



# AGENDA

## FINANCE AND POLICY COMMITTEE

### 21 NOVEMBER 2016

MEMBERSHIP:

Mr M Kneipp (Administrator).

The meeting is scheduled to commence at .

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**FPC16/26 TENDER FOR THE SUPPLY AND DELIVERY OF RUBBER MATTING  
FOR THE DUBBO REGIONAL LIVESTOCK MARKETS (ID16/2113)**

The Committee had before it the report dated 4 November 2016 from the Director Corporate Development regarding Tender for the Supply and Delivery of Rubber Matting for the Dubbo Regional Livestock Markets.

*In accordance with the provisions of Section 9 (2A) of the Local Government Act 1993 the General Manager is of the opinion that consideration of this item is likely to take place when the meeting is closed to the public for the following reason: information that would, if disclosed, prejudice the commercial position of the person who supplied it (Section 10A(2)(d)(i)).*



## **Report of the Finance and Policy Committee - Meeting 17 October 2016**

**AUTHOR:** Administrative Officer - Governance

**REPORT DATE:** 8 November 2016

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The Committee had before it the report of the Finance and Policy Committee meeting held 17 October 2016.

### **MOTION**

**That the report of the Finance and Policy Committee meeting held on 17 October 2016, be adopted.**



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**REPORT  
FINANCE AND POLICY COMMITTEE  
17 OCTOBER 2016**

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**PRESENT:**

Mr M Kneipp (Administrator).

**ALSO IN ATTENDANCE:**

The Interim General Manager (D Dwyer), the Director Organisational Services (J Basingthwaighte), the Manager Governance and Risk, the Administrative Officer, the Director Corporate Development, the Corporate Communications Supervisor (K Matts), the Director Technical Services, the Manager Technical Support, the Manager Fleet Management Services, the Director Environmental Services, the Manager City Strategy Services (S Jennings), the Trainee Strategic Planner, the Director Community Services (J Watts), the Director Parks and Landcare Services and the Transition Project Leader.

Mr M Kneipp (Administrator) assumed chairmanship of the meeting.

The proceedings of the meeting commenced at 5.49pm.

**FPC16/11 REPORT OF THE FINANCE AND POLICY COMMITTEE - MEETING 19 SEPTEMBER 2016 (ID16/1878)**

The Committee had before it the report of the Finance and Policy Committee meeting held 19 September 2016.

Moved by Mr M Kneipp (Administrator)

**MOTION**

**The Committee recommends that the report of the Finance and Policy Committee meeting held on 19 September 2016, be adopted.**

**CARRIED**

**FPC16/12 2016/2017 OPERATIONAL PLAN - SEPTEMBER QUARTERLY REVIEW  
(ID16/1866)**

The Committee had before it the report dated 6 October 2016 from the Acting Interim General Manager regarding 2016/2017 Operational Plan - September Quarterly Review.

Moved by Mr M Kneipp (Administrator)

**MOTION**

**The Committee recommends:**

- 1. That the Budget Review Statement and the Quarterly Financial Statements as at 30 September 2016, as attached to this report, be adopted and such sums voted for such purpose.**
- 2. That the performance review details for each function for the quarter ended 30 September 2016, be noted.**
- 3. That the Statement of the Responsible Accounting Officer that Council will be in a satisfactory financial position at the end of the financial year, having regard to the changes herewith to the original budget, be noted.**
- 4. That the contracts, consultants, legal expenses and cash and investments information be noted.**

**CARRIED**

**FPC16/13 LEASE TO DUBBO AND DISTRICT PRESCHOOL KINDERGARTEN INC.  
(ID16/1856)**

The Committee had before it the report dated 3 October 2016 from the Acting Interim General Manager regarding Lease to Dubbo and District Preschool Kindergarten Inc.

Moved by Mr M Kneipp (Administrator)

**MOTION**

**The Committee recommends:**

- 1. That Lot 1 Section 53 DP 758361 be leased to Dubbo and District Preschool Kindergarten Inc. for a term of ten (10) years with an option to renew for a further ten (10) years at a rental of \$1 per annum.**
- 2. That the lease term commence upon the execution of the lease and the lease be on the terms and conditions detailed in this report.**
- 3. That any necessary documents be executed under the Common Seal of Council.**

**CARRIED**

**FPC16/14 INVESTMENTS UNDER SECTION 625 OF THE LOCAL GOVERNMENT ACT  
(ID16/1875)**

The Committee had before it the report dated 7 October 2016 from the Director Organisational Services regarding Investments Under Section 625 of the Local Government Act.

Moved by Mr M Kneipp (Administrator)

**MOTION**

**The Committee recommends that the information contained in the report of the Director Organisational Services, dated 7 October 2016 be noted.**

**CARRIED**

**FPC16/15 PUBLIC INTEREST DISCLOSURES AND INTERNAL REPORTING POLICY  
(ID16/1887)**

The Committee had before it the report dated 10 October 2016 from the Manager Governance and Risk Services regarding Public Interest Disclosures and Internal Reporting Policy.

Moved by Mr M Kneipp (Administrator)

**MOTION**

**The Committee recommends that the draft Public Interest Disclosures and Internal Reporting Policy be adopted.**

**CARRIED**

**FPC16/16 SALE OF LAND FOR UNPAID RATES AND CHARGES (ID16/1886)**

The Committee had before it the report dated 10 October 2016 from the Revenue Accountant regarding Sale of Land for Unpaid Rates and Charges.

Moved by Mr M Kneipp (Administrator)

**MOTION**

**The Committee recommends that members of the press and public be excluded from the meeting during consideration of this item, the reason being that the matter concerned the personal hardship of any resident or ratepayer (Section 10A(2)(b)).**

**CARRIED**

Moved by Mr M Kneipp (Administrator)

**MOTION**

**The Committee recommends:**

- 1. That the reserve prices for the sale by public auction of land for unpaid rates and charges, to be held on 29 November 2016, be as detailed in this report.**
- 2. That the Interim General Manager be authorised to negotiate with the highest bidder should bids not reach their respective reserve prices.**
- 3. That the Interim General Manager be authorised to sign Sale Contracts on Council's behalf on the day of the Auction being 29 November 2016.**
- 4. That payment of unpaid rates and charges for these properties, as listed, be accepted by cash or bank cheque prior to the auction and that those properties where payment has been made be removed from the auction.**
- 5. That all necessary documentation relating to the matter be executed under the Common Seal of the Council.**
- 6. That the documents and considerations in regard to this matter remain confidential to Council.**

**CARRIED**

The meeting closed at 6.01pm.

.....  
CHAIRMAN





**REPORT: Investments Under Section 625 of the  
Local Government Act**

**AUTHOR: Director Organisational Services**

**REPORT DATE: 8 November 2016**

**TRIM REFERENCE: ID16/2117**

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**EXECUTIVE SUMMARY**

As required by Clause 212 of the Local Government (General) Regulation 2005, set out below are the details of all monies that Council has invested under Section 625 of the Local Government Act as at 31 October 2016.

This report is presented in a format which consolidates the former Dubbo City and Wellington councils investment portfolios.

Investments when placed were in accordance with the Local Government Act, Local Government Regulations and Council's Investment Policy and Strategy. Interest on investments for the month of October 2016 has been accounted for on an accrual basis for the former Dubbo City Council and a cash basis for the former Wellington Council.

This report details investments and annualised returns for the month of October 2016.

**FINANCIAL IMPLICATIONS**

Interest earned on investments has been included within Council's 2016/2017 Operational Plan.

**POLICY IMPLICATIONS**

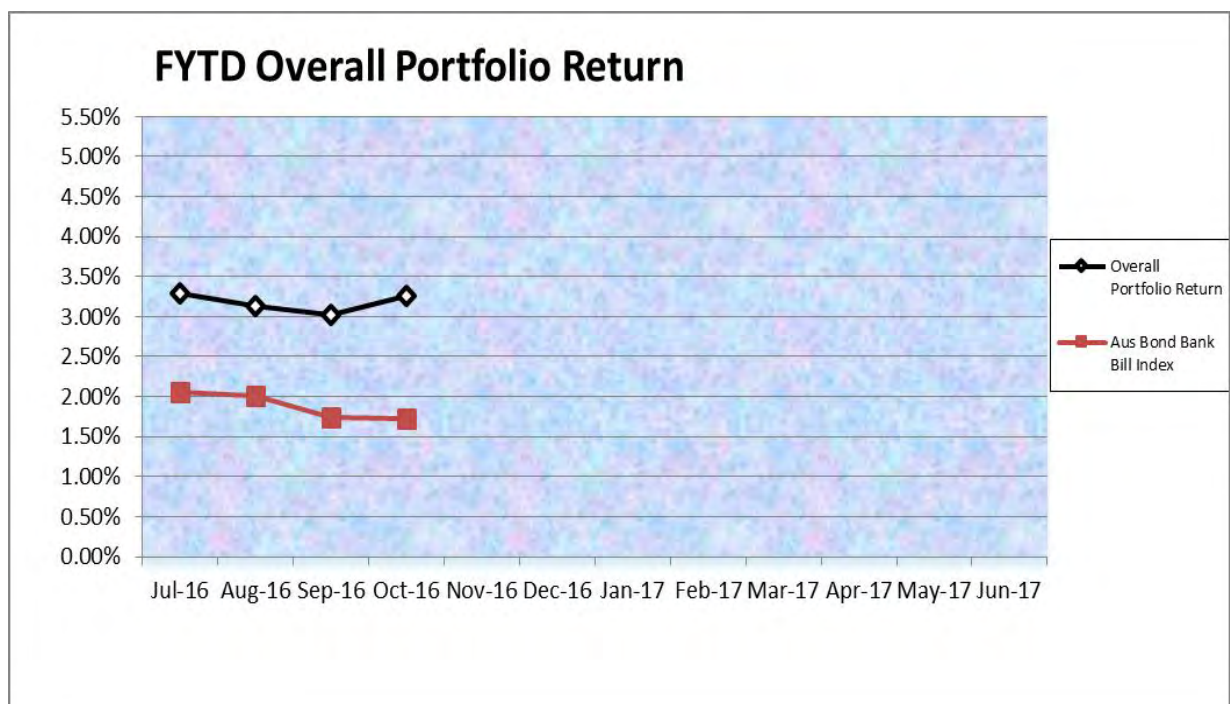
There are no policy implications arising from this report.

**RECOMMENDATION**

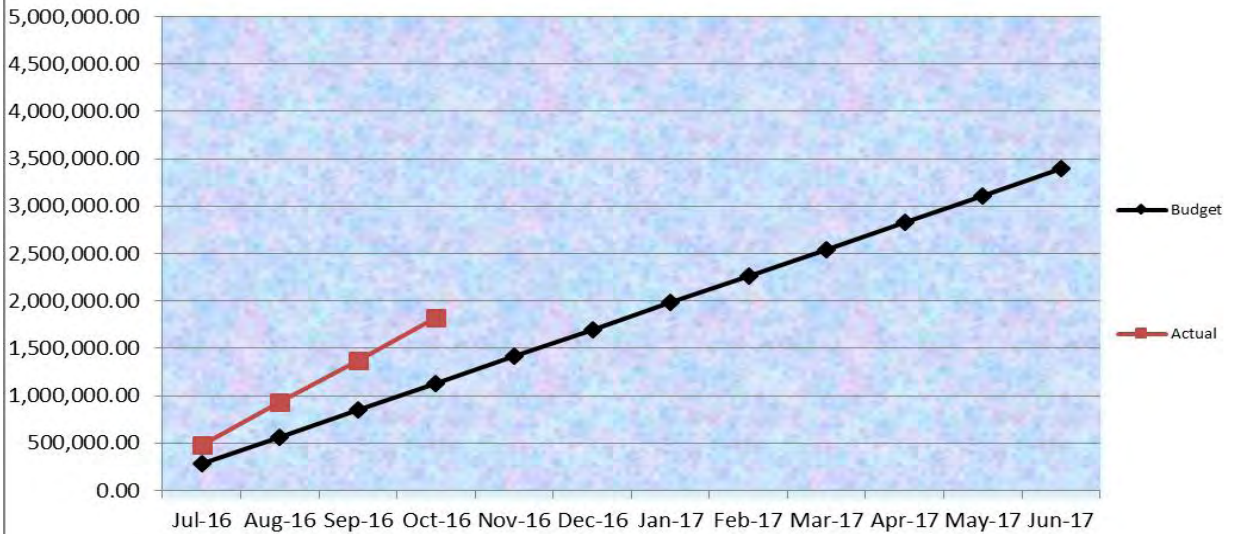
**That the information contained within this report be noted**

*Craig Giffin*  
Director Organisational Services

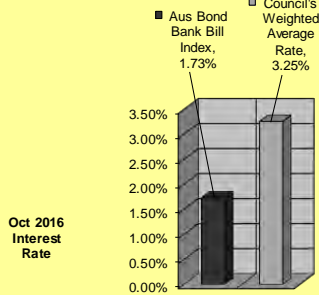
<b>Dubbo Regional Council</b>					
<b>OCTOBER 2016 REPORT</b>					
	Notes	2017 Total	2017 Current	2017 Non-Current	2017 Total
		As at 30/09/2016	Maturity By 30/06/2018	Maturity After 30/06/2018	As at 31/10/2016
<b>Cash &amp; Cash Equivalents (Note 6a)</b>					
Cash on Hand and at Bank		\$425,359.02	\$610,452.82	\$0.00	\$610,452.82
Cash-Equivalent Assets (1)					
- Deposits At Call		\$18,789,157.80	\$24,178,805.07	\$0.00	\$24,178,805.07
<b>Total Cash &amp; Cash Equivalents</b>	6(a)	<b>\$19,214,516.82</b>	<b>\$24,789,257.89</b>	<b>\$0.00</b>	<b>\$24,789,257.89</b>
<b>Investments (Note 6b)</b>					
- Long Term Deposits > 3 Months		\$129,873,331.83	\$68,890,061.85	\$50,983,231.12	\$119,873,292.97
- NCD's and FRN's > 3 Months		\$24,251,856.44	\$9,500,000.00	\$14,751,856.44	\$24,251,856.44
- CDO's		\$111,677.00	\$111,677.00	\$0.00	\$111,677.00
<b>Total Investments</b>	6(b)	<b>\$154,236,865.27</b>	<b>\$78,501,738.85</b>	<b>\$65,735,087.56</b>	<b>\$144,236,826.41</b>
<b>TOTAL CASH ASSETS, CASH EQUIVALENTS &amp; INVESTMENTS</b>					
		<b>\$173,451,382.09</b>	<b>\$103,290,996.74</b>	<b>\$65,735,087.56</b>	<b>\$169,026,084.30</b>
(1) Those Investments where time to maturity (from date of purchase) is < 3 months					



**Budget to Actual - Interest on Investments**



Performance Benchmark as per Council Policy



Investment % Held as per Council Policy

Institution	Amount Invested	% Invested	% Allowable as per Policy	\$ Allowable as per Policy
<b>Cash on Hand and at Bank</b>				
CASH ON HAND AND AT BANK	610,452.82	0.36%		
<b>Direct / Other Investments</b>				
AMP BANK	11,528,959.49	6.82%	20%	33,805,217
ANZ BANK	5,462,188.60	3.23%	30%	50,707,825
BANK OF QUEENSLAND	29,073,331.83	17.20%	20%	33,805,217
BANKWEST	3,500,000.00	2.07%	30%	50,707,825
BENDIGO ADELAIDE BANK LIMITED	6,000,000.00	3.55%	20%	33,805,217
COMMONWEALTH BANK	16,450,000.00	9.73%	30%	50,707,825
GREATER BANK	1,000,000.00	0.59%	10%	16,902,608
HERITAGE BANK	2,000,000.00	1.18%	10%	16,902,608
IMB LIMITED	2,500,000.00	1.48%	10%	16,902,608
MACQUARIE BANK	1,000,000.00	0.59%	20%	33,805,217
MAQUARIE CREDIT UNION	1,000,000.00	0.59%	1%	1,690,261
MEMBERS EQUITY BANK	1,000,000.00	0.59%	10%	16,902,608
NATIONAL AUSTRALIA BANK	43,037,656.98	25.46%	30%	50,707,825
NEWCASTLE PERMANENT BUILDING SOCIETY	2,000,000.00	1.18%	10%	16,902,608
ST GEORGE BANK	32,500,000.00	19.23%	30%	50,707,825
SUNCORP METWAY	8,001,817.58	4.73%	20%	33,805,217
TEACHERS MUTUAL BANK LTD	500,000.00	0.30%	10%	16,902,608
WESTPAC BANK	1,000,000.00	0.59%	30%	50,707,825
<b>TOTAL AT CALL, TERM DEPOSITS AND FRN'S</b>	<b>167,553,954.48</b>	<b>99.13%</b>		
<b>Grandfathered Investments</b>				
<b>Term Deposits</b>				
WAW CREDIT UNION	250,000.00	0.15%		
<b>FRN's</b>				
QLD TEACHERS MUTUAL BANK LTD	500,000.00	0.30%		
<b>CDO's</b>				
Lehman Brothers CDO	111,677.00	0.07%		
<b>TOTAL GRANDFATHERED INVESTMENTS</b>	<b>861,677.00</b>	<b>0.51%</b>		
<b>TOTAL CASH ASSETS, CASH EQUIVALENTS &amp; INVESTMENTS</b>	<b>169,026,084.30</b>	<b>100.00%</b>		

**SUMMARY**

Dubbo Regional Council outperformed the 11am Official Cash Rate market benchmark of 1.50%, with an average annualised return of 1.90% for its At Call investments for the month of October 2016. Council also outperformed the Bloomberg AusBond Bank Bill Index of 1.73%, with an average annualised return of 3.25% for its overall portfolio return and an average annualised return on its Term Deposits and Floating Rate Notes of 3.48% for the month of October 2016.



**REPORT: Annual Report on Complaint Statistics  
Under Council's Code of Conduct**

**AUTHOR: Director Organisational Services**

**REPORT DATE: 14 November 2016**

**TRIM REFERENCE: ID16/2122**

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**EXECUTIVE SUMMARY**

In accordance with Part 12.1 of the Procedures for the Administration of the Model Code of Conduct as issued by the NSW Government Department of Premier and Cabinet, in my capacity as Complaints Coordinator, I am required to report to Council within 3 months of the end of September each year on complaint statistics under Council's Code of Conduct.

**FINANCIAL IMPLICATIONS**

There are no financial implications arising from this report.

**POLICY IMPLICATIONS**

There are no policy implications arising from this report.

**RECOMMENDATION**

**That the information contained within this report be noted.**

*Craig Giffin*  
Director Organisational Services

REPORT

Part 12.1 of the Procedures for the Administration of the Model Code of Conduct as issued by the NSW Government Department of Premier and Cabinet, requires the Complaints Coordinator to report to Council within 3 months of the end of September each year on complaint statistics under Council's Code of Conduct as follows:

*"PART 12 REPORTING ON COMPLAINTS STATISTICS*

*12.1 The complaints coordinator must arrange for the following statistics to be reported to the council within 3 months of the end of September of each year:*

- a) the total number of code of conduct complaints made about councillors and the general manager under the code of conduct in the year to September,*
- b) the number of code of conduct complaints referred to a conduct reviewer,*
- c) the number of code of conduct complaints finalised by a conduct reviewer at the preliminary assessment stage and the outcome of those complaints,*
- d) the number of code of conduct complaints investigated by a conduct reviewer,*
- e) the number of code of conduct complaints investigated by a conduct review committee,*
- f) without identifying particular matters, the outcome of code of conduct complaints investigated by a conduct reviewer or conduct review committee under these procedures,*
- g) the number of matter reviewed by the Division and, without identifying particular matters, the outcome of the reviews, and*
- h) The total cost of dealing with code of conduct complaints made about councillors and the general manager in the year to September, including staff costs."*

This report covers complaints received during the period from 1 October 2015 to 30 September 2016.

I advise that one complaint was received during the subject period. Accordingly, I report as follows:

- a) the total number of code of conduct complaints made about councillors and the general manager under the code of conduct in the year to September – **one (1) complaint received,**
- b) the number of code of conduct complaints referred to a conduct reviewer – **one (1) complaint referred,**
- c) the number of code of conduct complaints finalised by a conduct reviewer at the preliminary assessment stage and the outcome of those complaints – **one (1) complaint finalised with the outcome being that no action be taken in relation to the complaint,**
- d) the number of code of conduct complaints investigated by a conduct reviewer - **one (1) complaint reviewed,**
- e) the number of code of conduct complaints investigated by a conduct review committee - **nil,**

- f) without identifying particular matters, the outcome of code of conduct complaints investigated by a conduct reviewer or conduct review committee under these procedures – **no action be taken in relation to the complaint,**
- g) the number of matters reviewed by the Division and, without identifying particular matters, the outcome of the reviews - **nil,** and
- h) The total cost of dealing with code of conduct complaints made about councillors and the general manager in the year to September, including staff costs - **\$5,900.**



**REPORT: Referral of the Former Wellington and Dubbo City Council Statements to Audit**

**AUTHOR: Manager Financial Accounting Services**

**REPORT DATE: 14 November 2016**

**TRIM REFERENCE: ID16/2123**

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**EXECUTIVE SUMMARY**

The Local Government Act 1993 requires that Council, by resolution, provide statements that the Financial Statements have been prepared in accordance with the relevant Acts, Standards and Codes of Accounting Practice, and that they present fairly the Council's financial position.

Statements are required to be made by the Administrator, Interim General Manager and Responsible Accounting Officer to enable the current draft Financial Statements and Special Purpose Financial Statements to be submitted for Audit. The audit is scheduled to be completed in the ensuing three weeks. Following completion of the audit Council's auditors, Luka Group, will provide a presentation on the final audited Financial Statements, to the December 2016 Ordinary meeting of Council.

**FINANCIAL IMPLICATIONS**

The attached draft Financial Statements and Special Purpose Financial Statements detail the financial performance of both the former Dubbo City and Wellington Councils for the period 1 July 2015 to 12 May 2016 and the financial position of both former Councils as at the 12 May 2016.

**POLICY IMPLICATIONS**

There are no policy implications arising from this report.



**RECOMMENDATION**

- 1. That the statement in accordance with Section 413(2)(c) of the Local Government Act 1993, and Clause 215 of the Local Government (General) Regulation 2005, for the General Purpose Financial Statements for the year ending 12 May 2016 be made for both the former Dubbo City and Wellington Councils.**
- 2. That the statement in accordance with the requirements of the Code of Accounting Practice in relation to the Special Purpose Financial Statements for the year ending 12 May 2016 be made for both the former Dubbo City and Wellington Councils.**
- 3. That the statements be signed by the Administrator, Interim General Manager and the Responsible Accounting Officer.**

*Wayne Sonneman*  
Manager Financial Accounting Services

REPORT

Section 413 of the Local Government Act 1993 requires that:

1. A Council must prepare financial reports for each year, and must refer them for audit as soon as practicable (having regard to the requirements of Section 416 (1)) after the end of that year.
2. A Council's financial reports must include:
  - a) a general purpose financial report; and
  - b) any other matters 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.
3. The general purpose financial report must be prepared in accordance with this Act and the regulations and the requirement of:
  - a) The publications issued by the Australian Accounting Standards Board, as in force for the time being, subject to the regulations, and
  - b) Such other standards as may be prescribed by the regulations.

The statement required by Section 413 (2) (c) and the Local Government (General) Regulation 2005, clause 215 requires the following:

- 215 (1) That the statement required by Section 413 (2) (c) of the Act must:
- a) be made by resolution of the Council, and
  - b) be signed by:
    - i) the Mayor; and
    - ii) at least one other member of the Council; and
    - iii) the Responsible Accounting Officer; and
    - iv) the General Manager (if not the responsible accounting officer)
- 215 (2) The statement must indicate:
- a) whether or not the Council's annual financial reports have been drawn up in accordance with:
    - i) The Act and this Regulation; and
    - ii) The Code and the Manual; and
    - iii) The Australian Accounting Standards issued by the Australian Accounting Standards Board, and
  - b) whether or not those reports present fairly the Council's financial position and operating result for the year; and

- c) whether or not those reports accord with the council's accounting and other records; and
- d) whether or not the signatories know of anything that would make those reports false or misleading in any way,

and include such information and explanations as will prevent those reports from being misleading because of any qualification that is included in the statement.

- 215 (3) The council must ensure that the statement is attached to the relevant annual financial reports.

The proclamation merging the former Dubbo City and Wellington Councils removed the Mayor, Deputy Mayor and Councillors of both former Councils, and appointed an Administrator who acts as the Council until the September 2017 Council elections. In accordance with the proclamation, the Administrator carries out the functions of the Council, and where the Mayor and or Councillors are mentioned in the Sections of the Local Government Act above, the Administrator fulfils those roles.

The proclamation also specified that the financial reporting period for the former councils subject to the merger commence from the 1 July, 2015 and conclude on the 12 May, 2016.

It should also be noted that the proclamation merging the two Councils also provided for an extension of the completion timetable of the Financial Statements, with the statements requiring to be presented by the Council and submitted to the Office of Local Government prior to 31 December 2016.

The Financial Statements of Council have been prepared to comply with the requirements of the Local Government Act 1993, the Australian Accounting Standards, the Local Government Code and Manual. Copies of the Financial Statements have been provided as an attachment to this report (**Appendix 1 and 2**).

A statement must also be made in relation to the Special Purpose Financial Statements. The statement must be made by resolution of Council, signed by the Administrator, the Interim General Manager and the Responsible Accounting Officer.

The statement by Council must indicate whether or not the Council's Special Purpose Financial Reports have been drawn up in accordance with the Code and Manual.

The Special Purpose Financial Statements have been drawn up in accordance with the Local Government Code of Accounting Practice and Financial Reporting and the Department of Local Government guidelines "Pricing and Costing for Council Businesses: A Guide to Competitive Neutrality."

As indicated above, the statements are required to be made to enable the Financial Statements and the Special Purpose Financial Statements to be submitted for audit. The statements are included within **Appendix 1** and **Appendix 2**. The audit is scheduled to be completed in the ensuing three weeks. Following completion of the audit, Council's Auditors, Luka Group, will provide a presentation on the Financial Statements to the December 2016 Ordinary meeting of Council.

Appendices:

- 1 Former Wellington Council Financial Statements 2015-2016 Referral to Audit
- 2 Former Dubbo City Council Financial Statements 2015-2016 Referral to Audit

# The former Wellington Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the period 1 July 2015 to 12 May 2016

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*"...a safe, vibrant, progressive community,  
which is renowned for its beauty and character."*



## The former Wellington Council

### General Purpose Financial Statements for the period 1 July 2015 to 12 May 2016

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#### Overview

- (i) These financial statements are General Purpose Financial Statements and cover the operations for the former Wellington Council.
- (ii) The former Wellington Council is a body politic of NSW, Australia – being constituted as a local government area by proclamation and is duly empowered by the Local Government Act 1993 (LGA).
- Council's Statutory Charter is detailed in Paragraph 8 of the LGA and includes giving Council;
- the ability to provide goods, services and facilities, and to carry out activities appropriate to the current and 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 Dubbo Regional Council on 12 December 2016. Council has the power to amend and reissue these financial statements.
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## The former Wellington Council

### General Purpose Financial Statements for the period 1 July 2015 to 12 May 2016

#### Understanding Council's financial statements

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##### Introduction

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

##### What you will find in the statements

The financial statements set out the financial performance, financial position and cash flows of Council for the reporting period 1/7/15 to 12/5/16.

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

##### About the Councillor/Management Statement

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

##### About the primary financial statements

The financial statements incorporate five 'primary' financial statements:

###### 1. The Income Statement

This statement summarises Council's financial performance for the period, listing all income and expenses.

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

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

This statement primarily records changes in the fair values of Council's infrastructure, property, plant and equipment.

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

This statement is an end of period snapshot of Council's financial position indicating its assets, liabilities and equity ('net wealth').

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

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

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

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

##### About the Notes to the Financial Statements

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

##### About the Auditor's Reports

Council's financial statements are required to be audited by external accountants (that generally specialise 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 and position, and
2. Their observations on the conduct of the audit, including commentary on the Council's financial performance and financial position.

##### Who uses the financial statements?

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

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

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

##### More information

A review of Council's financial performance and position for the current (and past) reporting period/s can be found at Note 28 of the financial statements.

## The former Wellington Council

### General Purpose Financial Statements for the period 1 July 2015 to 12 May 2016

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

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

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

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

- present fairly the Council's operating result and financial position for the period, 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 Dubbo Regional Council made on 28 November 2016.**

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Michael Knelpp  
Administrator

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Mark Riley  
Interim General Manager

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Craig Giffin  
Responsible Accounting Officer



The former Wellington Council

Income Statement

for the period 1 July 2015 to 12 May 2016

Budget <sup>1</sup>			Actual	Actual
1/7/15			1/7/15	1/7/14
to 30/6/16	\$ '000	Notes	to 12/5/16	to 30/6/15
<b>Income from continuing operations</b>				
<i>Revenue:</i>				
n/a	Rates and annual charges	3a	8,464 <sup>2</sup>	8,757
n/a	User charges and fees	3b	5,303	5,901
n/a	Interest and investment revenue	3c	792	955
n/a	Other revenues	3d	341	656
n/a	Grants and contributions provided for operating purposes	3e,f	6,839 <sup>3</sup>	6,607
n/a	Grants and contributions provided for capital purposes	3e,f	2,595	5,554
<i>Other income:</i>				
n/a	Net gains from the disposal of assets	5	145	388
n/a	Net share of interests in joint ventures and associates using the equity method	19	4	3
n/a	<b>Total income from continuing operations</b>		<b>24,483</b>	<b>28,821</b>
<b>Expenses from continuing operations</b>				
n/a	Employee benefits and on-costs	4a	6,588	7,602
n/a	Borrowing costs	4b	558	666
n/a	Materials and contracts	4c	5,009	4,951
n/a	Depreciation and amortisation	4d	5,904	7,026
n/a	Impairment	4d	-	-
n/a	Other expenses	4e	2,084	2,474
n/a	<b>Total expenses from continuing operations</b>		<b>20,143</b>	<b>22,719</b>
n/a	<b>Operating result from continuing operations</b>		<b>4,340</b>	<b>6,102</b>
<b>Discontinued operations</b>				
n/a	Net profit/(loss) from discontinued operations	24	-	-
n/a	<b>Net operating result for the period</b>		<b>4,340</b>	<b>6,102</b>
n/a	<b>Net operating result attributable to Council</b>		<b>4,340</b>	<b>6,102</b>
n/a	<b>Net operating result attributable to non-controlling interests</b>		<b>-</b>	<b>-</b>
n/a	<b>Net operating result for the period before grants and contributions provided for capital purposes</b>		<b>1,745</b>	<b>548</b>

<sup>1</sup> Original budget as approved by Council is not required for these financial statements

<sup>2</sup> Rates are recognised as revenue at the commencement of the rating year for the period 1/7/15 to 30/6/16. No adjustments have been made for rates not earned during the period 13/5/16 to 30/6/16.

<sup>3</sup> Federal Assistance Grants (FAGs) are recognised as revenue upon their receipt or upon earlier notification that the grant has been secured. As such the revenue for FAGs includes the last quarter FAG payment received on 17/5/16.

The former Wellington Council

Statement of Comprehensive Income  
for the period 1 July 2015 to 12 May 2016

\$ '000	Notes	Actual 1/7/15 to 12/5/16	Actual 1/7/14 to 30/6/15
<b>Net operating result for the period</b> (as per Income Statement)		<b>4,340</b>	<b>6,102</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)	1,771	36,204
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>1,771</b>	<b>36,204</b>
Amounts which will be reclassified subsequently to the operating result when specific conditions are met			
Nil			
<b>Total other comprehensive income for the period</b>		<b>(971)</b>	<b>36,204</b>
<b>Total comprehensive income for the period</b>		<b>3,369</b>	<b>42,306</b>
<b>Total comprehensive income attributable to Council</b>		<b>3,369</b>	<b>42,306</b>
<b>Total comprehensive income attributable to non-controlling interests</b>		<b>-</b>	<b>-</b>

The former Wellington Council

Statement of Financial Position  
as at 12 May 2016

\$ '000	Notes	Actual 12/5/16	Actual 30/6/15
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6a	11,088	9,850
Investments	6b	5,805	8,682
Receivables	7	4,188	4,258
Inventories	8	456	482
Other	8	273	128
Non-current assets classified as 'held for sale'	22	-	-
<b>Total current assets</b>		<b>21,810</b>	<b>23,400</b>
<b>Non-current assets</b>			
Investments	6b	16,793	9,090
Receivables	7	385	393
Inventories	8	-	-
Infrastructure, property, plant and equipment	9	315,337	317,446
Investments accounted for using the equity method	19	242	238
Investment property	14	-	-
Intangible assets	25	-	-
<b>Total non-current assets</b>		<b>332,757</b>	<b>327,167</b>
<b>TOTAL ASSETS</b>		<b>354,567</b>	<b>350,567</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	10	2,608	1,687
Borrowings	10	388	406
Provisions	10	1,622	2,755
<b>Total current liabilities</b>		<b>4,618</b>	<b>4,848</b>
<b>Non-current liabilities</b>			
Payables	10	-	-
Borrowings	10	8,923	9,267
Provisions	10	2,734	1,529
<b>Total non-current liabilities</b>		<b>11,657</b>	<b>10,796</b>
<b>TOTAL LIABILITIES</b>		<b>16,275</b>	<b>15,644</b>
<b>Net assets</b>		<b>338,292</b>	<b>334,923</b>
<b>EQUITY</b>			
Retained earnings	20	181,359	177,019
Revaluation reserves	20	156,933	157,904
Council equity interest		338,292	334,923
Non-controlling equity interests		-	-
<b>Total equity</b>		<b>338,292</b>	<b>334,923</b>

This statement should be read in conjunction with the accompanying notes.

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The former Wellington Council

Statement of Changes in Equity  
for the period 1 July 2015 to 12 May 2016

\$ '000	Notes	Retained earnings	Reserves (Refer 20b)	Council interest	Non-controlling Interest	Total equity
<b>1/7/15 to 12/5/16</b>						
<b>Opening balance</b> (as per last year's audited accounts)		177,019	157,904	334,923	–	334,923
a. Correction of prior period errors	20 (c)	–	–	–	–	–
b. Changes in accounting policies (prior year effects)	20 (d)	–	–	–	–	–
<b>Revised opening balance</b> (as at 1/7/15)		<b>177,019</b>	<b>157,904</b>	<b>334,923</b>	<b>–</b>	<b>334,923</b>
c. Net operating result for the period		4,340	–	4,340	–	4,340
d. Other comprehensive income						
– Revaluations: IPP&E asset revaluation rsve	20b (ii)	–	1,771	1,771	–	1,771
– Asset Disposal	20b (ii)	–	(2,742)	(2,742)	–	(2,742)
<b>Other comprehensive income</b>		<b>–</b>	<b>(971)</b>	<b>(971)</b>	<b>–</b>	<b>(971)</b>
<b>Total comprehensive income</b> (c&d)		<b>4,340</b>	<b>(971)</b>	<b>3,369</b>	<b>–</b>	<b>3,369</b>
e. Distributions to/(contributions from) non-controlling Interests		–	–	–	–	–
f. Transfers between equity		–	–	–	–	–
<b>Equity – balance at end of the reporting period</b>		<b>181,359</b>	<b>156,933</b>	<b>338,292</b>	<b>–</b>	<b>338,292</b>

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non-controlling Interest	Total Equity
<b>1/7/14 to 30/6/15</b>						
<b>Opening balance</b> (as per last year's audited accounts)		170,917	121,700	292,617	–	292,617
a. Correction of prior period errors	20 (c)	–	–	–	–	–
b. Changes in accounting policies (prior year effects)	20 (d)	–	–	–	–	–
<b>Revised opening balance</b> (as at 1/7/14)		<b>170,917</b>	<b>121,700</b>	<b>292,617</b>	<b>–</b>	<b>292,617</b>
c. Net operating result for the year		6,102	–	6,102	–	6,102
d. Other comprehensive income						
– Revaluations: IPP&E asset revaluation rsve	20b (ii)	–	36,204	36,204	–	36,204
<b>Other comprehensive income</b>		<b>–</b>	<b>36,204</b>	<b>36,204</b>	<b>–</b>	<b>36,204</b>
<b>Total comprehensive income</b> (c&d)		<b>6,102</b>	<b>36,204</b>	<b>42,306</b>	<b>–</b>	<b>42,306</b>
e. Distributions to/(contributions from) non-controlling Interests		–	–	–	–	–
f. Transfers between equity		–	–	–	–	–
<b>Equity – balance at end of the year</b>		<b>177,019</b>	<b>157,904</b>	<b>334,923</b>	<b>–</b>	<b>334,923</b>

This statement should be read in conjunction with the accompanying notes.

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The former Wellington Council

Statement of Cash Flows

for the period 1 July 2015 to 12 May 2016

Budget <sup>1</sup>		Actual	Actual
1/7/15		1/7/15	1/7/14
to 30/6/16	\$ '000	to 12/5/16	to 30/6/15
	Notes		
<b>Cash flows from operating activities</b>			
<b>Receipts:</b>			
n/a	Rates and annual charges	6,812	8,693
n/a	User charges and fees	6,599	6,154
n/a	Investment and interest revenue received	842	905
n/a	Grants and contributions	9,068	10,947
n/a	Other	2,902	1,270
<b>Payments:</b>			
n/a	Employee benefits and on-costs	(6,583)	(7,709)
n/a	Materials and contracts	(5,605)	(5,569)
n/a	Borrowing costs	(593)	(619)
n/a	Other	(2,820)	(3,000)
n/a	<b>Net cash provided (or used in) operating activities</b>	<b>10,622</b>	<b>11,072</b>
<b>Cash flows from investing activities</b>			
<b>Receipts:</b>			
n/a	Sale of investment securities	8,682	11,262
n/a	Sale of infrastructure, property, plant and equipment	1,010	1,136
<b>Payments:</b>			
n/a	Purchase of investment securities	(13,554)	(11,182)
n/a	Purchase of infrastructure, property, plant and equipment	(2,418)	(5,034)
n/a	Other investing activity payments	(2,742)	-
n/a	<b>Net cash provided (or used in) investing activities</b>	<b>(9,022)</b>	<b>(3,818)</b>
<b>Cash flows from financing activities</b>			
<b>Receipts:</b>			
Nil			
<b>Payments:</b>			
n/a	Repayment of borrowings and advances	(362)	(383)
n/a	<b>Net cash flow provided (used in) financing activities</b>	<b>(362)</b>	<b>(383)</b>
n/a	<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,238</b>	<b>6,871</b>
n/a	Plus: cash and cash equivalents – beginning of reporting period	9,850	2,979
n/a	<b>Cash and cash equivalents – end of reporting period</b>	<b>11,088</b>	<b>9,850</b>
Additional Information:			
	plus: Investments on hand – end of reporting period	22,598	17,772
	<b>Total cash, cash equivalents and investments</b>	<b>33,686</b>	<b>27,622</b>

<sup>1</sup> The original budget as approved by Council is not required for these financial statements

Please refer to Note 11 for additional cash flow information

This statement should be read in conjunction with the accompanying notes.

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## The former Wellington Council

### Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

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n/a – not applicable

## The former Wellington Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 1. Summary of significant accounting policies

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

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

##### (a) Basis of preparation

###### (i) Background

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

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

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

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

Because AASBs are sector neutral, some standards either:

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

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

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

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

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

###### (iv) Early adoption of accounting standards

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

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

###### (v) Basis of accounting

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

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

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

###### (vi) Changes in accounting policies

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

## The former Wellington Council

### Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

#### Note 1. Summary of significant accounting policies (continued)

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

##### (vii) Critical accounting estimates

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

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

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

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

Council makes estimates and assumptions concerning the future.

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

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

##### (i) Preparation of the financial statements on a going concern basis

AASB 101 states that an entity shall prepare financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so.

Whilst the former Wellington Council has been amalgamated into Dubbo Regional Council from 13 May 2016, Council believes that the going concern basis for preparation of the financial statements for the period 1 July 2015 to 12 May 2016 is appropriate for the following reasons:

- The business of the Council is continuing through the Dubbo Regional Council
- The Local Government (Council Amalgamations) Proclamation 2016 ensures:

- all relevant staff, assets, rights, liabilities and responsibilities of former councils are transferred to new councils

- new councils can commence operations on day one with minimal disruption to the delivery of services, council operations and staff duties

- any reference in any document to a former council is to be read as a reference to the new council, and that anything done by a former council before the amalgamation is taken to have been done by the new council.

- The former Wellington Council has not been liquidated nor has trading ceased.

(ii) Estimated fair values of investment properties

(iii) Estimated fair values of infrastructure, property, plant and equipment,

(iv) Estimated remediation provisions.

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

##### (b) Revenue recognition

###### **Income recognition as a result of Council's amalgamation**

The former Wellington Council was amalgamated on 12 May 2016 into Dubbo Regional Council.

In accordance with the Australian Accounting Standards the former Wellington Council has had to recognise 100% of the rates revenue for the 2015/16 rating year as control over assets acquired from rates is obtained at the commencement of the rating year or where earlier upon receipt of the rates.

The former Wellington Council has also recognised 100% of the Federal Assistance Grants (FAGs) revenue as grants are recognised upon receipt or upon earlier notification that the grant has been secured.



## The former Wellington Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 1. Summary of significant accounting policies (continued)

As a consequence these financial statements include all the rates and FAGs revenue for the period from 1 July 2015 to 30 June 2016 but expenditure obligations only for the period 1 July 2015 to 12 May 2016.

Expenditure obligations for the period from 13 May 2016 to 30 June 2016 will be included in the financial statements of Dubbo Regional Council.

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

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

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

Revenue is measured on major income categories as follows:

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

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

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

Rates and annual charges are recognised as revenue for the period 1 July to 30 June 2016. No adjustments have been made for rates not earned during the period 13/05/2016 to 30/06/2016.

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

Control over granted assets/contributed assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been

secured, and is valued at their fair value at the date of transfer.

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

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

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

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.

## The former Wellington Council

### Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

#### Note 1. Summary of significant accounting policies (continued)

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

#### Sale of infrastructure, property, plant and equipment

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

#### Interest and rents

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

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

#### Dividend income

Revenue is recognised when the Council's right to receive the payment is established, which is generally when shareholders approve the dividend.

#### Other Income

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

#### (c) Principles of consolidation

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

##### (i) The Consolidated Fund

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

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

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

- *General Purpose Operations*
- *Water Supply*
- *Sewerage Service*

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

- *Sports Advisory & Facilities Committee*
- *Fowler Steam Engine Committee*
- *Community Services Committee*
- *Heritage Cultural Committee*
- *Traffic Committee*
- *Showground Advisory Committee*
- *Crime Prevention Committee*
- *Senior Citizens & Access Advisory Committee*
- *MR353 Committee*
- *Australia Day Committee*
- *Caves Advisory Committee*
- *Reserves Committee*
- *Burrendong State Park Trust*
- *Macquarie Regional Library*
- *Country Public Libraries Association*
- *Central West Regional Group of Councils*
- *NSW Flood Mitigation Authority, LGSA Water Supply Committee & LG Water Resources Committee*
- *"C" Division Shires Association*
- *Mount Arthur Reserve Trust*
- *Burrendong Arboretum Trust*
- *Cudgegong River Caravan Park Trust*
- *Burrendong Volunteer Rescue Squad*
- *Local Emergency Management Committee*
- *Central West District Emergency Management Committee*
- *Wellington Local Fire Management Committee & Wellington Fire District Liaison Committee*
- *CENTROC Weight of Loads Group*
- *Macquarie Valley Plants Eradication Advisory Committee*
- *WBC Strategic Alliance Committee*
- *Wellington Community Aboriginal Working Party*
- *Wellington Learning Community*
- *Wellington Correctional Committee*
- *Joint Regional Planning Panel*
- *Bushfire Management Committee*
- *Rural Fire Service Captains & Group Captains Committee*
- *Rural Fire Service Wellington Liaison Committee*
- *Corrective Services NSW South Western Region Community Consultative Committee*

## The former Wellington Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 1. Summary of significant accounting policies (continued)

- *Wellington Community Services Interagency Committee*
- *Binjang Community Radio*
- *Regional Governing Committee*
- *WINS*

#### (ii) The trust fund

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

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

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

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

#### (iii) Interests in other entities

##### Subsidiaries

Council has no interest in any subsidiaries.

##### Joint arrangements

Council has no interest in any joint arrangements.

##### Joint ventures

Joint ventures represent operational arrangements where the joint control parties have rights to the net assets of the arrangement.

Any interests in joint ventures are accounted for using the equity method and are carried at cost.

Under the equity method, Council's share of the operation's profits/(losses) are recognised in the income statement, and its share of movements in retained earnings and reserves are recognised in the balance sheet.

Detailed information relating to Council's joint ventures can be found at Note 19 (b).

##### Associates

Council has no interest in any associates.

##### County councils

Council is not a member of any county councils.

##### Unconsolidated structured entities

Council has no interest in any unconsolidated structured entities.

#### (d) Leases

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

##### Finance leases

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

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

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

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

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

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

##### Operating Leases

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

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

## The former Wellington Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 1. Summary of significant accounting policies (continued)

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

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

#### (e) Cash and Cash Equivalents

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

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

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

#### (f) Investments and other financial assets

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

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

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

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

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

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

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

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

#### (ii) Loans and receivables

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

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

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

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

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

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

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

#### (iv) Available-for-sale financial assets

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

## The former Wellington Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 1. Summary of significant accounting policies (continued)

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

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

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

#### Financial assets – reclassification

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

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

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

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

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

#### General accounting and measurement of financial instruments:

##### (i) Initial recognition

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

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

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

##### (ii) Subsequent measurement

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

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

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

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

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

#### Impairment

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

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if

## The former Wellington Council

### Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

#### Note 1. Summary of significant accounting policies (continued)

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 invest in accordance with (and to comply with) section 625 of the *Local Government Act* and s212 of the LG (General) Regulation 2005.

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

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

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

##### (g) Fair value estimation – financial instruments

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

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

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

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

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

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

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

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

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

##### (h) Receivables

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

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

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

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

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

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

## The former Wellington Council

### Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

#### Note 1. Summary of significant accounting policies (continued)

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

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

#### (i) Inventories

##### (i) 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.

##### (ii) Land held for resale/capitalisation of borrowing costs

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

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

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

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

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

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

##### Acquisition of assets

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

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

- **Plant and equipment**  
(as approximated by depreciated historical cost)
- **Operational land** (external valuation)
- **Community land** (internal valuation)
- **Land improvements**  
(as approximated by depreciated historical cost)
- **Buildings – specialised/non-specialised**  
(external valuation)
- **Other structures**  
(external valuation)
- **Roads assets including roads, bridges and footpaths**  
(internal valuation)
- **Bulk earthworks** (internal valuation)
- **Stormwater drainage** (internal valuation)
- **Water and sewerage networks**  
(internal valuation)
- **Swimming pools**  
(external valuation)
- **Other open space/recreational assets**  
(external valuation)
- **Other assets**  
(as approximated by depreciated historical cost)

## The former Wellington Council

### Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

#### Note 1. Summary of significant accounting policies (continued)

Due to the proclamation date of 12 May 2016, the Council had not completed revaluations for the 2015 / 2016 reporting period and therefore the following assets have not been revalued for these financial statements:

- Community Land

Council has assessed the current carrying values of the above Asset Classes and do not believe that (at balance date) it is materially different from their fair value.

#### Initial recognition

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

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

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

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

#### Subsequent costs

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

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

#### Asset revaluations (including indexation)

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

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

Water and sewerage network assets are indexed annually between full revaluations in accordance with the latest indices provided by DPI Water.

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;

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

<b>Plant and Equipment</b>	
Office Furniture	> \$5,000
Office Equipment	> \$5,000
Other Plant and Equipment	100% Capitalised



The former Wellington Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 1. Summary of significant accounting policies (continued)

<b>Buildings and Land Improvements</b>		<b>Stormwater Drainage</b>	
Park Furniture and Equipment	> \$5,000	- Drains	80 to 200 years
Building		- Culverts	50 to 100 years
- construction/extensions	> \$5,000		
- renovations	> \$5,000	<b>Transportation Assets</b>	
Other Structures	> \$5,000	- Sealed Roads :	15 years
		Structure	10 to 15 years
		- Unsealed roads	100 years
		- Bridges	
		- Road Pavements	60 years
		- Kerb, Gutter and Paths	40 to 200 years
<b>Water and Sewer Assets</b>		<b>Water and Sewer Assets</b>	
Reticulation extensions	> \$5,000	- Dams and reservoirs	80 to 100 years
Other	> \$5,000	- Bores	20 to 40 years
		- Reticulation pipes : PVC	80 years
		- Reticulation pipes : Other	25 to 75 years
		- Pumps and telemetry	15 to 20 years
<b>Stormwater Assets</b>		<b>Other Infrastructure Assets</b>	
Drains and Culverts	> \$10,000	- Bulk earthworks	Infinite
Other	> \$10,000	- Swimming Pools	5 to 50 years
		- Other Open Space/ Recreational Assets	15 to 80 years
<b>Transport Assets</b>			
Road construction and reconstruction	> \$10,000		
Reseal/Re-sheet and major repairs:	> \$10,000		
Bridge construction and reconstruction	> \$10,000		
<b>Other Infrastructure Assets</b>			
Swimming Pools	> \$5,000		
Other Open Space/Recreational Assets	> \$5,000		
<b>Depreciation</b>			
Depreciation on Council's infrastructure, property, plant and equipment assets is calculated using the straight-line method in order to allocate an asset's cost (net of residual values) over its estimated useful life.			
Land is not depreciated.			
Estimated useful lives for Council's I,PPandE include:			
<b>Plant and Equipment</b>		<b>Disposal and derecognition</b>	
- Office Equipment	1 to 8 years	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.	
- Office furniture	1 to 8 years	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.	
- Computer Equipment	1 to 8 years		
- Vehicles	5 to 8 years		
- Heavy Plant/Road Making equip.	5 to 8 years		
- Other plant and equipment	5 to 15 years		
<b>Other Equipment</b>			
- Playground equipment	5 to 15 years		
- Benches, seats etc	10 to 20 years		
<b>Buildings</b>			
- Buildings : Masonry	50 to 100 years		
- Buildings : Other	20 to 40 years		

## The former Wellington Council

### Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

#### Note 1. Summary of significant accounting policies (continued)

##### (k) Land

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

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

##### (l) Land under roads

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

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

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

##### (m) Intangible assets

Council has not classified any assets as intangible.

##### (n) Crown reserves

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

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

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

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

##### (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 and/or buildings that are principally held for long-term rental yields, capital gains or both, that is not occupied by Council.

Council has no investment property.

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

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

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

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

Costs are estimated on the basis of a closure plan.

## The former Wellington Council

### Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

#### Note 1. Summary of significant accounting policies (continued)

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

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

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

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

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

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

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

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

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

These costs are charged to the Income Statement.

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

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

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

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

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

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

#### **(r) Non-current assets (or disposal groups) 'held for sale' and discontinued operations**

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

The exception to this is plant and motor vehicles, which are turned over on a regular basis. Plant and motor vehicles are retained in non-current assets under the classification of infrastructure, property, plant and equipment – unless the assets are to be traded in after 12 May and the replacement assets were already purchased and accounted for as at 12 May.

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

## The former Wellington Council

### Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

#### Note 1. Summary of significant accounting policies (continued)

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

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

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

The results of discontinued operations are presented separately on the face of the Income Statement.

#### (s) Impairment of assets

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

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

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

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

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

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

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

#### (t) Payables

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

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

#### (u) Borrowings

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

Borrowings are subsequently measured at amortised cost.

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

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

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

#### (v) Borrowing costs

Borrowing costs are expensed.

#### (w) Provisions

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

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

## The former Wellington Council

### Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

#### Note 1. Summary of significant accounting policies (continued)

Provisions are not recognised for future operating losses.

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

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

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

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

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

#### (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 wholly settled within the 12 months after the reporting period.

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

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

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

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

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

##### (ii) Other long-term obligations

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

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

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

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

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

##### (iii) Retirement benefit obligations

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

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

##### Defined benefit plans

A liability or asset in respect of defined benefit superannuation plans would ordinarily be recognised in the 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 former Wellington Council

### Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

#### Note 1. Summary of significant accounting policies (continued)

the superannuation fund's assets at that date and any unrecognised past service cost.

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

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

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

This scheme has been deemed to be a 'multi-employer fund' for the purposes of AASB 119.

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

The last valuation of the scheme was performed by Mr Richard Boyfield (FIAA) on 24/02/16 and covers the period ended 30/06/16.

However the position is monitored annually and the actuary has estimated that as at 12 May 2016 the prior period deficit still exists.

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

The amount of employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense and disclosed as part of superannuation expenses at Note 4 (a) for the period ending 12 May 2016 was \$ 290,658.

The amount of additional contributions included in the total employer contribution advised above is \$152,921.

The share of this deficit that can be broadly attributed to Council is estimated to be in the order of \$ 255,179 as at 12 May 2016.

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 period 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 12/05/16.

#### (y) Self-insurance

Council does not self-insure.

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

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

## The former Wellington Council

### Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

#### Note 1. Summary of significant accounting policies (continued)

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

##### Exceptions

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

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

##### (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 and Services Tax (GST)

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

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

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

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

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

Investing and financing cash flows are treated on a net basis (where recoverable from the ATO), i.e. they are exclusive of GST. Instead, the GST component of investing and financing activity cash

flows that are recoverable from or payable to the ATO are classified as operating cash flows.

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

##### (ab) New accounting standards and Interpretations issued (not yet effective)

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 12 May 2016.

Council has not adopted any of these standards early.

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

Council's assessment of the impact of upcoming new standards and interpretations that are likely to have an effect are set out below.

##### AASB 9 – Financial Instruments

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement and has an effective date for reporting periods beginning on or after 1 January 2018 (and must be applied retrospectively).

The overriding impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets and financial liabilities.

These requirements are designed to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.

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

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

## The former Wellington Council

### Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

#### Note 1. Summary of significant accounting policies (continued)

Council is yet to undertake a detailed assessment of the impact of AASB 9.

##### **AASB 15 – Revenue from Contracts with Customers and associated amending standards**

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

AASB 15 will introduce a 5-step process for revenue recognition with the core principle of the new standard being that entities recognise revenue so as to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expects to be entitled in exchange for those goods or services.

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

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2018.

Council is yet to undertake a detailed assessment of the impact of AASB 15.

##### **AASB ED 260 Income of Not-for-Profit Entities**

The AASB previously issued exposure draft AASB ED 260 on Income of Not-for-Profit Entities in April 2015.

The exposure draft proposed specific not-for-profit entity requirements and guidance when applying the principles of AASB 15 to income from certain transactions.

Much of the material in AASB 1004 is expected to be replaced by material included in AASB ED 260.

Specific revenue items that may considerably change are Grants and Contributions.

The most likely financial statement impact is the deferred recognition of Grants and Contributions (i.e. recognition as unearned revenue [liability]) until Council has met the associated performance obligation/s relating to the Grants or Contribution.

At this stage there is no specific date of release for a standard nor a date of applicability.

##### **AASB16 – Leases**

AASB 116 Leases replaces AASB 117 Leases and some associated lease-related Interpretations.

AASB 16 introduces a single lease accounting model (for lessees) that will require all leases to be accounted for on the balance sheet (ie. recognition of both a right-of-use asset and a corresponding lease) for all leases with a term of more than 12 months unless the underlying assets are determined to be of 'low value'. There will also be detailed disclosure requirements for all lessees.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2019.

Council is yet to undertake a detailed assessment of the accounting impacts from AASB 16. However, based on preliminary assessments, impacts from the first time adoption of the standard are likely to include:

- a significant increase in lease assets and financial liabilities recognised on the balance sheet,
- a reduction in reported equity as the carrying amount of lease assets will reduce more quickly than the carrying amount of lease liabilities,
- lower operating cash outflows and higher financing cash flows in the statement of cash flows as principal repayments on all lease liabilities will now be included in financing activities rather than operating activities.

##### **AASB2015-6 – Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities**

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

This means that Council will be required to disclose information about related parties and Council transactions with those related parties.

Related parties will more than likely include the Mayor, Councillors and certain Council staff. In



## The former Wellington Council

### Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

#### Note 1. Summary of significant accounting policies (continued)

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addition, the close family members of those people and any organisations that they control or are associated with will be classified as related parties (and fall under the related party reporting requirements).

#### **AASB 2014 – 10 Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture**

The amendments address an acknowledged inconsistency between the requirements in AASB 10 and those in AASB 128 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture.

The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not).

A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

The effective date of this standard is for annual reporting periods beginning on or after 1 January 2018.

This standard will only impact Council where there has been a sale or contribution of assets between the entity and the associate/joint venture.

#### **(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.

## The former Wellington Council

## Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

## Note 2(a). Council functions/activities – financial information

Functions/activities	Income, expenses and assets have been directly attributed to the following functions/activities. Details of these functions/activities are provided in Note 2(b).													
	Income from continuing operations			Expenses from continuing operations			Operating result from continuing operations			Grants included in income from continuing operations		Total assets held (current & non-current)		
	Original budget <sup>1</sup> 1/7/15 to 30/6/16	Actual 1/7/15 to 12/5/16	Actual 1/7/14 to 30/6/15	Original budget <sup>1</sup> 1/7/15 to 30/6/16	Actual 1/7/15 to 12/5/16	Actual 1/7/14 to 30/6/15	Original budget <sup>1</sup> 1/7/15 to 30/6/16	Actual 1/7/15 to 12/5/16	Actual 1/7/14 to 30/6/15	Actual 1/7/15 to 12/5/16	Actual 1/7/14 to 30/6/15	Actual 1/7/15 to 12/5/16	Actual 1/7/14 to 30/6/15	
Governance	n/a	–	–	n/a	1,130	1,200	n/a	(1,130)	(1,200)	–	–	–	–	
Administration	n/a	369	831	n/a	1,296	1,602	n/a	(927)	(771)	–	–	20,490	17,610	
Public order and safety	n/a	305	698	n/a	822	896	n/a	(517)	(198)	275	607	4,945	5,124	
Health	n/a	1	5	n/a	(3)	59	n/a	4	(54)	–	–	–	–	
Environment	n/a	1,432	1,792	n/a	1,586	1,640	n/a	(154)	152	95	167	12,119	11,832	
Community services and education	n/a	306	284	n/a	419	406	n/a	(113)	(122)	295	270	827	984	
Housing and community amenities	n/a	230	269	n/a	531	640	n/a	(301)	(371)	45	74	4,033	3,995	
Water supplies	n/a	2,740	2,898	n/a	2,161	2,388	n/a	579	510	29	40	24,543	23,650	
Sewerage services	n/a	1,858	2,141	n/a	1,803	2,082	n/a	55	59	34	36	25,175	24,997	
Recreation and culture	n/a	922	377	n/a	2,214	2,033	n/a	(1,292)	(1,656)	783	179	12,700	11,348	
Mining, manufacturing and construction	n/a	54	86	n/a	64	79	n/a	(10)	7	–	–	161	167	
Transport and communication	n/a	4,773	8,282	n/a	6,967	7,845	n/a	(2,194)	437	1,083	760	243,077	241,900	
Economic affairs	n/a	1,165	848	n/a	1,152	1,849	n/a	13	(1,001)	528	41	5,408	8,453	
<b>Total functions and activities</b>	–	14,155	18,511	–	20,142	22,719	–	(5,987)	(4,208)	3,167	2,174	353,478	350,060	
Share of gains/(losses) in associates and joint ventures (using the equity method)	n/a	4	3	n/a	–	–	n/a	4	3	–	–	242	238	
General purpose income <sup>2</sup>	n/a	10,323	10,307	n/a	–	–	n/a	10,323	10,307	3,848	3,829	847	269	
<b>Operating result from continuing operations</b>	–	24,483	28,821	–	20,143	22,719	–	4,340	6,102	7,015	6,003	354,567	350,567	

1. Original Budget disclosures are not required for these financial statements.

2. Includes: rates and annual charges (Incl. ex-gratia), untied general purpose grants and unrestricted interest and investment income.

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## The former Wellington Council

### Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

#### Note 2(b). Council functions/activities – component descriptions

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

##### **GOVERNANCE**

Includes costs relating to Council's role as a component of democratic government, including elections, members' fees and expenses, subscriptions to local authority associations, meetings of Council and policy-making committees, public disclosure (e.g. GIPA), and legislative compliance.

##### **ADMINISTRATION**

Includes corporate support and other support services, engineering works, and any Council policy compliance.

##### **PUBLIC ORDER AND SAFETY**

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

##### **HEALTH**

Includes immunisation, food control, health centres etc.

##### **ENVIRONMENT**

Includes noxious plants and insect/vermin control; other environmental protection; solid waste management, including domestic waste; other waste management; other sanitation; and garbage, street cleaning, drainage and stormwater management.

##### **COMMUNITY SERVICES AND EDUCATION**

Includes administration and education; social protection (welfare); migrant, Aboriginal and other community services and administration (excluding accommodation – as it is covered under 'housing and community amenities'); youth services; aged and disabled persons services; children's services, including family day care; child care; and other family and children services.

##### **HOUSING AND COMMUNITY AMENITIES**

Includes public cemeteries; public conveniences; street lighting; town planning; other community amenities, including housing development and accommodation for families and children, aged persons, disabled persons, migrants and Indigenous persons.

##### **WATER SUPPLIES**

##### **SEWERAGE SERVICES**

##### **RECREATION AND CULTURE**

Includes public libraries; museums; community centres and halls, including public halls; sporting grounds and venues; swimming pools; parks; gardens; lakes; and other sporting, recreational and cultural services.

##### **MINING, MANUFACTURING AND CONSTRUCTION**

Includes building control, quarries and pits.

##### **TRANSPORT AND COMMUNICATION**

Urban local, urban regional, includes sealed and unsealed roads, bridges, footpaths, parking areas, and aerodromes.

##### **ECONOMIC AFFAIRS**

Includes camping areas and caravan parks; tourism and area promotion; industrial development promotion; sale yards and markets; real estate development; and other business undertakings.

The former Wellington Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 3. Income from continuing operations

\$ '000	Notes	Actual 1/7/15 to 30/6/16	Actual 1/7/14 to 30/6/15
<b>(a) Rates and annual charges <sup>1,2</sup></b>			
<b>Ordinary rates</b>			
Residential		2,087	2,086
Farmland		3,482	3,374
Mining		2	2
Business		331	290
<b>Total ordinary rates</b>		<b>5,902</b>	<b>5,752</b>
<b>Special rates</b>			
Sewerage services		1,379	1,626
Emergency services		137	133
<b>Total special rates</b>		<b>1,516</b>	<b>1,759</b>
\$ '000	Notes	Actual 1/7/15 to 12/5/16	Actual 1/7/14 to 30/6/15
<b>Annual charges</b> (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic waste management services		739	896
Stormwater management services		27	31
Waste management services (non-domestic)		280	319
<b>Total annual charges</b>		<b>1,046</b>	<b>1,246</b>
<b>TOTAL RATES AND ANNUAL CHARGES</b>		<b>8,464</b>	<b>8,757</b>

<sup>1</sup> Council has used 2014 year valuations provided by the NSW Valuer General in calculating its rates.

