager Community Development</p> <p>Engineering Services</p>	Number of safety initiatives implemented	Three Alcohol Free Zones continue, no new Zones established. Fridge Magnet promoting reporting crime was developed and distributed.

## Strategic Direction: Public Order and Safety

### 2.2 Objective: Companion Animal Welfare

To proactively manage companion animals to ensure the community's safety and to improve animal welfare

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Manage companion animals to ensure the community's safety and improve animal welfare	Undertake patrols and respond to complaints about companion animals	Manager Development & Environment	Number of impounded animals is reduced. Number of euthanased animals is reduced	Web-site improved with impounded animals being photographed and displayed for recovery or sale Council subsidises de-sexing of animals to increase saleability of animals
	Support programs to improve the welfare of companion animals, including investigating grant opportunities for owner education	Manager Development & Environment Ranger Grants Officer	A program is run which educates owners on responsibilities	Responsible Pet Ownership Program offered subsidised de-sexing, immunisation and micro chipping
	Ensure signage identifying permissible dog walking areas is in place and up to standard on Council land	Manager Development & Environment Ranger	All areas are checked and signage is adequate	Signs in place Signage replaced and education program instituted to protect bird breeding habitat north of Valla footbridge

## Strategic Direction: Public Health

### 3.1 Objective: Safe Food

Reduce the incidence of illness from unsafe food by monitoring systems for food hygiene and safe food handling

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Reduce the incidence of illness from unsafe food	Conduct regular inspections and follow-up of premises that handle food for public consumption	Manager Development & Environment	Number of inspections. Reduction in the number of warnings or infringements. Reduced number of illnesses	Completed
	Respond to complaints	Manager Development & Environment	Reduced number of complaints	Ongoing with matters resolved

### 3.2 Objective: Clean Water

Improve and maintain healthy waterways through active catchment management including promoting and, where relevant, implementing the protection and restoration of riparian areas and minimizing pollution sources.

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Carry out 100% of inspections including plumbing and new on-site sewage management systems associated with new developments within 48 hours of being booked	Conduct regular inspections in accordance with risk rankings Weekly monitoring of performance from registration statistical data and departmental appointment calendars	Manager Development & Environment	100% of inspections conducted within time Number of warnings or infringements	Complied – all class 1 (high risk) inspections undertaken plus annual requirement for low to medium risk Stage 1 up-grade of problematic river front Installation carried out
	Respond to complaints	Manager Development & Environment	Reduction in number of complaints	Ongoing with matters resolved
Implement actions from the Nambucca River Estuary Management Plan	Review plan and identify funding sources through grants and Environmental Levy to complete highest priority actions	Coordinator Strategic Planning and Natural Resources	Implementation of at least one priority action	Improvement undertaken on Stuart Island; Funding sought for bank stabilisation fish habitat projects on Stuart Island and Congarinni

## Strategic Direction: Public Health

### 3.3 Objective: Personal Health and Wellbeing

Help improve the overall health and wellbeing of the community of the Nambucca Valley

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Support existing and initiate new public health activities	Deliver the final year of the Healthy Communities Initiative	Project Officer Live Healthy Nambucca	Meeting the range of targets identified in the Program Plan	Project concluded on time and on budget. Audited Statements were submitted by the deadline of September 2014
	Lobby State Government for adequate bed allocation for aged care	General Manager	Increase in number of aged care beds	Not achieved
	Lobby State Government for infrastructure to provide adequate health services	General Manager	Number of letters and meetings about this issue	HealthOne Facility constructed in Nambucca Heads. Lobbying continuing on upgrade of Macksville Hospital
	Provide grant application support to relevant community organisations	Grants Officer	Number of applications assisted	14 applications written and 21 community organisations assisted with advise

## Strategic Direction: Community Support and Education

### 4.1 Objective: Connected Community

Our community is proud of its identity and is mutually self-supporting

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Engage with the community, providing social and community infrastructure and programs to meet the needs of all residents	Continue to support and liaise with Council's Section 355 Committees which represent a range of community members	General Manager	Meetings attended on regular basis	Councillors and Senior Staff on roster for attendance at S355 AGM's
	Continue to support the community through the auspice of grant applications and grant writing support	Grants Officer	Number of grant applications made	14 applications written and 21 community organisations assisted with advise
	Ensure the services of the Visitors Information Centre are of a high standard through training and supporting volunteers	Manager Community Development	Number of familiarisations undertaken	Training for volunteers in EFTPOS; Sales and Administration; Impart Media; and Book Easy was held. Two industry familiarisations were conducted.
	Provide Funding for Seniors Week	Manager Community Development	Annual event is held	Making Connections Intergenerational event held 19 March 2015. 170 seniors and 55 young people participated. Library workshops were attended by 39 seniors.
	Continue involvement with Regional Arts Development Board, including financial support and representation on Board of Management	General Manager	Implementation of Regional Arts initiatives relevant to Nambucca Shire	Financial support provided annually and Councillor representation on the Board Also the Regional Arts Development Officer made a presentation to Council on 13 August 2015.
	Manager Community Development role to continue to include aged and disability services	Manager Community Development	Funding Agreement service levels are met, 2014-2015 work plan is adhered to, and all reporting requirements are met	100% achieved. Funding is now 100% Disability-focused. Meeting work plan targets.

## Strategic Direction: Community Support and Education

### 4.2 Objective: Engaged Youth

Foster the social well-being of our youth

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Provide support for young people through youth-oriented programs including coordination, planning and funding	Manage funding provided by the NSW Department of Family and Community Services to undertake youth development	Manager Community Development	Report against service agreement	Reporting for 2014 – 2015 submitted on time – 100% achieved. Meeting agreed targets and outcomes
	Identify, quantify, prioritise and publicise the needs of young people	Manager Community Development	Number of media releases. Number of grants secured	Grants secured for Youth Week, Sports Leadership Camp and Transport project
	Run Youth Week activities	Manager Community Development	Youth Week activities held; evaluation undertaken	Youth Leadership through Sport Camp; Information and Open Mic at Macksville Show and Bowraville Basketball were held. Around 250 young people participated.
	Run Responsible Educated New Tenant (RENT) program	Manager Community Development	Courses held; participation figures and evaluation	Courses were not held due to staff shortages. A partnership has been formed with Wesley Accommodation Service to deliver Rent It—Keep It during 2015-2016
Plan and provide library services in Nambucca Heads and Macksville	Seek external funding to supplement library resources	Manager Community Development	Level of resources secured	Library Development Grant for further e-book funding unsuccessful. Continued to implement funding from Revitalising Public Libraries NSW campaign for increased State Government Funding to libraries.

## Strategic Direction: Community Support and Education

### 4.3 Objective: Cultural Diversity

Promote an understanding of the Nambucca Valley's Indigenous culture and heritage and develop opportunities and partnerships for people of culturally diverse backgrounds,

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Deliver services appropriate to the needs of Aboriginal and Torres Strait Islander communities and continue to improve awareness and understanding between Council and Aboriginal communities and individuals.	Manage funding provided by the NSW Department of Family and Community Services to undertake community development for Aboriginal people	Manager Community Development	Projects are delivered in accordance with service agreement	Finance and outcomes reporting for 2014 – 2015 submitted on time – 100% achieved
	Coordinate and provide funding for NAIDOC week event	Manager Community Development	NAIDOC Week event is held. Number of participants. Level of funding attracted	Council supported and participated in the Nambucca Valley NAIDOC Committee and supported events across the Shire such as the flag raising out at Bowraville Central School. Council's main event was held in Macksville in collaboration with Unkya (Macksville) LALC. The Macksville Day included: <ul style="list-style-type: none"> <li>- Art and basket weaving from Salt Water Fresh Water run by specialist Indigenous people.</li> <li>- AFL football club from Coffs Harbour ran AFL activities</li> <li>- And Indigenous musicians performed.</li> </ul>

	Provide activities for learning or social development for young people and their families on school holidays	Manager Community Development	Three activities or workshops will be conducted	The following activities were held: July – 1 (Bowraville Community Garden) January – 2 (Public transport to the beach and Aquatic Centre) April – 4 (Youth Leadership Camp; Bowraville Basketball and Chill Out Space at the Show) Learn to Swim – all school holidays.
	Support Indigenous heritage and other cultural projects when identified	Manager Community Development	Number of projects supported	Engaged with local Aboriginal community in relation to Stuart Island Improvements including the provision of interpretive signage.



## Strategic Direction: Environmental Planning

### 5.1. Objective: Well planned communities

A well-planned community which minimises its environmental footprint and social costs, while maximising its economic and social well-being

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Promote sustainable development	Ensure sustainability is a feature of strategic planning	Coordinator Strategic Planning and Natural Resources	Sustainability requirements are embedded in plans	Vegetation mapping complete Streetscape improvement programs underway
	Progressive application of the principles of ESD to Council's LEP and related environmental policies	Coordinator Strategic Planning and Natural Resources	Inclusion in revised and new policies	Ongoing
			Standard of development approvals improves and conditions applied reflect ESD principles	No significant change
			Compliance with development standards and conditions of consent	See below
	Vigorous assessment of developments to ensure minimum impacts are achieved on built and natural environment as a result of the development, with special regard to high impact developments such as antimony mining	Coordinator Strategic Planning and Natural Resources  Senior Town Planner  Manager Development & Environment	Monitoring of ongoing compliance conditions	Ongoing
	Develop new urban designs for town centres and villages	Coordinator Strategic Planning and Natural Resources  Senior Town Planner Managers	New urban design for Macksville developed PAMP implemented Streetscape plans for Nambucca and Bowraville implemented Nambucca River Master Plan implemented	Macksville Revitalisation Plan Traffic Study Complete. Stuart's Island Improvements completed
	Manage and regulate impacts of resource development	Coordinator Strategic Planning and Natural Resources  Senior Town Planner	Council adopted position on CSG, Antimony and other resource developments	Water Quality Monitoring to obtain base line data

Reflect the community's desires through appropriate planning instruments such as Local Growth Management Plan, and Local Environmental Plan	Consult with community and key stakeholders and government departments prior to preparation of plans/reports and coordinate their input	General Manager  Coordinator Strategic Planning and Natural Resources AGMs  Managers  Manager Development & Environment	Number and type of consultations held	Engineering Services works in progress. Consultations with various community groups used as input into the asset management plans  Good liaison with government, community & other key stakeholders
	Local Growth Management Plan: Review and prepare new strategies for rural residential land release areas and rural lands in accordance with the Mid North Coast Regional Plan and incorporation into the Local Growth Management Plan	General Manager  Coordinator Strategic Planning and Natural Resources	Number of strategies prepared	Review of residential and rural land release strategies to be completed in house as time permits
	Valla Growth Area Local Environmental Plan (LEP): Review, coordinate and prepare various environmental studies, master plan, local environmental study and development control plan required to undertake the LEP amendment to rezone land identified in the Valla Growth Area	General Manager  Coordinator Strategic Planning and Natural Resources	Level of progress made on LEP development	Completed
	Develop strategies to address impacts of Pacific Highway Upgrade	General Manager  Coordinator Strategic Planning and Natural Resources  Assistant General Managers  Managers	Number of strategies prepared	Consultant to be engaged to determine the impact, cost and condition rating of the assets and being handed to Council from the RMS

Report new information relating to land use constraints to Council and include in planning and development activities	Finalise Climate Change Adaptation Policy following completion of flood studies	General Manager  Coordinator Strategic Planning and Natural Resources	Final policy completed	Flood studies complete; Council adopted flood planning levels modelled with an allowance for Sea Level Rise. Further consideration will be given to the policy on completion of the Flood Risk Management Plan
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## Strategic Direction: Environmental Planning

### 5.2. Objective: Housing

Housing across the Nambucca Valley provides for choice and is affordable

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Provide diverse, sustainable, adaptable and affordable housing options through effective land use planning	Ensure supply of vacant land stocks as per Council's adopted land release strategy for residential and rural residential land	Coordinator Strategic Planning and Natural Resources	There is adequate vacant residential land stock	In 2011/12 there was an estimated 25 years plus of vacant land and 30 years of vacant rural residential land stock

## Strategic Direction: Building Regulation

### 6.1 Objective: Safe Buildings and Pools

Reduce the risk of public injury through ensuring safe standards for buildings and pools are maintained

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Ensure private infrastructure - buildings and pools - are of a safe standard	Undertake building and swimming pool certification	Health and Building Surveyor	Certification is timely and accurate	On-going swimming pool safety/compliance inspections Number of Construction Certificate applications lodged with Council increasing
	Undertake a risk assessment based compliance program for fire safety and backyard pools	Health and Building Surveyor	Number of complying swimming pools following audits	Fire safety addressed as matters arise, Register of essential fire safety certification being developed. See pools above
Promote sustainable building practices including energy and water use efficiency	Information on sustainable building practices made available on Council's website and at Council's enquiry counter	Business Services Unit	Information is made available and updated where required	Website link to Our Living Coast established

## Strategic Direction: Environmental Services and Community Amenities

### 7.1 Objective: Waste Management

Protect the natural environment through ensuring a regular, cost effective and environmentally responsible system for managing solid waste

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Provide operational and environmentally acceptable waste management facility, including collection, weighbridge and landfill cells	Contract for kerbside collection of separated domestic mixed waste, recycling and green waste materials	Waste Management Officer	Annual review of performance	<p>Coffs Coast Waste Service contractors' performance review undertaken in December 2014 in accordance with contract conditions</p> <p>Monthly monitoring undertaken and Council provided with quarterly updates</p> <p>Annual review completed in June. and reported to Council</p> <p>Trial rural waste collection service provided in 2014/15 funded through WASIP, future program in 15/16 financial year is subject to funding</p> <p>Council initiated formation of working group to address future strategic and operational directions</p>
	Provide for management of local Transfer Station at Nambucca Waste Management facility to source separate domestic mixed waste, recycling and green waste	Waste Management Officer	Annual review of performance, and compliance with licences	Review undertaken and completed throughout 2014/15 with transfer station signage being upgraded and colour coded accordingly to enhance waste separation

	Prepare engineering design plans for construction of landfill cells and rehabilitation of completed landfill cells	Waste Management Officer	Plans to be compliant with Environmental Protection Licences	Future cell 4 area designed awaiting EPA approval.  Investigations are ongoing into obtaining additional Forest land to ensure longevity of the waste site
	Undertake ground and surface water monitoring to meet licence conditions	Waste Management Officer	Monthly sampling occurs and annual report meets OEH licence requirements	EPA annual return completed in September 2014 for EPL licence 6268 And March 2015 for EPL licence 11386
	Undertake pollution studies and reduction programs and any necessary infrastructure works to meet licencing conditions	Waste Management Officer	Compliance with Environmental Protection Licences and Landfill Environmental Management Plans	Complied with EPA requirements
Implement waste minimisation strategies, including reduce, reuse, and recycle	Ensure contractor's delivery of yearly education program	Waste Management Officer	Reduced amount of waste directed to land fill	Mixed waste processing plant modifications were implemented in 2012 and processing ongoing. Education through the school system undertaken when requested
	Minimise illegal dumping of waste	Manager Development & Environment  Ranger	Reduced number of complaints	Illegal dumping investigated with follow up action & service of clean up notices Waste clean-up of Forestry trails carried out in conjunction with NSW Forestry Camouflaged cameras to be trialed

## Strategic Direction: Environmental Services and Community Amenities

### 7.2 Objective: Street Cleaning

Provide a level of street cleaning which minimises the creation of litter and the level of contaminants in storm water runoff

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Maintain clean and attractive streets, footpaths and public places	Regularly service street and park litter bins, daily service of public conveniences, and regularly clean commercial areas	Engineering Services	Inspections in March and September show standard is achieved and maintained. Maintenance system records all inspections	Spot inspections undertaken throughout the year and during peak seasons and remedial action taken when required  Street litter bins removed on a rolling program for cleaning at the works depot  Report presented to Council as part of the Infrastructures Organisation review on the street litter bins and levels of service, solar compactor bins installed at high use areas to remove daily collection
	Sweep high profile areas with special vehicle twice this year. Pressure clean public conveniences quarterly	Engineering Services	Sweeping completed in December and May. Supervisor inspections of pressure cleaning show standard maintained	December 2014 and May 2015 programs completed  Report presented to Council as part of the Infrastructures Organisation review on the cleaning of public amenities and levels of service which has reduced the cleaning regime on low use amenities
	Respond to complaints	Engineering Services	Reduced number of complaints	Complaints captured in MERIT and responded to by Supervisors within agreed time parameters Written complaints responded to by Council staff

	Maintain footpaths within CBD areas to a clean and aesthetically pleasing standard	Engineering Services	Pressure cleaning completed in November	2014/15 program completed
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## Strategic Direction: Environmental Services and Community Amenities

### 7.3 Objective: Environmental Protection

Promote the sustainability of the Shire through identification, preservation, protection, restoration and enhancement of the natural environment

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Protect trees from and respond to deliberate damage of trees on public land	Develop public awareness of importance of trees, reward information resulting in conviction and issue fines	General Manager	Media release issued at least once advising of \$5000 reward	Council released a annual media notification to the general public advising of the reward  Vandalism of trees on-going. Media releases on-going including in September 2015.
	Implement strategy to counter tree vandalism	General Manager	Tree damage investigated and responded to, including warning letters or fines	One known occurrences in 2014/15 reported to the Police and investigated, no warning letter or fine issued as culprit not found – a media release was issued seeking information
Implement programs as outlined in the annual State of the Environment Report, Nambucca River Estuary Management Plan, Environmental Levy Program and community environmental programs	Highest priority programs implemented as funding allows	General Manager  Coordinator Strategic Planning and Natural Resources	Number of recommendations implemented as per approved program and budget allocation	Review of Environmental Levy Program completed. Budget for 2015-16 set. Programs ongoing and maximised through grant opportunities. Community to be given opportunity to identify or suggest projects for the future of the Environmental levy

Engage and support the community and organisations in undertaking sustainable natural resource management, including best practice farming and land management	Council staff to assist with Landcare, Dunecare and Wetlandcare projects where possible, as identified throughout the year	Noxious Weeds Officer  Environmental Compliance Officer	Level of in-kind support through advice Level of grant funding received	Works are subject to funding. Ongoing support is provided to Landcare and other similar organisations such as wetland care have been provided when required.  Council endorsed \$10,000 towards to environmental community funds through the environmental levy
	Place relevant information on Council's website and ensure it is regularly updated	Business Support Unit	Information on website	Website content updated
Develop management plans for environmentally sensitive areas	Finalise Coastal Zone Management Plan (CZMP) and implement identified high priority actions where funding is available	General Manager  Coordinator Strategic Planning and Natural Resources	Council endorses final plan. Resources (grants) secured to implement project	CZMP Complete: Beach access improvement program Stage 1 complete Stage 2 underway
Review on-site Sewage Management Plan	Policy Reviewed as required	Manager Development & Environment	Reviewed policy	Policy was reviewed 2013 and adopted due to legislation changes
Prepare State of Environment Report	Conduct public consultation and review plan in context of any changes	General Manager  Coordinator Strategic Planning and Natural Resources	SoE Report placed on Council's website	Commitment to regional SoE report 2016 confirmed May 2013

## Strategic Direction: Environmental Services and Community Amenities

### 7.4 Objective: Biodiversity

The biodiversity of Nambucca Valley's natural areas, including its waterways and bushland are protected and enhanced

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Deliver projects which assist in the protection of biodiversity and the sustainability of our natural areas	Control noxious and other environmental weeds on private land and Council controlled land	Noxious Weeds Officer  Works Crew	Reduction in number of noxious and other environmental weeds in the Shire	Annual program developed with available funding. Grant funding for 2014/15 was received to continue with the noxious weed control on the headlands
	Deliver projects under the Environmental Levy Program which are directly related to biodiversity	General Manager	Number of projects implemented	Saving our Species program for a koala habitat study in progress. Most other Environmental projects include levels of biodiversity management or conservation benefits

### 7.5 Objective: Cemeteries

Maintain Shire cemeteries

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Provide well maintained cemeteries	Prepare a Plan of Management for each of Council's cemeteries	Manager Development & Environment	Plans of Management are implemented	Ongoing
	Respond to complaints	Manager Development & Environment	Reduction in number of complaints	Ongoing

## Strategic Direction: Recreation and Culture

### 8.1 Objective: Cultural Activities

Active support of cultural services, our local heritage and the arts

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Support the coordination of and networking between arts, social and cultural groups, Council and the community	Support for the Regional Arts Development Board	General Manager	Annual contribution is made. Council is a member of Arts Mid North Coast	100% achieved with the contribution paid. A Councillor is member of the Board
	Support community efforts to gain funding for cultural and community events	Manager Community Development	Number of grants received	Small grants received for Seniors Week (\$2,800); Sport and Recreation projects (\$16,700) and Youth Week (\$1,200)
	Support local museums	General Manager	Museums attract new volunteers and visitors, and outside funding	Transfer of Bowraville Folk Museum to Incorporated Association completed. Transfer supported by funding to bring building up to a satisfactory standard.

## Strategic Direction: Recreation and Culture

### 8.2 Objective: Meeting Places

Meeting places provide a way of fostering an inclusive community

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Maintain public buildings where justified by community use	Work with Section 355 committees responsible for buildings to ensure they are being maintained	Technical Officer - Assets	Buildings are maintained to required standard	Annual maintenance budget provided in the management plan and liaison with the committees for ongoing maintenance and minor upgrades and work programmed as necessary

## Strategic Direction: Recreation and Culture

### 8.3 Objective: Recreational Activities

The Nambucca Valley has a variety of safe and well-maintained sporting fields, recreation areas and facilities to meet the recreational need of all age groups in the community

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Ensure all public parks and open spaces are accessible, maintained and managed to meet the needs of residents	Works carried out regularly in existing public parks and open spaces	Engineering Services	Parks maintained at high standard	<p>Council reduced the budget allocation for parks and reserves by \$25k in the 2013/14 and have not increased the funding in the 2014/15 budget.</p> <p>As part of the restructure in Infrastructure Services, maintenance operations were reviewed across the maintenance program to accommodate the available funding.</p> <p>No adverse comments were received on the standard maintained</p>
	Maintain playing surfaces to an acceptable standard by mowing aeration and fertilisation	Engineering Services	Record in Maintenance Management System. Review with relevant Committee of Management	Ongoing, works recorded in the Maintenance Management System
	Implement Alcohol Prohibited Zone in Gordon Park and other parks where alcohol consumption has been identified as an issue	Manager Community Development	Number of signs erected	Consumption of alcohol is prohibited in Gordon, ANZAC and Bellwood Parks together with a number of other smaller locations.
	Playgrounds are maintained in a safe condition and conform to Australian Standards	Engineering Services	Inspections of all playgrounds at least once this year Damaged equipment repaired, closed, removed or replaced	Inspections were undertaken through 2014/15 in accordance with the maintenance risk management program and damaged equipment removed or replaced within available funding

Maintain the Macksville Memorial Aquatic Centre	Continue to manage the contractor in the provision of quality facilities and address infrastructure issues when they arise	Manager Business Development	Facility is maintained at a high standard Number of customer complaints	Pool painted, funding obtain to extend facility as part of the Macksville Fun & Fitness Precinct
Pursue partnerships and opportunities to access additional funding to improve recreational facilities	Funding received via partnerships and grants to improve recreational facilities New projects added to Work Schedule of Community Facilities and Public Open Space Contributions Plan	Grants Officer	Level of grant funding received. Contribution Plan work schedule updated regularly	Augmentation Macksville Skate Park and fun and fitness precinct in progress
Develop new open space in line with adopted development control plans	New parks proceeding as planned in DCPs and contribution plans	General Manager  S.94 Officer  Coordinator Strategic Planning and Natural Resources	Number of new parks	Community facilities and open public space study completed – will provide input to community facilities and open public space review

## Strategic Direction: Transport

### 9.1 Objective: Private Transport Accessibility

Nambucca Valley residents can get to where they need to go in a way that is safe, efficient and affordable

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Continue to work with State and Federal governments toward upgrade of Pacific Highway	Support community consultation activities and help keep the community informed	General Manager  Engineering Services	Updates provided as required	Council negotiating with RMS in relation to handover of existing Pacific Highway. Council has proposed RMS retain responsibility for bridges because of the disproportionate number.
	Provide expertise in the planning and implementation of aspects of the highway development	Engineering Services	Highway development plans reflect local needs	Engineering Services have provided ongoing input to RMS into plans with respect to localised needs and traffic management and have commenced negotiations with respect to the handover of Pacific Highway assets to Council once the bypass has been finalized  A consultant is to be engaged to inspect the condition and value the assets to handed over to Council post by-pass
Maintain the condition of rural road bitumen seal, rural road gravel network and urban streets in accordance with Road Hierarchy policy	Pavements inspected to monitor maintenance requirements	Engineering Services	Programmed and emergency maintenance carried out	Ongoing inspections carried out through 2014/15  Normal maintenance of pavements ongoing  Emergency maintenance undertaken when necessary  MERIT complaints inspected and appropriate action initiated

	Pavements inspected to determine current condition rating in setting forward plans and future financial commitments	Engineering Services	Ratings reviewed in December each year, Forward Plans reviewed by February each year for inclusion in budget	Testing is undertaken on the pavements and is used in the design of forward plans and projects which are included within the Draft Budget  Priorities have continued with Valla and Gumma Roads
	Record completed maintenance works in Maintenance Management System	Engineering Services	Rolling program of traffic counts carried out to provide data on priorities based on vehicle use	Ongoing – traffic counts conducted through the year as required
Construct roads as required	Extension of bitumen road network for sections that have undergone a significant change that warrants expenditure	Engineering Services	Review conducted in February	Council policy is to direct funding towards the rehabilitation of the existing sealed road network  Funding for the extension of the bitumen road network was not provided in 2014/15 budget
Maintain and replace bridges according to Infrastructure Management Plan	Bridge Inspection Program implemented to determine bridge condition and risk rate	Engineering Services	Record in Asset Register	Bridge Inspections were not carried out during 2014/15.  Spot inspections were undertaken as required through 2014/15  Inspections scheduled for the 2015/16 year in accordance with the inspection regime.  Information from the 2013/14 was used to determine the bridge replacement program and program corrected as needed and changes reported to Council for approval



	Inspect poor condition bridges to ensure adequate maintenance	Engineering Services	Record in Asset Register	Ongoing – inspections carried out through the year on bridges identified as poor condition to monitor whether maintenance required
	Inspect bridges with load limits three times this year to ensure safe usage	Engineering Services	Record in Asset Register	Three inspection of the bridges not completed due to staff resources and work priority on the bridge program,  Bridges were monitored when staff in the area
	Inspect bridges after each flood event	Engineering Services	Number of bridges inspected	As required after storm events
Maintain and enhance footpaths and cycle ways in the Nambucca Valley	Implement next stage of cycle way plan if funding is found	Engineering Services	Length of cycle way constructed	Cycle way from Nambucca to Kingsworth Estate completed following a \$650k grant  Council provided an addition \$20k for seed funds to investigate the extension from Kingsworth Estate to Macksville
Make footpaths safe for use by pedestrians	Annual inspection of 100% of footpath network	Engineering Services	Length of footpath network inspected	Inspections completed as part of Councils risk management
	Develop list of reconstruction priorities	Engineering Services	Reconstruction priorities identified	Reconstruction priorities identified from annual inspections based on the risk rating and a program developed to match available funds
	Implement maintenance program to address damaged section and trips	Engineering Services	Number of damaged sections and trips fixed	Work program generated from "Reflect" and to available funding following the footpath inspections and rating of the risk
	Conduct emergency repairs	Engineering Services	Inspect within 24 hours of complaint	Inspections of hazards are undertaken as soon as the hazard is reported to Council

Provide new footpaths in high use areas	Construct footpaths as identified	Engineering Services	List projects completed quarterly	Footpath at Valla linking from the shop complex to the Pre- school constructed in 2014/15
Provide car parking spaces	Ensure new developments provide for required number of car spaces as per Council's off-street parking code	Senior Town Planner	Car park space numbers are greater than or equal to Council's off-street parking code	All applicants have met the onsite parking requirements
	Review parking in CBD areas in context of S94 plan review	S.94 Officer	Parking needs in CBD are assessed; S.94 plans reviewed	S94A Plan (flat rate contribution on new development) now in place. S94 Plan for parking is repealed.
Maintain car parks	Provide biennial remarking of lines and regular intermediate inspections	Engineering Services	Length of lines remarked	Nil remarking of lines undertaken this year  Remarking only undertaken at new works locations
	Repair bitumen surface	Engineering Services	Pothole patch at least quarterly	Ongoing throughout the year
	Maintain landscape by weeding and replanting as necessary	Engineering Services	Conducted twice a year by September and March	Ongoing throughout the year

## Strategic Direction: Transport

### 9.2 Objective: Public Transport

Be involved, to the extent possible, in the maintenance and improvement of existing public transport services provided by private bus companies, community transport and the north coast rail line

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Lobby for the provision of public transport options for people who do not have access to private transport	Continue the work of the Shire's Access Committee	Manager Community Development	Number of meetings conducted. Reduction in number of complaints received about public transport	Ten (10) monthly meetings were conducted during the reporting period
Install bus shelters at all locations where minimum number of commuters is 10	Conduct annual review based on statistics from bus operators	Engineering Services	Minimum of one new shelter provided or upgraded if required	New shelter installed at the new residential estate area in Macksville  Ongoing maintenance undertake throughout 2014/15 on existing shelters

## Strategic Direction: Dynamic, Resilient Local Economy

### 10.1 Objective: Economic Activity

The Nambucca Valley has a strong economy, with a thriving and diverse business community

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Foster local development opportunities and economic self-sufficiency through promotion, lobbying and direct action	Seek out and attend to all new business and investment enquiries	Manager Business Development	Number of enquiries responded to. Deliver a regional FINA accredited swimming facility to attract major swim events to the shire. Deliver a government funded via grants effluent system to the sale yards. Facilitate the expansion of business to build new Pacific Highway	New RMS Service Center at Cow Creek. Develop the Macksville memorial aquatic centre into a regional swimming facility new FINA blocks and starting system now 8 lanes, painting of facility. Establishment of Norco distribution facility, RCA civil contractors, Master Hire, BDS precision placements, Mitchbrooke Masons, Crackerjack cleaning, DSK Media
	Provide business and marketing information to all new business and investment enquiries	Manager Business Development	Database of economic information and development opportunities on Council website. Production and availability of brochures, kits and promotional materials	Developed new social media marketing material including investment attraction material data, skills attraction. Ongoing
	Liaise with local business and State and Federal government departments concerned with industrial and regional development	General Manager  Manager Business Development	Regular meetings with local businesses. Regular meetings with relevant State and Federal departments	Australian Precast solution / Boral concrete Established CIVMEC pre cast yard-Macksville Pacifica precast yard Old Cost Road
	Participate in local and regional marketing events and promotions, including regional tourism promotions and events	Manager Business Development	Attendance/participation at events	Ongoing – Focus on regional – Regional Food Network – RDA Board

	Facilitate the adequate supply and take-up of land for new business development	Manager Business Development	Supply and take-up of zoned land for development	Industrial land, Nambucca civil construction completed. Land for developing industrial subdivision in the Valla Urban Growth area purchased (Cow Creek)
	Apply for and secure grant funding from State and Federal government agencies for project development within the Shire	Grants & Contributions Officer  Manager Business Development	Number of successful grants Amount of funding received	Funding for express coach coaches business expansion \$150,000 and Gumma Reserve-funding acquitted. Funding application for Cow Creek application pending
Foster local development opportunities and economic self-sufficiency through promotion, lobbying and direct action (continued)	Skill up community organisations through workshops/seminars to apply for available grant funding from government agencies	Grants & Contributions Officer	Number of participating organisations in workshops	Assistance provided one-on-one in relation to specific applications
	Report to Council on development proposals for Council-owned land	Manager Business Development		Sold Lot 11 & 12 Nambucca Industrial Estate 5 Lots ready for sale
	Ensure the services of the Visitor Information Centre are well-utilised through training volunteers and developing promotional materials	Manager Community Development	Updated displays and brochures Bookeasy system is used Famils conducted Guides and marketing material current	Training for volunteers in EFTPOS; Sales and Administration; Impart Media; and Book Easy was held.
	Redevelopment of Gumma Reserve	Manager Business Development	Upgrade facilities, amenities	Increased visitation, more to contractor services, increase income and reduced overheads

## Strategic Direction: Dynamic, Resilient Local Economy

### 10.2 Objective: Employment

Nambucca Valley residents have increased opportunities for employment

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Foster local employment opportunities, reducing the unemployment rate in the Nambucca Valley	Promote the availability and benefits of providing apprenticeships and traineeships, to industries, businesses and schools	Manager Business Development	Trainee staffing maintained Increase in number of trainees	Tendering workshops at 3 levels – national regional and local-particular focus on highway extension work
	Maintain links with the State and Federal agencies and non-government agencies with a role in employment and economic development	Manager Business Development	Industry outcomes	Trade and Investment, Industry Mid North Coast, Manufacture Coffs Coast. NSW Business Chamber, Industry Mid North Coast.

