



# JUNEE SHIRE COUNCIL



# ANNUAL REPORT 2012-2013

# **Executive Summary**

This is the first annual report for Junee Shire Council under the Integrated Planning & Reporting Framework introduced by the Division of Local Government.

It provides a full commentary on Council's achievements during 2012-2013 and allows Council to be measured against the objectives in the Delivery Program and Operational Plan. Those two documents were developed out of the 'making tracks' A Community Strategic Plan for the Junee Shire to 2022 that was first adopted on 9 June 2009 and readopted on 29 May 2012.

The Delivery Program has a four year timeframe and the Operational Plan a one year timeframe.

The Delivery Plan was broken down four key themes;

- 1) A Growing Community;
- 2) A Liveable Community;
- 3) An Informed Community; and
- 4) Working Together.

Within each theme a number of Strategies were identified. These Strategies were placed into the relevant Service Areas within Council's organisational setup. And a timeframe was assigned to each of the Strategies.

The Community Strategic Plan encompasses a ten year period, and a number of strategies are seen as having a long term payback. Furthermore as it has a ten year timeframe, all Strategies and their implementation do not have to commence in the first, second, third or even fourth year.

This Annual Report will detail the achievements that Council has made over the past year in meeting the goals that were established in its first Delivery Program made under the Community Strategic Plan.

The Annual Report in its totality provides more detailed information concerning the above programs as well as other information on Council's achievements against its Operational and Delivery Program.

Council commends the report to the Residents of the Shire.

Lola Cummins  
Mayor

James Davis  
General Manager

# Introduction

The information provided in the Annual Report 2012-2013 is designed to meet the requirements of Section 428 of the Local Government Act 1993. The following subsections are addressed:-

- A copy of the Council's Audited Financial Reports must be included in its Annual Report (Section 428 (4) (a)). These are attached as Appendix A to this Annual Report.
- Under Section 428 (1) of the Local Government Act, the Council must report on the achievements in implementing the Delivery Program and the effectiveness of the principal activities undertaken in achieving the objectives in the Community Strategic Plan at which those activities are directed.

The Local Government (General) Regulation 2005 sets out other Statutory Annual Reporting requirements for the purposes of Section 428 (4) (b) of the Local Government Act. They are:

- |   |                 |
|---|-----------------|
| • Overseas visits by Councillors or staff         | cl. 217(1)(a) a |
| • Councillor expenses and provision of facilities | cl. 217(1)(a1)  |
| • Contracts awarded                               | cl. 217(1)(a2)  |
| • Legal proceedings                               | cl. 217(1)(a3)  |
| • Private works                                   | cl. 217(1)(a4)  |
| • Contributions/Donations                         | cl. 217(1)(a5)  |
| • External bodies exercising Council functions    | cl. 217(1)(a6)  |
| • Controlling interest in companies etc           | cl. 217(1)(a7)  |
| • Partnerships, corporations and joint ventures   | cl. 217(1)(a8)  |
| • EEO Management Plan                             | cl. 217(1)(a9)  |
| • Remuneration package – General Manager          | cl. 217(1)(b)   |
| • Remuneration package – Senior staff             | cl. 217(1)(c)   |
| • Stormwater management services                  | cl. 217(1)(e)   |
| • Coastal protection services                     | cl. 217(1)(e1)  |
| • Companion Animals Act 1998                      | cl. 217(1)(f)   |
| • Rates and Charges written off                   | cl. 132         |

In addition to the requirements of the Local Government Act 1993, the following information is required to be reported in Council's Annual Report.

## Government Information (Public Access) Act 2009 (GIPA)

- Report on applications received by Junee Shire Council  
is required

Clause 7

## Privacy and Personal Information Protection Act 1998

- Action taken in complying with the PPIP Act Section 33
  - Statistical details of any review conducted in regards to a contravention of the PPIP Act Section 33

## Environmental Planning and Assessment Act 1979

- Particulars of compliance with and effect of planning agreements in force Section 93G(5)

## Special Rate Variation Report

- A State of the Environment Report is required in the final year of each elected Council in accordance with Section 428A. For Junee Shire Council this SoE Report will be completed for the 2014-15 Annual Report.

# Council Details

## Council Administration

Council Chambers  
Belmore Street, Junee, 2663  
  
PO Box 93, Junee, 2663

Telephone: 02 6924 8100  
Facsimile: 02 6924 2497

Council Depot  
Joffre Street, JUNEE 2663  
  
Telephone: 02 6924 1702  
Facsimile: 02 6924 4702

E-mail: [psc@junee.nsw.gov.au](mailto:psc@junee.nsw.gov.au)  
Website: [www.junee.nsw.gov.au](http://www.junee.nsw.gov.au)

## Office Hours

Administration Centre: 9.00am – 5.00pm

Junee Shire Council welcomes comments, requests and input from the community. This can be undertaken by telephoning, writing, visiting or sending a facsimile to Council.

## Elected Members

Lola Cummins (Mayor)

Matthew Austin

Robert Callow

Andrew Clinton

Pam Halliburton

Martin Holmes

Colin Randall

Neil Smith

Jo Ward

## Management Staff

General Manager	Mr Greg Campbell
Director Engineering Services	Mr Col Macaulay
Director Corporate & Community Services	Mr John Whitfield
Director Development & Environmental Services	Mr Ralph Tambasco

## **Council Meetings**

Council Meetings were held on the third Tuesday of every month. The meetings were held in the Council Chambers in Belmore Street and commenced at 4.00pm.



## **Deputations**

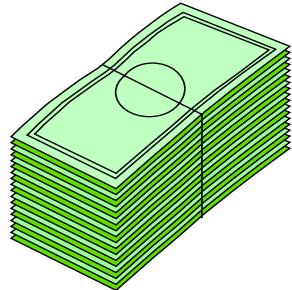
The meetings of the Council are open to the public to attend. Members of the public may address the Council if arrangements are made prior to the Council meeting. Individual and special interest groups are also invited by the Council to address both Committee and Council meetings on matters that are being considered by the Council. If you wish to address the Council on a matter, prior contact is to be made with the General Manager.

## **Committees of Council**

- Junee Junction Recreation & Aquatic Centre Committee
- Internal Audit Committee
- Youth Council
- Australia Day Committee
- Tourism & Promotion Working Party
- Museum Working Party
- Athenium Working Party
- Junee Golf Club Working Party
- Asset Management Steering Committee
- Consultative Committee
- Work Health & Safety Committee

**2012-2013 FINANCIAL DETAILS**

The Local Government Act 1993 requires each Council to prepare financial reports for each year, and refer them for audit as soon as practicable after the end of that year. Under Section 416 (1) a council's financial reports for a year must be prepared and audited within four months after the end of year concerned.



Under Section 413 a council's financial reports must include:

- a) a general purpose financial report; and
- b) any other matter prescribed by the regulations; and
- c) a statement in the approved form by the Council as to its opinion on the general purpose financial report.

The Junee Shire Council's audited financial reports are attached hereto as Appendix A.

## Section 428 (I)

Under Section 428 (I) of the Local Government Act, the Council must report on the achievements in implementing the Delivery Program and the effectiveness of the principal activities undertaken in achieving the objectives in the Community Strategic Plan at which those activities are directed.

### Theme No. I - A Growing Community

#### Strategic Objective

**The Shire's population is increased so that local businesses can confidently grow and employ more local people.**

Strategy	Responsible Service Area	Timeframe	Review of Performance at 30 June 2013
I.1 Establish a target population for the Junee Shire, Junee township, Junee villages and surrounding rural areas in 2020 – and actively support and encourage initiatives in each year to ultimately achieve that population.	Governance and General Manager	2012-2014	No specific action taken in 2012-2013.
I.2 Educate residents about what is achievable in the shire and what is not – eg the range of health services that can be provided – and ensure efforts are directed into retaining existing services and lobbying for increased services where warranted.	Governance and General Manager	Ongoing	No specific action taken in 2012-2013.
I.3 Make changes to the Council's Local Environmental Plan (LEP) – to enable investors to take advantage of land use and business	Town Planning and Building Control	2012-2013	Completed – new LEP 'gazetted' 21 December 2012. The new planning reforms may require that all LEPs be amended in the future otherwise no amendments anticipated until at least 2017-2018.

<b>Strategy</b>		<b>Responsible Service Area</b>	<b>Timeframe</b>	<b>Review of Performance at 30 June 2013</b>
opportunities within the shire, in Junee and in village areas, such as rural/residential on the urban edge of villages.				
1.4	<p><b>Support and implement policies which encourage a population mix</b>            - in particular policies that are family friendly.</p>	Governance and General Manager	Ongoing	No specific action taken in 2012-2013.
1.5	<p><b>Encourage and stimulate the Junee Business and Trades Group</b>            – to ensure the council and property owners work in partnership to rejuvenate Junee.</p>	Economic Development	2012-2014	Closer ties with the Junee Business & Trades Group have been formed in 2012-2013. JSC and JBT have been in contact with each other on a variety of matters.
1.6	<p><b>Develop a town and village business plan</b>            – to identify opportunities for the development and promotion of Junee, Old Junee, Illabo, Bethungra, Wantabadgery and districts.</p>	Economic Development	2013-2014	No specific action taken in 2012-2013.
1.7	<p><b>Explore opportunities for business development associated with the rail industry</b>            – to take advantage of infrastructure, location and property values.</p>	Economic Development	Ongoing	Assistance provided and discussions held with representatives of QUBE regarding development of an intermodal terminal at Harefield. An initial DA approved by Council with a second DA to expand activities to come to Council for its consideration and determination.

<b>Strategy</b>	<b>Responsible Service Area</b>	<b>Timeframe</b>	<b>Review of Performance at 30 June 2013</b>
I.8 <b>Examine light industry opportunities, and the possible future relocation of the bus depot to an industrial area, freeing up land for future commercial purposes</b> – to accommodate future potential commercial growth in the town.	Economic Development	2012-2016	No specific action taken in 2012-2013.
I.9 <b>Develop a memorandum of understanding with the Correctional Centre</b> – to identify opportunities and protocols for local businesses to compete for and win supply contracts	Economic Development	2012-2014	No specific action taken in 2012-2013.
I.10 <b>Attract a large company to locate in Junee</b> – to take advantage of the local and regional population base and skills.	Economic Development	Ongoing	QUBE Logistics have started an intermodal terminal in Harefield.
I.11 <b>Ensure Junee Shire Council maintains an efficient development application processing service</b> – to support expansion of local businesses and to encourage investors.	Town Planning and Building Control	Ongoing	Being complied with as is evidenced by the annual 'Local Development Performance Monitoring' report prepared by the Department of Planning and Infrastructure.

<b>Strategy</b>	<b>Responsible Service Area</b>	<b>Timeframe</b>	<b>Review of Performance at 30 June 2013</b>
I.12 <b>Identify and promote opportunities for use of redundant buildings</b> – to find alternative uses for the railway barracks, old hospital; old ambulance building, etc.	Community Development	Ongoing	Alternative uses have been found for the old railway barracks, the old ambulance building, the old ARTC structures at the rear of Broadway, several former shops on Seignior Street and Broadway, DA approved for upgrading of Maude Terraces, DA approved for a 4 lot subdivision of the old hospital site which will allow separate land uses on each new lot at a later date.
I.13 <b>Attract professional service specialists to live and work in Junee</b> – by providing incentives such as facilities.	Economic Development	Ongoing	No specific action taken in 2012-2013.
I.14 <b>Encourage and actively seek out businesses and industries</b> – to locate within the shire.	Economic Development	Ongoing	No specific action taken in 2012-2013.
I.15 <b>Encourage local businesses to provide a shopper experience for customers</b> – with variety, value for money goods and services, pleasant surroundings and clean premises.	Economic Development	2012-2016	No specific action taken in 2012-2013. In November 2013 a “Think big. Shop small” was run to encourage local shopping.
I.16 <b>Work in partnership with the Premier’s Department Office, Wagga Wagga, Department of State and Regional Development, Wagga Wagga, and Wagga Wagga City Council</b> – to identify opportunities for light industry within the Junee Shire to be	Economic Development	Ongoing	No specific action taken in 2012-2013.

<b>Strategy</b>	<b>Responsible Service Area</b>	<b>Timeframe</b>	<b>Review of Performance at 30 June 2013</b>
complementary to the industries at the Bomen Industrial Estate; to identify economic development opportunities generally; to work in partnership with neighbour councils and government agencies in regional promotion, policy development and service provision.			
I.17 <b>Provide council support and assistance to existing employers to grow their businesses</b> – to maintain and supplement jobs within the region.	Economic Development	Ongoing	No specific action taken in 2012-2013.
I.18 <b>Develop a strategy to encourage and provide incentives for prime age workers (20 to 40 years) and their families to live and work in the shire</b> – to retain our youth and ensure a reliable supply of workers to fill local jobs.	Community Development	2013-2014	Scheduled for 2013-14.
I.19 <b>Work with tourism operators and proprietors</b> – to identify and develop products and services that appeal to visitors to the shire, and to co-ordinate the	Economic Development	Ongoing	The Visitors Information Centre operates daily with a mix of volunteer and Council recreation centre staff support. Information boards have been set up throughout Junee to assist visitors to Junee locate our town's attractions.

<b>Strategy</b>	<b>Responsible Service Area</b>	<b>Timeframe</b>	<b>Review of Performance at 30 June 2013</b>
promotion of our attractions.			
I.20 <a href="#">Create an annual event/festival/celebration/theme day</a> – to keep Junee and the shire on the map to encourage visitors to the shire.	Community Development	2012-2013	Council has provided advice and support to the Rhythm n Rail Festival Committee for its 2013 event. Other events are also held eg: Seniors Week, International Womens Day, Youth Week and Family Expo.
I.21 <a href="#">Improve motel and tourist park accommodation</a> – to respond to expected increases in visitation to the town and shire.	Economic Development	Ongoing	New lessees took over the Junee Caravan Park in 2013. They are committed to continue the high standard of accommodation.
I.22 <a href="#">Encourage visitors to stop and shop in the town</a> – to capture passing trade and provide a reason for visitors to stop.	Economic Development	Ongoing	Information bays maintained in good order. Information boards have been set up throughout Junee to assist visitors to Junee locate our town's attractions.
I.23 <a href="#">Encourage tour groups from Wagga Wagga to conduct day trips to the town</a> – to support and encourage new business to locate in the town.	Economic Development	2012-2016	No specific action taken in 2012-2013.
I.24 <a href="#">Ensure businesses demonstrate excellent customer service</a> – to ensure customers return after having a pleasant experience.	Economic Development	Ongoing	No specific action taken in 2012-2013.

<b>Strategy</b>		<b>Responsible Service Area</b>	<b>Timeframe</b>	<b>Review of Performance at 30 June 2013</b>
1.25	<p><b>Encourage a multiple use facility to locate within the town and to open on weekends</b></p> <ul style="list-style-type: none"> <li>– to provide for and attract expected increased visitors.</li> </ul>	Economic Development	Ongoing	No new facility has set up in Junee but the Junee Liquorice & Chocolate Factory continues to be a significant drawcard for Junee. It opens on weekends and offers a variety of interesting attractions for visitors to town. It is supplemented by the Broadway Museum, the Junee Roundhouse Railway Museum and Monte Cristo.
1.26	<p><b>Encourage and promote school bus trips from Wagga Wagga to Junee to attend the Rec Centre, Athenium, etc</b></p> <ul style="list-style-type: none"> <li>– to increase the number of visitors to the town.</li> </ul>	Community Development	Ongoing	This is ongoing and has been happening for many years, especially in relation to the Recreation Centre.
1.27	<p><b>Improve our entry points to the town and the shire to make a greater impression on visitors</b></p> <ul style="list-style-type: none"> <li>– to encourage visitors to stop and stay.</li> </ul>	Economic Development	2012-2013	Current entry point signs and entrances to Junee in reasonably good order.

## **Performance Measures**

The Council's Delivery Program identifies the following performance measures:

- Increase in shire population
- Increase in town and village population
- Number of new jobs created
- Level of unemployment
- Number of new businesses opened in the town and villages
- Increase in the number of bed night stays in motels and tourist park
- Number and value of development applications approved

Further development and refinement of these Performance Measures took place in 2012-2013 and now form the Delivery Program for 2013-2016 as adopted by the Council in June 2013. Further refinement also includes a system for collecting and recording data in each of these areas so that the Council's progress in meeting its goals can be measured.

## Theme No. 2 - A Liveable Community

### Strategic Objective

**Ensure our services and facilities are the best they can be using the resources available.**

Strategy	Responsible Service Area	Timeframe	Review of Performance at 31 December 2012
2.1 Maintain current access to health and medical services - to ensure access to services in Junee and Wagga Wagga is not diminished in the future.	Economic Development	Ongoing	Council's medical centre has provided an attractive premises for a range of medical services for Junee. This facility together with Community Transport Services to Wagga Wagga and a new hospital see Junee well serviced in health and medical areas.
2.2 Improve advocacy regarding health services – to improve decision making, financial management and fund raising.	Economic Development	Ongoing	Advocacy has been provided and will be provided as the need arises to support health services in Junee.
2.3 Attract professional service specialists to live and work in Junee - with housing and other support.	Economic Development	Ongoing	Council provides two modern houses for health service professionals to rent.
2.4 Review and revise the road hierarchy – with a priority assessment of upgrading road conditions in the next 12 years, and undertake priority works every year.	Urban Sealed & Unsealed Roads  Rural Sealed Roads  Rural Unsealed Roads	2012-2013	Road hierarchy has been developed. Road upgrading carried out on a priority basis as finances allow.

<b>Strategy</b>		<b>Responsible Service Area</b>	<b>Timeframe</b>	<b>Review of Performance at 31 December 2012</b>
2.5 Develop an asset management and renewal programme – identify the condition of all asset categories and ensure appropriate future provisions for roads, drainage and buildings maintenance		Administration Building Library Services Recreation Centre Housing Public Halls & Buildings Business Undertakings Sewerage Sporting Grounds Parks and Gardens Urban Sealed & Unsealed Roads Rural Sealed Roads Rural Unsealed Roads Drainage Infrastructure	2012-2013	Asset Management Plans were developed for Roads, Parks, Gardens & Cemeteries, Buildings and Sewerage Assets during 2011-2012. These plans were reviewed and further developed during the second half of the 2012-2013 financial year with their adoption in the second half of 2013.
2.6 Develop greater pride in our town by working with business owners to paint, decorate and light up their shop fronts in a co-ordinated theme		Community Development	2012-2016	This is being done but only on an individual basis as business owners submit Development Applications to Council for approval eg: new PRD Nationwide office, additions/alterations to Commercial Hotel and Loftus Hotel

<b>Strategy</b>		<b>Responsible Service Area</b>	<b>Timeframe</b>	<b>Review of Performance at 31 December 2012</b>
– to highlight heritage and other architectural features.				buildings.
2.7 Ensure all existing and future building owners provide easy access – in accordance with the Disability Discrimination Act.		Town Planning & Building Control	2012-2014	Being done as part of conditions of consent for each Development Application, where required.
2.8 Seek government funding for a village improvement programme – to recognise the role and identity of each village/district.		Town Planning & Building Control	2012-2016	No specific action taken in 2012-2013.
2.9 Work with the Sports Committee to develop a sports and recreation business plan for future improvements to sporting and recreation facilities to enable the council to consider priorities over the life of the plan – to include Laurie Daley Oval improvements (grandstand/spectator shelter, dressing sheds); to consider the possible amalgamation of clubs to make them more sustainable; - extend access to picnic and recreation facilities along the Murrumbidgee River; - seek government funding of sport and recreation facilities.		Sporting Grounds	2012-2014	<p>Council is working with Sports Committee to establish priorities for the improvement of facilities. The one identified outstanding item is the completion of Laurie Daley Oval amenities building.</p> <p>All other priorities have been completed.</p> <p>Seeking out Government funding is ongoing.</p> <p>Improvements to the Sandy Beach Reserve will be considered and made when appropriate external funding is sourced.</p>

<b>Strategy</b>	<b>Responsible Service Area</b>	<b>Timeframe</b>	<b>Review of Performance at 31 December 2012</b>
2.10 Address social standards and values - in particular growing issues such as alcohol abuse, drug use, school standards, and parental guidance.	Community Development	Ongoing	Developed Youth Council so we are engaging with youth. CDO will be involved with a proposed Drug Action Team under the auspices of Community Mental Health. Also CDO liaises with Junee High School to look for opportunities for collaboration with alcohol and drug preventative programs.
2.11 Advocate for appropriate police presence in Junee – to enable a quick response to crime and disorder.	Governance and General Manager	Ongoing	No specific action taken in 2012-2013.
2.12 Maintain viable education facilities in the shire and support quality education for our young – identify why students are leaving our schools to travel to Wagga Wagga; address issues as a community, and seek to prevent a shift in population to Wagga Wagga.	Community Development	Ongoing	Viable education facilities already exist in the Junee LGA, however no survey has been conducted by Council as to why students are allegedly leaving Junee schools for Wagga Wagga schools. This might be better addressed by the schools themselves, not Council.
2.13 Continue to devote priority time and resources to youth issues - to address the growing needs of youth within the Shire.	Community Development	2012-2016	Being done – ongoing.
2.14 Facilitate the provision of evening youth entertainment in Junee - to avoid having to travel to Wagga Wagga.	Community Development	2012-2013	This is not viable. It has been done in the past without success. The Friends of the Athenium had several film screenings at the Athenium throughout 2012-2013.
2.15 Develop a forum for youth to openly express their views – to ensure local youth can have their say on what is needed in the community.	Community Development	2012-2013	Completed. A Youth Council has been formed.

<b>Strategy</b>		<b>Responsible Service Area</b>	<b>Timeframe</b>	<b>Review of Performance at 31 December 2012</b>
2.16 Introduce an effective alcohol/drug/sex education program for children, youth and parents – to address the growing decline in social standards.		Community Development	2012-2013	No specific action taken in 2012-2013.
2.17 Review waste and recycling facilities in the shire – to reduce waste and conserve resources and materials.		Garbage Services	2012-2013	No specific action taken apart from participating in the organics trial in 2012-2013 and a future report to Council regarding the possible introduction of an organics collection.
2.18 Strengthen the networks which bind the community together - to keep a cohesive community.		Community Development	Ongoing	Being involved in the development of community activities eg: Seniors Week, Youth Week, Family Expo, International Womens Day events and school holiday activities.

### **Performance measures**

The Council's Delivery Program identifies the following performance measures:

- Road conditions maintained
- Community buildings conditions maintained
- Heritage buildings preserved
- Sporting facilities increased
- Availability of aged and child care
- Reduced incidence of crime and social issues
- Increase in recyclables over landfill

Further development and refinement of these Performance Measures took place in 2012-2013 and now form the Delivery Program for 2013-2016 as adopted by the Council in June 2013. Further refinement also includes a system for collecting and recording data in each of these areas so that the Council's progress in meeting its goals can be measured.

## Theme No. 3 – An Informed Community

### Strategic Objective

**Our community has ready access to local, regional, national and global information.**

Strategy	Responsible Service Area	Timeframe	Review of Performance at 31 December 2012
3.1 Acknowledge the role and function of Junee township as a service provider of routine but essential goods and services for the local area – to ensure strategies and actions are appropriate for this role.	Economic Development	Ongoing	No specific action taken in 2012-2013.
3.2 Educate the community on the role – to ensure investment and other decisions can be made in recognition of the role.	Economic Development	Ongoing	No specific action taken in 2012-2013.
3.3 Identify and better understand the role and function of Wagga Wagga – to ensure decisions relating to Junee can complement the role of Wagga Wagga	Economic Development	Ongoing	No specific action taken in 2012-2013.
3.4 Identify an appropriate facility/site for a local information service – to ensure visitors have access to local information during normal	Economic Development	2010-2011	A Visitors Information Centre has been established at the Junee Junction Recreation & Aquatic Centre. This supplements the information boards scattered throughout the Junee Shire.

<b>Strategy</b>	<b>Responsible Service Area</b>	<b>Timeframe</b>	<b>Review of Performance at 31 December 2012</b>
working hours.			
<b>3.5 Develop a signage strategy</b> - for shire entrances, main highways and town and village entrances.	Economic Development	2012-2013	No specific action taken in 2012-2013.
<b>3.6 Improve signage in the town and villages</b> – to make our facilities, services and attractions more accessible and known (particularly having regard for the impact of the rail line through the middle of town).	Economic Development	2013-2014	Scheduled for 2013-2014.
<b>3.7 Actively promote and communicate to the community the results of research into social projections</b> – to provide an early warning system on trends and their potential impact.	Economic Development	Ongoing	No specific action taken in 2012-2013.
<b>3.8 Improve the promotion of villages/districts</b> – provide additional welcome signs, information boards, rest stops, etc, and promote the villages and districts in council publications.	Economic Development	2013-2014	Welcome signs, information boards, rest stops and promotion of villages are already occurring to some degree. A review of promotional activities for villages and districts will be done in the 2013-2014 financial year.
<b>3.9 Facilitate improved electronic communications with Shire villages</b> – provide on the council website a dedicated section for each	Economic Development	2012-2013	No specific action taken in 2012-2013.

Strategy	Responsible Service Area	Timeframe	Review of Performance at 31 December 2012
<p>village/locality so residents can learn of specific services, facilities and activities proposed for the area; enable residents to interact with each other through the site; provide on-line real time access to council services and information for business related activities and approvals; and provide a 24/7 service to residents and customers with interactive features to enable input to council initiatives and decisions.</p>			
<p><b>3.10 Advocate for broadband and mobile coverage across the shire</b>            - to ensure shire residents can access services and information and conduct home businesses.</p>	<b>Economic Development</b>	Ongoing	No specific action taken in 2012-2013.
<p><b>3.11 Ensure councillors represent and advocate on behalf of the wider Junee community – the town, villages and districts</b>            - so that everyone in the Shire can make their views known and feel included in council decisions.</p>	<b>Economic Development</b>	Ongoing	No specific action taken in 2012-2013.

<b>Strategy</b>	<b>Responsible Service Area</b>	<b>Timeframe</b>	<b>Review of Performance at 31 December 2012</b>
3.12 Maintain the social fabric and networking of villages and districts - encourage and enable the bush telegraph and similar means.	Economic Development	Ongoing	No specific action taken in 2012-2013.

### **Performance measures**

The Council's Delivery Program identifies the following performance measures:

- Number of households with broadband internet available
- Levels of education
- Number of council newsletters issued each year
- Number of visits to the council website

Further development and refinement of these Performance Measures took place in 2012-2013 and now form the Delivery Program for 2013-2016 as adopted by the Council in June 2013. Further refinement also includes a system for collecting and recording data in each of these areas so that the Council's progress in meeting its goals can be measured.