<sup>2</sup> Rates are recognised as revenue at the commencement of the rating year for the period 1/7/15 to 30/6/16. No adjustments have been made for rates not earned during the period 13/5/16 to 30/6/16.

The former Wellington Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 3. Income from continuing operations (continued)

\$ '000	Notes	Actual 1/7/15 to 12/5/16	Actual 1/7/14 to 30/6/15
<b>(b) User charges and fees</b>			
<b>Specific user charges</b> (per s.502 – specific 'actual use' charges)			
Domestic waste management services		90	88
Water supply services		2,551	2,712
Sewerage services		330	350
Waste management services (non-domestic)		45	137
<b>Total user charges</b>		<b>3,016</b>	<b>3,287</b>
<b>Other user charges and fees</b>			
<b>(i) Fees and charges – statutory and regulatory functions (per s.608)</b>			
Planning and building regulation		81	133
Private works – section 67		52	37
Registration fees		13	16
Section 149 certificates (EPA Act)		26	33
Section 603 certificates		17	17
Other		6	14
<b>Total fees and charges – statutory/regulatory</b>		<b>195</b>	<b>250</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s.608))</b>			
Caravan park		175	227
Caves entry fees		329	360
Cemeteries		121	101
Leaseback fees – Council vehicles		45	56
Multipurpose centre		16	24
Park rents		41	47
RMS (formerly RTA) charges (state roads not controlled by Council)		1,280	1,461
Swimming centres		79	78
Other		6	10
<b>Total fees and charges – other</b>		<b>2,092</b>	<b>2,364</b>
<b>TOTAL USER CHARGES AND FEES</b>		<b>5,303</b>	<b>5,901</b>

The former Wellington Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 3. Income from continuing operations (continued)

\$ '000	Notes	Actual 1/7/15 to 12/5/16	Actual 1/7/14 to 30/6/15
<b>(c) Interest and investment revenue (including losses)</b>			
<b>Interest</b>			
– Interest on overdue rates and annual charges (incl. special purpose rates)		26	26
– Interest earned on investments (interest and coupon payment income)		812	873
<b>Fair value adjustments</b>			
– Fair valuation movements in investments (other)		(46)	56
<b>TOTAL INTEREST AND INVESTMENT REVENUE</b>		<b>792</b>	<b>955</b>
<b>Interest revenue is attributable to:</b>			
<b>Unrestricted investments/financial assets:</b>			
Overdue rates and annual charges (general fund)		26	26
General Council cash and investments		100	5
<b>Restricted investments/funds – external:</b>			
Development contributions			
– Section 94		7	9
– Section 64		10	12
Water fund operations		90	79
Sewerage fund operations		91	106
Domestic waste management operations		146	140
Unexpended grants		95	13
Other externally restricted assets		8	8
<b>Restricted investments/funds – internal:</b>			
Internally restricted assets		219	557
<b>Total interest and investment revenue recognised</b>		<b>792</b>	<b>955</b>
<b>(d) Other revenues</b>			
Rental income – other council properties		38	89
Legal fees recovery – rates and charges (extra charges)		77	48
Legal fees recovery – other		–	1
Caves / caravan park kiosk – sales		100	106
Commissions and agency fees		2	7
Insurance claim recoveries		38	25
OH&S training		28	86
Rebates		46	174
Sales – general		5	77
Other		7	43
<b>TOTAL OTHER REVENUE</b>		<b>341</b>	<b>656</b>

The former Wellington Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 3. Income from continuing operations (continued)

\$ '000	1/7/15 to 12/5/16 Operating	1/7/14 to 30/6/15 Operating	1/7/15 to 12/5/16 Capital	1/7/14 to 30/6/15 Capital
<b>(e) Grants</b>				
<b>General purpose (untied)</b>				
Financial assistance – general component	2,498 <sup>1</sup>	2,474	–	–
Financial assistance – local roads component	1,276 <sup>1</sup>	1,281	–	–
Pensioners' rates subsidies – general component	74	74	–	–
<b>Total general purpose</b>	<b>3,848</b>	<b>3,829</b>	<b>–</b>	<b>–</b>
<b>Specific purpose</b>				
Pensioners' rates subsidies:				
– Water	29	40	–	–
– Sewerage	34	36	–	–
– Domestic waste management	31	36	–	–
Community care	294	270	–	–
Economic development	–	14	528	27
Environmental protection	–	13	–	–
Heritage and cultural	–	4	4	5
Library – per capita	32	36	–	–
Library – special projects	–	16	–	–
Noxious weeds	64	73	–	–
NSW rural fire services	197	195	79	412
Public halls	–	20	8	11
Recreation and culture	11	–	732	95
Street lighting	41	46	–	–
Transport (roads to recovery)	1,023	614	–	–
Transport (other roads and bridges funding)	–	–	41	116
Waste management	–	45	–	–
Other	19	50	–	–
<b>Total specific purpose</b>	<b>1,775</b>	<b>1,508</b>	<b>1,392</b>	<b>666</b>
<b>Total grants</b>	<b>5,623</b>	<b>5,337</b>	<b>1,392</b>	<b>666</b>
<b>Grant revenue is attributable to:</b>				
– Commonwealth funding	4,798	4,369	–	–
– State funding	825	956	1,392	666
– Other funding	–	12	–	–
	<b>5,623</b>	<b>5,337</b>	<b>1,392</b>	<b>666</b>

<sup>1</sup> Federal Assistance Grants (FAGs) are recognised as revenue upon their receipt or upon earlier notification that the grant has been secured. As such the revenue for FAGs includes the last quarter FAG payment received on 17/5/16.

The former Wellington Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 3. Income from continuing operations (continued)

\$ '000	1/7/15 to 12/5/16 Operating	1/7/14 to 30/6/15 Operating	1/7/15 to 12/5/16 Capital	1/7/14 to 30/6/15 Capital
<b>(f) Contributions</b>				
<b>Developer contributions:</b>				
<b>(s93 &amp; s94 – EP&amp;A Act, s64 of the LGA):</b>				
S 94 – contributions towards amenities/services	–	–	13	–
S 94A – fixed development consent levies	–	–	9	14
S 64 – water supply contributions	–	–	7	5
S 64 – sewerage service contributions	–	–	2	2
S 64 – stormwater contributions	–	–	3	2
<b>Total developer contributions</b>	17	–	34	23
<b>Other contributions:</b>				
Roads and bridges	–	–	1,169	4,398
RMS contributions (regional roads, block grant)	1,119	1,185	–	417
Other	97	85	–	50
<b>Total other contributions</b>	<b>1,216</b>	<b>1,270</b>	<b>1,169</b>	<b>4,865</b>
<b>Total contributions</b>	<b>1,216</b>	<b>1,270</b>	<b>1,203</b>	<b>4,888</b>
<b>TOTAL GRANTS AND CONTRIBUTIONS</b>	<b>6,839</b>	<b>6,607</b>	<b>2,595</b>	<b>5,554</b>

\$ '000	Actual 1/7/15 to 12/5/16	Actual 1/7/14 to 30/6/15
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(g) Restrictions relating to grants and contributions

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

Unexpended at the close of the previous reporting period	1,028	1,221
<b>Add:</b> grants and contributions recognised in the current period but not yet spent:	3,358	183
<b>Less:</b> grants and contributions recognised in a previous reporting period now spent:	(567)	(376)
<b>Net increase (decrease) in restricted assets during the period</b>	<b>2,791</b>	<b>(193)</b>
<b>Unexpended and held as restricted assets</b>	<b>3,819</b>	<b>1,028</b>
<b>Comprising:</b>		
– Specific purpose unexpended grants	3,176	381
– Developer contributions	643	647
	<b>3,819</b>	<b>1,028</b>



The former Wellington Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 4. Expenses from continuing operations

\$ '000	Notes	Actual 1/7/15 to 12/5/16	Actual 1/7/14 to 30/6/15
<b>(a) Employee benefits and on-costs</b>			
Salaries and wages		5,339	6,532
Employee termination costs (where material – other than vested leave paid)		63	59
Travel expenses		–	2
Employee leave entitlements (ELE)		772	774
Superannuation		754	916
Workers' compensation insurance		197	206
Fringe benefit tax (FBT)		18	18
Payroll tax		48	55
Training costs (other than salaries and wages)		53	44
<b>Total employee costs</b>		<b>7,244</b>	<b>8,606</b>
Less: capitalised costs		(656)	(1,004)
<b>TOTAL EMPLOYEE COSTS EXPENSED</b>		<b>6,588</b>	<b>7,602</b>
Number of 'full-time equivalent' employees (FTE) as at 12/5/2016		<b>122</b>	<b>106</b>
<b>(b) Borrowing costs</b>			
<b>(i) Interest bearing liability costs</b>			
Interest on loans		511	612
<b>Total interest bearing liability costs expensed</b>		<b>511</b>	<b>612</b>
<b>(ii) Other borrowing costs</b>			
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	26	47	54
<b>Total other borrowing costs</b>		<b>47</b>	<b>54</b>
<b>TOTAL BORROWING COSTS EXPENSED</b>		<b>558</b>	<b>666</b>
<b>(c) Materials and contracts</b>			
Raw materials and consumables		2,321	2,618
Contractor and consultancy costs		2,464	2,215
Auditors remuneration <sup>(1)</sup>		43	44
Legal expenses:			
– Legal expenses: planning and development		27	–
– Legal expenses: debt recovery		80	46
– Legal expenses: other		61	15
Operating leases:			
– Operating lease rentals: minimum lease payments <sup>(2)</sup>		13	13
<b>TOTAL MATERIALS AND CONTRACTS</b>		<b>5,009</b>	<b>4,951</b>

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Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	Actual	
		1/7/15 to 12/5/16	1/7/14 to 30/6/15
<b>(c) Materials and contracts (continued)</b>			
<b>1. Auditor remuneration</b>			
During the period, the following fees were incurred for services provided by the Council's Auditor:			
<b>(i) Audit and other assurance services</b>			
		43	37
		–	7
		<u>43</u>	<u>44</u>
<b>Remuneration for audit and other assurance services</b>			
		<u>43</u>	<u>44</u>
<b>Total Auditor remuneration</b>			
		<u>43</u>	<u>44</u>
<b>2. Operating lease payments are attributable to:</b>			
Other		13	13
		<u>13</u>	<u>13</u>

\$ '000	Notes	Impairment costs		Depreciation/amortisation	
		Actual	Actual	Actual	Actual
		1/7/15 to 12/5/16	1/7/14 to 30/6/15	1/7/15 to 12/5/16	1/7/14 to 30/6/15

(d) Depreciation, amortisation and impairment

Plant and equipment		–	–	551	720
Office equipment		–	–	59	106
Furniture and fittings		–	–	3	3
Land improvements (depreciable)		–	–	114	132
Infrastructure:					
– Buildings – non-specialised		–	–	133	421
– Buildings – specialised		–	–	268	294
– Other structures		–	–	56	71
– Roads		–	–	2,972	3,321
– Bridges		–	–	176	217
– Footpaths		–	–	87	105
– Stormwater drainage		–	–	84	89
– Water supply network		–	–	480	524
– Sewerage network		–	–	634	698
– Swimming pools		–	–	48	52
– Other open space/recreational assets		–	–	126	143
Asset reinstatement costs	9 & 26	–	–	113	130
<b>TOTAL DEPRECIATION AND IMPAIRMENT COSTS EXPENSED</b>		<u>–</u>	<u>–</u>	<u>5,904</u>	<u>7,026</u>

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Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	Actual	Actual
		1/7/15 to 12/5/16	1/7/14 to 30/6/15
<b>(e) Other expenses</b>			
Other expenses for the period include the following:			
Advertising		48	82
Bad and doubtful debts		6	–
Bank charges		29	34
Contributions/levies to other levels of government			
– Emergency Services levy (includes FRNSW, SES, and RFS levies)		285	255
– Strategic Alliance Activities		22	61
– Other contributions/levies		131	143
Councillor expenses – mayoral fee		20	23
Councillor expenses – councillors' fees		79	97
Councillors' expenses (incl. mayor) – other (excluding fees above)		21	35
Donations, contributions and assistance to other organisations (Section 356)			
– Macquarie Regional Library		230	241
– Other		162	224
Electricity and heating		372	508
Insurance		347	430
Printing and stationery		18	23
Street lighting		137	159
Telephone and communications		81	85
Other		96	74
<b>TOTAL OTHER EXPENSES</b>		<b>2,084</b>	<b>2,474</b>

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Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 5. Gains or losses from the disposal of assets

\$ '000	Notes	Actual 1/7/15 to 12/5/16	Actual 1/7/14 to 30/6/15
<b>Property (excl. investment property)</b>			
Proceeds from disposal – property		789	170
Less: carrying amount of property assets sold/written off		(487)	(114)
<b>Net gain/(loss) on disposal</b>		<b>302</b>	<b>56</b>
<b>Plant and equipment</b>			
Proceeds from disposal – plant and equipment		221	966
Less: carrying amount of plant and equipment assets sold/written off		(175)	(610)
<b>Net gain/(loss) on disposal</b>		<b>46</b>	<b>356</b>
<b>Infrastructure</b>			
Less: carrying amount of infrastructure assets sold/written off		(203)	(24)
<b>Net gain/(loss) on disposal</b>		<b>(203)</b>	<b>(24)</b>
<b>Financial assets</b>			
Proceeds from disposal/redemptions/maturities – financial assets		8,682	11,262
Less: carrying amount of financial assets sold/redeemed/matured		(8,682)	(11,262)
<b>Net gain/(loss) on disposal</b>		<b>-</b>	<b>-</b>
<b>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</b>		<b>145</b>	<b>388</b>

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Notes to the Financial Statements  
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Note 6a. – Cash assets and Note 6b. – investments

\$ '000	Notes	12/5/16	12/5/16	30/6/15	30/6/15
		Actual Current	Actual Non-current	Actual Current	Actual Non-current
<b>Cash and cash equivalents (Note 6a)</b>					
Cash on hand and at bank		371	–	14	–
Cash-equivalent assets <sup>1</sup>					
– Deposits at call		10,717	–	9,836	–
<b>Total cash and cash equivalents</b>		<b>11,088</b>	<b>–</b>	<b>9,850</b>	<b>–</b>
<b>Investments (Note 6b)</b>					
– Long term deposits		5,800	–	8,675	–
– NCD's, FRN's (with maturities > 3 months)		–	16,793	–	9,090
– CDO's		5	–	7	–
<b>Total investments</b>		<b>5,805</b>	<b>16,793</b>	<b>8,682</b>	<b>9,090</b>
<b>TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS</b>		<b>16,893</b>	<b>16,793</b>	<b>18,532</b>	<b>9,090</b>

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

**Cash, cash equivalents and investments were classified at end of period in accordance with AASB 139 as follows:**

<b>Cash and cash equivalents</b>					
a. 'At fair value through the profit and loss'		<b>11,088</b>	<b>–</b>	<b>9,850</b>	<b>–</b>

<b>Investments</b>					
a. 'At fair value through the profit and loss'					
– 'Held for trading'	6(b-i)	5,805	16,793	8,682	9,090
<b>Investments</b>		<b>5,805</b>	<b>16,793</b>	<b>8,682</b>	<b>9,090</b>

<b>Note 6(b-i)</b>					
<b>Reconciliation of investments classified as 'at fair value through the profit and loss'</b>					
Balance at beginning of period		8,682	9,090	11,262	6,534
Additions		5,805	7,703	8,682	2,556
Disposals (sales and redemptions)		(8,682)	–	(11,262)	–
<b>Balance at end of period</b>		<b>5,805</b>	<b>16,793</b>	<b>8,682</b>	<b>9,090</b>

<b>Comprising:</b>					
– NCD's, FRN's (with maturities > 3 months)		–	16,793	–	9,090
– CDO's		5	–	7	–
– Long term deposits		5,800	–	8,675	–
<b>Total</b>		<b>5,805</b>	<b>16,793</b>	<b>8,682</b>	<b>9,090</b>

Refer to Note 27. Fair value measurement for information regarding the fair value of investments held.

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Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 6c. Restricted cash, cash equivalents and investments – details

\$ '000	12/5/16	12/5/16	30/6/15	30/6/15
	Actual Current	Actual Non-current	Actual Current	Actual Non-current
Total cash, cash equivalents and investments	16,893	16,793	18,532	9,090
<b>attributable to:</b>				
External restrictions (refer below)	1,412	13,012	1,877	8,130
Internal restrictions (refer below)	12,189	3,781	16,332	–
Unrestricted	3,292	–	323	960
	<b>16,893</b>	<b>16,793</b>	<b>18,532</b>	<b>9,090</b>

1/7/15 to 12/5/16 \$ '000	Opening balance	Transfers to restrictions	Transfers from restrictions	Closing balance
------------------------------	--------------------	------------------------------	--------------------------------	--------------------

Details of restrictions

External restrictions – included in liabilities

Nil

External restrictions – other

Developer contributions – general	(D)	296	33	(55)	274
Developer contributions – water fund	(D)	146	11	–	157
Developer contributions – sewer fund	(D)	205	7	–	212
Specific purpose unexpended grants	(F)	381	2,795	–	3,176
Water supplies	(G)	2,621	951	–	3,572
Sewerage services	(G)	3,250	239	–	3,489
Domestic waste management	(G)	2,880	409	–	3,289
Stormwater management	(G)	228	27	–	255
<b>External restrictions – other</b>		<b>10,007</b>	<b>4,472</b>	<b>(55)</b>	<b>14,424</b>
<b>Total external restrictions</b>		<b>10,007</b>	<b>4,472</b>	<b>(55)</b>	<b>14,424</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 (b))

**G** Water, sewerage, domestic waste management (DWM) and other special rates/levies/charges are externally restricted assets and must be applied for the purposes for which they were raised.

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Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 6c. Restricted cash, cash equivalents and investments – details (continued)

1/7/15 to 12/5/16 \$ '000	Opening balance	Transfers to restrictions	Transfers from restrictions	Closing balance
<b>Internal restrictions</b>				
Plant and vehicle replacement	3,667	878	–	4,545
Infrastructure replacement	614	36	–	650
Employees leave entitlement	878	50	–	928
Administration charge	1,388	6	–	1,394
Asset management	6,170	–	(1,054)	5,116
Cemeteries – perpetual care	282	–	–	282
Economic development	82	–	–	82
Federal local roads funding	269	101	–	370
IT and office equipment	490	73	–	563
Local governments elections	75	10	–	85
Residential development	553	–	(145)	408
Risk management – state roads	735	–	(38)	697
Tourism and Wellington caves	36	–	–	36
Workers compensation	200	–	(21)	179
Other	893	–	(258)	635
<b>Total internal restrictions</b>	<b>16,332</b>	<b>1,154</b>	<b>(1,516)</b>	<b>15,970</b>
<b>TOTAL RESTRICTIONS</b>	<b>26,339</b>	<b>5,626</b>	<b>(1,571)</b>	<b>30,394</b>

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Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 7. Receivables

\$ '000	Notes	12/5/16 Current	12/5/16 Non-current	30/6/15 Current	30/6/15 Non-current
<b>Purpose</b>					
Rates and annual charges		1,762 <sup>1</sup>	305 <sup>1</sup>	110	305
Interest and extra charges		33	4	17	12
User charges and fees		565	111	721	111
Private works		4	–	5	–
Accrued revenues					
– Interest on investments		132	–	144	–
Government grants and subsidies		1,407	–	938	–
Sundry debtors		285	33	2,323	33
<b>Total</b>		<b>4,188</b>	<b>453</b>	<b>4,258</b>	<b>461</b>
<b>Less: provision for impairment</b>					
Rates and annual charges		–	(35)	–	(35)
Sundry debtors		–	(33)	–	(33)
<b>Total provision for impairment – receivables</b>		<b>–</b>	<b>(68)</b>	<b>–</b>	<b>(68)</b>
<b>TOTAL NET RECEIVABLES</b>		<b>4,188</b>	<b>385</b>	<b>4,258</b>	<b>393</b>
<b>Externally restricted receivables</b>					
<b>Water supply</b>					
– Rates and availability charges		191	–	39	–
– Other		570	101	731	101
<b>Sewerage services</b>					
– Rates and availability charges		267	37	34	41
– Other		102	10	137	10
<b>Domestic waste management</b>					
Stormwater management		227	37	30	41
Stormwater management		6	1	1	1
<b>Total external restrictions</b>		<b>1,363</b>	<b>186</b>	<b>972</b>	<b>194</b>
<b>Internally restricted receivables</b>					
Nil					
<b>Unrestricted receivables</b>		<b>2,825</b>	<b>199</b>	<b>3,286</b>	<b>199</b>
<b>TOTAL NET RECEIVABLES</b>		<b>4,188</b>	<b>385</b>	<b>4,258</b>	<b>393</b>

1. The final payment instalment for rates (and annual charges) income is 31/5/16. As at 12/5/16 there is a large outstanding debtor that reflects this timing difference between the financial reporting date & the instalment payment date.

**Notes on debtors above:**

- (i) Rates and annual charges outstanding are secured against the property.
- (ii) Doubtful rates debtors are provided for where the value of the property is less than the debt outstanding.  
An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.
- (iii) Interest was charged on overdue rates and charges at 8.50% (2015 8.50%).  
Generally all other receivables are non-interest bearing.
- (iv) Please refer to Note 15 for issues concerning credit risk and fair value disclosures.



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Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 8. Inventories and other assets

\$ '000	Notes	12/5/16 Current	12/5/16 Non-current	30/6/15 Current	30/6/15 Non-current
<b>(a) Inventories</b>					
<b>(i) Inventories at cost</b>					
Real estate for resale (refer below)		157	–	157	–
Stores and materials		277	–	303	–
Trading stock		22	–	22	–
<b>Total inventories at cost</b>		<b>456</b>	<b>–</b>	<b>482</b>	<b>–</b>
<b>(ii) Inventories at net realisable value (NRV)</b>					
Nil					
<b>TOTAL INVENTORIES</b>		<b>456</b>	<b>–</b>	<b>482</b>	<b>–</b>
<b>(b) Other assets</b>					
Prepayments		273	–	128	–
<b>TOTAL OTHER ASSETS</b>		<b>273</b>	<b>–</b>	<b>128</b>	<b>–</b>
<b>Externally restricted assets</b>					
<b>Water</b>					
Stores and materials		29	–	27	–
Prepayments		13	–	–	–
<b>Total water</b>		<b>42</b>	<b>–</b>	<b>27</b>	<b>–</b>
<b>Sewerage</b>					
Stores and materials		2	–	2	–
Prepayments		9	–	–	–
<b>Total sewerage</b>		<b>11</b>	<b>–</b>	<b>2</b>	<b>–</b>
<b>Domestic waste management</b>					
Nil					
<b>Other</b>					
Nil					
<b>Total externally restricted assets</b>		<b>53</b>	<b>–</b>	<b>29</b>	<b>–</b>
<b>Total internally restricted assets</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total unrestricted assets</b>		<b>676</b>	<b>–</b>	<b>581</b>	<b>–</b>
<b>TOTAL INVENTORIES AND OTHER ASSETS</b>		<b>729</b>	<b>–</b>	<b>610</b>	<b>–</b>

The former Wellington Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 8. Inventories and other assets (continued)

\$ '000	12/5/16 Current	12/5/16 Non-current	30/6/15 Current	30/6/15 Non-current
<b>Other disclosures</b>				
<b>(a) Details for real estate development</b>				
Residential	89	–	89	–
Industrial/commercial	68	–	68	–
<b>Total real estate for resale</b>	<b>157</b>	<b>–</b>	<b>157</b>	<b>–</b>
(Valued at the lower of cost and net realisable value)				
<b>Represented by:</b>				
Acquisition costs	89	–	89	–
Development costs	68	–	68	–
<b>Total costs</b>	<b>157</b>	<b>–</b>	<b>157</b>	<b>–</b>
<b>Total real estate for resale</b>	<b>157</b>	<b>–</b>	<b>157</b>	<b>–</b>
<b>Movements:</b>				
Real estate assets at beginning of period	157	–	157	–
<b>Total real estate for resale</b>	<b>157</b>	<b>–</b>	<b>157</b>	<b>–</b>

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

The following inventories and other assets, even though classified as current are not expected to be recovered in the next 12 months;

	12/5/16	30/6/15
Real estate for resale	157	157
	<b>157</b>	<b>157</b>

**(c) Inventory write downs**

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

Refer to Note 27. Fair value measurement for information regarding the fair value of other assets held.

## The former Wellington Council

## Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

## Note 9a. Infrastructure, property, plant and equipment

\$ '000	as at 30/6/2015					Asset movements during the reporting period							as at 12/5/2016				
	At cost	At fair value	Accumulated depreciation	Impairment	Carrying value	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	Other movements	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	At cost	At fair value	Accumulated depreciation	Impairment	Carrying value
Capital work in progress	150	–	–	–	150	58	3	–	–	–	–	–	211	–	–	–	211
Plant and equipment	–	16,303	8,847	–	6,456	311	–	(175)	(551)	–	–	–	–	16,133	10,092	–	6,041
Office equipment	–	218	106	–	110	–	–	–	(59)	–	–	–	–	218	165	–	51
Furniture and fittings	–	231	219	–	12	–	–	–	(3)	–	–	–	–	230	221	–	9
Land:																	
– Operational land	–	3,478	–	–	3,478	–	–	(145)	–	–	–	–	–	3,333	–	–	3,333
– Community land	–	3,543	–	–	3,543	–	–	–	–	–	–	–	–	3,543	–	–	3,543
Land improvements – depreciable	–	2,698	1,943	–	753	86	28	–	(114)	–	–	444	–	2,315	1,118	–	1,197
Infrastructure:																	
– Buildings – non-specialised	–	28,835	20,472	–	8,363	28	–	(341)	(133)	(2,742)	–	–	–	24,855	19,680	–	5,175
– Buildings – specialised	–	19,140	10,903	–	8,237	888	116	–	(288)	–	–	–	–	20,144	11,171	–	8,973
– Other structures	–	2,000	885	–	1,115	41	4	–	(56)	–	(335)	–	–	1,345	578	–	769
– Roads	–	145,713	34,803	–	110,910	3,433	–	(104)	(2,972)	–	–	–	–	148,752	37,485	–	111,267
– Bridges	–	21,840	5,284	–	16,556	–	–	–	(178)	–	–	–	–	21,207	4,827	–	16,380
– Footpaths	–	5,953	2,743	–	3,210	–	–	–	(87)	–	–	–	–	5,953	2,830	–	3,123
– Bulk earthworks (non-depreciable)	–	103,155	–	–	103,155	58	–	(3)	–	–	–	–	–	103,210	–	–	103,210
– Stormwater drainage	–	12,060	4,337	–	7,723	–	–	–	(84)	–	–	–	–	12,060	4,421	–	7,639
– Water supply network	–	35,838	16,107	–	19,731	378	–	(35)	(480)	–	–	255	–	36,578	16,729	–	19,849
– Sewerage network	–	36,843	15,598	–	21,047	101	–	–	(634)	–	–	287	–	37,222	16,441	–	20,781
– Swimming pools	–	2,311	1,589	–	722	–	–	–	(48)	–	–	388	–	3,556	2,494	–	1,062
– Other open space/recreational assets	–	3,683	2,236	–	1,447	98	–	(62)	(128)	–	–	752	–	5,714	3,605	–	2,109
Other assets:																	
– Library books	–	13	12	–	1	–	–	–	–	–	–	–	–	13	12	–	1
Reinstatement, rehabilitation and restoration assets (refer Note 26):																	
– Tip assets	–	1,123	498	–	625	–	–	–	(107)	–	–	–	–	1,123	605	–	518
– Quarry assets	–	128	24	–	102	–	–	–	(8)	–	–	–	–	128	30	–	96
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT AND EQUIP.</b>	<b>150</b>	<b>444,900</b>	<b>127,604</b>	<b>–</b>	<b>317,446</b>	<b>5,480</b>	<b>151</b>	<b>(865)</b>	<b>(5,904)</b>	<b>(2,742)</b>	<b>(335)</b>	<b>2,106</b>	<b>211</b>	<b>447,628</b>	<b>132,502</b>	<b>–</b>	<b>315,337</b>

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

Refer to Note 27. Fair value measurement for information regarding the fair value of other infrastructure, property, plant and equipment.

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Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 9b. Externally restricted infrastructure, property, plant and equipment

\$ '000	Actual				Actual			
	12/5/16				30/6/15			
Class of asset	At cost	At fair value	A/Dep & impairm't	Carrying value	At cost	At fair value	A/Dep & impairm't	Carrying value
<b>Water supply</b>								
Plant and equipment	–	308	207	<b>101</b>	–	335	217	<b>118</b>
Land								
– Operational land	–	245	–	<b>245</b>	–	245	–	<b>245</b>
– Community land	–	39	–	<b>39</b>	–	39	–	<b>39</b>
Buildings	–	5,539	1,899	<b>3,640</b>	–	5,468	1,805	<b>3,663</b>
Infrastructure	–	31,039	14,831	<b>16,208</b>	–	30,370	14,302	<b>16,068</b>
<b>Total water supply</b>	–	<b>37,170</b>	<b>16,937</b>	<b>20,233</b>	–	<b>36,457</b>	<b>16,324</b>	<b>20,133</b>
<b>Sewerage services</b>								
Plant and equipment	–	91	48	<b>43</b>	–	90	42	<b>48</b>
Land								
– Operational land	–	74	–	<b>74</b>	–	74	–	<b>74</b>
– Community land	–	149	–	<b>149</b>	–	149	–	<b>149</b>
Buildings	–	5,280	1,299	<b>3,981</b>	–	5,206	1,198	<b>4,008</b>
Infrastructure	–	31,943	15,143	<b>16,800</b>	–	31,437	14,398	<b>17,039</b>
<b>Total sewerage services</b>	–	<b>37,537</b>	<b>16,490</b>	<b>21,047</b>	–	<b>36,956</b>	<b>15,638</b>	<b>21,318</b>
<b>Domestic waste management</b>								
Plant and equipment	–	670	400	<b>270</b>	–	–	–	<b>–</b>
Land								
– Operational land	–	150	–	<b>150</b>	–	150	–	<b>150</b>
– Community land	–	35	–	<b>35</b>	–	35	–	<b>35</b>
– Improvements non-depreciable	–	–	–	<b>–</b>	–	52	24	<b>28</b>
– Improvements - depreciable	–	88	48	<b>40</b>	–	–	–	<b>–</b>
Buildings	–	484	65	<b>419</b>	–	484	57	<b>427</b>
Other assets	–	98	23	<b>75</b>	–	73	27	<b>46</b>
<b>Total DWM</b>	–	<b>1,525</b>	<b>536</b>	<b>989</b>	–	<b>794</b>	<b>108</b>	<b>686</b>
<b>TOTAL RESTRICTED I,PP&amp;E</b>	–	<b>76,232</b>	<b>33,963</b>	<b>42,269</b>	–	<b>74,207</b>	<b>32,070</b>	<b>42,137</b>

Note 9c. Infrastructure, property, plant and equipment – current period impairments

Council has recognised no impairment losses during the reporting period nor reversed any prior period losses.

The former Wellington Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 10a. Payables, borrowings and provisions

\$ '000	Notes	12/5/16 Current	12/5/16 Non-current	30/6/15 Current	30/6/15 Non-current
<b>Payables</b>					
Goods and services – operating expenditure		1,098	–	1,219	–
Payments received in advance		1,398	–	274	–
Accrued expenses:					
– Borrowings		112	–	194	–
<b>Total payables</b>		<b>2,608</b>	<b>–</b>	<b>1,687</b>	<b>–</b>
<b>Borrowings</b>					
Loans – secured <sup>1</sup>		388	8,923	406	9,267
<b>Total borrowings</b>		<b>388</b>	<b>8,923</b>	<b>406</b>	<b>9,267</b>
<b>Provisions</b>					
<b>Employee benefits:</b>					
Annual leave		858	–	864	–
Long service leave		641	1,262	1,775	104
Other leave		123	–	116	–
Sub-total – aggregate employee benefits		1,622	1,262	2,755	104
Asset remediation/restoration (future works) <sup>28</sup>		–	1,472	–	1,425
<b>Total provisions</b>		<b>1,622</b>	<b>2,734</b>	<b>2,755</b>	<b>1,529</b>
<b>TOTAL PAYABLES, BORROWINGS AND PROVISIONS</b>					
		<b>4,618</b>	<b>11,657</b>	<b>4,848</b>	<b>10,796</b>

(i) Liabilities relating to restricted assets

	12/5/16 Current	12/5/16 Non-current	30/6/15 Current	30/6/15 Non-current
<b>Externally restricted assets</b>				
Water	604	4,157	563	4,262
Sewer	303	3,910	333	4,068
Domestic waste management	76	1,583	166	1,539
Liabilities relating to externally restricted assets	983	9,650	1,062	9,869
<b>Internally restricted assets</b>				
Nil				
<b>Total liabilities relating to restricted assets</b>	983	9,650	1,062	9,869
<b>Total liabilities relating to unrestricted assets</b>	3,635	2,007	3,786	927
<b>TOTAL PAYABLES, BORROWINGS AND PROVISIONS</b>	<b>4,618</b>	<b>11,657</b>	<b>4,848</b>	<b>10,796</b>

<sup>1</sup>. Loans are secured over the general rating income of Council

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note 15.

The former Wellington Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 10a. Payables, borrowings and provisions (continued)

\$ '000	Actual 12/5/16	Actual 30/6/15
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(ii) Current liabilities not anticipated to be settled within the next twelve months

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

Provisions – employees benefits	772	1,687
	<u>772</u>	<u>1,687</u>

Note 10b. Description of and movements in provisions

Class of provision	Opening balance as at 1/7/15	1/7/15 to 12/5/16			Unused amounts reversed	Closing balance as at 12/5/16
		Additional provisions	Decrease due to payments	Remeasurement effects due to discounting		
Annual leave	864	322	(462)	134	–	858
Long service leave	1,879	76	(286)	234	–	1,903
Other leave	116	(16)	–	23	–	123
Asset remediation	1,425	47	–	–	–	1,472
<b>TOTAL</b>	<b>4,284</b>	<b>429</b>	<b>(748)</b>	<b>391</b>	<b>–</b>	<b>4,356</b>

- a. Employees leave entitlements and on-costs represents those benefits accrued and payable and an estimate of those that will become payable in the future as a result of past service.
- b. Asset remediation, reinstatement and restoration provisions represent the present value estimate of future costs Council will incur in order to remove, restore and remediate assets and/or activities as a result of past operations.

The former Wellington Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 11. Statement of cash flows – additional information

\$ '000	Notes	Actual 12/5/16	Actual 30/6/15
<b>(a) Reconciliation of cash assets</b>			
Total cash and cash equivalent assets	6a	11,088	9,850
Less bank overdraft	10	–	–
<b>Balance as per the Statement of Cash Flows</b>		<b>11,088</b>	<b>9,850</b>
<b>(b) Reconciliation of net operating result to cash provided from operating activities</b>			
<b>Net operating result from Income Statement</b>		<b>4,340</b>	<b>6,102</b>
<i>Adjust for non-cash items:</i>			
Depreciation and amortisation		5,904	7,026
Net losses/(gains) on disposal of assets		(145)	(388)
Non-cash capital grants and contributions		(471)	(351)
<i>Losses/(gains) recognised on fair value re-measurements through the P&amp;L:</i>			
– Investments classified as 'at fair value' or 'held for trading'		46	(56)
Unwinding of discount rates on reinstatement provisions		47	54
Share of net (profits) or losses of associates/joint ventures		(4)	(3)
<i>+/- Movement in operating assets and liabilities and other cash items:</i>			
Decrease/(increase) in receivables		78	(1,209)
Decrease/(increase) in inventories		26	14
Decrease/(increase) in other assets		(145)	24
Increase/(decrease) in payables		(121)	242
Increase/(decrease) in accrued interest payable		(82)	(7)
Increase/(decrease) in other liabilities		1,124	(290)
Increase/(decrease) in employee leave entitlements		25	(86)
<b>Net cash provided from/(used in) operating activities from the Statement of Cash Flows</b>		<b>10,622</b>	<b>11,072</b>

The former Wellington Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 11. Statement of cash flows – additional information (continued)

\$ '000	Notes	Actual 12/5/16	Actual 30/6/15
<b>(c) Non-cash investing and financing activities</b>			
Bushfire grants		61	351
Wellington Showground		410	–
<b>Total non-cash investing and financing activities</b>		<b>471</b>	<b>351</b>
<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>		200	200
Credit cards/purchase cards		35	35
<b>Total financing arrangements</b>		<b>235</b>	<b>235</b>
<b>Amounts utilised as at balance date:</b>			
– Credit cards/purchase cards		2	2
<b>Total financing arrangements utilised</b>		<b>2</b>	<b>2</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 and other payables are disclosed in Note 15.

**(ii) Secured loan liabilities**

Loans are secured by a mortgage over future years rate revenue only.



The former Wellington Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 12. Commitments for expenditure

\$ '000	Notes	Actual 12/5/16	Actual 30/6/15
<b>(a) Capital commitments (exclusive of GST)</b>			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
<b>Property, plant and equipment</b>			
Buildings		596	–
Infrastructure		539	2,847
<b>Total commitments</b>		<b>1,135</b>	<b>2,847</b>
These expenditures are payable as follows:			
Within the next year		1,135	2,847
<b>Total payable</b>		<b>1,135</b>	<b>2,847</b>
Sources for funding of capital commitments:			
Future grants and contributions		637	–
Unexpended grants		–	189
Externally restricted reserves		–	228
Internally restricted reserves		498	2,430
<b>Total sources of funding</b>		<b>1,135</b>	<b>2,847</b>

**Details of capital commitments**

Commitments relate to the projects at Rygate Park and the Wellington Caves Complex

**(b) Finance lease commitments**

Nil

**(c) Operating lease commitments (non-cancellable)**

**a. Commitments under non-cancellable operating leases at the reporting date, but not recognised as liabilities are payable:**

Within the next year	13	12
Later than one year and not later than 5 years	–	13
<b>Total non-cancellable operating lease commitments</b>	<b>13</b>	<b>25</b>

**b. Non-cancellable operating leases include the following assets:**

Photocopiers

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

The former Wellington Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 13a(i). Statement of performance measurement – indicators (consolidated)

\$ '000	Amounts	Indicator	Prior periods	
	12/5/16	12/5/16	30/6/15	30/6/14
<b>Local government industry indicators – consolidated</b>				
<b>1. Operating performance ratio</b>				
Total continuing operating revenue <sup>(1)</sup> excluding capital grants and contributions less operating expenses	<u>1,642</u>	7.54%	0.44%	-16.14%
Total continuing operating revenue <sup>(1)</sup> excluding capital grants and contributions	21,785			
<b>2. Own source operating revenue ratio</b>				
Total continuing operating revenue <sup>(1)</sup> excluding all grants and contributions	<u>14,946</u>	61.30%	57.14%	70.25%
Total continuing operating revenue <sup>(1)</sup>	24,380			
<b>3. Unrestricted current ratio</b>				
Current assets less all external restrictions <sup>(2)</sup>	<u>18,825</u>	6.58x	9.70x	8.33x
Current liabilities less specific purpose liabilities <sup>(3,4)</sup>	2,863			
<b>4. Debt service cover ratio</b>				
Operating result <sup>(1)</sup> before capital excluding interest and depreciation/impairment/amortisation	<u>8,104</u>	8.81x	7.43x	5.17x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	920			
<b>5. Rates, annual charges, interest and extra charges outstanding percentage</b>				
Rates, annual and extra charges outstanding	<u>2,069</u>	23.05%	4.46%	3.79%
Rates, annual and extra charges collectible	8,976			
<b>6. Cash expense cover ratio</b>				
Current period's cash and cash equivalents plus all term deposits	<u>16,888</u>	12.70 mths	12.9 mths	9.8 mths
Payments from cash flow of operating and financing activities	1,330			

Notes

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

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

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

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

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

The former Wellington Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 13a(ii). Local government industry indicators – graphs (consolidated)

<p><b>1. Operating performance ratio</b></p> <p>Benchmark: — Minimum <math>\geq 0.00\%</math> Source for benchmark: Code of Accounting Practice and Financial Reporting #24</p>	<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 12/5/16 result</b></p> <p>12/5/16 ratio 7.54%</p> <p>Council continued it's improvement in this ratio</p>
<p><b>2. Own source operating revenue ratio</b></p> <p>Benchmark: — Minimum <math>\geq 60.00\%</math> Source for benchmark: Code of Accounting Practice and Financial Reporting #24</p>	<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 and contributions.</p>	<p><b>Commentary on 12/5/16 result</b></p> <p>12/5/16 ratio 61.30%</p> <p>Council again met the benchmark, after not having to meet it in 2014/15</p>
<p><b>3. Unrestricted current ratio</b></p> <p>Benchmark: — Minimum <math>\geq 1.50</math> Source for benchmark: Code of Accounting Practice and Financial Reporting #24</p>	<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 12/5/16 result</b></p> <p>12/5/16 ratio 6.58x</p> <p>Council continued to have a strong unrestricted current ratio and had excellent liquidity and could readily pay its debts as they fell due</p>

The former Wellington Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 13a(ii). Local government industry indicators – graphs (consolidated)

<p><b>4. Debt service cover ratio</b></p> <p>Benchmark: — Minimum <math>\geq 2.00</math> Source for benchmark: Code of Accounting Practice and Financial Reporting #24</p>	<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 12/5/16 result</b></p> <p><b>12/5/16 ratio 8.81x</b></p> <p>Council continued to meet this benchmark which indicated it had sufficient operating cash to service its debts</p>
<p><b>5. Rates, annual charges, interest and extra charges outstanding percentage</b></p> <p>Benchmark: — Maximum <math>&lt; 10.00\%</math> Source for Benchmark: Code of Accounting Practice and Financial Reporting #24</p>	<p><b>Purpose of rates and 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 12/5/16 result</b></p> <p><b>12/5/16 ratio 23.05%</b></p> <p>Council has not met the benchmark this year due to the timing for completion of the financial statements required because of amalgamation</p>
<p><b>6. Cash expense cover ratio</b></p> <p>Benchmark: — Minimum <math>\geq 3.00</math> Source for benchmark: Code of Accounting Practice and Financial Reporting #24</p>	<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 12/5/16 result</b></p> <p><b>12/5/16 ratio 12.70 mths</b></p> <p>Council continued to meet this benchmark of greater than three months</p>

The former Wellington Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 13b. Statement of performance measurement – indicators (by fund)

\$ '000	Water 12/5/16	Sewer 12/5/16	General <sup>5</sup> 12/5/16
<b>Local government industry indicators – by fund</b>			
<b>1. Operating performance ratio</b>			
Total continuing operating revenue <sup>(1)</sup> excluding capital grants and contributions less operating expenses	<b>21.03%</b>	<b>5.08%</b>	<b>5.34%</b>
Total continuing operating revenue <sup>(1)</sup> excluding capital grants and contributions	prior period: 19.20%	4.86%	-3.65%
<b>2. Own source operating revenue ratio</b>			
Total continuing operating revenue <sup>(1)</sup> excluding all grants and contributions	<b>98.87%</b>	<b>98.06%</b>	<b>51.69%</b>
Total continuing operating revenue <sup>(1)</sup>	prior period: 98.81%	98.55%	47.20%
<b>3. Unrestricted current ratio</b>			
Current assets less all external restrictions <sup>(2)</sup>	<b>3.32x</b>	<b>3.70x</b>	<b>6.24x</b>
Current liabilities less specific purpose liabilities <sup>(3,4)</sup>	prior period: 4.31x	2.81x	9.09x
<b>4. Debt service cover ratio</b>			
Operating result <sup>(1)</sup> before capital excluding interest and depreciation/impairment/amortisation	<b>3.44x</b>	<b>2.28x</b>	<b>31.21x</b>
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	prior period: 3.10x	2.37x	24.37x
<b>5. Rates, annual charges, interest and extra charges outstanding percentage</b>			
Rates, annual and extra charges outstanding	<b>15.54%</b>	<b>20.81%</b>	<b>25.04%</b>
Rates, annual and extra charges collectible	prior period: 2.91%	5.39%	4.58%
<b>6. Cash expense cover ratio</b>			
Current period's cash and cash equivalents plus all term deposits	<b>5.84</b>	<b>4.81</b>	<b>14.48</b>
Payments from cash flow of operating and financing activities	prior period: 7.88	4.81	14.55
	mths	mths	mths

Notes

<sup>(1) - (4)</sup> Refer to Notes at Note 13a(i) above.

<sup>(5)</sup> General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

## The former Wellington Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 14. Investment properties

\$ '000

Council has not classified any land or buildings as 'investment properties'.

#### Note 15. Financial risk management

##### Risk management

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

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

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

Financial risk management is carried out by Council's finance section under policies approved by the Council.

A comparison by category of the carrying amounts and fair values of Council's financial assets and financial liabilities recognised in the financial statements is presented below.

	Carrying value		Fair value	
	12/5/16	30/6/15	12/5/16	30/6/15
<b>Financial assets</b>				
Cash and cash equivalents	11,088	9,850	11,088	9,850
Investments				
– 'Held for trading'	22,598	17,772	22,598	17,772
Receivables	4,573	4,651	4,573	4,651
<b>Total financial assets</b>	<b>38,259</b>	<b>32,273</b>	<b>38,259</b>	<b>32,273</b>
<b>Financial liabilities</b>				
Payables	1,210	1,413	1,210	1,413
Loans/advances	9,311	9,673	9,311	9,673
<b>Total financial liabilities</b>	<b>10,521</b>	<b>11,086</b>	<b>10,521</b>	<b>11,086</b>

Fair value is determined as follows:

- **Cash and cash equivalents, receivables, payables** – are estimated to be the carrying value that approximates market value.
- **Borrowings and held-to-maturity investments** – are based upon estimated future cash flows discounted by the current mkt interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.
- Financial assets classified (i) '**at fair value through profit and loss**' or (ii) '**available-for-sale**' – are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

Refer to Note 27. Fair value measurement for information regarding the fair value of financial assets and liabilities.

## The former Wellington Council

### Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

#### Note 15. Financial risk management (continued)

\$ '000

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

Council's finance area manages the cash and Investments portfolio with the assistance of independent advisors.

Council has an investment policy which complies with the *Local Government Act 1993* and Minister's investment order. This policy is regularly reviewed by Council and it's staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance.

The risks associated with the investments held are:

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

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

Council also seeks advice from independent advisers before placing any funds in cash equivalents and investments.

#### (a) Market risk – price risk and interest rate risk

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

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

	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
<b>1/7/15 to 12/5/16</b>				
Possible impact of a 1% movement in interest rates	333	333	(333)	(333)
<b>1/7/14 to 30/6/15</b>				
Possible impact of a 1% movement in interest rates	276	276	(276)	(276)

The former Wellington Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 15. Financial risk management (continued)

\$ '000

(b) Credit risk

Council's major receivables comprise (i) rates and annual charges and (ii) user charges and fees.

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

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

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

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

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

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

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

	12/5/16	12/5/16	30/6/15	30/6/15
	Rates and annual charges	Other receivables	Rates and annual charges	Other receivables
<b>(i) Ageing of receivables – %</b>				
Current (not yet overdue)	85%	94%	27%	96%
Overdue	15%	6%	73%	4%
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
<b>(ii) Ageing of receivables – value</b>				
	Rates and annual charges	Other receivables	Rates and annual charges	Other receivables
Current	1,762	2,426	110	4,148
2 – 5 years overdue	305	–	305	–
> 5 years overdue	–	148	–	156
	<u>2,067</u>	<u>2,574</u>	<u>415</u>	<u>4,304</u>
<b>(iii) Movement in provision for impairment of receivables</b>			12/5/16	30/6/15
Balance at the beginning of the period			68	68
<b>Balance at the end of the period</b>			<u>68</u>	<u>68</u>



The former Wellington Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 15. Financial risk management (continued)

\$ '000

(c) Liquidity risk

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

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

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

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

\$ '000	Subject to no maturity	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>1/7/15 to 12/5/16</b>									
Trade/other payables	-	1,210	-	-	-	-	-	1,210	1,210
Loans and advances	-	910	899	842	841	841	11,532	15,865	9,311
<b>Total financial liabilities</b>	<b>-</b>	<b>2,120</b>	<b>899</b>	<b>842</b>	<b>841</b>	<b>841</b>	<b>11,532</b>	<b>17,075</b>	<b>10,521</b>
<b>1/7/14 to 30/6/15</b>									
Trade/other payables	-	1,413	-	-	-	-	-	1,413	1,413
Loans and advances	-	1,001	910	899	842	841	12,372	16,865	9,673
<b>Total financial liabilities</b>	<b>-</b>	<b>2,414</b>	<b>910</b>	<b>899</b>	<b>842</b>	<b>841</b>	<b>12,372</b>	<b>18,278</b>	<b>11,086</b>

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

The following interest rates were applicable to Council's borrowings at balance date:	12/5/16 Carrying value	12/5/16 Average interest rate	30/6/15 Carrying value	30/6/15 Average interest rate
Trade/other payables	1,210	0.00%	1,413	0.00%
Loans and advances – fixed interest rate	9,311	6.37%	9,673	6.50%
	<u>10,521</u>		<u>11,086</u>	

Note 16. Material budget variations

In accordance with the Supplementary Code 24(a), this note is not applicable for "former Councils".

## The former Wellington Council

## Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

## Note 17. Statement of developer contributions

\$ '000

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

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

## SUMMARY OF CONTRIBUTIONS AND LEVIES

PURPOSE	Opening balance	Contributions received during the period		Interest earned during period	Expenditure during period	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
S94A levies – under a plan	14	9	–	–	(2)	–	21	–
<b>Total S94 revenue under plans</b>	<b>14</b>	<b>9</b>	<b>–</b>	<b>–</b>	<b>(2)</b>	<b>–</b>	<b>21</b>	<b>–</b>
S94 not under plans	282	16	–	7	(53)	–	252	–
S64 contributions	351	9	–	10	–	–	370	–
<b>Total contributions</b>	<b>647</b>	<b>34</b>	<b>–</b>	<b>17</b>	<b>(55)</b>	<b>–</b>	<b>643</b>	<b>–</b>

## The former Wellington Council

## Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

## Note 17. Statement of developer contributions (continued)

\$ '000

**S94A LEVIES – UNDER A PLAN**

## CONTRIBUTION PLAN NUMBER 2012

PURPOSE	Opening balance	Contributions received during the period		Interest earned during period	Expenditure during period	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Public order and safety	2	2	–	–	–	–	4	–
Community services and education	2	2	–	–	–	–	4	–
Household and community amenities	2	2	–	–	–	–	4	–
Recreation and culture	2	1	–	–	–	–	3	–
Transport and communication	3	1	–	–	(2)	–	2	–
Economic affairs	3	1	–	–	–	–	4	–
<b>Total</b>	<b>14</b>	<b>9</b>	<b>–</b>	<b>–</b>	<b>(2)</b>	<b>–</b>	<b>21</b>	<b>–</b>

**S94 CONTRIBUTIONS – NOT UNDER A PLAN**

PURPOSE	Opening balance	Contributions received during the period		Interest earned during period	Expenditure during period	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Drainage	58	3	–	1	–	–	62	–
Roads	154	10	–	3	(53)	–	114	–
Open space	32	1	–	1	–	–	34	–
Community facilities	7	1	–	1	–	–	9	–
Emergency services	31	1	–	1	–	–	33	–
<b>Total</b>	<b>282</b>	<b>16</b>	<b>–</b>	<b>7</b>	<b>(53)</b>	<b>–</b>	<b>252</b>	<b>–</b>

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## The former Wellington Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 18. Contingencies and 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 and 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 its 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 Council's contributions to the pool and the result of insurance claims within each of the fund years.

The future realisation and finalisation of claims incurred but not reported to 12/5/2016 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.

## The former Wellington Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 18. Contingencies and other assets/liabilities not recognised (continued)

\$ '000

#### LIABILITIES NOT RECOGNISED (continued):

##### 2. Other liabilities

##### (i) Third party claims

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

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

##### (ii) S94 plans

Council levies section 94/94A contributions upon various development across the Council area through the required contributions plans.

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

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

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

##### (iii) Potential land acquisitions due to planning restrictions imposed by Council

Council has classified a number of privately owned land parcels as local open space or bushland.

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

##### (iii) Potential land acquisitions due to planning restrictions imposed by Council (continued)

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

##### (iv) HIH Insurance

During the period 1995 - 1997, a portion of Council's Public Risk Insurance was either insured or re-insured with a member of the HIH Group of Companies. At reporting date, there are no known claims outstanding from that period.

#### 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 and including 30/6/08.

##### (ii) Infringement notices/fines

Fines and penalty income, the result of Council issuing infringement notices is followed up and collected by the Infringement Processing Bureau.

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

Accordingly, at end of period, 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.

## The former Wellington Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 19. Interests in other entities

\$ '000

Council's objectives can and in some cases are best met through the use of separate entities and operations.

These operations and entities range from 100% ownership and control through to lower levels of ownership and control via co-operative arrangements with other councils, bodies and other outside organisations.

The accounting and reporting for these various entities, operations and arrangements varies in accordance with accounting standards, depending on the level of council's (i) interest and (ii) control and the type (form) of entity/operation, as follows;

**Controlled entities (subsidiaries)** *Note 19(a)*

Operational arrangements where Council's control (but not necessarily interest) exceeds 50%.

**Joint ventures and associates** *Note 19(b)*

Joint ventures are operational arrangements where the parties that have joint control have rights to the net assets of the arrangement.

Associates are separate entities where Council has significant influence over the operations (but neither controls nor jointly controls them).

**Joint operations** *Note 19(c)*

Operational arrangements where the parties that have joint control have rights to specific assets and obligations for specific liabilities relating to the arrangement rather than a right to the net assets of the arrangement.

**Unconsolidated structured entities** *Note 19(d)*

Unconsolidated structured entities represent "special vehicles" that Council has an interest in but which are not controlled by Council and therefore not consolidated as a subsidiary, joint arrangement or associate. Attributes of structured entities include restricted activities, a narrow and well-defined objective and insufficient equity to finance its activities without financial support.

**Subsidiaries, joint arrangements and associates not recognised** *Note 19(e)*

**Accounting recognition:**

(i) Subsidiaries disclosed under Note 19(a) and joint operations disclosed at Note 19(c) are accounted for on a 'line by line' consolidation basis within the Income Statement and Statement of Financial Position.

(ii) Joint ventures and associates as per Note 19(b) are accounted for using the equity accounting method and are disclosed as a 1 line entry in both the Income Statement and Statement of Financial Position.

	Council's share of net income		Council's share of net assets	
	Actual 1/7/15 to 12/5/16	Actual 1/7/14 to 30/6/15	Actual 12/5/16	Actual 30/6/15
Joint ventures	4	3	242	238
Associates	—	—	—	—
<b>Total</b>	<b>4</b>	<b>3</b>	<b>242</b>	<b>238</b>

The former Wellington Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 19. Interests in other entities (continued)

\$ '000

(a) Controlled entities (subsidiaries) – being entities and operations controlled by Council

Council has no interest in any controlled entities (subsidiaries).

(b) Joint ventures and associates

Council has incorporated the following joint ventures and associates into its consolidated financial statements.

(a) Net carrying amounts – Council's share

Name of entity	Nature of relationship	Measurement method	12/5/16	30/6/15
Macquarie Regional Library	Joint venture		242	238
<b>Total carrying amounts – material joint ventures and associates</b>			<b>242</b>	<b>238</b>

(b) Details

Name of entity	Principal activity	Place of business
Macquarie Regional Library	Provision of library services	Dubbo

(c) Relevant interests and fair values

Name of entity	Quoted fair value		Interest in outputs		Interest in ownership		Proportion of voting power	
	12/5/16	30/6/15	2016	2015	2016	2015	2016	2015
Macquarie Regional Library	n/a	n/a	11%	10%	16%	16%	25%	25%

(d) Summarised financial information for joint ventures and associates

	Macquarie Regional Library	
	12/5/16	30/6/15
<b>Statement of financial position</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,357	1,317
Other current assets	39	62
<b>Total current assets</b>	<b>1,396</b>	<b>1,379</b>
<b>Non-current assets</b>	<b>1,022</b>	<b>876</b>
<b>Current liabilities</b>		
Other current liabilities	826	689
<b>Total current liabilities</b>	<b>826</b>	<b>689</b>
<b>Non-current liabilities</b>	<b>30</b>	<b>37</b>
<b>Net assets</b>	<b>1,562</b>	<b>1,529</b>
<b>Reconciliation of the carrying amount</b>		
Opening net assets (1 July)	1,529	1,503
Profit/(loss) for the period	33	26
<b>Closing net assets</b>	<b>1,562</b>	<b>1,529</b>
<b>Council's share of net assets (%)</b>	<b>15.5%</b>	<b>15.6%</b>
<b>Council's share of net assets (\$)</b>	<b>242</b>	<b>238</b>

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The former Wellington Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 19. Interests in other entities (continued)

\$ '000

(b) Joint ventures and associates (continued)

(d) Summarised financial information for joint ventures and associates (continued)

	<b>Macquarie Regional Library</b>	
	1/7/15 to 12/5/16	1/7/14 to 30/6/15
<b>Statement of comprehensive income</b>		
Income	2,642	2,534
Interest income	36	37
Depreciation and amortisation	(289)	(286)
Other expenses	(2,356)	(2,254)
<b>Profit/(loss) for period</b>	<b>33</b>	<b>31</b>
<b>Total comprehensive income</b>	<b>33</b>	<b>31</b>
<b>Share of income – Council (%)</b>	<b>11.0%</b>	<b>10.0%</b>
<b>Profit/(loss) – Council (\$)</b>	<b>4</b>	<b>3</b>
<b>Total comprehensive income – Council (\$)</b>	<b>4</b>	<b>3</b>

(c) Joint operations

Council has no interest in any joint operations.

(d) Unconsolidated structured entities

Council has no unconsolidated structured entities

(e) Subsidiaries, joint arrangements and associates not recognised

All subsidiaries, joint arrangements and associates have been recognised in this financial report.



The former Wellington Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 20. Retained earnings, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors

\$ '000	Notes	Actual 12/5/16	Actual 30/6/15
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(a) Retained earnings

**Movements in retained earnings were as follows:**

Balance at beginning of period (from previous year's audited accounts)		177,019	170,917
a. Net operating result for the period		4,340	6,102
<b>Balance at end of the reporting period</b>		<b>181,359</b>	<b>177,019</b>

(b) Revaluation reserves

(i) Reserves are represented by:

– Infrastructure, property, plant and equipment revaluation reserve		156,933	157,904
<b>Total</b>		<b>156,933</b>	<b>157,904</b>

(ii) Reconciliation of movements in reserves:

<b>Infrastructure, property, plant and equipment revaluation reserve</b>			
– Opening balance		157,904	121,700
– Revaluations for the period	9(a)	1,771	36,204
– Asset Disposal		(2,742)	–
<b>– Balance at end of period</b>		<b>156,933</b>	<b>157,904</b>
<b>TOTAL VALUE OF RESERVES</b>		<b>156,933</b>	<b>157,904</b>

(iii) Nature and purpose of reserves

**Infrastructure, property, plant and equipment revaluation reserve**  
– The infrastructure, property, plant and equipment revaluation reserve is used to record increments/decrements of non-current asset values due to their revaluation.

(c) Correction of error/s relating to a previous reporting period

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

(d) Voluntary changes in accounting policies

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

The former Wellington Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 21. Financial result and financial position by fund

Income Statement by fund	Actual 1/7/15 to 12/5/16	Actual 1/7/15 to 12/5/16	Actual 1/7/15 to 12/5/16
\$ '000			
<b>Continuing operations</b>	<b>Water</b>	<b>Sewer</b>	<b>General<sup>1</sup></b>
<b>Income from continuing operations</b>			
Rates and annual charges <sup>2</sup>	1,174	1,380	5,910
User charges and fees	1,712	380	3,211
Interest and investment revenue	94	97	601
Other revenues	23	4	314
Grants and contributions provided for operating purposes	79	48	6,712
Grants and contributions provided for capital purposes	7	2	2,586
<b>Other income</b>			
Share of interests in joint ventures and associates using the equity method	-	-	4
<b>Total income from continuing operations</b>	<b>3,089</b>	<b>1,911</b>	<b>19,483</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	368	232	5,988
Borrowing costs	238	218	102
Materials and contracts	760	585	3,664
Depreciation and amortisation	490	640	4,774
Impairment	-	-	-
Other expenses	325	137	1,622
Net losses from the disposal of assets	31	-	(31)
<b>Total expenses from continuing operations</b>	<b>2,212</b>	<b>1,812</b>	<b>16,119</b>
<b>Operating result from continuing operations</b>	<b>877</b>	<b>99</b>	<b>3,364</b>
<b>Discontinued operations</b>			
Net profit/(loss) from discontinued operations	-	-	-
<b>Net operating result for the period</b>	<b>877</b>	<b>99</b>	<b>3,364</b>
<b>Net operating result attributable to each council fund</b>	<b>877</b>	<b>99</b>	<b>3,364</b>
<b>Net operating result attributable to non-controlling interests</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net operating result for the period before grants and contributions provided for capital purposes</b>	<b>870</b>	<b>97</b>	<b>778</b>

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

<sup>2</sup> Rates are recognised as revenue at the commencement of the rating year for the period 1/7/15 to 30/6/16.

No adjustments have been made for rates not earned during the period 13/5/16 to 30/6/16.

NB. All amounts disclosed above are gross – that is, they include internal charges and recoveries made between the funds.

The former Wellington Council

Notes to the Financial Statements  
as at 12 May 2016

Note 21. Financial result and financial position by fund (continued)

Statement of Financial Position by fund \$ '000	Actual 12/5/16	Actual 12/5/16	Actual 12/5/16
<b>ASSETS</b>	<b>Water</b>	<b>Sewer</b>	<b>General<sup>1</sup></b>
<b>Current assets</b>			
Cash and cash equivalents	883	529	9,676
Investments	–	–	5,805
Receivables	761	369	3,058
Inventories	29	2	425
Other	13	9	251
Non-current assets classified as 'held for sale'	–	–	–
<b>Total current assets</b>	<b>1,686</b>	<b>909</b>	<b>19,215</b>
<b>Non-current assets</b>			
Investments	2,846	3,172	10,775
Receivables	101	47	237
Inventories	–	–	–
Infrastructure, property, plant and equipment	20,233	21,047	274,057
Investments accounted for using the equity method	–	–	242
Investment property	–	–	–
Intangible assets	–	–	–
<b>Total non-current assets</b>	<b>23,180</b>	<b>24,266</b>	<b>285,311</b>
<b>TOTAL ASSETS</b>	<b>24,866</b>	<b>25,175</b>	<b>304,526</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	347	68	2,193
Borrowings	132	159	97
Provisions	125	76	1,421
<b>Total current liabilities</b>	<b>604</b>	<b>303</b>	<b>3,711</b>
<b>Non-current liabilities</b>			
Payables	–	–	–
Borrowings	4,154	3,906	863
Provisions	3	4	2,727
<b>Total non-current liabilities</b>	<b>4,157</b>	<b>3,910</b>	<b>3,590</b>
<b>TOTAL LIABILITIES</b>	<b>4,761</b>	<b>4,213</b>	<b>7,301</b>
<b>Net assets</b>	<b>20,105</b>	<b>20,962</b>	<b>297,225</b>
<b>EQUITY</b>			
Retained earnings	15,388	14,825	151,146
Revaluation reserves	4,717	6,137	146,079
<b>Total equity</b>	<b>20,105</b>	<b>20,962</b>	<b>297,225</b>

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

NB. All amounts disclosed above are gross – that is, they include internal receivables and payables between the funds.

