

# WARREN SHIRE COUNCIL

## 2012 ANNUAL REPORT

### Incorporating:

Message from the Mayor

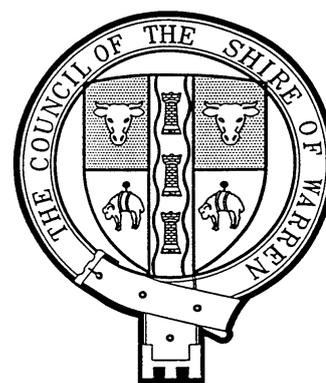
Report by the General Manager

Annual Report

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#### MISSION STATEMENT

“To pursue excellence, to be responsible and pro-active in the promotion and improvement of our community through responsible and innovative leadership”.





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## MESSAGE FROM THE MAYOR

The 2011/2012 year, despite having to reschedule work due to wet weather in the first half of the year, good conditions since have allowed the programs to be restored and some worthwhile long-standing projects come to fruition.

The year also saw the creation of an Assets and Project Engineer position which will allow Council to have projects shelf ready and also a concentration on asset management. There are a number of positions which have been extremely difficult to fill; these are in the trade areas. This has required Council to utilise contractors for building maintenance and culvert laying etc. which appears to be the trend heading into the future. Notwithstanding this Council has continued its commitment to ensure it has a well trained workforce that will help overcome this problem.

The Integrated Planning and Reporting Framework has taken considerable time of Council's Finance & Administration staff and the Economic Development team. The Economic Development team undertook the co-ordination of the Community Engagement in the development of the Community Strategic Plan. They have also undertaken a considerable amount of work to get the Streetscape Masterplan to adoption.

In the attempt to maximise the benefit of scarce resources, keep abreast with the latest information and benefits from economies of scale Council has continued to participate in a number of regional initiatives and groups. This participation is undertaken without impacting on Council's autonomy. This participation involves: -

- Orana Regional Organisation of Councils
- Castlereagh Macquarie County Council
- North Western Library Co-operative
- Lower Macquarie Water Utilities Alliance
- Central West Catchment Management
- Roads Maintenance Council contracts cluster
- Rural Fire Service Zoning
- NetWaste
- Local Government Procurement
- Regional Procurement
- Outback Arts
- Northwest Regional Food Surveillance group

Warren Local Government Area is an agricultural based economy with the town of Warren being the service centre. Council has again concentrated on Warren being an attractive and functional rural centre and during the 2011/12 year a number of worthwhile programs and enhancements have been undertaken to improve the quality of life for our community and improve operational efficiency.

**MESSAGE FROM THE MAYOR****CONTINUED**

These include:

- Streetscape Masterplan
- Portable grandstand
- LEP review
- Community Land classification review
- RFS Service Level Agreement renewed
- Lower Macquarie Water Utilities Alliance – new deed
- Depot Amenities painted
- 150 Year Celebrations
- Internal Audit function introduced
- ARMC Committee established
- Completed fitout of Warren Family Health Centre
- Victoria Park lighting protection upgrade
- RFS hazard reduction
- Animal de-sexing program
- Heritage Study finalisation
- Tiger Bay wetland fencing
- Sporting Complex - gym equipment
- Nevertire industrial land extension
- Murray Darling Basin Plan submission

A reliable road network is essential for our food and fibre producers to get produce to market and with considerable flood damage restoration to be carried out; Council undertook general maintenance along with restoration works on its network. The following works were undertaken on Council's road network: -

**State Highway**

- ▶ Heavy Patching
- ▶ Reseals
- ▶ Shoulder grading works

**Regional Roads**

- ▶ Collie - Trangie Reconstruction - 5 km
- ▶ Shoulder grading
- ▶ Reseals

## MESSAGE FROM THE MAYOR

CONTINUED

### Local Roads

- ▶ Reseals – rural
- ▶ Reseals – town streets
- ▶ Flood damage repairs
- ▶ Shoulder grading
- ▶ Collie-Dubbo pavement recycling – 6 km
- ▶ Commenced construction of Gunnegaldra Lane – 3 km
- ▶ Commenced construction Rifle Range Road - 5 km

### Road Plant

- ▶ John Deere motor grader
- ▶ Paveline Bitumen patcher
- ▶ Pacific road broom

### Water and Sewer Fund

Warren Shire Council continued its active membership of the Lower Macquarie Water Utilities Alliance. This group has worked closely together to support all member councils to comply with “Best Practice Guidelines” and meet its statutory reporting guidelines.

The 2011/12 year has seen a full review of Warren Shire Council’s Strategic Business Plan for Water Supply and Sewerage Services. This plan addresses the overall business activities of Council’s water and sewerage functions and has a 30 year horizon, particularly in relation to capital works and asset maintenance. Council also converted the disinfection of the water supply to gaseous Chlorine. The sewerage Manhole and Maintenance Program was also continued.

NRF (Rex) Wilson OAM  
**Mayor**

## **REPORT BY THE GENERAL MANAGER**

These reports have been prepared under the previous Legislative arrangements due to the fact Warren Shire is in Group 3 of Councils to implement the Integrated Planning and Reporting Framework.

Council has a legislative obligation to meet all statutory requirements to ensure income, grants, loans and accumulated funds are sufficient to meet voted expenditures; including loan repayments and continuing fixed asset commitments. Adequate provision should also be made for the maintenance of all assets.

The 2011/2012 year has seen Council achieve these requirements but in doing so, it must also weigh up the needs of the community to ensure the scarce resources available are put to the best possible use.

In the preparation of Council's Management Plan the following are the key objectives:

- Achieve a balanced budget (excluding depreciation);
- Maintain the integrity of productive works programs where funds permit; and
- Maintain the existing level of service

Considerable time of Council staff have been devoted to the Integrated Planning and Reporting Framework with Council still in the process of finalising the Asset Management strategy. The full suite of documents are available on Council's website or at Council's office.

Again the ever increasing non council workload on supervisory and management staff have made it extremely difficult to move from operational activities to a strategic focus. This has resulted in not being in a position to fully develop future works programs in all areas or to progress with long term strategic plans. This is despite Council being in a financial position to undertake considerable improvement works.

Considerable time of council management staff has also had to be allocated to developing responses and submissions on Government Policy both Federal and State with this issue being the single biggest threat to Council's operations and future.

Council's continued role in regional groups plays a major role in Council's ability to keep abreast with the requirements of the State and Federal Government.

**REPORT BY THE GENERAL MANAGER**

**CONTINUED**

**FINANCIAL POSITION**

Council's overall financial position in the opinion of Council's Auditor is sound.

The operating statement discloses an increase in net assets as a result of operations for the year of \$1,622,000 (2011 - \$521,000).

*Externally restricted cash and investments* are restricted in their use by externally imposed requirements and consist of unexpended grants and contributions (\$709,000), domestic waste management charges (\$110,000) and sewerage and water funds (\$2.867 million).

*Internally restricted cash and investments* have been restricted in their use by resolution or policies of Council to reflect forward plans, and identified programs of works and are in fact, Council's "**Reserves**". These reserves total \$9.751 million. Their purposes are more fully disclosed in Note 6 of the financial statements.

*Unrestricted cash and investments* stood at \$445,000 (2011 - \$470,000).

*Unrestricted Current Ratio* is a financial indicator specific to Local Government and represents Council's ability to meet debts and obligations as they fall due.

After eliminating externally restricted assets and current liabilities not expected to be paid within the next 12 months, net current assets amounted to \$10.328 million representing a factor of 11.6 to 1 (2011 – 8.64 to 1).

*Debt Service Ratio* - Operating revenue to service debt was 1.05 and has had a consistent reduced level over the past five years. Actual principal owing to institutions on loans was \$760,997.37.

Net rates and annual charges levied during the year were \$4.749 million.

Total rates and annual charges receivable (including arrears) was \$4.848 million of which \$4.774 million or 98.47% (97.91% in 2011) was collected, leaving \$79,000 owing or 1.53% of the collectable amount, and the maintenance of arrears at these levels is most commendable.

In conclusion I wish to thank all Councillors and Council staff who have worked as a team to maintain a level of service this community has come to expect.

Ashley Wielinga  
**General Manager**

## FINANCIAL INFORMATION

*A copy of Council's audited financial reports for 2011/2012*

Local Government Act, 1993 - Section 428 2(a)

# Warren Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2012

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**“Australia's Wool & Cotton Capital”**



# Warren Shire Council

## General Purpose Financial Statements

for the financial year ended 30 June 2012

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### Overview

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

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

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

- carrying out activities and providing goods, services & facilities appropriate to the current & future needs of the Local community and of the wider public
- responsibility for administering regulatory requirements under the LGA and other applicable legislation, &
- a role in the management, improvement and development of the resources of the local government 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 22/08/12.  
Council has the power to amend and reissue the financial statements.

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## Warren Shire Council

### General Purpose Financial Statements for the financial year ended 30 June 2012

## Understanding Council's Financial Statements

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### Introduction

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

### What you will find in the Statements

The Financial Statements set out the financial performance, financial position & cash flows of Council for the financial year ended 30 June 2012.

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. An Income Statement

A summary of 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. A Statement of Comprehensive Income

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

#### 3. A Balance Sheet

A 30 June snapshot of Council's Financial Position including its Assets & Liabilities.

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

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

#### 5. A 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 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.

## Warren Shire Council

### General Purpose Financial Statements

for the financial year ended 30 June 2012

### 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:**

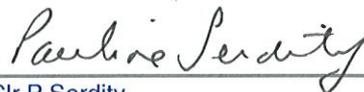
- present fairly the Council's operating result and financial position for the year, and
- accords with Council's accounting and other records.

**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 26 July 2012.**



Clr NRF Wilson OAM  
MAYOR



Clr P Serdity  
COUNCILLOR



Mr AP Wielinga  
GENERAL MANAGER



Mr DJ Arthur  
RESPONSIBLE ACCOUNTING OFFICER

## Warren Shire Council

## Income Statement

for the financial year ended 30 June 2012

Budget <sup>(1)</sup> 2012	\$ '000	Notes	Actual 2012	Actual 2011
<b>Income from Continuing Operations</b>				
<i>Revenue:</i>				
4,688	Rates & Annual Charges	3a	4,749	4,595
1,310	User Charges & Fees	3b	1,271	1,110
482	Interest & Investment Revenue	3c	710	612
402	Other Revenues	3d	427	419
6,133	Grants & Contributions provided for Operating Purposes	3e,f	7,062	5,455
-	Grants & Contributions provided for Capital Purposes	3e,f	-	602
<i>Other Income:</i>				
-	Net gains from the disposal of assets	5	78	180
-	Net Share of interests in Joint Ventures & Associated Entities using the equity method	19	6	-
<b>13,015</b>	<b>Total Income from Continuing Operations</b>		<b>14,303</b>	<b>12,973</b>
<b>Expenses from Continuing Operations</b>				
4,425	Employee Benefits & On-Costs	4a	4,638	4,554
40	Borrowing Costs	4b	59	23
3,843	Materials & Contracts	4c	3,574	3,518
3,385	Depreciation & Amortisation	4d	3,410	3,480
-	Impairment	4d	-	-
1,022	Other Expenses	4e	1,000	866
-	Interest & Investment Losses	3c	-	-
-	Net Losses from the Disposal of Assets	5	-	-
-	Net Share of interests in Joint Ventures & Associated Entities using the equity method	19	-	11
<b>12,715</b>	<b>Total Expenses from Continuing Operations</b>		<b>12,681</b>	<b>12,452</b>
<b>300</b>	<b>Operating Result from Continuing Operations</b>		<b>1,622</b>	<b>521</b>
<b>Discontinued Operations</b>				
-	Net Profit/(Loss) from Discontinued Operations	24	-	-
<b>300</b>	<b>Net Operating Result for the Year</b>		<b>1,622</b>	<b>521</b>
300	Net Operating Result attributable to Council		1,622	521
-	Net Operating Result attributable to Minority Interests		-	-
<b>300</b>	<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes</b>		<b>1,622</b>	<b>(81)</b>

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

## Warren Shire Council

## Statement of Comprehensive Income

for the financial year ended 30 June 2012

\$ '000	Notes	Actual 2012	Actual 2011
<b>Net Operating Result for the year (as per Income statement)</b>		<b>1,622</b>	<b>521</b>
<b>Other Comprehensive Income</b>			
Gain (loss) on revaluation of I,PP&E	20b (ii)	1,973	376
Gain (loss) on revaluation of available-for-sale investments	20b (ii)	-	-
Gain (loss) on revaluation of other reserves	20b (ii)	-	-
Realised (gain) loss on available-for-sale investments recognised in P&L	20b (ii)	-	-
Realised (gain) loss from other reserves recognised in P&L	20b (ii)	-	-
Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-
Other Movements in Reserves ( <a href="#">enter details here</a> )	20b (ii)	-	-
De-recognition of land under roads		-	-
Adjustment to correct prior period depreciation errors		-	-
<b>Total Other Comprehensive Income for the year</b>		<b>1,973</b>	<b>376</b>
<b>Total Comprehensive Income for the Year</b>		<b>3,595</b>	<b>897</b>
<b>Total Comprehensive Income attributable to Council</b>		<b>3,595</b>	<b>897</b>
<b>Total Comprehensive Income attributable to Minority Interests</b>		<b>-</b>	<b>-</b>

## Warren Shire Council

## Balance Sheet

as at 30 June 2012

\$ '000	Notes	Actual 2012	Actual 2011
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	6a	13,882	11,781
Investments	6b	-	-
Receivables	7	833	987
Inventories	8	670	740
Other	8	154	119
Non-current assets classified as "held for sale"	22	-	-
<b>Total Current Assets</b>		<b>15,539</b>	<b>13,627</b>
<b>Non-Current Assets</b>			
Investments	6b	-	-
Receivables	7	147	31
Inventories	8	-	-
Infrastructure, Property, Plant & Equipment	9	134,778	133,122
Investments accounted for using the equity method	19	67	61
Investment Property	14	-	-
Intangible Assets	25	-	-
Non-current assets classified as "held for sale"	22	-	-
Other	8	-	-
<b>Total Non-Current Assets</b>		<b>134,992</b>	<b>133,214</b>
<b>TOTAL ASSETS</b>		<b>150,531</b>	<b>146,841</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	10	612	694
Borrowings	10	69	66
Provisions	10	1,696	1,442
Liabilities associated with assets classified as "held for sale"	22	-	-
<b>Total Current Liabilities</b>		<b>2,377</b>	<b>2,202</b>
<b>Non-Current Liabilities</b>			
Payables	10	-	-
Borrowings	10	543	592
Provisions	10	33	64
Investments accounted for using the equity method	19	-	-
Liabilities associated with assets classified as "held for sale"	22	-	-
<b>Total Non-Current Liabilities</b>		<b>576</b>	<b>656</b>
<b>TOTAL LIABILITIES</b>		<b>2,953</b>	<b>2,858</b>
<b>Net Assets</b>		<b>147,578</b>	<b>143,983</b>
<b>EQUITY</b>			
Retained Earnings	20	90,041	88,419
Revaluation Reserves	20	57,537	55,564
<b>Council Equity Interest</b>		<b>147,578</b>	<b>143,983</b>
<b>Minority Equity Interest</b>		<b>-</b>	<b>-</b>
<b>Total Equity</b>		<b>147,578</b>	<b>143,983</b>

This Statement should be read in conjunction with the accompanying Notes.

## Warren Shire Council

## Statement of Changes in Equity

for the financial year ended 30 June 2012

\$ '000	Notes	Retained Earnings	Reserves (Refer 20b)	Council Interest	Minority Interest	Total Equity
<b>2012</b>						
<b>Opening Balance</b> (as per Last Year's Audited Accounts)		88,419	55,564	143,983	-	143,983
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
<b>Revised Opening Balance (as at 1/7/10)</b>		<b>88,419</b>	<b>55,564</b>	<b>143,983</b>	<b>-</b>	<b>143,983</b>
<b>c. Net Operating Result for the Year</b>		<b>1,622</b>	<b>-</b>	<b>1,622</b>	<b>-</b>	<b>1,622</b>
<b>d. Other Comprehensive Income</b>						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	1,973	1,973	-	1,973
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-	-	-	-
- Other Movements (enter details here)	20b (ii)	-	-	-	-	-
<b>Other Comprehensive Income</b>		<b>-</b>	<b>1,973</b>	<b>1,973</b>	<b>-</b>	<b>1,973</b>
<b>Total Comprehensive Income (c&amp;d)</b>		<b>1,622</b>	<b>1,973</b>	<b>3,595</b>	<b>-</b>	<b>3,595</b>
e. Distributions to/(Contributions from) Minority Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
<b>Equity - Balance at end of the reporting period</b>		<b>90,041</b>	<b>57,537</b>	<b>147,578</b>	<b>-</b>	<b>147,578</b>
<b>2011</b>						
<b>Opening Balance</b> (as per Last Year's Audited Accounts)		87,898	55,188	143,086	-	143,086
a. Correction of Prior Period Errors	20 (c)	-	-	-	-	-
b. Changes in Accounting Policies (prior year effects)	20 (d)	-	-	-	-	-
<b>Revised Opening Balance (as at 1/7/09)</b>		<b>87,898</b>	<b>55,188</b>	<b>143,086</b>	<b>-</b>	<b>143,086</b>
<b>c. Net Operating Result for the Year</b>		<b>521</b>	<b>-</b>	<b>521</b>	<b>-</b>	<b>521</b>
<b>d. Other Comprehensive Income</b>						
- Revaluations : IPP&E Asset Revaluation Rsve	20b (ii)	-	376	376	-	376
- Revaluations: Other Reserves	20b (ii)	-	-	-	-	-
- Transfers to Income Statement	20b (ii)	-	-	-	-	-
- Impairment (loss) reversal relating to I,PP&E	20b (ii)	-	-	-	-	-
- Other Movements (enter details here)	20b (ii)	-	-	-	-	-
<b>Other Comprehensive Income</b>		<b>-</b>	<b>376</b>	<b>376</b>	<b>-</b>	<b>376</b>
<b>Total Comprehensive Income (c&amp;d)</b>		<b>521</b>	<b>376</b>	<b>897</b>	<b>-</b>	<b>897</b>
e. Distributions to/(Contributions from) Minority Interests		-	-	-	-	-
f. Transfers between Equity		-	-	-	-	-
<b>Equity - Balance at end of the reporting period</b>		<b>88,419</b>	<b>55,564</b>	<b>143,983</b>	<b>-</b>	<b>143,983</b>

This Statement should be read in conjunction with the accompanying Notes.

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## Warren Shire Council

## Statement of Cash Flows

for the financial year ended 30 June 2012

Budget 2012	\$ '000	Notes	Actual 2012	Actual 2011
<b>Cash Flows from Operating Activities</b>				
<b>Receipts:</b>				
4,688	Rates & Annual Charges		4,774	4,634
1,410	User Charges & Fees		1,103	1,105
482	Investment & Interest Revenue Received		666	622
5,551	Grants & Contributions		7,469	5,838
850	Other		983	835
<b>Payments:</b>				
(4,425)	Employee Benefits & On-Costs		(4,446)	(4,528)
(4,200)	Materials & Contracts		(3,956)	(3,449)
(40)	Borrowing Costs		(39)	(3)
(1,400)	Other		(1,372)	(1,348)
<b>2,916</b>	<b>Net Cash provided (or used in) Operating Activities</b>	11b	<b>5,182</b>	<b>3,706</b>
<b>Cash Flows from Investing Activities</b>				
<b>Receipts:</b>				
17	Sale of Real Estate Assets		-	-
502	Sale of Infrastructure, Property, Plant & Equipment		223	475
-	Deferred Debtors Receipts		-	11
<b>Payments:</b>				
(3,369)	Purchase of Infrastructure, Property, Plant & Equipment		(3,238)	(4,116)
<b>(2,850)</b>	<b>Net Cash provided (or used in) Investing Activities</b>		<b>(3,015)</b>	<b>(3,630)</b>
<b>Cash Flows from Financing Activities</b>				
<b>Receipts:</b>				
-	Proceeds from Borrowings & Advances		-	500
<b>Payments:</b>				
(66)	Repayment of Borrowings & Advances		(66)	(53)
<b>(66)</b>	<b>Net Cash Flow provided (used in) Financing Activities</b>		<b>(66)</b>	<b>447</b>
-	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		<b>2,101</b>	<b>523</b>
11,781	plus: <b>Cash &amp; Cash Equivalents - beginning of year</b>	11a	11,781	11,258
<b>11,781</b>	<b>Cash &amp; Cash Equivalents - end of the year</b>	11a	<b>13,882</b>	<b>11,781</b>

Please refer to Note 11 for information on the following:

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

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

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## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### 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 (AASB's), 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 Australian Accounting Standards (AASB's) 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 Australian Accounting Standards.

###### (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 2011 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 2011.

Refer further to paragraph (z) 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.

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

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

##### (vii) Critical Accounting Estimates

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

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 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.

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

#### User Charges, Fees and Other Income

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

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

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

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

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

#### Interest and Rents

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 30/6/12) and (ii) all the related operating results (for the financial year ended the 30th June 2012).

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
- Water Supply
- Sewerage Service

#### (ii) The Trust Fund

In accordance with the provisions of Section 411 of the Local Government Act 1993 (as amended), a separate and distinct Trust Fund is maintained to account for all money and property received by the Council in trust 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.

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

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

##### Jointly Controlled Assets & Operations

The proportionate interests in the assets, liabilities and expenses of a Joint Venture Activity have been incorporated throughout the financial statements under the appropriate headings.

##### Jointly Controlled Entities

Any interests in Joint Venture Entities & Partnerships are accounted for using the equity method and is carried at cost.

Under the equity method, the share of the profits or losses of the partnership is recognised in the income statement, and the share of movements in retained earnings & reserves is recognised in the balance sheet.

#### (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 a member of the following County Councils (which are bodies corporate under the Local Government Act);

- **Castlereagh Macquarie County Council**  
Provide controls of noxious weeds on Council roadside.

There are five Constituent Councils being Warren, Coonamble, Gilgandra, Walgett & Warrumbungle.

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

Council is of the opinion that it neither controls nor significantly influences the above County Councils and accordingly these entities have not been consolidated or otherwise included within these financial statements.

#### (vi) Additional Information

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

#### (d) Leases

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

##### Finance Leases

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.

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

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.

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

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

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.

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.

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

Warren Shire Council has no Financial Assets.

##### (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) 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.

##### (h) 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.

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

##### Acquisition of assets

Council's non current assets have been progressively revalued to fair value in accordance with a staged implementation as advised 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**  
(Internal Valuation)
- **Operational Land** (External Valuation)
- **Buildings – Specialised/Non Specialised**  
(External & Internal Valuation)
- **Plant and Equipment**  
(as approximated by depreciated historical cost)
- **Roads Assets incl. roads, bridges & footpaths**  
(Internal Valuation)
- **Drainage Assets** (Internal Valuation)
- **Community Land** (External Valuation)
- **Other Structures**  
(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 carrying amounts arising on revaluation are credited to the asset revaluation reserve.
- To the extent that the increase reverses a decrease previously recognised via the profit or loss, then increase is first recognised in profit or loss.
- Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset, with all other decreases charged to the Income statement.

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

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

#### Capitalisation Thresholds

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

##### Land

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

##### Plant & Equipment

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

##### Buildings & Land Improvements

Park Furniture & Equipment	> \$3,000
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##### Building

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

Other Structures	> \$3,000
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##### Water & Sewer Assets

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

##### Stormwater Assets

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

##### Transport Assets

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

#### Depreciation

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

Land is not depreciated.

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

##### Plant & Equipment

- Office Equipment	5 to 10 years
- Office furniture	10 to 20 years
- Computer Equipment	3 to 5 years
- Vehicles	5 to 8 years
- Heavy Plant/Road Making equip.	5 to 8 years
- Other plant and equipment	5 to 15 years

##### Other Equipment

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

##### Buildings

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

##### Stormwater Drainage

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

##### Transportation Assets

- Sealed Roads : Surface	20 years
- Sealed Roads : Structure	50 years
- Unsealed roads	60 years
- Bridge : Concrete	100 years
- Bridge : Other	50 years
- Road Pavements	60 years
- Kerb, Gutter & Paths	40 years

##### Water & Sewer Assets

- Dams and reservoirs	80 to 100 years
- Bores	20 to 40 years
- Reticulation pipes : PVC	80 years
- Reticulation pipes : Other	25 to 75 years
- Pumps and telemetry	15 to 20 years

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

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.

#### (j) 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).

#### (k) 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.

#### (l) Intangible Assets

Council has not classified any assets as Intangible.

#### (m) 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.

#### (n) Rural Fire Service assets

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

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

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

#### (o) 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 in-house valuation based on a discounted cash flow analysis.

Warren Shire Council has no Investment Properties.

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

##### **(p) 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.

##### **(q) Impairment of assets**

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

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

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

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

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.

##### **(r) Payables**

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

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

##### **(s) Borrowings**

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

Borrowings are subsequently measured at amortised cost.

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

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

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

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

##### (t) Borrowing costs

Borrowing costs are expensed.

##### (u) Provisions

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

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

Provisions are not recognised for future operating losses.

