

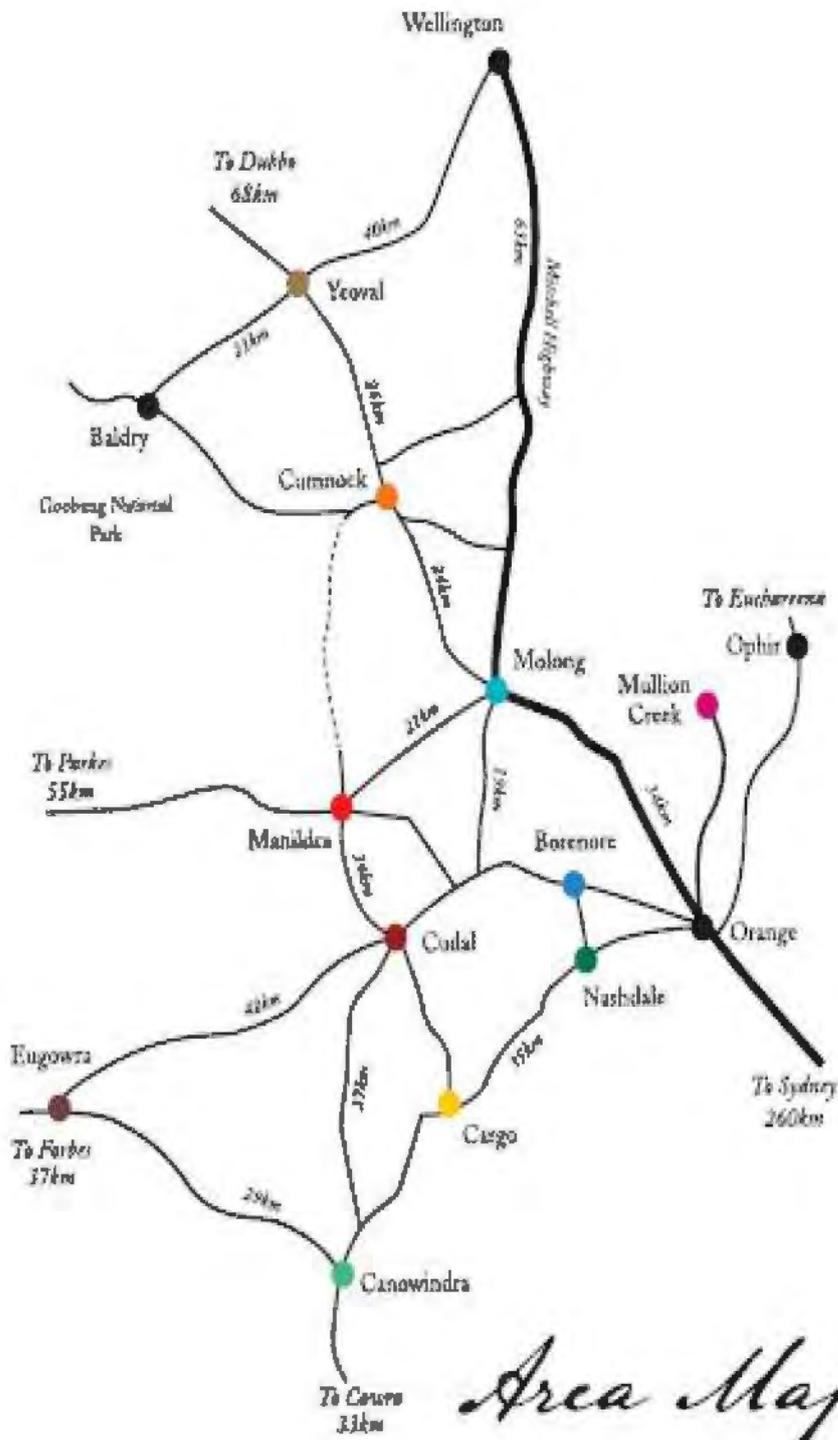


Cabonne Council Annual Report 2012/2013



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This document has been prepared in accordance with the NSW Local Government Act 1993 (the Act) – Section 428



Area Map

Villages of CABONNE COUNTRY

About the Annual Report

The Annual Report is Council's opportunity to provide information on our performance in relation to the Delivery Program and Operational Plan. The Annual Report serves as a corporate scorecard, which Council uses as a tool for planning strategies that will maximise new opportunities, improve areas of weakness, and minimise potential threats to the financial health of the organisation.

The Local Government Act 1993 requires all NSW Councils to present an Annual Report to the Minister for Local Government by 30 November each year.

Indigenous Acknowledgment

In the spirit of reconciliation, Council acknowledges and pays respect to the Wiradjuri people, traditional custodians of the land referred to as Cabonne. The culture of elders past, present and future and their unique contributions to the life of this area are acknowledged.

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- Annexure 2 – Councillors Expenses Policy
- Annexure 3 – Operational Plan (June 2013 review)

About Cabonne

Cabonne Country, "Australia's Food Basket" is a rich rural shire in central west NSW, covering the towns of Canowindra, Cargo, Cudal, Cumnock, Eugowra, Manildra, Molong and Yeoval and other localities as shown in the "Villages of Cabonne Country" map. The area is home to the site of Australia's first gold rush and is famous for ballooning, food and wine, agriculture and mining.



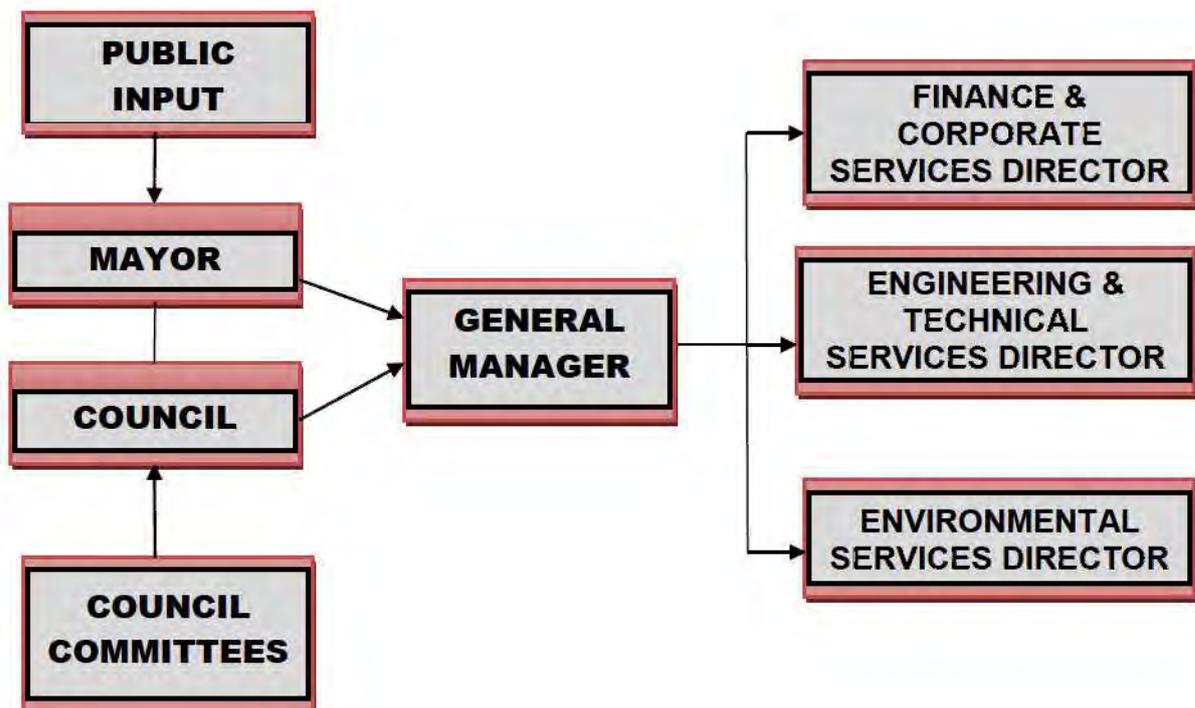
Structure & Functions of Council

Basis of Constitution

Cabonne Council is constituted under the Local Government Act, 1993 as a body politic of the State.

Council carries out its functions according to the principles stated in Section 8(1) of the Act, which is Council's Charter.

Structure



The council's charter

A council has the following charter:

- to provide directly or on behalf of other levels of government, after due consultation, adequate, equitable and appropriate services and facilities for the community and to ensure that those services and facilities are managed efficiently and effectively
- to exercise community leadership
- to exercise its functions in a manner that is consistent with and actively promotes the principles of multiculturalism
- to promote and to provide and plan for the needs of children
- to properly manage, develop, protect, restore, enhance and conserve the environment of the area for which it is responsible, in a manner that is consistent with and promotes the principles of ecologically sustainable development
- to have regard to the long term and cumulative effects of its decisions
- to bear in mind that it is the custodian and trustee of public assets and to effectively plan for, account for and manage the assets for which it is responsible
- to engage in long-term strategic planning on behalf of the local community
- to exercise its functions in a manner that is consistent with and promotes social justice principles of equity, access, participation and rights
- to facilitate the involvement of councillors, members of the public, users of facilities and services and council staff in the development, improvement and co-ordination of local government
- to raise funds for local purposes by the fair imposition of rates, charges and fees, by income earned from investments and, when appropriate, by borrowings and grants
- to keep the local community and the State government (and through it, the wider community) informed about its activities
- to ensure that, in the exercise of its regulatory functions, it acts consistently and without bias, particularly where an activity of the council is affected
- to be a responsible employer

General Manager's Message

Sound and responsible financial management has been a hallmark of Cabonne Council for the past 25 years and remained a key objective of over the past year. It has resulted in a viable organisation extremely well equipped to meet the current and future needs of our diverse rural shire. This was supported by a NSW Treasury Corporation (TCorp) report which rated Cabonne's financial position in the top 22 per cent of councils in the state, and one of only 34 out of 152 to have a financial rating of sound or better.



Council's Operational Plan is built on this fiscally responsible platform whilst attempting to fulfil the community's expectations, particularly the maintenance of Cabonne's very large roads network.

This was in line with the objectives of the Cabonne Community Strategic Plan 2025, a long-term plan identifying the community's main priorities and aspirations for the next decade or so.

All facets of the Operational Plan relate to the Community Plan which was developed through close consultation, co-operation and collaboration with many community members.

This Annual Report covers Council's official reporting requirements under Section 428 of the Local Government Act and ensures that Council is satisfying its statutory obligations to relevant Government agencies.

The importance of this document in informing ratepayers, residents and other key stakeholders cannot be underestimated and I invite you to examine this report.

Should you require any further information, please feel free to contact Council's Public Officer, Mr Gerry Aguila on (02) 6392 3221.

A handwritten signature in black ink, appearing to read 'A.L. Hopkins'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Andrew L Hopkins
General Manager

Mayor's Message

Upgrading and maintaining our vast roads network was a major priority for Cabonne Council in 2012-13 and will continue to be in coming years.

Almost \$16 million was spent in roads and transport funding – a 30 per cent increase on the previous year's allocation which was also a record.

Other major items included:

- \$4.1m for the Cumnock and Yeoval sewerage schemes, which are on schedule to be completed at the end of 2013 or early 2014;
- \$2.7m for water supply projects, including reservoir upgrades and environmental flows in Molong Creek;
- \$2m to redevelop Canowindra swimming pool;
- \$1.3m for community services such as Family Day Care, Home and Community Care, community transport and family support programs; and
- \$1m for floodplain works.



I congratulate General Manager Andrew Hopkins and his senior staff for their responsible fiscal management which has further enhanced Cabonne Council's strong financial position.

Unlike some other councils, Cabonne has not sought a rate increase above the limit set by the Independent Pricing and Regulatory Tribunal.

The fact we don't need to apply for a special rate increase underlines Cabonne's financial stability.

It was an honour and a privilege to serve the people of Cabonne in my initial term as Mayor in 2012-13 and as we enter an era of change and reform for Local Government, this council will work harder than ever to represent residents' and ratepayers' interests and generate ongoing growth in Cabonne.

A handwritten signature in black ink, appearing to read "I. Gosper". The signature is written in a cursive style and is positioned above the printed name.

Clr Ian Gosper
Mayor

Achievements in Implementing the Community Strategic Plan

s428(2)

Council has introduced a new integrated planning and reporting (IPR) framework which replaces the former Management Plan and Social Plan, as pictured below.

The new framework opens the way for Council and the community to have important discussions about funding priorities, service levels, preserving local identity and planning in partnership for a more sustainable future. The result of these discussions is a community strategic plan (CSP), “**Cabonne 2025**”.

It is reiterated that Council alone cannot deliver all the strategic outcomes in the CSP, rather cooperation across the various sectors of the community will be required.



Cabonne 2025 has various components. Of relevance here are the performance measures used to help us know if our efforts are making a difference and helping achieve the preferred future.

A commentary on Council’s achievements in implementing the community strategic plan over the previous 4 years of each Council Term will be included in the 2015-16 Annual Report.

Principal Activities of the Delivery Program

s428(1)

The Delivery Program deals with the work Council can do to achieve the CSP strategic outcomes where Council has a role.

Council’s achievements in implementing the Delivery Program and the effectiveness of the principal activities undertaken in achieving the objectives at which those principal activities are directed are addressed in Council’s Operational Plan.

Performance achieved in these areas compared with the projected performance is contained in Council's Final Operational Plan (June review) for 2012/2013 which is attached: a final progress comment is included for each item.

Where actions have not been able to be completed in the 2012/2013 year, if appropriate, they have been transferred to the Operational Plan for 2013/2014.

Functions & Objectives

Council has adopted as its Vision:

"To be a progressive and innovative Council which maintains relevance through local governance to its community and diverse rural area by facilitating the provision of services to satisfy identified current and future needs"

In support of this, Council's functional areas and corresponding strategic objectives (Future Directions) as defined within the Community Strategic Plan are:

1. Connect Cabonne to each other and the world

1. A safe, efficient, quality and well maintained urban and rural transport system for vehicles and pedestrians on Cabonne's local, regional and state road networks.
2. Everywhere in Cabonne has access to contemporary information and communication technology.
3. A range of transport options in to, out of and around Cabonne are affordable and available.
4. Transport infrastructure meets agricultural needs to get goods to and from market.
5. Access to major metropolitan markets enables the growth of tourism.

2. Build Business and Generate Employment

1. A strong and vibrant local business sector.
2. Coordinated tourism product and a thriving visitor industry in Cabonne.
3. Increased viable, sustainable and value adding businesses in Cabonne.
4. Jobs for Cabonne people in Cabonne.

3. Provide and Develop Community Facilities

1. Pre school, play group, child care and youth facilities are available across the Shire.
2. Health and aged care facilities meet local community needs.
3. Sporting, recreational, council and community facilities and services are maintained and developed.
4. Cabonne has the education services and facilities to be a contemporary learning community.

4. *Grow Cabonne's Culture and Community*

1. A successful balance of village and rural living.
2. A network of viable, relevant and cultural facilities exists in Cabonne.
3. Beautiful towns and villages with historic assets cared for and preserved.
4. Community events build visitation, generate investment and strengthen community well being.
5. A Council that is effective and efficient.

5. *Manage our Natural Resources*

1. All villages have a secure and quality water supply.
2. Flood mitigation processes are in place.
3. Sustainable solid and liquid waste management practices are in place across Cabonne.
4. Primary producers use best practice methods and systems that respect the environment.
5. All natural resources are managed sustainably in a planned way.
6. Risk management processes are in place for natural disaster events.
7. Alternative energy development is considered and utilised where appropriate.

Effect That Council Functions Have on the Public

The Council's functions are directed towards meeting the needs and expectations of the public, which it serves, and to fulfil legislative and regulatory requirements. In fulfilling these requirements, Council makes decisions that impact the public. These include determining:

- The rating structure and the amount of rates paid by property owners
- Fees and charges levied by Council
- Development and Building applications
- Policies and procedures in the provision of services

Council Policy Development – Public Participation

Meetings of the Council and its Committees are open to the members of the public and all are welcome to attend.

In some instances Council invites submission from the public to some of its policies when they are reviewed e.g. Code of Meeting Policy and Payment of Expenses and Provision of Facilities for Mayor and Councillors Policy.

The opportunity is also offered to members of the public to address Council on matters that are within its jurisdiction. Prior arrangements should be made with the General Manager.

In addition, Council periodically holds informal meetings in towns and across the Local Government Area to allow residents to raise matters of public interest with Councillors and Senior Staff.

Business papers and minutes of Committee and Ordinary Council meetings are placed on Council's Website under "Council", "Council Business Papers and Minutes" www.cabonne.nsw.gov.au. Council's Integrated Planning and Reporting documents, Annual Financial Statements and Annual Report can also be accessed on the website.

Types of Documents held by Council

Cabonne Council holds documents that relate to a number of different issues concerning the Cabonne area. These documents cover a wide range including; files, policy documents, general documents and legal documents.

Some of these documents may be made available to the public by either requesting them over the phone, in person or in writing. Documents that are not normally available to the public may require an access application form to be completed under the Government Information (Public Access) Act 2009 in order that the release of such documents can be assessed.

Because of the wide range of files, documents, manuals etc, held by Council, it may well be that the information sought is not immediately available. Every effort will be made to comply with requests for access to information as quickly as possible.

How Members of the Public May Access Council Documents

Any Government Information (Public Access) Act 2009 inquiries or other document access inquiries should be directed to: Council's Right to Information Officers, Cabonne Council, Bank Street or PO Box 17, MOLONG NSW 2866. Tel: (02) 6392 3200 Fax: (02) 6392 3260 or email to council@cabonne.nsw.gov.au.

Council's reporting obligations under the Government Information (Public Access) Act 2009 and Privacy and Personal Information Protection Act 1978 are also addressed in this report.

Financial Reports

s428(4)(a)

A copy of the Cabonne Council *AUDITED FINANCIAL REPORTS* General Purpose Financial Statements is attached as an annexure to this report. A copy is also available by contacting Council's Public Officer on (02) 6392 3200.

Amount of rates and charges written off during the year

cl132

Total rates and charges abandoned during 2012/2013	\$234.12
Water/Sewer charges abandoned during 2012/2013	\$20,094.87
TOTAL	\$20,328.99

Corporate

Summary of the amounts incurred by the council in relation to legal proceedings

cl 217(1)(a3)

Amounts, costs and expenses paid or received

Debt recovery: All debt recovery proceedings are either finalised or proceeding in accordance with Councils debt recovery procedures.	\$31,847.04
Investment	\$ Nil
Legal Advice (not proceeding to court)	\$33,245.79
Total	\$49,665.04
Legal Proceedings	\$27,697.67
Public Liability claims	0.00
Employment Advice	0.00
Total	\$27,697.67

Summary of the state of progress of each legal proceeding and (if it has been finalised) result

With the exception of sundry public liability and professional indemnity claims, there was only one matter – v - Cabonne Council which was settled out of court by both parties. Legal expenses incurred amounting to the sum of \$27,697.67.

Policy on the provision of facilities for use by Councillors and the payment of Councillors Expenses

Council's policy on the provision of facilities and payment of expenses is available for perusal on Council's website or by contacting the Public Officer of Council: a copy is annexed.

Overseas visits Funded by Council

During the period, Council did not fund any overseas visits.

Mayoral/Councillors Fees and Total amount of money expended on the Provision of Facilities and Payment of Councillor Expenses

cl 217(1)(a1)

Mayoral allowance	\$ 21,237.09
Councillors Fees & Allowances	\$117,153.73
Councillor Expenses:	
• Provision of office equipment to Councillors	\$36.36
• Telephone Calls	\$501.67
• Attendance of Councillors at conferences & seminars	\$5,381.02
• Councillor Training	\$ Nil
• Travelling	\$22,795.10
• Interstate Visits	\$1,602.92
• Overseas Visits	\$ Nil
• Expenses of spouses/partners	\$Nil
• Carers Expenses	\$ Nil
• Meals	\$12,218.46
• Miscellaneous (stationery, uniform, name tags, internet)	\$4,077.50
• Insurance	\$2,219.75
Total	\$187,223.60

Statement of the total Remuneration of the General Manager and Senior Staff Members

cl217(1)(b) and cl217(1)(c)

Cabonne Council employs one (1) position as senior staff, that being the General Manager.

Remuneration Package Break-up as at the 30th June 2013

General Manager - Andrew L Hopkins					
Salary	Bonus, performance or other payments that do not form part of salary component	Total Superannuation (salary sacrifice and employer contribution)	Total value non-cash benefits	Total payable fringe benefit tax for non-cash benefits	Total Contract
Included in Contract	Nil	Included in Contract	Nil	Included in Contract	\$220,000

Corporate

Contracts Awarded

Detail of contracts awarded (for contract amounts greater than \$150,000).

Name	Good or Service supplied	Total contract amount
Downer EDI	Sprayed bituminous sealing	\$4,555,487 (exclusive of GST) over the two years
Transbridge	Demolition and construction of Cottons bridge	\$266,740 (incl. GST)
Shumack Engineering	Construction of Nashdale rail overbridge	\$910,822 (incl. GST)
TWS	Construction of Manildra sewer pump station	\$229,928 (incl. GST)
PJ & FB Carmen	Supply and installation of on property works for the low pressure sewer system at Yeoval and Cumnock	\$1,335,136 (incl. GST)
Bedrock Drilling	Provision of Underboring services for low pressure sewer system at Yeoval and Cumnock	Minimum cost \$180,700 (incl. GST) to Maximum cost \$460,600 (incl. GST)
Aqua West	Irrigation centre pivots for Cudal and Manildra sewerage treatment plants	\$231,138.53 (Incl. GST)
Promains	Supply of pipe and Electrofusion fittings for Cumnock and Yeoval sewerage scheme	\$215,875.85 excluding GST
Smiths Earthmoving	Construction of Cumnock and Yeoval sewerage treatment plants	\$2,950,397 (incl. GST)
TWS	Design and construction of Molong water treatment plant chemical dosing systems	\$307,672 (Incl. GST)
Beau Corp	Design and construct Canowindra pool complex redevelopment	\$1,808,000 (Incl. GST)

Social Performance

(prev. Social Plan)

Programs for Diverse Cultural and Linguistic Backgrounds

Frontline administrative staff cater for all sections of the community, including those from diverse cultural and linguistic backgrounds. Council has adopted a Social Plan detailing specific strategies to address the needs of this group. Contact numbers for the telephone interpreter service are held at each of Council's offices.

Council's Community Services section takes care to ensure that the special needs of clients from diverse cultural and linguistic backgrounds are taken into account in the provision of services.

Council conducts regular Citizenship Ceremonies in accordance with the Australian Citizenship Act 2007 and seeks to welcome participants as full Australian Citizens recognising their cultural contributions to our Society. Ceremony proceedings are conducted when required and reflect the significance and dignity of the occasion. In 2012/2013 nine (9) residents became Australian citizens at ceremonies organised by Council.

Activities to develop and promote service and programs that provide for the needs of children

Cabonne Council's Family Links service has continued to promote services for children, with a special emphasis upon identifying and assisting children and families under stress and those with additional needs.

This has included sponsorship of Brekky Club at Cumnock, facilitating Community reading days, encouraging young mothers to use playgroup, assisting Family Daycare and preschool services to arrange and run training sessions to help them implement and meet high quality childcare standards, working with local schools, and the Homestart Service to identify and meet the needs of children within the community and provision of information to families and children.

Family Links has been working closely with Orange and District Early Education Program to provide additional support sessions for children in Cabonne with this service now making weekly visits.

The Cabonne/Blayney Family Day Care Scheme has been serving the community through the provision of quality subsidised childcare in the homes of carers and has outreached to families through monthly playgroups, National Families Week, Children's Week, Christmas parties and events held throughout the year within the Cabonne and surrounding areas.

The Scheme has grown substantially over the past year, recruiting new educators and improving the quality of the service through regular monthly support visits, training, and meetings for all educators and staff. The Family Day Care Scheme encourages the use of their building at Molong by other organisations. Early Intervention, community playgroups and the local mothers group currently utilise the building and resources. This relationship with other early childhood and health professionals strengthens the service's quality and builds positive relationships between organisations within the community.

Access and Equity

During 2012/2013 Council made significant progress in improving physical access to Council assets and equitable service provision to all people in the Cabonne LGA.

Significant works to improve access for people with disabilities has been included in Council's budget and includes the continuing implementation of Council's Pedestrian Access and Mobility Plan (PAMP) with funding support from the RTA, with key areas of high use targeted for improvements to their accessibility.

Achievements made by Council this year have included the construction of additional disabled parking, improved access to Countrylink Buses at Canowindra and the purchase of a modified vehicle accessible to people in wheelchairs for Council's Community Transport Service.

Included in its Delivery Program and Operational Plan, Council made a budget allocation of \$45,000 for improvement of access in Cabonne towns and villages in the 2012/2013 financial year.

In early 2013 Council established a disability reference group to assist it in assessing development applications and ensuring council works and activities catered for the needs of people with disabilities.

Council's Social Plan also recommended that Council continue to maintain and develop a range of Community Transport Services for older people and this has been followed up with an increased number of bus and individual trips being arranged many of which were for people with functional disabilities.

With the introduction of IPR the cessation of the Social Plan was heralded. It will be important that all social issues are addressed in the Community Strategic Plan and flow down through the Delivery Program and Operational Plan. For example inclusion of the groups formerly referred to as 'target groups' in the social planning process which include:

- Children
- Young people
- People with disabilities
- Older people
- Women
- Aboriginal and Torres Strait Islander people
- People from culturally and linguistically diverse backgrounds
- People from diverse sexualities

People with disabilities for example may have different housing needs to those of the general community. Giving particular consideration to these groups will help to ensure that all members of the community receive a fair go in planning future services or facilities and that the council meets the requirement to ensure the Community Strategic Plan is founded on social justice principles.



Community Transport Vehicle Launch November 2012 with (l to r) Felicia Shannon, Mayor Clr Ian Gosper, Ellie Middleton and State Member Andrew Gee MP.

Financially Assist Others: Contributions and Grants under s356

cl 217(1)(a5)

Council provides contributions and grants consistent with its Donations Policy.

Miscellaneous Financial Assistance	\$51,405.50
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Delegation to External Bodies

cl 217(1)(a6)

Council delegates the care, control and management of a number of its responsibilities to Community Committees under s377 of the Local Government Act, 1993. A list of these committees and their principal activities is detailed below. Council reviews its delegations annually, in accordance with the Local Government Act.

SECTION 355 COMMITTEES	WORK, PROPERTY OR UNDERTAKING
Acacia Lodge Management Committee	Molong Community Housing
Age of Fishes Museum Canowindra Committee	Age of Fishes Museum
Amusu Theatre Inc	Amusu Theatre
Canowindra Beautification Committee	Canowindra Court House & Beautification of Canowindra
Canowindra Pre-School Kindergarten	Canowindra Pre-School Building
Canowindra Sports Trust	Canowindra Sports Complex
Cargo Community Centre Committee	Cargo Community Centre
Cudal Community Children's Centre Committee	(Pre-School) Cudal Community Children's Centre
Cudal Homes for Aged Persons Committee	Boree Lodge
Cumnock & District Progress Association	Crossroads Building Obley St Cumnock
Cudal Memorial Pool Committee	Cudal Memorial Swimming Pool
Cumnock Community Centre Committee	Cumnock Community Centre
Cumnock Pool Committee	Cumnock Swimming Pool
Doctor for Cudal Committee	Doctors Residence – Cudal
Eugowra Community Children's Centre and Preschool Committee	Eugowra Community Centre & Preschool

SECTION 355 COMMITTEES	WORK, PROPERTY OR UNDERTAKING
Eugowra Medical Centre Committee	Doctors Residence & Surgery - 47 Nanima St Eugowra
Eugowra Memorial Pool Committee	Eugowra Memorial Swimming Pool
Eugowra Promotion & Progress Association	Eugowra Historical Museum & Bushranger Centre
Eugowra Self Care Units Committee	Eugowra Self Care Units
Manildra Memorial Hall Committee	Manildra Memorial Hall
Manildra Memorial Pool Committee	Manildra Memorial Swimming Pool
Manildra Sports Council	Manildra Sports Complex
Molong & District Health Watch Committee	Molong Doctor's Surgery
Molong Town Beautification Committee	Beautification Projects in & around Molong
Moorbel Hall Committee	Moorbel Hall Canowindra
Yeoval Memorial Hall Management Committee	Yeoval Memorial Hall
Yeoval Pool Committee	Yeoval Swimming Pool
Yeoval Progress Association	O'Halloran's Cottage and Buckinbah Park

Statement of all Corporations, Partnerships, Trusts, Joint Ventures, Syndicates or other bodies in which Council holds a controlling interest

cl217(1)(a7)

Cabonne Council does not hold a controlling interest in any company.

Statement of all Corporations, Partnerships, Trusts, Joint Ventures, Syndicates or other bodies Statement in which the Council participated

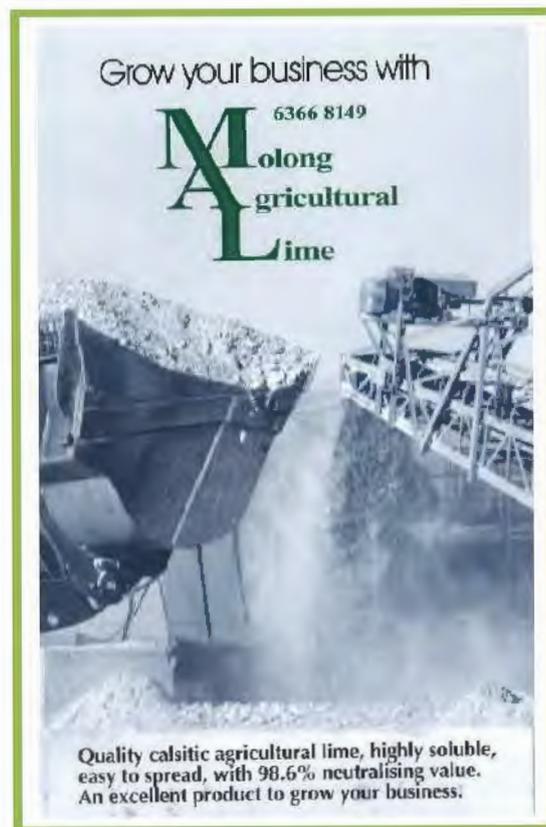
cl217(1)(a7)

- Statewide Insurance Group - bulk purchase of Public Liability, Professionals Indemnity, Motor Vehicle and Fidelity Guarantee Insurance.
- Central West Regional Organisation of Councils (CENTROC).
- Central West Libraries - comprising Cabonne, Orange, Blayney, Forbes and Cowra Councils.
- Southern Phone Company – shareholder.
- Wellington Blayney Cabonne Strategic Alliance.

Business Activities

Category 1- Businesses

Cabonne Council Agricultural Lime Quarry



Category 2 – Businesses

Cabonne Council Combined Water Supplies

Cabonne Council Combined Sewerage Supplies

Corporate

Report on special variation expenditure if required to do so by the instrument made by the minister

s508(2) and s508A

There was no requirement to report on this matter.

Public Interest Disclosures

1. Statistical information on PIDs

July 2012 – June 2013	
Number of public officials who made PIDs	1
Number of PIDs received	2
Of PIDs received, number primarily about:	
Corrupt conduct	1
Maladministration	
Serious and substantial waste	
Government information contravention	
Local government pecuniary interest contravention	1
Number of PIDs finalised	2

Note: The number of PIDs finalised only refers to PIDs that have been received since 1 January 2012.

2. Commentary on PID obligations

- 2.1. Council adopted a Public Interest Disclosures (Internal Reporting) Policy at its November 2011 Council meeting.
- 2.2. Staff awareness obligations regarding Public Interest Disclosures have been made as follows: Policy briefing from senior managers, training provided by the Ombudsman, training provided by Council, training to new staff during inductions and links on both Council's intranet and internet sites.

Government Information (Public Access) Act 2009

s125(1), cl 7 Schedule 2 AM Gerry DONE

The Government Information (Public Access) Act 2009 (GIPA) commenced from 1 July 2010. This replaced the Freedom of Information Act. The GIPA Act objective is to open government information to the public by:

1. authorising and encouraging the proactive public release of government information by agencies,
2. giving members of the public an enforceable right of access to government information, and
3. providing that access to government information is restricted only when there is an overriding public interest against disclosure.

Currently Council makes much of its information publicly available on its website. Council is currently satisfied with the level of government information currently available. Council will endeavour to proactively release any newly created documents that should be made available in the public interest as well as:

1. *Any information formally requested, not requiring third party consultation, where the applicant has indicated that they will be requesting regular updates;*
2. *Media releases; and*
3. *Any Information considered to be of interest to the public (not already required to be released)*

consistent with Council's proactive release program.

Council will only require formal GIPA applications as a last resort where there would appear an overriding public interest against disclosure.

In the 2012-13 year Council received three (3) formal access applications (including withdrawn applications but not invalid applications).

There were no access applications received by Council during the year that Council refused access, either wholly or partly, to the information because the applications were for information where there was an overriding public interest against disclosure.



The tables at the end of the report set out information relating to the access applications made to Council during the 2012-13 year.

The information is provided in the format required by the Government Information (Public Access) Regulation.

For more information about GIPA visit www.ipc.nsw.gov.au or phone 1800 472 679.

Statement of Activities to Implement Council's Equal Employment Opportunity Management Plan

cl217(1)(a9)

The statements of activities that have been completed in the EEO Management plan are:

- Ensuring that all employees and councillors are aware of their responsibilities regarding EEO
- Position Description have been reviewed for accountabilities to EEO principles as a core competency
- All advertisements are checked by the HR Officer prior to going to press to ensure compliance to EEO principles and free from bias
- All interview panel members are reminded of their responsibilities under EEO prior to interviews, ensuring that all questions are relevant to the positions and based on the position specification •Ensuring that all appointments are made on merit.
- Induction sessions are held, and all new employees are made aware of Council's EEO and Bullying & Harassment policies.

Human Resource Activities/Development Appraisal Systems/Training Programs

The Local Government (State) Award 2010 provides for each Council to establish and properly maintain a Consultative committee which provides a forum for consultation between Council and its employees. The Committee comprises representatives from Council, Management, office and field staff.

During 2012/2013 the Cabonne Consultative Committee met on 5 occasions to discuss matters relating to Human Resource Activities and conditions of employment.

Council has a Development Appraisal System in place where all staff are reviewed annually. As a result of the review the tasks required in the position are assessed along with the staff member's skills, knowledge and ability to undertake the job. Goals are determined for the following 12 months and training requirements identified for each staff member.

External training arrangements were undertaken by staff during 2012/2013. In addition, in-house training was also provided to staff whose positions were of a nature which enabled on-the-job instruction.

Council continued to dedicate a significant amount of the training budget to Occupational Health and Safety related programs during the 2012/2013 financial year.