## The former Wellington Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 22. 'Held for sale' non-current assets and 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 date

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Events that occur between the end of the reporting period (12 May 2016) 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 12/12/16.

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 12 May 2016.

**(ii) Events that provide evidence of conditions that arose after the reporting period**

These financial statements (and figures therein) do not incorporate any 'non-adjusting events' that have occurred after 12 May 2016 and which are only indicative of conditions that arose after 12 May 2016.

**Council is aware of the following 'non-adjusting events' that merit disclosure:**

**Amalgamation of operations for the former Wellington Council to form Dubbo Regional Council**

On 12 May 2016, the Local Government (Council Amalgamations) Proclamation 2016 announced that effective from midnight on 12 May 2016, the operations of the former Wellington Council would be amalgamated with other Council/s to form the new council Dubbo Regional Council.

The proclamation automatically transferred the assets, rights and liabilities of the former Wellington Council to Dubbo Regional Council on 13 May 2016.

The proclamation ensures that any reference in any document to the former Wellington Council is to be read as a reference to Dubbo Regional Council, and that anything done by the former Wellington Council before the amalgamation is taken to have been done by Dubbo Regional Council.

These proclamation clauses provide for the transfer of physical assets (such as cars, buildings, plant and equipment) along with intangible assets and liabilities (such as service contracts and outstanding debts).

This ensures the general business and operations of former councils are preserved, including contracts and services.

These financial statements have been drawn up to reflect the closing financial position as at 12 May 2016 of the former Wellington Council and its financial performance for the period 1 July 2015 to 12 May 2016.

## The former Wellington Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 24. Discontinued operations

\$ '000

Council has not classified any of its operations as 'discontinued'.

#### Note 25. Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance.

Council is unaware of any control over intangible assets that warrant recognition in the financial statements, including either internally generated and developed assets or purchased assets.

#### Note 26. Reinstatement, rehabilitation and restoration liabilities

Council has legal/public obligations to make restore, rehabilitate and reinstate the following assets/operations:

Asset/operation	Estimated year of restoration	Net Present Value of provision	
		12/5/16	30/6/15
Tip operations / assets	2018 to 2023	1,329	1,284
Quarry operations / assets	2018 to 2023	143	141
<b>Balance at end of the reporting period</b>	10(a)	<b>1,472</b>	<b>1,425</b>

Under AASB 116 – Property, Plant and Equipment, where the use of an asset results in the obligation to dismantle or remove the asset and restore the site on which the asset stands, an estimate of such costs is required to be included in the cost of the asset.

An equivalent liability must be recognised under AASB 137 – Provisions, Contingent Liabilities and Contingent Assets.

The provision has been calculated by determining the present value of the future expenditures expected to be incurred. The discount rate used is the risk free borrowing rate applicable to Council.

Reconciliation of movement in provision for the period:	12/5/16	30/6/15
Balance at beginning of period	1,425	1,371
Amounts capitalised to new or existing assets:		
Amortisation of discount (expensed to borrowing costs)	47	54
<b>Total – reinstatement, rehabilitation and restoration provision</b>	<b>1,472</b>	<b>1,425</b>

## The former Wellington Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 27. Fair value measurement

\$ '000

The Council measures the following asset and liability classes at fair value on a recurring basis:

- Infrastructure, property, plant and equipment
- Financial assets and liabilities

The fair value of assets and liabilities must be estimated in accordance with various accounting standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a 'level' in the fair value hierarchy as follows:

**Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2:** Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(1) The following table presents all assets and liabilities that have been measured and recognised at fair values:

1/7/15 to 12/5/16	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Investments					
- 'Held for trading'	31/05/16	22,598	-	-	22,598
<b>Total financial assets</b>		<b>22,598</b>	<b>-</b>	<b>-</b>	<b>22,598</b>
<b>Financial liabilities</b>					
Loans/advances	12/05/16	9,311	-	-	9,311
Payables	12/05/16	2,496	-	-	2,496
<b>Total financial liabilities</b>		<b>11,807</b>	<b>-</b>	<b>-</b>	<b>11,807</b>

The former Wellington Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 27. Fair value measurement (continued)

\$ '000

(1) The following table presents all assets and liabilities that have been measured and recognised at fair values: (continued)

1/7/15 to 12/5/16	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
<b>Recurring fair value measurements</b>					
<b>Infrastructure, property, plant and equipment</b>					
Capital work in progress	12/05/16	–	–	211	211
Plant and equipment	12/05/16	6,041	–	–	6,041
Office equipment	12/05/16	51	–	–	51
Furniture and fittings	12/05/16	9	–	–	9
Operational land	30/06/13	3,333	–	–	3,333
Community land	30/06/11	–	–	3,543	3,543
Land improvements – depreciable	12/05/16	–	–	1,197	1,197
Buildings – non-specialised	1/07/15	5,175	–	–	5,175
Buildings – specialised	1/07/15	–	8,973	–	8,973
Other structures	12/05/16	–	–	769	769
Roads	30/06/15	–	–	111,267	111,267
Bridges	30/06/15	–	–	16,380	16,380
Footpaths	30/06/15	–	–	3,123	3,123
Bulk earthworks	30/06/15	–	–	103,210	103,210
Stormwater drainage	30/06/15	–	–	7,639	7,639
Water supply network	30/06/15	–	–	19,849	19,849
Sewerage network	30/06/15	–	–	20,781	20,781
Swimming pools	12/05/16	–	–	1,062	1,062
Open space/recreational assets	12/05/16	–	–	2,109	2,109
Library books	12/05/16	–	–	1	1
Tip assets	30/06/13	–	–	518	518
Quarry assets	30/06/13	–	–	96	96
<b>Total infrastructure, property, plant and equipment</b>		<b>14,609</b>	<b>8,973</b>	<b>291,755</b>	<b>315,337</b>
<b>1/7/14 to 30/6/15</b>					
<b>Recurring fair value measurements</b>					
<b>Financial assets</b>					
Investments					
– ‘Held for trading’	30/06/15	17,772	–	–	17,772
<b>Total financial assets</b>		<b>17,772</b>	<b>–</b>	<b>–</b>	<b>17,772</b>
<b>Financial liabilities</b>					
Loans/advances	30/06/15	9,673	–	–	9,673
Payables	30/06/15	1,413	–	–	1,413
<b>Total financial liabilities</b>		<b>11,086</b>	<b>–</b>	<b>–</b>	<b>11,086</b>

The former Wellington Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 27. Fair value measurement (continued)

\$ '000

(1) The following table presents all assets and liabilities that have been measured and recognised at fair values: (continued)

1/7/14 to 30/6/15	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
<b>Recurring fair value measurements</b>					
<b>Infrastructure, property, plant and equipment</b>					
Capital work in progress	30/06/15	–	–	150	150
Plant and equipment	30/06/15	6,456	–	–	6,456
Office equipment	30/06/15	110	–	–	110
Furniture and fittings	30/06/15	12	–	–	12
Operational land	30/06/13	3,478	–	–	3,478
Community land	30/06/11	–	–	3,543	3,543
Land improvements – depreciable	30/06/09	–	–	753	753
Buildings – non-specialised	1/07/15	8,363	–	–	8,363
Buildings – specialised	1/07/15	–	8,237	–	8,237
Other structures	30/06/09	–	–	1,115	1,115
Roads	30/06/15	–	–	110,910	110,910
Bridges	30/06/15	–	–	16,556	16,556
Footpaths	30/06/15	–	–	3,210	3,210
Bulk earthworks	30/06/15	–	–	103,155	103,155
Stormwater drainage	30/06/15	–	–	7,723	7,723
Water supply network	30/06/12	–	–	19,731	19,731
Sewerage network	30/06/12	–	–	21,047	21,047
Swimming pools	30/06/09	–	–	722	722
Open space/recreational assets	30/06/09	–	–	1,447	1,447
Library books	30/06/15	–	–	1	1
Tip assets	30/06/13	–	–	625	625
Quarry assets	30/06/13	–	–	102	102
<b>Total infrastructure, property, plant and equipment</b>		<b>18,419</b>	<b>8,237</b>	<b>290,790</b>	<b>317,446</b>

(2) Transfers between level 1 and level 2 fair value hierarchies

During the period, there were no transfers between level 1 and level 2 fair value hierarchies for recurring fair value measurements.



## The former Wellington Council

### Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

#### Note 27. Fair value measurement (continued)

\$ '000

##### (3) Valuation techniques used to derive level 2 and level 3 fair values

Where Council is unable to derive fair valuations using quoted market prices of identical assets (ie. level 1 inputs) Council instead utilises a spread of both observable inputs (level 2 inputs) and unobservable inputs (level 3 inputs).

The fair valuation techniques Council has employed while utilising level 2 and level 3 inputs are as follows:

##### Infrastructure, property, plant and equipment (IPPE)

###### Community Land

Assets within the "Community Land" class are:

- Council owned land and
- Care Control Management land (Crown) of which Council derives current and future economic benefits arising from the use of the land asset.

Council's Community Land is valued on the Unimproved Capital Value (UCV), provided by the Valuer General. Currently all Council assets in this class are based on UCV, however, should Council have an asset in future for which an UCV is not provided, the replacement cost will be used. Replacement cost will be based on average unit rates for similar properties, land use, dimensions, land size and shape, which are not considered observable based on market evidence, therefore, placing the whole asset class in Level 3. Valuation techniques remained the same for this reporting period.

###### Land Improvements Depreciable

The Land Improvement asset class consists of fencing, paving, car parks and the Bodangora Airstrip.

Council engaged the services of Scott Fullerton Valuations Pty Ltd in 2015 and complied with Accounting Standard AASB116 *Property, Plant and Equipment*, the guidance contained in the NSW Treasury Accounting Policy tpp 07-01 and the NSW Department of Local Government Guidelines. "Fair Value" is the best estimate of the price reasonably obtainable in the market at the date of valuation. As defined in AASB116, it is "the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction".

This asset class is categorised as Level 3. Valuation techniques remained the same for this reporting period.

###### Buildings - Specialised

Council engaged the services of Scott Fullerton Valuations Pty Ltd in 2015 and complied with Accounting Standard AASB116 *Property, Plant and Equipment*, the guidance contained in the NSW Treasury Accounting Policy tpp 07-01 and the NSW Department of Local Government Guidelines. "Fair Value" is the best estimate of the price reasonably obtainable in the market at the date of valuation. As defined in AASB116, it is "the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction".

Scott Fullerton Valuations Pty Ltd provided a valuation for each building based on applying a unit rate to a structure or a square metre rate to a building, based on its current replacement cost, which is the lowest cost of replacing the economic benefits of the existing asset using modern technology. These rates have been derived from substantial analysis of construction costs from over one hundred (100) Councils throughout New South Wales and are continually updated in their database to reflect movements in construction costs.

Scott Fullerton Valuations Pty Ltd estimated the Total Life and Residual Life of each building/structure and, where the building was considered a complex asset, for each component, as they have useful lives different from those of the non-current assets to which they relate. In regard to componentisation, Paragraph 43 of AASB116 requires each part of the asset with a cost that is *significant* in relation to the asset be depreciated separately.

This asset class is categorised as Level 2. Valuation techniques remained the same for this reporting period.

## The former Wellington Council

### Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

#### Note 27. Fair value measurement (continued)

\$ '000

#### (3) Valuation techniques used to derive level 2 and level 3 fair values (continued)

##### Infrastructure, property, plant and equipment (IPP&E) (continued)

##### Other Structures

The Other Structures asset class consists of bus shelters, lighting, shelter sheds and weighbridge scales.

Council engaged the services of Scott Fullerton Valuations Pty Ltd in 2015 and complied with Accounting Standard AASB116 *Property, Plant and Equipment*, the guidance contained in the NSW Treasury Accounting Policy tpp 07-01 and the NSW Department of Local Government Guidelines. "Fair Value" is the best estimate of the price reasonably obtainable in the market at the date of valuation. As defined in AASB116, it is "the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction".

This asset class is categorised as Level 3. Valuation techniques remained the same for this reporting period.

##### Roads & Bulk Earthworks

Road Infrastructure assets were valued by Council staff as at 30 June 2015. As per paragraph 43 of AASB116, Council's road infrastructure assets were segmented and componentised into the following categories (each representing a significant part of the overall asset):

- Road Surface
- Pavement
- Formation & Major Earthworks
- Kerb & Gutter
- Culverts

##### Roads, Pavement & Formation

Council's roads were inspected by Council staff to establish the length and extent of the network. Seal and Pavement widths and a full condition assessment of unsealed roads was conducted by Council staff, and sealed roads by ARRB Group in 2014.

Road pavements were assumed to be 2 metres wider than the seal on sealed roads, otherwise they were measured.

Unit Rates for formation, pavement and sealing were based on the costings obtained from Senoir Council staff. These rates were verified (where possible) against recent actual rates from Council's roadworks.

Formation width was determined as a multiple of the pavement width and confirmed by sample inspections.

##### Kerb & Gutter

The asset register was developed using a combination of GIS data and physical inspection. The bulk of Council's Kerb & Gutter network is concrete, however some is constructed from bluestone. The condition assessment was determined from inspection. The vast majority of this asset is in satisfactory condition, in that it is still able to function.

Unit Rates were established using estimates determined from council experience. The rate adopted for all concrete Kerb & Gutter was based on the rate for concrete. Unit Rates for Bluestone Gutters were also estimated, but is substantially higher than for concrete, due to the increasing difficulty in sourcing material.

Unit Rates for Kerb & Gutter are all based on "Greenfields" costs and do not include any allowance of the removal of existing failed sections.

## The former Wellington Council

### Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

#### Note 27. Fair value measurement (continued)

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\$ '000

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##### (3) Valuation techniques used to derive level 2 and level 3 fair values (continued)

##### Infrastructure, property, plant and equipment (IPP&E) (continued)

###### Culverts

The categories used to group culverts (by size) were determined as part of the development of the 'Wellington, Blayney, Cabonne and Central Tablelands Water Strategic Alliance (WBC Alliance) Joint Transport Asset Management Plan'. Culverts of 450mm or less have not been valued separately due to their cost (purchase price and installation cost) and have been allowed for in the cubic metre rate for road formation.

Culverts do not include Bridge size (6m+) culverts, as these were valued in the Bridge Register. Of the remaining major culverts, these were valued at replacement cost, determined from *NSW Reference Rate Manual; Valuation of Water Supply, Sewerage and Stormwater Assets* and checked against estimated actual costs within Council.

This asset class is categorised as Level 3. Valuation techniques remained the same for this reporting period.

###### **Bridges**

Bridge assets were valued by Council staff as at 30 June 2015. Condition assessment for bridges was provided by in-house resources by inspections, which were based on observed defects, but does not include core sampling or tensile testing of any components.

Bridge values were determined on the basis of a square metre of deck rate, as estimated within Council and discussions with other regional councils.

This asset class is categorised as Level 3. Valuation techniques remained the same for this reporting period.

###### **Footpaths**

Footpath assets were valued by Council staff as at 30 June 2015. GIS imagery was used to calculate the length of Council's footpath/cycleway network combined with an extensive inspection program. In-house rates were developed using recent construction data providing a square metre rate which was then applied across the network. Condition data (captured through the inspection program) was then applied to each individual asset segment to provide a written down value.

This asset class is categorised as Level 3. Valuation techniques remained the same for this reporting period.

###### **Stormwater Drainage**

The asset register was developed using a combination of field observation, aerial imagery and old plans of Wellington's drainage system.

Unit Rates for stormwater pits, pipes etc. were taken from Office of Water; *NSW Reference Rates Manual; Valuation of Water Supply, Sewerage and Stormwater Assets and other sources*.

This asset class is categorised as Level 3. Valuation techniques remained the same for this reporting period.

## The former Wellington Council

### Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

#### Note 27. Fair value measurement (continued)

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\$ '000

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##### (3) Valuation techniques used to derive level 2 and level 3 fair values (continued)

##### Infrastructure, property, plant and equipment (IPP&E) (continued)

###### Water Supply Network

Council's Sewer Network was valued by Council staff. The valuation was based on the NSW Office of Water's *NSW Reference Rates Tables* issued in July 2012, a supplement to the former Ministry of Energy and Utilities' 2003 document *NSW Reference Rates Manual: Valuation of Water Supply, Sewerage and Stormwater Assets*. Valuations in the updated tables are for June 2012.

The asset register was built using Council GIS data with modifications made to achieve the correct level of componentisation and to collect additional details regarding material and capacities of the assets.

This asset class is categorised as Level 3. Valuation techniques remained the same for this reporting period.

###### Sewerage Network

Council's Sewer Network was valued by Council staff. The valuation was based on the NSW Office of Water's *NSW Reference Rates Tables* issued in July 2012, a supplement to the former Ministry of Energy and Utilities' 2003 document *NSW Reference Rates Manual: Valuation of Water Supply, Sewerage and Stormwater Assets*. Valuations in the updated tables are for June 2012.

The asset register was built using Council GIS data with modifications made to achieve the correct level of componentisation and to collect additional details regarding material and capacities of the assets.

This asset class is categorised as Level 3. Valuation techniques remained the same for this reporting period.

###### Swimming Pools

Council engaged the services of Scott Fullerton Valuations Pty Ltd in 2015 and complied with Accounting Standard AASB116 *Property, Plant and Equipment*, the guidance contained in the NSW Treasury Accounting Policy tpp 07-01 and the NSW Department of Local Government Guidelines. "Fair Value" is the best estimate of the price reasonably obtainable in the market at the date of valuation. As defined in AASB116, it is "the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction".

This asset class is categorised as Level 3. Valuation techniques remained the same for this reporting period.

###### Open Space/Recreational Assets

Council engaged the services of Scott Fullerton Valuations Pty Ltd in 2015 and complied with Accounting Standard AASB116 *Property, Plant and Equipment*, the guidance contained in the NSW Treasury Accounting Policy tpp 07-01 and the NSW Department of Local Government Guidelines. "Fair Value" is the best estimate of the price reasonably obtainable in the market at the date of valuation. As defined in AASB116, it is "the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction".

This asset class is categorised as Level 3. Valuation techniques remained the same for this reporting period.

## The former Wellington Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 27. Fair value measurement (continued)

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\$ '000

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#### (3) Valuation techniques used to derive level 2 and level 3 fair values (continued)

##### Infrastructure, property, plant and equipment (IPP&E) (continued)

###### Library Books

The Library Books are reported at Fair Value in the notes however, due to the nature of these items they are valued at cost. There are no major variances between the fair value and carrying amount of these assets. The cost of these assets were based on invoices at the time of capitalisation.

This asset class is categorised as Level 3. Valuation techniques remained the same for this reporting period.

###### Tip and Quarry Assets

It has been recognised that there will be significant costs associated with the closure and post closure management of the landfill and quarry assets. Closure of the landfill and quarry sites will involve a wide range of activities including final capping of the landfill waste and site re-vegetation, monitoring of landfill gas, revision of the surface water management system and leachate management infrastructure to suit post-closure operation.

Valuations are based on actual timing of costs and future environmental management requirements.

This asset class is categorised as Level 3. Valuation techniques remained the same for this reporting period.

The former Wellington Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 27. Fair value measurement (continued)

\$ '000

(4). Fair value measurements using significant unobservable inputs (level 3)

a. The following tables present the changes in level 3 fair value asset classes.

	Community land	Land improve- ments depreciable	Other structures	Roads	Total
<b>Opening balance – 1/7/14</b>	3,543	832	1,090	94,073	99,538
Transfers from/(to) another asset class	–	–	66	(3)	63
Purchases (GBV)	–	53	30	3,918	4,001
Depreciation and impairment	–	(132)	(71)	(3,321)	(3,524)
Revaluation increments	–	–	–	16,243	16,243
<b>Closing balance – 30/6/15</b>	<b>3,543</b>	<b>753</b>	<b>1,115</b>	<b>110,910</b>	<b>116,321</b>
Purchases (GBV)	–	114	45	3,433	3,592
Disposals (WDV)	–	–	–	(104)	(104)
Depreciation and impairment	–	(114)	(56)	(2,972)	(3,142)
Revaluation increments	–	444	–	–	444
Revaluation decrements	–	–	(335)	–	(335)
<b>Closing balance – 12/5/16</b>	<b>3,543</b>	<b>1,197</b>	<b>769</b>	<b>111,267</b>	<b>116,776</b>

	Bridges	Footpaths	Bulk earthworks	Stormwater drainage	Total
<b>Opening balance – 1/7/14</b>	12,293	3,204	85,548	6,809	107,854
Transfers from/(to) another asset class	3	–	–	–	3
Purchases (GBV)	18	67	–	41	126
Disposals (WDV)	–	–	–	(1)	(1)
Depreciation and impairment	(217)	(105)	–	(89)	(411)
Revaluation increments	4,459	44	17,607	963	23,073
<b>Closing balance – 30/6/15</b>	<b>16,556</b>	<b>3,210</b>	<b>103,155</b>	<b>7,723</b>	<b>130,644</b>
Purchases (GBV)	–	–	58	–	58
Disposals (WDV)	–	–	(3)	–	(3)
Depreciation and impairment	(176)	(87)	–	(84)	(347)
<b>Closing balance – 12/5/16</b>	<b>16,380</b>	<b>3,123</b>	<b>103,210</b>	<b>7,639</b>	<b>130,352</b>

The former Wellington Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 27. Fair value measurement (continued)

\$ '000

(4). Fair value measurements using significant unobservable inputs (level 3) (continued)

a. The following tables present the changes in level 3 fair value asset classes. (continued)

	Water supply network	Sewerage network	Swimming pools	Open space recreational assets	Total
<b>Opening balance – 1/7/14</b>	18,885	20,115	757	1,625	41,382
Transfers from/(to) another asset class	–	–	–	(128)	(128)
Purchases (GBV)	93	254	17	101	465
Disposals (WDV)	(15)	–	–	(8)	(23)
Depreciation and impairment	(524)	(698)	(52)	(143)	(1,417)
Revaluation increments	1,292	1,376	–	–	2,668
<b>Closing balance – 30/6/15</b>	<b>19,731</b>	<b>21,047</b>	<b>722</b>	<b>1,447</b>	<b>42,947</b>
Purchases (GBV)	378	101	–	98	577
Disposals (WDV)	(35)	–	–	(62)	(97)
Depreciation and impairment	(480)	(634)	(48)	(126)	(1,288)
Revaluation increments	255	267	388	752	1,662
<b>Closing balance – 12/5/16</b>	<b>19,849</b>	<b>20,781</b>	<b>1,062</b>	<b>2,109</b>	<b>43,801</b>

	Library books	Tip	Quarry	Capital WIP	Total
<b>Opening balance – 1/7/14</b>	1	748	109	86	944
Transfers from/(to) another asset class	–	–	–	(87)	(87)
Purchases (GBV)	–	–	–	151	151
Depreciation and impairment	–	(123)	(7)	–	(130)
<b>Closing balance – 30/6/15</b>	<b>1</b>	<b>625</b>	<b>102</b>	<b>150</b>	<b>878</b>
Purchases (GBV)	–	–	–	61	61
Depreciation and impairment	–	(107)	(6)	–	(113)
<b>Closing balance – 12/5/16</b>	<b>1</b>	<b>518</b>	<b>96</b>	<b>211</b>	<b>826</b>

(5). Highest and best use

All of Council's non-financial assets are considered as being utilised for their highest and best use.

The former Wellington Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 28. Financial review

\$ '000

Key financial figures of Council over the past 5 years

Financial performance figures	12/5/16	30/6/15	30/6/14	30/06/13	30/06/12
<b>Inflows:</b>					
Rates and annual charges revenue	8,464	8,757	8,471	8,184	7,825
User charges revenue	5,303	5,901	6,160	5,870	5,211
Interest and investment revenue (losses)	792	955	834	973	805
Grants income – operating and capital	7,015	6,003	4,263	5,659	6,386
Total income from continuing operations	24,483	28,821	22,814	24,169	24,254
Sale proceeds from I,PP&E	1,010	1,136	241	157	619
New loan borrowings and advances	–	–	–	–	–
<b>Outflows:</b>					
Employee benefits and on-cost expenses	6,588	7,602	8,229	8,797	8,472
Borrowing costs	558	666	685	667	709
Materials and contracts expenses	5,009	4,951	4,656	5,162	5,373
Total expenses from continuing operations	20,143	22,719	24,420	24,985	24,014
Total cash purchases of I,PP&E	2,418	5,034	4,790	5,545	7,188
Total loan repayments (incl. finance leases)	362	383	361	338	460
Operating surplus/(deficit) (excl. capital income)	1,745	548	(3,546)	(2,718)	(1,854)
<b>Financial position figures</b>	<b>12/5/16</b>	<b>30/6/15</b>	<b>30/6/14</b>	<b>30/06/13</b>	<b>30/06/12</b>
Current assets	21,810	23,400	17,978	23,230	20,864
Current liabilities	4,618	4,848	4,981	5,534	5,581
Net current assets	17,192	18,552	12,997	17,696	15,283
Available working capital (Unrestricted net current assets)	5,011	3,408	3,744	3,194	2,789
Cash and investments – unrestricted	3,292	1,283	1,777	1,614	583
Cash and investments – internal restrictions	15,970	16,332	10,876	12,000	11,841
Cash and investments – total	33,686	27,622	20,775	20,105	17,329
Total borrowings outstanding (Loans, advances and finance leases)	9,311	9,673	10,056	10,417	10,755
Total value of I,PP&E (excl. land and earthworks)	337,753	334,874	327,160	325,580	304,480
Total accumulated depreciation	132,502	127,604	136,098	131,264	119,656
Indicative remaining useful life (as a % of GBV)	61%	62%	58%	60%	61%

Source: published audited financial statements of Council (current period and prior year)



## The former Wellington Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 29. Council information and contact details

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**Principal place of business:**

Nanima Crescent  
WELLINGTON NSW 2820

**Contact details**

**Mailing address:**

PO Box 62  
WELLINGTON NSW 2820

**Opening hours:**

9am to 5pm  
Monday to Friday

**Telephone:** 02 6840 1700

**Facsimile:** 02 6840 1791

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

**Email:** [mail@wellington.nsw.gov.au](mailto:mail@wellington.nsw.gov.au)

**Officers**

**INTERIM GENERAL MANAGER**

Mark Riley

**Members**

**ADMINISTRATOR**

Michael Kneipp

**RESPONSIBLE ACCOUNTING OFFICER**

Craig Giffin

**PUBLIC OFFICER**

Craig Giffin

**AUDITORS**

Luka Group  
2 River Street  
Dubbo NSW 2830

**Other information**

**ABN:** 57 268 387 231

# The former Wellington Council

SPECIAL PURPOSE FINANCIAL STATEMENTS  
for the period 1 July 2015 to 12 May 2016

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*"...a safe, vibrant, progressive community,  
which is renowned for its beauty and character."*



## The former Wellington Council

### Special Purpose Financial Statements for the period 1 July 2015 to 12 May 2016

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#### Background

- (i) These Special Purpose Financial Statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.
  - (ii) The principle of competitive neutrality is based on the concept of a 'level playing field' between persons/entities competing in a market place, particularly between private and public sector competitors.  
  
Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.
  - (iii) For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.  
  
These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, and **(b)** those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities).
  - (iv) In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).
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## The former Wellington Council

### Special Purpose Financial Statements for the period 1 July 2015 to 12 May 2016

### Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

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

- the NSW Government Policy Statement 'Application of National Competition Policy to Local Government',
- the Division of Local Government Guidelines 'Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality',
- the Local Government Code of Accounting Practice and Financial Reporting,
- the NSW Office of Water Best-Practice Management of Water and Sewerage Guidelines.

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

- present fairly the operating result and financial position for each of Council's declared business activities for the period, 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 Dubbo Regional Council made on 28 November 2016.**

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Michael Kneipp  
Administrator

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Mark Riley  
Interim General Manager

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Craig Giffin  
Responsible Accounting Officer

SPFS 2016

The former Wellington Council

Income Statement of Council's Water Supply Business Activity  
for the period 1 July 2015 to 12 May 2016

\$ '000	Actual 1/7/15 to 12/5/16	Actual 1/7/14 to 30/6/15
<b>Income from continuing operations</b>		
Access charges	1,174	1,321
User charges	1,712	1,754
Fees	–	–
Interest	94	84
Grants and contributions provided for non-capital purposes	79	87
Other income	23	25
<b>Total income from continuing operations</b>	<b>3,082</b>	<b>3,271</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	368	392
Borrowing costs	238	283
Materials and contracts	760	832
Depreciation and impairment	490	537
Water purchase charges	47	65
Loss on sale of assets	31	(12)
Calculated taxation equivalents	222	213
Debt guarantee fee (if applicable)	129	132
Other expenses	278	333
<b>Total expenses from continuing operations</b>	<b>2,563</b>	<b>2,775</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>519</b>	<b>496</b>
Grants and contributions provided for capital purposes	7	5
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>526</b>	<b>501</b>
Surplus (deficit) from discontinued operations	–	–
<b>Surplus (deficit) from all operations before tax</b>	<b>526</b>	<b>501</b>
Less: corporate taxation equivalent (30%) [based on result before capital]	(156)	(149)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>370</b>	<b>352</b>
Plus opening retained profits	14,511	13,665
Plus/less: prior period adjustments	–	–
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	222	213
– Debt guarantee fees	129	132
– Corporate taxation equivalent	156	149
Less:		
– Tax equivalent dividend paid	–	–
– Surplus dividend paid	–	–
<b>Closing retained profits</b>	<b>15,388</b>	<b>14,511</b>
<b>Return on capital %</b>	<b>3.7%</b>	<b>3.9%</b>
<b>Subsidy from Council</b>	<b>–</b>	<b>–</b>
Calculation of dividend payable:		
Surplus (deficit) after tax	370	352
Less: capital grants and contributions (excluding developer contributions)	–	–
<b>Surplus for dividend calculation purposes</b>	<b>370</b>	<b>352</b>
<b>Potential dividend calculated from surplus</b>	<b>185</b>	<b>176</b>

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SPFS 2016

The former Wellington Council

Income Statement of Council's Sewerage Business Activity  
for the period 1 July 2015 to 12 May 2016

\$ '000	Actual 1/7/15 to 12/5/16	Actual 1/7/14 to 30/6/15
<b>Income from continuing operations</b>		
Access charges	1,380	1,322
User charges	360	387
Liquid trade waste charges	20	21
Fees	-	-
Interest	97	113
Grants and contributions provided for non-capital purposes	48	43
Other income	4	314
<b>Total income from continuing operations</b>	<b>1,909</b>	<b>2,200</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	232	306
Borrowing costs	218	259
Materials and contracts	585	679
Depreciation and impairment	640	705
Loss on sale of assets	-	-
Calculated taxation equivalents	-	-
Debt guarantee fee (if applicable)	122	126
Other expenses	137	144
<b>Total expenses from continuing operations</b>	<b>1,934</b>	<b>2,219</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>(25)</b>	<b>(19)</b>
Grants and contributions provided for capital purposes	2	2
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>(23)</b>	<b>(17)</b>
Surplus (deficit) from discontinued operations	-	-
<b>Surplus (deficit) from all operations before tax</b>	<b>(23)</b>	<b>(17)</b>
Less: corporate taxation equivalent (30%) [based on result before capital]	-	-
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>(23)</b>	<b>(17)</b>
Plus opening retained profits	14,726	14,617
Plus/less: prior period adjustments	-	-
Plus adjustments for amounts unpaid:		
- Taxation equivalent payments	-	-
- Debt guarantee fees	122	126
- Corporate taxation equivalent	-	-
Less:		
- Tax equivalent dividend paid	-	-
- Surplus dividend paid	-	-
<b>Closing retained profits</b>	<b>14,825</b>	<b>14,726</b>
<b>Return on capital %</b>	<b>0.9%</b>	<b>1.1%</b>
<b>Subsidy from Council</b>	<b>293</b>	<b>404</b>
Calculation of dividend payable:		
Surplus (deficit) after tax	(23)	(17)
Less: capital grants and contributions (excluding developer contributions)	-	-
<b>Surplus for dividend calculation purposes</b>	<b>-</b>	<b>-</b>
<b>Potential dividend calculated from surplus</b>	<b>-</b>	<b>-</b>

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The former Wellington Council

Statement of Financial Position – Council's Water Supply Business Activity  
as at 12 May 2016

\$ '000	Actual 12/5/16	Actual 30/6/15
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	883	1,290
Investments	–	–
Receivables	761	770
Inventories	29	27
Other	13	–
Non-current assets classified as held for sale	–	–
<b>Total current assets</b>	<b>1,686</b>	<b>2,087</b>
<b>Non-current assets</b>		
Investments	2,846	1,477
Receivables	101	101
Inventories	–	–
Infrastructure, property, plant and equipment	20,233	20,133
Investments accounted for using equity method	–	–
Investment property	–	–
Intangible assets	–	–
Other	–	–
<b>Total non-current assets</b>	<b>23,180</b>	<b>21,711</b>
<b>TOTAL ASSETS</b>	<b>24,866</b>	<b>23,798</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Bank overdraft	–	–
Payables	347	298
Borrowings	132	150
Provisions	125	115
<b>Total current liabilities</b>	<b>604</b>	<b>563</b>
<b>Non-current liabilities</b>		
Payables	–	–
Borrowings	4,154	4,260
Provisions	3	2
<b>Total non-current liabilities</b>	<b>4,157</b>	<b>4,262</b>
<b>TOTAL LIABILITIES</b>	<b>4,761</b>	<b>4,825</b>
<b>NET ASSETS</b>	<b>20,105</b>	<b>18,973</b>
<b>EQUITY</b>		
Retained earnings	15,388	14,511
Revaluation reserves	4,717	4,462
Council equity interest	20,105	18,973
Non-controlling equity interest	–	–
<b>TOTAL EQUITY</b>	<b>20,105</b>	<b>18,973</b>

The former Wellington Council

Statement of Financial Position – Council's Sewerage Business Activity  
as at 12 May 2016

\$ '000	Actual 12/5/16	Actual 30/6/15
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	529	587
Investments	–	–
Receivables	369	171
Inventories	2	2
Other	9	–
Non-current assets classified as held for sale	–	–
<b>Total Current Assets</b>	<b>909</b>	<b>760</b>
<b>Non-current assets</b>		
Investments	3,172	2,868
Receivables	47	51
Inventories	–	–
Infrastructure, property, plant and equipment	21,047	21,318
Investments accounted for using equity method	–	–
Investment property	–	–
Intangible assets	–	–
Other	–	–
<b>Total non-current assets</b>	<b>24,266</b>	<b>24,237</b>
<b>TOTAL ASSETS</b>	<b>25,175</b>	<b>24,997</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Bank overdraft	–	–
Payables	68	112
Borrowings	159	147
Provisions	76	74
<b>Total current liabilities</b>	<b>303</b>	<b>333</b>
<b>Non-current liabilities</b>		
Payables	–	–
Borrowings	3,906	4,065
Provisions	4	3
<b>Total non-current liabilities</b>	<b>3,910</b>	<b>4,068</b>
<b>TOTAL LIABILITIES</b>	<b>4,213</b>	<b>4,401</b>
<b>NET ASSETS</b>	<b>20,962</b>	<b>20,596</b>
<b>EQUITY</b>		
Retained earnings	14,825	14,726
Revaluation reserves	6,137	5,870
Council equity interest	20,962	20,596
Non-controlling equity interest	–	–
<b>TOTAL EQUITY</b>	<b>20,962</b>	<b>20,596</b>



## The former Wellington Council

### Special Purpose Financial Statements for the period 1 July 2015 to 12 May 2016

#### Contents of the notes accompanying the financial statements

Note	Details	Page
1	Summary of significant accounting policies	8
2	Water Supply Business Best-Practice Management disclosure requirements	11
3	Sewerage Business Best-Practice Management disclosure requirements	13

## The former Wellington Council

### Notes to the Special Purpose Financial Statements

for the period 1 July 2015 to 12 May 2016

#### Note 1. Significant accounting policies

These financial statements are a Special Purpose Financial Statements (SPFS) prepared for use by Council and the Office of Local Government.

These financial statements have been prepared for the period 1 July 2015 – 12 May 2016, comparatives are for the year ended 30 June 2015.

For the purposes of these statements, the Council is not a reporting not-for-profit entity.

The figures presented in the SPFS, unless otherwise stated, have been prepared in accordance with:

- the recognition and measurement criteria of relevant Australian Accounting Standards,
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB), and
- Australian Accounting Interpretations.

The disclosures in the SPFS have been prepared in accordance with:

- the Local Government Act (1993) NSW,
- the Local Government (General) Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

The statements are also prepared on an accruals basis, based on historic costs and do not take into account changing money values nor current values of non-current assets (except where specifically stated).

Certain taxes and other costs (appropriately described) have been imputed for the purposes of the National Competition Policy.

#### National Competition Policy

Council has adopted the principle of 'competitive neutrality' to its business activities as part of the national competition policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 government policy statement, *Application of National Competition Policy to Local Government*.

The *Pricing and Costing for Council Businesses, A Guide to Competitive Neutrality*, issued by the Office of Local Government in July 1997, has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide standards for disclosure. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, return on investments (rate of return), and dividends paid.

#### Declared business activities

In accordance with *Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality*, Council has declared that the following are to be considered as business activities:

##### Category 1

(where gross operating turnover is over \$2 million)

##### a. Wellington Council Combined Water Supplies

Comprising the whole of the water supply operations and net assets servicing the town of Wellington and villages of Geurie, Mumbil and North Yeoval.

##### Category 2

(where gross operating turnover is less than \$2 million)

##### a. Wellington Council Sewerage Service

Comprising the whole of the sewerage reticulation & treatment operations and net assets servicing the town of Wellington and the villages of Geurie and Mumbil.

#### Monetary amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest thousand dollars, with the exception of some figures disclosed in Note 2 (Water Supply Best-Practice Management Disclosures) and Note 3 (Sewerage Best-Practice Management Disclosures).

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

## The former Wellington Council

### Notes to the Special Purpose Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 1. Significant accounting policies (continued)

##### (i) Taxation-equivalent charges

Council is liable to pay various taxes and financial duties in undertaking its business activities. Where this is the case, they are disclosed in these statements as a cost of operations just like all other costs.

However, where Council is exempt from paying taxes which are generally paid by private sector businesses (such as income tax), equivalent tax payments have been applied to all Council-nominated business activities and are reflected in these financial statements.

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council's non-business activities):

##### Notional rate applied (%)

###### Corporate income tax rate – 30%

Land tax – the first **\$482,000** of combined land values attracts **0%**. For that valued from \$482,001 to \$2,947,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$2,947,000, a premium marginal rate of **2.0%** applies.

Payroll tax – **5.45%** on the value of taxable salaries and wages in excess of \$750,000.

In accordance with the Best-Practice Management of Water Supply and Sewerage Guidelines, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred to in the Best-Practice Management of Water Supply and Sewerage Guidelines as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the *Local Government Act, 1993*.

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

##### Income tax

An income tax equivalent has been applied on the profits of each reported business activity.

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

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

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

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

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

##### Local government rates and charges

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

##### Loan and debt guarantee fees

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

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

## The former Wellington Council

### Notes to the Special Purpose Financial Statements

for the period 1 July 2015 to 12 May 2016

#### Note 1. Significant accounting policies (continued)

##### (ii) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed.

Subsidies occur when Council provides services on a less-than-cost-recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations.

Accordingly, 'subsidies disclosed' (in relation to National Competition Policy) represents the difference between revenue generated from 'rate of return' pricing and revenue generated from prices set by Council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported business activity.

##### (iii) Return on investments (rate of return)

The policy statement requires that councils with category 1 businesses 'would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field'.

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The rate of return on capital is calculated as follows:

**Operating result before capital income + interest expense**

**Written down value of I,PP&E as at 12 May**

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 2.31% at 12/5/16.

The actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

##### (iv) Dividends

Council is not required to pay dividends to either itself (as owner of a range of businesses) or to any external entities.

Local government water supply and sewerage businesses are permitted to pay an annual dividend from its water supply or sewerage business surplus.

The dividend, calculated and approved in accordance with the Best-Practice Management of Water Supply and Sewerage Guidelines, must not exceed either:

- (i) 50% of this surplus in any one year, or
- (ii) the number of water supply or sewerage assessments at 12 May 2016 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the Best-Practice Management of Water Supply and Sewerage Guidelines, a Dividend Payment Form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the NSW Office of Water prior to making the dividend and only after it has approved the payment.

The former Wellington Council

Notes to the Special Purpose Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 2. Water supply business  
best-practice management disclosure requirements

Dollars amounts shown below are in whole dollars (unless otherwise indicated) 12/5/16

**1. Calculation and payment of tax-equivalents**

[all local government local water utilities must pay this dividend for tax equivalents]

(i) Calculated tax equivalents	351,000
(ii) Number of assessments multiplied by \$3/assessment	9,054
(iii) Amounts payable for tax equivalents [lesser of (i) and (ii)]	9,054
(iv) Amounts actually paid for tax equivalents	-

**2. Dividend from surplus**

(i) 50% of surplus before dividends [calculated in accordance with Best-Practice Management for Water Supply and Sewerage Guidelines]	185,150
(ii) Number of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment	81,486
(iii) Cumulative surplus before dividends for the 3 years to 12 May 2016, less the cumulative dividends paid for the 2 years to 30 June 2015 and 30 June 2014	935,600

2016 Surplus	370,300	2015 Surplus	352,200	2014 Surplus	213,100
		2015 Dividend	-	2014 Dividend	-

(iv) Maximum dividend from surplus [least of (i), (ii) and (iii) above]	81,486
(v) Dividend actually paid from surplus [refer below for required pre-dividend payment criteria]	-
(vi) Are the overhead reallocation charges to the water business fair and reasonable? <sup>a</sup>	YES

**3. Required outcomes for 6 criteria**

[to be eligible for the payment of a 'dividend from surplus', all the criteria below need a 'YES']

(i) Completion of strategic business plan (including financial plan)	YES
(ii) Full cost recovery, without significant cross subsidies [refer item 2 (a) in table 1 on page 22 of the Best-Practice Guidelines]	YES
- Complying charges [item 2 (b) in table 1]	YES
- DSP with commercial developer charges [item 2 (e) in table 1]	YES
- If dual water supplies, complying charges [item 2 (g) in table 1]	YES
(iii) Sound water conservation and demand management implemented	YES
(iv) Sound drought management implemented	YES
(v) Complete performance reporting form (by 15 September each year)	YES
(vi) a. Integrated water cycle management evaluation	YES
b. Complete and implement integrated water cycle management strategy	YES

The former Wellington Council

Notes to the Special Purpose Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 2. Water supply business  
best-practice management disclosure requirements (continued)

Dollars amounts shown below are in whole dollars (unless otherwise indicated) 12/5/16

National Water Initiative (NWI) financial performance indicators

<b>NWI F1</b>	Total revenue (water) Total income (w13) – grants for the acquisition of assets (w11a) – interest income (w9) – Aboriginal Communities W&S Program Income (w10a)	\$'000	2,956
<b>NWI F4</b>	Revenue from residential usage charges (water) Income from residential usage charges (w6b) x 100 divided by the sum of [income from residential usage charges (w6a) + income from residential access charges (w6b)]	%	53.39%
<b>NWI F9</b>	Written down replacement cost of fixed assets (water) Written down current cost of system assets (w47)	\$'000	20,132
<b>NWI F11</b>	Operating cost (OMA) (water) Management expenses (w1) + operational and maintenance expenses (w2)	\$'000	1,391
<b>NWI F14</b>	Capital expenditure (water) Acquisition of fixed assets (w16)	\$'000	390
<b>NWI F17</b>	Economic real rate of return (water) [total income (w13) – interest income (w9) – grants for acquisition of assets (w11a) – operating costs (NWI F11) – current cost depreciation (w3)] x 100 divided by [written down current cost of system assets (w47) + plant and equipment (w33b)]	%	5.57%
<b>NWI F26</b>	Capital works grants (water) Grants for the acquisition of assets (w11a)	\$'000	–

- Notes:
1. References to w (e.g. w12) refer to item numbers within Special Schedules 3 and 4 of Council's Annual Financial Statements.
  2. The NWI performance indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators and Definitions.
- a refer to 3.2 (2) on page 15 of the Best-Practice Management of Water Supply and Sewerage Guidelines, 2007

The former Wellington Council

Notes to the Special Purpose Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 3. Sewerage business  
best-practice management disclosure requirements

Dollars amounts shown below are in whole dollars (unless otherwise indicated) 12/5/16

**1. Calculation and payment of tax-equivalents**

[all local government local water utilities must pay this dividend for tax equivalents]

(i) Calculated tax equivalents	122,000
(ii) Number of assessments multiplied by \$3/assessment	8,106
(iii) Amounts payable for tax equivalents [lesser of (i) and (ii)]	8,106
(iv) Amounts actually paid for tax equivalents	-

**2. Dividend from surplus**

(i) 50% of surplus before dividends [calculated in accordance with Best-Practice Management for Water Supply and Sewerage Guidelines]	-
(ii) Number of assessments x (\$30 less tax equivalent charges per assessment)	72,954
(iii) Cumulative surplus before dividends for the 3 years to 12 May 2016, less the cumulative dividends paid for the 2 years to 30 June 2015 and 30 June 2014	(509,000)

2016 Surplus	(23,000)	2015 Surplus	(17,000)	2014 Surplus	(469,000)
		2015 Dividend	-	2014 Dividend	-

(iv) Maximum dividend from surplus [least of (i), (ii) and (iii) above]	n/a
(v) Dividend actually paid from surplus [refer below for required pre-dividend payment criteria]	-
(vi) Are the overhead reallocation charges to the sewer business fair and reasonable? <sup>a</sup>	YES

**3. Required outcomes for 4 criteria**

[to be eligible for the payment of a 'dividend from surplus', all the criteria below need a 'YES']

(i) Completion of strategic business plan (including financial plan)	YES
(ii) Pricing with full cost-recovery, without significant cross subsidies [refer item 2 (a) in table 1 on page 22 of the Best-Practice Guidelines]	YES
Complying charges	
(a) Residential [item 2 (c) in table 1]	YES
(b) Non-residential [item 2 (c) in table 1]	YES
(c) Trade waste [item 2 (d) in table 1]	YES
DSP with commercial developer charges [item 2 (e) in table 1]	YES
Liquid trade waste approvals and policy [item 2 (f) in table 1]	YES
(iii) Complete performance reporting form (by 15 September each year)	YES
(iv) a. Integrated water cycle management evaluation	YES
b. Complete and implement integrated water cycle management strategy	YES

The former Wellington Council

Notes to the Special Purpose Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 3. Sewerage business  
best-practice management disclosure requirements (continued)

Dollars amounts shown below are in whole dollars (unless otherwise indicated) 12/5/16

**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	1,807
<b>NWI F10</b>	Written down replacement cost of fixed assets (sewerage) Written down current cost of system assets (s48)	\$'000	21,004
<b>NWI F12</b>	Operating cost (sewerage) Management expenses (s1) + operational and maintenance expenses (s2)	\$'000	904
<b>NWI F15</b>	Capital expenditure (sewerage) Acquisition of fixed assets (s17)	\$'000	102
<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 (i.e. WDCC) of system assets (s48) + plant and equipment (s34b)]	%	1.31%
<b>NWI F27</b>	Capital works grants (sewerage) Grants for the acquisition of assets (12a)	\$'000	–

**National Water Initiative (NWI) financial performance indicators  
Water and sewer (combined)**

<b>NWI F3</b>	Total income (water and sewerage) Total income (w13 + s14) + gain/loss on disposal of assets (w14 + s15) minus grants for acquisition of assets (w11a + s12a) – interest income (w9 + s10)	\$'000	4,796
<b>NWI F8</b>	Revenue from community service obligations (water and sewerage) Community service obligations (NWI F25) x 100 divided by total income (NWI F3)	%	1.19%
<b>NWI F16</b>	Capital expenditure (water and sewerage) Acquisition of fixed assets (w16 + s17)	\$'000	492
<b>NWI F19</b>	Economic real rate of return (water and sewerage) [total income (w13 + s14) – interest income (w9 + s10) – grants for acquisition of assets (w11a + s12a) – operating cost (NWI F11 + NWI F12) – current cost depreciation (w3 + s3)] x 100 divided by [written down replacement cost of fixed assets (NWI F9 + NWI F10) + plant and equipment (w33b + s34b)]	%	3.40%
<b>NWI F20</b>	Dividend (water and sewerage) Dividend paid from surplus (2 (v) of Note 2 + 2 (v) of Note 3)	\$'000	–
<b>NWI F21</b>	Dividend payout ratio (water and sewerage) Dividend (NWI F20) x 100 divided by net profit after tax (NWI F24)	%	0.00%



The former Wellington Council

Notes to the Special Purpose Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 3. Sewerage business  
best-practice management disclosure requirements (continued)

Dollars amounts shown below are in whole dollars (unless otherwise indicated) 12/5/16

**National Water Initiative (NWI) financial performance indicators**  
**Water and sewer (combined)**

<b>NWI F22</b>	Net debt to equity (water and sewerage) Overdraft (w36 + s37) + borrowings (w38 + s39) – cash and investments (w30 + s31) x 100 divided by [total assets (w35 + s36) – total liabilities (w40 + s41)]	%	2.24%
<b>NWI F23</b>	Interest cover (water and sewerage) Earnings before interest and tax (EBIT) divided by net interest  Earnings before interest and tax (EBIT): <span style="border: 1px solid black; padding: 2px;">1,402</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;">283</span> Interest expense (w4a + s4a) – interest income (w9 + s10)		-
<b>NWI F24</b>	Net profit after tax (water and sewerage) Surplus before dividends (w15a + s16a) – tax equivalents paid (Note 2-1 (iv) + Note 3-1 (iv))	\$'000	976
<b>NWI F25</b>	Community service obligations (water and sewerage) Grants for pensioner rebates (w11b + s12b)	\$'000	57

- Notes:
1. References to w (eg. s12) refer to item numbers within Special Schedules 5 and 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 and Definitions.
    - a refer to 3.2 (2) on page 15 of the Best-Practice Management of Water Supply and Sewerage Guidelines, 2007

# The former Wellington Council

SPECIAL SCHEDULES

for the period 1 July 2015 to 12 May 2016

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*"...a safe, vibrant, progressive community,  
which is renowned for its beauty and character."*



## The former Wellington Council

### Special Schedules

for the period 1 July 2015 to 12 May 2016

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<sup>1</sup> Special Schedules are not audited.

#### Background

(i) These Special Schedules have been designed to meet the requirements of special purpose users such as;

- the NSW Grants Commission
- the Australian Bureau of Statistics (ABS),
- the NSW Office of Water (NOW), and
- the Office of Local Government (OLG).

(ii) The financial data is collected for various uses including;

- the allocation of Financial Assistance Grants,
- the incorporation of Local Government financial figures in national statistics,
- the monitoring of loan approvals,
- the allocation of borrowing rights, and
- the monitoring of the financial activities of specific services.

The former Wellington Council

Special Schedule 1 – Net Cost of Services  
for the period 1 July 2015 to 12 May 2016

\$'000				
Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
<b>Governance</b>	1,130	–	–	(1,130)
<b>Administration</b>	1,296	360	9	(927)
<b>Public order and safety</b>				
Fire service levy, fire protection, emergency services	664	198	79	(387)
Beach control	–	–	–	–
Enforcement of local government regulations	–	–	–	–
Animal control	158	28	–	(130)
Other	–	–	–	–
<b>Total public order and safety</b>	<b>822</b>	<b>226</b>	<b>79</b>	<b>(517)</b>
<b>Health</b>	(3)	1	–	4
<b>Environment</b>				
Noxious plants and insect/vermin control	171	64	–	(107)
Other environmental protection	110	–	–	(110)
Solid waste management	1,154	1,336	–	182
Street cleaning	120	–	–	(120)
Drainage	31	–	–	(31)
Stormwater management	–	29	3	32
<b>Total environment</b>	<b>1,586</b>	<b>1,429</b>	<b>3</b>	<b>(154)</b>
<b>Community services and education</b>				
Administration and education	–	–	–	–
Social protection (welfare)	82	–	–	(82)
Aged persons and disabled	175	164	–	(11)
Children's services	162	142	–	(20)
<b>Total community services and education</b>	<b>419</b>	<b>306</b>	<b>–</b>	<b>(113)</b>
<b>Housing and community amenities</b>				
Public cemeteries	177	128	4	(45)
Public conveniences	116	–	–	(116)
Street lighting	138	41	–	(97)
Town planning	64	57	–	(7)
Other community amenities	36	–	–	(36)
<b>Total housing and community amenities</b>	<b>531</b>	<b>226</b>	<b>4</b>	<b>(301)</b>
<b>Water supplies</b>	<b>2,161</b>	<b>2,733</b>	<b>7</b>	<b>579</b>
<b>Sewerage services</b>	<b>1,803</b>	<b>1,856</b>	<b>2</b>	<b>55</b>

The former Wellington Council

Special Schedule 1 – Net Cost of Services (continued)  
for the period 1 July 2015 to 12 May 2016

\$'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	301	32	–	(269)
Museums	29	–	–	(29)
Art galleries	–	–	–	–
Community centres and halls	118	16	8	(94)
Performing arts venues	–	–	–	–
Other performing arts	15	–	–	(15)
Other cultural services	–	–	–	–
Sporting grounds and venues	399	15	312	(72)
Swimming pools	437	83	–	(354)
Parks and gardens (lakes)	756	13	12	(731)
Other sport and recreation	159	21	410	272
<b>Total recreation and culture</b>	<b>2,214</b>	<b>180</b>	<b>742</b>	<b>(1,292)</b>
<b>Fuel and energy</b>	–	–	–	–
<b>Agriculture</b>	–	–	–	–
<b>Mining, manufacturing and construction</b>				
Building control	56	54	–	(2)
Other mining, manufacturing and construction	8	–	–	(8)
<b>Total mining, manufacturing and const.</b>	<b>64</b>	<b>54</b>	–	<b>(10)</b>
<b>Transport and communication</b>				
Urban roads (UR) – local	692	270	37	(385)
Urban roads – regional	–	–	–	–
Sealed rural roads (SRR) – local	787	380	446	39
Sealed rural roads (SRR) – regional	1,497	1,119	578	200
Unsealed rural roads (URR) – local	1,493	395	156	(942)
Unsealed rural roads (URR) – regional	–	–	–	–
Bridges on UR – local	63	–	–	(63)
Bridges on SRR – local	250	33	–	(217)
Bridges on URR – local	63	–	–	(63)
Bridges on regional roads	157	–	4	(153)
Parking areas	33	–	–	(33)
Footpaths	112	–	–	(112)
Aerodromes	134	4	–	(130)
Other transport and communication	1,686	1,351	–	(335)
<b>Total transport and communication</b>	<b>6,967</b>	<b>3,552</b>	<b>1,221</b>	<b>(2,194)</b>
<b>Economic affairs</b>				
Camping areas and caravan parks	441	282	528	369
Other economic affairs	711	355	–	(356)
<b>Total economic affairs</b>	<b>1,152</b>	<b>637</b>	<b>528</b>	<b>13</b>
<b>Totals – functions</b>	<b>20,142</b>	<b>11,560</b>	<b>2,595</b>	<b>(5,987)</b>
<b>General purpose revenues <sup>(1)</sup></b>		<b>10,323</b>		<b>10,323</b>
<b>Share of interests – joint ventures and associates using the equity method</b>	–	4		4
<b>NET OPERATING RESULT <sup>(2)</sup></b>	<b>20,143</b>	<b>21,888</b>	<b>2,595</b>	<b>4,340</b>

(1) Includes: rates and annual charges (including ex gratia, excluding water and sewer), non-capital general purpose grants, interest on investments (excluding externally restricted assets) and interest on overdue rates and annual charges

(2) As per the Income Statement

Special Schedules 2016

## The former Wellington Council

## Special Schedule 2(a) – Statement of Long Term Debt (all purpose)

for the period 1 July 2015 to 12 May 2016

\$'000

Classification of debt	Principal outstanding at beginning of the period			New loans raised during the period	Debt redemption during the period		Transfers to sinking funds	Interest applicable for period	Principal outstanding at the end of the period		
	Current	Non-current	Total		From revenue	Sinking funds			Current	Non-current	Total
<b>Loans (by source)</b>											
Commonwealth government	-	-	-	-	-	-	-	-	-	-	-
Treasury corporation	-	-	-	-	-	-	-	-	-	-	-
Other state government	11	14	25	-	11	-	-	2	11	3	14
Public subscription	-	-	-	-	-	-	-	-	-	-	-
Financial institutions	395	9,253	9,648	-	351	-	-	509	377	8,920	9,297
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total loans</b>	<b>406</b>	<b>9,267</b>	<b>9,673</b>	<b>-</b>	<b>362</b>	<b>-</b>	<b>-</b>	<b>511</b>	<b>388</b>	<b>8,923</b>	<b>9,311</b>
<b>Other long term debt</b>											
Ratepayers advances	-	-	-	-	-	-	-	-	-	-	-
Government advances	-	-	-	-	-	-	-	-	-	-	-
Finance leases	-	-	-	-	-	-	-	-	-	-	-
Deferred payments	-	-	-	-	-	-	-	-	-	-	-
<b>Total long term debt</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total debt</b>	<b>406</b>	<b>9,267</b>	<b>9,673</b>	<b>-</b>	<b>362</b>	<b>-</b>	<b>-</b>	<b>511</b>	<b>388</b>	<b>8,923</b>	<b>9,311</b>

Notes: excludes (i) internal loans and (ii) principal inflows/outflows relating to loan re-financing.

This schedule is prepared using the face value of debt obligations, rather than fair value (which is reported in the GPFS).