## Theme No. 4 – Working Together

### Strategic Objective

**Junee Shire Council is not alone in actively implementing the plan on behalf of the community. It has developed and will further develop regional and wider partnerships so that the strategies outlined within the plan can be addressed by all stakeholders and interest groups.**

Strategy	Responsible Service Area	Timeframe	Review of Performance at 31 December 2012
4.1 Work in partnership with other councils in the region and government agencies – recognise that the shire's future is aligned with the growth and prosperity of the Riverina region, and ensure the Council works in partnership with neighbour councils and government agencies in regional promotion, policy development and service provision.	Governance and General Manager	Ongoing	A number of partnership arrangements have been in place for a number of years now. Activities shared between Councils including internal audit, noxious weeds control, bush fire services and spatial services (now ceased) have provided benefits to the shire. REROC has offered joint tendering and purchasing opportunities and a stronger voice in advocacy of regional local government issues. Further opportunities will be investigated and developed over time including the current assessment of a shared services model for the delivery of services to the Junee community coordinated by / provided by REROC.
4.2 Develop strong community partnerships – by joining with community members and major employers to plan and execute lobbying and advocacy of the state and federal governments for improved services	Governance and General Manager	Ongoing	Junee Shire Council is a strong supporter of REROC and uses its services to enhance its advocacy and lobbying ability. It has partnered with other Councils over the years where it was seen appropriate to put a shared position on a matter. The Council has and will support community members and businesses where it sees potential for improved services and facilities to the Junee community and the broader region. This kind of action will continue to be taken.

<b>Strategy</b>		<b>Responsible Service Area</b>	<b>Timeframe</b>	<b>Review of Performance at 31 December 2012</b>
and facilities in the region, and for joint use of facilities (eg co-location of services).				
4.3	<p>Ensure Junee councillors takes a strong leadership role in the implementation of the community strategic plan</p> <ul style="list-style-type: none"> <li>– by developing an ongoing communication plan to report on progress to the community through the shire newsletter, within the statutory annual report, and in an annual “State of the Shire” report.</li> </ul>	Governance and General Manager	2012-2013	The next version of the Community Strategic Plan was developed in March and April 2013 and adopted by the Council on 16 April 2013 as “making tracks” 2025, A Community Strategic Plan for the Junee Shire.
4.4	<p>Work in partnership with the Premier’s Department Office at Wagga Wagga</p> <ul style="list-style-type: none"> <li>– to promote the investment opportunities available in the shire, and to prepare an economic development strategy.</li> </ul>	Governance and General Manager	Ongoing	No specific action taken in 2012-2013.
4.5	<p>Encourage and celebrate success and achievement</p> <ul style="list-style-type: none"> <li>– to recognise the completion of milestones when they occur, and promote community achievement and identity through events and festivals.</li> </ul>	Governance and General Manager	Ongoing	Traditionally when the Council provides new facilities such as the recent opening of the Laurie Daley Oval kiosk building it celebrates the occasion but a more focussed effort will be considered to celebrate success and achievement under this strategy.

<b>Strategy</b>	<b>Responsible Service Area</b>	<b>Timeframe</b>	<b>Review of Performance at 31 December 2012</b>
4.6 Support the Council Directors and staff in their efforts to progress the Plan - work in community project teams to achieve specific objectives as identified.	Governance and General Manager	Ongoing	No specific action taken in 2012-2013.

### **Performance Measures**

The Council's Delivery Program identifies the following performance measures:

- Formal partnerships/MOUs established with government/private sector/community
- Number of deputations and representations to state and federal governments
- Number of project teams formed

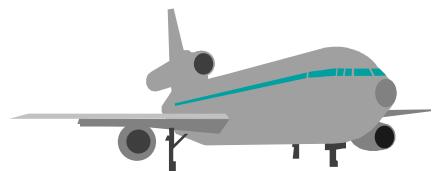
Further development and refinement of these Performance Measures took place in 2012-2013 and now form the Delivery Program for 2013-2016 as adopted by the Council in June 2013. Further refinement also includes a system for collecting and recording data in each of these areas so that the Council's progress in meeting its goals can be measured.

**Section 428 (4) (b)  
and LOCAL GOVERNMENT (GENERAL) REGULATION 2005**

**Overseas Visits by Councillors or staff**

**Reg cl. 217 (1)(a)**

During 2012-2013 no overseas visits were undertaken by Councillors, Council staff or other persons whilst representing the Council



**Councillor expenses and provision of facilities**

**Reg cl. 217 (1)(a1)**

**Mayoral and Councillor Fees**

Mayoral Fees	\$14,500
Councillors Fees	\$71,208
Councillors Travel Allowances <sup>1</sup>	\$0
Total	<u>\$85,708</u>

**Provision of Facilities for Use by Councillors**

Minimal facilities are provided for the Councillors. Office space is made available to the Mayor for meetings with ratepayers. This office space is not reserved exclusively for such use, but is space that is available for Councillors, Staff and Community use. No other facilities are provided for Councillors' use.

The Council's policy for the payment of Councillor expenses requires that:

- The expenses have been incurred doing Council business that Council has previously agreed should be attended to by the Councillor concerned;
- Full documentary evidence, including receipts, are provided to support any such claim; and
- The expenses incurred are deemed reasonable, given the nature of the business attended to, with this reasonableness test being applied in the first instance by the General Manager and where he/she feels it appropriate in the second instance by the Mayor.

**Payment of Expenses of and The Provision of Facilities to Councillors –  
In Relation to the Following:**

**I. Office Equipment**

Nil

**2. Telephone Calls**

Nil

**3. Attendance at Conferences and Seminars\***

Cr Lola Cummins (Mayor)

REROC Waste Conference, in Wagga Wagga on 5 June 2013

Registration \$100.00

Conflict of Interest / Code of Conduct training, in Sydney on 11 March 2013

Registration \$600.00

All other Councillors

Cr R Callow

REROC Waste Conference, in Wagga Wagga on 5 June 2013

Registration \$100.00

Cr P Halliburton

REROC Waste Conference, in Wagga Wagga on 5 June 2013

Registration \$100.00

**4. Training of Councillors**

Nil

**5. Interstate Visits**

Nil

**6. Overseas Visits**

Nil

**7. Spouse, Partner or Other Person in the Accompaniment of a Councillor**

Nil

**8. Provision of Care for a Child or Other Immediate Family Member**

Nil

Please note that a number of other meetings, workshops and seminars are attended each year by Junee Shire Council Councillors. The listing above is only the ones for which Council incurred a cost or were noteworthy.

### **Contracts Awarded**

**Reg cl. 217 (1)(a2)**

The following contracts that exceeded \$150,000 (excluding GST) were awarded by Council in 2012/2013.

<b>Contract awarded to</b>	<b>Description</b>	<b>Amount \$ (with approved variations)</b>
Boral Construction Materials Group Ltd	Road Sealing contract extension	Unit rate contract

### **Legal proceedings**

**Reg cl. 217 (1)(a3)**

#### AMOUNTS INCURRED IN RELATION TO LEGAL PROCEEDINGS

<b>Plaintiff / Respondent</b>	<b>Court</b>	<b>Matter</b>	<b>Costs Incurred</b>	<b>Status</b>
Various	Local Government Act	Rate Collection expenditure	\$6,635.90	Some recovery action complete; some ongoing

### **Private Works**

**Reg cl. 217 (1)(a4)**

#### SECTION 67(3) PRIVATE WORKS

During the period 1 July 2012 to 30 June 2013 Council did not undertake any subsidised work on private land in terms of Section 67 of the Local Government Act 1993.

## **Contributions / Donations**

**Reg cl. 217 (1)(a5)**

### AMOUNTS CONTRIBUTED OR GRANTED UNDER SECTION 356



During 2012/2013 Council provided assistance totalling \$5440.20 to community groups and external organisations under Section 356 of the Local Government Act 1993.

## ***External bodies exercising Council functions***

**Reg cl. 217 (1)(a6)**

### EXTERNAL BODIES EXERCISING FUNCTIONS DELEGATED BY COUNCIL

#### **BUSH FIRE SERVICES**

Council has delegated its responsibilities for the management and control of bush fire services to the NSW Rural Fire Service. It is party to an agreement with Wagga Wagga City Council, Coolamon Shire Council, Lockhart Shire Council and Urana Shire Council to form the Riverina Zone of the Rural Fire Service.

#### **RIVERINA REGIONAL LIBRARY**

Junee Shire Council is a member of Riverina Regional Library. This joint venture has been established to provide library services to the member councils of Coolamon, Cootamundra, Greater Hume, Gundagai, Junee, Lockhart, Temora, Tumut and Wagga Wagga.

The Junee Library has the following services provided through the Riverina Regional Library:

- Reference and information service including internet access to on-line services
- Online Public Access terminals allow a search of the catalogue
- Reservations system for books either already on loan or located at other branches
- Inter-library loan service
- Housebound services to the elderly and disabled
- Genealogical research facilities
- Community information
- ABS Statistics service
- Adult fiction and non-fiction

- Children's books, both fiction and non-fiction including picture books
- Young Adult fiction
- Paperbacks
- Periodicals and newspapers
- Audio cassettes
- Music CDs
- Video cassettes
- Large print and Talking books for the visually impaired
- Photocopying facilities
- Specialised Reference Books (for use in Library only)
- Local History material
- Foreign language tapes and books available on request
- Internet Access
- Word Processing and Spread Sheet facilities

Junee Shire Council pays an annual contribution for the provision of these services. In 2012-2013 this contribution was \$86 892.

### **NOXIOUS WEEDS**

Junee Shire Council entered into an agreement with Temora Shire Council and Coolamon Shire Council in 2006/07 for the management and control of noxious weeds within the Junee Shire.

Council had suffered from inadequate staffing arrangements for the management and co-ordination of noxious weeds control in the Shire prior to this arrangement. The agreement is in the form of a Memorandum of Understanding (MOU) binding the three Councils. There is some possibility of future formation of a noxious weeds authority, if there is benefit to be gained by the member Councils in doing so.

The group has employed a contractor, Mr Robert Ferguson, to manage the control of noxious weeds and spraying contractors.

The contract is administered by Temora Shire Council. It oversees the contractor's performance according to the MOU. The contractor is responsible for all reporting matters to the Department of Primary Industry, for public education, applications for grant funds on behalf of Council, inspections, representation of Council at regional weeds committees and the mapping of weed infestation.

The benefits to be gained by Junee Shire Council are:

- consistent staffing for noxious weed control;
- appropriately qualified employees to manage and inspect noxious weeds throughout the Shire;
- co-ordination of control activities throughout the Shire; and
- the efficient sharing of resources.

**Controlling interest in companies etc**

**Reg cl. 217 (1)(a7)**

**JUNEE JUNCTION LTD**

Junee Shire Council had leased its Recreation and Aquatic Centre to Junee Junction Ltd, a wholly owned company of Junee Shire Council since 7 February 2003. Junee Junction Ltd had six Directors all appointed by Junee Shire Council. Two are Junee Shire Council Councillors, two are staff members and two are members of the Junee community. They receive no remuneration. Junee Junction Ltd has a constitution that sets out its principal objects in Schedule 2 to that constitution.

This lease arrangement ended on 31 December 2009. It was agreed that Junee Shire Council operate the facility from 1 January 2010. Junee Shire Council appointed a Section 355 Committee to oversee the operations of the centre in the same way that the board of Junee Junction Ltd had done so.

Junee Junction Ltd has now been wound up.

Junee Shire Council had no controlling interests in any companies at 30 June 2013.

**Partnerships, corporations and joint ventures**

**Reg cl. 217 (1)(a8)**

Council has been a member of the following bodies during 2012-2013: -

- Riverina Regional Library
- Riverina Eastern Regional Organisation of Councils
- Riverina Regional Tourism
- Riverina Zone Rural Fire Service
- Noxious Weeds cooperative arrangement with Coolamon and Temora Shire Councils
- Internal Audit cooperative arrangement with Corowa, Coolamon, Gundagai, Greater Hume and Temora Shire Councils.

## COUNCIL ACTIVITIES TO IMPLEMENT ITS EQUAL EMPLOYMENT OPPORTUNITY MANAGEMENT PLAN

Junee Shire Council is committed to the principle of Equal Employment Opportunity whereby all employees and potential employees are treated equitably and fairly, regardless of their race, sex, disability etc. when applying for jobs or promotions, training opportunities, and in their working conditions.

Junee Shire Council, in accordance with Section 345 of the Local Government Act 1993, has adopted an Equal Employment Opportunity Policy to guide the implementation of EEO principles and practices. The co-ordination of the EEO Management Plan is the responsibility of the EEO Officer. The EEO Officer for Junee Shire Council is the Director Corporate & Community Services.

The EEO Management Plan has the following strategies:-

- Communication and Awareness Raising
- Consultation
- Recruitment and Selection
- Appointment, Promotion and Transfer
- Training and Development
- Conditions of Service
- Grievance Procedures
- Evaluation and Review of EEO Management Plan

Each of these strategies has a number of specific actions. Basic EEO requirements have been in place for a number of years. There have been no reported instances of any EEO matters to be dealt with. There has therefore been little activity with regard to the EEO Management Plan in the year under review.

Council's Consultative Committee also has a responsibility for reviewing the Equal Employment Opportunity Management Plan. (Council doesn't have a specific EEO Committee.) No recommendations for change were put forth by members regarding the EEO Management Plan.

The EEO Policy and the EEO Management Plan are available to the public for perusal upon request.

The remuneration package for Council's General Manager as at 30 June 2013 was \$180,000.

This remuneration package includes the total value of the salary component of the package, the employer's superannuation payable, non-cash benefits including motor vehicle and fringe benefits tax for non-cash benefits.

**Remuneration Package – Senior staff****Reg cl. 217 (1)(c)**

The remuneration package for Council's Director Engineering Services as at 30 June 2013 was \$170,259.

This remuneration package includes the total value of the salary component of the package, the employer's superannuation payable, non-cash benefits including motor vehicle and fringe benefits tax for non-cash benefits.

**Stormwater management services****Reg cl. 217 (1)(e)**

Junee Shire Council adopted a Stormwater Management Services Charge for the first time in 2006/07. For residential properties the charge in 2011/12 was \$25.00 and for business properties it was set at \$25.00 plus an additional \$11.00 for each 350 square metres (or part) thereafter.

This charging structure generated revenue of \$46 412.

Before introducing this new charge Council did not have the financial capacity to do drainage capital works of this major scale. It has an ongoing program of drainage improvements that are now possible through the introduction of this new charge.

**Coastal protection services****Reg cl. 217 (1)(eI)**

Junee Shire Council does not provide coastal protection services.

**Companion Animals Act 1998****Reg cl. 217 (1)(f)**

Animal control is handled by a combination of a part time Animal Control Officer and office support for companion animal registration, information and reporting.

Urgent complaints are dealt with either by the animal control officer or in extreme circumstances by the local NSW Police. Non urgent complaints such as nuisance animals or registration checks are handled through Council's complaints system by administration staff and then passed on to the Animal Control Officer.

Council's impounding facilities have the ability to cater to both dogs and cats. Staff are on hand to check for micro-chipping details and the need of any urgent veterinary assistance. In the first instance of picking up an animal Council endeavours to notify the owner of the animal and try and remove the need for impoundment.

Assistance is provided to the public in dealing with nuisance dog problems. A micro-chipping service is available by an appointment with our Animal Control Officer. A demountable office is located at the front of the pound. The office is used for the storage of records and animal food and for microchipping dogs. During 2013 works were carried out to improve security and water supply at the pound.

## **Pound data collection returns**

During 2012-2013 51 animals were impounded and 2 were surrendered by their owners. Of these 14 were released back to their owner, 23 were released to rehousing groups and no dogs escaped. A total of 2 animals were euthanized at their owners request. Five dogs were stolen from the pound during this time.

## **Data relating to dog attacks**

Council's customer action request system recorded six dog attacks during the 2012-2013 year, one less than in the previous 12 month period.

## **Expenditure on companion animal management and activities**

A total of \$26 874 was spent on companion animal management and activities during the 2012-2013 year.

## **Companion animal community education programs**

Junee Shire Council did not undertake any formal companion animal community education programs. However the Council's part-time animal control officer regularly discusses animal control matters with members of the public - specifically concerning their dogs.

## **Strategies to promote and assist de-sexing of dogs and cats**

Junee Council did not implement any strategies to promote the de-sexing of animals during the 2012-2013 year.

## **Strategies to seek alternatives to euthanasia for unclaimed animals**

Junee Shire Council is attempting to rehouse as many animals as possible if they are unclaimed after 7 days. In May 2009 the Council began a partnership with an animal rescue group based in the Riverina. This partnership has been successful and has been reflected in more release figures for the pound in recent years.

Animals are only euthanised if they cannot be rehoused. The Council uses a local Veterinary Service to euthanise animals.

## **Off the leash areas provided by Council**

Junee Shire Council has two off-leash areas, the first being a reserve in Kemp Street Junee and the second near the Junee Caravan Park in the treed area.

## **Detailed financial information on the use of Companion Animals Fund money**

The income and expenditure in managing and controlling companion animals is set out below.

<b>Expenditure</b>	
Wages & Salaries	19 810
Plant running	3 779
Pound facilities expenses	2 351
Other Expenses	934
<b>TOTAL</b>	<b>\$26 874</b>

<b>Income</b>	
Commission on registrations	7 221
Release Fees	376
Fines	3 190
<b>TOTAL</b>	<b>\$10 787</b>

### **Rates & Charges written off**

**Reg cl. 132**

The amount of rates and charges written off during the financial year was \$1 393. These were, for the most part, the write off of small balances that Council processes each year.

The amount of Pensioner Rebates provided was \$155 626.

## **Government Information (Public Access) Act 2009 (GIPA)**

Council in the last reporting period has received 3 applications under the Government Information Public Access Act.

### **Statistical Information regarding access applications**

**Table A: Number of applications by type of application and outcome**

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
<b>Personal information applications *</b>								
<b>Access applications (other than personal information applications)</b>	3							
<b>Access applications that are partly personal information applications</b>								

**Table B: Number of applications by type of application and outcome**

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
<b>Media</b>								
<b>Members of Parliament</b>								
<b>Private sector business</b>								
<b>Not for profit organisations or community groups</b>								
<b>Members of the public (application by legal representative)</b>	3							
<b>Members of the public (other)</b>								

**Table C: Invalid applications**

<b>Reason for invalidity</b>	<b>No. of applications</b>
Application does not comply with formal requirements (section 41 of the Act)	
Application is for excluded information of the agency (section 43 of the Act)	
Application contravenes restraint order (section 110 of the Act)	
Total number of invalid applications received	
Invalid applications that subsequently became valid applications	

**Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule I to Act**

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

**Table E: Other public interest considerations against disclosure: matters listed in table to section 41 of Act**

	<b>Number of occasions when application not successful</b>
Responsible and effective government	
Law enforcement and security	
Individual rights, judicial processes and natural justice	
Business interests of agencies and other persons	
Environment, culture, economy and general matters	

**Table F: Timeliness**

	<b>Number of applications</b>
Decided within the statutory timeframe (20 days plus any extensions)	3
Decided after 35 days (by agreement with applicant)	
Note decided within time (deemed refusal)	
<b>Total</b>	<b>3</b>

**Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)**

	Decision varied	Decision upheld	Total
<b>Internal review</b>			
<b>Review by Information Commissioner *</b>			
<b>Internal review following recommendation under section 93 of Act</b>			
<b>Review by ADT</b>			
<b>Total</b>	0	0	0

\*The Information Commission does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

**Table H: Applications for review under Part 5 of the Act (by type of applicant)**

	Number of applications for review
<b>Application by access applicants</b>	
<b>Applications by persons to whom information the subject of access application relates (see section 54 of the Act)</b>	

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

Junee Shire Council adopted its Privacy & Personal Information Policy incorporating its Privacy Management Plan on 18 April 2002. Its objective is to meet the requirements of Section 33 of the Privacy and Personal Information Protection Act (PPIP Act).

By implementing this Plan Council wishes to demonstrate its respect for the privacy of its residents and ratepayers. In order to comply with the requirements of the PPIP Act, Council observes the Protection Principles under the PIPP Act in relation to its handling of Personal Information.

The Plan covers:-

- Privacy principles. (part 2 division 1. sections 8 to 19 inclusive, PPIP Act)
- who authorises the collection of personal information
- the notification process when Council collects personal information about an individual
- the steps Council to ensure that information collected is relevant to a purpose, is not excessive, and is accurate, up to date and complete
- the retention and security of personal information
- if Council holds personal information about any individual the steps to enable any person to ascertain details about their personal information
- how a person can ascertain whether Council holds their personal information
- how a person who is concerned with the inaccuracy or unacceptable use of their personal information kept by Council, can request amendments be made to that information
- the steps to ensure the accuracy of personal information prior to use
- the use of personal information and consent issues
- disclosing personal information, how, to whom

The Plan also covers Public Registers and lists them.

The Plan covers how a review of certain conduct (internal review process) (part 5 clauses 52 & 53 PPIP Act) is handled.

Finally the plan covers training & education of staff in the requirements of the PPIP Act.

There have been no issues, concerns or complaints regarding privacy matters under the PPIP Act or that fall under the Council's Privacy Management Plan.

## **Environmental Planning and Assessment Act 1979**

Junee Shire Council had no Voluntary Planning Agreements under Section 93G(5) of the Environmental Planning and Assessment Act 1979 in place during 2012/2013.

## **Special Rate Variation – granted 2009**

Junee Shire Council was granted a Special Rates Variation in June 2009 under Section 508(2) of the Local Government Act.

The variation granted was a rates increase of 10% plus the 3.5% that State Government had announced for 2009-2010 as the maximum amount for rate-pegging; a total of 13.5%.

The reason for requesting a SRV was to reinstate the Council's road resealing program which has lapsed over the last seven years, thereby producing an unacceptable interval between resealing maintenance for our roads – urban and rural. The Council has felt that it has had no choice but to make the application and resolved to do so in December 2008.

The Council applied for a permanent increase in its rate base. The Division of Local Government limited the approved increase to five years; as it did with all other approvals in that year. In the initial year of 2009-2010 an additional \$214,000 in rate revenue will be forthcoming as a result of this SRV. This additional amount has and will increase over the four year approved life of the SRV in line with the rate pegging percentages applied by the Council when it adopts its rates each year.

The following table sets out the roads that have been resealed in the past four financial years under this special rate variation.

**SPECIAL VARIATION TO GENERAL INCOME APPLICATION**  
**LIST OF RESEALING WORK COMPLETED**

<b>Year</b>	<b>Age of Seal (Yrs)</b>	<b>Road/Street</b>	<b>Area (m<sup>2</sup>)</b>	<b>(\\$)</b>
2009/2010	17	Combaning Road	66,400	232,400
			<b>Total</b>	<b>232,400</b>

<b>Year</b>	<b>Age of Seal (Yrs)</b>	<b>Road/Street</b>	<b>Area (m<sup>2</sup>)</b>	<b>(\\$)</b>
2010/2011	24	Anzac Avenue	5,000	20,000
	21	Kitchener Street	1,200	4,800
	18	French Street	3,700	14,800
	7	John Potts Drive	7,350	29,400
	25	Pretoria Lane, French Street Lane, Anzac Avenue Lane	2,400	9,600
	20	Pretoria Street	3,000	12,000
	22	Gallipoli Street	3,200	12,800
	21	Vaughan Street	1,050	4,200
	25	Joffre Street	3,250	13,000
			<b>Total</b>	<b>120,600</b>

<b>Year</b>	<b>Age of Seal (Yrs)</b>	<b>Road/Street</b>	<b>Area (m<sup>2</sup>)</b>	<b>(\\$)</b>
2011/2012	7	Dirnaseer Road	61,600	246,400
	8	Byrnes Road	32,850	131,400
	3	Old Sydney Road	7,000	28,000
	22	Peel Street	2,500	10,000
	25	Waratah Street	2,400	9,600
	25	Dagmar Lane	1,880	7,520
	24	Lisgar Street	5,395	21,580
			<b>Total</b>	<b>454,500</b>

<b>Year</b>	<b>Age of Seal (Yrs)</b>	<b>Road/Street</b>	<b>Area (m<sup>2</sup>)</b>	<b>(\\$)</b>
2012/2013	21	Harefield Road	42,594	136,244
	8	Marinna Road	37,656	114,297
<b>Total</b>			<b>250,541</b>	

## ***Appendix A – Financial Reports***

# Junee Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2013

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# Junee Shire Council

## General Purpose Financial Statements for the financial year ended 30 June 2013

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### Overview

(i) These financial statements are General Purpose Financial Statements and cover the consolidated operations for Junee Shire Council.

(ii) Junee 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 18 October 2013.  
Council has the power to amend and reissue these financial statements.

# Junee Shire Council

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

### Understanding Council's Financial Statements

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#### Introduction

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

#### What you will find in the Statements

The financial statements set out the financial performance, financial position & cash flows of Council for the financial year ended 30 June 2013.

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

#### About the Councillor/Management Statement

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

#### About the Primary Financial Statements

The financial statements incorporate 5 "primary" financial statements:

##### **1. The Income Statement**

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

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

##### **2. The Statement of Comprehensive Income**

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

##### **3. The Statement of Financial Position**

A 30 June snapshot of Council's financial position indicating its Assets, Liabilities & "Net Wealth".

##### **4. The Statement of Changes in Equity**

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

#### **5. The Statement of Cash Flows**

Indicates where Council's cash came from and where it was spent.

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

#### About the Notes to the Financial Statements

The Notes to the financial statements provide greater detail and additional information on the 5 primary financial statements.

#### About the Auditor's Reports

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

In NSW, the Auditor provides 2 audit reports:

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

#### Who uses the Financial Statements ?

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

Submissions from the public can be made to Council up to 7 days subsequent to the public presentation of the financial statements.

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

Junee Shire Council

**General Purpose Financial Statements**  
for the financial year ended 30 June 2013

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

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

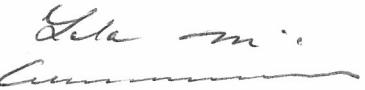
- The Local Government Act 1993 (as amended) and the Regulations made thereunder,
- The Australian Accounting Standards and professional pronouncements, and
- The Local Government Code of Accounting Practice and Financial Reporting.

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

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

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

Signed in accordance with a resolution of Council made on 15 October 2013.