The major areas for training included Traffic Control, Working near Overhead Powerlines, Chainsaw Operation, Confined Spaces, Senior First Aid, Chemical Applications, Rail Industry Induction and Powers and Duties of Local Government Engineers. A total of 10 staff members continue to study for qualifications with assistance from Council, with qualifications ranging from Certificate III to Diploma level.

A number of professional development activities, seminars, and workshops were also attended by both indoor and outdoor staff to ensure they were kept up to date with current trends and changes in their areas of expertise.

Council continues to support apprenticeships and traineeships with its involvement in the Wellington, Blayney & Cabonne Strategic Alliance.

Council also supports a Work Experience program for local school students, coordinated through the school's Careers Advisor.

State of the Environment Report

s428A(1)

Council's Community Strategic Plan has the following environmental strategic objectives which are to be addressed within the Regional State of the Environment Report.



All villages have a secure and quality water supply.



Flood mitigation processes are in place.



Sustainable solid and liquid waste management practices are in place across Cabonne.



Primary producers use best practice methods and systems that respect the environment.



All natural resources are managed sustainably in a planned way.



Risk management processes are in place for natural disaster events.



Alternative energy development is considered and utilised where appropriate.

The Regional State of the Environment Report 2012–2013 being prepared and will be available as a separate document accessible through Council's website www.cabonne.nsw.gov.au. The regional report is a collaborative project facilitated through a partnership between local government and the Central West Catchment Management Authority.

Planning Agreements

s93G(5) [Environmental Planning And Assessment Act 1979]

Council did not enter into any planning agreements during 2012-2013.

Statement of Activities in Relation to Companion Animals Management and Guidelines on the Exercise of Functions Under the Companion Animals Act

cl217(1)(f) and Guidelines on the Exercise of functions under the Companion Animals Act

- 1. Lodgement of pound data collection returns with the Division of Local Government (DLG) - 16.2(a) Guidelines**
A return of Council seizures of cats and dogs for 2012/2013 was completed and returned to the Department of Local Government by 30th September 2013.
- 2. Lodgement of data relating to dog attacks with the DLG - 16.2(b) Guidelines**
There were seven (7) dog attacks registered with the DLG in the 2012/2013 financial year.
- 3. Amount of funding spent on companion animal management and activities - 16.2(c) Guidelines**
The amount of \$148,254 was spent on companion animal management and activities in the 2012/2013 financial year.
- 4. Companion animal community education programs carried out - 16.2(d) Guidelines**
Nil

Environmental



5. **Strategies council has in place to promote and assist the de-sexing of dogs and cats - 16.2(e) Guidelines**
At this stage, only the brochures supplied by the DLG are available at Council's offices.
6. **Strategies in place to comply with the requirement under section 64 (Companion Animals Act) to seek alternatives to euthanasia for unclaimed animals - 16.2(e) Guidelines**
Council delivers unclaimed animals to the RSPCA to be re-homed. Cabonne Council is also in the process of developing a new animal management plan.
7. **Off leash areas provided in council area - 16.2(f) Guidelines**
No areas are currently available as off leash area but this will be addressed in the new animal management plan.
8. **Detailed information on the use of companion animals fund money for management and control of companion animals in the area – 16.5 Guidelines**
The amount of \$7,600 companion animal fund money was received for 2012/2013 year and went towards Ranger salary, animal shelter maintenance and operating costs.



Environmental

Condition Of Public Works

The condition of Public Works infrastructure for 2012/13 has been reported in accordance with the status of the infrastructure data collection required by AAS27, and bearing in mind the limitations as detailed in the previous section associated with performance in principal activities.

Special Schedules report refers to the relative value, condition and maintenance requirements of those assets, as at 30 June 2013.

- Estimate of cost to bring to satisfactory standard

Council completed “fair value” evaluation of its Buildings and Recreation assets in 2012. The results of this valuation are reported in Special Schedules and establish the cost to bring to a satisfactory standard.

- Estimated Annual Maintenance Expense

This figure as outlined in Special Schedule report is based on the predicted maintenance vote for the upcoming financial year.

- Maintenance program for 2012/2013

These figures as outlined in Special Schedules report relate to the maintenance and repair costs for the various assets finalized in the 2012/2013 statements. Improvement items have not been included in these figures.

Water and Sewerage Schemes

Special Schedules report refers to the relative value, condition and maintenance requirements of those assets, as at 30 June 2013.

Public Roads and Bridges

Special Schedules report refers to the relative value, condition and maintenance requirements of those assets, as at 30 June 2013.

This register includes all regional and local roads within the Local Government Area. Currently there are some 210km of sealed regional road, 1229km of unsealed gravel local road and 603km of sealed local road that have been inspected, recorded and evaluated both in terms of service condition and replacement value.

Urban roads (including laneways) are defined by all road reserves within the townships and villages that are zoned 2(v) under the Environmental Planning and Assessment Act, 1979.

Roads beyond this zoning are classified as rural local or rural regional. Council also maintains some 167 kilometres of state road (RMS controlled) under the RMCC agreement between Council and RMS.

- Data Collection

Road asset data collected to date includes the full inspection and condition rating of both rural and urban, local and regional roads throughout the Local Government Area. The full condition rating and data collection was performed according to Council policy.

Council Roads Assets have undergone “fair value” re-evaluation in 2012/2013.

Council’s Road Asset Register identifies rural roads by number and name and is segmented by surface type and condition as well as by intersections and bridge locations.

- Condition Rating

The condition rating systems used in the evaluation of road assets was based on that as presented in Infrastructure Management Guidelines.

The Road Asset Group is rated from ‘as new’ to ‘very poor’ or ‘for replacement’.

- Depreciation

Depreciation rates are disclosed against each category of rate in the Special Schedule report.

- Level of Service Considerations and a Satisfactory Condition

In more recent times Council has considered road asset condition data to aid in policy development and the definition of service levels for the road network. Whilst the existing level of service is considered to be below a desirable level, Council will continue to extend the sealed road network whilst still having regard for the existing sealed roads. Asset renewal has been included in Council’s Management Plan as a standing item.

Council’s draft Roads Asset Management Plan establishes a road hierarchy and associated levels of service. The AMP will also provide Council with financial consideration.

- Bridges on Local Roads

Council is the custodian of 108 bridges and major culverts on local roads which it is required to fund itself. All but five (5) of these structures are new steel or reinforced concrete structures. The remaining timber structures are:

1. “St Germain’s” – Bocobora Road
2. “Orana” – Paling Yards Loop
3. “Bangaroo” – Cabonne/Cowra
4. “Stock route” – Eugowra
5. “Baghdad” – Baghdad road

“Toms Waterhole” has been completed along with culvert widening and alignment improvement at ‘The Gap’ on Packham Way between Molong and Manildra.

Some existing steel and concrete bridges identified in the 2012/2013 condition rating also require replacement:

1. “Cottons” Gumble Road Manildra
2. “Marylebone” Davys Plain Road Cudal
3. “Back Creek” Euchareena Road Molong. Note: this structure scheduled for widening in 2012/13 by Orange City Council as a condition of an approved DA. Completed May 2013.
4. “Washpen” Gundong Road Yeoval

- Bridges on Regional Roads

Council is also responsible for a further 12 bridges on regional roads which are funded by the RMS of these structures the following projects have been identified as priority replacements:

- “Murrays Bridge” on the Banjo Patterson Way north of Cumnock towards Yeoval is completed.
- “Douglas Bridge” between Eugowra and Canowindra has also been completed.
- “Hanover Bridge” between Cumnock and Yeoval is listed for future replacement when RMS funds are available under the BLOCK grant funding. Significant road realignment will also be required, and as for “Murrays Bridge” funding over at least three (3) financial years will be necessary.

A statement detailing the stormwater management services provided (if levied)

Stormwater Drainage Systems

Construction of a reinforced concrete box drain along Iceworks Lane, Molong was completed. The drain replaces an open unformed drain in the laneway from Gidley Street easterly approximately 100m.

Construction of pipes and culvert in Mill Street Canowindra under this funding program was completed in this reporting period.

Council has a drainage asset register which records all drainage assets under the operation and maintenance of Cabonne Council. This register includes all pipes, culverts and channels within the urban areas. All drainage assets have been inspected, recorded and evaluated both in terms of service condition and replacement value. Drainage assets within Cabonne Council make up a relatively small portion of the infrastructure operated and maintained by Council. In general the stormwater systems in the Council’s seven villages are in a satisfactory condition, however there are signs of deterioration. Council’s Stormwater Drainage Management plan involves all of the Cabonne villages and is subject to annual review.

Council’s 2012/2013 Management Plan includes a program for stormwater improvements funded from the levy. The Urban Stormwater Works Service Levy program identifies projects through to 2012/2013 and is reviewed annually.

Council commenced work on projects identified in the Urban Stormwater Works Service levy in 2007. The Urban Stormwater Levy is included in the Cabonne’s Annual Budget which is part of Council’s Management Plan.

Data Collection

The data collected in 2007 was recorded on Microsoft Excel and MapInfo and a review commenced on 2012/13.

Major Stormwater improvements for Riddell Street and at other locations throughout Molong included installation of 5 flood gates.

Condition Rating

The condition rating systems used in the evaluation of drainage assets in 1997 was based on the RMS ROCOND 90 and has since been converted to that as specified in the Special Schedules report.

The tables labelled as *Special Schedule No. 7 - Condition of Public Works* in Council's Financial Statements summarise the estimated costs to bring Council's public works assets to a satisfactory standard. They also provide a summary of estimated annual maintenance expenses and programmed maintenance works.

Private Works carried out under s67 of the Local Government Act
s67(3) cl 217(1)(a4)

During 2012/2013, Council carried out private works comprising of things such as noxious weeds spraying, water delivery, gravel re sheeting, slashing of fire breaks etc., the expenditure on which totalled \$454,000. None of these works were subsidised under s67 of the Local Government Act, 1993.



GIPA access applications tables

Table A: Number of applications by type of applicant and outcome*								
	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	0	1	0	1	1	0	1
Members of the public (other)	1	0	0	0	0	0	0	0

*More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

Table B: Number of applications by type of application and outcome								
	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	1	0	1	0	1	1	0	1
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

*A *personal information application* is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

The total number of decisions in Table B should be the same as Table A.

Table C: Invalid applications	
Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	2
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	2
Invalid applications that subsequently became valid applications	0

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the Act	
	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

*More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

Table E: Other public interest considerations against disclosure; matters listed in table to section 14 of the Act	
	Number of occasions when application not successful
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	0
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table F: Timeliness	
	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	2
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	2

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)			
	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner*	0	0	0
Internal review following recommendation under section 93 of Act	0	0	0
Review by ADT	0	0	0
Total	0	0	0

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

Table H: Applications for review under Part 5 of the Act (by type of applicant)	
	Number of applications for review
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

Cabonne Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2013

*“...providing sustainable local government to our rural communities
through consultation and sound financial management”*



Cabonne Council

General Purpose Financial Statements

for the financial year ended 30 June 2013

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Overview

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

(ii) Cabonne Council is a body politic of NSW, Australia - being constituted as a Local Government area by proclamation and is duly empowered by the Local Government Act (LGA) 1993 of NSW.

Council's Statutory Charter is detailed in Paragraph 8 of the LGA and includes giving Council;

- the ability to provide goods, services & facilities, and to carry out activities appropriate to the current & future needs of the local community and of the wider public,
- the responsibility for administering regulatory requirements under the LGA and
- a role in the management, improvement and development of the resources in the area.

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

(iii) All figures presented in these financial statements are presented in Australian Currency.

(iv) These financial statements were authorised for issue by the Council on 17 September 2013. Council has the power to amend and reissue these financial statements.

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Understanding Council's Financial Statements

Introduction

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

What you will find in the Statements

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

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

About the Councillor/Management Statement

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

About the Primary Financial Statements

The financial statements incorporate 5 "primary" financial statements:

1. The Income Statement

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

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

In NSW, the Auditor provides 2 audit reports:

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

Who uses the Financial Statements ?

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

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

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

More information

A review of Council's financial performance and position for the previous 5 financial years can be found at Note 27 of the General Purpose Financial Statements.

Cabonne Council

General Purpose Financial Statements

for the financial year ended 30 June 2013

Statement by Councillors and Management

made pursuant to Section 413(2)(c) of the Local Government Act 1993 (as amended)

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

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

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

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

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

Signed in accordance with a resolution of Council made on 17 September 2013.



Ian Gosper
MAYOR



Lachlan MacSmith
COUNCILLOR



Andrew L Hopkins
GENERAL MANAGER



Stephen Harding
RESPONSIBLE ACCOUNTING OFFICER

Cabonne Council

Income Statement

for the financial year ended 30 June 2013

Budget ⁽¹⁾ 2013	\$ '000	Notes	Actual 2013	Actual 2012
Income from Continuing Operations				
Revenue:				
11,136	Rates & Annual Charges	3a	11,827	11,148
3,534	User Charges & Fees	3b	9,982	11,045
1,451	Interest & Investment Revenue	3c	1,986	1,777
1,897	Other Revenues	3d	836	204
12,725	Grants & Contributions provided for Operating Purposes	3e,f	9,996	11,254
3,986	Grants & Contributions provided for Capital Purposes	3e,f	2,943	2,168
Other Income:				
-	Net gains from the disposal of assets	5	74	370
-	Net Share of interests in Joint Ventures & Associated Entities using the equity method	19	-	-
34,729	Total Income from Continuing Operations		37,644	37,966
Expenses from Continuing Operations				
10,882	Employee Benefits & On-Costs	4a	11,652	12,062
234	Borrowing Costs	4b	187	113
8,585	Materials & Contracts	4c	4,811	7,412
8,955	Depreciation & Amortisation	4d	9,245	9,382
-	Impairment	4d	20	18
954	Other Expenses	4e	6,388	4,018
29,610	Total Expenses from Continuing Operations		32,303	33,005
5,119	Operating Result from Continuing Operations		5,341	4,961
Discontinued Operations				
-	Net Profit/(Loss) from Discontinued Operations	24	-	-
5,119	Net Operating Result for the Year		5,341	4,961
5,119	Net Operating Result attributable to Council		5,341	4,961
-	Net Operating Result attributable to Non-controlling Interests		-	-
1,133	Net Operating Result for the year before Grants and Contributions provided for Capital Purposes		2,398	2,793

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

Cabonne Council

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

\$ '000	Notes	Actual 2013	Actual 2012
Net Operating Result for the year (as per Income statement)		5,341	4,961
Other Comprehensive Income:			
Amounts which will not be reclassified subsequently to the Operating Result			
Gain (loss) on revaluation of I,PP&E	20b (ii)	1,221	12,804
Total Items which will not be reclassified subsequently to the Operating Result		1,221	12,804
Amounts which will be reclassified subsequently to the Operating Result when specific conditions are met			
Nil			
Total Other Comprehensive Income for the year		1,221	12,804
Total Comprehensive Income for the Year		6,562	17,765
Total Comprehensive Income attributable to Council		6,562	17,765
Total Comprehensive Income attributable to Non-controlling Interests		-	-

Cabonne Council

Statement of Financial Position

as at 30 June 2013

\$ '000	Notes	Actual 2013	Actual 2012
ASSETS			
Current Assets			
Cash & Cash Equivalents	6a	21,380	25,983
Investments	6b	18,592	10,330
Receivables	7	4,555	4,759
Inventories	8	1,252	1,193
Other	8	15	1
Non-current assets classified as "held for sale"	22	-	-
Total Current Assets		45,794	42,266
Non-Current Assets			
Investments	6b	-	-
Receivables	7	736	779
Inventories	8	162	162
Infrastructure, Property, Plant & Equipment	9	443,605	439,899
Investments accounted for using the equity method	19	-	-
Investment Property	14	-	-
Intangible Assets	25	254	-
Other	8	281	262
Total Non-Current Assets		445,038	441,102
TOTAL ASSETS		490,832	483,368
LIABILITIES			
Current Liabilities			
Payables	10	2,256	2,981
Borrowings	10	170	75
Provisions	10	3,596	4,313
Total Current Liabilities		6,022	7,369
Non-Current Liabilities			
Payables	10	14	-
Borrowings	10	2,892	607
Provisions	10	1,462	1,512
Total Non-Current Liabilities		4,368	2,119
TOTAL LIABILITIES		10,390	9,488
Net Assets		480,442	473,880
EQUITY			
Retained Earnings	20	286,874	281,533
Revaluation Reserves	20	193,568	192,347
Council Equity Interest		480,442	473,880
Non-controlling Interests		-	-
Total Equity		480,442	473,880

Cabonne Council

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

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non- controlling Interest	Total Equity
2013						
Opening Balance (as per Last Year's Audited Accounts)		281,533	192,347	473,880	-	473,880
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/12)		281,533	192,347	473,880	-	473,880
c. Net Operating Result for the Year		5,341	-	5,341	-	5,341
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	1,221	1,221	-	1,221
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-	-	-	-
- Other Movements	20b (ii)	-	-	-	-	-
Other Comprehensive Income		-	1,221	1,221	-	1,221
Total Comprehensive Income (c&d)		5,341	1,221	6,562	-	6,562
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		286,874	193,568	480,442	-	480,442

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Non- controlling Interest	Total Equity
2012						
Opening Balance (as per Last Year's Audited Accounts)		276,572	179,543	456,115	-	456,115
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
Revised Opening Balance (as at 1/7/11)		276,572	179,543	456,115	-	456,115
c. Net Operating Result for the Year		4,961	-	4,961	-	4,961
d. Other Comprehensive Income						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	12,804	12,804	-	12,804
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-	-	-	-
- Other Movements	20b (ii)	-	-	-	-	-
Other Comprehensive Income		-	12,804	12,804	-	12,804
Total Comprehensive Income (c&d)		4,961	12,804	17,765	-	17,765
e. Distributions to/(Contributions from) Non-controlling Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
Equity - Balance at end of the reporting period		281,533	192,347	473,880	-	473,880

Cabonne Council

Statement of Cash Flows

for the financial year ended 30 June 2013

Budget 2013	\$ '000	Notes	Actual 2013	Actual 2012
Cash Flows from Operating Activities				
Receipts:				
11,136	Rates & Annual Charges		10,654	11,868
3,534	User Charges & Fees		11,644	9,106
1,451	Investment & Interest Revenue Received		1,774	1,884
16,711	Grants & Contributions		14,316	15,098
-	Bonds, Deposits & Retention amounts received		90	-
1,897	Other		1,339	2,010
Payments:				
(10,830)	Employee Benefits & On-Costs		(12,501)	(11,049)
(8,585)	Materials & Contracts		(6,086)	(9,460)
(234)	Borrowing Costs		(118)	(53)
-	Bonds, Deposits & Retention amounts refunded		(42)	(54)
(954)	Other		(8,090)	(5,223)
<u>14,126</u>	Net Cash provided (or used in) Operating Activities	11b	<u>12,980</u>	<u>14,127</u>
Cash Flows from Investing Activities				
Receipts:				
-	Sale of Investment Securities		301	1,450
-	Sale of Real Estate Assets		-	47
950	Sale of Infrastructure, Property, Plant & Equipment		619	1,179
-	Deferred Debtors Receipts		50	-
Payments:				
-	Purchase of Investment Securities		(8,500)	(10,000)
(23,274)	Purchase of Infrastructure, Property, Plant & Equipment		(12,365)	(12,955)
-	Purchase of Real Estate Assets		(68)	(1)
-	Deferred Debtors & Advances Made		-	(600)
<u>(22,324)</u>	Net Cash provided (or used in) Investing Activities		<u>(19,963)</u>	<u>(20,880)</u>
Cash Flows from Financing Activities				
Receipts:				
-	Proceeds from Borrowings & Advances		2,455	-
Payments:				
(133)	Repayment of Borrowings & Advances		(75)	(71)
<u>(133)</u>	Net Cash Flow provided (used in) Financing Activities		<u>2,380</u>	<u>(71)</u>
<u>(8,331)</u>	Net Increase/(Decrease) in Cash & Cash Equivalents		<u>(4,603)</u>	<u>(6,824)</u>
27,779	plus: Cash & Cash Equivalents - beginning of year	11a	25,983	32,807
<u>19,448</u>	Cash & Cash Equivalents - end of the year	11a	<u>21,380</u>	<u>25,983</u>
Additional Information:				
	plus: Investments on hand - end of year	6b	18,592	10,330
	Total Cash, Cash Equivalents & Investments		<u>39,972</u>	<u>36,313</u>

Please refer to Note 11 for additional cash flow information

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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n/a - not applicable

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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

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

(a) Basis of preparation

(i) Background

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

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

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

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

Because AASBs are sector neutral, some standards either:

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

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

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

(iii) New and amended standards adopted by Council

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2012 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

(iv) Early adoption of Accounting Standards

Council has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2012.

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

(v) Basis of Accounting

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

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

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

(vi) Changes in Accounting Policies

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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

(vii) Critical Accounting Estimates

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

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

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

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future.

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

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

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

Critical judgements in applying the entity's accounting policies

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

(b) Revenue recognition

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

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

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

Revenue is measured on major income categories as follows:

Rates, Annual Charges, Grants and Contributions

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

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

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

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

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

unused grant or contribution is disclosed in Note 3(g).

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

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

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

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

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

User Charges, Fees and Other Income

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

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

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

Sale of Infrastructure, Property, Plant and Equipment

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

Interest and Rents

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

Interest Income from Cash & Investments is accounted for using the Effective Interest method in accordance with AASB 139.

(c) Principles of Consolidation

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

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

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

(i) The Consolidated Fund

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

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

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

- *General Purpose Operations*
- *Cabonne Water Fund (Molong, Cumnock & Yeoval)*
- *Cabonne Sewer Fund (Molong, Canowindra & Eugowra)*
- *Small Town Sewer Fund (Cudal, Manildra, Cumnock & Yeoval)*

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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

- *Acacia Lodge Management Committee*
- *Cudal Homes for Aged Persons Committee*
- *Eugowra Self Care Units Committee*
- *Age of Fishes Museum Committee*
- *Amusu Theatre Heritage Trust Inc*
- *Eugowra Community Children's Centre Committee*
- *Cudal Community Children's Centre Committee*
- *Canowindra Preschool Kindergarten Inc*
- *Canowindra Sports Trust*
- *Manildra Sports Council*
- *Cargo Community Centre Committee*
- *Cumnock Community Centre*
- *Manildra Memorial Hall Committee*
- *Yeoval Memorial Hall Committee*
- *Moorbel Hall Committee*
- *Cudal Memorial Pool Committee*
- *Cumnock Pool Committee*
- *Eugowra War Memorial Pool Committee*
- *Manildra Memorial Pool Committee*
- *Yeoval Pool Committee*
- *Eugowra Medical Centre Committee*
- *Molong & District Health Watch*
- *Doctor for Cudal Committee*
- *Eugowra Promotion and Progress Association Inc*
- *Cumnock & District Progress Association Inc*
- *Yeoval Progress Association*
- *Canowindra Beautification Committee*
- *Molong Town Beautification Committee*

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

Total income from continuing operations	\$1,329
Total expenditure from continuing operations	\$1,324
Total net assets held (ie Equity)	\$1,848

Note:

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

(ii) The Trust Fund

In accordance with the provisions of Section 411 of the Local Government Act 1993 (as amended), a

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

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

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

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

(iii) Joint Ventures

Council has no interest in any Joint Venture Entities, Assets or Operations.

(iv) Associated Entities

Where Council has the power to participate in the financial and operating decisions (of another entity), ie. where Council is deemed to have "significant influence" over the other entities operations but neither controls nor jointly controls the entity, then Council accounts for such interests using the equity method of accounting – in a similar fashion to Joint Venture Entities & Partnerships.

Such entities are usually termed Associates.

(v) County Councils

Council is not a member of any County Councils.

(vi) Additional Information

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

(d) Leases

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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 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

Cash and cash equivalents includes;

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

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

(f) Investments and Other Financial Assets

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

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

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

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

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

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

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

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

(ii) Loans and receivables

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

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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

(iii) Held-to-maturity investments

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

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

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

(iv) Available-for-sale financial assets

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

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

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

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

Financial Assets – Reclassification

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

Financial assets other than loans and receivables are permitted to be reclassified out of the held-for-

trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term.

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

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

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

General Accounting & Measurement of Financial Instruments:

(i) Initial Recognition

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

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

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

(ii) Subsequent Measurement

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

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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.

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

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

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

(iii) Types of Investments

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

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

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

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

(g) Fair value estimation

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

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

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

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

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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

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

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

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

(h) Receivables

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

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

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

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

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

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

When a receivable for which an impairment allowance had been recognised becomes

uncollectible in a subsequent period, it is written off against the allowance account.

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

(i) Inventories

Raw Materials and Stores, Work in Progress and Finished Goods

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

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

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

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

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

Land Held for Resale/Capitalisation of Borrowing Costs

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

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

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

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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

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

Acquisition of assets

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

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

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

Initial Recognition

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

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

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

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

Subsequent costs

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

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

Asset Revaluations (including Indexation)

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

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

Water and sewerage network assets are indexed annually between full revaluations in accordance with

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

the latest indices provided in the NSW Office of Water - Rates Reference Manual.

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

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

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

Council engaged a qualified valuer to undertake the revaluations of buildings in the year ended 30 June 2013. However the valuations did not meet Council's specifications, and accordingly the revaluation of buildings will be completed by 30 June 2014.

Capitalisation Thresholds

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

Land

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

Plant & Equipment

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

Buildings & Land Improvements

Park Furniture & Equipment	> \$1,000
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Building

- construction/extensions	100% Capitalised
- renovations	> \$1,000
Other Structures	> \$1,000

Water & Sewer Assets

Reticulation extensions	> \$1,000
Other	> \$1,000

Stormwater Assets

Drains & Culverts	> \$1,000
Other	> \$1,000

Transport Assets

Road construction & reconstruction	> \$1,000
Reseal/Re-sheet & major repairs:	> \$1,000
Bridge construction & reconstruction	> \$1,000

Depreciation

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

Land is not depreciated.

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

Plant & Equipment

- Office Equipment	10 years
- Office furniture	10 years
- Computer Equipment	5 years
- Vehicles	5 to 10 years
- Heavy Plant/Road Making equip.	7 to 10 years
- Other plant and equipment	5 to 7 years

Other Equipment

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

Buildings

- Buildings : Masonry	100 years
- Buildings : Other	33 to 50 years

Stormwater Drainage

- Drains	60 years
- Culverts	60 years

Transportation Assets

- Sealed Roads : Surface	50 years
- Sealed Roads : Structure	50 years
- Unsealed roads	50 years
- Bridge : Concrete	100 years
- Bridge : Other	50 years
- Road Pavements	60 years
- Kerb, Gutter & Paths	70 years

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

Water & Sewer Assets

- Dams and reservoirs	100 years
- Bores	30 years
- Reticulation pipes : PVC	40 to 80 years
- Reticulation pipes : Other	25 to 75 years
- Pumps and telemetry	10 to 70 years

Other Infrastructure Assets

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

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

Disposal and De-recognition

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

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

(k) Land

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

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

(l) Land under roads

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

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

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

(m) Intangible Assets

Council has classified the following assets as intangible:

- The purchase of new corporate software

This purchase is recorded in Note 25.

(n) Crown Reserves

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

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

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

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

(o) Rural Fire Service assets

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

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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 exclude the assets, their values and depreciation charges from these financial statements.

(p) Investment property

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

Investment property is carried at fair value, representing an open-market value determined annually by external valuers.

Annual changes in the fair value of Investment Properties are recorded in the Income Statement as part of "Other Income".

Full revaluations are carried out every three years with an appropriate index utilised each year in between the full revaluations.

(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 which are expected to arise from future disturbance.

Costs are estimated on the basis of a closure plan.

The cost estimates are calculated annually during the life of the operation to reflect known developments, eg updated cost estimates and

revisions to the estimated lives of operations, and are subject to formal review at regular intervals.

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

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

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

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

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

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

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

Provision is made for the estimated present value of the costs of environmental clean up obligations outstanding at the balance sheet date. These costs are charged to the income statement.

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

Remediation procedures generally commence soon after the time the damage, remediation process and estimated remediation costs become known, but may

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

continue for many years depending on the nature of the disturbance and the remediation techniques.

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

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

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

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

(r) Non-Current Assets (or Disposal Groups) "Held for Sale" & 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 30 June and the replacement assets were already purchased and accounted for as at 30 June.

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 balance sheet.

A Discontinued Operation is a component of the entity 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.

For non-cash generating assets of Council such as roads, drains, public buildings etc – value in use is represented by the "deprival value" of the asset which is approximated as its written down replacement cost.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

Goodwill & 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 financial year which are unpaid.

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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.

Provisions are not recognised for future operating losses.

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

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

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

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

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

(x) Employee benefits

(i) Short Term Obligations

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

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

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

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

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

(ii) Other Long Term Obligations

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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

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

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

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

(iii) Retirement benefit obligations

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

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

Defined Benefit Plans

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

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

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

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

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

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

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

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

As a result they have asked for significant increases in future contributions to recover that deficiency.

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

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

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.

(y) Self insurance

Council does not self insure.

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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

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

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

Exceptions

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

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

(aa) Taxes

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

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

Goods & Services Tax (GST)

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

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

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

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

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

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

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

(ab) New accounting standards and UIG interpretations

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

Council has not adopted any of these standards early.

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

Applicable to Local Government with implications:

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

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

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

When adopted, the standard will affect in particular Council's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

comprehensive income if they relate to equity investments that are not held for trading.

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

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

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

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

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

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

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

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

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

Applicable to Local Government but no implications for Council;

AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting

Financial Assets and Financial Liabilities [AASB 132 & AASB 7] (effective 1 January 2013)

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

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

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

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

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

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

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

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

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

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

The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The amendments also introduce a "partial disposal" concept.

Council is still assessing the impact of these amendments.

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

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

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

This revised standard on accounting for employee benefits requires the recognition of all re-measurements of defined benefit liabilities/assets

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 1. Summary of Significant Accounting Policies

immediately in other comprehensive income (removal of the so-called 'corridor' method) and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset.

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

The standard also introduces a number of additional disclosures for defined benefit liabilities/assets and could affect the timing of the recognition of termination benefits.

The amendments will have to be implemented retrospectively.

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

Not applicable to Local Government per se;

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

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

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

AASB 116 - clarifies the classification of servicing equipment.

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

AASB 134 - provides clarification about segment reporting.

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

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

(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.

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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	Actual	Actual	Original Budget	Actual	Actual	Original Budget	Actual	Actual	Actual	Actual	Actual	Actual
	2013	2013	2012	2013	2013	2012	2013	2013	2012	2013	2012	2013	2012
Governance	188	162	257	800	915	709	(612)	(753)	(452)	-	-	33,169	34,454
Administration	156	760	601	1,838	2,223	2,679	(1,682)	(1,463)	(2,078)	13	216	14,616	25,296
Public Order & Safety	42	485	272	1,017	1,175	887	(975)	(690)	(615)	-	25	3,461	3,479
Health	135	75	72	644	456	399	(509)	(381)	(327)	-	19	3,464	3,673
Environment	3,695	2,970	2,922	3,537	2,984	3,197	158	(14)	(275)	1,250	1,306	1,936	1,195
Community Services & Education	1,381	1,381	1,442	1,505	1,495	1,550	(124)	(114)	(108)	713	1,245	2,331	2,148
Housing & Community Amenities	374	267	260	1,241	1,030	572	(867)	(763)	(312)	38	-	2,886	2,048
Water Supplies	875	936	965	1,170	1,332	1,219	(295)	(396)	(254)	13	7	27,685	27,167
Sewerage Services	3,721	2,430	2,200	1,886	1,991	1,625	1,835	439	575	777	16	40,563	35,756
Recreation & Culture	198	207	165	1,993	1,948	1,918	(1,795)	(1,741)	(1,753)	144	91	21,627	13,321
Mining, Manufacturing & Construction	564	1,773	2,169	444	1,650	2,260	120	123	(91)	-	-	2,067	2,319
Transport & Communication	6,845	10,682	10,863	12,102	13,992	14,873	(5,257)	(3,310)	(4,010)	2,380	2,811	332,057	328,929
Economic Affairs	455	675	677	1,433	1,112	1,117	(978)	(437)	(440)	7	126	4,970	3,583
Total Functions & Activities	18,629	22,803	22,865	29,610	32,303	33,005	(10,981)	(9,500)	(10,140)	5,335	5,862	490,832	483,368
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)	-	-	-	-	-	-	-	-	-	-	-	-	-
General Purpose Income ¹	16,100	14,841	15,101	-	-	-	16,100	14,841	15,101	4,303	5,391	-	-
Operating Result from Continuing Operations	34,729	37,644	37,966	29,610	32,303	33,005	5,119	5,341	4,961	9,638	11,253	490,832	483,368

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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

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

GOVERNANCE

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

ADMINISTRATION

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

PUBLIC ORDER & SAFETY

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

HEALTH

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

ENVIRONMENT

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

COMMUNITY SERVICES & EDUCATION

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

HOUSING & COMMUNITY AMENITIES

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

WATER SUPPLIES

SEWERAGE SERVICES

RECREATION & CULTURE

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

MINING, MANUFACTURING & CONSTRUCTION

Building control, abattoirs, quarries & pits, other.

TRANSPORT & COMMUNICATION

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

ECONOMIC AFFAIRS

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2013	Actual 2012
(a) Rates & Annual Charges			
Ordinary Rates			
Residential		2,749	2,374
Farmland		4,285	4,495
Mining		1,719	1,408
Business		210	191
Total Ordinary Rates		8,963	8,468
Special Rates			
Nil			
Annual Charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic Waste Management Services		969	717
Water Supply Services		309	284
Sewerage Services		1,310	1,267
Waste Management Services (non-domestic)		202	333
Section 611 Charges		1	-
Stormwater Levy		73	74
Other		-	5
Total Annual Charges		2,864	2,680
TOTAL RATES & ANNUAL CHARGES		11,827	11,148

Council has used 2011 year valuations provided by the NSW Valuer General in calculating its rates.

