

Bogan
SHIRE

Annual
Report
2017/2018



Comfortable Country Living

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About Bogan Shire

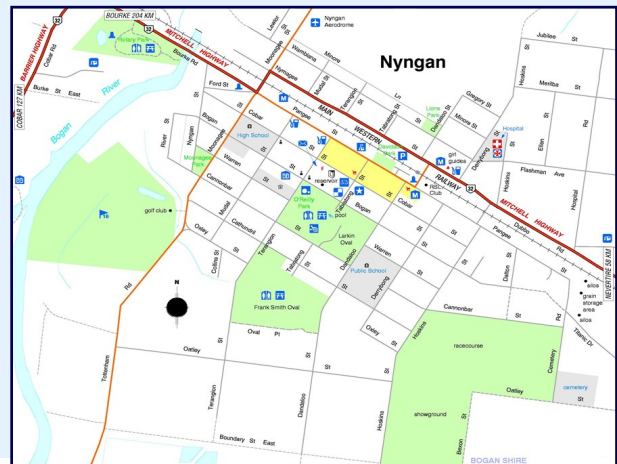
Bogan Shire, situated in Western New South Wales, has an area of 14,610 square kilometres, equivalent to about 1.8% of the State's land surface. The geographical centre of the State lies within the Shire boundaries. The Shire has an estimated population of 3012. Nyngan, the Shire's administrative centre, is located on the Bogan River at the junction of the Mitchell and Barrier Highways - an ideal rest point for the weary traveller.

There is an abundance of productive agricultural land for sheep and cattle production and large scale cropping enterprises. Nyngan's farmers are highly competitive on local and international markets and the large quantity of agricultural produce is conducive to the development of value adding industries and marketing ventures.

Nyngan offers warm hospitality and all the facilities of a modern rural township. Three Motels, two Caravan Parks, one hotel and access to 24-hours of free camping provides a choice of accommodation options. Three licensed Clubs and two hotels cater for entertainment and relaxation. The town also boasts a selection of cafes, restaurants and take-away food outlets for dining.

The Bogan Shire has a secondary school, five primary schools, a pre-school, a daycare centre, a mobile pre-school and a TAFE Campus. Nyngan's medical needs are catered for by the new Bogan Shire Medical Centre, the Nyngan Health Service (Multi-purpose Health Centre which incorporates a hospital and nursing home complex) and a network of other health professionals including two private doctors and a dentist.

The recreational and sporting facilities in Nyngan are excellent and include facilities for bowls, golf, tennis, dancing, swimming, rugby league, rugby union, touch football, cricket, netball, fishing, boating, canoeing, water-skiing, soccer, little athletics and equestrian pursuits. Whether you are looking for an outback experience or a place to escape the hectic pace of the city life, we hope that a visit to the Bogan Shire will show you what real *"Comfortable Country Living"* is all about.



Mayor and General Manager's Message 2017/18

During the year under review, Bogan Shire councillors and staff continued the partnership with our community to maintain and improve our standard of “Comfortable Country Living” for the Shire.

Road construction and maintenance continues to be the biggest single line item in Council’s budget with \$1,878,458 being spent on gravel re-sheeting and other maintenance on our rural roads. In addition \$1,007,516 was spent on sealed road maintenance. Council also undertook 9.7 kilometers of road construction to the value of \$1,426,559.

A new shared pathway was completed around the lower weir at the Bogan River and has proved very popular with walkers, joggers and cyclists. Centenary Park fountain and surrounds were revitalised to improve this space for our community and visitors to Nyngan. Also, improvements in Rotary Park included a shade shelter, BBQ and playground equipment.

Council and Nyngan again played host to No 15 Middle School from Tongling in China when three teachers and ten students visited Nyngan. This exchange continues to offer local students opportunities to broaden their experiences.

Our Visitor Information Centre achieved level 2 accreditation and is now open 7 days a week with a range of popular merchandise.

Stronger Country Communities funding to the value of \$724,683 was obtained for lighting at the Larkin Oval, irrigation at the Nyngan Golf Course and for upgrades at Heritage Park and Moonagee Park. Council acknowledges this valuable contribution to our community by the NSW Government.

The Nyngan Cobar Water Security project saw the 700ML off-river storage dam near completion south of Nyngan which will, together with a proposed second storage, provide much better water security for us.

A sense of community is a key feature of Nyngan and Council continues to actively support, promote and provide assistance with a diverse range of community activities including a Christmas light and rural letterbox competition, carp muster fishing competition, seniors week concert and morning tea as well as the annual Nyngan Show, Ag Expo, Duck Creek Races and NAIDOC Week events.

Mayor and General Manager's Message 2017/18

Unfortunately seasonal condition in Bogan Shire have deteriorated since the wet winter of 2016. A small harvest occurred in 2017, but rural producers have been hand feeding for much of the 2017/2018 period. Fortunately livestock markets have stayed quite high during this period and the wool market reached record high levels, which has helped maintain income levels. With the prospect of a nil harvest next year, our farmers, small businesses and members of our community are facing some very adverse situations due to the drought.

The Tritton Copper Mine continues to provide a lot of local employment with about 400 people working there.



Ray Donald OAM
Mayor



Derek Francis
General Manager

Mission Statement

"Comfortable
Country
Living"

To provide a comfortable country lifestyle by progressively improving the level of appropriate facilities and services and encouraging growth and economic development that is responsive to the needs of the community

Definition - Comfortable

Safe and secure (both physically and financially protected), affordable, enjoyable, and relaxed community environment.

Mission Statement

DESIRED OUTCOMES

Safe and Secure

- Economic viability for the shire as a whole – sustained business activity and continuing economic development
- Effective regulation and law enforcement
- Safe and trafficable road networks
- Full range of health services readily available
- Sanitation standards maintained
- Water quality assured
- Effective sewerage systems in place
- Flood Protection provided
- Protection and promotion of natural and man-made environments

Enjoyable

- Quality sporting and recreation facilities provided
- Cultural and social fabric of the community encouraged and supported
- Library service catering for the broader community
- The latest communication mediums are easily accessible
- High standard of service maintained through successful management of assets

Affordable

- Lower cost of living relative to regional and capital centres of population
- Competitive and diverse commercial enterprises
- Equitable distribution of rates, fees and charges
- Efficient and effective delivery of services

Relaxed

- The more laid-back qualities associated with “country” living are not lost
- Community and social fabric promoted and supported

Statement of Business Ethics

Bogan Shire Council is committed to the highest standards of honesty, fairness and integrity in all its business dealings.

Council operates according to an adopted Code of Conduct that sets out the standards of behaviour that Councillors and staff are expected to abide by when dealing with customers, suppliers, members of the community and public and when interacting with work colleagues.

With increasing business interaction between Council and the private sector it is important that standards of ethical behaviour expected of councillors and staff are maintained by members of the private sector in their dealings with Council.

Compliance with the standards contained within the document will ensure the best level of service can be provided to the community.

Values

The way Bogan Shire Council makes decisions, takes action and conducts business is defined by the following values.

- **Taking pride** in Nyngan and the greater Bogan Shire.
- **Working together** as a team to get things done.
- Being **accountable** for our decisions and actions.
- Having **respect** for other people.
- Acting with **integrity and honesty**.
- Demonstrating **strong leadership**.
- Providing responsive **customer service**.

Business Principles

The core principles underpinning all the business dealings of Bogan Shire Council are:

Obtaining the Best Value for Money

This does not mean that the best value for money equates to the lowest price. Council will use a number of factors to determine best value for money. Included are cost, quality, reliability, whole life running cost and timelines.

Statement of Business Ethics

Impartiality and Fairness

Council will be objective, even handed and reasonable through business dealings. Council's business dealings will be transparent and open to public scrutiny whenever possible, subject to confidentiality and privacy obligations.

Compliance with Legal and Statutory Obligations

Council at all times will adhere to all legal and statutory obligations.

What you can expect from Council and Staff

In order to maintain the highest standards of integrity and ethical conduct, Councillors and staff are required to comply with a Code of Conduct which includes:

1. Be accountable for actions
2. Act with fairness and equity
3. Exercise authority appropriately and transparently
4. Be responsible for their safety and that of others
5. Ensure awareness and compliance with Code of Conduct
6. Avoid actual and perceived conflicts of interest
7. Maintain confidentiality and privacy of information
8. Not engage in external employment that may create a conflict, affect work performance, use resources or information of Council, or bring discredit to Council
9. Report corruption, maladministration and wastage

Statement of Business Ethics

What Bogan Shire Council expects from its providers

Council expects private sector providers of goods and services will observe the following principles when dealing with Council;

1. Act ethically, fairly and honestly in dealing with Council
2. Be economically, socially and environmentally responsible in the provision of goods and services
3. Respect the conditions set out in Council documents
4. Comply with Councils procurement and purchasing policy and procedures
5. Respect the obligation of Councillors and staff to comply with the Council Code of Conduct
6. Do not lobby Councillors or Staff
7. Provide accurate and reliable information and advice when requested
8. Declare actual or perceived conflicts when aware such exists
9. Do not divulge privileged or confidential information to unauthorised persons
10. Do not engage in cohesive practises
11. Do not offer Councillors or staff inducements or incentives designed to improperly influence the conduct of their duties

Compliance

Council requires all providers to comply with the "Statement of Business Ethics". The principles are consistent with those of other public sector agencies, and are based on guidelines from the NSW Independent Commission against Corruption.

Non compliance could result in:

1. Termination of contracts
2. Loss of future opportunity
3. Investigation for corruption
4. Criminal Prosecution

Council Contact Information



Visit us:

Council Chambers are located at 81 Cobar Street, Nyngan NSW 2825

Office Hours: Monday to Friday from 8.00am – 4.30pm

Contact us:

Telephone: (02) 6835 9000

Fax: (02) 6835 9011

Email: admin@bogan.nsw.gov.au

Webpage: www.bogan.nsw.gov.au

Write to us:

If you wish to write to Council on any matter, the letter should be addressed to:

*The General Manager
Bogan Shire Council
PO Box 221
NYNGAN NSW 2825*

Council Contact Information

Meet with Staff:

Council staff are available during office hours to answer enquiries. It is good practice, although not essential, to make a prior appointment to see staff. This will ensure the staff member you require is available at the time.

Attend Council meetings:

There are 11 Ordinary Council meetings each year, one per month except for January. Council meetings are held on the fourth Thursday of each month, except the December meeting which is held on the third Thursday of the month. All meetings start at 9.30am. Meetings are held at the Council Chambers on Cobar Street, Nyngan. Council meetings are attended by all Councillors and Management Staff of the Council.

All meetings of Council are open for the public to attend, with the exception of closed meeting items. You may address Council in the Public Forum regarding a matter for consideration by Council in the meeting Business Paper. Notification to address the Council must be given 7 days before the day of the meeting. A Special Council Meeting may be called in between Ordinary Council Meetings if a matter of urgency arises that cannot wait until the next ordinary meeting. At least 24 hours notice must be given to call a Special Meeting. Bogan Shire Council comprises of nine Councillors, with the general election held every four years, usually in September. The most recent election was September 2016.

After Hours Service / Other Council Contacts

Bogan Bush Mobile:	02 6835 9038
Early Learning Centre:	02 6835 9038
Engineering Department:	02 6835 9027
Museum:	02 6832 1052
Public Library:	02 6835 9080
Ranger:	0428 607 407
Rural Fire Service:	02 6822 4422
Swimming Pool:	02 6835 9100
Visitor Information Centre:	02 6832 1052
Works Depot:	02 6835 9060
Medical Centre	02 6832 1305

Statutory Information

Local Government (General) Regulation 2005 Part 5

s428(4)(b) cl 132 Amount of rates and charges written off during the year

The following amounts of Rates and Charges were written off during the period 01.07.2017 to 30.06.2018

General Rates	<i>Pensioners</i>	\$16,051
	<i>Postponed</i>	\$2,573
	<i>Other (Ratepayers)</i>	\$311
Water Charges	<i>Pensioners</i>	\$17,566
	<i>Other (Ratepayers)</i>	\$20,889
Sewerage Charges	<i>Pensioners</i>	\$15,728
	<i>Other (Ratepayers)</i>	\$4,745
Waste Charges	<i>Pensioners</i>	\$34,866
Interest Charges/Legal/ Other Charges	<i>Postponed</i>	\$854
	<i>Other (Rate Payers)</i>	\$233
Total Rates and Charges Written Off		\$113,816

It should be noted that Council receives a subsidy payment from the Department of Local Government for 55% of the Pensioner write-offs for the year. In 2017/18 this subsidy amounted to \$46,316.

s428(4)(b) cl 217(1)(a) Details of overseas visits by councillors, council staff or other persons representing council

No overseas visits were taken in 2017/2018 financial year.

s428(4)(b) cl 217(1)(a1) Elected members expenses and provision of facilities

Elected Member Expenses

The Mayoral Allowance for the year was set by Council at \$19,114 with \$3,822 (20%) of this paid to the Deputy Mayor as remuneration for services carried out on behalf of Council in the Mayor's absence. Councillors' annual remuneration was set at \$8,750 and was paid in twelve (12) monthly payments.

Councillors' travelling expenses, when using their own vehicle to attend Council functions and meetings, are reimbursed at the rates prescribed under the Car Allowance provisions of the Notional Agreement Preserving the Local Government State Award, with reimbursement of actual costs of incidentals subject to production of adequate documentation to substantiate claims.

The Mayor is provided with a motor vehicle and an office. Lunch and morning tea is provided for Councillors on meeting days.

Statutory Information

The following costs have been incurred by Council during the 2017/2018 financial year relating to the provision of councillor facilities and the payment of councillor expenses.

Councillors Fees	\$78,750
Mayoral Fee	\$19,114
Attendance at Conferences	\$6,193
Training	\$0
Insurance - Councillors	\$18,000
Travel Costs	\$305
Office Equipment	\$0
Meals & Entertainment	\$3,556
Office Expenses	\$954
Telephone Costs	\$27
Vehicle Costs	\$27,300
Total Elected Members Cost	\$154,199

s428(4)(b) cl 217(1)(a2) Major contracts awarded

During the 2017/2018 financial year there were 2 large contracts awarded which were for the purchase of 2 major plant items. The Front End loader purchased for \$262,900 from Hitachi Construction Machinery Australia and the Caterpillar 12m purchased for \$401,500 from Westrac.

s428(4)(b) cl 217(1)(a3) Amounts incurred by Council in relation to legal proceedings

The following amounts of legal charges were incurred by Council for the following reasons:

→ Legal proceedings - debt recovery against ratepayers	\$10,583
→ Other legal proceedings - Court Costs and excess paid	\$0

* It should be noted that the majority of these charges are recoverable as a legal charge levied to the ratepayers concerned.

s428(4)(b) cl 217(1)(a4) Summary of resolutions made under Section 67 concerning work carried out on private land

Council did not subsidise any private works undertaken during the year.

s428(4)(b) cl 217(1)(a5) Total amount contributed or otherwise granted under Section 356

The total amount contributed or otherwise granted under Section 356 for the 2017/2018 financial year was \$126,156. The details of this amount are as follows:

Statutory Information

Donation of Funding /Services to Sporting & Non-Profit bodies	\$88,993
Donations to Non-Profit Organisations	\$35,363
Student Scholarships	\$1,800
TOTAL	\$126,156

s428(4)(b) cl 217(1)(a6) External bodies exercising Council functions

The external bodies that were delegated functions by Council during the year are as follows:

Committee	Function
Nyngan Museum Management Committee	Care and control of grounds and the organisation of activities
Hermidale Sports Ground	Care and control of grounds and the organisation of activities
Colleerreina Hall	Care and control of grounds and the organisation of activities

s428(4)(b) cl 217(1)(a7) Controlling interest in companies

Council held no controlling interest in any company during the 2017/2018 period.

s428(4)(b) cl 217(1)(a8) Corporations, partnerships, trusts, joint ventures, syndicates or other bodies in which Council participated

Bogan Shire is incorporated within the North Western Library Association with the shires of Coonamble, Gilgandra and Warren. Council's financial interest in this association is reported in Note 19 to the General Purpose Financial Reports.