  
\_\_\_\_\_  
Cr L M Cummins  
MAYOR

  
\_\_\_\_\_  
Cr A Clinton  
COUNCILLOR

  
\_\_\_\_\_  
J C Davis  
GENERAL MANAGER

  
\_\_\_\_\_  
J W Whitfield  
RESPONSIBLE ACCOUNTING OFFICER

# Junee Shire Council

## Income Statement

for the financial year ended 30 June 2013

Budget <sup>(1)</sup> 2013	\$ '000	Notes	Actual 2013	Actual 2012
<b>Income from Continuing Operations</b>				
<i>Revenue:</i>				
3,893	Rates & Annual Charges	3a	3,910	3,754
3,032	User Charges & Fees	3b	2,658	3,128
176	Interest & Investment Revenue	3c	151	213
341	Other Revenues	3d	476	430
3,649	Grants & Contributions provided for Operating Purposes	3e,f	4,598	5,527
1,489	Grants & Contributions provided for Capital Purposes	3e,f	1,214	883
<i>Other Income:</i>				
3	Net gains from the disposal of assets	5	-	102
	Net Share of interests in Joint Ventures & Associated Entities using the equity method	19	-	-
<b>12,583</b>	<b>Total Income from Continuing Operations</b>		<b>13,007</b>	<b>14,037</b>
<b>Expenses from Continuing Operations</b>				
4,210	Employee Benefits & On-Costs	4a	4,149	4,108
343	Borrowing Costs	4b	430	367
4,362	Materials & Contracts	4c	4,330	4,785
2,176	Depreciation & Amortisation	4d	1,945	2,123
-	Impairment	4d	-	-
733	Other Expenses	4e	1,391	1,310
-	Net Losses from the Disposal of Assets	5	152	-
<b>11,824</b>	<b>Total Expenses from Continuing Operations</b>		<b>12,397</b>	<b>12,693</b>
<b>759</b>	<b>Operating Result from Continuing Operations</b>		<b>610</b>	<b>1,344</b>
<b>Discontinued Operations</b>				
-	Net Profit/(Loss) from Discontinued Operations	24	-	-
<b>759</b>	<b>Net Operating Result for the Year</b>		<b>610</b>	<b>1,344</b>
<b>759</b>	<b>Net Operating Result attributable to Council</b>		<b>610</b>	<b>1,344</b>
-	Net Operating Result attributable to Non-controlling Interests		-	-
<b>(730)</b>	<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes</b>		<b>(604)</b>	<b>461</b>

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

## Junee Shire Council

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

\$ '000	Notes	Actual 2013	Actual 2012
<b>Net Operating Result for the year</b> (as per Income statement)		<b>610</b>	<b>1,344</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)	3,934	10,661
Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	(2,249)
<b>Total Items which will not be reclassified subsequently to the Operating Result</b>		<b>3,934</b>	<b>8,412</b>
Amounts which will be reclassified subsequently to the Operating Result when specific conditions are met			
Nil			
<b>Total Other Comprehensive Income for the year</b>		<b>3,934</b>	<b>8,412</b>
<b>Total Comprehensive Income for the Year</b>			
		<b>4,544</b>	<b>9,756</b>
<b>Total Comprehensive Income attributable to Council</b>		<b>4,544</b>	<b>9,756</b>
<b>Total Comprehensive Income attributable to Non-controlling Interests</b>		<b>-</b>	<b>-</b>

# Junee Shire Council

## Statement of Financial Position as at 30 June 2013

\$ '000	Notes	Actual 2013	Actual 2012
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	6a	3,143	2,865
Investments	6b	-	-
Receivables	7	1,628	2,110
Inventories	8	608	658
Other	8	88	124
Non-current assets classified as "held for sale"	22	-	-
<b>Total Current Assets</b>		<b>5,467</b>	<b>5,757</b>
<b>Non-Current Assets</b>			
Investments	6b	-	-
Receivables	7	-	2
Inventories	8	1,762	1,765
Infrastructure, Property, Plant & Equipment	9	133,208	128,476
Investments accounted for using the equity method	19	-	-
Investment Property	14	-	-
Intangible Assets	25	-	-
<b>Total Non-Current Assets</b>		<b>134,970</b>	<b>130,243</b>
<b>TOTAL ASSETS</b>		<b>140,437</b>	<b>136,000</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	10	786	812
Borrowings	10	162	162
Provisions	10	1,593	1,506
<b>Total Current Liabilities</b>		<b>2,541</b>	<b>2,480</b>
<b>Non-Current Liabilities</b>			
Payables	10	37	37
Borrowings	10	7,025	7,188
Provisions	10	7	12
<b>Total Non-Current Liabilities</b>		<b>7,069</b>	<b>7,237</b>
<b>TOTAL LIABILITIES</b>		<b>9,610</b>	<b>9,717</b>
<b>Net Assets</b>		<b>130,827</b>	<b>126,283</b>
<b>EQUITY</b>			
Retained Earnings	20	77,357	76,747
Revaluation Reserves	20	53,470	49,536
Council Equity Interest		130,827	126,283
Non-controlling Interests		-	-
<b>Total Equity</b>		<b>130,827</b>	<b>126,283</b>

## Junee Shire Council

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

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council controlling Interest	Non-controlling Interest	Total Equity
<b>2013</b>						
<b>Opening Balance</b> (as per Last Year's Audited Accounts)		76,747	49,536	<b>126,283</b>	-	<b>126,283</b>
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
<b>Revised Opening Balance (as at 1/7/12)</b>		<b>76,747</b>	<b>49,536</b>	<b>126,283</b>	-	<b>126,283</b>
<b>c. Net Operating Result for the Year</b>		<b>610</b>	-	<b>610</b>	-	<b>610</b>
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	3,934	<b>3,934</b>	-	<b>3,934</b>
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-	-	-	-
- Other Movements	20b (ii)	-	-	-	-	-
<b>Other Comprehensive Income</b>		<b>-</b>	<b>3,934</b>	<b>3,934</b>	-	<b>3,934</b>
<b>Total Comprehensive Income (c&amp;d)</b>		<b>610</b>	<b>3,934</b>	<b>4,544</b>	-	<b>4,544</b>
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
<b>Equity - Balance at end of the reporting period</b>		<b>77,357</b>	<b>53,470</b>	<b>130,827</b>	-	<b>130,827</b>

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council controlling Interest	Non-controlling Interest	Total Equity
<b>2012</b>						
<b>Opening Balance</b> (as per Last Year's Audited Accounts)		75,403	41,124	<b>116,527</b>	-	<b>116,527</b>
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
<b>Revised Opening Balance (as at 1/7/11)</b>		<b>75,403</b>	<b>41,124</b>	<b>116,527</b>	-	<b>116,527</b>
<b>c. Net Operating Result for the Year</b>		<b>1,344</b>	-	<b>1,344</b>	-	<b>1,344</b>
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	10,661	<b>10,661</b>	-	<b>10,661</b>
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	(2,249)	<b>(2,249)</b>	-	<b>(2,249)</b>
- Other Movements	20b (ii)	-	-	-	-	-
<b>Other Comprehensive Income</b>		<b>-</b>	<b>8,412</b>	<b>8,412</b>	-	<b>8,412</b>
<b>Total Comprehensive Income (c&amp;d)</b>		<b>1,344</b>	<b>8,412</b>	<b>9,756</b>	-	<b>9,756</b>
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
<b>Equity - Balance at end of the reporting period</b>		<b>76,747</b>	<b>49,536</b>	<b>126,283</b>	-	<b>126,283</b>

## Junee Shire Council

## Statement of Cash Flows

for the financial year ended 30 June 2013

Budget 2013	\$ '000	Notes	Actual 2013	Actual 2012
<b>Cash Flows from Operating Activities</b>				
<b>Receipts:</b>				
3,893	Rates & Annual Charges		3,838	3,765
3,032	User Charges & Fees		2,796	3,290
176	Investment & Interest Revenue Received		131	196
5,138	Grants & Contributions		7,105	5,707
341	Other		472	739
<b>Payments:</b>				
(4,010)	Employee Benefits & On-Costs		(4,087)	(4,036)
(4,513)	Materials & Contracts		(5,203)	(5,393)
(333)	Borrowing Costs		(430)	(362)
(733)	Other		(1,461)	(1,496)
<b>2,991</b>	<b>Net Cash provided (or used in) Operating Activities</b>	11b	<b>3,161</b>	<b>2,410</b>
<b>Cash Flows from Investing Activities</b>				
<b>Receipts:</b>				
293	Sale of Real Estate Assets		235	235
1,069	Sale of Infrastructure, Property, Plant & Equipment		1,342	274
-	Deferred Debtors Receipts		4	52
<b>Payments:</b>				
(3,926)	Purchase of Infrastructure, Property, Plant & Equipment		(4,239)	(3,314)
(183)	Purchase of Real Estate Assets		(62)	(251)
<b>(2,747)</b>	<b>Net Cash provided (or used in) Investing Activities</b>		<b>(2,720)</b>	<b>(3,004)</b>
<b>Cash Flows from Financing Activities</b>				
<b>Receipts:</b>				
Nil				
<b>Payments:</b>				
(162)	Repayment of Borrowings & Advances		(163)	(250)
<b>(162)</b>	<b>Net Cash Flow provided (used in) Financing Activities</b>		<b>(163)</b>	<b>(250)</b>
<b>82</b>	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		<b>278</b>	<b>(844)</b>
2,502	plus: <b>Cash &amp; Cash Equivalents - beginning of year</b>	11a	2,865	3,709
<b>2,584</b>	<b>Cash &amp; Cash Equivalents - end of the year</b>	11a	<b>3,143</b>	<b>2,865</b>
Additional Information:				
	plus: <b>Investments on hand - end of year</b>	6b	-	-
<b>Total Cash, Cash Equivalents &amp; Investments</b>				
			<b>3,143</b>	<b>2,865</b>

Please refer to Note 11 for additional Cash Flow information.

## Junee Shire Council

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

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<b>n/a</b> - not applicable		

#### Additional Council Disclosures

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**n/a** - not applicable

# Junee Shire Council

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

### Note 1. Summary of Significant Accounting Policies

---

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

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

#### (a) Basis of preparation

##### (i) Background

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

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

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

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

Because AASBs are sector neutral, some standards either:

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

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

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

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

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

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

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

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

##### (v) Basis of Accounting

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

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

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

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

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

## Junee Shire Council

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

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

---

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 the entity and that are believed to be reasonable under the circumstances.

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

Council makes estimates and assumptions concerning the future.

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

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

- (i) Estimated fair values of real estate held for re-sale.
- (ii) Estimated fair values of infrastructure, property, plant and equipment.

##### **Critical judgements in applying the entity's accounting policies**

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

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

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

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

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

Revenue is measured on major income categories as follows:

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

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

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

A provision for the impairment on rates receivables has been established as unpaid rates represent a charge against the rateable property that will be recovered when the property is next sold.

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

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

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those

## Junee Shire Council

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

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

---

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 method in accordance with AASB 139.

#### (c) Principles of Consolidation

These financial statements incorporate (i) the assets and liabilities of Council and any Entities (or operations) that it **controls** (as at 30 June 2013) and (ii) all the related operating results (for the financial year ended the 30th June 2013).

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

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

#### (i) The Consolidated Fund

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

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

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

- General Fund
- Sewerage Fund

#### (ii) The Trust Fund

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

# Junee Shire Council

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

### Note 1. Summary of Significant Accounting Policies

---

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

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

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

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

#### (iii) Joint Ventures

##### Riverina Regional Library

Junee Shire Council is a member of the Riverina Regional Library (RRL).

This joint venture has been established to provide library services to the member Councils of Coolamon, Cootamundra, Greater Hume, Gundagai, Junee, Lockhart, Temora, Tumut and Wagga Wagga.

The Council has an interest in the assets, liabilities and output of this joint venture.

No one Council has control over the Riverina Regional Library. Note 19 – Joint Ventures and Associated Entities outlines further information concerning the RRL.

##### Spatial Information Management Project

The Spatial Information Management Project wound up operations on 30 June 2012. From 1 July 2012 each of the former member Councils have independently arranged their spatial information requirements.

#### (iv) Associated Entities

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

method of accounting – in a similar fashion to Joint Venture Entities & Partnerships.

Such entities are usually termed Associates.

Council has no interest in any Associated Entities.

#### (v) County Councils

Council is a member of the **Goldenfields Water County Council** (a body corporate under the Local Government Act).

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

Council is of the opinion that it neither controls nor significantly influences the above County Council and accordingly this entity has not been consolidated or otherwise included within these Financial Reports.

#### (vi) Additional Information

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

#### (d) Leases

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

##### Finance Leases

Council had no finance leases both during the year or at year end.

##### 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.

# Junee Shire Council

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

### Note 1. Summary of Significant Accounting Policies

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#### (e) Cash and Cash Equivalents

Cash and cash equivalents includes;

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

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

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.

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.

#### (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.

# Junee Shire Council

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

### Note 1. Summary of Significant Accounting Policies

---

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.

##### **(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

## Junee Shire Council

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

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

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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.

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.

# Junee Shire Council

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

### Note 1. Summary of Significant Accounting Policies

---

#### (i) Inventories

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

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

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

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

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

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

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

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

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

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

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

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

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

##### **Acquisition of assets**

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

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

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

##### **Initial Recognition**

On initial recognition, an 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.

## Junee Shire Council

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

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

---

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

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

#### Subsequent costs

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

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

#### Asset Revaluations (including Indexation)

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

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

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

For all other assets, Council assesses at each reporting date whether there is any indication that a revalued asset's carrying amount may differ

materially from that which would be determined if the asset were revalued at the reporting date.

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

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

#### Capitalisation Thresholds

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

##### Land

- council land	100% Capitalised
- open space	100% Capitalised
- land under roads (when purchased)	100% Capitalised

##### Plant & Equipment

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

##### Buildings & Land Improvements

Park Furniture & Equipment	> \$1,000
Building	
- construction/extensions	> \$5,000
- renovations	> \$5,000
Other Structures	> \$1,000

##### Sewer Assets

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

##### Stormwater Assets

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

##### Transport Assets

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

#### Depreciation

Depreciation on Council's infrastructure, property, plant and equipment assets is calculated using the

## Junee Shire Council

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

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

---

straight line method in order to allocate an assets cost (net of residual values) over its estimated useful life.

Land is not depreciated.

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

##### **Plant & Equipment**

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

##### **Other Equipment**

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

##### **Buildings**

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

##### **Stormwater Drainage**

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

##### **Transportation Assets**

- Sealed Roads : Surface	20 years
- Sealed Roads : Structure	100 years
- Unsealed roads	20 years
- Bridge : Concrete	100 years
- Bridge : Other	100 years
- Road Pavements	100 years
- Kerb & Gutter	70 years
- Paths	50 years

##### **Sewer Assets**

- Dams & Reservoirs	100 years
- Reticulation pipes : PVC	100 years
- Reticulation pipes : Other	100 years
- Pumps and telemetry	15 to 25 years

##### **Other Infrastructure Assets**

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

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

#### **Disposal and De-recognition**

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

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

#### **(k) Land**

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

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

#### **(l) Land under roads**

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

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

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

#### **(m) Intangible Assets**

Council has not classified any assets as Intangible.

## Junee Shire Council

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

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

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##### (n) Crown Reserves

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

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

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

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

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

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

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

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

##### (p) Investment property

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

Council has not held any Investment Property during the 2012-2013 financial year.

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

Council has no obligations for clean up tips. The Council's tips are now operated as waste transfer stations. All waste transfer stations, other than Junee waste transfer station, have no remediation needs.

The Junee waste transfer station receives clean fill which is no cost to Council. Over the next few years it will be 'tidied up' at the cost of the plant need to spread the relatively small of fill about.

Council has no obligations to restore quarries. The quarries are made safe as they are operated and there is no material cost to remediate at the end of their lives.

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

Council did not hold any non-current assets for sale or have any discontinued operations during the 2012-2013 financial year.

##### (s) Impairment of assets

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

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

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

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

Where an asset is not held principally for cash generating purposes (for example Infrastructure Assets) and would be replaced if the Council was deprived of it then value in use is represented by the

## Junee Shire Council

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

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

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'deprival value' of the asset which is approximated as the written down replacement cost.

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

#### (t) Payables

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

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

#### (u) Borrowings

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

Borrowings are subsequently measured at amortised cost.

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

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

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

#### (v) Borrowing costs

Borrowing costs are expensed.

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.

#### (w) Provisions

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

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

Provisions are not recognised for future operating losses.

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

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

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

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

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

#### (x) Employee benefits

##### (i) Short Term Obligations

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

Leave liabilities are recognised in the provision for employee benefits in respect of employees' services up to the reporting date with other short term

## Junee Shire Council

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

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

---

employee benefit obligations disclosed under payables.

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

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

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

#### (ii) Other Long Term Obligations

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

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

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

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

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

#### (iii) Retirement benefit obligations

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

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

#### Defined Benefit Plans

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the balance sheet, and measured as the present value of the defined benefit obligation at the reporting date plus unrecognised actuarial gains (less 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.

Accordingly, Council's contributions to the scheme for the current reporting year have been recognised as an expense and disclosed as part of Superannuation Expenses at Note 4(a).

The Local Government Superannuation Scheme has advised member councils that, as a result of the global financial crisis, it has a significant deficiency of assets over liabilities. As a result, they have asked

## Junee Shire Council

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

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

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for significant increases in future contributions to recover that deficiency.

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 June 2013.

#### (y) Self insurance

Council does not self insure.

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

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

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

#### Exceptions

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

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

#### (aa) Taxes

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

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

#### Goods & Services Tax (GST)

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

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

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

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

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

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

## Junee Shire Council

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

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

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

##### **(ab) New accounting standards and UIG interpretations**

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

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

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

##### **Applicable to Local Government with implications:**

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

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

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

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

Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss although there is currently a proposal by the IASB to introduce a Fair value through Other Comprehensive Income category for debt instruments.

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

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

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

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

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

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

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

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

##### **Applicable to Local Government but no implications for Council;**

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

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

## Junee Shire Council

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

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

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

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

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

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

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

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

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

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

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

The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single

economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities.

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

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

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

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

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

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

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

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

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

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

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

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

## Junee Shire Council

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

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

---

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

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

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

The amendments also introduce a "partial disposal" concept.

Council is still assessing the impact of these amendments.

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

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

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

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

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

The standard also introduces a number of additional disclosures for defined benefit liabilities/assets and

could affect the timing of the recognition of termination benefits.

The amendments will have to be implemented retrospectively.

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

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

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

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

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

AASB 116 - clarifies the classification of servicing equipment.

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

AASB 134 - provides clarification about segment reporting.

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

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

## Junee Shire Council

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

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

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##### **(ac) Rounding of amounts**

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

##### **(ad) Comparative Figures**

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

##### **(ae) Disclaimer**

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

# Junee Shire Council

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

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

Functions/Activities	\$ '000												
	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 2013	Actual 2013	Actual 2012	Original Budget 2013	Actual 2013	Actual 2012	Original Budget 2013	Actual 2013	Actual 2012	Actual 2013	Actual 2012	Actual 2013	Actual 2012
Governance	-	-	30	513	556	376	(513)	(556)	(346)	-	30	-	-
Administration	161	326	728	1,689	1,888	2,343	(1,528)	(1,562)	(1,615)	-	-	4,700	4,405
Public Order & Safety	113	108	98	261	214	249	(148)	(106)	(151)	83	87	360	195
Health	-	-	-	-	-	-	-	-	-	-	-	-	-
Environment	734	729	800	822	929	814	(88)	(200)	(14)	63	182	3,998	3,931
Community Services & Education	906	975	857	973	975	902	(67)	-	(45)	760	691	64	18
Housing & Community Amenities	237	261	281	547	605	457	(310)	(344)	(176)	-	2	881	1,560
Water Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewerage Services	748	744	723	749	698	743	(1)	46	(20)	20	21	12,142	11,707
Recreation & Culture	299	397	389	1,802	2,191	1,894	(1,503)	(1,794)	(1,505)	50	34	19,693	16,995
Fuel & Energy	-	-	-	-	-	-	-	-	-	-	-	-	-
Agriculture	-	-	-	-	-	-	-	-	-	-	-	-	-
Mining, Manufacturing & Construction	5	-	-	20	97	99	(15)	(97)	(99)	-	-	17	18
Transport & Communication	3,447	3,681	3,688	3,922	3,714	4,279	(475)	(33)	(591)	2,092	1,611	94,811	93,074
Economic Affairs	515	413	543	526	530	537	(11)	(117)	6	14	13	3,771	4,097
<b>Total Functions &amp; Activities</b>	<b>7,165</b>	<b>7,634</b>	<b>8,137</b>	<b>11,824</b>	<b>12,397</b>	<b>12,693</b>	<b>(4,659)</b>	<b>(4,763)</b>	<b>(4,556)</b>	<b>3,082</b>	<b>2,671</b>	<b>140,437</b>	<b>136,000</b>
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)	-	-	-	-	-	-	-	-	-	-	-	-	-
General Purpose Income <sup>1</sup>	5,418	5,373	5,900	-	-	-	5,418	5,373	5,900	2,566	3,200	-	-
<b>Operating Result from Continuing Operations</b>	<b>12,583</b>	<b>13,007</b>	<b>14,037</b>	<b>11,824</b>	<b>12,397</b>	<b>12,693</b>	<b>759</b>	<b>610</b>	<b>1,344</b>	<b>5,648</b>	<b>5,871</b>	<b>140,437</b>	<b>136,000</b>

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

## Junee Shire Council

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

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

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

##### **GOVERNANCE**

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

##### **ADMINISTRATION**

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

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

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

##### **HEALTH**

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

##### **ENVIRONMENT**

Noxious plants, other environmental protection, solid waste management, street cleaning, drainage, stormwater management.

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

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

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

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

##### **SEWERAGE SERVICES**

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

Public libraries, museums, 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, RMS works, other.

##### **ECONOMIC AFFAIRS**

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

## Junee Shire Council

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

#### Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2013	Actual 2012
<b>(a) Rates &amp; Annual Charges</b>			
<b>Ordinary Rates</b>			
Residential		1,040	1,021
Farmland		1,413	1,333
Business		268	256
<b>Total Ordinary Rates</b>		<b>2,721</b>	<b>2,610</b>
<b>Special Rates</b>			
Nil			
<b>Annual Charges</b> (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic Waste Management Services		441	422
Stormwater Management Services		46	45
Sewerage Services		577	551
Waste Management Services (non-domestic)		125	126
<b>Total Annual Charges</b>		<b>1,189</b>	<b>1,144</b>
<b>TOTAL RATES &amp; ANNUAL CHARGES</b>		<b>3,910</b>	<b>3,754</b>

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

## Junee Shire Council

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

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

\$ '000	Notes	Actual 2013	Actual 2012
<b>(b) User Charges &amp; Fees</b>			
<b>Specific User Charges</b> (per s.502 - Specific "actual use" charges)			
Sewerage Services		82	78
Waste Management Services (non-domestic)		2	2
<b>Total User Charges</b>		<b>84</b>	<b>80</b>
<b>Other User Charges &amp; Fees</b>			
<b>(i) Fees &amp; Charges - Statutory &amp; Regulatory Functions</b> (per s.608)			
Building Regulation		68	60
Private Works - Section 67		341	405
Regulatory/ Statutory Fees		14	12
Section 149 Certificates (EPA Act)		17	18
Section 603 Certificates		10	9
<b>Total Fees &amp; Charges - Statutory/Regulatory</b>		<b>450</b>	<b>504</b>
<b>(ii) Fees &amp; Charges - Other (incl. General User Charges)</b> (per s.608)			
Cemeteries		90	99
Family Day Care		116	112
Leaseback Fees - Council Vehicles		51	55
Library & Art Gallery		5	5
Multipurpose Centre		229	197
Refuse & Effluent Disposal		1	1
Rent & Hire of Council Properties		7	7
RMS (formerly RTA) Charges (State Roads not controlled by Council)		1,580	2,025
Waste Disposal Tipping Fees		44	41
Other		1	2
<b>Total Fees &amp; Charges - Other</b>		<b>2,124</b>	<b>2,544</b>
<b>TOTAL USER CHARGES &amp; FEES</b>		<b>2,658</b>	<b>3,128</b>

## Junee Shire Council

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

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

\$ '000	Notes	Actual 2013	Actual 2012
<b>(c) Interest &amp; Investment Revenue (incl. losses)</b>			
<b>Interest &amp; Dividends</b>			
- Interest on Overdue Rates & Annual Charges (incl. Special Purpose Rates)		41	41
- Interest earned on Investments (interest & coupon payment income)		99	153
<b>Amortisation of Premiums &amp; Discounts</b>			
- Interest Free (& Interest Reduced) Loans provided		11	19
<b>TOTAL INTEREST &amp; INVESTMENT REVENUE</b>		<b>151</b>	<b>213</b>
 <b>Interest Revenue is attributable to:</b>			
<b>Unrestricted Investments/Financial Assets:</b>			
Overdue Rates & Annual Charges (General Fund)		41	41
General Council Cash & Investments		27	56
<b>Restricted Investments/Funds - External:</b>			
Sewerage Fund Operations		65	74
Other Externally Restricted Assets		-	8
<b>Restricted Investments/Funds - Internal:</b>			
Internally Restricted Assets		18	34
<b>Total Interest &amp; Investment Revenue Recognised</b>		<b>151</b>	<b>213</b>
 <b>(d) Other Revenues</b>			
Rental Income - Other Council Properties		136	149
Fines		4	1
Legal Fees Recovery - Rates & Charges (Extra Charges)		6	13
Commissions & Agency Fees		102	112
Diesel Rebate		32	25
Holiday Activities		6	7
Insurance Claim Recoveries		60	27
Recycling Income (non domestic)		8	4
Sales - Swimming Centre		80	68
Scrap Metal Sales		3	20
Gravel Pits		37	-
Other		2	4
<b>TOTAL OTHER REVENUE</b>		<b>476</b>	<b>430</b>

# Junee Shire Council

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

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

	2013 \$ '000	2012 Operating	2013 Capital	2012 Capital
<b>(e) Grants</b>				
<b>General Purpose (Untied)</b>				
Financial Assistance	2,520	3,155	-	-
Pensioners' Rates Subsidies - General Component	46	45	-	-
<b>Total General Purpose</b>	<b>2,566</b>	<b>3,200</b>	<b>-</b>	<b>-</b>
<b>Specific Purpose</b>				
Pensioners' Rates Subsidies:				
- Sewerage	20	21	-	-
- Domestic Waste Management	19	19	-	-
Aged Care	1	1	-	-
Bushfire & Emergency Services	83	127	-	-
Community Care	1	1	-	-
Community Transport	120	92	-	-
Family Day Care	637	587	-	-
Flood Restoration	2	-	841	502
Flood Risk Planning	-	77	-	-
Heritage & Cultural	14	14	-	-
Library - per capita	22	24	-	-
Library - special projects	-	-	8	6
Noxious Weeds	42	41	-	-
Recreation & Culture	10	-	10	10
State Government Specific Purpose Grant	-	30	-	-
Transport (Roads to Recovery)	691	249	-	-
Transport (Other Roads & Bridges Funding)	209	549	351	310
Youth Services	1	11	-	-
<b>Total Specific Purpose</b>	<b>1,872</b>	<b>1,843</b>	<b>1,210</b>	<b>828</b>
<b>Total Grants</b>	<b>4,438</b>	<b>5,043</b>	<b>1,210</b>	<b>828</b>
<b>Grant Revenue is attributable to:</b>				
- Commonwealth Funding	3,849	4,076	-	-
- State Funding	589	967	1,210	828
	<b>4,438</b>	<b>5,043</b>	<b>1,210</b>	<b>828</b>