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2013	Actual 2012
(b) User Charges & Fees			
Specific User Charges (per s.502 - Specific "actual use" charges)			
Water Supply Services		461	391
Sewerage Services		74	79
Total User Charges		535	470
Other User Charges & Fees			
(i) Fees & Charges - Statutory & Regulatory Functions (per s.608)			
Discretionary Fees - Other		168	259
Planning & Building Regulation		266	273
Private Works - Section 67		454	325
Section 603 Certificates		19	14
Waste Management		120	106
Total Fees & Charges - Statutory/Regulatory		1,027	977
(ii) Fees & Charges - Other (incl. General User Charges (per s.608)			
Caravan Park		131	135
Cemeteries		60	49
Child Care		485	-
Lease Rentals		36	40
Quarry Revenues		1,561	2,022
Recycling Income (Non Domestic)		38	66
RMS (formerly RTA) Charges (State Roads not controlled by Council)		6,109	7,276
Trade Waste		-	10
Total Fees & Charges - Other		8,420	9,598
TOTAL USER CHARGES & FEES		9,982	11,045

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 3. Income from Continuing Operations (continued)

\$ '000	Notes	Actual 2013	Actual 2012
(c) Interest & Investment Revenue (incl. losses)			
Interest & Dividends			
- Interest on Overdue Rates & Annual Charges (incl. Special Purpose Rates)		67	85
- Interest earned on Investments (interest & coupon payment income)		1,856	1,644
- Interest & Dividend Income (Other)		-	11
Fair Value Adjustments			
- Fair Valuation movements in Investments (at FV or Held for Trading)		63	37
<u>TOTAL INTEREST & INVESTMENT REVENUE</u>		<u>1,986</u>	<u>1,777</u>
Interest Revenue is attributable to:			
Unrestricted Investments/Financial Assets:			
Overdue Rates & Annual Charges (General Fund)		67	62
General Council Cash & Investments		1,508	1,242
Restricted Investments/Funds - External:			
Development Contributions			
- Section 94		15	31
Water Fund Operations		138	176
Sewerage Fund Operations		183	122
Domestic Waste Management operations		41	47
Other Externally Restricted Assets		34	97
<u>Total Interest & Investment Revenue Recognised</u>		<u>1,986</u>	<u>1,777</u>
(d) Other Revenues			
Rental Income - Other Council Properties		127	121
Legal Fees Recovery - Rates & Charges (Extra Charges)		6	9
Commissions & Agency Fees		139	37
Diesel Rebate		147	19
Gravel Pit Restoration		55	22
Insurance Claim Recoveries		87	25
Rebates Received		176	5
After School Care		17	-
Other		82	(34)
<u>TOTAL OTHER REVENUE</u>		<u>836</u>	<u>204</u>

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 3. Income from Continuing Operations (continued)

\$ '000	2013 Operating	2012 Operating	2013 Capital	2012 Capital
(e) Grants				
General Purpose (Untied)				
Financial Assistance - General Component	2,352	2,928	-	-
Financial Assistance - Local Roads Component	1,855	2,368	-	-
Pensioners' Rates Subsidies - General Component	96	95	-	-
Total General Purpose	4,303	5,391	-	-
Specific Purpose				
Pensioners' Rates Subsidies:				
- Water	13	7	-	-
- Sewerage	28	16	-	-
- Domestic Waste Management	40	39	-	-
Water Supplies	-	-	-	83
Sewerage Services	-	-	749	650
Administration	13	12	-	-
Public Order & Safety	-	-	-	242
Environment	1,210	1,267	-	-
Community Services	713	1,176	-	-
Recreation & Culture	51	50	93	7
Transport & Communication	230	-	971	508
- Roads to Recovery	1,179	1,174	-	-
Economic Affairs	7	-	-	-
Street Lighting	38	37	-	-
Other	-	385	-	209
Total Specific Purpose	3,522	4,163	1,813	1,699
Total Grants	7,825	9,554	1,813	1,699
Grant Revenue is attributable to:				
- Commonwealth Funding	5,522	7,815	-	-
- State Funding	2,303	1,739	1,813	1,699
	7,825	9,554	1,813	1,699

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 3. Income from Continuing Operations (continued)

\$ '000	2013 Operating	2012 Operating	2013 Capital	2012 Capital
(f) Contributions				
Developer Contributions:				
(s93 & s94 - EP&A Act, s64 of the LGA):				
S 94 - Contributions towards amenities/services	36	86	-	-
Total Developer Contributions	36	86	-	-
Other Contributions:				
Governance	144	193	-	-
Administration	15	11	-	-
Public Order & Safety	277	25	184	-
Health	55	19	-	-
Environment	45	-	183	-
Community Services	100	69	-	-
Housing & Community Amenities	1	-	-	-
Recreation & Culture	12	41	-	23
Transport & Communication	102	102	671	-
- Regional Roads Block Grant	1,360	1,015	-	374
Economic Affairs	24	126	-	-
Sewer	-	-	78	28
Water	-	-	14	12
Other	-	13	-	32
Total Other Contributions	2,135	1,614	1,130	469
Total Contributions	2,171	1,700	1,130	469
TOTAL GRANTS & CONTRIBUTIONS	9,996	11,254	2,943	2,168

\$ '000	Actual 2013	Actual 2012
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(g) Restrictions relating to Grants and Contributions

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

Unexpended at the Close of the Previous Reporting Period	7,469	5,360
add: Grants & contributions recognised in the current period but not yet spent:	3,551	5,694
less: Grants & contributions recognised in a previous reporting period now spent:	(5,951)	(3,585)
Net Increase (Decrease) in Restricted Assets during the Period	(2,400)	2,109
Unexpended and held as Restricted Assets	5,069	7,469
Comprising:		
- Specific Purpose Unexpended Grants	3,135	5,408
- Developer Contributions	653	658
- Other Contributions	1,281	1,403
	5,069	7,469

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2013	Actual 2012
(a) Employee Benefits & On-Costs			
Salaries and Wages		8,515	8,454
Travelling		486	202
Employee Leave Entitlements (ELE)		1,134	2,153
Superannuation		1,154	1,343
Workers' Compensation Insurance		729	570
Fringe Benefit Tax (FBT)		65	35
Training Costs (other than Salaries & Wages)		149	189
Protective Clothing		53	45
Pre Employment Medicals		1	5
Other		92	44
Total Employee Costs		12,378	13,040
less: Capitalised Costs		(726)	(978)
TOTAL EMPLOYEE COSTS EXPENSED		11,652	12,062
Number of "Equivalent Full Time" Employees at year end		173	185
(b) Borrowing Costs			
(i) Interest Bearing Liability Costs			
Interest on Loans		121	51
Interest on Advances		1	1
Total Interest Bearing Liability Costs Expensed		122	52
(ii) Other Borrowing Costs			
Discount adjustments relating to movements in Provisions (other than ELE)			
- Remediation Liabilities	26	65	61
Total Other Borrowing Costs		65	61
TOTAL BORROWING COSTS EXPENSED		187	113

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2013	Actual 2012
(c) Materials & Contracts			
Raw Materials & Consumables		2,948	3,829
Contractor & Consultancy Costs			
- Service Contracts		1,352	2,897
- Consultancy Costs		23	147
- Caretaker Fees		61	62
- Licence Agreements		115	145
- Valuation Fees		71	76
- Cleaning		106	122
- Internal Auditor		2	12
Auditors Remuneration ⁽¹⁾		35	40
Legal Expenses:			
- Legal Expenses: Planning & Development		3	48
- Legal Expenses: Other		90	29
Operating Leases:			
- Operating Lease Rentals: Minimum Lease Payments ⁽²⁾		5	5
Total Materials & Contracts		4,811	7,412
less: Capitalised Costs		-	-
TOTAL MATERIALS & CONTRACTS		4,811	7,412
1. Auditor Remuneration			
During the year, the following fees were incurred for services provided by the Council's Auditor (& the Auditors of other Consolidated Entities):			
(i) Audit and Other Assurance Services			
- Audit & review of financial statements: Council's Auditor		35	40
Remuneration for audit and other assurance services		35	40
Total Auditor Remuneration		35	40
2. Operating Lease Payments are attributable to:			
Computers		4	5
Other		1	-
		5	5

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2013	Actual 2012	Actual 2013	Actual 2012
(d) Depreciation, Amortisation & Impairment					
Plant and Equipment		-	-	2,399	2,446
Office Equipment		20	-	230	254
Furniture & Fittings		-	-	34	43
Land Improvements (depreciable)		-	-	139	136
Buildings - Non Specialised		-	-	6	6
Buildings - Specialised		-	-	725	747
Other Structures		-	-	277	268
Infrastructure:					
- Roads, Bridges & Footpaths		-	-	4,293	4,402
- Stormwater Drainage		-	-	94	94
- Water Supply Network		-	18	447	456
- Sewerage Network		-	-	530	478
Asset Reinstatement Costs	9 & 26	-	-	52	52
Intangible Assets	25	-	-	19	-
TOTAL DEPRECIATION & IMPAIRMENT COSTS EXPENSED		20	18	9,245	9,382

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 4. Expenses from Continuing Operations (continued)

\$ '000	Notes	Actual 2013	Actual 2012
(e) Other Expenses			
Other Expenses for the year include the following:			
Advertising		140	100
Bad & Doubtful Debts		15	15
Bank Charges		-	17
Commissions Paid		116	15
Contributions/Levies to Other Levels of Government		1,389	1,383
- NSW Fire Brigade Levy		34	-
- NSW Rural Fire Service Levy		205	187
Councillor Expenses - Mayoral Fee		21	21
Councillor Expenses - Councillors' Fees		117	118
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		74	64
Donations, Contributions & Assistance to other organisations (Section 356)		17	17
Election Expenses		72	-
Electricity & Heating		630	628
External Plant Hire		1,744	356
Insurance		612	419
Pensioner Rates Write Off		142	16
Postage		33	34
Printing & Stationery		141	88
Registrations		126	-
Rent Expense		8	16
Section 611 Charges		35	-
Service Subsidy Expense		13	14
Street Lighting		142	11
Subscriptions & Publications		75	37
Telephone & Communications		122	128
Valuation Fees		-	-
Volunteer Expenses		42	28
Water Rates		-	22
Water / Sewer Sampling		21	11
Other		302	273
<u>TOTAL OTHER EXPENSES</u>		<u>6,388</u>	<u>4,018</u>

Cabonne Council

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

Note 5. Gains or Losses from the Disposal of Assets

\$ '000	Notes	Actual 2013	Actual 2012
Plant & Equipment			
Proceeds from Disposal - Plant & Equipment		619	1,179
less: Carrying Amount of P&E Assets Sold / Written Off		(545)	(839)
Net Gain/(Loss) on Disposal		74	340
Real Estate Assets Held For Sale			
Proceeds from Disposal - Real Estate Assets		-	47
less: Carrying Amount of Real Estate Assets Sold / Written Off		-	(17)
Net Gain/(Loss) on Disposal		-	30
Financial Assets*			
Proceeds from Disposal / Redemptions / Maturities - Financial Assets		301	1,450
less: Carrying Amount of Financial Assets Sold / Redeemed / Matured		(301)	(1,450)
Net Gain/(Loss) on Disposal		-	-
<u>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</u>		<u>74</u>	<u>370</u>

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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

\$ '000	Notes	2013	2013	2012	2012
		Actual Current	Actual Non Current	Actual Current	Actual Non Current
Cash & Cash Equivalents (Note 6a)					
Cash on Hand and at Bank		208	-	1,203	-
Cash-Equivalent Assets ¹					
- Deposits at Call		1,922	-	2,030	-
- Short Term Deposits		19,250	-	22,750	-
Total Cash & Cash Equivalents		21,380	-	25,983	-
Investments (Note 6b)					
- Long Term Deposits		18,500	-	10,000	-
- CDO's		92	-	330	-
Total Investments		18,592	-	10,330	-
TOTAL CASH ASSETS, CASH EQUIVALENTS & INVESTMENTS		39,972	-	36,313	-

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

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

Cash & Cash Equivalents

a. "At Fair Value through the Profit & Loss"		21,380	-	25,983	-
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Investments

a. "At Fair Value through the Profit & Loss"					
- "Held for Trading"	6(b-i)	92	-	330	-
b. "Held to Maturity"	6(b-ii)	18,500	-	10,000	-
Investments		18,592	-	10,330	-

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 6b. Investments (continued)

\$ '000	2013 Actual Current	2013 Actual Non Current	2012 Actual Current	2012 Actual Non Current
Note 6(b-i)				
Reconciliation of Investments classified as "At Fair Value through the Profit & Loss"				
Balance at the Beginning of the Year	330	-	1,743	-
Revaluations (through the Income Statement)	63	-	37	-
Disposals (sales & redemptions)	(301)	-	(1,450)	-
Balance at End of Year	92	-	330	-
Comprising:				
- CDO's	92	-	330	-
Total	92	-	330	-
Note 6(b-ii)				
Reconciliation of Investments classified as "Held to Maturity"				
Balance at the Beginning of the Year	10,000	-	-	-
Additions	8,500	-	10,000	-
Balance at End of Year	18,500	-	10,000	-
Comprising:				
- Long Term Deposits	21,000	-	-	-
- Other Long Term Financial Assets	(2,500)	-	10,000	-
Total	18,500	-	10,000	-
Note 6(b-iii)				
Reconciliation of Investments classified as "Loans & Receivables"				
Nil				
Note 6(b-iv)				
Reconciliation of Investments classified as "Available for Sale"				
Nil				

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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

\$ '000	2013	2013	2012	2012
	Actual Current	Actual Non Current	Actual Current	Actual Non Current
Total Cash, Cash Equivalents and Investments	39,972	-	36,313	-
attributable to:				
External Restrictions (refer below)	13,238	-	13,902	-
Internal Restrictions (refer below)	24,631	-	17,412	-
Unrestricted	2,103	-	4,999	-
	39,972	-	36,313	-

2013 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
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Details of Restrictions

External Restrictions - Included in Liabilities

Specific Purpose Unexpended Loans-General (A)	25	-	-	25
RMS (formerly RTA) Advances (B)	173	-	(173)	-
External Restrictions - Included in Liabilities	198	-	(173)	25

External Restrictions - Other

Developer Contributions - General (D)	658	51	(56)	653
RMS (formerly RTA) Contributions (E)	1,403	1,012	(1,134)	1,281
Specific Purpose Unexpended Grants (F)	5,408	1,591	(682)	3,135
Water Supplies (G)	3,267	390	(356)	3,301
Sewerage Services (G)	1,765	2,904	(573)	4,096
Domestic Waste Management (G)	694	53	-	747
Other	509	36	(545)	-
External Restrictions - Other	13,704	6,037	(3,346)	13,213
Total External Restrictions	13,902	6,037	(3,519)	13,238

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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

2013 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
Internal Restrictions				
Plant & Vehicle Replacement	1,261	5,819	(4,418)	2,662
Infrastructure Replacement	1,226	1,735	(1,468)	1,493
Employees Leave Entitlement	1,537	241	-	1,778
Capital Works	8,862	5,307	(4,958)	9,211
Community Services	74	-	(28)	46
Environment	88	584	-	672
Housing	167	-	(10)	157
Land Development	301	-	(5)	296
Limestone Quarry	1,325	185	-	1,510
Office Equipment	1,291	860	(412)	1,739
Recreation & Culture	274	5	(92)	187
Roadworks	288	1,000	(164)	1,124
Sewerage	17	-	(2)	15
Waste Management	695	51	-	746
Cadia Contributions	-	546	-	546
Other	6	2,443	-	2,449
Total Internal Restrictions	17,412	18,776	(11,557)	24,631
TOTAL RESTRICTIONS	31,314	24,813	(15,076)	37,869

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 7. Receivables

\$ '000	Notes	2013		2012	
		Current	Non Current	Current	Non Current
Purpose					
Rates & Annual Charges		1,675	175	512	165
Interest & Extra Charges		142	-	144	-
User Charges & Fees		315	25	1,188	21
Accrued Revenues					
- Interest on Investments		166	-	15	-
- Other Income Accruals		1,136	-	1,582	-
Government Grants & Subsidies		471	-	1,169	-
Deferred Debtors		17	726	21	772
Loans to Non Profit Organisations		100	-	-	-
Amounts due from Other Councils		158	-	-	-
State Cover - Workers Compensation		-	-	19	-
NSW Rural Fire Service		317	-	9	-
Other Debtors		438	-	466	11
Total		4,935	926	5,125	969
less: Provision for Impairment					
Rates & Annual Charges		-	(172)	-	(172)
User Charges & Fees		(380)	(18)	(366)	(18)
Total Provision for Impairment - Receivables		(380)	(190)	(366)	(190)
TOTAL NET RECEIVABLES		4,555	736	4,759	779
Externally Restricted Receivables					
Water Supply					
- Specific Purpose Grants		1	-	7	-
- Rates & Availability Charges		181	8	6	21
- Other		355	17	467	-
Sewerage Services					
- Specific Purpose Grants		341	-	1,064	-
- Rates & Availability Charges		810	-	13	75
- Other		637	89	806	-
Domestic Waste Management		-	-	8	-
Total External Restrictions		2,325	114	2,371	96
Internally Restricted Receivables					
Nil					
Unrestricted Receivables		2,230	622	2,388	683
TOTAL NET RECEIVABLES		4,555	736	4,759	779

Notes on Debtors above:

- (i) Rates & Annual Charges Outstanding are secured against the property.
- (ii) Doubtful Rates Debtors are provided for where the value of the property is less than the debt outstanding.
An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.
- (iii) Interest was charged on overdue rates & charges at 10.00% (2012 11.00%).
Generally all other receivables are non interest bearing.
- (iv) Please refer to Note 15 for issues concerning Credit Risk and Fair Value disclosures.

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 8. Inventories & Other Assets

\$ '000	Notes	2013		2012	
		Current	Non Current	Current	Non Current
Inventories					
Real Estate for resale (refer below)		915	162	847	162
Stores & Materials		337	-	346	-
Total Inventories		1,252	162	1,193	162
Other Assets					
Prepayments		15	-	1	-
Shares in Unlisted Companies - StateCover		-	281	-	262
Total Other Assets		15	281	1	262
TOTAL INVENTORIES/OTHER ASSETS		1,267	443	1,194	424

Externally Restricted Assets

There are no restrictions applicable to the above assets.

Other Disclosures

(a) Details for Real Estate Development

Residential		794	107	727	107
Industrial/Commercial		121	55	120	55
Total Real Estate for Resale		915	162	847	162

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

Represented by:

Acquisition Costs		413	118	413	118
Development Costs		502	44	434	44
Total Costs		915	162	847	162
Total Real Estate for Resale		915	162	847	162

Movements:

Real Estate assets at beginning of the year		847	162	863	162
- Purchases and other costs		68	-	1	-
- WDV of Sales (exp)	5	-	-	(17)	-
Total Real Estate for Resale		915	162	847	162

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

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

	2013	2012
Real Estate for Resale	900	505
	900	505

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

Note 9a. Infrastructure, Property, Plant & Equipment

\$ '000	as at 30/6/2012					Asset Movements during the Reporting Period								as at 30/6/2013				
	At Cost	At Fair Value	Accumulated		Carrying Value	Asset Additions	Reinstatement Costs for Impaired Assets	WDV of Asset Disposals	Depreciation Expense	Impairment Loss (recognised in P/L)	Adjustments & Transfers	Tfrs to Intangible Assets (Note 25)	Revaluation Increments to Equity (ARR)	At Cost	At Fair Value	Accumulated		Carrying Value
			Dep'n	Impairment												Dep'n	Impairment	
Capital Work in Progress	968	-	-	-	968	893	-	-	-	-	(180)	-	-	1,681	-	-	-	1,681
Plant & Equipment	-	38,361	22,514	-	15,847	1,740	-	(539)	(2,399)	-	-	-	-	-	38,769	24,120	-	14,649
Office Equipment	-	2,605	1,885	-	720	193	-	(6)	(230)	(20)	180	(254)	-	-	2,674	2,092	-	582
Furniture & Fittings	-	722	512	-	210	75	-	-	(34)	-	-	-	-	-	797	547	-	250
Land:																		
- Operational Land	-	4,845	-	-	4,845	239	-	-	-	-	-	-	-	-	5,084	-	-	5,084
- Community Land	-	10,447	-	-	10,447	-	-	-	-	-	-	-	-	-	10,447	-	-	10,447
Land Improvements - non depreciable	-	1,071	-	-	1,071	-	-	-	-	-	-	-	-	-	1,071	-	-	1,071
Land Improvements - depreciable	-	3,650	1,989	-	1,661	392	-	-	(139)	-	-	-	-	-	4,043	2,127	-	1,916
Buildings - Non Specialised	-	340	39	-	301	-	-	-	(6)	-	-	-	-	-	340	45	-	295
Buildings - Specialised	-	39,589	19,097	-	20,492	329	-	-	(725)	-	-	-	-	-	39,918	19,822	-	20,096
Other Structures	-	10,121	4,991	-	5,130	898	-	-	(277)	-	-	-	-	-	11,019	5,268	-	5,751
Infrastructure:																		
- Roads, Bridges, Footpaths	-	254,351	94,289	352	159,710	5,082	352	-	(4,293)	-	-	-	-	-	259,433	98,582	-	160,851
- Bulk Earthworks (non-depreciable)	-	164,075	-	-	164,075	1,640	-	-	-	-	-	-	-	-	165,715	-	-	165,715
- Stormwater Drainage	-	7,207	2,199	-	5,008	16	-	-	(94)	-	-	-	-	-	7,222	2,292	-	4,930
- Water Supply Network	-	40,654	18,475	-	22,179	44	-	-	(447)	-	-	-	544	-	41,715	19,395	-	22,320
- Sewerage Network	-	34,965	8,001	-	26,964	637	-	-	(530)	-	-	-	677	-	36,493	8,745	-	27,748
Reinstatement, Rehabilitation & Restoration Assets (refer Note 26)																		
- Tip Asset	-	287	276	-	11	-	-	-	(1)	-	-	-	-	-	288	278	-	10
- Quarry Asset	-	657	397	-	260	-	-	-	(51)	-	-	-	-	-	656	447	-	209
TOTAL INFRASTRUCTURE, PROPERTY, PLANT & EQUIP.	968	613,947	174,664	352	439,899	12,178	352	(545)	(9,226)	(20)	-	(254)	1,221	1,681	625,684	183,760	-	443,605

Additions to Depreciable Land Improvements, Buildings, Other Structures & Infrastructure Assets are made up of Asset Renewals (\$6,608,532.00) and New Assets (\$5,656,775.00). Renewals are defined as the replacement of existing assets (as opposed to the acquisition of new assets).

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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

\$ '000	Actual 2013				Actual 2012			
	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value
Water Supply								
Plant & Equipment	-	3,248	2,316	932	-	3,234	2,250	984
Land								
- Operational Land	-	190	-	190	-	141	-	141
- Community Land	-	268	-	268	-	268	-	268
- Improvements - depreciable	-	28	4	24	-	28	4	24
Other Structures	-	239	61	178	-	-	-	-
Infrastructure	-	41,250	19,124	22,126	-	40,199	18,217	21,982
Total Water Supply	-	45,223	21,505	23,718	-	43,870	20,471	23,399
Sewerage Services								
WIP	1,681	-	-	1,681	-	789	-	789
Plant & Equipment	-	5,981	3,757	2,224	-	5,967	3,575	2,392
Land								
- Operational Land	-	254	-	254	-	254	-	254
- Community Land	-	64	-	64	-	64	-	64
- Improvements non-depreciable	-	999	-	999	-	999	-	999
- Improvements - depreciable	-	977	637	340	-	977	589	388
Buildings	-	200	29	171	-	200	24	176
Other Structures	-	15	2	13	-	7	-	7
Infrastructure	-	36,494	8,744	27,750	-	34,965	8,001	26,964
Total Sewerage Services	1,681	44,984	13,169	33,496	-	44,222	12,189	32,033
Domestic Waste Management								
Plant & Equipment	-	301	177	124	-	301	149	152
Office Equipment	-	46	1	45	-	-	-	-
Land								
- Operational Land'	-	95	-	95	-	245	-	245
- Community Land	-	435	-	435	-	-	-	-
- Improvements - depreciable	-	240	57	183	-	240	46	194
Buildings	-	7	-	7	-	7	-	7
Other Assets	-	455	161	294	-	455	141	314
Total DWM	-	1,579	396	1,183	-	1,248	336	912
TOTAL RESTRICTED I,PP&E	1,681	91,786	35,070	58,397	-	89,340	32,996	56,344

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

\$ '000	Notes	Actual 2013	Actual 2012
Impairment Losses recognised in the Income Statement			
Other Assets impaired at 30/06/2011		(20)	(18)
Total Impairment Losses		(20)	(18)
IMPAIRMENT of ASSETS - GAINS/(LOSSES) in P/L	4(d)	(20)	(18)

Refer to Note 9(a) for Impairment Restoration Works totalling \$352K undertaken this year relating to current year or prior year Impairments.

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 10a. Payables, Borrowings & Provisions

\$ '000	Notes	2013		2012	
		Current	Non Current	Current	Non Current
Payables					
Goods & Services - operating expenditure		1,097	-	1,830	-
Payments Received In Advance		248	-	206	-
Accrued Expenses:					
- Borrowings		8	-	4	-
- Salaries & Wages		231	-	175	-
- Other Expenditure Accruals		312	-	270	-
Security Bonds, Deposits & Retentions		316	14	282	-
ATO - Net GST Payable		25	-	183	-
Other		19	-	31	-
Total Payables		2,256	14	2,981	-
Borrowings					
Loans - Secured ¹		167	2,884	69	595
Government Advances		3	8	6	12
Total Borrowings		170	2,892	75	607
Provisions					
Employee Benefits;					
Annual Leave		1,076	-	991	-
Long Service Leave		2,520	-	3,322	115
Sub Total - Aggregate Employee Benefits		3,596	-	4,313	115
Asset Remediation/Restoration (Future Works)	26	-	1,462	-	1,397
Total Provisions		3,596	1,462	4,313	1,512
Total Payables, Borrowings & Provisions		6,022	4,368	7,369	2,119
(i) Liabilities relating to Restricted Assets		2013		2012	
		Current	Non Current	Current	Non Current
Externally Restricted Assets					
Water		137	-	114	-
Sewer		536	2,884	235	595
Other		-	-	173	-
Liabilities relating to externally restricted assets		673	2,884	522	595
Internally Restricted Assets					
Nil					
Total Liabilities relating to restricted assets		673	2,884	522	595
Total Liabilities relating to Unrestricted Assets		5,349	1,484	6,847	1,524
TOTAL PAYABLES, BORROWINGS & PROVISIONS		6,022	4,368	7,369	2,119

¹ Loans are secured over the General Rating Income of Council

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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

\$ '000	Actual 2013	Actual 2012
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(ii) Current Liabilities not anticipated to be settled within the next 12 months

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

Provisions - Employees Benefits	2,520	3,332
	<u>2,520</u>	<u>3,332</u>

Note 10b. Description of and movements in Provisions

Class of Provision	2012		2013			Closing Balance as at 30/6/13
	Opening Balance as at 1/7/12	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	
Annual Leave	991	699	(769)	155	-	1,076
Long Service Leave	3,437	(385)	(756)	224	-	2,520
Asset Remediation	1,397	65	-	-	-	1,462
TOTAL	5,825	379	(1,525)	379	-	5,058

- a. Employees Leave Entitlements & On-Costs represents those benefits accrued and payable and an estimate of those that will become payable in the future as a result of past service.
- b. Asset Remediation, Reinstatement & Restoration Provisions represent the Present Value estimate of future costs Council will incur in order to remove, restore & remediate assets &/or activities as a result of past operations.

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 11. Statement of Cash Flows - Additional Information

\$ '000	Notes	Actual 2013	Actual 2012
(a) Reconciliation of Cash Assets			
Total Cash & Cash Equivalent Assets	6a	21,380	25,983
Less Bank Overdraft	10	-	-
BALANCE as per the STATEMENT of CASH FLOWS		21,380	25,983
(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities			
Net Operating Result from Income Statement		5,341	4,961
Adjust for non cash items:			
Depreciation & Amortisation		9,245	9,382
Net Losses/(Gains) on Disposal of Assets		(74)	(370)
Non Cash Capital Grants and Contributions		(184)	(242)
Impairment Losses Recognition - I,PP&E		20	18
Losses/(Gains) recognised on Fair Value Re-measurements through the P&L:			
- Investments classified as "At Fair Value" or "Held for Trading"		(63)	(37)
Unwinding of Discount Rates on Reinstatement Provisions		65	61
+/- Movement in Operating Assets and Liabilities & Other Cash Items:			
Decrease/(Increase) in Receivables		183	318
Increase/(Decrease) in Provision for Doubtful Debts		14	8
Decrease/(Increase) in Inventories		9	176
Decrease/(Increase) in Other Assets		(33)	(2)
Increase/(Decrease) in Payables		(733)	(1,714)
Increase/(Decrease) in accrued Interest Payable		4	(1)
Increase/(Decrease) in other accrued Expenses Payable		98	445
Increase/(Decrease) in Other Liabilities		(80)	229
Increase/(Decrease) in Employee Leave Entitlements		(832)	895
NET CASH PROVIDED FROM/(USED IN)		12,980	14,127
OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS		12,980	14,127

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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

\$ '000	Notes	Actual 2013	Actual 2012
(c) Non-Cash Investing & Financing Activities			
Bushfire Grants		184	242
Total Non-Cash Investing & Financing Activities		184	242
(d) Financing Arrangements			
(i) Unrestricted access was available at balance date to the following lines of credit:			
Bank Overdraft Facilities ⁽¹⁾		450	450
Credit Cards / Purchase Cards		25	15
Total Financing Arrangements		475	465
Amounts utilised as at Balance Date:			
- Credit Cards / Purchase Cards		3	-
Total Financing Arrangements Utilised		3	-

1. The Bank overdraft facility may be drawn at any time and may be terminated by the bank without notice.
Interest rates on overdrafts are Interest Rates on Loans & Other Payables are disclosed in Note 15.

(ii) Secured Loan Liabilities

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2013	Actual 2012
(a) Capital Commitments (exclusive of GST)			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Property, Plant & Equipment			
Buildings		15	-
Plant & Equipment		71	220
Sewer		2,704	-
Water		49	-
Roads Bridges & Footpaths		715	-
Other Structures		962	-
Investment Property			
- Land		18	-
Total Commitments		4,534	220
These expenditures are payable as follows:			
Within the next year		4,534	220
Total Payable		4,534	220
Sources for Funding of Capital Commitments:			
Future Grants & Contributions		1,662	-
Internally Restricted Reserves		1,829	220
Unexpended Loans		1,043	-
Total Sources of Funding		4,534	220

(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	2	3
Later than one year and not later than 5 years	-	2
Later than 5 years	-	-
Total Non Cancellable Operating Lease Commitments	2	5

b. Non Cancellable Operating Leases include the following assets:

Photocopier for Family Day Care

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.

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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

\$ '000	Amounts	Indicator	Prior Periods	
	2013	2013	2012	2011
Local Government Industry Indicators - Consolidated				
1. Unrestricted Current Ratio				
Current Assets less all External Restrictions ⁽¹⁾	<u>29,331</u>	10.37 : 1	7.25	5.74
Current Liabilities less Specific Purpose Liabilities ^(2,3)	<u>2,829</u>			
2. Debt Service Ratio				
Debt Service Cost	<u>197</u>	0.68%	0.41%	0.63%
Income from Continuing Operations (excl. Capital Items & Specific Purpose Grants/Contributions)	<u>29,008</u>			
3. Rates & Annual Charges Coverage Ratio				
Rates & Annual Charges	<u>11,827</u>	31.42%	29.36%	29.80%
Income from Continuing Operations	<u>37,644</u>			
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage				
Rates, Annual & Extra Charges Outstanding	<u>1,820</u>	14.50%	5.18%	10.76%
Rates, Annual & Extra Charges Collectible	<u>12,549</u>			
5. Building & Infrastructure Renewals Ratio				
Asset Renewals ⁽⁴⁾	<u>6,609</u>	108.43%	89.47%	118.82%
Depreciation, Amortisation & Impairment	<u>6,095</u>			

Notes

⁽¹⁾ Refer Notes 6-8 inclusive.

Also excludes any Real Estate & Land for resale not expected to be sold in the next 12 months

⁽²⁾ Refer to Note 10(a).

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

⁽⁴⁾ Asset Renewals represent the replacement &/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance. Asset Renewals include building and infrastructure assets only.