Council was also a member of the Orana Regional Organisation of Councils (OROC) group, fostering development, industry and tourism within the region.

s428(4)(b) cl 217(1)(a9) Activities to implement EEO Management Plan

The Anti-Discrimination and Equal Employment Opportunity Policy was reviewed by Management in November 2017 to ensure currency.

Council's EEO Management Plan consists of 18 Strategies and 29 Activities, of which 97% have been undertaken in the current year.

s428(4)(b) cl 217(1)(b) Statement of Total Remuneration Package of General Manager Employment of General Manager

During the year Council employed the General Manager under contract. Total remuneration, including salaries, superannuation, motor vehicle and rental assistance is shown in the table below.

Total Salary	\$215,630
Superannuation	\$20,053
Total value non-cash benefits	\$15,600
FBT	\$3,229
Total	\$254,512

s428(2)(f) cl 217(1)(f) Activities relating to enforcing and ensuring compliance with the Companion Animals Act and Regulation

Lodgement of pound data collection returns with the Division.

2017/2018 Seizure Activity

During the year Council seized 6 companion animals and 7 companion animals were voluntarily surrendered of which 6 were released to organisations for rehoming, 2 were returned to the owner's, 2 were stolen from the pound facility and the remainder were euthanized at Council's determination.

Lodgement of pound data was sent to the Department of Local Government.

Lodgement of data relating to dog attacks with the Division

Council had 1 report of a dog attack which resulted in the owners being cautioned.

Amount of funding spent on companion animal management and activities.

Council expended a net \$108,771 on activities relating to the management and control of companion animals during the 2017/2018 financial year. A further detailed breakup of the income and expenditure for the management and control of companion animals in the Bogan Shire is listed below:

Statutory Information

Income	\$
Registration Fees	8,924
Other Fees (Microchipping, impounding)	3,136
Total Income	12,060
Expenditure	
Impounding & Controlling Expenses	118,089
Administration	1,402
Consultants/Training	45
Other Expenses	1,295
Total Expenses	120,831
TOTAL COST OF COMPANION ANIMAL OPERATIONS	\$108,771

Companion animal community education programs carried out.

Council undertook a limited education program via the use of local media resources such as the council column in the local paper to distribute information to the general public. This information was also made available at both Council offices and the Public Library. Council has reviewed its Keeping of Animals—Orders Policy and sought community feedback to encourage education and community involvement. Council's Ranger has been actively involved with local Vets and ROAR (Rural Outback Animal Rescue) when dealing with surrendered or seized animals.

Strategies Council has in place to promote and assist the de-sexing of dogs and cats.

The Companion Animals Regulation 2008 significantly reduced the cost of lifelong registration for both de-sexed dogs and cats, which encourages residents to have their companion animals de-sexed. This fee is reduced even further for pensioners to help make the de-sexing of animals affordable and attractive option for all sectors in the community. During day to day duties, it is Council's strategy to have our Ranger actively educate residents on the benefits of de-sexing dogs and cats.

Strategies in place to comply with the requirement under section 64 (Companion Animals Act) to seek alternatives to euthanasia for unclaimed animals

Before destroying a seized or surrendered animal it is the duty of the Council to consider whether there is an alternative action to that of destroying the animal and (if applicable) to adopt any such alternative.

Off leash areas provided in the council area

Council provides an 'Off Leash' area which is located on the corner of Canonbar & Terangion Streets, Nyngan Lot 1040 DP 1020916.

s125(1) cl 7 Schedule 2 information included on GIPA activity

Council received no applications in the last reporting period under the Government Information (Public Access) Act 2009.

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.

Number of access applications received

During the reporting period, Council received no formal access applications.

Number of refused applications

During the reporting period, Council refused no formal access application.

Statistical information about access applications

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

Statutory Information

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

	Access Granted in Full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm / deny whether information is held	Application withdrawn
Personal information applications*	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	0	0	0	0	0	0	0	0
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

*A **personal information application** is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual). The total number of decisions in Table B should be the same as Table A.

Table C: Invalid applications

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications 1	0

Table D: Timeliness

Decided within the statutory timeframe (20 days plus any extensions)	0
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0

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

Applications by access applicants	0
Applications by persons to whom information the subject of access application relates	0

s93G(5) Compliance with and effect of planning agreements in force

Council has not entered into any planning agreements during the 2017/18 financial year.

s31 cl 4 Public Interest Disclosures and Public Interest Disclosure Policy

Council has an adopted Public Interest Disclosures and Internal Reporting Policy. No public interest disclosures were made during the year.

s8(2) Carers Recognition Act 2010

Council adopted a Carer's Leave Policy in March 2013 with a revised version adopted in June 2018.

s13 Disability Inclusion Act 2014

Council adopted the Disability Inclusion Action Plan (DIAP) in April 2017. The DIAP's focus is on removing barriers and enabling people with a disability to participate fully in their communities. Bogan Shire Council takes pride in its ability to provide a Comfortable Country Lifestyle. In order to achieve this we must recognise a socially just community is one where everyone has fair and equal access to services. It is important to acknowledge some people need more support than others. Council recognises older people and people with a disability as being in need of this additional level of support.

Council has progressed the following initiatives from the DIAP:

- Council recognises International Day for People with Disabilities
- Liaise with the Interagency Group for ways to provide opportunities for people with disabilities
- Attend Interagency Meetings and ensure disability opportunity remains on agenda
- Accessible toilet and change facilities at Larkin Oval
- Appropriate Shade over the Liberty Swing
- An accessible front counter
- Accessible and safe footpaths
- Explore funding options to extend footpath network
- Sufficient disabled car parking in Nyngan CBD
- Recruitment forms and processes are easy to understand by all
- Relationships established with local disability employment organisations and schools, and work experience offered where appropriate

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Annexure One Financial Statements



Bogan Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2018



Comfortable Country Living

Bogan Shire Council

General Purpose Financial Statements for the year ended 30 June 2018

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Overview

Bogan Shire Council is constituted under the Local Government Act 1993 (NSW) and has its principal place of business at:

81 Cobar Street
Nyngan NSW 2825

Through the use of the internet, we have ensured that our reporting is timely, complete and available at minimum cost. All press releases, financial statements and other information are publicly available on our website: www.bogan.nsw.gov.au.

Bogan Shire Council

General Purpose Financial Statements for the year ended 30 June 2018

Understanding Council's financial statements

Introduction

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

What you will find in the statements

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2018.

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

About the Councillor/Management Statement

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

About the primary financial statements

The financial statements incorporate five 'primary' financial statements:

1. The Income Statement

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

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

A 30 June snapshot of Council's financial position indicating its assets, liabilities and "net wealth".

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

Council's annual financial statements are required to be audited by the NSW Audit Office. In NSW the auditor provides 2 audit reports:

1. an opinion on whether the financial statements present fairly the Council's financial performance and position, and
2. their observations on the conduct of the audit, including commentary on the Council's financial performance and financial position.

Who uses the financial statements?

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

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

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

Bogan Shire Council

General Purpose Financial Statements for the year ended 30 June 2018

Statement by Councillors and Management

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

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

- the *Local Government Act 1993 (NSW)* (as amended) and the regulations made thereunder,
- the Australian Accounting Standards and other pronouncements of the Australian Accounting Standards Board
- 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,
- 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 27 September 2018.



R L Donald OAM
Mayor
27 September 2018



G R J Neill
Councillor
27 September 2018



D A Francis
General Manager
27 September 2018



S A Waterhouse
Responsible Accounting Officer
27 September 2018

Bogan Shire Council

Income Statement

for the year ended 30 June 2018

Original unaudited budget 2018	\$ '000	Notes	Actual 2018	Actual 2017
Income from continuing operations				
<i>Revenue:</i>				
4,760	Rates and annual charges	3a	4,743	4,610
3,711	User charges and fees	3b	6,013	4,356
291	Interest and investment revenue	3c	270	321
770	Other revenues	3d	306	513
6,973	Grants and contributions provided for operating purposes	3e,f	8,643	10,228
7,887	Grants and contributions provided for capital purposes	3e,f	9,176	1,184
<i>Other income:</i>				
–	Net share of interests in joint ventures and associates using the equity method	14	–	4
24,392	Total income from continuing operations		29,151	21,216
Expenses from continuing operations				
6,331	Employee benefits and on-costs	4a	6,993	6,712
80	Borrowing costs	4b	77	74
3,982	Materials and contracts	4c	6,542	5,194
3,499	Depreciation and amortisation	4d	3,853	3,754
1,498	Other expenses	4e	1,524	1,494
–	Net losses from the disposal of assets	5	557	7
15,390	Total expenses from continuing operations		19,546	17,235
9,002	Operating result from continuing operations		9,605	3,981
9,002	Net operating result for the year		9,605	3,981
9,002	Net operating result attributable to Council		9,605	3,981
1,115	Net operating result for the year before grants and contributions provided for capital purposes		429	2,797

Bogan Shire Council

Statement of Comprehensive Income
for the year ended 30 June 2018

\$ '000	Notes	2018	2017
Net operating result for the year (as per Income Statement)		9,605	3,981
Other comprehensive income:			
Amounts that will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of IPP&E	9a	9,240	13,795
Other comprehensive income – joint ventures and associates	14	–	–
Total items which will not be reclassified subsequently to the operating result		9,240	13,795
Amounts that will be reclassified subsequently to the operating result when specific conditions are met			
Nil			
Total other comprehensive income for the year		9,240	13,795
Total comprehensive income for the year		18,845	17,776
Total comprehensive income attributable to Council		18,845	17,776

Bogan Shire Council

Statement of Financial Position
as at 30 June 2018

\$ '000	Notes	2018	2017
ASSETS			
Current assets			
Cash and cash equivalents	6a	6,412	3,468
Investments	6b	5,800	7,800
Receivables	7	3,807	2,673
Inventories	8	398	263
Other	8	66	39
Total current assets		16,483	14,243
Non-current assets			
Receivables	7	129	395
Infrastructure, property, plant and equipment	9	226,729	208,841
Investments accounted for using the equity method	14	53	53
Total non-current assets		226,911	209,289
TOTAL ASSETS		243,394	223,532
LIABILITIES			
Current liabilities			
Payables	10	1,980	1,043
Borrowings	10	109	186
Provisions	11	1,571	1,385
Total current liabilities		3,660	2,614
Non-current liabilities			
Borrowings	11	2,533	2,562
Total non-current liabilities		2,533	2,562
TOTAL LIABILITIES		6,193	5,176
Net assets		237,201	218,356
EQUITY			
Accumulated surplus	12	156,582	146,977
Revaluation reserves	12	80,619	71,379
Total equity		237,201	218,356

Bogan Shire Council

Statement of Changes in Equity

for the year ended 30 June 2018

\$ '000	Notes	2018			2017		
		Accumulated surplus	IPP&E revaluation reserve	Total equity	Accumulated surplus	IPP&E revaluation reserve	Total equity
Opening balance		146,977	71,379	218,356	142,996	57,584	200,580
Net operating result for the year		9,605	–	9,605	3,981	–	3,981
Other comprehensive income							
– Gain (loss) on revaluation of IPP&E	9a	–	9,240	9,240	–	13,795	13,795
Other comprehensive income		–	9,240	9,240	–	13,795	13,795
Total comprehensive income (c&d)		9,605	9,240	18,845	3,981	13,795	17,776
Equity – balance at end of the reporting period		156,582	80,619	237,201	146,977	71,379	218,356

Bogan Shire Council

Statement of Cash Flows

for the year ended 30 June 2018

Original unaudited budget 2018	\$ '000	Notes	Actual 2018	Actual 2017
Cash flows from operating activities				
Receipts:				
4,658	Rates and annual charges		4,788	4,523
3,287	User charges and fees		7,101	3,922
284	Investment and interest revenue received		361	248
15,438	Grants and contributions		15,910	10,574
–	Bonds, deposits and retention amounts received		21	1,894
978	Other		1,768	1,347
Payments:				
(7,298)	Employee benefits and on-costs		(6,827)	(6,521)
(3,243)	Materials and contracts		(7,046)	(5,871)
(80)	Borrowing costs		(80)	(41)
–	Bonds, deposits and retention amounts refunded		(10)	(1,895)
(1,240)	Other		(2,875)	(1,592)
12,784	Net cash provided (or used in) operating activities	14b	13,111	6,588
Cash flows from investing activities				
Receipts:				
410	Sale of investment securities		4,800	4,808
492	Sale of infrastructure, property, plant and equipment		485	245
–	Deferred debtors receipts		16	12
Payments:				
–	Purchase of investment securities		(2,800)	(6,800)
(13,556)	Purchase of infrastructure, property, plant and equipment		(12,562)	(6,736)
–	Contributions paid to joint ventures and associates		(0)	–
(12,654)	Net cash provided (or used in) investing activities		(10,061)	(8,471)
Cash flows from financing activities				
Receipts:				
340	Proceeds from borrowings and advances		–	2,800
Payments:				
(106)	Repayment of borrowings and advances		(106)	(53)
234	Net cash flow provided (used in) financing activities		(106)	2,747
364	Net increase/(decrease) in cash and cash equivalents		2,944	864
1,537	Plus: cash and cash equivalents – beginning of year	14a	3,468	2,604
1,901	Cash and cash equivalents – end of the year	14a	6,412	3,468
Additional Information:				
	plus: Investments on hand – end of year	6b	5,800	7,800
	Total cash, cash equivalents and investments		12,212	11,268

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

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Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 1. Basis of preparation

These financial statements were authorised for issue by Council on 27/09/2018.

Council has the power to amend and reissue these financial statements.

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations, the *Local Government Act 1993 (NSW)* and Regulations, and the Local Government Code of Accounting Practice and Financial Reporting. Council is a not-for-profit entity for the purpose of preparing these financial statements.

The financial statements are presented in Australian dollars and are rounded to the nearest thousand dollars.

Full dollars have been used in Note 20 Related party disclosures in relation to the disclosure of specific related party transactions.

Unless otherwise indicated, all amounts disclosed in the financial statements are actual amounts.

Specific budgetary amounts have been included for comparative analysis (to actuals) in the following reports and notes:

- Income statement
- Statement of cash flows
- Note 18 – Material budget variations

and are clearly marked.

(a) New and amended standards adopted by Council

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

(b) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities and certain classes of infrastructure, property, plant and equipment and investment property.

(c) Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also 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 Council and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

Council makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 1. Basis of preparation (continued)

of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

- (i) estimated fair values of infrastructure, property, plant and equipment – refer Note 9,
- (ii) estimated tip remediation provisions – refer Note 11,
- (iii) employee benefit provisions – refer Note 11.

Significant judgements in applying the Council's accounting policies

- (iv) Impairment of receivables

Council has made a significant judgement about the impairment of a number of its receivables in Note 7.

Monies and other assets received by Council

(a) The Consolidated Fund

In accordance with the provisions of Section 409(1) of the *Local Government Act 1993 (NSW)*, all money and other assets received by Council is held in the Council's Consolidated Fund unless it is required to be held in the Council's Trust Fund.

Cash and other assets of the following entities have been included as part of the Consolidated Fund:

- General purpose operations
- Water service
- Sewerage service
- Nyngan Museum Management Committee
- Hermidale Sports Ground Management Committee
- Collierreina Hall Management Committee

(b) The Trust Fund

In accordance with the provisions of Section 411 of the *Local Government Act 1993 (NSW)* (as amended), a separate and distinct Trust Fund is maintained to account for all money and other assets 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 other assets subject to Council's control have been included in these reports.

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

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Bogan Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 1. Basis of preparation (continued)

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which that are recoverable from, or payable to the taxation authority are presented as operating cash flows.

New accounting standards and interpretations issued not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting period and which have not been applied.

As at the date of authorisation of these financial statements, Council does not consider that any of those standards are likely to have a material impact on the Council's future financial statements, financial position, financial performance or cash flows.

Council has not elected to apply any pronouncements before their operative date in these financial statements.