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The former Wellington Council

Special Schedule 3 – Water Supply Income Statement

Includes all internal transactions, i.e. prepared on a gross basis  
for the period 1 July 2015 to 12 May 2016

\$'000	Actuals 1/7/15 to 12/5/16	Actuals 1/7/14 to 30/6/15
<b>A Expenses and income</b>		
<b>Expenses</b>		
<b>1. Management expenses</b>		
a. Administration	332	314
b. Engineering and supervision	292	268
<b>2. Operation and maintenance expenses</b>		
– dams and weirs		
a. Operation expenses	–	–
b. Maintenance expenses	–	–
– Mains		
c. Operation expenses	12	8
d. Maintenance expenses	199	229
– Reservoirs		
e. Operation expenses	–	–
f. Maintenance expenses	6	15
– Pumping stations		
g. Operation expenses (excluding energy costs)	–	–
h. Energy costs	43	56
i. Maintenance expenses	39	30
– Treatment		
j. Operation expenses (excluding chemical costs)	358	437
k. Chemical costs	63	98
l. Maintenance expenses	–	–
– Other		
m. Operation expenses	–	–
n. Maintenance expenses	–	–
o. Purchase of water	47	65
<b>3. Depreciation expenses</b>		
a. System assets	480	524
b. Plant and equipment	10	13
<b>4. Miscellaneous expenses</b>		
a. Interest expenses	238	283
b. Revaluation decrements	–	–
c. Other expenses	62	78
d. Impairment – system assets	–	–
e. Impairment – plant and equipment	–	–
f. Aboriginal Communities Water and Sewerage Program	–	–
g. Tax equivalents dividends (actually paid)	–	–
<b>5. Total expenses</b>	<b>2,181</b>	<b>2,418</b>

The former Wellington Council

Special Schedule 3 – Water Supply Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis  
for the period 1 July 2015 to 12 May 2016

\$'000	Actuals 1/7/15 to 12/5/16	Actuals 1/7/14 to 30/6/15
Income		
<b>6. Residential charges</b>		
a. Access (including rates)	927	905
b. Usage charges	1,062	1,093
<b>7. Non-residential charges</b>		
a. Access (including rates)	247	416
b. Usage charges	650	661
<b>8. Extra charges</b>	12	11
<b>9. Interest income</b>	82	73
<b>10. Other income</b>	23	25
<b>10a. Aboriginal Communities Water and Sewerage Program</b>	51	53
<b>11. Grants</b>		
a. Grants for acquisition of assets	–	–
b. Grants for pensioner rebates	27	34
c. Other grants	1	–
<b>12. Contributions</b>		
a. Developer charges	7	5
b. Developer provided assets	–	–
c. Other contributions	–	–
<b>13. Total income</b>	<u>3,089</u>	<u>3,276</u>
<b>14. Gain (or loss) on disposal of assets</b>	(31)	(12)
<b>15. Operating result</b>	<u>877</u>	<u>846</u>
<b>15a. Operating result (less grants for acquisition of assets)</b>	877	846



The former Wellington Council

Special Schedule 3 – Water Supply Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis  
for the period 1 July 2015 to 12 May 2016

\$'000	Actuals 1/7/15 to 12/5/16	Actuals 1/7/14 to 30/6/15
<b>B Capital transactions</b>		
<b>Non-operating expenditures</b>		
<b>16. Acquisition of fixed assets</b>		
a. New assets for improved standards	–	–
b. New assets for growth	–	–
c. Renewals	378	93
d. Plant and equipment	12	–
<b>17. Repayment of debt</b>	124	141
<b>18. Totals</b>	<u>514</u>	<u>234</u>
<b>Non-operating funds employed</b>		
<b>19. Proceeds from disposal of assets</b>	23	16
<b>20. Borrowing utilised</b>	–	–
<b>21. Totals</b>	<u>23</u>	<u>16</u>
<b>C Rates and charges</b>		
<b>22. Number of assessments</b>		
a. Residential (occupied)	2,495	2,497
b. Residential (unoccupied, ie. vacant lot)	134	132
c. Non-residential (occupied)	369	322
d. Non-residential (unoccupied, ie. vacant lot)	20	21
<b>23. Number of ETs for which developer charges were received</b>	2 ET	1 ET
<b>24. Total amount of pensioner rebates (actual dollars)</b>	\$ 50,000	\$ 59,000

The former Wellington Council

Special Schedule 4 – Water Supply Statement of Financial Position

Includes internal transactions, i.e. prepared on a gross basis  
as at 12 May 2016

\$'000	Actuals Current	Actuals Non-current	Actuals Total
<b>ASSETS</b>			
<b>25. Cash and investments</b>			
a. Developer charges	–	157	157
b. Special purpose grants	–	–	–
c. Accrued leave	–	92	92
d. Unexpended loans	–	–	–
e. Sinking fund	–	–	–
f. Other	883	2,597	3,480
<b>26. Receivables</b>			
a. Specific purpose grants	–	–	–
b. Rates and availability charges	191	–	191
c. User charges	570	101	671
d. Other	–	–	–
<b>27. Inventories</b>	29	–	29
<b>28. Property, plant and equipment</b>			
a. System assets	–	20,132	20,132
b. Plant and equipment	–	101	101
<b>29. Other assets</b>	13	–	13
<b>30. Total assets</b>	<u>1,686</u>	<u>23,180</u>	<u>24,866</u>
<b>LIABILITIES</b>			
<b>31. Bank overdraft</b>	–	–	–
<b>32. Creditors</b>	347	–	347
<b>33. Borrowings</b>	132	4,154	4,286
<b>34. Provisions</b>			
a. Tax equivalents	–	–	–
b. Dividend	–	–	–
c. Other	125	3	128
<b>35. Total liabilities</b>	<u>604</u>	<u>4,157</u>	<u>4,761</u>
<b>36. NET ASSETS COMMITTED</b>	<u>1,082</u>	<u>19,023</u>	<u>20,105</u>
<b>EQUITY</b>			
<b>37. Accumulated surplus</b>			15,388
<b>38. Asset revaluation reserve</b>			<u>4,717</u>
<b>39. TOTAL EQUITY</b>			<u>20,105</u>
<b>Note to system assets:</b>			
<b>40. Current replacement cost of system assets</b>			36,862
<b>41. Accumulated current cost depreciation of system assets</b>			<u>(16,730)</u>
<b>42. Written down current cost of system assets</b>			<u>20,132</u>

The former Wellington Council

Special Schedule 5 – Sewerage Service Income Statement

Includes all internal transactions, i.e. prepared on a gross basis  
for the period 1 July 2015 to 12 May 2016

\$'000	Actuals 1/7/15 to 12/5/16	Actuals 1/7/14 to 30/6/15
<b>A Expenses and income</b>		
<b>Expenses</b>		
<b>1. Management expenses</b>		
a. Administration	168	225
b. Engineering and supervision	198	251
<b>2. Operation and maintenance expenses</b>		
– mains		
a. Operation expenses	–	–
b. Maintenance expenses	103	129
– Pumping stations		
c. Operation expenses (excluding energy costs)	–	–
d. Energy costs	19	19
e. Maintenance expenses	42	67
– Treatment		
f. Operation expenses (excl. chemical, energy, effluent and biosolids management costs)	267	271
g. Chemical costs	47	43
h. Energy costs	60	67
i. Effluent management	–	–
j. Biosolids management	–	–
k. Maintenance expenses	–	–
– Other		
l. Operation expenses	–	–
m. Maintenance expenses	–	–
<b>3. Depreciation expenses</b>		
a. System assets	634	698
b. Plant and equipment	6	7
<b>4. Miscellaneous expenses</b>		
a. Interest expenses	218	259
b. Revaluation decrements	–	–
c. Other expenses	50	57
d. Impairment – system assets	–	–
e. Impairment – plant and equipment	–	–
f. Aboriginal Communities Water and Sewerage Program	–	–
g. Tax equivalents dividends (actually paid)	–	–
<b>5. Total expenses</b>	<b>1,812</b>	<b>2,093</b>

The former Wellington Council

Special Schedule 5 – Sewerage Service Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis  
for the period 1 July 2015 to 12 May 2016

\$'000	Actuals 1/7/15 to 12/5/16	Actuals 1/7/14 to 30/6/15
Income		
<b>6. Residential charges</b> (including rates)	1,380	1,322
<b>7. Non-residential charges</b>		
a. Access (including rates)	–	–
b. Usage charges	360	387
<b>8. Trade waste charges</b>		
a. Annual fees	–	–
b. Usage charges	20	21
c. Excess mass charges	–	–
d. Re-inspection fees	–	–
<b>9. Extra charges</b>	6	6
<b>10. Interest income</b>	91	107
<b>11. Other income</b>	4	314
<b>11a. Aboriginal Communities Water and Sewerage Program</b>	13	13
<b>12. Grants</b>		
a. Grants for acquisition of assets	–	–
b. Grants for pensioner rebates	30	30
c. Other grants	5	–
<b>13. Contributions</b>		
a. Developer charges	2	2
b. Developer provided assets	–	–
c. Other contributions	–	–
<b>14. Total income</b>	<u>1,911</u>	<u>2,202</u>
<b>15. Gain (or loss) on disposal of assets</b>	–	–
<b>16. Operating result</b>	<u>99</u>	<u>109</u>
<b>16a. Operating result (less grants for acquisition of assets)</b>	99	109

The former Wellington Council

Special Schedule 5 – Sewerage Service Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis  
for the period 1 July 2015 to 12 May 2016

\$'000	Actuals 1/7/15 to 12/5/16	Actuals 1/7/14 to 30/6/15
<b>B Capital transactions</b>		
<b>Non-operating expenditures</b>		
<b>17. Acquisition of fixed assets</b>		
a. New assets for improved standards	–	–
b. New assets for growth	–	–
c. Renewals	101	254
d. Plant and equipment	1	–
<b>18. Repayment of debt</b>	147	139
<b>19. Totals</b>	<u>249</u>	<u>393</u>
<b>Non-operating funds employed</b>		
<b>20. Proceeds from disposal of assets</b>	–	–
<b>21. Borrowing utilised</b>	–	–
<b>22. Totals</b>	<u>–</u>	<u>–</u>
<b>C Rates and charges</b>		
<b>23. Number of assessments</b>		
a. Residential (occupied)	2,222	2,224
b. Residential (unoccupied, ie. vacant lot)	141	139
c. Non-residential (occupied)	322	322
d. Non-residential (unoccupied, ie. vacant lot)	17	18
<b>24. Number of ETs for which developer charges were received</b>	2 ET	1 ET
<b>25. Total amount of pensioner rebates (actual dollars)</b>	\$ 54,000	\$ 54,000

The former Wellington Council

Special Schedule 6 – Sewerage Service Statement of Financial Position

Includes internal transactions, i.e. prepared on a gross basis  
as at 12 May 2016

\$'000	Actuals Current	Actuals Non-current	Actuals Total
<b>ASSETS</b>			
<b>26. Cash and investments</b>			
a. Developer charges	–	212	212
b. Special purpose grants	–	–	–
c. Accrued leave	–	81	81
d. Unexpended loans	–	–	–
e. Sinking fund	–	–	–
f. Other	529	2,879	3,408
<b>27. Receivables</b>			
a. Specific purpose grants	–	–	–
b. Rates and availability charges	267	37	304
c. User charges	102	10	112
d. Other	–	–	–
<b>28. Inventories</b>	2	–	2
<b>29. Property, plant and equipment</b>			
a. System assets	–	21,004	21,004
b. Plant and equipment	–	43	43
<b>30. Other assets</b>	9	–	9
<b>31. Total assets</b>	<u>909</u>	<u>24,266</u>	<u>25,175</u>
<b>LIABILITIES</b>			
<b>32. Bank overdraft</b>	–	–	–
<b>33. Creditors</b>	68	–	68
<b>34. Borrowings</b>	159	3,906	4,065
<b>35. Provisions</b>			
a. Tax equivalents	–	–	–
b. Dividend	–	–	–
c. Other	76	4	80
<b>36. Total liabilities</b>	<u>303</u>	<u>3,910</u>	<u>4,213</u>
<b>37. NET ASSETS COMMITTED</b>	<u>606</u>	<u>20,356</u>	<u>20,962</u>
<b>EQUITY</b>			
<b>38. Accumulated surplus</b>			14,825
<b>39. Asset revaluation reserve</b>			<u>6,137</u>
<b>40. TOTAL EQUITY</b>			<u>20,962</u>
<b>Note to system assets:</b>			
<b>41. Current replacement cost of system assets</b>			37,445
<b>42. Accumulated current cost depreciation of system assets</b>			<u>(16,441)</u>
<b>43. Written down current cost of system assets</b>			21,004

## The former Wellington Council

### Notes to Special Schedules 3 and 5 for the period 1 July 2015 to 12 May 2016

#### Administration <sup>(1)</sup>

(item 1a of Special Schedules 3 and 5) comprises the following:

- Administration staff:
  - Salaries and allowance
  - Travelling expenses
  - Accrual of leave entitlements
  - Employment overheads.
- Meter reading
- Bad and doubtful debts
- Other administrative/corporate support services

#### Engineering and supervision <sup>(1)</sup>

(item 1b of Special Schedules 3 and 5) comprises the following:

- Engineering staff:
  - Salaries and allowance
  - Travelling expenses
  - Accrual of leave entitlements
  - Employment overheads.
- Other technical and supervision staff:
  - Salaries and allowance
  - Travelling expenses
  - Accrual of leave entitlements
  - Employment overheads.

**Operational expenses** (item 2 of Special Schedules 3 and 5) comprise the day to day operational expenses excluding maintenance expenses.

**Maintenance expenses** (item 2 of Special Schedules 3 and 5) comprise the day to day repair and maintenance expenses. (Refer to Section 5 of the Local Government Asset Accounting Manual regarding capitalisation principles and the distinction between capital and maintenance expenditure).

**Other expenses** (item 4c of Special Schedules 3 and 5) includes all expenses not recorded elsewhere.

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

**Impairment losses** (item 4d and 4e of Special Schedules 3 and 5) are to be used when the carrying amount of an asset exceeds its recoverable amount (refer to page D-31).

**Aboriginal Communities Water and Sewerage Program** (item 4f of Special Schedules 3 and 5) is to be used when operation and maintenance work has been undertaken on behalf of the Aboriginal Communities Water and Sewerage Program. Similarly, income for item 11a of Special Schedule 3 and item 12a of Special Schedule 5 are for services provided to the Aboriginal Communities Water and Sewerage Program and is not part of Council's water supply and sewerage revenue.

**Residential charges** <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) including 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.

Special Schedules 2016

The former Wellington Council

## Special Schedule 7 – Report on Infrastructure Assets as at 12 May 2016

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2015/16 Required maintenance <sup>a</sup>	2015/16 Actual maintenance to 12/5/16	Carrying value	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
<b>Buildings</b>	Buildings	1,701	866	705	152	14,148	44,643	1%	15%	61%	19%	4%
	<b>Sub-total</b>	<b>1,701</b>	<b>866</b>	<b>705</b>	<b>152</b>	<b>14,148</b>	<b>44,643</b>	<b>1.0%</b>	<b>15.0%</b>	<b>61.0%</b>	<b>19.0%</b>	<b>4.0%</b>
<b>Other structures</b>	Other structures	43	7	60	51	769	1,647	25%	23%	29%	22%	1%
	<b>Sub-total</b>	<b>43</b>	<b>7</b>	<b>60</b>	<b>51</b>	<b>769</b>	<b>1,647</b>	<b>25.0%</b>	<b>23.0%</b>	<b>29.0%</b>	<b>22.0%</b>	<b>1.0%</b>
<b>Roads</b>	Sealed roads	627	514	1,500	1,491	163,432	110,043	20%	68%	10%	1%	1%
	Unsealed roads	199	56	1,000	706	36,650	10,208	7%	45%	33%	14%	1%
	Bridges	569	464	310	101	16,380	21,227	50%	26%	15%	5%	4%
	Footpaths	70	15	45	10	3,123	5,952	9%	8%	73%	9%	1%
	Kerb & Gutter	203	5	20	6	7,657	15,170	9%	2%	76%	13%	0%
	Culverts	174	100	50	22	6,681	14,824	3%	0%	91%	5%	1%
	Town Entrance Signs	–	–	–	–	57	67	100%	0%	0%	0%	0%
<b>Sub-total</b>	<b>1,842</b>	<b>1,154</b>	<b>2,925</b>	<b>2,336</b>	<b>233,980</b>	<b>177,491</b>	<b>20.1%</b>	<b>48.3%</b>	<b>26.4%</b>	<b>3.9%</b>	<b>1.3%</b>	

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Special Schedules 2016

## The former Wellington Council

## Special Schedule 7 – Report on Infrastructure Assets as at 12 May 2016 (continued)

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2015/16 Required maintenance <sup>a</sup>	2015/16 Actual maintenance to 12/5/16	Carrying value	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Water supply network	Water supply network	986	89	700	500	19,849	36,757	7%	26%	42%	24%	1%
	<b>Sub-total</b>	<b>986</b>	<b>89</b>	<b>700</b>	<b>500</b>	<b>19,849</b>	<b>36,757</b>	<b>7.0%</b>	<b>26.0%</b>	<b>42.0%</b>	<b>24.0%</b>	<b>1.0%</b>
Sewerage network	Sewerage network	1,358	694	500	411	20,781	36,716	14%	27%	38%	18%	3%
	<b>Sub-total</b>	<b>1,358</b>	<b>694</b>	<b>500</b>	<b>411</b>	<b>20,781</b>	<b>36,716</b>	<b>14.0%</b>	<b>27.0%</b>	<b>38.0%</b>	<b>18.0%</b>	<b>3.0%</b>
Stormwater drainage	Stormwater drainage	393	368	110	31	7,639	12,061	3%	55%	34%	2%	6%
	<b>Sub-total</b>	<b>393</b>	<b>368</b>	<b>110</b>	<b>31</b>	<b>7,639</b>	<b>12,061</b>	<b>3.0%</b>	<b>55.0%</b>	<b>34.0%</b>	<b>2.0%</b>	<b>6.0%</b>
Open space/recreational assets	Swimming pools	266	58	150	100	1,062	1,058	0%	0%	38%	59%	3%
	Other Open Space Assets	632	512	700	585	2,109	6,174	3%	16%	45%	19%	17%
	<b>Sub-total</b>	<b>898</b>	<b>570</b>	<b>850</b>	<b>685</b>	<b>3,171</b>	<b>7,232</b>	<b>2.6%</b>	<b>13.7%</b>	<b>44.0%</b>	<b>24.9%</b>	<b>15.0%</b>
Other infrastructure assets	Land Improvements	–	–	350	343	1,197	1,911	0%	22%	78%	0%	0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>350</b>	<b>343</b>	<b>1,197</b>	<b>1,911</b>	<b>0.0%</b>	<b>22.0%</b>	<b>78.0%</b>	<b>0.0%</b>	<b>0.0%</b>
	<b>TOTAL – ALL ASSETS</b>	<b>7,221</b>	<b>3,748</b>	<b>6,200</b>	<b>4,509</b>	<b>301,534</b>	<b>318,458</b>	<b>14.1%</b>	<b>37.8%</b>	<b>35.4%</b>	<b>10.4%</b>	<b>2.3%</b>

## Notes:

a Required maintenance is the amount identified in Council's asset management plans.

## Infrastructure asset condition assessment 'key'

1	Excellent	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Average	Maintenance work required

4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

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The former Wellington Council

Special Schedule 7 – Report on Infrastructure Assets (continued)  
for the period 1 July 2015 to 12 May 2016

\$ '000	Amounts	Indicator	Prior periods	
	12/5/16	12/5/16	30/6/15	30/6/14
<b>Infrastructure asset performance indicators * consolidated</b>				
<b>1. Infrastructure renewals ratio</b>				
Asset renewals <sup>(1)</sup>	5,190	102.49%	87.45%	63.53%
Depreciation, amortisation and impairment	5,064			
<b>2. Infrastructure backlog ratio</b>				
Estimated cost to bring assets to a satisfactory standard	7,221	3.64%	3.65%	7.94%
Carrying value of infrastructure assets	198,324			
<b>3. Asset maintenance ratio</b>				
Actual asset maintenance	4,509	0.73	1.13	0.65
Required asset maintenance	6,200			

Notes

\* All asset performance indicators are calculated using the asset classes identified in the previous table.

<sup>(1)</sup> Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

The former Wellington Council

Special Schedule 7 – Report on Infrastructure Assets (continued)  
for the period 1 July 2015 to 12 May 2016

<p><b>1. Infrastructure renewals ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2013</td> <td>55%</td> </tr> <tr> <td>2014</td> <td>54%</td> </tr> <tr> <td>2015</td> <td>87%</td> </tr> <tr> <td>2016</td> <td>102%</td> </tr> </tbody> </table>	Year	Ratio %	2013	55%	2014	54%	2015	87%	2016	102%	<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 12/5/16 result</b></p> <p>12/5/16 ratio <b>102.49%</b></p> <p>Provide some commentary of the ratio here...</p>
Year	Ratio %											
2013	55%											
2014	54%											
2015	87%											
2016	102%											
<p>Benchmark: Minimum <math>\geq 100.00\%</math> Source for benchmark: Code of Accounting Practice and Financial Reporting #24</p>		<p>Ratio achieves benchmark Ratio is outside benchmark</p>										
<p><b>2. Infrastructure backlog ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2013</td> <td>14.0%</td> </tr> <tr> <td>2014</td> <td>7.9%</td> </tr> <tr> <td>2015</td> <td>3.7%</td> </tr> <tr> <td>2016</td> <td>3.6%</td> </tr> </tbody> </table>	Year	Ratio %	2013	14.0%	2014	7.9%	2015	3.7%	2016	3.6%	<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 12/5/16 result</b></p> <p>12/5/16 ratio <b>3.64%</b></p> <p>Provide some commentary of the ratio here...</p>
Year	Ratio %											
2013	14.0%											
2014	7.9%											
2015	3.7%											
2016	3.6%											
<p>Benchmark: Maximum <math>&lt; 2.00\%</math> Source for benchmark: Code of Accounting Practice and Financial Reporting #24</p>		<p>Ratio achieves benchmark Ratio is outside benchmark</p>										
<p><b>3. Asset maintenance ratio</b></p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio (x)</th> </tr> </thead> <tbody> <tr> <td>2013</td> <td>0.90</td> </tr> <tr> <td>2014</td> <td>0.65</td> </tr> <tr> <td>2015</td> <td>1.13</td> </tr> <tr> <td>2016</td> <td>0.73</td> </tr> </tbody> </table>	Year	Ratio (x)	2013	0.90	2014	0.65	2015	1.13	2016	0.73	<p><b>Purpose of asset maintenance ratio</b></p> <p>Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.</p>	<p><b>Commentary on 12/5/16 result</b></p> <p>12/5/16 ratio <b>0.73 x</b></p> <p>Provide some commentary of the ratio here...</p>
Year	Ratio (x)											
2013	0.90											
2014	0.65											
2015	1.13											
2016	0.73											
<p>Benchmark: Minimum <math>&gt; 1.00</math> Source for benchmark: Code of Accounting Practice and Financial Reporting #24</p>		<p>Ratio achieves benchmark Ratio is outside benchmark</p>										

The former Wellington Council

Special Schedule 7 – Report on Infrastructure Assets (continued)  
for the period 1 July 2015 to 12 May 2016

\$ '000	Water 12/5/16	Sewer 12/5/16	General <sup>(1)</sup> 12/5/16
<b>Infrastructure asset performance indicators by fund</b>			
<b>1. Infrastructure renewals ratio</b>			
Asset renewals <sup>(2)</sup>	<b>205.42%</b>	<b>214.20%</b>	<b>72.05%</b>
Depreciation, amortisation and impairment			
prior period:	17.75%	36.39%	102.76%
<b>2. Infrastructure backlog ratio</b>			
Estimated cost to bring assets to a satisfactory standard	<b>4.97%</b>	<b>6.53%</b>	<b>3.09%</b>
Carrying value of infrastructure assets			
prior period:	4.93%	6.40%	3.13%
<b>3. Asset maintenance ratio</b>			
Actual asset maintenance	<b>0.71</b>	<b>0.82</b>	<b>0.72</b>
Required asset maintenance			
prior period:	0.79	0.93	1.23

Notes

<sup>(1)</sup> General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

<sup>(2)</sup> Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

# The former Dubbo City Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the period 1 July 2015 to 12 May 2016

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*"A vibrant city of lifestyle and opportunity"*



## The former Dubbo City Council

### General Purpose Financial Statements for the period 1 July 2015 to 12 May 2016

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#### Overview

- (i) These financial statements are General Purpose Financial Statements and cover the operations for the former Dubbo City Council.
- (ii) The former Dubbo City Council is a body politic of NSW, Australia – being constituted as a local government area by proclamation and is duly empowered by the Local Government Act 1993 (LGA).
- Council's Statutory Charter is detailed in Paragraph 8 of the LGA and includes giving Council;
- the ability to provide goods, services and facilities, and to carry out activities appropriate to the current and 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 Dubbo Regional Council on 12 December 2016. Council has the power to amend and reissue these financial statements.
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## The former Dubbo City Council

### General Purpose Financial Statements for the period 1 July 2015 to 12 May 2016

#### Understanding Council's financial statements

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##### Introduction

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

##### What you will find in the statements

The financial statements set out the financial performance, financial position and cash flows of Council for the reporting period 1/7/15 to 12/5/16.

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

##### About the Councillor/Management Statement

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

##### About the primary financial statements

The financial statements incorporate five 'primary' financial statements:

###### 1. The Income Statement

This statement summarises Council's financial performance for the period, listing all income and expenses.

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

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

This statement primarily records changes in the fair values of Council's infrastructure, property, plant and equipment.

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

This statement is an end of period snapshot of Council's financial position indicating its assets, liabilities and equity ('net wealth').

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

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

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

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

##### About the Notes to the Financial Statements

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

##### About the Auditor's Reports

Council's financial statements are required to be audited by external accountants (that generally specialise 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 and position, and
2. Their observations on the conduct of the audit, including commentary on the Council's financial performance and financial position.

##### Who uses the financial statements?

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

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

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

## The former Dubbo City Council

### General Purpose Financial Statements for the period 1 July 2015 to 12 May 2016

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

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

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

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

- present fairly the Council's operating result and financial position for the period, 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 Dubbo Regional Council made on 28 November 2016.**

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Michael Knelpp  
Administrator

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Mark Riley  
Interim General Manager

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Craig Giffin  
Responsible Accounting Officer



The former Dubbo City Council

Income Statement

for the period 1 July 2015 to 12 May 2016

Budget <sup>1</sup>		Notes	Actual	Actual
1/7/15			1/7/15	1/7/14
to 30/6/16	\$ '000		to 12/5/16	to 30/6/15
<b>Income from continuing operations</b>				
<i>Revenue:</i>				
n/a	Rates and annual charges	3a	38,773	42,866
n/a	User charges and fees	3b	28,749	36,530
n/a	Interest and investment revenue	3c	3,700	4,048
n/a	Other revenues	3d	791	956
n/a	Grants and contributions provided for operating purposes	3e,f	13,165	15,313
n/a	Grants and contributions provided for capital purposes	3e,f	20,788	38,323
<i>Other income:</i>				
n/a	Net gains from the disposal of assets	5	1,778	3,926
n/a	Net share of interests in joint ventures and associates using the equity method	19	20	18
n/a	<b>Total income from continuing operations</b>		<b>107,764</b>	<b>141,980</b>
<b>Expenses from continuing operations</b>				
n/a	Employee benefits and on-costs	4a	24,892	27,941
n/a	Borrowing costs	4b	3,673	4,115
n/a	Materials and contracts	4c	19,550	25,202
n/a	Depreciation and amortisation	4d	21,364	29,295
n/a	Other expenses	4e	10,660	12,374
n/a	<b>Total expenses from continuing operations</b>		<b>80,139</b>	<b>98,927</b>
n/a	<b>Net operating result for the period</b>		<b>27,625</b>	<b>43,053</b>
n/a	<b>Net operating result attributable to Council</b>		<b>27,625</b>	<b>43,053</b>
<b>Net operating result for the period before grants and contributions provided for capital purposes</b>				
-			<b>6,837</b>	<b>4,730</b>

<sup>1</sup> Original budget as approved by Council is not required for these financial statements

The former Dubbo City Council

Statement of Comprehensive Income  
 for the period 1 July 2015 to 12 May 2016

\$ '000	Notes	Actual 1/7/15 to 12/5/16	Actual 1/7/14 to 30/6/15
<b>Net operating result for the period</b> (as per Income Statement)		<b>27,625</b>	<b>43,053</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)	2,991	450,314
Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	10
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>2,991</b>	<b>450,324</b>
Amounts which will be reclassified subsequently to the operating result when specific conditions are met			
Nil			
<b>Total other comprehensive income for the period</b>		<b>2,991</b>	<b>450,324</b>
<b>Total comprehensive income for the period</b>		<b>30,616</b>	<b>493,377</b>
<b>Total comprehensive income attributable to Council</b>		<b>30,616</b>	<b>493,377</b>

The former Dubbo City Council

Statement of Financial Position  
 as at 12 May 2016

\$ '000	Notes	Actual 12/5/16	Actual 30/6/15
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6a	10,905	16,949
Investments	6b	83,789	61,500
Receivables	7	10,567	10,608
Inventories	8	1,503	1,938
Other	8	328	340
<b>Total current assets</b>		<b>107,092</b>	<b>91,335</b>
<b>Non-current assets</b>			
Investments	6b	22,360	30,692
Receivables	7	2,359	2,154
Inventories	8	1,814	1,801
Infrastructure, property, plant and equipment	9	1,962,082	1,942,860
Investments accounted for using the equity method	19	908	888
Other	8	495	495
<b>Total non-current assets</b>		<b>1,990,018</b>	<b>1,978,890</b>
<b>TOTAL ASSETS</b>		<b>2,097,110</b>	<b>2,070,225</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	10	7,096	8,121
Borrowings	10	4,989	3,897
Provisions	10	11,797	11,622
<b>Total current liabilities</b>		<b>23,882</b>	<b>23,640</b>
<b>Non-current liabilities</b>			
Payables	10	1	1
Borrowings	10	63,142	67,259
Provisions	10	1,258	1,114
<b>Total non-current liabilities</b>		<b>64,401</b>	<b>68,374</b>
<b>TOTAL LIABILITIES</b>		<b>88,283</b>	<b>92,014</b>
<b>Net assets</b>		<b>2,008,827</b>	<b>1,978,211</b>
<b>EQUITY</b>			
Retained earnings	20	840,850	813,225
Revaluation reserves	20	1,167,977	1,164,986
<b>Total equity</b>		<b>2,008,827</b>	<b>1,978,211</b>

This statement should be read in conjunction with the accompanying notes.

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The former Dubbo City Council

Statement of Changes in Equity  
for the period 1 July 2015 to 12 May 2016

\$ '000	Notes	Retained earnings	Reserves (Refer 20b)	Council interest	Non-controlling interest	Total equity
<b>1/7/15 to 12/5/16</b>						
<b>Opening balance</b> (as per last year's audited accounts)		813,225	1,164,986	1,978,211	-	1,978,211
a. Correction of prior period errors	20 (c)	-	-	-	-	-
b. Changes in accounting policies (prior year effects)	20 (d)	-	-	-	-	-
<b>Revised opening balance</b> (as at 1/7/15)		<b>813,225</b>	<b>1,164,986</b>	<b>1,978,211</b>	<b>-</b>	<b>1,978,211</b>
<b>c. Net operating result for the period</b>		<b>27,625</b>	<b>-</b>	<b>27,625</b>	<b>-</b>	<b>27,625</b>
d. Other comprehensive income						
– Revaluations: IPP&E asset revaluation rsve	20b (ii)	-	2,991	2,991	-	2,991
<b>Other comprehensive income</b>		<b>-</b>	<b>2,991</b>	<b>2,991</b>	<b>-</b>	<b>2,991</b>
<b>Total comprehensive income</b> (c&d)		<b>27,625</b>	<b>2,991</b>	<b>30,616</b>	<b>-</b>	<b>30,616</b>
e. Distributions to/(contributions from) non-controlling Interests		-	-	-	-	-
f. Transfers between equity		-	-	-	-	-
<b>Equity – balance at end of the reporting period</b>		<b>840,850</b>	<b>1,167,977</b>	<b>2,008,827</b>	<b>-</b>	<b>2,008,827</b>

\$ '000	Notes	Retained earnings	Reserves (Refer 20b)	Council interest	Non-controlling interest	Total equity
<b>1/7/14 to 30/6/15</b>						
<b>Opening balance</b> (as per last year's audited accounts)		770,172	714,662	1,484,834	-	1,484,834
a. Correction of prior period errors	20 (c)	-	-	-	-	-
b. Changes in accounting policies (prior year effects)	20 (d)	-	-	-	-	-
<b>Revised opening balance</b> (as at 1/7/14)		<b>770,172</b>	<b>714,662</b>	<b>1,484,834</b>	<b>-</b>	<b>1,484,834</b>
<b>c. Net operating result for the year</b>		<b>43,053</b>	<b>-</b>	<b>43,053</b>	<b>-</b>	<b>43,053</b>
d. Other comprehensive income						
– Revaluations: IPP&E asset revaluation rsve	20b (ii)	-	450,314	450,314	-	450,314
– Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	10	10	-	10
<b>Other comprehensive income</b>		<b>-</b>	<b>450,324</b>	<b>450,324</b>	<b>-</b>	<b>450,324</b>
<b>Total comprehensive income</b> (c&d)		<b>43,053</b>	<b>450,324</b>	<b>493,377</b>	<b>-</b>	<b>493,377</b>
e. Distributions to/(contributions from) non-controlling Interests		-	-	-	-	-
f. Transfers between equity		-	-	-	-	-
<b>Equity – balance at end of the year</b>		<b>813,225</b>	<b>1,164,986</b>	<b>1,978,211</b>	<b>-</b>	<b>1,978,211</b>

This statement should be read in conjunction with the accompanying notes.

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The former Dubbo City Council

Statement of Cash Flows

for the period 1 July 2015 to 12 May 2016

Budget <sup>1</sup>		Actual	Actual
1/7/15		1/7/15	1/7/14
to 30/6/16	\$ '000	to 12/5/16	to 30/6/15
	Notes		
<b>Cash flows from operating activities</b>			
<b>Receipts:</b>			
n/a	Rates and annual charges	37,166	42,968
n/a	User charges and fees	31,663	38,429
n/a	Investment and interest revenue received	4,788	3,711
n/a	Grants and contributions	19,397	24,912
n/a	Other	3,422	6,172
<b>Payments:</b>			
n/a	Employee benefits and on-costs	(25,012)	(27,614)
n/a	Materials and contracts	(22,905)	(28,906)
n/a	Borrowing costs	(3,263)	(3,822)
n/a	Bonds, deposits and retention amounts refunded	(658)	(467)
n/a	Other	(13,048)	(16,092)
n/a	<b>Net cash provided (or used in) operating activities</b>	<b>31,879</b>	<b>39,291</b>
<b>Cash flows from investing activities</b>			
<b>Receipts:</b>			
n/a	Sale of investment securities	75,600	28,543
n/a	Sale of real estate assets	2,934	6,643
n/a	Sale of infrastructure, property, plant and equipment	1,293	1,220
n/a	Deferred debtors receipts	543	66
<b>Payments:</b>			
n/a	Purchase of investment securities	(89,553)	(46,198)
n/a	Purchase of infrastructure, property, plant and equipment	(25,348)	(42,997)
n/a	Purchase of real estate assets	(367)	(2,233)
n/a	Deferred debtors and advances made	-	(1,444)
n/a	<b>Net cash provided (or used in) investing activities</b>	<b>(34,898)</b>	<b>(56,400)</b>
<b>Cash flows from financing activities</b>			
<b>Receipts:</b>			
n/a	Proceeds from borrowings and advances	-	21,800
<b>Payments:</b>			
n/a	Repayment of borrowings and advances	(3,025)	(2,670)
n/a	<b>Net cash flow provided (used in) financing activities</b>	<b>(3,025)</b>	<b>19,130</b>
n/a	<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(6,044)</b>	<b>2,021</b>
n/a	Plus: cash and cash equivalents – beginning of reporting period	16,949	14,928
n/a	<b>Cash and cash equivalents – end of reporting period</b>	<b>10,905</b>	<b>16,949</b>
Additional Information:			
n/a	plus: Investments on hand – end of reporting period	106,149	92,192
<b>Total cash, cash equivalents and investments</b>		<b>117,054</b>	<b>109,141</b>

<sup>1</sup> The original budget as approved by Council is not required for these financial statements

Please refer to Note 11 for additional cash flow information

This statement should be read in conjunction with the accompanying notes.

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## The former Dubbo City Council

### Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

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n/a – not applicable

## The former Dubbo City Council

### Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

#### Note 1. Summary of significant accounting policies

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

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

##### (a) Basis of Preparation

###### (i) Background

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

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

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

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

Because AASBs are sector neutral, some standards either:

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

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

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

###### (iii) New and Amended Standards Adopted by Council

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

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

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

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

###### (v) Basis of Accounting

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

- (a) certain financial assets and liabilities at fair value through profit or loss and available-for-sale financial assets, which are all valued at fair value,
- (b) the write down of any asset on the basis of impairment (if warranted), and
- (c) certain classes of non-current assets (eg. Infrastructure, Property, Plant and Equipment and investment property) that are accounted for at fair valuation.

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

## The former Dubbo City Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 1. Summary of significant accounting policies (continued)

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

Council's accounting policies have been consistently applied to all the periods presented. There have also been no changes in accounting policies when compared with previous financial statements.

##### (vii) Critical Accounting Estimates

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

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

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

##### Critical Accounting Estimates and Assumptions

Council makes estimates and assumptions concerning the future.

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

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

- (i) Estimated fair values of Infrastructure, Property, Plant and Equipment,
- (ii) Estimated remediation provisions.

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

##### Preparation of the financial statements on a going concern basis

AASB 101 states that an entity shall prepare financial statements on a going concern basis unless management either intends to liquidate the entity or

to cease trading, or has no realistic alternative but to do so.

Whilst the former Dubbo City Council has been amalgamated into Dubbo Regional Council from 13 May 2016, Council believes that the going concern basis for preparation of the financial statements for the period 1 July 2015 to 12 May 2016 is appropriate for the following reasons:

- The business of the Council is continuing through the Dubbo Regional Council.
- The Local Government (Council Amalgamations) Proclamation 2016 ensures:
  - all relevant staff, assets, rights, liabilities and responsibilities of former councils are transferred to new councils
  - new councils can commence operations on day one with minimal disruption to the delivery of services, council operations and staff duties
  - any reference in any document to a former council is to be read as a reference to the new council, and that anything done by a former council before the amalgamation is taken to have been done by the new council.
- The former Dubbo City Council has not been liquidated nor has trading ceased.

##### (b) Revenue Recognition

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

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

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

Revenue is measured on major income categories as follows:



## The former Dubbo City Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 1. Summary of significant accounting policies (continued)

##### **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.

Rates and annual charges are recognised as revenue for the period 1 July to 12 May 2016. Adjustments have been made for rates not earned during the period 13/05/2016 to 30/06/2016 in accordance with a directive from the Office of Local Government on 27 July 2016.

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

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

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

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

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

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 are recognised as revenue when the service has been provided, the payment is received, whichever first occurs. Parking fines are only recognised on receipt of the fines from the Office of State Revenue, as it is only at this time that Council has control over the revenue from the fines.

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

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

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

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

##### **Interest and Rents**

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

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

## The former Dubbo City Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 1. Summary of significant accounting policies (continued)

##### Other Income

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

##### (c) Principles of Consolidation

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

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

##### (i) The Consolidated Fund

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

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

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

- General Purpose Operations
- Water Supply
- Sewerage Service

##### (ii) The Trust Fund

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

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

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

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

##### (iii) Interests in Other Entities

Council has no interest in any subsidiaries.

##### Joint Ventures

Joint ventures represent operational arrangements where the joint control parties have rights to the net assets of the arrangement.

Any interests in joint ventures are accounted for using the equity method and are carried at cost.

Under the equity method, Council's share of the operation's profits/(losses) are recognised in the income statement, and its share of movements in retained earnings and reserves are recognised in the Statement of Financial Position.

Detailed information relating to Council's joint ventures can be found at Note 19 (b).

##### Associates

Council has no interest in any associates.

##### County Councils

Council is not a member of any county councils.

##### (d) Leases

All leases entered into by Council are reviewed and classified on inception date as either a finance lease or an operating lease. Council has no finance leases.

##### 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.

## The former Dubbo City Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 1. Summary of significant accounting policies (continued)

##### (e) Cash and Cash Equivalents

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

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

Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position but are incorporated into cash and cash equivalents for presentation of the Statement of Cash Flows.

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

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

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

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

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

##### (i) Financial Assets at Fair Value Through Profit and Loss

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

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

Assets in this category are primarily classified as current assets as they are primarily held for trading and/or are expected to be realised within 12 months of the Reporting 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 reporting date, which are classified as non-current assets.

##### (iii) Held-to-Maturity Investments

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

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

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

##### (iv) Available-For-Sale Financial Assets

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

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

## The former Dubbo City Council

### Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

#### Note 1. Summary of significant accounting policies (continued)

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

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

##### Financial Assets – Reclassification

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

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

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

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

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

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

###### (i) Initial Recognition

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

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

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

###### (ii) Subsequent Measurement

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

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

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

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

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

##### Impairment

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

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

## The former Dubbo City Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 1. Summary of significant accounting policies (continued)

##### (iii) Types of Investments

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

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

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

##### (g) Fair Value Estimation – Financial Instruments

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

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

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

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

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

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

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

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

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

##### (h) Receivables

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

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

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

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

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

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

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

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

##### (i) Inventories

###### (i) Raw Materials and Stores, Work in Progress and Finished Goods

Raw materials 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.

## The former Dubbo City Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 1. Summary of significant accounting policies (continued)

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.

#### (ii) Land Held for Resale/Capitalisation of Borrowing Costs

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

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

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

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

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

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

##### Acquisition of assets

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

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

- Plant and Equipment  
(as approximated by depreciated historical cost)

- Operational Land (external valuation)
- Community Land (internal valuation)
- Land Improvements  
(as approximated by depreciated historical cost)
- Buildings – Specialised/Non-Specialised  
(external/internal valuation)
- Other Structures  
(external/internal valuation done in conjunction with valuation of buildings)
- Roads Assets Including Roads, Bridges and Footpaths (internal valuation)
- Bulk Earthworks (internal valuation)
- Stormwater Drainage (internal valuation)
- Water and Sewerage Networks (internal valuation)
- Swimming Pools  
(as approximated by depreciated historical cost)
- Other Infrastructure Airport Runways and Taxiways (as approximated by depreciated historical cost)
- Other Assets (as approximated by depreciated historical cost)

Due to the proclamation date of 12 May 2016 the following assets have not been revalued for these financial statements:

- Community Land
- All Other Asset Classes
- Land Improvements

##### Initial Recognition

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

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

The discount rate used is the Council's incremental borrowing rate, being the rate at which a similar

## The former Dubbo City Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 1. Summary of significant accounting policies (continued)

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 and Equipment:

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

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

<b>Land</b>	
- Council Land	100% Capitalised
- Open Space	100% Capitalised
- Land Under Roads (purchases after 30/6/08)	100% Capitalised

<b>Plant and Equipment</b>	
Office Furniture	> \$500
Office Equipment	> \$5,000
Other Plant and Equipment	> \$5,000

<b>Buildings and Land Improvements</b>	
Park Furniture and Equipment	> \$5,000

<b>Building</b>	
- Construction/Extensions	> \$5,000
- Renovations	> \$5,000

Other Structures	> \$5,000
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<b>Water and Sewer Assets</b>	
Reticulation Extensions	> \$5,000
Other	> \$5,000

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

<b>Transport Assets</b>	
Road Construction and Reconstruction	> \$5,000
Reseal/Re-Sheet and Major Repairs:	> \$5,000
Bridge Construction and Reconstruction	> \$5,000

## The former Dubbo City Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 1. Summary of significant accounting policies (continued)

##### Depreciation

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

Land is not depreciated.

Estimated useful lives for Council's Infrastructure, Property Plant and Equipment include:

<b>Plant and Equipment</b>	
- Office Equipment	2 to 5 years
- Office Furniture	10 years
- Computer Equipment	2 to 5 years
- Vehicles	5 years
- Heavy Plant/Road Making Equip.	5 to 8 years
- Other Plant and Equipment	5 to 15 years
<b>Other Equipment</b>	
- Playground Equipment	5 to 15 years
- Benches, Seats	10 to 20 years
<b>Buildings</b>	
- Buildings: Masonry	150 years
- Buildings: Other	50 to 100 years
<b>Stormwater Drainage</b>	
- Drains	120 years
- Culverts	120 years
<b>Transportation Assets</b>	
- Sealed Roads: Surface	10 to 15 years
- Sealed Roads: Structure	40 to 60 years
- Unsealed Roads	15 years
- Bridge: Concrete	100 years
- Bridge: Other	80 years
- Road Pavements	40 to 60 years
- Kerb, Gutter and Paths	50 years
<b>Water and Sewer Assets</b>	
- Reservoirs	100 years
- Bores	30 years
- Reticulation Pipes: PVC	70 years
- Reticulation Pipes: Other	25 to 70 years
- Pumps and Telemetry	15 to 50 years
<b>Other Infrastructure Assets</b>	
- Bulk Earthworks	Infinite

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

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

##### Disposal and Derecognition

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

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

##### (k) Land

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

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

##### (l) Land Under Roads

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

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

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

##### (m) Intangible Assets

Council has not classified any assets as intangible.

##### (n) Crown reserves

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



## The former Dubbo City Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 1. Summary of significant accounting policies (continued)

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

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

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

##### **(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'.

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

##### **(p) Provisions for Close Down, Restoration And For Environmental Clean-up Costs – Including Tips and Quarries**

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

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

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

Costs are estimated on the basis of a closure plan.

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

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

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

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

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

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

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

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

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

These costs are charged to the Income Statement.

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

## The former Dubbo City Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 1. Summary of significant accounting policies (continued)

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

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

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

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

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

#### **(q) Non-Current Assets (or Disposal Groups) 'Held for Sale' and Discontinued Operations**

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

The exception to this is plant and motor vehicles, which are turned over on a regular basis. Plant and motor vehicles are retained in non-current assets under the classification of Infrastructure, Property, Plant and Equipment – unless the assets are to be traded in after 12 May and the replacement assets were already purchased and accounted for as at 12 May.

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

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

Non-current assets classified as 'held for sale' are presented separately from the other assets in the Statement of Financial Position.

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

The results of discontinued operations are presented separately on the face of the Income Statement.

#### **(r) Impairment of Assets**

All Council's Infrastructure, Property Plant & Equipment is subject to an annual assessment of impairment.

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

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

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

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

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

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

## The former Dubbo City Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 1. Summary of significant accounting policies (continued)

##### (s) Payables

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

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

##### (t) 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 Statement of Financial Position 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 Reporting date.

##### (u) Borrowing costs

Borrowing costs are expensed.

##### (v) 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.

##### (w) Employee Benefits

###### (i) Short Term Obligations

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

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

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

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

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

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

## The former Dubbo City Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 1. Summary of significant accounting policies (continued)

##### (ii) Other Long Term Obligations

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

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

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

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

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

##### (iii) Retirement Benefit Obligations

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

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

##### Defined Benefit Plans

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

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

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

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

This scheme has been deemed to be a 'multi-employer fund' for the purposes of AASB 119.

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

The position is monitored annually.

The amount of employer contributions to the defined benefit section of the Local Government Superannuation Scheme is recognised as an expense and disclosed as part of superannuation expenses at Note 4 (a).

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 period end the aggregate on-cost liabilities arising from employee benefits, and in particular those on-cost liabilities that will arise

## The former Dubbo City Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 1. Summary of significant accounting policies (continued)

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 12/05/16.

#### (x) Self Insurance

Council does not self-insure.

#### (y) Allocation Between Current and Non-Current Assets and Liabilities

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

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

#### Exceptions

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

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

#### (z) Taxes

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

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

#### Goods and Services Tax (GST)

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

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

Receivables and payables within the Statement of Financial Position 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 Statement of Financial Position.

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

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

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

#### (aa) New Accounting Standards and Interpretations Issued (Not Yet Effective)

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 12 May 2016.

Council has not adopted any of these standards early.

These include the following standards that are anticipated will impact on local government:

#### AASB 9 – Financial Instruments

#### AASB 15 – Revenue from Contracts with Customers and associated amending standards

#### AASB ED 260 – Income of Not-for-Profit Entities

#### AASB16 – Leases

#### AASB2015-6 – Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities

## The former Dubbo City Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 1. Summary of significant accounting policies (continued)

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**AASB 2014 – 10** Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture

**AASB 2014 – 3** Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 and AASB 11]

The full impact of the above standards has yet to be ascertained or quantified but will range from additional and/or revised disclosures to changes in how certain transactions and balances are accounted for.

#### **(ab) Rounding of Amounts**

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

#### **(ac) 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.

## The former Dubbo City Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

## Note 2(a). Council functions/activities – financial information

Functions/activities	Income, expenses and assets have been directly attributed to the following functions/activities. Details of these functions/activities are provided in Note 2(b).												
	Income from continuing operations			Expenses from continuing operations			Operating result from continuing operations			Grants included in income from continuing operations		Total assets held (current & non-current)	
	Original budget <sup>1</sup>	Actual	Actual	Original budget <sup>1</sup>	Actual	Actual	Original budget <sup>1</sup>	Actual	Actual	Actual	Actual	Actual	Actual
	1/7/15 to 30/6/16	1/7/15 to 12/5/16	1/7/14 to 30/6/15	1/7/15 to 30/6/16	1/7/15 to 12/5/16	1/7/14 to 30/6/15	1/7/15 to 30/6/16	1/7/15 to 12/5/16	1/7/14 to 30/6/15	1/7/15 to 12/5/16	1/7/14 to 30/6/15	1/7/15 to 12/5/16	1/7/14 to 30/6/15
<b>GOVERNANCE</b>													
Governance	n/a	22	–	n/a	(108)	30	n/a	130	(30)	–	–	–	–
	–	22	–	–	(108)	30	–	130	(30)	–	–	–	–
<b>TRANSPORT</b>													
Footpaths & Cycleways	n/a	149	690	n/a	544	720	n/a	(395)	(30)	47	110	30,534	30,726
Traffic Management	n/a	1,616	1,806	n/a	1,080	993	n/a	536	813	72	133	10,075	9,264
Street Lighting	n/a	127	147	n/a	775	959	n/a	(648)	(812)	127	147	346	521
State Roads	n/a	1,009	1,366	n/a	1,254	1,396	n/a	(245)	(30)	–	–	–	523
Urban Roads	n/a	7,254	15,004	n/a	4,656	6,932	n/a	2,598	8,072	1,475	515	507,400	499,891
Rural Roads	n/a	2,994	7,083	n/a	5,555	11,639	n/a	(2,561)	(4,556)	2,463	3,567	563,862	564,640
	–	13,149	26,096	–	13,864	22,639	–	(715)	3,457	4,184	4,472	1,112,217	1,105,565
<b>SEWERAGE SERVICES</b>													
Sewerage Services	n/a	14,950	18,780	n/a	10,810	11,009	n/a	4,140	7,771	298	390	222,250	217,941
	–	14,950	18,780	–	10,810	11,009	–	4,140	7,771	298	390	222,250	217,941
<b>WASTE SERVICES</b>													
Domestic Waste Management Services	n/a	4,786	4,297	n/a	3,534	4,003	n/a	1,252	294	859	71	3,305	3,043
Other Waste Management Services	n/a	3,049	4,095	n/a	1,786	1,637	n/a	1,263	2,458	8	1,630	7,790	7,741
	–	7,835	8,392	–	5,320	5,640	–	2,515	2,752	867	1,701	11,095	10,784
<b>WATER SUPPLY</b>													
Water Supply	n/a	16,586	20,861	n/a	12,924	13,967	n/a	3,662	6,894	151	111	202,586	197,241
	–	16,586	20,861	–	12,924	13,967	–	3,662	6,894	151	111	202,586	197,241

## The former Dubbo City Council

## Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

## Note 2(a). Council functions/activities – financial information (continued)

Functions/activities	Income, expenses and assets have been directly attributed to the following functions/activities. Details of these functions/activities are provided in Note 2(b).												
	Income from continuing operations			Expenses from continuing operations			Operating result from continuing operations			Grants included in income from continuing operations		Total assets held (current & non-current)	
	Original budget <sup>1</sup>	Actual	Actual	Original budget <sup>1</sup>	Actual	Actual	Original budget <sup>1</sup>	Actual	Actual	Actual	Actual	Actual	Actual
	1/7/15 to 30/6/16	1/7/15 to 12/5/16	1/7/14 to 30/6/15	1/7/15 to 30/6/16	1/7/15 to 12/5/16	1/7/14 to 30/6/15	1/7/15 to 30/6/16	1/7/15 to 12/5/16	1/7/14 to 30/6/15	1/7/15 to 12/5/16	1/7/14 to 30/6/15	1/7/15 to 12/5/16	1/7/14 to 30/6/15
<b>COMMUNITY PROTECTION</b>													
Stormwater	n/a	7,088	7,527	n/a	1,583	3,014	n/a	5,505	4,513	29	69	188,061	182,555
Emergency Management	n/a	–	–	n/a	100	95	n/a	(100)	(95)	–	–	63	63
Fire Services	n/a	224	1,439	n/a	1,462	1,317	n/a	(1,238)	122	222	1,427	11,009	11,351
	–	7,312	8,966	–	3,145	4,426	–	4,167	4,540	251	1,496	199,133	193,969
<b>CITY DEVELOPMENT</b>													
Livestock Markets	n/a	3,320	4,041	n/a	2,471	2,830	n/a	849	1,211	11	–	21,285	20,655
Airport	n/a	2,929	3,258	n/a	2,732	3,478	n/a	197	(220)	–	–	27,688	26,273
City Development	n/a	33	9	n/a	749	719	n/a	(716)	(710)	–	–	140	109
Property Development	n/a	1,441	4,615	n/a	200	255	n/a	1,241	4,360	–	–	7,843	7,287
Holiday Park	n/a	1,432	1,510	n/a	1,244	1,357	n/a	188	153	–	–	4,786	4,705
City Marketing & Communications	n/a	343	304	n/a	1,197	1,471	n/a	(854)	(1,167)	–	2	1,296	1,223
Showground	n/a	172	330	n/a	872	1,307	n/a	(700)	(977)	–	15	8,268	8,497
	–	9,670	14,067	–	9,465	11,417	–	205	2,650	11	17	71,306	68,749
<b>BUILT &amp; NATURAL ENVIRONMENT</b>													
Environment & Health Services	n/a	9	19	n/a	298	362	n/a	(289)	(343)	–	12	62	61
Building & Development Services	n/a	1,332	1,639	n/a	2,258	2,499	n/a	(926)	(860)	–	4	632	688
Environmental Sustainability Services	n/a	1	13	n/a	262	301	n/a	(261)	(288)	1	9	–	–
Environmental Support	n/a	1	2	n/a	(123)	2	n/a	124	–	–	–	–	–
City Strategy	n/a	57	105	n/a	591	855	n/a	(534)	(750)	–	55	195	248
Ranger Services	n/a	163	132	n/a	702	714	n/a	(539)	(582)	–	28	73	38
Animal Shelter	n/a	62	101	n/a	427	514	n/a	(365)	(413)	24	–	2,068	2,068
	–	1,625	2,011	–	4,415	5,247	–	(2,790)	(3,236)	25	108	3,030	3,103

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## The former Dubbo City Council

## Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

## Note 2(a). Council functions/activities – financial information (continued)

Functions/activities	Income, expenses and assets have been directly attributed to the following functions/activities. Details of these functions/activities are provided in Note 2(b).												
	Income from continuing operations			Expenses from continuing operations			Operating result from continuing operations			Grants included in income from continuing operations		Total assets held (current & non-current)	
	Original budget <sup>1</sup>	Actual	Actual	Original budget <sup>1</sup>	Actual	Actual	Original budget <sup>1</sup>	Actual	Actual	Actual	Actual	Actual	Actual
	1/7/15 to 30/6/16	1/7/15 to 12/5/16	1/7/14 to 30/6/15	1/7/15 to 30/6/16	1/7/15 to 12/5/16	1/7/14 to 30/6/15	1/7/15 to 30/6/16	1/7/15 to 12/5/16	1/7/14 to 30/6/15	1/7/15 to 12/5/16	1/7/14 to 30/6/15	1/7/15 to 12/5/16	1/7/14 to 30/6/15
<b>PARKS &amp; LANDCARE SERVICES</b>													
Horticultural Services	n/a	683	848	n/a	3,376	3,592	n/a	(2,693)	(2,744)	–	44	57,292	57,741
Landcare Services	n/a	132	136	n/a	998	1,249	n/a	(866)	(1,113)	63	123	37,770	37,811
Parks & Landcare Business Support Services	n/a	–	–	n/a	(31)	(44)	n/a	31	44	–	–	73	68
Sporting Facilities	n/a	139	1,301	n/a	2,697	2,873	n/a	(2,558)	(1,572)	–	1,638	75,142	75,141
Parks & Landcare Operations	n/a	18	–	n/a	18	136	n/a	–	(136)	–	–	616	617
Recreation Planning & Programmes	n/a	191	180	n/a	(13)	108	n/a	204	72	22	14	101	73
Dubbo Aquatic Leisure Centre	n/a	296	300	n/a	809	952	n/a	(513)	(652)	–	17	3,631	3,883
	–	1,459	2,765	–	7,854	8,866	–	(6,395)	(6,101)	85	1,836	174,625	175,334
<b>COMMUNITY SERVICES</b>													
Cemeteries	n/a	152	217	n/a	287	331	n/a	(135)	(114)	–	–	6,286	6,253
Recreation Services	n/a	20	326	n/a	747	840	n/a	(727)	(514)	–	–	3,317	3,464
Library Services	n/a	135	349	n/a	1,773	1,879	n/a	(1,638)	(1,530)	112	327	4,173	3,751
Library Services - Joint Venture	n/a	20	18	n/a	–	–	n/a	20	18	–	–	908	888
Old Dubbo Gaol	n/a	1,188	678	n/a	759	1,000	n/a	429	(322)	712	218	1,647	1,039
Social Services	n/a	96	310	n/a	888	1,080	n/a	(792)	(770)	84	253	2,885	2,986
Rainbow Cottage	n/a	936	1,077	n/a	1,046	1,164	n/a	(110)	(87)	387	441	996	1,004
Family Day Care	n/a	1,606	1,878	n/a	1,702	2,018	n/a	(96)	(140)	1,306	1,524	273	279
Cultural Services	n/a	7	3	n/a	190	229	n/a	(183)	(226)	–	–	8	40
Community Support Services	n/a	1	–	n/a	(26)	–	n/a	27	–	–	–	–	–
Regional Theatre & Convention Centre	n/a	1,259	1,371	n/a	3,763	4,457	n/a	(2,504)	(3,086)	–	–	22,367	23,346
Western Plains Cultural Centre	n/a	352	277	n/a	1,863	2,247	n/a	(1,511)	(1,970)	160	69	8,869	8,916
	–	5,772	6,504	–	12,992	15,245	–	(7,220)	(8,741)	2,761	2,832	51,729	51,966

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## The former Dubbo City Council

## Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

## Note 2(a). Council functions/activities – financial information (continued)

Functions/activities	Income, expenses and assets have been directly attributed to the following functions/activities. Details of these functions/activities are provided in Note 2(b).												
	Income from continuing operations			Expenses from continuing operations			Operating result from continuing operations			Grants included in income from continuing operations		Total assets held (current & non-current)	
	Original budget <sup>1</sup>	Actual	Actual	Original budget <sup>1</sup>	Actual	Actual	Original budget <sup>1</sup>	Actual	Actual	Actual	Actual	Actual	Actual
	1/7/15 to 30/6/16	1/7/15 to 12/5/16	1/7/14 to 30/6/15	1/7/15 to 30/6/16	1/7/15 to 12/5/16	1/7/14 to 30/6/15	1/7/15 to 30/6/16	1/7/15 to 12/5/16	1/7/14 to 30/6/15	1/7/15 to 12/5/16	1/7/14 to 30/6/15	1/7/15 to 12/5/16	1/7/14 to 30/6/15
<b>HUMAN ENVIRONMENT</b>													
Human Environment Services	n/a	43	53	n/a	260	277	n/a	(217)	(224)	–	–	223	189
	–	43	53	–	260	277	–	(217)	(224)	–	–	223	189
<b>CORPORATE SERVICES</b>													
Customer Services	n/a	–	11	n/a	(87)	(133)	n/a	87	144	–	12	4	–
Corporate Development/Strategic Mgmt	n/a	–	1	n/a	(150)	3	n/a	150	(2)	–	–	–	–
Fleet Management Services	n/a	297	257	n/a	(437)	(531)	n/a	734	788	–	–	17,245	17,700
Management Accounting Services	n/a	–	–	n/a	(22)	52	n/a	22	(52)	–	–	–	–
Financial Accounting Services	n/a	160	163	n/a	9	35	n/a	151	128	12	–	2	11
Human Resource Services	n/a	109	76	n/a	(161)	66	n/a	270	10	12	12	191	101
Information Management Services	n/a	25	31	n/a	(425)	(60)	n/a	450	91	12	–	1,969	2,160
Governance and Risk Services	n/a	98	121	n/a	(101)	(1)	n/a	199	122	6	–	597	765
Civic Administration Building	n/a	–	–	n/a	(410)	(402)	n/a	410	402	–	–	8,910	8,564
Technical Support Services	n/a	204	489	n/a	114	239	n/a	90	250	–	–	661	841
Business Support Services (Technical)	n/a	–	–	n/a	(30)	42	n/a	30	(42)	–	–	14	150
Depot Services	n/a	13	(10)	n/a	(46)	(23)	n/a	59	13	–	–	5,121	5,116
Rates and General Revenue	n/a	28,323	32,202	n/a	600	793	n/a	27,723	31,409	5,975	7,031	13,522	9,028
Employment Overhead Distribution	n/a	15	–	n/a	123	140	n/a	(108)	(140)	–	–	279	206
Corporate Overheads	n/a	–	–	n/a	–	(228)	n/a	–	228	–	–	–	–
Works Services	n/a	99	144	n/a	221	172	n/a	(122)	(28)	–	–	401	742
	–	29,343	33,485	–	(802)	164	–	30,145	33,321	6,017	7,055	48,916	45,384
<b>Operating result from continuing operations</b>	–	107,766	141,980	–	80,139	98,927	–	27,627	43,053	14,650	20,018	2,097,110	2,070,225

1. Original Budget disclosures are not required for these financial statements.

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## The former Dubbo City Council

### Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

#### 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:

##### Purchaser Provider Chargeout

All budget functions with zero expenses have charged their costs to other functions within Council. Council provides services to end user functions, these service providers charge out all their costs to the appropriate client function, thus resulting in them reporting a zero expense at the end of the year.

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, together with related administration costs.

##### TRANSPORT

###### Footpaths & Cycleways

Costs relating to provision of pedestrian and cyclist transport facilities as an alternative to vehicular modes of transport, to enhance the appearance of the streetscape by the use of appropriate footpath construction materials, and to integrate and facilitate the transport, recreation and safety needs of pedestrians and cyclists.

###### Traffic Management

Costs relating to optimising traffic flow throughout road network, to minimise accident potential for all road users, provide clear and safe traffic guidance, plan future road network and raise level of road safety in Dubbo.

###### Street Lighting

Costs relating to providing a street lighting system which benefits motorists and pedestrians using the city's road network, parks and walkways, to ensure that in all developing areas of the City, street lighting infrastructure aesthetically compliment the streetscape as much as practicable, and to provide a street lighting service to the City at the lowest possible cost to ratepayers.

###### State Roads

To provide a road management service for the Roads and Maritime Services on the urban sections of the Newell and Mitchell Highways and the full length of the Dubbo city section of the Golden Highway as per the terms of the contract relating to maintenance, and other projects as they arise.

###### Urban Roads

Costs of providing a safe, serviceable road network in the urban area, and provide an aesthetically pleasing road environment.

###### Rural Roads

Costs of providing a safe and serviceable road network, and to preserve the road network asset.

##### SEWERAGE SERVICES

###### Sewerage

Provision of an environmentally responsible sewerage service that maintains the health of the Dubbo community cost effectively, and caters for the sustainable growth of the City.

## The former Dubbo City Council

### Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

#### Note 2(b). Council functions/activities – component descriptions (continued)

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

##### WASTE SERVICES

###### Domestic Waste Management Services

Provide waste collection, transportation, and disposal services for the residents of Dubbo, and to facilitate public participation in recycling and the reduction of domestic waste being disposed of to landfill.

###### Other Waste Management Services

Provision of a cost effective environmentally friendly waste collection, transport and disposal service for the owners/occupier of commercial/industrial premises located within the garbage scavenging districts, and to provide roadside reserves and street litter receptacle collection services.

##### WATER

###### Water Supply

Provide safe reliable and cost effective water supply that caters for the sustainable growth of the city.

##### COMMUNITY PROTECTION

###### Stormwater

Provide adequate infrastructure, together with planning for new infrastructure, to cater for the present and future disposal of stormwater within the City, to minimise damage to property under threat from storm events and to provide safe and trafficable driving conditions in wet weather.

###### Emergency Management

To aid and assist in the operation of the State Emergency Service.

###### Fire Services

Protect the individual and minimise damage to property under threat from fire or other natural forces and/or external hazards.

##### CITY DEVELOPMENT

###### Livestock Markets

Operation of a quality assured livestock selling facility that complies with all regulations, legislation codes and policies governing the handling, movement, welfare, disposal and sale of livestock, operates at no cost to ratepayers generates income to undertake improvements whilst providing an annual dividend to general

###### Airport

Provide airport facilities approved by the Civil Aviation Safety Authority that cater for private and commercial aviation operators and passengers, operates at no cost to ratepayers and generates income to undertake improvements and provide a dividend to general revenue.

## The former Dubbo City Council

### Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

#### Note 2(b). Council functions/activities – component descriptions (continued)

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

##### City Development

Facilitate the industrial and tourism development of the City by funding an appropriate body to auspice the implementation of the adopted Economic Development Strategy with a view to increasing employment opportunities and maintaining population growth within the City along with expanding the level of services available to the regional community.

##### Property Development

Undertake a residential land development programme which provides land at market prices in response to market forces and which provides funding for ongoing development opportunities and provides funding for one off major projects. To provide sufficient land at the shortest possible lead-time of industrial land to meet market requirement with such land marketed at a break-even price.

##### Holiday Park

To provide a first class accommodation facility for visitors to Dubbo on a cost effective basis.

##### City Marketing & Communications

Costs of providing tourism promotion, marketing and information services to residents and visitors.

##### Showground

Provide a modern public showground facility that is a venue for a wide variety of user group activities.

#### BUILT & NATURAL ENVIRONMENT

##### Environment & Health Services

To monitor and report available information on the state and health of the environment.

##### Building & Development Services

Processing and assessment of development and regulatory applications within statutory time frames and provide a comprehensive inspection of buildings during and following construction. To encourage development which is compatible with and enhances the environment.

##### Environmental Sustainability Services

Prepare, implement, monitor and review Council's Strategic Land Use plans to provide direction for future management of rural, industrial, commercial, recreational, residential and other urban development, as well as developing policies and standards to achieve a healthy sustainable environment, and to monitor and report available information on the state of the environment.

##### City Strategy

Prepare, implement, monitor and review Council's Strategic Landuse Plans to provide philosophy and direction for future management of rural, industrial, commercial, recreational, residential and other urban development.

##### Environmental Support

To provide management and business support services and a Land Information System which provides for the effective and efficient operation of the Environmental Services Division.

## The former Dubbo City Council

### Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

#### Note 2(b). Council functions/activities – component descriptions (continued)

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

##### Ranger Services

To respond to community requests on matters relevant to the function and where necessary enforce the requirement of various acts, regulations and policies.

##### Animal Shelter

To respond to community requests on matters relevant to the function and, where necessary, enforce the requirements of various acts, regulations and policies.