Cabonne Council

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

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

<p>1. Unrestricted Current Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio : 1</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>7.41</td> </tr> <tr> <td>2011</td> <td>5.74</td> </tr> <tr> <td>2012</td> <td>7.25</td> </tr> <tr> <td>2013</td> <td>10.37</td> </tr> </tbody> </table>	Year	Ratio : 1	2010	7.41	2011	5.74	2012	7.25	2013	10.37	<p>Purpose of Unrestricted Current Ratio</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>Commentary on 2012/13 Result</p> <p>2012/13 Ratio 10.37 : 1</p> <p>The increase in the Unrestricted Current Ratio shows that Council continues to be in a strong and robust financial position, able to satisfy all obligations of Council's activities as they fall due.</p>
Year	Ratio : 1											
2010	7.41											
2011	5.74											
2012	7.25											
2013	10.37											
<p>2. Debt Service Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>0.74%</td> </tr> <tr> <td>2011</td> <td>0.63%</td> </tr> <tr> <td>2012</td> <td>0.41%</td> </tr> <tr> <td>2013</td> <td>0.68%</td> </tr> </tbody> </table>	Year	Ratio %	2010	0.74%	2011	0.63%	2012	0.41%	2013	0.68%	<p>Purpose of Debt Service Ratio</p> <p>To assess the impact of loan principal & interest repayments on the discretionary revenue of council.</p>	<p>Commentary on 2012/13 Result</p> <p>2012/13 Ratio 0.68%</p> <p>Council has recently taken out a loan for a sewerage scheme, however the Debt Service Ratio still shows that Council is well within its capacity to be able to ensure all interest and principal obligations are met, currently and well into the future.</p>
Year	Ratio %											
2010	0.74%											
2011	0.63%											
2012	0.41%											
2013	0.68%											
<p>3. Rates & Annual Charges Coverage Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>30.52%</td> </tr> <tr> <td>2011</td> <td>29.80%</td> </tr> <tr> <td>2012</td> <td>29.36%</td> </tr> <tr> <td>2013</td> <td>31.42%</td> </tr> </tbody> </table>	Year	Ratio %	2010	30.52%	2011	29.80%	2012	29.36%	2013	31.42%	<p>Purpose of Rates & Annual Charges Coverage Ratio</p> <p>To assess the degree of Council's dependence upon revenue from rates and annual charges and to assess the security of Council's income.</p>	<p>Commentary on 2012/13 Result</p> <p>2012/13 Ratio 31.42%</p> <p>Whilst the Rates & Annual Charges Coverage Ratio has increased slightly since last year, it is well within industry standard and comparable to other Regional Council's with similar characteristics.</p>
Year	Ratio %											
2010	30.52%											
2011	29.80%											
2012	29.36%											
2013	31.42%											
<p>4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>10.92%</td> </tr> <tr> <td>2011</td> <td>10.76%</td> </tr> <tr> <td>2012</td> <td>5.18%</td> </tr> <tr> <td>2013</td> <td>14.50%</td> </tr> </tbody> </table>	Year	Ratio %	2010	10.92%	2011	10.76%	2012	5.18%	2013	14.50%	<p>Purpose of Rates & Annual Charges Outstanding Ratio</p> <p>To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.</p>	<p>Commentary on 2012/13 Result</p> <p>2012/13 Ratio 14.50%</p> <p>This ratio has increased since last year due to a corporate software system change. It should be noted that water and sewer notices that were levied on the 30th June 2013 were outstanding, however ratepayers did not have the opportunity to pay these outstanding accounts.</p>
Year	Ratio %											
2010	10.92%											
2011	10.76%											
2012	5.18%											
2013	14.50%											
<p>5. Building & Infrastructure Renewals Ratio</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ratio %</th> </tr> </thead> <tbody> <tr> <td>2010</td> <td>124.57%</td> </tr> <tr> <td>2011</td> <td>118.82%</td> </tr> <tr> <td>2012</td> <td>89.47%</td> </tr> <tr> <td>2013</td> <td>108.43%</td> </tr> </tbody> </table>	Year	Ratio %	2010	124.57%	2011	118.82%	2012	89.47%	2013	108.43%	<p>Purpose of Asset Renewals Ratio</p> <p>To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.</p>	<p>Commentary on 2012/13 Result</p> <p>2012/13 Ratio 108.43%</p> <p>A very pleasing result for Council. This ratio shows that Council is spending in excess of the requirements by the department for renewal of assets.</p>
Year	Ratio %											
2010	124.57%											
2011	118.82%											
2012	89.47%											
2013	108.43%											

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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

\$ '000	Water 2013	Sewer 2013	General ¹ 2013
Local Government Industry Indicators - by Fund			
1. Unrestricted Current Ratio			
Current Assets less all External Restrictions ⁽¹⁾	28.01 : 1	10.98 : 1	10.37 : 1
Current Liabilities less Specific Purpose Liabilities ^(2,3)			
prior period:	32.87 : 1	15.52 : 1	7.25 : 1
2. Debt Service Ratio			
Debt Service Cost	0.21%	14.90%	-0.17%
Income from Continuing Operations (excl. Capital Items & Specific Purpose Grants/Contributions)			
prior period:	0.00%	4.73%	0.18%
3. Rates & Annual Charges Coverage Ratio			
Rates & Annual Charges	32.98%	53.89%	29.78%
Income from Continuing Operations			
prior period:	29.49%	57.56%	27.58%
4. Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage			
Rates, Annual & Extra Charges Outstanding	59.62%	60.72%	7.53%
Rates, Annual & Extra Charges Collectible			
prior period:	9.51%	6.95%	4.86%
5. Building & Infrastructure Renewals Ratio			
Asset Renewals (Building & Infrastructure assets)	1.12%	0.75%	128.96%
Depreciation, Amortisation & Impairment			
prior period:	0.00%	0.00%	105.70%

Notes

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 14. Investment Properties

\$ '000

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

Note 15. Financial Risk Management

Risk Management

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

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

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

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

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

	Carrying Value		Fair Value	
	2013	2012	2013	2012
Financial Assets				
Cash and Cash Equivalents	21,380	25,983	18,880	35,983
Investments				
- "Held for Trading"	92	330	92	330
- "Held to Maturity"	18,500	10,000	21,000	-
Receivables	5,291	5,538	5,292	5,538
Other Financial Assets	281	262	281	262
Total Financial Assets	45,544	42,113	45,545	42,113
Financial Liabilities				
Payables	2,022	2,775	2,022	2,775
Loans / Advances	3,062	682	3,062	681
Total Financial Liabilities	5,084	3,457	5,084	3,456

Fair Value is determined as follows:

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 15. Financial Risk Management (continued)

\$ '000

(a) Fair Value Measurements

The fair value of financial assets and financial liabilities must be estimated in accordance with Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 7 Financial Instruments: Disclosures, requires the disclosure of how fair valuations have been arrived at for all financial assets and financial liabilities that have been measured at fair value.

Arriving at fair values for financial assets & liabilities can be broken up into 3 distinct measurement hierarchies:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

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

The following table presents the financial assets and financial liabilities that have been measured & recognised at fair values:

2013	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments				
- "Held for Trading"	92	-	-	92
Total Financial Assets	92	-	-	92
2012	Level 1	Level 2	Level 3	Total
Financial Assets				
Investments				
- "Held for Trading"	330	-	-	330
Total Financial Assets	330	-	-	330

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 15. Financial Risk Management (continued)

\$ '000

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

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

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

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

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

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

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

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

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

	Increase of Values/Rates		Decrease of Values/Rates	
	Profit	Equity	Profit	Equity
2013				
Possible impact of a 10% movement in Market Values	-	9	-	(9)
Possible impact of a 1% movement in Interest Rates	124	124	(124)	(124)
2012				
Possible impact of a 10% movement in Market Values	2	33	(2)	(33)
Possible impact of a 1% movement in Interest Rates	591	591	(591)	(591)

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 15. Financial Risk Management (continued)

\$ '000

(c) Receivables

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

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

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

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

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

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:

	2013	2013	2012	2012
	Rates & Annual Charges	Other Receivables	Rates & Annual Charges	Other Receivables
(i) Ageing of Receivables				
Current (not yet overdue)	991	(992)	-	4,624
Past due by up to 30 days	684	4,252	512	21
Past due between 31 and 180 days	175	25	165	-
Past due by more than 1 year	-	726	-	772
	<u>1,850</u>	<u>4,011</u>	<u>677</u>	<u>5,417</u>

(ii) Movement in Provision for Impairment of Receivables

	2013	2012
Balance at the beginning of the year	556	548
+ new provisions recognised during the year	29	23
- amounts already provided for & written off this year	(15)	(15)
Balance at the end of the year	<u>570</u>	<u>556</u>

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 15. Financial Risk Management (continued)

\$ '000

(d) Payables & Borrowings

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

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

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

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

\$ '000	Subject to no maturity	payable in:						Total Cash Outflows	Actual Carrying Values
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
2013									
Trade/Other Payables	330	1,692	-	-	-	-	-	2,022	2,022
Loans & Advances	-	351	351	351	350	337	2,560	4,300	3,062
Total Financial Liabilities	330	2,043	351	351	350	337	2,560	6,322	5,084
2012									
Trade/Other Payables	282	2,493	-	-	-	-	-	2,775	2,775
Loans & Advances	-	123	120	119	119	119	296	896	682
Total Financial Liabilities	282	2,616	120	119	119	119	296	3,671	3,457

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

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

	2013		2012	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Trade/Other Payables	2,022	0.0%	2,775	0.0%
Loans & Advances - Fixed Interest Rate	3,062	6.8%	682	6.9%
	<u>5,084</u>		<u>3,457</u>	

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 12/13 was adopted by the Council on 16 July 2013.

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

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

Note that for Variations* of Budget to Actual :

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

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

\$ '000	2013 Budget	2013 Actual	2013 ----- Variance* -----		
REVENUES					
Rates & Annual Charges	11,136	11,827	691	6%	F
This favourable result for rates and annual charges was due to a miscalculation in the original budget estimates.					
User Charges & Fees	3,534	9,982	6,448	182%	F
The favourable result is due to a reclassification of some Other Revenues to User Charges and Fees. Addition funding of \$3m was received from Roads & Maritime Services for Ordered Works					
Interest & Investment Revenue	1,451	1,986	535	37%	F
This favourable result was due to the fact that at the time of preparing the Annual budget, a lower interest rate was projected. There was also an increase in Council's overall cash held available for investment.					
Other Revenues	1,897	836	(1,061)	(56%)	U
The decrease in other revenues is due to a reclassification of some revenues to User Charges and Fees.					
Operating Grants & Contributions	12,725	9,996	(2,729)	(21%)	U
Estimated income from Grants and Contributions were not received as anticipated by Council.					
Capital Grants & Contributions	3,986	2,943	(1,043)	(26%)	U
The Small Town Sewerage Scheme encountered additional delays in construction, therefore grant funding was not received by Council this financial year.					
Net Gains from Disposal of Assets	-	74	74	0%	F

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 16. Material Budget Variations (continued)

\$ '000	2013 Budget	2013 Actual	2013 ----- Variance* -----		
EXPENSES					
Employee Benefits & On-Costs	10,882	11,652	(770)	(7%)	U
Borrowing Costs	234	187	47	20%	F
This favourable result is due to Council not having to borrow additional funds for the Small Town Sewerage Scheme, resulting in a reduction in borrowing costs.					
Materials & Contracts	8,585	4,811	3,774	44%	F
Due to the introduction of Council's new corporate software system, reclassification of items between Material and Contracts and Other Expenses has resulted in this budget variance.					
Depreciation & Amortisation	8,955	9,245	(290)	(3%)	U
Impairment Expenses	-	20	(20)	0%	U
Other Expenses	954	6,388	(5,434)	(570%)	U
Due to the introduction of Council's new corporate software system, reclassification of items between Material and Contracts and Other Expenses has resulted in this budget variance.					
Budget Variations relating to Council's Cash Flow Statement include:					
Cash Flows from Operating Activities	14,126	12,980	(1,146)	(8.1%)	U
Cash Flows from Investing Activities	(22,324)	(19,963)	2,361	(10.6%)	F
Cash Flows from Financing Activities	(133)	2,380	2,513	(1889.5%)	F

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 17. Statement of Developer Contributions

\$ '000

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

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

SUMMARY OF CONTRIBUTIONS & LEVIES

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	433	26	-	10	-	-	469	22	(21)	470	-
Other	225	10	-	5	(56)	-	184	5	(1)	188	-
S94 Contributions - under a Plan	658	36	-	15	(56)	-	653	27	(22)	658	-
Total S94 Revenue Under Plans	658	36	-	15	(56)	-	653				-
Total Contributions	658	36	-	15	(56)	-	653	27	(22)	658	-

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 17. Statement of Developer Contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NUMBER 1 - SMALL RURAL HOLDINGS

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	23	2	-	1	-	-	26	2	(1)	27	-
Total	23	2	-	1	-	-	26	2	(1)	27	-

CONTRIBUTION PLAN NUMBER - GENERAL RURAL ZONE

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Roads	410	24	-	9	-	-	443	20	(20)	443	-
Total	410	24	-	9	-	-	443	20	(20)	443	-

S94 CONTRIBUTIONS - UNDER A PLAN

CONTRIBUTION PLAN NUMBER - BUSHFIRE EQUIPMENT

PURPOSE	Opening Balance	Contributions received during the Year		Interest earned in Year	Expenditure during Year	Internal Borrowing (to)/from	Held as Restricted Asset	Projections			Cumulative Internal Borrowings due/(payable)
		Cash	Non Cash					Future income	Exp still outstanding	Over or (under) Funding	
Other	225	10	-	5	(56)	-	184	5	(1)	188	-
Total	225	10	-	5	(56)	-	184	5	(1)	188	-

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 18. Contingencies & Other Assets/Liabilities Not Recognised

\$ '000

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

LIABILITIES NOT RECOGNISED:

1. Guarantees

(i) Defined Benefit Superannuation Contribution Plans

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

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

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

The Local Government Superannuation Scheme however is unable to provide Council with an accurate estimate of its share of the net deficit and accordingly Council has not recorded any net liability from 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 30/6 this year may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

(iii) StateCover Limited

Council is a member of StateCover Mutual Limited and holds a partly paid share in the entity.

StateCover is a company providing workers compensation insurance cover to the NSW Local Government Industry and specifically Council.

Council has a contingent liability to contribute further equity in the event of the erosion of the Company's capital base as a result of the company's past performance and/or claims experience or as a result of any increased prudential requirements from APRA.

These future equity contributions would be required to maintain the company's minimum level of Net Assets in accordance with its Licence Requirements.

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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

\$ '000

LIABILITIES NOT RECOGNISED (continued):

1. Guarantees (continued)

(iv) Gelato Ingredients Manufacturing Australia (GIMA)

Council, in conjunction with GIMA has purchased industrial land and erected a commercial building that is now being leased by GIMA. The contract provisions include a call option granting GIMA first option to buy.

The agreement states that in order to purchase the land, the purchase price is determined by either the Valuer General's or an independent licenced valuer's valuation at the date of the contract agreed to by both parties. The purchase price (if purchased by GIMA) is subject to a discount (being a reduction by 2%) for each full time job created as a result of the establishment of the factory. A full time job is defined as a job that has been in existence for the previous 12 months, including 1 months annual leave and based on average full time equivalent employees - that is 35 hours per week.

The purchase price for the factory itself is based upon the final construction costs signed off by both parties. The construction costs exclude the provision of infrastructure such as water, sewerage and roads. Of note, the agreement does not provide for indexation or inflation of the purchase price of the building.

At the date of this report, Council is not aware of any intent by GIMA to act upon their option.

(v) Other Guarantees

Council has provided a Bank Guarantee of \$540,000 for rehabilitation works to be carried out upon closure of its Molong Limestone Quarry. The agreement is with the Department of Primary Industries.

(vi) Other Guarantees

Council has provided no other Guarantees other than those listed above.

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 Councils intention to spend funds in the manner and timing set out in those Plans.

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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

\$ '000

LIABILITIES NOT RECOGNISED (continued):

2. Other Liabilities (continued)

(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.

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

(iv) Gasworks Remediation

Council expects to undertake remediation of the Molong Gasworks site over the next four years.

At this stage Council is unable to estimate the total costs of remediation of the site.

Costs of remediation will be brought to account once a reliable estimate is able to be obtained.

ASSETS NOT RECOGNISED:

(i) Land Under Roads

As permitted under AASB 1051, Council has elected not to bring to account Land Under Roads that it owned or controlled up to & including 30/6/08.

(ii) Infringement Notices/Fines

Fines & Penalty Income, the result of Council issuing Infringement Notices is followed up and collected by the Infringement Processing Bureau.

Councils Revenue Recognition policy for such income is to account for it as revenue on receipt.

Accordingly, at Year End, there is a potential asset due to Council representing issued but unpaid Infringement Notices.

Due to the limited information available on the status, value and duration of outstanding Notices, Council is unable to determine the value of outstanding income.

Cabonne Council

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

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

\$ '000

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

(a) Subsidiaries, Associated Entities & Joint Venture Operations Not Recognised

The following Subsidiaries, Associated Entities & Joint Ventures have not been recognised in this Financial Report.

Name of Entity/Operation	Principal Activity/Type of Entity	2013 Net Profit	2013 Net Assets
Central West Co-Operative Public library	Library Services to member Councils	(4)	118
Strategic Alliance Wellington, Blayney & Cabonne Council:	Investigation & provision of Economies of scale opportunities for Member Councils		
Southern Phone Company	Telecommunications		

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 20. Equity - Retained Earnings and Revaluation Reserves

\$ '000	Notes	Actual 2013	Actual 2012
(a) Retained Earnings			
Movements in Retained Earnings were as follows:			
Balance at beginning of Year (from previous years audited accounts)		281,533	276,572
a. Net Operating Result for the Year		<u>5,341</u>	<u>4,961</u>
Balance at End of the Reporting Period		<u>286,874</u>	<u>281,533</u>

(b) Reserves

(i) Reserves are represented by:

- Infrastructure, Property, Plant & Equipment Revaluation Reserve		<u>193,568</u>	<u>192,347</u>
Total		<u>193,568</u>	<u>192,347</u>

(ii) Reconciliation of movements in Reserves:

Infrastructure, Property, Plant & Equipment Revaluation Reserve			
- Opening Balance		192,347	179,543
- Revaluations for the year	9(a)	<u>1,221</u>	<u>12,804</u>
- Balance at End of Year		<u>193,568</u>	<u>192,347</u>
TOTAL VALUE OF RESERVES		<u>193,568</u>	<u>192,347</u>

(iii) Nature & Purpose of Reserves

Infrastructure, Property, Plant & Equipment Revaluation Reserve

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

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

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

(d) Voluntary Changes in Accounting Policies

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 21. Financial Result & Financial Position by Fund

Income Statement by Fund \$ '000	Actual 2013	Actual 2013	Actual 2013
Continuing Operations	Water	Sewer	General¹
Income from Continuing Operations			
Rates & Annual Charges	309	1,310	10,208
User Charges & Fees	459	75	9,448
Interest & Investment Revenue	138	183	1,665
Other Revenues	4	8	824
Grants & Contributions provided for Operating Purposes	13	28	9,955
Grants & Contributions provided for Capital Purposes	14	827	2,102
Other Income			
Net Gains from Disposal of Assets	-	-	74
Share of interests in Joint Ventures & Associates using the Equity Method	-	-	-
Total Income from Continuing Operations	937	2,431	34,276
Expenses from Continuing Operations			
Employee Benefits & on-costs	156	215	11,281
Borrowing Costs	-	121	66
Materials & Contracts	570	754	3,487
Depreciation & Amortisation	511	764	7,970
Impairment	-	-	20
Other Expenses	81	137	6,170
Interest & Investment Losses	-	-	-
Total Expenses from Continuing Operations	1,318	1,991	28,994
Operating Result from Continuing Operations	(381)	440	5,282
Discontinued Operations			
Net Profit/(Loss) from Discontinued Operations	-	-	-
Net Operating Result for the Year	(381)	440	5,282
Net Operating Result attributable to each Council Fund	(381)	440	5,282
Net Operating Result attributable to Non-controlling Interests	-	-	-
Net Operating Result for the year before Grants and Contributions provided for Capital Purposes	(395)	(387)	3,180

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

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

Cabonne Council

Notes to the Financial Statements

as at 30 June 2013

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

Statement of Financial Position by Fund \$ '000	Actual 2013	Actual 2013	Actual 2013
ASSETS	Water	Sewer	General¹
Current Assets			
Cash & Cash Equivalents	3,300	4,095	13,985
Investments	-	-	18,592
Receivables	538	1,788	2,229
Inventories	-	-	1,252
Other	-	-	15
Non-current assets classified as 'held for sale'	-	-	-
Total Current Assets	3,838	5,883	36,073
Non-Current Assets			
Investments	-	-	-
Receivables	25	90	621
Inventories	-	-	162
Infrastructure, Property, Plant & Equipment	23,718	33,496	386,391
Investments Accounted for using the equity method	-	-	-
Investment Property	-	-	-
Intangible Assets	-	-	254
Other	-	-	281
Total Non-Current Assets	23,743	33,586	387,709
TOTAL ASSETS	27,581	39,469	423,782
LIABILITIES			
Current Liabilities			
Payables	137	369	1,750
Borrowings	-	167	3
Provisions	-	-	3,596
Total Current Liabilities	137	536	5,349
Non-Current Liabilities			
Payables	-	-	14
Borrowings	-	2,884	8
Provisions	-	-	1,462
Total Non-Current Liabilities	-	2,884	1,484
TOTAL LIABILITIES	137	3,420	6,833
Net Assets	27,444	36,049	416,949
EQUITY			
Retained Earnings	11,521	21,403	253,950
Revaluation Reserves	15,923	14,646	162,999
Total Equity	27,444	36,049	416,949

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

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

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

\$ '000

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

Note 23. Events occurring after the Reporting Period

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

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

Accordingly, the "authorised for issue" date is 17/09/13.

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

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

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

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

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

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

Note 24. Discontinued Operations

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

Cabonne Council

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

Note 25. Intangible Assets

\$ '000

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

	Actual 2013 Carrying Amount	Actual 2012 Carrying Amount
Intangible Assets are as follows;		
Opening Values:		
Gross Book Value (1/7/12)	-	-
Accumulated Amortisation (1/7/12)	-	-
Accumulated Impairment (1/7/12)	-	-
Net Book Value - Opening Balance	-	-
Movements for the year		
- Purchases	273	-
- Amortisation charges	(19)	-
Closing Values:		
Gross Book Value (30/6/13)	286	-
Accumulated Amortisation (30/6/13)	(32)	-
Accumulated Impairment (30/6/13)	-	-
<u>TOTAL INTANGIBLE ASSETS - NET BOOK VALUE</u> ¹	<u>254</u>	<u>-</u>

¹ The Net Book Value of Intangible Assets represent:

- Software	254	-
	<u>254</u>	<u>-</u>

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 26. Reinstatement, Rehabilitation & Restoration Liabilities

\$ '000

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

Asset/Operation	Estimated year of restoration	NPV of Provision	
		2013	2012
Tip Operations	2016	353	350
Quarry Operations	2039	1,109	1,047
Balance at End of the Reporting Period		1,462	1,397

10(a)

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

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

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

Reconciliation of movement in Provision for year:

Balance at beginning of year	1,397	1,336
Amounts capitalised to new or existing assets:		
Amortisation of discount (expensed to borrowing costs)	65	61
Total - Reinstatement, rehabilitation and restoration provision	1,462	1,397

Amount of Expected Reimbursements

Of the above Provisions for Reinstatement, Rehabilitation and Restoration works, those applicable to Garbage Services & Waste Management are able to be funded through future charges incorporated within Council's Annual Domestic Waste Management Charge.

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 27. Financial Review

\$ '000

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

Financial Performance Figures	2013	2012	2011	2010	2009
Inflows:					
Rates & Annual Charges Revenue	11,827	11,148	10,649	10,302	9,721
User Charges Revenue	9,982	11,045	6,794	6,594	7,842
Interest & Investment Revenue (Losses)	1,986	1,777	1,825	1,640	1,755
Grants Income - Operating & Capital	9,638	11,253	11,983	8,963	11,089
Total Income from Continuing Operations	37,644	37,966	35,739	32,901	35,121
Sale Proceeds from I,PP&E	619	1,226	1,202	1,222	1,144
New Loan Borrowings & Advances	2,455	-	-	-	-
Outflows:					
Employee Benefits & On-cost Expenses	11,652	12,062	10,696	10,652	10,651
Borrowing Costs	187	113	115	145	123
Materials & Contracts Expenses	4,811	7,412	6,195	5,960	7,240
Total Expenses from Continuing Operations	32,303	33,005	29,451	27,415	28,838
Total Cash purchases of I,PP&E	12,365	12,955	10,937	14,169	10,905
Total Loan Repayments (incl. Finance Leases)	75	71	101	117	114
Operating Surplus/(Deficit) (excl. Capital Income)	2,398	2,793	2,658	2,298	1,736
Financial Position Figures	2013	2012	2011	2010	2009
Current Assets	45,794	42,266	40,723	35,504	36,471
Current Liabilities	6,022	7,369	7,485	6,027	6,194
Net Current Assets	39,772	34,897	33,238	29,477	30,277
Available Working Capital (Unrestricted Net Current Assets)	3,100	5,596	7,159	6,114	4,152
Cash & Investments - Unrestricted	2,103	4,999	7,188	4,532	1,780
Cash & Investments - Internal Restrictions	24,631	17,412	15,654	13,904	15,086
Cash & Investments - Total	39,972	36,313	34,550	28,357	29,244
Total Borrowings Outstanding (Loans, Advances & Finance Leases)	3,062	682	753	854	971
Total Value of I,PP&E (excl. Land & Earthworks)	445,048	434,477	432,636	418,280	365,459
Total Accumulated Depreciation	183,760	175,016	177,458	166,202	145,712
Indicative Remaining Useful Life (as a % of GBV)	59%	60%	59%	60%	60%

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

Cabonne Council

Notes to the Financial Statements

for the financial year ended 30 June 2013

Note 28. Council Information & Contact Details

Principal Place of Business:

99 - 101 Bank Street
Molong NSW 2866

Contact Details

Mailing Address:

PO Box 17
Molong NSW 2866

Opening Hours:

Monday to Friday
9am to 5pm
Detail Opening Hours here

Telephone: 02 6392 3203

Facsimile: 02 6392 3260

Internet: www.cabonne.nsw.gov.au

Email: council@cabonne.nsw.gov.au

Officers

GENERAL MANAGER

Andrew L Hopkins

RESPONSIBLE ACCOUNTING OFFICER

Stephen Harding

PUBLIC OFFICER

Gerard Aguila

AUDITORS

Intentus Chartered Accountants
273 Lords Place
Orange NSW 2800

Elected Members

MAYOR

Ian Gosper

COUNCILLORS

Janelle Culverson
Ian Davison
Geoffrey Dean
Anthony Durkin
Michael Hayes
Lachlan MacSmith
Marlene Nash
Graham Smith
Gregory Treavors
Kevin Walker
Sharon Wilcox

Other Information

ABN: 419 929 192 00

**INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL
ON THE GENERAL PURPOSE FINANCIAL STATEMENTS OF
CABONNE COUNCIL**

Report on the Financial Statements

We have audited the accompanying general purpose financial statements of Cabonne Council (The Council) for the financial year ended 30 June 2013. The financial statements comprise the Statement by Councillors and Management, Income Statement, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and accompanying Notes to the Financial Statements.

Councils' Responsibility for the Financial Statements

The Council are responsible for the preparation and fair presentation of the financial statements in accordance with the Local Government Act 1993. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. Our audit responsibility does not extend to the original budget figures included in the Income Statement and Statement of Cash Flows, the original budget disclosures in Notes 2(a) and 16, the projected revenue and expenditure of developer contributions reported in Note 17, nor the Infrastructure Backlog and Asset Maintenance ratios included in Notes 13 (i) and 13b and accordingly, we express no opinion on them. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.



Matters Relating to the Electronic Presentation of the Audited Financial Statements

This auditor's report relates to the general purpose financial statements of Cabonne Council (Council) for the year ended 30 June 2013 included on Council's web site. Council is responsible for the integrity of Council's web site. We have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements to confirm the information included in the audited financial statements presented on this web site.

Audit Opinion

In our opinion:

- (a) the Council's accounting records have been kept in accordance with the requirements of the Local Government Act 1993, Chapter 13, Part 3, Division 2;
- (b) the Council's financial statements:
 - (i) have been prepared in accordance with the requirements of this Division;
 - (ii) are consistent with the Council's accounting records;
 - (iii) present fairly the Council's financial position, the results of its operations and cashflows; and
 - (iv) are in accordance with applicable Australian Accounting Standards (Including the Australian Accounting Interpretations).
- (c) all information relevant to the conduct of the audit has been obtained; and
- (d) there are no material deficiencies in the accounting records or financial statements that have emerged in the course of the audit.

Application of the requirements of the Local Government Act 1993, Chapter 13, Part 3, Division 2

Without qualification to the opinion expressed above, attention is drawn to Note 1(j) of the financial statements. Council have advised that the revaluation of buildings has not occurred this financial year.

Council engaged a valuer to undertake this work for the year ended 30 June 2013, however on review of the valuation provided to Council, it was determined that it did not meet Council's requirements, and was therefore not utilised. Our own review of the valuation workings concurred with Council's view that there was insufficient evidence to support the valuation conclusions and that the valuation could not be relied upon for audit purposes. A full valuation of Council's buildings will be conducted during the 2013-14 financial year.

While the financial statements are in compliance with Australian Accounting Standards, they do not comply with the Divisional requirement which specified that the revaluation of Council assets be conducted at least once every five (5) years.

Accordingly, this element of the financial statements does not comply with the Local Government Code of Accounting Practice and Financial Reporting (Guidelines) Update 21 which forms part of the requirements of the Local Government Act 1993, Chapter 13, Part 3, Division 2 and Regulation 207 of the Local Government (General) Regulation 2005.

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237 Lords Place
Orange
Dated:14 October 2013


J.D. O'Malley
Partner

14 October 2013

The Mayor
Councillor Ian Gosper
Cabonne Council
PO Box 17
MOLONG NSW 2866

Dear Mr Mayor

**INDEPENDENT AUDITOR'S REPORT ON THE CONDUCT OF THE AUDIT - Section 417(3)
CABONNE COUNCIL YEAR ENDED 30 JUNE 2013**

We advise having completed our audit of the financial statements of Cabonne Council for the financial year ended 30 June 2013. Our audit resulted in the issuing of an unmodified audit report on both the general purpose and special purpose financial statements of Council, though we note in our report that Council's community land has not been revalued to fair value as required by the Division of Local Government.

In accordance with Section 417 of the Local Government Act 1993 we submit our report on the conduct of the audit of Cabonne Council for the year ended 30 June 2013. Our audit reports on the general purpose financial statements of Council and the special purpose financial statements on Council's business units outline the legislative framework of our audit and should be referred to in order to establish the context in which our comments are made.

Council's Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

The following comments are provided in accordance with Section 415(3) of the Local Government Act 1993 and Regulation 227 of the Local Government (General) Regulation 2005 to assist in the understanding of the financial statements and our reports.

Review of Financial Results

(a) Operating Result

As disclosed in Council's Income Statement the year's operations resulted in a net operating result of \$5,341,000 (2012 - \$4,961,000). Selected items of note in the operating statement include:

Revenue

The operating result from ordinary activities *before* capital amounts was \$2,398,000 (2012 – \$2,793,000).

- User charges and fee income fell by \$1,063,000 to \$9,982,000 (2012 - \$11,045,000) with the decrease mainly due to a decline in work performed for RMS (formerly RTA).
- Income from Operating Grants was down on the prior year at \$9,996,000 (2012 - \$11,254,000) as a result of the early payment in 2012 of the 2013 instalment of the Federal Financial Assistance Grant being recognised as income in the 2012 year.
- Capital grants and contributions increased by \$775,000, boosted by a \$671,000 contribution from Orange city Council for the Euchareena Rd waste facility.

Expenditure

- Materials and contract costs decreased \$2,601,000 to \$4,811,000 (2012 - \$7,412,000) the decrease is consistent with the decline in work carried out for RMS as well as lower costs for consultants associated with the migration of council's software system.
- Other expenses were higher this year as a result of re-classifying external labour and plant hire which were previously included in the materials and contracts line.

Council's other major items of income and expenditure were relatively consistent with the prior period.

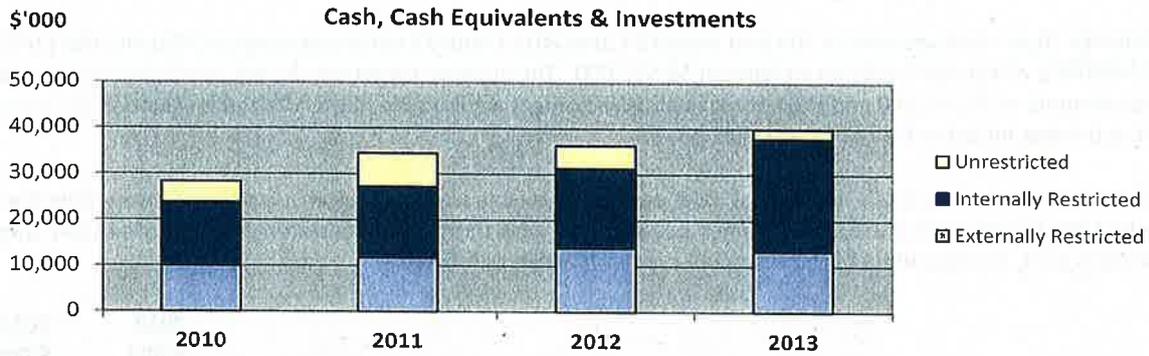
(b) Financial Position

The Balance Sheet discloses that for the year ended 30 June 2013 Council's net assets stood at \$480,442,000 (2012 - \$473,880,000), which represents an increase of \$6,562,000. The increase comprises the net operating surplus after capital amounts of \$5,341,000 and the net revaluation increment attributable to the indexed revaluation of Council's water and sewer infrastructure of \$1,221,000.

To assess the health of Council's net current asset position (available working capital) it is necessary to review the level of restrictions placed against the use of Council's assets. The notes to the financial statements indicate clearly where restrictions exist, and the effect of the restrictions is summarised as follows: -

	2013	2012
	\$'000	\$'000
Net Current Assets	39,772	34,897
Less: Amounts externally restricted for special purposes (refer Notes 6; 7; & 8 of financial statements)	(15,563)	(16,273)
Less: Council internally imposed restrictions (refer Note 6 of financial statements)	(24,631)	(17,412)
Add: Applicable current liabilities refer Note 10		
- Water	137	114
- Sewerage	536	235
- Other	-	173
Add: Employee Leave Entitlements to be paid > 12 months	2,520	3,332
Unrestricted net current asset surplus/(deficit)	2,771	5,066
Unrestricted net current assets comprise: -		
Assets		
Cash	2,103	4,999
Receivables	2,230	2,388
Inventories	1,252	1,193
Other (Prepayments)	15	1
Less: General Purpose Liabilities	(5,349)	(6,847)
Plus: Employee Leave Entitlements to be paid > 12 months	2,520	3,332
Unrestricted net current asset surplus/(deficit)	2,771	5,066

Council's continues to enjoy a surplus of net current assets to cover the restrictions placed on those assets.



Liquidity

Note 6 to the accounts discloses total cash and investments of \$39,972,000 (2012 - \$36,313,000), of this amount \$13,238,000 (2012 - \$13,902,000) is subject to external restrictions requiring Council to commit those funds to the purposes for which they were provided and \$24,631,000 (2012 - \$17,412,000) is subject to internal restrictions agreed upon by Council for designated purposes. These internal restrictions may be altered at the discretion of Council, consistent with their management plan.

The unrestricted balance of \$2,103,000 (2012 - \$4,999,000) represents funds available to cover non-budgeted discretionary expenditure and meet short-term cash flow requirements.

Whilst the consolidated financial statements displays healthy levels of cash and investments, we remind the reader that the consolidated data is not necessarily reflective of the position of the individual funds (General, Water & Sewer) and this is equally applicable when reviewing the performance indicators considered below. General information on the financial position and performance by fund is provided in Note 21 to the financial statements.

(c) Performance Indicators

Note 13 to the Financial Statements provide a measure of Council's performance using a number of selected ratios as follows:

Unrestricted Current Ratio

The Unrestricted Current Ratio is a measure of Council's liquidity that demonstrates its ability to satisfy obligations out of short-term and immediate asset balances. At a ratio of 10.37:1 (2012: 7.25:1) this indicates that Council is comfortably able to satisfy its debts as and when they fall due.

Debt Service Ratio

The cost of repaying debt is reflected in the debt service ratio, which expresses that cost as a percentage of revenue from ordinary activities.

Whilst there is no definitive guide on what constitutes an acceptable ratio it is generally accepted that a ratio of up to 20% depending on the level of long-term development (infrastructure) plans, is considered tolerable. At 0.68% (2012 – 0.41%) Cabonne Council's ratio is well below these industry benchmarks and indicates that Council has the capacity to finance further borrowing.

Rates & Annual Charges Coverage Ratio

The ability of Council to meet community expectations for the delivery of services and provision of facilities is directly influenced by the discretion it can exercise in the allocation of resources.

This ratio indicates the proportion of revenue generated by Council's through rates and annual charges.

Cabonne Council's ratio of 31.42% (2012 – 29.36%) is consistent with prior years.

The ratio is comparable with other regional councils having similar characteristics of population and geographic size.

Rates & Annual Charges, Interest & Extra Charges Outstanding Percentage

The rates and annual charges, interest and extra charges outstanding percentage is a measure of management efficiency. Whilst prevailing economic conditions may influence Council's ability to collect revenue, the efficacy of collection procedures is still the largest determinant of this ratio.