## Junee Shire Council

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

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

	2013 \$ '000	2012 Operating	2013 Capital	2012 Capital
<b>(f) Contributions</b>				
<b>Developer Contributions:</b>				
(s93 & s94 - EP&A Act, s64 of the LGA):				
S 94A - Fixed Development Consent Levies	43	41	-	-
<b>Total Developer Contributions</b>	<u>17</u>	<u>43</u>	<u>41</u>	<u>-</u>
<b>Other Contributions:</b>				
Community Services	39	29	-	-
Community Transport	47	42	-	-
Kerb & Gutter	3	-	-	-
Other Councils - Joint Works/Services	-	362	-	-
Recreation & Culture	2	2	-	52
Roads & Bridges	-	-	4	3
Tourism	1	6	-	-
Long Service Leave	22	-	-	-
Other	3	2	-	-
<b>Total Other Contributions</b>	<u>117</u>	<u>443</u>	<u>4</u>	<u>55</u>
<b>Total Contributions</b>	<u>160</u>	<u>484</u>	<u>4</u>	<u>55</u>
<b>TOTAL GRANTS &amp; CONTRIBUTIONS</b>	<u><u>4,598</u></u>	<u><u>5,527</u></u>	<u><u>1,214</u></u>	<u><u>883</u></u>

	Actual 2013	Actual 2012
\$ '000		
<b>(g) Restrictions relating to Grants and Contributions</b>		
<b>Certain grants &amp; contributions are obtained by Council on condition that they be spent in a specified manner:</b>		
Unexpended at the Close of the Previous Reporting Period	150	174
<b>add:</b> Grants & contributions recognised in the current period but not yet spent:	19	315
<b>less:</b> Grants & contributions recognised in a previous reporting period now spent:	(60)	(339)
<b>Net Increase (Decrease) in Restricted Assets during the Period</b>	<b>(41)</b>	<b>(24)</b>
<b>Unexpended and held as Restricted Assets</b>	<u><u>109</u></u>	<u><u>150</u></u>
<b>Comprising:</b>		
- Specific Purpose Unexpended Grants	109	150
	<u><u>109</u></u>	<u><u>150</u></u>

# Junee Shire Council

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

### Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2013	Actual 2012
<b>(a) Employee Benefits &amp; On-Costs</b>			
Salaries and Wages		3,416	3,289
Employee Leave Entitlements (ELE)		615	562
Superannuation		458	444
Workers' Compensation Insurance		95	119
Fringe Benefit Tax (FBT)		17	22
Training Costs (other than Salaries & Wages)		41	47
Other		7	12
<b>Total Employee Costs</b>		<b>4,649</b>	<b>4,495</b>
less: Capitalised Costs		(500)	(387)
<b>TOTAL EMPLOYEE COSTS EXPENSED</b>		<b>4,149</b>	<b>4,108</b>
Number of "Equivalent Full Time" Employees at year end		75	75
<b>(b) Borrowing Costs</b>			
<b>(i) Interest Bearing Liability Costs</b>			
Interest on Loans		430	467
<b>Total Interest Bearing Liability Costs</b>		<b>430</b>	<b>467</b>
less: Capitalised Costs		-	(100)
<b>Total Interest Bearing Liability Costs Expensed</b>		<b>430</b>	<b>367</b>
<b>(ii) Other Borrowing Costs</b>			
Nil			
<b>TOTAL BORROWING COSTS EXPENSED</b>		<b>430</b>	<b>367</b>

# Junee Shire Council

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

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

\$ '000	Notes	Actual 2013	Actual 2012
<b>(c) Materials &amp; Contracts</b>			
Raw Materials & Consumables		1,496	2,031
Contractor & Consultancy Costs		2,278	2,194
Auditors Remuneration <sup>(1)</sup>		15	13
Legal Expenses:			
- Legal Expenses: Planning & Development		-	6
- Legal Expenses: Other		15	22
Operating Leases:			
- Operating Lease Rentals: Minimum Lease Payments <sup>(2)</sup>		526	519
<b>Total Materials &amp; Contracts</b>		<b>4,330</b>	<b>4,785</b>
less: Capitalised Costs		-	-
<b>TOTAL MATERIALS &amp; CONTRACTS</b>		<b>4,330</b>	<b>4,785</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	15	13
<b>Remuneration for audit and other assurance services</b>	<b>15</b>	<b>13</b>

##### Total Auditor Remuneration

15	13
<b>15</b>	<b>13</b>

#### 2. Operating Lease Payments are attributable to:

Computers	38	40
Motor Vehicles	18	18
Plant	470	461
	<b>526</b>	<b>519</b>

## Junee Shire Council

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

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

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2013	Actual 2012	Actual 2013	Actual 2012
<b>(d) Depreciation, Amortisation &amp; Impairment</b>					
Plant and Equipment		-	-	228	242
Office Equipment		-	-	40	46
Furniture & Fittings		-	-	10	12
Land Improvements (depreciable)		-	-	28	-
Buildings - Non Specialised		-	-	35	38
Buildings - Specialised		-	-	199	199
Other Structures		-	-	80	109
Infrastructure:					
- Roads, Bridges & Footpaths		-	2,249	1,146	1,191
- Stormwater Drainage		-	-	48	48
- Sewerage Network		-	-	219	313
Other Assets					
- Library Books		-	-	1	2
- Other		-	-	-	1
<b>Total Depreciation &amp; Impairment Costs</b>		<b>-</b>	<b>2,249</b>	<b>2,034</b>	<b>2,201</b>
less: Capitalised Costs		-	-	(89)	(78)
less: Impairments (to)/from ARR [Equity] 9a		-	<u>(2,249)</u>	-	-
<b>TOTAL DEPRECIATION &amp; IMPAIRMENT COSTS EXPENSED</b>		<b>-</b>	<b>-</b>	<b>1,945</b>	<b>2,123</b>

## Junee Shire Council

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

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

\$ '000	Notes	Actual 2013	Actual 2012
<b>(e) Other Expenses</b>			
Other Expenses for the year include the following:			
Advertising		18	22
Bad & Doubtful Debts		5	4
Bank Charges		10	9
Cleaning		93	86
Computer Software Charges		50	59
Contributions/Levies to Other Levels of Government			
- Bushfire Fighting Fund		130	135
- NSW Fire Brigade Levy		13	13
Councillor Expenses - Mayoral Fee		14	14
Councillor Expenses - Councillors' Fees		71	68
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		12	4
Donations, Contributions & Assistance to other organisations (Section 356)		24	20
Election Expenses		32	-
Electricity & Heating		320	260
Insurance		267	260
Office Expenses (including computer expenses)		60	57
Postage		15	12
Printing & Stationery		42	53
Street Lighting		77	72
Subscriptions & Publications		14	15
Telephone & Communications		37	42
Tourism Expenses (excluding employee costs)		65	86
Valuation Fees		22	19
<b>Total Other Expenses</b>		<b>1,391</b>	<b>1,310</b>
less: Capitalised Costs		-	-
<b>TOTAL OTHER EXPENSES</b>		<b>1,391</b>	<b>1,310</b>

## Junee Shire Council

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

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

\$ '000	Notes	Actual 2013	Actual 2012
<b>Property</b> (excl. Investment Property)			
Proceeds from Disposal - Property		1,133	-
less: Carrying Amount of Property Assets Sold / Written Off		(1,308)	-
<b>Net Gain/(Loss) on Disposal</b>		<b>(175)</b>	<b>-</b>
<b>Plant &amp; Equipment</b>			
Proceeds from Disposal - Plant & Equipment		209	235
less: Carrying Amount of P&E Assets Sold / Written Off		(188)	(194)
<b>Net Gain/(Loss) on Disposal</b>		<b>21</b>	<b>41</b>
<b>Real Estate Assets Held For Sale</b>			
Proceeds from Disposal - Real Estate Assets		235	235
less: Carrying Amount of Real Estate Assets Sold / Written Off		(233)	(174)
<b>Net Gain/(Loss) on Disposal</b>		<b>2</b>	<b>61</b>
<b>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</b>		<b>(152)</b>	<b>102</b>

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

\$ '000	Notes	2013 Actual Current	2013 Actual Non Current	2012 Actual Current	2012 Actual Non Current
<b>Cash &amp; Cash Equivalents (Note 6a)</b>					
Cash on Hand and at Bank		671	-	396	-
Cash-Equivalent Assets <sup>1</sup>					
- Short Term Deposits		2,472	-	2,469	-
<b>Total Cash &amp; Cash Equivalents</b>		<b>3,143</b>	<b>-</b>	<b>2,865</b>	<b>-</b>
<b>Investments (Note 6b)</b>					
Nil					
<b>TOTAL CASH ASSETS, CASH EQUIVALENTS &amp; INVESTMENTS</b>		<b>3,143</b>	<b>-</b>	<b>2,865</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. "At Fair Value through the Profit & Loss"		3,143	-

## Junee Shire Council

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

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

	2013 Actual Current	2013 Actual Non Current	2012 Actual Current	2012 Actual Non Current
\$ '000				
Total Cash, Cash Equivalents and Investments	3,143	-	2,865	-
<b>attributable to:</b>				
External Restrictions (refer below)	1,761	-	1,537	-
Internal Restrictions (refer below)	1,342	-	1,019	-
Unrestricted	40	-	309	-
	<b>3,143</b>	<b>-</b>	<b>2,865</b>	<b>-</b>
 <b>2013 \$ '000</b>	 <b>Opening Balance</b>	 <b>Transfers to Restrictions</b>	 <b>Transfers from Restrictions</b>	 <b>Closing Balance</b>
 Details of Restrictions				
<b>External Restrictions - Included in Liabilities</b>				
Nil				
<b>External Restrictions - Other</b>				
Developer Contributions - General (D)	-	43	(43)	-
Specific Purpose Unexpended Grants (F)	150	-	(41)	109
Sewerage Services (G)	1,316	243	-	1,559
Domestic Waste Management (G)	66	14	-	80
Other	5	15	(7)	13
<b>External Restrictions - Other</b>	<b>1,537</b>	<b>315</b>	<b>(91)</b>	<b>1,761</b>
<b>Total External Restrictions</b>	<b>1,537</b>	<b>315</b>	<b>(91)</b>	<b>1,761</b>
 <b>Internal Restrictions</b>				
Plant & Vehicle Replacement	103	48	-	151
Employees Leave Entitlement	280	-	-	280
Broadway Museum	84	2	(37)	49
Financial Assistance Grant - advance payment	429	778	(429)	778
GAP Project	97	-	(39)	58
Gravel Pits Restoration	26	-	-	26
<b>Total Internal Restrictions</b>	<b>1,019</b>	<b>828</b>	<b>(505)</b>	<b>1,342</b>
 <b>TOTAL RESTRICTIONS</b>	<b>2,556</b>	<b>1,143</b>	<b>(596)</b>	<b>3,103</b>

- D Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans (refer Note 17).
- F Grants which are not yet expended for the purposes for which the grants were obtained. (refer Note 1)
- G Water, Sewerage, Domestic Waste Management (DWM) & other Special Rates/Levies/Charges are externally restricted assets and must be applied for the purposes for which they were raised.

# Junee Shire Council

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

### Note 7. Receivables

\$ '000	Notes	2013		2012	
		Current	Non Current	Current	Non Current
<b>Purpose</b>					
Rates & Annual Charges		448	-	388	-
Interest & Extra Charges		38	-	29	-
User Charges & Fees		16	-	12	-
Private Works		243	-	115	-
Accrued Revenues					
- Interest on Investments		7	-	7	-
Cemetery Fees		19	-	18	-
Deferred Debtors		179	-	170	2
Government Grants & Subsidies		75	-	1,051	-
Kerb & Gutter Contributions		5	-	3	-
Net GST Receivable		14	-	38	-
RMS Charges		538	-	258	-
Other Debtors		80	-	71	-
<b>Total</b>		<b>1,662</b>	<b>-</b>	<b>2,160</b>	<b>2</b>
<b>less: Provision for Impairment</b>					
Rates & Annual Charges		(26)	-	(38)	-
User Charges & Fees		(8)	-	(12)	-
<b>Total Provision for Impairment - Receivables</b>		<b>(34)</b>	<b>-</b>	<b>(50)</b>	<b>-</b>
<b>TOTAL NET RECEIVABLES</b>		<b>1,628</b>	<b>-</b>	<b>2,110</b>	<b>2</b>
<b>Externally Restricted Receivables</b>					
Sewerage Services					
- Rates & Availability Charges		100	-	83	-
Other					
<b>Total External Restrictions</b>		<b>100</b>	<b>-</b>	<b>83</b>	<b>-</b>
<b>Internally Restricted Receivables</b>					
Government Grants & Subsidies		-	-	597	-
RMS Charges		538	-	258	-
<b>Internally Restricted Receivables</b>		<b>538</b>	<b>-</b>	<b>855</b>	<b>-</b>
<b>Unrestricted Receivables</b>		<b>990</b>	<b>-</b>	<b>1,172</b>	<b>2</b>
<b>TOTAL NET RECEIVABLES</b>		<b>1,628</b>	<b>-</b>	<b>2,110</b>	<b>2</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 10.00% (2012 11.00%).  
Generally all other receivables are non interest bearing.
- (iv) Please refer to Note 15 for issues concerning Credit Risk and Fair Value disclosures.

# Junee Shire Council

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

### Note 8. Inventories & Other Assets

\$ '000	Notes	2013		2012	
		Current	Non Current	Current	Non Current
<b>Inventories</b>					
Real Estate for resale (refer below)		127	1,762	295	1,765
Stores & Materials		473	-	356	-
Trading Stock		8	-	7	-
<b>Total Inventories</b>		<b>608</b>	<b>1,762</b>	<b>658</b>	<b>1,765</b>
<b>Other Assets</b>					
Prepayments		88	-	124	-
<b>Total Other Assets</b>		<b>88</b>	<b>-</b>	<b>124</b>	<b>-</b>
<b>TOTAL INVENTORIES / OTHER ASSETS</b>		<b>696</b>	<b>1,762</b>	<b>782</b>	<b>1,765</b>

### Externally Restricted Assets

There are no restrictions applicable to the above assets.

### Other Disclosures

#### Details for Real Estate Development

Residential	127	1,762	295	1,765
<b>Total Real Estate for Resale</b>	<b>127</b>	<b>1,762</b>	<b>295</b>	<b>1,765</b>

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

#### Represented by:

Acquisition Costs	2	333	5	343
Development Costs	117	1,355	271	1,346
Borrowing Costs	6	74	15	76
Other Holding Costs	2	-	4	-
<b>Total Costs</b>	<b>127</b>	<b>1,762</b>	<b>295</b>	<b>1,765</b>
less: Provision for Under Recovery	-	-	-	-
<b>Total Real Estate for Resale</b>	<b>127</b>	<b>1,762</b>	<b>295</b>	<b>1,765</b>

#### Movements:

Real Estate assets at beginning of the year	295	1,765	312	1,671
- Purchases and other costs	11	51	157	94
- WDV of Sales (exp)	(179)	(54)	(174)	-
<b>Total Real Estate for Resale</b>	<b>127</b>	<b>1,762</b>	<b>295</b>	<b>1,765</b>

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# Junee Shire Council

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

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

\$ '000	as at 30/6/2012					Asset Movements during the Reporting Period						as at 30/6/2013				
	At Cost	At Fair Value	Accumulated		Carrying Value	Asset Additions	Reinstatement Costs for Impaired Assets	WDV of Asset Disposals	Depreciation Expense	Adjustments & Transfers	Revaluation Increments to Equity (ARR)	At Cost	At Fair Value	Accumulated		Carrying Value
			Dep'n	Impairment										Dep'n	Impairment	
Plant & Equipment	-	3,061	1,778	-	1,283	287	-	(187)	(228)	-	-	-	3,064	1,909	-	1,155
Office Equipment	-	332	236	-	96	12	-	-	(40)	-	-	-	340	272	-	68
Furniture & Fittings	-	194	138	-	56	9	-	-	(10)	-	-	-	203	148	-	55
<b>Land:</b>																
- Operational Land	-	2,633	-	-	2,633	74	-	(210)	-	-	58	-	2,555	-	-	2,555
- Community Land	-	5,351	-	-	5,351	-	-	-	-	-	-	-	5,351	-	-	5,351
Land Improvements - depreciable	-	-	-	-	-	2	-	(33)	(28)	641	-	-	1,037	455	-	582
Buildings - Non Specialised	-	3,324	1,416	-	1,908	32	-	(518)	(35)	-	411	-	4,217	2,419	-	1,798
Buildings - Specialised	-	16,604	6,967	-	9,637	527	-	(541)	(199)	-	2,585	-	18,958	6,949	-	12,009
Other Structures	-	5,159	2,077	-	3,082	194	-	(7)	(80)	(641)	390	-	4,255	1,317	-	2,938
<b>Infrastructure:</b>																
- Roads, Bridges, Footpaths	-	66,171	12,910	1,781	51,480	1,202	1,155	-	(1,146)	-	-	-	67,373	14,055	627	52,691
- Bulk Earthworks (non-depreciable)	-	39,727	-	-	39,727	780	-	-	-	-	-	-	40,507	-	-	40,507
- Stormwater Drainage	-	4,696	1,688	-	3,008	49	-	-	(48)	-	-	-	4,745	1,736	-	3,009
- Sewerage Network	-	19,566	9,358	-	10,208	5	-	-	(219)	-	490	-	20,060	9,576	-	10,484
<b>Other Assets:</b>																
- Library Books	-	23	20	-	3	-	-	-	(1)	-	-	-	23	21	-	2
- Other	-	12	8	-	4	-	-	-	-	-	-	-	12	8	-	4
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIP.</b>	-	<b>166,853</b>	<b>36,596</b>	<b>1,781</b>	<b>128,476</b>	<b>3,173</b>	<b>1,155</b>	<b>(1,496)</b>	<b>(2,034)</b>	-	<b>3,934</b>	-	<b>172,700</b>	<b>38,865</b>	<b>627</b>	<b>133,208</b>

Additions to Depreciable Land Improvements, Buildings, Other Structures & Infrastructure Assets are made up of Asset Renewals (\$1,257) and New Assets (\$677). Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

## Junee Shire Council

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

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

\$ '000	Actual 2013				Actual 2012			
	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value
<b>Sewerage Services</b>								
Infrastructure	-	20,060	9,576	<b>10,484</b>	-	19,566	9,358	<b>10,208</b>
<b>Total Sewerage Services</b>	-	<b>20,060</b>	<b>9,576</b>	<b>10,484</b>	-	<b>19,566</b>	<b>9,358</b>	<b>10,208</b>
<b>TOTAL RESTRICTED I,PP&amp;E</b>	-	<b>20,060</b>	<b>9,576</b>	<b>10,484</b>	-	<b>19,566</b>	<b>9,358</b>	<b>10,208</b>

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

\$ '000	Notes	Actual 2013	Actual 2012
<b>Impairment Losses recognised direct to Equity (ARR) incl:</b>			
Road assets due to storms and flood damage		-	(2,249)
<b>Total Impairment Losses</b>		-	<b>(2,249)</b>
<b>IMPAIRMENT of ASSETS - DIRECT to EQUITY (ARR)</b>	20 (ii)	-	<b>(2,249)</b>

Refer to Note 9(a) for Impairment Restoration Works totalling \$1.2M undertaken this year relating to current year or prior year Impairments.

# Junee Shire Council

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

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

\$ '000	Notes	2013		2012	
		Current	Non Current	Current	Non Current
<b>Payables</b>					
Goods & Services - operating expenditure		478	-	502	-
Payments Received In Advance		45	-	37	-
Accrued Expenses:					
- Borrowings		110	-	110	-
- Salaries & Wages		118	-	128	-
- Other Expenditure Accruals		9	-	9	-
Security Bonds, Deposits & Retentions		26	37	26	37
<b>Total Payables</b>		<b>786</b>	<b>37</b>	<b>812</b>	<b>37</b>
<b>Borrowings</b>					
Loans - Secured <sup>1</sup>		162	7,025	162	7,188
<b>Total Borrowings</b>		<b>162</b>	<b>7,025</b>	<b>162</b>	<b>7,188</b>
<b>Provisions</b>					
Employee Benefits;					
Annual Leave		435	-	425	-
Long Service Leave		1,139	7	1,066	12
Other Leave		19	-	15	-
<b>Sub Total - Aggregate Employee Benefits</b>		<b>1,593</b>	<b>7</b>	<b>1,506</b>	<b>12</b>
<b>Total Provisions</b>		<b>1,593</b>	<b>7</b>	<b>1,506</b>	<b>12</b>
<b>Total Payables, Borrowings &amp; Provisions</b>		<b>2,541</b>	<b>7,069</b>	<b>2,480</b>	<b>7,237</b>
(i) Liabilities relating to Restricted Assets					
		2013		2012	
		Current	Non Current	Current	Non Current
<b>Externally Restricted Assets</b>					
Nil					
<b>Internally Restricted Assets</b>					
Employee Leave Entitlements		280	-	280	-
Liabilities relating to internally restricted assets		280	-	280	-
Total Liabilities relating to restricted assets		280	-	280	-
Total Liabilities relating to Unrestricted Assets		2,261	7,069	2,200	7,237
<b>TOTAL PAYABLES, BORROWINGS &amp; PROVISIONS</b>		<b>2,541</b>	<b>7,069</b>	<b>2,480</b>	<b>7,237</b>

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

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

## Junee Shire Council

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

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

	Actual 2013	Actual 2012
\$ '000		
<b>(ii) Current Liabilities not anticipated to be settled within the next 12 months</b>		
The following Liabilities, even though classified as current, are not expected to be settled in the next 12 months.		
Provisions - Employees Benefits	1,155	1,050
	<b>1,155</b>	<b>1,050</b>

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

Class of Provision	2012	2013				Unused amounts reversed	Closing Balance as at 30/6/13
		Opening Balance as at 1/7/12	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting		
Annual Leave	425	237	(281)	54	-	-	435
Long Service Leave	1,078	116	(100)	52	-	-	1,146
Other Leave	15	5	(1)	-	-	-	19
<b>TOTAL</b>	<b>1,518</b>	<b>358</b>	<b>(382)</b>	<b>106</b>	<b>-</b>	<b>-</b>	<b>1,600</b>

- a. Employees Leave Entitlements & On-Costs represents those benefits accrued and payable and an estimate of those that will become payable in the future as a result of past service.

# Junee Shire Council

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

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

\$ '000	Notes	Actual 2013	Actual 2012
<b>(a) Reconciliation of Cash Assets</b>			
Total Cash & Cash Equivalent Assets	6a	3,143	2,865
Less Bank Overdraft	10	-	-
<b>BALANCE as per the STATEMENT of CASH FLOWS</b>		<b>3,143</b>	<b>2,865</b>
 <b>(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities</b>			
<b>Net Operating Result from Income Statement</b>		<b>610</b>	<b>1,344</b>
Adjust for non cash items:			
Depreciation & Amortisation		1,945	2,123
Net Losses/(Gains) on Disposal of Assets		152	(102)
Amortisation of Premiums, Discounts & Prior Period Fair Valuations			
- Interest on all fair value adjusted Interest Free Advances made by Council		(11)	(19)
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		507	(1,023)
Increase/(Decrease) in Provision for Doubtful Debts		(16)	-
Decrease/(Increase) in Inventories		(118)	12
Decrease/(Increase) in Other Assets		36	(54)
Increase/(Decrease) in Payables		(24)	41
Increase/(Decrease) in accrued Interest Payable		-	5
Increase/(Decrease) in other accrued Expenses Payable		(10)	44
Increase/(Decrease) in Other Liabilities		8	-
Increase/(Decrease) in Employee Leave Entitlements		82	39
<b>NET CASH PROVIDED FROM/(USED IN)</b>			
<b>OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS</b>		<b>3,161</b>	<b>2,410</b>

# Junee Shire Council

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

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

\$ '000	Notes	Actual 2013	Actual 2012
<b>(c) Non-Cash Investing &amp; Financing Activities</b>			
Nil			
<b>(d) Financing Arrangements</b>			
<b>(i) Unrestricted access was available at balance date to the following lines of credit:</b>			
Bank Overdraft Facilities <sup>(1)</sup>		250	250
Credit Cards / Purchase Cards		20	20
<b>Total Financing Arrangements</b>		<b>270</b>	<b>270</b>
<b>Amounts utilised as at Balance Date:</b>			
- Credit Cards / Purchase Cards		3	-
<b>Total Financing Arrangements Utilised</b>		<b>3</b>	<b>-</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) Net Cash Flows Attributable to Discontinued Operations**

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

## Junee Shire Council

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

#### Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2013	Actual 2012
<b>(a) Capital Commitments (exclusive of GST)</b>			
Nil			
<b>(b) Finance Lease Commitments</b>			
Nil			
<b>(c) Operating Lease Commitments (Non Cancellable)</b>			
<b>a. Commitments under Non Cancellable Operating Leases at the Reporting date, but not recognised as Liabilities are payable:</b>			
Within the next year		536	537
Later than one year and not later than 5 years		1,246	1,477
Later than 5 years		222	273
<b>Total Non Cancellable Operating Lease Commitments</b>		<b>2,004</b>	<b>2,287</b>

**b. Non Cancellable Operating Leases include the following assets:**

Motor Vehicles, Heavy Plant, Survey Equipment

Contingent Rentals may be payable depending on the condition of items or usage during the lease term.

**Conditions relating to Operating Leases:**

- All Operating Lease Agreements are secured only against the Leased Asset.
- No Lease Agreements impose any financial restrictions on Council regarding future debt etc.

**(d) Investment Property Commitments**

Nil

**(e) Investment in Associates / Joint Ventures - Commitments**

For Capital Commitments and Other Commitments relating to Investments in Associates & Joint Ventures, refer to Note 19 (b)

# Junee Shire Council

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

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

	Amounts \$ '000	Indicator 2013	Prior Periods	
	2013		2012	2011
<b>Local Government Industry Indicators - Consolidated</b>				
<b>1. Unrestricted Current Ratio</b>				
Current Assets less all External Restrictions <sup>(1)</sup>	<b>3,606</b>			
Current Liabilities less Specific Purpose Liabilities <sup>(2,3)</sup>	<b>1,386</b>	<b>2.60 : 1</b>	2.89	2.78
<b>2. Debt Service Ratio</b>				
Debt Service Cost	<b>593</b>			
Income from Continuing Operations (excl. Capital Items & Specific Purpose Grants/Contributions)	<b>9,761</b>	<b>6.08%</b>	6.62%	7.34%
<b>3. Rates &amp; Annual Charges</b>				
<b>Coverage Ratio</b>				
Rates & Annual Charges	<b>3,910</b>			
Income from Continuing Operations	<b>13,007</b>	<b>30.06%</b>	26.74%	28.29%
<b>4. Rates, Annual Charges, Interest &amp; Extra Charges Outstanding Percentage</b>				
Rates, Annual & Extra Charges Outstanding	<b>460</b>			
Rates, Annual & Extra Charges Collectible	<b>4,336</b>	<b>10.61%</b>	9.03%	9.81%
<b>5. Building &amp; Infrastructure Renewals Ratio</b>				
Asset Renewals <sup>(4)</sup>	<b>1,257</b>			
Depreciation, Amortisation & Impairment	<b>1,647</b>	<b>76.32%</b>	116.27%	128.88%

#### Notes

<sup>(1)</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>(2)</sup> Refer to Note 10(a).