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

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

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

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

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

##### (v) Employee benefits

###### (i) Short Term Obligations

Short term employee benefit obligations include liabilities for wages and salaries (including non-monetary benefits), annual leave and vesting sick leave expected to be 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.

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.

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

##### (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 amounting to around \$761,376 at 30 June 2012.

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.

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

##### Defined Contribution Plans

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

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

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

These amounts include Superannuation and Workers Compensation expenses which will be payable upon the future payment of certain Leave Liabilities accrued as at 30/6/12.

##### (w) Self insurance

Council does not self insure.

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

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

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.

#### (y) Taxes

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

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

#### Goods & 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.

#### (z) 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 2012.

**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, AASB 2009 11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective from 1 January 2013)***

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities.

The standard is not applicable until 1 January 2013 but is available for early adoption.

When adopted, the standard will affect in particular the Council's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss.

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

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

designated at fair value through profit or loss and Council does not have any such liabilities.

The derecognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed

***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)***

In August 2011, the AASB issued a suite of five new and amended standards which 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.

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

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Summary of Significant Accounting Policies (continued)

AASB 13 was released in September 2011.

It 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;**

None

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

***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)***

In September 2011, the AASB released a revised standard on accounting for employee benefits.

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

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

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

The amendments will have to be implemented retrospectively.

Council does not recognise defined benefit assets and liabilities for the reasons set out in note 1 (s)(iii) and so these changes will not have an impact on its reported results.

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

None

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.

**(aa) Rounding of amounts**

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

**(ab) Comparative Figures**

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

**(ac) Disclaimer**

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

# Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

### 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
	2012	2012	2011	2012	2012	2011	2012	2012	2011	2012	2011	2012	2011
Governance	-	-	-	330	202	375	(330)	(202)	(375)	-	-	59	23
Administration	177	224	202	2,670	2,463	1,942	(2,493)	(2,239)	(1,740)	52	6	12,597	10,758
Public Order & Safety	67	46	78	263	253	253	(196)	(207)	(175)	-	-	357	380
Health	5	1	-	192	226	209	(187)	(225)	(209)	-	-	24	19
Environment	-	-	-	88	88	83	(88)	(88)	(83)	-	-	-	-
Community Services & Education	36	29	54	76	50	54	(40)	(21)	-	22	54	212	216
Housing & Community Amenities	630	516	654	900	929	1,132	(270)	(413)	(478)	221	340	9,753	9,762
Water Supplies	490	521	489	627	631	531	(137)	(110)	(42)	9	10	7,128	6,463
Sewerage Services	526	564	549	343	614	536	183	(50)	13	8	9	6,921	5,750
Recreation & Culture	175	174	325	1,239	1,506	1,345	(1,064)	(1,332)	(1,020)	26	126	4,637	4,796
Mining, Manufacturing & Construction	16	137	91	36	51	34	(20)	86	57	-	-	700	534
Transport & Communication	4,053	4,616	3,510	5,690	5,465	5,789	(1,637)	(849)	(2,279)	949	25	106,179	106,076
Economic Affairs	182	278	696	261	203	158	(79)	75	538	29	527	1,897	2,003
<b>Total Functions &amp; Activities</b>	<b>6,357</b>	<b>7,106</b>	<b>6,648</b>	<b>12,715</b>	<b>12,681</b>	<b>12,441</b>	<b>(6,358)</b>	<b>(5,575)</b>	<b>(5,793)</b>	<b>1,316</b>	<b>1,097</b>	<b>150,464</b>	<b>146,780</b>
Share of gains/(losses) in Associates & Joint Ventures (using the Equity Method)	-	6	-	-	-	11	-	6	(11)	-	-	67	61
General Purpose Income <sup>1</sup>	6,658	7,191	6,325	-	-	-	6,658	7,191	6,325	2,751	2,095	-	-
<b>Operating Result from Continuing Operations</b>	<b>13,015</b>	<b>14,303</b>	<b>12,973</b>	<b>12,715</b>	<b>12,681</b>	<b>12,452</b>	<b>300</b>	<b>1,622</b>	<b>521</b>	<b>4,067</b>	<b>3,192</b>	<b>150,531</b>	<b>146,841</b>

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

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### 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, control, enforcement of local government regulations, emergency services, other.

##### **HEALTH**

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

##### **ENVIRONMENT**

Noxious plants and insect/vermin control.

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

Administration, youth services, other community services, education.

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

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

##### **WATER SUPPLIES**

##### **SEWERAGE SERVICES**

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

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

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

Building control, quarries & pits, other.

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

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

##### **ECONOMIC AFFAIRS**

Caravan parks, tourism and area promotion, industrial development promotion, saleyards and markets, real estate development, other business undertakings.

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

## Note 3. Income from Continuing Operations

\$ '000	Notes	Actual 2012	Actual 2011
<b>(a). Rates &amp; Annual Charges</b>			
<b>Ordinary Rates</b>			
Residential		479	461
Farmland		3,271	3,179
Business		155	150
<b>Total Ordinary Rates</b>		<b>3,905</b>	<b>3,790</b>
<b>Special Rates</b>			
Nil			
<b>Total Special Rates</b>		<b>-</b>	<b>-</b>
<b>Annual Charges</b> (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic Waste Management Services		194	183
Water Supply Services		276	250
Sewerage Services		374	372
<b>Total Annual Charges</b>		<b>844</b>	<b>805</b>
<b><u>TOTAL RATES &amp; ANNUAL CHARGES</u></b>		<b><u>4,749</u></b>	<b><u>4,595</u></b>

Council has used 2009 year valuations provided by the NSW Valuer General in calculating its rates.

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

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

\$ '000	Notes	Actual 2012	Actual 2011
<b>(b). User Charges &amp; Fees</b>			
<b>Specific User Charges</b> (per s.502 - Specific "actual use" charges)			
Domestic Waste Management Services		11	12
Water Supply Services		193	185
Sewerage Services		48	42
<b>Total User Charges</b>		<b>252</b>	<b>239</b>
<b>Other User Charges &amp; Fees</b>			
<b>(i) Fees &amp; Charges - Statutory &amp; Regulatory Functions</b> (per s.608)			
Planning & Building Regulation		26	33
Private Works - Section 67		64	67
Regulatory/ Statutory Fees		8	9
Other		1	-
<b>Total Fees &amp; Charges - Statutory/Regulatory</b>		<b>99</b>	<b>109</b>
<b>(ii) Fees &amp; Charges - Other (incl. General User Charges)</b> (per s.608)			
Aerodrome		7	7
Caravan Park		5	10
Cemeteries		16	39
Quarry Revenues		135	37
RMS (formerly RTA) Charges (State Roads not controlled by Council)		717	639
Swimming Centres		25	24
Other		15	6
<b>Total Fees &amp; Charges - Other</b>		<b>920</b>	<b>762</b>
<b>TOTAL USER CHARGES &amp; FEES</b>		<b>1,271</b>	<b>1,110</b>

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

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

\$ '000	Notes	Actual 2012	Actual 2011
<b>(c). Interest &amp; Investment Revenue (incl. losses)</b>			
<b>Interest &amp; Dividends</b>			
- Interest on Overdue Rates & Annual Charges		9	21
- Interest earned on Investments (interest & coupon payment income)		701	591
<b><u>TOTAL INTEREST &amp; INVESTMENT REVENUE</u></b>		<b><u>710</u></b>	<b><u>612</u></b>
<b>Interest Revenue is attributable to:</b>			
<b>Unrestricted Investments/Financial Assets:</b>			
Overdue Rates & Annual Charges (General Fund)		9	19
General Council Cash & Investments		535	440
<b>Restricted Investments/Funds - External:</b>			
Water Fund Operations		32	28
Sewerage Fund Operations		134	125
<b><u>Total Interest &amp; Investment Revenue Recognised</u></b>		<b><u>710</u></b>	<b><u>612</u></b>
<b>(d). Other Revenues</b>			
Rental Income - Other Council Properties		131	118
Fines		1	-
Commissions & Agency Fees		68	72
Diesel Rebate		71	63
Insurance Claim Recoveries		48	67
Recycling Income (non domestic)		9	7
Sales - General		8	-
Swimming Pool Canteen		18	18
OHS Incentive Payment		21	4
Statewide Property Rebate		8	17
NSW RFS M&R Reimbursement		7	17
Strengthening the Basin Reimbursement		-	15
Motor Vehicle Insurance Rebate		7	9
C Division Conference Reimbursement		4	-
Risk Management Incentive		4	-
Youth Services Income		7	-
Other		15	12
<b><u>TOTAL OTHER REVENUE</u></b>		<b><u>427</u></b>	<b><u>419</u></b>

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

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

\$ '000	2012 Operating	2011 Operating	2012 Capital	2011 Capital
<b>(e). Grants</b>				
<b>General Purpose (Untied)</b>				
Financial Assistance	2,732	2,075	-	-
Pensioners' Rates Subsidies - General Component	19	20	-	-
<b>Total General Purpose</b>	<b>2,751</b>	<b>2,095</b>	<b>-</b>	<b>-</b>
<b>Specific Purpose</b>				
Pensioners' Rates Subsidies:				
- Water	8	10	-	-
- Sewerage	9	9	-	-
- Domestic Waste Management	8	8	-	-
Community Centres	1	-	-	509
Economic Development	28	18	-	-
Employment & Training Programs	11	6	-	-
Flood Restoration	213	327	-	-
Heritage & Cultural	-	5	-	-
Library	20	19	-	-
Recreation & Culture	-	37	-	70
Street Lighting	25	25	-	-
Transport (Roads to Recovery)	915	-	-	-
Transport (Bus Shelter Upgrade Funding)	9	-	-	-
Youth Services	27	53	-	-
Parental Leave Scheme	11	-	-	-
Local Government Reform Fund	30	-	-	-
Other	1	1	-	-
<b>Total Specific Purpose</b>	<b>1,316</b>	<b>518</b>	<b>-</b>	<b>579</b>
<b>Total Grants</b>	<b>4,067</b>	<b>2,613</b>	<b>-</b>	<b>579</b>
<b>Grant Revenue is attributable to:</b>				
- Commonwealth Funding	3,647	2,105	-	489
- State Funding	420	508	-	90
- Other Funding	-	-	-	-
	<b>4,067</b>	<b>2,613</b>	<b>-</b>	<b>579</b>

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

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

\$ '000		2012 Operating	2011 Operating	2012 Capital	2011 Capital
<b>(f). Contributions</b>					
<b>Developer Contributions:</b>					
<b>(s93 &amp; s94 - EP&amp;A Act, s64 of the NSW LG Act):</b>					
Nil					
<b>Total Developer Contributions</b>	17	-	-	-	-
<b>Other Contributions:</b>					
Bushfire Services		35	56	-	-
Recreation & Culture		143	20	-	23
RMS Contributions (Regional Roads, Block Grant)		2,748	2,706	-	-
Riverbank - Bamboo Works		-	5	-	-
Library		68	55	-	-
Other		1	-	-	-
<b>Total Other Contributions</b>		<b>2,995</b>	<b>2,842</b>	-	<b>23</b>
<b>Total Contributions</b>		<b>2,995</b>	<b>2,842</b>	-	<b>23</b>
<b>TOTAL GRANTS &amp; CONTRIBUTIONS</b>		<b>7,062</b>	<b>5,455</b>	-	<b>602</b>

**(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	417	1,008
add: Grants & contributions recognised in the current period but not yet spent:	702	417
less: Grants & contributions recognised in a previous reporting period now spent:	(417)	(1,008)
<b>Net Increase (Decrease) in Restricted Assets during the Period</b>	<b>285</b>	<b>(591)</b>
<b>Unexpended and held as Restricted Assets</b>	<b>702</b>	<b>417</b>
<b>Comprising:</b>		
- Specific Purpose Unexpended Grants	536	119
- Other Contributions	166	298
	<b>702</b>	<b>417</b>

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

## Note 4. Expenses from Continuing Operations

\$ '000	Notes	Actual 2012	Actual 2011
<b>(a) Employee Benefits &amp; On-Costs</b>			
Salaries and Wages		3,541	3,523
Travelling		8	9
Employee Leave Entitlements (ELE)		585	410
Superannuation - Defined Contribution Plans		191	224
Superannuation - Defined Benefit Plans		236	175
Workers' Compensation Insurance		258	312
Fringe Benefit Tax (FBT)		24	28
Training Costs (other than Salaries & Wages)		54	82
<b>Total Employee Costs</b>		<b>4,897</b>	<b>4,763</b>
less: Capitalised Costs		(259)	(209)
<b><u>TOTAL EMPLOYEE COSTS EXPENSED</u></b>		<b><u>4,638</u></b>	<b><u>4,554</u></b>
Number of "Equivalent Full Time" Employees at year end		71	71
<b>(b) Borrowing Costs</b>			
<b>(i) Interest Bearing Liability Costs</b>			
Interest on Loans		39	2
<b>Total Interest Bearing Liability Costs Expensed</b>		<b>39</b>	<b>2</b>
<b>(ii) Other Borrowing Costs</b>			
Interest applicable on Interest Free (& favourable) Loans to Council		20	21
<b>Total Other Borrowing Costs</b>		<b>20</b>	<b>21</b>
<b><u>TOTAL BORROWING COSTS EXPENSED</u></b>		<b><u>59</u></b>	<b><u>23</u></b>

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

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

\$ '000	Notes	Actual 2012	Actual 2011
<b>(c) Materials &amp; Contracts</b>			
Raw Materials & Consumables		3,512	3,483
Contractor & Consultancy Costs		2	-
Auditors Remuneration <sup>(1)</sup>		51	27
Legal Expenses:			
- Legal Expenses: Other		9	1
- Legal Expenses: Debt Recovery		-	7
<b>Total Materials &amp; Contracts</b>		<b>3,574</b>	<b>3,518</b>
less: Capitalised Costs		-	-
<b><u>TOTAL MATERIALS &amp; CONTRACTS</u></b>		<b><u>3,574</u></b>	<b><u>3,518</u></b>
<b>1. Auditor Remuneration</b>			
During the year, the following fees were incurred for services provided by the Council's Auditor (& the Auditors of other Consolidated Entities):			
<b>(i) Audit and Other Assurance Services</b>			
- Audit & review of financial statements: Council's Auditor		26	27
- Internal Audit Services		25	-
<b>Remuneration for audit and other assurance services</b>		<b>51</b>	<b>27</b>
<b>Total Auditor Remuneration</b>		<b>51</b>	<b>27</b>

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

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

\$ '000	Notes	Impairment Costs		Depreciation/Amortisation	
		Actual 2012	Actual 2011	Actual 2012	Actual 2011
Plant and Equipment		-	-	781	782
Office Equipment		-	-	31	28
Furniture & Fittings		-	-	5	4
Buildings - Non Specialised		-	-	100	98
Buildings - Specialised		-	-	84	82
Other Structures		-	-	172	170
Infrastructure:					
- Roads, Bridges & Footpaths		-	-	2,138	2,096
- Stormwater Drainage		-	-	37	37
- Water Supply Network		-	-	153	149
- Sewerage Network		-	-	128	195
<b>Total Depreciation &amp; Impairment Costs</b>		-	-	<b>3,629</b>	<b>3,641</b>
less: Capitalised Costs		-	-	(219)	(161)
<b><u>TOTAL DEPRECIATION &amp; IMPAIRMENT COSTS EXPENSED</u></b>		<b>-</b>	<b>-</b>	<b>3,410</b>	<b>3,480</b>

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

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

\$ '000	Notes	Actual 2012	Actual 2011
<b>(e) Other Expenses</b>			
Other Expenses for the year include the following:			
Advertising		28	28
Bank Charges		5	5
Contributions/Levies to Other Levels of Government			
- Emergency Services Levy		8	9
- NSW Fire Brigade Levy		19	19
- NSW Rural Fire Service Levy		67	54
- Contribution to North Western Library		41	38
- Contributions to Castlereagh Macquarie County Council		88	83
- Other Contributions/Levies		8	8
Councillor Expenses - Mayoral Fee		13	13
Councillor Expenses - Councillors' Fees		96	92
Councillors' Expenses (incl. Mayor) - Other (excluding fees above)		20	15
Donations, Contributions & Assistance to other organisations (Section 356)		25	-
Electricity & Heating		202	140
Insurance		181	173
Postage		12	11
Printing & Stationery		31	23
Street Lighting		77	69
Subscriptions & Publications		17	17
Telephone & Communications		25	26
Valuation Fees		15	14
Water Purchases		16	15
Other		6	14
<b><u>TOTAL OTHER EXPENSES</u></b>		<b><u>1,000</u></b>	<b><u>866</u></b>

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

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

\$ '000	Notes	Actual 2012	Actual 2011
<b>Property</b> (excl. Investment Property)			
Proceeds from Disposal - Property		3	60
less: Carrying Amount of Property Assets Sold / Written Off		(42)	-
<b>Net Gain/(Loss) on Disposal</b>		<b>(39)</b>	<b>60</b>
<b>Plant &amp; Equipment</b>			
Proceeds from Disposal - Plant & Equipment		220	415
less: Carrying Amount of P&E Assets Sold / Written Off		(103)	(295)
<b>Net Gain/(Loss) on Disposal</b>		<b>117</b>	<b>120</b>
<b>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</b>		<b>78</b>	<b>180</b>

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

## Note 6a. - Cash Assets and Note 6b. - Investment Securities

\$ '000	Notes	2012	2012	2011	2011
		Actual Current	Actual Non Current	Actual Current	Actual Non Current
<b>Cash &amp; Cash Equivalents (Note 6a)</b>					
Cash on Hand and at Bank		95	-	887	-
Cash-Equivalent Assets <sup>1</sup>					
- Deposits at Call		1,037	-	1,137	-
- Short Term Deposits		12,750	-	9,757	-
<b>Total Cash &amp; Cash Equivalents</b>		<b>13,882</b>	<b>-</b>	<b>11,781</b>	<b>-</b>
<b>Investment Securities (Note 6b)</b>					
Nil					
<b><u>TOTAL CASH ASSETS, CASH EQUIVALENTS &amp; INVESTMENTS</u></b>		<b>13,882</b>	<b>-</b>	<b>11,781</b>	<b>-</b>

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

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

**Cash & Cash Equivalents**

a. "At Fair Value through the Profit &amp; Loss"

	<b>13,882</b>	<b>-</b>	<b>11,781</b>	<b>-</b>
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**Investments**

Nil

**Note 6(b-i)**

**Reconciliation of Investments classified as "At Fair Value through the Profit & Loss"**

Nil

**Note 6(b-ii)**

**Reconciliation of Investments classified as "Held to Maturity"**

Nil

**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

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

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

\$ '000	2012	2012	2011	2011
	Actual Current	Actual Non Current	Actual Current	Actual Non Current
<b>Total Cash, Cash Equivalents and Investment Securities</b>	<b>13,882</b>	<b>-</b>	<b>11,781</b>	<b>-</b>
<b>attributable to:</b>				
External Restrictions (refer below)	3,686	-	3,347	-
Internal Restrictions (refer below)	9,751	-	7,964	-
Unrestricted	445	-	470	-
	<b>13,882</b>	<b>-</b>	<b>11,781</b>	<b>-</b>

2012	Opening	Transfers to	Transfers from	Closing
\$ '000	Balance	Restrictions	Restrictions	Balance

## Details of Restrictions

**External Restrictions - Included in Liabilities**

Other - CWCMA Roadside Mapping	7	-	-	7
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<b>External Restrictions - Included in Liabilities</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>7</b>
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**External Restrictions - Other**

RMS (formerly RTA) Contributions (A)	294	153	(294)	153
Specific Purpose Unexpended Grants (B)	119	417	-	536
Water Supplies (C)	551	-	(49)	502
Sewerage Services (C)	2,280	85	-	2,365
Domestic Waste Management (C)	92	18	-	110
Other - Library Services	4	13	(4)	13
<b>External Restrictions - Other</b>	<b>3,340</b>	<b>686</b>	<b>(347)</b>	<b>3,679</b>
<b>Total External Restrictions</b>	<b>3,347</b>	<b>686</b>	<b>(347)</b>	<b>3,686</b>

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

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

2012 \$ '000	Opening Balance	Transfers to Restrictions	Transfers from Restrictions	Closing Balance
<b>Internal Restrictions</b>				
Plant & Vehicle Replacement	291	286	(2)	575
Infrastructure Replacement	3,471	1,055	(284)	4,242
Employees Leave Entitlement	370	-	-	370
Roadworks	1,790	674	(597)	1,867
Bridgeworks	336	-	-	336
Insurances	260	68	-	328
Specific M&R	99	43	(26)	116
Specific Programs	680	80	(127)	633
CBD Improvements	115	36	(17)	134
FAG Grant Prepaid	525	1,110	(525)	1,110
Other	27	17	(4)	40
<b>Total Internal Restrictions</b>	<b>7,964</b>	<b>3,369</b>	<b>(1,582)</b>	<b>9,751</b>
<b>TOTAL RESTRICTIONS</b>	<b>11,311</b>	<b>4,055</b>	<b>(1,929)</b>	<b>13,437</b>

- A** RMA Contributions which are not yet expended for the provision of services and amenities in accordance with those contributions.
- B** Grants which are not yet expended for the purposes for which the grants were obtained. (refer Note 1)
- C** 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.

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

## Note 7. Receivables

\$ '000	Notes	2012		2011	
		Current	Non Current	Current	Non Current
<b>Purpose</b>					
Rates & Annual Charges		39	35	78	21
Interest & Extra Charges		2	3	6	2
User Charges & Fees		369	91	152	8
Accrued Revenues					
- Interest on Investments		111	-	64	-
Government Grants & Subsidies		274	-	663	-
Loans to Non Profit Organisations		2	18	-	-
Other Debtors		36	-	24	-
<b>TOTAL NET RECEIVABLES</b>		<b>833</b>	<b>147</b>	<b>987</b>	<b>31</b>
<b>Externally Restricted Receivables</b>					
<b>Water Supply</b>					
- Rates & Availability Charges		9	-	13	-
- Other		54	-	53	-
<b>Sewerage Services</b>					
- Rates & Availability Charges		12	-	20	-
- Other		2	-	-	-
<b>Domestic Waste Management</b>		<b>17</b>	<b>-</b>	<b>21</b>	<b>-</b>
<b>Total External Restrictions</b>		<b>94</b>	<b>-</b>	<b>107</b>	<b>-</b>
<b>Internally Restricted Receivables</b>					
Nil					
<b>Internally Restricted Receivables</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Unrestricted Receivables</b>		<b>739</b>	<b>147</b>	<b>880</b>	<b>31</b>
<b>TOTAL NET RECEIVABLES</b>		<b>833</b>	<b>147</b>	<b>987</b>	<b>31</b>

**Notes on Debtors above:**

- (i) Rates & Annual Charges Outstanding are secured against the property.
- (ii) Doubtful Rates Debtors are provided for where the value of the property is less than the debt outstanding.  
An allowance for other doubtful debts is made when there is objective evidence that a receivable is impaired.
- (iii) Interest was charged on overdue rates & charges at 9.00% (2011 9.00%).  
Generally all other receivables are non interest bearing.
- (iv) Please refer to Note 15 for issues concerning Credit Risk and Fair Value disclosures.

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

## Note 8. Inventories &amp; Other Assets

\$ '000	Notes	2012		2011	
		Current	Non Current	Current	Non Current
<b>Inventories</b>					
Real Estate for resale (refer below)		164	-	164	-
Stores & Materials		92	-	114	-
Trading Stock		341	-	376	-
Loose Tools		73	-	86	-
<b>Total Inventories</b>		<b>670</b>	<b>-</b>	<b>740</b>	<b>-</b>
<b>Other Assets</b>					
Prepayments		154	-	119	-
<b>Total Other Assets</b>		<b>154</b>	<b>-</b>	<b>119</b>	<b>-</b>
<b><u>TOTAL INVENTORIES / OTHER ASSETS</u></b>		<b><u>824</u></b>	<b><u>-</u></b>	<b><u>859</u></b>	<b><u>-</u></b>

**Externally Restricted Assets**

There are no restrictions applicable to the above assets.

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

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

\$ '000	2012		2011	
	Current	Non Current	Current	Non Current
<b>(i) Other Disclosures</b>				
<b>(a) Details for Real Estate Development</b>				
Residential	75	-	75	-
Industrial/Commercial	89	-	89	-
<b>Total Real Estate for Resale</b>	<b>164</b>	<b>-</b>	<b>164</b>	<b>-</b>
(Valued at the lower of cost and net realisable value)				
<b>Represented by:</b>				
Acquisition Costs	164	-	164	-
<b>Total Real Estate for Resale</b>	<b>164</b>	<b>-</b>	<b>164</b>	<b>-</b>
<b>Movements:</b>				
Real Estate assets at beginning of the year	164	-	180	-
- Transfers in from (out to) Note 9	-	-	(16)	-
<b>Total Real Estate for Resale</b>	<b>164</b>	<b>-</b>	<b>164</b>	<b>-</b>

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

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

	2012	2011
Real Estate for Resale	147	147
Other	310	340
	<b>457</b>	<b>487</b>

\$25K was recognised as an expense relating to the write down of Inventory balances held during the year.