## Strategic Direction: Dynamic, Resilient Local Economy

### 10.3 Objective: Income and Wealth

Our residents have access to an improved standard of living

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Assist people to improve their standard of living through the support of programs	Conduct regular meetings with existing businesses to disseminate information and build networks	Manager Business Development	Regular meetings are held	Maintained all existing networks

## Strategic Direction: Dynamic, Resilient Local Economy

### 10.4 Objective: Skills Development

Residents of the Nambucca Valley have access to a range of opportunities to improve skills which will enable them to participate in the local economy

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Increase opportunities for and participation in school and post school education and training	Lobby for and support the establishment of education and training facilities and initiatives	General Manager  Manager Business Development	Number of letters written and meetings attended	DEEWR, RDA, Industry Mid North Coast, Aged Care, tourism, CSU, SCU, Catholic Church, Uniting Church
	Promote the availability and benefits of providing apprenticeships and traineeships, to industries, businesses and schools	Manager Business Development	Trainee staffing maintained. Increase in number of trainees	New trade training allowance, local Skills Expo with Industry - ongoing

## Strategic Direction: A Sustainable Water Cycle

### 11.1 Objective: Water Management

Ensure the water resources of the Nambucca Valley are used sustainably, meeting current and future demand

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Provide a water supply that meets Government standards, through continued implementation of the integrated water cycle management strategy for water supply	Let tender for construction of proposed Off River Storage project, subject to State funding being received	Manager Water and Sewerage	Successful tender is awarded and project began	Tender awarded by Council for two contracts in August 2012 and project completed in October 2014. Project totals \$54M with Federal and State Governments contributing \$24.8M
	Refurbish existing older concrete reservoirs	Manager Water and Sewerage	Improved water quality and safer working conditions for maintenance workers	Ongoing removal of redundant rusted fixtures and replacement of internal steel ladders with FRP ladders
	Continue replacement of remaining asbestos cement pipework in reticulation system	Manager Water and Sewerage	Amount of asbestos cement pipe removed	Program for ongoing replacement of older mains focused on AC pipe with known record of breakages as funds permit
	Renewal of fluoridation and chlorination plants	Manager Water and Sewerage	Water treatment to required standard	Sodium hypochlorite dosing pumps upgraded with duty/standby system. Fluoride plant upgraded to latest technology with subsidy from NSW Health. Plant installed
	Regular maintenance and improvements to the system	Manager Water and Sewerage	Meeting maintenance standards	Installation of pressure reduction valves to reduce leakage and number of breakages
	Timely responses to emergencies	Manager Water and Sewerage	Time taken to respond	Staff respond within two (2) hours



## Strategic Direction: A Sustainable Water Cycle

### 11.2 Objective: Sewerage Services

Ensure the capacity of Nambucca Valley's sewerage services meet population growth and community expectations for improved effluent quality

Four Year Delivery Objective	Operational Plan Actions	Lead responsibility	Annual Success Measures	Achievement
Provide a water and sewerage supply which meets Government standards through implementation of the integrated water cycle management strategy for sewage collection and treatment	Completion of Nambucca Heads Sewerage Augmentation project	Manager Water and Sewerage	Improved quality of treated sewage at Nambucca Heads	Plant upgrade completed in 2012 and responsibility for operation & maintenance of plant with Council. Some issues with phosphorous levels but recent effluent results are meeting all license requirements
	Construction of sewerage pump stations at South Macksville urban release area	Manager Water and Sewerage	Improved sewerage infrastructure	Pump stations installed following extension of the residential subdivision
	Ongoing sewage pump replacements and mains replacement/rehabilitation works	Manager Water and Sewerage	Improved sewerage infrastructure	Ongoing replacement of pumps as required as well as general improvements including new pumps station lids
	CCTV investigation of existing sewerage pipe network	Manager Water and Sewerage	Completion of project enables Council to determine where rehabilitation works are required and to develop works program	CCTV investigations completed and a works program developed for rectification works. Cross connections of stormwater drainage to sewer have been identified through testing and ratepayers requested to implement remedial action
	Effective treatment and maintenance of the system	Manager Water and Sewerage	100% compliance with EPA requirements and licence conditions	Council carries out monitoring program in accordance with EPA requirement. Target of 100% compliance has not yet been reached.
	Timely response to emergencies	Manager Water and Sewerage	Staff arrive within 2 hours	All surcharge incidents are responded to in a timely manner

## Report on Condition of Public Works

### PUBLIC ORDER AND SAFETY

#### Report on Bush Fire Stations

There are 16 brigade stations within the Nambucca Shire Council; some of these stations coexist on land shared with other facilities such as a community hall and other are sited on their own land.

Council, as the landlord, funds maintenance to buildings in addition to the Rural Fire Service maintenance program.

SITE	CONDITION AT END OF JUNE 2015	ESTIMATED COST TO BRING UP TO SATISFACTORY STANDARD	ESTIMATED COST TO MAINTAIN STANDARD	MAINTENANCE PROGRAM 2015
Buildings	Satisfactory, allowing for deterioration	\$30,000	\$18,000	\$18,000
Land	Satisfactory	\$0	\$0	\$0

### PUBLIC AMENITIES

#### Community Amenity - Waste Management

The Waste Management Facility located on Old Coast Road Nambucca Heads consists of the old and new landfill sites. Assets on the old landfill are limited to the gatehouse building, weighbridge, transfer station, large machinery shed, old site shed and the land. The new landfill is limited to the land only.

The old site ceased landfilling in January 2002 and has since been rehabilitated; however, ongoing groundwater monitoring is required as per the environment protection licence held with the Environment Protection Authority (EPA). The new landfill is immediately to the north with access via the gatehouse and weighbridge on the old landfill. An environment protection licence is also held with EPA for the new landfill with ongoing monitoring and sampling a requirement.

Approval was granted by the EPA in November 2011 to allow the integration of biomass material into the final revegetation layer of cell 2. Conditions placed on Council were that the biomass material be mixed 50/50 with existing phyllite materials excavated onsite with the capping layer having a depth of 0.6m and cove red with a 0.1m of topsoil.

With the modification and the upgrade to the biomass facility now complete and the biomass product fit for market, additional capping materials have been sourced from the future cell 4 area of the Nambucca Waste Facility to complete the revegetation layer of cell 2 in accordance with the EPA approved capping design. Capping works have now been completed with documentation to be forwarded to the EPA for final approval prior to being signed off.

Annual fees include calibration and maintenance of the weighbridge, general site maintenance and the payment of the environmental protection licences.

An integral aspect of Nambucca Shire Council's long-term planning strategy is the provision of future waste management facilities within the shire. The most appropriate site identified to date by Council has been the existing State Forestry land immediately adjoining the western boundary of the existing Nambucca Waste Management Facility Council engaged Enginuity Design Pty Ltd to undertake a preliminary assessment on this site so as ascertain whether there were any obvious significant environmental or engineering constraints which could limit or prevent the potential development of the site as a waste management facility. The primary objective of the assessment was to ensure Council did not inadvertently purchase a site which could be potentially unsuitable for future waste management activities.

Based on the design methodology and assumptions, the indicative landfill extension could yield 3,200,000m<sup>3</sup> of landfill space

SITE	CONDITION AT END OF JUNE 2015	ESTIMATED COST TO BRING UP TO SATISFACTORY STANDARD	ESTIMATED COST TO MAINTAIN STANDARD	MAINTENANCE PROGRAM 2014/2015
Gatehouse/Weighbridge	Satisfactory	\$0	\$25,400	\$25,400
Environmental Licence	Satisfactory	\$0	\$4,500	\$4,500
Land/General Maintenance	Satisfactory	\$0	\$35,400	\$35,400

### Public Buildings/Facilities

Public buildings are used for a wide range of activities from administration to recreation.

Buildings and facilities include club-houses, park amenities, playground equipment, tennis courts, shelters, seating, etc. Maintenance of recreation and cultural facilities is shared between Council and the individual Committees of Management.

Work this year has included fire safety compliance works at where necessary and general maintenance activities at buildings managed by Council. Minor upgrade works were completed at a number of public amenities.

All new work on kindergarten/preschool buildings is compliant with current standards but there are no plans progressively upgrade older facilities.

SITE	CONDITION AT END OF JUNE 2015	ESTIMATED COST TO BRING UP TO SATISFACTORY STANDARD	ESTIMATED COST TO MAINTAIN STANDARD	MAINTENANCE PROGRAM 2014/2015
<b>Council Offices</b>	Satisfactory	\$390,000	\$20,000	\$20,000
<b>Council Works Depot</b>	Satisfactory	\$180,000	\$10,000	\$10,000
<b>Public Halls/Community Centres</b>	Satisfactory	\$0	\$42,800	\$42,800
<b>Museums</b>	Satisfactory	\$27,000	\$5,000	\$5,000
<b>Library</b>	Satisfactory	\$0	\$63,000	\$63,000
<b>Kindergarten/Pre-School</b>	Satisfactory	\$0	\$10,000	\$10,000
<b>Swimming Pool Building</b>	Satisfactory	\$0	\$20,000	\$20,000
<b>Amenities/Toilets</b>	Satisfactory	\$312,000	\$40,000	\$40,000

## TRANSPORT AND COMMUNICATIONS

### Report on Off-Street Carparks

Council has several off-street carparks located in throughout the Shire, principally in the main urban areas of Macksville, Nambucca Heads and Bowraville.

Carparks such as Fletcher Street, Nambucca Heads, are considered "on-street" and part of the road, hence they are not included in this section.

Generally the carparks are in good condition and expenditure is limited to minor maintenance activities.

A program has been developed to progressively upgrade the off street car parks as fund permits.

SITE	CONDITION AT END OF JUNE 2015	ESTIMATED COST TO BRING UP TO SATISFACTORY STANDARD	ESTIMATED COST TO MAINTAIN STANDARD	MAINTENANCE PROGRAM 2014/2015
Macksville	Good	\$0	\$2,000	\$2,000
Nambucca Heads	Good	\$0	\$3,000	\$3,000

### Bridges

At the beginning of the 2014/15 financial year there were 33 bridges listed in Council's Asset Management Plan that were classified in Condition 4 (poor condition requiring close monitoring) and 7 bridges classified in Condition 5 (very poor – failure imminent).

The level of service to be provided at Weekes Bridge was an ongoing issue which delayed construction into the 2014/15 financial year in which a single lane bridge was adopted by Council.

An asset condition inspection program during the year resulted in the bridge replacement program being amended in accordance with the latest condition ratings of the timber bridges.

CONDITION AT END OF JUNE 2014	ESTIMATED COST TO BRING UP TO SATISFACTORY STANDARD	ESTIMATED COST TO MAINTAIN STANDARD	MAINTENANCE PROGRAM 2014/2015
Concrete - good Timber - replacement and major repairs required	\$2,556,000	\$307,000	\$307,000

### Roads - General

Council continued restoration of damage caused by natural disaster events in 2011, 2012, 2013 and 2014. These works predominantly evolved around substantial landslips and are to be finalised with the 2014/2015 financial year.

### Urban

Council is responsible for maintenance of 105km of sealed urban streets. An annual rehabilitation program has resulted in a significant reduction in maintenance costs in the towns. The urban street network is generally in satisfactory condition, however there are an increasing number of kerbside pavement failures which require major patching or refurbishment. The asphaltting program has continued through the 2014/2015 financial year addressing the aging pavements. Council undertook a substantial crack sealing program to stop the ingress of water into the sub pavement.

A severe weather event in February 2013 caused a significant landslip on Lower Parkes Street, Nambucca Heads resulting in damage to property on Wellington Drive. Natural Disaster funding was provided in mid-2014 and following the calling of tenders a contract was let in April 2014 to undertake the remediation was completed in September 2014. The same storm event also resulted in the access road to Shelly Beach being closed being substantially effected from land slippage and a closure procedure introduced for severe wet weather to mitigate Council exposure to risk.

Council received a commitment for \$5million funding for the remediation work on along Riverside Drive Nambucca Heads which is classified as a Regional Road (being the former Pacific Highway) Work was well progressed at June 2015.

## Rural - Sealed

Council is responsible for maintenance of 250km of sealed rural roads.

With time and use the wearing surface of a sealed road (the aggregate surface) deteriorates losing its non-slip qualities and cracks and potholes appear allowing water to enter into the subgrade resulting in failures. Council has implemented various treatments for the repair of failures or heavy patching across the sealed road network. These techniques vary according to the location and nature of the failure, however a focus on targeted heavy patching repairs has seen many of the worst isolated failures on Council's major roads addressed.

Council's works program for this year was divided between rehabilitating town streets and sections of Upper Worrall Creek Road, Valla Road and Rodeo Drive.

## Rural - Unsealed

Council is responsible for maintenance of 345km of unsealed rural roads. Once again the roads were subject to major flood damage and significant restoration work was required through 2014/2015.

Council changed its work practices for maintenance grading and the use of a water cart and roller has meant that maintenance is no longer restricted by the available of natural moisture in the pavement.

This was undertaken in addition to a program of regular grading and gravel re-sheeting works.

ROADS	CONDITION AT END OF JUNE 2015	ESTIMATED COST TO BRING UP TO SATISFACTORY STANDARD	ESTIMATED COST TO MAINTAIN STANDARD	MAINTENANCE PROGRAM 2014/2015
Sealed Roads	Satisfactory	\$6,468,000	\$1,832,000	\$1,832,000
Unsealed Roads	Satisfactory	\$73,000	\$889,000	\$889,000

## Drainage (Urban and Rural)

Above ground improvements have been occurring with replacement of older damaged and inefficient lintels and grates through normal maintenance. Underground pipes are mostly within their useful life and in reasonable condition therefore are not seen as a problem at this stage.

The condition of the system must be continually monitored and Council has recognised that due to the nature of underground assets the refurbishment and replacement costs will be significant.

SITE	CONDITION AT END OF JUNE 2015	ESTIMATED COST TO BRING UP TO SATISFACTORY STANDARD	ESTIMATED COST TO MAINTAIN STANDARD	MAINTENANCE PROGRAM 2014/2015
Stormwater Drainage System	Satisfactory	\$0	\$116,000	\$112,000

## Reserves

General maintenance including slashing and repair of infrastructure was undertaken in 2014/2015. Work for the Dole teams were used to augment the regular maintenance program.

## Water Supply

The main focus for water supply was the capital works on the Off River Storage Project. In August 2012 Council entered into contracts with Haslin Constructions Pty Ltd and Ledonne Constructions Pty Ltd for the construction of the dam as well as associated work including the provision of a new pumping station and transfer main to pump water from the existing borefield and headworks borefield to the storage dam.

The \$36m construction cost was met by the State Government (\$14.8m), the Federal Government (\$9m) and ratepayers (\$12.2m). Total cost of the project was \$54m.

Besides securing the Shire's potable water supply for decades to come, the dam will have very significant environmental benefits for the Nambucca River. Currently there is no limit on the amount of water extraction which Council can take from the borefield other than an annual total limit of 3,100ML. In periods of extended drought when the environmental flows in the river are at their most critical, the Council has had to continue pumping to meet demand.

The dam will provide the natural environment with the opportunity for a minimum environmental flow during extended periods of drought. Flow extraction rules have been developed to provide low flow protection. During these periods the Council will not be pumping water from the river and will instead use the water supply in the dam.

The project reached practical completion in September 2014.

SITE	CONDITION AT END JUNE 2015	ESTIMATED COST TO BRING UP TO SATISFACTORY CONDITION	ESTIMATED COST TO MAINTAIN STANDARD	MAINTENANCE PROGRAM 2014/2015
Shire-wide	Some upgrading and replacement works required - generally satisfactory.	\$1,442,000	\$134,000	\$357,000

## Sewerage Services

Normal maintenance works and minor rehabilitation works were undertaken throughout the Shire Sewerage Network.

SITE	CONDITION AT END JUNE 2015	ESTIMATED COST TO BRING UP TO SATISFACTORY CONDITION	ESTIMATED COST TO MAINTAIN STANDARD	MAINTENANCE PROGRAM 2014/2015
Urban Areas	Systems generally satisfactory with some upgrading necessary	\$30,000	\$100,000	\$709,000

## Governance Matters

### SUMMARY OF LEGAL PROCEEDINGS DURING 2014/2015

During 2014/2015 Council finalised proceedings in relation to the Nambucca Heads Skate Park.

#### Defence of Claim by Community Housing Limited

Community Housing Limited sought exemption from rates on properties it controls for the purpose of providing housing for disadvantaged people in the community. The application was made on the basis that Community Housing Ltd is a public charity and public benevolent institution and entitled to the exemption under s556(1)(h) of the Local Government Act 1993 (LGA).

Having been initially refused an exemption Community Housing Limited took action in the Land and Environment Court seeking to have the exemption upheld. Nambucca Shire was co-respondent along with Clarence Valley Council, Parramatta City Council, Port Macquarie Hastings Council, Gosford City Council and Coffs Harbour City Council. The Marsden Law Group acted as solicitors for the all Councils.

The case was heard 26 June 2014 and the decision was given 22 December 2014. The Court dismissed the proceedings and ordered Community Housing Limited to pay costs. The judgement found that Community Housing Limited is not a public charity or public benevolent institution as referred to in the LGA. Community Housing Limited has appealed the decision.

Council holds Public Liability and Professional Indemnity insurance policies to provide indemnity in respect to claims against Council for personal injury, property damage, products and errors or omissions as a result of Council carrying out its business as a Local Government Authority.

The Policy deductible (excess) for 2014/2015 was \$12,500 and Council received various claims against the Insurance Policies.

### OVERSEAS VISITS

No overseas visits were made by any Councillors during 2014/2015.

## Councillors' Professional Development

COUNCILLOR	TRAINING	DATES	COST (\$)	LEDGER NO
HOBAN, R	Chairing Effective Meetings – MIDROC PM-H Council	7/4/2015	\$200.00	1028.172.644
AINSWORTH, J	LG NSW Annual Conference (Coffs Harbour)	20-21/10/2014	\$880.00	1018.172.644
BALLANGARRY OAM, M	Aboriginal Local Government Network Conference 2014 in Narrandera (did not attend conference)	10-12/09/2014	\$669.50	1030.172.644
FINLAYSON, B	Nil			
FLACK, P	Nil			
MACDONALD, K	Nil			
MORRISON, B	Nil			
SMYTH, A	Nil			
SOUTH, E	Nil			

## Councillors' Expenses

• Mayoral fee	\$23,440.00
• Councillors fees	\$95,927.76
• Councillors mileage	\$ 3,283.96
• Accommodation	\$ 443.64
• Catering	\$ 7,310.81
• Mayor Vehicle	\$18,204.00
• Conferences	\$ 1,610.46
• Internet	\$ 1,344.84

## Senior Staff

Total remuneration paid to senior staff during 2014/2015 was:

General Manager	\$214,446
Assistant General Manager Engineering Services	\$177,515
Assistant General Manager Corporate Services	\$166,305



**Contracts Awarded during the year in Excess of \$150,000**

NAME OF CONTRACTOR	DESCRIPTION OF GOODS	TOTAL PAYABLE
Sporting Services (Const) P/L t/as Pan Civil	Landslip Remediation Taylors Arm Road	\$2,974,290.00
J Blackwood & Son Ltd HJD Industries Pty Ltd trading as Jaybro Civil Safety Products	Supply general hardware products	\$70,000 P/A X 3 years
Barrier signs P/L - Denorth P/L as the single source of Sign-Flex Polycarbonate Signage	Supply of road signage	\$45,000 P/A X 3 years
Australian Environmental Services	Mowing and Slashing of rural sealed roadsides	Dependent on requirements – there is reasonable expectation total contract payments will exceed \$150,000
Earth TEC Pty Ltd	Construction of landslip stabilisation Riverside Drive below Foreshore Close, Nambucca Heads	\$668,500
Sporting Services (Const.) Pty Ltd t/as Pan Civil	Road slip Taylors Arm Road	\$2,974,290
The Rix Group P/L	Construction of landslip, remediation, Rodeo Drive Wirrimbi	\$386,028
Precision Skate Parks Pty Ltd	Construction of a Skate Park	\$257,075
Commercial Project Group Pty Ltd	Construction of a recreational room at Macksville Aquatic Centre	\$477,829
Alan Kneale Electrical Pty Ltd	Construction of sport lighting at Macksville Park	\$239,371

**Bush Fire Hazard Reduction Activities**

Council undertakes hazard reduction works in the urban areas twice a year. This involves expenditure up to \$20,000 with most of the work being on Crown Land.

The works are programmed for September/October and again in February/March. Such work is generally slashing of the ground cover to reduce the fuel load. Occasionally it is necessary to remove tree branches to ensure minimum clearances are maintained.

The sites regularly maintained are:

**Valla Beach**

- Environment Park
- Lions Park
- Ocean View Drive

**Hyland Park**

- Eastern side of Banyandah Road

**Macksville**

- Industrial Estate

**Eungai Creek**

- Hazel Lane

**Nambucca Heads**

- Industrial Estate
- Glen Sheather
- Palmer Street
- Forest Road
- Merry Park
- Rock Street
- Loftus Street
- Short Street Reserve
- Lee/Short Streets
- Eichman Street
- Small/Lackey Streets
- Nambucca Holiday Park boundary
- Headland
- Pacific Street and drain
- Pilot Street
- Off Newry Street
- Reedy Street Reserve
- Bank Street near Pre-School
- Marshall Way
- Bellwood Road
- Myall St Reserve

During the year Council works with the Rural Fire Service to review the adequacy of the existing fire buffers for width, re-growth and compliance with standards.

Council completed an Asset Protection Zone (APZ) in Bellwood Road, Nambucca Heads and Dolphin Parade Valla Beach, to protect residential housing.

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**Access and Equity Activity Report**

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**ACCESS AND EQUITY ACTIVITIES AND INITIATIVES ASSIST COUNCIL TO:**

- *Promote fairness in the distribution of resources, particularly to those most in need*
- *Recognise and promote people's rights and improve the accountability of decision makers*
- *Ensure that people have fairer access to the economic resources and services essential to meeting their basic needs and improving their quality of life and*
- *Give people better opportunities for genuine participation and consultation about decisions affecting their lives.*

Council's Annual Report contains information at various points regarding Council's achievements and future plans which promote access and equity. The reader is directed to the service delivery achievements with further information being found in sections on Human Resource Activities, Equal Employment Opportunities and Section 355 Committees of Management.

## NAMBUCCA SHIRE POPULATION BY AGE BY SEX (ALL PERSONS) - 2012

Age	Male	Female	Total	Prop %
0-4	521	523	1,044	5.6
5-9	568	535	1,103	5.9
10-14	596	577	1,173	6.3
15-19	590	516	1,106	5.9
20-24	338	315	653	3.5
25-29	314	341	655	3.5
30-34	304	332	636	3.4
35-39	414	499	913	4.9
40-44	432	526	958	5.1
45-49	579	650	1,229	6.6
50-54	729	839	1,568	8.4
55-59	767	740	1,507	8.1
60-64	773	773	1,546	8.3
65-69	677	678	1,355	7.3
70-74	556	535	1,091	5.8
75-79	393	426	819	4.4
80-84	277	382	659	3.5
85-89	200	262	462	2.5
90-94	60	73	133	7.1
95-99	4	25	29	1.6
100 and over	0	3	3	0.02
<b>Total</b>	<b>9,092</b>	<b>9,550</b>	<b>18,642</b>	

**Provide for the Needs of Children/Young People/Women/Older People/People with Disabilities**

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**ACHIEVEMENTS IN CHILDREN'S SERVICES**

- Provision of facilities for the operation of the Pre-Schools at Valla Beach and Eungai Creek
- Dissemination of information to children's services and local voluntary organisations
- Annual revision and production of the Nambucca Valley Children's Services brochure
- Provision and regular inspection of children's play equipment; including a renewal program
- Weekly story-telling program at libraries
- National Simultaneous Story-time at Macksville and Nambucca Heads Libraries May 2015
- Themed activities for children during Children's Book Week at libraries
- Summer Reading Club held at libraries.

**ACHIEVEMENTS FOR YOUNG PEOPLE**

- Support for youth clubs in Council buildings as a part of Section 355 Committees.
- Outreach services to young people via local high schools.
- Employment of two Community Development who work with youth to co-ordinate and participate in community development.
- Co-ordination and funding of the Responsible Educated New Tenant program for young people on how to gain accommodation and increase knowledge of rights and responsibilities of renting.
- Council hosts a Chill Out space at the local Show where young people can take time out, participate in quieter activities and get support if needed.
- Offered a range of school holiday activities which are fun but skills based eg Surf School, Public Transport project.

**ACHIEVEMENTS IN SERVICES FOR OLDER PEOPLE**

- Conduct of activities and provision of funding for Seniors Week including an intergenerational event at Macksville.
- Provision of Senior Citizen's Centres at Macksville and Nambucca Heads.
- Provision of a kerb-side waste pickup service for older people and people with disabilities.
- Operated Broadband for Seniors Internet Kiosk at Nambucca Heads Library, including tutorial sessions.
- Significant expansion to large print and audio book collections in libraries.

**SERVICES FOR PEOPLE WITH DISABILITIES**

- Support for Access Committee – administration, venue, financial.
- Participation in forums to plan for and meet the future needs of people with disabilities.
- Provision of information regarding services for people with disabilities; including services available to visitors and tourists.
- Celebrated International Day of People with a Disability (3 December) with the launch of pool hoist at Macksville Memorial Aquatic Centre.

## Cultural Services

### ACHIEVEMENTS IN ABORIGINAL SERVICES

- Provision of support for NAIDOC Week
- Conducted education and recreation programs for young Aboriginal people
- Elders and Councillor Morning Tea to promote co-operation, good will and good fellowship
- Forum for Aboriginal community and Council – key priorities and the way forward discussed
- Partnership with Macksville Central School, Indigenous Surfing Australia and Trent Munro Surf Academy – encouraging school participation through the program which included introduction to surf awareness, CPR and life saving for indigenous students

Aboriginal and Torres Strait Islander Peoples

Year	Male	Female	Total	Proportion of Total Population %
1991	278	289	567	3.4
1996	394	390	784	4.5
2001	463	491	954	5.4
2006	489	536	1,025	5.7
2011	661	698	1,359	7.3

## Services/Access to Services for People with Diverse Cultural and Linguistic Backgrounds

### ACHIEVEMENTS IN MULTICULTURAL SERVICES

Nambucca Shire has a very small and diverse population of people with a non-English speaking background. This makes specific programs difficult to deliver so a more generalist approach is used.

- Provision of statistics regarding local ethnic groups to assist in provision of programs and in securing grants
- Donations to festivals and cultural groups
- Facilitation of loans of material from State Library Multicultural Services.

## Private Works

Council sets hourly rates for the private hire of plant and equipment. This is done in conjunction with the adoption of the Management Plan. These rates are in the 2014/2015 Fees and Charges booklet and are used for all private works. No subsidised works have been undertaken.

**Grants Under Section 356**

Council made the following **donations** during 2014/2015.

ORGANISATION	\$ DONATION 2014/15
Frank Partridge Military Museum	\$500.00
Nambucca Entertainment Centre	\$1,275.00
Nambucca District Historical Society	\$1,000.00
Nambucca Heads Lions Club	\$1,000.00
NSW Marine Rescue – Nambucca	\$2,000.00
Nambucca District Band	\$2,000.00
Scotts Head Sports Field Committee (s.355)	\$1,000.00
Mary Boulton Pioneer Cottage	\$2,775.00
Nambucca Valley Craft and Art - Photocopying	Nil charge
Shire Schools 7 @ \$50 (no application req.)	\$350.00
North Coast TAFE, Macksville (no application required)	\$100.00
Jamie Bekis – Representative sporting tour	\$500.00
Bowraville Arts Council	\$5,000.00
Taylors Arm Sports Reserve Committee of Management (s355)	\$1,036.36
Macksville Gift Committee of Management (s355)	\$500.00
Frank Partridge Military Museum	\$2,000.00
Miscellaneous donations under Section 356	\$1,813.40
<b>TOTAL</b>	<b>\$22,849.76</b>

## Human Resources Activities

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### WORKFORCE PROFILE

As at 30 June 2015, Council had 113.94 full time equivalent employees.

### RECRUITMENT

During 2014-2015, Council recruited the following positions:

Manager Infrastructure Services  
Business Services Officer  
Community Development Officer  
Plumber  
Ranger  
Creditors Clerk  
Water and Sewerage Coordinator  
Area Health and Building Surveyor  
Finance Assistant  
Sewer Attendant/Relief Operator

All positions were advertised externally in accordance with Council's Recruitment Policy.

### EMPLOYEE RELATIONS

Council's Consultative Committee continued to provide an effective forum for consultation between Council and its employees on issues related to workplace reform, including organisation restructure. Five (5) meetings were held throughout the year.

A number of on-site visits by the local USU organiser, provided opportunities for workplace issues to be discussed and any potential disputes to be resolved.

### TRAINING AND DEVELOPMENT

Training was undertaken to reflect current and future skills requirements of employees in a diverse range of areas including statutory Occupational Health and Safety training.

In addition, Council continued to support employees undertaking various TAFE and University qualification through its Educational Assistance Policy.

### ORGANISATIONAL CHANGE

Council implemented several changes to the organisational structure; following consultation with staff, management and elected representatives. Significant changes were made to the Infrastructure Services section.

### WORK HEALTH AND SAFETY

During 2014-2015, the following initiatives were undertaken:

- Skin Cancer screening program
- Influenza vaccinations
- Building Personal Resilience Workshops
- Continued revision and development of the following WHS documentation:
  - Safe Work Method Statements
  - Standard Operating Procedures
  - Safety Management Plans
  - Emergency Procedures Manuals
  - Hazard Identification Sheets
- Development and revision of on-site WHS documents
- New employee inductions as required

- Monitoring of industry Drug and Alcohol Policy and procedures
- External audit of WHS system
- Continued development of hazardous substances management system (ChemWatch)
- Continued participation in the Mid North Coast Group of Councils Safety Group which includes WH&S benchmarking
- Implementation of WHS Action Plan and reporting to MANEX
- Continued work site auditing
- Re-establishment of the Workplace Health and Safety Committee



**Section 355 Committee of Management**

BODY	FUNCTION
Argents Hill Hall Committee of Management	Care, control and management of Argents Hill Hall
E J Biffin Playing Fields Committee of Management	Care, control and management of E J Biffin Playing Fields
Bowraville Sports Ground Committee of Management	Care, control and management of Bowraville Sportsground
Burrapine Public Hall Committee of Management	Care, control and management of Burrapine Public Hall
Coronation Park Committee of Management	Care, control and management of Coronation Park
Crosswinds Wetland Nature Reserve Committee of Management	Care, control and maintenance of North Macksville Nature Reserve
Donnelly-Welsh Playing Fields Committee of Management	Care, control and management of Donnelly-Welsh Playing Fields
Eungai District Community Council Committee of Management (Memorial Hall)	Care, control and management of Eungai District Soldiers' Memorial Hall
Gordon Park Committee of Management	Care, control and management of Gordon Park Rainforest
Grants Hall Committee of Management	Care, control and management of Grants Hall, Bowraville
Mary Bolton Pioneer Cottage & Museum Committee of Management	Care control and management of Pioneer Cottage Macksville.
Macksville Gift Parade Committee of Management	Organising and presenting the Macksville Gift Parade
Macksville Park and Sports Committee of Management	Care, control and management of Macksville Park and Sportsgrounds
Macksville Tennis Courts Committee of Management	Care, control and management of Macksville Tennis Courts
Missabotti Community Centre Committee of Management	Care, control and management of Missabotti Community Centre
Nambucca District Historical Society Committee of Management	Care, control and management of the Headland Museum
Nambucca Entertainment Centre Committee of Management	Care, control and management of Nambucca Entertainment Centre
Gordon Park Tennis Courts Committee of Management	Care, control and management of Gordon Park Tennis Courts
Nambucca District Band Committee of Management	Acquisition of instruments for the Nambucca District Band
North Macksville Playing Fields Committee of Management	Care, control and management of North Macksville Playing Fields
Scotts Head Sports Fields Committee of Management	Care, control and management of Scotts Head Sports Fields

Scotts Head Tennis Court Committee of Management	Care, control and management of Scotts Head Tennis Court
South Arm Community Hall Committee of Management	Care, control and management of South Arm Hall
Talarm Hall AND Welsh Pioneer Park Committee of Management	Care, control and management of Talarm Hall
Taylors Arm Hall Committee of Management	Care, control and management of Taylors Arm Hall
Taylors Arm Sports Reserve Committee of Management	Care, control and management of Taylors Arm Sports Reserve
Tewinga Community Centre Committee of Management	Care, control and management of Tewinga Community Centre
Unkya Reserve Committee of Management	Care, control and management of Unkya Reserve
Utungun Community Centre Committee of Management	Care, control and management of Utungun Community Centre
Valla Beach Community Association	Care, control and management of Valla Beach Urban and Hall Centre
Valla Beach Tennis Club Committee of Management	Care, control and management of Valla Beach Tennis Court
Valla Public Hall Committee of Management	Care, control and management of Valla Public Hall
Warrell Creek Public Hall Committee of Management	Care, control and management of Warrell Creek Public Hall

### **Companies in Which Council Held a Controlling Interest**

Council did not hold any controlling interests in any companies during 2014/2015.

### **Partnerships, Co-Operatives or other Joint Ventures to Which Council was a Party**

Council is involved with the following organisations:

NAME	PURPOSE
Statewide (Local Government) Mutual Liability Scheme	Provides insurance coverage to Council as required by the Local Government Act. Most councils in NSW are members.
Statecover Mutual Limited	Provides Workers Compensation Insurance to Council. Most councils in NSW are Members.
Mid North Coast Tourism	Promoting Tourism at a Regional Level in conjunction with Tourism NSW.
Coffs Coast Waste Service	Waste Processing and Resource Recovery Facility for Coffs Harbour City, Bellingen and Nambucca Councils.

## Category 1 Business Activities

	WATER \$' 000		SEWERAGE \$' 000	
	ESTIMATE	ACTUAL '2015'	ESTIMATE	ACTUAL '2015'
<b>OPERATING REVENUE</b>				
Annual Charges	908	887	3,351	3,453
User Charges	3,846	3,636	868	686
Interest	550	603	186	243
Grants & Contributions	0	0	0	0
Pensioner Rebates	89	50	77	75
Other Revenue	195	213	175	131
<b>TOTAL OPERATING REVENUE</b>	<b>5,588</b>	<b>5,389</b>	<b>4,657</b>	<b>4,588</b>
<b>OPERATING EXPENSES</b>				
Management Services	1,191	790	1,014	815
Mains Maintenance	336	291	164	157
Reservoir Maintenance	165	170	0	0
Treatment Works Costs	122	99	871	767
Pumping Station Costs	805	344	521	405
Other Operating Costs	302	522	260	622
Interest Costs	1,691	1,555	260	261
Depreciation	1,022	1,065	1,825	1,688
Taxation Equivalent	18	21	16	20
Revaluation Decrements	0	26	0	0
<b>TOTAL OPERATING EXPENSES</b>	<b>5,652</b>	<b>4,883</b>	<b>4,931</b>	<b>4,735</b>
<b>CAPITAL REVENUE</b>				
Grants & Contributions	297	1,284	177	622
Transfer from Reserves	2,822	10,600	1,664	1,668
Depreciation - Contra	1,022	1,065	1,825	1,688
Sale of Assets	0	0	0	0
Loan Funds	2,000	0	0	0
Sundry Revenue	0	0	0	0
<b>TOTAL CAPITAL REVENUE</b>	<b>6,141</b>	<b>12,949</b>	<b>3,666</b>	<b>3,978</b>
<b>CAPITAL EXPENSES</b>				
Purchase of Assets	4,615	11,258	900	317
Repaid Loan Principal	325	314	1,602	1,602
Transfer to Reserves	1,147	1,487	904	1,166
<b>TOTAL CAPITAL EXPENSES</b>	<b>6,087</b>	<b>13,059</b>	<b>3,406</b>	<b>3,085</b>
<b>2015/2015 RESULT</b>	<b>(10)</b>	<b>396</b>	<b>(14)</b>	<b>746</b>

**Variations to 2014/2015 Financial Results of Business Undertakings**

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**WATER SUPPLIES**

The water supplies operations resulted in a surplus variation of \$406,000 between the original estimates and actual result.

**OPERATING REVENUE**

The minor variation occurred with a decrease in annual & user charges as a result of a slight decrease in consumption and additional returns from investments.

**OPERATING EXPENSES**

Operating expenses were down due mainly to the delay in the commencement of the operation of the Off Stream Storage Facility.

**CAPITAL REVENUE**

A variation between subsidies and reserves occurred due to the delay in completion of the Off Stream Water Storage Project, also the carryover of construction expenditure from the previous year accounted for the additional transfer from reserves.

**CAPITAL EXPENSES**

Transfer to reserves was required for the carry over to next financial year unexpended funds associated with the deferred Off Stream Water Storage Project as well as the additional revenue earned from investments.

**SEWER SERVICES**

The Sewer services operations resulted in a deficit variation of \$760,000 between the original estimates and actual result.

**OPERATING REVENUE**

Minor Variations included increases for annual and decreases in usage charges, addition returns from investments were achieved.

**OPERATING EXPENSES**

The unwinding to present value of the Nambucca Augmentation interest free loan were offset to a point by postponement of telemetry work, an overestimation of administration overheads and savings in energy costs at pump stations.

**CAPITAL REVENUE**

There was an increase in capital grants throughout the year.