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

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 and non-current)	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Social - Social & Cultural	6	7	195	172	(189)	(165)	5	5	855	991
Social - Community Centres	535	228	1,373	1,276	(838)	(1,048)	471	71	8,391	8,282
Social - Inclusive Communities	1,078	919	1,163	1,095	(85)	(176)	790	633	1,390	1,438
Social - Education	–	–	2	2	(2)	(2)	–	–	–	–
Social - Public Health	531	98	924	134	(393)	(36)	50	–	1,769	1,823
Social - Emergency Services	593	136	181	204	412	(68)	87	87	906	302
Infrastructure - Transport Networks	8,615	8,201	6,691	6,713	1,924	1,488	4,063	5,216	171,314	159,600
Infrastructure - Water	10,397	2,354	3,053	2,472	7,344	(118)	8,133	260	31,881	26,983
Infrastructure - Sewer	677	705	770	749	(93)	(44)	8	8	12,020	11,984
Environmental - Built Environment	163	818	1,631	1,213	(1,468)	(395)	–	611	1,379	1,504
Environmental - Waste & Recycling	819	740	839	790	(20)	(50)	18	18	764	743
Environmental - Natural Environment	41	22	125	115	(84)	(93)	40	–	10	11
Environmental - Health, Safety & Regulation	22	13	655	153	(633)	(140)	–	–	51	53
Economic - Local Industries & Business	6	2	59	358	(53)	(356)	2	–	215	264
Economic - Tourism	9	8	76	73	(67)	(65)	–	2	–	–
Economic - Public Transport & Air Services	–	–	83	48	(83)	(48)	–	–	148	161
Civic Leadership - Leadership, Advocacy & Governance	–	–	540	566	(540)	(566)	–	–	329	325
Civic Leadership - Managing Our Business	5,659	6,965	1,178	1,102	4,481	5,863	2,522	3,393	11,913	9,068
Civic Leadership - Disaster Management	–	–	8	–	(8)	–	–	–	–	–
Total functions and activities	29,151	21,216	19,546	17,235	9,605	3,981	16,189	10,304	243,394	223,532

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

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:

Social - Social & Cultural

Council function includes not-for-profit community functions where Council assists community organisations to achieve their outcomes. This function also includes Councils community and social development role that helps to apply for Grants for Council and to assist with strategic direction.

Social - Community Centres

Council function includes community facilities maintained by Council such as Parks & Gardens, Sport & Recreation Facilities, Cemetery, Swimming Pool, Library as well as Halls, Museum & Historic Buildings.

Social - Inclusive Communities

Council function supports children, the elderly and people with disabilities. This includes Councils Bogan Bush Mobile Service, Early Learning Centre, Youth Services and Seniors Living.

Social - Education

Council function that supports our local schools with providing access to education at all levels.

Social - Public Health

Council function aims to ensure our community has access to medical services, facilities and programs to enhance and protect health in the community. This includes our Council run Medical Centre as well as support to other health practitioners within the town.

Social - Emergency Services

Council function that supports our fire, police and ambulance services to provide effective and efficient services to the community. This includes administrative support to the District Rural Fire Service as well as hazard reduction programs done in conjunction with the RFS and support to other emergency services.

Infrastructure - Transport Networks

Council function to construct and maintain the Bogan Shire transport network to enable safe and efficient travel and freight throughout the Shire. Council has a large fleet of plant and equipment used primarily to carry out its own roadworks as well as contract work to the Shires highways on behalf of the Roads & Maritime Services. Council maintains its own plant and equipment and uses the plan system to fund this function.

Infrastructure - Water

Council has access to a safe and secure water supply that provides the community with a reliable, safe and cost effective water service to the Nyngan township as well as a raw water supply to Councils villages.

Infrastructure - Sewer

Council has access to a safe and reliable sewerage service.

Environmental - Built Environment

This Council function includes development and building control through respectful planning processes and facilitation of development in line with statutory requirements as well as the building and maintenance of Council owned buildings.

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

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

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

Environmental - Waste & Recycling

Council function that aims to ensure our waste stream is effectively managed. This includes activities such as waste collection, waste recycling and Councils waste disposal facility.

Environmental - Natural Environment

Council function that aims to ensure open space areas are protected and managed to preserve their valued use and biodiversity while minimising the impact of pollution and weeds on the environment. Council has a noxious weeds program that assists to achieve this outcome.

Environmental - Health, Safety & Regulation

This Council function helps to meet compliance and regulatory obligations concerning public health. Activities include environmental administration function, storm water & drainage as well as animal control and other compliance management.

Economic - Local Industries & Business

Council aims to assist local industries and businesses including Tourism to support them to grow and prosper including Councils villages.

Economic - Tourism

Council function aims to ensure Bogan Shire is regarded as a welcoming and attractive place for people to live and visit, producing services, cultural experiences and recreational opportunities. Activities include the Council run visitor information centre.

Economic - Public Transport & Air Services

Council function that aims to ensure Bogan Shire has reliable, cost effective and regular public transport to and from our town. Council does provide and maintain an aerodrome to enable air services to access Nyngan.

Civic Leadership - Leadership, Advocacy & Governance

Council function that aims to achieve open, transparent and effective local government. The activities include Elected Members and the General Manager functions.

Civic Leadership - Managing Our Business

This function of Council aims to achieve effective and responsive management of Councils resources to deliver all goals and strategies. Activities include Corporate Services, Rates, Finance, Information Technology, Records, Customer Service, People & Culture, Human Resources and Occupational Health and Safety.

Civic Leadership - Disaster Management

Council function to ensure Council has the ability to plan, arrange and implement measures for the prevention of, preparation for, response to and recovery from emergencies. An activity of the function is to maintain Council's Levee Bank to prevent future flooding.

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 3. Income from continuing operations

\$ '000	2018	2017
(a) Rates and annual charges		
Ordinary rates		
Residential	301	294
Farmland	1,680	1,664
Mining	582	573
Business	234	234
Less: pensioner rebates (mandatory)	(9)	(9)
Less: pensioner rebates (Council policy)	(7)	(7)
Total ordinary rates	2,781	2,749
Annual charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)		
Domestic waste management services	645	553
Water supply services	797	752
Sewerage services	459	444
Waste management services (non-domestic)	129	112
Less: pensioner rebates (mandatory)	(37)	–
Less: pensioner rebates (Council policy)	(31)	–
Total annual charges	1,962	1,861
TOTAL RATES AND ANNUAL CHARGES	4,743	4,610

Council has used 2016 year valuations provided by the NSW Valuer General in calculating its rates.

Accounting policy for rates and annual charges

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

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.

(b) User charges and fees			2018	2017
Specific user charges (per s.502 – specific 'actual use' charges)				
Water supply services		1,479	1,131	
Sewerage services		183	176	
Total specific user charges		1,662	1,307	
Other user charges and fees				
(i) Fees and charges – statutory and regulatory functions (per s.608)				
Inspection services		3	9	
Planning and building regulation		26	49	
Private works – section 67		261	142	
Regulatory/ statutory fees		11	5	
Regulatory fees		3	2	
Section 149 certificates (EPA Act)		8	11	
Section 603 certificates		6	7	
Other		–	3	
Total fees and charges – statutory/regulatory		318	228	

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 3. Income from continuing operations (continued)

\$ '000	2018	2017
(b) User charges and fees (continued)		
(ii) Fees and charges – other (incl. general user charges (per s.608))		
Admission and service fees	6	7
Cemeteries	15	53
Child care	213	201
Community centres	1	1
Fire and emergency services levy (FESL) implementation	1	59
Leaseback fees – Council vehicles	11	11
Library and art gallery	3	3
Medical centre	426	41
Museum	9	6
Park rents	1	1
Reimbursements	121	64
RMS (formerly RTA) charges (state roads not controlled by Council)	3,208	2,356
Waste disposal tipping fees	16	18
Water connection fees	2	–
Total fees and charges – other	4,033	2,821
TOTAL USER CHARGES AND FEES	6,013	4,356

Accounting policy for user charges and fees

User charges and fees are recognised as revenue when the service has been provided.

(c) Interest and investment revenue (including losses)**Interest**

– Overdue rates and annual charges (incl. special purpose rates)	18	25
– Cash and investments	252	296
TOTAL INTEREST AND INVESTMENT REVENUE	270	321

Interest revenue is attributable to:**Unrestricted investments/financial assets:**

Overdue rates and annual charges (general fund)	14	25
General Council cash and investments	214	200

Restricted investments/funds – external:

Water fund operations	2	25
Sewerage fund operations	40	71

Total interest and investment revenue recognised	270	321
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Accounting policy for interest and investment revenue

Interest income is recognised using the effective interest rate at the date that interest is earned.

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 3. Income from continuing operations (continued)

\$ '000	Notes	2018	2017
(d) Other revenues			
Rental income – other council properties		195	178
Fines		3	2
Legal fees recovery – rates and charges (extra charges)		11	7
Bogan bush mobile reserve		27	15
Insurance claim recoveries		8	54
Insurance policy rebate		35	38
Sales – general		13	42
Sales – scrap metal		13	–
Other (Private Works)		–	175
Other		1	2
<u>TOTAL OTHER REVENUE</u>		<u>306</u>	<u>513</u>

Accounting policy for other revenue

Council recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Council and specific criteria have been met for each of the Council's activities as described below. Council bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Fines are recognised as revenue when the service has been provided, or when the penalty has been applied, whichever occurs first.

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

Miscellaneous sales are recognised when physical possession has transferred to the customer which is deemed to be the point of transfer of risks and rewards.

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

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 3. Income from continuing operations (continued)

\$ '000	2018 Operating	2017 Operating	2018 Capital	2017 Capital
(e) Grants				
General purpose (untied)				
Current year allocation				
Financial assistance – general component	1,239	2,342	–	–
Financial assistance – local roads component	710	1,343	–	–
Payment in advance – future year allocation				
Financial assistance – general component	1,272	688	–	–
Financial assistance – local roads component	726	1,211	–	–
Other				
Pensioners' rates subsidies – general component	8	10	–	–
Total general purpose	3,955	5,594	–	–
Specific purpose				
Pensioners' rates subsidies:				
– Water	9	10	–	–
– Sewerage	8	8	–	–
– Domestic waste management	18	18	–	–
Water supplies	754	248	7,370	–
Asset management	–	–	–	300
Bushfire and emergency services	87	87	–	–
Child care	472	354	–	–
Community care	315	278	–	–
Economic development	8	5	–	–
Environmental protection	–	5	–	–
Heritage and cultural	–	2	–	–
Library	27	28	–	–
Library – special projects	–	–	90	–
Medical centre	50	–	–	611
Noxious weeds	41	–	–	–
Recreation and culture	–	41	351	–
Street lighting	15	15	–	–
Transport (roads to recovery)	1,300	1,121	–	–
Transport (other roads and bridges funding)	464	1,375	846	189
Youth services	1	1	–	–
Wage subsidy apprentices	8	14	–	–
Total specific purpose	3,577	3,610	8,657	1,100
Total grants	7,532	9,204	8,657	1,100
Grant revenue is attributable to:				
– Commonwealth funding	2,085	1,754	–	611
– State funding	5,397	7,450	8,657	489
– Other funding	50	–	–	–
	7,532	9,204	8,657	1,100

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 3. Income from continuing operations (continued)

\$ '000	2018 Operating	2017 Operating	2018 Capital	2017 Capital
(f) Contributions				
Other contributions:				
Cash contributions				
Childcare	–	15	–	–
Medical centre	5	–	–	25
NRL footy facilities funding	–	–	17	33
On road diesel fuel grant	134	68	–	–
Other councils – joint works/services	–	20	–	–
Recreation and culture	7	6	–	6
Roads and bridges	–	–	75	–
RMS contributions (regional roads, block grant)	965	915	–	–
SES	–	–	40	20
Total other contributions – cash	1,111	1,024	132	84
Non-cash contributions				
Bushfire services	–	–	387	–
Total other contributions	1,111	1,024	519	84
Total contributions	1,111	1,024	519	84
TOTAL GRANTS AND CONTRIBUTIONS	8,643	10,228	9,176	1,184

Accounting policy for contributions

Control over grants and contributions is normally obtained upon their receipt (or acquittal) and is valued at the fair value of the granted or contributed asset at the date of transfer.

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 un-discharged at reporting date, the unused grant or contribution is disclosed above.

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

Bogan Shire Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 3. Income from continuing operations (continued)

\$ '000	2018	2017
(g) Unspent grants and contributions		
Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:		
Operating grants		
Unexpended at the close of the previous reporting period	600	247
Add: operating grants recognised in the current period but not yet spent	272	353
Add: operating grants received for the provision of goods and services in a future period	18	–
Less: operating grants recognised in a previous reporting period now spent	(173)	–
Unexpended and held as restricted assets (operating grants)	<u>717</u>	<u>600</u>
Capital grants		
Unexpended at the close of the previous reporting period	–	–
Add: capital grants recognised in the current period but not yet spent	51	–
Unexpended and held as restricted assets (capital grants)	<u>51</u>	<u>–</u>

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 4. Expenses from continuing operations

\$ '000	2018	2017
(a) Employee benefits and on-costs		
Salaries and wages	5,497	5,222
Employee termination costs	–	7
Travel expenses	26	31
Employee leave entitlements (ELE)	1,132	933
Superannuation	628	618
Workers' compensation insurance	130	126
Fringe benefit tax (FBT)	29	27
Training costs (other than salaries and wages)	117	89
Protective clothing	20	24
Other (Cobar water security project)	–	3
Other	31	29
Total employee costs	7,610	7,109
Less: capitalised costs	(617)	(397)
TOTAL EMPLOYEE COSTS EXPENSED	6,993	6,712
Number of 'full-time equivalent' employees (FTE) at year end	90	90

Accounting policy for employee benefits and on-costs

Employee benefit expenses are recorded when the service has been provided by the employee.

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.

Superannuation 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.

Council participates in a Defined Benefit Plan under the Local Government Superannuation Scheme, however, when sufficient information to account for the plan as a defined benefit is not available and therefore Council accounts for its obligations to defined benefit plans on the same basis as its obligations to defined contribution plans, i.e. as an expense when it becomes payable – refer to Note 16 for more information.

(b) Borrowing costs	2018	2017
(i) Interest bearing liability costs		
Interest on loans	77	74
Total interest bearing liability costs expensed	77	74
TOTAL BORROWING COSTS EXPENSED	77	74

Accounting policy for borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 4. Expenses from continuing operations (continued)

\$ '000	2018	2017
(c) Materials and contracts		
Raw materials and consumables	11,713	5,723
Contractor and consultancy costs	3,787	2,973
Auditors remuneration	44	35
Legal expenses:		
– Legal expenses: debt recovery	20	9
– Legal expenses: other	–	3
Other – cobar water security project and apc piping	748	7
Total materials and contracts	16,312	8,750
Less: capitalised costs	(9,770)	(3,556)
TOTAL MATERIALS AND CONTRACTS	6,542	5,194

Auditor remuneration

During the year the following fees were paid or payable for services provided by the auditor of Council, related practices and non-related audit firms

Auditors of the Council – NSW Auditor-General:**(i) Audit and other assurance services**

Audit and review of financial statements	43	35
Remuneration for audit and other assurance services	43	35
Total Auditor-General remuneration	43	35

Non NSW Auditor-General audit firms:**(i) Audit and other assurance services**

Other audit and assurance services (Medical Centre Aquittal for Construction)	1	–
Remuneration for audit and other assurance services	1	–
Total remuneration of non NSW Auditor-General audit firms	1	–
Total Auditor remuneration	44	35

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	2018	2017
(d) Depreciation, amortisation and impairment			
Depreciation and amortisation			
Plant and equipment		538	560
Office equipment		82	64
Furniture and fittings		14	14
Infrastructure:			
– Buildings – non-specialised		479	433
– Buildings – specialised		202	205
– Other structures		91	72
– Roads		1,636	1,667
– Bridges		109	94
– Footpaths		91	42
– Stormwater drainage		13	5
– Water supply network		436	436
– Sewerage network		162	162
Total depreciation and amortisation costs		3,853	3,754
<u>TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT / REVALUATION DECREMENT COSTS EXPENSED</u>		<u>3,853</u>	<u>3,754</u>

Accounting policy for depreciation, amortisation and impairment expenses

Depreciation and amortisation

Depreciation and amortisation are calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful lives are included in Note 9 for IPPE assets.