Notes to the Financial Statements

for the financial year ended 30 June 2012

Note 9a. Infrastructure, Property, Plant & Equipment

\$ '000	as at 30/6/2011			Asset Movements during the Reporting Period				as at 30/6/2012			
	At	Accumulated	Carrying	Asset Additions	WDV of Asset Disposals	Depreciation Expense	Revaluation Increments to Equity (ARR)	At	At	Accumulated	Carrying
	Fair Value	Dep'n	Value					Cost	Fair Value	Dep'n	Value
Capital Work in Progress	-	-	-	670	-	-	-	670	-	-	670
Plant & Equipment	9,983	6,154	3,829	937	(103)	(781)	-	-	10,274	6,392	3,882
Office Equipment	499	419	80	40	-	(31)	-	-	539	450	89
Furniture & Fittings	60	57	3	33	-	(5)	-	-	93	62	31
<b>Land:</b>											
- Operational Land	1,261	-	1,261	5	-	-	-	-	1,266	-	1,266
- Community Land	1,003	-	1,003	-	-	-	-	-	1,003	-	1,003
Buildings - Non Specialised	8,198	5,053	3,145	-	(42)	(100)	-	-	8,028	5,025	3,003
Buildings - Specialised	5,792	2,684	3,108	-	-	(84)	-	-	5,792	2,768	3,024
Other Structures	15,454	8,015	7,439	20	-	(172)	-	-	15,474	8,187	7,287
<b>Infrastructure:</b>											
- Roads, Bridges, Footpaths	147,177	45,101	102,076	1,752	-	(2,138)	-	-	148,929	47,239	101,690
- Stormwater Drainage	3,745	1,534	2,211	-	-	(37)	-	-	3,745	1,571	2,174
- Water Supply Network	12,302	6,619	5,683	-	-	(153)	761	-	12,740	6,449	6,291
- Sewerage Network	11,837	8,553	3,284	-	-	(128)	1,212	-	12,478	8,110	4,368
<b><u>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIP.</u></b>	<b>217,311</b>	<b>84,189</b>	<b>133,122</b>	<b>3,457</b>	<b>(145)</b>	<b>(3,629)</b>	<b>1,973</b>	<b>670</b>	<b>220,361</b>	<b>86,253</b>	<b>134,778</b>

Additions to Depreciable Land Improvements, Buildings, Other Structures & Infrastructure Assets are made up of Asset Renewals (\$1,362) and New Assets (\$1,057). Renewals are defined as the replacement of existing assets (as opposed to the acquisition of n

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

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

\$ '000 Class of Asset	Actual 2012				Actual 2011			
	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value	At Cost	At Fair Value	A/Dep & Impairm't	Carrying Value
<b>Water Supply</b>								
Plant & Equipment	-	315	159	<b>156</b>	-	197	152	<b>45</b>
Land								
- Operational Land	-	54	-	<b>54</b>	-	54	-	<b>54</b>
- Community Land	-	10	-	<b>10</b>	-	10	-	<b>10</b>
Other Structures	-	73	21	<b>52</b>	-	73	19	<b>54</b>
Infrastructure	-	12,740	6,449	<b>6,291</b>	-	12,302	6,619	<b>5,683</b>
<b>Total Water Supply</b>	<b>-</b>	<b>13,192</b>	<b>6,629</b>	<b>6,563</b>	<b>-</b>	<b>12,636</b>	<b>6,790</b>	<b>5,846</b>
<b>Sewerage Services</b>								
Plant & Equipment	-	173	123	<b>50</b>	-	173	112	<b>61</b>
Land								
- Operational Land	-	28	-	<b>28</b>	-	29	-	<b>29</b>
- Community Land	-	76	-	<b>76</b>	-	76	-	<b>76</b>
Other Structures	-	20	-	<b>20</b>	-	-	-	<b>-</b>
Infrastructure	-	12,478	8,110	<b>4,368</b>	-	11,837	8,553	<b>3,284</b>
<b>Total Sewerage Services</b>	<b>-</b>	<b>12,775</b>	<b>8,233</b>	<b>4,542</b>	<b>-</b>	<b>12,115</b>	<b>8,665</b>	<b>3,450</b>
<b>Domestic Waste Management</b>								
Land								
- Operational Land'	-	105	-	<b>105</b>	-	105	-	<b>105</b>
<b>Total DWM</b>	<b>-</b>	<b>105</b>	<b>-</b>	<b>105</b>	<b>-</b>	<b>105</b>	<b>-</b>	<b>105</b>
<b>TOTAL RESTRICTED I,PP&amp;E</b>	<b>-</b>	<b>26,072</b>	<b>14,862</b>	<b>11,210</b>	<b>-</b>	<b>24,856</b>	<b>15,455</b>	<b>9,401</b>

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

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

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

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

\$ '000	Notes	2012		2011	
		Current	Non Current	Current	Non Current
<b>Payables</b>					
Goods & Services - operating expenditure		413	-	511	-
Payments Received In Advance		67	-	62	-
Accrued Expenses:					
- Salaries & Wages		24	-	30	-
ATO - Net GST Payable		1	-	23	-
Sundry Deposits		107	-	68	-
<b>Total Payables</b>		<b>612</b>	<b>-</b>	<b>694</b>	<b>-</b>
<b>Borrowings</b>					
Loans - Secured <sup>1</sup>		41	433	38	474
Government Advances		28	110	28	118
<b>Total Borrowings</b>		<b>69</b>	<b>543</b>	<b>66</b>	<b>592</b>
<b>Provisions</b>					
Employee Benefits;					
Annual Leave		424	-	422	-
Long Service Leave		1,272	33	1,020	64
<b>Total Provisions</b>		<b>1,696</b>	<b>33</b>	<b>1,442</b>	<b>64</b>
<b>Total Payables, Borrowings &amp; Provisions</b>		<b>2,377</b>	<b>576</b>	<b>2,202</b>	<b>656</b>

## (i) Liabilities relating to Restricted Assets

	2012		2011	
	Current	Non Current	Current	Non Current
<b>Externally Restricted Assets</b>				
Water	55	6	23	41
Sewer	15	-	8	5
Other	7	-	7	-
Liabilities relating to externally restricted assets	<b>77</b>	<b>6</b>	<b>38</b>	<b>46</b>
<b>Internally Restricted Assets</b>				
Nil				
<b>Total Liabilities relating to restricted assets</b>	<b>77</b>	<b>6</b>	<b>38</b>	<b>46</b>

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

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

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

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

\$ '000	2012	2011
---------	------	------

## (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	1,326	1,043
	<b>1,326</b>	<b>1,043</b>

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

Class of Provision	2011		2012			
	Opening Balance as at 1/7/11	Additional Provisions	Decrease due to Payments	Remeasurement effects due to Discounting	Unused amounts reversed	Closing Balance as at 30/6/12
Annual Leave	422	279	(277)	-	-	424
Long Service Leave	1,084	299	(78)	-	-	1,305
<b>TOTAL</b>	<b>1,506</b>	<b>578</b>	<b>(355)</b>	<b>-</b>	<b>-</b>	<b>1,729</b>

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

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

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

\$ '000	Notes	Actual 2012	Actual 2011
<b>(a) Reconciliation of Cash Assets</b>			
Total Cash & Cash Equivalent Assets	6a	13,882	11,781
<b>BALANCE as per the STATEMENT of CASH FLOWS</b>		<b>13,882</b>	<b>11,781</b>
<b>(b) Reconciliation of Net Operating Result to Cash provided from Operating Activities</b>			
<b>Net Operating Result from Income Statement</b>		<b>1,622</b>	<b>521</b>
<b>Adjust for non cash items:</b>			
Depreciation & Amortisation		3,410	3,480
Net Losses/(Gains) on Disposal of Assets		(78)	(180)
Amortisation of Premiums, Discounts & Prior Period Fair Valuations			
- Interest Exp. on Interest Free Loans received by Council (previously Fair Value		20	21
Share of Net (Profits) or Losses of Associates/Joint Ventures		(6)	11
<b>+/- Movement in Operating Assets and Liabilities &amp; Other Cash Items:</b>			
Decrease/(Increase) in Receivables		38	(579)
Decrease/(Increase) in Inventories		70	9
Decrease/(Increase) in Other Assets		(35)	(9)
Increase/(Decrease) in Payables		(98)	355
Increase/(Decrease) in accrued Interest Payable		-	(1)
Increase/(Decrease) in other accrued Expenses Payable		(6)	(10)
Increase/(Decrease) in Other Liabilities		22	29
Increase/(Decrease) in Employee Leave Entitlements		223	59
<b>NET CASH PROVIDED FROM/(USED IN)</b>			
<b>OPERATING ACTIVITIES from the STATEMENT of CASH FLOWS</b>		<b>5,182</b>	<b>3,706</b>

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

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

\$ '000	Notes	Actual 2012	Actual 2011
<b>(c) Non-Cash Investing &amp; Financing Activities</b>			
Nil			
<b>(d) Financing Arrangements</b>			
<b>(i) Unrestricted access was available at balance date to the following lines of credit:</b>			
Bank Overdraft Facilities <sup>(1)</sup>		500	500
Credit Cards / Purchase Cards		10	10
<b>Total Financing Arrangements</b>		<b>510</b>	<b>510</b>

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

**(ii) Secured Loan Liabilities**

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

**(e) Net Cash Flows Attributable to Discontinued Operations**

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

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 12. Commitments for Expenditure

\$ '000	Notes	Actual 2012	Actual 2011
<b>(a) Capital Commitments (exclusive of GST)</b>			
Nil			
<b>(b) Finance Lease Commitments</b>			
Nil			
<b>(c) Operating Lease Commitments (Non Cancellable)</b>			
Nil			
<b>(d) Investment Property Commitments</b>			
Nil			
<b>(e) Investment in Associates / Joint Ventures - Commitments</b>			

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

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

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

\$ '000	Amounts	Indicator	Prior Periods	
	2012	2012	2011	2010
<b>Local Government Industry Indicators</b>				
<b>1. Unrestricted Current Ratio</b>				
Current Assets less all External Restrictions <sup>(1)</sup>	<b>11,302</b>	<b>11.60 : 1</b>	8.64:1	11.6:1
Current Liabilities less Specific Purpose Liabilities <sup>(2,3)</sup>	<b>974</b>			
<b>2. Debt Service Ratio</b>				
Debt Service Cost	<b>105</b>	<b>1.05%</b>	0.61%	1.24%
Income from Continuing Operations excluding Capital Items & Specific Purpose Grants/Contributions	<b>9,992</b>			
<b>3. Rates &amp; Annual Charges Coverage Ratio</b>				
Rates & Annual Charges	<b>4,749</b>	<b>33.20%</b>	35.42%	38.59%
Income from Continuing Operations	<b>14,303</b>			
<b>4. Rates, Annual Charges, Interest &amp; Extra Charges Outstanding Percentage</b>				
Rates, Annual & Extra Charges Outstanding	<b>79</b>	<b>1.62%</b>	2.24%	3.37%
Rates, Annual & Extra Charges Collectible	<b>4,865</b>			
<b>5. Building &amp; Infrastructure Renewals Ratio</b>				
Asset Renewals <sup>(4)</sup>	<b>1,362</b>	<b>51.59%</b>	71.92%	92.30%
Depreciation, Amortisation & Impairment	<b>2,640</b>			

## Notes

(1) Refer Notes 6-8 inclusive.

Also excludes any Real Estate &amp; 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 &amp; provisions not expected to be paid in the next 12 months (incl. ELE).

(4) Asset Renewals represent the replacement &amp;/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.

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

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

\$ '000	Water 2012	Sewer 2012	General <sup>1</sup> 2012
<b>Local Government Industry Indicators</b>			
<b>1. Unrestricted Current Ratio</b>			
<u>Current Assets less all External Restrictions</u> <sup>(1)</sup>	<b>10.27 : 1</b>	<b>158.60 : 1</b>	<b>9.25 : 1</b>
Current Liabilities less Specific Purpose Liabilities <sup>(2,3)</sup>			
prior period:	281.00:1	718.75:1	8.64:1
<b>2. Debt Service Ratio</b>			
<u>Debt Service Cost</u>	<b>0.71%</b>	<b>0.00%</b>	<b>1.14%</b>
Income from Continuing Operations excluding Capital Items & Specific Purpose Grants/Contributions			
prior period:	0.74%	0.00%	0.64%
<b>3. Rates &amp; Annual Charges Coverage Ratio</b>			
<u>Rates &amp; Annual Charges</u>	<b>51.33%</b>	<b>65.72%</b>	<b>30.94%</b>
Income from Continuing Operations			
prior period:	48.79%	67.18%	33.25%
<b>4. Rates, Annual Charges, Interest &amp; Extra Charges Outstanding Percentage</b>			
<u>Rates, Annual &amp; Extra Charges Outstanding</u>	<b>3.09%</b>	<b>3.04%</b>	<b>1.39%</b>
Rates, Annual & Extra Charges Collectible			
prior period:	4.92%	5.09%	1.80%
<b>5. Building &amp; Infrastructure Renewals Ratio</b>			
<u>Asset Renewals (Building &amp; Infrastructure assets)</u>	<b>0.00%</b>	<b>0.00%</b>	<b>57.74%</b>
Depreciation, Amortisation & Impairment			
prior period:	0.00%	0.00%	82.94%

## Notes

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

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 14. Investment Properties

\$ '000	Notes	Actual 2012	Actual 2011
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Council has not classified any Land or Buildings as "Investment Properties"

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 15. Financial Risk Management

\$ '000

##### Risk Management

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

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

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

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

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

	Carrying Value		Fair Value	
	2012	2011	2012	2011
<b>Financial Assets</b>				
Cash and Cash Equivalents	13,882	11,781	13,882	11,781
Receivables	980	1,018	980	1,018
<b>Total Financial Assets</b>	<b>14,862</b>	<b>12,799</b>	<b>14,862</b>	<b>12,799</b>
<b>Financial Liabilities</b>				
Payables	545	632	545	632
Loans / Advances	612	658	612	658
<b>Total Financial Liabilities</b>	<b>1,157</b>	<b>1,290</b>	<b>1,157</b>	<b>1,290</b>

Fair Value is determined as follows:

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

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

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

\$ '000

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

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

Council 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 there changes are caused by factors specific to individual financial instruments or their issuers or are caused by factors affecting similar instruments traded in a market.

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

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

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

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

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

	Increase of Values/Rates		Decrease of Values/Rates	
	Profit	Equity	Profit	Equity
<b>2012</b>				
Possible impact of a 10% movement in Market Values	-	-	-	-
Possible impact of a 1% movement in Interest Rates	139	139	139	139
<b>2011</b>				
Possible impact of a 10% movement in Market Values	-	-	-	-
Possible impact of a 1% movement in Interest Rates	118	118	118	118

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

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

\$ '000

##### (b) Receivables

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

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

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

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

There are no 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:

	2012	2012	2011	2011
	Rates & Annual Charges	Other Receivables	Rates & Annual Charges	Other Receivables
<b>(i) Ageing of Receivables</b>				
Current (not yet overdue)	-	806	-	734
Past due by up to 30 days	39	24	52	90
Past due between 31 and 180 days	13	19	19	54
Past due between 181 and 365 days	9	18	8	12
Past due by more than 1 year	13	39	20	29
	<b>74</b>	<b>906</b>	<b>99</b>	<b>919</b>

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

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

\$ '000

##### (c) Payables & Borrowings

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

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

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

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

\$ '000	Subject to no maturity	payable in:						Total Cash Outflows	Actual Carrying Values
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
<b>2012</b>									
Trade/Other Payables	107	438	-	-	-	-	-	545	545
Loans & Advances	-	69	73	75	79	81	277	654	612
<b>Total Financial Liabilities</b>	<b>107</b>	<b>507</b>	<b>73</b>	<b>75</b>	<b>79</b>	<b>81</b>	<b>277</b>	<b>1,199</b>	<b>1,157</b>
<b>2011</b>									
Trade/Other Payables	68	564	-	-	-	-	-	632	632
Loans & Advances	-	66	69	73	75	79	358	720	658
<b>Total Financial Liabilities</b>	<b>68</b>	<b>630</b>	<b>69</b>	<b>73</b>	<b>75</b>	<b>79</b>	<b>358</b>	<b>1,352</b>	<b>1,290</b>

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

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

	2012		2011	
	Carrying Value	Average Interest Rate	Carrying Value	Average Interest Rate
Trade/Other Payables	545	0.0%	632	0.0%
Loans & Advances - Fixed Interest Rate	612	6.8%	658	6.8%
	<u>1,157</u>		<u>1,290</u>	

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 16. Material Budget Variations

\$ '000

Council's Original Financial Budget for 11/12 was adopted by the Council on 28 June 2012.

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	2012 Budget	2012 Actual	2012 ----- Variance* -----		
<b>REVENUES</b>					
Rates & Annual Charges	4,688	4,749	61	1%	<b>F</b>
User Charges & Fees	1,310	1,271	(39)	(3%)	<b>U</b>
Interest & Investment Revenue	482	710	228	47%	<b>F</b>
Interest revenue is greater than budget due to the delay in undertaking capital works and capital plant purchases.					
Other Revenues	402	427	25	6%	<b>F</b>
Operating Grants & Contributions	6,133	7,062	929	15%	<b>F</b>
Operating Grants & Contributions were higher than budget due to the advance payment of the FAGS Grant and Flood Restoration Works on non-road assets.					
Capital Grants & Contributions	-	-	-	0%	<b>F</b>
Net Gains from Disposal of Assets	-	78	78	0%	<b>F</b>
No provision is made in the original budget for profit on sale of assets.					
Share of Net Profits - Joint Ventures & Associates	-	6	6	0%	<b>F</b>

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

## Note 16. Material Budget Variations (continued)

\$ '000	2012 Budget	2012 Actual	2012 ----- Variance* -----		
<b>EXPENSES</b>					
Employee Benefits & On-Costs	4,425	4,638	(213)	(5%)	<b>U</b>
Borrowing Costs	40	59	(19)	(48%)	<b>U</b>
Unfavourable result arising from the State Treasury Interest Free Loan.					
Materials & Contracts	3,843	3,574	269	7%	<b>F</b>
Depreciation & Amortisation	3,385	3,410	(25)	(1%)	<b>U</b>
Other Expenses	1,022	1,000	22	2%	<b>F</b>

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

Cash Flows from Operating Activities	2,916	5,182	2,266	77.7%	<b>F</b>
Due to the the prepayment of the FAGS Grant and Flood Restoration Works on non-road assets.					
Cash Flows from Investing Activities	(2,850)	(3,015)	(165)	5.8%	<b>U</b>
Cash Flows from Financing Activities	(66)	(66)	-	0.0%	<b>F</b>

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 17. Statement of Developer Contributions

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**\$ '000**

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Council currently has no S94 Developer Contribution Plans or S94 Funds on hand from prior years.

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

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

\$ '000

The following assets and liabilities do not qualify for recognition in the Balance Sheet, 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.

###### (iv) Other Guarantees

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

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

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

\$ '000

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

#### 2. Other Liabilities

##### (i) Third Party Claims

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

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

##### (ii) Garbage Depot Reinstatement

Garbage is disposed of in pits at the Ewenmar Depc When a new pit is required the old pit is reinstated a same time as the digging of the new pit. As a result reinstatement costs are expensed each year. Shoukl current practices change, it will be necessary to consider the need to establish a Garbage Depot remediation provision

##### (iii) Gravel Pits Reinstatement

Council's practice with regard to the remediation of road reserve and private property gravel pits is to construct water storage for future road maintenance or a farm dam in return for the use of material where feasible. If this is not feasible for whatever reason than the pit is scarified and seeded upon completion of works undertaken and expensed accordingly, therefore future remediation costs are zero.

##### (iv) Mount Foster Quarry Remediation

Mt Foster is an above ground crushing operation of material that Council utilises from the hill for the supply of road making materials, there will be no remediation costs involved with this operation.

##### 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.

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### 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.

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

##### Subsidiaries

*Note 19(a)*

Operational Arrangements where Councils Control (but not necessarily Interest) exceeds 50%

##### Associated Entities & Joint Venture Entities

*Note 19(b) (i)&(ii)*

Arrangements in the form of a Separate Entity that deploys the resources of the operation itself. Under Associated Entities, Council significantly influences the operations (but does not control them, whilst for JV Entities, Council Jointly Controls the Operations with other parties.

##### Joint Venture Operations

*Note 19(c)*

Arrangements that do not comprise an actual individual entity which can deploy the resources of the individual participants. Under JV Operations, Council Jointly Controls the operations with the Other Parties involved.

##### Subsidiaries, Associated Entities and Joint Ventures Not Recognised

*Note 19(d)*

#### Accounting Recognition:

(i) Subsidiaries disclosed under Note 19(a), and Joint Venture Operations disclosed at Note 19(c), are accounted for on a Line by Line Consolidation basis within the Income Statement and Balance Sheet.

(ii) Associated Entities and Joint Venture Entities as per Notes 19(b)(i) & (ii) are accounted for using the Equity Accounting Method - and are disclosed as a 1 line entry in both the Income Statement and Balance Sheet.

	Council's Share of Net Income		Council's Share of Net Assets	
	Actual	Actual	Actual	Actual
	2012	2011	2012	2011
Joint Venture Entities	6	(11)	67	61
<b>Total</b>	<b>6</b>	<b>(11)</b>	<b>67</b>	<b>61</b>

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

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

\$ '000

## 19(a) Subsidiaries (ie. Entities &amp; Operations controlled by Council)

Council has no interest in any Subsidiaries.

## 19(b) Associated Entities &amp; Joint Venture Entities

**(i) ASSOCIATED ENTITIES**

Council has no interest in any Associated Entities.

**(ii) JOINT VENTURE ENTITIES****(a) Carrying Amounts**

Name of Entity	Principal Activity	2012	2011
North Western Library Service	Joint Purchasing of Books	67	61
<b>Total Carrying Amounts - Joint Venture Entities</b>		<b>67</b>	<b>61</b>

**(b) Relevant Interests**

Name of Entity	Interest in Outputs		Interest in Ownership		Proportion of Voting Power	
	2012	2011	2012	2011	2012	2011
North Western Library Service	25%	25%	25%	25%	25%	25%

**(c) Movement in Carrying Amounts**

	North Western Library Service	
	2012	2011
Opening Balance	61	72
Share in Operating Result	6	(11)
<b>Council's Equity Share in the Joint Venture Entity</b>	<b>67</b>	<b>61</b>

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

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

\$ '000

## 19(b) Associated Entities &amp; Joint Venture Entities (continued)

## (d) Share of Joint Ventures Assets &amp; Liabilities

	Assets		Liabilities		Net Assets
	Current	Non Current	Current	Non Current	
<b>2012</b>					
North Western Library Service	13	54	-	-	67
<b>Totals</b>	<b>13</b>	<b>54</b>	<b>-</b>	<b>-</b>	<b>67</b>
<b>2011</b>					
North Western Library Service	2	59	-	-	61
<b>Totals</b>	<b>2</b>	<b>59</b>	<b>-</b>	<b>-</b>	<b>61</b>

## (e) Share of Joint Ventures Revenues, Expenses &amp; Results

	2012			2011		
	Revenues	Expenses	Result	Revenues	Expenses	Result
North Western Library Service	55	49	6	40	51	(11)
<b>Totals</b>	<b>55</b>	<b>49</b>	<b>6</b>	<b>40</b>	<b>51</b>	<b>(11)</b>

## 19(c) Joint Venture Operations

Council has no interest in any Joint Venture Operations.

## 19(d) Subsidiaries, Associated Entities &amp; Joint Venture Operations Not Recognised

None.