**CAPITAL EXPENSES**

There was a significant decrease from the budget expenditure on asset renewals

## **Privacy and Personal Information Protection Act 1998**

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The Privacy and Personal Information Protection Act 1998 (PPIPA) provides for the protection of personal information and for the protection of the privacy of individuals generally.

Council reviewed a revised Privacy Management Plan and Policy which was adopted 24 April 2013. The policy is available on Council's website.

Council complies with the requirements of the PPIPA and access to private or personal information held by Council has only been given in accordance with PPIPA, the provisions of the Local Government Act and from 1 July 2010, the Government Information (Public Access) Act 2009, which replaced the Freedom of Information Act.

The main provisions of the PPIPA are:

The Act applies to Councillors, Council employees, consultants and contractors of Council, Council owned businesses and Council committees including Committees of Management.

Personal information is defined to mean information or an opinion about an individual whose identity is apparent or can reasonably be ascertained from the information or opinion.

Personal information does not include information about an individual that is contained in a publicly available publication.

The Act refers to personal information held by Council in public registers, which are rate records, records of approvals and consents, licences, building certificates etc. Council must not disclose personal information from a public register unless satisfied it relates to the purpose for which the record is kept and is an appropriate and legitimate use.

Council must be aware of those accessing records within the definition of public registers and for what purpose.

For the period to 30 June 2015 there have been no reviews conducted by Council under Part 5 (Review of certain conduct of an agency) of the PPIPA.

## Environmental Levy

The Minister for Local Government approved the introduction of an environmental levy as part of a special general purpose rate variation in 2003/2005. The environmental levy was for two years commencing 1 July 2003.

The Minister approved an extension of the levy for a further five years from 1 July 2005 to 30 June 2010. Then a further two years from 1 July 2010 to 30 June 2012.

In the year 2012/2013 approval was given for the levy to continue on an ongoing basis.

Projects funded by the Environmental Levy in the financial year 2014/2015 are listed below:

Environmental Levy Program	2014/15 Budget
Servicing Dog Bins	14,000
EMP Actions	50,000
Dawkins Park Reserve	15,000
CZMP Actions	55,000
Water Quality River Health Monitoring	10,000
Environmental Levy Staff Costs	22,700
Environmental Weed Eradication	5,000
Grassy Park Flying Fox / Vegetation Management	2,500
Indian Minor Bird Eradication Program	2,500
Environmental Levy Management Fund	10,000
Vegetation and Koala Habitat Mapping	10,000
Road Pedestrian Connectivity to Valla Beach Viewing Area	25,000
Heritage Advisor	4,300
Environmental Levy Supervisory Vehicles	5,000
Noxious Weeds Control	66,200
Maintenance of Storm Water Traps	10,000
Our Living Coast Website	2,200
Annual Nambucca River Clean up	500
State of the Environment Reporting	2,500
Riverbank Erosion Rehabilitation	10,000
Street Lighting	138,000

## Government Information (Public Access) Act 2009

Obligations under the GIPA Act – Reporting year 2014/2015 – Nambucca Shire Council

### 1 REVIEW OF PROACTIVE RELEASE PROGRAM - CLAUSE 7(A)

Under section 7 of the GIPA Act, agencies must review their programs for the release of government information to identify the kinds of information that can be made publicly available. This review must be undertaken at least once every 12 months.

During the reporting period, the program was reviewed by Council's Management Executive Committee (MANEX) which meets monthly. Decisions were subsequently made to proactively release information that had not been published or reported on through Council's twice monthly meetings and agendas.

As a result of the ongoing review, the following information was proactively released by various means.

- July 2014 Newsletter to all ratepayers providing information and updates on bridge and road works, Bowraville off-river water storage construction project, new library services and surveys and workshops relating to a Community Facilities and Public Open Spaces Study
- Stage 2 of Stuart Island Parkland Upgrade, Pontoon and Facility Landscape Plan
- Stage 2 of Nambucca Heads Beach Access Plan
- Flood Risk Management Study and Plan – Deep Creek – information distributed through street/market stalls, rate notices and website
- Flood Risk Management Study and Plan – Nambucca River – information distributed through street stalls, rate notices and website
- Koala Habitat Study and Vegetation Mapping – mail out to residents and distributed through market stall and website
- Macksville Revitalisation project – presentation to Chamber of Commerce
- Bowraville off-river water storage facility project – information released via media and website.
- Media releases and advertisements were regularly published covering a wide range of matters of interest to the public including funding opportunities, noxious weeds, Council's donations program, companion animal management and on the progress of specific works and projects. Information regarding meetings and other topical matters was also published.

Council's website was reviewed, updated and new content uploaded regularly.

### 2 NUMBER OF ACCESS APPLICATIONS RECEIVED - CLAUSE 7(B)

During the reporting period, Council received a total of six (6) formal access applications (including withdrawn applications but not invalid applications).

### 3 NUMBER OF REFUSED APPLICATIONS FOR SCHEDULE 1 INFORMATION - CLAUSE 7(C)

During the reporting period, Council refused a total of nil(0) formal access applications because the information requested was information referred to in Schedule 1 to the GIPA Act. Of those applications, nil(0) were refused in full, and nil(0) was refused in part.

## 2014/15 Statistical Information about Access Application – Clause 7(d) and Schedule 2

TABLE A: NUMBER OF APPLICATIONS BY TYPE OF APPLICANT AND OUTCOME								
	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/ deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	1	0	0	1	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	1	0	1	0	0	0	0
Members of the public (other)	0	0	0	1	0	0	0	0

TABLE B: NUMBER OF APPLICATIONS BY TYPE OF APPLICANT AND OUTCOME								
	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm / deny whether information is held	Application withdrawn
Personal information applications	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	1	1	0	3	0	0	0	0
Access applications that are partly personal information & partly other	0	0	0	0	0	0	0	0

TABLE C: INVALID APPLICATIONS	
Reason for invalidity	No of applications
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0



**TABLE D: CONCLUSIVE PRESUMPTION OF OVERRIDING PUBLIC INTEREST AGAINST DISCLOSURE: MATTERS LISTED IN SCHEDULE 1 TO ACT**

	Number of times consideration used
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

**TABLE E: OTHER PUBLIC INTEREST CONSIDERATIONS AGAINST DISCLOSURE: MATTERS LISTED IN TABLE TO SECTION 14 OF ACT**

	Number of occasions when application not successful
Responsible and effective government	1
Law enforcement and security	1
Individual rights, judicial process and natural justice	1
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

TABLE F: TIMELINES	
	Number of applications
Decided within the statutory timeframe (20 days plus any extension)	4
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	4

TABLE G: NUMBER OF APPLICATIONS REVIEWED UNDER PART 5 OF THE ACT (BY TYPE OF REVIEW AND OUTCOME)			
	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner	0	0	0
Internal review following recommendations under section 93 of Act	0		
Review by ADT	0		
Total	0	0	0

TABLE H: APPLICATIONS FOR REVIEW UNDER PART 5 OF THE ACT (BY TYPE OF APPLICANT)	
	Number of applications for review
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

## Details of Compliance with National Competition Policy Principles

Council at its meeting on 23 March 1998 classified the Business Activities of Water Supply and Sewerage Services as Category 1 Business Activities.

Council does not have any other activities that are of a nature as to be classified as Category 2 Businesses.

Council's audited financial reports include Special Purpose Financial Reports for the two Category 1 business activities.

These special purpose financial reports have been prepared in accordance with the principles of the June 1996 NSW Government Policy Statement "Application of National Competition Policy to Local Government" and the Department of Local Government's July 1997 guidelines "Pricing and Costing for Council Businesses: a Guide to Competitive Neutrality".

Council operates the Water Supply and Sewerage Services as separate activities for financial and organisational purposes. These activities have separate internal accounting systems and full costs are allocated to each activity, directly and also as corporate overheads.

A summary of these Special Purpose Financial Reports for the year ended 30 June 2015 is below:

<b>FINANCIAL POSITION</b>	<b>WATER SUPPLIES \$,000's</b>	<b>SEWERAGE SERVICES \$,000's</b>
Total Current Assets	15,521	7,753
Total Current Liabilities	454	1,672
Total Non-Current Assets	93,447	76,006
Total Non-Current Liabilities	26,650	7,476
Total Equity	84,864	74,611

## WATER AND SEWERAGE SERVICES

Council manages its Water Supply and Sewerage Services in compliance with the Guidelines for Best Practice Management of Water Supply and Sewerage issued by the NSW Office of Water.

Council has developed an Integrated Water Cycle Management Strategy and has recently updated its Strategic Business Plans and Development Servicing Plans for both water supply and sewerage that reflect the significant increase in capital works since 2010.

The most significant of these works are the augmentation of the Nambucca Heads.

Sewerage System and the construction of the Water Supply Off River Storage Project.

Both Water Supplies and Sewerage Services assets were revalued as at 30 June 2012.

As part of Council's normal complaints management procedures, complaints received concerning the application of the National Competition Policy are dealt with in accordance with the adopted policy for complaints management.

Council has not received any complaints against its policy and application of the National Competition Policy.

### Bridge and Road Renewal Program Funded from Special Rate Variations

Nambucca Shire has received approval for a series of three special rate variations commencing 2014-2015.

Year	Approved increase to rate income
2014-15	3.8%
2015-16	5.0%
2016-17	5.5%

The additional funds are to be used to service borrowings for the renewals of bridges and roads. The borrowings raised in 2014-15 are being subsidised by the Local Infrastructure Renewal Scheme (LIRS). In 2014-15 the additional revenue raised by the special rate variation was \$136,359. This was used to service borrowings that contributed to funding renewal of these bridges.

Bridge	Budget
Menzies Number 3	\$70,000
Browns Crossing Number 2	\$139,000
Sinclair's Number 1	\$101,000
Purcell's	\$85,000
Tout's	\$482,978

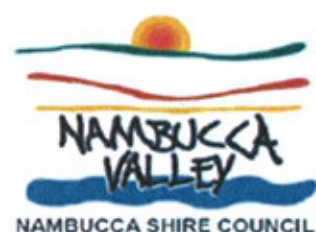
### Appendix – Annual Financial Statements for year ended 30 June 2015

# Nambucca Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2015

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**"Nambucca Valley ~ Living at its best"**



# Nambucca Shire Council

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

Contents	Page
<b>1. Statement by Councillors &amp; Management</b>	<b>3</b>
<b>2. Primary Financial Statements:</b>	
- Income Statement	4
- Statement of Comprehensive Income	5
- Statement of Financial Position	6
- Statement of Changes in Equity	7
- Statement of Cash Flows	8
<b>3. Notes to the Financial Statements</b>	<b>9-87</b>
<b>4. Independent Auditor's Reports:</b>	
- On the Financial Statements (Sect 417 [2])	
- On the Conduct of the Audit (Sect 417 [3])	

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### Overview

- (i) These financial statements are General Purpose Financial Statements and cover the consolidated operations for Nambucca Shire Council.
- (ii) Nambucca Shire Council is a body politic of NSW, Australia - being constituted as a Local Government area by proclamation and is duly empowered by the Local Government Act (LGA) 1993 of NSW.
- Council's Statutory Charter is detailed in Paragraph 8 of the LGA and includes giving Council;
- the ability to provide goods, services & facilities, and to carry out activities appropriate to the current & future needs of the local community and of the wider public,
  - the responsibility for administering regulatory requirements under the LGA and
  - a role in the management, improvement and development of the resources in the area.
- A description of the nature of Council's operations and its principal activities are provided in Note 2(b).
- (iii) All figures presented in these financial statements are presented in Australian Currency.
- (iv) These financial statements were authorised for issue by the Council on 24 September 2015. Council has the power to amend and reissue these financial statements.
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## Nambucca Shire Council

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

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 24 September 2015



Rhonda Hoban  
MAYOR

  
John Ainsworth  
COUNCILLOR

Michael Coulter  
GENERAL MANAGER



Craig Doolan  
RESPONSIBLE ACCOUNTING OFFICER



## Nambucca Shire Council

## Income Statement

for the financial year ended 30 June 2015

Budget 2015	\$ '000	Notes	Actual 2015	Actual 2014
<b>Income from Continuing Operations</b>				
<b>Revenue:</b>				
17,699	Rates & Annual Charges	3a	17,485	16,963
5,977	User Charges & Fees	3b	6,055	5,620
1,472	Interest & Investment Revenue	3c	1,589	2,246
547	Other Revenues	3d	637	474
10,940	Grants & Contributions provided for Operating Purposes	3e,f	11,504	6,101 <sup>2</sup>
1,180	Grants & Contributions provided for Capital Purposes	3e,f	10,016	9,882
<b>Other Income:</b>				
843	Net gains from the disposal of assets	5	-	-
<b>38,658</b>	<b>Total Income from Continuing Operations</b>		<b>47,286</b>	<b>41,286</b>
<b>Expenses from Continuing Operations</b>				
10,561	Employee Benefits & On-Costs	4a	10,212	9,559
2,893	Borrowing Costs	4b	2,996	2,833
13,765	Materials & Contracts	4c	9,527	9,699
10,167	Depreciation & Amortisation	4d	9,832	10,083
3,049	Other Expenses	4e	6,276	3,191
	Net Losses from the Disposal of Assets	5	1,642	115
<b>40,435</b>	<b>Total Expenses from Continuing Operations</b>		<b>40,485</b>	<b>35,480</b>
<b>(1,777)</b>	<b>Operating Result from Continuing Operations</b>		<b>6,801</b>	<b>5,806</b>
<b>(1,777)</b>	<b>Net Operating Result for the Year</b>		<b>6,801</b>	<b>5,806</b>
<b>(1,777)</b>	<b>Net Operating Result attributable to Council</b>		<b>6,801</b>	<b>5,806</b>
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes</b>				
<b>(2,957)</b>			<b>(3,215)</b>	<b>(4,076)</b>

<sup>1</sup> Original Budget as approved by Council - refer Note 16

<sup>2</sup> Financial Assistance Grants for 13/14 were lower reflecting a one off timing difference due to a change in how the grant was paid in prior years - refer Note



## Nambucca Shire Council

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

\$ '000	Notes	Actual 2015	Actual 2014
<b>Net Operating Result for the year</b> (as per Income statement)		<b>6,801</b>	<b>5,806</b>
<b>Other Comprehensive Income:</b>			
Amounts which will not be reclassified subsequently to the Operating Result			
Gain (loss) on revaluation of I,PP&E	20b (ii)	27,748	4,258
Impairment (loss) reversal relating to I,PP&E	20b (ii)	(128)	(19)
Other Movements in reserves	20b (ii)	(825)	(83)
<b>Total Items which will not be reclassified subsequently to the Operating Result</b>		<b>26,795</b>	<b>4,156</b>
Amounts which will be reclassified subsequently to the Operating Result when specific conditions are met			
<b>Total Items which will be reclassified subsequently to the Operating Result when specific conditions are met</b>		<b>-</b>	<b>-</b>
<b>Total Other Comprehensive Income for the year</b>		<b>26,795</b>	<b>4,156</b>
<b>Total Comprehensive Income for the Year</b>		<b>33,596</b>	<b>9,962</b>
Total Comprehensive Income attributable to Council		33,596	9,962
Total Comprehensive Income attributable to Non-controlling Interests		-	-

## Nambucca Shire Council

Statement of Financial Position  
as at 30 June 2015

\$ '000	Notes	Actual 2015	Actual 2014
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	6a	8,660	6,013
Investments	6b	25,262	31,752
Receivables	7	7,743	6,608
Inventories	8	1,465	1,237
Other	8	34	117
<b>Total Current Assets</b>		<b>43,164</b>	<b>45,727</b>
<b>Non-Current Assets</b>			
Inventories	8	21	21
Infrastructure, Property, Plant & Equipment	9	418,986	335,544
Intangible Assets	25	208	-
<b>Total Non-Current Assets</b>		<b>419,215</b>	<b>335,565</b>
<b>TOTAL ASSETS</b>		<b>462,379</b>	<b>381,292</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	10	4,214	1,749
Borrowings	10	2,864	2,611
Provisions	10	3,819	3,678
<b>Total Current Liabilities</b>		<b>10,897</b>	<b>8,038</b>
<b>Non-Current Liabilities</b>			
Payables	10	390	415
Borrowings	10	44,393	44,712
Provisions	10	540	514
<b>Total Non-Current Liabilities</b>		<b>45,323</b>	<b>45,641</b>
<b>TOTAL LIABILITIES</b>		<b>56,220</b>	<b>53,679</b>
<b>Net Assets</b>		<b>406,159</b>	<b>327,613</b>
<b>EQUITY</b>			
Retained Earnings	20	292,150	240,399
Revaluation Reserves	20	114,009	87,214
Council Equity Interest		406,159	327,613
<b>Total Equity</b>		<b>406,159</b>	<b>327,613</b>

## Nambucca Shire Council

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

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
<b>2015</b>						
<b>Opening Balance</b> (as per Last Year's Audited Accounts)		240,399	87,214	327,613	-	327,613
a. Correction of Prior Period Errors	20 (c)	44,125	-	44,125	-	44,125
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
<b>Revised Opening Balance</b> (as at 1/7/14)		<b>284,524</b>	<b>87,214</b>	<b>371,738</b>	-	<b>371,738</b>
<b>c. Net Operating Result for the Year</b>		<b>6,801</b>		<b>6,801</b>	-	<b>6,801</b>
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)		27,748	27,748		27,748
- Impairment (loss) reversal relating to I,PP&E	20b (ii)		(128)	(128)		(128)
<b>Other Comprehensive Income</b>		<b>-</b>	<b>27,620</b>	<b>27,620</b>	-	<b>27,620</b>
<b>Total Comprehensive Income (c&amp;d)</b>		<b>6,801</b>	<b>27,620</b>	<b>34,421</b>	-	<b>34,421</b>
e. Distributions to/(Contributions from) Non-controlling Interests				-	-	-
f. Transfers between Equity		- 825	(825)	-	-	-
<b>Equity - Balance at end of the reporting period</b>		<b>292,150</b>	<b>114,009</b>	<b>406,159</b>	-	<b>406,159</b>

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
<b>2014</b>						
<b>Opening Balance</b> (as per Last Year's Audited Accounts)		234,510	83,058	317,568	-	317,568
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
<b>Revised Opening Balance</b> (as at 1/7/13)		<b>234,510</b>	<b>83,058</b>	<b>317,568</b>	-	<b>317,568</b>
<b>c. Net Operating Result for the Year</b>		<b>5,806</b>	-	<b>5,806</b>	-	<b>5,806</b>
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	4,258	4,258	-	4,258
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	(19)	(19)	-	(19)
<b>Other Comprehensive Income</b>		<b>-</b>	<b>4,239</b>	<b>4,239</b>	-	<b>4,239</b>
<b>Total Comprehensive Income (c&amp;d)</b>		<b>5,806</b>	<b>4,239</b>	<b>10,045</b>	-	<b>10,045</b>
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		83	(83)	-	-	-
<b>Equity - Balance at end of the reporting period</b>		<b>240,399</b>	<b>87,214</b>	<b>327,613</b>	-	<b>327,613</b>



## Nambucca Shire Council

Statement of Cash Flows  
for the financial year ended 30 June 2015

Budget 2015	\$ '000	Notes	Actual 2015	Actual 2014
<b>Cash Flows from Operating Activities</b>				
<u>Receipts:</u>				
17,699	Rates & Annual Charges		17,412	16,937
5,977	User Charges & Fees		6,233	5,505
1,472	Investment & Interest Revenue Received		1,424	1,855
12,120	Grants & Contributions		17,789	15,881
	Bonds, Deposits & Retention amounts received		119	-
547	Other		4,106	4,592
<u>Payments:</u>				
(10,182)	Employee Benefits & On-Costs		(10,068)	(9,569)
(13,765)	Materials & Contracts		(7,199)	(12,515)
(2,893)	Borrowing Costs		(2,611)	(2,371)
	Bonds, Deposits & Retention amounts refunded		-	(226)
(3,049)	Other		(6,499)	(7,759)
<u>7,926</u>	<b>Net Cash provided (or used in) Operating Activities</b>	11b	<u>20,706</u>	<u>12,330</u>
<b>Cash Flows from Investing Activities</b>				
<u>Receipts:</u>				
2,418	Sale of Investment Securities		-	-
905	Sale of Real Estate Assets		-	97
134	Sale of Infrastructure, Property, Plant & Equipment		176	11
<u>Payments:</u>				
	Purchase of Investment Securities		6,812	(689)
(12,573)	Purchase of Infrastructure, Property, Plant & Equipment		(24,391)	(29,885)
	Purchase of Real Estate Assets		(228)	(5)
<u>(9,116)</u>	<b>Net Cash provided (or used in) Investing Activities</b>		<u>(17,631)</u>	<u>(30,471)</u>
<b>Cash Flows from Financing Activities</b>				
<u>Receipts:</u>				
3,695	Proceeds from Borrowings & Advances		2,263	11,455
<u>Payments:</u>				
(2,686)	Repayment of Borrowings & Advances		(2,691)	(2,518)
<u>1,009</u>	<b>Net Cash Flow provided (used in) Financing Activities</b>		<u>(428)</u>	<u>8,937</u>
<u>(181)</u>	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		<u>2,647</u>	<u>(9,204)</u>
45,835	plus: Cash & Cash Equivalents - beginning of year	11a	6,013	15,217
<u>45,654</u>	<b>Cash &amp; Cash Equivalents - end of the year</b>	11a	<u>8,660</u>	<u>6,013</u>

Additional Information:

plus: Investments on hand - end of year 30 25,262 31,752

**Total Cash, Cash Equivalents & Investments** 33,922 37,765

Please refer to Note 11 for information on the following:

- Non Cash Financing & Investing Activities.
- Financing Arrangements.
- Net cash flow disclosures relating to any Discontinued Operations

## Nambucca Shire Council

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

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## Nambucca Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

### Note 1. Summary of Significant Accounting Policies

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

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

#### (a) Basis of preparation

##### (i) Background

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

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

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

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

Because AASBs are sector neutral, some standards either:

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

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

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

##### (iii) New and amended standards adopted by Council

During the current year, the following relevant accounting standards became mandatory and have been adopted by Council:

- AASB 10 Consolidated Financial Statements
- AASB 11 Joint Arrangements
- AASB 12 Disclosures of Interests in Other Entities

AASB 10 introduced a new definition of control based on the substance of the relationship and required Councils to consider their involvement with other entities regardless of whether there was a financial interest.

AASB 11 classified joint arrangements into either joint ventures (equity accounting) or joint operations (accounting for share of assets and liabilities).

AASB 12 has increased the level of disclosures required where Council has any interests in subsidiaries, joint arrangements, associates or unconsolidated structured entities.

##### (iv) Early adoption of Accounting Standards

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

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

##### (v) Basis of Accounting

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

- (i) certain financial assets and liabilities at fair value through profit or loss and available-for-sale financial assets which are all valued at fair value,



## Nambucca Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

#### Note 1. Summary of Significant Accounting Policies

- (ii) the write down of any Asset on the basis of Impairment (if warranted) and
- (iii) certain classes of non-current assets (e.g. Infrastructure, Property, Plant & Equipment and Investment Property) that are accounted for at fair valuation.

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

##### (vi) Changes in Accounting Policies

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

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

##### (vii) Critical Accounting Estimates

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

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

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

##### **Critical accounting estimates and assumptions**

Council makes estimates and assumptions concerning the future.

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

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

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

##### **Critical judgements in applying Council's accounting policies**

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

##### **(b) Revenue recognition**

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

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

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

Revenue is measured on major income categories as follows:

##### **Rates, Annual Charges, Grants and Contributions**

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

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

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

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



# Nambucca Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

### Note 1. Summary of Significant Accounting Policies

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.

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

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

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

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

#### User Charges, Fees and Other Income

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

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

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

#### Sale of Infrastructure, Property, Plant and Equipment

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

#### Interest and Rents

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

Interest Income from Cash & Investments is accounted for using the effective interest 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 financial statements incorporate **(i)** the assets and liabilities of Council and any entities (or operations) that it **controls** (as at 30 June 2015) and **(ii)** all the related operating results (for the financial year ended the 30th June 2015).

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

#### (i) The Consolidated Fund

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

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



# Nambucca Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

### Note 1. Summary of Significant Accounting Policies

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

- General Purpose Operations
- Water Supply
- Sewerage Service

Due to their immaterial value and nature, the following Committees, Entities & Operations have been excluded from consolidation:

- Section 355 Committees of Management

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

<b>Total income from continuing operations</b>	\$165,666
<b>Total expenditure from continuing operations</b>	\$166,109
<b>Total net assets held (i.e. Equity)</b>	\$42,463

**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 which must be applied only for the purposes of or in accordance with the trusts relating to those monies.

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

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

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

#### (iii) Joint Arrangements

Council has no interest in any Joint Arrangements.

#### (iv) Associates

Council has no interest in any Associates.

#### (v) County Councils

Council is not a member of any County Councils.

#### (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 are depreciated over the shorter of each leased asset's useful life and the lease term.

##### Operating Leases

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

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

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

# Nambucca Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

### Note 1. Summary of Significant Accounting Policies

#### (e) Cash and Cash Equivalents

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

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

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

#### (f) Investments and Other Financial Assets

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

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

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

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

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

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

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

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

##### (ii) Loans and receivables

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

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

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

##### (iii) Held-to-maturity investments

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

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

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

##### (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.



## Nambucca Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

#### Note 1. Summary of Significant Accounting Policies

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

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

##### Financial Assets – Reclassification

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

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

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

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

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

##### General Accounting & Measurement of Financial Instruments:

###### (i) Initial Recognition

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

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

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

###### (ii) Subsequent Measurement

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

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

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

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

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

##### Impairment

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

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.



## Nambucca Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

#### Note 1. Summary of Significant Accounting Policies

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

The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

##### (iii) Types of Investments

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

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

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

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

##### (g) Fair value estimation

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

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

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

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

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

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

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

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

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

##### (h) Receivables

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

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

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



## Nambucca Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

#### Note 1. Summary of Significant Accounting Policies

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

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

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

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

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

##### (i) Inventories

###### Raw Materials and Stores, Work in Progress and Finished Goods

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

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

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

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

###### Land Held for Resale/Capitalisation of Borrowing Costs

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

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

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

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

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

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

###### Acquisition of assets

Council's non current assets are continually revalued (over a 5 year period) in accordance with the fair valuation policy as mandated by the 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** (Internal Valuation)
- **Land Improvements**  
(Internal Valuation)
- **Buildings – Specialised/Non Specialised**  
(External Valuation)
- **Other Structures**  
(Internal Valuation)
- **Roads Assets incl. roads, bridges & footpaths**  
(Internal Valuation)
- **Bulk Earthworks** Internal Valuation)

## Nambucca Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

#### Note 1. Summary of Significant Accounting Policies

- **Stormwater Drainage** (Internal Valuation)
- **Water and Sewerage Networks**  
(External Valuation)
- **Swimming Pools**  
(Internal Valuation)
- **Other Open Space/Recreational Assets**  
(Internal Valuation)
- **Other Infrastructure**  
(Internal Valuation)
- **Other Assets**  
(Internal Valuation)

##### 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 (ie. date of exchange) of the asset to arrive at fair value.

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

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

##### Subsequent costs

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

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

##### Asset Revaluations (including Indexation)

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

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

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

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

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

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



# Nambucca Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

### Note 1. Summary of Significant Accounting Policies

#### 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 & Equipment

Office Furniture	> \$2,000
Office Equipment	> \$2,000
Other Plant & Equipment	> \$2,000

##### Buildings & Land Improvements

Park Furniture & Equipment	> \$2,000
Building	
- construction/extensions	> \$20,000
- renovations	> \$20,000
Other Structures	> \$20,000

##### Water & Sewer Assets

Reticulation, Treatment Works	Capitalise
Mains, Reservoirs, Pump Stations	Capitalise

##### Stormwater Assets

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

##### Transport Assets

Road construction & reconstruction	Capitalise
Reseal/Re-sheet & major repairs	> \$20,000
Bridge construction & reconstruction	> \$20,000

##### Other Infrastructure Assets

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

#### Depreciation

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

Land is not depreciated.

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

##### Plant & Equipment

- Office Equipment	3 to 15 years
- Office furniture	5 to 20 years
- Computer Equipment	4 years
- Vehicles	5 to 8 years
- Heavy Plant/Road Making equip.	12 years
- Other plant and equipment	12 years

##### Other Equipment

- Bush Fire Equipment	5 years
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##### Buildings

- Buildings: Operating	15 to 60 years
- Buildings: Community	20 to 60 years

##### Water Supply

- Headworks/Bores	30 years
- Mains	80 years
- Reservoirs	100 years
- Pump Stations	40 years
- Water Treatment Plant	50 years
- Dams	100 years

##### Sewer Supply

- Reticulation	70 years
- Rising Mains	70 years
- Treatment Works	40 years
- Pump Stations	60 years
- Effluent Pumping Station	60 years

##### Stormwater Assets

- Drains	85 to 106 years
- Culverts	80 years

##### Transportation Assets

- Sealed Roads	18 to 120 years
- Unsealed roads	19 to 84 years
- Bridges	21 to 95 years
- Footpaths	85 to 127 years
- Kerb and Gutter	60 to 84 years

##### Other Infrastructure Assets

- Bulk earthworks	Infinite
- Swimming Pools	60 to 65 years
- Other Open Space/ Recreational Assets	5 to 60 years
- Other Infrastructure	15 to 100 years

## Nambucca Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

#### Note 1. Summary of Significant Accounting Policies

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

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

##### Disposal and De-recognition

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

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

##### (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

###### Land Easements – Water Storage Dam

These costs are recognised at cost. The assets are periodically reviewed and are considered to have an indefinite life.

##### (n) Crown Reserves

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

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

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

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

##### (o) Rural Fire Service assets

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

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

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

##### (p) 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.



## Nambucca Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

#### Note 1. Summary of Significant Accounting Policies

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

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

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

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

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

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

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

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

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

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

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

These costs are charged to the income statement.

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

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

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

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

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

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

#### **(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.



# Nambucca Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

### Note 1. Summary of Significant Accounting Policies

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.

#### (r) Payables

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

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

#### (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.

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of

time that is required to complete and prepare the asset for its intended use or sale.

#### (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.

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.



## Nambucca Shire Council

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

#### Note 1. Summary of Significant Accounting Policies

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

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

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

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

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

#### (ii) Other Long Term Obligations

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

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

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

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

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

#### (iii) Retirement benefit obligations

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

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

#### Defined Benefit Plans

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

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

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

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

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

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

The last valuation of the Scheme was performed by Mr Martin Stevenson BSc, FIA, FIAA on 20 February 2013.



## Nambucca Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

#### Note 1. Summary of Significant Accounting Policies

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

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

The amount of employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense and disclosed as part of Superannuation Expenses at Note 4(a) for the year ending 30 June 2015 was \$ 370,645.

The amount of additional contributions included in the total employer contribution advised above is \$160,498.

The share of this deficit that can be broadly attributed to Council is estimated to be in the order of \$178,200 as at 30 June 2015.

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

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

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

##### Defined Contribution Plans

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

##### (iv) Employee Benefit On-Costs

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

These amounts include Superannuation and Workers Compensation expenses which will be

payable upon the future payment of certain Leave Liabilities accrued as at 30/06/15.

##### (w) Allocation between current and non-current assets & liabilities

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

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

##### Exceptions

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

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

##### (x) Taxes

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

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

##### Goods & Services Tax (GST)

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

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

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

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



## Nambucca Shire Council

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

#### Note 1. Summary of Significant Accounting Policies

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

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

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

#### **(y) New accounting standards and interpretations**

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

**Council has not adopted any of these standards early.**

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

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

#### **Applicable to Local Government:**

##### **AASB 9 - Financial Instruments** (and associated amending standards)

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement and has an effective date for reporting periods beginning on or after 1 January 2018 (and must be applied retrospectively). The overriding impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets.

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

- fair value and

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

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

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

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

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

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

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

##### **AASB 124 - Related Party Disclosures**

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

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

#### **Not applicable to Local Government per se;**

None

## Nambucca Shire Council

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

#### Note 1. Summary of Significant Accounting Policies

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##### **(z) Rounding of amounts**

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

##### **(aa) 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.

##### **(ab) Disclaimer**

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



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

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

Functions/Activities	Income, Expenses and Assets have been directly attributed to the following Functions / Activities. Details of these Functions/Activities are provided in Note 2(b).												
	Income from Continuing Operations			Expenses from Continuing Operations			Operating Result from Continuing Operations		Grants included in Income from Continuing Operations		Total Assets held (Current & Non-current)		
	Original Budget 2015	Actual 2015	Actual 2014	Original Budget 2015	Actual 2015	Actual 2014	Original Budget 2015	Actual 2015	Actual 2014	Actual 2015	Actual 2014	Actual 2015	Actual 2014
Governance	-	-	9	700	505	632	(700)	(505)	(623)	-	67	-	-
Administration	41	372	254	2,694	3,893	401	(2,653)	(3,521)	(147)	40	3	17,075	12,450
Public Order & Safety	407	485	337	731	1,172	1,200	(324)	(687)	(863)	342	291	3,064	3,040
Health	150	173	158	98	228	221	52	(55)	(63)			49	57
Environment	5,061	5,504	5,720	5,264	6,382	5,324	(203)	(878)	396	361	420	28,789	13,819
Community Services & Education	198	303	402	390	423	627	(192)	(120)	(225)	303	106	1,162	1,176
Housing & Community Amenities	430	371	105	1,718	1,476	1,422	(1,288)	(1,105)	(1,317)		150	1,581	1,564
Water Supplies	5,773	6,505	13,348	5,539	4,837	4,398	234	1,668	8,950	743	8,245	107,484	105,921
Sewerage Services	4,706	5,078	4,705	4,803	4,670	4,905	(97)	408	(200)		75	81,615	82,208
Recreation & Culture	214	1,320	515	2,993	3,383	3,187	(2,779)	(2,063)	(2,672)	1,036	168	35,052	37,211
Mining, Manufacturing & Construction	98	169	140	121	373	312	(23)	(204)	(172)				
Transport & Communication	7,818	13,573	3,455	15,127	12,691	12,324	(7,309)	882	(8,869)	760	1,117	185,595	122,831
Economic Affairs	762	102	75	257	452	527	505	(350)	(452)	1	157	913	1,015
Total Functions & Activities	25,658	33,955	29,223	40,435	40,485	35,480	(14,777)	(6,530)	(6,257)	3,586	10,799	462,379	381,292
General Purpose Income <sup>1</sup>	13,000	13,331	12,063			-	13,000	13,331	12,063	4,098	2,282		-
Operating Result from Continuing Operations	38,658	47,286	41,286	40,435	40,485	35,480	(1,777)	6,801	5,806	7,684	13,081	462,379	381,292

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

## Nambucca Shire Council

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

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

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

##### **GOVERNANCE**

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

##### **ADMINISTRATION**

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

##### **PUBLIC ORDER & SAFETY**

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

##### **HEALTH**

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

##### **ENVIRONMENT**

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

##### **COMMUNITY SERVICES & EDUCATION**

Administration, youth services, other family and children, aged and disabled, Aboriginal services, other community services, education.