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

<sup>(4)</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 and infrastructure assets only.

# Junee Shire Council

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

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

	Amounts \$ '000	Indicator 2013	Prior Periods 2012	Prior Periods 2011
<b>TCorp Performance Measures - Consolidated</b>				
<b>a. Operating Performance</b>				
Operating Revenue (excl. Capital Grants & Contributions)				
- Operating Expenses	<u>(604)</u>			
Operating Revenue (excl. Capital Grants & Contributions)	<u>11,793</u>	<b>-5.12%</b>		
<b>b. Own Source Operating Revenue</b>				
Rates & Annual Charges + User Charges & Fees	<u>6,568</u>			
Total Operating Revenue (incl. Capital Grants & Contributions)	<u>13,007</u>	<b>50.50%</b>		
<b>c. Unrestricted Current Ratio</b>				
Current Assets less all External Restrictions	<u>3,606</u>			
Current Liabilities less Specific Purpose Liabilities	<u>1,386</u>	<b>2.60</b>		
<b>d. Debt Service Cover Ratio</b>				
Operating Result before Interest & Depreciation (EBITDA)	<u>1,771</u>			
Principal Repayments (from the Statement of Cash Flows)	<u>593</u>	<b>2.99</b>		
+ Borrowing Interest Costs (from the Income Statement)				
<b>e. Capital Expenditure Ratio</b>				
Annual Capital Expenditure	<u>2,832</u>			
Annual Depreciation	<u>1,945</u>	<b>1.46</b>		
<b>f. Infrastructure Backlog Ratio</b>				
Estimated Cost to bring Assets to a Satisfactory Condition	<u>5,564</u>			
Total value of Infrastructure, Building, Other Structures & Depreciable Land Improvement Assets	<u>83,511</u>	<b>0.07</b>		
<b>g. Asset Maintenance Ratio</b>				
Actual Asset Maintenance	<u>1,264</u>			
Required Asset Maintenance	<u>1,234</u>	<b>1.02</b>		
<b>h. Building &amp; Infrastructure Renewals Ratio</b>				
Asset Renewals	<u>1,257</u>			
Depreciation of Building and Infrastructure Assets	<u>1,647</u>	<b>0.76</b>		
<b>i. Cash Expense Cover Ratio</b>				
Current Year's Cash & Cash Equivalents	<u>3,143</u>			
(Total Expenses - Depreciation - Interest Costs)	<u>835</u>	<b>3.76</b>		
<b>j. Interest Cover Ratio</b>				
Operating Results before Interest & Depreciation (EBITDA)	<u>1,771</u>			
Borrowing Interest Costs (from the income statement)	<u>430</u>	<b>4.12</b>		

# Junee Shire Council

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

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

<p><b>1. Unrestricted Current Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio : 1</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>2.58</td> </tr> <tr> <td>2011</td> <td>2.78</td> </tr> <tr> <td>2012</td> <td>2.89</td> </tr> <tr> <td>2013</td> <td>2.60</td> </tr> </tbody> </table>	Year	Ratio : 1	2010	2.58	2011	2.78	2012	2.89	2013	2.60	<p><b>Purpose of Unrestricted Current Ratio</b></p> <p>To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.</p>	<p><b>Commentary on 2012/13 Result</b></p> <p><b>2012/13 Ratio</b> 2.60 : 1</p> <p>This ratio has remained at a similar level in 2012/13 to previous years.</p>
Year	Ratio : 1											
2010	2.58											
2011	2.78											
2012	2.89											
2013	2.60											
<p><b>2. Debt Service Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>5.64%</td> </tr> <tr> <td>2011</td> <td>7.34%</td> </tr> <tr> <td>2012</td> <td>6.62%</td> </tr> <tr> <td>2013</td> <td>6.08%</td> </tr> </tbody> </table>	Year	Ratio %	2010	5.64%	2011	7.34%	2012	6.62%	2013	6.08%	<p><b>Purpose of Debt Service Ratio</b></p> <p>To assess the impact of loan principal &amp; interest repayments on the discretionary revenue of council.</p>	<p><b>Commentary on 2012/13 Result</b></p> <p><b>2012/13 Ratio</b> 6.08%</p> <p>Council has two types of loans. 1. An Indexed Bond with repayments calculated using an Effective Interest Rate method. No principal has been repaid in 2012/13. 2. The Council has an interest only loan for real estate development. As land is progressively sold, principal is repaid as a lump sum. Loan principal of \$163K was repaid in 2012/13.</p>
Year	Ratio %											
2010	5.64%											
2011	7.34%											
2012	6.62%											
2013	6.08%											
<p><b>3. Rates &amp; Annual Charges Coverage Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>30.28%</td> </tr> <tr> <td>2011</td> <td>28.29%</td> </tr> <tr> <td>2012</td> <td>26.74%</td> </tr> <tr> <td>2013</td> <td>30.06%</td> </tr> </tbody> </table>	Year	Ratio %	2010	30.28%	2011	28.29%	2012	26.74%	2013	30.06%	<p><b>Purpose of Rates &amp; Annual Charges Coverage Ratio</b></p> <p>To assess the degree of Council's dependence upon revenue from rates and annual charges and to assess the security of Council's income.</p>	<p><b>Commentary on 2012/13 Result</b></p> <p><b>2012/13 Ratio</b> 30.06%</p> <p>This ratio has remained at a similar level to previous years. By its nature it does not fluctuate significantly.</p>
Year	Ratio %											
2010	30.28%											
2011	28.29%											
2012	26.74%											
2013	30.06%											
<p><b>4. Rates, Annual Charges, Interest &amp; Extra Charges Outstanding Percentage</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>8.11%</td> </tr> <tr> <td>2011</td> <td>9.81%</td> </tr> <tr> <td>2012</td> <td>9.03%</td> </tr> <tr> <td>2013</td> <td>10.61%</td> </tr> </tbody> </table>	Year	Ratio %	2010	8.11%	2011	9.81%	2012	9.03%	2013	10.61%	<p><b>Purpose of Rates &amp; Annual Charges Outstanding Ratio</b></p> <p>To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.</p>	<p><b>Commentary on 2012/13 Result</b></p> <p><b>2012/13 Ratio</b> 10.61%</p> <p>The outstanding rates ratio has risen in the last 12 months. The ratio is higher than Council is comfortable with and efforts will be made to continue to reduce it.</p>
Year	Ratio %											
2010	8.11%											
2011	9.81%											
2012	9.03%											
2013	10.61%											
<p><b>5. Building &amp; Infrastructure Renewals Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>176.22%</td> </tr> <tr> <td>2011</td> <td>128.88%</td> </tr> <tr> <td>2012</td> <td>116.27%</td> </tr> <tr> <td>2013</td> <td>76.32%</td> </tr> </tbody> </table>	Year	Ratio %	2010	176.22%	2011	128.88%	2012	116.27%	2013	76.32%	<p><b>Purpose of Asset Renewals Ratio</b></p> <p>To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.</p>	<p><b>Commentary on 2012/13 Result</b></p> <p><b>2012/13 Ratio</b> 76.32%</p> <p>This ratio has steadily decreased over the years and for the first time is less than 100%. Affecting this ratio is a very high roads reinstatement figure that doesn't come into calculation but has the effect of renewing roads.</p>
Year	Ratio %											
2010	176.22%											
2011	128.88%											
2012	116.27%											
2013	76.32%											

# Junee Shire Council

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

### Note 13a(ii). TCorp Performance Measures - Graphs (Consolidated)

<p><b>a. Operating Performance</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2011</td> <td>0.00%</td> </tr> <tr> <td>2012</td> <td>0.00%</td> </tr> <tr> <td>2013</td> <td>-5.12%</td> </tr> </tbody> </table>	Year	Ratio %	2011	0.00%	2012	0.00%	2013	-5.12%	<p><b>Purpose of Operating Performance Ratio</b></p> <p>This ratio measures Council's achievement of containing operating expenditure within operating revenue.</p>	<p><b>Commentary on 2012/13 Result</b></p> <table border="1"> <thead> <tr> <th>2012/13 Ratio</th> <th>-5.12%</th> </tr> </thead> </table> <p>Council made an operating loss in 2012/13. It has recently successfully sought Special Rates Variation approval through IPART for the 2013/14 financial year in order to lift its rates base and improve its financial results. It may seek further SRV's in the coming years.</p>	2012/13 Ratio	-5.12%
Year	Ratio %											
2011	0.00%											
2012	0.00%											
2013	-5.12%											
2012/13 Ratio	-5.12%											
<p><b>b. Own Source Operating Revenue</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2011</td> <td>0.00%</td> </tr> <tr> <td>2012</td> <td>0.00%</td> </tr> <tr> <td>2013</td> <td>50.50%</td> </tr> </tbody> </table>	Year	Ratio %	2011	0.00%	2012	0.00%	2013	50.50%	<p><b>Purpose of Own Source Operating Revenue Ratio</b></p> <p>This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants &amp; contributions.</p>	<p><b>Commentary on 2012/13 Result</b></p> <table border="1"> <thead> <tr> <th>2012/13 Ratio</th> <th>50.50%</th> </tr> </thead> </table> <p>This ratio indicates the Council relies heavily on external funding sources such as operating grants &amp; contributions.</p>	2012/13 Ratio	50.50%
Year	Ratio %											
2011	0.00%											
2012	0.00%											
2013	50.50%											
2012/13 Ratio	50.50%											
<p><b>c. Unrestricted Current Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio (x)</th> </tr> </thead> <tbody> <tr> <td>2011</td> <td>0.00</td> </tr> <tr> <td>2012</td> <td>0.00</td> </tr> <tr> <td>2013</td> <td>2.60</td> </tr> </tbody> </table>	Year	Ratio (x)	2011	0.00	2012	0.00	2013	2.60	<p><b>Purpose of Unrestricted Current Ratio</b></p> <p>To assess the adequacy of unrestricted working capital and Council's ability to meet short term obligations as they fall due.</p>	<p><b>Commentary on 2012/13 Result</b></p> <table border="1"> <thead> <tr> <th>2012/13 Ratio</th> <th>2.60</th> </tr> </thead> </table> <p>This ratio has remained at a similar level in 2012/13 to previous years.</p>	2012/13 Ratio	2.60
Year	Ratio (x)											
2011	0.00											
2012	0.00											
2013	2.60											
2012/13 Ratio	2.60											
<p><b>d. Debt Service Cover Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio (x)</th> </tr> </thead> <tbody> <tr> <td>2011</td> <td>0.00</td> </tr> <tr> <td>2012</td> <td>0.00</td> </tr> <tr> <td>2013</td> <td>2.99</td> </tr> </tbody> </table>	Year	Ratio (x)	2011	0.00	2012	0.00	2013	2.99	<p><b>Purpose of Debt Service Cover Ratio</b></p> <p>This ratio measures the availability of operating cash to service debt including interest, principal and lease payments</p>	<p><b>Commentary on 2012/13 Result</b></p> <table border="1"> <thead> <tr> <th>2012/13 Ratio</th> <th>2.99 x</th> </tr> </thead> </table> <p>This result indicates capacity to repay debt.</p>	2012/13 Ratio	2.99 x
Year	Ratio (x)											
2011	0.00											
2012	0.00											
2013	2.99											
2012/13 Ratio	2.99 x											
<p><b>e. Capital Expenditure Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio (x)</th> </tr> </thead> <tbody> <tr> <td>2011</td> <td>0.00</td> </tr> <tr> <td>2012</td> <td>0.00</td> </tr> <tr> <td>2013</td> <td>1.46</td> </tr> </tbody> </table>	Year	Ratio (x)	2011	0.00	2012	0.00	2013	1.46	<p><b>Purpose of Capital Expenditure Ratio</b></p> <p>This ratio assesses the extent to which a Council is expanding its asset base with capital expenditure (on new assets, replacement &amp; renewal of existing assets).</p>	<p><b>Commentary on 2012/13 Result</b></p> <table border="1"> <thead> <tr> <th>2012/13 Ratio</th> <th>1.46 x</th> </tr> </thead> </table> <p>With a result above 1, the Council has spent more on asset purchases than the expense incurred through depreciation.</p>	2012/13 Ratio	1.46 x
Year	Ratio (x)											
2011	0.00											
2012	0.00											
2013	1.46											
2012/13 Ratio	1.46 x											

## Junee Shire Council

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

#### Note 13a(ii). TCorp Performance Measures - Graphs (Consolidated) continued

<p><b>f. Infrastructure Backlog Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio (x)</th> </tr> </thead> <tbody> <tr> <td>2011</td> <td>0.00</td> </tr> <tr> <td>2012</td> <td>0.00</td> </tr> <tr> <td>2013</td> <td>0.07</td> </tr> </tbody> </table>	Year	Ratio (x)	2011	0.00	2012	0.00	2013	0.07	<p><b>Purpose of Infrastructure Backlog Ratio</b></p> <p>This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.</p>	<p><b>Commentary on 2012/13 Result</b></p> <table border="1"> <thead> <tr> <th>2012/13 Ratio</th> </tr> </thead> <tbody> <tr> <td>0.07 x</td> </tr> </tbody> </table> <p>Asset renewals are less than the depreciation expense in 2012-13. However asset renewal expenditure is not necessarily even across the years.</p>	2012/13 Ratio	0.07 x
Year	Ratio (x)											
2011	0.00											
2012	0.00											
2013	0.07											
2012/13 Ratio												
0.07 x												
<p><b>g. Asset Maintenance Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio (x)</th> </tr> </thead> <tbody> <tr> <td>2011</td> <td>0.00</td> </tr> <tr> <td>2012</td> <td>0.00</td> </tr> <tr> <td>2013</td> <td>1.02</td> </tr> </tbody> </table>	Year	Ratio (x)	2011	0.00	2012	0.00	2013	1.02	<p><b>Purpose of Asset Maintenance Ratio</b></p> <p>Compares actual vs. required annual asset maintenance. A ratio of &gt; 1.0x indicates enough has been spent to stop the Infrastructure Backlog from growing.</p>	<p><b>Commentary on 2012/13 Result</b></p> <table border="1"> <thead> <tr> <th>2012/13 Ratio</th> </tr> </thead> <tbody> <tr> <td>1.02 x</td> </tr> </tbody> </table> <p>Council is meeting its required annual maintenance requirements as this ratio is slightly above 1.</p>	2012/13 Ratio	1.02 x
Year	Ratio (x)											
2011	0.00											
2012	0.00											
2013	1.02											
2012/13 Ratio												
1.02 x												
<p><b>h. Building &amp; Infrastructure Renewals Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio (x)</th> </tr> </thead> <tbody> <tr> <td>2011</td> <td>0.00</td> </tr> <tr> <td>2012</td> <td>0.00</td> </tr> <tr> <td>2013</td> <td>0.76</td> </tr> </tbody> </table>	Year	Ratio (x)	2011	0.00	2012	0.00	2013	0.76	<p><b>Purpose of Asset Renewals Ratio</b></p> <p>To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.</p>	<p><b>Commentary on 2012/13 Result</b></p> <table border="1"> <thead> <tr> <th>2012/13 Ratio</th> </tr> </thead> <tbody> <tr> <td>0.76 x</td> </tr> </tbody> </table> <p>This ratio has steadily decreased over the years and for the first time is less than 100%. Affecting this ratio is a very high roads reinstatement figure that doesn't come into calculation but has the effect of renewing roads.</p>	2012/13 Ratio	0.76 x
Year	Ratio (x)											
2011	0.00											
2012	0.00											
2013	0.76											
2012/13 Ratio												
0.76 x												
<p><b>i. Cash Expense Cover Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio (mths)</th> </tr> </thead> <tbody> <tr> <td>2011</td> <td>0.00</td> </tr> <tr> <td>2012</td> <td>0.00</td> </tr> <tr> <td>2013</td> <td>3.76</td> </tr> </tbody> </table>	Year	Ratio (mths)	2011	0.00	2012	0.00	2013	3.76	<p><b>Purpose of Cash Expense Cover Ratio</b></p> <p>This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.</p>	<p><b>Commentary on 2012/13 Result</b></p> <table border="1"> <thead> <tr> <th>2012/13 Ratio</th> </tr> </thead> <tbody> <tr> <td>3.76 mths</td> </tr> </tbody> </table> <p>This ratio is above the benchmark as set by TCorp of 3%.</p>	2012/13 Ratio	3.76 mths
Year	Ratio (mths)											
2011	0.00											
2012	0.00											
2013	3.76											
2012/13 Ratio												
3.76 mths												
<p><b>j. Interest Cover Ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio (x)</th> </tr> </thead> <tbody> <tr> <td>2011</td> <td>0.00</td> </tr> <tr> <td>2012</td> <td>0.00</td> </tr> <tr> <td>2013</td> <td>4.12</td> </tr> </tbody> </table>	Year	Ratio (x)	2011	0.00	2012	0.00	2013	4.12	<p><b>Purpose of Interest Cover Ratio</b></p> <p>This ratio indicates the extent to which a Council can service (thru operating cash) its interest bearing debt &amp; take on additional borrowings.</p>	<p><b>Commentary on 2012/13 Result</b></p> <table border="1"> <thead> <tr> <th>2012/13 Ratio</th> </tr> </thead> <tbody> <tr> <td>4.12 x</td> </tr> </tbody> </table> <p>Junee Shire Council has lots of capacity to cover interest expenses.</p>	2012/13 Ratio	4.12 x
Year	Ratio (x)											
2011	0.00											
2012	0.00											
2013	4.12											
2012/13 Ratio												
4.12 x												

# Junee Shire Council

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

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

	\$ '000	Water 2013	Sewer 2013	General <sup>1</sup> 2013
<b>Local Government Industry Indicators - by Fund</b>				
<b>1. Unrestricted Current Ratio</b>				
Current Assets less all External Restrictions <sup>(1)</sup>		n/a	No Liabilities	<b>2.60 : 1</b>
Current Liabilities less Specific Purpose Liabilities <sup>(2,3)</sup>		prior period:	n/a	No Liabilities 2.89 : 1
<b>2. Debt Service Ratio</b>				
Debt Service Cost		n/a	<b>0.00%</b>	<b>6.56%</b>
Income from Continuing Operations (excl. Capital Items & Specific Purpose Grants/Contributions)		prior period:	n/a	0.00% 7.08%
<b>3. Rates &amp; Annual Charges</b>				
<b>Coverage Ratio</b>				
Rates & Annual Charges		n.a	<b>77.45%</b>	<b>27.18%</b>
Income from Continuing Operations		prior period:	n/a	76.21% 24.06%
<b>4. Rates, Annual Charges, Interest &amp; Extra Charges Outstanding Percentage</b>				
Rates, Annual & Extra Charges Outstanding		n/a	<b>15.15%</b>	<b>9.79%</b>
Rates, Annual & Extra Charges Collectible		prior period:	n/a	15.06% 8.12%
<b>5. Building &amp; Infrastructure Renewals Ratio</b>				
Asset Renewals (Building & Infrastructure assets)		n/a	<b>2.28%</b>	<b>87.68%</b>
Depreciation, Amortisation & Impairment		prior period:	n/a	13.10% 54.74%

#### Notes

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

# Junee Shire Council

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

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

	\$ '000	Water 2013	Sewer 2013	General <sup>1</sup> 2013
<b>TCorp Performance Measures - by Fund</b>				
<b>a. Operating Performance</b>				
Operating Revenue (excl. Capital Grants & Contributions) - <u>Operating Expenses</u>		n/a	6.31%	-5.89%
Operating Revenue (excl. Capital Grants & Contributions)				
<b>b. Own Source Operating Revenue</b>				
Rates & Annual Charges + User Charges & Fees		n/a	88.59%	48.18%
Total Operating Revenue (incl. Capital Grants & Contributions)				
<b>c. Unrestricted Current Ratio</b>				
Current Assets less all External Restrictions		n/a	0.00	2.60
Current Liabilities less Specific Purpose Liabilities				
<b>d. Debt Service Cover Ratio</b>				
Operating Result before Interest & Depreciation (EBITDA)		n/a	0.00	1.36
Principal Repayments (from the Statement of Cash Flows) + Borrowing Interest Costs (from the Income Statement)				
<b>e. Capital Expenditure Ratio</b>				
Annual Capital Expenditure		n/a	0.02	1.64
Annual Depreciation				
<b>f. Infrastructure Backlog Ratio</b>				
Estimated Cost to bring Assets to a Satisfactory Condition (from Special Schedule 7)		n/a	0.25	0.04
Total value of Infrastructure, Building, Other Structures & Depreciable Land Improvement Assets				
<b>g. Asset Maintenance Ratio</b>				
Actual Asset Maintenance		n/a	0.88	1.06
Required Asset Maintenance				
<b>h. Building and Infrastructure Renewals Ratio</b>				
Asset Renewals		n/a	0.02	0.00
Depreciation of Building and Infrastructure Assets				
<b>i. Cash Expense Cover Ratio</b>				
Current Year's Cash & Cash Equivalents	x12	n/a	39.06	3.95
(Total Expenses - Depreciation - Interest Costs)				
<b>j. Interest Cover Ratio</b>				
Operating Results before Interest & Depreciation (EBITDA)		n/a	0.00	3.50
Borrowing Interest Costs (from the income statement)				

Notes

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

## Junee Shire Council

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

#### Note 14. Investment Properties

\$ '000

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

#### Note 15. Financial Risk Management

##### Risk Management

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

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

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

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

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

	Carrying Value	Fair Value		
	2013	2012	2013	2012
<b>Financial Assets</b>				
Cash and Cash Equivalents	3,143	2,865	3,143	2,865
Investments				
Receivables	1,628	2,112	1,628	2,112
<b>Total Financial Assets</b>	<b>4,771</b>	<b>4,977</b>	<b>4,771</b>	<b>4,977</b>
<b>Financial Liabilities</b>				
Bank Overdraft	-	-	-	-
Payables	778	812	778	812
Loans / Advances	7,187	7,350	7,187	7,350
<b>Total Financial Liabilities</b>	<b>7,965</b>	<b>8,162</b>	<b>7,965</b>	<b>8,162</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.

## Junee Shire Council

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

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

\$ '000

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

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

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

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

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

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

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

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

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

	Increase of Values/Rates		Decrease of Values/Rates	
	Profit	Equity	Profit	Equity
<b>2013</b>				
Possible impact of a 10% movement in Market Values	-	-	-	-
Possible impact of a 1% movement in Interest Rates	31	31	(31)	(31)
<b>2012</b>				
Possible impact of a 10% movement in Market Values	-	-	-	-
Possible impact of a 1% movement in Interest Rates	29	29	(29)	(29)

## Junee Shire Council

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

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

\$ '000

##### (c) 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.

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.

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:

<b>(i) Ageing of Receivables</b>	2013		2012	
	Rates &		Rates &	
	Annual	Other	Annual	Other
Current (not yet overdue)	-	968	-	1,611
Past due by up to 30 days	294	193	256	74
Past due between 31 and 180 days	-	11	-	82
Past due between 181 and 365 days	-	18	-	-
Past due by more than 1 year	154	24	132	7
	<b>448</b>	<b>1,214</b>	<b>388</b>	<b>1,774</b>

<b>(ii) Movement in Provision for Impairment of Receivables</b>	2013	2012
Balance at the beginning of the year	50	50
- amounts already provided for & written off this year	(16)	-
<b>Balance at the end of the year</b>	<b>34</b>	<b>50</b>

## Junee Shire Council

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

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

\$ '000

##### (d) Payables & Borrowings

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

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

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

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

\$ '000	Subject to no maturity	payable in:						Total Cash Outflows	Actual Carrying Values
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
<b>2013</b>									
Trade/Other Payables	63	760	-	-	-	-	-	823	778
Loans & Advances	-	613	690	789	732	738	9,599	13,161	7,187
<b>Total Financial Liabilities</b>	<b>63</b>	<b>1,373</b>	<b>690</b>	<b>789</b>	<b>732</b>	<b>738</b>	<b>9,599</b>	<b>13,984</b>	<b>7,965</b>
<b>2012</b>									
Trade/Other Payables	63	786	-	-	-	-	-	849	812
Loans & Advances	-	495	618	677	539	556	9,687	12,572	7,350
<b>Total Financial Liabilities</b>	<b>63</b>	<b>1,281</b>	<b>618</b>	<b>677</b>	<b>539</b>	<b>556</b>	<b>9,687</b>	<b>13,421</b>	<b>8,162</b>

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

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

	2013		2012	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Trade/Other Payables	778	0.0%	812	0.0%
Loans & Advances - Variable Interest Rate	7,187	5.7%	7,350	5.8%
	<b>7,965</b>		<b>8,162</b>	

## Junee Shire Council

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

#### Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 12/13 was adopted by the Council on 27 June 2013.

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

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

#### Note that for Variations\* of Budget to Actual :

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

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

\$ '000	2013 Budget	2013 Actual	-----	2013 Variance*	-----
<b>REVENUES</b>					
Rates & Annual Charges	3,893	3,910	17	0%	<b>F</b>
User Charges & Fees	3,032	2,658	(374)	(12%)	<b>U</b>
A lower amount of Private Works undertaken meant that revenue was lower than budgeted and revenue from RMS work lower than expected.					
Interest & Investment Revenue	176	151	(25)	(14%)	<b>U</b>
Interest rates and available funds for investment were lower than budgeted for.					
Other Revenues	341	476	135	40%	<b>F</b>
A number of revenue items were not included in the original budget, being Diesel Fuel Rebates and Insurance Claim Recoveries.					
Operating Grants & Contributions	3,649	4,598	949	26%	<b>F</b>
The adopted 2012/13 budget had shown the Roads to Recovery grant and most of the Regional Roads grant as capital grants but the correct treatment is as an operating grant. They have been shown as such in these financial reports. The other major factor was the continued advanced payment of a portion of the Financial Assistance Grant. \$1,316 M of the 2013/14 grant was received in June 2013.					
Capital Grants & Contributions	1,489	1,214	(275)	(18%)	<b>U</b>
The adopted 2012/13 budget had shown the Roads to Recovery grant and most of the Regional Roads grant as capital grants but the correct treatment is as an operating grant. They have been shown as such in these financial reports.					