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

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

\$ '000	Notes	Actual 2012	Actual 2011
---------	-------	----------------	----------------

## a. Retained Earnings

**Movements in Retained Earnings were as follows:**

Balance at beginning of Year (from previous years audited accounts)		88,419	87,898
a. Net Operating Result for the Year		1,622	521
<b>Balance at End of the Reporting Period</b>		<b>90,041</b>	<b>88,419</b>

## b. Reserves

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

- Infrastructure, Property, Plant & Equipment Revaluation Reserve		57,537	55,564
<b>Total</b>		<b>57,537</b>	<b>55,564</b>

**(ii). Reconciliation of movements in Reserves:****Infrastructure, Property, Plant & Equipment Revaluation Reserve**

- Opening Balance		55,564	55,188
- Revaluations for the year	9(a)	1,973	376
<b>- Balance at End of Year</b>		<b>57,537</b>	<b>55,564</b>

**TOTAL VALUE OF RESERVES**

<b>57,537</b>	<b>55,564</b>
---------------	---------------

**(iii). Nature & Purpose of Reserves****Infrastructure, Property, Plant & Equipment Revaluation Reserve**

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

## 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.

## Warren Shire Council

## Notes to the Financial Statements

for the financial year ended 30 June 2012

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

Income Statement by Fund \$ '000	Actual 2012	Actual 2012	Actual 2012
<b>Continuing Operations</b>	<b>Water</b>	<b>Sewer</b>	<b>General<sup>1</sup></b>
<b>Income from Continuing Operations</b>			
Rates & Annual Charges	290	393	4,066
User Charges & Fees	223	63	985
Interest & Investment Revenue	32	134	544
Other Revenues	11	-	416
Grants & Contributions provided for Operating Purposes	9	8	7,045
<b>Other Income</b>			
Net Gains from Disposal of Assets	-	-	78
Share of interests in Joint Ventures & Associates using the Equity Method	-	-	6
<b>Total Income from Continuing Operations</b>	<b>565</b>	<b>598</b>	<b>13,140</b>
<b>Expenses from Continuing Operations</b>			
Employee Benefits & on-costs	196	209	4,233
Borrowing Costs	1	-	58
Materials & Contracts	283	293	2,998
Depreciation & Amortisation	162	139	3,109
Other Expenses	16	-	984
<b>Total Expenses from Continuing Operations</b>	<b>658</b>	<b>641</b>	<b>11,382</b>
<b>Operating Result from Continuing Operations</b>	<b>(93)</b>	<b>(43)</b>	<b>1,758</b>
<b>Net Operating Result for the Year</b>	<b>(93)</b>	<b>(43)</b>	<b>1,758</b>
<b>Net Operating Result for the year before Grants and Contributions provided for Capital Purposes</b>	<b>(93)</b>	<b>(43)</b>	<b>1,758</b>

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

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

## Warren Shire Council

## Notes to the Financial Statements

as at 30 June 2012

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

Balance Sheet by Fund \$ '000	Actual 2012	Actual 2012	Actual 2012
<b>ASSETS</b>	<b>Water</b>	<b>Sewer</b>	<b>General<sup>1</sup></b>
<b>Current Assets</b>			
Cash & Cash Equivalents	502	2,365	11,015
Receivables	63	14	756
Inventories	-	-	670
Other	-	-	154
<b>Total Current Assets</b>	<b>565</b>	<b>2,379</b>	<b>12,595</b>
<b>Non-Current Assets</b>			
Receivables	-	-	147
Infrastructure, Property, Plant & Equipment	6,563	4,542	123,673
Investments Accounted for using the equity method	-	-	67
<b>Total Non-Current Assets</b>	<b>6,563</b>	<b>4,542</b>	<b>123,887</b>
<b>TOTAL ASSETS</b>	<b>7,128</b>	<b>6,921</b>	<b>136,482</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	11	-	601
Borrowings	3	-	66
Provisions	41	15	1,640
<b>Total Current Liabilities</b>	<b>55</b>	<b>15</b>	<b>2,307</b>
<b>Non-Current Liabilities</b>			
Borrowings	6	-	537
Provisions	-	-	33
<b>Total Non-Current Liabilities</b>	<b>6</b>	<b>-</b>	<b>570</b>
<b>TOTAL LIABILITIES</b>	<b>61</b>	<b>15</b>	<b>2,877</b>
<b>Net Assets</b>	<b>7,067</b>	<b>6,906</b>	<b>133,605</b>
<b>EQUITY</b>			
Retained Earnings	4,493	4,572	80,976
Revaluation Reserves	2,574	2,334	52,629
<b>Total Equity</b>	<b>7,067</b>	<b>6,906</b>	<b>133,605</b>

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

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

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

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

\$ '000	2012		2011	
	Current	Non Current	Current	Non Current

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

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 23. Events occurring after Balance Sheet Date

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**\$ '000**

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Events that occur after the reporting date of 30 June 2012, up to and including 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 appropriate "authorised for issue" date relating to these General Purpose Financial Statements.

Accordingly, the "authorised for issue" date is 22/08/12.

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

**(i) Events that have provided evidence of conditions that existed at the Reporting Date**

These financial statements (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2012.

**(ii) Events that have provided evidence of conditions that arose after the Reporting Date**

These financial statements (& figures therein) do not incorporate any "non adjusting events" that have occurred after 30 June 2012 and which are only indicative of conditions that arose after 30 June 2012.

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

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 24. Discontinued Operations

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	Actual	Actual
	2012	2011
<b>\$ '000</b>		

---

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

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

#### Note 25. Intangible Assets

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**\$ '000**

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

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

## Warren Shire Council

### Notes to the Financial Statements

for the financial year ended 30 June 2012

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

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**\$ '000**

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

**WARREN SHIRE COUNCIL**

**GENERAL PURPOSE FINANCIAL STATEMENTS**

**INDEPENDENT AUDITORS' REPORT**

---

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying *general purpose financial statements* of **Warren Shire Council**, which comprises the Balance Sheet as at 30 June 2012, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Statement by Councillors and Management. The financial statements include the consolidated financial statements of the economic entity and the entities it controlled at year end or from time to time during the year.

***Responsibility of Council for the Financial Statements***

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Local Government Act 1993. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant 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. 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. Our audit responsibility does not extend to the original budget information disclosed in the Income Statement, Statement of Cash Flows, and Note 2(a) or the budget variation explanations disclosed in Note 16. Accordingly, no opinion is expressed on these matters.

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 Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements.

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Steer Assurance Partners

ABN 56 435 338 966

Our audit did not involve an analysis of the prudence of business decisions made by Council or management.

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

**Independence**

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

**Auditor's Opinion**

In our opinion,

- (a) the Council's accounting records have been kept in accordance with the requirements of the Local Government Act 1993, Chapter 13 part 3 Division 2; and
- (b) the financial statements:
  - (i) have been presented 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 its cash flows; and
  - (iv) are in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia.
- (c) all information relevant to the conduct of the audit has been obtained; and
- (d) there are no material deficiencies in the accounting records or financial statements that we have become aware of during the course of the audit.

**HILL ROGERS SPENCER STEER**



**BRETT HANGER**

Partner

Dated at Warren this 22<sup>nd</sup> day of August 2012

Hill Rogers  
Spencer Steer

22 August 2012

NRF (Rex) Wilson  
Mayor  
Warren Shire Council  
PO Box 6  
**WARREN NSW 2824**

Mayor,

### **Audit Report - Year Ended 30 June 2012**

We are pleased to advise completion of the audit of Council's books and records for the year ended 30 June 2012 and that all information required by us was readily available. We have signed our reports as required under Section 417(1) of the Local Government Act, 1993 and the Local Government Code of Accounting Practice and Financial Reporting to the General and Special Purpose Financial Reports.

Our audit has been conducted in accordance with Australian Auditing Standards so as to express an opinion on both the General and Special Purpose Financial Statements of the Council. We have ensured that the accounts have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS) and the Local Government Code of Accounting Practice and Financial Reporting.

This report on the conduct of the audit is also issued under Section 417(1) and we now offer the following comments on the financial statements and the audit;

#### **I. RESULTS FOR THE YEAR**

##### ***I.1 Operating Result***

The operating result for the year was a surplus of \$1.622 million as compared with \$521,000 in the previous year.

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The following table sets out the results for the year and the extent (%) that each category of revenue and expenses contributed to the total.

	2012	% of	2011	% of	Increase
	\$000	Total	\$000	Total	(Decrease)
					\$000
<b>Revenues before capital items</b>					
Rates & annual charges	4,749	33%	4,595	37%	154
User charges, fees & other revenues	1,782	12%	1,709	14%	73
Grants & contributions provided for operating purposes	7,062	49%	5,455	44%	1,607
Interest & investment revenue	710	5%	612	5%	98
	<b>14,303</b>	<b>100%</b>	<b>12,371</b>	<b>100%</b>	<b>1,932</b>
<b>Expenses</b>					
Employee benefits & costs	4,638	37%	4,554	37%	84
Materials, contracts & other expenses	4,574	36%	4,395	35%	179
Depreciation, amortisation & impairment	3,410	27%	3,480	28%	(70)
Borrowing costs	59	0%	23	0%	36
	<b>12,681</b>	<b>100%</b>	<b>12,452</b>	<b>100%</b>	<b>229</b>
<b>Surplus/(Deficit) before capital items</b>	<b>1,622</b>		<b>(81)</b>		<b>1,703</b>
Grants & contributions provided for capital purposes	-		602		(602)
<b>Net Surplus/(Deficit) for the year</b>	<b>1,622</b>		<b>521</b>		<b>1,101</b>

The above table shows an overall increase from the previous year of \$1.101 million and is attributable to increased grant funding received during the year. This includes the prepayment of the Financial Assistance Grant.

## 1.2 Funding Result

The operating result does not take into account all revenues and all expenditures and in reviewing the overall financial performance of Council it is useful to take into account the total source of revenues and where they were spent during the year which is illustrated in the table below.

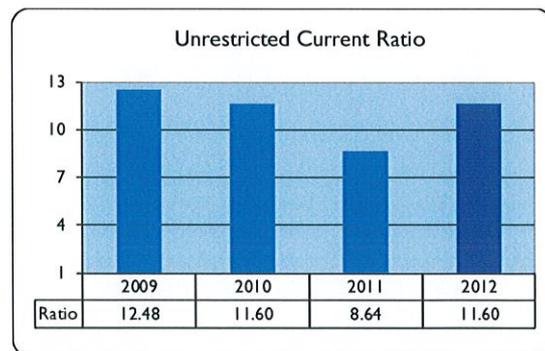
	2012	2011
<b>Funds were provided by:-</b>	\$000	\$000
<b>Operating Result (as above)</b>	<b>1,622</b>	<b>521</b>
Add back non funding items:-		
- Depreciation, amortisation & impairment	3,410	3,480
- Book value of non-current assets sold	145	295
- (Surplus)Deficit in joint ventures	(6)	11
	<u>5,171</u>	<u>4,307</u>
New loan borrowings	0	500
Transfers from externally restricted assets (net)	0	223
Repayments from deferred debtors	0	0
Net Changes in current/non-current assets & liabilities	176	95
	<u>5,347</u>	<u>5,125</u>
<b>Funds were applied to:-</b>		
Purchase and construction of assets	(3,238)	(4,116)
Principal repaid on loans	(46)	(32)
Transfers to externally restricted assets (net)	(287)	0
Transfers to internal reserves (net)	(1,787)	(736)
	<u>(5,358)</u>	<u>(4,884)</u>
<b>Increase/(Decrease) in Available Working Capital</b>	<b>(11)</b>	<b>241</b>

## 2. FINANCIAL POSITION

### 2.1 Unrestricted Current Ratio

The Unrestricted Current Ratio is a financial indicator specific to local government and represents Council's ability to meet its debts and obligations as they fall due.

After eliminating externally restricted assets and current liabilities not expected to be paid within the next 12 months net current assets amounted to \$10.328 million representing a factor of 11.6 to 1.



## 2.2 Available Working Capital – (Working Funds)

At the close of the year the Available Working Capital of Council stood at \$1.123 million as detailed below;

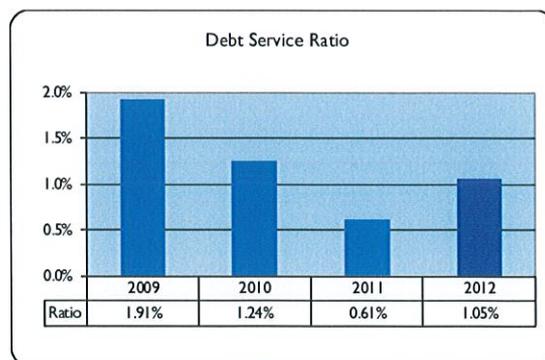
	2012	2011	Change
	\$000	\$000	\$000
<b>Net Current Assets (Working Capital) as per Accounts</b>	<b>13,162</b>	<b>11,425</b>	<b>1,737</b>
<b>Add:</b> Payables, provisions & inventories not expected to be realised in the next 12 months included above	869	556	313
Adjusted Net Current Assets	14,031	11,981	2,050
<b>Add:</b> Budgeted & expected to pay in the next 12 months			
- Borrowings	69	66	3
- Employees leave entitlements	370	399	(29)
- Deposits & retention moneys	107	68	39
<b>Less:</b> Externally restricted assets	(3,703)	(3,416)	(287)
<b>Less:</b> Internally restricted assets	(9,751)	(7,964)	(1,787)
<b>Available Working Capital as at 30 June</b>	<b>1,123</b>	<b>1,134</b>	<b>(11)</b>

The balance of Available Working Capital should be at a level to manage Council's day to day operations including the financing of hard core debtors and inventories and to provide a buffer against unforeseen and unbudgeted expenditures. Taking into consideration the nature and level of the internally restricted assets (Reserves) set aside we are of the opinion that Available Working Capital as at 30 June 2012 was sound.

## 2.3 Debt

Operating revenue (excluding special purpose grants and contributions) required to service debt (loan repayments) was 1.05%.

After repaying principal and interest of \$105,000, Council's debt at 30 June 2012 amounted to \$612,000.



**2.4 Summary**

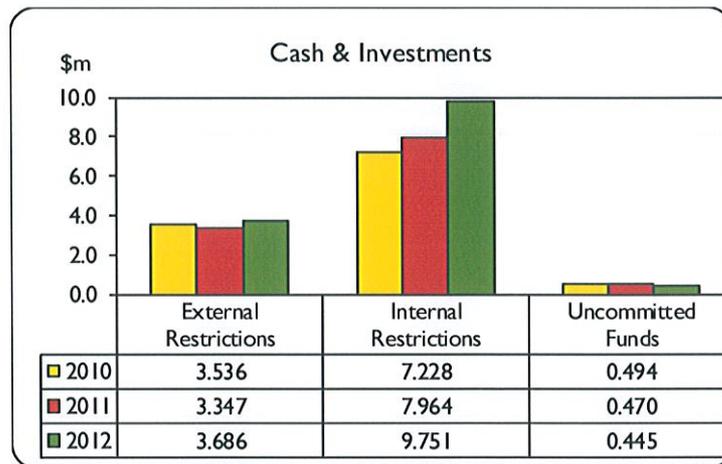
Council's overall financial position, when taking into account the above financial indicators is, in our opinion, sound.

**3. CASH ASSETS**

**3.1 Cash & Investments**

Cash and investments held at the close of the year amounted to \$13.882 million as compared with \$11.781 million and \$11.258 million at the close of financial years 2011 and 2010 respectively. The following table summarises the purposes for which cash and investments were held;

The chart alongside summarises the purposes for which cash and investments were held.



**Externally restricted cash and investments** are restricted in their use by externally imposed requirements and consist of unexpended grants and contributions (\$709,000), domestic waste management charges (\$110,000) and water and sewerage funds (\$2.867 million).

**Internally restricted cash and investments** have been restricted in their use by resolution or policy of Council to reflect forward plans, identified programs of works, and are, in fact, Council's "**Reserves**". These Reserves totalled \$9.751 million and their purposes are more fully disclosed in Notes 6 of the financial statements.

**Unrestricted cash and investments** amounted to \$445,000, which is available to provide liquidity for day to day operations.

### 3.2 Cash Flows

The Statement of Cash Flows illustrates the flow of cash moving in and out of Council during the year and reveals that Cash Assets increased by \$2.101 million to \$13.882 million at the close of the year.

In addition to operating activities which contributed net cash of \$5.182 million were the proceeds from the sale of assets (\$223,000). Cash outflows other than operating activities were used to repay loans (\$66,000) and to purchase and construct assets (\$3.238 million).

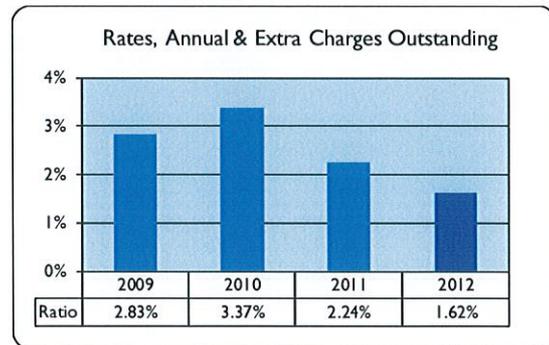
## 4. RECEIVABLES

### 4.1 Rates & Annual Charges

Net rates and annual charges levied during the year totalled \$4.749 million and represented 33.2% of Council's total revenues. Including arrears, the total rates and annual charges collectible was \$4.848 million of which \$4.774 million (98.47%) was collected.

### 4.2 Rates, Annual & Extra Charges

Arrears of rates, annual and extra charges stood at \$79,000 at the end of the year and represented 1.62% of those receivables.



### 4.3 Other Receivables

Receivables (other than Rates & Annual Charges) totalled \$901,000 and included amounts due from other levels of government of \$274,000 and user charges of \$460,000.

## 5. PAYABLES

**Employees Leave Entitlements** - Council's provision for its liability toward employees leave entitlements and associated on costs amounted to \$1.729 million.

A cash reserve of \$370,000 was held at year end representing 21% of this liability and was, in our opinion, sufficient to enable Council to meet unbudgeted and unanticipated retirements.

## 6. REVALUATION OF ASSETS

The revaluation of Council's infrastructure, property, plant and equipment was introduced in a staged approach resulting in all asset categories being carried at fair value. Further revaluations are to be performed at least every five years.

This year saw the revaluation of water and sewerage infrastructure assets. This resulted in a net increase of \$1.973 million and was credited directly to Equity. Notes 1(i) and 9 of the financial statements provide further details.

## 7. MANAGEMENT LETTER

An audit management letter addressing the findings from our interim audit was issued on 6 March 2012. This included our recommendations on possible ways to strengthen and/or improve procedures.

## 8. CONCLUSION

We wish to record our appreciation to your General Manager and his staff for their ready co-operation and the courtesies extended to us during the conduct of the audit and once again commend your staff for the early completion and presentation of the financial statements.

Yours faithfully,

**HILL ROGERS SPENCER STEER**



**BRETT HANGER**  
Partner

# Warren Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2012

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**“Australia's Wool & Cotton Capital”**



## Warren Shire Council

### Special Purpose Financial Statements

for the financial year ended 30 June 2012

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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).
-

## Warren Shire Council

### Special Purpose Financial Statements

for the financial year ended 30 June 2012

### 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:**

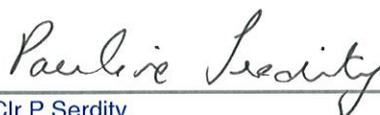
- Present fairly the Operating Result and Financial Position for each of Council's declared Business Activities for the year, and
- Accord with Council's accounting and other records.

**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 26 July 2012.**



Clr NRF Wilson OAM  
MAYOR



Clr P Serdity  
COUNCILLOR



Mr AP Wielinga  
GENERAL MANAGER



Mr DJ Arthur  
RESPONSIBLE ACCOUNTING OFFICER

## Warren Shire Council

## Income Statement of Council's Water Supply Business Activity

for the financial year ended 30 June 2012

\$ '000	Actual 2012	Actual 2011	Actual 2010
<b>Income from continuing operations</b>			
Access charges	290	263	239
User charges	221	222	233
Fees	2	1	-
Interest	32	28	16
Grants and contributions provided for non capital purposes	9	10	12
Profit from the sale of assets	-	-	25
Other income	11	15	-
<b>Total income from continuing operations</b>	<b>565</b>	<b>539</b>	<b>525</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	196	184	197
Borrowing costs	1	1	2
Materials and contracts	283	187	213
Depreciation and impairment	162	157	162
Water purchase charges	16	15	15
Loss on sale of assets	-	-	-
Calculated taxation equivalents	-	-	-
Debt guarantee fee (if applicable)	-	-	-
Other expenses	-	14	-
<b>Total expenses from continuing operations</b>	<b>658</b>	<b>558</b>	<b>589</b>
<b>Surplus (deficit) from Continuing Operations before capital amounts</b>	<b>(93)</b>	<b>(19)</b>	<b>(64)</b>
Grants and contributions provided for capital purposes	-	-	-
<b>Surplus (deficit) from Continuing Operations after capital amounts</b>	<b>(93)</b>	<b>(19)</b>	<b>(64)</b>
Surplus (deficit) from discontinued operations	-	-	-
<b>Surplus (deficit) from ALL Operations before tax</b>	<b>(93)</b>	<b>(19)</b>	<b>(64)</b>
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	-	-
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>(93)</b>	<b>(19)</b>	<b>(64)</b>
plus Opening Retained Profits	4,586	4,605	4,669
plus/less: Prior Period Adjustments	-	-	-
plus/less: Other Adjustments ( <a href="#">details here...</a> )	-	-	-
plus Adjustments for amounts unpaid:			
- Taxation equivalent payments	-	-	-
- Debt guarantee fees	-	-	-
- Corporate taxation equivalent	-	-	-
less:			
- Tax Equivalent Dividend paid	-	-	-
- Surplus dividend paid	-	-	-
<b>Closing Retained Profits</b>	<b>4,493</b>	<b>4,586</b>	<b>4,605</b>
<b>Return on Capital %</b>	<b>-1.4%</b>	<b>-0.3%</b>	<b>0.0%</b>
<b>Subsidy from Council</b>	<b>434</b>	<b>323</b>	<b>358</b>
<b>Calculation of dividend payable:</b>			
Surplus (deficit) after tax	(93)	(19)	(64)
less: Capital grants and contributions (excluding developer contributions)	-	-	-
<b>Surplus for dividend calculation purposes</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Potential Dividend calculated from surplus</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Warren Shire Council

## Income Statement of Council's Sewerage Business Activity

for the financial year ended 30 June 2012

\$ '000	Actual 2012	Actual 2011	Actual 2010
<b>Income from continuing operations</b>			
Access charges	393	391	393
User charges	62	56	57
Liquid Trade Waste charges	-	-	-
Fees	1	1	1
Interest	134	125	99
Grants and contributions provided for non capital purposes	8	9	9
Profit from the sale of assets	-	-	-
Other income	-	-	-
<b>Total income from continuing operations</b>	<b>598</b>	<b>582</b>	<b>559</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	209	193	171
Borrowing costs	-	-	-
Materials and contracts	293	166	196
Depreciation and impairment	139	204	196
Loss on sale of assets	-	-	-
Calculated taxation equivalents	-	-	-
Debt guarantee fee (if applicable)	-	-	-
Other expenses	-	-	-
<b>Total expenses from continuing operations</b>	<b>641</b>	<b>563</b>	<b>563</b>
<b>Surplus (deficit) from Continuing Operations before capital amounts</b>	<b>(43)</b>	<b>19</b>	<b>(4)</b>
Grants and contributions provided for capital purposes	-	-	-
<b>Surplus (deficit) from Continuing Operations after capital amounts</b>	<b>(43)</b>	<b>19</b>	<b>(4)</b>
Surplus (deficit) from discontinued operations	-	-	-
<b>Surplus (deficit) from ALL Operations before tax</b>	<b>(43)</b>	<b>19</b>	<b>(4)</b>
less: Corporate Taxation Equivalent (30%) [based on result before capital]	-	(6)	-
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>(43)</b>	<b>13</b>	<b>(4)</b>
plus Opening Retained Profits	4,615	4,596	4,600
plus/less: Prior Period Adjustments	-	-	-
plus/less: Other Adjustments ( <a href="#">details here...</a> )	-	-	-
<b>plus Adjustments for amounts unpaid:</b>			
- Taxation equivalent payments	-	-	-
- Debt guarantee fees	-	-	-
- Corporate taxation equivalent	-	6	-
<b>less:</b>			
- Tax Equivalent Dividend paid	-	-	-
- Surplus dividend paid	-	-	-
<b>Closing Retained Profits</b>	<b>4,572</b>	<b>4,615</b>	<b>4,596</b>
<b>Return on Capital %</b>	<b>-0.9%</b>	<b>0.6%</b>	<b>-0.1%</b>
<b>Subsidy from Council</b>	<b>280</b>	<b>161</b>	<b>184</b>
<b>Calculation of dividend payable:</b>			
Surplus (deficit) after tax	(43)	13	(4)
less: Capital grants and contributions (excluding developer contributions)	-	-	-
<b>Surplus for dividend calculation purposes</b>	<b>-</b>	<b>13</b>	<b>-</b>
<b>Potential Dividend calculated from surplus</b>	<b>-</b>	<b>7</b>	<b>-</b>

## Warren Shire Council

## Income Statement of Council's Other Business Activities

for the financial year ended 30 June 2012

Mt Foster Quarry

Category 2

\$ '000	Actual 2012	Actual 2011
<b>Income from continuing operations</b>		
Access charges	-	-
User charges	130	16
Fees	-	-
Interest	-	-
Grants and contributions provided for non capital purposes	85	-
Profit from the sale of assets	-	50
Other income	-	-
<b>Total income from continuing operations</b>	<b>215</b>	<b>66</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	5	13
Borrowing costs	-	-
Materials and contracts	38	1
Depreciation and impairment	6	9
Loss on sale of assets	-	-
Calculated taxation equivalents	-	-
Debt guarantee fee (if applicable)	-	-
Other expenses	-	-
<b>Total expenses from continuing operations</b>	<b>49</b>	<b>23</b>
<b>Surplus (deficit) from Continuing Operations before capital amount</b>	<b>166</b>	<b>43</b>
Grants and contributions provided for capital purposes	-	-
<b>Surplus (deficit) from Continuing Operations after capital amounts</b>	<b>166</b>	<b>43</b>
Surplus (deficit) from discontinued operations	-	-
<b>Surplus (deficit) from ALL Operations before tax</b>	<b>166</b>	<b>43</b>
less: Corporate Taxation Equivalent (30%) [based on result before capital]	(50)	(13)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>116</b>	<b>30</b>
plus Opening Retained Profits	504	461
plus/less: Prior Period Adjustments		-
plus/less: Other Adjustments ( <a href="#">details here...</a> )		-
plus Adjustments for amounts unpaid:		
- Taxation equivalent payments	-	-
- Debt guarantee fees	-	-
- Corporate taxation equivalent	50	13
add:		
- Subsidy Paid/Contribution To Operations		-
less:		
- TER dividend paid		-
- Dividend paid		-
<b>Closing Retained Profits</b>	<b>670</b>	<b>504</b>
Return on Capital %	448.6%	100.0%
Subsidy from Council	-	-