##### **HOUSING & COMMUNITY AMENITIES**

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

##### **WATER SUPPLIES**

##### **SEWERAGE SERVICES**

##### **RECREATION & CULTURE**

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

##### **MINING, MANUFACTURING & CONSTRUCTION**

Building control, quarries & pits, other.

##### **TRANSPORT & COMMUNICATION**

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

##### **ECONOMIC AFFAIRS**

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



## Nambucca Shire Council

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

## Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2015	Actual 2014
<b>(a) Rates &amp; Annual Charges</b>			
<b>Ordinary Rates</b>			
Residential		6,721	6,484
Farmland		821	789
Business		1,013	989
<b>Total Ordinary Rates</b>		<b>8,555</b>	<b>8,262</b>
<b>Special Rates</b>			
Environmental		356	349
<b>Total Special Rates</b>		<b>356</b>	<b>349</b>
<b>Annual Charges</b> (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic Waste Management Services		3,409	3,398
Water Supply Services		865	677
Sewerage Services		3,345	3,317
Drainage		142	140
Waste Management Services (non-domestic)		813	820
<b>Total Annual Charges</b>		<b>8,574</b>	<b>8,352</b>
<b>TOTAL RATES &amp; ANNUAL CHARGES</b>		<b>17,485</b>	<b>16,963</b>

Council has used 2013 year valuations provided by the NSW Valuer General in calculating its rates.

## Nambucca Shire Council

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

## Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
<b>(b) User Charges &amp; Fees</b>			
<b>Specific User Charges</b> (per s.502 - Specific "actual use" charges)			
Water Supply Services		3,614	3,560
Sewerage Services		751	806
Waste Management Services (non-domestic)		813	499
Library		4	4
Other		9	15
<b>Total User Charges</b>		<b>5,191</b>	<b>4,884</b>
<b>Other User Charges &amp; Fees</b>			
<b>(i) Fees &amp; Charges - Statutory &amp; Regulatory Functions</b> (per s.608)			
Building Regulation		164	133
Planning & Building Regulation		196	177
Private Works - Section 67		73	61
Regulatory/ Statutory Fees		233	177
Section 149 Certificates (EPA Act)		49	49
Section 603 Certificates		34	35
Septic Tank Income		28	18
<b>Total Fees &amp; Charges - Statutory/Regulatory</b>		<b>777</b>	<b>650</b>
<b>(ii) Fees &amp; Charges - Other (incl. General User Charges</b> (per s.608)			
Cemeteries		87	86
<b>Total Fees &amp; Charges - Other</b>		<b>87</b>	<b>86</b>
<b>TOTAL USER CHARGES &amp; FEES</b>		<b>6,055</b>	<b>5,620</b>

## Nambucca Shire Council

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

## Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
<b>(c) Interest &amp; Investment Revenue (incl. losses)</b>			
<b>Interest &amp; Dividends</b>			
- Interest on Overdue Rates & Annual Charges (incl. Special Purpose Rates)		78	141
- Interest earned on Investments (interest & coupon payment income)		1,189	1,660
<b>Fair Value Adjustments</b>			
- Fair Valuation movements in Investments (at FV or Held for Trading)		322	445
<b>TOTAL INTEREST &amp; INVESTMENT REVENUE</b>		<b>1,589</b>	<b>2,246</b>

**Interest Revenue is attributable to:****Unrestricted Investments/Financial Assets:**

Overdue Rates & Annual Charges (General Fund)	78	141
General Council Cash & Investments	847	1,373

**Restricted Investments/Funds - External:**

Development Contributions		
- Section 94	49	75
- Section 64	194	289
Water Fund Operations	470	453
Sewerage Fund Operations	182	249
Domestic Waste Management operations	16	10

**Restricted Investments/Funds - Internal:**

Internally Restricted Assets	(247)	(344)
<b>Total Interest &amp; Investment Revenue Recognised</b>	<b>1,589</b>	<b>2,246</b>

**(d) Other Revenues**

Fines - Parking	49	16
Fines - Other	17	18
Legal Fees Recovery - Rates & Charges (Extra Charges)	4	4
Legal Fees Recovery - Other	30	-
Administration	3	3
Bank Merchant Service Fees	16	28
Diesel Rebate	45	40
Environmental Services	15	14
Insurance - Premium Rebates	97	70
Lease Rentals	299	246
Libraries	6	6
Road Closure/Compulsory Acquisition	16	19
Sales - General	5	3
Special Meter Reading Fees	3	3
Tourism	20	-
Other	12	4
<b>TOTAL OTHER REVENUE</b>	<b>637</b>	<b>474</b>

## Nambucca Shire Council

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

## Note 3. Income from Continuing Operations (continued)

\$ '000	2015 Operating	2014 Operating	2015 Capital	2014 Capital
<b>(e) Grants</b>				
<b>General Purpose (Untied)</b>				
Financial Assistance - General Component	2,505	1,231	-	-
Financial Assistance - Local Roads Component	1,139	562	-	-
Pensioners' Rates Subsidies - General Component	454	489	-	-
<b>Total General Purpose</b>	<b>4,098</b>	<b>2,282</b>	<b>-</b>	<b>-</b>

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

<b>Specific Purpose</b>				
Water Supplies	-	-	743	8,157
Bushfire & Emergency Services	274	291	-	-
Community Care	184	287	-	-
Community Centres	16	-	-	-
Cycleways	-	-	103	567
Economic Development	2	-	-	-
Employment & Training Programs	119	114	-	-
Environmental Protection	105	228	-	-
Household Problem Waste	-	-	-	156
Library	63	62	-	-
LIRS Subsidy	106	67	-	-
Museums	-	5	-	-
Noxious Weeds	172	212	-	-
Public Halls	-	2	-	-
Recreation & Culture	50	99	908	-
Street Lighting	19	19	-	-
Transport (Roads to Recovery)	531	531	-	-
Other - Better Waste & Recycling	84	-	-	-
Other- Responsible Pet Ownership	15	-	-	-
Other- Reimbursement - Insurance	33	-	-	-
Other- Foreshore/Beach	-	-	53	-
Other	6	2	-	-
<b>Total Specific Purpose</b>	<b>1,779</b>	<b>1,919</b>	<b>1,807</b>	<b>8,880</b>
<b>Total Grants</b>	<b>5,877</b>	<b>4,201</b>	<b>1,807</b>	<b>8,880</b>

**Grant Revenue is attributable to:**

- Commonwealth Funding	4,341	1,787	743	8,157
- State Funding	1,442	2,347	1,064	723
- Other Funding	94	67	-	-
	<b>5,877</b>	<b>4,201</b>	<b>1,807</b>	<b>8,880</b>



## Nambucca Shire Council

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

## Note 3. Income from Continuing Operations (continued)

\$ '000	2015 Operating	2014 Operating	2015 Capital	2014 Capital
<b>(f) Contributions</b>				
Nil				
<b>Developer Contributions:</b>				
<b>(s93 &amp; s94 - EP&amp;A Act, s64 of the LGA):</b>				
S 94 - Contributions towards amenities/services	-	-	99	88
S 94A - Fixed Development Consent Levies	-	-	140	145
S 64 - Water Supply Contributions	-	-	382	140
S 64 - Sewerage Service Contributions	-	-	354	91
<b>Total Developer Contributions</b>	17	-	<b>975</b>	<b>464</b>
<b>Other Contributions:</b>				
Kerb & Gutter	-	1	-	-
Libraries	1	3	-	-
Recreation & Culture	10	5	-	12
RMS Contributions (Regional Roads, Block Grant)	1,686	1,750	4,891	186
Sewerage (excl. Section 64 contributions)	-	-	8	4
Subdivider Dedications	-	-	2,301	223
Water Supplies (excl. Section 64 contributions)	-	-	34	113
Other - Landslip Restoration	3,900	141	-	-
Other - Water & Sewer Cont. to Works Depot	29	-	-	-
Other - Environmental Protection	1	-	-	-
<b>Total Other Contributions</b>	<b>5,627</b>	<b>1,900</b>	<b>7,234</b>	<b>538</b>
<b>Total Contributions</b>	<b>5,627</b>	<b>1,900</b>	<b>8,209</b>	<b>1,002</b>
<b>TOTAL GRANTS &amp; CONTRIBUTIONS</b>	<b>11,504</b>	<b>6,101</b>	<b>10,016</b>	<b>9,882</b>

## Nambucca Shire Council

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

## Note 3. Income from Continuing Operations (continued)

\$ '000	Actual 2015	Actual 2014
(g) Restrictions relating to Grants and Contributions		
Nil		
Certain grants & contributions are obtained by Council on condition that they be spent in a specified manner:		
Unexpended at the Close of the Previous Reporting Period	7,655	12,060
add: Grants & contributions recognised in the current period but not yet spent:	3,044	9,376
less: Grants & contributions recognised in a previous reporting period now spent:	(1,785)	(13,781)
<b>Net Increase (Decrease) in Restricted Assets during the Period</b>	<b>1,259</b>	<b>(4,405)</b>
<b>Unexpended and held as Restricted Assets</b>	<b>8,914</b>	<b>7,655</b>
Comprising:		
- Specific Purpose Unexpended Grants	2,231	797
- Developer Contributions	6,683	6,858
	<b>8,914</b>	<b>7,655</b>

## Nambucca Shire Council

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

## Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2015	Actual 2014
<b>(a) Employee Benefits &amp; On-Costs</b>			
Salaries and Wages		6,975	6,842
Employee Termination Costs (where material - other than vested leave paid)		328	56
Travelling		464	492
Employee Leave Entitlements (ELE)		1,589	1,432
Superannuation		923	947
Workers' Compensation Insurance		312	267
Fringe Benefit Tax (FBT)		58	50
Training Costs (other than Salaries & Wages)		91	81
Other		19	33
<b>Total Employee Costs</b>		<b>10,759</b>	<b>10,200</b>
less: Capitalised Costs		(547)	(641)
<b>TOTAL EMPLOYEE COSTS EXPENSED</b>		<b>10,212</b>	<b>9,559</b>
Number of "Equivalent Full Time" Employees at year end		108	119
Number of "Equivalent Full Time" Employees at year end (incl. vacancies)		114	124
<b>(b) Borrowing Costs</b>			
<b>(i) Interest Bearing Liability Costs</b>			
Interest on Loans		2,611	2,397
<b>Total Interest Bearing Liability Costs</b>		<b>2,611</b>	<b>2,397</b>
less: Capitalised Costs		-	-
<b>Total Interest Bearing Liability Costs Expensed</b>		<b>2,611</b>	<b>2,397</b>
<b>(ii) Other Borrowing Costs</b>			
Discount adjustments relating to movements in Provisions (other than ELE)			
- Remediation Liabilities	26	23	21
Interest applicable on Interest Free (& favourable) Loans to Council		362	415
<b>Total Other Borrowing Costs</b>		<b>385</b>	<b>436</b>
<b>TOTAL BORROWING COSTS EXPENSED</b>		<b>2,996</b>	<b>2,833</b>

## Nambucca Shire Council

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

## Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
<b>(c) Materials &amp; Contracts</b>			
Raw Materials & Consumables		1,560	1,843
Contractor & Consultancy Costs		3,730	3,742
- Beach Inspections		63	61
- Cleaning of Council Buildings		110	87
- Computer System - "Civica - Authority		116	113
- Equipment Hire		722	652
- Financial		24	24
- Ordinance Officer		-	32
- Town Planning		7	24
- Waste Collection Contract		2,925	2,776
- Contractor & Consultancy Costs - Environmental		38	-
- Contractor & Consultancy Costs - Community Consultation		6	-
Auditors Remuneration <sup>(1)</sup>		37	26
Legal Expenses:			
- Legal Expenses: Planning & Development		62	107
- Legal Expenses: Other		127	212
<b>Total Materials &amp; Contracts</b>		<b>9,527</b>	<b>9,699</b>
<b>TOTAL MATERIALS &amp; CONTRACTS</b>		<b>9,527</b>	<b>9,699</b>

**1. Auditor Remuneration**

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

**(i) Audit and Other Assurance Services**

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

**Remuneration for audit and other assurance services**

37	26
<b>37</b>	<b>26</b>

**(ii) Taxation Services****Remuneration for taxation services**

-	-
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**(iii) Other Services****Remuneration for other services**

-	-
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**Total Auditor Remuneration**

<b>37</b>	<b>26</b>
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**2. Operating Lease Payments are attributable to:**

-	-
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## Nambucca Shire Council

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

## Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2015	Actual 2014	Actual 2015	Actual 2014
(d) Depreciation, Amortisation & Impairment					
Plant and Equipment		-	-	676	680
Office Equipment		-	-	139	150
Furniture & Fittings		-	-	13	14
Land Improvements (depreciable)		-	-	15	15
Buildings - Non Specialised		-	-	480	513
Buildings - Specialised		-	-	324	324
Other Structures		-	-	103	98
Infrastructure:					
- Roads		-	19	4,151	4,312
- Bridges		128	-	542	547
- Footpaths		-	-	127	114
- Stormwater Drainage		-	-	412	411
- Water Supply Network		-	-	1,008	975
- Sewerage Network		-	-	1,620	1,753
- Swimming Pools		-	-	53	53
- Other Open Space/Recreational Asset		-	-	107	100
- Other Infrastructure		-	-	56	56
Other Assets					
- Heritage Collections		-	-	3	5
- Other		-	-	38	12
Asset Reinstatement Costs	9 & 26	-	-	42	42
<b>Total Depreciation &amp; Impairment Costs</b>		<b>128</b>	<b>19</b>	<b>9,909</b>	<b>10,174</b>
less: Capitalised Costs		-	-	(77)	(91)
less: Impairments (to)/from ARR [Equity]	9a	(128)	(19)	-	-
<b>TOTAL DEPRECIATION &amp; IMPAIRMENT COSTS EXPENSED</b>		<b>-</b>	<b>-</b>	<b>9,832</b>	<b>10,083</b>

## Nambucca Shire Council

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

## Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2015	Actual 2014
<b>(e) Other Expenses</b>			
Other Expenses for the year include the following:			
Advertising		91	162
Bad & Doubtful Debts		20	-
Bank Charges		54	55
Contributions/Levies to Other Levels of Government		58	59
- Bushfire Fighting Fund		211	233
- Waste Levy		349	208
- Other Contributions/Levies		45	38
Councillor Expenses - Mayoral Fee		23	23
Councillor Expenses - Councillors' Fees		99	99
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		32	34
Donations, Contributions & Assistance to other organisations (Section 356)		102	122
- SES Vehicle Expenses		32	30
Electricity & Heating		663	749
Insurance		609	619
Insurance Excess (PI/PL)		15	8
Office Expenses (including computer expenses)		177	189
Postage		41	39
Printing & Stationery		75	74
Revaluation Decrements (Fair Valuation of I,PP&E Assets)	9(a)	3,137	-
Street Lighting		249	258
Subscriptions & Publications		69	63
Telephone & Communications		66	71
Valuation Fees		59	58
<b>Total Other Expenses</b>		<b>6,276</b>	<b>3,191</b>
<b>TOTAL OTHER EXPENSES</b>		<b>6,276</b>	<b>3,191</b>

## Nambucca Shire Council

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

## Note 5. Gains or Losses from the Disposal of Assets

\$ '000	Notes	Actual 2015	Actual 2014
<b>Property</b> (excl. Investment Property)			
Proceeds from Disposal - Property		-	4
less: Carrying Amount of Property Assets Sold / Written Off		-	(77)
<b>Net Gain/(Loss) on Disposal</b>		<b>-</b>	<b>(73)</b>
<b>Plant &amp; Equipment</b>			
Proceeds from Disposal - Plant & Equipment		176	7
less: Carrying Amount of P&E Assets Sold / Written Off		(160)	-
<b>Net Gain/(Loss) on Disposal</b>		<b>16</b>	<b>7</b>
<b>Infrastructure</b>			
Proceeds from Disposal - Infrastructure		-	-
less: Carrying Amount of Infrastructure Assets Sold / Written Off		(1,658)	(119)
<b>Net Gain/(Loss) on Disposal</b>		<b>(1,658)</b>	<b>(119)</b>
<b>Real Estate Assets Held For Sale</b>			
Proceeds from Disposal - Real Estate Assets		-	97
less: Carrying Amount of Real Estate Assets Sold / Written Off		-	(27)
<b>Net Gain/(Loss) on Disposal</b>		<b>-</b>	<b>70</b>
<b>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</b>		<b>(1,642)</b>	<b>(115)</b>

## Nambucca Shire Council

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

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

\$ '000	Notes	2015 Actual Current	2015 Actual Non Current	2014 Actual Current	2014 Actual Non Current
<b>Cash &amp; Cash Equivalents (Note 6a)</b>					
Cash on Hand and at Bank		2,204	-	533	-
Cash-Equivalent Asset <sup>1</sup>					
- Deposits at Call		3,063	-	508	-
- Short Term Deposits		3,393	-	4,972	-
<b>Total Cash &amp; Cash Equivalents</b>		<b>8,660</b>	<b>-</b>	<b>6,013</b>	<b>-</b>
<b>Investments (Note 6b)</b>					
- Managed Funds		4,331	-	4,207	-
- Long Term Deposits		19,457	-	25,717	-
- NCD's, FRN's (with Maturities > 3 months)		-	-	516	-
- Tcorp		1,474	-	1,312	-
<b>Total Investments</b>		<b>25,262</b>	<b>-</b>	<b>31,752</b>	<b>-</b>
<b>TOTAL CASH ASSETS, CASH EQUIVALENTS &amp; INVESTMENTS</b>		<b>33,922</b>	<b>-</b>	<b>37,765</b>	<b>-</b>

<sup>1</sup> Those Investments where time to maturity (from date of purchase) is < 3 mths.

**Cash, Cash Equivalents & Investments were  
classified at year end in accordance with  
AASB 139 as follows:**

<b>Cash &amp; Cash Equivalents</b>					
a. "Held to Maturity At Cost"		<b>8,660</b>	<b>-</b>	<b>6,013</b>	<b>-</b>
<b>Investments</b>					
a. "At Fair Value through the Profit & Loss"					
- "Held for Trading"	8(b-i)			-	-
- "Designated at Fair Value on Initial Recognition"	8(b-i)	5,805		6,035	-
b. "Held to Maturity"	8(b-ii)	19,457	-	25,717	-
c. "Loans & Receivables"	8(b-iii)			-	-
d. "Available for Sale"	8(b-iv)			-	-
<b>Investments</b>		<b>25,262</b>	<b>-</b>	<b>31,752</b>	<b>-</b>

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



## Nambucca Shire Council

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

## Note 6b. Investments (continued)

\$ '000	2015 Actual Current	2015 Actual Non Current	2014 Actual Current	2014 Actual Non Current
<b>Note 6(b-i)</b>				
<b>Reconciliation of Investments classified as "At Fair Value through the Profit &amp; Loss"</b>				
Balance at the Beginning of the Year	6,035	-	6,143	-
Revaluations (through the Income Statement)	322	-	445	-
Additions	532	-	10,097	-
Disposals (sales & redemptions)	(1,084)	-	(10,650)	-
<b>Balance at End of Year</b>	<b>5,805</b>	<b>-</b>	<b>6,035</b>	<b>-</b>
<b>Comprising:</b>				
- Managed Funds	4,331	-	4,207	-
- NCD's, FRN's (with Maturities > 3 months)	-	-	516	-
- Other Long Term Financial Assets	1,474	-	1,312	-
<b>Total</b>	<b>5,805</b>	<b>-</b>	<b>6,035</b>	<b>-</b>
<b>Note 6(b-ii)</b>				
<b>Reconciliation of Investments classified as "Held to Maturity"</b>				
Balance at the Beginning of the Year	25,717	-	24,475	-
Additions	4,586	-	9,237	-
Disposals (sales & redemptions)	(10,846)	-	(7,995)	-
<b>Balance at End of Year</b>	<b>19,457</b>	<b>-</b>	<b>25,717</b>	<b>-</b>
<b>Comprising:</b>				
- Other Long Term Financial Assets	19,457	-	25,717	-
<b>Total</b>	<b>19,457</b>	<b>-</b>	<b>25,717</b>	<b>-</b>
<b>Note 6(b-iii)</b>				
<b>Reconciliation of Investments classified as "Loans &amp; Receivables"</b>				
Nil	-	-	-	-
<b>Balance at End of Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Note 6(b-iv)</b>				
<b>Reconciliation of Investments classified as "Available for Sale"</b>				
Nil	-	-	-	-
<b>Balance at End of Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Nambucca Shire Council

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

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

\$ '000	2015 Actual Current	2015 Actual Non Current	2014 Actual Current	2014 Actual Non Current
<b>Total Cash, Cash Equivalents and Investments</b>	<b>33,922</b>	<b>-</b>	<b>37,765</b>	<b>-</b>
<b>attributable to:</b>				
External Restrictions (refer below)	27,931	-	32,449	-
Internal Restrictions (refer below)	4,940	-	4,410	-
Unrestricted	1,051	-	906	-
	<b>33,922</b>	<b>-</b>	<b>37,765</b>	<b>-</b>

2015 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
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## Details of Restrictions

## External Restrictions - Included in Liabilities

Specific Purpose Unexpended Loans-General (A)	392	2,458	(1,258)	1,592
Specific Purpose Unexpended Loans-Water (A)	8,983	-	(8,983)	-
Security Deposits	568	270	(149)	689
<b>External Restrictions - Included in Liabilities</b>	<b>9,943</b>	<b>2,728</b>	<b>(10,390)</b>	<b>2,281</b>

## External Restrictions - Other

Developer Contributions - General (D)	1,345	289	(274)	1,360
Developer Contributions - Water Fund (D)	3,606	514	(433)	3,687
Developer Contributions - Sewer Fund (D)	1,907	415	(686)	1,636
Specific Purpose Unexpended Grants (F)	797	1,826	(392)	2,231
Water Supplies (G)	8,502	3,265	(1,183)	10,584
Sewerage Services (G)	5,008	1,657	(982)	5,683
Domestic Waste Management (G)	1,341	42	(914)	469
<b>External Restrictions - Other</b>	<b>22,506</b>	<b>8,008</b>	<b>(4,864)</b>	<b>25,650</b>
<b>Total External Restrictions</b>	<b>32,449</b>	<b>10,736</b>	<b>(15,254)</b>	<b>27,931</b>

## Nambucca Shire Council

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

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

2015 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
<b>Internal Restrictions</b>				
Plant & Vehicle Replacement	304	7	-	311
Employees Leave Entitlement	1,981	325	(548)	1,758
Council Building Reserve	184	30		214
Election	57	30		87
Environment Rate Unallocated	361	538	(271)	628
Land Development	207		(327)	(120)
Lawn Cemetery	8			8
Office Equipment	145	38	(41)	142
On Site Sewer Management	13			13
Other Contributions	377	55	(296)	136
Public Road/Reserve Sales	51		(6)	45
Stormwater Management	142		(7)	135
Swimming Pool	73	20	(15)	78
Waste Management	507	1,077	(79)	1,505
<b>Total Internal Restrictions</b>	<b>4,410</b>	<b>2,120</b>	<b>(1,590)</b>	<b>4,940</b>
<b>TOTAL RESTRICTIONS</b>	<b>36,859</b>	<b>12,856</b>	<b>(16,844)</b>	<b>32,871</b>

- A Loan moneys which must be applied for the purposes for which the loans were raised.
- B Advances by Roads and Maritime Services for (RMS) works on the State's classified roads.
- C Self Insurance liability resulting from reported claims or incurred claims not yet reported.
- D Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans (refer Note 17).
- E RMS Contributions which are not yet expended for the provision of services and amenities in accordance with those contributions.
- F Grants which are not yet expended for the purposes for which the grants were obtained. (refer Note 1)
- G Water, Sewerage, Domestic Waste Management (DWM) & other Special Rates/Levies/Charges are externally restricted assets and must be applied for the purposes for which they were raised.



## Nambucca Shire Council

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

## Note 7. Receivables

\$ '000	Notes	2015		2014	
		Current	Non Current	Current	Non Current
<b>Purpose</b>					
Rates & Annual Charges		854	-	779	-
Interest & Extra Charges		(22)	-	36	-
User Charges & Fees		1,676	-	1,854	-
Accrued Revenues					
- Interest on Investments		397	-	496	-
- Other Income Accruals		9	-	-	-
Cycleway(RMS)		19	-	330	-
Flood Damage(RMS)		108	-	158	-
General		297	-	197	-
Government Grants & Subsidies		3,771	-	2,341	-
Net GST Receivable		561	-	328	-
On Site Sewer M'ment		11	-	22	-
Traffic Subsidy		-	-	20	-
Other Debtors - Street Lighting		19	-	-	-
Other Debtors		68	-	70	-
<b>Total</b>		<b>7,768</b>	<b>-</b>	<b>6,631</b>	<b>-</b>
<b>less: Provision for Impairment</b>					
Rates & Annual Charges		(25)	-	(23)	-
<b>Total Provision for Impairment - Receivables</b>		<b>(25)</b>	<b>-</b>	<b>(23)</b>	<b>-</b>
<b><u>TOTAL NET RECEIVABLES</u></b>		<b><u>7,743</u></b>	<b><u>-</u></b>	<b><u>6,608</u></b>	<b><u>-</u></b>
<b>Externally Restricted Receivables</b>					
<b>Water Supply</b>					
- Rates & Availability Charges		1,210	-	1,329	-
- Other		-	-	1,870	-
<b>Sewerage Services</b>					
- Rates & Availability Charges		406	-	447	-
- Other		429	-	455	-
<b>Domestic Waste Management</b>		<b>316</b>	<b>-</b>	<b>300</b>	<b>-</b>
<b>Total External Restrictions</b>		<b>2,361</b>	<b>-</b>	<b>4,401</b>	<b>-</b>
<b>Internally Restricted Receivables</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Unrestricted Receivables</b>		<b>5,382</b>	<b>-</b>	<b>2,207</b>	<b>-</b>
<b>TOTAL NET RECEIVABLES</b>		<b>7,743</b>	<b>-</b>	<b>6,608</b>	<b>-</b>

## Notes on Debtors above:

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

## Nambucca Shire Council

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

## Note 8. Inventories &amp; Other Assets

\$ '000	Notes	2015		2014	
		Current	Non Current	Current	Non Current
<b>Inventories</b>					
Real Estate for resale (refer below)		363	21	135	21
Stores & Materials		1,102	-	1,102	-
<b>Total Inventories</b>		<b>1,465</b>	<b>21</b>	<b>1,237</b>	<b>21</b>
<b>Other Assets</b>					
Prepayments		34	-	117	-
<b>Total Other Assets</b>		<b>34</b>	<b>-</b>	<b>117</b>	<b>-</b>
<b>TOTAL INVENTORIES / OTHER ASSETS</b>		<b>1,499</b>	<b>21</b>	<b>1,354</b>	<b>21</b>
<b>Externally Restricted Assets</b>					
<b>Water</b>					
Stores & Materials		40	-	42	-
<b>Total Water</b>		<b>40</b>	<b>-</b>	<b>42</b>	<b>-</b>
<b>Sewerage</b>					
Nil		-	-	-	-
<b>Total Sewerage</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Domestic Waste Management</b>					
Nil		-	-	-	-
<b>Total Domestic Waste Management</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other</b>					
Nil		-	-	-	-
<b>Total Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Externally Restricted Assets</b>		<b>40</b>	<b>-</b>	<b>42</b>	<b>-</b>
<b>Total Internally Restricted Assets</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Unrestricted Assets</b>		<b>1,459</b>	<b>21</b>	<b>1,312</b>	<b>21</b>
<b>TOTAL INVENTORIES &amp; OTHER ASSETS</b>		<b>1,499</b>	<b>21</b>	<b>1,354</b>	<b>21</b>

## Nambucca Shire Council

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

## Note 8. Inventories &amp; Other Assets (continued)

\$ '000	2015		2014	
	Current	Non Current	Current	Non Current
<b>(i) Other Disclosures</b>				
<b>(a) Details for Real Estate Development</b>				
Residential	76	21	98	21
Industrial/Commercial	287		37	-
<b>Total Real Estate for Resale</b>	<b>363</b>	<b>21</b>	<b>135</b>	<b>21</b>
(Valued at the lower of cost and net realisable value)				
<b>Represented by:</b>				
Acquisition Costs	134	21	-	21
Development Costs	229		135	-
<b>Total Costs</b>	<b>363</b>	<b>21</b>	<b>135</b>	<b>21</b>
less: Provision for Under Recovery			-	-
<b>Total Real Estate for Resale</b>	<b>363</b>	<b>21</b>	<b>135</b>	<b>21</b>
<b>Movements:</b>				
Real Estate assets at beginning of the year	135	21	157	21
- Purchases and other costs	228	-	5	-
- WDV of Sales (exp)	-		(27)	-
<b>Total Real Estate for Resale</b>	<b>363</b>	<b>21</b>	<b>135</b>	<b>21</b>

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

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

	2015	2014
Real Estate for Resale	-	-
	-	-

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

- Real Estate for Resale	-
- Stores & Materials	-
- Trading Stock	-

**(d) 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.

## Nambucca Shire Council

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

## Note 9a. Infrastructure, Property, Plant &amp; Equipment

\$ '000	as at 30/6/2014					Asset Movements during the Reporting Period										as at 30/6/2015				
	At Cost	At Fair Value	Accumulated Dep'n	Impairment	Carrying Value	Asset Additions	Reinstatement Costs for Impaired Assets	WDV of Asset Disposals	Depreciation Expense	Impairment Loss (recognised in Equity)	Adjustments & Transfers	Revaluation Decrements to P&L (ARR)	Revaluation Decrements to Equity (ARR)	At Cost	At Fair Value	Accumulated Dep'n	Impairment	Carrying Value		
Capital Work in Progress	43,378	-	4	-	43,374	15,019	-	-	-	-	(54,654)	-	-	3,739	-	-	-	-	3,739	
Plant & Equipment	-	11,062	7,952	-	3,110	1,283	-	(161)	(676)	-	186	-	-	-	11,693	7,951	-	-	3,742	
Office Equipment	-	1,738	1,107	-	631	54	-	-	(139)	-	-	-	-	-	1,768	1,222	-	-	546	
Furniture & Fittings	-	440	378	-	62	-	-	-	(13)	-	-	-	-	-	440	391	-	-	49	
Land:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
- Operational Land	-	6,916	-	-	6,916	-	-	(357)	-	-	141	-	-	-	6,700	-	-	-	6,700	
- Community Land	-	16,218	-	-	16,218	-	-	-	-	-	(141)	-	-	-	16,077	-	-	-	16,077	
- Land under Roads (post 30/6/08)	-	2,577	-	-	2,577	207	-	-	-	-	-	-	-	-	2,784	-	-	-	2,784	
Land Improvements - depreciable	-	1,001	302	-	699	13	-	-	(15)	-	-	-	-	-	1,014	317	-	-	697	
Buildings - Non Specialised	-	24,481	12,575	-	11,906	10	-	(993)	(480)	-	-	-	-	-	21,995	11,552	-	-	10,443	
Buildings - Specialised	-	14,866	6,563	-	8,303	26	-	-	(324)	-	803	-	-	-	15,696	6,888	-	-	8,808	
Other Structures	-	5,261	878	-	4,383	173	-	-	(103)	-	103	-	-	-	5,536	980	-	-	4,556	
Infrastructure:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
- Roads	-	142,039	77,341	21	64,677	2,811	14	(15)	(4,151)	-	680	(3,137)	(28,072)	22,323	132,074	48,851	6	83,217		
- Bridges	-	33,778	8,013	-	25,765	213	-	-	(542)	(128)	583	-	4,133	-	40,170	13,118	128	26,924		
- Footpaths	-	5,301	2,620	-	2,681	330	-	-	(127)	-	3	-	(1,300)	-	8,254	2,119	-	6,135		
- Bulk Earthworks (non-depreciable)	-	18,278	-	4	18,274	514	4	-	-	-	1,897	-	(7,783)	-	43,677	-	-	43,677		
- Stormwater Drainage	-	26,076	17,356	4	8,716	1,069	-	(6)	(412)	-	-	-	(10,055)	-	42,011	11,986	4	30,021		
- Water Supply Network	-	69,067	30,788	-	38,279	459	-	-	(1,008)	-	49,307	-	556	-	119,824	32,237	-	87,587		
- Sewerage Network	-	104,402	32,005	-	72,397	411	-	-	(1,620)	-	586	-	1,062	-	106,965	34,129	-	72,836		
- Swimming Pools	-	4,758	3,396	-	1,362	26	-	-	(53)	-	-	-	-	-	4,784	3,449	-	1,335		
- Other Open Space/Recreational Assets	-	3,267	1,335	-	1,932	73	-	-	(107)	-	-	-	-	-	3,340	1,442	-	1,898		
- Other Infrastructure	-	3,127	556	-	2,571	3,765	-	-	(56)	-	506	-	-	-	7,398	612	-	6,786		
Other Assets:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
- Heritage Collections	-	520	145	-	375	-	-	(286)	(3)	-	-	-	-	-	120	34	-	86		
- Other	-	190	20	-	170	87	-	-	(38)	-	-	-	-	-	278	59	-	219		
Reinstatement, Rehabilitation & Restoration Assets (refer Note 20):	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
- Tip Assets	-	435	269	-	166	-	-	-	(42)	-	-	-	-	-	434	310	-	-	124	
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP.	43,378	495,798	203,803	29	335,844	26,543	18	(1,818)	(9,909)	(128)	-	(3,137)	(47,210)	74,958	3,739	593,032	177,647	138	418,986	

Additions to Buildings & Infrastructure Assets are made up of Asset Renewals (\$20,093,050) and New Assets (\$8,447,781).  
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 & Equipment.