#### PARKS & LANDCARE SERVICES

##### Horticultural Services

Cost of providing high quality recreation space and facilities to meet the widest practical range of passive recreational needs of residents and visitors.

##### Landcare Services

Costs of maintenance and provision of reserves either owned by Council or under Council control.

##### Parks & Landcare Business Support Services

Provide management and business support services to the Parks & Landcare Services Division.

##### Sporting Facilities

Costs of providing high quality recreation space and facilities to meet the widest practical range of active recreational needs and expectations of both residents and visitors.

##### Parks & Landcare Operations

Provision of specialised horticultural and landcare related services to in-house service purchasers (clients) and customers external to council.

##### Recreation Planning & Programmes

To encourage residents to pursue recreational activities; to provide a range of recreation facilities and programs to meet the needs of residents in a cost effective and efficient manner.

##### Dubbo Aquatic Leisure Centre

Provision of a facility for social, recreational and sporting requirements of residents of and visitors to Dubbo.

#### COMMUNITY SERVICES

##### Cemeteries

Provision of Cemetery facilities to the community.

##### Recreation Services

To provide recreation facilities and programs to meet the needs of residents, and to encourage residents to pursue recreational activities.

##### Library Services

Costs of providing educational and recreational library services for the residents of Dubbo.

##### Library Services - Joint Venture

Council's share of participating in the provision of a regional library service Macquarie Regional Library

##### Old Dubbo Gaol

Provide a historical and educational tourist attraction.

## The former Dubbo City Council

### Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

#### Note 2(b). Council functions/activities – component descriptions (continued)

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

##### **Social Services**

Costs of supporting social service programmes for the benefit of residents, and financial support for community groups, provide community facilities, and to undertake social planning.

##### **Rainbow Cottage**

Costs of providing quality, centre-based long day care childcare services.

##### **Family Day Care**

Costs of providing an affordable and quality home-based child care service to residents.

##### **Cultural Services**

Provide facilities and financial subsidies to cultural groups to improve the level of cultural activity and awareness in the Dubbo community.

##### **Community Support Services**

Management and business support service provided to Community Services Division.

##### **Regional Theatre & Convention Centre**

To provide a first class facility for the entertainment and convention requirement of the residents and visitors to Dubbo on a cost effective basis.

##### **Western Plains Cultural Centre**

This function is the consolidation of the Museum Services and Cultural Services into one function.

#### **HUMAN ENVIRONMENT**

##### **Human Environment Services**

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

#### **CORPORATE SERVICES**

##### **Corporate Development/Strategic Management**

Planning, organising and controlling the functions of Council in an efficient and timely manner, development of a draft 'Dubbo City Management Plan' for the Council and the organisation, promote and improve public awareness of Council's activities and operations thereby promoting the Corporate image of Council.

##### **Customer Services**

To provide services to customers in a proactive and informative manner.

##### **Fleet Management Services**

Cost of management of Council's plant and vehicle resources of Council, meet statutory requirements and provide fleet management and technical advice to the organisation.

## The former Dubbo City Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 2(b). Council functions/activities – component descriptions (continued)

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

##### **Management Accounting Services**

Development of the Annual Operating Plan and Budgets, preparation of Quarterly Statements, and provision of Management Reports that enable the organisations performance to be monitored against the Annual Operating Plan.

##### **Financial Accounting Services**

Costs of providing Statutory Financial Accounting Services to the organisation, and processing of all financial transactions in a timely manner, providing the organisation with the actual expenditure/income data for Management Reports.

##### **Human Resource Services**

Cost of providing human resource services and advice to the organisation.

##### **Information Management Services**

Supporting the effective and efficient use of information technology systems within Council.

##### **Governance and Risk Services**

Costs of developing and maintaining an effective administrative service system to ensure optimum performance to the organisation.

##### **Civic Administration Building**

Costs of providing a clean and safe working environment for the Council.

##### **Technical Support Services**

Provision of engineering design, development and technical support services to the organisation.

##### **Business Support Services (Technical)**

Collate and assist in the development of the Division's Annual Operating Plan and Budget, ensure that all Division expenditure is within budget, and to maintain the Divisions pavement management system for sealed and unsealed roads.

##### **Depot Services**

Costs of providing a clean, safe and adequately sized functional working environment for the users of the Hawthorn Street Depot.

##### **Rates and General Revenue**

Responsible for the raising of general revenue for the organisation including rates, and management of investments to maximise interest.

##### **Employment Overhead Distribution**

This consists of costs related to staff's annual leave, sick leave, long service leave, training costs and superannuation. These costs are distributed as an overhead to other functions based on salary & wage costs.

##### **Works Services**

Carry out construction and maintenance activities to clients agreed briefs, and maintain a high quality output.



The former Dubbo City Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 3. Income from continuing operations

\$ '000	Notes	Actual 1/7/15 to 12/5/16	Actual 1/7/14 to 30/6/15
<b>(a) Rates and annual charges <sup>1,2</sup></b>			
<b>Ordinary rates</b>			
Residential		12,900	14,512
Farmland		1,664	1,913
Business		6,432	7,192
<b>Total ordinary rates</b>		<b>20,996</b>	<b>23,617</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		3,920	4,203
Water supply services		4,101	4,457
Sewerage services		8,376	9,112
Drainage		1,098	1,172
Waste management services (non-domestic)		282	305
<b>Total annual charges</b>		<b>17,777</b>	<b>19,249</b>
<b>TOTAL RATES AND ANNUAL CHARGES</b>		<b>38,773</b>	<b>42,866</b>

<sup>1</sup> Council has used 2014 year valuations provided by the NSW Valuer General in calculating its rates.

<sup>2</sup> Rates and annual charges levied for the 15/16 rating year have been recognised as revenue on a pro rata basis in these financial statements for the period 1/7/15 to 12/5/16.

The former Dubbo City Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 3. Income from continuing operations (continued)

\$ '000	Notes	Actual 1/7/15 to 12/5/16	Actual 1/7/14 to 30/6/15
<b>(b) User charges and fees</b>			
<b>Specific user charges</b> (per s.502 – specific 'actual use' charges)			
Water supply services		8,005	12,185
Sewerage services		2,391	3,567
Waste management services (non-domestic)		2,779	2,180
<b>Total user charges</b>		<b>13,175</b>	<b>17,932</b>
<b>Other user charges and fees</b>			
<b>(i) Fees and charges – statutory and regulatory functions (per s.608)</b>			
Regulatory/ statutory fees		1,679	2,206
<b>Total fees and charges – statutory/regulatory</b>		<b>1,679</b>	<b>2,206</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s.608))</b>			
Aerodrome		2,797	3,198
Aquatic leisure centre		316	305
Caravan park		1,353	1,487
Cemeteries		150	217
Design transport interchange Dept of Transport		–	73
Dubbo development partnership guide		–	199
Family day care		299	352
Fodder sales 'Greengrove' effluent reuse property		189	277
Leaseback fees – Council vehicles		237	278
Old Dubbo gaol		476	460
Private works		356	528
Public halls		1,214	1,340
Rainbow cottage long day care centre		549	636
Regional livestock markets		3,270	4,001
RMS (formerly RTA) charges (state roads not controlled by Council)		1,009	1,366
Sale of animals		–	53
Sewer plan drafting fees		94	106
Showground		123	239
Sporting facilities		175	261
Tourism		78	87
Water service connections		46	48
Other		1,164	881
<b>Total fees and charges – other</b>		<b>13,895</b>	<b>16,392</b>
<b>TOTAL USER CHARGES AND FEES</b>		<b>28,749</b>	<b>36,530</b>

The former Dubbo City Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 3. Income from continuing operations (continued)

\$ '000	Notes	Actual 1/7/15 to 12/5/16	Actual 1/7/14 to 30/6/15
<b>(c) Interest and investment revenue (including losses)</b>			
<b>Interest</b>			
– Interest on overdue rates and annual charges (incl. special purpose rates)		134	165
– Interest earned on investments (interest and coupon payment income)		3,511	3,827
– Interest (other)		20	44
<b>Amortisation of premiums and discounts</b>			
– Interest free (and interest reduced) loans provided		31	8
– 'Held to maturity' investments		4	4
<b>TOTAL INTEREST AND INVESTMENT REVENUE</b>		<b>3,700</b>	<b>4,048</b>
<b>Interest revenue is attributable to:</b>			
<b>Unrestricted investments/financial assets:</b>			
Overdue rates and annual charges (general fund)		134	165
General Council cash and investments		3,566	1,691
<b>Restricted investments/funds – external:</b>			
<b>Development contributions</b>			
– Section 94		–	172
– Section 64		–	44
Water fund operations		–	383
Sewerage fund operations		–	1,593
<b>Total interest and investment revenue recognised</b>		<b>3,700</b>	<b>4,048</b>
<b>(d) Other revenues</b>			
Rental income – other council properties		347	405
Fines		195	207
Commissions and agency fees		7	8
Insurance claim recoveries		64	6
Insurances – risk management bonus		–	173
Other revenues from local organisations		–	60
Other		178	97
<b>TOTAL OTHER REVENUE</b>		<b>791</b>	<b>956</b>

The former Dubbo City Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 3. Income from continuing operations (continued)

\$ '000	1/7/15 to 12/5/16 Operating	1/7/14 to 30/6/15 Operating	1/7/15 to 12/5/16 Capital	1/7/14 to 30/6/15 Capital
<b>(e) Grants</b>				
<b>General purpose (untied)</b>				
Financial assistance	5,773	–	–	–
Financial assistance – general component	–	5,058	–	–
Financial assistance – local roads component	–	1,739	–	–
Pensioners' rates subsidies – general component	203	235	–	–
<b>Total general purpose</b>	<b>5,976</b>	<b>7,032</b>	<b>–</b>	<b>–</b>
<b>Specific purpose</b>				
Pensioners' rates subsidies:				
– Water	83	95	–	–
– Sewerage	81	93	–	–
– Domestic waste management	63	72	–	–
Bushfire and emergency services	200	347	22	1,117
Community services	83	256	–	–
Environmental trust	–	–	–	1,630
Family day care	1,306	1,524	–	–
Heritage and cultural	100	195	–	–
Library	112	127	–	–
Local Infrastruct. Renewal Scheme interest subsidy	–	–	314	370
Noxious weeds	44	59	–	–
Paid parental leave	80	51	–	–
Rainbow cottage long day care centre	372	426	–	–
Sporting facilities	–	–	–	1,655
Stormwater	–	12	–	–
Street lighting	127	147	–	–
Tourism	–	–	712	87
Transport (roads to recovery)	–	820	–	–
Transport (other roads and bridges funding)	1,353	3,178	360	325
Other	2,378	163	884	237
<b>Total specific purpose</b>	<b>6,382</b>	<b>7,565</b>	<b>2,292</b>	<b>5,421</b>
<b>Total grants</b>	<b>12,358</b>	<b>14,597</b>	<b>2,292</b>	<b>5,421</b>
<b>Grant revenue is attributable to:</b>				
– Commonwealth funding	8,195	6,864	–	1,955
– State funding	4,163	7,733	2,292	3,466
	<b>12,358</b>	<b>14,597</b>	<b>2,292</b>	<b>5,421</b>

The former Dubbo City Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 3. Income from continuing operations (continued)

\$ '000	1/7/15 to 12/5/16 Operating	1/7/14 to 30/6/15 Operating	1/7/15 to 12/5/16 Capital	1/7/14 to 30/6/15 Capital
<b>(f) Contributions</b>				
<b>Developer contributions:</b> (s93 & s94 – EP&A Act, s64 of the LGA):				
S 94 – roadworks	–	–	1,261	1,380
S 94 – drainage	–	–	208	289
S 94 – open space	–	–	616	797
S 64 – water supply contributions	–	–	1,224	1,561
S 64 – sewerage service contributions	–	–	1,231	1,334
Voluntary Planning Agreements	–	–	25	–
<b>Total developer contributions</b>	<b>17</b>	<b>–</b>	<b>4,565</b>	<b>5,361</b>
<b>Other contributions:</b>				
Infrastructure contributions (non-cash)				
– Roadworks	–	–	5,670	13,415
– Drainage	–	–	5,711	5,918
– Sewerage	–	–	1,058	2,199
– Water	–	–	1,371	1,373
– Footpaths	–	–	54	800
– Land under roads	–	–	–	3,703
RMS contributions (regional roads, block grant)	612	584	–	–
Sponsorship apex oval	–	50	–	–
Sporting facilities	–	–	–	47
Other	195	82	67	86
<b>Total other contributions</b>	<b>807</b>	<b>716</b>	<b>13,931</b>	<b>27,541</b>
<b>Total contributions</b>	<b>807</b>	<b>716</b>	<b>18,496</b>	<b>32,902</b>
<b>TOTAL GRANTS AND CONTRIBUTIONS</b>	<b>13,165</b>	<b>15,313</b>	<b>20,788</b>	<b>38,323</b>

\$ '000	Actual 1/7/15 to 12/5/16	Actual 1/7/14 to 30/6/15
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(g) Restrictions relating to grants and contributions

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

Unexpended at the close of the previous reporting period	8,871	5,812
<b>Add:</b> grants and contributions recognised in the current period but not yet spent:	7,969	8,290
<b>Less:</b> grants and contributions recognised in a previous reporting period now spent:	(2,968)	(5,231)
<b>Net increase (decrease) in restricted assets during the period</b>	<b>5,001</b>	<b>3,059</b>
<b>Unexpended and held as restricted assets</b>	<b>13,872</b>	<b>8,871</b>
<b>Comprising:</b>		
– Specific purpose unexpended grants	5,660	2,566
– Developer contributions	8,212	6,305
	<b>13,872</b>	<b>8,871</b>

The former Dubbo City Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 4. Expenses from continuing operations

\$ '000	Notes	Actual 1/7/15 to 12/5/16	Actual 1/7/14 to 30/6/15
<b>(a) Employee benefits and on-costs</b>			
Salaries and wages		21,569	24,114
Travel expenses		276	314
Employee leave entitlements (ELE)		2,694	2,858
Superannuation		2,514	2,872
Workers' compensation insurance		509	536
Fringe benefit tax (FBT)		157	264
Payroll tax		192	203
Training costs (other than salaries and wages)		357	492
Other		140	206
<b>Total employee costs</b>		<b>28,408</b>	<b>31,859</b>
Less: capitalised costs		(3,516)	(3,918)
<b>TOTAL EMPLOYEE COSTS EXPENSED</b>		<b>24,892</b>	<b>27,941</b>
Number of 'full-time equivalent' employees (FTE) as at 12/5/2016		330	321
<b>(b) Borrowing costs</b>			
<b>(i) Interest bearing liability costs</b>			
Interest on loans		3,648	3,937
<b>Total interest bearing liability costs expensed</b>		<b>3,648</b>	<b>3,937</b>
<b>(ii) Other borrowing costs</b>			
Fair value adjustments on recognition of advances and deferred debtors			
– Interest free (or favourable) loans and advances made by Council		–	153
Discount adjustments relating to movements in provisions (other than ELE)			
– Remediation liabilities	26	25	25
<b>Total other borrowing costs</b>		<b>25</b>	<b>178</b>
<b>TOTAL BORROWING COSTS EXPENSED</b>		<b>3,673</b>	<b>4,115</b>
<b>(c) Materials and contracts</b>			
Raw materials and consumables		12,875	15,162
Contractor and consultancy costs		6,115	9,446
– Contractor and consultancy costs (internal audit BDO alliance)		65	73
Auditors remuneration <sup>(1)</sup>		52	58
Legal expenses:			
– Legal expenses: planning and development		3	6
– Legal expenses: other		45	55
Operating leases:			
– Operating lease rentals: minimum lease payments <sup>(2)</sup>		395	402
<b>TOTAL MATERIALS AND CONTRACTS</b>		<b>19,550</b>	<b>25,202</b>
<i>(continued on the next page...)</i>			

The former Dubbo City Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	Actual	
		1/7/15 to 12/5/16	1/7/14 to 30/6/15
<b>(c) Materials and contracts (continued)</b>			
<b>1. Auditor remuneration</b>			
During the period, the following fees were incurred for services provided by the Council's Auditor:			
<b>Audit and other assurance services</b>			
		52	58
		<u>52</u>	<u>58</u>
<b>Remuneration for audit and other assurance services</b>			
		<u>52</u>	<u>58</u>
<b>Total Auditor remuneration</b>			
		<u>52</u>	<u>58</u>
<b>2. Operating lease payments are attributable to:</b>			
Computers		–	402
Other		395	–
		<u>395</u>	<u>402</u>

\$ '000	Notes	Impairment costs		Depreciation/amortisation	
		Actual	Actual	Actual	Actual
		1/7/15 to 12/5/16	1/7/14 to 30/6/15	1/7/15 to 12/5/16	1/7/14 to 30/6/15

(d) Depreciation, amortisation and impairment

Plant and equipment	–	–	2,559	2,817
Office equipment	–	–	128	160
Furniture and fittings	–	–	151	240
Land improvements (depreciable)	–	–	223	263
Infrastructure:				
– Buildings – non-specialised	–	–	244	512
– Buildings – specialised	–	–	1,307	2,695
– Other structures	–	–	3,012	3,588
– Roads	–	–	6,167	10,122
– Stormwater drainage	–	–	694	2,036
– Water supply network	–	–	3,098	3,479
– Sewerage network	–	–	4,083	4,400
– Swimming pools	–	–	44	–
– Other infrastructure - Airport Runways	–	–	350	–
Other assets				
– Other	–	–	42	448
Asset reinstatement costs	9 & 26	–	7	7
<b>Total depreciation and impairment costs</b>		–	<b>22,109</b>	<b>30,767</b>
Less: capitalised costs		–	(745)	(1,472)
<b>TOTAL DEPRECIATION AND IMPAIRMENT COSTS EXPENSED</b>		–	<b>21,364</b>	<b>29,295</b>

The former Dubbo City Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	Actual 1/7/15 to 12/5/16	Actual 1/7/14 to 30/6/15
<b>(e) Other expenses</b>			
Other expenses for the period include the following:			
Advertising		438	615
Bad and doubtful debts		44	43
Contributions to emergency services		766	635
Councillor expenses – mayoral fee		33	39
Councillor expenses – councillors’ fees		168	198
Councillors’ expenses (incl. mayor) – other (excluding fees above)		116	121
Credit card merchant fees		47	61
Donations, contributions and assistance to other organisations (Section 356)		1,881	1,942
Electricity and heating		2,288	3,117
Family day care – fee relief		1,095	1,334
Insurance		1,416	1,505
Postage		88	118
Printing and stationery		289	450
Property rental		66	14
Street lighting		625	787
Subscription Shires Association		40	44
Telephone and communications		283	428
Valuation fees		109	101
Vehicle registration		103	93
Water resource charge		280	245
Other		485	485
<b>TOTAL OTHER EXPENSES</b>		<b>10,660</b>	<b>12,374</b>

Note 5. Gains or losses from the disposal of assets

<b>Plant and equipment</b>			
Proceeds from disposal – plant and equipment		1,293	1,220
Less: carrying amount of plant and equipment assets sold/written off		(1,645)	(1,782)
<b>Net gain/(loss) on disposal</b>		<b>(352)</b>	<b>(562)</b>
<b>Real estate assets held for sale</b>			
Proceeds from disposal – real estate assets		2,934	6,643
Less: carrying amount of real estate assets sold/written off		(804)	(2,155)
<b>Net gain/(loss) on disposal</b>		<b>2,130</b>	<b>4,488</b>
<b>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</b>		<b>1,778</b>	<b>3,926</b>



The former Dubbo City Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 6a. – Cash assets and Note 6b. – investments

\$ '000	Notes	12/5/16	12/5/16	30/6/15	30/6/15
		Actual Current	Actual Non-current	Actual Current	Actual Non-current
<b>Cash and cash equivalents (Note 6a)</b>					
Cash on hand and at bank		114	–	1,112	–
Cash-equivalent assets <sup>1</sup>					
– Deposits at call		10,791	–	15,837	–
<b>Total cash and cash equivalents</b>		<b>10,905</b>	<b>–</b>	<b>16,949</b>	<b>–</b>
<b>Investments (Note 6b)</b>					
– Long term deposits		79,290	18,858	60,500	28,697
– NCD's, FRN's (with maturities > 3 months)		4,499	3,502	1,000	1,995
<b>Total investments</b>		<b>83,789</b>	<b>22,360</b>	<b>61,500</b>	<b>30,692</b>
<b>TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS</b>		<b>94,694</b>	<b>22,360</b>	<b>78,449</b>	<b>30,692</b>

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

**Cash, cash equivalents and investments were classified at end of period in accordance with AASB 139 as follows:**

<b>Cash and cash equivalents</b>					
a. 'At fair value through the profit and loss'		10,905	–	16,949	–
<b>Investments</b>					
a. 'Held to maturity'	6(b-i)	83,789	22,360	61,500	30,692
<b>Investments</b>		<b>83,789</b>	<b>22,360</b>	<b>61,500</b>	<b>30,692</b>

**Note 6(b-i)**

**Reconciliation of investments classified as 'held to maturity'**

Balance at beginning of period		61,500	30,692	23,543	50,990
Amortisation of premiums and discounts		4	–	–	4
Additions		85,890	3,663	46,153	45
Disposals (sales and redemptions)		(75,600)	–	(28,543)	–
Transfers between current/non-current		11,995	(11,995)	20,347	(20,347)
<b>Balance at end of period</b>		<b>83,789</b>	<b>22,360</b>	<b>61,500</b>	<b>30,692</b>
<b>Comprising:</b>					
– Long term deposits		79,290	18,858	60,500	28,697
– NCD's, FRN's (with maturities > 3 months)		4,499	3,502	1,000	1,995
<b>Total</b>		<b>83,789</b>	<b>22,360</b>	<b>61,500</b>	<b>30,692</b>

Refer to Note 27. Fair value measurement for information regarding the fair value of investments held.

The former Dubbo City Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 6c. Restricted cash, cash equivalents and investments – details

\$ '000	12/5/16	12/5/16	30/6/15	30/6/15
	Actual Current	Actual Non-current	Actual Current	Actual Non-current
Total cash, cash equivalents and investments	94,694	22,360	78,449	30,692
<b>attributable to:</b>				
External restrictions (refer below)	58,328	22,360	42,683	30,692
Internal restrictions (refer below)	33,695	–	33,635	–
Unrestricted	2,671	–	2,131	–
	<u>94,694</u>	<u>22,360</u>	<u>78,449</u>	<u>30,692</u>

1/7/15 to 12/5/16	Opening	Transfers to	Transfers from	Closing
\$ '000	balance	restrictions	restrictions	balance

Details of restrictions

**External restrictions – included in liabilities**

Specific purpose unexpended loans – water (A)	3,800	–	(3,800)	–
Specific purpose unexpended loans – sewer (A)	732	–	(732)	–
<b>External restrictions – included in liabilities</b>	<u>4,532</u>	<u>–</u>	<u>(4,532)</u>	<u>–</u>

**External restrictions – other**

Developer contributions – general (D)	6,305	–	1,907	8,212
Specific purpose unexpended grants (F)	2,566	2,849	–	5,415
Specific purpose unexpended grants-water fund (F)	–	83	–	83
Specific purpose unexpended grants-sewer fund (F)	–	81	–	81
Water supplies (G)	18,788	5,189	–	23,977
Sewerage services (G)	34,404	1,830	–	36,234
Domestic waste management (G)	2,256	–	–	2,256
Drainage	4,524	–	(94)	4,430
<b>External restrictions – other</b>	<u>68,843</u>	<u>10,032</u>	<u>1,813</u>	<u>80,688</u>
<b>Total external restrictions</b>	<u>73,375</u>	<u>10,032</u>	<u>(2,719)</u>	<u>80,688</u>

- A** Loan moneys which must be applied for the purposes for which the loans were raised.  
**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 (b))  
**G** Water, sewerage, domestic waste management (DWM) and other special rates/levies/charges are externally restricted assets and must be applied for the purposes for which they were raised.

The former Dubbo City Council

Notes to the Financial Statements  
 for the period 1 July 2015 to 12 May 2016

Note 6c. Restricted cash, cash equivalents and investments – details (continued)

1/7/15 to 12/5/16 \$ '000	Opening balance	Transfers to restrictions	Transfers from restrictions	Closing balance
<b>Internal restrictions</b>				
Plant and vehicle replacement	6,848	163	–	7,011
Employment overheads	152	128	–	280
Airport	541	355	–	896
Animal shelter	253	40	–	293
Aquatic leisure centre improvements	73	–	(73)	–
Building and development services	682	–	(81)	601
Business support technical services office equip.	6	8	–	14
Cemetery improvements	218	–	–	218
City development	72	70	–	142
City image	148	46	–	194
City strategy	190	81	–	271
Civic administration building	1,111	184	–	1,295
Corporate development/strategic management	99	–	(54)	45
Cultural services projects	14	–	(6)	8
Depot services asset management	682	59	–	741
Emergency response	56	–	–	56
Employees leave entitlements and FAG grant	3,899	–	(2,685)	1,214
Employee Overheads	–	270	–	270
Environment and health services	30	–	–	30
Environmental sustainability services	15	–	–	15
Family day care operations	252	–	–	252
Financial accounting services	10	–	(9)	1
Fire control operations	493	–	–	493
Funds redeployed to aquatic leisure centre, airport redevelopment and stormwater	(2,682)	206	–	(2,476)
Footpath construction	548	–	(332)	216
Governance	19	70	–	89
Governance and risk services	725	–	(128)	597
Holiday park	274	–	(192)	82
Horticultural service operations	198	–	(176)	22
Human environment operations	68	–	–	68
Human resource services	102	89	–	191
Information technology computer equipment	1,590	–	(160)	1,430
Landcare services operations	104	–	(60)	44
Library buildings and operations	135	174	–	309
Livestock markets	3,166	923	–	4,089
Old Dubbo Gaol operations	84	–	(2)	82
Other waste	2,248	–	–	2,248
Parks and landcare business support services	74	–	(2)	72
Property development	2,825	1,653	–	4,478
Rainbow cottage operations	311	–	–	311
Ranger services	15	–	–	15
Recreation planning and programmes	89	–	–	89

(continued on the next page...)

The former Dubbo City Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 6c. Restricted cash, cash equivalents and investments – details (continued)

1/7/15 to 12/5/16 \$ '000	Opening balance	Transfers to restrictions	Transfers from restrictions	Closing balance
<b>Internal restrictions (continued)</b>				
Recreation services	115	6	–	121
Regional entertainment centre	671	–	(83)	588
Rural roads projects	2,596	–	(13)	2,583
Showground	53	–	–	53
Social service projects	297	–	(14)	283
Sporting facilities projects	974	–	(188)	786
State roads	152	–	–	152
Street lighting	374	–	(28)	346
Technical support services	688	–	(132)	556
Traffic management projects	436	–	(386)	50
Urban road projects	562	339	–	901
Western Plains Cultural Centre operations	843	–	–	843
Works services operations	137	–	–	137
<b>Total internal restrictions</b>	<b>33,635</b>	<b>4,864</b>	<b>(4,804)</b>	<b>33,695</b>
<b>TOTAL RESTRICTIONS</b>	<b>107,010</b>	<b>14,896</b>	<b>(7,523)</b>	<b>114,383</b>

The former Dubbo City Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 7. Receivables

\$ '000	Notes	12/5/16		30/6/15	
		Current	Non-current	Current	Non-current
<b>Purpose</b>					
Rates and annual charges		2,145 <sup>1</sup>	946 <sup>1</sup>	595	847
Interest and extra charges		438	–	416	–
User charges and fees		3,747	356	6,509	317
Accrued revenues					
– Interest on investments		1,639	–	1,219	–
Deferred debtors		142	1,057	579	990
Due from other levels of government		72	–	8	–
Government grants and subsidies		1,536	–	753	–
Net GST receivable		615	–	429	–
Other debtors		398	–	254	–
<b>Total</b>		<b>10,732</b>	<b>2,359</b>	<b>10,762</b>	<b>2,154</b>
<b>Less: provision for impairment</b>					
User charges and fees		(165)	–	(154)	–
<b>Total provision for impairment – receivables</b>		<b>(165)</b>	<b>–</b>	<b>(154)</b>	<b>–</b>
<b>TOTAL NET RECEIVABLES</b>		<b>10,567</b>	<b>2,359</b>	<b>10,608</b>	<b>2,154</b>
<b>Externally restricted receivables</b>					
<b>Water supply</b>					
– Rates and availability charges		151	–	97	–
– Other		2,015	331	3,235	305
<b>Sewerage services</b>					
– Rates and availability charges		859	–	1,124	183
– Other		479	–	781	–
<b>Domestic waste management</b>					
<b>Drainage</b>		<b>87</b>	<b>–</b>	<b>47</b>	<b>–</b>
<b>Total external restrictions</b>		<b>3,897</b>	<b>331</b>	<b>5,435</b>	<b>488</b>
<b>Internally restricted receivables</b>					
Nil					
<b>Unrestricted receivables</b>		<b>6,670</b>	<b>2,028</b>	<b>5,173</b>	<b>1,666</b>
<b>TOTAL NET RECEIVABLES</b>		<b>10,567</b>	<b>2,359</b>	<b>10,608</b>	<b>2,154</b>

<sup>1</sup> The final payment instalment for rates (and annual charges) income is 31/5/16. As at 12/5/16 there is a large outstanding debtor that reflects this timing difference between the financial reporting date & the instalment payment date.

**Notes on debtors above:**

- (i) Rates and annual charges outstanding are secured against the property.
- (ii) Doubtful rates debtors are provided for where the value of the property is less than the debt outstanding.  
An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.
- (iii) Interest was charged on overdue rates and charges at 8.50% (2015 8.50%).  
Generally all other receivables are non-interest bearing.
- (iv) Please refer to Note 15 for issues concerning credit risk and fair value disclosures.

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Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 8. Inventories and other assets

\$ '000	Notes	12/5/16 Current	12/5/16 Non-current	30/6/15 Current	30/6/15 Non-current
<b>(a) Inventories</b>					
<b>(i) Inventories at cost</b>					
Real estate for resale (refer below)		622	1,814	1,077	1,801
Stores and materials		822	–	800	–
Trading stock		59	–	61	–
<b>Total inventories at cost</b>		<b>1,503</b>	<b>1,814</b>	<b>1,938</b>	<b>1,801</b>
<b>(ii) Inventories at net realisable value (NRV)</b>					
Nil					
<b>TOTAL INVENTORIES</b>		<b>1,503</b>	<b>1,814</b>	<b>1,938</b>	<b>1,801</b>
<b>(b) Other assets</b>					
Prepayments		328	–	340	–
Shares in unlisted companies – StateCover		–	495	–	495
<b>TOTAL OTHER ASSETS</b>		<b>328</b>	<b>495</b>	<b>340</b>	<b>495</b>
<b>Externally restricted assets</b>					
<b>Water</b>					
Stores and materials		181	–	166	–
Other		7	–	–	45
Prepayments		–	–	17	–
<b>Total water</b>		<b>188</b>	<b>–</b>	<b>183</b>	<b>45</b>
<b>Sewerage</b>					
Prepayments		–	–	4	–
<b>Total sewerage</b>		<b>–</b>	<b>–</b>	<b>4</b>	<b>–</b>
<b>Domestic waste management</b>					
Nil					
<b>Other</b>					
Nil					
<b>Total externally restricted assets</b>		<b>188</b>	<b>–</b>	<b>187</b>	<b>45</b>
<b>Total internally restricted assets</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total unrestricted assets</b>		<b>1,643</b>	<b>2,309</b>	<b>2,091</b>	<b>2,251</b>
<b>TOTAL INVENTORIES AND OTHER ASSETS</b>		<b>1,831</b>	<b>2,309</b>	<b>2,278</b>	<b>2,296</b>

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Notes to the Financial Statements  
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Note 8. Inventories and other assets (continued)

\$ '000	12/5/16 Current	12/5/16 Non-current	30/6/15 Current	30/6/15 Non-current
<b>Other disclosures</b>				
<b>(a) Details for real estate development</b>				
Residential	557	1,207	1,003	1,207
Industrial/commercial	65	607	74	594
<b>Total real estate for resale</b>	<b>622</b>	<b>1,814</b>	<b>1,077</b>	<b>1,801</b>
(Valued at the lower of cost and net realisable value)				
<b>Represented by:</b>				
Development costs	622	1,814	1,077	1,801
<b>Total costs</b>	<b>622</b>	<b>1,814</b>	<b>1,077</b>	<b>1,801</b>
<b>Total real estate for resale</b>	<b>622</b>	<b>1,814</b>	<b>1,077</b>	<b>1,801</b>
<b>Movements:</b>				
Real estate assets at beginning of period	1,077	1,801	706	2,107
– Purchases and other costs	354	13	2,064	169
– Transfers in from (out to) Note 9	(5)	–	–	(13)
– WDV of sales (expense)	(804)	–	(2,155)	–
– Transfer between current/non-current	–	–	462	(462)
<b>Total real estate for resale</b>	<b>622</b>	<b>1,814</b>	<b>1,077</b>	<b>1,801</b>

**(b) Inventory write downs**

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

Refer to Note 27. Fair value measurement for information regarding the fair value of other assets held.

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Note 9a. Infrastructure, property, plant and equipment

\$ '000	as at 30/6/2015					Asset movements during the reporting period								as at 12/5/2016					
	At cost	At fair value	Accumulated depreciation	Impairment	Carrying value	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	Adjustments and transfers	Remeasurement adjustment quarries through P & L	This from/(to) real estate assets (Note 8)	Revaluation decrements assets sold	Revaluation increments to equity (ARR)	At cost	At fair value	Accumulated depreciation	Impairment	Carrying value
	Capital work in progress	-	36,343	-	-	36,343	-	7,533	-	-	(2,365)	-	-	-	-	-	-	-	-
Plant and equipment	-	32,586	13,541	-	19,045	2,555	1,007	(1,175)	(2,558)	(298)	-	-	-	-	-	-	-	-	32,885
Office equipment	-	1,897	1,277	-	420	301	26	-	(128)	-	-	-	-	-	-	-	-	-	2,024
Furniture and fittings	-	2,882	1,874	-	1,008	87	135	-	(151)	-	-	-	-	-	-	-	-	-	1,405
Land:																			3,104
- Operational land	-	27,919	-	-	27,919	-	177	-	-	-	-	6	-	-	-	-	-	-	28,101
- Community land	-	123,842	-	-	123,842	-	-	-	-	-	-	-	-	-	-	-	-	-	123,842
- Land under roads (post 30/6/08)	6,012	-	-	-	6,012	-	-	-	-	-	-	-	-	-	6,012	-	-	-	-
Land improvements - non-depreciable	-	1,801	-	-	1,801	-	-	-	-	-	-	-	-	-	-	-	-	-	1,801
Land improvements - depreciable	-	5,591	3,156	-	2,435	-	213	-	(223)	-	-	-	-	-	-	5,804	3,379	-	2,425
Infrastructure:																			
- Buildings - non-specialised	-	22,767	11,743	-	11,024	-	68	-	(244)	-	-	-	-	-	-	-	22,833	11,985	-
- Buildings - specialised	-	108,547	52,862	-	55,685	1,675	80	(30)	(1,307)	-	-	-	-	-	-	110,250	53,947	-	56,303
- Other structures	-	102,923	46,988	-	55,935	471	1,130	-	(3,012)	(1,568)	-	-	-	-	-	101,804	48,648	-	52,956
- Roads	-	1,070,210	209,263	-	860,947	4,772	4,476	-	(6,167)	-	-	-	-	-	-	1,079,458	215,430	-	864,028
- Bulk earthworks (non-depreciable)	-	239,395	-	-	239,395	-	948	-	-	-	-	-	-	-	-	-	-	-	240,343
- Stormwater drainage	-	199,093	24,269	-	174,824	190	5,550	-	(694)	-	-	-	(29)	-	-	204,805	24,964	-	179,841
- Water supply network	-	214,515	53,312	-	161,203	776	1,464	(286)	(3,098)	447	-	-	-	1,596	-	218,131	56,029	-	162,102
- Sewerage network	-	220,894	75,771	-	145,123	2,179	4,013	(89)	(4,083)	1,918	-	-	-	1,424	-	230,266	79,781	-	150,485
- Swimming pools	-	-	-	-	-	-	-	-	(44)	1,866	-	-	-	-	-	3,287	1,465	-	1,822
- Other infrastructure Airport Runways/Taxiways	-	-	-	-	-	-	-	-	(350)	16,135	-	-	-	-	-	32,129	16,344	-	15,785
Other assets:																			
- Heritage collections	-	33	4	-	29	-	-	-	-	-	-	-	-	-	-	33	4	-	29
- Other	-	34,524	17,054	-	17,470	-	-	-	(42)	(16,135)	-	-	-	-	-	2,396	1,102	-	1,293
Reinstatement, rehabilitation and restoration assets (refer Note 25):																			
- Quarry assets	-	1,997	-	-	1,997	-	-	-	-	-	-	-	-	-	-	1,997	-	-	1,997
- Quarry restoration	-	309	106	-	203	-	-	-	(7)	-	89	-	-	-	-	398	113	-	285
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT AND EQUIP.</b>	<b>6,012</b>	<b>2,447,868</b>	<b>511,020</b>	<b>-</b>	<b>1,942,860</b>	<b>13,006</b>	<b>26,820</b>	<b>(1,580)</b>	<b>(22,109)</b>	<b>-</b>	<b>89</b>	<b>5</b>	<b>(29)</b>	<b>3,020</b>	<b>6,012</b>	<b>2,487,001</b>	<b>530,931</b>	<b>-</b>	<b>1,962,082</b>

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

Refer to Note 27. Fair value measurement for information regarding the fair value of other infrastructure, property, plant and equipment.



The former Dubbo City Council

Notes to the Financial Statements  
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Note 9b. Externally restricted infrastructure, property, plant and equipment

\$ '000	Actual				Actual			
	12/5/16				30/6/15			
Class of asset	At cost	At fair value	A/Dep & impairm't	Carrying value	At cost	At fair value	A/Dep & impairm't	Carrying value
<b>Water supply</b>								
Works in progress	–	7,370	–	7,370	–	3,146	–	3,146
Plant and equipment	–	1,661	773	888	–	1,645	664	981
Office equipment	–	41	40	1	–	41	40	1
Furniture and fittings	–	21	16	5	–	21	15	6
Land								
– Operational land	–	1,369	–	1,369	–	1,369	–	1,369
Buildings	–	875	432	443	–	875	421	454
Other structures	–	684	146	538	–	675	126	549
Roads, bridges and footpaths	–	3,449	498	2,953	–	3,449	470	2,979
Bulk earthworks	–	746	–	746	–	746	–	746
Infrastructure	–	217,223	56,165	161,058	–	213,057	52,925	160,132
Other assets	–	425	–	425	–	425	–	425
<b>Total water supply</b>	–	<b>233,864</b>	<b>58,068</b>	<b>175,796</b>	–	<b>225,449</b>	<b>54,661</b>	<b>170,788</b>
<b>Sewerage services</b>								
Works in progress	–	23,832	–	23,832	–	25,463	–	25,463
Plant and equipment	–	1,537	835	702	–	1,489	759	730
Office equipment	–	99	64	35	–	99	63	36
Furniture and fittings	–	13	6	7	–	13	5	8
Land								
– Operational land	–	5,672	–	5,672	–	5,671	–	5,671
Buildings	–	1,886	1,184	702	–	1,742	1,169	573
Other structures	–	590	376	214	–	543	361	182
Roads, bridges and footpaths	–	3,695	943	2,752	–	3,695	915	2,780
Bulk earthworks	–	830	–	830	–	830	–	830
Infrastructure	–	228,945	79,303	149,642	–	218,789	74,546	144,243
<b>Total sewerage services</b>	–	<b>267,099</b>	<b>82,711</b>	<b>184,388</b>	–	<b>258,334</b>	<b>77,818</b>	<b>180,516</b>
<b>Domestic waste management</b>								
Plant and equipment	–	1,029	353	676	–	1,024	457	567
Other structures	–	291	286	5	–	291	285	6
Roads, bridges and footpaths	–	20	7	13	–	20	6	14
Bulk earthworks	–	49	–	49	–	49	–	49
<b>Total DWM</b>	–	<b>1,389</b>	<b>646</b>	<b>743</b>	–	<b>1,384</b>	<b>748</b>	<b>636</b>
<b>Stormwater drainage</b>								
Works in progress	–	806	–	806	–	166	–	166
Plant and equipment	–	31	23	8	–	23	23	–
– Operational land	–	751	–	751	–	751	–	751
Stormwater infrastructure	–	204,467	24,895	179,572	–	198,756	24,206	174,550
Stormwater bulk earthworks	–	2,406	–	2,406	–	2,405	–	2,405
<b>Total Stormwater Drainage</b>	–	<b>208,461</b>	<b>24,918</b>	<b>183,543</b>	–	<b>202,101</b>	<b>24,229</b>	<b>177,872</b>
<b>TOTAL RESTRICTED I,PP&amp;E</b>	–	<b>710,813</b>	<b>166,343</b>	<b>544,470</b>	–	<b>687,268</b>	<b>157,456</b>	<b>529,812</b>

The former Dubbo City Council

Notes to the Financial Statements  
 for the period 1 July 2015 to 12 May 2016

Note 9c. Infrastructure, property, plant and equipment – current period  
 impairments

\$ '000	Notes	Actual to 12/5/16	Actual to 30/6/15
Impairment losses recognised in the Income Statement:			
Impaired irrigation assets written off		–	(10)
<b>Total impairment losses</b>		<b>–</b>	<b>(10)</b>
<b>IMPAIRMENT OF ASSETS – GAINS/(LOSSES) in P/L</b>	4(d)	<b>–</b>	<b>(10)</b>

The former Dubbo City Council

Notes to the Financial Statements  
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Note 10a. Payables, borrowings and provisions

\$ '000	Notes	12/5/16		30/6/15	
		Current	Non-current	Current	Non-current
<b>Payables</b>					
Goods and services – operating expenditure		4,198	–	5,119	–
Payments received in advance		261	–	225	–
Accrued expenses:					
– Borrowings		916	–	506	–
– Salaries and wages		556	–	782	–
Security bonds, deposits and retentions		1,160	–	1,489	–
Other		5	1	–	1
<b>Total payables</b>		<b>7,096</b>	<b>1</b>	<b>8,121</b>	<b>1</b>
<b>Borrowings</b>					
Loans – secured <sup>1</sup>		4,989	63,142	3,897	67,259
<b>Total borrowings</b>		<b>4,989</b>	<b>63,142</b>	<b>3,897</b>	<b>67,259</b>
<b>Provisions</b>					
<b>Employee benefits:</b>					
Annual leave		2,781	–	2,809	–
Sick leave		1,356	–	1,493	–
Long service leave		7,660	524	7,320	493
Sub-total – aggregate employee benefits		11,797	524	11,622	493
Asset remediation/restoration (future works) <sup>26</sup>		–	734	–	621
<b>Total provisions</b>		<b>11,797</b>	<b>1,258</b>	<b>11,622</b>	<b>1,114</b>
<b>TOTAL PAYABLES, BORROWINGS AND PROVISIONS</b>		<b>23,882</b>	<b>64,401</b>	<b>23,640</b>	<b>68,374</b>
<b>(i) Liabilities relating to restricted assets</b>					
		12/5/16	12/5/16	30/6/15	30/6/15
		Current	Non-current	Current	Non-current
<b>Externally restricted assets</b>					
Water		2,985	22,835	2,028	23,694
Sewer		2,418	17,425	1,806	19,085
Drainage		238	3,536	182	3,783
Liabilities relating to externally restricted assets		5,641	43,796	4,016	46,562
<b>Internally restricted assets</b>					
Nil					
<b>Total liabilities relating to restricted assets</b>		<b>5,641</b>	<b>43,796</b>	<b>4,016</b>	<b>46,562</b>
<b>Total liabilities relating to unrestricted assets</b>		<b>18,241</b>	<b>20,605</b>	<b>19,624</b>	<b>21,812</b>
<b>TOTAL PAYABLES, BORROWINGS AND PROVISIONS</b>		<b>23,882</b>	<b>64,401</b>	<b>23,640</b>	<b>68,374</b>

<sup>1</sup>: Loans are secured over the general rating income of Council

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note 15.

The former Dubbo City Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 10a. Payables, borrowings and provisions (continued)

\$ '000	Actual 12/5/16	Actual 30/6/15
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(ii) Current liabilities not anticipated to be settled within the next twelve months

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

Provisions – employees benefits	7,432	7,208
	<u>7,432</u>	<u>7,208</u>

Note 10b. Description of and movements in provisions

Class of provision	Opening balance as at 1/7/15	1/7/15 to 12/5/16			Unused amounts reversed	Closing balance as at 12/5/16
		Additional provisions	Decrease due to payments	Remeasurement effects due to discounting		
Asset remediation	621	9	–	104	–	734
<b>TOTAL</b>	<b>12,736</b>	<b>215</b>	<b>–</b>	<b>104</b>	<b>–</b>	<b>13,055</b>

- a. Employees leave entitlements and on-costs represents those benefits accrued and payable and an estimate of those that will become payable in the future as a result of past service.
- b. Asset remediation, reinstatement and restoration provisions represent the present value estimate of future costs Council will incur in order to remove, restore and remediate assets and/or activities as a result of past operations.

The former Dubbo City Council

Notes to the Financial Statements  
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Note 11. Statement of cash flows – additional information

\$ '000	Notes	Actual 12/5/16	Actual 30/6/15
<b>(a) Reconciliation of cash assets</b>			
Total cash and cash equivalent assets	6a	10,905	16,949
Less bank overdraft	10	–	–
<b>Balance as per the Statement of Cash Flows</b>		<b>10,905</b>	<b>16,949</b>
<b>(b) Reconciliation of net operating result to cash provided from operating activities</b>			
<b>Net operating result from Income Statement</b>		<b>27,625</b>	<b>43,053</b>
<i>Adjust for non-cash items:</i>			
Depreciation and amortisation		21,364	29,295
Net losses/(gains) on disposal of assets		(1,778)	(3,926)
Non-cash capital grants and contributions		(14,029)	(28,544)
Impairment losses recognition – I,PP&E		–	10
<i>Losses/(gains) recognised on fair value re-measurements through the P&amp;L:</i>			
– Interest-free advances made by Council (deferred debtors)		–	153
<i>Amortisation of premiums, discounts and prior period fair valuations</i>			
– ‘Held to maturity’ financial assets		(4)	(4)
– Interest on all fair value adjusted interest free advances made by Council		(31)	(8)
Unwinding of discount rates on reinstatement provisions		–	77
Share of net (profits) or losses of associates/joint ventures		(20)	(18)
<i>+/- Movement in operating assets and liabilities and other cash items:</i>			
Decrease/(increase) in receivables		(545)	(662)
Increase/(decrease) in provision for doubtful debts		11	43
Decrease/(increase) in inventories		(20)	(9)
Decrease/(increase) in other assets		12	688
Increase/(decrease) in payables		(921)	(751)
Increase/(decrease) in accrued interest payable		410	63
Increase/(decrease) in other accrued expenses payable		(226)	231
Increase/(decrease) in other liabilities		(288)	(539)
Increase/(decrease) in employee leave entitlements		206	194
Increase/(decrease) in other provisions		113	(55)
<b>Net cash provided from/(used in) operating activities from the Statement of Cash Flows</b>		<b>31,879</b>	<b>39,291</b>

The former Dubbo City Council

Notes to the Financial Statements  
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Note 11. Statement of cash flows – additional information (continued)

\$ '000	Notes	Actual 12/5/16	Actual 30/6/15
<b>(c) Non-cash investing and financing activities</b>			
Bushfire grants		22	1,117
Infrastructure contributions		13,865	27,427
<b>Total non-cash investing and financing activities</b>		<b>13,887</b>	<b>28,544</b>
<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>		–	500
Credit cards/purchase cards		400	400
<b>Total financing arrangements</b>		<b>400</b>	<b>900</b>
<b>Amounts utilised as at balance date:</b>			
– Credit cards/purchase cards		20	66
<b>Total financing arrangements utilised</b>		<b>20</b>	<b>66</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 and other payables are disclosed in Note 15.

**(ii) Secured loan liabilities**

Loans are secured by a mortgage over future years rate revenue only.

**(e) Bank guarantees**

No Bank Guarantees have been provided by Council to external third parties

The former Dubbo City Council

Notes to the Financial Statements  
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Note 12. Commitments for expenditure

\$ '000	Notes	Actual 12/5/16	Actual 30/6/15
<b>(a) Capital commitments (exclusive of GST)</b>			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
<b>Property, plant and equipment</b>			
Sewerage infrastructure		8,389	7,011
Road infrastructure		8,267	8,751
Water infrastructure		–	160
Other structures		1,089	949
<b>Total commitments</b>		<b>17,745</b>	<b>16,871</b>
<b>These expenditures are payable as follows:</b>			
Within the next year		14,214	11,831
Later than one year and not later than 5 years		3,531	5,040
<b>Total payable</b>		<b>17,745</b>	<b>16,871</b>
<b>Sources for funding of capital commitments:</b>			
Unrestricted general funds		17,745	16,871
<b>Total sources of funding</b>		<b>17,745</b>	<b>16,871</b>

(b) Finance lease commitments

Nil

(c) Operating lease commitments (non-cancellable)

**a. Commitments under non-cancellable operating leases at the reporting date, but not recognised as liabilities are payable:**

Within the next year	–	295
Later than one year and not later than 5 years	–	262
Later than 5 years	–	–
<b>Total non-cancellable operating lease commitments</b>	<b>–</b>	<b>557</b>

**b. Non-cancellable operating leases include the following assets:**

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.

The former Dubbo City Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 13a(i). Statement of performance measurement – indicators (consolidated)

\$ '000	Amounts	Indicator	Prior periods	
	12/5/16	12/5/16	30/6/15	30/6/14
<b>Local government industry indicators – consolidated</b>				
<b>1. Operating performance ratio</b>				
Total continuing operating revenue <sup>(1)</sup> excluding capital grants and contributions less operating expenses	<u>5,039</u>	5.92%	0.79%	-5.79%
Total continuing operating revenue <sup>(1)</sup> excluding capital grants and contributions	85,178			
<b>2. Own source operating revenue ratio</b>				
Total continuing operating revenue <sup>(1)</sup> excluding all grants and contributions	<u>72,013</u>	67.96%	61.14%	73.76%
Total continuing operating revenue <sup>(1)</sup>	105,966			
<b>3. Unrestricted current ratio</b>				
Current assets less all external restrictions <sup>(2)</sup>	<u>44,679</u>	4.13x	3.47x	3.34x
Current liabilities less specific purpose liabilities <sup>(3, 4)</sup>	10,809			
<b>4. Debt service cover ratio</b>				
Operating result <sup>(1)</sup> before capital excluding interest and depreciation/impairment/amortisation	<u>30,076</u>	4.49x	5.04x	5.09x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	6,698			
<b>5. Rates, annual charges, interest and extra charges outstanding percentage</b>				
Rates, annual and extra charges outstanding	<u>3,529</u>	8.66%	4.13%	4.49%
Rates, annual and extra charges collectible	40,765			
<b>6. Cash expense cover ratio</b>				
Current period's cash and cash equivalents plus all term deposits	<u>109,053</u>	19.27 mths	16.0 mths	16.3 mths
Payments from cash flow of operating and financing activities	5,659			

Notes

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

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

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

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

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



The former Dubbo City Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

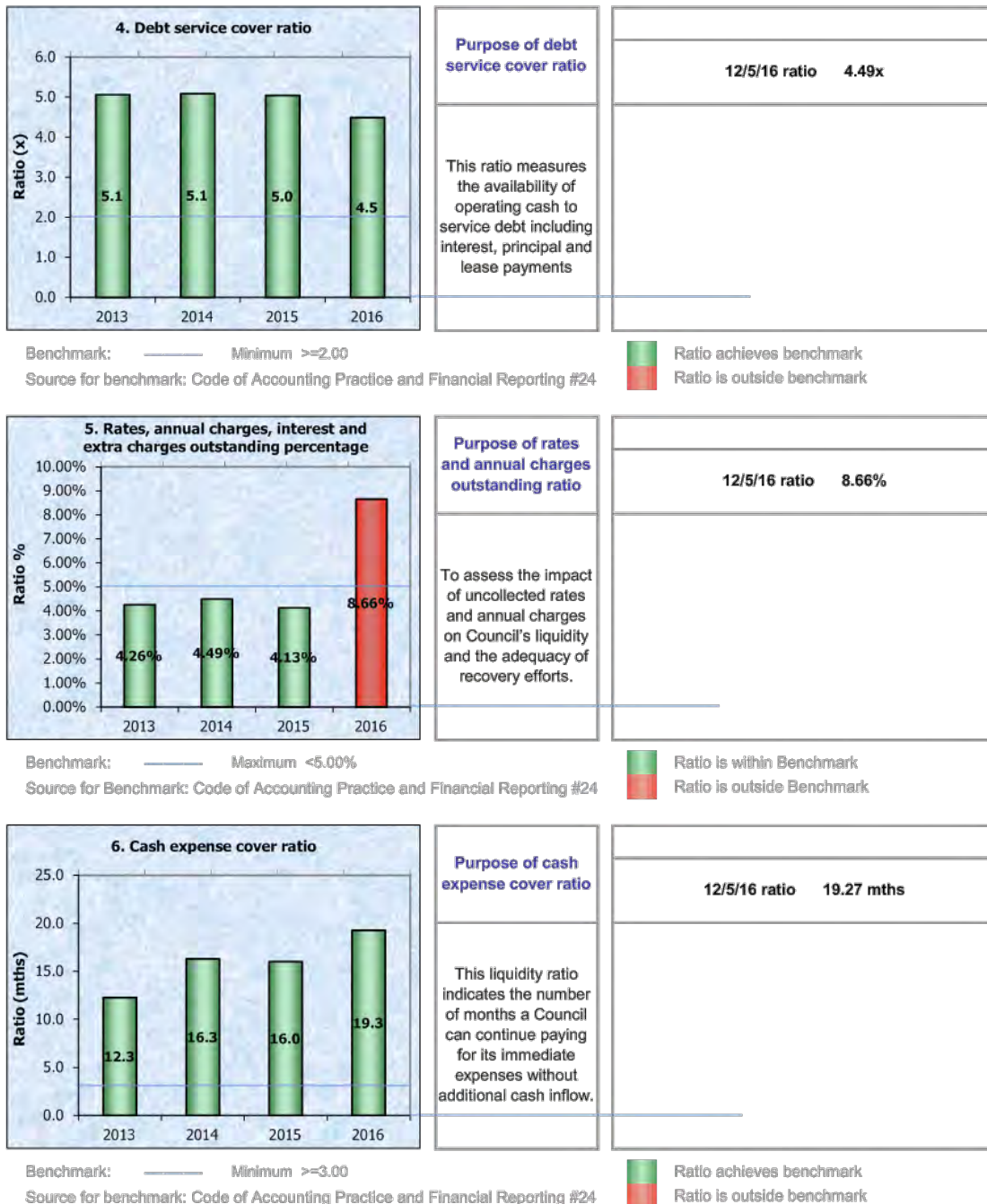
Note 13a(ii). Local government industry indicators – graphs (consolidated)

<p><b>1. Operating performance ratio</b></p> <p>Benchmark: — Minimum <math>\geq 0.00\%</math> Source for benchmark: Code of Accounting Practice and Financial Reporting #24</p>	<p><b>Purpose of operating performance ratio</b></p> <p>This ratio measures Councils' achievement of containing operating expenditure within operating revenue.</p>	<p><b>12/5/16 ratio</b>    <b>5.92%</b></p>
<p><b>2. Own source operating revenue ratio</b></p> <p>Benchmark: — Minimum <math>\geq 60.00\%</math> Source for benchmark: Code of Accounting Practice and Financial Reporting #24</p>	<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 and contributions.</p>	<p><b>12/5/16 ratio</b>    <b>67.96%</b></p>
<p><b>3. Unrestricted current ratio</b></p> <p>Benchmark: — Minimum <math>\geq 1.50</math> Source for benchmark: Code of Accounting Practice and Financial Reporting #24</p>	<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>12/5/16 ratio</b>    <b>4.13x</b></p>

The former Dubbo City Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 13a(ii). Local government industry indicators – graphs (consolidated)



The former Dubbo City Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 13b. Statement of performance measurement – indicators (by fund)

\$ '000	Water 12/5/16	Sewer 12/5/16	General <sup>5</sup> 12/5/16
<b>Local government industry indicators – by fund</b>			
<b>1. Operating performance ratio</b>			
Total continuing operating revenue <sup>(1)</sup> excluding capital grants and contributions less operating expenses	<b>6.91%</b>	<b>12.75%</b>	<b>4.17%</b>
Total continuing operating revenue <sup>(1)</sup> excluding capital grants and contributions	prior period: 21.96%	26.37%	-10.95%
<b>2. Own source operating revenue ratio</b>			
Total continuing operating revenue <sup>(1)</sup> excluding all grants and contributions	<b>79.77%</b>	<b>84.14%</b>	<b>61.98%</b>
Total continuing operating revenue <sup>(1)</sup>	prior period: 85.62%	80.84%	52.09%
<b>3. Unrestricted current ratio</b>			
Current assets less all external restrictions <sup>(2)</sup>	<b>8.85x</b>	<b>11.03x</b>	<b>4.13x</b>
Current liabilities less specific purpose liabilities <sup>(3,4)</sup>	prior period: 10.50x	12.35x	3.47x
<b>4. Debt service cover ratio</b>			
Operating result <sup>(1)</sup> before capital excluding interest and depreciation/impairment/amortisation	<b>2.93x</b>	<b>3.32x</b>	<b>6.29x</b>
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	prior period: 4.86x	6.17x	4.65x
<b>5. Rates, annual charges, interest and extra charges outstanding percentage</b>			
Rates, annual and extra charges outstanding	<b>3.36%</b>	<b>12.76%</b>	<b>8.29%</b>
Rates, annual and extra charges collectible	prior period: 1.94%	14.01%	1.48%
<b>6. Cash expense cover ratio</b>			
Current period's cash and cash equivalents plus all term deposits	<b>0.00</b>	<b>0.00</b>	<b>18.41</b>
Payments from cash flow of operating and financing activities	prior period: 0.00 mths	0.00 mths	<b>13.61</b> mths

Notes

<sup>(1)</sup> - <sup>(4)</sup> Refer to Notes at Note 13a(l) above.

<sup>(5)</sup> General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

## The former Dubbo City Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### 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.

The fair value of Council's financial assets and financial liabilities approximates their carrying amount.

A comparison by category of the carrying amounts and fair values of Council's financial assets and financial liabilities recognised in the financial statements is presented below.

	Carrying value		Fair value	
	12/5/16	30/6/15	12/5/16	30/6/15
<b>Financial assets</b>				
Cash and cash equivalents	10,905	16,949	10,905	16,949
Investments				
– 'Held to maturity'	106,149	92,192	106,149	92,192
Receivables	12,926	12,762	12,926	12,762
Other financial assets	495	495	495	495
<b>Total financial assets</b>	<b>130,475</b>	<b>122,398</b>	<b>130,475</b>	<b>122,398</b>
<b>Financial liabilities</b>				
Payables	6,836	7,897	6,836	7,897
Loans/advances	68,131	71,156	68,131	71,156
<b>Total financial liabilities</b>	<b>74,967</b>	<b>79,053</b>	<b>74,967</b>	<b>79,053</b>

Fair value is determined as follows:

- **Cash and cash equivalents, receivables, payables** – are estimated to be the carrying value that approximates market value.
- **Borrowings and held-to-maturity investments** – are based upon estimated future cash flows discounted by the current mkt interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.
- Financial assets classified (i) '**at fair value through profit and loss**' or (ii) '**available-for-sale**' – are based upon quoted market prices (in active markets for identical investments) at the reporting date or independent valuation.

Refer to Note 27. Fair value measurement for information regarding the fair value of financial assets and liabilities.

## The former Dubbo City Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 15. Financial risk management (continued)

\$ '000

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

Council's finance area manages the cash and Investments portfolio with the assistance of independent advisors.

Council has an investment policy which complies with the *Local Government Act 1993* and Minister's investment order. This policy is regularly reviewed by Council and it's staff and an investment report is tabled before Council on a monthly basis setting out the portfolio breakup and its performance.

The risks associated with the investments held are:

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

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

Council also seeks advice from independent advisers before placing any funds in cash equivalents and investments.

#### (a) Market risk – price risk and interest rate risk

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

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

	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
<b>1/7/15 to 12/5/16</b>				
Possible impact of a 1% movement in interest rates	1,198	1,198	(1,198)	(1,198)
<b>1/7/14 to 30/6/15</b>				
Possible impact of a 1% movement in interest rates	883	883	(883)	(883)

The former Dubbo City Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 15. Financial risk management (continued)

\$ '000

(b) Credit risk

Council's major receivables comprise (i) rates and annual charges and (ii) user charges and fees.

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

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

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

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

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

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

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

	12/5/16	12/5/16	30/6/15	30/6/15
	Rates and annual charges	Other receivables	Rates and annual charges	Other receivables
<b>(i) Ageing of receivables – %</b>				
Current (not yet overdue)	100%	100%	42%	93%
Overdue	0%	0%	58%	7%
	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>(ii) Ageing of receivables – value</b>				
<b>Rates and annual charges</b>	<b>Rates and annual charges</b>	<b>Other receivables</b>	<b>Rates and annual charges</b>	<b>Other receivables</b>
Current	2,145	6,250	595	10,558
< 1 year overdue	946	2,663	847	293
1 – 2 years overdue	–	569	–	268
2 – 5 years overdue	–	518	–	355
	<b>3,091</b>	<b>10,000</b>	<b>1,442</b>	<b>11,474</b>
<b>(iii) Movement in provision for impairment of receivables</b>				
			12/5/16	30/6/15
Balance at the beginning of the period			154	111
+ new provisions recognised during the period			–	43
<b>Balance at the end of the period</b>			<b>154</b>	<b>154</b>

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The former Dubbo City Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 15. Financial risk management (continued)

\$ '000

(c) Liquidity risk

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

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

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

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

\$ '000	Subject to no maturity	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>1/7/15 to 12/5/16</b>									
Trade/other payables	1,160	–	–	–	–	–	–	1,160	6,836
Loans and advances	–	9,971	8,118	8,118	8,118	8,118	60,699	103,142	68,131
<b>Total financial liabilities</b>	<b>1,160</b>	<b>9,971</b>	<b>8,118</b>	<b>8,118</b>	<b>8,118</b>	<b>8,118</b>	<b>60,699</b>	<b>104,302</b>	<b>74,967</b>
<b>1/7/14 to 30/6/15</b>									
Trade/other payables	1,489	6,408	–	–	–	–	–	7,897	7,897
Loans and advances	–	8,118	8,118	8,118	8,118	8,118	68,817	109,407	71,156
<b>Total financial liabilities</b>	<b>1,489</b>	<b>14,526</b>	<b>8,118</b>	<b>8,118</b>	<b>8,118</b>	<b>8,118</b>	<b>68,817</b>	<b>117,304</b>	<b>79,053</b>

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

The following interest rates were applicable to Council's borrowings at balance date:	12/5/16 Carrying value	12/5/16 Average interest rate	30/6/15 Carrying value	30/6/15 Average interest rate
Trade/other payables	6,836	0.00%	7,897	0.00%
Loans and advances – fixed interest rate	68,131	6.05%	71,156	6.00%
	<b>74,967</b>		<b>79,053</b>	

Note 16. Material budget variations

In accordance with the Supplementary Code 24(a), this note is not applicable for "former Councils".