Impairment of non-financial assets

Other assets are tested 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 the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

Impairment losses for revalued assets are firstly offset against the amount in the revaluation surplus for the class of asset, with only the excess to be recognised in the Income Statement.

Impairment of financial assets

Council assesses at the end of each reporting period 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.

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 4. Expenses from continuing operations (continued)

\$ '000	2018	2017
(e) Other expenses		
Advertising	15	26
Bad and doubtful debts	19	20
Bank charges	11	10
Cleaning	15	32
Computer software charges	123	111
Contributions/levies to other levels of government		
– Emergency services levy (includes FRNSW, SES, and RFS levies)	131	127
Councillor expenses – mayoral fee	19	19
Councillor expenses – councillors' fees	79	75
Councillors' expenses (incl. mayor) – other (excluding fees above)	56	56
Donations, contributions and assistance to other organisations (Section 356)	79	56
Election expenses	–	27
Electricity and heating	224	207
Fire and emergency services levy (FESL) implementation costs	1	9
Insurance	405	394
Office expenses (including computer expenses)	29	35
Postage	14	13
Printing and stationery	39	46
Street lighting	112	87
Subscriptions and publications	48	47
Telephone and communications	44	52
Tourism expenses (excluding employee costs)	7	5
Valuation fees	17	19
Other (Rent Paid)	24	–
Other	13	21
<u>TOTAL OTHER EXPENSES</u>	<u>1,524</u>	<u>1,494</u>

Accounting policy for other expenses

Other expenses are recorded on an accruals basis as the Council receives the goods or services.

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 5. Gains or losses from the disposal of assets

\$ '000	Notes	2018	2017
Property (excl. investment property)	9		
Proceeds from disposal – property		–	40
Less: carrying amount of property assets sold/written off		(413)	(26)
Net gain/(loss) on disposal		(413)	14
Plant and equipment	9		
Proceeds from disposal – plant and equipment		515	205
Less: carrying amount of plant and equipment assets sold/written off		(608)	(226)
Net gain/(loss) on disposal		(93)	(21)
Infrastructure	9		
Less: carrying amount of infrastructure assets sold/written off		(51)	–
Net gain/(loss) on disposal		(51)	–
Financial assets ⁽¹⁾	6		
Proceeds from disposal/redemptions/maturities – financial assets		4,800	4,808
Less: carrying amount of financial assets sold/redeemed/matured		(4,800)	(4,808)
Net gain/(loss) on disposal		–	–
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		(557)	(7)

Accounting policy for disposal of assets

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

Note 6(a). Cash and cash equivalent assets

Cash and cash equivalents			
Cash on hand and at bank		101	100
Cash-equivalent assets			
– Deposits at call		6,311	3,368
Total cash and cash equivalents		6,412	3,468

Accounting policy for cash and cash equivalents

For Statement of Cash Flow presentation purposes, cash and cash equivalents includes cash on hand; deposits held at call with financial institutions; other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value; and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 6(b). Investments

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
Investments				
'Held to maturity'	5,800	–	7,800	–
Total investments	5,800	–	7,800	–
<u>TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS</u>	<u>12,212</u>	<u>–</u>	<u>11,268</u>	<u>–</u>
Held to maturity investments				
Long term deposits	5,800	–	7,800	–
Total	5,800	–	7,800	–

Accounting policy for investments

Classification

Council classifies its financial assets in the following categories: financial assets at fair value through profit or loss; loans and receivables; held-to-maturity investments; and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

Held to maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Council's management has the positive intention and ability to hold to maturity. Assets in this category are measured at amortised cost.

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date: the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Investments are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

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

Bogan Shire Council

Notes to the Financial Statements
for the year ended 30 June 2018

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

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
Total cash, cash equivalents and investments	12,212	–	11,268	–
attributable to:				
External restrictions (refer below)	3,414	–	3,813	–
Internal restrictions (refer below)	4,799	–	4,980	–
Unrestricted	3,999	–	2,475	–
	12,212	–	11,268	–

\$ '000	2018		2017	
Details of restrictions				
External restrictions – other				
Specific purpose unexpended grants			768	600
Water supplies			–	629
Sewerage services			2,646	2,584
External restrictions – other			3,414	3,813
Total external restrictions			3,414	3,813
Internal restrictions				
Plant and vehicle replacement			267	933
Employees leave entitlement			393	346
Carry over works			504	466
Bush mobile service			–	27
FAG grant in advance			1,997	1,900
Museum			37	25
Other (capital building projects)			504	283
Roads and ancillary services			495	374
Village amenities			76	57
Waste facility			521	549
Other (Specific Contribution - Medical Centre)			5	–
Other			–	20
Total internal restrictions			4,799	4,980
TOTAL RESTRICTIONS			8,213	8,793

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 7. Receivables

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
Purpose				
Rates and annual charges	196	86	200	155
Interest and extra charges	–	47	–	37
User charges and fees	648	–	1,436	188
Private works	290	–	–	–
Capital debtors (being sale of assets)				
– Other asset sales	30	–	–	–
Accrued revenues				
– Interest on investments	11	–	120	–
Deferred debtors	11	–	12	15
Government grants and subsidies	2,435	–	868	–
Loans to sporting clubs	3	–	–	–
Net ATO receivable	200	–	94	–
Total	3,824	133	2,730	395
Less: provision for impairment				
Rates and annual charges	(17)	–	(45)	–
Interest and extra charges	–	(4)	(12)	–
Total provision for impairment – receivables	(17)	(4)	(57)	–
<u>TOTAL NET RECEIVABLES</u>	<u>3,807</u>	<u>129</u>	<u>2,673</u>	<u>395</u>
Externally restricted receivables				
Water supply				
– Rates and availability charges	47	15	40	31
– Other	1,965	84	241	194
Sewerage services				
– Rates and availability charges	24	8	35	2
– Other	45	4	46	6
Domestic waste management	43	15	45	25
Other				
– Other restricted receivables (Non-domestic Waste Management)	6	2	–	–
Total external restrictions	2,130	128	407	258
Unrestricted receivables	1,677	1	2,266	137
<u>TOTAL NET RECEIVABLES</u>	<u>3,807</u>	<u>129</u>	<u>2,673</u>	<u>395</u>
Movement in provision for impairment of receivables			2018	2017
Balance at the beginning of the year			57	55
+ new provisions recognised during the year			19	20
– amounts already provided for and written off this year			(55)	(18)
Balance at the end of the year			21	57

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 7. Receivables (continued)

Accounting policy for receivables

Recognition and measurement

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in other receivables (Note 8) and receivables (Note 7) in the Statement of Financial Position. Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are generally due for settlement within 30 days.

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Impairment

For loans and receivables the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss.

Collectability of receivables is reviewed on an on-going basis. Debts that are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of receivables) is used when there is objective evidence that Council will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired. When a receivable for which an impairment allowance had been recognised becomes uncollectable 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.

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 8. Inventories and other assets

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
(a) Inventories				
Inventories at cost				
Stores and materials	398	–	263	–
Total inventories at cost	398	–	263	–
TOTAL INVENTORIES	398	–	263	–
(b) Other assets				
Prepayments	66	–	39	–
TOTAL OTHER ASSETS	66	–	39	–
Externally restricted assets				
Water				
Prepayments	2	–	1	–
Total water	2	–	1	–
Total externally restricted assets	2	–	1	–
Total unrestricted assets	462	–	301	–
TOTAL INVENTORIES AND OTHER ASSETS	464	–	302	–

Accounting policy**Raw materials and stores, work in progress and finished goods**

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. 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.

Inventory held for distribution

Inventory held for distribution is held at cost, adjusted where applicable for any loss of service potential.

Land held for resale/capitalisation of borrowing costs

Land held for resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development. When development is completed borrowing costs and other holding charges are expensed as incurred.

Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 9(a). Infrastructure, property, plant and equipment

Asset class \$ '000	as at 30/6/2017			Asset movements during the reporting period						as at 30/6/2018		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
Capital work in progress	–	–	–	–	7,370	–	–	–	–	7,370	–	7,370
Plant and equipment	7,869	3,607	4,262	1,937	52	(608)	(538)	–	–	8,461	3,356	5,105
Office equipment	626	366	260	43	21	–	(82)	–	–	690	448	242
Furniture and fittings	274	156	118	–	10	–	(14)	–	–	238	124	114
Land:												
– Operational land	415	–	415	–	1	–	–	–	–	416	–	416
– Community land	2,134	–	2,134	–	–	–	–	–	–	2,134	–	2,134
Infrastructure:												
– Buildings – non-specialised	19,590	10,904	8,686	117	699	(266)	(479)	–	–	19,992	11,235	8,757
– Buildings – specialised	8,180	4,940	3,240	4	–	(33)	(202)	–	–	8,074	5,065	3,009
– Other structures	3,787	1,006	2,781	264	144	(114)	(91)	–	–	4,063	1,079	2,984
– Roads	90,718	22,542	68,176	1,336	1,248	–	(1,636)	–	9,323	98,617	20,170	78,447
– Bridges	11,784	2,144	9,640	–	–	–	(109)	–	2,533	14,100	2,036	12,064
– Footpaths	3,479	1,426	2,053	28	20	–	(91)	(282)	–	3,661	1,933	1,728
– Bulk earthworks (non-depreciable)	65,095	–	65,095	–	–	–	–	(1,385)	–	63,710	–	63,710
– Stormwater drainage	7,237	162	7,075	27	–	–	(13)	–	1,044	8,249	116	8,133
– Water supply network	35,215	9,613	25,602	217	25	(49)	(436)	(2,136)	–	36,071	12,848	23,223
– Sewerage network	13,831	4,527	9,304	–	10	(2)	(162)	–	143	14,124	4,831	9,293
Other assets:												
– Other	154	154	–	–	–	–	–	–	–	154	154	–
TOTAL INFRASTRUCTURE, PROPERTY, PLANT AND EQUIP.	270,388	61,547	208,841	3,973	9,600	(1,072)	(3,853)	(3,803)	13,043	290,124	63,395	226,729

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

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 9(a). Infrastructure, property, plant and equipment (continued)

Accounting policy for infrastructure, property, plant and equipment

Infrastructure, property, plant and equipment are held at fair value. Independent valuations are performed at least every five years, however the carrying amount of assets is assessed at each reporting date to confirm that it is not materially different from current fair value.

Water and sewerage network assets are indexed at each reporting period in accordance with the Rates Reference Manual issued by Crown Lands and Water (CLAW).

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 recognising profit or loss relating to that asset class, the increase is first recognised as profit or loss. Decreases that reverse previous increases of assets in the same class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

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.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

Plant and equipment	Years	Other equipment	Years
Office equipment	5 to 10	Playground equipment	5 to 15
Office furniture	10 to 20	Benches, seats etc.	10 to 20
Computer equipment	4		
Vehicles	5 to 8	Buildings	
Heavy plant/road making equipment	5 to 8	Buildings: masonry	50 to 100
Other plant and equipment	5 to 15	Buildings: other	20 to 40
Water and sewer assets		Stormwater assets	
Dams and reservoirs	80 to 100	Drains	80 to 100
Bores	20 to 40	Culverts	50 to 80
Reticulation pipes: PVC	70 to 80	Flood control structures	80 to 100
Reticulation pipes: other	25 to 75		
Pumps and telemetry	15 to 20		
Transportation assets		Other infrastructure assets	
Sealed roads: surface	20	Bulk earthworks	20
Sealed roads: structure	50	Swimming pools	50
Unsealed roads	20	Unsealed roads	20
Bridge: concrete	100	Other open space/recreational assets	20
Bridge: other	50	Other infrastructure	20
Road pavements	60		
Kerb, gutter and footpaths	40		

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Income statement.

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 9(a). Infrastructure, property, plant and equipment (continued)

Accounting policy for infrastructure, property, plant and equipment (continued)

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.

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

Crown reserves

Crown Reserves under Council's care and control are recognised as assets of the Council. While ownership of the reserves remains with the Crown, Council retains operational control of the reserves and is responsible for their maintenance and use in accordance with the specific purposes to which the reserves are dedicated. Improvements on Crown Reserves are also recorded as assets, while maintenance costs incurred by Council and revenues relating to the reserves are recognised within Council's Income Statement.

Rural Fire Service assets

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

Until such time as discussions on this matter have concluded and the legislation changed, Council will recognise rural fire service assets including land, buildings and will not recognise plant and vehicles.

Water assets

In consultation with Council's valuer a review of the useful life of all Assets was undertaken. Following the review an adjustment was made to the remaining useful life of some water reticulation assets.

The adjustment has been made in the current year as it did not affect Council's operating result. The adjustment increased the accumulated depreciation for some of the reticulation assets. This brought the assets in line with Council's Asset Register for 2017/18.

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

\$ '000	2018			2017		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount
Water supply						
WIP	7,370	–	7,370	–	–	–
Infrastructure	36,071	12,848	23,223	35,215	9,613	25,602
Total water supply	43,441	12,848	30,593	35,215	9,613	25,602
Sewerage services						
Infrastructure	14,124	4,831	9,293	13,831	4,527	9,304
Total sewerage services	14,124	4,831	9,293	13,831	4,527	9,304
Domestic waste management						
Plant and equipment	624	167	457	491	293	198
Total DWM	624	167	457	491	293	198
TOTAL RESTRICTED IPP&E	58,189	17,846	40,343	49,537	14,433	35,104

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 10. Payables and borrowings

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
Payables				
Goods and services – operating expenditure	982	–	698	–
Goods and services – capital expenditure	743	–	119	–
Accrued expenses:				
– Borrowings	30	–	33	–
– Salaries and wages	147	–	140	–
– Other expenditure accruals	–	–	14	–
Security bonds, deposits and retentions	14	–	3	–
Bogan bush mobile	–	–	27	–
National Bank	–	–	1	–
Historical society	5	–	8	–
Other	59	–	–	–
Total payables	1,980	–	1,043	–
Borrowings				
Loans – secured ¹	109	2,533	186	2,562
Total borrowings	109	2,533	186	2,562
TOTAL PAYABLES AND BORROWINGS	2,089	2,533	1,229	2,562

(a) Payables and borrowings relating to restricted assets

	2018		2017	
	Current	Non-current	Current	Non-current
Externally restricted assets				
Water	835	–	80	–
Sewer	3	–	11	–
Payables and borrowings relating to externally restricted assets	838	–	91	–
Total payables and borrowings relating to restricted assets	838	–	91	–
Total payables and borrowings relating to unrestricted assets	1,251	2,533	1,138	2,562
TOTAL PAYABLES AND BORROWINGS	2,089	2,533	1,229	2,562

¹. Loans are secured over the general rating income of Council

Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note 17.

Bogan Shire Council

Notes to the Financial Statements
for the year ended 30 June 2018

Note 10. Payables and borrowings (continued)

\$ '000

(b) Changes in liabilities arising from financing activities

Class of borrowings	2017		Non-cash changes			2018
	Opening balance as at 1/7/17	Cash flows	Acquisition	Fair value changes	Other non-cash movements	Closing balance as at 30/6/18
Loans – secured	2,748	(106)	–	–	–	2,642
TOTAL	2,748	(106)	–	–	–	2,642

\$ '000

2018

2017

(c) Financing arrangements**(i) Unrestricted access was available at balance date to the following lines of credit:**

Credit cards/purchase cards	20	20
Total financing arrangements	20	20
Drawn facilities as at balance date:		
– Credit cards/purchase cards	7	3
Total drawn financing arrangements	7	3
Undrawn facilities as at balance date:		
– Credit cards/purchase cards	13	17
Total undrawn financing arrangements	13	17

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

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 10. Payables and borrowings (continued)

Accounting policy for payables and borrowings

Payables

These amounts represent liabilities for goods and services provided to the Council prior to the end of financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or finance cost.

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

Finance leases

Leases of property, plant and equipment where Council, as lessee, 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 fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged 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.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that Council will obtain ownership at the end of the lease term.