## Nambucca Shire Council

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

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

\$ '000 Class of Asset	Actual 2015				Actual 2014			
	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value
<b>Water Supply</b>								
WIP				-	42,342	-	4	42,338
Plant & Equipment		747	160	587	-	435	139	296
Office Equipment		10	10	-	-	10	10	-
Furniture & Fittings		2	2	-	-	2	2	-
Land								
- Operational Land		1,510		1,510	-	1,530	-	1,530
- Community Land		20	-	20	-	-	-	-
Buildings		1,028	148	880	-	300	142	158
Other Structures		108	2	106	-	5	2	3
Infrastructure		119,824	32,238	87,586	-	69,067	30,787	38,280
Other Assets		2,577	27	2,550	-	-	-	-
<b>Total Water Supply</b>	-	125,826	32,587	93,239	42,342	71,349	31,086	82,605
<b>Sewerage Services</b>								
WIP	36			36	525	-	-	525
Plant & Equipment		572	327	245	-	526	282	244
Office Equipment		7	7	-	-	7	7	-
Furniture & Fittings		7	7	-	-	7	7	-
Land								
- Operational Land		1,525		1,525	-	1,515	-	1,515
- Community Land		45	-	45	-	55	-	55
Buildings		1,165	269	896	-	1,165	247	918
Other Structures		23	-	23	-	-	-	-
Infrastructure		106,965	34,130	72,835	-	104,402	32,005	72,397
<b>Total Sewerage Services</b>	36	110,309	34,740	75,605	525	107,677	32,548	75,654
<b>Domestic Waste Management</b>								
Plant & Equipment		615	609	6	-	615	608	7
Land								
- Operational Land		625	-	625	-	625	-	625
- Improvements - depreciable		30	9	21	-	30	8	22
Buildings		201	88	113	-	201	84	117
Other Structures		3,197	269	2,928	-	3,047	239	2,808
<b>Total DWM</b>	-	4,668	975	3,693	-	4,518	939	3,579
<b>TOTAL RESTRICTED I,PP&amp;E</b>	36	240,803	68,302	172,537	42,867	183,544	64,573	161,838



## Nambucca Shire Council

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

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

\$ '000	Notes	Actual 2015	Actual 2014
<b>(i) Impairment Losses recognised in the Income Statement:</b>			
<b>Total Impairment Losses</b>		-	-
<b>(ii) Reversal of Impairment Losses previously recognised in the Income Statement:</b>			
<b>Total Impairment Reversals</b>		-	-
<b><u>IMPAIRMENT of ASSETS - GAINS/(LOSSES) in P/L</u></b>	4(d)	-	-
<b>(iii) Impairment Losses recognised direct to Equity (ARR):</b>			
- Taylors Arm Road-Rural sealed road-Landslip following severe storms			(10)
- Lower Parkes Street-Urban sealed road-Landslip following severe storms			(9)
- Bradley's Bridge - Bridge damage following severe storms		(128)	-
<b>Total Impairment Losses</b>		<b>(128)</b>	<b>(19)</b>
<b>(iv) Reversals of Impairment Losses previously recognised direct to Equity (ARR):</b>			
- Taylors Arm Road-Rural sealed road-Landslip following severe storms		10	-
- Lower Parkes Street-Urban sealed road-Landslip following severe storms		9	-
<b>Total Impairment Reversals</b>		<b>19</b>	-
<b><u>IMPAIRMENT of ASSETS - DIRECT to EQUITY (ARR)</u></b>	20 (ii)	<b>(109)</b>	<b>(19)</b>

Refer to Note 9(a) for Impairment Restoration Works totalling \$18K undertaken this year relating to current year or prior year Impairments.

## Nambucca Shire Council

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

## Note 10a. Payables, Borrowings &amp; Provisions

\$ '000	Notes	2015		2014	
		Current	Non Current	Current	Non Current
<b>Payables</b>					
Goods & Services - operating expenditure		3,601	-	1,273	
Accrued Expenses:					
- Borrowings		272	-	272	-
- Other Expenditure Accruals		18	-	13	-
Government Departments		-	-	8	-
Security Bonds, Deposits & Retentions		299	390	155	415
Other		24	-	28	-
<b>Total Payables</b>		<b>4,214</b>	<b>390</b>	<b>1,749</b>	<b>415</b>
<b>Borrowings</b>					
Loans - Secured <sup>1</sup>		2,864	44,393	2,611	44,712
<b>Total Borrowings</b>		<b>2,864</b>	<b>44,393</b>	<b>2,611</b>	<b>44,712</b>
<b>Provisions</b>					
Employee Benefits;					
Annual Leave		655	-	614	-
Sick Leave		985	-	958	-
Long Service Leave		2,005	39	1,941	36
Other Leave		174	-	165	-
Sub Total - Aggregate Employee Benefits		<b>3,819</b>	<b>39</b>	<b>3,678</b>	<b>36</b>
Asset Remediation/Restoration (Future Works)	26	-	501	-	478
<b>Total Provisions</b>		<b>3,819</b>	<b>540</b>	<b>3,678</b>	<b>514</b>
<b>Total Payables, Borrowings &amp; Provisions</b>		<b>10,897</b>	<b>45,323</b>	<b>8,038</b>	<b>45,641</b>

## (i) Liabilities relating to Restricted Assets

	2015		2014	
	Current	Non Current	Current	Non Current
<b>Externally Restricted Assets</b>				
Water	454	23,650	437	23,982
Sewer	1,672	7,476	1,664	8,733
Liabilities relating to externally restricted assets	<b>2,126</b>	<b>31,126</b>	<b>2,101</b>	<b>32,715</b>
<b>Internally Restricted Assets</b>				
Nil	-	-	-	-
Liabilities relating to internally restricted assets	-	-	-	-
<b>Total Liabilities relating to restricted assets</b>	<b>2,126</b>	<b>31,126</b>	<b>2,101</b>	<b>32,715</b>
<b>Total Liabilities relating to Unrestricted Assets</b>	<b>8,771</b>	<b>14,197</b>	<b>5,937</b>	<b>12,926</b>
<b>TOTAL PAYABLES, BORROWINGS &amp; PROVISIONS</b>	<b>10,897</b>	<b>45,323</b>	<b>8,038</b>	<b>45,641</b>

<sup>1</sup> Loans are secured over the General Rating Income of Council

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

## Nambucca Shire Council

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

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

	Actual 2015	Actual 2014
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(ii) Current Liabilities not anticipated to be settled within the next 12 months  
Nil

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

Provisions - Employees Benefits	2,357	2,670
	<u>2,357</u>	<u>2,670</u>

## Note 10b. Description of and movements in Provisions

Class of Provision	2014	2015				Closing Balance as at 30/6/15
	Opening Balance as at 1/7/14	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	
Annual Leave	614	681	(640)			655
Sick Leave	958	423	(396)			985
Long Service Leave	1,977	501	(434)			2,044
Other Leave (enter deta	165	9				174
Asset Remediation	478	23				501
<b>TOTAL</b>	<b>4,192</b>	<b>1,637</b>	<b>(1,470)</b>	<b>-</b>	<b>-</b>	<b>4,359</b>

- Employees Leave Entitlements & On-Costs represents those benefits accrued and payable and an estimate of those that will become payable in the future as a result of past service.
- Self Insurance Provisions represent both (i) Claims Incurred but Not reported and (ii) Claims Reported & Estimated as a result of Council's being a self insurer up to certain levels of Excess.
- Asset Remediation, Reinstatement & Restoration Provisions represent the Present Value estimate of future costs Council will incur in order to remove, restore & remediate assets &/or activities as a result of past operations.
- Other Provisions represent the AAS30 adjustment for ELE.



## Nambucca Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

## Note 11. Statement of Cash Flows - Additional Information

\$ '000	Notes	Actual 2015	Actual 2014
<b>(a) Reconciliation of Cash Assets</b>			
Total Cash & Cash Equivalent Assets	6a	8,660	6,013
<b>BALANCE as per the STATEMENT of CASH FLOWS</b>		<b>8,660</b>	<b>6,013</b>
<b>(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities</b>			
<b>Net Operating Result from Income Statement</b>		<b>6,801</b>	<b>5,806</b>
Adjust for non cash items:			
Depreciation & Amortisation		9,832	10,083
Net Losses/(Gains) on Disposal of Assets		1,642	115
Non Cash Capital Grants and Contributions		(2,301)	(223)
Losses/(Gains) recognised on Fair Value Re-measurements through the P&L:			
- Investments classified as "At Fair Value" or "Held for Trading"		(322)	(445)
- Write Offs relating to the Fair Valuation of I,PP&E		3,137	-
Amortisation of Premiums, Discounts & Prior Period Fair Valuations			
- Interest Exp. on Interest Free Loans received by Council (previously Fair Valued)		362	415
Unwinding of Discount Rates on Reinstatement Provisions		23	21
<b>+/- Movement in Operating Assets and Liabilities &amp; Other Cash Items:</b>			
Decrease/(Increase) in Receivables		(1,137)	(325)
Increase/(Decrease) in Provision for Doubtful Debts		2	(1)
Decrease/(Increase) in Inventories		-	(264)
Decrease/(Increase) in Other Assets		83	(42)
Increase/(Decrease) in Payables		2,328	(2,552)
Increase/(Decrease) in accrued Interest Payable		-	26
Increase/(Decrease) in other accrued Expenses Payable		5	-
Increase/(Decrease) in Other Liabilities		107	(274)
Increase/(Decrease) in Employee Leave Entitlements		144	(10)
<b>NET CASH PROVIDED FROM/(USED IN) OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS</b>		<b>20,706</b>	<b>12,330</b>

## Nambucca Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

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

\$ '000	Notes	Actual 2015	Actual 2014
(c) Non-Cash Investing & Financing Activities			
Subdivisions		2,301	223
<b>Total Non-Cash Investing &amp; Financing Activities</b>		<b>2,301</b>	<b>223</b>
(d) Financing Arrangements			
(i) Unrestricted access was available at balance date to the following lines of credit:			
Credit Cards / Purchase Cards		50	26
<b>Total Financing Arrangements</b>		<b>50</b>	<b>26</b>
Amounts utilised as at Balance Date:			
- Credit Cards / Corporate Cards		7	1
<b>Total Financing Arrangements Utilised</b>		<b>7</b>	<b>1</b>

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

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

## (ii) Secured Loan Liabilities

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

## (e) Bank Guarantees

## (f) Net Cash Flows Attributable to Discontinued Operations

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



## Nambucca Shire Council

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

## Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2015	Actual 2014
<b>(a) Capital Commitments (exclusive of GST)</b>			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
<b>Property, Plant &amp; Equipment</b>			
Structures		2,510	12,275
<b>Total Commitments</b>		<b>2,510</b>	<b>12,275</b>
<b>These expenditures are payable as follows:</b>			
Within the next year		2,510	12,275
<b>Total Payable</b>		<b>2,510</b>	<b>12,275</b>
<b>Sources for Funding of Capital Commitments:</b>			
Externally Restricted Reserves		154	550
Unexpended Loans		456	9,725
New Loans (to be raised)		-	2,000
Other Funding (Landslip- Transport NSW)		1,900	-
<b>Total Sources of Funding</b>		<b>2,510</b>	<b>12,275</b>
<b>Details of Capital Commitments</b>			
Landslip Remediation			
Off River Storage Dam			
Upgrade Of Recycled Water System			

**(b) Finance Lease Commitments**

Nil

**(c) Operating Lease Commitments (Non Cancellable)**

Nil

**(d) Investment Property Commitments**

Nil

**(e) Investment in Joint Operations - Commitments**

For Capital Commitments and Other Commitments relating to Investments in Joint Operations, refer to Note 19 (c)

## Nambucca Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

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

\$ '000	Amounts 2015	Indicator 2015	Prior Periods 20142013	
Local Government Industry Indicators - Consolidated				
1. Operating Performance Ratio				
Total continuing operating revenue <sup>(1)</sup>				
(excl. Capital Grants & Contributions) - Operating Expenses	1,242	3.36%	-14.23%	-13.26%
Total continuing operating revenue <sup>(1)</sup>	36,948			
(excl. Capital Grants & Contributions)				
2. Own Source Operating Revenue Ratio				
Total continuing operating revenue <sup>(1)</sup>				
(excl. ALL Grants & Contributions)	25,444	54.18%	60.87%	47.21%
Total continuing operating revenue <sup>(1)</sup>	46,964			
3. Unrestricted Current Ratio				
Current Assets less all External Restrictions <sup>(2)</sup>	12,832	2.00x	2.70	1.71
Current Liabilities less Specific Purpose Liabilities <sup>(3, 4)</sup>	6,414			
4. Debt Service Cover Ratio				
Operating Result <sup>(1)</sup> before capital excluding interest and depreciation / impairment / amortisation	14,070	2.47x	1.59	1.94
Principal Repayments (from the Statement of Cash Flows) + Borrowing Costs (from the Income Statement)	5,687			
5. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual and Extra Charges Outstanding	807	4.40%	4.42%	4.88%
Rates, Annual and Extra Charges Collectible	18,359			
6. Cash Expense Cover Ratio				
Current Year's Cash and Cash Equivalents + All Term Deposits	28,117	11.61 mths	10.89	15.88
Payments from cash flow of operating and financing activities	2,422			

## Notes

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

<sup>(2)</sup> Refer Notes 6-8 inclusive.

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

<sup>(3)</sup> Refer to Note 10(a).

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

## Nambucca Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

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

\$ '000	Water 2015	Sewer 2015	General <sup>5</sup> 2015
<b>Local Government Industry Indicators - by Fund</b>			
<b>1. Operating Performance Ratio</b>			
Total continuing operating revenue <sup>(1)</sup>			
(excl. Capital Grants & Contributions) - Operating Expenses	<b>9.96%</b>	<b>-3.00%</b>	<b>3.12%</b>
Total continuing operating revenue <sup>(1)</sup>			
(excl. Capital Grants & Contributions)	prior period: 18.94%	-4.72%	-24.38%
<b>2. Own Source Operating Revenue Ratio</b>			
Total continuing operating revenue <sup>(1)</sup>	<b>80.01%</b>	<b>86.62%</b>	<b>44.45%</b>
(excl. ALL Grants & Contributions)			
Total continuing operating revenue <sup>(1)</sup>	prior period: 37.75%	94.56%	67.61%
<b>3. Unrestricted Current Ratio</b>			
Current Assets less all External Restrictions <sup>(2)</sup>	<b>2.67x</b>	<b>0.26x</b>	<b>1.74x</b>
Current Liabilities less Specific Purpose Liabilities <sup>(3, 4)</sup>			
	prior period: 3.14	0.28	2.14
<b>4. Debt Service Cover Ratio</b>			
Operating Result <sup>(1)</sup> before capital excluding interest and depreciation / impairment / amortisation	<b>1.57x</b>	<b>0.93x</b>	<b>5.70x</b>
Principal Repayments (from the Statement of Cash Flows) + Borrowing Costs (from the Income Statement)	prior period: 1.82	0.93	2.35
<b>5. Rates, Annual Charges, Interest &amp; Extra Charges Outstanding Percentage</b>			
Rates, Annual and Extra Charges Outstanding	<b>5.82%</b>	<b>5.91%</b>	<b>3.93%</b>
Rates, Annual and Extra Charges Collectible			
	prior period: 5.52%	5.25%	4.15%
<b>6. Cash Expense Cover Ratio</b>			
Current Year's Cash and Cash Equivalents + All Term Deposits	<b>41.72 mths</b>	<b>18.89 mths</b>	<b>3.86 mths</b>
Payments from cash flow of operating and financing activities	prior period: 68.94	17.66	1.68

## Notes

<sup>(1)</sup> - <sup>(4)</sup> Refer to Notes at Note 13a(i) above.<sup>(5)</sup> General Fund refers to all of Council's activities except for its Water & Sewer activities which are listed separately.

## Nambucca Shire Council

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

#### Note 14. Investment Properties

\$ '000	Notes	Actual 2015	Actual 2014
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Council has not classified any Land or Buildings as "Investment Properties"



# Nambucca Shire Council

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

### Note 15. Financial Risk Management

\$ '000

#### Risk Management

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

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

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

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

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

	Carrying Value		Fair Value	
	2015	2014	2015	2014
<b>Financial Assets</b>				
Cash and Cash Equivalents	8,660	6,013	8,617	5,988
Investments				
- "Designated At Fair Value on Initial Recognition"	5,805	6,035	5,805	6,035
- "Held to Maturity"	19,457	25,717	19,457	25,717
Receivables	7,743	6,608	7,743	6,608
<b>Total Financial Assets</b>	<b>41,665</b>	<b>44,373</b>	<b>41,622</b>	<b>44,348</b>
<b>Financial Liabilities</b>				
Payables	4,604	2,164	4,604	2,164
Loans / Advances	47,257	47,323	45,316	45,998
<b>Total Financial Liabilities</b>	<b>51,861</b>	<b>49,487</b>	<b>49,920</b>	<b>48,162</b>

Fair Value is determined as follows:

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

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



# Nambucca Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

### Note 15. Financial Risk Management (continued)

\$ '000

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

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

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

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

The risks associated with the investments held are:

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

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

Council also seeks advice from independent advisers before placing any funds in Cash Equivalents & Investments.

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
<b>2015</b>				
Possible impact of a 10% movement in Market Values	580	580	(580)	(580)
Possible impact of a 1% movement in Interest Rates	318	318	(318)	(318)
<b>2014</b>				
Possible impact of a 10% movement in Market Values	552	552	(552)	(552)
Possible impact of a 1% movement in Interest Rates	373	373	(373)	(373)

## Nambucca Shire Council

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

## Note 15. Financial Risk Management (continued)

\$ '000

## (b) Receivables

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

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

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

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

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

Council makes suitable provision for doubtful receivables as required.

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

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

	2015 Rates & Annual Charges	2015 Other Receivables	2014 Rates & Annual Charges	2014 Other Receivables
<b>(i) Ageing of Receivables - %</b>				
Current (not yet overdue)	93%	44%	93%	93%
Overdue	7%	56%	7%	7%
	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

**(ii) Ageing of Receivables - value**

Rates & Annual Charges	Other Receivables	2015 Rates & Annual Charges	2015 Other Receivables	2014 Rates & Annual Charges	2014 Other Receivables
Current	Current	794	3,027	726	5,414
< 1 year overdue	0 - 30 days overdue	60	3,615	53	-
1 - 2 years overdue	30 - 60 days overdue		74	-	-
2 - 5 years overdue	60 - 90 days overdue		3	-	-
> 5 years overdue	> 90 days overdue		195	-	438
		<b>854</b>	<b>6,914</b>	<b>779</b>	<b>5,852</b>

**(iii) Movement in Provision for Impairment of Receivables**

	2015	2014
Balance at the beginning of the year	23	24
+ new provisions recognised during the year	2	(1)
<b>Balance at the end of the year</b>	<b>25</b>	<b>23</b>



## Nambucca Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2015

## Note 15. Financial Risk Management (continued)

\$ '000

## (c) Payables &amp; Borrowings

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

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

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

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

\$ '000	Subject to no maturity	payable in:						Total Cash Outflows	Actual Carrying Values
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
2015									
Trade/Other Payables	689	3,601	314					4,604	4,604
Loans & Advances		2,865	2,902	2,992	2,911	2,778	32,809	47,257	47,257
Total Financial Liabilities	689	6,466	3,216	2,992	2,911	2,778	32,809	51,861	51,861
2014									
Trade/Other Payables	570	515	414	-	-	-	-	1,499	2,164
Loans & Advances	-	2,611	2,692	2,720	2,803	2,714	33,783	47,323	47,323
Total Financial Liabilities	570	3,126	3,106	2,720	2,803	2,714	33,783	48,822	49,487

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

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

	2015		2014	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Bank Overdraft	-	0.8%	-	0.6%
Trade/Other Payables	4,604	0.0%	2,164	0.0%
Loans & Advances - Fixed Interest Rate	47,257	3.7%	47,323	3.5%
	51,861		49,487	

## Nambucca Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

#### Note 16. Material Budget Variations

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Council's Original Financial Budget for 14/15 was incorporated as part of its Operational Plan and was adopted by Council on 26 June, 2014.

The Income Statement and Note 2 (a) provides budget information of revenues and expenditures of each of the major activities of the council. Budget figures presented are those adopted by council for the 2014/15 financial year including transactions between activity areas and entities eliminated from the actual figure, and do not include council approved variations throughout the year.

The variation in other revenues came from a number of items. Two renewed caravan park leases generated an additional \$24,000 as well additional lease back of private vehicles of \$13,000. Revenue from parking infringements was up \$23,000 with POEO notices and orders revenue up \$14,000. Rental for the use of the Macksville Senior Citizens Centre generated \$11,000 after the Sect 355 committee disbanded.

A variation also exists in capital grants & contributions. With regard to grants the actual amount of grants received depends on decisions made by State and Federal Governments after Council's Original Budgets is adopted.

The \$8,836,000 increase is reflected by a final subsidy and additional claim for the Off Stream Water Storage Project totaling \$743,000. Also there were a number of Public Recreation Grants not shown in the Original Budget, being a receipt of a grant for the delayed Bellwood to Macksville Cycleway of \$103,000, \$30,000 for the Gordon Park Footbridge and \$54,000 for the Valla Beach Walkway to commence in 15/16, and \$976,000 for the Macksville Fun & Fitness project. Council also received \$2,300,000 in subdivider dedications, an additional \$332,000 in Section 64 Developer contributions, and \$4,716,000 in Flood Damage restoration.

There were no net gains from the disposal of assets. Forecast Real Estate sales did not eventuate during the year and now are expected to occur in October 2015. Therefore the \$733,000 gain from these expected sales did not come to fruition in the 2014/15 year. Also, only \$16,000 of the expected profit of \$110,000 on sale of plant was realised for the year. The loss on the disposal of assets shown in expenses was the net of the above and a loss on write off of assets of \$1,657,000, in particular \$1,136,000 and \$498,000 through the transfer of ownership of the Bowraville Museum and Nambucca Heads Senior Citizens Centre respectively.

Variations in employee costs will often arise as employees are engaged in both maintenance and capital works, the proportions of which vary from year to year and some employee costs that were forecasted in relation to capital works were required for maintenance. It is not Council's practice to make detailed calculations between maintenance and capital employee costs as part of its budgeting process.

In materials and contracts, the process of calling and accepting tenders during the year can result in substantial changes to the mix of self-constructed and contracted works. Work relating to the flood damage events mentioned earlier also contributed to the variance in materials & contracts.

The primary reason for the \$3,227,000 variation in Other Expenses was asset revaluation decrements for Infrastructure assets of \$3,137,000.



# Notes to the Financial Statements

for the financial year ended 30 June 2015

## Note 17. Statement of Developer Contributions

\$ '000

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

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

### SUMMARY OF CONTRIBUTIONS & LEVIES

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Open Space	787	70	-	27	(84)	-	800	331	(450)	681	-
Surf Club Equipment	10	4	-	-	(3)	-	11	22	-	33	-
Section 94 Planner	(112)	25	-	-	-	-	(87)	-	-	(87)	-
S94 Contributions - under a Plan	685	99	-	27	(87)	-	724	353	(450)	627	-
S94A Levies - under a Plan	660	140	-	22	(186)	-	636	-	-	-	-
Total S94 Revenue Under Plans	1,345	239	-	49	(273)	-	1,360	-	-	-	-
S64 Contributions	5,513	736	-	194	(1,120)	-	5,323	-	-	-	-
<b>Total Contributions</b>	<b>6,858</b>	<b>975</b>	<b>-</b>	<b>243</b>	<b>(1,393)</b>	<b>-</b>	<b>6,683</b>	<b>353</b>	<b>(450)</b>	<b>627</b>	<b>-</b>



# Nambucca Shire Council

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

## Note 17. Statement of Developer Contributions (continued)

\$ '000

### S94 CONTRIBUTIONS - UNDER A PLAN

#### CONTRIBUTION PLAN - Public Recreation

CONTRIBUTION PLAN - Public Recreation											
PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Open Space	787	70	-	27	(84)	-	800	331	(450)	681	-
<b>Total</b>	<b>787</b>	<b>70</b>	<b>-</b>	<b>27</b>	<b>(84)</b>	<b>-</b>	<b>800</b>	<b>331</b>	<b>(450)</b>	<b>681</b>	<b>-</b>

#### CONTRIBUTION PLAN - Surf Club Equipment

CONTRIBUTION PLAN - Surf Club Equipment											
PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Surf Club Equipment	10	4			(3)		11	22		33	-
<b>Total</b>	<b>10</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>(3)</b>	<b>-</b>	<b>11</b>	<b>22</b>	<b>-</b>	<b>33</b>	<b>-</b>

#### CONTRIBUTION PLAN NUMBER Section 94

CONTRIBUTION PLAN NUMBER Section 94											
PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Section 94 Planner	(112)	25	-	-	-	-	(87)	-	-	(87)	-
<b>Total</b>	<b>(112)</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(87)</b>	<b>-</b>	<b>-</b>	<b>(87)</b>	<b>-</b>

### S94A LEVIES - UNDER A PLAN

#### CONTRIBUTION PLAN - STREETSCAPE

CONTRIBUTION PLAN - STREETSCAPE											
PURPOSE	Opening	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Streetscape	660	140	-	22	Year (186)		636				-
Total	660	140	-	22	(186)	-	636				-

# Nambucca Shire Council

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

### Note 18. Contingencies & Other Assets/Liabilities Not Recognised

\$ '000

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

#### LIABILITIES NOT RECOGNISED:

##### 1. Guarantees

##### (i) Defined Benefit Superannuation Contribution Plans

"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 purposed of AAS119. 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 employers.

The amount of employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense for the year ending 30 June 2015 was \$370,645. The last valuation of the Scheme was performed by Mr. Martin Stevenson BSc,FIA,FIAA on 20 February 2013. However the position is monitored annually and the Actuary has estimated that as at 30 June 2015 a deficit still exists. Effective from the 1 July 2009, employers are required to contribute additional contributions to assist in extinguishing this deficit. The annual amount of additional contributions payable until the deficit is extinguished is \$160,498. Council's expected contributions to the plan for the next annual reporting period is \$ 373,360.

The share of this deficit is broadly attributed to Council is estimated to be in the order of \$178,200 as at 30 June 2015.

##### (ii) Statewide Limited

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

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

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

##### (iii) StateCover Limited

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

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

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

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

##### (iv) Other Guarantees

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



# Nambucca Shire Council

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

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

\$ '000

#### LIABILITIES NOT RECOGNISED (continued):

##### 2. Other Liabilities

###### (i) HIH Insurance

During the period 1988,1990, 1991-1993, a portion of Council's public liability cover was insured or re-insured with a member of the HIH Insurance Group of companies.

Council may have to defend public liability claims made during these periods and satisfy any judgements.

###### (ii) 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.

###### (iii) S94 and S94A Plans

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

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

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

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

#### ASSETS NOT RECOGNISED:

##### (i) Land Under Roads

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

##### (ii) Infringement Notices/Fines

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

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

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

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

## Nambucca Shire Council

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

#### Note 19. Interests in Other Entities

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\$ '000

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Council has no interest in any Controlled Entities, Joint Arrangements or Associates.

## Nambucca Shire Council

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

## Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2015	Actual 2014
<b>(a) Retained Earnings</b>			
<b>Movements in Retained Earnings were as follows:</b>			
Balance at beginning of Year (from previous years audited accounts)		240,399	234,510
a. Correction of Prior Period Errors	20 (c)	44,125	-
b. Changes in Accounting Policies (prior period effects)	20 (d)	-	-
c. Other Comprehensive Income (excl. direct to Reserves transactions)		-	-
d. Net Operating Result for the Year		6,801	5,806
e. Distributions to/(Contributions from) Non-controlling Interests		-	-
f. Transfers between Equity		825	83
g. Other Changes (disclosure required)		-	-
<b>Balance at End of the Reporting Period</b>		<b>292,150</b>	<b>240,399</b>
<b>(b) Reserves</b>			
<b>(i) Reserves are represented by:</b>			
- Infrastructure, Property, Plant & Equipment Revaluation Reserve		114,009	87,214
<b>Total</b>		<b>114,009</b>	<b>87,214</b>
<b>(ii) Reconciliation of movements in Reserves:</b>			
<b>Infrastructure, Property, Plant &amp; Equipment Revaluation Reserve</b>			
- Opening Balance		87,214	83,058
- Revaluations for the year	9(a)	27,748	4,258
- (Impairment of revalued assets) / Impairment reversals	9(a), (c)	(128)	(19)
- Transfer to Retained Earnings for Asset disposals		(825)	(83)
- Correction of Prior Period Errors	20(c)	-	-
<b>- Balance at End of Year</b>		<b>114,009</b>	<b>87,214</b>
<b>TOTAL VALUE OF RESERVES</b>		<b>114,009</b>	<b>87,214</b>

**(iii) Nature & Purpose of Reserves****Infrastructure, Property, Plant & Equipment Revaluation Reserve**

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



## Nambucca Shire Council

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

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

\$ '000	Notes	Actual 2015	Actual 2014
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## (c) Correction of Error/s relating to a Previous Reporting Period

**Correction of errors disclosed in this year's financial statements:**

- Not previously recognised:			-
Bulk Earthworks		7,783	-
Roads, Kerb & Guttering, Carpark		215	-

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

- Roads, Kerb and Guttering Asset Class
- Stormwater Asset Class
- Bridges Asset Class
- Footpath Asset Class

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

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

Council does not have sufficient and reliable information that will allow the restatement of information prior to 30/6/14 (the closing date for the comparative figures in this report).

As a result, Council has adjusted the accumulated depreciation for the following asset classes as at 30/6/14 to reflect the correct value of accumulated depreciation:

Roads,K & G Asset Class	(increase)/decrease to accumulated depreciation	27,857
Stormwater Asset Class	(increase)/decrease to accumulated depreciation	10,055
Bridges Asset Class	(increase)/decrease to accumulated depreciation	(3,085)
Footpaths Asset Class	(increase)/decrease to accumulated depreciation	1,300

This adjustment resulted in net increase / (decrease) in Council's Accumulated Surplus as at 30/6/14.

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

These amounted to the following Equity Adjustments:

- Adjustments to Closing Equity - 30/6/14 (relating to adjustments for the 30/6/14 year end)	44,125	-
<b>Total Prior Period Adjustments - Prior Period Errors</b>	<b>44,125</b>	<b>-</b>

## (d) Voluntary Changes in Accounting Policies

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

## Nambucca Shire Council

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

## Note 21. Financial Result &amp; Financial Position by Fund

Income Statement by Fund \$ '000	Actual 2015	Actual 2015	Actual 2015	Actual 2015
<b>Continuing Operations</b>	<b>Other</b>	<b>Water</b>	<b>Sewer</b>	<b>General<sup>1</sup></b>
<b>Income from Continuing Operations</b>				
Rates & Annual Charges		887	3,453	13,145
User Charges & Fees		3,636	686	1,733
Interest & Investment Revenue		603	243	743
Other Revenues		213	131	293
Grants & Contributions provided for Operating Purposes		50	75	11,379
Grants & Contributions provided for Capital Purposes		1,284	622	8,110
<b>Other Income</b>				
Net Gains from Disposal of Assets		-	-	-
<b>Total Income from Continuing Operations</b>	<b>-</b>	<b>6,673</b>	<b>5,210</b>	<b>35,403</b>
<b>Expenses from Continuing Operations</b>				
Employee Benefits & on-costs		1,119	1,494	7,599
Borrowing Costs		1,555	259	1,182
Materials & Contracts		1,096	1,274	7,157
Depreciation & Amortisation		1,065	1,688	7,079
Other Expenses		26	-	6,250
Net Losses from the Disposal of Assets		1	-	1,641
<b>Total Expenses from Continuing Operations</b>	<b>-</b>	<b>4,862</b>	<b>4,715</b>	<b>30,908</b>
<b>Operating Result from Continuing Operations</b>	<b>-</b>	<b>1,811</b>	<b>495</b>	<b>4,495</b>
<b>Discontinued Operations</b>				
Net Profit/(Loss) from Discontinued Operations		-	-	-
<b>Net Operating Result for the Year</b>	<b>-</b>	<b>1,811</b>	<b>495</b>	<b>4,495</b>
Net Operating Result attributable to each Council Fund	-	1,811	495	4,495
Net Operating Result attributable to Non-controlling Interests	-	-	-	-
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes</b>	<b>-</b>	<b>527</b>	<b>(127)</b>	<b>(3,615)</b>

<sup>1</sup> General Fund refers to all Council's activities other than Water, Sewer & Other

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

## Nambucca Shire Council

Notes to the Financial Statements  
as at 30 June 2015

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

Statement of Financial Position by Fund \$ '000	Actual 2015	Actual 2015	Actual 2015	Actual 2015
	Other	Water	Sewer	General <sup>1</sup>
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash & Cash Equivalents		3,643	1,867	3,150
Investments		10,628	5,452	9,182
Receivables		1,210	434	6,099
Inventories		40	-	1,425
Other		-	-	34
<b>Total Current Assets</b>	-	15,521	7,753	19,890
<b>Non-Current Assets</b>				
Receivables		-	401	-
Inventories		-	-	21
Infrastructure, Property, Plant & Equipment		93,239	75,605	250,142
Intangible Assets		208	-	-
<b>Total Non-Current Assets</b>	-	93,447	76,006	250,163
<b>TOTAL ASSETS</b>	-	108,968	83,759	270,053
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Payables		122	53	4,039
Borrowings		332	1,619	913
Provisions		-	-	3,819
<b>Total Current Liabilities</b>	-	454	1,672	8,771
<b>Non-Current Liabilities</b>				
Payables		-	-	791
Borrowings		23,650	7,476	13,267
Provisions		-	-	540
<b>Total Non-Current Liabilities</b>	-	23,650	7,476	14,598
<b>TOTAL LIABILITIES</b>	-	24,104	9,148	23,369
<b>Net Assets</b>	-	84,864	74,611	246,684
<b>EQUITY</b>				
Retained Earnings		59,951	52,719	179,480
Revaluation Reserves		24,913	21,892	67,204
Council Equity Interest	-	84,864	74,611	246,684
<b>Total Equity</b>	-	84,864	74,611	246,684

<sup>1</sup> General Fund refers to all Council's activities other than Water, Sewer & Other

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



## Nambucca Shire Council

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

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

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\$ '000

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	2015	2015	2014	2014
\$ '000	Current	Non Current	Current	Non Current

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

# Nambucca Shire Council

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

### Note 23. Events occurring after the Reporting Date

\$ '000

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

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

Accordingly, the "authorised for issue" date is 24/09/15.

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

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

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

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

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

Council is aware of the following "non-adjusting events" that merit disclosure;

#### 1. Proposed "hand over" of maintenance responsibility for approximately 30km of the old (existing)

##### Pacific Highway upon completion of the Pacific Highway upgrade through the Nambucca Valley

NSW Roads and Maritime Services has advised Council that they will withdraw their maintenance of the existing Pacific Highway when the new Highway alignment is completed in 2016/2017. On-going maintenance and liability will revert to Council as the roads authority pursuant to the NSW Road Act 1993. There are approximately 13 major bridges or culvert structures on the 30km section of road they intend to hand over. There are also a number of minor roads being constructed as part of the highway upgrade to provide local access which will also revert to Council to maintain. The length of road and bridges constitute about 10% of Council's existing sealed road and bridge infrastructure. The RMS advise there will be an opportunity for a fixed term project term over funding package to be determined. It is unknown the extent to which the hand over funding package will be sufficient to offset the depreciation of this infrastructure. This is a major concern given the relative scale of the proposed asset hand over and Council's existing inability to fully fund the depreciation of its assets. Whilst this matter was disclosed as a non-adjusting event in 2014, the RMS has still not determined the "hand over" package and the matter has not been brought to account in Council's budgets and financial statements.

#### 2. Purchase of property for future industrial land

As at 12 August 2015 Council had reached agreement to purchase 50 hectares of land at Valla for a future industrial park. Pending exchange of contracts it is not appropriate to disclose the purchase price. Provision to acquire the land was not made in Council's 2015/2016 operation plan and its funding is being met from working funds and General Fund reserves.



# Nambucca Shire Council

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

### Note 23. Events occurring after the Reporting Date

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\$ '000

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#### 3. Extension of waste services contract

Nambucca Shire Council is party to a contract with Coffs Harbour City Council and Bellingen Shire Council for the collection of domestic waste. The contract lapses on 31 May 2016 and for various reasons there has been a delay in tendering for a new contract. As a new contractor requires 12 months' notice to "tool up" for the contract, negotiations will be occurring with the existing contractor in relation to an extension of the existing contract.