Cabonne Council's rates and annual charges, interest and extra charges outstanding percentage of 14.50% (2012 – 5.18%) has deteriorated considerably against the prior year, but is due to the levying of water and sewer charges at the end of the financial year thus the ratepayers have had no opportunity to pay the debt.

Each percentage point movement in this ratio equates to approximately \$125,000.

Building & Infrastructure Renewals Ratio

The purpose of this ratio is to assess the rate at which infrastructure assets are being renewed against the rate at which they are depreciating.

Because the distinction between replacements, renewals and repairs is not well defined, it is difficult to make meaningful analysis from this ratio. The fact that this ratio was in excess of 100% for the three of the past four years and 108.43% in the current year prima facie suggests that Council is effectively maintaining its infrastructure assets.

(d) Cash Flow Statement

The Statement of Cash Flows reports a net decrease in cash assets held of (\$6,824,000) (2012 increase - \$6,575,000) as follows:

	2013 \$'000	2012 \$'000	Movement \$'000
Cash flow provided by / (used in)			
Operating activities	12,980	14,127	(1,147)
Investing activities	(19,963)	(20,880)	917
Financing activities	2,380	(71)	2,451
Net increase / (decrease) in cash held	<u>(4,603)</u>	<u>(6,824)</u>	<u>2,221</u>

Cash flows from operating activities

The cashflows from operating activities have decreased due to the growth in uncollected rates combined with increased other payments particularly for plant hire.

Cash flows from investing activities

Cash outflows related to acquisitions of infrastructure, property, plant and equipment were again substantial, with several items of heavy plant replaced in addition to capital works on roads and sewer infrastructure.

Cash flows from financing activities

The net cash flow used in financing activities was \$71,000 (2012 - \$101,000), which related solely to the repayment of borrowings during the year.

(e) Comparison of Actual and Budgeted Performance

Council's surplus from ordinary activities after capital amounts of \$5,341,000 was \$222,000 more than Council's original estimates.

It is beyond the purpose of this report to provide a detailed analysis of individual budget variations. Note 16 to Council's financial statements addresses the contributing factors to these variations in detail.

(f) Other Matters

National Competition Policy

In accordance with the requirements of National Competition Policy guidelines, Cabonne Council has prepared special purpose financial statements on its business units for the year ended 30 June 2013. Council has determined that it has three business units within its operations: Water, Sewerage and Quarry.

The Division of Local Government's July 1997 guidelines 'Pricing and Costing for Council Businesses: A Guide to Competitive Neutrality' outlines the process for identifying and allocating costs of activities and provide a standard of disclosure requirements. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, rate of return on investments in business units and dividends paid.

An unqualified audit report on the special purpose reports for the year ended 30 June 2013 has been issued.

Management Letters

Our most recent management letter was issued on 9 May 2013. Management has typically responded to recommendations in an appropriate and timely manner.

(g) Legislative compliance

As a result of our audit we advise that there are no material deficiencies in the accounting records or financial statements that have come to our attention during the conduct of the audit and that Cabonne Council's accounting records have been kept in accordance with the requirements of the Local Government Act, 1993 and regulations.

(h) Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial statements of Cabonne Council (Council) for the year ended 30 June 2013 included on Council's web site. Council is responsible for the integrity of Council's web site. We have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Conclusion

- (a) The Council's accounting records have been kept in a manner and form that facilitated the preparation of the general purpose financial statements and allowed proper and effective audit of these statements;
- (b) The Council's accounting records have been kept in a manner and form that facilitated the preparation of the special purpose financial statements and allowed proper and effective audit of these statements; and
- (c) All information relevant to the conduct of the audit has been obtained.

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237 Lords Place
Orange
Dated: 14 October 2013


JD O'Malley
Partner

Cabonne Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2013

*“...providing sustainable local government to our rural communities
through consultation and sound financial management”*



Cabonne Council

Special Purpose Financial Statements

for the financial year ended 30 June 2013

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Background

(i) These Special Purpose Financial Statements have been prepared for the use by both Council and the Division of Local Government in fulfilling their requirements under National Competition Policy.

(ii) The principle of competitive neutrality is based on the concept of a "level playing field" between persons/entities competing in a market place, particularly between private and public sector competitors.

Essentially, the principle is that government businesses, whether Commonwealth, State or Local, should operate without net competitive advantages over other businesses as a result of their public ownership.

(iii) For Council, the principle of competitive neutrality & public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation and **(b)** those activities with a turnover of over \$2 million that Council has formally declared as a Business Activity (defined as Category 1 activities).

(iv) In preparing these financial statements for Council's self classified Category 1 businesses and ABS defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax equivalent regime payments & debt guarantee fees (where the business benefits from councils borrowing position by comparison with commercial rates).

Cabonne Council

Special Purpose Financial Statements for the financial year ended 30 June 2013

Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

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

- The NSW Government Policy Statement "Application of National Competition Policy to Local Government".
- The Division of Local Government Guidelines "Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality".
- The Local Government Code of Accounting Practice and Financial Reporting.
- The NSW Office of Water (Department of Environment, Climate Change and Water) Guidelines - "Best Practice Management of Water and Sewerage".

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

- Present fairly the Operating Result and Financial Position for each of Council's declared Business Activities for the year, and
- Accord with Council's accounting and other records.

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

Signed in accordance with a resolution of Council made on 17 September 2013.



Ian Gosper
MAYOR



Lachlan MacSmith
COUNCILLOR



Andrew L Hopkins
GENERAL MANAGER



Stephen Harding
RESPONSIBLE ACCOUNTING OFFICER

Cabonne Council

Income Statement of Council's Water Supply Business Activity

for the financial year ended 30 June 2013

\$ '000	Actual 2013	Actual 2012
Income from continuing operations		
Access charges	309	284
User charges	459	398
Fees	-	-
Interest	138	176
Grants and contributions provided for non capital purposes	13	7
Profit from the sale of assets	-	-
Other income	4	3
Total income from continuing operations	923	868
Expenses from continuing operations		
Employee benefits and on-costs	156	51
Borrowing costs	-	-
Materials and contracts	570	438
Depreciation and impairment	511	533
Water purchase charges	-	-
Loss on sale of assets	-	-
Calculated taxation equivalents	-	-
Debt guarantee fee (if applicable)	-	-
Other expenses	81	138
Total expenses from continuing operations	1,318	1,160
Surplus (deficit) from Continuing Operations before capital amounts	(395)	(292)
Grants and contributions provided for capital purposes	14	95
Surplus (deficit) from Continuing Operations after capital amounts	(381)	(197)
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	(381)	(197)
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-
SURPLUS (DEFICIT) AFTER TAX	(381)	(197)
plus Opening Retained Profits	11,902	12,143
plus/less: Prior Period Adjustments	-	-
plus/less: Other Adjustments	-	(44)
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	-	-
- Debt guarantee fees	-	-
- Corporate taxation equivalent	-	-
less:		
- Tax Equivalent Dividend paid	-	-
- Surplus dividend paid	-	-
Closing Retained Profits	11,521	11,902
Return on Capital %	-1.7%	-1.2%
Subsidy from Council	1,289	1,001
Calculation of dividend payable:		
Surplus (deficit) after tax	(381)	(197)
less: Capital grants and contributions (excluding developer contributions)	(14)	(95)
Surplus for dividend calculation purposes	-	-
Potential Dividend calculated from surplus	-	-

Cabonne Council

Income Statement of Council's Sewerage Business Activity

for the financial year ended 30 June 2013

\$ '000	Actual 2013	Actual 2012
Income from continuing operations		
Access charges	1,310	1,267
User charges	75	98
Liquid Trade Waste charges	-	-
Fees	-	-
Interest	183	122
Grants and contributions provided for non capital purposes	28	17
Profit from the sale of assets	-	-
Other income	8	19
Total income from continuing operations	1,604	1,523
Expenses from continuing operations		
Employee benefits and on-costs	215	255
Borrowing costs	121	50
Materials and contracts	754	404
Depreciation and impairment	764	713
Loss on sale of assets	-	-
Calculated taxation equivalents	-	-
Debt guarantee fee (if applicable)	-	-
Other expenses	137	130
Total expenses from continuing operations	1,991	1,552
Surplus (deficit) from Continuing Operations before capital amounts	(387)	(29)
Grants and contributions provided for capital purposes	827	678
Surplus (deficit) from Continuing Operations after capital amounts	440	649
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	440	649
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-
SURPLUS (DEFICIT) AFTER TAX	440	649
plus Opening Retained Profits	20,963	20,326
plus/less: Prior Period Adjustments	-	-
plus/less: Other Adjustments	-	(12)
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	-	-
- Debt guarantee fees	-	-
- Corporate taxation equivalent	-	-
less:		
- Tax Equivalent Dividend paid	-	-
- Surplus dividend paid	-	-
Closing Retained Profits	21,403	20,963
Return on Capital %	-0.8%	0.1%
Subsidy from Council	1,529	950
Calculation of dividend payable:		
Surplus (deficit) after tax	440	649
less: Capital grants and contributions (excluding developer contributions)	(749)	(678)
Surplus for dividend calculation purposes	-	-
Potential Dividend calculated from surplus	-	-

Cabonne Council

Income Statement of Council's Other Business Activities

for the financial year ended 30 June 2013

	Quarry	
	Category 2	
\$ '000	Actual 2013	Actual 2012
Income from continuing operations		
Access charges	-	-
User charges	1,561	2,022
Fees	-	-
Interest	21	25
Grants and contributions provided for non capital purposes	-	-
Profit from the sale of assets	-	-
Other income	-	-
Total income from continuing operations	1,582	2,047
Expenses from continuing operations		
Employee benefits and on-costs	205	812
Borrowing costs	-	-
Materials and contracts	692	330
Depreciation and impairment	162	157
Loss on sale of assets	-	-
Calculated taxation equivalents	-	-
Debt guarantee fee (if applicable)	-	-
Other expenses	363	405
Total expenses from continuing operations	1,422	1,704
Surplus (deficit) from Continuing Operations before capital amounts	160	343
Grants and contributions provided for capital purposes	-	-
Surplus (deficit) from Continuing Operations after capital amounts	160	343
Surplus (deficit) from discontinued operations	-	-
Surplus (deficit) from ALL Operations before tax	160	343
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(48)	(103)
SURPLUS (DEFICIT) AFTER TAX	112	240
plus Opening Retained Profits	1,514	1,171
plus/less: Prior Period Adjustments	-	-
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	-	-
- Debt guarantee fees	-	-
- Corporate taxation equivalent	48	103
add:		
- Subsidy Paid/Contribution To Operations	-	-
less:		
- TER dividend paid	-	-
- Dividend paid	-	-
Closing Retained Profits	1,674	1,514
Return on Capital %	12.6%	27.1%
Subsidy from Council	-	-

Cabonne Council

Statement of Financial Position - Council's Water Supply Business Activity

as at 30 June 2013

\$ '000	Actual 2013	Actual 2012
ASSETS		
Current Assets		
Cash and cash equivalents	3,300	3,267
Investments	-	-
Receivables	538	480
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	3,838	3,747
Non-Current Assets		
Investments	-	-
Receivables	25	21
Inventories	-	-
Infrastructure, property, plant and equipment	23,718	23,399
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
Total non-Current Assets	23,743	23,420
TOTAL ASSETS	27,581	27,167
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	137	114
Interest bearing liabilities	-	-
Provisions	-	-
Total Current Liabilities	137	114
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	-	-
Provisions	-	-
Total Non-Current Liabilities	-	-
TOTAL LIABILITIES	137	114
NET ASSETS	27,444	27,053
EQUITY		
Retained earnings	11,521	11,902
Revaluation reserves	15,923	15,151
Council equity interest	27,444	27,053
Non-controlling interest	-	-
TOTAL EQUITY	27,444	27,053

Cabonne Council

Statement of Financial Position - Council's Sewerage Business Activity

as at 30 June 2013

\$ '000	Actual 2013	Actual 2012
ASSETS		
Current Assets		
Cash and cash equivalents	4,095	1,765
Investments	-	-
Receivables	1,788	1,883
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	5,883	3,648
Non-Current Assets		
Investments	-	-
Receivables	90	75
Inventories	-	-
Infrastructure, property, plant and equipment	33,496	32,033
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
Total non-Current Assets	33,586	32,108
TOTAL ASSETS	39,469	35,756
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	369	163
Interest bearing liabilities	167	72
Provisions	-	-
Total Current Liabilities	536	235
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	2,884	595
Provisions	-	-
Total Non-Current Liabilities	2,884	595
TOTAL LIABILITIES	3,420	830
NET ASSETS	36,049	34,926
EQUITY		
Retained earnings	21,403	20,963
Revaluation reserves	14,646	13,963
Council equity interest	36,049	34,926
Non-controlling equity interest	-	-
TOTAL EQUITY	36,049	34,926

Cabonne Council

Statement of Financial Position - Council's Other Business Activities

as at 30 June 2013

Quarry

Category 2

\$ '000	Actual 2013	Actual 2012
ASSETS		
Current Assets		
Cash and cash equivalents	941	642
Investments	-	-
Receivables	186	262
Inventories	125	150
Other	-	-
Non-current assets classified as held for sale	-	-
Total Current Assets	1,252	1,054
Non-Current Assets		
Investments	-	-
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	1,270	1,265
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
Total Non-Current Assets	1,270	1,265
TOTAL ASSETS	2,522	2,319
LIABILITIES		
Current Liabilities		
Bank Overdraft	-	-
Payables	-	-
Interest bearing liabilities	774	730
Provisions	74	75
Total Current Liabilities	848	805
Non-Current Liabilities		
Payables	-	-
Interest bearing liabilities	-	-
Provisions	-	-
Other Liabilities	-	-
Total Non-Current Liabilities	-	-
TOTAL LIABILITIES	848	805
NET ASSETS	1,674	1,514
EQUITY		
Retained earnings	1,674	1,514
Revaluation reserves	-	-
Council equity interest	1,674	1,514
Non-controlling equity interest	-	-
TOTAL EQUITY	1,674	1,514

Cabonne Council

Special Purpose Financial Statements

for the financial year ended 30 June 2013

Contents of the Notes accompanying the Financial Statements

Note	Details	Page
1	Summary of Significant Accounting Policies	10
2	Water Supply Business Best Practice Management disclosure requirements	13
3	Sewerage Business Best Practice Management disclosure requirements	15

Cabonne Council

Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2013

Note 1. Significant Accounting Policies

These financial statements are a Special Purpose Financial Statements (SPFS) prepared for use by Council and the Division of Local Government.

For the purposes of these statements, the Council's business activities (reported herein) are not reporting entities.

These special purpose financial statements, unless otherwise stated, have been prepared in accordance with:

- the recognition and measurement criteria of relevant Australian Accounting Standards,
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB) &
- Australian Accounting Interpretations.

The disclosures in these special purpose financial statements have been prepared in accordance with:

- the Local Government Act and Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

The statements are also prepared on an accruals basis, based on historic costs and do not take into account changing money values nor current values of non-current assets (except where specifically stated).

Certain taxes and other costs (appropriately described) have been imputed for the purposes of the National Competition Policy.

National Competition Policy

Council has adopted the principle of 'competitive neutrality' to its business activities as part of the national competition policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 Government Policy statement on the "Application of National Competition Policy to Local Government".

The "Pricing & Costing for Council Businesses A Guide to Competitive Neutrality" issued by the Division of Local Government in July 1997 has also been adopted.

The pricing & costing guidelines outline the process for identifying and allocating costs to activities and provide a standard of disclosure requirements.

These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents; council subsidies; return on investments (rate of return); and dividends paid.

Declared Business Activities

In accordance with *Pricing & Costing for Council Businesses - A Guide to Competitive Neutrality*, Council has declared that the following are to be considered as business activities:

Category 1

(where gross operating turnover is over \$2 million)

a. Cabonne Council – Agricultural Quarry

Supplies agricultural lime, limestone aggregates and ready mixed concrete

Category 2

(where gross operating turnover is less than \$2 million)

a. Cabonne Council Combined Water Supplies

Water supply operations servicing the towns of Molong, Yeoval and Cumnock, established as a combined special rate fund.

b. Cabonne Council Combined Sewerage Supplies

Sewerage reticulation and treatment operations servicing the towns of Molong, Eugowra, Canowindra, Cudal, Yeoval, Cumnock and Manildra. These are reported under two special rate funds:

- (i) *Cabonne Sewer Fund, servicing the towns of Molong, Canowindra and Eugowra, and*
- (ii) *Small Town Sewer Fund, servicing the towns of Manildra, Cudal, Cumnock and Yeoval*

Cabonne Council

Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2013

Note 1. Significant Accounting Policies

Monetary Amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest one thousand dollars, with the exception of some figures disclosed in Note 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 Notes 2 and Note 3 are disclosed in whole dollars.

(i) Taxation Equivalent Charges

Council is liable to pay various taxes and financial duties in undertaking its business activities. Where this is the case, they are disclosed in these statements as a cost of operations just like all other costs.

However, where Council is exempt from paying taxes which are generally paid by private sector businesses (such as income tax), equivalent tax payments have been applied to all Council nominated business activities and are reflected in these financial statements.

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all council nominated business activities (this does not include council's non-business activities):

Notional Rate Applied %

Corporate Income Tax Rate – 30%

Land Tax – The first \$406,000 of combined land values attracts 0%. From \$406,001 to \$2,482,000 the rate is 1.6% + \$100. For the remaining combined land value that exceeds \$2,482,000, a premium marginal rate of 2.0% applies.

Payroll Tax – 5.45% on the value of taxable salaries and wages in excess of \$689,000.

In accordance with the guidelines for Best Practice Management of Water Supply and Sewerage, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from Water Supply and Sewerage Business activities.

The payment of taxation equivalent charges, referred in the Best Practice Management of Water Supply and Sewerage Guides to as a "Dividend for Taxation equivalent", may be applied for any purpose allowed under the Local Government Act, 1993.

Achievement of substantial compliance against the guidelines for Best Practice Management of Water Supply and Sewerage is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

Income Tax

An income tax equivalent has been applied on the profits of each reported Business Activity.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account of in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level (gain/(loss) from ordinary activities before capital amounts) as would be applied by a private sector competitor – that is, it should include a provision equivalent to the corporate income tax rate, currently 30%.

Income Tax is only applied where a positive gain/(loss) from ordinary activities before capital amounts has been achieved.

Since this taxation equivalent is notional - that is, it is payable to the "Council" as the owner of business operations, it represents an internal payment and has no effect on the operations of the council. Accordingly, there is no need for disclosure of internal charges in Council's General Purpose Financial Statements.

The rate applied of 30% is the equivalent company tax rate prevalent as at balance date. No adjustments have been made for variations that have occurred during the year.

Local Government Rates & Charges

A calculation of the equivalent rates and charges payable on all Category 1 businesses has been applied to all land assets owned or exclusively used by the Business Activity.

Cabonne Council

Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2013

Note 1. Significant Accounting Policies

Loan & Debt Guarantee Fees

The debt guarantee fee is designed to ensure that council business activities face “true” commercial borrowing costs in line with private sector competitors.

In order to calculate a debt guarantee fee, council has determined what the differential borrowing rate would have been between the commercial rate and the council’s borrowing rate for its business activities.

(ii) Subsidies

Government policy requires that subsidies provided to customers and the funding of those subsidies must be explicitly disclosed.

Subsidies occur where council provides services on a less than cost recovery basis. This option is exercised on a range of services in order for council to meet its community service obligations.

Accordingly, Subsidies disclosed (in relation to National Competition Policy) represents the difference between revenue generated from ‘rate of return’ pricing and revenue generated from prices set by the council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported Business Activity.

(iii) Return on Investments (Rate of Return)

The Policy statement requires that councils with Category 1 businesses “would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field”.

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The Rate of Return on Capital is calculated as follows:

Operating Result before Capital Income + Interest Expense

Written Down Value of I,PP&E as at 30 June

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 3.77% at 30/6/13.

The actual rate of return achieved by each Business Activity is disclosed at the foot of each respective Income Statement.

(iv) Dividends

Council is not required to pay dividends to either itself (as owner of a range of businesses) or to any external entities.

Local Government Water Supply and Sewerage Businesses are permitted to pay an annual dividend from its water supply or sewerage business surplus.

The dividend, calculated and approved in accordance with the Best Practice Management Guidelines, must not exceed either:

- (i) 50% of this surplus in any one year, or
- (ii) the number of water supply or sewerage assessments at 30 June 2013 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the guidelines for Best Practice Management of Water Supply and Sewerage, a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the NSW Office of Water prior to making the dividend and only after it has approved the payment.

Cabonne Council

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

Note 2. Water Supply Business Best Practice Management disclosure requirements

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2013

1. Calculation and Payment of Tax-Equivalents

[All Local Government Local Water Utilities must pay this dividend for tax-equivalents]

(i)	Calculated Tax Equivalents	-
(ii)	No of assessments multiplied by \$3/assessment	3,600
(iii)	Amounts payable for Tax Equivalents [lesser of (i) and (ii)]	-
(iv)	Amounts actually paid for Tax Equivalents	

2. Dividend from Surplus

(i)	50% of Surplus before Dividends [Calculated in accordance with Best Practice Management for Water Supply and Sewerage Guidelines]	-
(ii)	No. of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment	36,000
(iii)	Cumulative surplus before Dividends for the 3 years to 30 June 2013, less the cumulative dividends paid for the 2 years to 30 June 2012 & 30 June 2011	(1,092,000)

2013 Surplus	(395,000)	2012 Surplus	(292,000)	2011 Surplus	(405,000)
		2012 Dividend	-	2011 Dividend	

(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	n/a
(v)	Dividend actually paid from surplus [refer below for required pre-dividend payment Criteria]	

3. Required outcomes for 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]	NO
(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

Cabonne Council

Notes to the Special Purpose Financial Statements
for the financial year ended 30 June 2013Note 2. Water Supply Business
Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated) 2013

National Water Initiative (NWI) Financial Performance Indicators

NWI F1	Total Revenue (Water) Total Income (w13) - Grants for the Acquisition of Assets (w11a) - Interest Income (w9) - Aboriginal Communities W&S Program Income (w10a)	\$'000	807
NWI F4	Revenue from Residential Usage Charges (Water) Income from Residential Usage Charges (w6b) x 100 divided by the sum of [Income from Residential Usage Charges (w6a) + Income from Residential Access Charges (w6b)]	%	64.25%
NWI F9	Written Down Replacement Cost of Fixed Assets (Water) Written down current cost of system assets (w47)	\$'000	22,126
NWI F11	Operating Cost (OMA) (Water) Management Expenses (w1) + Operational & Maintenance Expenses (w2)	\$'000	733
NWI F14	Capital Expenditure (Water) Acquisition of fixed assets (w16)	\$'000	58
NWI F17	Economic Real Rate of Return (Water) [Total Income (w13) - Interest Income (w9) - Grants for acquisition of assets (w11a) - Operating Costs (NWI F11) - Current Cost Depreciation (w3)] x 100 divided by [Written Down Current Cost of System Assets (w47) + Plant & Equipment (w33b)]	%	-1.84%
NWI F26	Capital Works Grants (Water) Grants for the Acquisition of Assets (w11a)	\$'000	-

- Notes:
- References to w (eg. w12) refer to item numbers within Special Schedules No. 3 & 4 of Council's Annual Financial Statements.
 - The NWI Performance Indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators & Definitions.

Cabonne Council

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

Note 3. Sewerage Business Best Practice Management disclosure requirements

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2013

1. Calculation and Payment of Tax-Equivalents

[All Local Government Local Water Utilities must pay this dividend for tax-equivalents]

(i)	Calculated Tax Equivalents	-
(ii)	No of assessments multiplied by \$3/assessment	7,371
(iii)	Amounts payable for Tax Equivalents [lesser of (i) and (ii)]	-
(iv)	Amounts actually paid for Tax Equivalents	

2. Dividend from Surplus

(i)	50% of Surplus before Dividends [Calculated in accordance with Best Practice Management for Water Supply and Sewerage Guidelines]	-
(ii)	No. of assessments x (\$30 less tax equivalent charges per assessment)	73,710
(iii)	Cumulative surplus before dividends for the 3 years to 30 June 2013, less the cumulative dividends paid for the 2 years to 30 June 2012 & 30 June 2011	(598,000)

2013 Surplus	(309,000)	2012 Surplus	(29,000)	2011 Surplus	(260,000)
		2012 Dividend	-	2011 Dividend	

(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	n/a
(v)	Dividend actually paid from surplus [refer below for required pre-dividend payment Criteria]	

3. Required outcomes for 4 Criteria

[To be eligible for the payment of a "Dividend from Surplus", ALL the Criteria below need a "YES"]

(i)	Completion of Strategic Business Plan (including Financial Plan)	YES
(ii)	Pricing with full cost-recovery, without significant cross subsidies [Refer Item 2(a) in Table 1 on page 22 of the Best Practice Guidelines]	YES
	Complying charges (a) Residential [Item 2(c) in Table 1]	YES
	(b) Non Residential [Item 2(c) in Table 1]	YES
	(c) Trade Waste [Item 2(d) in Table 1]	YES
	DSP with Commercial Developer Charges [Item 2(e) in Table 1]	YES
	Liquid Trade Waste Approvals & Policy [Item 2(f) in Table 1]	YES
(iii)	Complete Performance Reporting Form (by 15 September each year)	YES
(iv)	a. Integrated Water Cycle Management Evaluation	YES
	b. Complete and implement Integrated Water Cycle Management Strategy	YES

Cabonne Council

Notes to the Special Purpose Financial Statements
for the financial year ended 30 June 2013Note 3. Sewerage Business
Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated) 2013

National Water Initiative (NWI) Financial Performance Indicators

NWI F2	Total Revenue (Sewerage) Total Income (s14) - Grants for Acquisition of Assets (s12a) - Interest Income (s10) - Aboriginal Communities W&S Program Income (w10a)	\$'000	1,523
NWI F10	Written Down Replacement Cost of Fixed Assets (Sewerage) Written down current cost of system assets (s48)	\$'000	27,750
NWI F12	Operating Cost (Sewerage) Management Expenses (s1) + Operational & Maintenance Expenses (s2)	\$'000	1,003
NWI F15	Capital Expenditure (Sewerage) Acquisition of Fixed Assets (s17)	\$'000	1,545
NWI F18	Economic Real Rate of Return (Sewerage) [Total Income (s14) - Interest Income (s10) - Grants for acquisition of Assets (s12a) - Operating cost (NWI F12) - Current cost depreciation (s3)] x 100 divided by [Written down current cost (ie. WDCC) of System Assets (s48) + Plant & Equipment (s34b)]	%	-0.58%
NWI F27	Capital Works Grants (Sewerage) Grants for the Acquisition of Assets (12a)	\$'000	749

**National Water Initiative (NWI) Financial Performance Indicators
Water & Sewer (combined)**

NWI F3	Total Income (Water & Sewerage) Total Income (w13 + s14) + Gain/Loss on disposal of assets (w14 + s15) minus Grants for acquisition of assets (w11a + s12a) - Interest Income (w9 + s10)	\$'000	2,330
NWI F8	Revenue from Community Service Obligations (Water & Sewerage) Community Service Obligations (NWI F25) x 100 divided by Total Income (NWI F3)	%	1.76%
NWI F16	Capital Expenditure (Water & Sewerage) Acquisition of Fixed Assets (w16 + s17)	\$'000	1,603
NWI F19	Economic Real Rate of Return (Water & Sewerage) [Total Income (w13 + s14) - Interest Income (w9 + s10) - Grants for acquisition of assets (w11a + s12a) - Operating Cost (NWI F11 + NWI F12) - Current cost depreciation (w3 + s3)] x 100 divided by [Written down replacement cost of fixed assets (NWI F9 + NWI F10) + Plant & equipment (w33b + s34b)]	%	-1.10%
NWI F20	Dividend (Water & Sewerage) Dividend paid from surplus (2(v) of Note 2 + 2(v) of Note 3)	\$'000	-
NWI F21	Dividend Payout Ratio (Water & Sewerage) Dividend (NWI F20) x 100 divided by Net Profit after tax (NWI F24)	%	0.00%

Cabonne Council

Notes to the Special Purpose Financial Statements
for the financial year ended 30 June 2013Note 3. Sewerage Business
Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated) 2013

National Water Initiative (NWI) Financial Performance Indicators
Water & Sewer (combined)

NWI F22	Net Debt to Equity (Water & Sewerage) Overdraft (w36 + s37) + Borrowings (w38 + s39) - Cash & Investments (w30 + s31) x 100 divided by [Total Assets (w35 + s36) - Total Liabilities (w40 + s41)]	%	-6.84%
NWI F23	Interest Cover (Water & Sewerage) Earnings before Interest & Tax (EBIT) divided by Net Interest Earnings before Interest & Tax (EBIT): 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: Interest Expense (w4a + s4a) - Interest Income (w9 + s10)		-
NWI F24	Net Profit After Tax (Water & Sewerage) Surplus before dividends (w15a + s16a) - Tax equivalents paid (Note 2-1(iv) + Note 3-1(iv))	\$'000	(690)
NWI F25	Community Service Obligations (Water & Sewerage) Grants for Pensioner Rebates (w11b + s12b)	\$'000	41

- Notes:
- References to w (eg. s12) refer to item numbers within Special Schedules No. 5 & 6 of Council's Annual Financial Statements.
 - The NWI Performance Indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators & Definitions.

**INDEPENDENT AUDITOR'S REPORT
ON THE SPECIAL PURPOSE FINANCIAL STATEMENTS OF
CABONNE COUNCIL**

Report on the Financial Statements

We have audited the special purpose financial statements of Cabonne Council for the year ended 30 June 2013, comprising the Statement by Council, Income Statement by Business Activities, Balance Sheet by Business Activities, and accompanying Notes to the Financial Statements. Our audit responsibility does not extend to the best practice management disclosures in Notes 2 and 3 and accordingly we express no opinion on them.

Councils' Responsibility for the Financial Statements

The Council are responsible for the preparation and fair presentation of the financial statements and have determined that the accounting policies described in Note 1 to the financial statements which form part of the financial statements are appropriate to meet the financial reporting requirements of the Council and the Division of Local Government for the purpose of fulfilling the requirements of National Competition Policy reporting. The Council's responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the Council. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.



Matters Relating to the Electronic Presentation of the Audited Financial Statements

This auditor's report relates to the special purpose financial statements of Cabonne Council (Council) for the year ended 30 June 2013 included on Council's web site. Council is responsible for the integrity of Council's web site. We have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements to confirm the information included in the audited financial statements presented on this web site.

Audit Opinion

In our opinion, the special purpose financial statements of Cabonne Council are presented fairly in accordance with the requirements of those applicable accounting policies detailed in Note 1, the accounting requirements of the Local Government Act 1993 and the Local Government Code of Accounting Practice and Financial Reporting.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The special purpose financial statements have been prepared for distribution to the Council and the Division of Local Government for the purpose of fulfilling the requirements of National Competition Policy reporting. As a result, the financial statements may not be suitable for another purpose. We disclaim any assumption of responsibility for any reliance on this report or on the financial statements to which it relates to any person other than the Council or the Division of Local Government or for any purpose other than for which the statements were prepared.

intentus

intentus

237 Lords Place
Orange
Dated: 14 October 2013


JD O'Malley
Partner

Cabonne Council

SPECIAL SCHEDULES
for the year ended 30 June 2013

*“...providing sustainable local government to our rural communities
through consultation and sound financial management”*



Cabonne Council

Special Schedules

for the financial year ended 30 June 2013

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¹ Special Purpose 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,
 - the Department of Environment, Climate Change and Water, and
 - the Division of Local Government (DLG).
- (ii) The financial data is collected for various uses including;
- the allocation of Financial Assistance Grants,
 - the incorporation of Local Government financial figures in national statistics,
 - the monitoring of loan approvals,
 - the allocation of borrowing rights, and
 - the monitoring of the financial activities of specific services.