## Warren Shire Council

## Balance Sheet of Council's Water Supply Business Activity

as at 30 June 2012

\$ '000	Actual 2012	Actual 2011
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	502	551
Investments	-	-
Receivables	63	66
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
<b>Total Current Assets</b>	<b>565</b>	<b>617</b>
<b>Non-Current Assets</b>		
Investments	-	-
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	6,563	5,846
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
<b>Total non-Current Assets</b>	<b>6,563</b>	<b>5,846</b>
<b>TOTAL ASSETS</b>	<b>7,128</b>	<b>6,463</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Bank Overdraft	-	-
Payables	11	9
Interest bearing liabilities	3	3
Provisions	41	11
<b>Total Current Liabilities</b>	<b>55</b>	<b>23</b>
<b>Non-Current Liabilities</b>		
Payables	-	-
Interest bearing liabilities	6	9
Provisions	-	32
<b>Total Non-Current Liabilities</b>	<b>6</b>	<b>41</b>
<b>TOTAL LIABILITIES</b>	<b>61</b>	<b>64</b>
<b>NET ASSETS</b>	<b>7,067</b>	<b>6,399</b>
<b>EQUITY</b>		
Retained earnings	4,493	4,586
Revaluation reserves	2,574	1,813
Council equity interest	7,067	6,399
Minority equity interest	-	-
<b>TOTAL EQUITY</b>	<b>7,067</b>	<b>6,399</b>

## Warren Shire Council

## Balance Sheet of Council's Sewerage Business Activity

as at 30 June 2012

\$ '000	Actual 2012	Actual 2011
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	2,365	2,280
Investments	-	-
Receivables	14	20
Inventories	-	-
Other	-	-
Non-current assets classified as held for sale	-	-
<b>Total Current Assets</b>	<b>2,379</b>	<b>2,300</b>
<b>Non-Current Assets</b>		
Investments	-	-
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	4,542	3,450
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
<b>Total non-Current Assets</b>	<b>4,542</b>	<b>3,450</b>
<b>TOTAL ASSETS</b>	<b>6,921</b>	<b>5,750</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Bank Overdraft	-	-
Payables	-	-
Interest bearing liabilities	-	-
Provisions	15	8
<b>Total Current Liabilities</b>	<b>15</b>	<b>8</b>
<b>Non-Current Liabilities</b>		
Payables	-	-
Interest bearing liabilities	-	-
Provisions	-	5
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>5</b>
<b>TOTAL LIABILITIES</b>	<b>15</b>	<b>13</b>
<b>NET ASSETS</b>	<b>6,906</b>	<b>5,737</b>
<b>EQUITY</b>		
Retained earnings	4,572	4,615
Revaluation reserves	2,334	1,122
Council equity interest	6,906	5,737
Minority equity interest	-	-
<b>TOTAL EQUITY</b>	<b>6,906</b>	<b>5,737</b>

## Warren Shire Council

## Balance Sheet of Council's Other Business Activities

as at 30 June 2012

Mt Foster Quarry

Category 2

\$ '000	Actual 2012	Actual 2011
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	299	112
Investments	-	-
Receivables	23	3
Inventories	341	376
Other	-	-
Non-current assets classified as held for sale	-	-
<b>Total Current Assets</b>	<b>663</b>	<b>491</b>
<b>Non-Current Assets</b>		
Investments	-	-
Receivables	-	-
Inventories	-	-
Infrastructure, property, plant and equipment	37	43
Investments accounted for using equity method	-	-
Investment property	-	-
Other	-	-
<b>Total Non-Current Assets</b>	<b>37</b>	<b>43</b>
<b>TOTAL ASSETS</b>	<b>700</b>	<b>534</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Bank Overdraft	-	-
Payables	-	-
Interest bearing liabilities	-	-
Provisions	-	-
<b>Total Current Liabilities</b>	<b>-</b>	<b>-</b>
<b>Non-Current Liabilities</b>		
Payables	-	-
Interest bearing liabilities	-	-
Provisions	-	-
Other Liabilities	-	-
<b>Total Non-Current Liabilities</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>
<b>NET ASSETS</b>	<b>700</b>	<b>534</b>
<b>EQUITY</b>		
Retained earnings	670	504
Revaluation reserves	30	30
Council equity interest	<b>700</b>	<b>534</b>
Minority equity interest	-	-
<b>TOTAL EQUITY</b>	<b>700</b>	<b>534</b>

## Warren Shire Council

### Special Purpose Financial Statements

for the financial year ended 30 June 2012

#### 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

## Warren Shire Council

### Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2012

#### 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;

- applicable Australian Accounting Standards,
- other authoritative pronouncements of the Australian Accounting Standards Board,
- Australian Accounting Interpretations,
- 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. They are 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 2

(where gross operating turnover is less than \$2 million)

##### a. Warren Shire Council Water Supply

Comprising the whole of the operations and assets of the water supply systems servicing the towns of Warren, Nevertire and Collie which is established as a Special Rate Fund.

##### b. Warren Shire Council Sewerage Service

Comprising the whole of the operations and assets of the sewerage reticulation and treatment systems servicing the towns of Warren and Nevertire which is established as a Special Rate Fund.

##### c. Mt Foster Quarry

Crushing of quarry materials for road making material.

#### 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 Environment, Climate Change and Water) some 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

## Warren Shire Council

### Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2012

#### Note 1. Significant Accounting Policies (continued)

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 **\$396,000** of combined land values attracts **0%**. From \$396,001 to \$2,421,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$2,421,000, a premium marginal rate of **2.0%** applies.

Payroll Tax – **5.45%** on the value of taxable salaries and wages in excess of \$678,000.

#### Income Tax

An income tax equivalent has been applied on the profits of the business.

Whilst income tax is not a specific cost for the purpose of pricing a good or service, it needs to be taken into account in terms of assessing the rate of return required on capital invested.

Accordingly, the return on capital invested is set at a pre-tax level (gain/(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 GPFS.

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.

#### 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 Business Activities.

#### (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

## Warren Shire Council

### Notes to the Special Purpose Financial Statements for the financial year ended 30 June 2012

#### Note 1. Significant Accounting Policies (continued)

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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 5.21% at 30/6/12.

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.

## Warren Shire Council

## Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2012

## Note 2. Water Supply Business

## Best Practice Management disclosure requirements

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2012

**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	3,105
(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	31,050
(iii)	Cumulative surplus before Dividends for the 3 years to 30 June 2012, less the cumulative dividends paid for the 2 years to 30 June 2011 & 30 June 2010	(176,000)

2012 Surplus	(93,000)	2011 Surplus	(19,000)	2010 Surplus	(64,000)
		2011 Dividend	-	2010 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]	
	- If Dual Water Supplies, Complying Charges [Item 2(g) in Table 1]	YES
(iii)	Sound Water Conservation and Demand Management implemented	YES
(iv)	Sound Drought Management implemented	YES
(v)	Complete Performance Reporting Form (by 15 September each year)	YES
(vi)	a. Integrated Water Cycle Management Evaluation	YES
	b. Complete and implement Integrated Water Cycle Management Strategy	NO

## Warren Shire Council

## Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2012

## Note 2. Water Supply Business

## Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2012

## National Water Initiative (NWI) Financial Performance Indicators

<b>NWI F1</b>	Total Revenue (Water) Total Income (w13) - Grants for the Acquisition of Assets (w11a) - Interest Income (w9)	\$'000	534
<b>NWI F4</b>	Revenue from Residential Usage Charges (Water) Income from Residential Usage Charges (w6b) x 100 divided by the sum of [Income from Residential Usage Charges (w6a) + Income from Residential Access Charges (w6b)]	%	41.39%
<b>NWI F9</b>	Written Down Replacement Cost of Fixed Assets (Water) Written down current cost of system assets (w47)	\$'000	6,291
<b>NWI F11</b>	Operating Cost (OMA) (Water) Management Expenses (w1) + Operational & Maintenance Expenses (w2)	\$'000	427
<b>NWI F14</b>	Capital Expenditure (Water) Acquisition of fixed assets (w16)	\$'000	118
<b>NWI F17</b>	Economic Real Rate of Return (Water) [Total Income (w13) - Interest Income (w9) - Grants for acquisition of assets (w11a) - Operating Costs (NWI F11) - Current Cost Depreciation (w3)] x 100 divided by [Written Down Current Cost of System Assets (w47) + Plant & Equipment (w33b)]	%	-0.84%
<b>NWI F26</b>	Capital Works Grants (Water) Grants for the Acquisition of Assets (w11a)	\$'000	-

Notes: 1. References to w (eg. w12) refer to item numbers within Special Schedules No. 3 & 4 of Council's Annual Financial Statements.

2. The NWI Performance Indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators & Definitions.

# Warren Shire Council

## Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2012

### Note 3. Sewerage Business

#### Best Practice Management disclosure requirements

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2012

#### 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	2,634
(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)	26,340
(iii) Cumulative surplus before dividends for the 3 years to 30 June 2012, less the cumulative dividends paid for the 2 years to 30 June 2011 & 30 June 2010	(33,700)

2012 Surplus	(43,000)	2011 Surplus	13,300	2010 Surplus	(4,000)
		2011 Dividend	-	2010 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]	
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	NO

## Warren Shire Council

## Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2012

## Note 3. Sewerage Business

## Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2012

## National Water Initiative (NWI) Financial Performance Indicators

<b>NWI F2</b>	Total Revenue (Sewerage) Total Income (s14) - Grants for Acquisition of Assets (s12a) - Interest Income (s10)	\$'000	466
<b>NWI F10</b>	Written Down Replacement Cost of Fixed Assets (Sewerage) Written down current cost of system assets (s48)	\$'000	4,368
<b>NWI F12</b>	Operating Cost (Sewerage) Management Expenses (s1) + Operational & Maintenance Expenses (s2)	\$'000	446
<b>NWI F15</b>	Capital Expenditure (Sewerage) Acquisition of Fixed Assets (s17)	\$'000	20
<b>NWI F18</b>	Economic Real Rate of Return (Sewerage) [Total Income (s14) - Interest Income (s10) - Grants for acquisition of Assets (s12a) - Operating cost (NWI F12) - Current cost depreciation (s3)] x 100 divided by [Written down current cost (ie. WDCC) of System Assets (s48) + Plant & Equipment (s34b)]	%	-2.62%
<b>NWI F27</b>	Capital Works Grants (Sewerage) Grants for the Acquisition of Assets (12a)	\$'000	-

National Water Initiative (NWI) Financial Performance Indicators  
Water & Sewer (combined)

<b>NWI F3</b>	Total Income (Water & Sewerage) Total Income (w13 + s14) + Gain/Loss on disposal of assets (w14 + s15) minus Grants for acquisition of assets (w11a + s12a) - Interest Income (w9 + s10)	\$'000	1,000
<b>NWI F8</b>	Revenue from Community Service Obligations (Water & Sewerage) Community Service Obligations (NWI F25) x 100 divided by Total Income (NWI F3)	%	1.70%
<b>NWI F16</b>	Capital Expenditure (Water & Sewerage) Acquisition of Fixed Assets (w16 + s17)	\$'000	138
<b>NWI F19</b>	Economic Real Rate of Return (Water & Sewerage) [Total Income (w13 + s14) - Interest Income (w9 + s10) - Grants for acquisition of assets (w11a + s12a) - Operating Cost (NWI F11 + NWI F12) - Current cost depreciation (w3 + s3)] x 100 divided by [Written down replacement cost of fixed assets (NWI F9 + NWI F10) + Plant & equipment (w33b + s34b)]	%	-1.57%
<b>NWI F20</b>	Dividend (Water & Sewerage) Dividend paid from surplus (2(v) of Note 2 + 2(v) of Note 3)	\$'000	-
<b>NWI F21</b>	Dividend Payout Ratio (Water & Sewerage) Dividend (NWI F20) x 100 divided by Net Profit after tax (NWI F24)	%	0.00%

## Warren Shire Council

## Notes to the Special Purpose Financial Statements

for the financial year ended 30 June 2012

## Note 3. Sewerage Business

## Best Practice Management disclosure requirements (continued)

Dollars Amounts shown below are in WHOLE DOLLARS (unless otherwise indicated)

2012

National Water Initiative (NWI) Financial Performance Indicators  
Water & Sewer (combined)

<b>NWI F22</b>	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)]	%	-20.45%
<b>NWI F23</b>	Interest Cover (Water & Sewerage) Earnings before Interest & Tax (EBIT) divided by Net Interest  Earnings before Interest & Tax (EBIT): - 174 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: - 162 Interest Expense (w4a + s4a) - Interest Income (w9 + s10)		-
<b>NWI F24</b>	Net Profit After Tax (Water & Sewerage) Surplus before dividends (w15a + s16a) - Tax equivalents paid (Note 2-1(iv) + Note 3-1(iv))	\$'000	(136)
<b>NWI F25</b>	Community Service Obligations (Water & Sewerage) Grants for Pensioner Rebates (w11b + s12b)	\$'000	17

Notes: 1. References to w (eg. s12) refer to item numbers within Special Schedules No. 5 & 6 of Council's Annual Financial Statements.

2. The NWI Performance Indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators & Definitions.

**WARREN SHIRE COUNCIL**  
**SPECIAL PURPOSE FINANCIAL STATEMENTS**  
**INDEPENDENT AUDITORS' REPORT**

---

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying *special purpose financial statements* of **Warren Shire Council**, which comprises the Balance Sheet as at 30 June 2012, Income Statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Statement by Councillors and Management.

***Responsibility of Council for the Financial Statements***

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with the Local Government Act 1993 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 Division of Local Government. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant 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. 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. Our audit responsibility does not extend to the best practice management disclosures in Notes 2 and 3 and, accordingly, no opinion is expressed on these disclosures.

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 Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements.

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Our audit did not involve an analysis of the prudence of business decisions made by Council or management.

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

**Independence**

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

**Auditor's Opinion**

In our opinion, the special purpose financial statements of the Council are presented fairly in accordance with the requirements of those applicable Accounting Standards detailed in Note I and the Local Government Code of Accounting Practice and Financial Reporting.

**Basis of Accounting**

Without modifying our opinion, we draw attention to Note I to the financial statements, which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the requirements of the Division of Local Government. As a result, the financial statements may not be suitable for another purpose.

**HILL ROGERS SPENCER STEER**



**BRETT HANGER**

Partner

Dated at Warren this 22<sup>nd</sup> day of August 2012

# Warren Shire Council

SPECIAL SCHEDULES  
for the year ended 30 June 2012

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**“Australia's Wool & Cotton Capital”**



# Warren Shire Council

## Special Schedules

for the financial year ended 30 June 2012

Contents		Page
<b>Special Schedules<sup>1</sup></b>		
- Special Schedule No. 1	Net Cost of Services	2
- Special Schedule No. 2	Statement of Long Term Debt (all purposes)	4
- Special Schedule No. 3	Water Supply - Income Statement	5
- Special Schedule No. 4	Water Supply - Balance Sheet	9
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<sup>1</sup> Special Purpose Schedules are not audited.

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### Background

- (i) These Special Schedules have been designed to meet the requirements of special purpose users such as;
- the NSW Grants Commission
  - the Australian Bureau of Statistics (ABS),
  - the NSW Office of Water,
  - the Department of Environment, Climate Change and Water, and
  - the Division of Local Government (DLG).
- (ii) The financial data is collected for various uses including;
- the allocation of Financial Assistance Grants,
  - the incorporation of Local Government financial figures in national statistics,
  - the monitoring of loan approvals,
  - the allocation of borrowing rights, and
  - the monitoring of the financial activities of specific services.

## Warren Shire Council

## Special Schedule No. 1 - Net Cost of Services

for the financial year ended 30 June 2012

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
<b>Governance</b>	<b>202</b>	-	-	<b>(202)</b>
<b>Administration</b>	<b>2,463</b>	<b>224</b>	-	<b>(2,239)</b>
<b>Public Order and Safety</b>				
Fire Service Levy, Fire Protection, Emergency Services	174	42	-	(132)
Enforcement of Local Govt. Regulations	-	1	-	1
Animal Control	79	3	-	(76)
<b>Total Public Order &amp; Safety</b>	<b>253</b>	<b>46</b>	-	<b>(207)</b>
<b>Health</b>	<b>226</b>	<b>1</b>	-	<b>(225)</b>
<b>Environment</b>				
Noxious Plants and Insect/Vermin Control	88	-	-	(88)
<b>Total Environment</b>	<b>88</b>	-	-	<b>(88)</b>
<b>Community Services and Education</b>				
Youth Services	49	28	-	(21)
Other Community Services	1	1	-	-
<b>Total Community Services &amp; Education</b>	<b>50</b>	<b>29</b>	-	<b>(21)</b>
<b>Housing and Community Amenities</b>				
Housing	47	33	-	(14)
Town Planning	8	24	-	16
Solid Waste Management	293	229	-	(64)
Street Cleaning	116	-	-	(116)
Drainage	65	-	-	(65)
Other Environmental Protection	345	213	-	(132)
Public Cemeteries	52	17	-	(35)
Other Community Amenities	3	-	-	(3)
<b>Total Housing and Community Amenities</b>	<b>929</b>	<b>516</b>	-	<b>(413)</b>
<b>Water Supplies</b>	<b>631</b>	<b>521</b>	-	<b>(110)</b>
<b>Sewerage Services</b>	<b>614</b>	<b>564</b>	-	<b>(50)</b>

## Warren Shire Council

## Special Schedule No. 1 - Net Cost of Services (continued)

for the financial year ended 30 June 2012

\$'000

Function or Activity	Expenses from Continuing Operations	Income from continuing operations		Net Cost of Services
		Non Capital	Capital	
<b>Recreation and Culture</b>				
Public Libraries	297	90	-	(207)
Other Cultural Services	8	-	-	(8)
Swimming Pools	187	44	-	(143)
Sporting Grounds and Venues	443	32	-	(411)
Parks & Gardens	269	-	-	(269)
Other Sport and Recreation	302	8	-	(294)
<b>Total Recreation and Culture</b>	<b>1,506</b>	<b>174</b>	<b>-</b>	<b>(1,332)</b>
<b>Mining, Manufacturing and Construction</b>				
Building Control	-	2	-	2
Other Mining, Manufacturing & Construction	51	135	-	84
<b>Total Mining, Manufacturing and Const.</b>	<b>51</b>	<b>137</b>	<b>-</b>	<b>86</b>
<b>Transport and Communication</b>				
Urban Roads (UR) - Local	229	-	-	(229)
Urban Roads - Regional	-	-	-	-
Sealed Rural Roads (SRR) - Local	863	915	-	52
Sealed Rural Roads (SRR) - Regional	1,207	1,672	-	465
Unsealed Rural Roads (URR) - Local	1,921	195	-	(1,726)
Unsealed Rural Roads (URR) - Regional	199	1,076	-	877
Bridges on SRR - Local	109	-	-	(109)
Bridges on URR - Local	52	-	-	(52)
Bridges on Regional Roads	57	-	-	(57)
Footpaths	45	-	-	(45)
Aerodromes	55	7	-	(48)
Parking Areas	1	-	-	(1)
RMS Works - State Roads	575	717	-	142
Street Lighting	77	25	-	(52)
Other Transport & Communication	75	9	-	(66)
<b>Total Transport and Communication</b>	<b>5,465</b>	<b>4,616</b>	<b>-</b>	<b>(849)</b>
<b>Economic Affairs</b>				
Camping Areas & Caravan Parks	6	5	-	(1)
Tourism & Economic Development	81	34	-	(47)
Other Economic Affairs	116	239	-	123
<b>Total Economic Affairs</b>	<b>203</b>	<b>278</b>	<b>-</b>	<b>75</b>
<b>Totals – Functions</b>	<b>12,681</b>	<b>7,106</b>	<b>-</b>	<b>(5,575)</b>
<b>General Purpose Revenues<sup>(2)</sup></b>		<b>7,191</b>		<b>7,191</b>
<b>Share of interests - joint ventures &amp; associates using the equity method</b>	<b>-</b>	<b>6</b>		<b>6</b>
<b>NET OPERATING RESULT<sup>(1)</sup></b>	<b>12,681</b>	<b>14,303</b>	<b>-</b>	<b>1,622</b>

(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)

Special Schedule No. 2 - Statement of Long Term Debt (all purpose)

for the financial year ended 30 June 2012

\$'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
<b>Loans (by Source)</b>											
Treasury Corporation	28	252	<b>280</b>	-	28	-	-	-	28	224	<b>252</b>
Financial Institutions	38	475	<b>513</b>	-	38	-	-	39	41	434	<b>475</b>
<b>Total Loans</b>	<b>66</b>	<b>727</b>	<b>793</b>	<b>-</b>	<b>66</b>	<b>-</b>	<b>-</b>	<b>39</b>	<b>69</b>	<b>658</b>	<b>727</b>
<b>Total Debt</b>	<b>66</b>	<b>727</b>	<b>793</b>	<b>-</b>	<b>66</b>	<b>-</b>	<b>-</b>	<b>39</b>	<b>69</b>	<b>658</b>	<b>727</b>

Notes: Excludes (i) Internal Loans & (ii) Principal Inflows/Outflows relating to Loan Re-Financing.

This Schedule is prepared using the **face value** of debt obligations, rather than **fair value** (which are reported in the GPFS).

## Warren Shire Council

## Special Schedule No. 3 - Water Supply Income Statement

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2012

\$'000	Actuals 2012	Actuals 2011
<b>A Expenses and Income</b>		
<b>Expenses</b>		
<b>1. Management expenses</b>		
a. Administration	90	66
b. Engineering and Supervision	49	69
<b>2. Operation and Maintenance expenses</b>		
<b>- Dams &amp; Weirs</b>		
a. Operation expenses	-	-
b. Maintenance expenses	-	-
<b>- Mains</b>		
c. Operation expenses	23	22
d. Maintenance expenses	89	75
<b>- Reservoirs</b>		
e. Operation expenses	2	6
f. Maintenance expenses	2	3
<b>- Pumping Stations</b>		
g. Operation expenses (excluding energy costs)	16	12
h. Energy costs	52	35
i. Maintenance expenses	46	12
<b>- Treatment</b>		
j. Operation expenses (excluding chemical costs)	14	5
k. Chemical costs	20	15
l. Maintenance expenses	-	-
<b>- Other</b>		
m. Operation expenses	5	3
n. Maintenance expenses	3	7
o. Purchase of water	16	15
<b>3. Depreciation expenses</b>		
a. System assets	153	152
b. Plant and equipment	9	5
<b>4. Miscellaneous expenses</b>		
a. Interest expenses	1	1
b. Revaluation Decrements	-	-
c. Other expenses	68	55
d. Tax Equivalent Dividends (actually paid)	-	-
<b>5. Total expenses</b>	<b>658</b>	<b>558</b>

## Warren Shire Council

## Special Schedule No. 3 - Water Supply Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2012

\$'000	Actuals 2012	Actuals 2011
<b>Income</b>		
<b>6. Residential charges</b>		
a. Access (including rates)	262	238
b. Usage charges	185	186
<b>7. Non-residential charges</b>		
a. Access (including rates)	28	25
b. Usage charges	36	34
<b>8. Extra charges</b>	1	1
<b>9. Interest income</b>	31	27
<b>10. Other income</b>	13	18
<b>11. Grants</b>		
a. Grants for acquisition of assets	-	-
b. Grants for pensioner rebates	9	10
c. Other grants	-	-
<b>12. Contributions</b>		
a. Developer charges	-	-
b. Developer provided assets	-	-
c. Other contributions	-	-
<b>13. Total income</b>	<u>565</u>	<u>539</u>
<b>14. Gain (or loss) on disposal of assets</b>	-	-
<b>15. Operating Result</b>	<u>(93)</u>	<u>(19)</u>
<b>15a. Operating Result (less grants for acquisition of assets)</b>	(93)	(19)

## Warren Shire Council

## Special Schedule No. 3 - Water Supply Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2012

\$'000	Actuals 2012	Actuals 2011
<b>B Capital transactions</b>		
<b>Non-operating expenditures</b>		
<b>16. Acquisition of Fixed Assets</b>		
a. New Assets for Improved Standards	-	-
b. New Assets for Growth	-	-
c. Renewals	-	-
d. Plant and equipment	118	8
<b>17. Repayment of debt</b>		
a. Loans	3	3
b. Advances	-	-
c. Finance leases	-	-
<b>18. Transfer to sinking fund</b>	-	-
<b>19. Totals</b>	<b>121</b>	<b>11</b>
<b>Non-operating funds employed</b>		
<b>20. Proceeds from disposal of assets</b>	-	-
<b>21. Borrowing utilised</b>		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
<b>22. Transfer from sinking fund</b>	-	-
<b>23. Totals</b>	<b>-</b>	<b>-</b>
<b>C Rates and charges</b>		
<b>24. Number of assessments</b>		
a. Residential (occupied)	878	878
b. Residential (unoccupied, ie. vacant lot)	65	65
c. Non-residential (occupied)	92	92
d. Non-residential (unoccupied, ie. vacant lot)	-	-
<b>25. Number of ETs for which developer charges were received</b>	- ET	- ET
<b>26. Total amount of pensioner rebates (actual dollars)</b>	\$ 17,150	\$ 17,587

## Warren Shire Council

## Special Schedule No. 3 - Water Supply Cross Subsidies

for the financial year ended 30 June 2012

\$'000	Yes	No	Amount
<b>D Best practice annual charges and developer charges*</b>			
<b>27. Annual charges</b>			
a. Does Council have best-practice water supply annual charges and usage charges*?	<input type="checkbox"/> Yes	<input type="checkbox"/>	
If Yes, go to 28a.			
If No, please report if council has removed <b>land value</b> from access charges (ie rates)?			
<p><b>NB.</b> Such charges for both residential customers and non-residential customers comply with section 3.2 of Water Supply, Sewerage and Trade Waste Pricing Guidelines, NSW Office of Water, December, 2002. Such charges do not involve significant cross subsidies.</p>			
b. Cross-subsidy <b>from</b> residential customers using less than allowance (page 25 of Guidelines)			-
c. Cross-subsidy <b>to</b> non-residential customers (page 24 of Guidelines)			-
d. Cross-subsidy <b>to</b> large connections in unmetered supplies (page 26 of Guidelines)			-
<b>28. Developer charges</b>			
a. Has council completed a water supply Development Servicing** Plan?	<input type="checkbox"/>	<input type="checkbox"/> No	
b. Total cross-subsidy in water supply developer charges for 2011/12 (page 47 of Guidelines)			-
** In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, NSW Office of Water, December, 2002.			
<b>29. Disclosure of cross-subsidies</b>			
<b>Total of cross-subsidies (27b +27c + 27d + 28b)</b>			-

\* 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.