#### 4. "Fit for the Future" requirements

The NSW Government has required Councils to report on various key performance indicators to ascertain their current and future financial well-being. Councils' response to these indicators are being assessed by the independent Pricing and Regulatory Tribunal who will report to the NSW Government. The Government has proposed that many rural councils, including Nambucca Shire Council, be part of a new statutory body known as a Joint Organisations. The Joint Organisation is to be established by legislation and its primary functions will be regional strategic planning, intergovernmental collaboration and regional advocacy. The Government has announced that the Joint Organisations will be operating by September 2016. The Joint Organisations will require funding to operate but at this stage their boundaries and functions have not been finally determined and as such it is impossible to determine the funding commitment which will need to be made by Council.

## Nambucca Shire Council

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

#### Note 24. Discontinued Operations

<hr/>		
\$ '000		
<hr/>		
	Actual	Actual
\$ '000	2015	2014
<hr/>		

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

## Nambucca Shire Council

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

## Note 25. Intangible Assets

	Actual 2015	Actual 2014
\$ '000		
Intangible Assets represent identifiable non-monetary asset without physical substance.		
Intangible Assets are as follows;		
<b>Opening Values:</b>		
Gross Book Value (1/7)	-	-
Accumulated Amortisation (1/7)	-	-
Accumulated Impairment (1/7)	-	-
<b>Net Book Value - Opening Balance</b>	<b>-</b>	<b>-</b>
<b>Movements for the year</b>		
- Purchases	208	-
<b>Closing Values:</b>		
Gross Book Value (30/6)	208	-
Accumulated Amortisation (30/6)	-	-
Accumulated Impairment (30/6)	-	-
<b><u>TOTAL INTANGIBLE ASSETS - NET BOOK VALUE</u></b>	<b><u>208</u></b>	<b><u>-</u></b>

<sup>1</sup> The Net Book Value of Intangible Assets represent:

- Other Assets - Land Easements - Water Storage Dam	208	-
	<b><u>208</u></b>	<b><u>-</u></b>

## Nambucca Shire Council

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

## Note 26. Reinstatement, Rehabilitation &amp; Restoration Liabilities

\$ '000

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

Asset/Operation	Estimated year of restoration	NPV of Provision	
		2015	2014
Old Coast Road - Nambucca Heads		501	478
Balance at End of the Reporting Period	10(a)	<u>501</u>	<u>478</u>

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

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

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

**Reconciliation of movement in Provision for year:**

Balance at beginning of year	478	457
Amortisation of discount (expensed to borrowing costs)	23	21
<b>Total - Reinstatement, rehabilitation and restoration provision</b>	<b><u>501</u></b>	<b><u>478</u></b>

**Amount of Expected Reimbursements**

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

**Provisions for close down and restoration and for environmental clean up costs – Tips****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.



## Nambucca Shire Council

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

#### Note 27. Fair Value Measurement

The Council measures the following assets and liabilities at fair value on a recurring basis.

- Infrastructure, property, plant and equipment
- Financial assets

#### **Fair value hierarchy**

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	Unobservable inputs for the asset or liability

The table below shows the assigned level for each asset and liability held at fair value by the Council.

2014	Note	Level 1 Significant observable inputs \$'000	Level 3 Significant unobservable inputs \$'000	Total \$'000
<b>Recurring fair value measurements</b>				
<b>Financial Assets</b>				
Investments-at fair value through profit & loss	6		Nil	Nil
<b>Infrastructure, Property, Plant and Equipment</b>				
Plant & Equipment, Office Equipment & Furniture & Fittings	9		4,337	4,337
Operational Land	9		6,700	6,700
Community Land	9		16,077	16,077
Land under Roads	9		2,784	2,784
Land Improvements-Depreciable	9		697	697
Buildings-Non Specialised & Specialised	9		19,251	19,251
Other Structures	9		4,556	4,556
Roads	9		83,217	83,217
Bridges	9		26,924	26,924
Footpaths	9		6,135	6,135
Bulk Earthworks-non depreciable	9		43,677	43,677
Stormwater Drainage	9		30,021	30,021
Water Supply Network	9		87,587	87,587
Sewer Supply Network	9		72,836	72,836
Swimming Pools	9		1,335	1,335
Other Open Space/Recreational Assets	9		1,898	1,898
Other Infrastructure	9		6,786	6,786
Heritage Collections	9		86	86
Other	9		219	219
Tip Remediation	9		124	124
<b>Total</b>			<b>415,247</b>	<b>415,247</b>

#### **Valuation Techniques**



## Nambucca Shire Council

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

#### Note 27. Fair Value Measurement

##### **Level 3 Measurements**

##### **Plant & Equipment, Office and Furniture & Fittings**

Plant & Equipment, Office Equipment and Furniture & Fittings are valued at depreciated 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 items. Examples of assets within these classes are as follows:

- Plant and Equipment      Graders, trucks, rollers, tractors and motor vehicles.
- Office Equipment      Computers, photocopiers.
- Furniture & Fittings      Chairs, desks and display boards.

There has been no change to the valuation process during the reporting period.

##### **Operational Land**

This asset class comprises all of Council's land classified as Operational Land under the NSW Local Government Act 1993. The key unobservable input to the valuation is the price per square metre. Operational land was valued by Asset Val (registered valuer) in 2013.

Generally, fair value is the most advantageous price reasonably obtainable by the seller and the most advantageous price reasonably obtained by the buyer. This is not necessarily the market selling price of the asset, rather, it is regarded as the maximum value that Council would rationally pay to acquire the asset if it did not hold it, taking into account quoted market price in an active and liquid market, the current market price of the same or similar asset, the cost of replacing the asset, if management intend to replace the asset, the remaining useful life and condition of the asset; and cash flows from the future use and disposal. There has been no change to the valuation process during the reporting period.

##### **Community Land**

Community Land is based on either the Land Value provided by the Valuer-General's unimproved capital value or an average unit rate based on the Land Value for similar properties where the Valuer-General did not provide a Land Value having regard to the highest and best use for the land. As these rates were not considered to be observable market evidence they have been classified a Level 3. There has been no change to the valuation process during the reporting period.

##### **Buildings – Non specialised and specialised**

Non-Specialised & Specialised Buildings were valued externally by Aust Val in 2013. The buildings were inspected and construction method, materials used and condition were noted and considered when providing a value on a depreciated cost basis, useful life and residual value.

No market based evidence (Level 2) could be established; as such these assets were classified as having been valued as Level 3 valuation inputs. Specialised buildings are typically of a unique value to Council and are therefore intrinsically valued at the highest and best purpose.

There has been no change to the valuation process during the reporting period.

## Nambucca Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2015

### Note 27. Fair Value Measurement

#### **Roads (including Bulk Earth Works), Bridges, Drainage and Footpaths**

Valuations for this asset class were undertaken in-house by Council's Engineering Department as at 30 June 2015.

The assets included in this valuation include road carriageway which has been separated to its component parts being pavement and where appropriate seal, car parks, footpaths, guardrails, kerb and gutter, retaining walls, culverts, bridges and drainage structures.

No market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class. The cost approach was utilised with inputs such as estimated pattern of consumption, residual value, asset condition and useful life requiring extensive professional judgement which impacted significantly on the final determination of fair value. Additionally and due to limitations in the historical records of very long lived assets there is some uncertainty regarding the actual design, specifications and dimensions of some assets. Bulk earthworks are considered to have an indefinite useful life and not depreciated.

There has been no change to the valuation process during the reporting period.

#### **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<sup>st</sup> July 2008 in accordance with AASB 1051. The class was valued in 2014 using an average unit rate based on the land value provided by the Valuer-General for similar properties. As these rates were not considered to be observable market evidence they have been classified a Level 3 inputs.

#### **Water Supply Network**

Assets in this class comprise reservoirs, pumping stations, water treatment works, water bores, rising mains and the reticulation network.

These were valued externally by Collaborative Planning and Engineering Associates in 2012 using the written down replacement cost for each asset by component.

No market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class. Valuation took consideration of construction type and materials, age, condition, maintenance and break history. Valuation relies to a varying degree on professional judgement. This is because a substantial part of the network is underground. The available information is also limited by historical records of very long lived assets and there is some uncertainty regarding the actual design, specifications and dimensions of some assets.

These assets are indexed each year in line with the NSW Reference Rates Manual as publish by the Office of Water except the years the class is the subject of a full revaluation.

There has been no change to the valuation process during the reporting period.



## Nambucca Shire Council

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

#### Note 27. Fair Value Measurement

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##### **Sewer Supply Network**

Assets within this class comprise treatment works, pumping stations and sewerage mains. These were valued externally by Collaborative Planning and Engineering Associates in 2012 using the written down replacement cost for each asset by component.

No market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this asset class. Valuation took consideration of construction type and materials, age, and maintenance and blockage history. Valuation relies to a varying degree on professional judgement. This is because a substantial part of the network is underground. The available information is also limited by historical records of very long lived assets and there is some uncertainty regarding the actual design, specifications and dimensions of some assets.

These assets are indexed each year in line with the NSW Reference Rates Manual as published by the Office of Water except the years when the class is the subject of a full revaluation.

There has been no change to the valuation process during the reporting period.

##### **Open Space/Recreational Assets/Other Structures/Other Infrastructure**

Assets within this class comprise soft fall surfaces, lighting, playground and sporting equipment plus auxiliary structures. All assets in this class were valued in-house by experienced engineering staff.

While some elements of gross replacement values may be supported from market evidence (Level 2 input) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value.

There has been no change to the valuation process during the reporting period.

##### **Swimming Pool**

Assets in this class comprise the Council's Aquatic Centre located at Macksville. The swimming pool was valued in house by experienced staff using the depreciated cost approach. The approach estimated the replacement cost for each component. Other unobserved inputs (level 3 inputs) that were considered include pattern of consumption, residual value, asset condition and expected useful life. These inputs relied substantially on professional opinion.

There has been no change to the valuation process during the reporting period.

##### **Heritage Collections**

Assets in this class were valued in house, based on historic values and limited indirect observable inputs. Council holds these assets for their cultural value within the community. These assets do have a market among collectors and market evidence (Level 2 input) is available, however this information is often limited to similar items and often relate to assets that are not directly comparable. This asset class has therefore been categorised as level 3 unobserved input.

## Nambucca Shire Council

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

#### Note 27. Fair Value Measurement

##### Landfill Remediation

This asset class represents the value of works to remediate the Nambucca Landfill under the terms of the facility's licence. The future service potential of the asset is to enable Nambucca Shire to comply with the life-cycle responsibilities of the land fill operation. There is no market for the asset and it is therefore classed as having a level 3 fair value with unobserved inputs, principally cost, legislative requirements, estimated timing of expense, CPI and discount rules. The best and highest use for the asset is unique to Nambucca Shire Council as the Licence holder.

##### Reconciliation of Movements

A reconciliation of the movements in recurring fair value measurements allocated to Level 3 of the hierarchy is provided below:

	Note	2015 \$'000	2014 \$'000
Balance at 1 July 2014		292,686	289,621
<b>Total gains or losses for the year</b>			
Recognised in profit or loss – realised	5		
Recognised in profit or loss - unrealised	3 & 4	42,093	4,241
Recognised in other comprehensive income- Revaluation Surplus		68,736	
<b>Other movements</b>			
Purchases	9a	26,541	6,226
Purchases – Work in Progress Transfer	9a	3,739	2,968
Sales	9a	(4,691)	(196)
Depreciation	9a	(9,910)	(10,174)
<b>Balance as at 30 June 2015</b>		<b>419,194</b>	<b>292,686</b>

##### Unobservable Inputs and sensitivities

Asset/Liability Category	Carrying amount (at Fair Value) \$'000	Key unobservable inputs	Expected range of inputs	Description of how changes in inputs will affect the fair value
P & E, Office Equipment & F & F	4,337	Gross Replacement Cost	Varies significantly from asset to asset	Significant changes in the gross replacement value, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.
		Remaining useful life	From 1 year to 20 years	
		Residual value	From 0% to 40%	
Operational Land	6,700	Price per square metre, Local property prices, alternative use	From \$0.28 to \$200 per square metre	Significant changes in the price per square metre would result in significant changes to fair value measurement.



## Nambucca Shire Council

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

#### Note 27. Fair Value Measurement

Community Land	16,077	Unimproved Capital Value (price per square metre)	From \$0.10 to \$411.40 per square metre	Significant changes in the price per square metre based on the unimproved capital value would result in significant changes to fair value measurement.
Land under Roads	2,784	Unimproved Capital Value (price per square metre)	From \$3.60 to \$217.59 per square metre	Significant changes in the price per square metre based on the unimproved capital value would result in significant changes to fair value measurement.
Land Improvements - depreciable	697	Gross Replacement Cost	Varies significantly from asset to asset	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.
		Asset Condition	Very poor to excellent	
		Remaining useful life	From 25 years to 100 years	
		Residual value	From 0% to 100%	
Buildings	19,251	Gross Replacement Cost	Varies significantly from asset to asset	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.
		Asset Condition	Very poor to excellent	
		Remaining useful life	From 20 to 60 years	
		Residual value	From 5% to 21%	
Other Structures	4,556	Gross Replacement Cost	Varies significantly from asset to asset	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.
		Asset Condition	Very poor to excellent	
		Remaining useful life	From 3 years to 80 years	
		Residual value	From 0% to 15%	
Roads	83,217	Gross Replacement Cost	Varies significantly from asset to asset	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.
		Asset Condition	Very poor to excellent	
		Remaining useful life	From 2 years to 34 years	
		Residual value	0%	



## Nambucca Shire Council

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

#### Note 27. Fair Value Measurement

Bridges	26,924	Gross Replacement Cost	Varies significantly from asset to asset	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.
		Asset Condition	Very poor to excellent	
		Remaining useful life	From 2 to 80 years	
		Residual value	1%	
Footpaths	6,135	Gross Replacement Cost	Varies significantly from asset to asset	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.
		Asset Condition	Very poor to excellent	
		Remaining useful life	From 40 to 10 years	
		Residual value	0%	
Bulk Earthworks – non depreciable	43,677	Gross Replacement Cost	Varies significantly from asset to asset	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.
		Asset Condition	Very poor to excellent	
		Remaining useful life/ residual value	Held in perpetuity	
		Residual value		
Stormwater Drainage	30,021	Gross Replacement Cost	Varies significantly from asset to asset	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.
		Asset Condition	Very poor to excellent	
		Remaining useful life	From 15 years to 30 years	
		Residual value	5%	
Water Supply Network	87,587	Gross Replacement Cost	Varies significantly from asset to asset	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.
		Asset Condition	Very poor to excellent	
		Mean component remaining useful lives	From 3 years to 53 years	
		Residual value	From 1% to 17%	

## Nambucca Shire Council

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

## Note 27. Fair Value Measurement

Sewer Supply Network	72,836	Gross Replacement Cost	Varies significantly from asset to asset	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.
		Asset Condition	Very poor to excellent	
		mean component remaining useful lives	From 11 years to 50 years	
		Residual value	0 to 47%	
Swimming Pools	1,335	Gross Replacement Cost	\$4,038,370	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.
		Asset Condition	Very poor to excellent	
		Remaining useful life	14	
		Residual value	\$400,000	
Other Open Space/Recreational Assets	1,898	Gross Replacement Cost	Varies significantly from asset to asset	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.
		Asset Condition	Very poor to excellent	
		Remaining useful life	Year to 46 years	
		Residual value	0% to 66%	
Other Infrastructure	6,786	Gross Replacement Cost	Varies significantly from asset to asset	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.
		Asset Condition	Very poor to excellent	
		Remaining useful life	From 8 years to 100 years	
		Residual value	From 5% to 10%	
Heritage Collections	86	Gross Replacement Cost	Total Current replacement value \$520,000	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.
		Asset Condition	Very poor to excellent	
		Remaining useful life - Residual value	Held in perpetuity	
Other	219	Gross Replacement Cost	Varies significantly from asset to asset	Significant changes in the gross replacement value, asset condition, pattern of consumption effecting the remaining useful life or residual value would result in significant changes to fair value measurement.
		Asset Condition	Very poor to excellent	
		Remaining useful life	From 8 years to 100 years	
		Residual value	From 5% to 10%	

## Nambucca Shire Council

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

#### Note 27. Fair Value Measurement

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Tip Remediation	124	Discount Rate, Regulation change, unit cost assumptions, CPI	6%	Significant changes in the discount rate or cost escalation rate would result in significant changes to fair value measurement. Also timing of work and regulation change.
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#### Transfers between levels of the hierarchy

There have been no movements between hierarchies in the 2014/2015 financial year.

#### Highest and best use

All assets valued at fair value in this note are being used for their highest and best use.



## Nambucca Shire Council

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

#### Note 28. Council Information & Contact Details

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**Principal Place of Business:**

44 Princess Street  
MACKSVILLE NSW 2447

**Contact Details**
**Mailing Address:**

PO Box 177  
MACKSVILLE NSW 2447

**Opening Hours:**

Monday to Friday - 8.30am to 4.00pm

**Telephone:** 02 6568 2555

**Facsimile:** 02 6568 2201

**Internet:** [www.nambucca.nsw.gov.au](http://www.nambucca.nsw.gov.au)

**Email:** [council@nambucca.nsw.gov.au](mailto:council@nambucca.nsw.gov.au)

**Officers**
**GENERAL MANAGER**

Michael Coulter

**RESPONSIBLE ACCOUNTING OFFICER**

Craig Doolan

**PUBLIC OFFICER**

Michael Coulter

**AUDITORS**

Forsyths Business Services Pty Ltd  
PO Box 114  
ARMIDALE NSW 2350

**Elected Members**
**MAYOR**

Rhonda Hoban

**COUNCILLORS**

John Ainsworth  
Martin Ballangarry, OAM  
Brian Finlayson  
Paula Flack  
Kim MacDonald  
Bob Morrison  
Anne Smyth  
Elaine South

**Other Information**

**ABN:** 71 323 535 981



**Armidale**

92 Rusden Street  
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Armidale NSW 2350

**p** +61 2 6773 8400

**f** +61 2 6772 9957

**email** [armidale@forsyth's.com.au](mailto:armidale@forsyth's.com.au)

Forsyth's Business Services Pty Ltd  
ABN 66 182 781 401

**INDEPENDENT AUDIT REPORT**  
**Report on the general purpose financial statements**

**To Nambucca Shire Council**

**SCOPE**

The financial statements comprise the income statement, statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity, accompanying notes to the financial statements, and the Statement by Councillors and Management in the approved form as required by Section 413(2)(C) of the *Local Government Act 1993* for Nambucca Shire Council (the Council), for the year ended 30<sup>th</sup> June 2015.

***Councils' responsibility for the financial statements***

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1993* and regulations and the Local Government Code of Accounting Practice and Financial Reporting. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that is free of material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

***Auditor's responsibility***

Our responsibility is to express an opinion on the financial statements to the Council based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Audit Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements is free from material misstatement. Our audit responsibility does not extend to the Original Budget figures included in the Income Statement and Statement of Cash Flows and the Original Budget disclosures in Notes 2 and 16 and accordingly, we express no opinion on them.

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

**Knowledge with integrity**

Liability limited by a scheme approved under the Professional Standards Legislation

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

## INDEPENDENCE

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

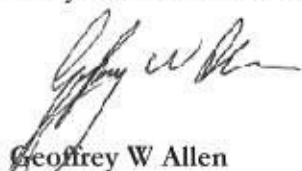
## AUDIT OPINION

In our opinion:

- (a) the accounting records of the Council have been kept in accordance with the requirements of Division 2 of Part 3 of the *Local Government Act 1993*;
- (b) the general purpose financial statements:
  - (i) have been prepared in accordance with the requirements of Division 2 of Part 3 of the *Local Government Act 1993*;
  - (ii) are consistent with the Council's accounting records; and
  - (iii) presents fairly, in all material respects, the Council's financial position as at 30<sup>th</sup> June 2015 and the results of its operations for the year then ended;
- (c) we have been able to obtain all information relevant to the conduct of our audit; and
- (d) no material deficiencies in the records or the financial statements were detected in the course of the audit.

*Forsyths*

*Forsyths Business Services Pty Ltd*



Geoffrey W Allen  
Principal

27<sup>th</sup> October 2015  
92 Rusden Street Armidale

27 October 2015

The Mayor  
Nambucca Shire Council  
PO Box 177  
MACKSVILLE 2447

**Armidale**

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Forsyths Business Services Pty Ltd  
ABN 66 182 781 491

Dear Sir

**AUDIT OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30<sup>th</sup> JUNE 2015**

We are pleased to report that we have completed the audit of Council's records for the year ended 30<sup>th</sup> June 2015 and have reported on the general purpose financial statements and special purpose financial statements and underlying accounting records as required by the provisions of Section 417(2) of the *Local Government Act 1993*.

Under Section 417(3) of the *Local Government Act 1993* we are also required to report on the conduct of the audit.

***Councils Responsibilities***

The Council is responsible for preparing a financial statements that gives a true and fair view of the financial position and performance of the Council, and that comply with Accounting Standards in Australia, in accordance with the *Local Government Act 1993*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

***Audit Objectives***

We conducted an independent audit of the financial statements in order to express an opinion on them to the Council. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our audit responsibility does not extend to the Original Budget figures included in the Income Statement and Statement of Cash Flows and the Original Budget disclosures in Notes 2 and 16 to the financial statements and accordingly, we express no opinion on them.

The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

**Knowledge with integrity**

Liability limited by a scheme approved under the Professional Standards Legislation

**ARMIDALE | COONABARABRAN | GUNNEDAH | TAMWORTH**



We performed procedures to assess whether in all material respects the financial statements presents fairly, in accordance with the *Local Government Act 1993*, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Council's financial position, and its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial statements, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Council.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial statements. These and other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the Council.

We have issued our audit opinion on the basis of foregoing comments.

#### **Matters Relating to the Electronic Presentation of the Audited Financial Statements**

This auditor's report relates to the financial statements of Nambucca Shire Council for the year ended 30<sup>th</sup> June 2015 included on Nambucca Shire Council's web site. Council is responsible for the integrity of its web site. We have not been engaged to report on the integrity of the Council's web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements to confirm the information included in the audited financial statements presented on this web site.

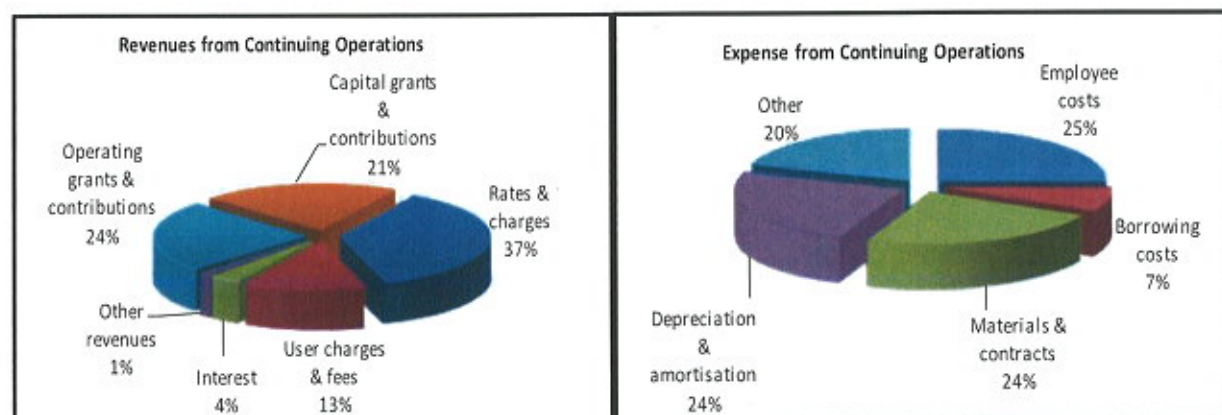


### Additional Reporting Requirements

In accordance with Section 417(3) of the *Local Government Act 1993* we make the following comments in relation to the results and financial trends.

The combined income statement for the year ended 30 June 2015 discloses the following result:

INCOME STATEMENT	Budget	Actual	Actual	Variance	
	2015	2015	2014	Actual	Budget
	\$'000	\$'000	\$'000	%	%
<b>INCOME FROM CONTINUING OPERATIONS</b>					
Rates & annual charges	17,699	17,485	16,963	3.1%	-1.2%
User charges & fees	5,977	6,055	5,620	7.7%	1.3%
Interest	1,472	1,589	2,246	-29.3%	7.9%
Other revenues from ordinary activities	547	637	474	34.4%	16.5%
Grants & contributions for operating purposes	10,940	11,504	6,101	88.6%	5.2%
Grants & contributions for capital purposes	1,180	10,016	9,882	1.4%	748.8%
Gain from sale of assets	843	0	0	0.0%	0.0%
<b>Total income from continuing operations</b>	<b>38,658</b>	<b>47,286</b>	<b>41,286</b>	<b>14.5%</b>	<b>22.3%</b>
<b>EXPENSES FROM CONTINUING OPERATIONS</b>					
Employee benefits & oncosts	10,561	10,212	9,559	6.8%	-3.3%
Borrowing costs	2,893	2,996	2,833	5.8%	3.6%
Materials and contracts	13,765	9,527	9,699	-1.8%	-30.8%
Depreciation & amortisation	10,167	9,832	10,083	-2.5%	-3.3%
Other expenses from ordinary activities	3,049	6,276	3,191	96.7%	105.8%
Loss from disposal of assets	0	1,642	115	1327.8%	0.0%
<b>Total Expenses from continuing operations</b>	<b>40,435</b>	<b>40,485</b>	<b>35,480</b>	<b>14.1%</b>	<b>0.1%</b>
<b>NET OPERATING RESULT FOR YEAR</b>	<b>(1,777)</b>	<b>6,801</b>	<b>5,806</b>	<b>17.1%</b>	<b>-482.7%</b>
<b>NET OPERATING RESULT BEFORE CAPITAL GRANTS AND CONTRIBUTIONS</b>	<b>(2,957)</b>	<b>(3,215)</b>	<b>(4,076)</b>	<b>-21.1%</b>	<b>8.7%</b>



The operating result of \$6.8m is after recognising grants and contributions for capital expenditure purposes of \$10.0m. The expenditure of these grants is not recognised as part of the operating result but is recorded in the statement of financial position and when excluded council achieved a deficit of \$3.2m.

Operating revenues increased by 14.5% during the year mainly as a result of increase in rates & annual charges, user charges & fees and operational grants & contributions which were partially offset by a

decrease in interest. Rates & annual charges increased due to rate pegging increases during the year. User charges & fees increased due mainly to increased water usage charges and waste management charges as a result in increased dumping due to the State highway development. Grants & contributions for operational purposes increased mainly due to the Governments Financial Assistance Grant ceasing to be prepaid in the prior year. Interest revenue decreased due to lower cash and investment balances during the year as a result of the timing of progress payments in relation to the Off-River Water Storage project and lower interest rates.

Operating expenses increased by 14.1% during the year due to increases in employee benefits & on costs, borrowing costs, other expenses and losses on disposal of assets which were partially offset by decreases in materials & contracts. Employee costs increased mainly due to a number of redundancy payments during the year. Borrowing costs increased due to the increased borrowings in relation to construction of the Off-River Water Storage project. Other expenses increased due to a revaluation decrements as a result of the revaluations of roads and related infrastructure during the year. The large loss on the disposal of assets was mainly due to the transfer of the Eliza & Joseph Newman Museum to the Bowraville Folk Museum Inc. for nominal consideration. Materials and contracts decreased mainly as a result of a reduction in work related to flood damage.

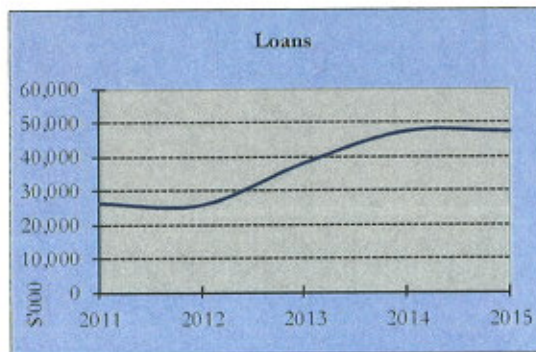
The operating surplus for the year of \$6.8m compares with the original budget deficit of \$1.8m. The variance between the actual results and the original budget is primarily due to the following:

Large Budget Variations >10% and > \$0.5m		Comment
Capital Grants	\$8,836,000	Capital grants were favourable to budget mainly due to the final subsidy and additional claim for the Off-River Water Storage project, unbudgeted subdivision dedications, section 64 developer contributions and flood damage restoration contributions.
Materials & Contracts	\$4,238,000	Favourable to budget mainly due to a increase in the capital works projects related to flood damage and a decrease in maintenance work.
Other expenses from ordinary activities	(\$3,227,000)	Unfavourable to budget due to asset revaluation decrements for infrastructure assets during the year.
Loss from disposal of assets	(\$1,642,000)	Unfavourable to budget mainly due to the transfer of the Eliza & Joseph Newman Museum to the Bowraville Folk Museum Inc. during the year.



The following schedule of assets and liabilities has been extracted from the statement of financial position as at 30 June 2015. This schedule discloses the consolidated assets and liabilities of all functions.

SCHEDULE OF ASSETS & LIABILITIES	2015 \$'000	2014 \$'000	Variance
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	8,660	6,013	44.0%
Investments	25,262	31,752	-20.4%
Receivables	7,743	6,608	17.2%
Inventories	1,465	1,237	18.4%
Other	34	117	-70.9%
<b>TOTAL CURRENT ASSETS</b>	<b>43,164</b>	<b>45,727</b>	<b>-5.6%</b>
<b>CURRENT LIABILITIES</b>			
Payables	4,214	1,749	140.9%
Borrowings	2,864	2,611	9.7%
Provisions	3,819	3,678	3.8%
<b>TOTAL CURRENT LIABILITIES</b>	<b>10,897</b>	<b>8,038</b>	<b>35.6%</b>
<b>NET CURRENT ASSETS</b>	<b>32,267</b>	<b>37,689</b>	<b>-14.4%</b>
<b>NON-CURRENT ASSETS</b>			
Inventories	21	21	0.0%
Intangible Assets	208	-	0.0%
Infrastructure, Property Plant & Equipment	418,986	335,544	24.9%
<b>TOTAL NON-CURRENT ASSETS</b>	<b>419,215</b>	<b>335,565</b>	<b>24.9%</b>
<b>NON-CURRENT LIABILITIES</b>			
Payables	390	415	-6.0%
Provisions	540	514	5.1%
Borrowings	44,393	44,712	-0.7%
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>45,323</b>	<b>45,641</b>	<b>-0.7%</b>
<b>NET ASSETS</b>	<b>406,159</b>	<b>327,613</b>	<b>24.0%</b>



Cash and investments have decreased from \$37.8m to \$33.9m during the year mainly due payments in relation to the construction of the Off-River Water Storage project. Receivables increased due to grant project debtors in relation to the land slip works at Riverside Drive at year end. Inventory has increased due to increases in industrial/commercial land costs.

Payables have increased mainly due to significant payables in relation to project work activities at year end.

The total borrowings decreased by \$0.1m due to new borrowings of \$2.2m being off-set by scheduled repayments during the year.

The increase in infrastructure, property, plant and equipment of \$83.4m is due to capital expenditure of \$26.5m (including the new dam project), revaluation of roads and related infrastructure of \$68.7m which were partially offset by depreciation, impairment and disposals of \$11.8m.

## NET CURRENT ASSETS

The Net Current Asset position at year end is an important financial indicator as it discloses the working capital available to Council to fund day to day operations and finance infrastructure and new community projects. However, included in Current Assets are assets which are "Restricted" by regulation or other externally imposed requirements and therefore are not available other than for their restricted purpose. The following table discloses unrestricted net current assets by function:

	Water \$'000	Sewerage \$'000	Dom Waste \$'000	General \$'000	Total \$'000
Current Assets	15,521	7,753	785	19,105	43,164
Current Liabilities	454	1,672	-	8,771	10,897
<b>Net Current Assets</b>	<b>15,067</b>	<b>6,081</b>	<b>785</b>	<b>10,334</b>	<b>32,267</b>
<b>Plus: Employee Entitlements Payable &gt;12mths</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,357</b>	<b>2,357</b>
<b>Total Funds before Restrictions</b>	<b>15,067</b>	<b>6,081</b>	<b>785</b>	<b>12,691</b>	<b>34,624</b>
<b>LESS: Restricted Cash &amp; Investments</b> (Included in Revenue)					
Developer Contributions	3,687	1,636	-	1,360	6,683
Unexpended Loans	-	-	-	1,592	1,592
Security Deposits	-	-	-	689	689
Unexpended Grants	-	-	-	2,231	2,231
	3,687	1,636	-	5,872	11,195
<b>NET FUNDS AVAILABLE</b>	<b>11,380</b>	<b>4,445</b>	<b>785</b>	<b>6,819</b>	<b>23,429</b>
<b>LESS Internal Restrictions</b>	<b>-</b>	<b>-</b>		<b>4,940</b>	<b>4,940</b>
<b>Net Funds After All Restrictions</b>	<b>11,380</b>	<b>4,445</b>	<b>785</b>	<b>1,879</b>	<b>18,489</b>

INTERNAL RESTRICTIONS	Opening \$'000	Transfer to \$'000	Transfer from \$'000	Closing \$'000
Council Building Reserve	184	30	-	214
Election	57	30	-	87
Employee Entitlements	1,981	325	548	1,758
Environmental rate unallocated	361	538	271	628
Lawn cemetery	8	-	-	8
Onsite -sewer maintenance	13	-	-	13
Land Development	207	-	327	(120)
Office Equipment	145	38	41	142
Plant Replacement	304	7	-	311
Public Road/Reserves Sales	51	-	6	45
Stormwater Management	142	-	7	135
Swimming Pool	73	20	15	78
Waste Management	507	1,077	79	1,505
Other	377	55	296	136
	4,410	2,120	1,590	4,940



After Funding both external and internal restrictions Council's general fund has unrestricted funds of \$1.9m (2014: \$1.6m) which is considered adequate to cover working capital requirements.

Council has set aside \$1.8m to fund the employee leave entitlements provision. This amount represents 46% of the total liability and is considered adequate given the existing staff levels and age profiles.

## LOCAL GOVERNMENT INDUSTRY PERFORMANCE INDICATORS

The Code of Accounting Practice requires the mandatory disclosure of certain performance indicators. These financial indicators are useful in assessing performance, financial position and the likely financial burden to be placed on ratepayers.

The key financial indicators disclosed in the Financial Statements are:

RATIO	PURPOSE	2015	2014	2013	2012	2011	Tcorp
OPERATING PERFORMANCE RATIO	To assess councils ability to meet operating expenditure within operating revenue.	3.4%	-14.2%	-13.3%	-9.5%	-14.9%	>-4%
OWN SOURCE OPERATING REVENUE	To assess the degree of reliance on external funding sources.	54.2%	60.9%	42.7%	55.3%	51.4%	>60%
UNRESTRICTED CURRENT RATIO	To assess the adequacy of working capital after excluding all restricted assets and liabilities.	2.00	2.70	1.71	2.02	2.30	>1.5
DEBT SERVICE COVER RATIO	To assess the availability of operating cash to service debt including interest, principal and lease payments.	2.47	1.59	1.94	2.43	1.96	>2.0
OUTSTANDING RATES	To assess the impact of uncollected rates and charges on liquidity and the adequacy of recovery efforts.	4.4%	4.4%	4.9%	5.8%	6.2%	<10%
CASH EXPENSE COVER RATIO	To assess the number of months council can pay its expenses without additional cash inflow.	11.61	10.89	15.88	5.38	1.07	>3

### Operating performance

An operating performance surplus of 3.4% indicates that Councils operating revenue, excluding capital grants and contributions are sufficient to cover operating expenditure, especially depreciation of infrastructure assets. This compares to the Group 11 Councils average deficit of 8.4% and a State average deficit of 8.8% for 2014. The TCorps benchmark for this ratio is to have a deficit of less than 4.0% each year. The Fit for Future benchmark is that councils should average breakeven or better over a three year period.