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 11. Provisions

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
Provisions				
Employee benefits:				
Annual leave	790	–	697	–
Long service leave	756	–	660	–
Other leave	25	–	28	–
<u>TOTAL PROVISIONS</u>	<u>1,571</u>	<u>–</u>	<u>1,385</u>	<u>–</u>

(a) Provisions relating to restricted assets

There are no restricted assets (external or internal) applicable to the above provisions

\$ '000	2018	2017
---------	------	------

(b) Current provisions not anticipated to be settled within the next twelve months

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

Provisions – employees benefits	<u>1,029</u>	<u>965</u>
	<u>1,029</u>	<u>965</u>

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 11. Provisions (continued)

Accounting policy for provisions

Provisions are recognised when Council has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

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.

Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be wholly settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Other long-term employee benefit obligations

The liability for long service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period 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 discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the Statement of Financial Position if the Council does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

Provisions for close-down and restoration, and environmental clean-up costs – tips and quarries

Restoration

Close down and restoration costs include the dismantling and demolition of infrastructure and the removal of residual materials and remediation of disturbed areas. Estimated close down and restoration costs are provided for in the accounting period when the obligation arising from the related disturbance occurs, whether this occurs during the development or during the operation phase, based on the net present value of estimated future costs.

Provisions for close down and restoration costs do not include any additional obligations which are expected to arise from future disturbance. The costs are estimated on the basis of a closure plan. The cost estimates are calculated annually during the life of the operation to reflect known developments, eg updated cost estimates and revisions to the estimated lives of operations, and are subject to formal review at regular intervals

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 11. Provisions (continued)

Provisions for close-down and restoration, and environmental clean-up costs – tips and quarries

Rehabilitation

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

Provision is made for the estimated present value of the costs of environmental clean up obligations outstanding at the reporting date. These costs are charged to the Income Statement. Movements in the environmental clean up provisions are presented as an operating cost, except for the unwinding of the discount which is shown as a borrowing cost.

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

As noted above, the ultimate cost of environmental remediation is uncertain and cost estimates can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other locations. The expected timing of expenditure can also change, for example in response to changes in quarry reserves or production rates. As a result there could be significant adjustments to the provision for close down and restoration and environmental clean up, which would affect future financial results.

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

Close down and restoration costs are a normal consequence of tip and quarry operations, and the majority of close down and restoration expenditure is incurred at the end of the life of the operations. Although the ultimate cost to be incurred is uncertain, Council estimates the respective costs based on feasibility and engineering studies using current restoration standards and techniques.

Self-insurance

Council has decided to self-insure for various risks, including public liability and professional indemnity. Council also maintains cash and investments to meet expected future claims; refer to Note 6(c).

Note 12. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors

Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

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

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 13. Statement of cash flows – additional information

\$ '000	Notes	2018	2017
(a) Reconciliation of cash assets			
Total cash and cash equivalent assets	6a	6,412	3,468
Balance as per the Statement of Cash Flows		6,412	3,468
(b) Reconciliation of net operating result to cash provided from operating activities			
Net operating result from Income Statement		9,605	3,981
Adjust for non-cash items:			
Depreciation and amortisation		3,853	3,754
Net losses/(gains) on disposal of assets		557	7
Non-cash capital grants and contributions		(387)	–
Share of net (profits) or losses of associates/joint ventures		–	(4)
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		(818)	(1,671)
Increase/(decrease) in provision for doubtful debts		(36)	2
Decrease/(increase) in inventories		(135)	(23)
Decrease/(increase) in other assets		(27)	12
Increase/(decrease) in payables		284	275
Increase/(decrease) in accrued interest payable		(3)	33
Increase/(decrease) in other accrued expenses payable		(7)	124
Increase/(decrease) in other liabilities		39	(12)
Increase/(decrease) in employee leave entitlements		186	110
Net cash provided from/(used in) operating activities from the Statement of Cash Flows		13,111	6,588
(c) Non-cash investing and financing activities			
Other non-cash items (RFS Buildings)		387	–
Total non-cash investing and financing activities		387	–

Note 14. Interests in other entities

\$ '000	Council's share of net income		Council's share of net assets	
	2018	2017	2018	2017
Joint ventures	0	4	53	53
Total	0	4	53	53

Bogan Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 14. Interests in other entities (continued)

\$ '000

Joint arrangements

(i) Joint ventures

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

(a) Net carrying amounts – Council's share

Name of entity	Nature of relationship	Measurement method	2018	2017
North Western Library Co-operative	Joint venture	Book Value	53	53
Total carrying amounts – material joint ventures			53	53

(b) Details

Name of entity	Principal activity	Place of business
North Western Library Co-operative	Joint Purchase of Books & E-Resources	Warren

(c) Relevant interests and fair values

Name of entity	Interest in outputs		Interest in ownership		Proportion of voting power	
	2018	2017	2018	2017	2018	2017
North Western Library Co-operative	25%	25%	25%	25%	25%	25%

(d) Summarised financial information for joint ventures

	North Western Library Co-operative	
Statement of financial position	2018	2017
Current assets		
Cash and cash equivalents	24	9
Other current assets		
Non-current assets	190	203
Net assets	214	212
Reconciliation of the carrying amount		
Opening net assets (1 July)	213	209
Profit/(loss) for the period	1	4
Closing net assets	214	213
Council's share of net assets (%)	25.0%	25.0%
Council's share of net assets (\$)	54	53

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 14. Interests in other entities (continued)

\$ '000

Joint arrangements (continued)

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

	North Western Library Co-operative	
	2018	2017
Statement of comprehensive income		
Income	240	238
Interest income	2	3
Other expenses	(241)	(225)
Profit/(loss) for period	1	16
Total comprehensive income	1	16
Share of income – Council (%)	25.0%	25.0%
Profit/(loss) – Council (\$)	0	4
Total comprehensive income – Council (\$)	0	4

Accounting policy for joint arrangements

The Council has determined that it has only joint ventures

Joint ventures

Interests in joint ventures are accounted for using the equity method in accordance with AASB128 *Investments in Associates and Joint Ventures*. Under this method, the investment is initially recognised as a cost and the carrying amount is increased or decreased to recognise the Council's share of the profit or loss and other comprehensive income of the joint venture after the date of acquisition.

If the Council's share of losses of a joint venture equals or exceeds its interest in the joint venture, the Council discontinues recognising its share of further losses.

The Council's share in the joint venture's gains or losses arising from transactions between itself and its joint venture are eliminated.

Adjustments are made to the joint venture's accounting policies where they are different from those of the Council for the purpose of the consolidated financial statements.

Bogan Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 15. Commitments for expenditure

\$ '000	2018	2017
Capital commitments (exclusive of GST)		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Buildings	240	–
Total commitments	240	–
These expenditures are payable as follows:		
Within the next year	240	–
Total payable	240	–
Sources for funding of capital commitments:		
Internally restricted reserves	240	–
Total sources of funding	240	–

Details of capital commitments

Council has purchased a property for staff housing. The deposit was paid in 2017/18 and the remaining balance will be paid on settlement.

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 16. Contingencies and other liabilities/assets not recognised

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

LIABILITIES NOT RECOGNISED:

1. Guarantees

(i) Defined benefit superannuation contribution plans

Council participates in an employer-sponsored defined benefit superannuation scheme, and makes contributions as determined by the superannuation scheme's trustees.

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

The schemes most recent full actuarial review indicated that the net assets of the scheme were not sufficient to meet the accrued benefits of the schemes defined benefit member category with member councils required to make significantly higher contributions in future years.

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

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

Member councils are treated as Pooled Employers for the purposes of AASB119. Pooled Employers are required to pay standard employer contributions and additional lump sum contributions to the Fund.

The standard employer contributions were determined using the new entrant rate method under which a contribution rate sufficient to fund the total benefits over the working life-time of a typical new entrant is calculated. The current standard employer contribution rates are:

Division B	1.9 times employee contributions
Division C	2.5% salaries
Division D	1.64 times employee contributions

The additional lump sum contribution for each Pooled Employer is a share of the total additional contributions of \$40.0 million per annum from 1 July 2017 for 4 years to 30 June 2021, apportioned according to each employer's share of the accrued liabilities as at 30 June 2017. These additional lump sum contributions are used to fund the deficit of assets to accrued liabilities as 30 June 2017.

The adequacy of contributions is assessed at each triennial actuarial investigation and monitored annually between triennials.

As stated above, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers and hence shares in the associated gains and losses.

However, there is no relief under the Fund's trust deed for employers to walk away from their defined benefit obligations. Under limited circumstances, an employer may withdraw from the plan when there are no active members, on full payment of outstanding additional contributions. There is no provision for allocation of any surplus which may be present at the date of withdrawal of the entity.

There are no specific provisions under the Fund's trust deed dealing with deficits or surplus on wind-up.

There is no provision for the allocation of any surplus which may be present at the date of withdrawal of an employer.

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 16. Contingencies and other liabilities/assets not recognised (continued)

LIABILITIES NOT RECOGNISED (continued):

1. Guarantees (continued)

(i) Defined benefit superannuation contribution plans (continued)

The plan is a defined benefit plan. However, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers and hence shares in the associated gains and losses (to the extent that they are not borne by members). As such, there is not sufficient reliable information to allow each sponsoring employer to account for its proportionate share of the defined benefit obligation, sub-group assets and costs associated with the sub-group in the same way as it would for a single employer sponsored defined benefit plan.

The amount of employer contributions to the defined benefit section of the Fund and recognised as an expense for the year ending 30 June 2018 was \$96,945.78. The last valuation of the Fund was by the Actuary, Mr Richard Boyfield, FIAA on 12 December, relating to the period ended 30 June 2017.

The expected contributions to the Fund for the next annual reporting period are \$108,010.04.

The estimated employer reserves financial position for the Pooled Employers at 30 June 2018 is:

Employer reserves only*	\$millions	Asset Coverage
Assets	1,817.8	
Past Service Liabilities	1,787.5	101.7%
Vested Benefits	1,778.0	102.2%

* excluding member accounts and reserves in both assets and liabilities.

The key economic long term assumptions used to calculate the present value of accrued benefits are:

Investment return	6.0% per annum
Salary inflation*	3.5% per annum
Increase in CPI	2.5% per annum

* Plus promotional increases

The contribution requirements may vary from the current rates if the overall sub-group experience is not in line with the actuarial assumptions in determining the funding program; however, any adjustment to the funding program would be the same for all sponsoring employers in the Pooled Employers group. Please note that the estimated employer reserves financial position above is a preliminary calculation, and once all the relevant information has been received by the Funds Actuary, the 2018 triennial review will be completed around December 2018.

Council's additional lump sum contribution is around 0.13% of the total additional lump sum contributions for all Pooled Employers (of \$40m each year from 1 July 2017 to 30 June 2021) provides an indication of the level of participation of Council compared with other employers in the Pooled Employer sub-group.

(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.

Bogan Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 16. Contingencies and other liabilities/assets not recognised (continued)

LIABILITIES NOT RECOGNISED (continued):

1. Guarantees (continued)

(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.

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.

ASSETS NOT RECOGNISED:

(i) Land under roads

As permitted under AASB 1051, Council has elected not to bring to account land under roads that it owned or controlled up to and including 30/6/08.

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 17. 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.

The fair value of Council's financial assets and financial liabilities approximates their carrying amount.

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

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

Council has an investment policy which complies with the *Local Government Act 1993* and Ministerial Investment Order 625. This policy is regularly reviewed by Council and its staff and a monthly Investment report is provided to Council setting out the make-up and performance of the portfolio as required by Local Government regulations.

The risks associated with the investments held are:

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

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

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

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

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

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

	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
2018				
Possible impact of a 1% movement in interest rates	87	87	(87)	(87)
2017				
Possible impact of a 1% movement in interest rates	78	78	(78)	(78)

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 17. Financial risk management (continued)

\$ '000

(b) Credit risk

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

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

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

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

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

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

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

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

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

	2018 Rates and annual charges	2018 Other receivables	2017 Rates and annual charges	2017 Other receivables
(i) Ageing of receivables – %				
Current (not yet overdue)	61%	95%	86%	95%
Overdue	39%	5%	14%	5%
	100%	100%	100%	100%
(ii) Ageing of receivables – value			2018	2017
Rates and annual charges				
Current			157	200
1 – 2 years overdue			60	102
2 – 5 years overdue			48	33
> 5 years overdue			17	20
			282	355
Other receivables				
Current			2,282	2,473
0 – 30 days overdue			1,283	239
31 – 60 days overdue			4	32
61 – 90 days overdue			2	15
> 91 days overdue			104	11
			3,675	2,770

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 17. Financial risk management (continued)

\$ '000

(c) Liquidity risk

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

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

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

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. Council manages this risk by borrowing long term and fixing the interest rate on a 4-year renewal basis. The Finance Section regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

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

\$ '000	Weighted average interest rate	Subject to no maturity	payable in:			Total cash outflows	Actual carrying values
			≤ 1 Year	1 – 5 Years	> 5 Years		
2018							
Trade/other payables	0.00%	14	1,907	-	-	1,921	1,980
Loans and advances	2.94%	-	186	744	2,514	3,444	2,642
Total financial liabilities		14	2,093	744	2,514	5,365	4,622
2017							
Trade/other payables	0.00%	3	866	-	-	869	1,043
Loans and advances	2.94%	-	186	744	2,700	3,630	2,748
Total financial liabilities		3	1,052	744	2,700	4,499	3,791

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 18. Material budget variations

\$ '000

Council's original financial budget for 17/18 was adopted by the Council on 22 June 2017 and is not required to be audited.

While the Income Statement included in this General Purpose Financial Report must disclose the original budget adopted by Council, the *Local Government Act 1993* 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	2018 Budget	2018 Actual	2018 ----- Variance* -----		
REVENUES					
Rates and annual charges	4,760	4,743	(17)	(0%)	U
User charges and fees	3,711	6,013	2,302	62%	F
Council received additional funding for RMS Contract & Ordered works than what was originally budgeted.					
Interest and investment revenue	291	270	(21)	(7%)	U
Other revenues	770	306	(464)	(60%)	U
Council budgeted for Sale of Plant in this area and it was moved to a Capital cost in the statements.					
Operating grants and contributions	6,973	8,643	1,670	24%	F
Council received additional operating grants to what was originally budgeted. Council received funds for a Feasibility Study for the piping of the Albert Priest Channel as well as additional Flood Grant monies that was not budgeted.					
Capital grants and contributions	7,887	9,176	1,289	16%	F
Council was successful in applying for some Restart NSW funding to finish Sealing 7kms of Hermidale/Nymagee Rd as well as a Block Grant to complete the road. Council also received Stronger Country Communities Funding that was not in the original budget.					
Joint ventures and associates - net profits	-	-	-	0%	F
Proceeds of joint venture not in original budget.					

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 18. Material budget variations (continued)

\$ '000	2018 Budget	2018 Actual	2018 ----- Variance* -----		
EXPENSES					
Employee benefits and on-costs	6,331	6,993	(662)	(10%)	U
Additional employee costs due to extra RMS contract and ordered works as well as the additional grant funding.					
Borrowing costs	80	77	3	4%	F
Materials and contracts	3,982	6,542	(2,560)	(64%)	U
Additional materials due to extra RMS contract and ordered works as well as the additional grant funding.					
Depreciation and amortisation	3,499	3,853	(354)	(10%)	U
Increase in depreciation due to a Road revaluation.					
Other expenses	1,498	1,524	(26)	(2%)	U
Net losses from disposal of assets	-	557	(557)	0%	U
Loss on Disposal of plant and equipment not in original budget.					