## The former Dubbo City Council

## Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

## Note 17. Statement of developer contributions

\$ '000

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

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

**SUMMARY OF CONTRIBUTIONS AND LEVIES**

PURPOSE	Opening balance	Contributions received during the period		Interest earned during period	Expenditure during period	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Drainage	1,119	208	–	26	(1)	–	1,352	–
Roads	4,479	1,260	–	109	(57)	–	5,791	–
Parking	83	–	–	2	–	–	85	–
Open space	624	616	–	18	(274)	–	984	–
<b>S94 contributions – under a plan</b>	<b>6,305</b>	<b>2,084</b>	<b>–</b>	<b>155</b>	<b>(332)</b>	<b>–</b>	<b>8,212</b>	<b>–</b>
<b>Total S94 revenue under plans</b>	<b>6,305</b>	<b>2,084</b>	<b>–</b>	<b>155</b>	<b>(332)</b>	<b>–</b>	<b>8,212</b>	<b>–</b>
S64 contributions	–	2,454	–	20	(2,474)	–	–	–
<b>Total contributions</b>	<b>6,305</b>	<b>4,538</b>	<b>–</b>	<b>175</b>	<b>(2,806)</b>	<b>–</b>	<b>8,212</b>	<b>–</b>

**S94 CONTRIBUTIONS – UNDER A PLAN**

## CONTRIBUTION PLAN - Drainage

PURPOSE	Opening balance	Contributions received during the period		Interest earned during period	Expenditure during period	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Drainage	1,119	208	–	26	(1)	–	1,352	–
<b>Total</b>	<b>1,119</b>	<b>208</b>	<b>–</b>	<b>26</b>	<b>(1)</b>	<b>–</b>	<b>1,352</b>	<b>–</b>

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## The former Dubbo City Council

## Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

## Note 17. Statement of developer contributions (continued)

\$ '000

**S94 CONTRIBUTIONS – UNDER A PLAN**

## CONTRIBUTION PLAN - Roads

PURPOSE	Opening balance	Contributions received during the period		Interest earned during period	Expenditure during period	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Roads	4,479	1,260	–	109	(57)	–	5,791	–
<b>Total</b>	<b>4,479</b>	<b>1,260</b>	<b>–</b>	<b>109</b>	<b>(57)</b>	<b>–</b>	<b>5,791</b>	<b>–</b>

## CONTRIBUTION PLAN - Open Space

PURPOSE	Opening balance	Contributions received during the period		Interest earned during period	Expenditure during period	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Open space	624	616	–	18	(274)	–	984	–
<b>Total</b>	<b>624</b>	<b>616</b>	<b>–</b>	<b>18</b>	<b>(274)</b>	<b>–</b>	<b>984</b>	<b>–</b>

## CONTRIBUTION PLAN - Parking

PURPOSE	Opening balance	Contributions received during the period		Interest earned during period	Expenditure during period	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Parking	83	–	–	2	–	–	85	–
<b>Total</b>	<b>83</b>	<b>–</b>	<b>–</b>	<b>2</b>	<b>–</b>	<b>–</b>	<b>85</b>	<b>–</b>

## The former Dubbo City Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 18. Contingencies and 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 and 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 its 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 Council's contributions to the pool and the result of insurance claims within each of the fund years.

The future realisation and finalisation of claims incurred but not reported to 12/5/2016 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.

## The former Dubbo City Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 18. Contingencies and other assets/liabilities not recognised (continued)

\$ '000

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

##### 2. Other liabilities

##### (i) Third party claims

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

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

##### (ii) S94 plans

Council levies section 94/94A contributions upon various development across the Council area through the required contributions plans.

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

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

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

##### (iii) Potential claims – contract disputes

Council is currently in dispute with a contractor over the terms of a contract. While Council denies liability for the amount, and liability has not been recognised, there is potential for Council to be required to pay up to \$50,000 in costs in relation to this dispute.

##### 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 and including 30/6/08.

##### (ii) Infringement notices/fines

Fines and penalty income, the result of Council issuing infringement notices is followed up and collected by the Infringement Processing Bureau.

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

Accordingly, at end of period, 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.

## The former Dubbo City Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 19. Interests in other entities

\$ '000

Council's objectives can and in some cases are best met through the use of separate entities and operations.

These operations and entities range from 100% ownership and control through to lower levels of ownership and control via co-operative arrangements with other councils, bodies and other outside organisations.

The accounting and reporting for these various entities, operations and arrangements varies in accordance with accounting standards, depending on the level of council's (i) interest and (ii) control and the type (form) of entity/operation, as follows;

**Controlled entities (subsidiaries)** *Note 19(a)*

Operational arrangements where Council's control (but not necessarily interest) exceeds 50%.

**Joint ventures and associates** *Note 19(b)*

Joint ventures are operational arrangements where the parties that have joint control have rights to the net assets of the arrangement.

Associates are separate entities where Council has significant influence over the operations (but neither controls nor jointly controls them).

**Joint operations** *Note 19(c)*

Operational arrangements where the parties that have joint control have rights to specific assets and obligations for specific liabilities relating to the arrangement rather than a right to the net assets of the arrangement.

**Unconsolidated structured entities** *Note 19(d)*

Unconsolidated structured entities represent "special vehicles" that Council has an interest in but which are not controlled by Council and therefore not consolidated as a subsidiary, joint arrangement or associate. Attributes of structured entities include restricted activities, a narrow and well-defined objective and insufficient equity to finance its activities without financial support.

**Subsidiaries, joint arrangements and associates not recognised** *Note 19(e)*

**Accounting recognition:**

(i) Subsidiaries disclosed under Note 19(a) and joint operations disclosed at Note 19(c) are accounted for on a 'line by line' consolidation basis within the Income Statement and Statement of Financial Position.

(ii) Joint ventures and associates as per Note 19(b) are accounted for using the equity accounting method and are disclosed as a 1 line entry in both the Income Statement and Statement of Financial Position.

	Council's share of net income		Council's share of net assets	
	Actual 1/7/15 to 12/5/16	Actual 1/7/14 to 30/6/15	Actual 12/5/16	Actual 30/6/15
Joint ventures	20	18	908	888
<b>Total</b>	<b>20</b>	<b>18</b>	<b>908</b>	<b>888</b>

The former Dubbo City Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 19. Interests in other entities (continued)

\$ '000

(a) Controlled entities (subsidiaries) – being entities and operations controlled by Council

Council has no interest in any controlled entities (subsidiaries).

(b) Joint ventures and associates

Council has incorporated the following joint ventures and associates into its consolidated financial statements.

(a) Net carrying amounts – Council's share

Name of entity	Nature of relationship	Measurement method	12/5/16	30/6/15
Macquarie Regional Library	Joint venture	Equity	908	888
<b>Total carrying amounts – material joint ventures and associates</b>			<b>908</b>	<b>888</b>

(b) Details

Name of entity	Principal activity	Place of business
Macquarie Regional Library	Public library services	Branches in Dubbo Wellington Narromine and Warrumbungle Shire Council Areas

(c) Relevant interests and fair values

Name of entity	Quoted fair value		Interest in outputs		Interest in ownership		Proportion of voting power	
	12/5/16	30/6/15	2016	2015	2016	2015	2016	2015
Macquarie Regional Library	n/a	n/a	57%	58%	57%	58%	25%	25%

The former Dubbo City Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 19. Interests in other entities (continued)

\$ '000

(b) Joint ventures and associates (continued)

(d) Summarised financial information for joint ventures and associates

	Macquarie Regional Library	
	12/5/16	30/6/15
<b>Statement of financial position</b>		
<b>Current assets</b>		
Cash and cash equivalents	488	215
Other current assets	330	1,164
<b>Total current assets</b>	<b>818</b>	<b>1,379</b>
<b>Non-current assets</b>		
	<b>560</b>	<b>876</b>
<b>Current liabilities</b>		
Other current liabilities	471	689
<b>Total current liabilities</b>	<b>471</b>	<b>689</b>
<b>Non-current liabilities</b>		
	<b>-</b>	<b>37</b>
<b>Net assets</b>	<b>907</b>	<b>1,529</b>
<b>Reconciliation of the carrying amount</b>		
Opening net assets (1 July)	1,529	1,503
Profit/(loss) for the period	33	26
<b>Closing net assets</b>	<b>1,562</b>	<b>1,529</b>
<b>Council's share of net assets (%)</b>	<b>0.0%</b>	<b>58.1%</b>
<b>Council's share of net assets (\$)</b>	<b>-</b>	<b>888</b>
	1/7/15 to 12/5/16	1/7/14 to 30/6/15
<b>Statement of comprehensive income</b>		
Income	2,642	2,536
Interest income	36	37
Depreciation and amortisation	(289)	(286)
Other expenses	(2,355)	(2,257)
<b>Profit/(loss) for period</b>	<b>34</b>	<b>30</b>
<b>Total comprehensive income</b>	<b>34</b>	<b>30</b>
<b>Share of income – Council (%)</b>	<b>56.8%</b>	<b>58.0%</b>
<b>Profit/(loss) – Council (\$)</b>	<b>20</b>	<b>18</b>
<b>Total comprehensive income – Council (\$)</b>	<b>20</b>	<b>18</b>

(c) Joint operations

Council has no interest in any joint operations.

(d) Unconsolidated structured entities

Council has no unconsolidated structured entities

(e) Subsidiaries, joint arrangements and associates not recognised

All subsidiaries, joint arrangements and associates have been recognised in this financial report.

The former Dubbo City Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 20. Retained earnings, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors

\$ '000	Notes	Actual 12/5/16	Actual 30/6/15
<b>(a) Retained earnings</b>			
<b>Movements in retained earnings were as follows:</b>			
Balance at beginning of period (from previous year's audited accounts)		813,225	770,172
a. Net operating result for the period		27,625	43,053
<b>Balance at end of the reporting period</b>		<b>840,850</b>	<b>813,225</b>
<b>(b) Revaluation reserves</b>			
<b>(i) Reserves are represented by:</b>			
– Infrastructure, property, plant and equipment revaluation reserve		1,167,977	1,164,986
<b>Total</b>		<b>1,167,977</b>	<b>1,164,986</b>
<b>(ii) Reconciliation of movements in reserves:</b>			
<b>Infrastructure, property, plant and equipment revaluation reserve</b>			
– Opening balance		1,164,986	714,662
– Revaluations for the period	9(a)	2,991	450,314
– (Impairment of revalued assets)/impairment reversals	9(a),(c)	–	10
<b>– Balance at end of period</b>		<b>1,167,977</b>	<b>1,164,986</b>
<b>TOTAL VALUE OF RESERVES</b>		<b>1,167,977</b>	<b>1,164,986</b>
<b>(iii) Nature and purpose of reserves</b>			
<b>Infrastructure, property, plant and equipment revaluation reserve</b>			
– The infrastructure, property, plant and equipment revaluation reserve is used to record increments/decrements of non-current asset values due to their revaluation.			
<b>(c) Correction of error/s relating to a previous reporting period</b>			
Council made no correction of errors during the current reporting period.			
<b>(d) Voluntary changes in accounting policies</b>			
Council made no voluntary changes in any accounting policies during the reporting period.			

The former Dubbo City Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 21. Financial result and financial position by fund

Income Statement by fund	Actual 1/7/15 to 12/5/16	Actual 1/7/15 to 12/5/16	Actual 1/7/15 to 12/5/16
\$ '000			
<b>Continuing operations</b>	<b>Water</b>	<b>Sewer</b>	<b>General<sup>1</sup></b>
<b>Income from continuing operations</b>			
Rates and annual charges	4,497	8,294	25,982
User charges and fees	8,320	2,827	17,602
Interest and investment revenue	537	1,265	1,898
Other revenues	35	45	711
Grants and contributions provided for operating purposes	83	81	13,001
Grants and contributions provided for capital purposes	3,398	2,520	14,870
<b>Other income</b>			
Net gains from disposal of assets	(284)	(82)	2,144
Share of interests in joint ventures and associates using the equity method	–	–	20
<b>Total income from continuing operations</b>	<b>16,586</b>	<b>14,950</b>	<b>76,228</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	3,626	3,029	18,237
Borrowing costs	1,275	813	1,585
Materials and contracts	2,937	1,683	14,930
Depreciation and amortisation	3,393	4,261	13,710
Other expenses	1,692	1,025	7,943
<b>Total expenses from continuing operations</b>	<b>12,923</b>	<b>10,811</b>	<b>56,405</b>
<b>Operating result from continuing operations</b>	<b>3,663</b>	<b>4,139</b>	<b>19,823</b>
<b>Net operating result for the period</b>	<b>3,663</b>	<b>4,139</b>	<b>19,823</b>
<b>Net operating result attributable to each council fund</b>	<b>3,663</b>	<b>4,139</b>	<b>19,823</b>
<b>Net operating result for the period before grants and contributions provided for capital purposes</b>	<b>265</b>	<b>1,619</b>	<b>4,953</b>

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

NB. All amounts disclosed above are gross – that is, they include internal charges and recoveries made between the funds.



The former Dubbo City Council

Notes to the Financial Statements  
as at 12 May 2016

Note 21. Financial result and financial position by fund (continued)

Statement of Financial Position by fund \$ '000	Actual 12/5/16	Actual 12/5/16	Actual 12/5/16
<b>ASSETS</b>	<b>Water</b>	<b>Sewer</b>	<b>General<sup>1</sup></b>
<b>Current assets</b>			
Cash and cash equivalents	3,560	1,315	6,030
Investments	20,500	24,000	39,289
Receivables	2,166	1,348	7,053
Inventories	181	–	1,322
Other	7	–	321
<b>Total current assets</b>	<b>26,414</b>	<b>26,663</b>	<b>54,015</b>
<b>Non-current assets</b>			
Investments	–	11,000	11,360
Receivables	331	199	1,829
Inventories	–	–	1,814
Infrastructure, property, plant and equipment	175,796	184,388	1,601,898
Investments accounted for using the equity method	–	–	908
Other	45	–	450
<b>Total non-current assets</b>	<b>176,172</b>	<b>195,587</b>	<b>1,618,259</b>
<b>TOTAL ASSETS</b>	<b>202,586</b>	<b>222,250</b>	<b>1,672,274</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	953	331	5,812
Borrowings	1,088	2,087	1,814
Provisions	944	–	10,853
<b>Total current liabilities</b>	<b>2,985</b>	<b>2,418</b>	<b>18,479</b>
<b>Non-current liabilities</b>			
Payables	–	–	1
Borrowings	22,792	17,425	22,925
Provisions	43	–	1,215
<b>Total non-current liabilities</b>	<b>22,835</b>	<b>17,425</b>	<b>24,141</b>
<b>TOTAL LIABILITIES</b>	<b>25,820</b>	<b>19,843</b>	<b>42,620</b>
<b>Net assets</b>	<b>176,766</b>	<b>202,407</b>	<b>1,629,654</b>
<b>EQUITY</b>			
Retained earnings	122,120	156,232	562,498
Revaluation reserves	54,646	46,175	1,067,156
<b>Council equity interest</b>	<b>176,766</b>	<b>202,407</b>	<b>1,629,654</b>
<b>Total equity</b>	<b>176,766</b>	<b>202,407</b>	<b>1,629,654</b>

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

NB. All amounts disclosed above are gross – that is, they include internal receivables and payables between the funds.

## The former Dubbo City Council

### Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

#### Note 22. 'Held for sale' non-current assets and 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 date

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Events that occur between the end of the reporting period (12 May 2016) 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 12/12/16.

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 12 May 2016.

**(ii) Events that provide evidence of conditions that arose after the reporting period**

These financial statements (and figures therein) do not incorporate any 'non-adjusting events' that have occurred after 12 May 2016 and which are only indicative of conditions that arose after 12 May 2016.

**Council is aware of the following 'non-adjusting events' that merit disclosure:**

**Amalgamation of operations for the former Dubbo City Council to form Dubbo Regional Council**

On 12 May 2016, the Local Government (Council Amalgamations) Proclamation 2016 announced that effective from midnight on 12 May 2016, the operations of the former Dubbo City Council would be amalgamated with other Council/s to form the new council Dubbo Regional Council.

The proclamation automatically transferred the assets, rights and liabilities of the former Dubbo City Council to Dubbo Regional Council on 13 May 2016.

The proclamation ensures that any reference in any document to the former Dubbo City Council is to be read as a reference to Dubbo Regional Council, and that anything done by the former Dubbo City Council before the amalgamation is taken to have been done by Dubbo Regional Council.

These proclamation clauses provide for the transfer of physical assets (such as cars, buildings, plant and equipment) along with intangible assets and liabilities (such as service contracts and outstanding debts).

This ensures the general business and operations of former councils are preserved, including contracts and services.

These financial statements have been drawn up to reflect the closing financial position as at 12 May 2016 of the former Dubbo City Council and its financial performance for the period 1 July 2015 to 12 May 2016.

## The former Dubbo City Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 24. Discontinued operations

\$ '000

Council has not classified any of its operations as 'discontinued'.

#### Note 25. Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance.

Council is unaware of any control over intangible assets that warrant recognition in the financial statements, including either internally generated and developed assets or purchased assets.

#### Note 26. Reinstatement, rehabilitation and restoration liabilities

Council has legal/public obligations to make restore, rehabilitate and reinstate the following assets/operations:

Asset/operation	Estimated year of restoration	Net Present Value of provision	
		12/5/16	30/6/15
Quarries	2015 to 2055	734	621
Balance at end of the reporting period	10(a)	734	621

Under AASB 116 – Property, Plant and Equipment, where the use of an asset results in the obligation to dismantle or remove the asset and restore the site on which the asset stands, an estimate of such costs is required to be included in the cost of the asset.

An equivalent liability must be recognised under AASB 137 – Provisions, Contingent Liabilities and Contingent Assets.

The provision has been calculated by determining the present value of the future expenditures expected to be incurred. The discount rate used is the risk free borrowing rate applicable to Council.

Reconciliation of movement in provision for the period:	12/5/16	30/6/15
Balance at beginning of period	621	544
Amounts capitalised to new or existing assets:		
Effect of a change in discount rates used in PV calculations	–	52
Amortisation of discount (expensed to borrowing costs)	–	25
<b>Total – reinstatement, rehabilitation and restoration provision</b>	<b>621</b>	<b>621</b>

## The former Dubbo City Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 27. Fair value measurement

\$ '000

The Council measures the following asset and liability classes at fair value on a recurring basis:

– Infrastructure, property, plant and equipment

The fair value of assets and liabilities must be estimated in accordance with various accounting standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a 'level' in the fair value hierarchy as follows:

**Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2:** Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(1) The following table presents all assets and liabilities that have been measured and recognised at fair values:

1/7/15 to 12/5/16	Fair value measurement hierarchy			Total
	Level 1 Quoted prices in active mkt	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
<b>Recurring fair value measurements</b>				
<b>Infrastructure, property, plant and equipment</b>				
Capital works in progress	–	–	41,511	41,511
Plant and equipment	–	18,575	–	18,575
Office equipment	–	619	–	619
Furniture and fittings	–	1,079	–	1,079
Operational land	–	28,101	–	28,101
Community land	–	–	123,842	123,842
Land under roads (post 30/06/2008)	–	–	6,012	6,012
Land improvements – non-depreciable	–	–	1,801	1,801
Land improvements – depreciable	–	–	2,425	2,425
Buildings – non-specialised	–	–	10,848	10,848
Buildings – specialised	–	–	56,303	56,303
Other structures	–	–	52,956	52,956
Roads	–	–	864,028	864,028
Bulk earthworks	–	–	240,343	240,343
Stormwater drainage	–	–	179,841	179,841
Water supply network	–	–	162,102	162,102
Sewerage network	–	–	150,485	150,485
Swimming Pools	–	–	1,822	1,822
Other Infrastructure Airport Runways/Taxiways	–	–	15,785	15,785
Heritage collections	–	–	29	29
Quarry assets	–	1,997	–	1,997
Quarry restoration assets	–	–	285	285
Other assets	–	–	1,293	1,293
<b>Total infrastructure, property, plant and equipment</b>	<b>–</b>	<b>50,371</b>	<b>1,911,711</b>	<b>1,962,082</b>

The former Dubbo City Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 27. Fair value measurement (continued)

\$ '000

(1) The following table presents all assets and liabilities that have been measured and recognised at fair values: (continued)

1/7/14 to 30/6/15	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
<b>Recurring fair value measurements</b>					
<b>Infrastructure, property, plant and equipment</b>					
Capital works in progress	30/06/14	—	—	36,343	36,343
Plant and equipment	30/06/14	—	19,045	—	19,045
Office equipment	30/06/14	—	420	—	420
Furniture and fittings	30/06/14	—	1,008	—	1,008
Operational land	30/06/13	—	27,919	—	27,919
Community land	30/06/11	—	—	123,842	123,842
Land under roads (post 30/06/2008)	At Cost	—	—	6,012	6,012
Land improvements – non-depreciable	30/06/10	—	—	1,801	1,801
Land improvements – depreciable	30/06/08	—	—	2,435	2,435
Buildings – non-specialised	30/06/13	—	—	11,024	11,024
Buildings – specialised	30/06/13	—	—	55,885	55,885
Other structures	30/06/13	—	—	55,935	55,935
Roads	30/06/15	—	—	860,947	860,947
Bulk earthworks	30/06/15	—	—	239,395	239,395
Stormwater drainage	30/06/15	—	—	174,824	174,824
Water supply network	30/06/15	—	—	161,203	161,203
Sewerage network	30/06/15	—	—	145,123	145,123
Heritage collections	30/06/07	—	—	29	29
Quarry assets	30/06/14	—	1,997	—	1,997
Quarry restoration assets	30/06/14	—	—	203	203
Other assets	30/06/07	—	—	17,470	17,470
<b>Total infrastructure, property, plant and equipment</b>		<b>—</b>	<b>50,389</b>	<b>1,892,471</b>	<b>1,942,860</b>

(2) Transfers between level 1 and level 2 fair value hierarchies

During the period, there were no transfers between level 1 and level 2 fair value hierarchies for recurring fair value measurements.

## The former Dubbo City Council

### Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

#### Note 27. Fair value measurement (continued)

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\$ '000

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##### **(3) Valuation techniques used to derive level 2 and level 3 fair values**

Where Council is unable to derive fair valuations using quoted market prices of identical assets (ie. level 1 inputs) Council instead utilises a spread of both observable inputs (level 2 inputs) and unobservable inputs (level 3 inputs).

The fair valuation techniques Council has employed while utilising level 2 and level 3 inputs are as follows:

##### **Infrastructure, property, plant and equipment (IPP&E)**

###### **Level 2 Inputs**

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

It is considered that there is a liquid second hand market for Council's plant and equipment, however, there is subjectivity of prices in this market dependent on the age and condition of the equipment being sold. Council has determined that the Plant and Equipment is to be classified as Level 2 inputs.

###### **Office Equipment and Furniture & Fittings**

There is a liquid second hand market for these types of assets, but the market is not liquid enough to qualify the assets as valued at Level 1. The reason for retaining book value in Note 9 is that these assets typically have very short useful lives, are held to the end of their economic life and have no residual value, and the Written Down Value reflects their value in use rather than their market value.

###### **Operational Land**

There is an active liquid market for most of Council's Operational Land, however, the subjectivity of pricing has resulted in this land to be classified as Level 2.

###### **Quarry Assets**

The Quarry Assets are valued on the basis of the price of acquiring the same quality material from commercial quarries that operate within the Dubbo Local Government area. The reason for Level 2 classification is that there is a degree of estimation required to determine the amount of material remaining in the quarry, and also the potential variation in quality of the material that has yet to be won from the quarry.

###### **Level 3 Inputs**

###### **Capital Works in Progress**

The valuation method employed is the cost of construction of the asset. As there is no active market for any of the infrastructure assets that are partially constructed, the only valuation available is cost, or inputs to the construction work, which is a Level 3 Unobservable Input.

## The former Dubbo City Council

### Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

#### Note 27. Fair value measurement (continued)

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\$ '000

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##### (3) Valuation techniques used to derive level 2 and level 3 fair values (continued)

###### Community Land

Community Land was valued using Urban and Rural average municipal site values. These were determined by analysing the total rateable value of urban and rural lands, and then dividing the total valuations by the total area to determine an average rate per hectare or square metre. This was then applied to the areas of Community Land. This work was carried out by Council's rating staff. This method has no market observable inputs as the rating value is the valuation provided by the Valuer General for rating purposes, and may or may not align with the market value of the land. However, it is not a market valuation of the land. The Level 3 Unobservable Inputs are the valuations provided by the Valuer General on which the value of the land is determined.

###### Land Under Roads

Council has elected to only recognise Land Under Roads that have been acquired after 30 June 2008. There are two methods by which this land is valued, neither of which represent the market value of the land as there is no market for land that is currently used for road or road reserve purposes. Land which is transferred to Council from private subdividers is valued using the municipal site value as outlined in valuation of Community Land above. Land under roads relating to Council's own subdivisions is valued at the cost of that land at acquisition, on an area basis. The level 3 Unobservable Inputs are the average municipal site value of subdividers land vested in Council, and the cost of the land acquired by Council for subdivision on an area basis.

###### Land Improvements Depreciable and Non Depreciable

Land Improvements - Non Depreciable are valued at current replacement cost. This is a Level 3 Unobservable Input as the valuation method does not reflect a market rate as there is no active market for sale of Land Improvements - Non Depreciable.

###### Buildings - Specialised and Non Specialised and Other Structures

Valuations of buildings was carried out by an external valuer, but the valuation was on the written down current replacement cost of the buildings rather than the market value. Consequently, all buildings are categorised as Level 3 Unobservable Inputs, as the valuations do not reflect market valuations.

###### Infrastructure Roads

Valuation of roads was undertaken by an external valuer, based on the current written down value of the road assets within Council's network. As this is based on the current costs of construction at time of valuation, and not market value, this valuation is a Level 3 Unobservable Input valuation.

###### Bulk Earthworks Non Depreciable

Valuation of Non Depreciable Bulk Earthworks has two different valuations depending on whether the earthworks relate to roads or stormwater retarding basins. All earthworks relating to roads were valued in conjunction with the valuation of the roads by an external valuer, on a current replacement cost basis. All stormwater retarding basin earthworks were valued on a current replacement cost basis by Council staff as an internal valuation. The basis of determining the value for internal valuations was a combination of the cost of similar works carried out by Council, recent similar contract works, and reference rates for construction of similar earthworks. Both the internal and external valuations are Level 3 Unobservable Inputs valuations due to the fact that market valuation was not a factor in determining the value of the assets.

## The former Dubbo City Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 27. Fair value measurement (continued)

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\$ '000

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##### (3) Valuation techniques used to derive level 2 and level 3 fair values (continued)

###### **Stormwater, Water and Sewer Infrastructure Assets**

All three asset networks were valued by Council staff using recent Council cost of constructing similar assets, recent contractor costs to construct Council assets, and then cross validating the costs to construction cost indexes provided by the NSW Office of Water. The written down value was then assessed by estimating the total and remaining useful lives of the asset to determine the Written Down Current Replacement Cost of each asset.

###### **Heritage Collection Assets**

These items comprise historical artefacts that have been obtained generally by purchase through antique dealers or through private sale. As there is not an active liquid market in the types of items acquired, they are valued at cost, and therefore have been assessed as being Level 3 Unobservable Input valuations.

**There were no changes in Valuation Techniques from prior years.**



## The former Dubbo City Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

## Note 27. Fair value measurement (continued)

\$ '000

## (4). Fair value measurements using significant unobservable inputs (level 3)

## a. The following tables present the changes in level 3 fair value asset classes.

	Capital works in progress	Community land	Land under roads	Land improvements non- depreciable	Land improvements depreciable	Buildings non- specialised	Buildings specialised	Other structures	Total
<b>Opening balance – 1/7/14</b>	9,655	123,842	2,296	1,491	2,653	11,251	58,432	52,601	262,221
Purchases (GBV)	29,158	–	3,703	–	45	285	243	7,141	40,575
Disposals (WDV)	–	–	–	–	–	–	(95)	(243)	(338)
Depreciation and impairment	–	–	–	–	(263)	(512)	(2,695)	(3,588)	(7,058)
WIP transfers	(2,470)	–	–	310	–	–	–	–	(2,160)
Transferred from real estate development	–	–	13	–	–	–	–	24	37
<b>Closing balance – 30/6/15</b>	<b>36,343</b>	<b>123,842</b>	<b>6,012</b>	<b>1,801</b>	<b>2,435</b>	<b>11,024</b>	<b>55,885</b>	<b>55,935</b>	<b>293,277</b>
Purchases (GBV)	7,533	–	–	–	213	68	1,755	1,601	11,170
Disposals (WDV)	–	–	–	–	–	–	(30)	–	(30)
Depreciation and impairment	–	–	–	–	(223)	(244)	(1,307)	(3,012)	(4,786)
WIP transfers	(2,365)	–	–	–	–	–	–	(1,568)	(3,933)
<b>Closing balance – 12/5/16</b>	<b>41,511</b>	<b>123,842</b>	<b>6,012</b>	<b>1,801</b>	<b>2,425</b>	<b>10,848</b>	<b>56,303</b>	<b>52,956</b>	<b>295,698</b>

## The former Dubbo City Council

## Notes to the Financial Statements

for the period 1 July 2015 to 12 May 2016

## Note 27. Fair value measurement (continued)

\$ '000

## (4). Fair value measurements using significant unobservable inputs (level 3) continued

## a. The following tables present the changes in level 3 fair value asset classes. (continued)

	Infrastructure – roads	Infrastructure – bulk earthworks	Infrastructure – stormwater drainage	Infrastructure – water supply	Infrastructure – sewerage	Heritage collections	Airport Runways and Taxiways	Other assets	Total
<b>Opening balance – 1/7/14</b>	571,532	161,449	99,969	151,081	137,292	29	–	17,699	1,139,051
Purchases (GBV)	14,566	1,336	7,430	1,648	3,078	–	–	219	28,277
Disposals (WDV)	–	–	–	(214)	(69)	–	–	–	(283)
Depreciation and impairment	(10,122)	–	(2,036)	(3,479)	(4,400)	–	–	(448)	(20,485)
FV gains – other comprehensive income	284,977	76,615	69,453	10,073	9,196	–	–	–	450,314
WIP transfers	(6)	(5)	8	2,094	26	–	–	–	2,117
<b>Closing balance – 30/6/15</b>	<b>860,947</b>	<b>239,395</b>	<b>174,824</b>	<b>161,203</b>	<b>145,123</b>	<b>29</b>	<b>–</b>	<b>17,470</b>	<b>1,598,991</b>
Purchases (GBV)	9,248	948	5,740	2,240	6,192	–	–	–	24,368
Disposals (WDV)	–	–	–	(286)	(89)	–	–	–	(375)
Depreciation and impairment	(6,167)	–	(694)	(3,098)	(4,083)	–	(350)	(42)	(14,434)
FV gains – other comprehensive income	–	–	–	1,596	1,424	–	–	–	3,020
WIP transfers	–	–	–	447	1,918	–	16,135	(16,135)	2,365
Other Revaluation Reversal Asset Sold	–	–	(29)	–	–	–	–	–	(29)
<b>Closing balance – 12/5/16</b>	<b>864,028</b>	<b>240,343</b>	<b>179,841</b>	<b>162,102</b>	<b>150,485</b>	<b>29</b>	<b>15,785</b>	<b>1,293</b>	<b>1,613,906</b>

## The former Dubbo City Council

Notes to the Financial Statements  
for the period 1 July 2015 to 12 May 2016

## Note 27. Fair value measurement (continued)

\$ '000

## (4). Fair value measurements using significant unobservable inputs (level 3) continued

## a. The following tables present the changes in level 3 fair value asset classes. (continued)

	Quarry restoration assets	Total
<b>Opening balance – 1/7/14</b>	158	158
Depreciation and impairment	(7)	(7)
Other movement unwinding of discounts	52	52
<b>Closing balance – 30/6/15</b>	<u>203</u>	<u>203</u>
Depreciation and impairment	(7)	(7)
Other movement unwinding of discounts	89	89
<b>Closing balance – 12/5/16</b>	<u>285</u>	<u>285</u>

## (5). Highest and best use

All of Council's non-financial assets are considered to being utilised for their highest and best use.

## The former Dubbo City Council

### Notes to the Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 28. Council information and contact details

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**Principal place of business:**

Church Street  
Dubbo NSW 2830

**Contact details**

**Mailing address:**

PO Box 81  
Dubbo NSW 2830

**Opening hours:**

9.00 am to 5.00 pm  
Monday to Friday

**Telephone:** 02 6801 4000

**Facsimile:** 02 6801 4259

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

**Email:** [dcc@dubbo.nsw.gov.au](mailto:dcc@dubbo.nsw.gov.au)

**Officers**

**INTERIM GENERAL MANAGER**

Mark Riley

**RESPONSIBLE ACCOUNTING OFFICER**

Craig Giffin

**PUBLIC OFFICER**

**AUDITORS**

**Members**

**ADMINISTRATOR**

Michael Kneipp

**Other information**

**ABN:** 77 296 185 278

# The former Dubbo City Council

SPECIAL PURPOSE FINANCIAL STATEMENTS  
for the period 1 July 2015 to 12 May 2016

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*"A vibrant city of lifestyle and opportunity"*



## The former Dubbo City Council

### Special Purpose Financial Statements for the period 1 July 2015 to 12 May 2016

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#### Background

- (i) These Special Purpose Financial Statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.
- (ii) The principle of competitive neutrality is based on the concept of a 'level playing field' between persons/entities competing in a market place, particularly between private and public sector competitors.
- Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.
- (iii) For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.
- These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, and **(b)** those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities).
- (iv) In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).
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## The former Dubbo City Council

### Special Purpose Financial Statements for the period 1 July 2015 to 12 May 2016

### Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

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

- the NSW Government Policy Statement 'Application of National Competition Policy to Local Government',
- the Division of Local Government Guidelines 'Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality',
- the Local Government Code of Accounting Practice and Financial Reporting,
- the NSW Office of Water Best-Practice Management of Water and Sewerage Guidelines.

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

- present fairly the operating result and financial position for each of Council's declared business activities for the period, 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 Dubbo Regional Council made on 28 November 2016.**

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Michael Kneipp  
Administrator

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Mark Riley  
Interim General Manager

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Craig Giffin  
Responsible Accounting Officer

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The former Dubbo City Council

Income Statement of Council's Water Supply Business Activity  
for the period 1 July 2015 to 12 May 2016

\$ '000	Actual 1/7/15 to 12/5/16	Actual 1/7/14 to 30/6/15
<b>Income from continuing operations</b>		
Access charges	4,498	4,868
User charges	8,320	12,603
Fees	-	-
Interest	537	406
Grants and contributions provided for non-capital purposes	83	95
Profit from the sale of assets	-	-
Other income	35	38
<b>Total income from continuing operations</b>	<b>13,473</b>	<b>18,010</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	3,626	3,671
Borrowing costs	1,275	1,364
Materials and contracts	2,937	3,239
Depreciation and impairment	3,394	3,597
Loss on sale of assets	284	98
Calculated taxation equivalents	82	78
Debt guarantee fee (if applicable)	-	-
Other expenses	1,692	2,096
<b>Total expenses from continuing operations</b>	<b>13,290</b>	<b>14,143</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>183</b>	<b>3,867</b>
Grants and contributions provided for capital purposes	3,398	2,949
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>3,581</b>	<b>6,816</b>
Surplus (deficit) from discontinued operations	-	-
<b>Surplus (deficit) from all operations before tax</b>	<b>3,581</b>	<b>6,816</b>
Less: corporate taxation equivalent (30%) [based on result before capital]	(55)	(1,160)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>3,526</b>	<b>5,656</b>
Plus opening retained profits	118,457	111,563
Plus/less: prior period adjustments	-	-
Plus adjustments for amounts unpaid:		
- Taxation equivalent payments	82	78
- Debt guarantee fees	-	-
- Corporate taxation equivalent	55	1,160
Less:		
- Tax equivalent dividend paid	-	-
- Surplus dividend paid	-	-
<b>Closing retained profits</b>	<b>122,120</b>	<b>118,457</b>
<b>Return on capital %</b>	<b>0.8%</b>	<b>3.1%</b>
<b>Subsidy from Council</b>	<b>2,603</b>	<b>-</b>
Calculation of dividend payable:		
Surplus (deficit) after tax	3,526	5,656
Less: capital grants and contributions (excluding developer contributions)	(2,174)	(1,388)
<b>Surplus for dividend calculation purposes</b>	<b>1,352</b>	<b>4,268</b>
<b>Potential dividend calculated from surplus</b>	<b>676</b>	<b>2,134</b>

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The former Dubbo City Council

Income Statement of Council's Sewerage Business Activity  
for the period 1 July 2015 to 12 May 2016

\$ '000	Actual 1/7/15 to 12/5/16	Actual 1/7/14 to 30/6/15
<b>Income from continuing operations</b>		
Access charges	8,294	9,002
User charges	2,405	3,588
Liquid trade waste charges	16	14
Fees	406	651
Interest	1,265	1,614
Grants and contributions provided for non-capital purposes	81	93
Profit from the sale of assets	-	-
Other income	45	58
<b>Total income from continuing operations</b>	<b>12,512</b>	<b>15,020</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	3,030	3,142
Borrowing costs	813	683
Materials and contracts	1,683	1,620
Depreciation and impairment	4,260	4,453
Loss on sale of assets	82	70
Calculated taxation equivalents	225	250
Other expenses	1,025	1,111
<b>Total expenses from continuing operations</b>	<b>11,118</b>	<b>11,329</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>1,394</b>	<b>3,691</b>
Grants and contributions provided for capital purposes	2,520	3,830
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>3,914</b>	<b>7,521</b>
Surplus (deficit) from discontinued operations	-	-
<b>Surplus (deficit) from all operations before tax</b>	<b>3,914</b>	<b>7,521</b>
Less: corporate taxation equivalent (30%) [based on result before capital]	(418)	(1,107)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>3,496</b>	<b>6,414</b>
Plus opening retained profits	152,093	144,322
Plus/less: prior period adjustments	-	-
Plus adjustments for amounts unpaid:		
- Taxation equivalent payments	225	250
- Debt guarantee fees	-	-
- Corporate taxation equivalent	418	1,107
Less:		
- Tax equivalent dividend paid	-	-
- Surplus dividend paid	-	-
<b>Closing retained profits</b>	<b>156,232</b>	<b>152,093</b>
<b>Return on capital %</b>	<b>1.2%</b>	<b>2.4%</b>
<b>Subsidy from Council</b>	<b>2,052</b>	<b>1,078</b>
Calculation of dividend payable:		
Surplus (deficit) after tax	3,496	6,414
Less: capital grants and contributions (excluding developer contributions)	(1,289)	(2,496)
<b>Surplus for dividend calculation purposes</b>	<b>2,207</b>	<b>3,918</b>
<b>Potential dividend calculated from surplus</b>	<b>1,103</b>	<b>1,959</b>

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The former Dubbo City Council

Income Statement of Council's Other Business Activities

for the period 1 July 2015 to 12 May 2016

	Dubbo City Regional Airport		Livestock Markets	
	Category 1		Category 1	
	Actual 1/7/15 to 12/5/16	Actual 1/7/14 to 30/6/15	Actual 1/7/15 to 12/5/16	Actual 1/7/14 to 30/6/15
<b>\$ '000</b>				
<b>Income from continuing operations</b>				
Access charges	–	–	–	–
User charges	2,797	3,198	3,280	4,013
Fees	–	–	–	–
Interest	–	–	–	–
Grants and contributions provided for non-capital purposes	–	–	12	–
Profit from the sale of assets	–	–	–	–
Other income	131	146	28	28
<b>Total income from continuing operations</b>	<b>2,928</b>	<b>3,344</b>	<b>3,320</b>	<b>4,041</b>
<b>Expenses from continuing operations</b>				
Employee benefits and on-costs	320	390	416	439
Borrowing costs	80	87	–	–
Materials and contracts	1,568	1,987	967	1,249
Depreciation and impairment	625	807	917	932
Loss on sale of assets	–	–	–	–
Calculated taxation equivalents	99	97	8	7
Debt guarantee fee (if applicable)	–	–	–	–
Other expenses	218	294	170	210
<b>Total expenses from continuing operations</b>	<b>2,910</b>	<b>3,662</b>	<b>2,478</b>	<b>2,837</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>18</b>	<b>(318)</b>	<b>842</b>	<b>1,204</b>
Grants and contributions provided for capital purposes	–	–	–	–
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>18</b>	<b>(318)</b>	<b>842</b>	<b>1,204</b>
Surplus (deficit) from discontinued operations	–	–	–	–
<b>Surplus (deficit) from all operations before tax</b>	<b>18</b>	<b>(318)</b>	<b>842</b>	<b>1,204</b>
Less: corporate taxation equivalent (30%) [based on result before capital]	(5)	–	(253)	(361)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>13</b>	<b>(318)</b>	<b>589</b>	<b>843</b>
Plus opening retained profits	11,631	12,497	11,225	10,251
Plus/less: prior period adjustments	–	–	–	–
Plus adjustments for amounts unpaid:				
– Taxation equivalent payments	99	97	8	7
– Debt guarantee fees	–	–	–	–
– Corporate taxation equivalent	5	–	253	361
<b>Add:</b>				
– Subsidy paid/contribution to operations	–	–	–	–
<b>Less:</b>				
– TER dividend paid	–	–	–	–
– Dividend paid	–	(645)	–	(237)
<b>Closing retained profits</b>	<b>11,748</b>	<b>11,631</b>	<b>12,075</b>	<b>11,225</b>
<b>Return on capital %</b>	<b>0.4%</b>	<b>-0.9%</b>	<b>5.0%</b>	<b>7.0%</b>
<b>Subsidy from Council</b>	<b>518</b>	<b>1,046</b>	<b>–</b>	<b>–</b>

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The former Dubbo City Council

Income Statement of Council's Other Business Activities  
for the period 1 July 2015 to 12 May 2016

	Property Development Category 2		Dubbo City Holiday Park Category 2	
	Actual 1/7/15 to 12/5/16	Actual 1/7/14 to 30/6/15	Actual 1/7/15 to 12/5/16	Actual 1/7/14 to 30/6/15
<b>\$ '000</b>				
<b>Income from continuing operations</b>				
Access charges	-	-	-	-
User charges	-	-	1,353	1,487
Fees	-	-	-	-
Interest	50	54	-	-
Grants and contributions provided for non-capital purposes	-	-	-	-
Profit from the sale of assets	1,381	4,487	79	-
Other income	11	74	-	23
<b>Total income from continuing operations</b>	<b>1,442</b>	<b>4,615</b>	<b>1,432</b>	<b>1,510</b>
<b>Expenses from continuing operations</b>				
Employee benefits and on-costs	-	-	-	22
Borrowing costs	-	-	-	-
Materials and contracts	1,363	2,676	931	936
Depreciation and impairment	-	-	138	185
Loss on sale of assets	-	-	-	-
Calculated taxation equivalents	249	215	63	69
Debt guarantee fee (if applicable)	-	-	-	-
Other expenses	-	1	174	214
<b>Total expenses from continuing operations</b>	<b>1,612</b>	<b>2,892</b>	<b>1,306</b>	<b>1,426</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>(170)</b>	<b>1,723</b>	<b>126</b>	<b>84</b>
Grants and contributions provided for capital purposes	-	-	-	-
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>(170)</b>	<b>1,723</b>	<b>126</b>	<b>84</b>
Surplus (deficit) from discontinued operations	-	-	-	-
<b>Surplus (deficit) from all operations before tax</b>	<b>(170)</b>	<b>1,723</b>	<b>126</b>	<b>84</b>
Less: corporate taxation equivalent (30%) [based on result before capital]	-	(517)	(38)	(25)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>(170)</b>	<b>1,206</b>	<b>88</b>	<b>59</b>
Plus opening retained profits	7,279	5,445	2,148	1,995
Plus/less: prior period adjustments	-	-	-	-
Plus adjustments for amounts unpaid:				
- Taxation equivalent payments	249	215	63	69
- Debt guarantee fees	-	-	-	-
- Corporate taxation equivalent	-	517	38	25
<b>Add:</b>				
- Subsidy paid/contribution to operations	-	-	-	-
<b>Less:</b>				
- TER dividend paid	-	-	-	-
- Dividend paid	-	(104)	-	-
<b>Closing retained profits</b>	<b>7,358</b>	<b>7,279</b>	<b>2,337</b>	<b>2,148</b>
<b>Return on capital %</b>	<b>n/a</b>	<b>n/a</b>	<b>2.7%</b>	<b>1.9%</b>
<b>Subsidy from Council</b>	<b>170</b>	<b>-</b>	<b>-</b>	<b>49</b>

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The former Dubbo City Council

Income Statement of Council's Other Business Activities  
for the period 1 July 2015 to 12 May 2016

	Rainbow Cottage	
	Category 2	
	Actual 1/7/15 to 12/5/16	Actual 1/7/14 to 30/6/15
<b>\$ '000</b>		
<b>Income from continuing operations</b>		
Access charges	-	-
User charges	549	636
Fees	-	-
Interest	-	-
Grants and contributions provided for non-capital purposes	387	441
Profit from the sale of assets	-	-
Other income	186	-
<b>Total income from continuing operations</b>	<b>1,122</b>	<b>1,077</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	752	850
Borrowing costs	-	-
Materials and contracts	250	236
Depreciation and impairment	24	54
Loss on sale of assets	-	-
Calculated taxation equivalents	7	4
Debt guarantee fee (if applicable)	-	-
Other expenses	19	24
<b>Total expenses from continuing operations</b>	<b>1,052</b>	<b>1,168</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>70</b>	<b>(91)</b>
Grants and contributions provided for capital purposes	-	-
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>70</b>	<b>(91)</b>
Surplus (deficit) from discontinued operations	-	-
<b>Surplus (deficit) from all operations before tax</b>	<b>70</b>	<b>(91)</b>
Less: corporate taxation equivalent (30%) [based on result before capital]	(21)	-
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>49</b>	<b>(91)</b>
Plus opening retained profits	197	284
Plus/less: prior period adjustments	-	-
Plus adjustments for amounts unpaid:		
- Taxation equivalent payments	7	4
- Debt guarantee fees	-	-
- Corporate taxation equivalent	21	-
Add:		
- Subsidy paid/contribution to operations	-	-
Less:		
- TER dividend paid	-	-
- Dividend paid	-	-
<b>Closing retained profits</b>	<b>274</b>	<b>197</b>
<b>Return on capital %</b>	<b>10.5%</b>	<b>-13.3%</b>
<b>Subsidy from Council</b>	<b>-</b>	<b>112</b>

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The former Dubbo City Council

Statement of Financial Position – Council's Water Supply Business Activity  
as at 12 May 2016

\$ '000	Actual 12/5/16	Actual 30/6/15
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	3,560	9,788
Investments	20,500	11,800
Receivables	2,166	3,333
Inventories	181	166
Other	7	16
Non-current assets classified as held for sale	–	–
<b>Total current assets</b>	<b>26,414</b>	<b>25,103</b>
<b>Non-current assets</b>		
Investments	–	1,000
Receivables	332	305
Inventories	–	–
Infrastructure, property, plant and equipment	175,796	170,788
Investments accounted for using equity method	–	–
Investment property	–	–
Intangible assets	–	–
Other	44	45
<b>Total non-current assets</b>	<b>176,172</b>	<b>172,138</b>
<b>TOTAL ASSETS</b>	<b>202,586</b>	<b>197,241</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Bank overdraft	–	–
Payables	953	293
Borrowings	1,088	807
Provisions	944	928
<b>Total current liabilities</b>	<b>2,985</b>	<b>2,028</b>
<b>Non-current liabilities</b>		
Payables	–	–
Borrowings	22,792	23,643
Provisions	43	51
<b>Total non-current liabilities</b>	<b>22,835</b>	<b>23,694</b>
<b>TOTAL LIABILITIES</b>	<b>25,820</b>	<b>25,722</b>
<b>NET ASSETS</b>	<b>176,766</b>	<b>171,519</b>
<b>EQUITY</b>		
Retained earnings	122,120	118,457
Revaluation reserves	54,646	53,062
Council equity interest	176,766	171,519
Non-controlling equity interest	–	–
<b>TOTAL EQUITY</b>	<b>176,766</b>	<b>171,519</b>

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The former Dubbo City Council

Statement of Financial Position – Council's Sewerage Business Activity  
as at 12 May 2016

\$ '000	Actual 12/5/16	Actual 30/6/15
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,315	6,086
Investments	24,000	15,050
Receivables	1,348	1,905
Inventories	–	–
Other	–	4
Non-current assets classified as held for sale	–	–
<b>Total Current Assets</b>	<b>26,663</b>	<b>23,045</b>
<b>Non-current assets</b>		
Investments	11,000	14,000
Receivables	199	183
Inventories	–	–
Infrastructure, property, plant and equipment	184,388	180,516
Investments accounted for using equity method	–	–
Investment property	–	–
Intangible assets	–	–
Other	–	–
<b>Total non-current assets</b>	<b>195,587</b>	<b>194,699</b>
<b>TOTAL ASSETS</b>	<b>222,250</b>	<b>217,744</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Bank overdraft	–	–
Payables	331	219
Borrowings	2,087	1,587
Provisions	–	–
<b>Total current liabilities</b>	<b>2,418</b>	<b>1,806</b>
<b>Non-current liabilities</b>		
Payables	–	–
Borrowings	17,425	19,085
Provisions	–	–
<b>Total non-current liabilities</b>	<b>17,425</b>	<b>19,085</b>
<b>TOTAL LIABILITIES</b>	<b>19,843</b>	<b>20,891</b>
<b>NET ASSETS</b>	<b>202,407</b>	<b>196,853</b>
<b>EQUITY</b>		
Retained earnings	156,232	152,093
Revaluation reserves	46,175	44,760
Council equity interest	202,407	196,853
Non-controlling equity interest	–	–
<b>TOTAL EQUITY</b>	<b>202,407</b>	<b>196,853</b>

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The former Dubbo City Council

Statement of Financial Position – Council's Other Business Activities  
as at 12 May 2016

\$ '000	Dubbo City Regional Airport		Livestock Markets	
	Category 1		Category 1	
	Actual 12/5/16	Actual 30/6/15	Actual 12/5/16	Actual 30/6/15
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	1	1	–	–
Investments	1,216	352	4,816	3,668
Receivables	123	445	342	266
Inventories	–	–	–	–
Other	–	–	–	–
Non-current assets classified as held for sale	–	–	–	–
<b>Total Current Assets</b>	<b>1,340</b>	<b>798</b>	<b>5,158</b>	<b>3,934</b>
<b>Non-current assets</b>				
Investments	–	–	–	–
Receivables	–	–	–	–
Inventories	–	–	–	–
Infrastructure, property, plant and equipment	26,668	26,983	16,849	17,223
Investments accounted for using equity method	–	–	–	–
Investment property	–	–	–	–
Intangible assets	–	–	–	–
Other	–	–	–	–
<b>Total non-current assets</b>	<b>26,668</b>	<b>26,983</b>	<b>16,849</b>	<b>17,223</b>
<b>TOTAL ASSETS</b>	<b>28,008</b>	<b>27,781</b>	<b>22,007</b>	<b>21,157</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Bank overdraft	–	–	–	–
Payables	135	109	40	72
Borrowings	372	–	–	–
Provisions	204	197	138	119
<b>Total current liabilities</b>	<b>711</b>	<b>306</b>	<b>178</b>	<b>191</b>
<b>Non-current liabilities</b>				
Payables	–	–	–	–
Borrowings	1,326	1,628	–	–
Provisions	7	4	15	6
<b>Total non-current liabilities</b>	<b>1,333</b>	<b>1,632</b>	<b>15</b>	<b>6</b>
<b>TOTAL LIABILITIES</b>	<b>2,044</b>	<b>1,938</b>	<b>193</b>	<b>197</b>
<b>NET ASSETS</b>	<b>25,964</b>	<b>25,843</b>	<b>21,814</b>	<b>20,960</b>
<b>EQUITY</b>				
Retained earnings	11,748	11,631	12,075	11,225
Revaluation reserves	14,216	14,212	9,739	9,735
Council equity interest	25,964	25,843	21,814	20,960
Non-controlling equity interest	–	–	–	–
<b>TOTAL EQUITY</b>	<b>25,964</b>	<b>25,843</b>	<b>21,814</b>	<b>20,960</b>

The former Dubbo City Council

Statement of Financial Position – Council's Other Business Activities

as at 12 May 2016

\$ '000	Property Development		Dubbo City Holiday Park	
	Category 2		Category 2	
	Actual 12/5/16	Actual 30/6/15	Actual 12/5/16	Actual 30/6/15
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	-	-	1	-
Investments	3,993	3,963	1,122	603
Receivables	27	438	-	-
Inventories	622	1,077	-	-
Other	-	-	-	-
Non-current assets classified as held for sale	-	-	-	-
<b>Total Current Assets</b>	<b>4,642</b>	<b>5,478</b>	<b>1,123</b>	<b>603</b>
<b>Non-current assets</b>				
Investments	-	-	-	-
Receivables	902	-	-	-
Inventories	1,814	1,801	-	-
Infrastructure, property, plant and equipment	-	-	4,703	4,414
Investments accounted for using equity method	-	-	-	-
Investment property	-	-	-	-
Intangible assets	-	-	-	-
Other	-	-	-	-
<b>Total non-current assets</b>	<b>2,716</b>	<b>1,801</b>	<b>4,703</b>	<b>4,414</b>
<b>TOTAL ASSETS</b>	<b>7,358</b>	<b>7,279</b>	<b>5,826</b>	<b>5,017</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Bank overdraft	-	-	-	-
Payables	-	-	100	61
Borrowings	-	-	282	-
Provisions	-	-	-	-
<b>Total current liabilities</b>	<b>-</b>	<b>-</b>	<b>382</b>	<b>61</b>
<b>Non-current liabilities</b>				
Payables	-	-	-	-
Borrowings	-	-	299	-
Provisions	-	-	-	-
<b>Total non-current liabilities</b>	<b>-</b>	<b>-</b>	<b>299</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>681</b>	<b>61</b>
<b>NET ASSETS</b>	<b>7,358</b>	<b>7,279</b>	<b>5,145</b>	<b>4,956</b>
<b>EQUITY</b>				
Retained earnings	7,358	7,279	2,337	2,148
Revaluation reserves	-	-	2,808	2,808
Council equity interest	7,358	7,279	5,145	4,956
Non-controlling equity interest	-	-	-	-
<b>TOTAL EQUITY</b>	<b>7,358</b>	<b>7,279</b>	<b>5,145</b>	<b>4,956</b>



The former Dubbo City Council

Statement of Financial Position – Council's Other Business Activities  
as at 12 May 2016

	Rainbow Cottage	
	Category 2	
\$ '000	Actual 12/5/16	Actual 30/6/15
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	–	216
Investments	311	–
Receivables	–	–
Inventories	–	–
Other	–	–
Non-current assets classified as held for sale	–	–
<b>Total Current Assets</b>	<b>311</b>	<b>216</b>
<b>Non-current assets</b>		
Investments	–	–
Receivables	–	–
Inventories	–	–
Infrastructure, property, plant and equipment	668	682
Investments accounted for using equity method	–	–
Investment property	–	–
Intangible assets	–	–
Other	–	–
<b>Total non-current assets</b>	<b>668</b>	<b>682</b>
<b>TOTAL ASSETS</b>	<b>979</b>	<b>898</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Bank overdraft	–	–
Payables	10	9
Borrowings	–	–
Provisions	203	203
<b>Total current liabilities</b>	<b>213</b>	<b>212</b>
<b>Non-current liabilities</b>		
Payables	–	–
Borrowings	–	–
Provisions	6	3
<b>Total non-current liabilities</b>	<b>6</b>	<b>3</b>
<b>TOTAL LIABILITIES</b>	<b>219</b>	<b>215</b>
<b>NET ASSETS</b>	<b>760</b>	<b>683</b>
<b>EQUITY</b>		
Retained earnings	274	197
Revaluation reserves	486	486
Council equity interest	760	683
Non-controlling equity interest	–	–
<b>TOTAL EQUITY</b>	<b>760</b>	<b>683</b>

SPFS 2016

## The former Dubbo City Council

### Special Purpose Financial Statements for the period 1 July 2015 to 12 May 2016

#### Contents of the notes accompanying the financial statements

Note	Details	Page
1	Summary of significant accounting policies	14
2	Water Supply Business Best-Practice Management disclosure requirements	17
3	Sewerage Business Best-Practice Management disclosure requirements	19

## The former Dubbo City Council

### Notes to the Special Purpose Financial Statements

for the period 1 July 2015 to 12 May 2016

#### Note 1. Significant accounting policies

These financial statements are Special Purpose Financial Statements prepared for use by Council and the Office of Local Government.

These financial statements have been prepared for the period 1 July 2015 – 12 May 2016, comparatives are for the year ended 30 June 2015.

For the purposes of these statements, the Council is not a reporting not-for-profit entity.

The figures presented in the 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), and
- Australian Accounting Interpretations.

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

- the Local Government Act NSW,
- the Local Government (General) Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

The statements are also prepared on an accruals basis, based on historic costs and do not take into account changing money values nor current values of non-current assets (except where specifically stated).

Certain taxes and other costs (appropriately described) have been imputed for the purposes of the National Competition Policy.

#### National Competition Policy

Council has adopted the principle of 'competitive neutrality' to its business activities as part of the national competition policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 government policy statement, Application of National Competition Policy to Local Government.

The Pricing and Costing for Council Businesses, A Guide to Competitive Neutrality, issued by the Office of Local Government in July 1997, has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide standards for disclosure. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, return on investments (rate of return), and dividends paid.

#### Declared Business Activities

In accordance with Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality, Council has declared that the following are to be considered as business activities:

##### Category 1

(where gross operating turnover is over \$2 million)

- a. Water Supply Service**  
Comprising the whole of the water supply operations and net assets servicing the city of Dubbo and the villages of Wongarbron, Ballimore and Brocklehurst.
- b. Sewerage Service**  
Comprising the whole of the sewerage reticulation and treatment operations and net assets system servicing the City of Dubbo and the villages of Wongarbron and Brocklehurst.
- c. Dubbo City Regional Airport**  
Comprising the whole of the Airport operations and assets located on Coreena Road.
- d. Dubbo Regional Livestock Markets**  
Comprising the whole of the Livestock Markets operations and net assets located on Bootherba Road.

##### Category 2

(where gross operating turnover is less than \$2 million)

- a. Property Development**  
Council's property development function competes with other private land developers in Dubbo in the development of both industrial and residential land for purchase.

NB. The surplus on disposal of land is disclosed in the Income Statement of the Business Activities as Operating Revenue. In

## The former Dubbo City Council

### Notes to the Special Purpose Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 1. Significant accounting policies (continued)

the General Purpose Financial Reports this is disclosed as Gain/(Loss) on disposal of assets.

##### b. Dubbo City Holiday Park

Comprising the whole of the Holiday Park operations and net assets located on Whylandra Street.

The park offers accommodation for caravans, provides cabin accommodation as well as tent sites. The Dubbo City Caravan Park is in direct competition with other caravan parks within Dubbo.

##### c. Rainbow Cottage Long Day Care Centre

Rainbow Cottage, located in Mitchell Street, provides day care for children between 0 and 5 years.

Several other long day care facilities operate within Dubbo, and Rainbow Cottage is in direct competition with these centres.

#### Monetary Amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest thousand dollars, with the exception of some figures disclosed in Note 2 (Water Supply Best-Practice Management Disclosures) and Note 3 (Sewerage Best-Practice Management Disclosures).

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

#### (i) Taxation Equivalent Charges

Council is liable to pay various taxes and financial duties in undertaking its business activities. Where this is the case, they are disclosed in these statements as a cost of operations just like all other costs.

However, where Council is exempt from paying taxes which are generally paid by private sector businesses (such as income tax), equivalent tax payments have been applied to all Council-nominated business activities and are reflected in these financial statements.

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied

to all Council-nominated business activities (this does not include Council's non-business activities):

Notional rate applied (%)

Corporate income tax rate – 30%

Land tax – the first \$482,000 of combined land values attracts 0%. For that valued from \$482,001 to \$2,947,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$2,947,000, a premium marginal rate of 2.0% applies.

Payroll tax – 5.45% on the value of taxable salaries and wages in excess of \$750,000.

In accordance with the Best-Practice Management of Water Supply and Sewerage Guidelines, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred in the Best-Practice Management of Water Supply and Sewerage Guidelines to as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the *Local Government Act, 1993*.

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

#### Income Tax

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

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

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

Income tax is only applied where a gain from ordinary activities before capital amounts has been achieved.

## The former Dubbo City Council

### Notes to the Special Purpose Financial Statements for the period 1 July 2015 to 12 May 2016

#### Note 1. Significant accounting policies (continued)

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

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

#### Local Government Rates and Charges

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

#### Loan and Debt Guarantee Fees

Council has determined that there is no significant differential between the Council borrowing rate and the rates that are available to commercial operations, and therefore has not included a loan and debt guarantee component.

#### (ii) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed.

Subsidies occur when Council provides services on a less than cost recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations.

Accordingly, subsidies disclosed (in relation to National Competition Policy) represents the difference between revenue generated from rate of return pricing and revenue generated from prices set by Council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported business activity.

#### (iii) Return on investments (Rate of Return)

The policy statement requires that councils with Category 1 businesses would be expected to generate a return on capital funds employed that is

comparable to rates of return for private businesses operating in a similar field.

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The rate of return on capital is calculated as follows:

Operating result before capital income + interest expense

Written down value of Infrastructure, Property, Plant & Equipment as at 12 May

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 2.31% at 12/5/16.

The actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

#### (iv) Dividends

Council is not required to pay dividends to either itself (as owner of a range of businesses) or to any external entities.

Local Government Water Supply and Sewerage businesses are permitted to pay an annual dividend from its water supply or sewerage business surplus.

The dividend, calculated and approved in accordance with the Best-Practice Management of Water Supply and Sewerage Guidelines, must not exceed either:

- (i) 50% of this surplus in any one year, or
- (ii) the number of water supply or sewerage assessments at 12 May 2016 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the Best Practice Management of Water Supply and Sewerage Guidelines, a Dividend Payment Form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the NSW Office of Water prior to making the dividend and only after it has approved the payment.