### Owned source operating revenue

A ratio of 54.2% for the 2015 year highlights Council's dependence on grants and contributions and compares to a Group 11 average of 68.0% and a State average of 70% for 2014. The TCorp benchmark for sustainability is to have a ratio of greater than 60% and the Fit for Future benchmark is to average greater than 60% over a three year period.

#### *Unrestricted Ratio*

The unrestricted ratio excludes all current assets and liabilities that are restricted to specific purposes such as water, sewer, domestic waste management functions and specific purpose unexpended grants and contributions and adjusting for employee entitlements not expected to be settled within 12 months. This ratio is before setting aside cash to fund internal restrictions relative to the general function. The ratio of 2.00 as at 30 June 2015 indicates that there is \$2.00 of unrestricted current assets for every \$1.00 of current liabilities. Council's ratio of 2.00 compares to the average of 3.91 for the Group 11 Councils and is lower than the State average of 3.61 for 2014. However, the ratio is higher than the TCorp benchmark of greater than 1.5.

#### *Debt service cover ratio*

The debt service cover ratio of 2.47 times indicates that council has \$2.47 before interest and depreciation to pay interest and principal repayments on current borrowings. This compares to the Group 11 average of 5.1 and the State average of 4.29 for 2014. The TCorp benchmark for sustainability is to have a ratio of greater than 2.0.

#### *Outstanding rate ratio*

The outstanding rate ratio of 4.4% compares favourably to the average of 6.4% for Group 11 Councils and the State average of 6.59% for 2014. This ratio is an indicator of Council's activity to collect outstanding rate revenues. The TCorp benchmark for rural Council's is to have an outstanding rates ratio of less than 10%. The ratio is an indicator of Council's debt collection activities.

#### *Cash expense ratio*

The ratio indicates that Council can pay 11.61 months of its expenses without additional cash inflows. This compares to the Group 11 average of 13.1 and the state average of 9.8 for 2014. The TCorp benchmark is to have reserves to meet at least 3 months of operating expenditure.

The key financial indicators by fund disclosed in the Financial Statements are:





#### Operating performance

An operating performance ratio by fund shows that the sewer fund has insufficient operating revenue, excluding capital grants and contributions to cover operating expenditure. The ratio indicates there is insufficient profit being generated to fund the depreciation on sewer assets.

#### Owned source operating revenue

The ratios show the Councils reliance on grant and contribution funding. The water fund showing the impact of the off-river storage project in the prior year.

#### Unrestricted Ratio

The unrestricted ratios show that the general fund and water fund have sufficient working capital, however there is a need for the sewer fund to build up reserves.

#### Debt service cover ratio

The debt service cover ratio by fund shows that the general fund may have potential to increase borrowings to fund infrastructure backlogs, but the water and sewer fund have limited potential.

#### Outstanding rate ratio

The outstanding rate ratio by fund shows that the outstanding rates are consistent across the funds.

#### Cash expense ratio

This ratio shows that the general fund has low cash reserves and there is a need to build up reserves.

### Infrastructure Asset Performance Indicators

With the emphasis on “Fit for the Future” we have included comments on unaudited infrastructure asset performance measures disclosed in the Special Schedule 7 are as follows:

RATIO	PURPOSE	2015	2014	2013	2012	2011	Tcorp
BUILDING AND INFRASTRUCTURE RENEWALS RATIO	To assess the proportion spent on infrastructure renewals vs infrastructure deterioration.	59.57%	49.97%	67.03%	91.88%	84.00%	>100%
INFRASTRUCTURE BACKLOG RATIO	To assess the infrastructure backlog against the total value of councils infrastructure.	3.4%	22.0%	31.0%	29.0%	34.0%	<20%
ASSET MAINTENANCE RATIO	To assess the actual vs required annual maintenance expenditure.	146.0%	93.0%	69.0%	55.0%	53.0%	>100%
CAPITAL EXPENDITURE RATIO	To assess the extent to which council is forecasting to expand its asset base with capital expenditure.	2.52	2.98	1.59	1.23	2.12	>1.1

#### Building and Infrastructure renewals ratio

The building and infrastructure renewals ratio outlines Council’s performance with renewing its infrastructure assets against the level of estimated infrastructure asset deterioration (as represented by depreciation expense). For 2015 Council spent \$0.60 for every \$1 in estimated asset deterioration. The Group 11 average for the asset renewal ratio was \$0.87 and the State average of \$0.87 for 2014. The Fit for Future benchmark is to have a three year average of greater than \$1.00.

The current trend in the ratio highlights that Council expended less on asset renewals compared to the estimated reduction in asset condition over the past five years and therefore, based on this ratio, Council’s overall infrastructure has deteriorated over that period.

Council should aim to ensure infrastructure spending keeps pace with “wear and tear” and Council should seek to improve asset condition.

#### Infrastructure backlog ratio

An infrastructure backlog ratio 3.4% indicates that the infrastructure backlog represents 3.4% of the value of Councils infrastructure and compares to a Group 11 average of 10.5% and State average of 8.7% for 2014. The TCorp benchmark is a ratio less than 20% and the “fit for future” benchmark is less than 2% which Council is presently unable to achieve.

#### Asset maintenance ratio

The Asset Maintenance ratio of 146% indicates that Council has been undertaking sufficient maintenance to keep pace with required maintenance requirements as determine by council’s engineers and maintenance staff. This compares to a Group 11 average of 94.1% and State average of 91.2% for 2014. A ratio of greater than 100% is considered acceptable buy TCorp.



#### Capital expenditure ratio

The capital expenditure ratio of 2.52 indicates that Council has expended \$2.52 on capital expenditure for every dollar of depreciation. The TCorp benchmark is for a Council to have a capital expenditure ratio of greater than 1.1. The high ratio is due to the dam project expenditure in 2014 and 2015.

Changes in cash and investments reflected in the Statement of financial position is also evident in the following table extracted from the Statement of Cash Flows.

CASH MOVEMENTS	Actual 2015	Actual 2014	Variance
	\$'000	\$'000	%
<b>CASH INFLOWS</b>			
Operating Receipts	47,083	44,770	5.2%
Proceeds from Assets Sales	176	108	63.0%
Proceeds from sale of investments	6,812	-	0.0%
Proceeds from Borrowings	2,263	11,455	-80.2%
<b>TOTAL RECEIPTS</b>	<b>56,334</b>	<b>56,333</b>	<b>0.0%</b>
<b>CASH OUTFLOWS</b>			
Operating Payments	26,378	32,440	-18.7%
Purchase of Assets	24,391	29,885	-18.4%
Purchase of investments	0	689	0.0%
Repayment of Loans	2,691	2,518	6.9%
Other Payments	228	5	4460.0%
<b>TOTAL PAYMENTS</b>	<b>53,688</b>	<b>65,537</b>	<b>-18.1%</b>
<b>TOTAL CASH MOVEMENT</b>	<b>2,646</b>	<b>(9,204)</b>	<b>-128.7%</b>
Cash and cash equivalents	8,660	6,013	44.0%
Investments	25,262	31,752	-20.4%
<b>Total Cash &amp; Investments on Hand</b>	<b>33,922</b>	<b>37,765</b>	<b>-10.2%</b>

Total cash and investments decreased from \$37.8m in 2014 to \$33.9m mainly due to funding the Off-River Water Storage project from carried forward reserves and borrowings.

Cash outflows for purchase and construction of assets of \$24.4m included \$3.1m for road and bridge construction, \$15.0m for capital work in progress, \$3.8m for other structures, \$1.3m on replacement plant, \$0.3m on footpaths, \$0.2 on buildings and structures and \$2.0m on water, stormwater and sewer infrastructure.

In assessing the replacement rate of depreciating assets it is also important to note that Special Schedule No 7, which is an unaudited statement prepared in conjunction with the financial report, discloses that the estimated cost to all assets to a "satisfactory standard" is \$11.7m.

#### SPECIAL PURPOSE FINANCIAL STATEMENTS

Council is required to report the financial results of identified Business Units in accordance with National Competition Policy guidelines. The reports are known as Special Purpose Financial Statements and are subject to audit. Council has identified Water and Sewer functions as Category 1 Business Units.

#### WATER SUPPLY FUNCTION

The Special Purpose Financial Statements disclose that the Water Supply function recorded an operating surplus (before capital funding) of \$247,000 after allowing for depreciation of \$1,065,000.

The Net Current Asset position records a positive balance of \$15,067,000 (2014: \$23,895,000) which

provides a strong working capital balance to meet medium term funding requirements and pay dividends.

#### SEWERAGE SERVICES

The Special Purpose Financial Statements disclose that the Sewerage Services function recorded an operating deficit (before capital funding) of \$255,000 after allowing for depreciation of \$1,688,000.

The current level of Net Current Assets of \$6,081,000 (2014: \$5,724,000) is very strong and is considered more than adequate to meet medium term funding requirements.

#### GENERAL

##### *Reporting obligations under the Local Government Act*

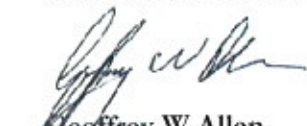
It is pleasing to report that Council's systems and records have been well maintained during the year and the audited financial statements will be submitted to the Office of Local Government within the prescribed time provided for in Division 2 of the *Local Government Act 1993*.

Matters of a technical nature have been documented in a management letter to the General Manager. We take this opportunity of thanking the General Manager and his staff for their co-operation and assistance during the course of the audit.

Under section 419 of the *Local Government Act 1993*, Council is required to give public notice of a Council meeting for the purpose of presenting the audited financial statements and the auditor's report. A principal of this firm is available to attend this meeting to address any questions in respect of the audit report or the conduct of the audit if the Council so determines.

Yours faithfully

**FORSYTHS BUSINESS SERVICES PTY LTD**



Geoffrey W Allen  
Principal

# Nambucca Shire Council

SPECIAL SCHEDULES  
for the year ended 30 June 2015

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“Nambucca Valley ~ Living at its best”





# Nambucca Shire Council

## Special Schedules

for the financial year ended 30 June 2015

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<sup>1</sup> Special Schedules are not audited (with the exception of Special Schedule 9).

#### Background

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



## Nambucca Shire Council

# Special Schedule No. 1 - Net Cost of Services

for the financial year ended 30 June 2015

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
<b>Governance</b>	<b>505</b>	-	-	<b>(505)</b>
<b>Administration</b>	<b>3,893</b>	<b>347</b>	<b>25</b>	<b>(3,521)</b>
<b>Public Order and Safety</b>				
Fire Service Levy, Fire Protection, Emergency Services	868	274	105	<b>(489)</b>
Beach Control	146	16	57	<b>(73)</b>
Animal Control	158	33	-	<b>(125)</b>
<b>Total Public Order &amp; Safety</b>	<b>1,172</b>	<b>323</b>	<b>162</b>	<b>(687)</b>
<b>Health</b>	<b>228</b>	<b>173</b>	-	<b>(55)</b>
<b>Environment</b>				
Noxious Plants and Insect/Vermin Control	360	172	-	<b>(188)</b>
Other Environmental Protection	1,177	133	-	<b>(1,044)</b>
Solid Waste Management	4,577	5,057	-	<b>480</b>
Street Cleaning	265	-	-	<b>(265)</b>
Drainage	3	142	-	<b>139</b>
<b>Total Environment</b>	<b>6,382</b>	<b>5,504</b>	-	<b>(878)</b>
<b>Community Services and Education</b>				
Social Protection (Welfare)	286	165	-	<b>(121)</b>
Aged Persons and Disabled	6	19	-	<b>13</b>
Children's Services	131	119	-	<b>(12)</b>
<b>Total Community Services &amp; Education</b>	<b>423</b>	<b>303</b>	-	<b>(120)</b>
<b>Housing and Community Amenities</b>				
Public Cemeteries	90	87	-	<b>(3)</b>
Public Conveniences	293	-	-	<b>(293)</b>
Street Lighting	249	19	-	<b>(230)</b>
Town Planning	844	265	-	<b>(579)</b>
<b>Total Housing and Community Amenities</b>	<b>1,476</b>	<b>371</b>	-	<b>(1,105)</b>
<b>Water Supplies</b>	<b>4,837</b>	<b>5,222</b>	<b>1,283</b>	<b>1,668</b>
<b>Sewerage Services</b>	<b>4,670</b>	<b>4,457</b>	<b>621</b>	<b>408</b>

## Nambucca Shire Council

Special Schedule No. 1 - Net Cost of Services (continued)  
for the financial year ended 30 June 2015

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
<b>Recreation and Culture</b>				
Public Libraries	637	74	-	(563)
Museums	119	1	-	(118)
Community Centres and Halls	343	27	-	(316)
Other Cultural Services	128	-	-	(128)
Swimming Pools	526	-	-	(526)
Parks & Gardens (Lakes)	1,294	-	978	(316)
Other Sport and Recreation	336	240	-	(96)
<b>Total Recreation and Culture</b>	<b>3,383</b>	<b>342</b>	<b>978</b>	<b>(2,063)</b>
<b>Fuel &amp; Energy</b>	-	-	-	-
<b>Agriculture</b>	-	-	-	-
<b>Mining, Manufacturing and Construction</b>				
Building Control	373	169	-	(204)
<b>Total Mining, Manufacturing and Const.</b>	<b>373</b>	<b>169</b>	-	<b>(204)</b>
<b>Transport and Communication</b>				
Urban Roads (UR) - Local	3,199	3,756	1,014	1,571
Urban Roads - Regional	260	411	175	326
Sealed Rural Roads (SRR) - Local	4,092	531	4,716	1,155
Sealed Rural Roads (SRR) - Regional	1,108	1,275	94	261
Unsealed Rural Roads (URR) - Local	413	-	500	87
Unsealed Rural Roads (URR) - Regional	1,255	466	-	(789)
Bridges on SRR - Local	1,542	106	4	(1,432)
Parking Areas	78	49	-	(29)
Footpaths	156	-	103	(53)
Other Transport & Communication	588	32	341	(215)
<b>Total Transport and Communication</b>	<b>12,691</b>	<b>6,626</b>	<b>6,947</b>	<b>882</b>
<b>Economic Affairs</b>				
Other Economic Affairs	452	102	-	(350)
<b>Total Economic Affairs</b>	<b>452</b>	<b>102</b>	-	<b>(350)</b>
<b>Totals – Functions</b>	<b>40,485</b>	<b>23,939</b>	<b>10,016</b>	<b>(6,530)</b>
<b>General Purpose Revenues <sup>(2)</sup></b>		<b>13,331</b>		<b>13,331</b>
Share of interests - joint ventures & associates using the equity method	-	-		-
<b>NET OPERATING RESULT <sup>(1)</sup></b>	<b>40,485</b>	<b>37,270</b>	<b>10,016</b>	<b>6,801</b>

(1) As reported in the Income Statement

(2) Includes: Rates &amp; Annual Charges (incl. Ex Gratia, excl. Water &amp; Sewer), Non Capital General Purpose Grants, Interest on Investments (excl. Ext. Restricted Assets) &amp; Interest on overdue Rates &amp; Annual Charges

## Nambucca Shire Council

Special Schedule No. 2(a) - Statement of Long Term Debt (all purpose)  
for the financial year ended 30 June 2015

\$'000

Classification of Debt	Principal outstanding at beginning of the year		New Loans raised during the year	Debt redemption during the year		Transfers to Sinking Funds	Interest applicable for Year	Principal outstanding at the end of the year	
	Current	Non Current		From Revenue	Sinking Funds			Current	Non Current
<b>Loans (by Source)</b>									
Financial Institutions	1,317	39,600	2,263	1,397			2,701	1,577	40,206
Other	1,294	6,397		1,294			2	1,287	5,110
<b>Total Loans</b>	<b>2,611</b>	<b>45,997</b>	<b>2,263</b>	<b>2,691</b>	-	-	<b>2,703</b>	<b>2,864</b>	<b>45,316</b>
<b>Other Long Term Debt</b>									
<b>Total Long Term Debt</b>	-	-	-	-	-	-	-	-	-
<b>Total Debt</b>	<b>2,611</b>	<b>45,997</b>	<b>2,263</b>	<b>2,691</b>	-	-	<b>2,703</b>	<b>2,864</b>	<b>48,180</b>

Notes: Excludes (i) Internal Loans & (ii) Principal Inflows/Outflows relating to Loan Re-Financing.  
This Schedule is prepared using the **face value** of debt obligations, rather than **fair value** (which are reported in the GPFS).

## Nambucca Shire Council

Special Schedule No. 2(b) - Statement of Internal Loans [Section 410(3) LGA 1993]  
for the financial year ended 30 June 2015

\$'000

## Summary of Internal Loans

Borrower (by purpose)	Amount originally raised	Total repaid during the year (Principal & Interest)	Principal Outstanding at end of year
Bridges	615	56	429
<b>Totals</b>	<b>615</b>	<b>56</b>	<b>429</b>

Note: The summary of Internal Loans (above) represents the total of Council's Internal Loans categorised according to the borrower.

## Details of Individual Internal Loans

Borrower (by purpose)	Lender (by purpose)	Date of Minister's Approval	Date Raised	Term (years)	Dates of Maturity	Rate of Interest	Amount Originally raised	Total repaid during year (Princ. & Int.)	Principal Outstanding at end of year
Bridges	Sewer	30/06/06	30/06/06	20	30/06/26	6.50%	615	56	429
<b>Totals</b>							<b>615</b>	<b>56</b>	<b>429</b>



## Nambucca Shire Council

## Special Schedule No. 3 - Water Supply Income Statement

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2015

\$'000	Actuals 2015	Actuals 2014
<b>A Expenses and Income Expenses</b>		
<b>1. Management expenses</b>		
a. Administration	467	402
b. Engineering and Supervision	323	316
<b>2. Operation and Maintenance expenses</b>		
- Dams & Weirs		
a. Operation expenses	-	-
b. Maintenance expenses	-	-
- Mains		
c. Operation expenses	-	-
d. Maintenance expenses	291	328
- Reservoirs		
e. Operation expenses	-	-
f. Maintenance expenses	170	97
- Pumping Stations		
g. Operation expenses (excluding energy costs)	-	-
h. Energy costs	265	281
i. Maintenance expenses	79	86
- Treatment		
j. Operation expenses (excluding chemical costs)	-	-
k. Chemical costs	-	-
l. Maintenance expenses	99	85
- Other		
m. Operation expenses	489	446
n. Maintenance expenses	32	32
o. Purchase of water	-	-
<b>3. Depreciation expenses</b>		
a. System assets	1,024	988
b. Plant and equipment	41	35
<b>4. Miscellaneous expenses</b>		
a. Interest expenses	1,555	1,324
b. Revaluation Decrements	26	-
c. Other expenses	-	-
d. Impairment - System assets	-	-
e. Impairment - Plant and equipment	-	-
f. Aboriginal Communities Water & Sewerage Program	-	-
g. Tax Equivalents Dividends (actually paid)	21	18
<b>5. Total expenses</b>	<b>4,882</b>	<b>4,438</b>

## Nambucca Shire Council

## Special Schedule No. 3 - Water Supply Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2015

\$'000	Actuals 2015	Actuals 2014
<b>Income</b>		
<b>6. Residential charges</b>		
a. Access (including rates)	816	655
b. Usage charges	2,690	2,432
<b>7. Non-residential charges</b>		
a. Access (including rates)	71	94
b. Usage charges	946	1,091
<b>8. Extra charges</b>	7	12
<b>9. Interest income</b>	596	621
<b>10. Other income</b>	213	249
<b>10a. Aboriginal Communities Water and Sewerage Program</b>	-	-
<b>11. Grants</b>		
a. Grants for acquisition of assets	743	8,158
b. Grants for pensioner rebates	50	87
c. Other grants	-	-
<b>12. Contributions</b>		
a. Developer charges	382	140
b. Developer provided assets	125	2
c. Other contributions	34	113
<b>13. Total income</b>	<b>6,673</b>	<b>13,654</b>
<b>14. Gain (or loss) on disposal of assets</b>	(1)	(9)
<b>15. Operating Result</b>	<b>1,790</b>	<b>9,207</b>
<b>15a. Operating Result (less grants for acquisition of assets)</b>	1,047	1,049

## Nambucca Shire Council

## Special Schedule No. 3 - Water Supply Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2015

\$'000	Actuals 2015	Actuals 2014
<b>B Capital transactions</b>		
<b>Non-operating expenditures</b>		
<b>16. Acquisition of Fixed Assets</b>		
a. New Assets for Improved Standards	-	-
b. New Assets for Growth	10,817	23,021
c. Renewals	358	287
d. Plant and equipment	-	-
<b>17. Repayment of debt</b>		
a. Loans	314	256
b. Advances	-	-
c. Finance leases	-	-
<b>18. Transfer to sinking fund</b>	-	-
<b>19. Totals</b>	<b>11,489</b>	<b>23,564</b>
<b>Non-operating funds employed</b>		
<b>20. Proceeds from disposal of assets</b>	-	-
<b>21. Borrowing utilised</b>		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
<b>22. Transfer from sinking fund</b>	-	-
<b>23. Totals</b>	<b>-</b>	<b>-</b>
<b>C Rates and charges</b>		
<b>24. Number of assessments</b>		
a. Residential (occupied)	5,501	5,456
b. Residential (unoccupied, ie. vacant lot)	656	612
c. Non-residential (occupied)	471	466
d. Non-residential (unoccupied, ie. vacant lot)	58	144
<b>25. Number of ETs for which developer charges were received</b>	ET	16 ET
<b>26. Total amount of pensioner rebates (actual dollars)</b>	\$ 151,677	\$ 151,025

## Nambucca Shire Council

Special Schedule No. 3 - Water Supply Cross Subsidies  
for the financial year ended 30 June 2015

\$'000	Yes	No	Amount
<b>D Best practice annual charges and developer charges*</b>			
<b>27. Annual charges</b>			
a. Does Council have best-practice water supply annual charges and usage charges*?	<input type="checkbox"/> Yes	<input type="checkbox"/>	
If Yes, go to 28a.			
If No, please report if council has removed <b>land value</b> from access charges (ie rates)?			
	<input type="checkbox"/>	<input type="checkbox"/>	
<b>NB.</b> Such charges for both residential customers and non-residential customers comply with section 3.2 of Water Supply, Sewerage and Trade Waste Pricing Guidelines, NSW Office of Water, December, 2002. Such charges do not involve significant cross subsidies.			
b. Cross-subsidy <b>from</b> residential customers using less than allowance (page 25 of Guidelines)			<input type="text"/>
c. Cross-subsidy <b>to</b> non-residential customers (page 24 of Guidelines)			<input type="text"/>
d. Cross-subsidy <b>to</b> large connections in unmetered supplies (page 26 of Guidelines)			<input type="text"/>
<b>28. Developer charges</b>			
a. Has council completed a water supply Development Servicing** Plan?	<input type="checkbox"/> Yes	<input type="checkbox"/>	
b. Total cross-subsidy in water supply developer charges for 2012/13 (page 47 of Guidelines)			<input type="text"/>
** In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, NSW Office of Water, December, 2002.			
<b>29. Disclosure of cross-subsidies</b>			
<b>Total of cross-subsidies (27b +27c + 27d + 28b)</b>			<input type="text" value="-"/>

\* Councils which have not yet implemented best practice water supply pricing should disclose cross-subsidies in items 27b, 27c and 27d above.

However, disclosure of cross-subsidies is **not** required where a Council has implemented best practice pricing and is phasing in such pricing over a period of 3 years.



## Nambucca Shire Council

## Special Schedule No. 4 - Water Supply Statement of Financial Position

Includes INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
as at 30 June 2015

\$'000	Actuals Current	Actuals Non Current	Actuals Total
<b>ASSETS</b>			
<b>30. Cash and investments</b>			
a. Developer charges	3,687	-	3,687
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	10,584	-	10,584
<b>31. Receivables</b>			
a. Specific purpose grants	-	-	-
b. Rates and Availability Charges	1,210	-	1,210
c. User Charges	-	-	-
d. Other	-	-	-
<b>32. Inventories</b>	40	-	40
<b>33. Property, plant and equipment</b>			
a. System assets	-	93,129	93,129
b. Plant and equipment	-	110	110
<b>34. Other assets</b>	-	208	208
<b>35. Total assets</b>	<b>15,521</b>	<b>93,447</b>	<b>108,968</b>
<b>LIABILITIES</b>			
<b>36. Bank overdraft</b>	-	-	-
<b>37. Creditors</b>	122	-	122
<b>38. Borrowings</b>			
a. Loans	332	23,650	23,982
b. Advances	-	-	-
c. Finance leases	-	-	-
<b>39. Provisions</b>			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	-	-
<b>40. Total liabilities</b>	<b>454</b>	<b>23,650</b>	<b>24,104</b>
<b>41. NET ASSETS COMMITTED</b>	<b>15,067</b>	<b>69,797</b>	<b>84,864</b>
<b>EQUITY</b>			
<b>42. Accumulated surplus</b>			59,951
<b>43. Asset revaluation reserve</b>			24,913
<b>44. TOTAL EQUITY</b>			<b>84,864</b>
<b>Note to system assets:</b>			
<b>45. Current replacement cost of system assets</b>			125,825
<b>46. Accumulated current cost depreciation of system assets</b>			(32,586)
<b>47. Written down current cost of system assets</b>			93,239

## Nambucca Shire Council

## Special Schedule No. 5 - Sewerage Service Income Statement

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2015

\$'000	Actuals 2015	Actuals 2014
<b>A Expenses and Income Expenses</b>		
<b>1. Management expenses</b>		
a. Administration	596	588
b. Engineering and Supervision	219	286
<b>2. Operation and Maintenance expenses</b>		
- Mains		
a. Operation expenses	-	-
b. Maintenance expenses	157	129
- Pumping Stations		
c. Operation expenses (excluding energy costs)	-	-
d. Energy costs	143	141
e. Maintenance expenses	262	249
- Treatment		
f. Operation expenses (excl. chemical, energy, effluent & biosolids management costs)	-	-
g. Chemical costs	-	-
h. Energy costs	149	210
i. Effluent Management	1	6
j. Biosolids Management	15	53
k. Maintenance expenses	602	536
- Other		
l. Operation expenses	261	222
m. Maintenance expenses	-	-
<b>3. Depreciation expenses</b>		
a. System assets	1,655	1,788
b. Plant and equipment	33	41
<b>4. Miscellaneous expenses</b>		
a. Interest expenses	622	697
b. Revaluation Decrements	-	-
c. Other expenses	-	-
d. Impairment - System assets	-	-
e. Impairment - Plant and equipment	-	-
f. Aboriginal Communities Water & Sewerage Program	-	-
g. Tax Equivalents Dividends (actually paid)	20	-
<b>5. Total expenses</b>	<b>4,735</b>	<b>4,946</b>

## Nambucca Shire Council

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

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2015

\$'000	Actuals 2015	Actuals 2014
Income		
6. Residential charges (including rates)	3,043	3,007
7. Non-residential charges		
a. Access (including rates)	320	331
b. Usage charges	686	742
8. Trade Waste Charges		
a. Annual Fees	25	22
b. Usage charges	65	71
c. Excess mass charges	-	-
d. Re-inspection fees	-	-
9. Extra charges	-	-
10. Interest income	243	358
11. Other income	131	112
11a. Aboriginal Communities Water & Sewerage Program	-	-
12. Grants		
a. Grants for acquisition of assets	-	-
b. Grants for pensioner rebates	75	75
c. Other grants	-	-
13. Contributions		
a. Developer charges	354	91
b. Developer provided assets	259	96
c. Other contributions	9	5
14. Total income	<u>5,210</u>	<u>4,910</u>
15. Gain (or loss) on disposal of assets	-	-
16. Operating Result	<u>475</u>	<u>(36)</u>
16a. Operating Result (less grants for acquisition of assets)	475	(36)

## Nambucca Shire Council

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

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2015

\$'000	Actuals 2015	Actuals 2014
<b>B Capital transactions</b>		
<b>Non-operating expenditures</b>		
<b>17. Acquisition of Fixed Assets</b>		
a. New Assets for Improved Standards	-	-
b. New Assets for Growth	358	634
c. Renewals	218	238
d. Plant and equipment	-	-
<b>18. Repayment of debt</b>		
a. Loans	1,602	1,582
b. Advances	-	-
c. Finance leases	-	-
<b>19. Transfer to sinking fund</b>	-	-
<b>20. Totals</b>	<b>2,178</b>	<b>2,454</b>
<b>Non-operating funds employed</b>		
<b>21. Proceeds from disposal of assets</b>	-	-
<b>22. Borrowing utilised</b>		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
<b>23. Transfer from sinking fund</b>	-	-
<b>24. Totals</b>	<b>-</b>	<b>-</b>
<b>C Rates and charges</b>		
<b>25. Number of assessments</b>		
a. Residential (occupied)	5,136	5,091
b. Residential (unoccupied, ie. vacant lot)	322	323
c. Non-residential (occupied)	534	517
d. Non-residential (unoccupied, ie. vacant lot)	28	76
<b>26. Number of ETs for which developer charges were received</b>	61 ET	16 ET
<b>27. Total amount of pensioner rebates (actual dollars)</b>	\$ 136,939	\$ 135,708



## Nambucca Shire Council

Special Schedule No. 5 - Sewerage Service Cross Subsidies  
for the financial year ended 30 June 2015

\$'000	Yes	No	Amount
<b>D Best practice annual charges and developer charges*</b>			
<b>28. Annual charges</b>			
a. Does Council have best-practice sewerage annual charges, usage charges and trade waste fees & charges*?	<input type="checkbox"/> Yes	<input type="checkbox"/>	
If Yes, go to 29a.			
If No, please report if council has removed <b>land value</b> from access charges (ie rates)?	<input type="checkbox"/>	<input type="checkbox"/>	
NB. Such charges for both residential customers and non-residential customers comply with section 4.2 & 4.3 of the Water Supply, Sewerage and Trade Waste Pricing Guidelines, NSW Office of Water, December, 2002. Such charges do not involve significant cross subsidies.			
b. Cross-subsidy to non-residential customers (page 45 of Guidelines)			<input type="text"/>
c. Cross-subsidy to trade waste discharges (page 46 of Guidelines)			<input type="text"/>
<b>29. Developer charges</b>			
a. Has council completed a sewerage Development Servicing** Plan?	<input type="checkbox"/> Yes	<input type="checkbox"/>	
b. Total cross-subsidy in sewerage developer charges for 2012/13 (page 47 of Guidelines)			<input type="text"/>
** In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, NSW Office of Water, December, 2002.			
<b>30. Disclosure of cross-subsidies</b>			
<b>Total of cross-subsidies (28b + 28c + 29b)</b>			<input type="text"/> -

\* Councils which have not yet implemented best practice sewer pricing & liquid waste pricing should disclose cross-subsidies in items 28b and 28c above.

However, disclosure of cross-subsidies is **not** required where a Council has implemented best practice sewerage and liquid waste pricing and is phasing in such pricing over a period of 3 years.

## Nambucca Shire Council

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

Includes INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
as at 30 June 2015

\$'000	Actuals Current	Actuals Non Current	Actuals Total
<b>ASSETS</b>			
<b>31. Cash and investments</b>			
a. Developer charges	1,636	-	1,636
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	5,683	-	5,683
<b>32. Receivables</b>			
a. Specific purpose grants	-	-	-
b. Rates and Availability Charges	406	-	406
c. User Charges	-	-	-
d. Other	28	401	429
<b>33. Inventories</b>	-	-	-
<b>34. Property, plant and equipment</b>			
a. System assets	-	75,300	75,300
b. Plant and equipment	-	305	305
<b>35. Other assets</b>	-	-	-
<b>36. Total Assets</b>	<b>7,753</b>	<b>76,006</b>	<b>83,759</b>
<b>LIABILITIES</b>			
<b>37. Bank overdraft</b>	-	-	-
<b>38. Creditors</b>	53	-	53
<b>39. Borrowings</b>			
a. Loans	1,619	7,476	9,095
b. Advances	-	-	-
c. Finance leases	-	-	-
<b>40. Provisions</b>			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	-	-
<b>41. Total Liabilities</b>	<b>1,672</b>	<b>7,476</b>	<b>9,148</b>
<b>42. NET ASSETS COMMITTED</b>	<b>6,081</b>	<b>68,530</b>	<b>74,611</b>
<b>EQUITY</b>			
<b>42. Accumulated surplus</b>			52,719
<b>44. Asset revaluation reserve</b>			21,892
<b>45. TOTAL EQUITY</b>			<b>74,611</b>
<b>Note to system assets:</b>			
<b>46. Current replacement cost of system assets</b>			110,345
<b>47. Accumulated current cost depreciation of system assets</b>			(34,740)
<b>48. Written down current cost of system assets</b>			<b>75,605</b>



# Nambucca Shire Council

## Notes to Special Schedule No.'s 3 & 5 for the financial year ended 30 June 2015

### Administration <sup>(1)</sup>

(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 <sup>(1)</sup>

(item 1b of Special Schedules 3 and 5) comprises the following:

- Engineering staff:
  - Salaries and allowance
  - Travelling expenses
  - Accrual of leave entitlements
  - Employment overheads.
- Other technical and supervision staff:
  - Salaries and allowance
  - Travelling expenses
  - Accrual of leave entitlements
  - Employment overheads.

**Operational expenses** (item 2 of Special Schedules 3 and 5) comprise the day to day operational expenses excluding maintenance expenses.

**Maintenance expenses** (item 2 of Special Schedules 3 and 5) comprise the day to day repair and maintenance expenses. (Refer to Section 5 of the Local Government Asset Accounting Manual regarding capitalisation principles and the distinction between capital and maintenance expenditure).

**Other expenses** (item 4c of Special Schedules 3 and 5) includes all expenses not recorded elsewhere.

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

**Impairment Losses** (item 4d & 4e of Special Schedules 3 and 5) are to be used when the carrying amount of an asset exceeds its recoverable amount (refer to page D-31).

**Aboriginal Communities Water and Sewerage Program** (item 4f of Special Schedules 3 and 5) is to be used when operation and maintenance work has been undertaken on behalf of the Aboriginal Communities Water and Sewerage Program. Similarly, income for item 11a of Special Schedule 3 and item 12a of Special Schedule 5 are for services provided to the Aboriginal Communities Water and Sewerage Program and is not part of Council's water supply and sewerage revenue.

**Residential charges** <sup>(2)</sup> (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** <sup>(2)</sup> (items 7a, 7b of Special Schedules 3 and 5) include all income from non-residential charges separated into 7a Access Charges (including rates if applicable) and 7b Usage Charges.

**Trade waste charges** (item 8 of Special Schedule 5) include all income from trade waste charges separated into 8a Annual Fees, 8b Usage Charges and 8c Excess Mass Charges and 8d Re-inspection Fees.