Cabonne Council

Special Schedule No. 1 - Net Cost of Services

for the financial year ended 30 June 2013

\$'000

Function or Activity	Expenses from. Continuing. Operations.	Income from continuing operations		Net Cost. of Services.
		Non Capital.	Capital.	
Governance	915	162	-	(753)
Administration	2,223	760	-	(1,463)
Public Order and Safety				
Fire Service Levy, Fire Protection, Emergency Services	1,019	294	184	(541)
Beach Control	-	-	-	-
Enforcement of Local Govt. Regulations	-	-	-	-
Animal Control	156	7	-	(149)
Other	-	-	-	-
Total Public Order & Safety	1,175	301	184	(690)
Health	456	75	-	(381)
Environment				
Noxious Plants and Insect/Vermin Control	1,514	1,302	-	(212)
Other Environmental Protection	964	300	183	(481)
Solid Waste Management	319	1,111	-	792
Street Cleaning	180	-	-	(180)
Drainage	7	74	-	67
Stormwater Management	-	-	-	-
Total Environment	2,984	2,787	183	(14)
Community Services and Education				
Administration & Education	79	16	-	(63)
Social Protection (Welfare)	-	-	-	-
Aged Persons and Disabled	546	522	-	(24)
Children's Services	870	843	-	(27)
Total Community Services & Education	1,495	1,381	-	(114)
Housing and Community Amenities				
Public Cemeteries	139	60	-	(79)
Public Conveniences	123	-	-	(123)
Street Lighting	142	38	-	(104)
Town Planning	221	132	-	(89)
Other Community Amenities	405	37	-	(368)
Total Housing and Community Amenities	1,030	267	-	(763)
Water Supplies	1,332	922	14	(396)
Sewerage Services	1,991	1,603	827	439

Cabonne Council

Special Schedule No. 1 - Net Cost of Services (continued)

for the financial year ended 30 June 2013

\$'000

Function or Activity	Expenses from Continuing Operations.	Income from continuing operations		Net Cost. of Services.
		Non Capital.	Capital.	
Recreation and Culture				
Public Libraries	247	55	-	(192)
Museums	134	6	-	(128)
Art Galleries	-	-	-	-
Community Centres and Halls	203	6	-	(197)
Performing Arts Venues	-	-	-	-
Other Performing Arts	-	-	-	-
Other Cultural Services	20	1	-	(19)
Sporting Grounds and Venues	285	2	-	(283)
Swimming Pools	454	-	-	(454)
Parks & Gardens (Lakes)	211	6	-	(205)
Other Sport and Recreation	394	38	93	(263)
Total Recreation and Culture	1,948	114	93	(1,741)
Fuel & Energy	-	-	-	-
Agriculture	-	-	-	-
Mining, Manufacturing and Construction				
Building Control	174	135	-	(39)
Other Mining, Manufacturing & Construction	1,476	1,638	-	162
Total Mining, Manufacturing and Const.	1,650	1,773	-	123
Transport and Communication				
Urban Roads (UR) - Local	214	-	-	(214)
Urban Roads - Regional	-	-	-	-
Sealed Rural Roads (SRR) - Local	2,995	1,511	671	(813)
Sealed Rural Roads (SRR) - Regional	1,695	1,360	386	51
Unsealed Rural Roads (URR) - Local	2,996	-	-	(2,996)
Unsealed Rural Roads (URR) - Regional	-	-	-	-
Bridges on UR - Local	-	-	-	-
Bridges on SRR - Local	245	-	-	(245)
Bridges on URR - Local	-	-	-	-
Bridges on Regional Roads	106	-	530	424
Parking Areas	-	-	-	-
Footpaths	164	-	55	(109)
Aerodromes	-	-	-	-
Other Transport & Communication	5,577	6,169	-	592
Total Transport and Communication	13,992	9,040	1,642	(3,310)
Economic Affairs				
Camping Areas & Caravan Parks	270	135	-	(135)
Other Economic Affairs	842	540	-	(302)
Total Economic Affairs	1,112	675	-	(437)
Totals – Functions	32,303	19,860	2,943	(9,500)
General Purpose Revenues⁽²⁾		14,841		14,841
Share of interests - joint ventures & associates using the equity method	-	-		-
NET OPERATING RESULT⁽¹⁾	32,303	34,701	2,943	5,341

(1) As reported in the Income Statement

(2) Includes: Rates & Annual Charges (incl. Ex Gratia, excl. Water & Sewer), Non Capital General Purpose Grants, Interest on Investments (excl. Ext. Restricted Assets) & Interest on overdue Rates & Annual Charges

Cabonne Council

Special Schedule No. 2(a) - Statement of Long Term Debt (all purpose)

for the financial year ended 30 June 2013

\$'000

Classification of Debt	Principal outstanding at beginning of the year			New Loans raised during the year	Debt redemption during the year		Transfers to Sinking Funds	Interest applicable for Year	Principal outstanding at the end of the year		
	Current	Non Current	Total		From Revenue	Sinking Funds			Current	Non Current	Total
Loans (by Source)											
Commonwealth Government	-	-	-	-	-	-	-	-	-	-	-
Treasury Corporation	-	-	-	-	-	-	-	-	-	-	-
Other State Government	-	-	-	-	-	-	-	-	-	-	-
Public Subscription	-	-	-	-	-	-	-	-	-	-	-
Financial Institutions	69	595	664	2,455	69	-	-	121	167	2,883	3,050
Other	-	-	-	-	-	-	-	-	-	-	-
Total Loans	69	595	664	2,455	69	-	-	121	167	2,883	3,050
Other Long Term Debt											
Ratepayers Advances	-	-	-	-	-	-	-	-	-	-	-
Government Advances	6	12	18	-	6	-	-	1	3	9	12
Finance Leases	-	-	-	-	-	-	-	-	-	-	-
Deferred Payments	-	-	-	-	-	-	-	-	-	-	-
Total Long Term Debt	6	12	18	-	6	-	-	1	3	9	12
Total Debt	75	607	682	2,455	75	-	-	122	170	2,892	3,062

Notes: Excludes (i) Internal Loans & (ii) Principal Inflows/Outflows relating to Loan Re-Financing.

This Schedule is prepared using the **face value** of debt obligations, rather than **fair value** (which are reported in the GPFS).

Cabonne Council

Special Schedule No. 3 - Water Supply Income Statement

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2013

\$'000	Actuals 2013	Actuals 2012
A Expenses and Income		
Expenses		
1. Management expenses		
a. Administration	89	(22)
b. Engineering and Supervision	59	-
2. Operation and Maintenance expenses		
- Dams & Weirs		
a. Operation expenses	-	196
b. Maintenance expenses	65	-
- Mains		
c. Operation expenses	-	-
d. Maintenance expenses	57	164
- Reservoirs		
e. Operation expenses	3	20
f. Maintenance expenses	21	27
- Pumping Stations		
g. Operation expenses (excluding energy costs)	-	-
h. Energy costs	16	24
i. Maintenance expenses	34	46
- Treatment		
j. Operation expenses (excluding chemical costs)	7	103
k. Chemical costs	19	14
l. Maintenance expenses	144	74
- Other		
m. Operation expenses	16	-
n. Maintenance expenses	203	-
o. Purchase of water	-	-
3. Depreciation expenses		
a. System assets	439	449
b. Plant and equipment	72	66
4. Miscellaneous expenses		
a. Interest expenses	2	-
b. Revaluation Decrements	-	-
c. Other expenses	72	-
d. Impairment - System assets	-	-
e. Impairment - Plant and equipment	-	-
f. Aboriginal Communities Water & Sewerage Program	-	-
g. Tax Equivalents Dividends (actually paid)	-	-
5. Total expenses	1,318	1,161

Cabonne Council

Special Schedule No. 3 - Water Supply Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2013

\$'000	Actuals 2013	Actuals 2012
Income		
6. Residential charges		
a. Access (including rates)	212	284
b. Usage charges	381	398
7. Non-residential charges		
a. Access (including rates)	97	-
b. Usage charges	78	-
8. Extra charges	8	-
9. Interest income	130	176
10. Other income	4	3
10a. Aboriginal Communities Water and Sewerage Program	-	-
11. Grants		
a. Grants for acquisition of assets	-	95
b. Grants for pensioner rebates	13	-
c. Other grants	-	8
12. Contributions		
a. Developer charges	-	-
b. Developer provided assets	-	-
c. Other contributions	14	-
13. Total income	<u>937</u>	<u>964</u>
14. Gain (or loss) on disposal of assets	-	-
15. Operating Result	<u>(381)</u>	<u>(197)</u>
15a. Operating Result (less grants for acquisition of assets)	(381)	(292)

Cabonne Council

Special Schedule No. 3 - Water Supply Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2013

\$'000	Actuals 2013	Actuals 2012
B Capital transactions		
Non-operating expenditures		
16. Acquisition of Fixed Assets		
a. New Assets for Improved Standards	44	392
b. New Assets for Growth	-	-
c. Renewals	-	-
d. Plant and equipment	14	4
17. Repayment of debt		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
18. Transfer to sinking fund	-	-
19. Totals	58	396
Non-operating funds employed		
20. Proceeds from disposal of assets	-	-
21. Borrowing utilised		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
22. Transfer from sinking fund	-	-
23. Totals	-	-
C Rates and charges		
24. Number of assessments		
a. Residential (occupied)	968	960
b. Residential (unoccupied, ie. vacant lot)	68	68
c. Non-residential (occupied)	161	179
d. Non-residential (unoccupied, ie. vacant lot)	3	-
25. Number of ETs for which developer charges were received	- ET	- ET
26. Total amount of pensioner rebates (actual dollars)	\$ 23,306	\$ 23,478

Cabonne Council

Special Schedule No. 3 - Water Supply Cross Subsidies
for the financial year ended 30 June 2013

\$'000	Yes	No	Amount
D Best practice annual charges and developer charges*			
27. Annual charges			
a. Does Council have best-practice water supply annual charges and usage charges*?	<input type="checkbox"/> Yes	<input type="checkbox"/>	
If Yes, go to 28a.			
If No, please report if council has removed land value from access charges (ie rates)?	<input type="checkbox"/>	<input type="checkbox"/>	
NB. Such charges for both residential customers and non-residential customers comply with section 3.2 of Water Supply, Sewerage and Trade Waste Pricing Guidelines, NSW Office of Water, December, 2002. Such charges do not involve significant cross subsidies.			
b. Cross-subsidy from residential customers using less than allowance (page 25 of Guidelines)			<input type="text"/>
c. Cross-subsidy to non-residential customers (page 24 of Guidelines)			<input type="text"/>
d. Cross-subsidy to large connections in unmetered supplies (page 26 of Guidelines)			<input type="text"/>
28. Developer charges			
a. Has council completed a water supply Development Servicing** Plan?	<input type="checkbox"/> Yes	<input type="checkbox"/>	
b. Total cross-subsidy in water supply developer charges for 2012/13 (page 47 of Guidelines)			<input type="text"/>
** In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, NSW Office of Water, December, 2002.			
29. Disclosure of cross-subsidies			
Total of cross-subsidies (27b +27c + 27d + 28b)			<input type="text" value="-"/>

* Councils which have not yet implemented best practice water supply pricing should disclose cross-subsidies in items 27b, 27c and 27d above.

However, disclosure of cross-subsidies is **not** required where a Council has implemented best practice pricing and is phasing in such pricing over a period of 3 years.

Cabonne Council

Special Schedule No. 4 - Water Supply Statement of Financial Position

Includes INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
as at 30 June 2013

\$'000	Actuals Current	Actuals Non Current	Actuals Total
ASSETS			
30. Cash and investments			
a. Developer charges	-	-	-
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	3,301	-	3,301
31. Receivables			
a. Specific purpose grants	1	-	1
b. Rates and Availability Charges	181	8	189
c. User Charges	272	17	289
d. Other	83	-	83
32. Inventories	-	-	-
33. Property, plant and equipment			
a. System assets	-	22,126	22,126
b. Plant and equipment	-	1,592	1,592
34. Other assets	-	-	-
35. Total assets	3,838	23,743	27,581
LIABILITIES			
36. Bank overdraft	-	-	-
37. Creditors	137	-	137
38. Borrowings			
a. Loans	-	-	-
b. Advances	-	-	-
c. Finance leases	-	-	-
39. Provisions			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	-	-
40. Total liabilities	137	-	137
41. NET ASSETS COMMITTED	3,701	23,743	27,444
EQUITY			
42. Accumulated surplus			11,521
43. Asset revaluation reserve			15,923
44. TOTAL EQUITY			27,444
Note to system assets:			
45. Current replacement cost of system assets			41,250
46. Accumulated current cost depreciation of system assets			(19,124)
47. Written down current cost of system assets			22,126

Cabonne Council

Special Schedule No. 5 - Sewerage Service Income Statement

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2013

\$'000	Actuals 2013	Actuals 2012
A Expenses and Income		
Expenses		
1. Management expenses		
a. Administration	54	-
b. Engineering and Supervision	81	-
2. Operation and Maintenance expenses		
- Mains		
a. Operation expenses	12	-
b. Maintenance expenses	68	-
- Pumping Stations		
c. Operation expenses (excluding energy costs)	9	839
d. Energy costs	19	-
e. Maintenance expenses	185	-
- Treatment		
f. Operation expenses (excl. chemical, energy, effluent & biosolids management costs)	24	-
g. Chemical costs	22	-
h. Energy costs	26	-
i. Effluent Management	-	-
j. Biosolids Management	-	-
k. Maintenance expenses	344	-
- Other		
l. Operation expenses	13	-
m. Maintenance expenses	146	-
3. Depreciation expenses		
a. System assets	516	532
b. Plant and equipment	199	181
4. Miscellaneous expenses		
a. Interest expenses	122	-
b. Revaluation Decrements	-	-
c. Other expenses	151	-
d. Impairment - System assets	-	-
e. Impairment - Plant and equipment	-	-
f. Aboriginal Communities Water & Sewerage Program	-	-
g. Tax Equivalent Dividends (actually paid)	-	-
5. Total expenses	1,991	1,552

Cabonne Council

Special Schedule No. 5 - Sewerage Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2013

\$'000	Actuals 2013	Actuals 2012
Income		
6. Residential charges (including rates)	1,217	1,267
7. Non-residential charges		
a. Access (including rates)	94	-
b. Usage charges	61	98
8. Trade Waste Charges		
a. Annual Fees	9	-
b. Usage charges	-	-
c. Excess mass charges	-	-
d. Re-inspection fees	-	-
9. Extra charges	24	-
10. Interest income	159	122
11. Other income	8	19
11a. Aboriginal Communities Water & Sewerage Program	-	-
12. Grants		
a. Grants for acquisition of assets	749	678
b. Grants for pensioner rebates	28	-
c. Other grants	-	17
13. Contributions		
a. Developer charges	78	-
b. Developer provided assets	-	-
c. Other contributions	4	-
14. Total income	<u>2,431</u>	<u>2,201</u>
15. Gain (or loss) on disposal of assets	-	-
16. Operating Result	<u>440</u>	<u>649</u>
16a. Operating Result (less grants for acquisition of assets)	(309)	(29)

Cabonne Council

Special Schedule No. 5 - Sewerage Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
for the financial year ended 30 June 2013

\$'000	Actuals 2013	Actuals 2012
B Capital transactions		
Non-operating expenditures		
17. Acquisition of Fixed Assets		
a. New Assets for Improved Standards	-	-
b. New Assets for Growth	1,531	1,263
c. Renewals	-	-
d. Plant and equipment	14	29
18. Repayment of debt		
a. Loans	114	72
b. Advances	3	-
c. Finance leases	-	-
19. Transfer to sinking fund	-	-
20. Totals	1,662	1,364
Non-operating funds employed		
21. Proceeds from disposal of assets	-	-
22. Borrowing utilised		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
23. Transfer from sinking fund	-	-
24. Totals	-	-
C Rates and charges		
25. Number of assessments		
a. Residential (occupied)	1,986	2,067
b. Residential (unoccupied, ie. vacant lot)	163	191
c. Non-residential (occupied)	303	295
d. Non-residential (unoccupied, ie. vacant lot)	5	35
26. Number of ETs for which developer charges were received	- ET	- ET
27. Total amount of pensioner rebates (actual dollars)	\$ 46,757	\$ 53,565

Cabonne Council

Special Schedule No. 5 - Sewerage Cross Subsidies
for the financial year ended 30 June 2013

\$'000	Yes	No	Amount
D Best practice annual charges and developer charges*			
28. Annual charges			
a. Does Council have best-practice sewerage annual charges, usage charges and trade waste fees & charges*?	<input type="checkbox"/>	<input type="checkbox"/>	
If Yes, go to 29a.			
If No, please report if council has removed land value from access charges (ie rates)?	<input type="checkbox"/>	<input type="checkbox"/>	
NB. Such charges for both residential customers and non-residential customers comply with section 4.2 & 4.3 of the Water Supply, Sewerage and Trade Waste Pricing Guidelines, NSW Office of Water, December, 2002. Such charges do not involve significant cross subsidies.			
b. Cross-subsidy to non-residential customers (page 45 of Guidelines)			<input type="text"/>
c. Cross-subsidy to trade waste discharges (page 46 of Guidelines)			<input type="text"/>
29. Developer charges			
a. Has council completed a sewerage Development Servicing** Plan?	<input type="checkbox"/>	<input type="checkbox"/>	
b. Total cross-subsidy in sewerage developer charges for 2012/13 (page 47 of Guidelines)			<input type="text"/>
** In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, NSW Office of Water, December, 2002.			
30. Disclosure of cross-subsidies			
Total of cross-subsidies (28b + 28c + 29b)			<input type="text" value="-"/>

* Councils which have not yet implemented best practice sewer pricing & liquid waste pricing should disclose cross-subsidies in items 28b and 28c above.

However, disclosure of cross-subsidies is **not** required where a Council has implemented best practice sewerage and liquid waste pricing and is phasing in such pricing over a period of 3 years.

Cabonne Council

Special Schedule No. 6 - Sewerage Service Statement of Financial Position

Includes INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.
as at 30 June 2013

\$'000	Actuals Current	Actuals Non Current	Actuals Total
ASSETS			
31. Cash and investments			
a. Developer charges	-	-	-
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	4,096	-	4,096
32. Receivables			
a. Specific purpose grants	341	-	341
b. Rates and Availability Charges	810	-	810
c. User Charges	43	-	43
d. Other	594	89	683
33. Inventories	-	-	-
34. Property, plant and equipment			
a. System assets	-	27,750	27,750
b. Plant and equipment	-	5,746	5,746
35. Other assets	-	-	-
36. Total Assets	<u>5,884</u>	<u>33,585</u>	<u>39,469</u>
LIABILITIES			
37. Bank overdraft	-	-	-
38. Creditors	369	-	369
39. Borrowings			
a. Loans	167	2,884	3,051
b. Advances	-	-	-
c. Finance leases	-	-	-
40. Provisions			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	-	-	-
41. Total Liabilities	<u>536</u>	<u>2,884</u>	<u>3,420</u>
42. NET ASSETS COMMITTED	<u>5,348</u>	<u>30,701</u>	<u>36,049</u>
EQUITY			
42. Accumulated surplus			21,403
44. Asset revaluation reserve			14,646
45. TOTAL EQUITY			<u>36,049</u>
Note to system assets:			
46. Current replacement cost of system assets			36,494
47. Accumulated current cost depreciation of system assets			(8,744)
48. Written down current cost of system assets			<u>27,750</u>

Cabonne Council

Notes to Special Schedule No.'s 3 & 5 for the financial year ended 30 June 2013

Administration ⁽¹⁾

(item 1a of Special Schedules 3 and 5) comprises the following:

- Administration staff:
 - Salaries and allowance
 - Travelling expenses
 - Accrual of leave entitlements
 - Employment overheads.
- Meter reading.
- Bad and doubtful debts.
- Other administrative/corporate support services.

Engineering and supervision ⁽¹⁾

(item 1b of Special Schedules 3 and 5) comprises the following:

- Engineering staff:
 - Salaries and allowance
 - Travelling expenses
 - Accrual of leave entitlements
 - Employment overheads.
- Other technical and supervision staff:
 - Salaries and allowance
 - Travelling expenses
 - Accrual of leave entitlements
 - Employment overheads.

Operational expenses (item 2 of Special Schedules 3 and 5) comprise the day to day operational expenses excluding maintenance expenses.

Maintenance expenses (item 2 of Special Schedules 3 and 5) comprise the day to day repair and maintenance expenses. (Refer to Section 5 of the Local Government Asset Accounting Manual regarding capitalisation principles and the distinction between capital and maintenance expenditure).

Other expenses (item 4c of Special Schedules 3 and 5) includes all expenses not recorded elsewhere.

Revaluation decrements (item 4b of Special Schedules 3 and 5) is to be used when I,PP&E decreases in FV.

Impairment Losses (item 4d & 4e of Special Schedules 3 and 5) are to be used when the carrying amount of an asset exceeds its recoverable amount (refer to page D-31).

Aboriginal Communities Water and Sewerage Program (item 4f of Special Schedules 3 and 5) is to be used when operation and maintenance work has been undertaken on behalf of the Aboriginal Communities Water and Sewerage Program. Similarly, income for item 11a of Special Schedule 3 and item 12a of Special Schedule 5 are for services provided to the Aboriginal Communities Water and Sewerage Program and is not part of Council's water supply and sewerage revenue.

Residential charges ⁽²⁾ (items 6a, 6b and item 6 of Special Schedules 3 and 5 respectively) include all income from residential charges. Item 6 of Schedule 3 should be separated into 6a Access Charges (including rates if applicable) and 6b Usage Charges.

Non-residential charges ⁽²⁾ (items 7a, 7b of Special Schedules 3 and 5) include all income from non-residential charges separated into 7a Access Charges (including rates if applicable) and 7b Usage Charges.

Trade waste charges (item 8 of Special Schedule 5) include all income from trade waste charges separated into 8a Annual Fees, 8b Usage Charges and 8c Excess Mass Charges and 8d Re-inspection Fees.

Other income (items 10 and 11 of Special Schedules 3 and 5 respectively) include all income not recorded elsewhere.

Other contributions (items 12c and 13c of Special Schedules 3 and 5 respectively) incl. capital contributions for water supply or sewerage services received by Council under Section 565 of the Local Government Act.

Notes:

⁽¹⁾ Administration and engineering costs for the development of capital works projects should be reported as part of the capital cost of the project and not as part of the recurrent expenditure (ie. in item 16 for water supply and item 17 for sewerage, and **not** in items 1a and 1b).

⁽²⁾ To enable accurate reporting of **residential revenue from usage charges**, it is essential for councils to accurately separate their residential (item 6) charges and non-residential (item 7) charges.

Cabonne Council

Special Schedule No. 8 - Financial Projections

as at 30 June 2013

\$'000	Actual ⁽¹⁾ 12/13	Forecast ⁽³⁾ 13/14	Forecast ⁽³⁾ 14/15	Forecast ⁽³⁾ 15/16	Forecast ⁽³⁾ 16/17	Forecast ⁽³⁾ 17/18	Forecast ⁽³⁾ 18/19	Forecast ⁽³⁾ 19/20	Forecast ⁽³⁾ 20/21	Forecast ⁽³⁾ 21/22	Forecast ⁽³⁾ 22/23
(i) OPERATING BUDGET											
Income from continuing operations	37,644	33,622	34,436	35,176	36,548	37,651	38,786	39,954	41,158	42,179	42,423
Expenses from continuing operations	32,303	29,062	29,935	31,022	32,022	32,969	34,182	35,203	36,498	37,725	38,015
Operating Result from Continuing Operations	5,341	4,560	4,501	4,154	4,526	4,682	4,604	4,751	4,660	4,454	4,408
(ii) CAPITAL BUDGET											
New Capital Works ⁽²⁾	12,178	5,685	5,963	5,840	6,968	6,581	7,253	6,492	6,318	6,244	6,320
Replacement/Refurbishment of Existing Assets	-	4,288	4,497	4,404	5,255	4,963	5,470	4,897	4,766	4,709	4,767
Total Capital Budget	12,178	9,973	10,460	10,244	12,223	11,544	12,723	11,389	11,084	10,953	11,087
Funded by:											
- Loans	3,062	-	-	-	-	-	-	-	-	-	-
- Asset sales	545	500	500	500	500	500	500	500	500	500	500
- Reserves	1,421	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
- Grants/Contributions	7,150	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100	7,100
- Recurrent revenue	-	373	860	644	2,623	1,944	3,123	1,789	1,484	1,353	1,487
- Other	-	-	-	-	-	-	-	-	-	-	-
	12,178	9,973	10,460	10,244	12,223	11,544	12,723	11,389	11,084	10,953	11,087

Notes:

(1) From 12/13 Income Statement.

(2) New Capital Works are major non-recurrent projects, eg new Leisure Centre, new Library, new Swimming pool etc.

(3) Financial projections should be in accordance with Council's Integrated Planning and Reporting framework.

Payment of Expenses and Provision of Facilities for Mayor and Councillors 2013 Policy

1 Document Information

Version Date <i>(Draft or Council Meeting date)</i>	[17 September 2013]
Author	Administration Manager
Owner <i>(Relevant director)</i>	Director of Finance & Corporate Services
Status – <i>Draft, Approved, Adopted by Council, Superseded or Withdrawn</i>	Adopted by Council
Next Review Date	August each year – submitted to DLG by 30 November
Minute number <i>(once adopted by Council)</i>	13/09/30

2 Summary

The purpose of the policy is to ensure that there is accountability and transparency in the reimbursement of expenses incurred or to be incurred by councillors. The policy also ensures that the facilities provided to assist councillors to carry out their civic duties are reasonable.

3 Approvals

Title	Date Approved	Signature
General Manager		

4 History

Minute No.	Summary of Changes	New Version Date
00/1/10	Complete Review	17/01/00
01/02/10	Addition of Uniform Contribution	19/02/01
04/05/16	Amended	17/05/04
05/07/9	Amended after advertising to allow for laptops for councillors and a mobile phone for the Mayor	18/07/05

Draft	Amended to comply with DLG updated guidelines – Circular 07-22 refers	October 2008
08/10/15	Draft amended at October 2008 Council meeting to add provision for Internet access reimbursement and advertised for public submissions.	
08/12/26	Adopted without further change at December 2008 Council meeting	December 2008
09/06/14	Amended at June Council Meeting that where individual limits are set for Councillors such limitations are a global amount and not a strict individual limit.	15/06/09
09/08/36 - 2	Credit Card facility for Mayor with \$3,000 limit approved	17 August 2009
Draft	Policy reviewed in accordance with DLG revised Guidelines October 2009. Additional clarification added (pg 10) in relation to non payment of expenses relating to political fundraising events, or donations to a political party or candidate's electoral fund. A process to resolve any disputes that arise about the provision of expenses and facilities was added (page 8). No other substantial change required. Submitted to October Council meeting.	October 2009
09/11/10	Adopted without further change at November 2009 Council meeting	November 2009
10/02/17	Readopted by Council.	15 February 2010
10/08/17, 18, and 19	Reviewed for 2011. Draft prepared for September 2010 Council meeting. Corrected omission of annual maximum limits for Mayoral Phone, vehicle and noted Councillors' out of area travel covered within travel expense item. Provision of credit card and multifunction printer/copier/scanner and consumables for at home use by Mayor added.	August 2010
PIBs	Council determined to withdraw the provision of a multifunction printer/copier/scanner and consumables for at home use by the Mayor.	September 2010
10/11/15	Adopted by Council – additionally “Department” updated with “Division”.	15 November 2010
11/11/28	Reviewed for 2012. Draft prepared for September Council meeting. No substantial changes made. Readopted by Council.	November 2011
12/11/11	Reviewed for 2013. Draft prepared for September Council meeting. Combined policy re alternate delegates (Minute No. 94/3/27). <i>Amendment to provide iPads and associated requirements in lieu of laptops and remove reference to reimbursement of internet access.</i>	November 2012
13/09/30	Readopted as per s165(4)	17 September 2013

5 Reason

Councillor expenses and facilities policies are made under the Local Government Act 1993 (“the Act”) and in accordance with sections 252 and 253 of the Act as well as clause 403 of the Local Government (General) Regulation 2005 (‘the Regulation’).

Under section 252(5) of the Act councillor expenses and facilities policies must comply with the provisions of the Act, the Regulation, guidelines provided by the Division of Local Government and other policies nominated in said guidelines.

Under section 440 each council must adopt a code of conduct that incorporates the provisions of the *Model Code of Conduct for Local Councils in NSW* (the Model Code of Conduct).

6 Scope

This Policy applies to all councillors.

Principles Guiding This Policy

The overriding principle of this policy is that the provisions made in regard to expenses and facilities for councillors are acceptable to, and meet the expectations of the local community.

The following are important elements of the principles that underpin this policy:-

Councillor conduct

As required by section 439 of the Local Government Act 1993 (LGA) and reinforced in the Model Code of Conduct provisions, councillors must act lawfully, honestly and exercise a reasonable degree of care and diligence in carrying out their functions;

Councillors are to be mindful of the provisions of the Anti-Discrimination Act 1977 which make it unlawful for any member or members of a council of a local government area when acting (whether alone or together) in the course of his, her or their official functions to discriminate against another member of the council on the grounds of race, sex, transgender, marital status, disability, responsibilities as a carer or homosexuality.

Equity, access and ability to participate

This policy is to be applied in a non-discriminatory and equitable manner to enable full participation by councillors from varied walks of life, allowing representation of the community in different ways and accommodating individual differences;

Council values a diversity of representation. This expense and facility policy will be interpreted such that any under-represented groups within the community will not be discouraged from undertaking the civic duties of a councillor by reason of financial or other disadvantage;

Similarly this policy will be interpreted so that reasonable provision for the special needs of councillors is accommodated. This will include access to the appropriate parts of council premises and facilities and maximise participation in the civic duties and business of council. It will also include provision for sight or hearing impaired councillors, those with other disabilities and make reasonable transportation provisions for those unable or unwilling to drive a vehicle.

Accountability and transparency

This policy details both the specific expenses for which councillors are entitled to receive reimbursement and the facilities they are entitled to access. Councillors may only receive these where they are so identified. This Policy document will be open to public scrutiny at all times;

Annual reporting requirements as defined in the LGA, associated Regulation and DLG Guidelines are included in this policy and will be followed;

Reasonable and relevant expenses

This policy provides for the provision of reasonable and relevant expenses in relation to the role as a councillor and which are in proportion to the size and extent of affordability by the operations of Cabonne Council.

4.1.5 Defined limits over expenses and facilities

All expenses defined in this policy are associated with specific monetary limits where practicable and appropriate. Similarly standards for the provision of equipment and facilities provided to councillors are defined. No provision for a "General" expense or allowance is included in this policy.

4.1.6 Annual fees and expenses a separate issue

The Local Government Remuneration Tribunal has adopted the principle that expenses reasonably incurred by councillors are outside provisions made under the annual fee determinations. Accordingly this policy does not require councillors to pay for some of their expenses from their annual fee since it is recognised that this can have the effect of financially disadvantaging councillors.

4.1.7 Expenses and allowances

Only payment or reimbursement of actual expenses incurred by councillors in carrying out their civic duties is permitted under this policy.

Payment will generally be way of reimbursement after the event. Consideration will be given to a request by a councillor for the provision of an advance payment for the cost of a service associated with a civic duty. Expenses typically paid in advance are specified. Payments in advance are subject to reconciliation within 60 days.

There are no circumstances in which legal expenses will be met by a council for proceedings initiated by a councillor. Nor will legal expenses be met for a councillor defending any action in a matter not rising directly as a result of his or her civic duty.

Councillors using private vehicles in carrying out their civic duties will be paid the mileage allowance at the then current rate set by the Local Government (State) Award;

Approval arrangements

This policy defines approval arrangements, and requires more than one person as decision maker in order to prevent potential conflicts.

Private benefit

Councillors will not generally obtain private benefit from the provision of equipment and facilities, nor from travel bonus or any other such loyalty schemes. However, it is acknowledged that incidental use of council equipment and facilities may occur from time to time. Such incidental private use is not subject to a compensatory payment.

Where more substantial private use has occurred, the Act provides that a payment may be made to cover the level of that private use. Council has established that this would be at the current rate set by the Local Government (State) Award in the case of kilometres using council vehicles incurred by councillors on Council duties and at an agreed rate for private use by the Mayor in the mayoral vehicle (as provided by section 252(2) of the Act);

7 Associated Legislation

A policy for the payment of expenses and the provision of facilities for councillors is made under section 252 of the Local Government Act 1993 and in accordance with clause 403 of the Local Government (General) Regulation 2005.

Other policy provisions, which should be considered, include the DLG guidelines, Division of Local Government circulars to councils, the Model Code of Conduct for Local Councils in NSW and the Independent Commission against Corruption publication No Excuse for Misuse.

Details of relevant statutory requirements and other policy provisions are at APPENDIX 2 of the DLG guidelines (circular 07-22).

8 Definitions

“DLG” – Division of Local Government

“Act” – Local Government Act 1993

“Regulation” – Local Government (General) Regulation 2005

9 Responsibilities

9.1 General Manager

Jointly with the Mayor, (or Deputy Mayor if the expense relates to the Mayor), approve expenses that are to be incurred prior to the opportunity to be reported to a Council meeting.

The General Manager and/or Director of Finance & Corporate Services is required to ensure the return of equipment and services when such return is required by the policy and the equipment or facility is not acquired by councillors.

9.2 Directors and Managers

The Director of Finance & Corporate Services and/or General Manager is required to ensure the return of equipment and services when such return is required by the policy and the equipment or facility is not acquired by departing councillors.

The Finance Manager is required to ensure accounting staff are provided with and process the Mayor’s motor vehicle log books and mobile telephone account indicating private calls made.

The Administration Manager is required to determine availability of a vehicle for councillors when appropriate.

The Finance Manager and Administration Manager are responsible for providing an annual report to Council each September providing a break-up of expenses provided under the headings of Councillor or staff member, type and amount of expense, facility or other in-kind benefit, etc for the previous financial year.

9.3 Staff

The General Manager's Personal Assistant is required to provide Secretarial services for the Mayor.

10 Related Documents

Document Name	Document Location
DLG Guidelines for payment of expenses and provision of facilities	DLG website
Model Code of Conduct	DLG website
DLG Circulars to councils	DLG website
ICAC publications – No Excuse for Misuse, preventing the misuse of council resources	ICAC website
Mobile Phone Policy	Council's Policy database
Councillors Approval Request Form To Attend Conference	infoXpert

11 Policy Statement

Wherever possible this Policy uses the suggested format by the DLG whilst complying with Council's standard Policy template.

Part 1 - INTRODUCTION

Reporting requirements

Review

Councils are required on an annual basis to review and submit their policy to the Division of Local Government within 28 days of adoption by council, even if they propose to adopt an unchanged policy. Policies must be submitted by **30 November each year**.

Annual reporting requirements

Section 428 of the *Local Government Act 1993* requires councils to include in their annual report:

- the council's policy on the provision of facilities for, and the payment of expenses to, mayors and councillors

- the total amount of money expended during the year on providing those facilities and paying those expenses
- additional information as required by the Local Government (General) Regulation 2005.

Additional annual reporting requirements

Amendments to clause 217 of the Local Government (General) Regulation 2005 made in December 2006 now require councils to include additional reporting information in their annual reports.

The additional reporting information required is for the purposes of transparency and accountability and should not be seen as a disincentive for the payment of appropriate expenses to councillors.

Councils are now required to report separately on:

- the total cost of expenses and the provision of facilities for the mayor and all councillors, as well as:

Provision of facilities

The cost of the provision of dedicated office equipment allocated to councillors on a personal basis such as laptop computers, mobile phones, telephones and facsimile machines and Internet installed in the councillors' homes (including line rental and internet access). This item does not include the costs of using this equipment, such as calls.

Expenses

- the cost of phone calls including mobiles, home located landlines, facsimile and internet services
- spouse/partner/accompanying person expenses (limited to circumstances outlined on page 14 of the DLG Guidelines)
- conference and seminar expenses
- training and skill development expenses
- Interstate travel expenses (including subsistence and out-of-pocket expenses)
- overseas travel expenses (including subsistence and out-of-pocket expenses)
- care and other related expenses (of dependants to enable a councillor to undertake his or her civic functions).

Reporting of exceptional equipment and facilities costs

In addition to the statutory reporting requirements, councils should report other costs where these are significant. For example, councils should report the cost of the provision of facilities and equipment where such provision is above what would **normally** be required for the day-to-day running of the council.

Legislative provisions

Expenses and facilities policies must not include a general expense clause.

Clause 403 (previously 42A) of the Local Government (General) Regulation 2005 provides that councils must not include in their section 252 policies any provision that enables council to pay a councillor an allowance in the nature of a general expense allowance.

Section 252 of the *Local Government Act 1993* only **authorises payment or reimbursement of actual expenses incurred by councillors in carrying out their civic duties.** It is not appropriate or lawful for councils to pay general allowances unrelated to actual expenses incurred or designed to supplement councillors' annual fees.

Monetary limits to expenses

It is the responsibility of individual councils to establish what they would consider a **reasonable level of provision** by determining their own monetary limits and/or rates for the payment of expenses and other benefits to their councillors. **These limits have been determined and are clearly stated in the policy.**

Identifying and publishing monetary limits allows members of the public to know the expected cost of providing services to councillors and to make comment during the public consultation phase of making or amending the policy. It also avoids situations where councillors incur costs that are unforeseen or considered unreasonable by other councillors and the public.