The former Dubbo City Council

Notes to the Special Purpose Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 2. Water supply business  
best-practice management disclosure requirements

Dollars amounts shown below are in whole dollars (unless otherwise indicated) 12/5/16

**1. Calculation and payment of tax-equivalents**

[all local government local water utilities must pay this dividend for tax equivalents]

(i) Calculated tax equivalents	82,000
(ii) Number of assessments multiplied by \$3/assessment	47,859
(iii) Amounts payable for tax equivalents [lesser of (i) and (ii)]	47,859
(iv) Amounts actually paid for tax equivalents	-

**2. Dividend from surplus**

(i) 50% of surplus before dividends [calculated in accordance with Best-Practice Management for Water Supply and Sewerage Guidelines]	676,050
(ii) Number of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment	430,731
(iii) Cumulative surplus before dividends for the 3 years to 12 May 2016, less the cumulative dividends paid for the 2 years to 30 June 2015 and 30 June 2014	7,893,900

2016 Surplus	1,352,100	2015 Surplus	4,267,900	2014 Surplus	2,273,900
		2015 Dividend	-	2014 Dividend	-

(iv) Maximum dividend from surplus [least of (i), (ii) and (iii) above]	430,731
(v) Dividend actually paid from surplus [refer below for required pre-dividend payment criteria]	-
(vi) Are the overhead reallocation charges to the water business fair and reasonable? <sup>a</sup>	YES

**3. Required outcomes for 6 criteria**

[to be eligible for the payment of a 'dividend from surplus', all the criteria below need a 'YES']

(i) Completion of strategic business plan (including financial plan)	YES
(ii) Full cost recovery, without significant cross subsidies [refer item 2 (a) in table 1 on page 22 of the Best-Practice Guidelines]	YES
- Complying charges [item 2 (b) in table 1]	YES
- DSP with commercial developer charges [item 2 (e) in table 1]	YES
- If dual water supplies, complying charges [item 2 (g) in table 1]	YES
(iii) Sound water conservation and demand management implemented	YES
(iv) Sound drought management implemented	YES
(v) Complete performance reporting form (by 15 September each year)	YES
(vi) a. Integrated water cycle management evaluation	YES
b. Complete and implement integrated water cycle management strategy	YES

The former Dubbo City Council

Notes to the Special Purpose Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 2. Water supply business  
best-practice management disclosure requirements (continued)

Dollars amounts shown below are in whole dollars (unless otherwise indicated) 12/5/16

National Water Initiative (NWI) financial performance indicators

<b>NWI F1</b>	Total revenue (water) Total income (w13) – grants for the acquisition of assets (w11a) – interest income (w9) – Aboriginal Communities W&S Program Income (w10a)	\$'000	16,334
<b>NWI F4</b>	Revenue from residential usage charges (water) Income from residential usage charges (w6b) x 100 divided by the sum of [income from residential usage charges (w6a) + income from residential access charges (w6b)]	%	66.81%
<b>NWI F9</b>	Written down replacement cost of fixed assets (water) Written down current cost of system assets (w47)	\$'000	174,904
<b>NWI F11</b>	Operating cost (OMA) (water) Management expenses (w1) + operational and maintenance expenses (w2)	\$'000	7,665
<b>NWI F14</b>	Capital expenditure (water) Acquisition of fixed assets (w16)	\$'000	6,168
<b>NWI F17</b>	Economic real rate of return (water) [total income (w13) – interest income (w9) – grants for acquisition of assets (w11a) – operating costs (NWI F11) – current cost depreciation (w3)] x 100 divided by [written down current cost of system assets (w47) + plant and equipment (w33b)]	%	3.15%
<b>NWI F26</b>	Capital works grants (water) Grants for the acquisition of assets (w11a)	\$'000	–

- Notes:
1. References to w (e.g. w12) refer to item numbers within Special Schedules 3 and 4 of Council's Annual Financial Statements.
  2. The NWI performance indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators and Definitions.
- a refer to 3.2 (2) on page 15 of the Best-Practice Management of Water Supply and Sewerage Guidelines, 2007

The former Dubbo City Council

Notes to the Special Purpose Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 3. Sewerage business  
best-practice management disclosure requirements

Dollars amounts shown below are in whole dollars (unless otherwise indicated) 12/5/16

**1. Calculation and payment of tax-equivalents**

[all local government local water utilities must pay this dividend for tax equivalents]

(i) Calculated tax equivalents	225,000
(ii) Number of assessments multiplied by \$3/assessment	44,649
(iii) Amounts payable for tax equivalents [lesser of (i) and (ii)]	44,649
(iv) Amounts actually paid for tax equivalents	-

**2. Dividend from surplus**

(i) 50% of surplus before dividends [calculated in accordance with Best-Practice Management for Water Supply and Sewerage Guidelines]	1,103,400
(ii) Number of assessments x (\$30 less tax equivalent charges per assessment)	401,841
(iii) Cumulative surplus before dividends for the 3 years to 12 May 2016, less the cumulative dividends paid for the 2 years to 30 June 2015 and 30 June 2014	8,234,200

2016 Surplus	2,206,800	2015 Surplus	3,917,700	2014 Surplus	2,109,700
		2015 Dividend	-	2014 Dividend	-

(iv) Maximum dividend from surplus [least of (i), (ii) and (iii) above]	401,841
(v) Dividend actually paid from surplus [refer below for required pre-dividend payment criteria]	-
(vi) Are the overhead reallocation charges to the sewer business fair and reasonable? <sup>a</sup>	YES

**3. Required outcomes for 4 criteria**

[to be eligible for the payment of a 'dividend from surplus', all the criteria below need a 'YES']

(i) Completion of strategic business plan (including financial plan)	YES
(ii) Pricing with full cost-recovery, without significant cross subsidies [refer item 2 (a) in table 1 on page 22 of the Best-Practice Guidelines]	YES
Complying charges (a) Residential [item 2 (c) in table 1]	YES
(b) Non-residential [item 2 (c) in table 1]	YES
(c) Trade waste [item 2 (d) in table 1]	YES
DSP with commercial developer charges [item 2 (e) in table 1]	YES
Liquid trade waste approvals and policy [item 2 (f) in table 1]	YES
(iii) Complete performance reporting form (by 15 September each year)	YES
(iv) a. Integrated water cycle management evaluation	YES
b. Complete and implement integrated water cycle management strategy	YES



The former Dubbo City Council

Notes to the Special Purpose Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 3. Sewerage business  
best-practice management disclosure requirements (continued)

Dollars amounts shown below are in whole dollars (unless otherwise indicated) 12/5/16

**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	13,767
<b>NWI F10</b>	Written down replacement cost of fixed assets (sewerage) Written down current cost of system assets (s48)	\$'000	183,644
<b>NWI F12</b>	Operating cost (sewerage) Management expenses (s1) + operational and maintenance expenses (s2)	\$'000	5,794
<b>NWI F15</b>	Capital expenditure (sewerage) Acquisition of fixed assets (s17)	\$'000	7,600
<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 (i.e. WDCC) of system assets (s48) + plant and equipment (s34b)]	%	2.09%
<b>NWI F27</b>	Capital works grants (sewerage) Grants for the acquisition of assets (12a)	\$'000	–

**National Water Initiative (NWI) financial performance indicators  
Water and sewer (combined)**

<b>NWI F3</b>	Total income (water and sewerage) Total Income (w13 + s14) + gain/loss on disposal of assets (w14 + s15) minus grants for acquisition of assets (w11a + s12a) – interest income (w9 + s10)	\$'000	29,735
<b>NWI F8</b>	Revenue from community service obligations (water and sewerage) Community service obligations (NWI F25) x 100 divided by total income (NWI F3)	%	0.55%
<b>NWI F16</b>	Capital expenditure (water and sewerage) Acquisition of fixed assets (w16 + s17)	\$'000	13,768
<b>NWI F19</b>	Economic real rate of return (water and sewerage) [total income (w13 + s14) – interest income (w9 + s10) – grants for acquisition of assets (w11a + s12a) – operating cost (NWI F11 + NWI F12) – current cost depreciation (w3 + s3)] x 100 divided by [written down replacement cost of fixed assets (NWI F9 + NWI F10) + plant and equipment (w33b + s34b)]	%	2.61%
<b>NWI F20</b>	Dividend (water and sewerage) Dividend paid from surplus (2 (v) of Note 2 + 2 (v) of Note 3)	\$'000	–
<b>NWI F21</b>	Dividend payout ratio (water and sewerage) Dividend (NWI F20) x 100 divided by net profit after tax (NWI F24)	%	0.00%

The former Dubbo City Council

Notes to the Special Purpose Financial Statements  
for the period 1 July 2015 to 12 May 2016

Note 3. Sewerage business  
best-practice management disclosure requirements (continued)

Dollars amounts shown below are in whole dollars (unless otherwise indicated) 12/5/16

**National Water Initiative (NWI) financial performance indicators  
Water and sewer (combined)**

<b>NWI F22</b>	Net debt to equity (water and sewerage) Overdraft (w36 + s37) + borrowings (w38 + s39) – cash and investments (w30 + s31) x 100 divided by [total assets (w35 + s36) – total liabilities (w40 + s41)]	%	-4.48%
<b>NWI F23</b>	Interest cover (water and sewerage) Earnings before interest and tax (EBIT) divided by net interest  Earnings before interest and tax (EBIT): <span style="border: 1px solid black; padding: 0 10px;">9,394</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: 0 10px;">286</span> Interest expense (w4a + s4a) – interest income (w9 + s10)		-
<b>NWI F24</b>	Net profit after tax (water and sewerage) Surplus before dividends (w15a + s16a) – tax equivalents paid (Note 2-1 (iv) + Note 3-1 (iv))	\$'000	7,802
<b>NWI F25</b>	Community service obligations (water and sewerage) Grants for pensioner rebates (w11b + s12b)	\$'000	164

- Notes:
1. References to w (eg. s12) refer to item numbers within Special Schedules 5 and 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 and Definitions.
    - a refer to 3.2 (2) on page 15 of the Best-Practice Management of Water Supply and Sewerage Guidelines, 2007

# The former Dubbo City Council

SPECIAL SCHEDULES  
for the period 1 July 2015 to 12 May 2016

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*"A vibrant city of lifestyle and opportunity"*



## The former Dubbo City Council

### Special Schedules

for the period 1 July 2015 to 12 May 2016

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<sup>1</sup> Special 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 (NOW), and
- the Office of Local Government (OLG).

(ii) The financial data is collected for various uses including;

- the allocation of Financial Assistance Grants,
- the incorporation of Local Government financial figures in national statistics,
- the monitoring of loan approvals,
- the allocation of borrowing rights, and
- the monitoring of the financial activities of specific services.

The former Dubbo City Council

Special Schedule 1 – Net Cost of Services  
for the period 1 July 2015 to 12 May 2016

\$'000				
Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
<b>Governance</b>	1,471	22	–	(1,449)
<b>Administration</b>	(335)	1,048	–	1,383
<b>Public order and safety</b>				
Fire service levy, fire protection, emergency services	1,442	202	22	(1,218)
Beach control	76	–	–	(76)
Enforcement of local government regulations	317	1	–	(316)
Animal control	807	200	–	(607)
Other	13	–	–	(13)
<b>Total public order and safety</b>	<b>2,655</b>	<b>403</b>	<b>22</b>	<b>(2,230)</b>
<b>Health</b>	<b>163</b>	<b>47</b>	<b>–</b>	<b>(116)</b>
<b>Environment</b>				
Noxious plants and insect/vermin control	250	45	–	(205)
Other environmental protection	246	26	–	(220)
Solid waste management	5,248	7,030	804	2,586
Street cleaning	276	–	–	(276)
Drainage	1,582	1,140	5,947	5,505
Stormwater management	–	–	–	–
<b>Total environment</b>	<b>7,602</b>	<b>8,241</b>	<b>6,751</b>	<b>7,390</b>
<b>Community services and education</b>				
Administration and education	592	94	–	(498)
Social protection (welfare)	274	2	–	(272)
Aged persons and disabled	–	–	–	–
Children's services	2,731	2,541	–	(190)
<b>Total community services and education</b>	<b>3,597</b>	<b>2,637</b>	<b>–</b>	<b>(960)</b>
<b>Housing and community amenities</b>				
Public cemeteries	278	152	–	(126)
Public conveniences	–	–	–	–
Street lighting	763	127	–	(636)
Town planning	1,334	558	–	(776)
Other community amenities	36	–	–	(36)
<b>Total housing and community amenities</b>	<b>2,411</b>	<b>837</b>	<b>–</b>	<b>(1,574)</b>
<b>Water supplies</b>	<b>12,607</b>	<b>13,188</b>	<b>2,663</b>	<b>3,244</b>
<b>Sewerage services</b>	<b>10,805</b>	<b>12,430</b>	<b>2,506</b>	<b>4,131</b>

The former Dubbo City Council

Special Schedule 1 – Net Cost of Services (continued)  
for the period 1 July 2015 to 12 May 2016

\$'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	1,767	135	–	(1,632)
Museums	–	–	–	–
Art galleries	1,684	292	60	(1,332)
Community centres and halls	–	–	–	–
Performing arts venues	3,015	1,264	–	(1,751)
Other performing arts	–	–	–	–
Other cultural services	991	8	–	(983)
Sporting grounds and venues	3,710	210	–	(3,500)
Swimming pools	794	296	–	(498)
Parks and gardens (lakes)	3,000	195	636	(2,169)
Other sport and recreation	1,264	201	67	(996)
<b>Total recreation and culture</b>	<b>16,225</b>	<b>2,601</b>	<b>763</b>	<b>(12,861)</b>
<b>Fuel and energy</b>	–	–	–	–
<b>Agriculture</b>	–	–	–	–
<b>Mining, manufacturing and construction</b>				
Building control	1,537	831	–	(706)
Other mining, manufacturing and construction	–	–	–	–
<b>Total mining, manufacturing and const.</b>	<b>1,537</b>	<b>831</b>	–	<b>(706)</b>
<b>Transport and communication</b>				
Urban roads (UR) – local	4,187	1,705	5,670	3,188
Urban roads – regional	–	–	–	–
Sealed rural roads (SRR) – local	3,114	2,195	338	(581)
Sealed rural roads (SRR) – regional	338	464	–	126
Unsealed rural roads (URR) – local	1,890	–	–	(1,890)
Unsealed rural roads (URR) – regional	–	–	–	–
Bridges on UR – local	13	–	–	(13)
Bridges on SRR – local	175	–	–	(175)
Bridges on URR – local	37	–	–	(37)
Bridges on regional roads	30	–	–	(30)
Parking areas	109	–	–	(109)
Footpaths	530	48	101	(381)
Aerodromes	2,737	2,928	–	191
Other transport and communication	2,323	1,213	1,261	151
<b>Total transport and communication</b>	<b>15,483</b>	<b>8,553</b>	<b>7,370</b>	<b>440</b>
<b>Economic affairs</b>				
Camping areas and caravan parks	1,212	1,433	–	221
Other economic affairs	4,706	6,362	713	2,369
<b>Total economic affairs</b>	<b>5,918</b>	<b>7,795</b>	<b>713</b>	<b>2,590</b>
<b>Totals – functions</b>	<b>80,139</b>	<b>58,633</b>	<b>20,788</b>	<b>(718)</b>
<b>General purpose revenues <sup>(1)</sup></b>		<b>28,323</b>		<b>28,323</b>
<b>Share of interests – joint ventures and associates using the equity method</b>	–	<b>20</b>		<b>20</b>
<b>NET OPERATING RESULT <sup>(2)</sup></b>	<b>80,139</b>	<b>86,976</b>	<b>20,788</b>	<b>27,625</b>

(1) Includes: rates and annual charges (including ex gratia, excluding water and sewer), non-capital general purpose grants, interest on investments (excluding externally restricted assets) and interest on overdue rates and annual charges

(2) As per the Income Statement

Special Schedules 2015

## The former Dubbo City Council

Special Schedule 2(a) – Statement of Long Term Debt (all purpose)  
for the period 1 July 2015 to 12 May 2016

\$'000

Classification of debt	Principal outstanding at beginning of the period			New loans raised during the period	Debt redemption during the period		Transfers to sinking funds	Interest applicable for period	Principal outstanding at the end of the period		
	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	3,897	67,259	71,156	-	3,026	-	-	3,648	4,989	63,141	68,130
Other	-	-	-	-	-	-	-	-	-	-	-
<b>Total loans</b>	<b>3,897</b>	<b>67,259</b>	<b>71,156</b>	<b>-</b>	<b>3,026</b>	<b>-</b>	<b>-</b>	<b>3,648</b>	<b>4,989</b>	<b>63,141</b>	<b>68,130</b>
<b>Other long term debt</b>											
Ratepayers advances	-	-	-	-	-	-	-	-	-	-	-
Government advances	-	-	-	-	-	-	-	-	-	-	-
Finance leases	-	-	-	-	-	-	-	-	-	-	-
Deferred payments	-	-	-	-	-	-	-	-	-	-	-
<b>Total long term debt</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total debt</b>	<b>3,897</b>	<b>67,259</b>	<b>71,156</b>	<b>-</b>	<b>3,026</b>	<b>-</b>	<b>-</b>	<b>3,648</b>	<b>4,989</b>	<b>63,141</b>	<b>68,130</b>

Notes: excludes (i) Internal loans and (ii) principal inflows/outflows relating to loan re-financing.

This schedule is prepared using the face value of debt obligations, rather than fair value (which is reported in the GPFS).

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The former Dubbo City Council

Special Schedule 3 – Water Supply Income Statement

Includes all internal transactions, i.e. prepared on a gross basis  
for the period 1 July 2015 to 12 May 2016

\$'000	Actuals 1/7/15 to 12/5/16	Actuals 1/7/14 to 30/6/15
<b>A Expenses and income</b>		
<b>Expenses</b>		
<b>1. Management expenses</b>		
a. Administration	2,682	2,396
b. Engineering and supervision	406	421
<b>2. Operation and maintenance expenses</b>		
– <b>dams and weirs</b>		
a. Operation expenses	–	–
b. Maintenance expenses	–	–
– <b>Mains</b>		
c. Operation expenses	107	203
d. Maintenance expenses	782	1,095
– <b>Reservoirs</b>		
e. Operation expenses	30	19
f. Maintenance expenses	88	225
– <b>Pumping stations</b>		
g. Operation expenses (excluding energy costs)	35	55
h. Energy costs	143	223
i. Maintenance expenses	40	39
– <b>Treatment</b>		
j. Operation expenses (excluding chemical costs)	1,822	2,137
k. Chemical costs	740	858
l. Maintenance expenses	387	361
– <b>Other</b>		
m. Operation expenses	395	442
n. Maintenance expenses	8	4
o. Purchase of water	–	–
<b>3. Depreciation expenses</b>		
a. System assets	3,060	3,435
b. Plant and equipment	77	84
<b>4. Miscellaneous expenses</b>		
a. Interest expenses	1,275	1,364
b. Revaluation decrements	–	–
c. Other expenses	847	607
d. Impairment – system assets	–	–
e. Impairment – plant and equipment	–	–
f. Aboriginal Communities Water and Sewerage Program	–	–
g. Tax equivalents dividends (actually paid)	–	–
<b>5. Total expenses</b>	<b>12,924</b>	<b>13,968</b>



The former Dubbo City Council

Special Schedule 3 – Water Supply Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis  
for the period 1 July 2015 to 12 May 2016

\$'000	Actuals 1/7/15 to 12/5/16	Actuals 1/7/14 to 30/6/15
Income		
<b>6. Residential charges</b>		
a. Access (including rates)	3,093	3,355
b. Usage charges	6,225	9,391
<b>7. Non-residential charges</b>		
a. Access (including rates)	1,401	1,513
b. Usage charges	1,767	2,778
<b>8. Extra charges</b>	-	-
<b>9. Interest income</b>	537	406
<b>10. Other income</b>	435	488
<b>10a. Aboriginal Communities Water and Sewerage Program</b>	-	-
<b>11. Grants</b>		
a. Grants for acquisition of assets	-	-
b. Grants for pensioner rebates	83	95
c. Other grants	-	-
<b>12. Contributions</b>		
a. Developer charges	1,224	1,561
b. Developer provided assets	1,371	1,373
c. Other contributions	735	-
<b>13. Total income</b>	<u>16,871</u>	<u>20,960</u>
<b>14. Gain (or loss) on disposal of assets</b>	(284)	(98)
<b>15. Operating result</b>	<u>3,663</u>	<u>6,894</u>
<b>15a. Operating result (less grants for acquisition of assets)</b>	3,663	6,894

The former Dubbo City Council

Special Schedule 3 – Water Supply Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis  
for the period 1 July 2015 to 12 May 2016

\$'000	Actuals 1/7/15 to 12/5/16	Actuals 1/7/14 to 30/6/15
<b>B Capital transactions</b>		
<b>Non-operating expenditures</b>		
<b>16. Acquisition of fixed assets</b>		
a. New assets for improved standards	–	–
b. New assets for growth	2,606	387
c. Renewals	3,527	1,635
d. Plant and equipment	35	140
<b>17. Repayment of debt</b>	567	460
<b>18. Totals</b>	<u>6,735</u>	<u>2,622</u>
<b>Non-operating funds employed</b>		
<b>19. Proceeds from disposal of assets</b>	15	39
<b>20. Borrowing utilised</b>	–	3,800
<b>21. Totals</b>	<u>15</u>	<u>3,839</u>
<b>C Rates and charges</b>		
<b>22. Number of assessments</b>		
a. Residential (occupied)	14,071	13,998
b. Residential (unoccupied, ie. vacant lot)	–	–
c. Non-residential (occupied)	1,882	1,852
d. Non-residential (unoccupied, ie. vacant lot)	–	–
<b>23. Number of ETs for which developer charges were received</b>	223 ET	166 ET
<b>24. Total amount of pensioner rebates (actual dollars)</b>	\$ 173,883	\$ 173,160

The former Dubbo City Council

Special Schedule 4 – Water Supply Statement of Financial Position

Includes internal transactions, i.e. prepared on a gross basis  
as at 12 May 2016

\$'000	Actuals Current	Actuals Non-current	Actuals Total
<b>ASSETS</b>			
<b>25. Cash and investments</b>			
a. Developer charges	–	–	–
b. Special purpose grants	–	–	–
c. Accrued leave	–	–	–
d. Unexpended loans	–	–	–
e. Sinking fund	–	–	–
f. Other	24,060	–	24,060
<b>26. Receivables</b>			
a. Specific purpose grants	–	–	–
b. Rates and availability charges	151	–	151
c. User charges	1,826	271	2,097
d. Other	189	60	249
<b>27. Inventories</b>	181	–	181
<b>28. Property, plant and equipment</b>			
a. System assets	–	174,904	174,904
b. Plant and equipment	–	893	893
<b>29. Other assets</b>	7	44	51
<b>30. Total assets</b>	<u>26,414</u>	<u>176,172</u>	<u>202,586</u>
<b>LIABILITIES</b>			
<b>31. Bank overdraft</b>	–	–	–
<b>32. Creditors</b>	953	–	953
<b>33. Borrowings</b>	1,088	22,792	23,880
<b>34. Provisions</b>			
a. Tax equivalents	–	–	–
b. Dividend	–	–	–
c. Other	944	43	987
<b>35. Total liabilities</b>	<u>2,985</u>	<u>22,835</u>	<u>25,820</u>
<b>36. NET ASSETS COMMITTED</b>	<u>23,429</u>	<u>153,337</u>	<u>176,766</u>
<b>EQUITY</b>			
<b>37. Accumulated surplus</b>			122,120
<b>38. Asset revaluation reserve</b>			<u>54,646</u>
<b>39. TOTAL EQUITY</b>			<u>176,766</u>
<b>Note to system assets:</b>			
<b>40. Current replacement cost of system assets</b>			232,810
<b>41. Accumulated current cost depreciation of system assets</b>			<u>(57,906)</u>
<b>42. Written down current cost of system assets</b>			<u>174,904</u>

The former Dubbo City Council

Special Schedule 5 – Sewerage Service Income Statement

Includes all internal transactions, i.e. prepared on a gross basis  
for the period 1 July 2015 to 12 May 2016

\$'000	Actuals 1/7/15 to 12/5/16	Actuals 1/7/14 to 30/6/15
<b>A Expenses and income</b>		
<b>Expenses</b>		
<b>1. Management expenses</b>		
a. Administration	2,502	2,326
b. Engineering and supervision	247	241
<b>2. Operation and maintenance expenses</b>		
– mains		
a. Operation expenses	637	418
b. Maintenance expenses	–	–
– Pumping stations		
c. Operation expenses (excluding energy costs)	151	214
d. Energy costs	123	175
e. Maintenance expenses	239	243
– Treatment		
f. Operation expenses (excl. chemical, energy, effluent and biosolids management costs)	1,033	1,215
g. Chemical costs	20	29
h. Energy costs	403	427
i. Effluent management	–	–
j. Biosolids management	–	–
k. Maintenance expenses	254	233
– Other		
l. Operation expenses	171	190
m. Maintenance expenses	14	31
<b>3. Depreciation expenses</b>		
a. System assets	4,037	4,350
b. Plant and equipment	74	100
<b>4. Miscellaneous expenses</b>		
a. Interest expenses	813	683
b. Revaluation decrements	–	–
c. Other expenses	93	134
d. Impairment – system assets	–	–
e. Impairment – plant and equipment	–	–
f. Aboriginal Communities Water and Sewerage Program	–	–
g. Tax equivalents dividends (actually paid)	–	–
<b>5. Total expenses</b>	<b>10,811</b>	<b>11,009</b>

The former Dubbo City Council

Special Schedule 5 – Sewerage Service Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis  
for the period 1 July 2015 to 12 May 2016

\$'000	Actuals 1/7/15 to 12/5/16	Actuals 1/7/14 to 30/6/15
Income		
<b>6. Residential charges (including rates)</b>	10,377	12,170
<b>7. Non-residential charges</b>		
a. Access (including rates)	-	-
b. Usage charges	-	-
<b>8. Trade waste charges</b>		
a. Annual fees	316	409
b. Usage charges	-	-
c. Excess mass charges	-	-
d. Re-inspection fees	-	-
<b>9. Extra charges</b>	-	-
<b>10. Interest income</b>	1,265	1,614
<b>11. Other income</b>	690	1,031
<b>11a. Aboriginal Communities Water and Sewerage Program</b>	-	-
<b>12. Grants</b>		
a. Grants for acquisition of assets	-	-
b. Grants for pensioner rebates	81	93
c. Other grants	-	-
<b>13. Contributions</b>		
a. Developer charges	1,231	1,468
b. Developer provided assets	1,058	2,065
c. Other contributions	14	-
<b>14. Total income</b>	<u>15,032</u>	<u>18,850</u>
<b>15. Gain (or loss) on disposal of assets</b>	(82)	(70)
<b>16. Operating result</b>	<u>4,139</u>	<u>7,771</u>
<b>16a. Operating result (less grants for acquisition of assets)</b>	4,139	7,771

The former Dubbo City Council

Special Schedule 5 – Sewerage Service Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis  
for the period 1 July 2015 to 12 May 2016

\$'000	Actuals 1/7/15 to 12/5/16	Actuals 1/7/14 to 30/6/15
<b>B Capital transactions</b>		
<b>Non-operating expenditures</b>		
<b>17. Acquisition of fixed assets</b>		
a. New assets for improved standards	–	–
b. New assets for growth	7,182	17,560
c. Renewals	334	1,200
d. Plant and equipment	84	163
<b>18. Repayment of debt</b>	1,160	807
<b>19. Totals</b>	<u>8,760</u>	<u>19,730</u>
<b>Non-operating funds employed</b>		
<b>20. Proceeds from disposal of assets</b>	29	87
<b>21. Borrowing utilised</b>	–	18,000
<b>22. Totals</b>	<u>29</u>	<u>18,087</u>
<b>C Rates and charges</b>		
<b>23. Number of assessments</b>		
a. Residential (occupied)	13,488	13,416
b. Residential (unoccupied, ie. vacant lot)	–	–
c. Non-residential (occupied)	1,395	1,381
d. Non-residential (unoccupied, ie. vacant lot)	–	–
<b>24. Number of ETs for which developer charges were received</b>	224 ET	188 ET
<b>25. Total amount of pensioner rebates (actual dollars)</b>	\$ 169,901	\$ 169,360

The former Dubbo City Council

Special Schedule 6 – Sewerage Service Statement of Financial Position

Includes internal transactions, i.e. prepared on a gross basis  
as at 12 May 2016

\$'000	Actuals Current	Actuals Non-current	Actuals Total
<b>ASSETS</b>			
<b>26. Cash and investments</b>			
a. Developer charges	-	-	-
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	25,315	11,000	36,315
<b>27. Receivables</b>			
a. Specific purpose grants	10	-	10
b. Rates and availability charges	859	199	1,058
c. User charges	-	-	-
d. Other	479	-	479
<b>28. Inventories</b>	-	-	-
<b>29. Property, plant and equipment</b>			
a. System assets	-	183,644	183,644
b. Plant and equipment	-	744	744
<b>30. Other assets</b>	-	-	-
<b>31. Total assets</b>	<u>26,663</u>	<u>195,587</u>	<u>222,250</u>
<b>LIABILITIES</b>			
<b>32. Bank overdraft</b>	-	-	-
<b>33. Creditors</b>	331	-	331
<b>34. Borrowings</b>	2,087	17,425	19,512
<b>35. Provisions</b>			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	-	-
<b>36. Total liabilities</b>	<u>2,418</u>	<u>17,425</u>	<u>19,843</u>
<b>37. NET ASSETS COMMITTED</b>	<u>24,245</u>	<u>178,162</u>	<u>202,407</u>
<b>EQUITY</b>			
<b>38. Accumulated surplus</b>			156,232
<b>39. Asset revaluation reserve</b>			46,175
<b>40. TOTAL EQUITY</b>			<u>202,407</u>
<b>Note to system assets:</b>			
<b>41. Current replacement cost of system assets</b>			267,480
<b>42. Accumulated current cost depreciation of system assets</b>			(83,836)
<b>43. Written down current cost of system assets</b>			<u>183,644</u>

## The former Dubbo City Council

### Notes to Special Schedules 3 and 5 for the period 1 July 2015 to 12 May 2016

#### Administration <sup>(1)</sup>

(item 1a of Special Schedules 3 and 5) comprises the following:

- Administration staff:
  - Salaries and allowance
  - Travelling expenses
  - Accrual of leave entitlements
  - Employment overheads.
- Meter reading
- Bad and doubtful debts
- Other administrative/corporate support services

#### Engineering and supervision <sup>(1)</sup>

(item 1b of Special Schedules 3 and 5) comprises the following:

- Engineering staff:
  - Salaries and allowance
  - Travelling expenses
  - Accrual of leave entitlements
  - Employment overheads.
- Other technical and supervision staff:
  - Salaries and allowance
  - Travelling expenses
  - Accrual of leave entitlements
  - Employment overheads.

**Operational expenses** (item 2 of Special Schedules 3 and 5) comprise the day to day operational expenses excluding maintenance expenses.

**Maintenance expenses** (item 2 of Special Schedules 3 and 5) comprise the day to day repair and maintenance expenses. (Refer to Section 5 of the Local Government Asset Accounting Manual regarding capitalisation principles and the distinction between capital and maintenance expenditure).

**Other expenses** (item 4c of Special Schedules 3 and 5) includes all expenses not recorded elsewhere.

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

**Impairment losses** (item 4d and 4e of Special Schedules 3 and 5) are to be used when the carrying amount of an asset exceeds its recoverable amount (refer to page D-31).

**Aboriginal Communities Water and Sewerage Program** (item 4f of Special Schedules 3 and 5) is to be used when operation and maintenance work has been undertaken on behalf of the Aboriginal Communities Water and Sewerage Program. Similarly, income for item 11a of Special Schedule 3 and item 12a of Special Schedule 5 are for services provided to the Aboriginal Communities Water and Sewerage Program and is not part of Council's water supply and sewerage revenue.

**Residential charges** <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) including 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.



Special Schedules 2016

The former Dubbo City Council

Special Schedule 7 – Report on Infrastructure Assets as at 12 May 2016

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2015/16 Required maintenance <sup>a</sup>	2015/16 Actual maintenance to 12/5/16	Carrying value	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
<b>Buildings</b>	Buildings	2,050	–	32	11	67,151	133,083	50%	39%	9%	2%	0%
	<b>Sub-total</b>	<b>2,050</b>	<b>–</b>	<b>32</b>	<b>11</b>	<b>67,151</b>	<b>133,083</b>	<b>50.0%</b>	<b>39.0%</b>	<b>9.0%</b>	<b>2.0%</b>	<b>0.0%</b>
<b>Other structures</b>	Other structures	–	–	–	–	52,956	101,604					100%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>52,956</b>	<b>101,604</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>100.0%</b>
<b>Roads</b>	Sealed roads	7,761	–	2,255	1,881	647,245	789,771	36%	30%	27%	6%	1%
	Unsealed roads	–	–	911	782	43,590	62,224	2%	13%	19%	52%	14%
	Bridges	250	–	122	54	11,545	19,020	34%	57%	6%	0%	3%
	Footpaths	715	–	198	159	24,800	32,873	68%	23%	6%	2%	1%
	Other road assets	–	–	296	190	136,848	175,570	37%	35%	26%	2%	0%
	Bulk earthworks	–	–	–	–	240,343	240,343	100%	0%	0%	0%	0%
	<b>Sub-total</b>	<b>8,726</b>	<b>–</b>	<b>3,782</b>	<b>3,066</b>	<b>1,104,371</b>	<b>1,319,801</b>	<b>47.0%</b>	<b>24.6%</b>	<b>20.7%</b>	<b>6.4%</b>	<b>1.3%</b>

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Special Schedules 2016

The former Dubbo City Council

Special Schedule 7 – Report on Infrastructure Assets as at 12 May 2016 (continued)

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2015/16 Required maintenance <sup>a</sup>	2015/16 Actual maintenance to 12/5/16	Carrying value	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Water supply network	Other	4,469	–	1,693	1,272	162,102	218,131	44%	38%	15%	2%	1%
	<b>Sub-total</b>	<b>4,469</b>	<b>–</b>	<b>1,693</b>	<b>1,272</b>	<b>162,102</b>	<b>218,131</b>	<b>44.0%</b>	<b>38.0%</b>	<b>15.0%</b>	<b>2.0%</b>	<b>1.0%</b>
Sewerage network	Other	6,334	–	969	927	150,485	230,266					100%
	<b>Sub-total</b>	<b>6,334</b>	<b>–</b>	<b>969</b>	<b>927</b>	<b>150,485</b>	<b>230,266</b>	<b>44.0%</b>	<b>38.0%</b>	<b>15.0%</b>	<b>2.0%</b>	<b>100.0%</b>

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Special Schedules 2016

## The former Dubbo City Council

## Special Schedule 7 – Report on Infrastructure Assets as at 12 May 2016 (continued)

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2015/16 Required maintenance <sup>a</sup>	2015/16 Actual maintenance to 12/5/16	Carrying value	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Stormwater drainage	Other	1,903	–	55	67	179,841	204,805	52%	39%	8%	0%	1%
	<b>Sub-total</b>	<b>1,903</b>	<b>–</b>	<b>55</b>	<b>67</b>	<b>179,841</b>	<b>204,805</b>	<b>52.0%</b>	<b>39.0%</b>	<b>8.0%</b>	<b>0.0%</b>	<b>1.0%</b>
Open space/recreational assets	Swimming pools	–	–	31	32	1,822	3,287	29%	55%	12%	3%	1%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>31</b>	<b>32</b>	<b>1,822</b>	<b>3,287</b>	<b>29.0%</b>	<b>55.0%</b>	<b>12.0%</b>	<b>3.0%</b>	<b>1.0%</b>
Other infrastructure assets	Other	–	–	4	26	15,785	32,129	100%	0%	0%	0%	0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>4</b>	<b>26</b>	<b>15,785</b>	<b>32,129</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
	<b>TOTAL – ALL ASSETS</b>	<b>23,482</b>	<b>–</b>	<b>6,566</b>	<b>5,401</b>	<b>1,734,513</b>	<b>2,243,106</b>	<b>41.1%</b>	<b>24.1%</b>	<b>14.9%</b>	<b>4.1%</b>	<b>15.8%</b>

## Notes:

a Required maintenance is the amount identified in Council's asset management plans.

## Infrastructure asset condition assessment 'key'

1	<b>Excellent</b>	No work required (normal maintenance)
2	<b>Good</b>	Only minor maintenance work required
3	<b>Average</b>	Maintenance work required
4	<b>Poor</b>	Renewal required
5	<b>Very poor</b>	Urgent renewal/upgrading required

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The former Dubbo City Council

Special Schedule 7 – Report on Infrastructure Assets (continued)  
for the period 1 July 2015 to 12 May 2016

\$ '000	Amounts	Indicator	Prior periods	
	12/5/16	12/5/16	30/6/15	30/6/14
<b>Infrastructure asset performance indicators * consolidated</b>				
<b>1. Infrastructure renewals ratio</b>				
Asset renewals <sup>(1)</sup>	—	0.00%	100.47%	10.76%
Depreciation, amortisation and impairment	18,999			
<b>2. Infrastructure backlog ratio</b>				
Estimated cost to bring assets to a satisfactory standard	23,482	1.57%	0.95%	1.00%
Carrying value of infrastructure assets	1,496,595			
<b>3. Asset maintenance ratio</b>				
Actual asset maintenance	5,401	0.82	0.97	0.91
Required asset maintenance	6,566			
<b>4. Capital expenditure ratio</b>				
Annual capital expenditure	38,246	1.79	2.43	1.35
Annual depreciation	21,364			

Notes

\* All asset performance indicators are calculated using the asset classes identified in the previous table.

<sup>(1)</sup> Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

The former Dubbo City Council

Special Schedule 7 – Report on Infrastructure Assets (continued)  
for the period 1 July 2015 to 12 May 2016

<p><b>1. Infrastructure renewals ratio</b></p> <p>Ratio %</p> <p>2013 2014 2015 2016</p> <p>Benchmark: Minimum &gt;=100.00% Source for benchmark: Code of Accounting Practice and Financial Reporting #24</p>	<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>12/5/16 ratio</b> 0.00%</p>
<p><b>2. Infrastructure backlog ratio</b></p> <p>Ratio %</p> <p>2013 2014 2015 2016</p> <p>Benchmark: Maximum &lt;2.00% Source for benchmark: Code of Accounting Practice and Financial Reporting #24</p>	<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 12/5/16 result</b></p> <p><b>12/5/16 ratio</b> 1.57%</p> <p>Council has continued to review the condition of assets, and refined the asset information in relation to infrastructure assets. The 2016 result indicates that the cost to renew assets that have fallen below a satisfactory standard is \$23.482m or 1.6% of the total value of assets, which is below the required benchmark.</p>
<p><b>3. Asset maintenance ratio</b></p> <p>Ratio (x)</p> <p>2013 2014 2015 2016</p> <p>Benchmark: Minimum &gt;1.00 Source for benchmark: Code of Accounting Practice and Financial Reporting #24</p>	<p><b>Purpose of asset maintenance ratio</b></p> <p>Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.</p>	<p><b>Commentary on 12/5/16 result</b></p> <p><b>12/5/16 ratio</b> 0.82 x</p> <p>While the asset maintenance ratio is slightly below the required benchmark, it has been consistent across the last four years at a high level.</p>
<p><b>4. Capital expenditure ratio</b></p> <p>Ratio (x)</p> <p>2013 2014 2015 2016</p> <p>Benchmark: Minimum &gt;1.10 Source for benchmark: Code of Accounting Practice and Financial Reporting #24</p>	<p><b>Purpose of capital expenditure ratio</b></p> <p>To assess the extent to which a Council is expanding its asset base thru capital expenditure on both new assets and the replacement and renewal of existing assets.</p>	<p><b>Commentary on 12/5/16 result</b></p> <p><b>12/5/16 ratio</b> 1.79 x</p> <p>This ratio indicates that Council is replacing or acquiring new assets at a rate that exceeds the amount of depreciation, or using up of the Council asset base, and exceeds the benchmark by 0.69 times</p>

The former Dubbo City Council

Special Schedule 7 – Report on Infrastructure Assets (continued)  
for the period 1 July 2015 to 12 May 2016

\$ '000	Water 12/5/16	Sewer 12/5/16	General <sup>(1)</sup> 12/5/16
<b>Infrastructure asset performance indicators by fund</b>			
<b>1. Infrastructure renewals ratio</b>			
Asset renewals <sup>(2)</sup>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
Depreciation, amortisation and impairment			
prior period:	38.83%	314.96%	63.12%
<b>2. Infrastructure backlog ratio</b>			
Estimated cost to bring assets to a satisfactory standard	<b>2.76%</b>	<b>4.21%</b>	<b>1.07%</b>
Carrying value of infrastructure assets			
prior period:	1.77%	3.10%	0.48%
<b>3. Asset maintenance ratio</b>			
Actual asset maintenance	<b>0.75</b>	<b>0.96</b>	<b>0.82</b>
Required asset maintenance			
prior period:	1.10	0.80	0.97
<b>4. Capital expenditure ratio</b>			
Annual capital expenditure	<b>1.97</b>	<b>1.85</b>	<b>1.73</b>
Annual depreciation			
prior period:	0.61	4.25	2.35

Notes

<sup>(1)</sup> General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

<sup>(2)</sup> Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.



**REPORT: Anti-Discrimination, Harassment and Equal Employment Opportunity Policy and the Prevention of Workplace Bullying Policy.**

**AUTHOR: Human Resources Advisor 3**

**REPORT DATE: 2 November 2016**

**TRIM REFERENCE: ID16/2098**

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**EXECUTIVE SUMMARY**

As part of the transition process new policies need to be adopted for employees and officials of Dubbo Regional Council to operate under.

Two of these policies to be adopted and implemented are the Anti-Discrimination, Harassment and Equal Employment Opportunity policy and the Prevention of Workplace Bullying policy and procedure.

**FINANCIAL IMPLICATIONS**

There are no financial implications arising from this report.

**POLICY IMPLICATIONS**

Once adopted these policies will become Council Policies and be effective across the Dubbo Regional Council.

**RECOMMENDATION**

- 1. That the Anti-Discrimination, Harassment and Equal Employment Opportunity Policy be adopted.**
- 2. That the Prevention of Workplace Bullying Policy and procedure be adopted.**

*Mardi Stiles*

Human Resources Advisor 3

**REPORT**

As part of Council's policy review the following policies have now been updated:

- Anti-Discrimination, Harassment and Equal Employment Opportunity policy
- Prevention of Workplace Bullying policy and procedure

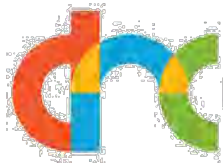
The former Dubbo City Council policies when developed were done so with the assistance of industrial specialists based in Newcastle. They were also developed as Council policies as it was required that these Policies applied to Council Officials as well.

As a result of the above, the former Dubbo City Council policies have been used as a basis for the development of the draft new policies as attached.

Appendices:

- 1 Council Policy - Anti Discrimination Equal Employment Opportunity Policy
- 2 Council Policy - Prevention of Workplace Bullying Policy and Procedure





DUBBO  
REGIONAL  
COUNCIL

## COUNCIL POLICY

# Anti-Discrimination, Harassment & Equal Employment Opportunity Policy

Date

Council Resolution Date

Clause Number

Responsible Position

Manager Human Resource Services

Branch

Human Resource Services

Division

Organisational Services

Version

TRIM Reference Number

Review Period

Review Date

Consultation

### Document Revision History

Description	Date
Notes	

## POLICY

**PURPOSE**

Dubbo Regional Council aims to provide an environment where employees and others in the workplace are treated fairly and with respect, and are free from unlawful discrimination, harassment, vilification and victimisation.

Council aims to ensure that in the application of all human resource policies, practices and procedures, no unlawful discrimination takes place and that all workers enjoy equal access to opportunities within Council. Council also aims to create a work environment which promotes positive working relationships.

**BACKGROUND AND RELATED LEGISLATION**

- Anti-Discrimination Act 1977 (NSW)
- Racial Discrimination Act 1975
- Sex Discrimination Act 1984
- Disability Discrimination Act 1992
- Australian Human Rights Commission Act 1986
- Work Health & Safety Act 2011 (NSW)
- Local Government (State) Award
- Local Government Act 1993

Relevant Council policies:

- Grievance Resolution Management Procedure
- Code of Conduct
- Prevention of Workplace Bullying Policy and Procedure

**SCOPE**

The policy applies to all Workers and Council Officials of Dubbo Regional Council.

**DEFINITIONS**

To assist in interpretation, the following definitions apply:

<b>Term</b>	<b>Definition</b>
<b>Council</b>	<b>Dubbo Regional Council</b>
<b>Council Official</b>	<b>Councillors, administrators appointed under section 256 of the Local Government Act 1993, members of Council committees, conduct reviewers and delegates of Council.</b>
<b>Premises</b>	<b>Any place (including but not limited to land, building, part of a building or vehicle) where an employee works and includes premises where Council, for the time being, has (or appears to have) the charge, management or control of those premises, or premises where a Council function/activity is conducted.</b>
<b>Support Person</b>	<b>Someone who has been requested to be present at an interview or</b>

	meeting. The support person's role is to offer moral support to the worker or Council Official, not to represent them or speak on their behalf. Dubbo Regional Council recommends that a support person be selected from outside of their department.
Representative (Union or other)	A representative may speak on behalf of the worker. A representative can be either from a union, as defined under the Local Government (State) Award, including a local organiser or delegate, or a legal representative such as a solicitor.
Workplace	Any premises at which workers work or attend a work-related functions or activities.
Worker	Any person doing work for Council including but not limited to employees, contractors, sub-contractors, labour hire, volunteers, trainees, apprentices, work experience students.

## POLICY

Under Equal Employment Opportunity (EEO) laws, discrimination, vilification, harassment including sexual harassment, bullying and victimisation are unlawful and strictly prohibited and are deemed to be unlawful conduct.

### Discrimination

There are two types of discrimination being Direct discrimination and Indirect discrimination.

**Direct discrimination** in employment occurs when a person is treated less favourably than another in their employment because of a reason or ground which is prohibited by law. The prohibited grounds of discrimination are set out in the Federal, State and Territory laws and include sex, race, age, disability, pregnancy (including potential pregnancy), breastfeeding, religious belief; marital status, sexual orientation, gender identity, intersex status, carers' responsibilities/family responsibilities, political belief and union membership / non-membership.

**Indirect discrimination** may occur when an employer imposes a policy or requirement which applies to everyone equally but it in fact operates to disadvantage a particular group because of a characteristic of that group, such as their sex, age, race (i.e. - a prohibited ground of discrimination).

### Workplace Harassment

Workplace Harassment is any type of behaviour that intimidates, insults or humiliates a person because of their race, sex, pregnancy, marital status, breastfeeding, age, disability, sexual orientation, gender identity or intersex status. Some limited exemptions and exceptions apply.

Harassment can often be the result of behaviour that is unintentional. However, harassment will normally be unlawful regardless of whether the behaviour was intentional or unintentional.

Examples of harassment include, but are not limited to:

- Telling insulting jokes about particular racial groups.
- Making derogatory comments or taunts about someone's race or religion.

- Spreading rumours based on someone's sexual preferences / pregnancy or potential pregnancy.
- Derogatory comments or jokes about a person's disability, pregnancy, sexuality, age, religion.

Workplace Harassment does **not** include:

- Reasonable action taken in a reasonable manner by Council to transfer, demote, discipline, counsel, retrench or dismiss a worker;
- A decision by Council, based on reasonable grounds, not to award or provide a promotion, transfer, or benefit in connection with a worker's employment;
- Reasonable administrative action taken in a reasonable manner by Council in connection with a worker's employment; or
- Reasonable action taken in a reasonable manner under legislation affecting a worker; or
- Reasonable comment, advice and feedback (including negative comment or feedback) from a worker's manager or supervisor in connection with a worker's work performance or work-related conduct.
- Feedback on a worker's work performance or work-related conduct is intended to assist the worker to improve their work performance and/or the standard of their conduct.

### Sexual Harassment

Sexual harassment is any unwanted, unwelcome or uninvited behaviour of a sexual nature, which makes a person feel humiliated, intimidated or offended. Sexual harassment can take many different forms and may include physical contact, verbal comments, jokes, propositions, the display of offensive material or other behaviour which creates a sexually hostile working environment.

Sexual harassment is against the law under the NSW Anti-Discrimination Act and Federal Sex Discrimination Act. Both of these acts apply to Council. Sexual harassment is also against Council policy.

Council may be vicariously liable for sexual harassment engaged in by workers and/or Council Officials. All workers and Council Officials need to be aware that legal action can be taken against them for sexual harassment and that in addition Council may be exposed to legal liability.

Sexual harassment is not behaviour which is based on mutual attraction, friendship and respect. If the interaction is consensual, welcome and reciprocated it is not sexual harassment.

Conduct can amount to sexual harassment even if the person did not intend to offend, humiliate or intimidate the other person. However, conduct will not be sexual harassment if a reasonable person, having regard to all the circumstances, would not have anticipated that the conduct would offend, humiliate or intimidate the other person. Sexual harassment does not have to be directed at a particular individual to be unlawful. Behaviour which creates a hostile working environment for other workplace participants can also be unlawful.

It is also unlawful for a worker or Council Official to sexually harass another worker or Council Official at a place that is a workplace of either or both of those persons.

Examples of sexual harassment include, but are not limited to:

- Physical contact such as pinching, touching, grabbing, kissing or hugging.
- Staring or leering at a person or at parts of their body.
- Sexual jokes or comments.
- Making promises or threats in return for sexual favours.
- Exposing genitals or sexual gestures.
- Insults, taunts, teasing or name-calling of a sexual nature.
- Staring or leering at a person or parts of their body.
- Unwelcome physical contact such as massaging a person without invitation, deliberately brushing up against them or forcing a person to perform sexual acts.
- Touching or fiddling with a person's clothing including lifting up skirts or shirts, flicking bra straps or putting hands in a person's pockets.
- Persistent requests to go out, where they are refused.
- Sexually explicit conversations.
- Displays of offensive material such as posters, pinups, cartoons, screen savers and internet material.
- Accessing or downloading sexually explicit material from the Internet.
- Suggestive comments about a person's body or appearance.
- Rude or offensive emails, attachments, letters, phone calls or text messages.
- Persistent questions or insinuations about a person's private life.
- Stalking.

Sexual harassment is unlawful, even if perpetrated by a supervisor or manager, co-worker, contractor, service provider, client or customer. Sexual harassment is not just unlawful during working hours or in the workplace itself, and not only between co-workers. The behaviour is unlawful in any work related context, including conferences, work functions, office Christmas parties and business or field trips, and includes interactions with clients and customers. The behaviour is also unlawful when it occurs away from the workplace but is a culmination or extension of events in the workplace.

Council aims to:

- create a working environment which is free from sexual harassment and where all members of staff are treated with dignity, courtesy and respect;
- implement training and awareness raising strategies to ensure that all employees know their rights and responsibilities;
- provide an effective procedure for complaints based on the principles of procedural fairness;
- treat all complaints in a sensitive, fair, timely and confidential manner;
- afford protection from any victimisation or reprisals;
- encourage the reporting of behaviour which breaches the sexual harassment policy; and
- promote appropriate standards of conduct at all times.

#### **Vilification**

Vilification is a public act which incites hatred, severe contempt or severe ridicule of a person or group because of race, colour, nationality, descent, ethnic, ethno-religious or national origin, homosexuality (lesbian or gay), HIV or AIDS status, transgender status. This includes vilification because someone is thought to be lesbian, gay or transgender even if they are not, or thought to

have HIV or AIDS, even if they don't. Vilification law only covers acts that are in public. It does not cover acts that are not public, for example acts that no-one else can hear.

Vilification is a particularly serious breach of EEO laws and will be dealt with accordingly.

#### **Victimisation**

Victimisation is where a person is retaliated against or subjected to a detriment because they have lodged a complaint, they intend to lodge a complaint or they are involved in a complaint of unlawful conduct. Workers and Council Officials must not retaliate against a person who raises a complaint or subject them to any detriment.

#### **STEPS AVAILABLE TO DEAL WITH UNLAWFUL CONDUCT**

If a worker or Council Official feels that they have been subjected to any form of unlawful conduct contrary to EEO laws outlined in this policy or Council's Code of Conduct, they should not ignore it.

They should, as appropriate, follow one of the steps set out below.

#### **Confront the issue**

If a worker or Council Official feels comfortable doing so, they should address the issue with the person concerned. A worker or Council Official should identify the offensive behaviour, explain that the behaviour is unwelcome and offensive and ask that the behaviour stop. It may be that the person was not aware that their behaviour was unwelcome or caused offence.

If a worker or Council Official observes offensive behaviour that is not directed at them, the worker or Council Official may also address the issue with the person concerned.

This is not a compulsory step. If a worker or Council Official does not feel comfortable confronting the person, or the worker or Council Official confronts the person and the behaviour continues, the worker or Council Official should lodge a complaint.

The immediate supervisor, manager or Human Resource Services may be able to assist with resolving the matter.

#### **Lodge a Complaint**

If a worker or Council Official feels that they have been subjected to any form of unlawful conduct contrary to EEO laws outlined in this policy or Council's Code of Conduct and do not feel comfortable confronting the issue or have done so and the behaviour has not ceased they can lodge a complaint. Workers should follow the options available in Council's Grievance Resolution Management Procedure. Council Officials should follow the procedure outlined in Council's Code of Conduct.

#### **Seek external assistance**

Workers or Council Officials who consider that they have been unlawfully discriminated against or harassed can also approach their union, the Anti-Discrimination Board of NSW, the Australian Human Rights Commission or consult a lawyer for information and confidential advice.

### **CONFIDENTIALITY**

Persons dealing with a complaint will endeavour to maintain confidentiality as far as possible. However, in appropriate circumstances it will be necessary to speak with other workers or Council Officials (as the case may be) in order to determine what happened, to afford fairness to those against whom the complaint has been made and to resolve the complaint. If a complaint is raised and it is determined that unlawful conduct has occurred, Council will take appropriate action in relation to the complaint.

All workers and/or Council Officials involved in the complaint must also maintain confidentiality, including the worker and/or Council Official who lodges the complaint. Spreading rumours or gossip may expose workers or Council Officials to a defamation claim. Workers or Council Officials may discuss the complaint with a support person or union representative. The support person or union representative must also maintain confidentiality.

### **POSSIBLE OUTCOMES**

The possible outcomes will depend on the nature of the complaint, the procedure followed and/or the findings. Where an investigation results in a finding that an employee has engaged in unlawful conduct and/or breach of this policy, that person may be disciplined. Where an investigation results in a finding that a worker or Council Official other than an employee has engaged in unlawful conduct, that person may also be sanctioned (in both instances refer to the section of this policy titled *Breach of this Policy*). Any action taken is a confidential matter between the affected worker or Council Official and Council.

Council may take a range of other non-disciplinary outcomes to resolve a complaint, depending on the particular circumstances. Examples include but, are not limited to:

- training to address the problems underpinning the complaint;
- monitoring to ensure that there are no further problems;
- implementing a new policy or modifying an existing policy;
- requiring an apology or an undertaking that certain behaviour cease; and/or
- changing work arrangements

### **BREACH OF THIS POLICY**

All workers and Council Officials are required to comply with this policy at all times. If a worker breaches this policy, they may be subject to disciplinary action. In serious cases this may include termination of employment.

Agents and contractors (including temporary contractors) who are found to have breached this policy may have their contracts with the Council terminated or not renewed.

Council Officials who are found to have breached this policy may lose their position.

If a worker or Council Official makes an unfounded complaint or a false complaint in bad faith, such as making a complaint to get someone else in trouble or making a complaint where there is no foundation for the complaint, that person may be disciplined and may be exposed to a defamation claim.

## **RESPONSIBILITIES**

### **Workers and Council Officials**

All workers and Council Officials must:

- understand and comply with this policy;
- comply with Council's Code of Conduct;
- ensure they do not engage in any unlawful conduct towards other workers, Council Officials, customers/clients or others with whom they come into contact through work;
- ensure they do not aid, abet or encourage other persons to engage in unlawful conduct;
- follow the complaint procedure as set out in the Grievance Resolution Management Procedure if they experience any unlawful conduct;
- report any unlawful conduct they see occurring to others in the workplace in accordance with the complaint procedure as set out in the Grievance Resolution Management Procedure; and
- maintain confidentiality if they are involved in the complaint procedure.

All workers and Council Officials should be aware that they can be held legally responsible for their unlawful conduct.

Any worker or Council Official, who aids, abets or encourages other persons to engage in unlawful conduct, can also be legally liable.

### **Human Resource Services**

Human Resource Services are responsible for:

- ensuring this policy is applied consistently and fairly across Council;
- providing advice in relation to this policy; and
- maintaining and reviewing the policy as needed.

Human Resource Services have been given the responsibility of ensuring Council meets its objectives as set out in the EEO Management Plan.

The EEO Management Plan aims to achieve the following:

- ensure that the Equal Employment Opportunity procedure is implemented



- oversee the content and direction of the equal employment opportunity programs
- provide staff training on EEO and related issues
- keep the senior management group up to date with legislative changes and requirements at all times
- investigate the needs of staff to assist them in balancing work and family life

The EEO Management Plan is reviewed by the EEO Committee and Executive Staff Committee bi-annually.

#### **Council Officials, Managers and Supervisors**

As a Council Official, managers or supervisors employed by Council there are some additional responsibilities under this policy.

As a designated leader within Council, Council Officials, managers and supervisors must:

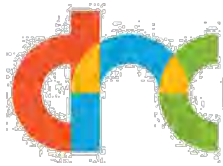
- monitor the working environment to ensure that acceptable standards of conduct are observed at all times;
- model appropriate behaviour themselves;
- promote this policy within their work area;
- treat all complaints seriously and take immediate action to have the complaint investigated and resolved;
- refer complaints to another officer if they do not feel that they are the best person to deal with the case (for example, if there is a conflict of interest or if the complaint is particularly complex or serious); and
- warn workers and/or Council Officials that spreading gossip or rumours may expose them to a defamation action or a claim of victimisation.

#### **EEO Committee**

The Equal Employment Opportunity Committee consists of staff and management representatives and a representative of Human Resource Services.

The Committee has the following functions:

- to consult with staff on EEO
- to review policy and practices in the light of EEO principles
- to promote EEO best practice within Council
- to prepare the EEO Management Plan with Human Resource Services
- to recommend to management initiatives to meet Council's EEO objectives



DUBBO  
REGIONAL  
COUNCIL

## COUNCIL POLICY

# Prevention of Workplace Bullying Policy & Procedure

Date

Council Resolution Date

Clause Number

Responsible Position

Manager Human Resource Services

Branch

Human Resource Services

Division

Organisational Services

Version

TRIM Reference Number

Review Period

Review Date

Consultation

### Document Revision History

Description	Date
Notes	

## POLICY

**PURPOSE**

The purpose of this policy is to set out Dubbo Regional Council’s position on workplace bullying and to document the process which is to be followed should any instances of workplace bullying be reported.

**BACKGROUND AND RELATED LEGISLATION**

- Guide for Preventing and Responding to Workplace Bullying May 2016 (Safe Work Australia)
- Work Health & Safety Act 2011 (NSW)
- Local Government (State) Award
- The Local Government Act 1993

Relevant Council policies:

- Grievance Resolution Management Procedure
- Code of Conduct
- Anti-Discrimination, Harassment & Equal Employment Opportunity Policy

**SCOPE**

The policy and procedure applies to all Workers and Council officials of Dubbo Regional Council.

**DEFINITIONS**

To assist in interpretation, the following definitions apply:

<b>Term</b>	<b>Definition</b>
<b>Council</b>	<b>Dubbo Regional Council</b>
<b>Council Official</b>	<b>Councillors, administrators appointed under section 256 of the Local Government Act 1993, members of Council committees, conduct reviewers and delegates of Council.</b>
<b>Person Involved</b>	<b>A person against whom allegations of workplace bullying have been made and includes but is not limited to a worker or service provider to Council.</b>
<b>Repeated Behaviour</b>	<b>Refers to the persistent nature of the behaviour and can refer to a range of behaviours over time.</b>
<b>Bullying Complaint</b>	<b>•involves behaviour which indicates a risk to a worker’s health and safety; •involves a worker and, if proven, may result in the demotion or termination of services; or •involves a worker other than an employee and, if proven, may result in a contractor’s contract for services being terminated.</b>
<b>Unreasonable Behaviour</b>	<b>Behaviour that a reasonable person, having regard for the circumstances, would see as unreasonable, including behaviour that is victimising, humiliating, intimidating or threatening.</b>
<b>Premises</b>	<b>Any place (including but not limited to land, building, part of a</b>

	<b>building or vehicle) where a worker works and includes premises where Council, for the time being, has (or appears to have) the charge, management or control of those premises, or premises where a Council function/activity is conducted.</b>
<b>Workplace</b>	<b>Any premises at which workers work or attend a work-related functions or activities.</b>
<b>Worker</b>	<b>Any person doing work for Council including but not limited to employees, contractors, sub-contractors, labour hire, volunteers, trainees, apprentices, work experience students.</b>
<b>Workplace Bullying</b>	<b>Repeated and unreasonable behaviour directed towards a worker or a group of workers that creates a risk to health and safety.</b>

## **POLICY**

Council is committed to providing a safe and healthy workplace free from workplace bullying. Workers and Council Officials are protected by this policy whether they feel bullied by a supervisor, another worker, client, contractor, Council Official, or member of the public.

Council will treat reports of workplace bullying seriously. Council will respond promptly, impartially and confidentially. Failure to take steps to manage the risk of workplace bullying can result in a breach of Work Health Safety laws.

If you are a worker or a Council Official, you must comply with the relevant provisions of the policy in carrying out your functions as a worker or Council Official.

This policy is intended to apply to any work-related situation, and extends to all functions and places that are work related. This includes work functions, conferences, social events, Christmas parties and business trips.

### **Council's stance on workplace bullying**

- Workplace bullying is prohibited. Council will not tolerate any form of workplace bullying under any circumstances.
- A worker who reports allegations of workplace bullying will not be victimised.
- Reporting workplace bullying is a legitimate and positive contribution to Council and will, in most cases, ensure that workplace bullying is addressed without delay.
- Managers, supervisors and directors must not knowingly tolerate workplace bullying.

### **Expected workplace behaviours**

Under work health safety laws workers and other people at our workplace must take reasonable care that they do not adversely affect the health and safety of others.

Council expects people to;

- Behave in a responsible and professional manner
- Treat others in the workplace with courtesy and respect
- Listen and respond appropriately to the views and concerns of others

- Be fair and honest with their dealings with others

This policy applies to behaviours' that occur;

- In connection with work even if it occurs outside normal working hours
- During work activities, for example when dealing with clients
- At work-related events, for example when dealing with clients
- At work-related events, for example conferences and work-related social functions.
- On social media where workers interact with colleagues or clients and their actions may affect them either directly or indirectly.

#### **What is workplace bullying?**

Workplace bullying is repeated and unreasonable behaviour directed towards a worker or a group of workers that creates a risk to health and safety.