## Warren Shire Council

## Special Schedule No. 4 - Water Supply Balance Sheet

Includes INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
as at 30 June 2012

\$'000	Actuals Current	Actuals Non Current	Actuals Total
<b>ASSETS</b>			
<b>30. Cash and investments</b>			
a. Developer charges	-	-	-
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	502	-	502
<b>31. Receivables</b>			
a. Specific purpose grants	-	-	-
b. Rates and Availability Charges	9	-	9
c. Other (including User Charges)	54	-	54
<b>32. Inventories</b>	-	-	-
<b>33. Property, plant and equipment</b>			
a. System assets	-	6,291	6,291
b. Plant and equipment	-	272	272
<b>34. Other assets</b>	-	-	-
<b>35. Total assets</b>	<u>565</u>	<u>6,563</u>	<u>7,128</u>
<b>LIABILITIES</b>			
<b>36. Bank overdraft</b>	-	-	-
<b>37. Creditors</b>	11	-	11
<b>38. Borrowings</b>			
a. Loans	3	6	9
b. Advances	-	-	-
c. Finance leases	-	-	-
<b>39. Provisions</b>			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	41	-	41
<b>40. Total liabilities</b>	<u>55</u>	<u>6</u>	<u>61</u>
<b>41. NET ASSETS COMMITTED</b>	<u>510</u>	<u>6,557</u>	<u>7,067</u>
<b>EQUITY</b>			
<b>42. Accumulated surplus</b>			4,493
<b>43. Asset revaluation reserve</b>			2,574
<b>44. TOTAL EQUITY</b>			<u>7,067</u>
<b>Note to system assets:</b>			
<b>45. Current replacement cost</b> of system assets			12,740
<b>46. Accumulated current cost</b> depreciation of system assets			(6,449)
<b>47. Written down current cost</b> of system assets			<u>6,291</u>

## Warren Shire Council

## Special Schedule No. 5 - Sewerage Income Statement

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2012

\$'000	Actuals 2012	Actuals 2011
<b>A Expenses and Income</b>		
<b>Expenses</b>		
<b>1. Management expenses</b>		
a. Administration	94	70
b. Engineering and Supervision	61	77
<b>2. Operation and Maintenance expenses</b>		
<b>- Mains</b>		
a. Operation expenses	6	11
b. Maintenance expenses	46	34
<b>- Pumping Stations</b>		
c. Operation expenses (excluding energy costs)	2	1
d. Energy costs	27	21
e. Maintenance expenses	42	44
<b>- Treatment</b>		
f. Operation expenses (excl. chemical, energy, effluent & biosolids management costs)	76	50
g. Chemical costs	-	-
h. Energy costs	4	1
i. Effluent Management	-	-
j. Biosolids Management	-	-
k. Maintenance expenses	88	28
<b>- Other</b>		
l. Operation expenses	-	-
m. Maintenance expenses	-	-
<b>3. Depreciation expenses</b>		
a. System assets	128	201
b. Plant and equipment	11	3
<b>4. Miscellaneous expenses</b>		
a. Interest expenses	-	-
b. Revaluation Decrements	-	-
c. Other expenses	56	22
d. Tax Equivalent Dividends (actually paid)	-	-
<b>5. Total expenses</b>	<b>641</b>	<b>563</b>

## Warren Shire Council

## Special Schedule No. 5 - Sewerage Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2012

\$'000	Actuals 2012	Actuals 2011
<b>Income</b>		
<b>6. Residential charges</b> (including rates)	351	349
<b>7. Non-residential charges</b>		
a. Access (including rates)	42	42
b. Usage charges	62	56
<b>8. Trade Waste Charges</b>		
a. Annual Fees	-	-
b. Usage charges	-	-
c. Excess mass charges	-	-
d. Re-inspection fees	-	-
<b>9. Extra charges</b>	2	2
<b>10. Interest income</b>	132	123
<b>11. Other income</b>	1	1
<b>12. Grants</b>		
a. Grants for acquisition of assets	-	-
b. Grants for pensioner rebates	8	9
c. Other grants	-	-
<b>13. Contributions</b>		
a. Developer charges	-	-
b. Developer provided assets	-	-
c. Other contributions	-	-
<b>14. Total income</b>	<u>598</u>	<u>582</u>
<b>15. Gain (or loss) on disposal of assets</b>	-	-
<b>16. Operating Result</b>	<u>(43)</u>	<u>19</u>
<b>16a. Operating Result (less grants for acquisition of assets)</b>	(43)	19

## Warren Shire Council

## Special Schedule No. 5 - Sewerage Income Statement (continued)

Includes ALL INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
for the financial year ended 30 June 2012

\$'000	Actuals 2012	Actuals 2011
<b>B Capital transactions</b>		
<b>Non-operating expenditures</b>		
<b>17. Acquisition of Fixed Assets</b>		
a. New Assets for Improved Standards	-	-
b. New Assets for Growth	-	-
c. Renewals	-	-
d. Plant and equipment	20	14
<b>18. Repayment of debt</b>		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
<b>19. Transfer to sinking fund</b>	-	-
<b>20. Totals</b>	<b>20</b>	<b>14</b>
<b>Non-operating funds employed</b>		
<b>21. Proceeds from disposal of assets</b>	-	-
<b>22. Borrowing utilised</b>		
a. Loans	-	-
b. Advances	-	-
c. Finance leases	-	-
<b>23. Transfer from sinking fund</b>	-	-
<b>24. Totals</b>	-	-
<b>C Rates and charges</b>		
<b>25. Number of assessments</b>		
a. Residential (occupied)	770	768
b. Residential (unoccupied, ie. vacant lot)	19	19
c. Non-residential (occupied)	89	89
d. Non-residential (unoccupied, ie. vacant lot)		-
<b>26. Number of ETs for which developer charges were received</b>	- ET	- ET
<b>27. Total amount of pensioner rebates (actual dollars)</b>	\$ 15,575	\$ 15,925

## Warren Shire Council

## Special Schedule No. 5 - Sewerage Cross Subsidies

for the financial year ended 30 June 2012

\$'000	Yes	No	Amount
<b>D Best practice annual charges and developer charges*</b>			
<b>28. Annual charges</b>			
a. Does Council have best-practice sewerage annual charges, usage charges and trade waste fees & charges*?	<input type="checkbox"/>	<input type="checkbox"/> No	
If Yes, go to 29a. If No, please report if council has removed <b>land value</b> from access charges (ie rates)?	<input type="checkbox"/> Yes	<input type="checkbox"/>	
<b>NB.</b> 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 <b>to</b> non-residential customers (page 45 of Guidelines)			<input type="text"/>
c. Cross-subsidy <b>to</b> trade waste discharges (page 46 of Guidelines)			<input type="text"/>
<b>29. Developer charges</b>			
a. Has council completed a sewerage Development Servicing** Plan?	<input type="checkbox"/>	<input type="checkbox"/> No	
b. Total cross-subsidy in sewerage developer charges for 2011/12 (page 47 of Guidelines)			<input type="text"/>
** In accordance with page 9 of Developer Charges Guidelines for Water Supply, Sewerage and Stormwater, NSW Office of Water, December, 2002.			
<b>30. Disclosure of cross-subsidies</b>			
<b>Total of cross-subsidies (28b + 28c + 29b)</b>			<input type="text"/> -
* Councils which have not yet implemented best practice sewer pricing & liquid waste pricing should disclose cross-subsidies in items 28b and 28c above.			
However, disclosure of cross-subsidies is <b>not</b> 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.			

## Warren Shire Council

## Special Schedule No. 6 - Sewerage Balance Sheet

Includes INTERNAL TRANSACTIONS, ie. prepared on a Gross Basis.  
as at 30 June 2012

\$'000	Actuals Current	Actuals Non Current	Actuals Total
<b>ASSETS</b>			
<b>31. Cash and investments</b>			
a. Developer charges	-	-	-
b. Special purpose grants	-	-	-
c. Accrued leave	-	-	-
d. Unexpended loans	-	-	-
e. Sinking fund	-	-	-
f. Other	2,365	-	2,365
<b>32. Receivables</b>			
a. Specific purpose grants	-	-	-
b. Rates and Availability Charges	12	-	12
c. Other (including User Charges)	2	-	2
<b>33. Inventories</b>	-	-	-
<b>34. Property, plant and equipment</b>			
a. System assets	-	4,368	4,368
b. Plant and equipment	-	174	174
<b>35. Other assets</b>	-	-	-
<b>36. Total Assets</b>	<u>2,379</u>	<u>4,542</u>	<u>6,921</u>
<b>LIABILITIES</b>			
<b>37. Bank overdraft</b>	-	-	-
<b>38. Creditors</b>	-	-	-
<b>39. Borrowings</b>			
a. Loans	-	-	-
b. Advances	-	-	-
c. Finance leases	-	-	-
<b>40. Provisions</b>			
a. Tax equivalents	-	-	-
b. Dividend	-	-	-
c. Other	15	-	15
<b>41. Total Liabilities</b>	<u>15</u>	<u>-</u>	<u>15</u>
<b>42. NET ASSETS COMMITTED</b>	<u>2,364</u>	<u>4,542</u>	<u>6,906</u>
<b>EQUITY</b>			
<b>42. Accumulated surplus</b>			4,572
<b>44. Asset revaluation reserve</b>			2,334
<b>45. TOTAL EQUITY</b>			<u>6,906</u>
<b>Note to system assets:</b>			
<b>46. Current replacement cost</b> of system assets			12,478
<b>47. Accumulated current cost</b> depreciation of system assets			(8,110)
<b>48. Written down current cost</b> of system assets			<u>4,368</u>

## Warren Shire Council

### Notes to Special Schedule No.'s 3 & 5

for the financial year ended 30 June 2012

#### Administration<sup>(1)</sup>

(item 1a of Special Schedules 3 and 5) comprises the following:

- Administration staff:
  - Salaries and allowance
  - Travelling expenses
  - Accrual of leave entitlements
  - Employment overheads.
- Meter reading.
- Bad and doubtful debts.
- Other administrative/corporate support services.

#### Engineering and supervisor<sup>(1)</sup>

(item 1b of Special Schedules 3 and 5) comprises the following:

- Engineering staff:
  - Salaries and allowance
  - Travelling expenses
  - Accrual of leave entitlements
  - Employment overheads.
- Other technical and supervision staff:
  - Salaries and allowance
  - Travelling expenses
  - Accrual of leave entitlements
  - Employment overheads.

**Operational expenses** (item 2 of Special Schedules 3 and 5) comprise the day to day operational expenses excluding maintenance expenses.

**Maintenance expenses** (item 2 of Special Schedules 3 and 5) comprise the day to day repair and maintenance expenses. (Refer to Section 5 of the Local Government Asset Accounting Manual regarding capitalisation principles and the distinction between capital and maintenance expenditure).

**Other expenses** (item 4c of Special Schedules 3 and 5) includes all expenses not recorded elsewhere.

**Revaluation decrements** (item 4b of Special Schedules 3 and 5) is to be used when I,PP&E decreases in FV.

**Residential charges<sup>(2)</sup>** (items 6a, 6b and item 6 of Special Schedules 3 and 5 respectively) include all income from residential charges. Item 6 of Schedule 3 should be separated into 6a Access Charges (including rates if applicable) and 6b Usage Charges.

**Non-residential charges<sup>(2)</sup>** (items 7a, 7b of Special Schedules 3 and 5) include all income from non-residential charges separated into 7a Access Charges (including rates if applicable) and 7b Usage Charges.

**Trade waste charges** (item 8 of Special Schedule 5) include all income from trade waste charges separated into 8a Annual Fees, 8b Usage Charges and 8c Excess Mass Charges and 8d Re-inspection Fees.

**Other income** (items 10 and 11 of Special Schedules 3 and 5 respectively) include all income not recorded elsewhere.

**Other contributions** (items 12c and 13c of Special Schedules 3 and 5 respectively) incl. capital contributions for water supply or sewerage services received by Council under Section 565 of the Local Government Act.

#### Notes:

<sup>(1)</sup> Administration and engineering costs for the development of capital works projects should be reported as part of the capital cost of the project and not as part of the recurrent expenditure (ie. in item 16 for water supply and item 17 for sewerage, and **not** in items 1a and 1b).

<sup>(2)</sup> To enable accurate reporting of **residential revenue from usage charges**, it is essential for councils to accurately separate their residential (item 6) charges and non-residential (item 7) charges.





## Warren Shire Council

## Special Schedule No. 8 - Financial Projections

as at 30 June 2012

\$'000	Actual <sup>(1)</sup> 11/12	Forecast 12/13	Forecast 13/14	Forecast <sup>(3)</sup> 14/15	Forecast <sup>(3)</sup> 15/16
<b>(i) OPERATING BUDGET</b>					
Income from continuing operations	14,303	11,549	11,873	12,164	12,464
Expenses from continuing operations	12,681	12,122	12,700	12,970	13,248
<b>Operating Result from Continuing Operations</b>	<b>1,622</b>	<b>(573)</b>	<b>(827)</b>	<b>(806)</b>	<b>(784)</b>
<b>(ii) CAPITAL BUDGET</b>					
New Capital Works <sup>(2)</sup>	1,077	-	-	-	-
Replacement/Refurbishment of Existing Assets	2,380	4,523	4,228	4,272	3,381
<b>Total Capital Budget</b>	<b>3,457</b>	<b>4,523</b>	<b>4,228</b>	<b>4,272</b>	<b>3,381</b>
<b>Funded by:</b>					
- Loans	-	-	-	-	-
- Asset sales	223	72	17	17	17
- Reserves	571	1,207	1,000	1,170	400
- Grants/Contributions	1,550	1,417	1,443	1,477	1,477
- Recurrent revenue	1,113	1,827	1,768	1,608	1,487
- Other	-	-	-	-	-
	<b>3,457</b>	<b>4,523</b>	<b>4,228</b>	<b>4,272</b>	<b>3,381</b>

**Notes:**

(1) From 11/12 Income Statement.

(2) New Capital Works are major non-recurrent projects, eg new Leisure Centre, new Library, new Swimming pool etc.

(3) If Council has only adopted 3 years of projections then only show 3 years.

(4) Financial Projections should be in accordance with Council's Integrated Planning &amp; Reporting framework.

## PERFORMANCE CRITERIA

*A comparison of the Council's actual performance of its principal activities during 2011/2012 (measured in accordance with the criteria set out in the relevant management plan) with the Council's projected performance of those activities (as contained in the relevant management plan), together with a statement of the reasons for any difference between them:*

See following Principle Activities tables for comparative performance review.

PRINCIPLE ACTIVITY: Administration

DIVISION: General Manager

ACTIVITY: CORPORATE SERVICES

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
To provide a structure and function that will facilitate and enhance the Council's role and performance of its charter.	Review Council Committees and Administrative support on an annual basis	Annual Senior staff performance reviews.  Local Government Act requirements to be met.	Report to Council.  Review of Council Structure.
<p><b>ACTION TAKEN</b></p> <p>Council committees reviewed. Local Government Act requirements met.</p>			

PRINCIPLE ACTIVITY: Administration

DIVISION: Finance and Administration

ACTIVITY: ADMINISTRATION SERVICES

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
To provide administrative services to Council and staff to enable functions and services to be undertaken efficiently, effectively and safely with a quality customer service focus.	To promote timely and quality dissemination of information to the community, as well as internally throughout the Council organisation.	Manex to review and monitor systems for information distribution where appropriate.	Review annually
	To promote quality customer services with all Council employees.	To develop customer focus training and induction, and actively to promote quality customer service.	Customer satisfaction.
	To review business papers to improve information provided to elected members and the public.	Manex to regularly review any follow up procedures from Council meetings.	Council determination.
<p><b>ACTION TAKEN</b></p> <p>Weekly column in local media. Customer action request/complaint register continued, various action checklists in place and ongoing. Business Paper format reviewed. Manex actively monitoring services.</p>			

PRINCIPLE ACTIVITY: Administration

DIVISION: Finance and Administration

ACTIVITY: FINANCIAL SERVICES

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
To provide timely and accurate internal and external financial reports for efficient financial management and public accountability.	To ensure compliance with statutory and auditor requirements for financial reporting and public accountability by the due dates.	Ongoing review, and compliance of all statutory and audit requirements, with such taking into account adequate staff and training resources.	Reporting on time to auditors, Ministers and the general public.
To provide efficient and effective financial resource management for revenue, expenses and public accountability.	To provide for revenue and expenses in a fair and competent manner with due regard for Council's financial position and public accountability.	To issue rate notices, processing of debtors and creditors, ongoing investment management review and financial planning by necessary staff and training.	Council determination.  Council's financial reporting analysis.
<p><b>ACTION TAKEN</b></p> <p>All financial reports on time and available to public. Quarterly report on Management Plan and Estimates provided. Monthly reports on specific works. Internal Auditors and Audit Risk Management Committee appointed.</p>			

PRINCIPLE ACTIVITY: Administration

DIVISION: Finance and Administration

ACTIVITY: HUMAN RESOURCES SERVICES

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
To provide human resource services and advice to management and staff to facilitate an efficient and effective management of Council's human resources.	Review staff training and development.	Council's Consultative Committee and Sub-Committees to co-ordinate and review progress.	Adoption of Training Plan for individuals following performance appraisals
	Review of the EEO Management Plan.	Management to investigate and recommend.	Review of EEO Plan.
	To implement systems for performance management and staff review.	Council's Consultative Committee to review. Management to investigate and recommend.	Review of complaints. Review salary system
	Ensure OH & S Policies are implemented	Develop a WHS Management Plan	Compliance and implementation of WHS Management Plan
<p><b>ACTION TAKEN</b></p> <p>Salary system in place. Competencies and Skills under ongoing review. Relevant training in place.                      Performance appraisals ongoing. Consultative Committee back in place.                      WHS Committee having trouble getting quorum. EEO Policy not reviewed.</p>			

PRINCIPLE ACTIVITY: Public Order and Safety

DIVISION: All Departments

ACTIVITY: FIRE PROTECTION AND EMERGENCY SERVICES

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
To provide adequate resources to ensure acceptable fire protection services for the Shire through the Rural Fire Service and the NSW Fire Brigade.	To provide fire protection in line with the Service Level Agreements	<ul style="list-style-type: none"> <li>▪ Review of existing plans and service level agreements</li> <li>▪ Participate in committees</li> </ul>	Annual review of Risk Management and Operational Plans and Service Level Agreement  Committee attendance
To provide Local Emergency Management Committee and Operations Controller with the necessary management, administrative support and planning as required under the Emergency Services Management Act.	Ensure Displan up to date	To maintain and regularly review the Local Emergency Management Plan	DISPLAN update sign off.
	To provide an adequate Local Emergency Operations Centre with all the necessary administrative, management and technical support.	Provide resources and undertaken building inspection of EOC	Condition report of Operations Centre.
<p><b>ACTION TAKEN</b></p> <p>Rural Fire Service (RFS) Zone in place and operational. Displan review in progress.</p>			

PRINCIPLE ACTIVITY: Health

DIVISION: Health and Development

ACTIVITY: ANIMAL CONTROL AND REGULATION ENFORCEMENT

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
<p>To provide Dog, Cat and other Animal Control services to meet the demands of the community.</p>	<p>Timely input of data into Companion Animal Register.</p>	<p>Input data when received.</p>	<p>Analyse number of dogs registered.</p>
	<p>Attend to complaints concerning nuisances caused by animals.</p>	<p>Develop procedures for investigation of complaints regarding animals.  Public awareness campaign for promotion of de-sexing of dogs &amp; cats.</p>	<p>Analyse number of complaints and satisfactory conclusions.  Review Ranger performance</p>
	<p>To ensure that companion animals are kept in a manner consistent with legislation.</p>	<p>Educate community in regard to the keeping of companion animals.  Develop procedures to identify potentially dangerous dogs and restricted breeds.  Regularly patrol public areas and stock reserves.</p>	<p>Number of complaints attended to and resolved.  Adherence to procedures.  Report to DLG and Council reserves.</p>
	<p>To ensure all companion animals kept in the Warren Local Government Area that are required to be, are identified and registered.</p>	<p>Promote the identification and registration of dogs.</p>	<p>Analyse number of companion animals identified and registered.  House to house inspection.</p>
<p><b>ACTION TAKEN</b></p> <p>Animal Control complains dealt with as received. Regular reporting in place, compliance with Companion Animals Act. Active participation in regional groups.</p>			

PRINCIPLE ACTIVITY: Health

DIVISION: Health and Development

ACTIVITY: INSPECTIONS AND ADMINISTRATION

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
<p>To ensure compliance with the Health Regulations for all commercial and domestic buildings.</p>	<p>To ensure that food for sale to the public is prepared in a sound and hygienic manner, in premises which are clean and well maintained, and in compliance with legislative requirements.</p>	<p>Conduct inspections and assessments of food premises.</p> <p>Develop improvement plans with operators and owners of food premises to achieve closer compliance with legislative requirements.</p> <p>Encourage appropriate Food Handler Training within all food businesses.</p> <p>Encourage hygiene training within all food businesses.</p> <p>Encourage the development of Food Safety Plans, initially for High Risk Premises.</p>	<p>Number of inspections.</p> <p>Adherence to the inspection program.</p> <p>Relative compliance level.</p> <p>Number of High Risk businesses that have developed and implemented Food Safety Plans.</p>
<p style="text-align: center;"><b>ACTION TAKEN</b></p> <p style="text-align: center;">Inspection undertaken.</p> <p style="text-align: center;">Active member of Far West Food Surveillance Group.</p>			

PRINCIPLE ACTIVITY: Health

DIVISION: Health and Development

ACTIVITY: INSPECTIONS AND ADMINISTRATION

Continued

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
<p>To ensure compliance with the Health Regulations for all commercial and domestic buildings.</p>	<p>To ensure that food prepared, manufactured and stored for sale to the public is safe and wholesome, of the prescribed composition standard, free from adulteration; and properly described.</p>	<p>Develop and maintain a routine food sampling and analysis program.</p> <p>Collect and submit for analysis where warranted samples of food that are the subject of public complaint, and take appropriate follow up action.</p> <p>Where food is considered to be unfit for consumption and either seize or ensure proper disposal of food, as appropriate.</p> <p>Assist in Category 1 and 2 Food Recalls, as required by the Department of Health</p>	
	<p>To provide sufficient good information to influence community behaviour towards positive public and environmental health practices.</p>	<p>Conduct training seminars for all local restaurants and shops for food handling and hygiene requirements.</p>	<p>Attendance at appropriate seminars.</p> <p>Number of premises in which staff have undergone Food Handler Training.</p> <p>Number of premises in which staff have undergone hygiene training.</p>
<p style="text-align: center;"><b>ACTION TAKEN</b></p> <p style="text-align: center;">Inspections undertaken. Active member of Far West Food Surveillance Group.</p>			