# Junee Shire Council

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

### Note 16. Material Budget Variations (continued)

	2013 \$ '000	2013 Budget	2013 Actual	-----	2013 Variance*	
<b>INCOME (continued)</b>						
<b>Net Gains from Disposal of Assets</b>		3	-	(3)	(100%)	<b>U</b>
A review of buildings and structures was undertaken as part of a revaluation exercise and a number of assets were scrapped and removed from the asset register. This resulted in an overall loss on disposal of assets rather than a small gain.						
<b>EXPENSES</b>						
<b>Employee Benefits &amp; On-Costs</b>	4,210	4,149	61	1%	F	
<b>Borrowing Costs</b>	343	430	(87)	(25%)	U	
The adopted budget for 2012/13 allowed for the capitalisation of interest for the Kaiser Estate development. The development work was complete at 30 June 2012 and therefore the correct accounting treatment is to expense interest on this loan.						
<b>Materials &amp; Contracts</b>	4,362	4,330	32	1%	F	
<b>Depreciation &amp; Amortisation</b>	2,176	1,945	231	11%	F	
A revaluation of Sewer Assets in 2011/12 resulted in a lowering of replacement costs. This, in turn, along with a reassessment of useful lives, has resulted in lower depreciation in 2012/13.						
<b>Other Expenses</b>	733	1,391	(658)	(90%)	U	
A number of expenses are included in Materials and Contracts in the original budget but the actuals are reported separately. These expenses are Cleaning, Computer Software, Electricity and Heating, Office Expenses, Street Lighting and Tourism.						
<b>Net Losses from Disposal of Assets</b>	-	152	(152)	0%	U	
A review of buildings and structures was undertaken as part of a revaluation exercise and a number of assets were scrapped and removed from the asset register. This resulted in an overall loss on disposal of assets rather than a small gain.						

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

<b>Cash Flows from Operating Activities</b>	2,991	3,161	170	5.7%	F
<b>Cash Flows from Investing Activities</b>	(2,747)	(2,720)	27	(1.0%)	F
<b>Cash Flows from Financing Activities</b>	(162)	(163)	(1)	0.6%	U

# Junee Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2013

### Note 17. Statement of Developer Contributions

\$ '000

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

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

#### SUMMARY OF CONTRIBUTIONS & LEVIES

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Nil											
S94 Contributions - under a Plan	-	-	-	-	-	-	-	-	-	-	-
S94A Levies - under a Plan	-	43	-	-	(43)	-	-	167	(167)	-	-
Total S94 Revenue Under Plans	-	43	-	-	(43)	-	-	167	(167)	-	-
<b>Total Contributions</b>	<b>-</b>	<b>43</b>	<b>-</b>	<b>-</b>	<b>(43)</b>	<b>-</b>	<b>-</b>	<b>167</b>	<b>(167)</b>	<b>-</b>	<b>-</b>

#### S94A LEVIES - UNDER A PLAN

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Drainage	-	6	-	-	(6)	-	-	14	(14)	-	-
Roads	-	27	-	-	(27)	-	-	101	(101)	-	-
Community Facilities	-	-	-	-	-	-	-	8	(8)	-	-
Recreational Facilities	-	10	-	-	(10)	-	-	44	(44)	-	-
<b>Total</b>	<b>-</b>	<b>43</b>	<b>-</b>	<b>-</b>	<b>(43)</b>	<b>-</b>	<b>-</b>	<b>167</b>	<b>(167)</b>	<b>-</b>	<b>-</b>

## Junee Shire Council

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

#### Note 18. Contingencies & Other Assets/Liabilities Not Recognised

\$ '000

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

#### LIABILITIES NOT RECOGNISED:

##### 1. Guarantees

###### (i) Defined Benefit Superannuation Contribution Plans

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

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

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

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

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

###### (ii) Statewide Limited

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

Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. Council's share of the Net Assets or Liabilities reflects Councils 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.

## Junee Shire Council

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

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

\$ '000

##### **LIABILITIES NOT RECOGNISED (continued):**

###### **2. Other Liabilities**

###### **(i) Third Party Claims**

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

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

###### **(ii) S94 Plans**

Council levies Section 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.

## Junee Shire Council

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

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

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\$ '000

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##### Riverina Regional Library

Junee Shire Council is a member of Riverina Regional Library. This joint venture has been established to provide library services to the member councils of Coolamon, Cootamundra, Greater Hume, Gundagai, Junee, Lockhart, Temora, Tumut and Wagga Wagga.

As at 30 June 2013 Council's ownership interest in the Riverina Regional Library was 5.6%.

There are 21 voting delegates, 2 of whom represent Junee Shire Council. This equates to 9.52% voting power. No member Council "controls" Riverina Regional Library

Council has no interest in any other reserves at the beginning or end of the reporting period with respect to the Riverina Regional Library. Riverina Regional Library figures have not been consolidated with Council's activities.

# Junee Shire Council

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

### Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2013	Actual 2012
<b>(a) Retained Earnings</b>			
<b>Movements in Retained Earnings were as follows:</b>			
Balance at beginning of Year (from previous years audited accounts)		76,747	75,403
a. Correction of Prior Period Errors	20 (c)	-	-
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		610	1,344
e. Distributions to/(Contributions from) Non-controlling Interests		-	-
f. Transfers between Equity		-	-
g. Other Changes		-	-
<b>Balance at End of the Reporting Period</b>		<b>77,357</b>	<b>76,747</b>

### (b) Reserves

#### (i) Reserves are represented by:

- Infrastructure, Property, Plant & Equipment Revaluation Reserve	53,470	49,536
<b>Total</b>	<b>53,470</b>	<b>49,536</b>

#### (ii) Reconciliation of movements in Reserves:

<b>Infrastructure, Property, Plant &amp; Equipment Revaluation Reserve</b>		
- Opening Balance	49,536	41,124
- Revaluations for the year	9(a)	3,934
- Impairment of revalued assets (incl. impairment reversals)	9(a),(c)	-
<b>- Balance at End of Year</b>	<b>53,470</b>	<b>49,536</b>

<b>TOTAL VALUE OF RESERVES</b>	<b>53,470</b>	<b>49,536</b>
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#### (iii) Nature & Purpose of Reserves

##### **Infrastructure, Property, Plant & Equipment Revaluation Reserve**

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

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

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

### (d) Voluntary Changes in Accounting Policies

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

# Junee Shire Council

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

### Note 21. Financial Result & Financial Position by Fund

Income Statement by Fund \$ '000	Actual 2013	Actual 2013	Actual 2013
	Water	Sewer	General <sup>1</sup>
<b><u>Continuing Operations</u></b>			
<b>Income from Continuing Operations</b>			
Rates & Annual Charges	-	577	3,333
User Charges & Fees	-	83	2,575
Interest & Investment Revenue	-	65	86
Other Revenues	-	-	476
Grants & Contributions provided for Operating Purposes	-	20	4,578
Grants & Contributions provided for Capital Purposes	-	-	1,214
<b>Other Income</b>			
Net Gains from Disposal of Assets	-	-	-
<b>Total Income from Continuing Operations</b>	<b>-</b>	<b>745</b>	<b>12,262</b>
<b>Expenses from Continuing Operations</b>			
Employee Benefits & on-costs	-	166	3,983
Borrowing Costs	-	-	430
Materials & Contracts	-	255	4,075
Depreciation & Amortisation	-	219	1,726
Impairment	-	-	-
Other Expenses	-	58	1,333
Net Losses from the Disposal of Assets	-	-	152
<b>Total Expenses from Continuing Operations</b>	<b>-</b>	<b>698</b>	<b>11,699</b>
<b>Operating Result from Continuing Operations</b>	<b>-</b>	<b>47</b>	<b>563</b>
<b><u>Discontinued Operations</u></b>			
<b>Net Profit/(Loss) from Discontinued Operations</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Operating Result for the Year</b>	<b>-</b>	<b>47</b>	<b>563</b>
<b>Net Operating Result attributable to each Council Fund</b>	<b>-</b>	<b>47</b>	<b>563</b>
<b>Net Operating Result attributable to Non-controlling Interests</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes</b>	<b>-</b>	<b>47</b>	<b>(651)</b>

<sup>1</sup> General Fund refers to all Council's activities other than Water & Sewer.

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

# Junee Shire Council

## Notes to the Financial Statements as at 30 June 2013

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

Statement of Financial Position by Fund \$ '000	Actual 2013	Actual 2013	Actual 2013
	Water	Sewer	General <sup>1</sup>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	-	1,559	1,584
Investments	-	-	-
Receivables	-	100	1,528
Inventories	-	-	608
Other	-	-	88
<b>Total Current Assets</b>	<b>-</b>	<b>1,659</b>	<b>3,808</b>
<b>Non-Current Assets</b>			
Investments	-	-	-
Receivables	-	-	-
Inventories	-	-	1,762
Infrastructure, Property, Plant & Equipment	-	10,484	122,724
<b>Total Non-Current Assets</b>	<b>-</b>	<b>10,484</b>	<b>124,486</b>
<b>TOTAL ASSETS</b>	<b>-</b>	<b>12,143</b>	<b>128,294</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	-	-	786
Borrowings	-	-	162
Provisions	-	-	1,593
<b>Total Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>2,541</b>
<b>Non-Current Liabilities</b>			
Payables	-	-	37
Borrowings	-	-	7,025
Provisions	-	-	7
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>7,069</b>
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>9,610</b>
<b>Net Assets</b>	<b>-</b>	<b>12,143</b>	<b>118,684</b>
<b>EQUITY</b>			
Retained Earnings	-	4,985	72,372
Revaluation Reserves	-	7,158	46,312
<b>Council Equity Interest</b>	<b>-</b>	<b>12,143</b>	<b>118,684</b>
Non-controlling Interests	-	-	-
<b>Total Equity</b>	<b>-</b>	<b>12,143</b>	<b>118,684</b>

<sup>1</sup> General Fund refers to all Council's activities other than Water & Sewer.

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

## Junee Shire Council

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

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

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\$ '000

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

#### Note 23. Events occurring after the Reporting Period

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Events that occur between the end of the reporting period (ending 30 June 2013) and the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

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

Accordingly, the "authorised for issue" date is 18/10/13.

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

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

These financial statements (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2013.

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

These financial statements (& figures therein) do not incorporate any "non-adjusting events" that have occurred after 30 June 2013 and which are only indicative of conditions that arose after 30 June 2013.

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

#### Note 24. Discontinued Operations

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

#### Note 25. Intangible Assets

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

Council is unaware of any control over Intangible Assets that warrant recognition in the Financial Statements, including either internally generated and developed assets or purchased assets.

#### Note 26. Reinstatement, Rehabilitation & Restoration Liabilities

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Council has no outstanding obligations to make, restore, rehabilitate or reinstate any of its assets/operations.

## Junee Shire Council

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

#### Note 27. Financial Review

\$ '000

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

Financial Performance Figures	2013	2012	2011	2010	2009
<b>Inflows:</b>					
Rates & Annual Charges Revenue	<b>3,910</b>	3,754	3,629	3,502	3,084
User Charges Revenue	<b>2,658</b>	3,128	2,818	2,464	2,509
Interest & Investment Revenue (Losses)	<b>151</b>	213	187	195	188
Grants Income - Operating & Capital	<b>5,648</b>	5,871	4,925	4,473	4,878
Total Income from Continuing Operations	<b>13,007</b>	14,037	12,827	11,613	11,728
Sale Proceeds from I,PP&E	<b>1,577</b>	509	467	1,451	960
New Loan Borrowings & Advances	-	-	422		1,300
<b>Outflows:</b>					
Employee Benefits & On-cost Expenses	<b>4,149</b>	4,108	4,166	4,051	3,664
Borrowing Costs	<b>430</b>	367	344	503	385
Materials & Contracts Expenses	<b>4,330</b>	4,785	3,716	4,033	3,694
Total Expenses from Continuing Operations	<b>12,397</b>	12,693	11,547	11,688	10,417
Total Cash purchases of I,PP&E	<b>4,239</b>	3,314	3,323	3,093	4,007
Total Loan Repayments (incl. Finance Leases)	<b>163</b>	250	254	-	-
Operating Surplus/(Deficit) (excl. Capital Income)	<b>(604)</b>	461	380	(282)	24
Financial Position Figures	2013	2012	2011	2010	2009
Current Assets	<b>5,467</b>	5,757	5,437	5,724	5,876
Current Liabilities	<b>2,541</b>	2,480	2,436	2,441	1,665
Net Current Assets	<b>2,926</b>	3,277	3,001	3,283	4,211
Available Working Capital (Unrestricted Net Current Assets)	<b>761</b>	1,281	918	648	1,856
Cash & Investments - Unrestricted	<b>40</b>	309	13	198	625
Cash & Investments - Internal Restrictions	<b>1,342</b>	1,019	2,312	2,336	1,010
Cash & Investments - Total	<b>3,143</b>	2,865	3,709	4,133	4,048
Total Borrowings Outstanding (Loans, Advances & Finance Leases)	<b>7,187</b>	7,350	7,600	7,432	7,432
Total Value of I,PP&E (excl. Land & Earthworks)	<b>124,287</b>	119,142	116,862	114,504	111,219
Total Accumulated Depreciation	<b>39,492</b>	38,377	40,905	39,225	37,297
Indicative Remaining Useful Life (as a % of GBV)	68%	68%	65%	66%	66%

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

## Junee Shire Council

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

#### Note 28. Council Information & Contact Details

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**Principal Place of Business:**

Belmore Street  
Junee NSW 2663

**Contact Details****Mailing Address:**

PO Box 93  
Junee NSW 2663

**Opening Hours:**

9:00am - 5:00am  
Monday to Friday

**Telephone:** 02 6924 8100

**Internet:** [www.junee.nsw.gov.au](http://www.junee.nsw.gov.au)

**Facsimile:** 02 6924 2497

**Email:** [psc@junee.nsw.gov.au](mailto:psc@junee.nsw.gov.au)

**Officers****GENERAL MANAGER**

J C Davis

**RESPONSIBLE ACCOUNTING OFFICER**

J W Whitfield

**PUBLIC OFFICER**

J W Whitfield

**AUDITORS**

Auswild & Co

**Elected Members****MAYOR**

Cr L M Cummins

**COUNCILLORS**

CR M Austin

Cr R Callow

Cr A Clinton

CR P Halliburton

Cr M Holmes

CR C Randall

Cr N Smith

Cr J Ward

**Other Information**

**ABN:** 62 621 799 578



## **Independent auditor's report to the Councillors of the Junee Shire Council and the Chief Executive Officer of the Division of Local Government**

We have audited the accompanying general purpose financial report of the Junee Shire Council, which comprises the Statement by Councillors and Management, Statement of Financial Position as at 30<sup>th</sup> June, 2013, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes.

### **Councils' Responsibility for the Financial Report**

The Council is responsible for the preparation and presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Local Government Act 1993*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that it is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

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

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

Our audit responsibility does not extend to the original budget information included in the Income Statement, Statement of Cash Flows, Note 2(a) and the budget variation explanations disclosed in Note 16. Nor does our responsibility extend to the projected future developer contributions and costs disclosed in Note 17 or the Statement of TCorp performance measures disclosed in Note 13. Accordingly, no opinion is expressed on these matters. In addition, our audit did not include an analysis of the prudence of business decisions made by Council or management.

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.

**Auditor's Opinion**

In our opinion,

- (a) The Council's accounting records have been kept in accordance with the requirements of the Local Government Act, 1993 Chapter 13 Part 3 Division 2; and
- (b) The general purpose financial report
  - (i) has been prepared in accordance with the requirements of this Division;
  - (ii) is consistent with the Council's accounting records;
  - (iii) presents fairly the Council's financial position, the results of its operations and its cash flows; and
  - (iv) is in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia.
- (c) all information relevant to the conduct of the audit has been obtained; and
- (d) there are no material deficiencies in the accounting records or financial report that have come to light during the course of the audit.

AUSWILD & CO.



G.J. BRADLEY

Principal

Registered Auditor No: 1249

CANBERRA  
18<sup>th</sup> October, 2013



18<sup>th</sup> October, 2013

Councillor L. Cummins  
Mayor  
Junee Shire Council  
P.O. Box 93  
JUNEE, N.S.W. 2663

Date Received	25 OCT 2013
GDA 10	12.2.2
Disposal Date	2020
Document ID	
Old File No	
Officer	DCAW

Dear Cr Cummins,

Having completed an audit examination of the books of account and associated records of the Junee Shire Council for the twelve months period ended 30 June 2013 we have pleasure in submitting our report on the conduct of the audit in accordance with Section 417 (3) of the Local Government Act 1993.

## BACKGROUND

Council is required to prepare two sets of financial statements for audit each year, these being:

### General Purpose Financial Statements

These financial statements present the actual financial position and performance of the Council. Council has prepared the general purpose financial statements in accordance with:

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

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

These financial statements have been prepared in much the same manner as those of the previous year.

### Special Purpose Financial Statements

These financial statements have been prepared in accordance with the requirements of the National Competition Policy which requires separate financial statements for each declared business activity. Council's declared business activities for the 2013 financial year were:

- Sewer Fund Operations

The principle differences between the general purpose financial statements and the special purpose financial statements are that:

- certain taxes and other costs that would apply if these business activities were operating in the commercial sector have been imputed in the special purpose financial statements (eg income tax and land tax),
- the special purpose financial statements contain additional disclosures such as council subsidies, return on investments and dividends paid.

These financial statements have been prepared in much the same manner as those of the previous year.

### Auditor's Responsibility

As part of our role as auditor of Council, Section 415 (3) of the *Local Government Act 1993* and the *Local Government (General) Regulation* requires us to consider and provide comment on the material items affecting the general purpose financial statements and other matters pertinent to the audit. The following section of this report provides an understanding of Council's financial position as at 30 June 2013, its performance for the year then ended its cash flows and other material financial matters.

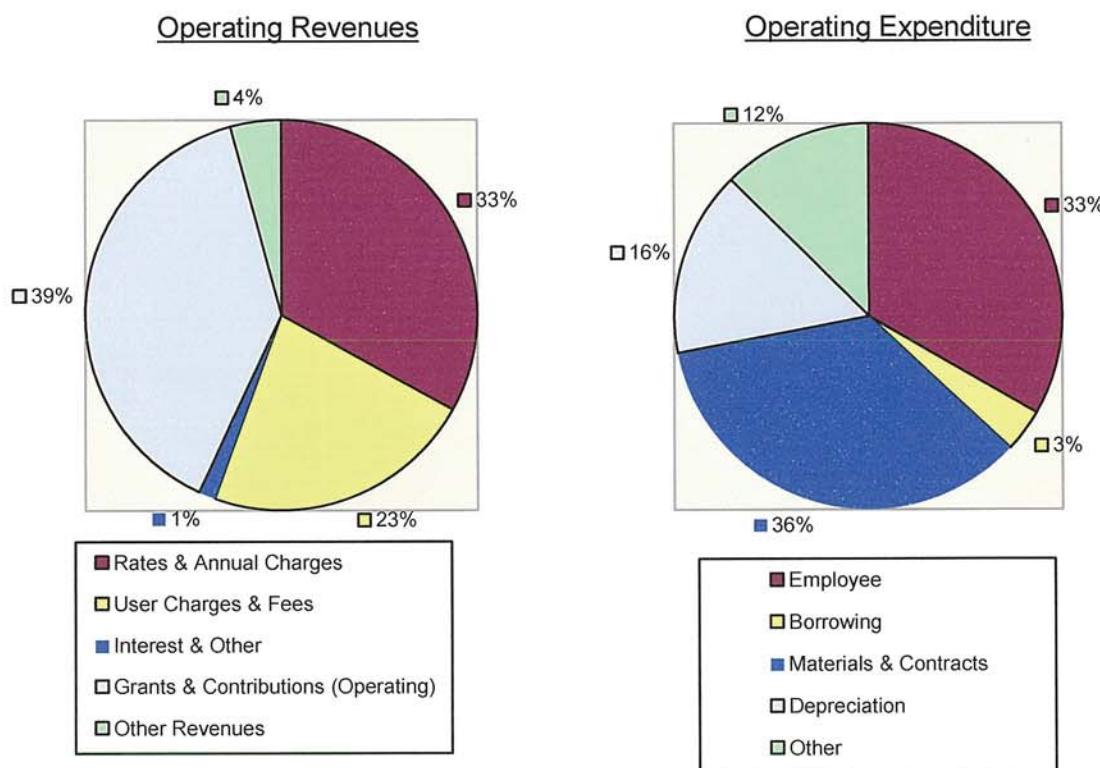


## FINANCIAL RESULTS

Council reported a deficit operating result before capital grants and contributions of \$604,000 for the year ended 30 June 2013 (2012 – surplus of \$461,000).

Excluding capital grants and contributions, operating revenues (\$11.79 million) decreased approximately 10.35% on those of the previous year (\$13.15 million), whilst during the same period operating expenses (including depreciation expenses of \$1.95 million) decreased approximately 2.33% to \$12.40 million.

A breakdown of Council's operating revenues and expenses for the year is as follows:



In addition to operating revenues, Council received capital grants and contributions amounting to \$1.21 million (2012 - \$883,000).

In the twelve months period to 30 June 2013 Council's operating result from continuing operations (including capital grants and contributions) was a surplus of \$610,000 compared with a surplus of \$1.34 million in the previous year.



## BUDGET COMPARISON

The net operating surplus for the year of \$610,000 was slightly below the original budget expectations which anticipated a surplus of \$759,000.

Details of material variations between the original budget and actual results are detailed in Note 16 to the General Purpose Financial Reports. In essence, the variations have been attributed to:

### Favourable Variances

- Increased operating grants and contributions due to a reallocation of the roads to recovery grant which was originally recorded as a capital grant.
- Reduced depreciation expenses following the revaluation and reassessment of useful lives of sewer assets in 2011/2012.
- Increased other revenue due to unbudgeted diesel rebates and insurance claim recoveries.

### Unfavourable Variances

- Increased Other Expenses due to the budget allocation being recorded in materials and contracts.
- Gains from disposal of assets were less than expectations.
- Interest rates and available funds were lower than allowed for in the original budget.
- A reduction in private works undertaken for Roads and Maritime Services.
- Increased borrowing costs as the original budget allowed for the capitalisation of interest on the Kaiser Street development for which work was completed in the previous financial year.



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## DETAILED AUDIT OBSERVATIONS

### OPERATING INCOME

#### Rates and Annual Charges

Revenue from rates and annual charges (including Council owned properties) amounted to \$3.91 million (2012 - \$3.75 million).

In setting the ordinary rates for the year Council resolved to adopt the maximum increase available of 3.60%. This action has resulted in revenues from ordinary rates increasing from \$2.61 million in 2011/2012 to \$2.72 million in the current year.

Council's **ordinary rating base** remained fairly static during the twelve month period and at year end 2905 assessments were subject to **ordinary rates** (2012 - 2,910).

Council further resolved that other charges be increased as follows:

- Sewerage annual charge (residential) increased 3.00% to \$365.40
- Domestic waste management charge increased 3.00% to \$269.20

Such increases have resulted in revenues as follows:

<u>Annual Charges</u>	<b>2012</b>	<b>2013</b>
	\$	\$
Sewerage	551,000	577,000
Domestic Waste	422,000	441,000
Non Domestic Waste	126,000	125,000

Rebates of \$156,000 were provided to eligible pensioners and a subsidy of \$85,000 was received from the Division of Local Government towards the cost of these rebates.

Interest and extra charges on overdue rates for the year were \$41,000 (2012 - \$41,000) and outstanding rates were subject to interest at the rate of 10.00% (2012 – 11.00%).



### User Charges and Fees

Council derived \$84,000 from **specific user charges** (2012 - \$80,000) and a further \$2.57 million from **fees** (2012 - \$3.05 million) imposed during the twelve months period ended 30 June 2013.

Contributing significantly to user charges and fees revenues for the year were:

#### RMS Charges

Council continues to be a major contractor for the RMS with works amounting to \$1.58 million (2012 - \$2.03 million) being undertaken on the state roads located within the Council area. Such revenues have been an integral and important component of Council's operations for many years.

Other major revenues received from user charges and fees included:-

	2012	2013
	\$	\$
Planning & Building Fees	60,000	68,000
Sewerage Services	78,000	82,000
Cemeteries	99,000	90,000
Recreation Centre	197,000	229,000
Family Day Care	112,000	116,000
Private Works	405,000	341,000

### Interest

Interest and investment revenues decreased significantly in the twelve months period, principally in response to lower than anticipated interest rates and reduced funds being available for investment.

Interest income was earned as follows:

	2012	2013
	\$	\$
Overdue Rates & Annual Charges	41,000	41,000
Sewerage Investments	74,000	65,000
Externally Restricted Investments	8,000	NIL
General Investments	<u>90,000</u>	<u>45,000</u>
	<u>\$213,000</u>	<u>\$151,000</u>

Interest on investments for the year represented approximately 5.50% (2012 – 8.16%) of Council's ordinary rating income and remains low by industry standards.



### Other Operating Income

Junee Shire Council has again received important income from a number of non-core activities. Predominantly, such income has been earned from rental income (\$136,000) and agency commission & fees (\$102,000).

### Grants, Subsidies and Contributions

#### Operating Grants and Contributions

Operating grants and contributions amounting to \$4.60 million were received in 2012/2013 compared with \$5.53 million received in the previous year.

Council's untied Financial Assistance Grant decreased 20.13% from \$3.16 million in 2011/2012 to \$2.52 million this year. This significant decrease is attributed to the Australian Government decision to pay an advance payment in 2011/2012. The financial assistance grants received in the current year are in line with historical instalments and expectations. We do note that Junee Shire Council has now received two instalments of the financial assistance grants in advance. These advance payments to Junee Shire amount to \$1.32 million which have been internally restricted by Council (refer Financial Statements Notes 6 & 7).

Other major specific purpose grants and contributions were received for family day care operations (\$637,000), community transport (\$120,000), bushfire and emergency services (\$83,000), transport (\$209,000) and roads to recovery (\$691,000).

#### Capital Grants and Contributions

Total capital grants and contributions received for the year amounted \$1.21 million (2012 - \$883,000) and principally related to roads and bridges funding (\$351,000) and flood restoration works (\$841,000).

In accordance with the Code of Accounting Practice, all grant and contribution monies received in 2012/2013 (both expended and unexpended) have been brought to account as income. Grants and contributions recognised as revenues in the current reporting period but not yet expended in accordance with the conditions attaching thereto amounted to \$19,000. At year end Council held unexpended grants and contributions amounting to \$109,000 (2012 - \$150,000) and such funds have been identified as an externally restricted asset.



### **OPERATING EXPENDITURE**

Expenses from continuing operations (\$12.40 million), although greater than budget expectations (\$11.82 million), were however lower than those of the previous year (\$12.69 million).

Impacting significantly on operating expenses for the year were:

#### **Employee Costs**

Employee costs (\$4.15 million) remained much in line with those of the previous year (\$4.11 million).

Increases in salaries and wages of approximately \$127,000 (3.86%) were largely offset by increased capitalisation costs whilst most other employee expenses were consistent with the previous year.

At year end Council's full time equivalent employees numbered 75 (2012 – 75).

#### **Materials and Contracts**

Material and contracts expenditure (\$4.33 million) decreased approximately 9.51% during the twelve months period, primarily in response to Council's focus on capital works in lieu of maintenance works.