Standard of provision of equipment and facilities

The DLG guidelines do not specify a specific standard for the provision of equipment and facilities to councillors. As with expenses, it is the responsibility of councils to establish and define an appropriate and reasonable level of provision that would enable councillors to effectively carry out their civic duties. **Council has determined the level of equipment and facilities to be provided to the Mayor and councillors. These are detailed in the policy.**

Approval arrangements for claiming expenses and use of facilities

Approval of councillor expenses will be consistent with the stated guiding principle that no one person is the sole decision maker in giving approval.

Part 2 - PAYMENT OF EXPENSES

General Provisions

Whenever possible approval for discretionary trips and attendance at conferences and the like should be approved at a Council meeting. If this is not possible then the approval should be given jointly by the Mayor and the General Manager. If the Mayor requires approval to travel outside of council meetings it should be given jointly by the Deputy Mayor and the General Manager.

Travel involving an overnight stay will require prior approval with full details of the travel. This should include itinerary, costs and reasons for the travel being provided;

Approval to meet expenses will only be given when the function is relevant to the council's interest. No approval will be given for any cost component that is additional, or not relevant to, the service cost of the function.

Should dispute(s) arise about the provision of expenses and facilities the matter is to be resolved by determination of the General Manager, in compliance with Council's Policy, in the first instance. Should the councillor consider the General Manager's determination to be incorrect then the matter shall be reported for determination by the Full Council at the next available Council meeting.

Payment of expenses generally

a) Allowances, expenses and motor vehicle availability

In accordance with the LGA this policy does not permit:

- i. The payment to any councillor of an allowance in the nature of a general expense or allowance;
- ii. The exclusive or primary use of a motor vehicle by any councillor other than a Mayor (or Deputy Mayor under specific conditions).

b) Reimbursement and reconciliation of expenses

- i. Reimbursement of costs and expenses to councillors will only be made upon the production of appropriate receipts and tax invoices, and the completion of the required claim forms.
- ii. Expenses and costs incurred must be in accordance with the requirements of this policy.
- iii. The maximum time limit for councillors to seek reimbursement for their expenses is within 60 days from the date of the receipt, invoice or voucher.

c) Payment in advance

Councillors may request payment in advance in anticipation of expenses to be incurred in attending conferences, seminars and training away from home. Councillors may also request an advance payment for the cost of any other service or facility covered by the policy. However, councillors must fully reconcile all expenses against the cost of the advance when they return within the above time limit.

Allowance type payments are not payable in any circumstances.

Establishment of monetary limits and standards

Note: where individual limits are set for Councillors such limitations are a global amount and not a strict individual limit except where specified.

The following currently apply as monetary limits to expenses:

Expense	Mayor	Deputy Mayor	Councillors*
	Maximum Annual Expense Limits (\$)		
Agreed training	3,500	2,500	20,000
Mandatory Councillor Information session	400	400	4,000
Conferences & Seminars	5,000	3,000	20,000
Travel -Local and Out Of Area	N/A	4,000 - Council vehicle for attending out of area functions	40,000 - Council vehicle for attending out of area functions
Interstate Travel	2,000	1,500	10,000
Overseas Travel	Not Available	Not Available	Not Available
Motor Vehicle	15,000 [^]	See Travel - Local and Out Of Area	See Travel - Local and Out Of Area
Mobile Phone	3,600	Not Available	Not Available
Stationery	200	100	1,000
Business Cards, Name tags, etc	150	150	1,500
Corporate Uniform (50% contribution)	200 (max.)	200 (max.)	200 (max.) per councillor
Mayoral Office Refreshments	1,500	Not Available	Not Available

[^] - Based on Maximum Annual Expense Limit for the Mayoral Vehicle set as \$10,000 (based on 50,000kms per vehicle) with actual usage indicating 75,000kms travelled per year.

* Note: Global limit

Spouse and partner expenses

There are limited instances where certain reasonable costs incurred by the councillor for their spouse, partner or accompanying person are properly reimbursable by Council:

- a. Where the costs relate to attendance at official council functions of a formal and ceremonial nature and occur within the local government area. Such functions would be those which a councillor's spouse, partner or accompanying person could be reasonably expected to attend. Examples could include but not be limited to: Australia Day award ceremonies, Citizenship ceremonies, civic receptions and charitable functions supported by the council;
- b. In relation to Local Government and Shires Associations' annual conferences, costs limited to the cost of registration and the official conference dinner. Travel, any additional accommodation, and the cost of partner/accompanying person tours etc would be the personal responsibility of individual councillors (Council will meet the equivalent cost of Single accommodation for the Councillor with any additional cost borne by the councillor);

- c. Where they occur outside the Cabonne local government area, but within the State, costs of representing the Mayor, at an official function of councillor or those of accompanying the Mayor whilst on an official ceremonial duty. Examples could include charitable functions, award ceremonies and other functions to which the Mayor has been invited and is representing the council.
- d. In the above circumstances, reimbursable costs are confined to the ticket, meal or direct cost of attending the function. Reimbursable costs do not extend to items such as special clothing, grooming or transport.

Apart from where defined above, other accompaniment costs outside the Cabonne local government area will not be reimbursed.

- Accommodation: Equivalent of Single Accommodation cost for the councillor is to be met by Council with additional accommodation cost to be met by delegate/spouse. All additional costs are to be met by spouse/partner unless such is related to the official capacity of the delegates' partner (e.g. official conference dinner).

Specific Expenses For Mayors And Councillors

Attendance at seminars and conferences

Attendance at Annual Conferences of Local Government and Shires Associations will normally be undertaken by the Mayor.

At least two Councillors may be afforded the opportunity to attend the Shires Association conference each year.

Councillors may be **nominated** to attend conferences, seminars and similar functions relevant to Council's interests by:-

- ✧ the Council, through resolution duly taken.
- ✧ the Mayor, acting within his/her delegated authorities and subject to budget requirements.

Approval to attend must be resolved at a Council meeting or by both the Mayor and General Manager if attendance is required prior to the next Council meeting. If the proposed attendance is by the Mayor then approval by the Deputy Mayor and General Manager is required.

Councillors will be required to provide a written report to Council on such conferences.

Council will pay conference registration fees, including the costs of related official meals or activities where these are relevant to the business and interests of Council.

The reasonable costs of transport and accommodation associated with conference attendance will also be met as will meals when not included in conference fees. When overnight accommodation is necessary (the night before or after the conference) accommodation costs must be approved by Council.

Where attendance at other functions is relevant to Council's interest by reason of briefings, information or networking with key community members, business identities or politicians, approval may also be given by Council. Such approval will extend to the cost of the function and not to political donations.

No payment should be made by a council for attendance by a councillor at any political fundraising event, for any donation to a political party or candidate's electoral fund, or for some other private benefit.

Council staff should ascertain whether any expenses to be incurred would be directed towards such events and activities prior to approving expenditure.

An annual monetary limit applies as shown at **Establishment of monetary limits and standards**.

Training and Educational Expenses

Each Councillor is required to undertake a Councillor Information session run by the DLG on election to Council.

Each Councillor will be encouraged to undertake at least one Professional Development Course every two (2) years.

A Personal Development Training Plan is to be prepared by the General Manager each year based on funds allowed within the annual estimates of Income and Expenditure.

An annual monetary limit applies as shown at **Establishment of monetary limits and standards**.

Local travel arrangements and expenses

Councillors are required to use private vehicles to attend Council and/or committee meetings and will be paid the kilometre allowance at the then current rate set by the appropriate Local Government (State) Award from time to time, but subject to the most direct route being taken.

Travel undertaken by a councillor in the capacity of Chair of a council committee or as a delegate of Council will also be reimbursed on a kilometre basis at the rate specified above.

When acting for the Mayor at Civic functions, and when Council's Administration Manager has been advised in writing by the Mayor, councillors will also be reimbursed on a kilometre basis at the rate specified above.

Council has previously determined, (Minute No. 94/3/27) that any official Council delegate is authorised to arrange for another councillor to represent Council at functions where the official delegate is unable to attend and believes that Council representation is required. In such instances, and when Council's Administration Manager has been advised in writing by the councillor who arranged an alternate, councillors will also be reimbursed on a kilometre basis at the rate specified above.

The driver is personally responsible for traffic or parking fines. An annual monetary limit applies as shown at **Establishment of monetary limits and standards**.

Travel outside the LGA including interstate travel

All reasonable travel costs will be met by the Council subject to prior Council approval. Where appropriate, travel will be provided by air (economy class). Depending upon the circumstances, it may be more appropriate for travel to be undertaken by car.

Where a private vehicle is used, kilometre payments are not to exceed the economy air fare and should apply to the most direct route. The driver is personally responsible for traffic or parking fines.

Travel by motor vehicle may be undertaken in a Council vehicle (where available – contact Council’s Administration Manager to determine availability) or by private vehicle, subject to prior approval from the Council or jointly by the Mayor and General Manager.

Costs of vehicle hire, taxi fares, public transport, road tolls or parking costs which are reasonably incurred while attending Council business will be reimbursed by the Council.

An annual monetary limit applies as shown at **Establishment of monetary limits and standards**.

Telephone costs and expenses

The Mayor is required to reimburse Council for private calls made on the provided mobile phone.

An honesty system is in place using identification of all private telephone costs by the Mayor on the account statements. Account statements must be returned by the period stated in the Mobile Phone policy.

An annual monetary limit applies as shown at **Establishment of monetary limits and standards**.

Internet Access expenses

Council will provide the Mayor and Councillors a 1GB data plan for use through their iPads to allow access to Internet services utilised by Councillors for official council business purposes including research, etc.

Council’s Code of Conduct requirement that:

“You must not use council’s computer resources to search for, access, download or communicate any material of an offensive, obscene, pornographic, threatening, abusive or defamatory nature.”

is relevant and repeated herewith for convenience.

An annual monetary limit applies as shown at **Establishment of monetary limits and standards**.

Care and other access related expenses

Council will meet reasonable costs of facilitating access to council premises, functions and activities where, by reason of disability, caregiver role or other special need, a councillor would not otherwise have equity of access with other councillors. Such support will allow the fullest participation reasonably possible.

If required an annual monetary limit would apply and once determined will be shown at **Establishment of monetary limits and standards**.

Insurance Expenses and Obligations

Council provides insurance cover for:

- Public liability for liabilities that might arise from performance of civic duties and/or exercise of council functions – Public Liability Insurance
- Professional indemnity for liabilities that might arise from performance of civic duties and/or exercise of council functions - Professional Indemnity Insurance
- The internal running of Council and duties to shareholders. Examples of internal running are things like harassment and unfair dismissal. An example of duties to shareholders is something that puts the financial viability of Council on the line - Councillors and Officers Liability Insurance
- Personal Injury whilst on council business – Personal Accident Insurance
- Travel insurance for approved flights – Personal Accident Insurance

All insurances are subject to any limitations and conditions set out in Council's policy of insurance.

Legal Expenses and Obligations

Council will only be prepared to consider reimbursement of legal expenses of Councillors in accordance with the guidelines from the Division of Local Government, these being:

1. That a Council may only disburse money if the disbursement is authorised by the Local Government Act, 1993, either expressly or because it is supplemental or incidental to or consequential upon the exercise of its functions.
2. In the particular circumstances outlined below, council may therefore indemnify or reimburse the reasonable legal expenses of:

- (a) A councillor defending an action arising from the performance in good faith of a function under the Local Government Act (s71), or
 - (b) A councillor defending an action in defamation provided the statements complained of were made in good faith in the course of exercising a function under the Act, or
 - (c) A councillor for proceedings before the Local Government Pecuniary Interest Tribunal or an investigative body provided the subject of the proceedings arises from the performance in good faith of a function under the Act and the Tribunal or investigative body makes a finding substantially favourable to the Councillor.
3. Legal expenses incurred in relation to proceedings arising out of the performance by a councillor of his or her functions under the Act are distinguished from expenses incurred in relation to proceedings arising merely from something which a councillor has done during his or her term of office. An example of the latter is expenses arising from an investigation as to whether a councillor acted corruptly by using knowledge of as proposed rezoning for private gain. This latter type of expense is not reimbursable as part of this policy.
 4. Council may lawfully obtain insurance cover against the risk of having to meet the costs of or to reimburse a councillor provided that the costs or reimbursements are ones which the council is authorised to meet.
 5. Council may not meet the costs of an action in defamation taken by a councillor as plaintiff in any circumstances.
 6. Where doubt arises in relation to any of these points, Council shall seek legal advice.
 7. Council will not provide legal assistance in respect of legal proceedings initiated by the Mayor and/or councillors in any circumstances.

ADDITIONAL MAYORAL EXPENSES

In addition to those facilities provided to the Councillors the Mayor is to receive the benefit of:-

- Motor Vehicle - (Holden Statesman or equivalent). The vehicle is to be used at the discretion of the Mayor for official Mayoral, Councillor or Council purposes. The Mayor is to pay an amount as determined by Council and included in Council's Fees & Charges for the use of this vehicle and he/she is to provide fuel for private usage.

The following conditions apply:-

- a) The Mayor must authorise Council to deduct private usage payments of the agreed amount per month from the Mayoral allowance for the use of the Mayoral Vehicle;
- b) The Mayor's Council motor vehicle must be made available for use by the Deputy Mayor during those periods when, in accordance with the policy of the Council during the absence of the Mayor, the Deputy Mayor is entitled to be paid a proportionate amount of the Mayoral Allowance;

At present this absence is defined as absent from the Council area by the Mayor for a minimum of three (3) weeks.

- c) That the Mayor or in such absence the Deputy Mayor provide petrol for such private use;
 - d) The Mayor, or Deputy Mayor in the Mayor's absence, is also required to keep log books relating to the vehicle, to be submitted monthly to Council accounting staff.
- Mobile phone and car kit for official purposes. The Mayor is responsible for reimbursement of private calls made on this mobile phone, by way of certification and submission of monthly accounts by the Mayor to Council accounting staff. Telephone accounts indicating private use must be returned by the set period in the Mobile Phone Policy.
 - Secretarial Services - word processing and administrative support provided by the General Manager's Personal Assistant.
 - Administrative Support - assistance with functions, organisations, meetings, and the like for official purposes.
 - Mayoral Office Refreshments - at the discretion of the Mayor for Official purposes.
 - Credit Card facility with a limit of \$3,000.

Annual monetary limits apply and are shown at **Establishment of monetary limits and standards**.

Part 3 - PROVISION OF FACILITIES

GENERAL PROVISIONS

Provision of facilities generally

The following facilities are currently available to Mayor and councillors as indicated:

Facility	Mayor	Deputy Mayor	Councillors
	Facilities available / Not available for Council Business Use		
iPad and Wireless Connection Costs	Available	Available	Available
Fax Machine*	Available	Available	Available
Mobile Phone *	Available	Not available	Not available
Motor Vehicle Use	Designated Vehicle	When acting as Mayor or subject to policy and availability	Subject to policy and availability
Furnished Mayoral room	Available	Available by arrangement with Mayor	Available by arrangement with Mayor
Secretarial & Administrative support	Available	Not available	Not available
Photocopier Official purposes only at Molong and Cudal Council offices	Available	Available	Available
Stationery & office supplies	Available	Available	Available
Business cards	Available	Available	Available
Credit Card	Available	Not Available	Not Available
Consumables eg toner	Available	Available	Available
Corporate clothing	Available	Available	Available
Safety equipment (eg Safety vests on Traffic committee inspections)	Available	Available	Available
Meals / refreshments related to council, committee and work group meetings and office functions.	Available	Available	Available
Ceremonial garb	Available	Not Available	Not Available
Use of council chamber	When free for use	When free for use	When free for use

* - Equipment remains the property of Council. On completion of Term, councillors may request to purchase equipment at written down value or at an agreed fair market price.

Private use of equipment and facilities

Council facilities, equipment and services are not for private use. "Private use" includes the production of election material or material for other political purpose.

Acquisition and returning of facilities and equipment by Councillors

Equipment is to be returned promptly to the General Manager or Director of Finance & Corporate Services in the following circumstances:

- a. Councillor is going on extended leave of absence;
- b. Councillor has completed term of office or ceasing civic duties and is not acquiring equipment.

In general the use of council facilities and equipment should be in accord with the DLG Model Code of Conduct for Local Councils in NSW, - June 2008.

Cabonne Council - Operational Plan

2012/13 - 2015/16

Future direction		Responsible Director	Year 1
1. Connect Cabonne to each other and the world		Director of Engineering and Technical Services	Qtr 4
Strategic Outcome 1. 1		A safe, efficient, quality and well maintained urban and rural transport system for vehicles and pedestrians on Cabonne's local, regional and state road networks.	
Delivery Program Action:		Implement the Council's Road Maintenance and Renewal Program	
Delivery Program Action Measure:		Work completed in accordance with 4 year Works plan	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
1. 1.1.a	Complete the annual sealed and unsealed roads routine maintenance program	Annual sealed and unsealed roads routine maintenance program completed	Ongoing
1. 1.1.b	Complete the annual gravel resheeting program on local roads	Annual gravel resheeting program on local roads completed	Completed
1. 1.1.c	Complete the annual bitumen resealing program	Annual bitumen resealing program completed	Completed
1. 1.1.d	Complete the annual sealed road renewal program (rehabilitation and heavy patching)	Annual sealed road renewal program (rehabilitation and heavy patching) completed	Completed

Future direction		Responsible Director	Year 1
1. Connect Cabonne to each other and the world		Director of Engineering and Technical Services	Qtr 4
Strategic Outcome 1. 1		A safe, efficient, quality and well maintained urban and rural transport system for vehicles and pedestrians on Cabonne's local, regional and state road networks.	
Delivery Program Action:		Initiate and implement road safety programs	
Delivery Program Action Measure:		Road safety programs implemented	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
1. 1.2.a	Establish and participate in the shared annual road safety program with Orange City Council and Roads and Maritime Services (RMS)	* Shared annual road safety program established * Level of participation	road safety program progressively implemented
1. 1.2.b	Identify and apply for BlackSpot funding	BlackSpot eligible locations identified and funding applied for	No blackspot funding

Future direction		Responsible Director	Year 1
1. Connect Cabonne to each other and the world		Director of Engineering and Technical Services	Qtr 4
Strategic Outcome 1. 1		A safe, efficient, quality and well maintained urban and rural transport system for vehicles and pedestrians on Cabonne's local, regional and state road networks.	
Delivery Program Action:		Remain a core service provider to the RMS on state main roads	
Delivery Program Action Measure:		Successfully bid for State Road Contracts	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
1. 1.3.a	Meet RMS tender specification requirements	* Contracts won * Design to RMS standards * Financial return on service provision * R1 Accreditation maintained	Completed R1 accreditation obtained
1. 1.3.b	Ensure cost effective for both parties	Cost efficient	cost effective

Future direction		Responsible Director	Year 1
1. Connect Cabonne to each other and the world		Director of Engineering and Technical Services	Qtr 4
Strategic Outcome 1. 1		A safe, efficient, quality and well maintained urban and rural transport system for vehicles and pedestrians on Cabonne's local, regional and state road networks.	
Delivery Program Action:		Provide and maintain bridge structures on Cabonne's local and regional roads network	
Delivery Program Action Measure:		Work completed in accordance with the 4 year Works plan	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
1. 1.4.a	Design and construct Cotton's Bridge	Cotton's Bridge designed and constructed	Tender awarded
1. 1.4.b	Design and construct Nashdale Bridge	Nashdale Bridge designed and constructed	Under construction

Future direction		Responsible Director	Year 1
1. Connect Cabonne to each other and the world		Director of Engineering and Technical Services	Qtr 4
Strategic Outcome 1. 1		A safe, efficient, quality and well maintained urban and rural transport system for vehicles and pedestrians on Cabonne's local, regional and state road networks.	
Delivery Program Action:		Ensure accessibility for all members of the community	
Delivery Program Action Measure:		*All new construction complies with Disability Discrimination legislation and Standards *Work completed in accordance with 4 year works plan	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
1. 1.5.a	Identify projects within Pedestrian Access and Mobility Plan (PAMP) and Cabonne Cycle Plan (CCP) to comply with Disability Discrimination legislation and Standards	Projects identified	one pedestrian access going to be installed in Gaskill Street and submission submitted to 13/14 budget for PAMP and Cycle plan.
1. 1.5.b	Ensure all new designs comply with Disability Discrimination legislation and Standards	Access designed in accordance with Australian Standards	In Progress and designed
1. 1.5.c	Ensure all new construction complies with Disability Discrimination legislation and Standards	Level of compliance	complies

Future direction		Responsible Director	Year 1
1. Connect Cabonne to each other and the world		Director of Engineering and Technical Services	Qtr 4
Strategic Outcome 1. 1		A safe, efficient, quality and well maintained urban and rural transport system for vehicles and pedestrians on Cabonne's local, regional and state road networks.	
Delivery Program Action:		Implement the cycle and footpath maintenance renewal program	
Delivery Program Action Measure:		Cycle and footpath maintenance renewal program implemented	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
1. 1.6.a	Complete the annual footpath maintenance and construction program	Annual footpath maintenance and construction program completed	footpath maintenance complete
1. 1.6.b	Complete the annual cycleway maintenance and construction program	Annual cycleway maintenance and construction program completed	complete
1. 1.6.c	Ensure all new construction complies with Disability Discrimination legislation and Standards	Level of compliance	complies

Future direction		Responsible Director	Year 1
1. Connect Cabonne to each other and the world		General Manager	Qtr 4
Strategic Outcome 1.2		Everywhere in Cabonne has access to contemporary information and communication technology.	
Delivery Program Action:		Lobby Government and Telecommunication service providers for improved infrastructure and services	
Delivery Program Action Measure:		Internet access and mobile phone coverage throughout Cabonne	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
1.2.1.a	Facilitate enquiries and development applications relating to Telecommunication Infrastructure when necessary	DA processed within benchmark standards	Telecommunications generally exempt development.
1.2.1.b	To lobby for appropriate telecommunication infrastructure for Cabonne localities	Lobby activities undertaken	Liaise with industry providers

Future direction		Responsible Director	Year 1
1. Connect Cabonne to each other and the world		Director of Finance and Corporate Services	Qtr 4
Strategic Outcome 1.3		A range of transport options in to, out of and around Cabonne are affordable and available.	
Delivery Program Action:		Provide affordable medical, HACC and community transport services to Cabonne residents	
Delivery Program Action Measure:		* Number of people using it * Number of communities covered * Services are provided to target groups	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
1.3.1.a	Implement the Community Transport Program	Program implemented	Numerous trips arranged and reported to October and March Community Services Committees.

Future direction		Responsible Director	Year 1
1. Connect Cabonne to each other and the world		Director of Engineering and Technical Services	Qtr 4
Strategic Outcome 1.4		Transport infrastructure meets agricultural needs to get goods to and from market.	
Delivery Program Action:		Design and maintain roads to provide safe and efficient transport of goods and services locally and also State and regional routes	
Delivery Program Action Measure:		Ensure works are completed to relevant and approved scope of works	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
1.4.1.a	Collect and collate data relevant to traffic configuration and movement	Data collected and collated	In progress
1.4.1.b	Identify and prioritise transport infrastructure upgrades	Transport infrastructure upgrades identified and prioritised	In Progress
1.4.1.c	Identify fund sources and allocations	Fund sources identified	Complete
1.4.1.d	Determine project scope and design specifications	Scope and design specifications determined	In Progress. Designs address brief and standards
1.4.1.e	Construct transport infrastructure	Transport infrastructure constructed	Transport infrastructure completed

Future direction		Responsible Director	Year 1
1. Connect Cabonne to each other and the world		Director of Engineering and Technical Services	Qtr 4
Strategic Outcome 1. 4		Transport infrastructure meets agricultural needs to get goods to and from market.	
Delivery Program Action:		Lobby for the retention and renewal of the rail infrastructure system	
Delivery Program Action Measure:		Level of success of lobbying	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
1. 4.2.a	Undertake lobbying activities	Level of success of lobbying	Lobbying activities undertaken
1. 4.2.b	Continue membership of Lachlan Regional Transport Committee	Membership maintained	Membership is maintained
1. 4.2.c	Advocate for the retention of spurlines	Level of lobbying	Lobbying undertaken

Future direction		Responsible Director	Year 1
1. Connect Cabonne to each other and the world		Director of Engineering and Technical Services	Qtr 4
Strategic Outcome 1. 4		Transport infrastructure meets agricultural needs to get goods to and from market.	
Delivery Program Action:		Support the National Local Roads Congress (Auslink Program)	
Delivery Program Action Measure:		Support actions undertaken	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
1. 4.3.a	Council provides delegates to the Congress	Attendance at meetings	DETS and Clr Dean attended

Future direction		Responsible Director	Year 1
1. Connect Cabonne to each other and the world		Director of Engineering and Technical Services	Qtr 4
Strategic Outcome 1. 5		Access to major metropolitan markets enables the growth of tourism.	
Delivery Program Action:		Support Centroc in lobbying for the improvement of tourism access	
Delivery Program Action Measure:		Government agencies provide improved transport infrastructure	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
1. 5.1.a	Implement projects funded by Auslink Programs	* Projects implemented * Number of projects funded	nil programs

Future direction		Responsible Director	Year 1
2. Build Business and Generate Employment		General Manager	Qtr 4
Strategic Outcome 2. 1		A strong and vibrant local business sector.	
Delivery Program Action:		Implement Council's Economic Development Plan	
Delivery Program Action Measure:		Economic Development Plan outcomes implemented	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
2. 1.1.a	Develop a current Economic Development Plan for Cabonne	* Level of consultation * Economic Development Plan developed * Number of copies distributed	Draft Economic Development Plan being compiled and 40% written.
2. 1.1.b	Implement strategies listed in the Economic Development Plan	* Level of consultation * Number of strategies implemented * Number of businesses/community groups assisted	* Frequent consultation within LGA and regionally. * 10 projects including grant information distributed, New welcomepack, NBN workshop, new business website, Cabonne Daroo Business Awards management, 2013 Country & Regional Living Expo preparation, Central West ED Forum, Directory, etc.* 32 community groups and 5 businesses assisted. Weekly assistance to AOFM in June.

Future direction		Responsible Director	Year 1
2. Build Business and Generate Employment		General Manager	Qtr 4
Strategic Outcome 2. 2		Coordinated tourism product and a thriving visitor industry in Cabonne.	
Delivery Program Action:		Implement Council's Tourism Plan	
Delivery Program Action Measure:		Tourism Plan strategies implemented	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
2. 2.1.a	Develop a current Tourism Plan for Cabonne	* Tourism Plan developed * Number of copies distributed	A 10 year Cabonne Tourism Plan developed. Over 100 copies distributed electronically in LGA.
2. 2.1.b	Implement strategies listed in the Tourism Plan	* Number of and type of strategies implemented * Number of events held * Number of Cabonne Country website visits * Number of community groups/business operators assisted	* 16 strategies being implemented, including destination promotions, tourism signage, top 5 tourism priorities, Amusu theatre, event management, EAP funding, award applications and regional tourism product development. * 2 events funded under EAP, with over 20 events held monthly, including FOOD Week, Australian National Balloon Championships, Amusu Film Festival, Eugowra Murals Wkd. * 15,376 website visits and 157,941 website hits * 30 community groups assisted.

Future direction		Responsible Director	Year 1
2. Build Business and Generate Employment		General Manager	Qtr 4
Strategic Outcome 2. 3		Increased viable, sustainable and value adding businesses in Cabonne.	
Delivery Program Action:		Implement Council's Economic Development Plan	
Delivery Program Action Measure:		Number of value adding businesses established	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
2. 3.1.a	Implement strategies listed in the Economic Development Plan	* Number of and type of strategies implemented * Number of businesses/community groups assisted	* Frequent consultation within LGA and regionally. * 10 projects including grant information distributed, New welcomepack, NBN workshop, new business website, Cabonne Daroo Business Awards management, 2013 Country & Regional Living Expo preparation, Central West ED Forum, Directory, etc.* 32 community groups and 5 businesses assisted. Weekly assistance to AOFM in June.
2. 3.1.b	Continue to deliver the Business Development Assistance Program	* Number of inquiries * Number of businesses assisted * Level of funding allocated	* 5 enquires. * 2 business assisted with application. * \$3000 + DA fees funding approved.

Future direction		Responsible Director	Year 1
2. Build Business and Generate Employment		General Manager	Qtr 4
Strategic Outcome 2. 4		Jobs for Cabonne people in Cabonne.	
Delivery Program Action:		Support the development of and programs that increase jobs in Cabonne	
Delivery Program Action Measure:		Number of jobs created	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
2. 4.1.a	Implement Business Development Assistance Program	* Number of enquiries * Number of successful grant applications * Number of jobs	* 5 enquires. * 2 business assisted. * 1.5 jobs created.
2. 4.1.b	Support local employment initiatives	* Number of jobs maintained / created * Number of initiatives implemented	*jobs maintained. * 10 strategies implemented.
2. 4.1.c	Implement Economic Development Plan strategies	Number of strategies implemented	10 strategies implemented.
2. 4.1.d	Provide Council land assets through the development of residential and industrial estates in Cabonne	* Number of enquiries * Number of sales of land * Number of businesses operating in industrial estates	* 2 enquiries/followup. * Nil sale of land. * 4 businesses operating in Canowindra Industrial Estate.

Future direction		Responsible Director	Year 1
3. Provide and Develop Community Facilities		Director of Finance and Corporate Services	Qtr 4
Strategic Outcome 3. 1		Pre school, play group, child care and youth facilities are available across Cabonne.	
Delivery Program Action:		Facilitate the provision of children's services	
Delivery Program Action Measure:		* Range and number of services provided * Number of children using services	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
3. 1.1.a	Services reviewed and reported on half yearly	Level and range of services provided and usage	Reported to October and April Community Services Committees
3. 1.1.b	Recruit, train and monitor carers for Family Day Care	* Recruitment of carers * Level of service provided * Retention of carers	Sixteen new carers recruited, Effective Full Time enrollment of children increases by over 80.
3. 1.1.c	Implement the Family Day Care Program	Program implemented	Carers homes visited, quality of facilities inspected. Support through individual contact with carers and Playgroups
3. 1.1.d	Review "In Home" (IH) and "After School" (AS) care opportunities	Review opportunities funding secured	In home care opportunities pursued
3. 1.1.e	Review financial sustainability of FDC, IH and AS Care services	Review complete	Services Reviewed and actions implemented and new fee structure created for 2013/14

Future direction		Responsible Director	Year 1
3. Provide and Develop Community Facilities		Director of Finance and Corporate Services	Qtr 4
Strategic Outcome 3. 1		Pre school, play group, child care and youth facilities are available across Cabonne.	
Delivery Program Action:		Provide and facilitate opportunities, facilities and events for young people	
Delivery Program Action Measure:		* Number of activities held * Number of facilities and event provided	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
3. 1.2.a	Operate Youth of the Month (YOM) awards	Number of YOM nominations and award presentations	YOM awarded at each Council meeting.
3. 1.2.b	Organise for young people to address Council annually	Young people address Council	Young people invited to address June Council meeting.
3. 1.2.c	Hold follow up meeting to consider matters raised by young people with Council	Follow up meeting held	Meeting held with Students 23 August 2012
3. 1.2.d	Hold Youth Week activities	Activities held and level of participation	Youth week event organised at Manildra for 15 April 2013
3. 1.2.e	Operate a Youth Ambassador of the Year award	Award presented	Youth Ambassador appointed for 2013 at Australia Day Awards Committee meeting in December.
3. 1.2.f	Pursue grant opportunities for youth activities	* Level of Grants obtained * Level of support from Council	Youth Week Grant successfully applied for
3. 1.2.g	Youth services are promoted across Cabonne	* Number of newsletters developed * Number of newsletters distributed	Monthly newsletters distributed to Molong Central School, Canowindra High and Yeoval Central School
3. 1.2.h	Provide facilities and events for young people	* Number of facilities provided * Number of events held	Young Mothers assisted, Planning for youth events carried out.

Future direction		Responsible Director	Year 1
3. Provide and Develop Community Facilities		Director of Finance and Corporate Services	Qtr 4
Strategic Outcome 3. 2		Health and aged care facilities meet local community needs.	
Delivery Program Action:		Facilitate the provision of aged care facilities	
Delivery Program Action Measure:		* Impact of ageing population on facilities * Data on ageing is reported	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
3. 2.1.a	Undertake monitoring and reporting	Reported to Council	Report including demographics of aged population submitted to October Community Services Committee
3. 2.1.b	Facilitate retirement and aged care projects	The level at which need in the community is met	Assistance being provided to Canowindra Retirement Village Committee.

Future direction		Responsible Director	Year 1
3. Provide and Develop Community Facilities		Director of Finance and Corporate Services	Qtr 4
Strategic Outcome 3. 2		Health and aged care facilities meet local community needs.	
Delivery Program Action:		Facilitate the provision of aged care services	
Delivery Program Action Measure:		Range and number of services provided	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
3. 2.2.a	Facilitate services for the aged	Referral numbers and level of communications	Newsletters distributed to client groups, referrals of individuals to other services made.
3. 2.2.b	Promote services within Cabonne	* Level of and activities to promote services * Feedback from users	Application made to Age Friendly Communities Grants program. Livable communities seminar held February 2013.