PRINCIPLE ACTIVITY: Health

DIVISION: Health and Development

ACTIVITY: INSPECTIONS AND ADMINISTRATION

Continued

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
<p>To ensure compliance with the Health Regulations for all commercial and domestic buildings.</p>	<p>To ensure that the public is not exposed to the risk of disease through exposure to causative micro-organisms from certain air handling systems, hot water systems, warm water systems and water cooling systems.</p>	<p>Ensure an up to date register of regulated premises is held.</p> <p>Conduct inspections and assessments of regulated systems, with emphasis on maintenance of to the required regulatory standard.</p> <p>Education of premises owners/occupiers with regard to the operation and maintenance of regulated systems.</p> <p>Education of premises owners/occupiers with regard to the correct operation of evaporative air conditioning systems.</p>	<p>Number of inspections.</p> <p>Adherence to the inspection program.</p> <p>Relative compliance level.</p>
	<p>To ensure maintenance of public swimming pool and spa pool water in safe condition such that it will not support harmful micro-organisms.</p>	<p>Test all public swimming pool and spa waters for free chlorine levels and collect samples and submit for laboratory examination</p>	<p>Number of samples taken</p> <p>Adherence to the sampling program.</p> <p>Number of unsatisfactory sample results</p>
<p style="text-align: center;"><b>ACTION TAKEN</b></p> <p style="text-align: center;">Normal inspection regime in place.</p>			

PRINCIPLE ACTIVITY: Health

DIVISION: Health and Development

ACTIVITY: INSPECTIONS AND ADMINISTRATION

Continued

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
<p>To ensure compliance with the Health Regulations for all commercial and domestic buildings.</p>	<p>To ensure that public swimming pool facilities are maintained in safe and hygienic condition, in accordance with regulatory requirements</p>	<p>Undertake inspections.</p>	<p>Number of inspections. Adherence to the inspection program Relative compliance level.</p>
	<p>To ensure recreational water is safe such that risk to public health due to contact with the water is minimised.</p>	<p>Collect samples from popular recreation waters and submit for laboratory examination.</p> <p>Develop and implement a sediment &amp; erosion control policy to reduce the impact of construction works on the riverine environment.</p> <p>Develop and implement public education program aimed at raising awareness on the impact on the riverine environment from littering and uncontrolled run-off.</p>	<p>Number of samples taken Adherence to the sampling program. Number of unsatisfactory sample results Sediment and erosion control policy developed.</p>
<p style="text-align: center;"><b>ACTION TAKEN</b></p> <p style="text-align: center;">Inspection regime in place. Weekly water sampling undertaken.</p>			

PRINCIPLE ACTIVITY: Health

DIVISION: Health and Development

ACTIVITY: INSPECTIONS AND ADMINISTRATION

Continued

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
<p>To ensure compliance with the Health Regulations for all commercial and domestic buildings.</p>	<p>To minimise the opportunity for the spread of infectious diseases in the community.</p>	<p>Provide support to the Western Area Health Network.</p> <p>Develop procedures for the Investigation of Food Poisoning Outbreaks</p> <p>Conduct inspections of hairdressing establishments and skin penetration premises.</p> <p>Educate proprietors of those businesses in disease and infection prevention techniques.</p> <p>Ensure new premises are constructed to comply with at least minimum prescribed standards.</p> <p>Conduct inspections of mortuaries and funeral homes with particular focus on hygiene and waste disposal.</p> <p>Educate proprietors of those businesses in disease and infection prevention techniques.</p>	<p>Number of inspections.</p> <p>Adherence to the inspection program</p> <p>Relative compliance level.</p>
<p style="text-align: center;"><b>ACTION TAKEN</b></p> <p style="text-align: center;">No action required.</p>			

PRINCIPLE ACTIVITY: Health

DIVISION: Health and Development

ACTIVITY: INSPECTIONS AND ADMINISTRATION

Continued

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
<p>To ensure compliance with the Health Regulations for all commercial and domestic buildings.</p>	<p>To ensure that all public buildings within the district are constructed, maintained and operated in a manner that is consistent with legislative requirements, with public safety being the prime consideration.</p>	<p>Maintain a register of all public buildings. Conduct regular inspections and assessments of public buildings.</p>	<p>Number of inspections. Adherence to the inspection program Relative compliance level.</p>
	<p>To ensure that shared accommodation premises are maintained and operated in a manner that is safe, hygienic and consistent with legislative requirements.</p>	<p>Conduct inspections of shared accommodation premises</p>	<p>Number of inspections. Adherence to the inspection program Relative compliance level.</p>
<p style="text-align: center;"><b>ACTION TAKEN</b></p> <p style="text-align: center;">Insufficient resources to continue action.</p>			

PRINCIPLE ACTIVITY: Health

DIVISION: Engineering

ACTIVITY: NOXIOUS PLANTS AND CONTROL

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
<p><b>NOTE:</b> Warren Shire Council is a constituent member of the Castlereagh Macquarie County Council, which encompasses the Shires of Walgett, Warren, Coonamble, Warrumbungle and Gilgandra.</p>			
<p style="text-align: center;"><b>ACTION TAKEN</b></p> <p style="text-align: center;">No action required. Council has two delegates on Castlereagh Macquarie County Council.</p>			

PRINCIPLE ACTIVITY: Community Services and Education

DIVISION: Health and Development

ACTIVITY: YOUTH SERVICES

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
To promote and assist community services such as childcare, youth, aged and disabled, Aboriginal and other specialist needs.	To assist school vacation centres and youth support.  Provide lobbying support.	Financial and organisational support.  Attend Interagency Group meeting	Community feedback to Council.  Attendance at meetings.
To monitor the community and social plan that addresses access and equity issues.	To address identified needs and issues with particular attention to the needs of groups that are commonly disadvantaged.	Provide staff and financial resources to deal with this task in conjunction with Interagency group.	Assess and formulate strategies emulating from Community and Social Plan.
<p><b>ACTION TAKEN</b></p> <p>Warren Interagency Group monitor Social/Community Plan. Youth Interagency Sub-committee operating. Attendance at Interagency Group meetings.</p>			

PRINCIPLE ACTIVITY: Housing and Community Amenities

DIVISION: Health and Development

ACTIVITY: TOWN PLANNING – STATUTORY PLANNING

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
To develop statutory planning that provides for timely and proper consideration of development and certifications.	Process and determine applications in a one-stop-shop system in accordance with Council's adopted policies within statutory dead lines.	Assessment by Council staff following liaison with applicants to ensure compliance with Council's regulatory requirements.	Analysis of time taken to process applications. Customer complaints in regard to service provided and so-called "red tape".
To establish a system of monitoring developments to ensure compliance with conditions of consent.	To ensure developments are undertaken in accordance with conditions imposed, and that there is a system of inspection reporting and regular review.	Monitor and improve computer systems and staff review methods and maintain monitoring system.	Compliance with conditions for consent.  Number of complaints for non-compliance reduced.
<p><b>ACTION TAKEN</b></p> <p>Development Applications report to Council each month. Monitoring in place.                      Computer systems for monitoring development applications maintained.                      Full process reviewed with Building Professionals Board.</p>			

PRINCIPLE ACTIVITY: Housing and Community Amenities

DIVISION: Health and Development

ACTIVITY: TOWN PLANNING – STRATEGIC PLANNING

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
Monitor Warren Shire Council LEP	Monitor the operation of Warren Shire LEP, gazetted 23rd December, 2009.	Document problem issue arising from implementation of LEP.	Operation of LEP 2009.
Develop plan for future land use	Utilise Sub Regional Land Use Strategy in conjunction with Narromine, Bogan and Gilgandra Shires	Committed involvement in process. Use strategy in reviewing LEP.	Number of reforms to LEP.
<p><b>ACTION TAKEN</b></p> <p>LEP being fully reviewed in line with standard instrument.</p>			

PRINCIPLE ACTIVITY: Housing and Community Amenities

DIVISION: Health and Development

ACTIVITY: WASTE MANAGEMENT SERVICES

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
Promote and maintain a viable waste minimisation system for Warren and villages.	To encourage households to participate in weekly collection and recycling service.	Investigate all avenues for recommencement of kerb-side recycling.	Re-introduction of recycling.
Maintain present high level of waste collection from Warren premises.	Monitor collection service and response to any complaints.	Monitor collection records and complaints received.	Percentage of complaints.
Develop a long-term plan for waste disposal in the Warren Shire.	<p>Comply with statutory requirements in relation to the disposal of waste.</p> <p>Minimise the rate of landfill by aiming to achieve maximum waste reduction, avoidance and reuse.</p>	<p>Review available information.</p> <p>Participate in regional initiatives relating to waste disposal and reduction.</p>	<p>Report to Council.</p> <p>Reduce rate of landfill.</p>
Protect public health & the environment from potential pollution from on-site wastewater management systems.	To ensure that on site wastewater management systems are installed and operated in accordance with legislative requirements, therefore resulting in disposal of liquid waste in a safe and environmentally sound manner.	<p>Update policy.</p> <p>Assess all installation applications against regulatory requirements.</p> <p>Develop and implement an on site wastewater management plan.</p> <p>Inspect, as appropriate, all installations upon completion and prior to use.</p>	<p>Adoption of Policy.</p> <p>Number of system inspections.</p> <p>Complete and implement on site wastewater management plan.</p> <p>Number of re-inspections due to incomplete or unsatisfactory work.</p>
<p><b>ACTION TAKEN</b></p> <p>Continued active membership NetWaste. No action or recycling or waste water management systems.</p>			

PRINCIPLE ACTIVITY: Housing and Community Amenities

DIVISION: Engineering

ACTIVITY: STREET AND GUTTER CLEANING

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
To maintain high standards of street cleaning and to monitor the cost effectiveness of providing such service.	Monitor daily and weekly schedules to ensure coverage and quality of service provided.	Engineering staff to review systems and reporting methods.	Report to Council.
<p style="text-align: center;"><b>ACTION TAKEN</b></p> <p style="text-align: center;">Street and Gutter cleaning regime maintained. CBD area cleaned twice weekly.</p>			

PRINCIPLE ACTIVITY: Housing and Community Amenities

DIVISION: Engineering

ACTIVITY: URBAN STORMWATER DRAINAGE

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
Manage stormwater assets to provide level of service requested by community	Complete Asset Management Plan including 20 year forward programs.	Develop Asset Management Plan	Adopt Asset Management Plan
Manage environmentally responsible drainage works in accordance with adopted program.	Complete proposed works within each program year.	Engineering staff to undertake survey design and supervision of construction. Provide budget estimates for adopted program. Monitor stormwater management plan.	Design and construction on time and within budget.  Management Plan reviewed by Council
<p><b>ACTION TAKEN</b></p> <p>No action taken due to lack of resources.</p>			

PRINCIPLE ACTIVITY: Housing and Community Services

DIVISION: Health and Development

ACTIVITY: PUBLIC CEMETERIES

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
Maintain high levels of maintenance and services to the community in the area of public cemeteries.	Ensure grave preparation meets the requirements of the community at all times.	Continually monitor and co-operate with community to ensure a quality service delivery.	Number of complaints.
	Ensure cemetery is maintained to acceptable standards.	Ensure labour and financial resources are adequate.	Within budget.
	Monitor Cemetery Policy.	Variation to Cemetery Policy.	Review Cemetery Policy.
Ensure proper recording and planning for cemetery plots.	Maintain and update cemetery plans and records for plot bookings and occupations.	Maintain current system of recording.	Recording system up to date.
<p><b>ACTION TAKEN</b></p> <p>High level of service maintained. Registers and site plans in place. Cemeteries Policy in place and operational.</p>			

PRINCIPLE ACTIVITY: Water Supply

DIVISION: Engineering

ACTIVITY: WATER SUPPLY TO TOWN AND VILLAGES

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
<p>To provide Warren, the villages of Collie and Nevertire and aerodrome with an adequate and safe water supply that is appropriately priced for all consumers.</p>	<p><b>Refer: Strategic Business Plan Water Supply and Sewerage Services.</b></p>		
<p><b>ACTION TAKEN</b></p> <p>Strategic Business Plan rewritten and adopted. Active participation in Lower Macquarie Water Utilities Alliance.</p>			

PRINCIPLE ACTIVITY: Sewerage

DIVISION: Engineering

ACTIVITY: SEWERAGE SERVICES TO TOWN AND VILLAGES

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
<p>To provide Warren and Nevertire with an adequate and environmentally acceptable sewerage scheme that is appropriately priced for all consumers.</p>	<p><b>Refer: Strategic Business Plan Water Supply and Sewerage Services.</b></p>		
<p><b>ACTION TAKEN</b></p> <p>Strategic Business Plan rewritten and adopted. Active participation in Lower Macquarie Water Utilities Alliance.</p>			

PRINCIPLE ACTIVITY: Recreation and Culture

DIVISION: Finance and Administration

ACTIVITY: LIBRARY SERVICES

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
To provide a high standard and quality library service that adequately meets the needs of all sections of the community.	Computerisation of library resource material.	Monitor and review.	Reliability of system.
	Review all library services and customer needs.	Audit by library staff.	Analyse user numbers.
<p><b>ACTION TAKEN</b></p> <p>Computer system monitored. User numbers analysed and reported to Council.</p>			

PRINCIPLE ACTIVITY: Recreation and Culture

DIVISION: Finance and Administration

ACTIVITY: ART AND HISTORICAL

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
Promotion of Australia Day.	Co-ordinate and support community based Committees to promote Australia Day.	Provide staff and budgetary allocations.	Continued growth in Australia Day activities.
<p><b>ACTION TAKEN</b></p> <p>Australia Day fully supported by Council. Active participation in Outback Arts.</p>			

PRINCIPLE ACTIVITY: Recreation and Culture

DIVISION: Health and Development

ACTIVITY: SWIMMING POOL

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
Review and implement strategy program for pool maintenance and upgrade.	Review rolling works and upgrade program, prepare costings of new program for Council adoption within each annual budget.	Investigation and report.	Annual program adopted by Council.
Monitor pool management.	To maintain effective pool operation and management.	Monitor new pool management regime.	Report to Council.
<p><b>ACTION TAKEN</b></p> <p>Council management of swimming pool monitored.</p>			

PRINCIPLE ACTIVITY: Mining Manufacture and Construction

DIVISION: Health and Development

ACTIVITY: BUILDING CONTROL

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
<p>Assess and determine applications to erect buildings and construction certificate applications in accordance with statutory, policy requirements and standards.</p>	<p>Approval of all applications within acceptable time frame.</p>	<p>Staff to focus on customer and information service with liaison with applicants and builders. Review local approvals policies.</p>	<p>Applications approved within acceptable time frames.</p>
<p style="text-align: center;"><b>ACTION TAKEN</b></p> <p style="text-align: center;">All applications approved within acceptable timeframe. Full review of process undertaken with Building Professionals Board.</p>			

PRINCIPLE ACTIVITY: Recreation and Culture

DIVISION: Engineering

ACTIVITY: PARKS, GARDENS AND RESERVES

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
Maintain Parks, Gardens and Reserves in a safe and attractive condition.	Maintain and monitor a planned system of tree planting and lopping.	Ensure labour and financial resources are adequate to maintain a tree planting and maintenance system and regular program of works.	Analyse tree planting program.
	Maintain and monitor a planned system of Parks and Gardens and Reserves maintenance.	Review current maintenance work methods and formalise a planned system of work.	Improved efficiency and productivity.
	Ensure asset management and operations are carried out effectively and efficiently	Review Management Plan	Report to Council.
<p style="text-align: center;"><b>ACTION TAKEN</b></p> <p style="text-align: center;">Management Plan being reviewed. System of maintenance in place.</p>			

PRINCIPLE ACTIVITY: Mining Manufacture and Construction

DIVISION: Engineering

ACTIVITY: GRAVEL PITS

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
<p>To ensure the operation and management of Council's gravel pits conform to Safety and Environmental standards.</p>	<p>To regularly monitor the safety and operations of gravel pits under Council's control to review and act under the safety and Environment standards.</p>	<p>Engineering staff to prepare statement of environmental effects for each gravel pit.</p> <p>Engineering staff to regularly inspect and report on gravel quality, safety and environmental standards.</p> <p>Engineering staff to prepare a review of environmental factors for each pit.</p>	<p>S of EE for each gravel pit completed.</p> <p>Analyse reports.</p> <p>Compliance with conditions of development consent and environmental regulations.</p>
<p>Ensure suitable products are produced</p>	<p>Source and use gravel pits that are: -</p> <ul style="list-style-type: none"> <li>- Low cost</li> <li>- Best suitable quality</li> <li>- Available with minimum environmental impacts</li> <li>- Safe for staff to extract</li> </ul>	<p>Engineering staff to continuously improve mine safety management plan</p>	<p>Compliance with safety standards (audited and presented to WHS Committee)</p>
<p><b>ACTION TAKEN</b></p> <p>Existing operations continued.</p>			

PRINCIPLE ACTIVITY: Mining Manufacture and Construction

DIVISION: Finance and Administration

ACTIVITY: MOUNT FOSTER QUARRY

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
To ensure efficient and cost effective operation for the Mount Foster Quarry.	To regularly monitor the Quarry's performance and day-to-day operations.	Report to Plant Committee.	Financial analysis.
		Review reporting system that will provide meaningful and reliable information on the Quarry operations.	
		Compliance with all safety, mining and environmental standards.	Plant Committee determination.
<p><b>ACTION TAKEN</b></p> <p>Quarry operated in line with product demand.</p>			

PRINCIPLE ACTIVITY: Transport and Communication

DIVISION: Engineering

ACTIVITY: ROADS AND BRIDGES - MAINTENANCE

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
<p>To undertaken roads and bridge maintenance to acceptable community standards in a cost effective, efficient and safe manner.</p>	<p>Complete planned maintenance programs to agreed time and budget constraints in a cost effective and efficient manner utilising best engineering practices, quality workmanship and in compliance with Safety Standards.</p>	<p>Review workplace to monitor and implement reform using best management practices and award restructuring opportunities.</p>	<p>Analysis of Works Programs.</p>
		<p>Undertake road standard audits to ensure compliance with standards.</p>	<p>Compliance with standards.</p>
		<p>Maintenance is programmed as a preventative measure as far as practicable</p>	<p>Review Works Programs.</p>
		<p>Continued maintenance management system for State, Regional and Local Roads.</p>	<p>Report to Council monthly.</p>
		<p>Roads Inspection Procedures manual</p>	<p>Inspection schedules</p>
<p style="text-align: center;"><b>ACTION TAKEN</b></p> <p style="text-align: center;">Works programs under ongoing review.</p>			

PRINCIPLE ACTIVITY: Transport and Communication

DIVISION: Engineering

ACTIVITY: ROADS AND BRIDGES - CONSTRUCTION

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
<p>To undertake roads and bridge construction to appropriate standards in a cost effective, efficient and safe manner.</p>	<p>To complete construction projects to agreed time and budgetary constraints in a cost effective, efficient manner utilising best engineering practices, quality workmanship and compliance with safety standards.</p>	<p>Review workplace methods and implement reform using best management practices and award restructuring opportunities.</p>	<p>Report to Council.</p>
		<p>Audit projects for compliance with standards to ensure works as executed drawings are completed.</p>	<p>Comparison of design to works as executed.</p>
		<p>Ensure ongoing information to residents and community on projects being undertaken.</p>	<p>Use of message from Mayor in local papers.</p>
		<p>Review Local and Regional Rural Roads Strategic Plan.</p>	<p>Report to Council.</p>
		<p>Complete Urban Roads Strategic Plan.</p>	<p>Report to Council.</p>
<p style="text-align: center;"><b>ACTION TAKEN</b></p> <p style="text-align: center;">Works in line with ongoing works program. No strategic plans updated.</p>			

PRINCIPLE ACTIVITY: Transport and Communication

DIVISION: Engineering

ACTIVITY: AERODROME

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
To maintain and enhance the local aerodrome and promote its use and ancillary development.	To maintain aerodrome infrastructure to existing standard and monitor and review operational plans and emergency procedures.	Engineering staff to investigate, monitor and report.	User pay fee reviewed annually.  Audit of compliance with standard and licence conditions.
<p><b>ACTION TAKEN</b></p> <p>Normal operations</p>			

PRINCIPLE ACTIVITY: Transport and Communication

DIVISION: Engineering

ACTIVITY: CAR PARKING

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
To provide adequate and aesthetically pleasing off street and on street car parking spaces for Warren.	To monitor off street car parking provision and promotion of off street car parking access to Warren CBD.	To maintain public car parks to existing standard.	Customer satisfaction.
<p style="text-align: center;"><b>ACTION TAKEN</b></p> <p style="text-align: center;">Car parking monitored. Number of off-street car parks are adequate.</p>			

PRINCIPLE ACTIVITY: Economic Affairs

DIVISION: Health and Development

ACTIVITY: PROMOTION AND DEVELOPMENT OF WARREN

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
To facilitate the promotion of Warren and development for the Warren Shire area.	To maintain and enhance the operations of the Warren Visitors Information Centre.	To facilitate the promotion of Warren and development opportunities through pro-active participation in relevant events.	Information Centre services maintained.
<p><b>ACTION TAKEN</b></p> <p>Visitors' Information Centre maintained. Economic Development Strategy in progress.</p>			

PRINCIPLE ACTIVITY: Economic Affairs

DIVISION: Engineering

ACTIVITY: SHEEP SALEYARDS

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
To investigate options for Warren Sheep Saleyards.	Look at possible future use	Investigate potential users.	Report to Council.
<p><b>ACTION TAKEN</b></p> <p>Yards dismantled and sold.</p>			

PRINCIPLE ACTIVITY: Economic Affairs

DIVISION: Engineering

ACTIVITY: PRIVATE WORKS

Strategic Objectives	Objectives & Performance Targets	Statement of Means	Performance Assessment
<p>To promote and engage in service delivery for roads and bridge works within the Council area for State and Federal bodies, and private organisations or individuals.</p>	<p>To promote and provide efficient and economical service delivery for the construction and maintenance of classified roads on behalf of the RMS and other works and services, without subsidising other government and private bodies or individuals.</p>	<p>The provision of economically competitive, efficient and quality works and services to clients by Engineering staff and sub contractors.</p>	<p>Acceptance of competitive pricing. Completion on time and within budget.</p>
<p style="text-align: center;"><b>ACTION TAKEN</b></p> <p style="text-align: center;">Comprehensive hire rates reviewed to ensure no subsidisation.</p>			

## STATE OF THE ENVIRONMENT REPORT

*A report as to the state of the environment in the area, and in particular in relation to the following environmental sectors:*

- (i) land;*
- (ii) air;*
- (iii) water;*
- (iv) biodiversity;*
- (v) waste;*
- (vi) noise;*
- (vii) Aboriginal heritage;*
- (viii) Non-aboriginal heritage;*

*with particular reference, with regard to each such environmental sector, to:*

- (ix) management plans relating to the environment;*
- (x) special Council projects relating to the environment; and*
- (xi) the environmental impact of Council activities.*

A Comprehensive Regional State of the Environment Report 2011-2012 has been prepared and can also be accessed on Warren Shire Council's website at <http://www.warren.nsw.gov.au> Environment Section.

This report was undertaken in collaboration with the Central West Catchment Management Authority and all other Councils within the Catchment.

This document is also available for inspection at Warren Shire Council's offices, 115 Dubbo Street, Warren.

The previous Comprehensive Regional State of the Environment Report 2008-2009 can also be accessed on Warren Shire Council's website at <http://www.warren.nsw.gov.au> Environment Section.

## CONDITION OF PUBLIC WORKS

*A report on the condition of the public works "including public buildings, public roads and water, sewerage and drainage works" under the control of the Council as at the end of 2011/2012, together with:*

- (i) *an estimate (at current values) of the amount of money required to bring the works up to a satisfactory standard; and*
- (ii) *an estimate (at current values) of the annual expense of maintaining the works at that standard; and*
- (iii) *the Council's program of maintenance for 2011/2012 in respect of the works;*

### PUBLIC BUILDINGS

Council has a total of 15 public buildings, which are valued at approximately \$9.22 million.

The estimated cost to maintain all buildings at a satisfactory standard is \$420,000. A total of \$72,000 was expended for the period 1<sup>st</sup> July 2011 to 30<sup>th</sup> June 2012. Council currently has a cyclic maintenance plan for all buildings.