**Other income** (items 10 and 11 of Special Schedules 3 and 5 respectively) include all income not recorded elsewhere.

**Other contributions** (items 12c and 13c of Special Schedules 3 and 5 respectively) incl. capital contributions for water supply or sewerage services received by Council under Section 565 of the Local Government Act.

### Notes:

<sup>(1)</sup> 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).

<sup>(2)</sup> 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.

Nambucca Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets  
as at 30 June 2015

Special Schedules 2015

\$'000

Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard refer (1)	Required Annual Maintenance refer (2)	Actual Maintenance 2014/15 refer (3)	Written Down Value (WDV) refer (4)	Assets in Condition as a % of WDV				
						1	2	3	4	5
			refer (2)	refer (3)	refer (4)			refer (4) & (5)		
Buildings	Council Offices / Administration Centres	390	19	19	1,546		90%		10%	0%
	Council Works Depot	180	10	10	690		25%	75%		0%
	Council Public Halls		43	43	4,377			100%		0%
	Libraries		63	63	1,064		100%			0%
	Cultural Facilities	27	5	5	359		20%	70%	10%	0%
	Other Buildings	30	46	46	3,361				100%	0%
	Other - Bush Fire/SES Bldgs	30	18	18	1,899		40%	60%		0%
	Other - Swimming Pool Bldgs		20	20	1,659		60%	40%		0%
	Other - Child Care Centres		10	10	708		60%	40%		0%
	Other	312	40	40	3,588			10%	90%	0%
	sub total	969	274	274	19,251	0.0%	25.3%	39.4%	35.2%	0.0%
Other Structures	Other Structures			27	4,556		100%			0%
	sub total	-	-	27	4,556	0.0%	100.0%	0.0%	0.0%	0.0%
Roads	Sealed Roads Seal	1,359			8,535	27%	33%	34%	6%	0%
	Sealed Roads Pavement	5,109			59,653	5%	63%	31%	1%	0%
	Unsealed Roads	73			2,955	10%	52%	38%		0%
	Bridges	2,556	307	307	26,925	10%	78%	11%	1%	0%
	Footpaths		50	28	6,135	11%	70%	19%		0%
	Kerb and Gutter	102	48	48	10,877	59%	30%	10%	1%	0%
	Other - Carparks		5	5	1,196	2%	95%	3%		0%
	sub total	9,199	410	388	116,276	13.2%	61.6%	23.9%	1.3%	0.0%



Nambucca Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)  
as at 30 June 2015

Special Schedules 2015

\$'000										
Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard refer (1)	Required Annual Maintenance refer (2)	Actual Maintenance 2014/15 refer (3)	Written Down Value (WDV) refer (4)	Assets in Condition as a % of WDV				
						1	2	3	4	5
						refer (4) & (5)				
Water Supply Network	Dams/Weirs			60	40,646	100%				0%
	Mains	1,274	100	146	35,122		30%	60%	10%	0%
	Reservoirs	168	34	64	6,105			100%		0%
	Pumping Station/s			20	1,998	33%		67%		0%
	Treatment			47	1,633			100%		0%
	Headworks/Bores sub total	1,442	134	20	2,083	20%	12.0%	80%	4.0%	0%
				357	87,587	47.6%		36.3%		0.0%
Sewerage Network	Mains(gravity)		100	152	37,031		80%	20%		0%
	Pumping Station/s	30		252	14,149		20%	80%		0%
	Treatment			300	15,647	20%		80%		0%
	Pipelines(pressure)			5	5,981		60%	40%		0%
	Effluent Pumping Station sub total	30	100	709	28			100%		0%
					72,836	4.3%	49.5%	46.2%	0.0%	0.0%

Nambucca Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)  
as at 30 June 2015

\$'000										
Asset Class	Asset Category	Estimated cost to bring up to a satisfactory standard refer (1)	Required Annual Maintenance refer (2)	Actual Maintenance 2014/15 refer (3)	Written Down Value (WDV) refer (4)	Assets in Condition as a % of WDV				
						1	2	3	4	5
Stormwater Drainage	Stormwater Conduits		4	2	17,908	3%	97%			0%
	Inlet and Junction Pits		10	8	3,976		100%			0%
	Culverts		102	102	8,137	4%	39%	51%	6%	0%
	sub total	-	116	112	30,021	2.9%	81.7%	13.8%	1.6%	0.0%
Open Space/ Recreational Assets	Swimming Pools		65	65	1,336		25%	75%		0%
	Open Space	100	728	728	1,897	10%	30%	40%	20%	0%
	Other									
	sub total	100	793	793	3,233	5.9%	27.9%	54.5%	11.7%	0.0%
Other Infrastructure Assets										
	Other				6,786					100%
	sub total	-	-	-	6,786	0.0%	0.0%	0.0%	0.0%	100.0%
TOTAL - ALL ASSETS		11,740	1,827	2,660	340,546	18.0%	44.9%	31.3%	3.7%	2.0%

Notes:

(1). Satisfactory is defined as "satisfying expectations or needs, leaving no room for complaint, causing satisfaction, adequate".  
The estimated cost to bring assets to a satisfactory standard is the amount of money that is required to be spent on an asset to ensure that it is in a satisfactory standard.  
This estimated cost should not include any planned enhancements (ie to heighten, intensify or improve the facilities).

(2). Required Annual Maintenance is "what should be spent to maintain assets in a satisfactory standard".

(3). Actual Maintenance is what has been spent in the current year to maintain the assets.

(4). Actual Maintenance may be higher or lower than the required annual maintenance due to the timing of when the maintenance actually occurs.

(5). Written Down Value is in accordance with Note 9 of Council's General Purpose Financial Statements

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

## Nambucca Shire Council

Special Schedule No. 7 - Report on Infrastructure Assets (continued)  
for the financial year ended 30 June 2015

\$ '000	Amounts	Indicator	Prior Periods	
	2015	2015	2014	2013
<b>Infrastructure Asset Performance Indicators Consolidated</b>				
<b>1. Building, Infrastructure &amp; Other Structures</b>				
<b>Renewals Ratio</b>				
Asset Renewals				
(Building, Infrastructure & Other Structures) <sup>(1)</sup>	5,427	59.57%	49.97%	67.03%
Depreciation, Amortisation & Impairment	9,111			
<b>2. Infrastructure Backlog Ratio</b>				
Estimated Cost to bring Assets to a Satisfactory Condition	11,740			
Total value <sup>(2)</sup> of Infrastructure, Building, Other Structures & depreciable Land Improvement Assets	341,243	3.44%	21.76%	31.05%
<b>3. Asset Maintenance Ratio</b>				
Actual Asset Maintenance	2,660			
Required Asset Maintenance	1,827	1.46	0.93	0.69
<b>4. Capital Expenditure Ratio</b>				
Annual Capital Expenditure	24,743			
Annual Depreciation	9,832	2.52	2.98	1.59

## Notes

<sup>(1)</sup> Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance. Asset Renewals include building, infrastructure & Other Structure assets only.

<sup>(2)</sup> Written Down Value

## Nambucca Shire Council

# Special Schedule No. 7 - Report on Infrastructure Assets (continued)

for the financial year ended 30 June 2015

	Water 2015	Sewer 2015	General <sup>(1)</sup> 2015
\$ '000			
<b>Infrastructure Asset Performance Indicators By Fund</b>			
<b>1. Building, Infrastructure &amp; Other Structures</b>			
<b>Renewals Ratio</b>			
Asset Renewals			
(Building, Infrastructure & Other Structures) <sup>(2)</sup>	<b>35.52%</b>	<b>13.46%</b>	<b>74.83%</b>
Depreciation, Amortisation & Impairment			
prior period:	29.54%	13.58%	62.76%
<b>2. Infrastructure Backlog Ratio</b>			
Estimated Cost to bring Assets to a Satisfactory Condition			
Total value <sup>(3)</sup> of Infrastructure, Building, Other Structures & Depreciable Land Improvement Assets	<b>1.65%</b>	<b>0.04%</b>	<b>5.68%</b>
prior period:	36.68%	35.58%	9.95%
<b>3. Asset Maintenance Ratio</b>			
Actual Asset Maintenance			
Required Asset Maintenance	<b>2.66</b>	<b>7.09</b>	<b>1.00</b>
prior period:	0.83	0.72	1.00
<b>4. Capital Expenditure Ratio</b>			
Annual Capital Expenditure			
Annual Depreciation	<b>10.49</b>	<b>0.34</b>	<b>1.84</b>
prior period:	22.78	0.48	0.81

## Notes

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

<sup>(2)</sup> Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance. Asset Renewals include building, infrastructure & Other Structure assets only.

<sup>(3)</sup> Written Down Value



## Nambucca Shire Council

### Special Schedule No. 8 - Financial Projections as at 30 June 2015

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Special Schedule 8 data is now being collected in the Financial Data Return.

## Nambucca Shire Council

Special Schedule No. 9 - Permissible Income Calculation  
for the financial year ended 30 June 2016

\$'000		Calculation 2014/15	Calculation 2015/16
<b>Notional General Income Calculation <sup>(1)</sup></b>			
Last Year Notional General Income Yield	a	9,091	9,436
Plus or minus Adjustments <sup>(2)</sup>	b	14	(5)
<b>Notional General Income</b>	$c = (a + b)$	<b>9,105</b>	<b>9,431</b>
<b>Permissible Income Calculation</b>			
Special variation percentage <sup>(3)</sup>	d	3.80%	5.00%
or Rate peg percentage	e	2.30%	2.40%
or Crown land adjustment (incl. rate peg percentage)	f	0.00%	0.00%
less expiring Special variation amount	g	-	-
plus Special variation amount	$h = d \times (c - g)$	346	472
or plus Rate peg amount	$i = c \times e$	-	-
or plus Crown land adjustment and rate peg amount	$j = c \times f$	-	-
<b>sub-total</b>	$k = (c + g + h + i + j)$	<b>9,451</b>	<b>9,903</b>
plus (or minus) last year's Carry Forward Total	l	19	13
less Valuation Objections claimed in the previous year	m	(6)	(4)
<b>sub-total</b>	$n = (l + m)$	<b>13</b>	<b>9</b>
<b>Total Permissible income</b>	$o = k + n$	<b>9,464</b>	<b>9,911</b>
less Notional General Income Yield	p	9,436	9,905
<b>Catch-up or (excess) result</b>	$q = o - p$	<b>28</b>	<b>6</b>
plus Income lost due to valuation objections claimed <sup>(4)</sup>	r	4	6
less Unused catch-up <sup>(5)</sup>	s	(19)	-
<b>Carry forward to next year</b>	$t = q + r - s$	<b>13</b>	<b>12</b>

## Notes

- The Notional General Income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called "supplementary valuations" as defined in the Valuation of Land Act 1916.
- The Special Variation Percentage is inclusive of the Rate Peg percentage and where applicable crown land adjustment.
- Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- Carry forward amounts which are in excess (an amount that exceeds the permissible income) require Ministerial approval by order published in the NSW Government Gazette in accordance with section 512 of the Local Government Act 1993. The OLG will extract these amounts from councils' Special Schedule 9 in the Financial Data Return (FDR) to administer this process.

## **NAMBUCCA SHIRE COUNCIL INDEPENDENT AUDITORS' REPORT - SPECIAL SCHEDULE No. 9**

We have audited the accompanying special purpose financial statement comprising the reconciliation of total permissible general income (Special Schedule No. 9) of Nambucca Shire Council for the year ending 30 June 2016.

### **Responsibility of Council for Special Schedule No. 9**

The Council is responsible for preparation and fair presentation of Special No. 9 in accordance with the Local Government Code of Accounting Practice and Financial Reporting (Guidelines) Update No. 23. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant preparation and fair presentation of Special Schedule No. 9 that is free from material mistreatment, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibilities**

Our responsibility is to express an opinion on Special Schedule No. 9 based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Audit Standard require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether Special Schedule No. 9 and is free from material misstatement.

An audit involves performing procedures to obtain audit evidences about the amounts and disclosures in Special Schedule No. 9. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement on Special Schedule No. 9, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of Special Schedule No. 9.

**Knowledge with integrity**

Liability limited by a scheme approved under the Professional Standards Legislation

**ARMIDALE | COONABARABRAN | GUNNEDAH | TAMWORTH**

**Nambucca Shire Council**

**INDEPENDENT AUDITORS' REPORT - SPECIAL SCHEDULE No. 9**

Because of the inherent limitation of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

In making our risk assessments, we consider internal controls relevant to the entity's preparation of Special Schedule No. 9 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of the expressing an opinion on the effectiveness of the entity's internal control.

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

**Independence**

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

**Audit Opinion**

In our opinion Special Schedule No. 9 of Nambucca Shire Council for the year ending 30 June 2016 is properly drawn up in all material respects, in accordance with the requirements of the Office of Local Government and in accordance with the books and records of the Council.

**Basis of Accounting**

Without modifying our opinion, we advise that the Special Schedule No. 9 has been prepared for distribution to the Office of Local Government for the purposes of confirming the Council's reconciliation of Council's total permissible general income is presented fairly. As a result, the Special Schedule No. 9 may not be suitable for another purpose.

*Forsyths*

***Forsyths Business Services Pty Ltd***



**Geoff Allen**  
Principal

27<sup>th</sup> October 2015  
92 Rusden Street Armidale



# Nambucca Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2015

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“Nambucca Valley ~ Living at its best”



# Nambucca Shire Council

## Special Purpose Financial Statements for the financial year ended 30 June 2015

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<b>1. Statement by Councillors &amp; Management</b>	<b>2</b>
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<b>4. Auditor's Report</b>	

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### Background

- (i) These Special Purpose Financial Statements have been prepared for the use by both Council and the Division of Local Government in fulfilling their requirements under National Competition Policy.
  - (ii) The principle of competitive neutrality is based on the concept of a "level playing field" between persons/entities competing in a market place, particularly between private and public sector competitors.  
  
Essentially, the principle is that government businesses, whether Commonwealth, State or Local, should operate without net competitive advantages over other businesses as a result of their public ownership.
  - (iii) For Council, the principle of competitive neutrality & public reporting applies only to declared business activities.  
  
These include (a) those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation and (b) those activities with a turnover of over \$2 million that Council has formally declared as a Business Activity (defined as Category 1 activities).
  - (iv) In preparing these financial statements for Council's self classified Category 1 businesses and ABS defined activities, councils must (a) adopt a corporatisation model and (b) apply full cost attribution including tax equivalent regime payments & debt guarantee fees (where the business benefits from councils borrowing position by comparison with commercial rates).
-

## Nambucca Shire Council

### Special Purpose Financial Statements for the financial year ended 30 June 2015

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 24 September 2015.

  
 Rhonda Hoban  
 MAYOR

  
 John Ainsworth  
 COUNCILLOR

  
 Michael Coulter  
 GENERAL MANAGER

  
 Craig Doolan  
 RESPONSIBLE ACCOUNTING OFFICER

## Nambucca Shire Council

Income Statement of Council's Water Supply Business Activity  
for the financial year ended 30 June 2015

\$ '000	Actual 2015	Actual 2014
<b>Income from continuing operations</b>		
Access charges	887	749
User charges	3,636	3,523
Interest	603	633
Grants and contributions provided for non capital purposes	50	87
Other income	213	249
<b>Total income from continuing operations</b>	<b>5,389</b>	<b>5,241</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	1,119	1,141
Borrowing costs	1,555	1,324
Materials and contracts	1,096	932
Depreciation and impairment	1,065	1,023
Loss on sale of assets	1	9
Calculated taxation equivalents	21	18
Debt guarantee fee (if applicable)	259	372
Other expenses	26	-
<b>Total expenses from continuing operations</b>	<b>5,142</b>	<b>4,819</b>
<b>Surplus (deficit) from Continuing Operations before capital amounts</b>	<b>247</b>	<b>422</b>
Grants and contributions provided for capital purposes	1,284	8,413
<b>Surplus (deficit) from Continuing Operations after capital amounts</b>	<b>1,531</b>	<b>8,835</b>
Surplus (deficit) from discontinued operations	-	-
<b>Surplus (deficit) from ALL Operations before tax</b>	<b>1,531</b>	<b>8,835</b>
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(74)	(127)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>1,457</b>	<b>8,708</b>
plus Opening Retained Profits	58,156	48,935
plus/less: Other Adjustments - T'fer to Ret.Earnings-Asset Disposals/Sales	5	14
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	21	18
- Debt guarantee fees	259	372
- Corporate taxation equivalent	74	127
less:		
- Tax Equivalent Dividend paid	(21)	(18)
<b>Closing Retained Profits</b>	<b>59,951</b>	<b>58,156</b>
Return on Capital %	1.9%	2.1%
Subsidy from Council	1,014	1,195
Calculation of dividend payable:		
Surplus (deficit) after tax	1,457	8,708
less: Capital grants and contributions (excluding developer contributions)	(902)	(8,273)
<b>Surplus for dividend calculation purposes</b>	<b>555</b>	<b>435</b>
<b>Potential Dividend calculated from surplus</b>	<b>277</b>	<b>218</b>



## Nambucca Shire Council

Income Statement of Council's Sewerage Business Activity  
for the financial year ended 30 June 2015

\$ '000	Actual 2015	Actual 2014
<b>Income from continuing operations</b>		
Access charges	3,453	3,431
User charges	686	742
Interest	243	358
Grants and contributions provided for non capital purposes	75	75
Other income	131	112
<b>Total income from continuing operations</b>	<b>4,588</b>	<b>4,718</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	1,494	1,343
Borrowing costs	259	283
Materials and contracts	1,274	1,491
Depreciation and impairment	1,688	1,829
Calculated taxation equivalents	20	-
Debt guarantee fee (if applicable)	108	178
<b>Total expenses from continuing operations</b>	<b>4,843</b>	<b>5,124</b>
<b>Surplus (deficit) from Continuing Operations before capital amounts</b>	<b>(255)</b>	<b>(406)</b>
Grants and contributions provided for capital purposes	622	192
<b>Surplus (deficit) from Continuing Operations after capital amounts</b>	<b>367</b>	<b>(214)</b>
<b>Surplus (deficit) from ALL Operations before tax</b>	<b>367</b>	<b>(214)</b>
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>367</b>	<b>(214)</b>
plus Opening Retained Profits	52,244	52,280
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	20	-
- Debt guarantee fees	108	178
- Corporate taxation equivalent	-	-
less:		
- Tax Equivalent Dividend paid	(20)	-
<b>Closing Retained Profits</b>	<b>52,719</b>	<b>52,244</b>
Return on Capital %	0.0%	-0.2%
Subsidy from Council	2,279	2,816
Calculation of dividend payable:		
Surplus (deficit) after tax	367	(214)
less: Capital grants and contributions (excluding developer contributions)	(268)	(101)
<b>Surplus for dividend calculation purposes</b>	<b>99</b>	<b>-</b>
<b>Potential Dividend calculated from surplus</b>	<b>50</b>	<b>-</b>

## Nambucca Shire Council

Statement of Financial Position - Council's Water Supply Business Activity  
as at 30 June 2015

\$ '000	Actual 2015	Actual 2014
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	14,271	21,091
Receivables	1,210	3,199
Inventories	40	42
<b>Total Current Assets</b>	<b>15,521</b>	<b>24,332</b>
<b>Non-Current Assets</b>		
Infrastructure, property, plant and equipment	93,239	82,605
Intangible Assets	208	-
<b>Total non-Current Assets</b>	<b>93,447</b>	<b>82,605</b>
<b>TOTAL ASSETS</b>	<b>108,968</b>	<b>106,937</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Payables	122	123
Interest bearing liabilities	332	314
<b>Total Current Liabilities</b>	<b>454</b>	<b>437</b>
<b>Non-Current Liabilities</b>		
Interest bearing liabilities	23,650	23,982
<b>Total Non-Current Liabilities</b>	<b>23,650</b>	<b>23,982</b>
<b>TOTAL LIABILITIES</b>	<b>24,104</b>	<b>24,419</b>
<b>NET ASSETS</b>	<b>84,864</b>	<b>82,518</b>
<b>EQUITY</b>		
Retained earnings	59,951	58,156
Revaluation reserves	24,913	24,362
Council equity interest	84,864	82,518
<b>TOTAL EQUITY</b>	<b>84,864</b>	<b>82,518</b>

## Nambucca Shire Council

Statement of Financial Position - Council's Sewerage Business Activity  
as at 30 June 2015

\$ '000	Actual 2015	Actual 2014
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	7,319	6,915
Receivables	434	473
<b>Total Current Assets</b>	<b>7,753</b>	<b>7,388</b>
<b>Non-Current Assets</b>		
Receivables	401	429
Infrastructure, property, plant and equipment	75,605	75,654
<b>Total non-Current Assets</b>	<b>76,006</b>	<b>76,083</b>
<b>TOTAL ASSETS</b>	<b>83,759</b>	<b>83,471</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Payables	53	62
Interest bearing liabilities	1,619	1,602
<b>Total Current Liabilities</b>	<b>1,672</b>	<b>1,664</b>
<b>Non-Current Liabilities</b>		
Interest bearing liabilities	7,476	8,733
<b>Total Non-Current Liabilities</b>	<b>7,476</b>	<b>8,733</b>
<b>TOTAL LIABILITIES</b>	<b>9,148</b>	<b>10,397</b>
<b>NET ASSETS</b>	<b>74,611</b>	<b>73,074</b>
<b>EQUITY</b>		
Retained earnings	52,719	52,244
Revaluation reserves	21,892	20,830
Council equity interest	74,611	73,074
<b>TOTAL EQUITY</b>	<b>74,611</b>	<b>73,074</b>

## Nambucca Shire Council

### Special Purpose Financial Statements

for the financial year ended 30 June 2015

#### Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	8-10
2	Water Supply Business Best Practice Management disclosure requirements	11-12
3	Sewerage Business Best Practice Management disclosure requirements	13-15



## Nambucca Shire Council

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

#### Note 1. Significant Accounting Policies

These financial statements are a Special Purpose Financial Statements (SPFS) prepared for use by Council and the Office of Local Government.

For the purposes of these statements, the Council is not a reporting not-for-profit entity.

The figures presented in these special purpose financial statements, unless otherwise stated, have been prepared in accordance with:

- the recognition and measurement criteria of relevant Australian Accounting Standards,
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB) &
- Australian Accounting Interpretations.

The disclosures in these special purpose financial statements have been prepared in accordance with:

- the Local Government Act and Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

The statements are also prepared on an accruals basis, based on historic costs and do not take into account changing money values nor current values of non-current assets (except where specifically stated).

Certain taxes and other costs (appropriately described) have been imputed for the purposes of the National Competition Policy.

#### National Competition Policy

Council has adopted the principle of 'competitive neutrality' to its business activities as part of the national competition policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 Government Policy statement on the "Application of National Competition Policy to Local Government".

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

The pricing & costing guidelines outline the process for identifying and allocating costs to activities and provide a standard of disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents; council subsidies; return on investments (rate of return); and dividends paid.

#### Declared Business Activities

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

##### Category 1

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

##### a. Water Supplies

Comprising the whole of the operations and assets of the water supply function.

##### b. Sewerage Service

Comprising the whole of the operations and assets of the sewerage reticulation and treatment service.

##### Category 2

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

NIL

#### Monetary Amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest one thousand dollars.

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

#### (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.



## Nambucca Shire Council

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

#### Note 1. Significant Accounting Policies

However, where Council is exempt from paying taxes which are generally paid by private sector businesses (such as income tax), equivalent tax payments have been applied to all Council nominated business activities and are reflected in these financial statements.

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

##### **Notional Rate Applied %**

##### **Corporate Income Tax Rate – 30%**

**Land Tax** – The first **\$432,000** of combined land values attracts **0%**. From \$432,001 to \$2,641,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$2,641,000, a premium marginal rate of **2.0%** applies.

In accordance with the guidelines for Best Practice Management of Water Supply and Sewerage, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from Water Supply and Sewerage Business activities.

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

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

##### **Income Tax**

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

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

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

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

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

The rate applied of 30% is the equivalent company tax rate prevalent as at balance date.

##### **Local Government Rates & Charges**

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

##### **Loan & Debt Guarantee Fees**

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

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

##### **(ii) Subsidies**

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

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

## Nambucca Shire Council

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

#### Note 1. Significant Accounting Policies

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

The overall effect of subsidies is contained within the Income Statement of each reported Business Activity.

#### (iii) Return on Investments (Rate of Return)

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

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

The Rate of Return on Capital is calculated as follows:

**Operating Result before Capital Income + Interest Expense**

**Written Down Value of I,PP&E as at 30 June**

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 3.02% at 30/6/15.

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

#### (iv) Dividends

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

Local Government Water Supply and Sewerage Businesses are permitted to pay an annual dividend from its water supply or sewerage business surplus.

The dividend, calculated and approved in accordance with the Best Practice Management Guidelines, must not exceed either:

- (i) 50% of this surplus in any one year, or
- (ii) the number of water supply or sewerage assessments at 30 June 2015 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the guidelines for Best Practice Management of Water Supply and Sewerage, a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the NSW Office of Water prior to making the dividend and only after it has approved the payment.



# Nambucca Shire Council

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

### Note 2. Water Supply Business Best Practice Management disclosure requirements

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

2015

#### 1. Calculation and Payment of Tax-Equivalents

[All Local Government Local Water Utilities must pay this dividend for tax-equivalents]

(i) Calculated Tax Equivalents	280,000
(ii) No of assessments multiplied by \$3/assessment	20,058
(iii) Amounts payable for Tax Equivalents [lesser of (i) and (ii)]	20,058
(iv) Amounts actually paid for Tax Equivalents	20,795

#### 2. Dividend from Surplus

(i) 50% of Surplus before Dividends [Calculated in accordance with Best Practice Management for Water Supply and Sewerage Guidelines]	277,450
(ii) No. of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment	180,522
(iii) Cumulative surplus before Dividends for the 3 years to 30 June 2015, less the cumulative dividends paid for the 2 years to 30 June 2014 & 30 June 2013	1,958,400

2015 Surplus	554,900	2014 Surplus	435,400	2013 Surplus	968,100
		2014 Dividend	-	2013 Dividend	-

(iv) Maximum dividend from surplus [least of (i), (ii) and (iii) above]	180,522
(v) Dividend actually paid from surplus [refer below for required pre-dividend payment Criteria]	

#### 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]	YES
- If Dual Water Supplies, Complying Charges [Item 2(g) in Table 1]	YES
(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



# Nambucca Shire Council

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

### Note 2. Water Supply Business Best Practice Management disclosure requirements (continued)

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

2015

#### National Water Initiative (NWI) Financial Performance Indicators

NWI 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	5,334
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)]	%	76.73%
NWI F9	Written Down Replacement Cost of Fixed Assets (Water) Written down current cost of system assets (w47)	\$'000	93,239
NWI F11	Operating Cost (OMA) (Water) Management Expenses (w1) + Operational & Maintenance Expenses (w2)	\$'000	2,215
NWI F14	Capital Expenditure (Water) Acquisition of fixed assets (w16)	\$'000	11,175
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 & Equipment (w33b)]	%	2.20%
NWI F26	Capital Works Grants (Water) Grants for the Acquisition of Assets (w11a)	\$'000	743

- Notes:
- References to w (eg. w12) refer to item numbers within Special Schedules No. 3 & 4 of Council's Annual Financial Statements.
  - The NWI Performance Indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators & Definitions.

## Nambucca Shire Council

Notes to the Special Purpose Financial Statements  
for the financial year ended 30 June 2015Note 3. Sewerage Business  
Best Practice Management disclosure requirements

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

2015

**1. Calculation and Payment of Tax-Equivalents**

[All Local Government Local Water Utilities must pay this dividend for tax-equivalents]

(i) Calculated Tax Equivalents	128,000
(ii) No of assessments multiplied by \$3/assessment	18,060
(iii) Amounts payable for Tax Equivalents [lesser of (i) and (ii)]	18,060
(iv) Amounts actually paid for Tax Equivalents	20,321

**2. Dividend from Surplus**

(i) 50% of Surplus before Dividends [Calculated in accordance with Best Practice Management for Water Supply and Sewerage Guidelines]	49,500
(ii) No. of assessments x (\$30 less tax equivalent charges per assessment)	162,540
(iii) Cumulative surplus before dividends for the 3 years to 30 June 2015, less the cumulative dividends paid for the 2 years to 30 June 2014 & 30 June 2013	(1,614,000)

2015 Surplus	99,000	2014 Surplus	(315,000)	2013 Surplus	(1,398,000)
		2014 Dividend	-	2013 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]	

**3. Required outcomes for 4 Criteria**

[To be eligible for the payment of a "Dividend from Surplus", ALL the Criteria below need a "YES"]

(i) Completion of Strategic Business Plan (including Financial Plan)	YES
(ii) Pricing with full cost-recovery, without significant cross subsidies [Refer Item 2(a) in Table 1 on page 22 of the Best Practice Guidelines]	YES
Complying charges (a) Residential [Item 2(c) in Table 1]	YES
(b) Non Residential [Item 2(c) in Table 1]	YES
(c) Trade Waste [Item 2(d) in Table 1]	YES
DSP with Commercial Developer Charges [Item 2(e) in Table 1]	YES
Liquid Trade Waste Approvals & Policy [Item 2(f) in Table 1]	YES
(iii) Complete Performance Reporting Form (by 15 September each year)	YES
(iv) a. Integrated Water Cycle Management Evaluation	YES
b. Complete and implement Integrated Water Cycle Management Strategy	YES

## Nambucca Shire Council

Notes to the Special Purpose Financial Statements  
for the financial year ended 30 June 2015Note 3. Sewerage Business  
Best Practice Management disclosure requirements (continued)

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

2015

## National Water Initiative (NWI) Financial Performance Indicators

NWI F2	Total Revenue (Sewerage) Total Income (s14) - Grants for Acquisition of Assets (s12a) - Interest Income (s10) - Aboriginal Communities W&S Program Income (w10a)	\$'000	4,967
NWI F10	Written Down Replacement Cost of Fixed Assets (Sewerage) Written down current cost of system assets (s48)	\$'000	75,605
NWI F12	Operating Cost (Sewerage) Management Expenses (s1) + Operational & Maintenance Expenses (s2)	\$'000	2,405
NWI F15	Capital Expenditure (Sewerage) Acquisition of Fixed Assets (s17)	\$'000	576
NWI F18	Economic Real Rate of Return (Sewerage) [Total Income (s14) - Interest Income (s10) - Grants for acquisition of Assets (s12a) - Operating cost (NWI F12) - Current cost depreciation (s3)] x 100 divided by [Written down current cost (ie. WDCC) of System Assets (s48) + Plant & Equipment (s34b)]	%	1.15%
NWI F27	Capital Works Grants (Sewerage) Grants for the Acquisition of Assets (12a)	\$'000	-

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

NWI F3	Total Income (Water & Sewerage) Total Income (w13 + s14) + Gain/Loss on disposal of assets (w14 + s15) minus Grants for acquisition of assets (w11a + s12a) - Interest Income (w9 + s10)	\$'000	10,300
NWI F8	Revenue from Community Service Obligations (Water & Sewerage) Community Service Obligations (NWI F25) x 100 divided by Total Income (NWI F3)	%	1.21%
NWI F16	Capital Expenditure (Water & Sewerage) Acquisition of Fixed Assets (w16 + s17)	\$'000	11,751
NWI F19	Economic Real Rate of Return (Water & Sewerage) [Total Income (w13 + s14) - Interest Income (w9 + s10) - Grants for acquisition of assets (w11a + s12a) - Operating Cost (NWI F11 + NWI F12) - Current cost depreciation (w3 + s3)] x 100 divided by [Written down replacement cost of fixed assets (NWI F9 + NWI F10) + Plant & equipment (w33b + s34b)]	%	1.73%
NWI F20	Dividend (Water & Sewerage) Dividend paid from surplus (2(v) of Note 2 + 2(v) of Note 3)	\$'000	-
NWI F21	Dividend Payout Ratio (Water & Sewerage) Dividend (NWI F20) x 100 divided by Net Profit after tax (NWI F24)	%	0.00%



## Nambucca Shire Council

Notes to the Special Purpose Financial Statements  
for the financial year ended 30 June 2015Note 3. Sewerage Business  
Best Practice Management disclosure requirements (continued)

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

2015

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

<b>NWI F22</b>	Net Debt to Equity (Water & Sewerage)	%	7.20%
	Overdraft (w36 + s37) + Borrowings (w38 + s39) - Cash & Investments (w30 + s31) x 100 divided by [(Total Assets (w35 + s36) - Total Liabilities (w40 + s41))]		
<b>NWI F23</b>	Interest Cover (Water & Sewerage)		2
	Earnings before Interest & Tax (EBIT) divided by Net Interest		
	Earnings before Interest & Tax (EBIT):		2,928
	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:		1,338
	Interest Expense (w4a + s4a) - Interest Income (w9 + s10)		
<b>NWI F24</b>	Net Profit After Tax (Water & Sewerage)	\$'000	1,481
	Surplus before dividends (w15a + s16a) - Tax equivalents paid (Note 2-1(iv) + Note 3-1(iv))		
<b>NWI F25</b>	Community Service Obligations (Water & Sewerage)	\$'000	125
	Grants for Pensioner Rebates (w11b + s12b)		

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



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Forsyth's Business Services Pty Ltd  
ABN 66 182 781 401

**INDEPENDENT AUDIT REPORT**  
**Report on the special purpose financial statements**

**To Nambucca Shire Council**

**SCOPE**

We have audited the special purpose financial statements of Nambucca Shire Council for the year ended 30<sup>th</sup> June 2015 comprising the Statement by Councillors and Management, Income Statement of Business Activities, Balance Sheet by Business Activities, and Note 1 to the Financial Statements. The financial statements include the financial results of the business activities of the Council and the entities it controlled at the year's end or from time to time during the year.

***Councils' responsibility for the financial statements***

The Council is responsible for the preparation and fair presentation of the financial statements and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial statements, are appropriate to meet the requirements of the Division of Local Government and Council. The Councils' responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

***Auditor's responsibility***

Our responsibility is to express an opinion on the financial statements based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the Council or the Division of Local Government. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

**Knowledge with integrity**

\*Liability limited by a scheme approved under the Professional Standards Legislation

The special purpose financial statements have been prepared for distribution to the Council and the Division of Local Government for the purpose of fulfilling the requirements of National Competition Policy reporting. We disclaim any assumption of responsibility for any reliance on this report or on the financial statements to which it relates to any person other than the Council or the Division of Local Government or for any purpose other than for which the report was prepared.

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

## **INDEPENDENCE**

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

## **AUDIT OPINION**

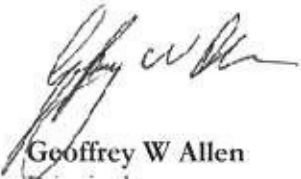
In our opinion, the Special Purpose Financial Statements of the Nambucca Shire Council for the year ended 30<sup>th</sup> June 2015 are presented fairly, in all material respects, in accordance with the requirements of those applicable Accounting Standards detailed in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting.

## **BASIS OF ACCOUNTING**

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describe the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the financial reporting requirements of the Division of Local Government. As a result, the financial statements may not be suitable for another purpose.

*Forsyths*

***Forsyths Business Services Pty Ltd***

  
**Geoffrey W Allen**  
Principal

27<sup>th</sup> October 2015  
92 Rusden Street Armidale