Budget variations relating to Council's Cash Flow Statement include:

Cash flows from operating activities	12,784	13,111	327	2.6%	F
Additional operating cash flows due to extra RMS contract and ordered works as well as the additional grant funding					
Cash flows from investing activities	(12,654)	(10,061)	2,593	(20.5%)	F
Council reduced its long term investments to ensure cash was on hand for Capital projects that were fully funded however grant funds were not received until after payments for expenditure had to be made.					
Cash flows from financing activities	234	(106)	(340)	(145.3%)	U
Loans budgeted for were not taken out in 2017/18					

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 19. Fair value measurement

\$ '000

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

– Infrastructure, property, plant and equipment

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

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

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

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

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

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

2018	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring fair value measurements					
Infrastructure, property, plant and equipment					
Plant and equipment	30/06/18	–	–	5,105	5,105
Office equipment	30/06/18	–	–	242	242
Furniture and fittings	30/06/18	–	–	114	114
Operational land	30/06/17	–	–	416	416
Community land	30/06/17	–	–	2,134	2,134
Buildings – non-specialised	1/07/13	–	–	8,757	8,757
Buildings – specialised	1/07/13	–	–	3,009	3,009
Other structures	1/07/13	–	–	2,984	2,984
Roads	30/06/18	–	–	78,447	78,447
Bulk earthworks	30/06/18	–	–	63,710	63,710
Storm water drainage	30/06/18	–	–	8,133	8,133
Water supply network	30/06/17	–	–	23,223	23,223
Sewerage network	30/06/17	–	–	9,293	9,293
Bridges	30/06/18	–	–	12,064	12,064
Footpaths	30/06/18	–	–	1,728	1,728
WIP	30/06/18	–	–	7,370	7,370
Total infrastructure, property, plant and equipment		–	–	226,729	226,729

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 19. Fair value measurement (continued)

\$ '000

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

2017	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring fair value measurements					
Infrastructure, property, plant and equipment					
Plant and equipment	30/06/17	—	—	4,262	4,262
Office equipment	30/06/17	—	—	260	260
Furniture and fittings	30/06/17	—	—	118	118
Operational land	30/06/17	—	—	415	415
Community land	30/06/17	—	—	2,134	2,134
Buildings – non-specialised	1/07/13	—	—	8,686	8,686
Buildings – specialised	1/07/13	—	—	3,240	3,240
Other structures	1/07/13	—	—	2,781	2,781
Roads	1/07/14	—	—	68,176	68,176
Bulk earthworks	1/07/14	—	—	65,095	65,095
Storm water drainage	1/07/14	—	—	7,075	7,075
Water supply network	30/06/17	—	—	25,602	25,602
Sewerage network	30/06/17	—	—	9,304	9,304
Bridges	1/07/14	—	—	9,640	9,640
Footpaths	1/07/14	—	—	2,053	2,053
Total infrastructure, property, plant and equipment		—	—	208,841	208,841

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

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

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 19. Fair value measurement (continued)

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

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

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

Infrastructure, property, plant and equipment

Plant & Equipment, Office Equipment and Furniture & Fittings

Plant & Equipment, Office Equipment and Furniture & Fittings are valued at cost but are disclosed at fair value in the notes. The carrying amount of these assets is assumed to be approximate fair value due to the nature of the items. Examples of assets within these classes are as follows:

- Plant & Equipment – Graders, Trucks, Rollers, Tractors and Motor Vehicles.
- Office Equipment – Computers, photocopiers, calculators etc.
- Furniture & Fittings – Chairs, Desks etc

There has been no change to the valuation process during the reporting period.

Operational & Community Land

Operational & Community Land are based on either the Land Value provided by the Valuer-General or an average unit rate based on the Land Value for similar properties where the Valuer-General did not provide a Land Value, having regard to the highest and best use for the land. Operational Land is based on the Valuer General's land value as these are representative of the actual market values in the Bogan Shire LGA. As these rates were not considered to be observable market evidence they have been classified as Level 3.

There has been no change to the valuation process during the reporting period.

Buildings – Non-Specialised & Specialised

Non-Specialised & Specialised Buildings have been valued by external valuers, Aspect Property Consultants using the principles of Fair Value as defined in Accounting Standard AASB13 in 2013. As these values were not considered to contain observable market evidence they have been classified as Level 3.

There has been no change to the valuation process during the reporting period.

Other Structures

Other Structures comprise the Nyngan Swimming Pool, Aerodrome buildings, playground equipment, lighting, irrigation systems and fencing etc. These assets have been valued by external valuers, Aspect Property Consultants using the principles of Fair Value as defined in Accounting Standard AASB13. As these values were not considered to contain observable market evidence they have been classified as Level 3.

There has been no change to the valuation process during the reporting period.

Roads

Roads comprise road carriageway, roadside shoulders and kerb & gutter. The Cost Approach using Level 3 inputs was used to value this asset class. A revaluation for this asset class was undertaken by APV Valuers & Asset Management as at 30/6/18 based on actual costs and assumptions from Councils Asset Manager and

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 19. Fair value measurement (continued)

Engineering department. No market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this assets class.

The following provides a summary of changes between the valuation in the previous financial statements and this valuation.

- Changes to Fair Value and Depreciation Expense due to valuation methodology and changes to consumption score
- Bridge Assets increased due to dimensions changes for some major bridges
- Unsealed roads have adjusted their components from being Formation and Surface to Formation and Pavement which has resulted in an increase in Pavement assets and a decrease in Surface assets.
- There has been a material update to the Rural Road asset register resulting in approximately 54km less formation assets than the previous valuation. The previous register was based on rough chainages, however the new register is based on the most up to date GIS dataset.
- Airport runway and Carpark assets have been valued for the first time.
- Stormwater Assets increased due to the re-classification of culverts as stormwater
- Footpath Assets increased due to the addition of new bikeways and footpath
- Bus Shelter Assets lower Fair Value as percentage of Gross is due to their condition and economic life
- Australian Accounting Standards Board has clarified the requirements for the definition of Residual Value, which has had implications for the determination of depreciation expense.
- As the AASB's May 2015 decision has now removed the perceived link between valuation and depreciation expense APV took the opportunity to simplify the depreciation methodology by adopting a straight-line approach.
- It has been determined that except in rare circumstances, the Residual Value is nil for all asset components.
- In accordance with the AASB decision components are now split into long life and short life apportionments and depreciated separately.
- The Useful Life of the long-life portion of the components has been assessed considering the normal range of time between major renewals.

Storm Water Drainage

Storm Water Drainage comprises pipes, culverts and associated assets used for surface water to drain from roads.

The Cost Approach using level 3 inputs was used to value these assets. A revaluation for this asset class was undertaken by APV Valuers & Asset Management as at 30/6/18 based on actual costs and assumptions from Council's Asset Manager and Engineering Department. No market based evidence (Level 2) inputs are available therefore Level 3 valuation inputs were used for this assets class.

The following provides a summary of changes between the valuation in the previous financial statements and this valuation.

- Changes to Fair Value and Depreciation Expense due to valuation methodology and changes to consumption score
- Bridge Assets increased due to dimensions changes for some major bridges
- Unsealed roads have adjusted their components from being Formation and Surface to Formation and Pavement which has resulted in an increase in Pavement assets and a decrease in Surface assets.
- There has been a material update to the Rural Road asset register resulting in approximately 54km less formation assets than the previous valuation. The previous register was based on rough chainages, however the new register is based on the most up to date GIS dataset.
- Airport runway and Carpark assets have been valued for the first time.
- Stormwater Assets increased due to the re-classification of culverts as stormwater
- Footpath Assets increased due to the addition of new bikeways and footpath
- Bus Shelter Assets lower Fair Value as percentage of Gross is due to their condition and economic life

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 19. Fair value measurement (continued)

- Australian Accounting Standards Board has clarified the requirements for the definition of Residual Value, which has had implications for the determination of depreciation expense.
- As the AASB's May 2015 decision has now removed the perceived link between valuation and depreciation expense APV took the opportunity to simplify the depreciation methodology by adopting a straight-line approach.
- It has been determined that except in rare circumstances, the Residual Value is nil for all asset components.
- In accordance with the AASB decision components are now split into long life and short life apportionments and depreciated separately.
- The Useful Life of the long-life portion of the components has been assessed considering the normal range of time between major renewals.

Water Supply Network

Assets within this class comprise treatment works, reservoirs, pumping stations and water pipelines.

The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar may be supported from market evidence (Level 2) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally, due to limitations in the historical records of very long lived assets, there is uncertainty regarding the actual design, specifications and dimensions of some assets. These assets are indexed each year in line with the NSW Reference Rates Manual as published by the Office of Water.

In 2016/2017 Council has undertaken a revaluation of its Water Assets by external Valuers Australis Asset Advisory Group using the principles of Fair Value as defined in Accounting Standard AASB13. As these values were not considered to contain observable market evidence they have been classified as Level 3.

These assets have been indexed on their 2016/17 values as required by the rate advised by the NSW Reference Rates Manual. In addition to this useful lives have been reviewed and an adjustment has been made to accumulated depreciation as at 30/6/2018.

Sewerage Network

Assets within this class comprise treatment works, pumping stations and sewerage mains.

The 'Cost Approach' estimated the replacement cost for each asset by componentising the assets into significant parts with different useful lives and taking into account a range of factors. These assets are indexed each year in line with the NSW Reference Rates Manual as published by the Office of Water. While the unit rates based on linear metres of certain diameter pipes and prices per pit or similar could be supported from market evidence (Level 2) other inputs (such as estimates of pattern of consumption, residual value, asset condition and useful life) required extensive professional judgement and impacted significantly on the final determination of fair value. Additionally, due to limitations in the historical records of very long lived assets, there is uncertainty regarding the actual design, specifications and dimensions of some assets.

In 2016/2017 Council has undertaken a revaluation of its Sewer Assets by external Valuers Australis Asset Advisory Group using the principles of Fair Value as defined in Accounting Standard AASB13. As these values were not considered to contain observable market evidence they have been classified as Level 3.

These assets have been indexed on their 2016/17 values as required by the rate advised by the NSW Reference Rates Manual.

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 19. Fair value measurement (continued)

\$ '000

(4). Fair value measurements using significant unobservable inputs (level 3)

a. The following tables present the changes in level 3 fair value asset classes.

	Plant and equipment	Office equipment	Furniture and fittings	Operational land	Total
Opening balance – 1/7/16	4,236	139	132	174	4,681
Purchases (GBV)	812	185	–	–	997
Disposals (WDV)	(226)	–	–	(26)	(252)
Depreciation and impairment	(560)	(64)	(14)	–	(638)
Other movement (Reval)	–	–	–	267	267
Closing balance – 30/6/17	4,262	260	118	415	5,055
Purchases (GBV)	1,989	64	10	1	2,064
Disposals (WDV)	(608)	–	–	–	(608)
Depreciation and impairment	(538)	(82)	(14)	–	(634)
Closing balance – 30/6/18	5,105	242	114	416	5,877

	Community land	Buildings non- specialised	Buildings specialised	Other structures	Total
Opening balance – 1/7/16	1,910	8,845	1,476	1,910	14,141
Purchases (GBV)	–	2,279	–	907	3,186
Disposals (WDV)	–	(433)	(205)	(72)	(710)
Other movement (Reclassification)	–	(2,005)	1,969	36	–
Other movement (Reval)	224	–	–	–	224
Closing balance – 30/6/17	2,134	8,686	3,240	2,781	16,841
Purchases (GBV)	–	816	4	408	1,228
Disposals (WDV)	–	(266)	(33)	(114)	(413)
Depreciation and impairment	–	(479)	(202)	(91)	(772)
Closing balance – 30/6/18	2,134	8,757	3,009	2,984	16,884

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 19. Fair value measurement (continued)

\$ '000

(4). Fair value measurements using significant unobservable inputs (level 3) (continued)

a. The following tables present the changes in level 3 fair value asset classes. (continued)

	Roads	Bulk earth works	Stormwater drainage	Water network	Total
Opening balance – 1/7/16	68,510	65,095	7,080	13,914	154,599
Purchases (GBV)	1,333	–	–	1,077	2,410
Depreciation and impairment	(1,667)	–	(5)	(436)	(2,108)
Other movement (Revaluation)	–	–	–	11,047	11,047
Closing balance – 30/6/17	68,176	65,095	7,075	25,602	165,948
Purchases (GBV)	2,584	–	27	242	2,853
Disposals (WDV)	–	–	–	(49)	(49)
Depreciation and impairment	(1,636)	–	(13)	(436)	(2,085)
Other movement (Reval Increment)	9,323	–	1,044	538	10,905
Other movement (Reval Decrements)	–	(1,385)	–	–	(1,385)
Other movement (WIP)	–	–	–	7,370	7,370
Other movement (details here)	–	–	–	(2,674)	(2,674)
Closing balance – 30/6/18	78,447	63,710	8,133	30,593	180,883

	Bridges	Footpaths	Sewer Network	Total
Opening balance – 1/7/16	9,734	2,012	7,125	18,871
Purchases (GBV)	–	83	84	167
Depreciation and impairment	(94)	(42)	(162)	(298)
Other movement (Revaluation)	–	–	2,257	2,257
Closing balance – 30/6/17	9,640	2,053	9,304	20,997
Purchases (GBV)	–	48	10	58
Disposals (WDV)	–	–	(2)	(2)
Depreciation and impairment	(109)	(91)	(162)	(362)
Other movement (Reval Increments)	2,533	–	143	2,676
Other movement (Reval decrements)	–	(282)	–	(282)
Closing balance – 30/6/18	12,064	1,728	9,293	23,085

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 19. Fair value measurement (continued)

\$ '000

(4). Fair value measurements using significant unobservable inputs (level 3) (continued)

b. Information relating to the transfers into and out of the level 3 fair valuation hierarchy (as disclosed in the table above) includes:

Buildings - non-specialised

\$46K was transferred into Buildings for the Library airconditioner and Wireless Link, RFS Buildings and SES Building \$612K, Renewals were made to the Environmental Building, the Council Chambers for \$70K, airconditioning to 8a & 8b Dandaloo St \$5K and Carport and awning at 75 Cobar and 41 Flashman Ave \$22K

Buildings -specialised

\$4k was spent on Racecourse & showground repairs and amenities blocks

Other Structures

Larkin Oval \$40K, Centenary Park \$24K, Davidson Park \$36K, Hermidale Sports Ground \$33K, Lions Park \$8k New waste bins \$12K, Mural Wall \$52K, Rotary Park \$47K, Nyngan Showground \$60K, Waste Depot \$23K Teamsters Rest \$23K, Tree Planting \$7K, Moonagee Park \$14K and Heritage Park \$9K

Roads

An amount of \$1,336k was transferred into roads for R2R Program resheeting and construction. \$978K was for Construction Hermidale/Nymagee Rd and \$224K was for construction Cockies Rd, \$18K was to construct a pedestrian refuge at the Nyngan Public School, \$3.5K for improving village entrance signs and \$18K for Information Bays.

Footpaths

An amount of \$48K was transferred in to footpaths for New construction at the Early Learning Centre Pangee Street and the Cycleway

Stormwater

\$27k was transferred into stormwater for levee bank gate improvements

Bogan Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 19. Fair value measurement (continued)

(4). Fair value measurements using significant unobservable inputs (level 3)

c. Significant unobservable valuation inputs used (for level 3 asset classes) and their relationship to fair value.

The following table summarises the quantitative information relating to the significant unobservable inputs used in deriving the various level 3 asset class fair values.

Class	Fair value (30/6/18) \$'000	Valuation technique/s	Unobservable inputs
Plant and equipment	5,105		<ul style="list-style-type: none"> Gross replacement cost Remaining useful life Residual value
Office equipment	242		<ul style="list-style-type: none"> Gross replacement cost Remaining useful life Residual value
Furniture and fittings	114		<ul style="list-style-type: none"> Gross replacement cost Remaining useful life Residual value
Operational land	416		<ul style="list-style-type: none"> Land value based on price per square metre
Community land	2134		<ul style="list-style-type: none"> Land value based on price per square metre
Buildings – non-specialised	8,757		<ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value
Buildings – specialised	3,009		<ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value
Other structures	2,984		<ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value
Roads	78,447		<ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value
Bulk earthworks	63,710		<ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value
Storm water drainage	8,133		<ul style="list-style-type: none"> Gross replacement cost Asset condition Remaining useful life Residual value

Bogan Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 19. Fair value measurement (continued)

Class	Fair value (30/6/18) \$'000	Valuation technique/s	Unobservable inputs
Water supply network	23,223		<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value
WIP	7,370		<ul style="list-style-type: none"> • Actual Cost
Sewer network	9,293		<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value
Bridges	12,064		<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value
Footpaths	1,728		<ul style="list-style-type: none"> • Gross replacement cost • Asset condition • Remaining useful life • Residual value

(5). Highest and best use

All of Council's non-financial assets are considered to being utilised for their highest and best use.