Examples of behaviour, whether intentional or unintentional, that would constitute workplace bullying could include:

- Constant unwarranted criticism and trivial fault finding
- Intimidating a person through inappropriate personal comments, belittling opinions or unjustified criticism
- Deliberately denying access to information, supervision, consultation or resources
- Setting timelines that are very difficult to achieve, or constantly changing deadlines
- Continually setting tasks that are unreasonably below or beyond a person's skills level
- Constantly changing work arrangements, such as rosters and leave, to deliberately inconvenience a particular worker or workers.
- Use of abusive, insulting or offensive language towards others.
- Behaviour or language that frightens, humiliates, belittles or degrades, including criticism that is delivered with yelling, screaming or swearing.
- Sarcasm.
- Making of threats.
- Coercion (pressuring people to do things that are unlawful).
- Blaming.
- Displaying material that is degrading or offending.
- Intruding on a person's space by pestering, spying or tampering with their personal effects or work equipment
- Spreading gossip, rumours and innuendo of a malicious nature
- Teasing or regularly making someone the brunt of practical jokes
- "Ganging up" on a fellow individual or group of individuals
- Repeated refusal of requests for leave or training without adequate explanation and suggestion of alternatives, or unfair treatment in relation to accessing leave or training
- Deliberately excluding, isolating or marginalising a person from normal workplace activities

#### **How does workplace bullying occur?**

Workplace bullying can occur wherever people work together in all types of workplaces. Bullying can be carried out in a variety of different ways, including through email or text messaging, internet chat rooms, instant messaging or other social media channels.

Workplace bullying can be directed at a single worker or group of workers, and be carried out by one or more workers.

#### **Bullying and workplace violence**

Workplace violence is any action, incident or behaviour in which a person is assaulted, threatened, harmed or injured in circumstances relating to their work. The risk of workplace violence must be eliminated or minimised so far as is reasonably practicable.

In addition to reporting the incident to Council, incidents of workplace violence (i.e. physical assault or the threat of physical assault) should be reported to the police as these are criminal matters.

#### **Discrimination and harassment**

Discrimination and harassment are described in Council's Anti-Discrimination, Harassment & Equal Employment Opportunity Policy. It is possible for a person to be bullied, harassed and discriminated against at the same time. However, unlike bullying, discrimination and harassment may be single incidents and are based on the prohibited grounds of discrimination as set out in the Federal, State and Territory laws and include sex, race, colour, age, physical or mental disability, pregnancy (including potential pregnancy), breastfeeding, religious belief, marital status, homosexuality/transgender/sexuality/sexual preference, carers' responsibilities / family responsibilities, political belief and union membership / non-membership.

#### **What is not considered to be workplace bullying?**

##### **Reasonable management action taken in a reasonable way**

There are times where Council may take reasonable management action to effectively direct and control the way work is carried out. It is reasonable for managers and supervisors to allocate work and to give fair and reasonable feedback on a worker's performance. These actions are not usually considered to be bullying if they are carried out in a reasonable manner, taking the particular circumstances into account. Examples of reasonable management action - include:

- Setting reasonable performance goals, standards and deadlines.
- Rostering and allocating working hours where the requirements are reasonable.
- Transferring a worker for operational reasons.
- Deciding not to select a worker for promotion where a reasonable process is followed and documented.
- Informing a worker about unsatisfactory work performance when undertaken in accordance with any workplace policies or agreements such as performance management guidelines.
- Informing a worker about inappropriate behaviour in an objective and confidential way.
- Implementing organisational changes or restructuring.
- Termination of employment.

Feedback on your work performance or work-related conduct is intended to assist you to improve your work performance and/or the standard of your conduct.

**Bullying via technology**

Council recognises bullying can be undertaken via email, text messaging and social media mediums. This includes but is not limited to Facebook and Twitter. Therefore bullying using technology either inside or outside of the workplace is considered workplace bullying for the purposes of this policy.

**What to do if you have been bullied in the workplace?**

**Workers**

If you are a worker and you perceive you have been bullied in the workplace, you should report the matter to your supervisor or manager or other appropriate person. You must put your complaint in writing as outlined in Council's Grievance Resolution Management Policy.

**Council Officials**

If you are a Council Official and you perceive you have been bullied in the workplace, you should report the matter in writing to the General Manager. If your complaint involves the General Manager, you should report the matter in writing to the Mayor.

**Council's commitment to you**

- Complaints of bullying in the workplace will be taken seriously by Council and will be assessed in a sensitive, fair and confidential manner.
- The principles of procedural fairness / natural justice will be applied in every investigation.
- Only the people directly involved in the complaint or in helping with the complaint handling procedure will have access to the information involved with the complaint. All parties with access to the information must ensure they do not share the confidential information with any other parties.
- All reasonable steps will be taken to ensure the bullying ceases
- Appropriate warnings will be given and / or disciplinary action will be taken where bullying is found to have occurred.
- Where appropriate, training and / or counselling will be provided to perpetrators of bullying in the workplace
- You will not be victimised or treated unfairly for making a complaint about bullying in the workplace
- Appropriate support and assistance, including counselling and debriefing will be provided to an individual who may be the victim of bullying in the workplace.
- Council will, where appropriate or necessary, obtain any professional advice required in order to ensure that your complaint is dealt with in accordance with any relevant anti-discrimination, workplace health and safety, and industrial laws.

**Breach of this policy**

All workers and Council Officials are required to comply with this Policy at all times. If a worker breaches this Policy, they may be subject to disciplinary action. In serious cases this may include termination of employment.

Agents and contractors (including temporary contractors) who are found to have breached this Policy may have their contracts with the Council terminated or not renewed.

Council Officials who are found to have breached this Policy may lose their position.

If a worker or Council Official makes an unfounded complaint or a false complaint in bad faith, such as making up a complaint to get someone else in trouble or making a complaint where there is no foundation for the complaint, that person may be disciplined and may be exposed to a defamation claim.

### **Complaint handling procedure**

Workplace bullying can be dealt with either informally or formally. With either approach, the worker or Council Official needs to be satisfied that his / her concerns have been dealt with appropriately.

#### *Informal approaches*

The worker or Council Official may request the person involved to cease the behaviour giving rise to workplace bullying. The immediate supervisor or manager may be able to assist with resolving the matter.

#### *Formal approach*

If an informal approach is taken which does not result in an effective resolution, or if the worker or Council Official is not comfortable in taking an informal approach, Council's Grievance Resolution Management Procedure (workers) or Council's Code of Conduct (Council Officials) outlines options available to workers or Council Officials who feel that they have been bullied and the procedure to be taken.

## **RESPONSIBILITIES**

### **All workers**

All workers have a fundamental responsibility not to engage in, or condone, bullying, towards any other person (including members of the public) in the workplace.

All workers also have a duty to understand how their behaviour affects others.

All workers have a role to play in creating a climate where bullying in the workplace is unacceptable. All workers can achieve this by being aware of, and sensitive towards, the issues of bullying and by making sure that their standards of conduct don't cause offence.

At *all* times in the workplace, workers must:

- Comply with, and meet all requirements, outlined in this policy.



- Comply with Council's Code of Conduct.
- Ensure they do not engage in any bullying behaviour or unlawful conduct towards other workers, Council Officials, customers/clients or others with whom they come into contact through work.
- Ensure they do not aid, abet or encourage other persons to engage in bullying behaviour or unlawful conduct.
- Be accountable for their own safety and that of others.
- Think about their behaviour and actions, and how these may impact on others.
- Not make false accusations with a deliberate attempt to damage another person's reputation, dignity or character.
- Interact with others, including customers and others in the workplace, in a respectful manner at all times.
- Report incidents of bullying or unlawful conduct either against them or others in the workplace, in accordance with the complaint procedure as set out in the Grievance Resolution Management Procedure.
- Follow the complaint procedure as set out in the Grievance Resolution Management Procedure if they experience any unlawful conduct.
- Maintain confidentiality if they are involved in the complaint procedure.

#### **Council Officials, Managers and Supervisors**

As a Council Official, or a manager or supervisor employed by Council, there are some additional responsibilities under this policy.

As a designated leader within Council, Council Officials, managers and supervisors must:

- Take steps to stop bullying and aggressive behaviour they observe, and counsel the person(s) involved of the consequences if the bullying and aggressive behaviour continues.
- Where practical, facilitate resolution between the parties.
- Provide support to victims of bullying and aggressive behaviour.
- Provide appropriate performance counselling to, and/or take disciplinary actions against, individuals found guilty of bullying, harassing and aggressive behaviour.
- Undertake an assessment of the work environment to ascertain the effect of bullying, harassing and aggressive behaviour.
- Ensure workers are provided with appropriate and, where applicable, ongoing training in customer service and dealing with aggressive behaviour.
- Contact the Police in instances where bullying, harassing and aggressive behaviour constitutes assault or threat of assault.
- Ensure that all individuals are aware that bullying and aggressive behaviour will not be tolerated in the workplace and that complaints will be dealt with in accordance with the procedures in this policy.

Council Officials should be aware that they can be held legally responsible for their unlawful conduct.

Council Officials, who aid, abet or encourage other persons to engage in unlawful conduct, can also be legally liable.

**Human Resource Services**

Human Resource Services are responsible for:

- Ensuring this Policy is applied consistently and fairly across the organisation;
- Providing advice in relation to this policy; and
- Maintaining and reviewing the policy as needed.

DRAFT



**REPORT: Quarterly Review of the 2016/2017  
Dubbo Social Plan**

**AUTHOR: Manager Social Services**

**REPORT DATE: 15 November 2016**

**TRIM REFERENCE: ID16/2124**

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**EXECUTIVE SUMMARY**

This report deals with the implementation of the 2016/2017 Dubbo Social Plan. The actions contained within the Plan are being progressively implemented. It is recommended that the implementation progress of the 2016/2017 Social Plan be noted.

**FINANCIAL IMPLICATIONS**

There are no financial implications arising from this report.

**POLICY IMPLICATIONS**

There are no policy implications arising from this report.

**RECOMMENDATION**

**That the information contained in this report be noted.**

*John Watts*  
Manager Social Services

**REPORT**

Each quarter, a report will be submitted on the progress of the implementation of the Dubbo Social Plan to the Finance and Policy Committee for consideration. This report covers the period from 1 October 2016 to 30 November 2016.

**Appendix 1** is a report on the implementation of the 2016/2017 Dubbo Social Plan. The actions of the Plan are being progressively implemented and it is recommended that the quarterly review be noted.

Appendices:

- 1 Dubbo Social Plan update - November 2016

## SOCIAL PLAN

### Objective Statement

To foster and encourage the development of a wide range of high quality services and facilities to meet the social and welfare needs of the residents of and visitors to the City particularly those who are disadvantaged.

### Key Performance Indicators

- \* The percentage of residents who rate quality and range of social services as satisfactory has increased.

**Survey to be completed in July 2017**

- \* The percentage of children entering Kindergarten who are fully immunised.

**Survey to be completed in February 2017.**

- \* The levels of crime in Dubbo do not increase each year.

**Crime figures released in April 2017.**

Strategy	Performance Target	Actions(Statement of Means)	By When	Resp.
Children residing in and visiting Dubbo have access to a range of quality care, educational, health and social facilities and services.	The percentage of children fully immunised is at least 97%.	Hold twelve (12) immunisation clinics per annum.	Monthly	DOCS
	<b>Survey to be completed in February 2017.</b>	<b>Five (5) clinics held to 30 November 2016.</b>		
		Maintain membership of the Western NSW Local Health Network Immunisation Advisory Committee.	Ongoing	DOCS
		<b>Director Community Services is a member of this Committee.</b>		
	No decrease in the availability of child care places in Dubbo	Maintain membership of the Communities For Children Committee	Ongoing	MSS
	<b>No decrease</b>	<b>MSS continues to be a member of this Committee.</b>		
		Monitor the availability of State And Federal Government capital and recurrent funding for additional preschool places.	Ongoing	MSS
		<b>Monitoring ongoing.</b>		
		Encourage more participation by community groups in events held for children.	Ongoing	MSS
		<b>MSS participates in a range of activities that engage the community to participate in children's events.</b>		
		Promotion of the need for the community to support families by participating in family fun days.	Ongoing	MSS

		<b>MSS actively promotes family fun days within the community.</b>		
		Monitor funding availability for accessible playground equipment.	Ongoing	MSS
		<b>Funding monitored.</b>		
		Report to Council in June each year on the status of childcare in Dubbo	June 2017	MSS
		<b>Not due until June 2017.</b>		
		Monitor impact of Family Day Care ratio changes.	Ongoing	MSS
		<b>No considerable impact made on numbers attending Family Day Care.</b>		
		Develop strategies for Family Day Care to recruit more Educators.	Ongoing	MSS
		<b>FDC have held one prospective educator information session. FDC have advertised via flyers and through Early Education Support Group.</b>		
Young people residing in and visiting Dubbo have access to a range of quality care, educational, health and social facilities and services.	No examples of youth issues being presented to and considered by Council without reference to the Youth Council.	Refer the Draft 2017/2018 Dubbo City Council Delivery Plan to the Youth Council for comment.	Nov 2017	MSS
	<b>Any matters affecting young people are referred to Youth Council.</b>	<b>Not due until November 2017.</b>		
	At least 1 road safety campaign is held each year to target young people	YDO to hold road safety campaign with Dubbo City Council's Road Safety Officer.	May 2017	RSO/ YDO
	<b>Campaign to be developed.</b>	<b>RSO and YDO are planning a bike safety campaign.</b>		

	The percentage of young people who rate quality and range of youth services and facilities as satisfactory is at least 90%.	Undertake a survey of young people every 2 years to gauge the satisfaction level of youth services and facilities in Dubbo.	July 2016	MSS
	<b>Survey to be completed in July 2017.</b>	<b>Survey to be completed in July 2017.</b>		
	No decrease in services available to young people in the community.	Encourage and assist young people to apply for funding to hold youth friendly events in Dubbo.	Ongoing	MSS
	<b>No decrease in services.</b>	<b>Dubbo City Youth Council in partnership with Skate Park users has applied and been successful in gaining \$2000 to contribute towards upgrades to skate park.</b>		
		Work with Dubbo Youth Council, Midnite Cafe committee, young people and stake holders to re-establish and promote the Midnite Cafe in Dubbo.	Ongoing	YDO
		<b>YDO continuing to support Midnite Cafe with project support and funding opportunities. The Youth Council run successful monthly events in partnership with Midnite Café Committee.</b>		
		Work with Dubbo Sexual Health and Youth Council to promote a sexual health campaign aimed at young people getting tested for STIs.	Ongoing	YDO



		Dubbo City Council partnered with Dubbo Sexual Health and Family Planning NSW to run the Hump Day promotion during Youth Week as well as attending the Roar Festival to educate young people about safe sex. The Council was successful at the Youth Week Awards being nominated for an award for sexual health and winning best overall Youth Week Program.		
		Work with service providers to engage young people in activities in identified disadvantaged areas within the Dubbo Community.	Ongoing	YDO
		YDO continues to work at Pioneer oval in West and Apollo Estate East Dubbo to engage young people and the community.		
		Provide funding in the 2017/2018 budget for Youth Week and participate in the provision of activities and events during Youth Week.	Feb 2017	MSS
		Funding for Youth Week to be considered in the 2017/2018 budget.		
		Provide at least one workshop each school term at the Western Plains Cultural Centre aimed at school students.	Ongoing	MGS
		Western Plains Cultural Centre provided in July and October school holiday workshops.		
		Continue to be an active member of the Dubbo Youth Interagency.	Ongoing	MSS / YDO
		YDO is Chairperson for the Youth Interagency. The meeting regularly attracts a large number of up to 50 people.		

Women residing in Dubbo suffer no gender disadvantage and have equal access to the Council's services and facilities.	No examples of Council services and facilities being identified as discriminating against women.	Support community awareness campaigns and initiatives on women's issues.	Ongoing	MSS
	No examples	All campaigns supported. Successful Reclaim the Night event held on 28 October 2016.		
	Reduction in Domestic Violence against women	Support strategies to address violence against women in the State Plan, Dubbo 2036 Plan and the Dubbo Management Group Action Plan.	Ongoing	MSS
	Domestic Violence crime statistics to be provided in December and June.	All strategies supported. The Manager Social Services is a member of the Domestic Violence Senior Officers Group and the Dubbo Violence Prevention Collective.		
Older people residing in and visiting Dubbo have access to a range of quality care, educational, health and social facilities and services.	No decrease in availability of aged care accommodation in Dubbo	To monitor the supply and demand for the full range of accommodation for older people. To monitor the supply and demand for nursing home and dementia care accommodation and if appropriate to lobby the Federal Government for more places in Dubbo. To continue to participate in planning with all agencies for the provision of such services.	Ongoing	MSS
	No decrease.	Supply and demand monitored. Manager Social Services continues to participate in planning activities. Royal Freemasons Benevolent Institution 70 bed residential facility opening in 2017.		

	The percentage of seniors who rate quality and range of senior's services and facilities as satisfactory is at least 90%.	Undertake a survey of older people every two (2) years to gauge the satisfaction level of services and facilities in Dubbo.	July 2017	MSS
	<b>Survey to be completed in July 2017.</b>	<b>Survey to be completed in July 2017.</b>		
		Encourage more community participation in events.	Ongoing	MSS
		<b>MSS participates in a range of community events.</b>		
		Promote the availability of Community Transport and other services available for older people.	Ongoing	MSS
		<b>Services promoted.</b>		
		To provide one road safety campaign per annum aimed at older people.	Ongoing	RSO
		<b>No action to date.</b>		
		Support strategies to address crime against older people in the State Plan, Dubbo 2036 Plan and the Dubbo Management Group Action Plan.	Ongoing	MSS
		<b>All strategies supported. The Manager Social Services is a member of the Domestic Violence Senior Officers Group and the Dubbo Violence Prevention Collective.</b>		
People with disabilities have equal access to services and facilities and can gain access to places and buildings.	No examples of access issues being considered and resolved by Council without reference to the Community Services Committee.	Monitor the provision of respite care, day care programs and for accommodation for people with disabilities and lobby governments for additional funding for this care.	Ongoing	MSS

	<b>Committee disbanded due to Council merger.</b>	<b>Monitoring ongoing. The Youth Development Officer is a member of the Western Interagency. The Interagency investigate issues related to Respite Care, Day Care Programs and accommodation for people with disabilities.</b>		
	No examples of Council or major private/public developments which are outside Council's access guidelines, policies and development control plans being approved without Community Services Committee input.	Support initiatives to address gaps in services as identified by the Western Interagency.	Ongoing	MSS
	<b>No examples</b>	<b>Initiatives supported. Youth Development Officer is a member of the Western Interagency. Strategies contained in Council's Disability Inclusion Plan are being implemented.</b>		
		Raise community awareness of education and employment opportunities for people with disabilities through the media such as radio and newspapers.	Ongoing	MSS
		<b>Manager Social Services participates with FACS in planning activities.</b>		
Aboriginal people residing in Dubbo have access to a range of quality care, educational, health and social facilities and services.	No examples of Council decisions or actions being discriminatory to Aboriginal people.	Continue liaison with the Dubbo Aboriginal Working Party (DACWP) on matters affecting Aboriginal people. Continue to auspice funding allocated to DACWP.	Ongoing	MSS

	No examples	Liaison continuing. DACWP funds continue to be auspiced. Advice on Council projects to include Heritage trail for an Aboriginal history trail, dual naming of Macquarie River/Wambuul & Victoria Park/Wingewarra, Aboriginal artwork on display at Dubbo Airport terminal		
	The percentage of Council's workforce that is Aboriginal increases.	Continue to involve the local Aboriginal Community in decision making processes by including membership on various Committees and Working Parties.	Ongoing	MSS
	Currently 6.9%	All initiatives supported. The Manager Social Services is a member of the Dubbo Management Group Committee, the Domestic Violence Senior Officers Group and the Dubbo Violence Prevention Collective. Aboriginal Employment Strategy approved December 2014 to include Cultural Awareness Training for the previous Dubbo City Council staff.		
		Continue to participate & support the Dubbo Koori Interagency Network (DKIN).	Ongoing	ALO
		Liaison continuing. DKIN funds continue to be auspiced for NAIDOC Week.		
		Support with organising the Red Ochre Festival	Dec 2016	ALO
		The Red Ochre Festival was not held in 2016. The Wambuul Freshwater Festival will be held in January 2017.		
		Continue to participate and support the Dubbo Local Aboriginal Lands Council (DLALC)	Ongoing	ALO

		<b>DLALC continues to be supported. The Aboriginal Liaison Officer is the Deputy Chairperson of the DLALC.</b>		
		Continue to support all Aboriginal Medical Centres & Aboriginal Health initiatives in Dubbo subject to ALO's availability.	Ongoing	ALO
		<b>Support provided through DACWP on Dubbo Regional Aboriginal Health Service (DRAHS). ALO is on the Advisory Board for DRAHS.</b>		
		Continue to participate and support the Dubbo Aboriginal Women's Advisory Group Family Planning NSW (AWAG).	Ongoing	ALO
		<b>Liaison continuing.</b>		
		Participate and Support all organisations with NAIDOC events/activities subject to ALO's availability.	Oct 2016	ALO
		<b>DKIN held an extensive NAIDOC program in September 2016. ALO is a member of the Planning Sub Committee to coordinate events. Aboriginal Liaison Officer is a member of the Interagency and regularly attends meetings.</b>		
		Participate and Support all organisation with National Apology & Sorry Day, National Reconciliation Week, National Close the Gap Day, other events/activities subject to ALO's availability.	Oct 2016	ALO
		<b>DKIN held events for significant dates in 2016. NAIDOC events be held on 23-30 September 2016. Aboriginal Liaison Officer supported these events as part of organising committee.</b>		

		Participate and Support Apollo House with activities subject to ALO's availability.	Ongoing	ALO
		<b>Walk and Talks with various service providers held monthly in the Estate. Apollo Estate Clean up held 11 November 2016.</b>		
		Participate & Support Dubbo Aboriginal Elders groups with events/activities subject to ALO's availability.	Ongoing	ALO
		<b>Liaison continuing, advise Elders Groups of upcoming events.</b>		
		Liaise and support Aboriginal Elders with Welcome & Acknowledgement to Country subject to ALO's availability.	Ongoing	ALO
		<b>Liaison continuing between Elders and DLALC for Welcome to Country, escort Elders to events.</b>		
		Liaise with Western Plains Cultural Centre and Dubbo Aboriginal Community Working Party to create a permanent Aboriginal Exhibition Area within the Centre, also encourage more Aboriginal participation at the Centre	June 2017	ALO
		<b>The following Aboriginal exhibitions have been held at the WPCC over the last six months:-Strong Women, Strong Painting, Strong Culture Aleshia Lonsdale: Dhuuluu-yala Saltwater Country Old Land New Marks Ng-ng-gila-nha: Give to each other</b>		

People from Non English Speaking Background residing in Dubbo suffer no racial disadvantage or discrimination.	No examples of racial discrimination by Council or by the community.	Continue to work with the Committee established to organise the Multicultural Festival.	Ongoing	MSS
	No examples.	Council has allocated \$15,000 for the 2016 Festival. There will be no Multicultural Festival held in 2016 due to the Council merger and the Committee not established prior to planning being undertaken. Manager Social Services assists Committee's planning and staging of events.		
		Family Day Care and Rainbow Cottage in association with other Childcare Centres work to conduct multicultural activities. Eg Harmony Day	Ongoing	MSS
		<b>Planning underway for Harmony Day activities to be held at Rainbow Cottage and Family Day Care.</b>		
		Involve the CALD population with the Council's Sister City Program.	Ongoing	MSS
		<b>Council's Sister City Officer has formed a partnership with the Multicultural Festival Advisory Committee.</b>		
Residents and visitors to Dubbo have access to good quality medical and hospital services and facilities.	No examples of decrease in the number and range of qualified medical personnel available in Dubbo.	Continue to liaise with the Council's Manager City Development and Communication and Manager Western NSW Local Health Network on the initiation of programmes to attract and retain medical practitioners and specialists.	Ongoing	DOCS
	<b>No decrease identified.</b>	<b>Liaison undertaken.</b>		
		Lobby the State Government for increased recurrent funding and total redevelopment of Dubbo Base Hospital.	Ongoing	DOCS



		<b>Lobbying undertaken. Funds of \$91.3M provided by the Commonwealth and NSW State Governments for stages 1 and 2 of the hospital redevelopment. Planning for stages 4 and 4 well underway.</b>		
The personal and property safety of residents and visitors to Dubbo is secure.	No increase in the levels of crime reported for 2015/2016.	Undertake the strategies in the Local Crime Prevention Plan.	Ongoing	MSS
		<b>2015-2018 Dubbo Crime Prevention Plan endorsed by the State Government.</b>		
		Meet with the local Superintendent of Police quarterly.	Ongoing	DOCS
		<b>2 meetings held to date.</b>		
Residents and visitors to Dubbo have good access to high quality general social and welfare services and facilities.	No examples of social issues being considered by Council without referral to the Community Services Committee.	Continue to provide financial assistance to the Neighbourhood Centre in the 2017/2018 budget.	May 2017	DOCS
	<b>Committee disbanded due to Council merger.</b>	<b>\$160,000 proposed in 2017/2018 forward budget.</b>		
Residents have access to a quality, convenient, affordable and accessible public transport system.	No examples of genuine public demand for public transport not being met.	Continue to monitor the provision of public transport in Dubbo.	Ongoing	MSS
	<b>No examples.</b>	<b>Monitoring ongoing.</b>		



**REPORT: Quarterly Review of the Dubbo Disability Inclusion Plan**

**AUTHOR: Manager Social Services**

**REPORT DATE: 15 November 2016**

**TRIM REFERENCE: ID16/2125**

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**EXECUTIVE SUMMARY**

In 2014, the NSW Parliament passed the Disability Inclusion Act, which sets out the need for the NSW Disability Inclusion Plan and the need for each government department, agency and local Council to develop a Disability Inclusion Plan. A Dubbo Disability Inclusion Plan has been developed by Dubbo Regional Council. The Dubbo Disability Inclusion Plan endeavours to assist in the removal of barriers so that people with a disability have a better opportunity to live a meaningful life and enjoy the full benefits of membership in the community. This Plan details how Council can assist in practical ways to create a more inclusive city. The actions contained within the Plan are being progressively implemented. It is recommended that the implementation progress of the Dubbo Disability Inclusion Plan be noted.

**FINANCIAL IMPLICATIONS**

There are no financial implications arising from this report.

**POLICY IMPLICATIONS**

There are no policy implications arising from this report.

**RECOMMENDATION**

**That the information contained in this report be noted.**

*John Watts*  
Manager Social Services

## REPORT

In 2014, the NSW Parliament passed the Disability Inclusion Act, which sets out the need for the NSW Disability Inclusion Plan and the need for each government department, agency and local Council to develop a Disability Inclusion Plan. A Disability Inclusion Plan has been developed by Dubbo Regional Council. The Dubbo Disability Inclusion Plan endeavours to assist in the removal of barriers so that people with a disability have a better opportunity to live a meaningful life and enjoy the full benefits of membership in the community. This Plan details how Council can assist in practical ways to create a more inclusive city.

The goals included in this Plan will focus on:-

- Developing positive community attitudes towards people with a disability
- Creating a more liveable community for people with a disability
- Equal access to employment within Council for people with a disability
- Provide appropriate service information for people with a disability

This Plan focuses on the services and facilities provided by Dubbo Regional Council and the actions which can contribute towards the goals of the Plan.

Each quarter, a report will be submitted on the progress of the implementation of the Disability Inclusion Plan to the Finance and Policy Committee for consideration. This report covers the period from 1 October 2016 to 30 November 2016.

**Appendix 1** is a report on the implementation of the Disability Inclusion Plan. The actions of the Plan are being progressively implemented and it is recommended that the quarterly review be noted.

Appendices:

- 1 Dubbo Disability Inclusion Plan update - November 2016



## Introduction

In 2014, the NSW Parliament passed the *Disability Inclusion Act*, which sets out the need for the NSW Disability Inclusion Plan and the need for each government department, agency and local Council to develop a Disability Inclusion Plan. The Dubbo Disability Inclusion Plan endeavours to assist in the removal of barriers so that people with a disability have a better opportunity to live a meaningful life and enjoy the full benefits of membership in the community.

Dubbo is a regional centre catering for a vast geographical region. People view Dubbo as their service centre for a range of services including business, medical and recreational matters.

It is therefore vital that Council and other levels of community as well as community based organisations cater for the needs of people with a disability.

Disability may be acquired at birth or early in life, or may be the result of accident, illness or injury throughout life. People experience a range of impacts due to disability, with over 6% of the population experiencing profound or severe disability. Disability is caused by a range of conditions, including intellectual, physical, cognitive, sensory, neurological impairments or mental illness.

People with a disability have the right to full and effective participation in an inclusive society. An inclusive society benefits the whole community not just people with a disability. Inclusion reduces disadvantage, isolation and discrimination. It also has positive impacts across all aspects of life, including health, welfare, education and employment.

The goals included in this Plan will focus on:-

- Developing positive community attitudes towards people with a disability
- Creating a more liveable community for people with a disability
- Equal access to employment within Council for people with a disability
- Provide appropriate service information for people with a disability

This Plan focuses on the services and facilities provided by Dubbo City Council and the actions which can contribute towards the goals of the Plan.

Throughout the Plan some abbreviations have been used for the titles of Council staff. The following are these abbreviations and their full wording:-

MSS - Manager Social Services

- MTCC - Manager Theatre and Convention Centre
- MBDS - Manager Building and Development Services
- MFAS - Manager Financial Accounting Services
- MCIS - Manager Civil Infrastructure and Solid Waste
- TE - Traffic Engineer
- MRPP - Manager Recreation Planning and Programs
- RSO - Road Safety Officer
- MHS - Manager Horticultural Services
- MHRS - Manager Human Resource Services
- CDPL - City Development Program Leader
- YDO - Youth Development Officer
- MTS - Manager Technical Services

Strategy	Actions (Statement of Means)	By When	Resp.	Actions Taken at 30 November 2016
The community has positive community attitudes towards people with a disability.	Ensure the Dubbo Neighbourhood Centre Community Services Directory is updated regularly.	July each year.	MSS	Council's information recently provided to the Dubbo Neighbourhood Centre.
	Ensure the Council's Social Plan addresses issues of disability raised by the community.	Ongoing	MSS	Issues addressed. The Western Interagency investigates issues concerning people with a disability. Youth Development Officer is a member of the Western Interagency.
	Investigate options to provide assistance to people with disabilities to complete various Council documents.	Ongoing	MSS	No action to date.
	Support and promote various community events for people with a disability.	Ongoing	MSS	All events supported.
	Restructure Community Services Committee to include a member who has a disability.	Ongoing	MSS	Community Services Committee disbanded.

Strategy	Actions (Statement of Means)	By When	Resp.	Actions Taken at 30 November 2016
	Investigate options for the Chamber of Commerce to introduce a Rhino Award for business with best improvement in disability access.	Ongoing	MSS	Matter to be discussed following the completion of the current Rhino Awards in October 2016.
Dubbo is a more liveable community for people with a disability.	<p>Conduct an annual audit of Council car parks to ensure they are appropriately located and accessible.</p> <p>Ensure hearing loops information is available to patrons of the Dubbo Regional Theatre and Convention Centre.</p>	<p>December each year</p> <p>Ongoing</p>	<p>MTS</p> <p>MTCC</p>	<p>Not due until December 2016.</p> <p>There is an audio loop available in the 500 seat theatre and in the Theatre foyer.</p> <p>Tactile pads on the floor.</p> <p>Braille on doors of amenities.</p> <p>Passenger lift to the mezzanine level.</p> <p>Ramps and railings.</p> <p>Signage on doors and website for loud noises, strobe lighting etc.</p> <p>‘Relaxed’ performances for those with special needs.</p> <p>Wheelchair accessible seats</p>



Strategy	Actions (Statement of Means)	By When	Resp.	Actions Taken at 30 November 2016
	Provide DA applicants with relevant information concerning Disability Discrimination legislation.	Ongoing	MBDS	Information provided.
	Council purchasing – where possible purchase from businesses which employ people with disabilities.	Ongoing	MFAS	No action to date.
	Continue to provide annual financial assistance to the Orana Early Intervention Centre.	Annually	MSS	\$2,500.00 budgeted for future years.
	Conduct an annual review of the Development Control Plan (DCP) – Design for Access and Mobility to ensure it is relevant and up to date and meeting the needs of people with a disability.	December each year	MBDS	Not due until December 2016.
	Ensure signage within Council buildings is clear and easy to read.	Ongoing	Various Asset owners	Matter to be further investigated following new logo being implemented.
	Review pedestrian crossing points on high traffic streets in Dubbo.	December each year	TE	Not due until December 2016.

Strategy	Actions (Statement of Means)	By When	Resp.	Actions Taken at 30 November 2016
	Ensure all new footpath developments include the latest in pedestrian accessibility aids including tactile sensors and gutter ramps.	Ongoing	MCIS	Achieved.
	Investigate funding opportunities to enhance Council playgrounds to include accessible equipment.	Ongoing	MHS	Two new playgrounds that include accessible facilities built.
	Investigate funding opportunities to enhance accessibility of outdoor sporting and passive areas.	Ongoing	MSF	Ongoing funding opportunities investigated.  A regional athletics carnival for people with a disability was held by Break Thru Solutions and Dubbo Athletics Club on 15/10/16 at Barden Park.
	Encourage the DALC Contract Manager to conduct activities at the Centre for people with a disability.	Ongoing	MRPP	DALC Master Plan being undertaken to examine options for activities for people with a disability at the DALC.  Meetings have been held with Break Thru Solutions and Dubbo City Swimtech Swimming Club to hold a regional swimming carnival for people with a disability in 2017.  Swimming NSW held a classification day for people with a disability so they can compete in their category at local, regional and state swimming carnivals.

Strategy	Actions (Statement of Means)	By When	Resp.	Actions Taken at 30 November 2016
	Pool facilities to be accessible (toilets, change rooms, showers, swimming pool)	Ongoing	MSF	An aquatic wheelchair and pool lift were installed at the DALC due to a Northcott Fundability Grant being provided. This allows greater access to the leisure and 50M pool.  The disability amenities underwent an upgrade during the off season.  DALC Master Plan being undertaken to examine options for facility layout to ensure accessibility for all the community.
	Conduct a biennial survey of service providers to people with a disability to garner information on access issues in Dubbo.	July	MSS	Survey to be completed in July 2017.
Equal access to employment within Council for people with a disability	Relevant discrimination legislation to be included in EEO Policy, Staff Induction and Recruitment Training.	Ongoing	MHRS	Achieved.
	Investigate modifications of Council buildings to make them accessible for staff with a disability.	Ongoing	MBDS	Ongoing.
	Investigate options for Council to provide assistance to services providing employment for people with a disability.	Ongoing	MHRS	No action to date.

Strategy	Actions (Statement of Means)	By When	Resp.	Actions Taken at 30 November 2016
	<p>Investigate options for Council to provide work experience for people with a disability.</p> <p>Investigate how Regional Development Australia/Economic Development Branch can encourage new business which employs people with a disability.</p>	<p>Ongoing</p> <p>Ongoing</p>	<p>MHRS</p> <p>MSS, CDPL</p>	<p>No action to date.</p> <p>In September 2016 facilitated Glenray Industries presentation encouraging Accommodation Network Group members to use their Linen Service (all run by staff with a disability) looking to expand into Dubbo market.</p> <p>Breakthru People Solutions provided overview of their disability employment services and how businesses can become involved in September 2016.</p>
Appropriate service information for people with a disability is provided	<p>Ensure information concerning public toilet locations is available for people with a disability.</p> <p>Investigate options for the production of a Mobility Map.</p> <p>Ensure information concerning accessible public transport including Community Transport is readily available.</p>	<p>Ongoing</p> <p>December 2016</p> <p>Ongoing</p>	<p>MSS</p> <p>MSS</p> <p>MSS</p>	<p>National Toilet Map recently updated.</p> <p>A Pedestrian Access and Mobility Plan (PAMP) is being prepared.</p> <p>Information available.</p>

Strategy	Actions (Statement of Means)	By When	Resp.	Actions Taken at 30 November 2016
	<p>Assist in planning processes that can facilitate allocation of more resources for education, early intervention and childcare for children with a disability.</p> <p>Ensure information is available for users of scooters and electric wheelchair on footpaths. Pedestrian safety information should also be made available.</p> <p>Maintain a level of large print and audio books to meet demand. Continue to conduct the Home Library Service (HLS).</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>	<p>MSS</p> <p>RSO</p> <p>Dubbo Branch Library</p>	<p>Assistance is provided.</p> <p>Information is provided.</p> <p>Large print collection totals 4,899 items. Spoken word collection totals 2,028 items.</p>
	<p>Discuss with the Dubbo Youth Council any ideas they may have for young people with a disability.</p>	<p>Ongoing</p>	<p>YDO</p>	<p>Matter being investigated with the Youth Council.</p>



**REPORT: Quarterly Review of the Dubbo Ageing Strategy**

**AUTHOR: Manager Social Services**

**REPORT DATE: 15 November 2016**

**TRIM REFERENCE: ID16/2126**

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**EXECUTIVE SUMMARY**

This report deals with the implementation of the Dubbo Ageing Strategy. The actions contained within the Strategy are being progressively implemented. It is recommended that the implementation progress of the Dubbo Ageing Strategy be noted.

**FINANCIAL IMPLICATIONS**

There are no financial implications arising from this report.

**POLICY IMPLICATIONS**

There are no policy implications arising from this report.

**RECOMMENDATION**

**That the information contained in this report be noted.**

*John Watts*  
Manager Social Services

**REPORT**

Each quarter, a report will be submitted on the progress of the implementation of the Dubbo Ageing Strategy to the Finance and Policy Committee for consideration. This report covers the period from 1 October 2016 to 30 November 2016.

**Appendix 1** is a report on the implementation of the Dubbo Ageing Strategy. The actions of the Strategy are being progressively implemented and it is recommended that the quarterly review be noted.

Appendices:

- 1 DCC Ageing Strategy update - November 2016



## 2011 Ageing Strategy





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Page 20-23	Safety – roads, crime prevention.
Page 24-26	Public Infrastructure – footpaths/ramps, accessible facilities, car parking, Cemeteries, public toilets.
Page 27-30	Volunteering – Dubbo Regional Theatre and Convention Centre (DRTCC), Western Plains Cultural Centre (WPCC), Macquarie Regional Library (MRL), Parks and Landcare (P&L), City Information Centre (CIC), Dubbo City Animal Shelter.

## Introduction

Dubbo is a regional centre catering for a vast geographical region. Dubbo's population as well as the Region's is ageing. People view Dubbo as their service centre for a range of services including business, medical and recreational matters. Regional people view Dubbo as a potential area for retirement as do those seeking a tree change and those retreating from the larger metropolitan areas.

It is therefore vital that Council and other levels of community as well as community based organisations cater for the growing numbers of people above the 55 + age range. The provision of the services and facilities needed to cater for the ageing population will be a great challenge over the coming decades. These needs of older people are not just about physical and mental impairment and the difficulties that this brings to older people but the quality of life needs as well. In retirement there is increased time for recreation and leisure, increased capacity to return something to the community, increased desire to continue to learn and embrace new technology, a change in income (sometimes increased and sometimes decreased) and often a desire to down scale housing requirements. Hence the need to start planning at an early stage to meet these challenges.

This report focuses on the services and facilities provided by Dubbo City Council. These services and facilities have been separated into four (4) broad categories of:-

- 1) recreation and leisure
- 2) safety – roads and crime prevention
- 3) public infrastructure
- 4) volunteering

These four (4) broad categories suitably cover the range of services and facilities provided by Council.

## Dubbo Demographics and Future Ageing trends

In the 2010/2011 Management Plan there is an action to develop a draft Ageing Strategy for the future provision of Council services and facilities to the aged population.

This strategy focuses on Council facilities and services and not the broader community services and facilities provided by other levels of government and the private sector.

Various Council service providers were interviewed to determine what measures needed to be made to cater for an ageing population.

The definition for seniors and the aged population vary. A NSW State Government Seniors' Card can be obtained at age 60 years. An aged pension is currently not applicable until 65 years for men and 64 years for women – these ages are set to increase in the coming few years. A National Seniors' Card, which is basically a private discount card at various retail outlets, can be obtained at age 55 years. There is no retirement age for workers. 55 + and 65 + are the beginning ages for age groups used by the Australian Bureau of Statistics. However, the concept of ageing should not be considered in terms of age but in terms of physical and mental ability or impairment and the services required by people suffering these impairments. A young person can just as easily have walking problems due to juvenile arthritis as may a healthy 90 year old.

The Australian Bureau of Statistics projections show that by 2022 the 65+ population in Dubbo will grow from its current 4,909 to around 8,235 (an 68% increase), and the 85+ population to increase from 699 to around 983 (a 41% increase).

In 2011, the 55+ age group comprises 10,062 people or 26% of the population.

Dubbo continues to service and support satellite communities which do not have access to appropriate facilities. As these communities' demands increase, the stress placed on Dubbo City Council's services and facilities will get much stronger. Accommodation services (whilst outside the role of Council) are already reporting large waiting lists particularly from communities outside of Dubbo.

A further issue worthy of consideration is the differing needs for the Aboriginal community. Whilst 70 years may be a reasonable figure to generalise the average community age around which people start requiring aged services, it is certainly not the general case with the Aboriginal community. Due to many socio economic and lifestyle issues, Aboriginal people in general require aged services well before they reach 70 years.

Other service providers within the community that provide assistance to older people are reporting demand rising and ongoing problems in either recruiting volunteers or accessing appropriate funding to carry on their services. Services such as Meals on Wheel and the Community Visitors Scheme report that their volunteer base is ageing, therefore those undertaking these activities are now becoming reliant themselves on those same services. There will also be implications for Council's facilities with some provisions to be made to provide better access for the aged.

**The following is an extract from Appendix A - 2011 NSW Parliamentary Research Service; Key Issues and Regional Profiles; Ageing Population; pages 19 & 20.**

## **POPULATION AGEING**

A major demographic challenge facing Australia is the ageing of the population. The Federal Government's *Intergenerational Report* of 2010 observes that population ageing has implications for health care, labour force participation, housing and the demand for skilled labour.

### **NATIONAL TRENDS**

The ABS projects that, as a result of sustained low fertility and increased life expectancy, the proportion of people aged 65 years and over will increase from 13% of the Australian population in 2007 to between 23% and 25% in 2056, while the proportion of people aged under 15 years is projected to decrease to between 15% and 18%.

The Federal Treasury estimates that the proportion of working age people to support each Australian aged 65 years and over will fall to 2.7 by 2050, compared to 5 working age people today and 7.5 in 1970.

### **NSW TRENDS**

In a 2008 report, the NSW Government projected that, with average life expectancy set to increase by approximately 9 years by mid-century, the number of people aged over 65 in NSW will increase from 0.9 million (or 13.9% of the State's population) to 2.4 million (or 26.3% of the State's population) by 2051. In January 2011, the Government reported that by 2024 the proportion of people aged 65 years and older will, for the first time in the State's history, exceed those aged under 15 years.

According to the NSW Department of Planning while all regions in NSW will undergo population ageing, the extent will vary significantly across different regions of the State.

Coastal regions are expected to experience the largest percentage increase in people aged between 65 and 84 and over 85 years, with the Mid-North Coast, Nowra Bomaderry, and Illawarra statistical areas projected to experience the greatest increases. The ABS attributes this trend partly to "sea change" and "tree change" movements as older people move away from employment centres in their retirement.

According to the NSW Department of Planning, while Sydney will also undergo population ageing, Sydney's population is projected to be younger than the overall population of NSW, with people aged over 65 comprising 18% of Sydney's population by 2036, compared to 21% of the NSW population.

## POLICY IMPLICATIONS

The ageing of the population has significant implications for all levels of government across a wide range of policy areas. Chief among those are:

- Slower economic growth as a result of declining workforce participation rates;
- Fiscal pressures resulting from increased government spending on health care, aged care and age-related pensions;
- The need for appropriate housing and transport infrastructure;
- The need for quality care and support services to meet the needs of an increasingly diverse ageing population;
- A need to ensure social sustainability by tackling entrenched disadvantage and enhancing skills, opportunities and community participation; and
- Changing societal attitudes towards ageing.

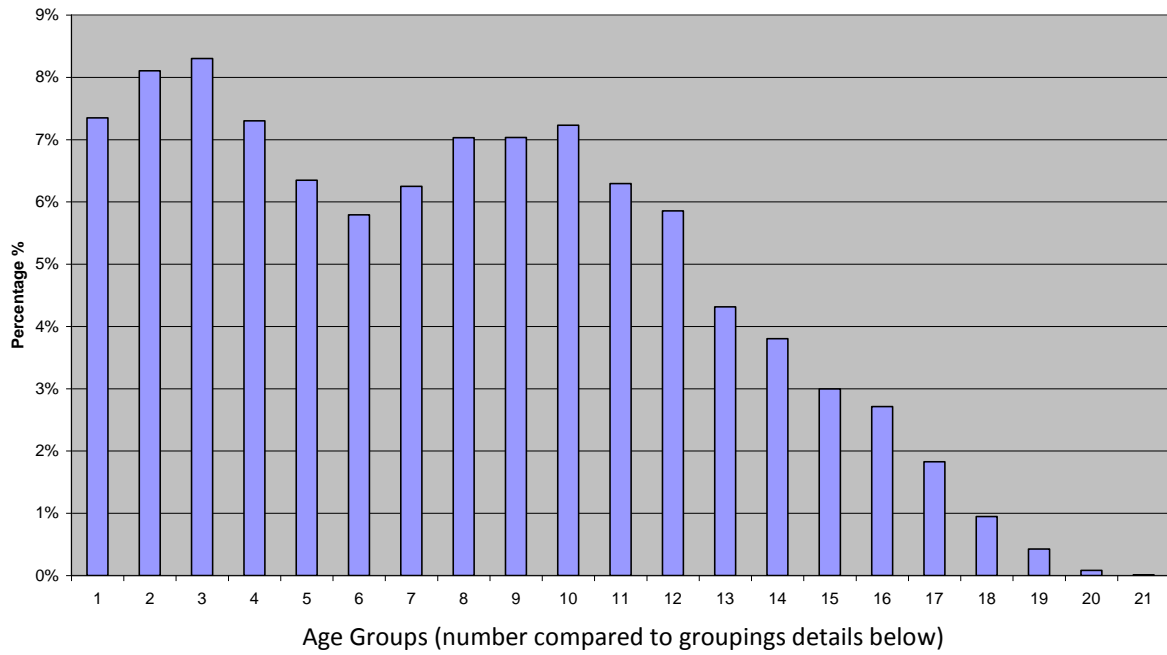
While the primary responsibility for aged care lies with the Commonwealth, a key role is also played in many policy areas by State and local governments. In respect to NSW, the major articulation of government strategy is found in *Towards 2030: planning for our changing population*. This is complemented by measures in a number of other State strategies, such as the NSW State Plan, Sydney's Metropolitan Strategy and Regional Strategies, in combination with infrastructure, transport, health and housing strategies. The key priorities identified in *Towards 2030* are: early planning for change; improved prevention and early intervention; workforce productivity and adaptability; facilitating participation in society; and the provision of quality care and support services.

## KEY DOCUMENTS

Productivity Commission, *Caring for Older Australians, Productivity Commission Draft Report*, 2011

G Griffith, *A Commissioner for Old People in NSW*, Briefing Paper 3/2008

AGE STRUCTURE OF DUBBO POPULATION 2006



POPULATION BY AGE GROUP/SEX

	AGE	MALE	FEMALE	TOTAL
1)	0-4	1,410	1,371	2781
2)	5-9	1,567	1,500	3067
3)	10-14	1,626	1,515	3141
4)	15-19	1,406	1,356	2762
5)	20-24	1,134	1,268	2402
6)	25-29	1,034	1,157	2191
7)	30-34	1,153	1,212	2365
8)	35-39	1,246	1,414	2660
9)	40-44	1,269	1,393	2662
10)	45-49	1,313	1,423	2736
11)	50-54	1,160	1,221	2381
12)	55-59	1,104	1,112	2216
13)	60-64	786	846	1632
14)	65-69	694	745	1439
15)	70-74	485	649	1134
16)	75-79	479	548	1027

## POPULATION BY AGE GROUP/SEX CONTINUED

	AGE	MALE	FEMALE	TOTAL
17)	80-84	260	431	691
18)	85-89	142	216	358
19)	90-94	38	123	161
20)	95-99	10	21	31
21)	100+	0	4	4
	Total	18,316	19,525	37,841

**Recreation and Leisure – Dubbo Aquatic Leisure Centre (DALC), Western Plains Cultural Centre (WPCC), Dubbo Regional Theatre and Convention Centre (DRTCC), Macquarie Regional Library (MRL), Parks, Showground, Senior Citizens Centre**

It is well known that access to local government provided leisure and recreation activities make an important contribution to enable a community to age well. As the percentage of the population over 55 years increases so too will the demand from an expectant and well educated community of the leisure and recreational services and facilities provided by Councils. Planning for this increase in demand is essential if Dubbo is to maintain its regional centre role. Planning needs to look not only at expanding existing services and facilities but also needs to include the potential for new services and facilities. Planning needs to look not only at the physical amenity but also accessible by transport, cost to the customer and operational aspects such as the time of service.

Recreation and leisure also play vital roles in socialisation for seniors. For many seniors it may be their sole activity which provides them with contact with other seniors. Leisure and recreation are also a means of providing people with an enjoyable outlet and purpose in life. They enrich lives and provide freedom to individuals to pursue interests.

The population as it ages will be better educated, more demanding and more aware of the health and well being benefits of participation in a range of activities. With improved health and fitness, the over 55s will be able to pursue physical activities to an even greater age than their predecessors.

Council provides a range of facilities that offer leisure and recreation activities to seniors. There are facilities that have been built to accommodate paid entertainment and activities along with numerous sporting fields, walking and cycling tracks that are accessible by seniors at little or no cost.

Strategy	Performance Target	Actions (Statement of Means)	By When	Resp.	Actions Taken at 30 November 2016
Recreation facilities and services meet the requirements of the aged population.	No reasonable unmet recreational needs are identified.	Conduct a survey each year of older people to ascertain their recreational needs.	July each year	MSS	Not due until July 2017
The leisure and educational needs of the	The number of seniors attending library technology workshops	Conduct technology workshops to educate older people on the use of	1. Seniors Week each	Dubbo Branch Library	1 Technology workshop with 4



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older population are met.	increases annually.	new computer technologies.	year  2. Regular technology workshops provided that all members of the community can access including older members of the population	- MDB	attendees
		Continue to conduct the Home Library Service (HLS). Advertise/ promote the service widely to older people in Council publications and via the media.	Ongoing	Dubbo Branch Library - MDB	Service continues to operate with 7 volunteers. Promotion at the annual Seniors Week Expo, in house and at Dubbo Nursing Homes.
		Maintain a level of large print and audio books sufficient to meet the demand	Ongoing	Dubbo Branch Library	Large Print collection totals 4,899 items.  Spoken word

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					collection totals 2,028 items.
		Range of E-Resources to meet the needs of the aged population	Ongoing	Dubbo Branch Library	E-Audio/E-Books/E-Magazines resources available online
		Prepare plans for the development of a new public amenities block at the Dubbo Showground including accessible toilets.	June 2014	DCD	2016/17 budget has allocated \$60,000 for amenities upgrading and grant funding also being pursued. These amenities will include disabled accessible toilets.
		Investigate additional sporting activities that older people may participate in.	Ongoing	MSS	Matter being investigated through the Recreation (Strategy) Master Plan for Dubbo which was adopted by Council in November 2014.

Strategy	Performance Target	Actions (Statement of Means)	By When	Resp.	Actions Taken at 30 November 2016
		Investigate facilities at the Dubbo Regional Theatre and Convention Centre that will benefit older people's visiting experience.	Ongoing	MTCC	<p>There is an audio loop available in the 500 seat theatre and in the Theatre foyer.</p> <p>Tactile pads on the floor.</p> <p>Braille on doors of amenities.</p> <p>Passenger lift to the mezzanine level.</p> <p>Ramps and railings.</p> <p>Signage on doors and website for loud noises, strobe lighting etc.</p> <p>'Relaxed' performances for those with special needs. Wheelchair accessible seats.</p>

Strategy	Performance Target	Actions (Statement of Means)	By When	Resp.	Actions Taken at 30 November 2016
		Investigate and secure entertainment that appeals to seniors at an affordable price	Ongoing	MTCC	<p>Throughout the year entertainment that will appeal to seniors is scheduled.</p> <p>Most theatre shows offer a Concession ticket price on presentation of a Government Issued Pension Card.</p>

Strategy	Performance Target	Actions (Statement of Means)	By When	Resp.	Actions Taken at 30 November 2016
					<p>Three 2016 Season shows have been programmed as a matinee as a direct result of feedback from the Subscriber Survey.</p> <p>Direct email marketing to aged care facilities and Seniors' Villages is ongoing.</p>
		Investigate facilities at the Western Plains Cultural Centre that will benefit older people's visiting experience.	Ongoing	MCC	U3A and Family History Society operate from Community Arts Centre. Significant support given to these organisations in terms of administration and facilitation. Both the main building and Community Arts Centre are

Strategy	Performance Target	Actions (Statement of Means)	By When	Resp.	Actions Taken at 30 November 2016
					wheelchair accessible. The CAC has a lift available. A wheelchair is available for casual use. Disabled toilets are available in both buildings.
		Continue the WPCC Ambassador and Guides Programme as a social and activity outlet for seniors.	Ongoing	MCC	WPCC is no longer recruiting volunteers but continues to use the pool of volunteers already engaged.
		Provide exhibitions, workshops, lectures and other activities at the WPCC which appeal to seniors	Ongoing	MCC	The WPCC also holds monthly Dementia sufferers and U3A tours through the guiding programme. Monthly coffee meetings are held with the Schizophrenia

Strategy	Performance Target	Actions (Statement of Means)	By When	Resp.	Actions Taken at 30 November 2016
					Foundation.
		Prepare a Recreation (Strategy) Master Plan for Dubbo including services/facilities for seniors.	June 2014	MRPP	The Recreation (Strategy) Master Plan for Dubbo adopted by Council in November 2014.
		Encourage the DALC Contract Manager to conduct activities at the Centre for seniors such as aqua aerobics.	Ongoing	MRPP	DALC Master Plan being undertaken to provide greater sport and recreation services for the ageing population at the DALC.

### Safety – roads, crime

Media reports of crime and violence can often lead to seniors worrying about their personal safety. Research has shown that older people have the lowest rate of crime victimisation when compared to the rest of the population. There is a growing recognition that creating safer communities relies on both traditional law enforcement as well as a whole of government and community approach to the issue of crime. This approach recognises that most of the work of the police and the criminal justice agencies is reactive, that is, they deal with the crime after the event. It acknowledges that if we want to prevent crime and thereby reduce its impact on the community, we have to intervene before it is committed.

As Australia's population grows older, both in terms of average age, and also as a percentage of the total population, the issue of individual rights of elderly persons, and the extent and nature of the physical, financial and emotional protection which should be afforded to them, has received increasing attention from a number of Government and non-Government agencies, including the police.

Dubbo City Council works in partnership with law enforcement and human service agencies to address crime in the community. Council prepares and implements a 3 year Crime Prevention Plan which sets out strategies to address nominated crime categories. Council also has responsibility for Alcohol Free Zones and the Safety Camera System that operates in the Central Business District of Dubbo.

Road safety for seniors both in terms of road conditions and education for users is an important issue for Council to consider. Council has a responsibility to ensure that the roads that people travel on are of a standard that affords optimum safety. Ongoing education programs are also developed and delivered to seniors by Council staff in relation to driving and walking around and on roads.

The issue of increasing use of seniors' mobility scooters and their safe use will become more prevalent with an ageing population. Council should consider including education programs to address this increasing use.

Strategy	Performance Target	Actions (Statement of Means)	By When	Resp.	Actions Taken at 30 November 2016
Older people are safe on public roads.	The number of older people involved in road accidents is less than the NSW State average.	Conduct an annual road safety programme to educate older people on the safe use of roadways.	September each year	RSO	Regular road safety presentations are delivered throughout the



Strategy	Performance Target	Actions (Statement of Means)	By When	Resp.	Actions Taken at 30 November 2016
					year to Dubbo Seniors groups. General road safety, pedestrian safety and community mobility presentations were delivered to seniors.
		Prepare and distribute a brochure on the safe use of roads by older people.	December each year	RSO	RSO provides brochures at various community gatherings.
Older people feel safe living in Dubbo.	The number of crimes committed against older people in Dubbo is lower than the NSW average.	Implement actions within the Dubbo Crime Prevention Plan that have an impact on seniors.	Ongoing	MSS	Steal from Motor Vehicle and Residential Break and Enter are the crime categories in the Crime Prevention Plan. Seniors needs are considered.
		Consider crime impacting seniors	Ongoing	MSS	Orana Crime

Strategy	Performance Target	Actions (Statement of Means)	By When	Resp.	Actions Taken at 30 November 2016
		in the Orana Crime Prevention Partnership.			Prevention Partnership disbanded.
		Ensure seniors' interests are considered when reviewing the effectiveness of Safety Cameras and Alcohol Free Zones.	Ongoing	MSS	Seniors' interests considered when reviewing the Safety Cameras and Alcohol Free Zones.
		Ensure street lighting (particularly within the vicinity of aged accommodation facilities) meets the needs of seniors.	Ongoing	MCI	There have been no street lighting issues raised in relation to areas with aged accommodation so far this year.
		Ensure the principles of Safer by Design are considered when assessing Development Applications for seniors' accommodation.	Ongoing	MBD S	Principles are considered when assessing Development Applications for seniors' accommodation.
		Regularly liaise with Dubbo Police on issues to prevent crimes against	Ongoing	MSS	Consideration given in the Crime Prevention

Strategy	Performance Target	Actions (Statement of Means)	By When	Resp.	Actions Taken at 30 November 2016
		older people.			Plan.
		Conduct an annual audit of the safety of roads within the vicinity of aged accommodation facilities.	December each year	MCI	Discussions undertaken with Orana Gardens Management re pedestrian safety.

**Public Infrastructure – footpaths/ramps, disabled facilities, car parking, cemeteries, public toilets**

Public infrastructure supporting quality of life is important to meet the needs of older people. This, in conjunction with reliable, accessible, affordable and safe public transport, will enable older people to be socially active within community life, thus supporting inclusion and reducing isolation. Council works in partnership with transport providers to ensure that accessible transport options are available for seniors.

Council has responsibility for the provision and maintenance of footpaths, public car parks and public toilets.

Strategy	Performance Target	Actions (Statement of Means)	By When	Resp.	Actions Taken at 30 November 2016
Older people are able to visit the New and Old Dubbo Cemeteries in a more comfortable environment.	No reasonable complaints relating to the facilities available at the New and Old Dubbo Cemeteries.	Investigate the possibility for the provision of toilets and more shaded seating at the New and Old Dubbo Cemeteries.	June 2014	MBSC	A Master Plan for the installation of toilets at the New Dubbo Cemetery has been completed. No approval for funding provided.  Additional seating and further landscaping requirements will be addressed in a proposed beautification plan currently being drafted internally.
Older people are able to utilise Council controlled public halls because of	No reasonable complaints relating to the parking facilities available at Council	Investigate the possibility for the provision of more accessible parking at Council controlled	March each year	MSS	Matter investigated, all hall parking is

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more accessible parking.	controlled public halls.	public halls.			deemed to be accessible and appropriate for seniors.
Older people are able to safely use and access public spaces.	No reasonable complaints relating to the condition of civil infrastructure affecting the access of older people.	Monitor the condition of footpaths, roads and pedestrian ways in the proximity of aged accommodation premises.	Ongoing	MCI	Footpaths inspected as per the Defined Asset Management Policy.
		Ensure all new footpath developments include the latest in pedestrian accessibility aids including tactile sensors and gutter ramps.	Ongoing	MCI	This standard is required as a condition of development consent as and when they arise.
	No incidences of public buildings being approved not in accordance with the DCP – Design for Access and Mobility	Conduct an annual review of the Development Control Plan (DCP) – Design for Access and Mobility - to ensure it is relevant and up to date and meeting the needs of older people with accessibility problems.	December each year	DEVS ( lead agent ) / MSS	A review of the DCP has commenced and is due for completion in 2016/2017.
		Conduct an annual survey of older people to garner information on access issues in Dubbo.	July each year	MSS	Not due until July 2017.

**Volunteering – Dubbo Regional Theatre and Convention Centre (DRTCC), Western Plains Cultural Centre (WPCC), City Information Centre (CIC), Dubbo City Animal Shelter, Parks and Landcare Services and Library.**

Volunteering (both formal and informal) has many benefits. Volunteers in formal arrangements provide benefits to the local economy. Many significant services in Dubbo (including Dubbo City Council) could not operate without volunteers. Older people with skills and a desire to share their talents receive considerable social benefits from volunteering, especially if they have the time and resources to do so. Volunteering then becomes a win-win situation for the community and the individual.

Strategy	Performance Target	Actions (Statement of Means)	By When	Resp.	Actions Taken at 30 November 2016
Older people are provided opportunities to utilise their skills and experience by volunteering.	Opportunities exist within Council services / functions for older volunteers.	Conduct an annual campaign to attract older people to volunteer.	June each year	MSS (lead agent) and Managers of DRTCC, WPCC, CIC, P&L, Library.	Opportunities for volunteers to assist at library are available within Home Library Service as delivery drivers, to take material to housebound borrowers and aged care institutions.  WPCC is no longer recruiting volunteers but continues to use the pool of volunteers already engaged.
	Numbers of older volunteers is maintained / increased.	Work in partnership with the Dubbo Neighbourhood Centre to increase their volunteer base.	Ongoing	MSS	Dubbo Neighbourhood Centre has information

Strategy	Performance Target	Actions (Statement of Means)	By When	Resp.	Actions Taken at 30 November 2016
					relating to volunteering on their website. <a href="http://dnc.org.au">dnc.org.au</a>  Dubbo Neighbourhood Centre also has printed information available.
		Conduct an annual ceremony in Volunteers week to recognise the DCC volunteers.	11 - 16 May 2015	Managers of WPCC (lead agent), DRTCC, CIC, P&L, Library	Individual celebrations are held on a Divisional basis.
		Survey seniors annually to gauge the needs for and barriers to volunteering.	March each year	MSS	No issues raised by seniors.
		Include a section on Council's and the MRL's websites devoted to volunteering to assist seniors to more easily select a volunteer activity and engage in volunteering.	Ongoing	MSS (lead agent) / Marketing and Communication	Dubbo Regional Council's Website directs volunteers to a comprehensive volunteering page on the Dubbo Neighbourhood Centre (DNC) website. The DNC website is broken

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					down into different agencies that people can assist in.
		Develop a volunteer's training package to assist seniors to develop the skills to undertake volunteer activities.	Ongoing	MSS (lead agent) / Managers of DRTCC, WPCC, VIC, P&L, Library	Volunteering package was developed during 2011-2012 in collaboration with all cultural organisations within DRC. The package has been implemented in Dubbo library, Dubbo Regional Theatre, Western Plains Cultural Centre, Visitors Information Centre and Parks and Land Care. Volunteer numbers among Council's cultural services are at or near capacity.
		Continue to provide annual funding for the Dubbo Neighbourhood Centre to	Ongoing	MSS	\$5,000 provided in budget.



Strategy	Performance Target	Actions (Statement of Means)	By When	Resp.	Actions Taken at 30 November 2016
		conduct seniors' activities.			