Future direction		Responsible Director	Year 1
3. Provide and Develop Community Facilities		Director of Finance and Corporate Services	Qtr 4
Strategic Outcome 3. 2		Health and aged care facilities meet local community needs.	
Delivery Program Action:		Facilitate and advocate for the provision of Health & Medical services	
Delivery Program Action Measure:		Range and number of services provided	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
3. 2.3.a	Undertake review of Health services	Review completed and reported to Council	Reported To June Community Services Committee
3. 2.3.b	Advocate on behalf of health services in Cabonne as identified	Level of response to advocacy as identified	Issues raised by Moyne Aged Care facility reported to Council, Letters of support for grant submissions made by Health Services
3. 2.3.c	Participate in Cabonne Health Council (CHC)	* Attendance at meetings by be delegate * Level of success in achieving CHC goals & objectives	Meeting attended 22/10/12
3. 2.3.d	Participate in CENTROC Health Watch Committee	* Attendance at meetings by delegates * Level of success in achieving committee goals & objectives	Meetings attended by Councillors

Future direction		Responsible Director	Year 1
3. Provide and Develop Community Facilities		Director of Environmental Services	Qtr 4
Strategic Outcome 3. 3		Sporting, recreational, council and community facilities and services are maintained and developed.	
Delivery Program Action:		Maintain and manage public cemeteries	
Delivery Program Action Measure:		The level at which the community needs are satisfied	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
3. 3.1.a	Develop a Management Plan for Cabonne Cemeteries	Management Plan for Cemeteries developed	To be a project with Coordination Task Force
3. 3.1.b	Actively engage in communication between Council, community interest groups and Progress Associations	* Level of engagement activities * Feedback from users	Community comments remain positive
3. 3.1.c	Maintain records of burials, reservations, placement of ashes and memorials	Records maintained	Records maintained

Future direction		Responsible Director	Year 1
3. Provide and Develop Community Facilities		Director of Finance and Corporate Services	Qtr 4
Strategic Outcome 3. 3		Sporting, recreational, council and community facilities and services are maintained and developed.	
Delivery Program Action:		Facilitate the provision of library services to Cabonne residents through participation in Central West Libraries	
Delivery Program Action Measure:		Level of usage of libraries	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
3. 3.2.a	Review level of usage of libraries	Report to Council	Report to June Council Meeting
3. 3.2.b	Participate in decision making processes and initiatives of Central West Libraries (CWL)	CWL meetings attended	Meeting held 15 March 2013.
3. 3.2.c	Undertake Annual Libraries tour	Library Tour conducted	Tour held 8 March 2013

Future direction		Responsible Director	Year 1
3. Provide and Develop Community Facilities		Director of Engineering and Technical Services	Qtr 4
Strategic Outcome 3. 3		Sporting, recreational, council and community facilities and services are maintained and developed.	
Delivery Program Action:		Maintain existing sporting, recreational, cultural, council and community facilities, to the levels defined in the Recreation Asset Management Plan	
Delivery Program Action Measure:		Facilities are maintained at operational levels	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
3. 3.3.a	Adopt a Buildings Asset Management Plan for community facilities	Buildings AMP adopted	Adopted June 12
3. 3.3.b	Apply appropriate Fees and Charges	Fees and charges established for new financial year	Fees & Charges adopted - complete
3. 3.3.c	Encourage and facilitate community involvement In Community Halls Grant process	Level of Grant application	In progress by CIP grants
3. 3.3.d	Complete the annual sporting and recreational facility maintenance program	Annual sporting and recreational facility maintenance program completed	Maintenance is ongoing

Future direction		Responsible Director	Year 1
3. Provide and Develop Community Facilities		Director of Engineering and Technical Services	Qtr 4
Strategic Outcome 3. 3		Sporting, recreational, council and community facilities and services are maintained and developed.	
Delivery Program Action:		Maintain existing building facilities to the levels defined in the Building Asset Management Plan	
Delivery Program Action Measure:		Buildings are maintained at operational levels	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
3. 3.4.a	Complete the annual Building Maintenance Program	Annual Building Maintenance Program completed	Maintenance is ongoing

Future direction		Responsible Director	Year 1
3. Provide and Develop Community Facilities		Director of Engineering and Technical Services	Qtr 4
Strategic Outcome 3. 3		Sporting, recreational, council and community facilities and services are maintained and developed.	
Delivery Program Action:		Meet the changing need of the community for new and upgraded sporting, recreational, council and community facilities	
Delivery Program Action Measure:		Community desire and needs for improvements are recognised, supported and gradually achieved	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
3. 3.5.a	Complete the annual recreational improvement programs (e.g. pools, parks, sporting grounds, skate parks, playgrounds)	Annual recreational improvement programs completed	Pool upgrade works in Yeoval Cumnock, Molong, Eugowra and cudal commenced. Electronic scoreboard erected.
3. 3.5.b	Encourage and facilitate community involvement in improvement of projects	Level of community involvement	Sports trusts involvement with upgrades and improvements
3. 3.5.c	Apply for grant funding (e.g. Sport and Recreation)	Number of funding submissions	No grants submitted
3. 3.5.d	Encourage and facilitate community involvement In operation and management of pools	Level of community involvement	5 pools operated by S355 committees
3. 3.5.e	Complete the annual shade structure program	Annual shade structure program completed	tender awarded

Future direction		Responsible Director	Year 1
3. Provide and Develop Community Facilities		Director of Engineering and Technical Services	Qtr 4
Strategic Outcome 3. 3		Sporting, recreational, council and community facilities and services are maintained and developed.	
Delivery Program Action:		Meet the changing need of the community for new and upgrades to building facilities	
Delivery Program Action Measure:		Community desire and needs for improvements are recognised, supported and gradually achieved	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
3. 3.6.a	Undertake community consultation to identify and scope the desired upgrades	* Community consultation undertaken * Desired upgrades identified and scoped	Public submissions for pools
3. 3.6.b	Apply for grant funding	Number of funding submissions	Canowindra Walk Track
3. 3.6.c	Construct budgeted improvements	Budgeted improvements constructed	In Progress

Future direction		Responsible Director	Year 1
3. Provide and Develop Community Facilities		Director of Finance and Corporate Services	Qtr 4
Strategic Outcome 3. 4		Cabonne has the education services and facilities to be a contemporary learning community.	
Delivery Program Action:		Advocate for education and learning facilities in Cabonne	
Delivery Program Action Measure:		* Provision of education facilities * Number of enrolments of students in schools	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
3. 4.1.a	Monitor level of education services provided in Cabonne	Reported to Community Services Committee	Reported to June Community Services Committee

Future direction		Responsible Director	Year 1
4. Grow Cabonne's Culture and Community		Director of Environmental Services	Qtr 4
Strategic Outcome 4. 1		A successful balance of village and rural living.	
Delivery Program Action:		Develop and implement the Land Use Plan, Development Control Plan and other relevant plans	
Delivery Program Action Measure:		Compliance with plans	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
4. 1.1.a	Prepare new Local Environment Plan (LEP) & associated documents	LEP prepared	LEP & strategic plans completed. Endorsed by Minister for Planning & Infrastructure. Implemented January 2013.
4. 1.1.b	Prepare comprehensive Development Control Plan (DCP)	DCP prepared	Program for second half of 2013
4. 1.1.c	Prepare Section 94 Plan	Section 94 Plan prepared	Programed for 2013/14 financial year.

Future direction		Responsible Director	Year 1
4. Grow Cabonne's Culture and Community		General Manager	Qtr 4
Strategic Outcome 4. 2		A network of viable, relevant and cultural facilities exists in Cabonne.	
Delivery Program Action:		Provide financial support and buildings for cultural facilities and activities in Cabonne	
Delivery Program Action Measure:		* Level of support * Number of cultural facilities	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
4. 2.1.a	Promote the level of cultural facilities in Cabonne	Cultural facilities promoted	Cultural facilities promoted in Council's publications - What's On & websites. Also listed in other publications, including Photonews, radio and regional magazines.
4. 2.1.b	Review current arrangements and level of support to Museums in Cabonne	Review completed and reported to Council	Review to be conducted.
4. 2.1.c	Increase visitation and tourism activity within Cabonne through accessing and showcasing local museum	* Number of visits * Level of Council support	* Age of Fishes Museum - report for January to March to Council indicated 2657 visitors.* Amusu Theatre - staff assistance with publicity, venue for filming opportunities, new comedy festival event management (event held) & securing filming equipment. * Molong Museum - staff facilitated community group communications & funding opportunities.

Future direction		Responsible Director	Year 1
4. Grow Cabonne's Culture and Community		Director of Engineering and Technical Services	Qtr 4
Strategic Outcome 4. 3		Beautiful towns and villages with historic assets cared for and preserved.	
Delivery Program Action:		Manage Council's urban maintenance and improvement programs	
Delivery Program Action Measure:		Village enhancement Projects undertaken	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
4. 3.1.a	Consult with community to identify village improvement projects	* Community consulted on village improvement projects * Number of small town development group meetings held	* Council commenced reviewing the VEP program and outcomes to be determined. *1 STDG meetings held.
4. 3.1.b	Complete annual Village Enhancement Program	Annual Village Enhancement Program completed	on hold
4. 3.1.c	Complete Regional and Local Community Infrastructure Program (RLCIP)	Annual RLCIP projects completed	All completed
4. 3.1.d	Complete annual Local Area Improvement Program (LAIP)	Annual LAIP projects completed	completed
4. 3.1.e	Complete annual Community Improvement Program (CIP)	Annual CIP projects completed	In Progress.
4. 3.1.f	Complete annual urban maintenance program (CBD street & gutter cleaning and town entrance mowing)	Annual urban maintenance program completed	Maintenance is ongoing
4. 3.1.g	Complete annual street tree planting program	Annual street tree planting program completed	In Progress.
4. 3.1.h	Complete annual tree maintenance and hazard removal program	Annual tree maintenance and hazard removal program completed	In Progress.
4. 3.1.i	Ensure development complies with LEP heritage conservation	Assess designs	In Progress.

Future direction		Responsible Director	Year 1
4. Grow Cabonne's Culture and Community		Director of Environmental Services	Qtr 4
Strategic Outcome 4.3		Beautiful towns and villages with historic assets cared for and preserved.	
Delivery Program Action:		Continue to implement the Heritage Program	
Delivery Program Action Measure:		* Number of grants awarded and assistance provided * Retention of heritage buildings and sites	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
4.3.2.a	Facilitate annual Heritage Assistance Program (HAP)	Level of take up on HAP	2012/13 program supported.
4.3.2.b	Facilitate Heritage Advisory Service	Level of take up of service	Heritage Advisory Service active within the community
4.3.2.c	Facilitate Community Heritage Advisory Committee	Level of attendance at meetings	Committee to be superseded by Council working party.
4.3.2.d	Monitor and review the heritage study for inclusion in LEP	Annual review completed and included in LEP	SHI data updated as needed

Future direction		Responsible Director	Year 1
4. Grow Cabonne's Culture and Community		General Manager	Qtr 4
Strategic Outcome 4.4		Community events build visitation, generate investment and strengthen community well being.	
Delivery Program Action:		Facilitate the responsible management of events and provide funding support where appropriate	
Delivery Program Action Measure:		* Number of events held * Number of event incidents reported to Council * Level of participation and visitation to events	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
4.4.1.a	Implement the procedure manual for Planning a Public Event in Cabonne Country with the event coordinators	Number of events approved and held	19 events approved and over 20 events per month are held in Cabonne LGA.
4.4.1.b	Implement funding opportunities through the Events Assistance Program	* Number of grant applications received * Number of grant applications approved	* 2 grant application received. * 2 grant application approved.
4.4.1.c	Provide assistance to community groups	* Level of assistance provided * Level of other funding received	* 62 community groups assisted. * \$635,000 in external funding applied for, all pending. * 2 grantblasts newsletters produced.

Future direction		Responsible Director	Year 1
4. Grow Cabonne's Culture and Community		Director of Finance and Corporate Services	Qtr 4
Strategic Outcome 4. 5		A Council that is effective and efficient.	
Delivery Program Action:		Provide ethical, open, accountable and transparent decision making processes	
Delivery Program Action Measure:		* Complaints received at Division of Local Government * Code of Conduct complaints * Compliance of policies and procedures	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
4. 5.1.a	Provide quality administrative support and governance to Councillors and Residents	Level of actioning of Council resolutions	Resolutions Register updated monthly and reported to Council
4. 5.1.b	Maintain strong relationships and liaise effectively with all relevant Government agencies and other councils	* Appropriate communications and representations are made on relevant issues * Number of invitations to State and Federal members to address Council meetings	Federal Member for Calare and State member for Orange attended November and December Council meetings.
4. 5.1.c	Provide appropriate mechanisms for democracy and participation for Cabonne residents	Level of attendance at Council meetings and Community Consultation meetings and other forums	Meeting schedule kept regarding attendance/participation of residents at Council/Committee meetings.
4. 5.1.d	Maintain effective membership of Centroc, WBC Strategic Alliance, Hawkesbury City Council, Weddin Shire Council and Cabonne Council Country-City Alliance, LGSA and other forums	* Attendance at meetings * Level of participation in programs * Level of matters brought forward by Cabonne at these forums	7/3/12 GMAC, 15/2/13 CENTROC Workshop, 6/2/13 WBC Board Meeting, 21/2/13 WBC Professional Teams meeting, CENTROC presentation to March Council meeting
4. 5.1.e	Provide adequate training & professional development opportunities for Councillors	Level of training made available and level of take up	Upcoming training opportunities emailed to Councillors and added to GMS memo.
4. 5.1.f	Code of Meeting Practice adopted and implemented	Code of Meeting Practice adhered to	Draft Code adopted at February Council. EOI for Panel members being coordinated by WBC EM.
4. 5.1.g	Code of Conduct adhered to	Number of complaints recorded	Nil complaints

Future direction		Responsible Director	Year 1
4. Grow Cabonne's Culture and Community		Director of Finance and Corporate Services	Qtr 4
Strategic Outcome 4. 5		A Council that is effective and efficient.	
Delivery Program Action:		Make it easy to do business with Council and deliver good customer service	
Delivery Program Action Measure:		* Satisfaction with services delivered * Number of customer requests recorded	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
4. 5.2.a	Review customer service policy	Review completed and implemented	Review completed.
4. 5.2.b	Ensure effective use of customer service software	Level of compliance with Customer Service policy response periods	Coordination taskforce reviewing procedures of customer requests to gauge effectiveness of current system.
4. 5.2.c	Run Customer request program	Number of customer requests	Compliance Officer monitoring responses
4. 5.2.d	Engage with community to determine future needs & objectives	The level at which need in the community is met in the development of Cabonne Community Plan (CCP) 2025	
4. 5.2.e	Provide effective communications and information systems for staff	* Regular staff meetings held * Level of use of InfoCouncil and infoXpert software	Monthly staff meetings in Molong and Cudal
4. 5.2.f	Provide effective communications and information systems for residents	* Implementation of Communication Strategy * Hold community information meetings on relevant matters * Number of visits to Council website * Number of Council media releases distributed and taken up	* Communications Strategy implemented * Spring edition of Cabonne Connection newsletter distributed to all households in Cabonne * Web designers to provide google-based method of measuring website visits * 86 media releases issued during quarter, more than 500 articles from Council's media releases appeared in regional and local print and electronic media

Future direction		Responsible Director	Year 1
4. Grow Cabonne's Culture and Community		Director of Environmental Services	Qtr 4
Strategic Outcome 4. 5		A Council that is effective and efficient.	
Delivery Program Action:		Meeting the Council's statutory obligations for Development Control, Environmental Health and Animal Control	
Delivery Program Action Measure:		Legislative compliance	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
4. 5.3.a	Provide efficient and effective development assessment	* Level at which approval procedures and systems are documented and followed * Staff and systems in place to implement legislation and ensure reporting to Council	Assessment process maintained
4. 5.3.b	Ensure environment monitoring in accordance with the Protection of Environment Operations Act 1997	Promptness of response to complaints of non compliance with the Act	Complaints investigated
4. 5.3.c	Develop and implement an Environmental Health Program	* Regular inspections of and level of compliance with standards of food and other premises * Promptness in which complaints are dealt with	WBC project - food inspections to be subject to contract tender 2013
4. 5.3.d	Administer statutory requirements (Companion Animals Act & Impounding Act) in accordance with community needs	Promptness in which complaints are dealt with	Complaints investigated with contractor assistance as resources require
4. 5.3.e	Existing operation of animal control activities to be reviewed and recommendations implemented	Review held	Discussions with General Manager recommended.
4. 5.3.f	Ensure buildings are constructed in accordance with the Building Code of Australia (BCA)	* Compliance with BCA * Issue of Construction / Compliance Certificates and Occupation Certificates * Level of knowledge and training of staff	Training courses attended, inspections carried out, certificates issued

Future direction		Responsible Director	Year 1
4. Grow Cabonne's Culture and Community		Director of Finance and Corporate Services	Qtr 4
Strategic Outcome 4. 5		A Council that is effective and efficient.	
Delivery Program Action:		Manage the present and long term financial sustainability of Cabonne Council	
Delivery Program Action Measure:		* Auditor's report * Adequate reserves and provisions for future needs	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
4. 5.4.a	Maintain a high level of rate collection	Level of rate of collection	As reported to may Council Meeting. Rate collection at 94.51%
4. 5.4.b	Maximise secure income through investments	Level of interest income generated	Investment schedule reported to Council monthly.
4. 5.4.c	Ensure long term viability of Wellington/Blayney/Cabonne (WBC) Strategic Alliance	* The level of participation in joint projects and benefits achieved * The level of attendance at meetings	WBC Alliance Extraordinary Board meeting 6/2/13
4. 5.4.d	Level of reserves and provisions monitored	Report to Council	Reserve levels reported in Quarterly Budget Review

Future direction		Responsible Director	Year 1
4. Grow Cabonne's Culture and Community		Director of Finance and Corporate Services	Qtr 4
Strategic Outcome 4. 5		A Council that is effective and efficient.	
Delivery Program Action:		Ensure the continuity of Council's operations and minimise risk	
Delivery Program Action Measure:		* Systems in place * Financial Health Check * Statewide Audit report	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
4. 5.5.a	Implement the CENTROC Enterprise Risk Management Program in all relevant Council activities	* Staff position descriptions include risk management & OHS responsibility * Number of risk assessments completed	BIP Program has commenced and three activities have been completed - Induction, Customer Service Requests and Engineering Workflow. Risk Profiles are being developed for each activity. These will be included in Council's Risk register. Contract Management from Tender to Contract Completion will be worked through from June.
4. 5.5.b	Review current Business Continuity Plan (2003) to ensure Council is able to be fully operational within a designated timeframe	Review and development of procedures	The Risk management Action Plan required by StateCover for the 2012-2013 year is almost complete. The RMAP will be verified at the end of June by StateWide's Risk Manager Fiona Goodman. Lone Worker Procedure has been in place without any issues as yet. This will be reviewed in the new financial year when funding is available for emergency alarms for lone workers. WHS issues that will require policy and procedures in the coming months include electrical test and tagging of portable power tools and also asbestos management. WorkCover has also advised that Bullying and Harassment is an emerging issue that is being given significant attention.
4. 5.5.c	Commence development of internal audit requirements	Internal audit requirements developed	Internal Audit Committee attended by Mayor, General Manager and Director of Finance & Corporate Services
4. 5.5.d	Improve Work Health and Safety	* Number of reported incidents * Number of Workers Compensation claims * Number of reviewed safe work method statements	No. reported incidents-9 (incidents include injury, near miss and MV incidents) ;No. WC claims - 1; No.reviewed SWMS - 1
4. 5.5.e	Integrate risk management into all areas of Council's activities	Procedure Manual review & Council's Public Liability Audit * Number of claims * Number of compliant events held in Cabonne	StatWide RMAP is progressing - most of the objectives will be met by the due date. BIP is progressing but must be accelerated and time given to staff to achieve results of the process. WHS Management Plan developed for RMS Work is being developed to fit all Council activities. There has been an identifiable reduction in PL claims activity for the quarter, MV incidents still occur with MV and wildlife the major cause. Groups holding Events in Cabonne are complying with Council procedures. Events management is being reviewed to minimise documentation for small events (selling tickets on the footpath etc.)
4. 5.5.f	Provide a records management system which meets statutory and organisational demands	* Compliance with the State Records Act * Level at which user needs are met	System complies: training and review of users ongoing.
4. 5.5.g	Provide, maintain and develop financial services and systems to accepted standards - satisfying regulatory and customer requirements	* Statutory reporting completed on time * Financial Health check outcome * Degree of budget control and level of over expenditure	Statutory reporting to department completed before due date. Financial health check reported to December Council meeting. Budget control completed in conjunction with quarterly budget review.
4. 5.5.h	Provide effective information systems for all of Council	* Maintain new IT system * Number of employees trained to use new IT system	New IT System has now been running for approx 15 months. All systems are now operation and working well. Training is continuing to all staff.
4. 5.5.i	Provide external advice regarding Council's financial situation	Annual address to Council by external auditors	Auditors addressed Council meeting on 17 December, 2012

Future direction		Responsible Director	Year 1
4. Grow Cabonne's Culture and Community		Director of Finance and Corporate Services	Qtr 4
Strategic Outcome 4. 5		A Council that is effective and efficient.	
Delivery Program Action:		Develop, maintain and retain a balance and skilled workforce	
Delivery Program Action Measure:		* Labour turnover measure * Age / Gender mix * Number of jobs filled	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
4. 5.6.a	Ensure appropriate performance measures and incentives are in place	* Appropriate performance measures are discussed at Consultative Committee meetings * Review KPIs annually to ensure appropriate performance payments are issued	previous KPI's to be discarded and new relevant KPI's to be introduced
4. 5.6.b	Review structure and adequacy of staffing levels	Review organisation structure after the Council election	
4. 5.6.c	Skill requirements of all Council staff reviewed annually and targeted training plan developed/action	* Training plan developed and implemented annually * Staff Development Appraisals are conducted * Number of staff attending professional development opportunities	Training plan being developed with data from 2013 DAS's
4. 5.6.d	Provide regular opportunities for management to meet and discuss contemporary issues	Networking opportunities made available	Coordination Taskforce meeting held 13/2/13
4. 5.6.e	Provide adequate staff office space accommodation	Adequate staff accommodation provided at Molong	Environmental Services Department refurbished

Future direction		Responsible Director	Year 1
5. Manage our Natural Resources		Director of Engineering and Technical Services	Qtr 4
Strategic Outcome 5. 1		All villages have a secure and quality water supply.	
Delivery Program Action:		Manage secure water supply schemes	
Delivery Program Action Measure:		Security and quality of water supply	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
5. 1.1.a	Implement and amend Best Practice for Water Supply and legislative requirements	Best Practice for Water Supply implemented and amended	implemented
5. 1.1.b	Submit annual report on performance for previous year	Report completed and forwarded to NSW Office of Water	Completed
5. 1.1.c	Implement Capital Works plans for schemes	Level of compliance with Capital Works plans	Water and sewer capital works program 80% completed
5. 1.1.d	Dam safety investigations, studies and upgrade works	Investigations, studies and works completed to satisfaction of NSW Dams Safety Committee	ongoing
5. 1.1.e	Report to Council on developments for water reform process	Reported to Council	Completed
5. 1.1.f	Provide water to standards adopted by Council for all schemes	Water provided at adopted standards	Ongoing operational process
5. 1.1.g	Identify water projects required to achieve standards specified by Council and recommend inclusion into 4 Year Works Plan	Projects identified and recommended	Projects identified. Projects included in 4 year plan. Standards specified by NSW Office of Water, Australian Drinking Water Guidelines and NSW Health
5. 1.1.h	Maintain and repair water assets in accordance with Water Asset Management Plan	Water assets maintained and repaired in accordance with Water AMP	Maintenance is ongoing
5. 1.1.i	Meet requirements of the Water Management Act	Act requirements met	Act requirements are met

Future direction		Responsible Director	Year 1
5. Manage our Natural Resources		Director of Engineering and Technical Services	Qtr 4
Strategic Outcome 5. 1		All villages have a secure and quality water supply.	
Delivery Program Action:		Provide potable water to Molong, Cumnock and Yeoval	
Delivery Program Action Measure:		Level at which standards are met	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
5. 1.2.a	Concept Investigation for means of supplying potable water to Cumnock and Yeoval	Investigation completed and reported to Council	Preliminary investigation completed. Results of investigation indicate project is cost prohibitive. Direction provided by Water Reference Group is to investigate other options. Several options identified, required further investigation

Future direction		Responsible Director	Year 1
5. Manage our Natural Resources		Director of Engineering and Technical Services	Qtr 4
Strategic Outcome 5. 1		All villages have a secure and quality water supply.	
Delivery Program Action:		Promote responsible water use across the community	
Delivery Program Action Measure:		Level of promotion	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
5. 1.3.a	Participate in CENTROC water resource management activities	Level of participation	100% participation
5. 1.3.b	Undertake lobbying to DECCW to undertake water study plans for catchments in the region	Level of success of lobbying	100% success
5. 1.3.c	Participate in Catchment Management Authority (CMA) programs	Level of participation	100% participation
5. 1.3.d	Participate in Water Wise education programs	Level of participation	Nil
5. 1.3.e	Implement Demand Management Plan	Level of implementation	Complete

Future direction		Responsible Director	Year 1
5. Manage our Natural Resources		Director of Engineering and Technical Services	Qtr 4
Strategic Outcome 5. 2		Flood mitigation processes are in place.	
Delivery Program Action:		Provide systems for stormwater and pollution management & control	
Delivery Program Action Measure:		Level of incidents of local stormwater flooding	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
5. 2.1.a	Adopt Standards	Standards adopted	Completed.
5. 2.1.b	Develop and upgrade existing drainage to appropriate standards	Level of development and upgrade	In progress Riddell street drainage in construction
5. 2.1.c	Undertake ongoing works with Stormwater Levy program	Level of progress with ongoing works - 4 year works plan	in progress
5. 2.1.d	Review Stormwater Management Plan	Review completed and recommendations adopted	transport asset management plan addresses stormwater management
5. 2.1.e	Develop a Regional Soil and Erosion Control Plan through Central Western Catchment Management Authority (CWMA)	Plan developed	Nil
5. 2.1.f	Carry out routine maintenance of existing drains and inlets	Drains and pipes cleared of debris	Maintenance is ongoing
5. 2.1.g	Complete investigation of Canowindra stormwater	Investigation completed	Completed.

Future direction		Responsible Director	Year 1
5. Manage our Natural Resources		Director of Engineering and Technical Services	Qtr 4
Strategic Outcome 5. 2		Flood mitigation processes are in place.	
Delivery Program Action:		Implement Flood Risk Management Plans	
Delivery Program Action Measure:		Flood Risk Management Plans implemented	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
5. 2.2.a	Comply with Floodplain Management guidelines	Level of compliance with guidelines	Compliance with guidelines
5. 2.2.b	Review Flood Management plans for Molong	Plans reviewed and actioned	Reviewed and in the process of completion
5. 2.2.c	Implement Eugowra Flood Management Plan	Completion of tasks	Levee investigation and design tender awarded

Future direction		Responsible Director	Year 1
5. Manage our Natural Resources		Director of Environmental Services	Qtr 4
Strategic Outcome 5.3		Sustainable solid and liquid waste management practices are in place across Cabonne.	
Delivery Program Action:		Provide a solid waste management and recycling service to the communities	
Delivery Program Action Measure:		Services provided	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
5.3.1.a	Develop overall waste disposal strategy	Strategy developed	Quadro studies implemented in stages
5.3.1.b	Undertake monitoring of waste collection and disposal contracts	Monitoring undertaken	Regular monitoring takes place
5.3.1.c	Ensure management of former and current landfill sites	Management in accordance with Best Practice standards	Management strategies continue to be implemented in accordance with Quadro reports.
5.3.1.d	Prepare report on options for improvement of waste disposal/collection for rural landholders	* Trials held * Future opportunities identified	Newcrest, Blayney and Cabonne representatives met with residents representatives to scope project.
5.3.1.e	Develop and facilitate community programs encouraging recycling/composting activities	Level of programs developed and facilitated	Participate in Netwaste programs

Future direction		Responsible Director	Year 1
5. Manage our Natural Resources		Director of Environmental Services	Qtr 4
Strategic Outcome 5.3		Sustainable solid and liquid waste management practices are in place across Cabonne.	
Delivery Program Action:		Develop long term strategic plan for the development, operation and closure of sites	
Delivery Program Action Measure:		Strategy developed	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
5.3.2.a	Develop operational plans, landfill environment plans, staffing and recruitment plans and capital and operating budgets	Plans and budgets developed	Strategies based on 'Quadro' reports continue to be implemented.
5.3.2.b	Review and audit Council's waste management unit's operations against the developed strategies and operational plans	Review completed and reported to Council	No further action

Future direction		Responsible Director	Year 1
5. Manage our Natural Resources		Director of Engineering and Technical Services	Qtr 4
Strategic Outcome 5. 3		Sustainable solid and liquid waste management practices are in place across Cabonne.	
Delivery Program Action:		To provide and maintain environmentally sustainable, high quality sewerage facilities	
Delivery Program Action Measure:		Level and standard of sewerage facilities	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
5. 3.3.a	Operate Sewerage systems in accordance with Department of Environment & Climate Change Licences	Level of compliance with Licence requirements	75% compliant. Nutrient removal studies commenced at Canowindra STP to deal with poor nitrification
5. 3.3.b	Implement Capital Works plan for schemes	Level of implementation	Completed
5. 3.3.c	Report on review of future upgrade needs for Molong and Canowindra schemes	Reported	Reported
5. 3.3.d	Implement Best Practice for Sewerage Services	Best Practice implemented	Implemented
5. 3.3.e	Annual report on performance for previous year	Report completed and forwarded to NSW Office of Water	Completed
5. 3.3.f	Annual returns for EPA	Returns completed and forwarded to EPA by due dates	Completed

Future direction		Responsible Director	Year 1
5. Manage our Natural Resources		Director of Engineering and Technical Services	Qtr 4
Strategic Outcome 5. 3		Sustainable solid and liquid waste management practices are in place across Cabonne.	
Delivery Program Action:		Ensure adequate sewage treatment and effluent management schemes in Cabonne	
Delivery Program Action Measure:		Level and standard of sewerage facilities	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
5. 3.4.a	Finalise preparation of planning and design documentation for Cumnock and Yeoval Sewerage	Planning and design documents finalised	Completed
5. 3.4.b	Tender for Cumnock and Yeoval STP construction	Tender awarded	Awaiting Department of Water concurrence
5. 3.4.c	Construct Cumnock and Yeoval Village reticulation	Construction commenced	construction commenced
5. 3.4.d	Complete Manildra Scheme	Purchase finalised	Vendor will not complete the sale of the land until the irrigation system is operational. D&C tender for centre pivot has been awarded , materials delivered and construction commenced. 50% completed

Future direction		Responsible Director	Year 1
5. Manage our Natural Resources		Director of Engineering and Technical Services	Qtr 4
Strategic Outcome 5. 4		Primary producers use best practice methods and systems that respect the environment.	
Delivery Program Action:		Maintain an effective campaign of noxious weed control	
Delivery Program Action Measure:		Level of effective control of noxious weeds	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
5. 4.1.a	Issue information to the community on priorities	Level of take up by community	100%
5. 4.1.b	Undertake property inspections	Number of s18 and s20 notices issued	18s = 6 and 20s = 0
5. 4.1.c	Advertise spraying activities as required by Noxious Weeds Act	Level of compliance with advertising requirements	Full compliance
5. 4.1.d	Participate in regional Advisory Committees	Level of participation	Participation is 100%
5. 4.1.e	Undertake spraying on council land and control noxious weeds	Control of noxious weeds	Noxious weeds control

Future direction		Responsible Director	Year 1
5. Manage our Natural Resources		Director of Environmental Services	Qtr 4
Strategic Outcome 5. 5		All natural resources are managed sustainably in a planned way.	
Delivery Program Action:		Participate in the Centroc climate change and sustainability programs	
Delivery Program Action Measure:		Participation in programs	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
5. 5.1.a	Implement ReSAP outcomes	ReSAP implemented	Monitor Program
5. 5.1.b	Review effectiveness of Star Rating policy for fleet vehicles	Review completed and recommendations actioned	Nil
5. 5.1.c	Pursue Grants in relation to Climate Change and Carbon Emissions Trading	Level of grant programs identified	Maintain awareness of current grants programs.
5. 5.1.d	Pursue Grants in relation to Climate Change and Carbon Emissions Trading	Level of grant programs identified	Maintain awareness of current grants programs.

Future direction		Responsible Director	Year 1
5. Manage our Natural Resources		Director of Engineering and Technical Services	Qtr 4
Strategic Outcome 5. 5		All natural resources are managed sustainably in a planned way.	
Delivery Program Action:		Operate Council's Limestone Quarry in an environmental responsible and financially sustainable manner.	
Delivery Program Action Measure:		The Limestone Quarry is operated in an environmentally responsible manner and is financially sustainable	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
5. 5.2.a	Maximise return on Council's Limestone Quarry Asset	* Financial return * Maximised alternative products and production measures	Financial return complete
5. 5.2.b	Operate in accordance with Mine Safety regulations	Number of breaches	Nil breaches

Future direction		Responsible Director	Year 1
5. Manage our Natural Resources		Director of Engineering and Technical Services	Qtr 4
Strategic Outcome 5. 5		All natural resources are managed sustainably in a planned way.	
Delivery Program Action:		Operate gravel pits in an environmental responsible and financially sustainable manner	
Delivery Program Action Measure:		Gravel pits are operated in an environmentally responsible manner and are financially sustainable	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
5. 5.3.a	Ensure guidelines and approval conditions complied with	Level of compliance	100% compliance
5. 5.3.b	Renew lease agreements	Lease agreements renewed	All owners signed
5. 5.3.c	Operate in accordance with Mine Safety regulations	Number of breaches	Nil breaches

Future direction		Responsible Director	Year 1
5. Manage our Natural Resources		Director of Engineering and Technical Services	Qtr 4
Strategic Outcome 5. 6		Risk management processes are in place for natural disaster events.	
Delivery Program Action:		Support the appropriate emergency management lead agency in the planning and management of emergency events	
Delivery Program Action Measure:		Emergency plans in place	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
5. 6.1.a	Review of Local Disaster Plan (DISPLAN)	Review completed and recommendations implemented	Completed
5. 6.1.b	Implement Emergency Risk Management (ERM) Plan	ERM Implemented	Implemented
5. 6.1.c	Review Standard Operating Procedure (SOPs)	SOPs reviewed and updated as required	Reviewed and complete
5. 6.1.d	Support education of community by Emergency Services	Level of support provided	Full support
5. 6.1.e	Conduct Local Emergency Management Committee (LEMC) as required	Meetings convened	Meetings held every quarter.

Future direction		Responsible Director	Year 1
5. Manage our Natural Resources		Director of Engineering and Technical Services	Qtr 4
Strategic Outcome 5. 6		Risk management processes are in place for natural disaster events.	
Delivery Program Action:		Support the management of the local emergency services	
Delivery Program Action Measure:		Appropriately support local emergency services	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
5. 6.2.a	Actively maintain support of the Canobolas Rural Fire Zone management	Meetings attended as required	attended as required

Future direction		Responsible Director	Year 1
5. Manage our Natural Resources		General Manager	Qtr 4
Strategic Outcome 5. 7		Alternative energy development is considered and utilised where appropriate.	
Delivery Program Action:		Encourage the development and use of alternative energy	
Delivery Program Action Measure:		The level of alternative energy development and utilisation	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
5. 7.1.a	Implement outcomes of Council's Energy Efficient and Sustainable Group	Energy Efficient and Sustainable Group outcomes implemented	No further action - meetings were facilitated & chaired by former GM
5. 7.1.b	Continue operations of Energy Efficiency Sustainability Group	* Number of meetings held * Implementation of energy efficiency measures reported to Council	No further action - meetings were facilitated & chaired by former GM
5. 7.1.c	Report on level of Grid connect/solar electricity generated by Council	Report to Council	No action

Future direction		Responsible Director	Year 1
5. Manage our Natural Resources		General Manager	Qtr 4
Strategic Outcome 5. 7		Alternative energy development is considered and utilised where appropriate.	
Delivery Program Action:		Review the energy efficiency of Council's operations	
Delivery Program Action Measure:		Review completed	
Task No.	Operational Task	Task Measurement	Status Comment
			Quarterly update
5. 7.2.a	Action the recommendations from Council's Energy Efficiency Committee	* Reduction in energy use/cost * Actions from Committee complete	