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 20. Related party transactions

\$

a. Key management personnel

Key management personnel (KMP) of the Council are those persons having the authority and responsibility for planning, directing and controlling the activities of the council, directly or indirectly.

The aggregate amount of KMP compensation included in the Income Statement is:

Compensation:	2018	2017
Short-term benefits	958,491	1,058,055
Post-employment benefits	79,923	87,805
Other long-term benefits	16,842	15,734
Termination benefits	19,052	–
Total	<u>1,074,308</u>	<u>1,161,594</u>

b. Other transactions with KMP and their related parties

Council has determined that transactions at arm's length between KMP and Council as part of Council delivering a public service objective (e.g. access to library or Council swimming pool by KMP) will not be disclosed.

Nature of the transaction		Value of transactions during year	Outstanding balance	Terms and conditions	Provisions for doubtful debts outstanding	Doubtful debts expense recognised
		Actual \$	(incl. loans and commitments) Actual \$		Actual \$	Actual \$
2018	Ref					
Supply of goods and service	1	135,681	-	30 Days	-	-
Supply of service	2	1,096,657	-	14 Days	-	-
Supply of goods	3	14,333	-	14 Days	-	-
Supply of goods	1	5,240	-	14 Days	-	-

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 20. Related party transactions (continued)

b. Other transactions with KMP and their related parties (continued)

Nature of the transaction		Value of transactions during year	Outstanding balance (incl. loans and commitments)	Terms and conditions	Provisions for doubtful debts outstanding	Doubtful debts expense recognised
	Ref	Actual \$	Actual \$		Actual \$	Actual \$
2017						
Supply of goods and service	1	222,000	–	30 days	–	–
Supply of service	2	1,092,000	–	14 days	–	–
Supply of goods	3	15,000	–	14 days	–	–

- 1 Supply of goods and services by KMP. Supplier is engaged by Council under the normal conditions of Councils procurement policy. Amounts billed were based on normal rates for such supplies and were due and payable under normal payment terms.
- 2 Contract works undertaken by KMP within a specialty area have been engaged under Councils normal procurement and tendering processes. Amounts billed were based on normal rates for such supplies and were due and payable under normal payment terms.
- 3 Close family members of Council's KMP are engaged by Council under the conditions of Councils procurement policy. Amounts billed were based on normal rates for such supplies and were due and payable under normal payment terms following Council procurement process.

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 21. Financial result and financial position by fund

Income Statement by fund			
\$ '000	2018	2018	2018
Continuing operations	Water	Sewer	General¹
Income from continuing operations			
Rates and annual charges	780	444	3,519
User charges and fees	1,236	183	4,594
Interest and investment revenue	2	40	228
Other revenues	247	2	57
Grants and contributions provided for operating purposes	763	8	7,872
Grants and contributions provided for capital purposes	7,370	–	1,806
Other income			
Share of interests in joint ventures and associates using the equity method	–	–	–
Total income from continuing operations	10,398	677	18,076
Expenses from continuing operations			
Employee benefits and on-costs	410	122	6,461
Borrowing costs	–	–	77
Materials and contracts	2,000	464	4,078
Depreciation and amortisation	436	162	3,255
Other expenses	156	20	1,348
Net losses from the disposal of assets	49	2	506
Total expenses from continuing operations	3,051	770	15,725
Operating result from continuing operations	7,347	(93)	2,351
Net operating result attributable to each council fund	7,347	(93)	2,351
Net operating result for the year before grants and contributions provided for capital purposes	(23)	(93)	545

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

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

Bogan Shire Council

Notes to the Financial Statements

as at 30 June 2018

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

Statement of Financial Position by fund			
\$ '000	2018	2018	2018
ASSETS	Water	Sewer	General¹
Current assets			
Cash and cash equivalents	(824)	1,646	5,590
Investments	–	1,000	4,800
Receivables	2,012	69	1,726
Inventories	–	–	398
Other	–	–	66
Total current assets	1,188	2,715	12,580
Non-current assets			
Receivables	99	12	18
Infrastructure, property, plant and equipment	30,593	9,293	186,843
Investments accounted for using the equity method	–	–	53
Total non-current assets	30,692	9,305	186,914
TOTAL ASSETS	31,880	12,020	199,494
LIABILITIES			
Current liabilities			
Payables	11	3	1,966
Borrowings	–	–	109
Provisions	–	–	1,571
Total current liabilities	11	3	3,646
Non-current liabilities			
Borrowings	–	–	2,533
Total non-current liabilities	–	–	2,533
TOTAL LIABILITIES	11	3	6,179
Net assets	31,869	12,017	193,315
EQUITY			
Accumulated surplus	13,658	7,352	135,572
Revaluation reserves	18,211	4,665	57,743
Total equity	31,869	12,017	193,315

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

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

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 22(a). Statement of performance measures – consolidated results

\$ '000	Amounts 2018	Indicator 2018	Prior periods		Benchmark
			2017	2016	
Local government industry indicators – consolidated					
1. Operating performance ratio					
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions less operating expenses	<u>986</u>	4.94%	13.98%	10.68%	> 0.00%
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions	<u>19,975</u>				
2. Own source operating revenue ratio					
Total continuing operating revenue ⁽¹⁾ excluding all grants and contributions	<u>11,719</u>	40.20%	46.20%	59.46%	> 60.00%
Total continuing operating revenue ⁽¹⁾	<u>29,151</u>				
2b. Own source operating revenue ratio – Rural council model					
Total continuing operating revenue ⁽¹⁾ excluding all grants and contributions (other than FAG)	<u>15,674</u>	53.77%	78.36%	83.03%	
Total continuing operating revenue ⁽¹⁾	<u>29,151</u>				
3. Unrestricted current ratio					
Current assets less all external restrictions ⁽²⁾	<u>10,937</u>	4.18x	6.43x	5.60x	> 1.5x
Current liabilities less specific purpose liabilities ^(3, 4)	<u>2,617</u>				
4. Debt service cover ratio					
Operating result ⁽¹⁾ before capital excluding interest and depreciation/impairment/amortisation	<u>4,916</u>	26.86x	52.19x	5,211.00x	> 2x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<u>183</u>				
5. Rates, annual charges, interest and extra charges outstanding percentage					
Rates, annual and extra charges outstanding	<u>308</u>	6.03%	6.82%	5.51%	0.1
Rates, annual and extra charges collectible	<u>5,107</u>				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	<u>12,212</u>	8.65 mths	8.5 mths	7.2 mths	> 3 mths
Monthly payments from cash flow of operating and financing activities	<u>1,412</u>				

Notes

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

⁽²⁾ Refer Notes 6-8 inclusive.

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

⁽³⁾ Refer to Notes 10 and 11.

⁽⁴⁾ Refer to Note 10(b) and 11(b) – excludes all payables and provisions not expected to be paid in the next 12 months (incl. ELE).

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 22(b). Statement of performance measures – by fund

\$ '000	General indicators ⁵		Water indicators		Sewer indicators		Benchmark
	2018	2017	2018	2017	2018	2017	
Local government industry indicators – by fund							
1. Operating performance ratio							
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions less operating expenses	6.77%	10.14%	-0.76%	2.69%	-13.74%	2.90%	> 0.00%
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions							
2. Own source operating revenue ratio							
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions	46.46%	22.29%	21.77%	-24.06%	98.82%	-44.91%	> 60.00%
Total continuing operating revenue ⁽¹⁾							
3. Unrestricted current ratio							
Current assets less all external restrictions ⁽²⁾	4.18x	6.43x	2.41x	14.20x	905.00x	243.00x	> 1.5x
Current liabilities less specific purpose liabilities ^(3, 4)							

Notes

(1) - (4) Refer to Notes at Note 22a above.

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

Bogan Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 22(b). Statement of performance measures – by fund (continued)

\$ '000	General indicators ⁵		Water indicators		Sewer indicators		Benchmark
	2018	2017	2018	2017	2018	2017	
Local government industry indicators – by fund (continued)							
4. Debt service cover ratio							
Operating result ⁽¹⁾ before capital excluding interest and depreciation/impairment/amortisation	24.23x	49.70x	0.00x	0.00x	0.00x	0.00x	> 2x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)							
5. Rates, annual charges, interest and extra charges outstanding percentage							
Rates, annual and extra charges outstanding	5.51%	6.11%	7.95%	9.43%	7.21%	8.33%	10.00%
Rates, annual and extra charges collectible							
6. Cash expense cover ratio							
Current year's cash and cash equivalents plus all term deposits	7.48	7.16	0.00	3.99	0.00	53.37	> 3 months
Monthly payments from cash flow of operating and financing activities	months	months	months	months	months	months	

Notes

(1) Refer to Notes at Note 22a above.

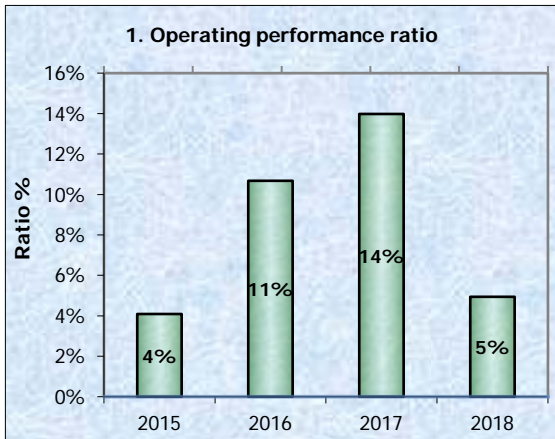
(5) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

END OF AUDITED FINANCIAL STATEMENTS

Bogan Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 22(c). Statement of performance measures – consolidated results (graphs)



Purpose of operating performance ratio

This ratio measures Council's achievement of containing operating expenditure within operating revenue.



Commentary on 2017/18 result

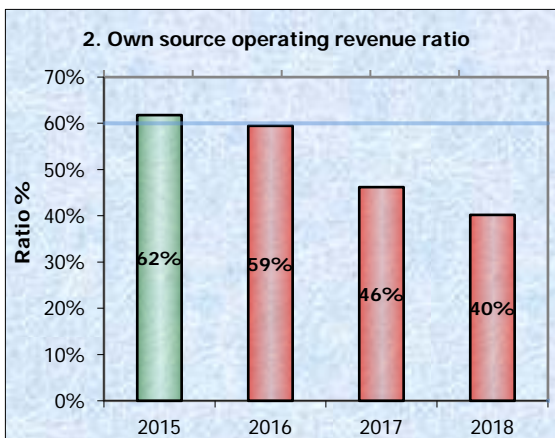
2017/18 ratio 4.94%

Council has been able to maintain operating expenditure within operating revenue with FAG once again being paid in advance contributing to this higher percentage.

Benchmark: ——— Minimum $\geq 0.00\%$

Source for benchmark: Code of Accounting Practice and Financial Reporting #26

 Ratio achieves benchmark
 Ratio is outside benchmark



Purpose of own source operating revenue ratio

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.



Commentary on 2017/18 result

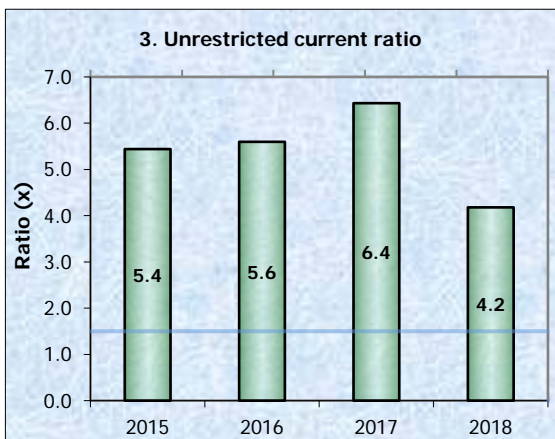
2017/18 ratio 40.20%

2017/2018 operating income includes a large one off \$7 million Capital grant for a Water Storage Facility that if removed the percentage would have been 71% which would have met the ratio.

Benchmark: ——— Minimum $\geq 60.00\%$

Source for benchmark: Code of Accounting Practice and Financial Reporting #26

 Ratio achieves benchmark
 Ratio is outside benchmark



Purpose of unrestricted current ratio

To assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.



Commentary on 2017/18 result

2017/18 ratio 4.18x

Council continues to meet the benchmark for this ratio.

Benchmark: ——— Minimum ≥ 1.50

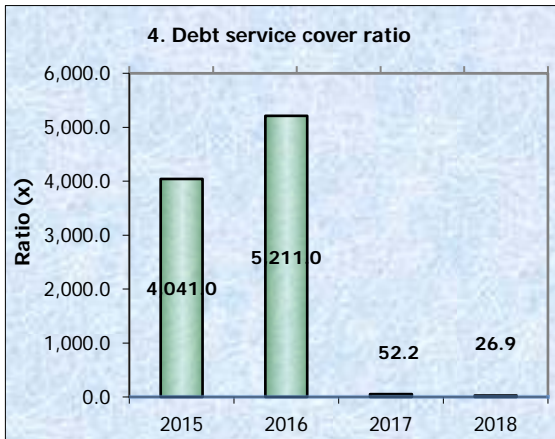
Source for benchmark: Code of Accounting Practice and Financial Reporting #26

 Ratio achieves benchmark
 Ratio is outside benchmark

Bogan Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 22(c). Statement of performance measures – consolidated results (graphs)



Purpose of debt service cover ratio

This ratio measures the availability of operating cash to service debt including interest, principal and lease payments



Commentary on 2017/18 result

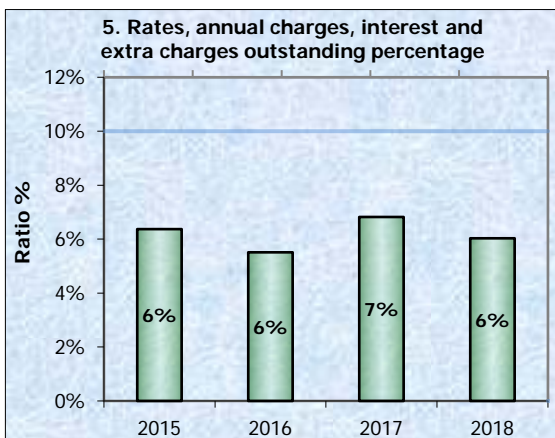
2017/18 ratio 26.86x

This ratio remains low due to the draw down of a \$2.8 million loan for T-Corp to fund major Capital projects in 2016/17.

Benchmark: Minimum ≥ 2.00

Source for benchmark: Code of Accounting Practice and Financial Reporting #26

 Ratio achieves benchmark
 Ratio is outside benchmark



Purpose of rates and annual charges outstanding ratio

To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.



Commentary on 2017/18 result

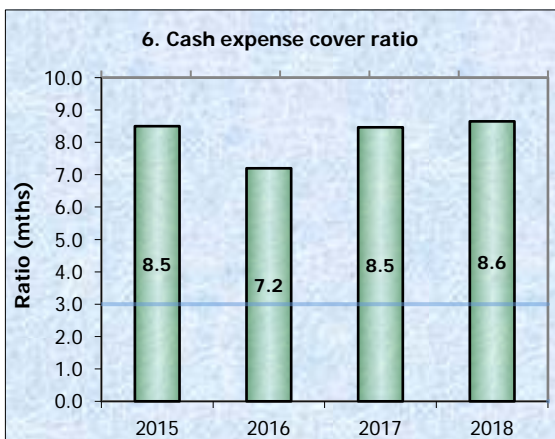
2017/18 ratio 6.03%

Council's collection of rates remains good and Council held a sale of land for unpaid rates at the end of 17/18 that will help to ensure this percentage remains low.