#### **Depreciation Expenses**

Depreciation expenses (\$1.95 million) were marginally lower than those of the previous year (\$2.12 million) and accounted for approximately 15.69% of Council's total operating expenses. Whilst such expenses have a significant impact on Council's operating result we note that Council's depreciation percentage appears relatively low in comparison with most rural Councils with which we are associated.

#### **Gains/Losses from the Disposal of Assets**

Proceeds from the disposal of assets were below expectations and sales have resulted in a loss of \$152,000 being brought to account in the current year (2012 – profit \$102,000).



## ASSETS

### **Cash & Investments**

At balance date Council controlled cash and investments totalling \$3.14 million (2012 - \$2.87 million).

Council utilises its investments to cover both externally and internally imposed requirements and comprises specific purpose unexpended grants (\$109,000), sewerage investments (\$1.56 million), employee entitlements (\$280,000), advance instalments of the financial assistance grant (\$779,000) and monies for future works.

Note: The balance of the financial assistance grant received in advance (\$538,000) has been internally restricted against government receivables on Note 7.

Externally restricted investments amounted to \$1.76 million whilst Council has "earmarked" a further \$1.34 million towards the funding of its long term objectives.

Council's cash and investments were held as follows:

	2012	2013
	\$	\$
General Fund	1,328,000	1,382,000
Sewerage Fund	1,316,000	1,559,000
Externally Restricted Funds	221,000	202,000
	<hr/> 2,865,000	<hr/> 3,143,000
and comprised:		
Cash on Hand and at Bank	396,000	671,000
Short Term Deposits	2,469,000	2,472,000
	<hr/> 2,865,000	<hr/> 3,143,000

### **Debtors**

#### Rates and Annual Charges

At balance date net outstanding rates, annual charges and interest amounted to \$460,000 (2012 - \$379,000) which represented 10.61% of total receivable (2012 – 9.03%). Over the past three years the rates outstanding percentage has remained relatively high and has now reached what we consider to be an unacceptable level. Unfortunately, Council is experiencing collection difficulties with a number of major arrears and we reiterate our comments of last year and again encourage Council to continue positive recovery action in an endeavour to lower this arrears percentage to below 5.00%.



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Outstanding rates and annual charges have been subject to interest at the rate of 10.00% (2012 – 11.00%) and Council has maintained a provision for doubtful debts of \$26,000.

### **Land Stock on Hand**

During the current reporting period Council expended \$62,000 on the acquisition and continuing development of its residential and industrial lots of land whilst sales of four lots were recorded. Council has reported a profit of \$2,000 from the sale of its real estate holdings in the twelve months period to 30 June 2013.

At year end Council held residential and industrial land with a book value of \$1.89 million.

Details of Council's real estate holdings at year-end were as follows:

#### Residential Land

##### John Potts Drive Stages 4, 5, 6 & Future

In the twelve months period to 30 June 2013 Council expended approximately \$16,000 on further development of this residential estate and sold three lots in Stage 5 and one lot in Stage 4. At year end no further lots were available in Stage 4 whilst Stages 5 & 6 had three lots unsold with a book value of \$163,000.

Additionally, this estate had undeveloped land valued at \$163,000 which will be developed and released as appropriate.

#### Kaiser Subdivision

During the year Council expended approximately \$30,000 on this rural residential subdivision and no sales were achieved. At year end this land had a book value of \$1.52 million.

#### Other Land

There were no movements in Council's minor land holdings and at year end Council held land designated for industrial use (\$7,600) and other minor lots collectively valued at \$32,000.



### Property, Plant & Equipment (excluding real estate)

During the reporting period Council expended \$4.33 million (2012 - \$3.39 million) on the acquisition and reinstatement of assets.

Expenditure on capital items included:

	2012 \$ '000's	2013 \$ '000's
Plant & Equipment	377	287
Buildings	197	559
Roads, Bridges & Footpaths	2,505	3,137
Other Structures	51	194

The expenditure associated with buildings and infrastructure has given Council an assets renewal ratio of 76.32%. This ratio assesses the rate at which assets are being renewed against the rate at which they are depreciating. In our opinion Council has maintained a very satisfactory assets renewal ratio with the last three years average being 107%.

Additionally, we report that Council sold assets with a book value of \$1.50 million. The sale of these assets has resulted in a loss of \$154,000 being brought to account (2012 – profit of \$41,000).

Further we report that in accordance with the requirements of the Code of Accounting Practice, Council's buildings and land assets were subject to a full revaluation which is required to be conducted every five years. Additionally, Council's sewerage assets were indexed upwards in accordance with the latest indices provided in the NSW Office of Water. We report that the building and land assets were subject to external valuations.

These revaluations have resulted in Council's assets being adjusted as follows:

Operational Land	increased \$58,000 to \$2.56 million
Buildings – Non-Specialised	increased \$411,000 to \$1.80 million
Buildings – Specialised	increased \$2.59 million to \$12.01 million
Other Structures	increased \$390,000 to \$2.94 million
Sewerage Network	increased \$490,000 to \$10.48 million

The combined action of asset movements, reinstatement and revaluations has resulted in the written down value of property, plant and equipment increasing from \$128.48 million in 2011/2012 to \$133.21 million as at 30 June 2013.

Major acquisitions during the year were funded from cash & investments and grants and contributions.



### Provisions

At 30 June 2013 the Provision for Employee Accrued Entitlements totalled \$1.60 million. The components of the liability are:-

	2012	2013
	\$	\$
Annual Leave	425,000	435,000
Long Service Leave	1,078,000	1,146,000
Other	15,000	19,000

The average leave entitlement per employee as at 30 June 2013 was \$21,333 (2012 - \$20,240).

At year end Council had set aside funds amounting to \$280,000 or 17.50% of the employee' leave entitlement liability. Such funds have been identified as an internally restricted asset.

### Loans and Debt Servicing

Council has been able to conduct its operations without the need for additional external loan borrowings in 2012/2013.

During the year Council has repaid loan principal of \$163,000 and at year's end loan borrowings had been reduced to \$7.19 million (2012 - \$7.35 million).

All borrowings relate to the General Fund and Council required \$593,000 or 6.08% of its income received from operating revenues (excluding specific purpose grants and contributions) to service this loan commitment in 2012/2013.

### SUMMARY

In analysing Council's financial results for the year particular attention must be given to the following:

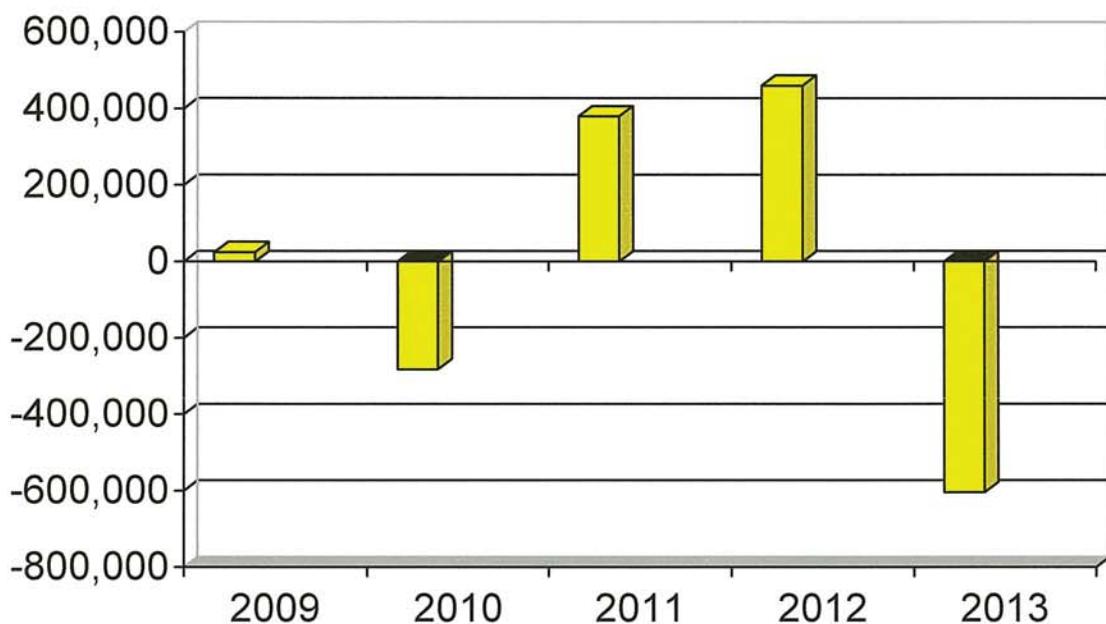
- Operating result before capital amounts (deficit of \$604,000)
- Net increase in cash held – \$278,000
- Internal and unrestricted investments of \$1.38 million together with sewerage fund investments of \$1.56 million
- Performance ratios



### Operating Result

Council has reported an operating deficit before capital amounts of \$604,000 for the twelve months period to 30 June 2013. This deficit has been reported after allowing for depreciation expenses of \$1.95 million and although better than budget expectations (deficit - \$730,000) it was below the result of the previous year (surplus - \$461,000).

#### Operating Surplus/Deficit before Capital Amounts



The contribution of the individual funds/activities to the consolidated operating result before capital grants and contributions were as follows:

	Surplus/(Deficit)	2012	2013
	\$	\$	\$
General Fund	481,000	(651,000)	
Sewerage Fund	(20,000)	47,000	
	<hr/>	<hr/>	<hr/>
	\$461,000	(\$604,000)	



We note the following items that impacted significantly on the operating result this year:

*Financial Assistance Grants (decreased \$635,000)*

Council's untied Financial Assistance Grant decreased 20.13% from \$3.16 million in 2011/2012 to \$2.52 million this year. This significant decrease is attributed to the Australian Government decision to pay an advance instalment in 2011/2012. The financial assistance grants received in the current year are in line with historical instalments and expectations. We do note that Junee Shire Council has now received two instalments of the financial assistance grants in advance. These advance payments to Junee Shire amount to \$1.32 million which has been internally restricted by Council.

*Materials and Contracts (decreased \$455,000)*

Material and contracts expenditure (\$4.33 million) decreased approximately 9.51% during the twelve months period primarily in response to Council's focus on capital rather than maintenance works.

We also note the following items that have had a material impact on Council's operating result for the year.

<u>Income</u>	2012	2013	Variance
	\$	\$	\$
Private Works	405,000	341,000	(64,000)
RMS Fees	2,025,000	1,580,000	(445,000)
Operating Contributions	484,000	160,000	(324,000)
Profit (Loss) on Sale of Assets	102,000	(152,000)	(254,000)

<u>Expenses</u>		
Borrowing Costs	367,000	430,000

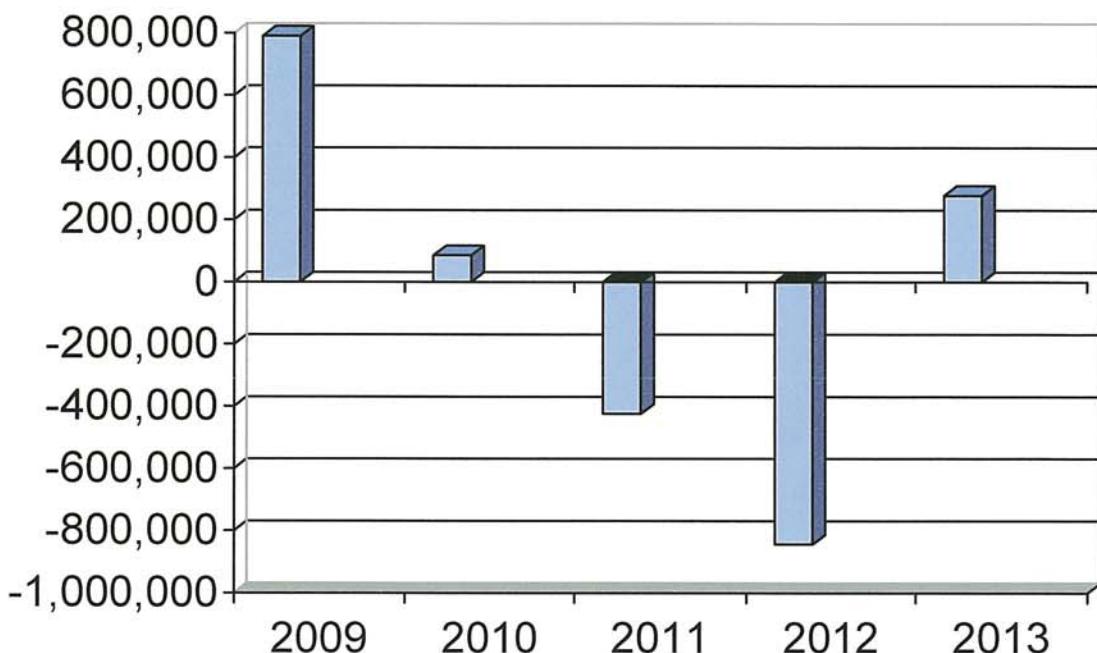


### Cash Flow

Council achieved a cash surplus of \$3.16 million (2012 – \$2.41 million) from its general operating activities which was principally utilised to purchase/construct assets and repay loans.

These actions together with the proceeds from the sale of property, plant and equipment have resulted in council recording a cash flow surplus of \$278,000 for the year.

#### Cash Flow Surplus/Deficit



Upon analysis the cash flow deficit can be identified as follows:-

<u>Activity</u>	<u>Surplus/(Deficit)</u>	
	<u>2012</u> \$	<u>2013</u> \$
<u>Externally Restricted</u>		
Sewerage Fund	144,000	243,000
Other External Restrictions	9,000	(19,000)
<u>Internally Restricted &amp; Unrestricted</u>		
General Fund	(997,000)	54,000



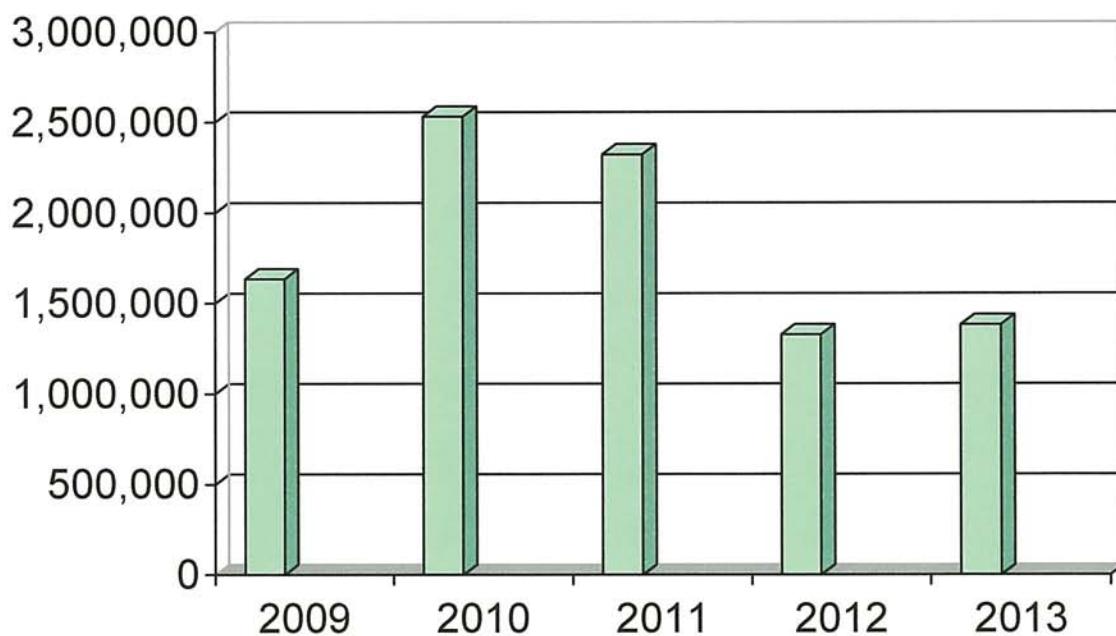
For comparative purposes, we note the following factors that have impacted on the cash flow surplus in 2012/2013.

- An advance instalment of the financial assistance grant was received in 2011/2012.
- Capital expenditure amounted to \$4.30 million in the current year (2012 - \$3.57 million).
- Receivables decreased \$500,000 in the twelve months period.

### **Reserves (Internally Restricted and Unrestricted Assets)**

As noted previously, Council's internal and unrestricted funds increased by \$54,000 during the twelve months period and at year end Council held internally restricted investments amounting to \$1.34 million whilst a further \$40,000 was maintained as unrestricted investments. Additionally, we report that the sewerage fund held cash and investments amounting to \$1.56 million.

#### Internal and Unrestricted Reserve Funds



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In our opinion, Council's reserve funds remain well below desired levels, and consequently, we again encourage Council to continue to address this situation and adopt strategies to significantly improve internally restricted reserves in order that adequate funds are available to maintain and improve infrastructure and services. As we have consistently reported, the adequate funding of reserves is probably the greatest challenge facing local government generally.

Importantly, we note that in addition to these cash funds Council held land holdings (both residential and industrial) valued at approximately \$1.89 million and future sales (if so earmarked) will also add much needed strength to Council's reserve funding.

### **Performance Ratios**

Council's performance ratios appear generally satisfactory and in line with industry standards.

In particular, we note the unrestricted current ratio (which is a measurement of Council's ability to meet its financial obligations) of 2.60 and the satisfactory debt service commitment (6.08%). As earlier reported the rates outstanding percentage (10.61%) however remains relatively high and Council should focus on reducing this outstanding percentage to less than 5.00%.

In addition to the above, a number of matters of a minor nature were discussed with the appropriate staff who have actioned or undertaken to see that appropriate action is taken with respect to each. Council's books of account and other records appear to have been maintained in a satisfactory and up-to-date manner and the requirements of the Local Government Act and Regulations well observed.

In conclusion, we wish to acknowledge the courteous assistance and co-operation extended to us by the General Manager and staff during the conduct of the audit, from whom we have obtained all the information and explanations which we required.

Yours faithfully,  
AUSWILD & CO.

per:



G.J. BRADLEY  
Registered Auditor No 1249



# Junee Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2013

---



# Junee Shire Council

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

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<b>2. Special Purpose Financial Statements:</b>	
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Income Statement - Other Business Activities	n/a
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### Background

- (i) These Special Purpose Financial Statements have been prepared for the use by both Council and the Division of Local Government in fulfilling their requirements under National Competition Policy.
- (ii) The principle of competitive neutrality is based on the concept of a "level playing field" between persons/entities competing in a market place, particularly between private and public sector competitors.
 

Essentially, the principle is that government businesses, whether Commonwealth, State or Local, should operate without net competitive advantages over other businesses as a result of their public ownership.
- (iii) For Council, the principle of competitive neutrality & public reporting applies only to declared business activities. These include (a) those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation and (b) those activities with a turnover of over \$2 million that Council has formally declared as a Business Activity (defined as Category 1 activities).
- (iv) In preparing these financial statements for Council's self classified Category 1 businesses and ABS defined activities, councils must (a) adopt a corporatisation model and (b) apply full cost attribution including tax equivalent regime payments & debt guarantee fees (where the business benefits from councils borrowing position by comparison with commercial rates).

Junee Shire Council

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

Statement by Councillors and Management  
made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

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

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

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

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

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

Signed in accordance with a resolution of Council made on 15 October 2013.

*Lola Ann Cummins*

Cr L M Cummins  
MAYOR

*Anne Clinton*

Cr A Clinton  
COUNCILLOR

J C Davis  
GENERAL MANAGER

J W Whitfield  
RESPONSIBLE ACCOUNTING OFFICER

## Junee Shire Council

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

\$ '000	Actual 2013	Actual 2012
<b>Income from continuing operations</b>		
Access charges	577	551
User charges	83	78
Liquid Trade Waste charges	-	-
Fees	-	-
Interest	65	74
Grants and contributions provided for non capital purposes	20	20
Profit from the sale of assets	-	-
Other income	-	-
<b>Total income from continuing operations</b>	<b>745</b>	<b>723</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	166	167
Borrowing costs	-	-
Materials and contracts	255	215
Depreciation and impairment	219	313
Loss on sale of assets	-	-
Calculated taxation equivalents	-	-
Debt guarantee fee (if applicable)	-	-
Other expenses	58	48
<b>Total expenses from continuing operations</b>	<b>698</b>	<b>743</b>
<b>Surplus (deficit) from Continuing Operations before capital amounts</b>	<b>47</b>	<b>(20)</b>
Grants and contributions provided for capital purposes	-	-
<b>Surplus (deficit) from Continuing Operations after capital amounts</b>	<b>47</b>	<b>(20)</b>
Surplus (deficit) from discontinued operations	-	-
<b>Surplus (deficit) from ALL Operations before tax</b>	<b>47</b>	<b>(20)</b>
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(14)	-
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>33</b>	<b>(20)</b>
plus Opening Retained Profits	4,938	4,958
plus/less: Prior Period Adjustments	-	-
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	-	-
- Debt guarantee fees	-	-
- Corporate taxation equivalent	14	-
less:		
- Tax Equivalent Dividend paid	-	-
- Surplus dividend paid	-	-
<b>Closing Retained Profits</b>	<b>4,985</b>	<b>4,938</b>
<b>Return on Capital %</b>	<b>0.4%</b>	<b>-0.2%</b>
<b>Subsidy from Council</b>	<b>348</b>	<b>329</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	33	(20)
less: Capital grants and contributions (excluding developer contributions)	-	-
<b>Surplus for dividend calculation purposes</b>	<b>33</b>	<b>-</b>
<b>Potential Dividend calculated from surplus</b>	<b>16</b>	<b>-</b>

## Junee Shire Council

### Statement of Financial Position - Council's Sewerage Business Activity as at 30 June 2013

	Actual 2013	Actual 2012
\$ '000		
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	1,559	1,316
Investments	-	-
Receivables	100	83
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
<b>Total Current Assets</b>	<b>1,659</b>	<b>1,399</b>
<b>Non-Current Assets</b>		
Investments	-	-
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	10,484	10,208
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
<b>Total non-Current Assets</b>	<b>10,484</b>	<b>10,208</b>
<b>TOTAL ASSETS</b>	<b>12,143</b>	<b>11,607</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Bank Overdraft	-	-
Payables	-	-
Interest bearing liabilities	-	-
Provisions	-	-
<b>Total Current Liabilities</b>	<b>-</b>	<b>-</b>
<b>Non-Current Liabilities</b>		
Payables	-	-
Interest bearing liabilities	-	-
Provisions	-	-
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>
<b>NET ASSETS</b>	<b>12,143</b>	<b>11,607</b>
<b>EQUITY</b>		
Retained earnings	4,985	4,938
Revaluation reserves	7,158	6,669
Council equity interest	12,143	11,607
Non-controlling equity interest	-	-
<b>TOTAL EQUITY</b>	<b>12,143</b>	<b>11,607</b>

## Junee Shire Council

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

#### Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	6
2	Water Supply Business Best Practice Management disclosure requirements	n/a
3	Sewerage Business Best Practice Management disclosure requirements	9

## Junee Shire Council

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

#### Note 1. Significant Accounting Policies

---

These financial statements are a Special Purpose Financial Statements (SPFS) prepared for use by Council and the Division of Local Government.

For the purposes of these statements, the Council is not a reporting not-for-profit entity.

The figures presented in these special purpose financial statements, unless otherwise stated, have been prepared in accordance with:

- the recognition and measurement criteria of relevant Australian Accounting Standards,
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB) &
- Australian Accounting Interpretations.

The disclosures in these special purpose financial statements have been prepared in accordance with:

- the Local Government Act and Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

The statements are also prepared on an accruals basis, based on historic costs and do not take into account changing money values nor current values of non-current assets (except where specifically stated).

Certain taxes and other costs (appropriately described) have been imputed for the purposes of the National Competition Policy.

#### National Competition Policy

Council has adopted the principle of 'competitive neutrality' to its business activities as part of the national competition policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 Government Policy statement on the "*Application of National Competition Policy to Local Government*".

The "*Pricing & Costing for Council Businesses A Guide to Competitive Neutrality*" issued by the Division of Local Government in July 1997 has also been adopted.

The pricing & costing guidelines outline the process for identifying and allocating costs to activities and provide a standard of disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents; council subsidies; return on investments (rate of return); and dividends paid.

#### Declared Business Activities

In accordance with *Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality*, Council has declared that the following are to be considered as business activities:

##### Category 1

(where gross operating turnover is over \$2 million)

*Nil*

##### Category 2

(where gross operating turnover is less than \$2 million)

##### Junee Sewerage Service

*Comprising the activities and net assets of Council's Sewerage Reticulation & Treatment Operations servicing the town of Junee.*

#### Monetary Amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest one thousand dollars, with the exception of some figures disclosed in Note 3 (Sewerage Best Practice Management Disclosures).

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

#### (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.

## Junee Shire Council

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

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

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

In accordance with the guidelines for Best Practice Management of Water Supply and Sewerage, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from 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.

## Junee Shire Council

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

#### 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 3.77% at 30/6/13.

The actual rate of return achieved by each Business Activity is disclosed at the foot of each respective Income Statement.

#### **(iv) Dividends**

Council is not required to pay dividends to either itself (as owner of a range of businesses) or to any external entities.

Local Government Sewerage Businesses are permitted to pay an annual dividend from its water supply or sewerage business surplus.

The dividend, calculated and approved in accordance with the Best Practice Management Guidelines, must not exceed either:

- (i) 50% of this surplus in any one year, or
- (ii) the number of water supply or sewerage assessments at 30 June 2013 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the guidelines for Best Practice Management of Water Supply and Sewerage, a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the NSW Office of Water prior to making the dividend and only after it has approved the payment.