### CONDITION OF PUBLIC ROADS 2011- 2012

Road		Regional	Rural	Urban	Total
Length (km)	Sealed	306.77	295.45	21.66	623.88
	Unsealed	50.47	640.33	9.06	699.86
	<b>Total</b>	<b>357.24</b>	<b>935.78</b>	<b>30.72</b>	<b>1,323.74</b>
Bridges (number)		19	32	1	52
Current value (inc Bridges) after revaluation (09/10)		37,551,659	57,869,740	6,269,090	101,690,488
Current replacement cost		54,392,458	84,018,368	10,518,283	148,929,110
Estimate of cost to bring roads up to a satisfactory standard		16,840,800	26,148,629	4,249,193	47,238,621
Annual depreciation of roads		842,989	1,135,607	158,976	2,137,572
Capital works on roads		1,085,803	1,250,770	61,170	2,397,743
Condition (Deficit)/Surplus		242,814	115,163	(97,806)	260,171
Current annual maintenance expenditure on roads		850,507	1,768,261	70,268	2,689,036
Estimated satisfactory level of maintenance on roads		1,027,000	1,911,800	221,200	3,160,000
Maintenance (Deficit)/Surplus		(176,493)	(143,539)	(150,932)	(470,964)

**CONDITION OF PUBLIC WORKS****CONTINUED**

1. The current value is based on the most recent condition assessment of Council's roads and bridges.
2. The current value is a proportion of their replacement cost based on their condition and the expected asset life.
3. The following asset lives should be noted: sealed roads - 50 years pavement 20 years seal; unsealed roads - 60 years; bridges - 100 years.
4. The cost to bring the roads and bridges up to a satisfactory standard is the difference between the current replacement cost and their current value.
5. The condition (deficit)/surplus is the difference between the amount roads and bridges depreciate per annum and the amount of capital works undertaken such as reconstruction or construction on the roads and bridges.
6. The estimated satisfactory level of maintenance on roads and bridges is based on adopted levels of service. The levels of service are documented in the Rural Road Network Strategic Plan and draft Urban Road Network Strategic Plan and Bridge Strategic Plan. (To be reviewed)
7. The current annual maintenance expenditure was the amount expended on road and bridge maintenance in this financial year.
8. The maintenance of (deficit)/surplus is the difference between the actual expenditure on the maintenance of roads and bridges and the required estimated satisfactory level of maintenance on roads and bridges determined using good engineering practice and standards.

**WATER SUPPLY****General Description**

The town of Warren has a dual water supply where bore water is reticulated for household (potable) use and river water (non potable) is used for external use.

**Bore (Potable) water**

Bore water is pumped from four sub-artesian bores, three bores are located at Bore Flat/Saunders Park adjacent to the swimming pool which pump into a concrete water tower (capacity 0.9ML, constructed in 1939) situated at the same site. The three bores at this site are locally known as Bores numbers 1,2 and 3.

- \* Bore No. 1 is located on Bore Flat (middle bore)
- \* Bore No. 2 is located adjacent to Stafford Street Chlorination Plant
- \* Bore No. 3 is located on Bore Flat furthest from the reservoir.
- \* Bore No. 6 is located on Ellengerah Road.

Bore water quality is considered to be sound, however some iron counts can be moderately high, typical of groundwater, as are sodium levels. Hydrogen Sulfide can also be present, sometimes exhibiting odours.

**CONDITION OF PUBLIC WORKS****CONTINUED**

In addition, Bore No 3 also exhibits Hydrogen Sulfide odour problems and is used only when Bores 1 and 2 are unable to operate.

Disinfection is the only form of treatment at this time, i.e. no fluoride is added. No P.H. correction is undertaken and there is no filtering of the water. Disinfection is achieved by dosing with Gaseous Chlorine, with two chlorination plants, one sited adjacent to Bore No. 2/swimming pool and the other at Bore No. 6. P.H. is in the range of 8.1 to 8.4, Council in the future will look to introduce P.H. correction in order to improve disinfection efficiency and reduce potential for skin irritation.

Bore water is distributed via P.V.C. mains and maximum daily demand is around 1.6 megalitres.

Each of these three bores is sunk to a depth of approximately 801 feet (244 metres). The first major bore sunk in Warren was completed in 1893 to a depth of 869 feet. This bore was artesian and held water in a 2" pipe to a height of 64 feet above ground level. The original reticulation was in cast iron and due to the pressure from the artesian bore, no pumping was required.

By 1906 there was three and a half miles of mains supplying a daily demand of 10,000 gallons. In 1907 a pumping plant was installed as pressure had declined to a point where water would not rise to upstairs levels in the hotels.

As a comparison, standing water level in existing bores is currently approximately 29 metres below ground level.

A bore was sunk in 1980 at a site known as the Old Pound Paddock adjacent to the Ellengerah Road approximately 2km from Bore Flat. This bore was abandoned in 1986. In 1993 Council sank a new bore at the site (Bore No 6).

A 2.5 megalitre reservoir is sited adjacent to Bore No. 6. Water is pumped from the bore into the reservoir and is disinfected (Gaseous Chlorine) at the bore head. Council has telemetry equipment to monitor all bores and reservoirs.

**River Water**

The river water scheme consists of two river water pumping stations and two steel reservoirs which service the town under gravity predominantly through A.C. (fibro) mains. Pumping stations/reservoirs are located at:

- (a) Oxley Park (2.3 megalitre) and
- (b) Ellengerah Road - Bore 6 (2.5 megalitre).

River water is pumped directly into the reservoirs and reticulated into the town without treatment.

**CONDITION OF PUBLIC WORKS****CONTINUED**

Maximum daily consumption for river (non potable) water is around 5 megalitres.

In addition to the dual scheme at Warren, Council operates water supply schemes at the villages of Nevertire and Collie and the Warren Aerodrome.

The **Nevertire Scheme** consists of a bore which pumps directly into a reservoir and then water reticulates via PVC pipeline. The age of the Bore is unknown and is sunk to a depth of 179m and has a safe yield of 5L/s. Gaseous Chlorine disinfection equipment is located at the Nevertire Bore. Maximum daily water consumption is around 0.3 megalitres.

The **Collie Scheme** was constructed in 1983 and consists of two overhead tanks reticulating via approximately 1,950 metres of PVC mains. The water is disinfected with Sodium Hypochlorine (granules), with storage tank and dosing pump housed under the main overhead tank. The overhead tanks are filled via a 7.7 km long main whose origin is on a Rural Lands Protection Board reserve.

A bore (former DMR) is located at this site. One residence is serviced by the pressure main. This bore is licensed to the Dubbo Rural Lands Protection Board, not Council.

The Warren Aerodrome has a well approximately 20 metres deep from which water is pumped into an overhead tank then into a small reticulation scheme.

**The Strategic Business Plan for Water Supply Services gives a greater overview of water supply services and was rewritten in 2011. Special schedule numbers 3 and 4 included in the General Report section of this Annual Financial Report further detail the state of affairs of the Warren Shire Council Water Supply Schemes.**

**SEWERAGE SCHEME****General Description**

Warren Shire Council operates two sewerage schemes, one in the town of Warren, the other in the village of Nevertire, 19 kms south of Warren.

The original Warren Scheme was constructed in 1958.

The Warren Scheme currently consists of approximately 13,050 m of sewer mains, 253 manholes and 6 pumping stations.

Council has a telemetry system that monitors all sewer pumps and well levels within the scheme.

The Warren Sewerage Treatment Works is a trickling filter plant.

**CONDITION OF PUBLIC WORKS****CONTINUED**

Council intends to upgrade the Warren Sewerage Treatment Plant following confirmation of funding availability. Numerous studies have been undertaken in previous years and still carry relevant information.

All sewage from the southern side of the Macquarie River is transported to Pump Station No 2 (Gillendoon Street) via Pump Station No 1 (Ambulance Station). Pump Station No 2 (Gillendoon Street) also collects the northern catchment and therefore receives all Warren sewage and transports it to the treatment works. Both these pump stations were upgraded in 2000/2001 and the rising main across tiger bay to STP had a new line inserted into old line in 2010/11.

The reticulation piping in the Warren Scheme consists of PVC and VCP. Original gravity sewer pipes laid in the later 1950's were VCP in 24" (610mm) lengths. For the period 1964 to 1972 most gravity pipes were VCP in 60" lengths. New pipes are now all PVC. Original rising mains were cast iron. The majority of pipes are 150mm in diameter.

The Department of Public Works undertook a strategy report of the Warren Sewerage Scheme, with the final draft published in September, 1994. This document serves as a useful reference for historical information.

The **Nevertire Sewerage Scheme** was constructed in 1983 and consists of 1,437 m of PVC sewer mains, 27 manholes, one manually operated pump station and a treatment plant consisting of oxidation ponds.

Current scheme condition is considered to be sound and there are no plans to extend or upgrade the existing scheme. All residences not connected to the sewerage scheme rely on septic tank systems (ie North-East of the Oxley Highway and South-West of the Mitchell Highway).

**The Strategic Business Plan for Sewerage Services gives a greater overview on sewerage services this plan was fully rewritten in 2011. Special schedule numbers 5 and 6 included in the General Report section of this Annual Financial Report further detail the state of affairs of the Warren Shire Council Sewerage Schemes.**

**DRAINAGE WORKS**

Council finalised the identification of all drainage assets for full valuation in 1996/97. The replacement value of all drainage assets was estimated to be \$3.75 million with the current written down value considered to be \$2.211 million.

**LEGAL PROCEEDINGS - EXPENSES**

*A summary of the amounts incurred by the Council during 2011/2012 in relation to legal proceedings taken by or against the Council (including amounts, costs and expenses paid or received by way of out of court settlements, other than those the terms of which are not to be disclosed) and a summary of the state of progress of each legal proceeding and (if it has been finalised) the result:*

<b>Details of Legal Proceedings</b>	<b>Amount Incurred \$</b>	<b>Amount Recovered \$</b>	<b>State of Progress</b>	<b>Result</b>
Land Acquisition	7156.00	Nil	Finalised	Land acquired
Land Sales	2273.00	2273.00	Finalised	Land sold

## MAYOR AND COUNCILLORS' FEES AND POLICY

*The total amount of money expended during 2011/2012 on mayoral fees and councillor fees, the Council's policy on the provision of facilities for use by councillors and the payment of councillors' expenses, together with a statement of the total amount of money expended during 2011/2012 on the provisions of such facilities and payment of such expenses:*

<b>STATEMENT OF EXPENSES</b>		
	<b>Section</b>	<b>2011/12 \$</b>
Mayoral Fees		13,137.00
Councillor Fees		95,975.00
Overseas Travel	cl. 217(1)(a)	Nil
Provision of Facilities	cl. 217(1)(a1)	10,533.00
Provision of Equipment	cl. 217(1)(a1)(i)	Nil
Provision of Telephone	cl. 217(1)(a1)(ii)	460.00
Conferences & Seminars	cl. 217(1)(a1)(iii)	9,764.00
Training	cl. 217(1)(a1)(iv)	Nil
Interstate Visits	cl. 217(1)(a1)(v)	Nil
Overseas Visits	cl. (217(1)(a1)(vi)	Nil
Spouse/family Expenses	cl. 217(1)(a1)(vii)	Nil
Care of Child/Family	cl. 217(1)(a1)(viii)	Nil
Mayoral Vehicle		8,642.00
Councillor Insurance		2,881.00

Warren Shire Council has adopted a Policy for Payments of Expenses and Provision of Facilities to Mayor and Councillors and this policy is reviewed each September and readopted by resolution of Council.

This document is available for inspection at Councils offices, 115 Dubbo Street, Warren.

## EMPLOYMENT OF SENIOR STAFF

*A statement of the number of senior staff employed by the Council during the year, together with a statement of the total amount of money payable in respect of the employment of senior staff, including money payable for salary, for the provision of fringe benefits and for all other on-costs connected with their employment:*

During the 2011/2012 period Council employed one senior staff employee, that being the General Manager, at a total cost of \$ 160,202.15. This figure includes salaries paid, fringe benefit tax expenses, private use of a Council motor vehicle, employer's Superannuation contribution, housing and LSL contribution.

**CONTRACTS AWARDED**

*Details of each contract awarded by the Council during 2011/2012 (whether as a result of tender or otherwise) or continued throughout 2011/2012 other than:*

- (i) *employment contracts (that is, contracts of service but not contracts for services);*
- (ii) *contracts for less than \$150,000 or such other amount as may be prescribed by the regulations,*

*including the name of the contractor, the nature of the goods or services supplied by the contractor and the total amount payable to the contractor under the contract:*

<b>Contract Number and Name of Contractor</b>	<b>Nature of Goods and Services</b>	<b>Estimated Amount \$</b>	<b>Amount Expended 2011/12 \$</b>
2001/07 DG Mara Pty Ltd	Collection/disposal Putrescible Rubbish and Garbage 1.7.2007 – 30.6.2012	912,500.00	285,916.27
T81011OROC Fulton Hogan	Bitumen Spray Sealing 1.7.2011 – 30.6.2014	756,659.00	945,348.82
T30910OROC Downer EDI	Supply and Delivery of Bulk Emulsion 1.7.2009-31.12.12	139,603.50	136,029.58
Plant 11/12-3 Hitachi	Supply Motor Grader	390,500.00	390,500.00

## **BUSH FIRE HAZARD REDUCTION**

*A report on the bush fire hazard reduction activities of the Council during 2011/2012, including activities carried out under a bush fire management plan approved under the Rural Fires Act 1997.*

NSW Rural Fire Service in conjunction with Council develop a Hazard Reduction Plan each year and for 2011/2012 hazard reduction was carried out around the township of Warren and villages of Collie and Nevertire. This operation involved ongoing slashing of reserves. Particular attention was paid to the areas surrounding the waste management depots with fire breaks graded and monitored.

Extensive edge slashing and spraying along with routine maintenance grading of Council's rural road network has established a comprehensive arrangement of fire breaks. When considering environmental matters, one must be mindful that there will be periods of high fuel loads, which are required to sustain viable grazing and farming industries.

## **MULTICULTURAL SERVICES**

*Details of programs undertaken by the Council during 2011/2012 to promote services and access to services for people with diverse cultural and linguistic backgrounds in a manner that is consistent with the principles of cultural diversity:*

Warren Shire does not have any ethnic groups according to Census of Population and Housing - ABS. Council has not been contacted by any individual or groups or Government with regard to any issues or problems.

Warren Shire has an Aboriginal population of 12.3% and Council is in continual liaison with the local Aboriginal Lands Council to keep abreast of issues associated with the Aboriginal community and also offers support when requested. This liaison has resulted in a close working relationship with open communication lines

## **SOCIAL/COMMUNITY PLAN**

Council's Social/Community Plan is monitored by Warren Support Services Interagency Group who makes recommendations to Council.

## SUBSIDISED PRIVATE WORKS

*Details or a summary (as required by section 67(3)) of resolutions made during 2011/2012 under section 67 concerning work carried out on private land and details or a summary of such work if the cost of the work has been fully or partly subsidised by the Council, together with a statement of the total amount by which the Council has subsidised any such work during 2011/2012:*

No resolution under Section 67 concerning work carried out on private land were made and no works of this nature were carried out during 2011/2012.

Local Government Act, 1993 - Section 428 2(k)

## DONATIONS

*The total amount contributed or otherwise granted under Section 356:*

Section 356(1) of the Local Government Act, 1993 provides Councils with the authority to contribute money or otherwise grant financial assistance to persons for the purpose of exercising its function.

For the 2011/2012 period a total of \$29,074 was contributed under this section of the Act. This figure included a grant of \$25,000 to the Warren Tennis Club for the construction of new tennis courts and lighting.

## HUMAN RESOURCE ACTIVITY

*A statement of the human resource activities (such as training programs) undertaken by the Council during 2011/2012:*

Council's training program revolves around its salary system which has been set up as a direct result of determination of the skills and competencies required following individual staff appraisals.

Council also continued with its program of training and development of apprentices in various trades applicable to the local area.

Training carried out in 2011/2012 was as follows:

<b>Training</b>	<b>No. Of Participants</b>	<b>Cost \$</b>
Certificate III Business Services	2	1,824.00
Return to Work Co-ordinator	1	527.50
Retention and Disposal of Records	1	295.46
First Aid Course	5	829.91
First Aid Refresher Course	10	1,379.37
Building Professionals Board Accreditation	2	454.56
Introduction to Writing Grant Applications	1	153.17
Graduate Diploma Environmental Health & Building Assessment	1	514.10
Food Surveillance School	1	548.09
Sport & Recreation Local Government Forum	1	295.28
Planning for Non Planners Seminar	1	350.00
EDAP Western Region Forum	2	1,295.01
Premises Standards/Unjust Hardship Workshop	2	818.20
Ranger/Parking Officer/Animal Control Seminar	1	283.20
Work Health & Safety Legislation	1	200.00
Infringement to Court Workshop	1	454.55
Early Literacy Conference	3	109.10
Library Information Services Trainee TAFE	1	436.00
Paint the Town Read	3	570.00
Library Forum	1	1,601.12
Community Economic Development Forum	2	1,272.73
Water Management Conference	2	1,130.76
Level 1 Bridge Inspection Workshop	2	3,226.46
Exponare Administrator Course	1	1,927.97
Diplomia in Business Administration	1	1,875.00
Road Engineering & Maintenance Conference - Melbourne	1	2,036.95
IPWEA Regional Conference	1	120.00
LPI Local Government Spatial Seminar	1	681.73

**HUMAN RESOURCE ACTIVITY****CONTINUED**

<b>Training</b>	<b>No. Of Participants</b>	<b>Cost \$</b>
Civinex Field Days	2	858.19
Position Partners Trade Show	1	152.73
Safe Working in Confined Spaces	8	4,587.88
Safe Working in Confined Spaces Refresher	12	4,903.00
White Card Training	1	131.82
Water Cross Connection & Backflow Seminar	2	1,527.28
Safe Grave Techniques	3	3,136.37
ChemCert Accreditation	2	840.00
Community Services Workshop	2	1,443.64
OH & S Handbooks, Materials & Meetings	4	1,843.64
Associate Degree Civil Engineering	1	2,009.59
Erosion & Sediment Control Workshops	1	2,633.83
Civil Construction Plant Operations	1	546.00
Certificate III Automotive Mechanical Technology	1	2,177.00
Certificate III Water Operations	1	436.00
Rangers Conference	1	2,007.22
Animal Handling Course	1	200.00
Dangerous Dog Handling Course	1	330.00
Centroc Training Membership		2,934.00
Wages		15,823.73
<b>Total</b>		<b>73,732.14</b>

LOCAL GOVERNMENT ACT, 1993 - SECTION 428 2(M)

## **EQUAL EMPLOYMENT OPPORTUNITIES**

*A statement of the activities undertaken by the Council during 2011/2012 to implement its equal employment opportunity management plan:*

No action undertaken in relation to the Equal Employment Opportunities.

## **EXTERNAL BODIES**

*A statement of all external bodies (such as county councils) that during 2011/2012 exercised functions delegated by the Council:*

Council is a constituent member of the Castlereagh Macquarie County Council and has formally delegated authority for the control of noxious plants to that body.

## INTEREST IN COMPANIES

*A statement of all companies in which the Council (whether alone or in conjunction with other Councils) held a controlling interest during 2011/2012:*

Council held no controlling interests in any companies during 2011/2012.

## **JOINT VENTURES**

*A statement of all partnerships, co-operatives or other joint ventures to which the Council was a party during 2011/2012:*

Council has a joint venture with Bogan, Coonamble and Gilgandra Shires for the North Western Library, of which Warren Shire is the administrator.

**OTHER INFORMATION AS THE REGULATIONS REQUIRE**

*Such other information as the regulations may require.*

**GENERAL REGULATIONS, 2005 - CLAUSE 132**

The amount of rates and charges that were written off during the period 1<sup>st</sup> July, 2011 to 30<sup>th</sup> June, 2012.

<b>Description</b>	<b>Amount \$</b>
<b>Rates - Pension Rebates</b> <i>(Section 583(1) Local Government Act, 1993)</i>	82,734.00
<b>Rates - Postponed Rates</b> <i>(Section 595(1) Local Government Act, 1993)</i>	Nil
<b>Rates - Levy Adjustments</b> <i>(Section 598(2) Local Government Act, 1993)</i>	Nil
<b>Charges - Interest on Postponed Rates</b> <i>(Section 595(1) Local Government Act, 1993)</i>	Nil
<b>Rates - Sale for Outstanding</b> <i>(Section 607 Local Government Act, 1993)</i>	Nil
<b>Charges - Interest sale for outstanding</b> <i>(Section 607 Local Government Act, 1993)</i>	Nil

## GENERAL REGULATIONS 2005

### 217(1) ADDITIONAL INFORMATION FOR INCLUSION IN ANNUAL REPORT

- a) There have not been any overseas visits by Councillors or others representing Council.
  - (a1) Covered under section 428(2)(f)
- b) Staff remuneration packages are covered under Section 428 2(g).
- c) Council has undertaken the following activities to promote services and programs that provide for the needs of children:
  - (i) Operates vacation care centres for eight weeks of school holidays during the year.
  - (ii) Council is the co-ordinator and administrator of the following two programmes; Early Intervention Placement Prevention Programme and Community Builders Programme. These programmes enable Council to outsource relevant activities to meet the requirements of youth etc.
  - (iii) Employs a Centre Manager at Warren Sporting and Cultural Centre to ensure the facility is available during hours most suitable for children, i.e. 3.00 pm to 7.00 pm and weekends.
- d)
  - (i) Access and equity activities are reported upon under Section 428(2)(b) and (j).
  - (ii) Council does not have any business classified as Category 1.
  - (iii to ix)

The National Competition Policy is based upon the concept of the "level playing field" between entities competing in the market place. Essentially government businesses should not operate with a net advantage over other operators as a result of public ownership.

Council has established a complaint handling mechanism in relation to its responsibilities under this policy and to date has not received any complaints.

**GENERAL REGULATIONS 2005****CONTINUED**

The following have been identified business units for the purposes of National Competition Policy. As the total operating revenues of each unit is below \$2,000,000 each is defined as a Category 2 Business Unit.

1. *Warren Shire Council Combined Water Supply Service:* comprises the whole of the operations and assets of the water supply systems supplying the towns of Warren, Nevertire and Collie and the Warren Aerodrome.
2. *Warren Shire Council Combined Sewerage Service:* comprises the whole of the operations and assets of the sewerage reticulation and treatment system servicing the towns of Warren and Nevertire.

Further particulars of the financial operations and assets of the above business units can be obtained from the Special Purpose Reports and Special Schedules of Council's Financial Statements included in this report.

No complaints have been received.

- e) Council has not levied an annual charge for Stormwater Management Services.
- f) Council has undertaken the following activities relating to the enforcing and ensuring compliance with the Companion Animals Act and Regulations;
  - (i) The pound data collections returns were lodged with DLG within the statutory timeframe.
  - (ii) Data relating to dog attacks was lodged with the DLG within the statutory timeframe.
  - (iii) The amount of funding spent relating to the Companion Animals management and activities for 2011/2012 was \$75,733.00.

**GENERAL REGULATIONS 2005**

**CONTINUED**

- (iv) Various community education programs in relation to keeping of animals and promoting the desexing of dogs and cats were undertaken. Council has an ongoing process, which includes use of local media columns, publishing of articles, letterbox drops and one on one consultation. RSPCA, local vet and council partnership in desexing of dogs and cats entered into.
- (v) The strategies Council has in place to comply with the requirements of Section 64 in seeking alternates to euthanasia is to advertise unclaimed animals on Council's website, community notice board and local newspapers.
- (vi) Off leash areas are provided at Oxley and Ebert Parks and the required signage is in place.
- (vii) The amount received from the fund for 2011/2012 was \$2,983.00 and was all used for purposes that relate to the management and control of companion animals in the area. Expenses far outweigh any income received.

**PRIVACY AND PERSONAL INFORMATION PROTECTION ACT 1998**

Council has adopted the model provisions as sent out by the Department of Local Government and a copy of this policy is included in the introduction to new employees which has been circulated to all staff members.

LOCAL GOVERNMENT ACT, 1993 - SECTION 428 2(R)

**GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT 2009**

**GIPA Annual Report for Warren Shire Council  
for the 2011/2012 Financial Year**

**Obligations under the GIPA Act**

**1. Review of proactive release program - Clause 7(a)**

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

Council's program for the proactive release of information involves assessment on a case by case basis. Council has very little information that is discretionally unavailable.

During the reporting period, Council had no new proactive releases of information.

**2. Number of access applications received - Clause 7(b)**

During the reporting period, Council did not receive any formal access applications.

**3. Number of refused applications for Schedule 1 information - Clause 7(c)**

During the reporting period, Council did not refuse any formal access applications.

#### 4. STATISTICAL INFORMATION ABOUT ACCESS APPLICATIONS - CLAUSE 7(D) AND SCHEDULE 2

**Table A: Number of applications by type of applicant and outcome\***

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
<b>Media</b>	0	0	0	0	0	0	0	0
<b>Members of Parliament</b>	0	0	0	0	0	0	0	0
<b>Private sector business</b>	0	0	0	0	0	0	0	0
<b>Not for profit organisations or community groups</b>	0	0	0	0	0	0	0	0
<b>Members of the public (application by legal representative)</b>	0	0	0	0	0	0	0	0
<b>Members of the public (other)</b>	0	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
<b>Personal information applications*</b>	0	0	0	0	0	0	0	0
<b>Access applications (other than personal information applications)</b>	0	0	0	0	0	0	0	0
<b>Access applications that are partly personal information applications and partly other</b>	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**

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

**Table D: Conclusive presumption of overriding public interest against disclosure:  
matters listed in  
Schedule 1 of the**

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

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

**Table F: Timeliness**

	Number of applications
<b>Decided within the statutory timeframe (20 days plus any extensions)</b>	0
<b>Decided after 35 days (by agreement with applicant)</b>	0
<b>Not decided within time (deemed refusal)</b>	0
<b>Total</b>	<b>0</b>

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

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

\*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
<b>Applications by access applicants</b>	0
<b>Applications by persons to whom information the subject of access application relates (see section 54 of the Act)</b>	0