## Junee Shire Council

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

#### Note 3. Sewerage Business Best Practice Management disclosure requirements

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated) 2013

##### 1. Calculation and Payment of Tax-Equivalents

[All Local Government Local Water Utilities must pay this dividend for tax-equivalents]

(i) Calculated Tax Equivalents	<input type="text"/>	-
(ii) No of assessments multiplied by \$3/assessment	<input type="text"/>	5,085
(iii) Amounts payable for Tax Equivalents [lesser of (i) and (ii)]	<input type="text"/>	-
(iv) Amounts actually paid for Tax Equivalents	<input type="text"/>	-

##### 2. Dividend from Surplus

(i) 50% of Surplus before Dividends [Calculated in accordance with Best Practice Management for Water Supply and Sewerage Guidelines]	<input type="text"/>	16,450
(ii) No. of assessments x (\$30 less tax equivalent charges per assessment)	<input type="text"/>	50,850
(iii) Cumulative surplus before dividends for the 3 years to 30 June 2013, less the cumulative dividends paid for the 2 years to 30 June 2012 & 30 June 2011	<input type="text"/>	(27,100)
2013 Surplus <input type="text"/> 32,900      2012 Surplus <input type="text"/> (20,000)      2011 Surplus <input type="text"/> (40,000)	2012 Dividend <input type="text"/> -      2011 Dividend <input type="text"/>	
(iv) Maximum dividend from surplus [least of (i), (ii) and (iii) above]	<input type="text"/>	n/a
(v) Dividend actually paid from surplus [refer below for required pre-dividend payment Criteria]	<input type="text"/>	-

##### 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)	<input type="text"/>	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]	<input type="text"/>	NO
Complying charges (a) Residential [Item 2(c) in Table 1]	<input type="text"/>	NO
(b) Non Residential [Item 2(c) in Table 1]	<input type="text"/>	NO
(c) Trade Waste [Item 2(d) in Table 1]	<input type="text"/>	NO
DSP with Commercial Developer Charges [Item 2(e) in Table 1]	<input type="text"/>	NO
Liquid Trade Waste Approvals & Policy [Item 2(f) in Table 1]	<input type="text"/>	NO
(iii) Complete Performance Reporting Form (by 15 September each year)	<input type="text"/>	NO
(iv) a. Integrated Water Cycle Management Evaluation	<input type="text"/>	NO
b. Complete and implement Integrated Water Cycle Management Strategy	<input type="text"/>	NO

## Junee Shire Council

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

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

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated) 2013

#### National Water Initiative (NWI) Financial Performance Indicators

<b>NWI F2</b>	Total Revenue (Sewerage) Total Income (s14) - Grants for Acquisition of Assets (s12a) - Interest Income (s10) - Aboriginal Communities W&S Program Income (w10a)	\$'000	680
<b>NWI F10</b>	Written Down Replacement Cost of Fixed Assets (Sewerage) Written down current cost of system assets (s48)	\$'000	10,484
<b>NWI F12</b>	Operating Cost (Sewerage) Management Expenses (s1) + Operational & Maintenance Expenses (s2)	\$'000	479
<b>NWI F15</b>	Capital Expenditure (Sewerage) Acquisition of Fixed Assets (s17)	\$'000	5
<b>NWI F18</b>	Economic Real Rate of Return (Sewerage) [Total Income (s14) - Interest Income (s10) - Grants for acquisition of Assets (s12a) - Operating cost (NWI F12) - Current cost depreciation (s3)] x 100 divided by [Written down current cost (ie. WDCC) of System Assets (s48) + Plant & Equipment (s34b)]	%	-0.17%
<b>NWI F27</b>	Capital Works Grants (Sewerage) Grants for the Acquisition of Assets (12a)	\$'000	-

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

<b>NWI F3</b>	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	680
<b>NWI F8</b>	Revenue from Community Service Obligations (Water & Sewerage) Community Service Obligations (NWI F25) x 100 divided by Total Income (NWI F3)	%	2.94%
<b>NWI F16</b>	Capital Expenditure (Water & Sewerage) Acquisition of Fixed Assets (w16 + s17)	\$'000	5
<b>NWI F19</b>	Economic Real Rate of Return (Water & Sewerage) [Total Income (w13 + s14) - Interest Income (w9 + s10) - Grants for acquisition of assets (w11a + s12a) - Operating Cost (NWI F11 + NWI F12) - Current cost depreciation (w3 + s3)] x 100 divided by [Written down replacement cost of fixed assets (NWI F9 + NWI F10) + Plant & equipment (w33b + s34b)]	%	-0.17%
<b>NWI F20</b>	Dividend (Water & Sewerage) Dividend paid from surplus (2(v) of Note 2 + 2(v) of Note 3)	\$'000	-
<b>NWI F21</b>	Dividend Payout Ratio (Water & Sewerage) Dividend (NWI F20) x 100 divided by Net Profit after tax (NWI F24)	%	0.00%

## Junee Shire Council

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

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

<b>Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)</b>		<b>2013</b>
<b>National Water Initiative (NWI) Financial Performance Indicators Water &amp; Sewer (combined)</b>		
<b>NWI F22</b>	Net Debt to Equity (Water & Sewerage)	% <span style="border: 1px solid black; padding: 2px;">-12.84%</span>
	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)	<span style="border: 1px solid black; padding: 2px;">-</span>
	Earnings before Interest & Tax (EBIT) divided by Net Interest	
	Earnings before Interest & Tax (EBIT): <span style="border: 1px solid black; padding: 2px;">- 18</span>	
	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: <span style="border: 1px solid black; padding: 2px;">- 65</span>	
	Interest Expense (w4a + s4a) - Interest Income (w9 + s10)	
<b>NWI F24</b>	Net Profit After Tax (Water & Sewerage)	\$'000 <span style="border: 1px solid black; padding: 2px;">47</span>
	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 <span style="border: 1px solid black; padding: 2px;">20</span>
	Grants for Pensioner Rebates (w11b + s12b)	

Notes: 1. References to w (eg. s12) refer to item numbers within Special Schedules No. 5 & 6 of Council's Annual Financial Statements.

2. The NWI Performance Indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators & Definitions.



## **Independent auditor's report to the Councillors of the Junee Shire Council and the Chief Executive Officer of the Division of Local Government**

We have audited the accompanying financial report, being a special purpose financial report, of the Junee Shire Council, which comprises the statement by councillors and management, statement of financial position as at 30<sup>th</sup> June, 2013, and the income statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

### **Councils' Responsibility for the Financial Report**

The council is responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements which form part of the financial report are appropriate to meet the financial requirements of National Competition Policy reporting and are appropriate to meet the needs of the council. The council's responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that it is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the members. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

The financial report has been prepared for distribution to the council and the Division of Local Government for the purpose of fulfilling council's financial reporting requirements under National Competition Policy reporting. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the council or the Division of Local Government or for any purpose other than that for which it was prepared.

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

**Independence**

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

**Auditor's Opinion**

In our opinion, the special purpose financial report presents fairly, in all material respects the financial position of Junee Shire Council as at 30 June, 2013 and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

AUSWILD & CO.



G.J. BRADLEY  
Principal

Registered Auditor No: 1249

CANBERRA  
18<sup>th</sup> October, 2013

# Junee Shire Council

SPECIAL SCHEDULES  
for the year ended 30 June 2013

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# Junee Shire Council

## Special Schedules for the financial year ended 30 June 2013

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<sup>1</sup> Special Purpose Schedules are not audited.

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### Background

(i) These Special Schedules have been designed to meet the requirements of special purpose users such as;

- the NSW Grants Commission
- the Australian Bureau of Statistics (ABS),
- the NSW Office of Water,
- the Department of Environment, Climate Change and Water, and
- the Division of Local Government (DLG).

(ii) The financial data is collected for various uses including;

- the allocation of Financial Assistance Grants,
- the incorporation of Local Government financial figures in national statistics,
- the monitoring of loan approvals,
- the allocation of borrowing rights, and
- the monitoring of the financial activities of specific services.

## Junee Shire Council

**Special Schedule No. 1 - Net Cost of Services**  
 for the financial year ended 30 June 2013

\$'000

Function or Activity	Expenses from. Continuing. Operations.	Income from continuing operations		Net Cost. of Services.
		Non Capital.	Capital.	
<b>Governance</b>	<b>556</b>	-	-	(556)
<b>Administration</b>	<b>1,888</b>	<b>326</b>	-	(1,562)
<b>Public Order and Safety</b>				
Fire Service Levy, Fire Protection, Emergency Services	186	91	-	(95)
Beach Control	-	-	-	-
Enforcement of Local Govt. Regulations	-	6	-	6
Animal Control	28	11	-	(17)
Other	-	-	-	-
<b>Total Public Order &amp; Safety</b>	<b>214</b>	<b>108</b>	-	(106)
<b>Health</b>	-	-	-	-
<b>Environment</b>				
Noxious Plants and Insect/Vermi Control	130	43	-	(87)
Other Environmental Protection	49	1	-	(48)
Solid Waste Management	615	639	-	24
Street Cleaning	-	-	-	-
Drainage	-	-	-	-
Stormwater Management	135	46	-	(89)
<b>Total Environment</b>	<b>929</b>	<b>729</b>	-	(200)
<b>Community Services and Education</b>				
Administration & Education	83	-	-	(83)
Social Protection (Welfare)	-	-	-	-
Aged Persons and Disabled	124	168	-	44
Children's Services	768	807	-	39
<b>Total Community Services &amp; Education</b>	<b>975</b>	<b>975</b>	-	-
<b>Housing and Community Amenities</b>				
Public Cemeteries	107	90	-	(17)
Public Conveniences	64	-	-	(64)
Street Lighting	77	-	-	(77)
Town Planning	204	130	-	(74)
Other Community Amenities	153	41	-	(112)
<b>Total Housing and Community Amenities</b>	<b>605</b>	<b>261</b>	-	(344)
<b>Water Supplies</b>	-	-	-	-
<b>Sewerage Services</b>	<b>698</b>	<b>744</b>	-	<b>46</b>

## Junee Shire Council

Special Schedule No. 1 - Net Cost of Services (continued)  
for the financial year ended 30 June 2013

\$'000

Function or Activity	Expenses from Continuing Operations.	Income from continuing operations		Net Cost. of Services.
		Non Capital.	Capital.	
<b>Recreation and Culture</b>				
Public Libraries	377	28	8	(341)
Museums	5	-	-	(5)
Art Galleries	-	-	-	-
Community Centres and Halls	64	1	-	(63)
Performing Arts Venues	-	-	-	-
Other Performing Arts	-	-	-	-
Other Cultural Services	-	-	-	-
Sporting Grounds and Venues	271	2	-	(269)
Swimming Pools	-	-	-	-
Parks & Gardens (Lakes)	310	29	10	(271)
Other Sport and Recreation	1,164	319	-	(845)
<b>Total Recreation and Culture</b>	<b>2,191</b>	<b>379</b>	<b>18</b>	<b>(1,794)</b>
<b>Fuel &amp; Energy</b>				
<b>Agriculture</b>				
<b>Mining, Manufacturing and Construction</b>				
Building Control	90	-	-	(90)
Other Mining, Manufacturing & Construction	7	-	-	(7)
<b>Total Mining, Manufacturing and Const.</b>	<b>97</b>	<b>-</b>	<b>-</b>	<b>(97)</b>
<b>Transport and Communication</b>				
Urban Roads (UR) - Local	644	224	40	(380)
Urban Roads - Regional	-	-	-	-
Sealed Rural Roads (SRR) - Local	929	470	1,156	697
Sealed Rural Roads (SRR) - Regional	133	209	-	76
Unsealed Rural Roads (URR) - Local	559	-	-	(559)
Unsealed Rural Roads (URR) - Regional	-	-	-	-
Bridges on UR - Local	-	-	-	-
Bridges on SRR - Local	-	-	-	-
Bridges on URR - Local	-	-	-	-
Bridges on Regional Roads	-	-	-	-
Parking Areas	-	-	-	-
Footpaths	-	-	-	-
Aerodromes	-	-	-	-
Other Transport & Communication	1,449	1,582	-	133
<b>Total Transport and Communication</b>	<b>3,714</b>	<b>2,485</b>	<b>1,196</b>	<b>(33)</b>
<b>Economic Affairs</b>				
Camping Areas & Caravan Parks	14	9	-	(5)
Other Economic Affairs	516	404	-	(112)
<b>Total Economic Affairs</b>	<b>530</b>	<b>413</b>	<b>-</b>	<b>(117)</b>
<b>Totals – Functions</b>	<b>12,397</b>	<b>6,420</b>	<b>1,214</b>	<b>(4,763)</b>
<b>General Purpose Revenues<sup>(2)</sup></b>				
Share of interests - joint ventures & associates using the equity method	-	5,373	-	5,373
<b>NET OPERATING RESULT <sup>(1)</sup></b>	<b>12,397</b>	<b>11,793</b>	<b>1,214</b>	<b>610</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

# Junee Shire Council

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

for the financial year ended 30 June 2013

Classification of Debt	Principal outstanding at beginning of the year			New Loans raised during the year	Debt redemption during the year		Transfers to Sinking Funds	Interest applicable for Year	Principal outstanding at the end of the year		
	Current	Non Current	Total		From Revenue	Sinking Funds			Current	Non Current	Total
<b>Loans (by Source)</b>											
Commonwealth Government	-	-	-	-	-	-	-	-	-	-	-
Treasury Corporation	-	-	-	-	-	-	-	-	-	-	-
Other State Government	-	-	-	-	-	-	-	-	-	-	-
Public Subscription	-	-	-	-	-	-	-	-	-	-	-
Financial Institutions	162	7,188	<b>7,350</b>	-	163	-	-	430	162	7,025	<b>7,187</b>
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total Loans</b>	<b>162</b>	<b>7,188</b>	<b>7,350</b>	-	<b>163</b>	-	-	<b>430</b>	<b>162</b>	<b>7,025</b>	<b>7,187</b>
<b>Other Long Term Debt</b>											
Ratepayers Advances	-	-	-	-	-	-	-	-	-	-	-
Government Advances	-	-	-	-	-	-	-	-	-	-	-
Finance Leases	-	-	-	-	-	-	-	-	-	-	-
Deferred Payments	-	-	-	-	-	-	-	-	-	-	-
<b>Total Long Term Debt</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Total Debt</b>	<b>162</b>	<b>7,188</b>	<b>7,350</b>	-	<b>163</b>	-	-	<b>430</b>	<b>162</b>	<b>7,025</b>	<b>7,187</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).

## Junee Shire Council

### Special Schedule No. 5 - Sewerage Service Income Statement

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

	\$'000	Actuals 2013	Actuals 2012
<b>A Expenses and Income Expenses</b>			
<b>1. Management expenses</b>			
a. Administration	79	77	
b. Engineering and Supervision	27	28	
<b>2. Operation and Maintenance expenses</b>			
- Mains			
a. Operation expenses	-	-	
b. Maintenance expenses	133	79	
- Pumping Stations			
c. Operation expenses (excluding energy costs)	-	-	
d. Energy costs	-	-	
e. Maintenance expenses	-	-	
- Treatment			
f. Operation expenses (excl. chemical, energy, effluent & biosolids management costs)	-	-	
g. Chemical costs	-	-	
h. Energy costs	54	43	
i. Effluent Management	23	19	
j. Biosolids Management	-	-	
k. Maintenance expenses	163	184	
- Other			
l. Operation expenses	-	-	
m. Maintenance expenses	-	-	
<b>3. Depreciation expenses</b>			
a. System assets	219	313	
b. Plant and equipment	-	-	
<b>4. Miscellaneous expenses</b>			
a. Interest expenses	-	-	
b. Revaluation Decremnts	-	-	
c. Other expenses	-	-	
d. Impairment - System assets	-	-	
e. Impairment - Plant and equipment	-	-	
f. Aboriginal Communities Water & Sewerage Program	-	-	
g. Tax Equivalents Dividends (actually paid)	-	-	
<b>5. Total expenses</b>	<b>698</b>	<b>743</b>	

## Junee Shire Council

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

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

\$'000	Actuals 2013	Actuals 2012
<b>Income</b>		
<b>6. Residential charges (including rates)</b>	577	551
<b>7. Non-residential charges</b>		
a. Access (including rates)	-	-
b. Usage charges	83	78
<b>8. Trade Waste Charges</b>		
a. Annual Fees	-	-
b. Usage charges	-	-
c. Excess mass charges	-	-
d. Re-inspection fees	-	-
<b>9. Extra charges</b>	-	-
<b>10. Interest income</b>	65	74
<b>11. Other income</b>	-	-
<b>11a. Aboriginal Communities Water &amp; Sewerage Program</b>	-	-
<b>12. Grants</b>		
a. Grants for acquisition of assets	-	-
b. Grants for pensioner rebates	20	20
c. Other grants	-	-
<b>13. Contributions</b>		
a. Developer charges	-	-
b. Developer provided assets	-	-
c. Other contributions	-	-
<b>14. Total income</b>	<b>745</b>	<b>723</b>
<b>15. Gain (or loss) on disposal of assets</b>	-	-
<b>16. Operating Result</b>	<b>47</b>	<b>(20)</b>
<b>16a. Operating Result (less grants for acquisition of assets)</b>	<b>47</b>	<b>(20)</b>

## Junee Shire Council

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

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

	Actuals 2013	Actuals 2012
\$'000		
<b>B Capital transactions</b>		
<b>Non-operating expenditures</b>		
<b>17. Acquisition of Fixed Assets</b>		
a. New Assets for Improved Standards	-	111
b. New Assets for Growth	-	-
c. Renewals	5	41
d. Plant and equipment	-	-
<b>18. Repayment of debt</b>		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
<b>19. Transfer to sinking fund</b>	-	-
<b>20. Totals</b>	<b>5</b>	<b>152</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)	1,440	1,436
b. Residential (unoccupied, ie. vacant lot)	108	111
c. Non-residential (occupied)	126	126
d. Non-residential (unoccupied, ie. vacant lot)	21	21
<b>26. Number of ETs for which developer charges were received</b>	- ET	- ET
<b>27. Total amount of pensioner rebates (actual dollars)</b>	\$ 35,197	\$ 35,227

## Junee Shire Council

**Special Schedule No. 5 - Sewerage Cross Subsidies**  
for the financial year ended 30 June 2013

\$'000	Yes	No	Amount
--------	-----	----	--------

**D Best practice annual charges and developer charges\*****28. Annual charges**

- a. Does Council have best-practice sewerage annual charges, usage charges and trade waste fees & charges?

If Yes, go to 29a.

If No, please report if council has removed **land value** from access charges (ie rates)?

**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)

- c. Cross-subsidy **to** trade waste discharges (page 46 of Guidelines)

**29. Developer charges**

- a. Has council completed a sewerage Development Servicing\*\* Plan?

- b. Total cross-subsidy in sewerage developer charges for 2012/13 (page 47 of Guidelines)

\*\* In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, NSW Office of Water, December, 2002.

**30. Disclosure of cross-subsidies**

**Total of cross-subsidies (28b + 28c + 29b)**

<input type="checkbox"/>	No
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Yes	<input type="checkbox"/>
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<input type="checkbox"/>	No
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\* 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.

## Junee Shire Council

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

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

\$'000	Actuals Current	Actuals Non Current	Actuals Total
<b>ASSETS</b>			
<b>31. Cash and investments</b>			
a. Developer charges	-	-	-
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	1,559	-	<b>1,559</b>
<b>32. Receivables</b>			
a. Specific purpose grants	-	-	-
b. Rates and Availability Charges	100	-	<b>100</b>
c. User Charges	-	-	-
d. Other	-	-	-
<b>33. Inventories</b>	-	-	-
<b>34. Property, plant and equipment</b>			
a. System assets	-	10,484	<b>10,484</b>
b. Plant and equipment	-	-	-
<b>35. Other assets</b>	-	-	-
<b>36. Total Assets</b>	<b>1,659</b>	<b>10,484</b>	<b>12,143</b>
<b>LIABILITIES</b>			
<b>37. Bank overdraft</b>	-	-	-
<b>38. Creditors</b>	-	-	-
<b>39. Borrowings</b>			
a. Loans	-	-	-
b. Advances	-	-	-
c. Finance leases	-	-	-
<b>40. Provisions</b>			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	-	-
<b>41. Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>42. NET ASSETS COMMITTED</b>	<b>1,659</b>	<b>10,484</b>	<b>12,143</b>
<b>EQUITY</b>			
<b>42. Accumulated surplus</b>			4,985
<b>44. Asset revaluation reserve</b>			<b>7,158</b>
<b>45. TOTAL EQUITY</b>			<b>12,143</b>
<b>Note to system assets:</b>			
<b>46. Current replacement cost</b> of system assets			20,060
<b>47. Accumulated current cost</b> depreciation of system assets			(9,576)
<b>48. Written down current cost</b> of system assets			<b>10,484</b>

## Junee Shire Council

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

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#### **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.

**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.

# Junee Shire Council

## Special Schedule No. 7 - Condition of Public Works

as at 30 June 2013

\$'000												
ASSET CLASS	Asset Category	Dep'n. Rate (%)	Dep'n Expense (\$)	Cost	Valuation	Accum. Depreciation Amortisation & Impairment	Carrying Amount (WDV)	Asset Condition <sup>#</sup>	Estimated cost to bring up to a satisfactory condition / standard <sup>(1)</sup>	Required <sup>(2)</sup> Annual Maintenance	Current <sup>(3)</sup> Annual Maintenance	
		per Note 1	per Note 4	<<<<<<<<< per Note 9 >>>>>>>>								
Buildings	Council Offices	1 - 5%	15	-	2,353	1,546	807	3	50	6	7	
	Council Works Depot	1 - 2%	7	-	1,201	769	432	4	90	16	17	
	Council Halls	1.00%	22	-	3,209	1,881	1,328	1	-	3	3	
	Council Houses	1 - 5%	15	-	707	89	618	1	-	10	4	
	Medical Centre	1 - 4%	14	-	1,152	200	952	1	-	8	13	
	Museum	1.67%	14	-	2,857	1,882	975	4	70	3	2	
	Library	1 - 5%	27	-	2,585	250	2,335	1	-	5	5	
	Amenities/Toilets	2.00%	2	-	201	48	153	3	50	18	20	
	Swimming Pool	2 - 2.5%	1	-	1,301	303	998	3	30	8	15	
	Other Public Buildings	2 - 10%	6	-	695	324	371	3	-	1	1	
	Other Sportsgrounds	1 - 5%	111	-	6,914	2,076	4,838	3	500	12	25	
	<b>sub total</b>		<b>234</b>	-	<b>23,175</b>	<b>9,368</b>	<b>13,807</b>		<b>790</b>	<b>90</b>	<b>112</b>	
Other Structures	Assets not included in Buildings		80	-	4,255	1,317	2,938	3	-	-	-	
	<b>sub total</b>		<b>80</b>	-	<b>4,255</b>	<b>1,317</b>	<b>2,938</b>		-	-	-	
Public Roads	Sealed Roads	5.00%	431	-	8,009	2,621	5,388	3	306	266	283	
	Unsealed Roads	5.00%	400	-	8,027	3,279	4,748	3	612	161	165	
	Sealed Roads Structure	1.00%	157	-	38,170	5,703	32,467	3	1,120	393	406	
	Bridges	1.00%	84	-	8,448	2,330	6,118	2	-	-	-	
	Footpaths	2.00%	35	-	1,859	152	1,707	2	-	20	19	
	Kerb and Gutter	1 - 2%	39	-	2,859	596	2,263	3	-	3	3	
	<b>sub total</b>		<b>1,146</b>	-	<b>67,372</b>	<b>14,681</b>	<b>52,691</b>		<b>2,038</b>	<b>843</b>	<b>876</b>	

# Junee Shire Council

## Special Schedule No. 7 - Condition of Public Works (continued)

as at 30 June 2013

\$'000											
ASSET CLASS	Asset Category	Dep'n. Rate (%)	Dep'n Expense (\$)	Cost	Valuation	Accum. Depreciation Amortisation & Impairment	Carrying Amount (WDV)	Asset Condition <sup>#</sup>	Estimated cost to bring up to a satisfactory condition / standard <sup>(1)</sup>	Required <sup>(2)</sup> Annual Maintenance	Current <sup>(3)</sup> Annual Maintenance
<b>Sewerage</b>		per Note 1	per Note 4	<<<<<<< per Note 9 >>>>>>>							
	Pipeline	1.2 - 4%	83	-	11,844	4,430	7,414	3	2,272	65	66
	Treatment Works	1 - 20%	124	-	6,514	4,975	1,539	3	278	160	126
	Effluent Reuse	1 - 5%	12	-	1,701	170	1,531	2	50	19	22
	<b>sub total</b>		<b>219</b>	-	<b>20,059</b>	<b>9,575</b>	<b>10,484</b>		<b>2,600</b>	<b>244</b>	<b>214</b>
<b>Drainage Works</b>											
	Pipes / Culverts	1 - 1.7%	22	-	2,128	935	1,193	3	125	46	46
	Urban Drainage Infrastructure	1.00%	26	-	2,617	801	1,816	2	11	11	16
	<b>sub total</b>		<b>48</b>	-	<b>4,745</b>	<b>1,736</b>	<b>3,009</b>		<b>136</b>	<b>57</b>	<b>62</b>
	<b>TOTAL - ALL ASSETS</b>		<b>1,727</b>	-	<b>119,606</b>	<b>36,677</b>	<b>82,929</b>		<b>5,564</b>	<b>1,234</b>	<b>1,264</b>

### Notes:

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

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

- |   |   |
|---|---|
| 1 | Excellent - No work required (normal maintenance) |
| 2 | Good - Only minor maintenance work required       |
| 3 | Average - Maintenance work required               |
| 4 | Poor - Renewal required                           |
| 5 | Very Poor - Urgent renewal/upgrading required     |

# Junee Shire Council

## Special Schedule No. 8 - Financial Projections

as at 30 June 2013

\$'000	Actual <sup>(1)</sup>	Forecast <sup>(3)</sup>									
	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23
<b>(i) OPERATING BUDGET</b>											
Income from continuing operations	13,007	10,695	12,276	12,764	13,182	13,513	13,798	14,135	14,412	14,805	15,107
Expenses from continuing operations	12,397	12,048	12,242	12,305	12,576	12,737	12,952	13,185	13,691	13,885	14,142
<b>Operating Result from Continuing Operations</b>	<b>610</b>	<b>(1,353)</b>	<b>34</b>	<b>459</b>	<b>606</b>	<b>776</b>	<b>846</b>	<b>950</b>	<b>721</b>	<b>920</b>	<b>965</b>
<b>(ii) CAPITAL BUDGET</b>											
New Capital Works <sup>(2)</sup>	677	108	89	109	89	125	98	93	94	117	97
Replacement/Refurbishment of Existing Assets	2,496	2,761	2,592	2,780	2,971	3,223	2,958	6,848	3,056	3,446	3,193
<b>Total Capital Budget</b>	<b>3,173</b>	<b>2,869</b>	<b>2,681</b>	<b>2,889</b>	<b>3,060</b>	<b>3,348</b>	<b>3,056</b>	<b>6,941</b>	<b>3,150</b>	<b>3,563</b>	<b>3,290</b>
<b>Funded by:</b>											
- Loans	-	-	-	-	-	-	-	-	2,700	-	-
- Asset sales	1,342	384	284	387	515	370	334	370	334	370	334
- Reserves	37	82	-	-	-	38	-	839	-	-	-
- Grants/Contributions	1,029	761	805	879	824	899	845	920	807	818	830
- Recurrent revenue	765	1,642	1,592	1,623	1,721	2,041	1,877	2,112	2,009	2,375	2,126
- Other	-	-	-	-	-	-	-	-	-	-	-
	<b>3,173</b>	<b>2,869</b>	<b>2,681</b>	<b>2,889</b>	<b>3,060</b>	<b>3,348</b>	<b>3,056</b>	<b>6,941</b>	<b>3,150</b>	<b>3,563</b>	<b>3,290</b>

### Notes:

- (1) From 12/13 Income Statement.
- (2) New Capital Works are major non-recurrent projects, eg new Leisure Centre, new Library, new Swimming pool etc.
- (3) Financial projections should be in accordance with Council's Integrated Planning and Reporting framework.