Benchmark: Maximum $< 10.00\%$

Source for Benchmark: Code of Accounting Practice and Financial Reporting #26

 Ratio is within Benchmark
 Ratio is outside Benchmark



Purpose of cash expense cover ratio

This liquidity ratio indicates the number of months a Council can continue paying for its immediate expenses without additional cash inflow.



Commentary on 2017/18 result

2017/18 ratio 8.65 mths

Council's liquidity ratio remains above the benchmark in 2017/18.

Benchmark: Minimum ≥ 3.00

Source for benchmark: Code of Accounting Practice and Financial Reporting #26

 Ratio achieves benchmark
 Ratio is outside benchmark

Bogan Shire Council

Notes to the Financial Statements for the year ended 30 June 2018

Note 23. Council information and contact details

Principal place of business:

81 Cobar Street
Nyngan NSW 2825

Contact details

Mailing address:

PO Box 221
Nyngan NSW 2825

Opening hours:

8:00am to 4:30pm
Monday to Friday

Telephone: 02 6835 9000

Facsimile: 02 6835 9011

Internet: www.bogan.nsw.gov.au

Email: admin@bogan.nsw.gov.au

Officers

GENERAL MANAGER

D A Francis

RESPONSIBLE ACCOUNTING OFFICER

S A Waterhouse

PUBLIC OFFICER

S A Waterhouse

AUDITORS

Audit Office of NSW
Level 156, 1 Margaret Street
SYDNEY NSW 2000

Elected members

MAYOR

R L Donald OAM

COUNCILLORS

G R J Neill (Deputy Mayor)

V J Boag

W G Deacon

J L Douglas

V J Dutton

A J Elias

G N Jackson

K M Ryan

Other information

ABN: 68 886 242 083



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial report

Bogan Shire Council

To the Councillors of Bogan Shire Council

Opinion

I have audited the accompanying financial report of Bogan Shire Council (the Council), which comprise the Income Statement and Statement of Comprehensive Income for the year ended 30 June 2018, the Statement of Financial Position as at 30 June 2018, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by Councillors and Management.

In my opinion,

- 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 (the Division)
- the financial report:
 - has been presented, in all material respects, in accordance with the requirements of this Division
 - is consistent with the Council's accounting records
 - presents fairly, in all material respects, the financial position of the Council as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial report have come to light during the audit.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Report' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Other Information

Other information comprises the information included in the Council's annual report for the year ended 30 June 2018, other than the financial report and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the special purpose financial statements and Special Schedules (the Schedules).

My opinion on the financial report does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the special purpose financial statements and Special Schedule 2 - Permissible income for general rates.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Report

The Councillors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Local Government Act 1993*, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting except where the Council will be dissolved or amalgamated by an Act of Parliament, or otherwise cease operations.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to:

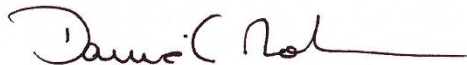
- obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial report.

A description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the Original Budget information included in the Income Statement, Statement of Cash Flows, and Note 18 Material budget variations
- on the Special Schedules. A separate opinion has been provided on Special Schedule 2 - Permissible income for general rates
- about the security and controls over the electronic publication of the audited financial report on any website where it may be presented
- about any other information which may have been hyperlinked to/from the financial report.

A handwritten signature in black ink that reads "David Nolan". The signature is written in a cursive style with a long horizontal line extending to the right.

David Nolan
Director, Financial Audit Services

22 October 2018
SYDNEY

Cr Ray Donald
Mayor
Bogan Shire Council
PO Box 221
NYNGAN NSW 2825

Contact: David Nolan
Phone no: 02 9275 7377
Our ref: D1825780/1697

22 October 2018

Dear Mayor

**Report on the Conduct of the Audit
for the year ended 30 June 2018
Bogan Shire Council**

I have audited the general purpose financial statements of Bogan Shire Council (the Council) for the year ended 30 June 2018 as required by section 415 of the *Local Government Act 1993* (the Act).

I expressed an unmodified opinion on the Council's general purpose financial statements.

This Report on the Conduct of the Audit (the Report) for the Council for the year ended 30 June 2018 is issued in accordance with section 417 of the Act. This Report should be read in conjunction with my audit opinion on the general purpose financial statements issued under section 417(2) of the Act.

INCOME STATEMENT

Operating result

	2018 \$m	2017 \$m	Variance %
Rates and annual charges revenue	4.74	4.61	↑ 2.9
Grants and contributions revenue	17.82	11.41	↑ 56.2
Operating result for the year	9.61	3.98	↑ 141.3
Net operating result before capital amounts	0.43	2.80	↓ 84.7

Council’s operating result (\$9.6 million including the effect of depreciation expense of \$3.9 million) was \$5.6 million higher than the 2016–17 result. The increase from the previous period is mainly the result of specific purpose Restart NSW grant of \$7.37 million for water storage.

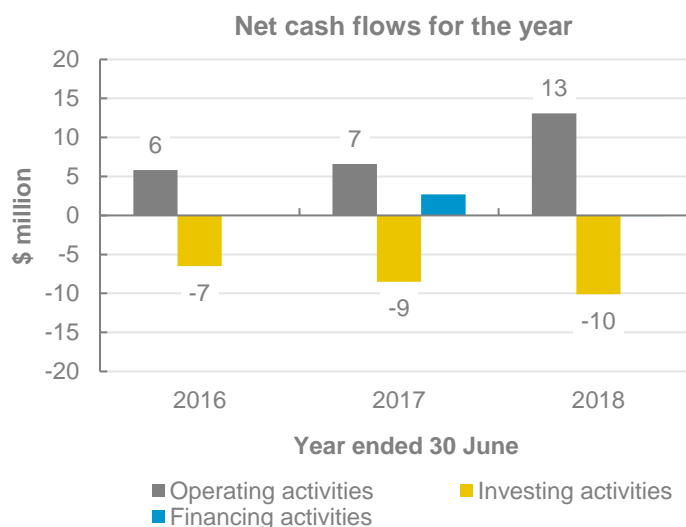
The net operating result before capital grants and contributions (\$429,000) was \$2.368 million lower than the 2016–17 result due to increased expenses on materials and contracts \$1.3 million and a \$1.6 million reduction in operating grants received for general purposes.

Rates and annual charges revenue (\$4.7 million) increased by \$133,000 (2.9 per cent) in 2017–18.

Grants and contributions revenue (\$17.8 million) increased by \$6.4 million (56.2 per cent) in 2017–18 due to the Restart NSW grant noted above and offset by the timing of financial assistance grants received over the past two years.

STATEMENT OF CASH FLOWS

- The Statement of Cash Flows illustrates the flow of cash and cash equivalents moving in and out of Council during the year and reveals that cash increased by \$2.9 million to \$6.4 million at the close of the year.
- The increase can be mostly attributed to increased cash generated from operations.



FINANCIAL POSITION

Cash and Investments

Cash and Investments	2018	2017	Commentary
	\$m	\$m	
External restrictions	3.4	3.8	• External restrictions include unspent specific purpose grants and contributions and water and sewerage funds.
Internal restrictions	4.8	5.0	
Unrestricted	4.0	2.5	• Balances are internally restricted due to Council policy or decisions for forward plans including works program. • Unrestricted balances provide liquidity for day-to-day operations.
Cash and investments	12.2	11.3	

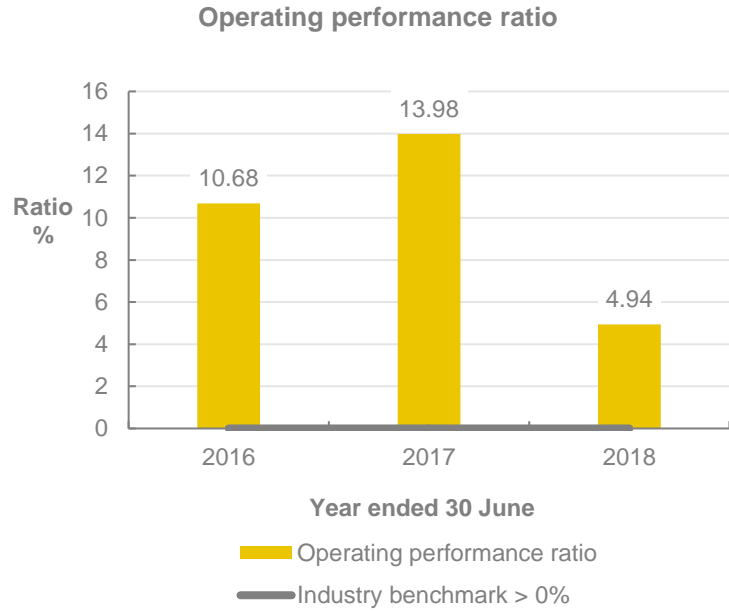
PERFORMANCE RATIOS

The definition of each ratio analysed below (except for the ‘building and infrastructure renewals ratio’) is included in Note 23 of the Council’s audited general purpose financial statements. The ‘building and infrastructure renewals ratio’ is defined in Council’s Special Schedule 7 which has not been audited.

Operating performance ratio

- The indicator of 4.9 per cent was above the industry benchmark.
- The variance from the previous year is due to the reduced operating grants received.

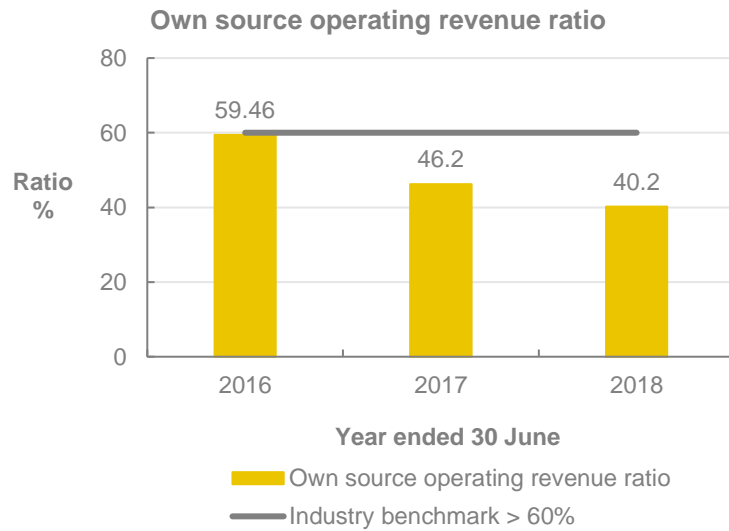
The 'operating performance ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by the Office of Local Government (OLG) is greater than zero per cent .



Own source operating revenue ratio

- Council's own source operating revenue ratio of 40.2 per cent was below the industry benchmark.
- This indicator would increase with the inclusion of the financial assistance grant.

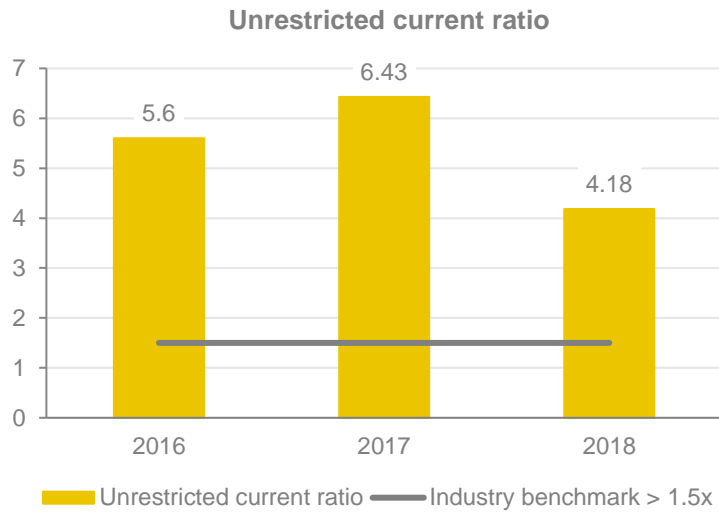
The 'own source operating revenue ratio' measures council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent .



Unrestricted current ratio

- This ratio indicated that Council currently had 4.18 times of unrestricted assets available to service every one dollar of its unrestricted current liabilities. This exceeded the industry benchmark.

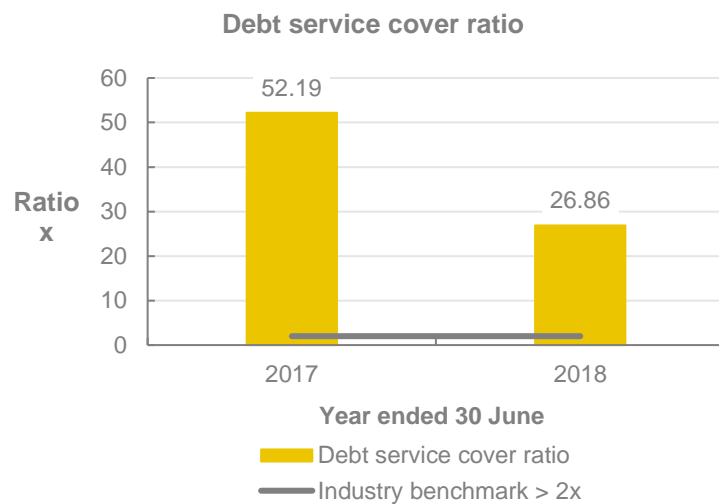
The 'unrestricted current ratio' is specific to local government and represents council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.



Debt service cover ratio

- The debt service cover ratio of 26.86 times exceeded the industry benchmark.
- The variance from the previous is a reflection of reduced operating grants received.

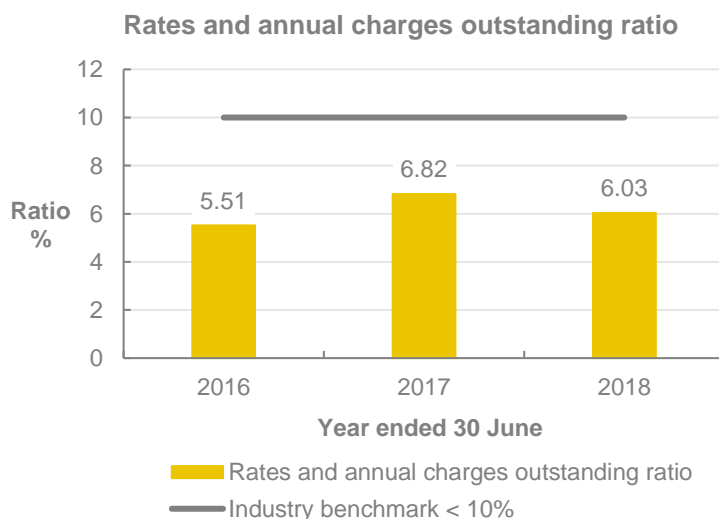
The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments. The benchmark set by OLG is greater than two times.



Rates and annual charges outstanding ratio

- Council's outstanding rates and charges ratio of 6.03 per cent was within the industry benchmark.

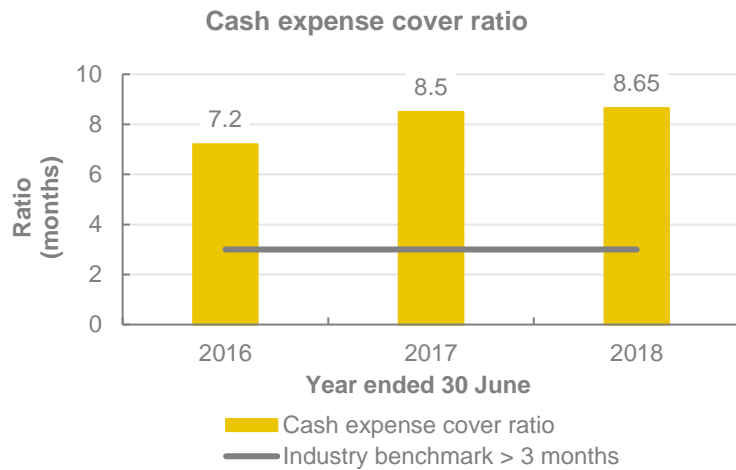
The 'rates and annual charges outstanding ratio' assesses the impact of uncollected rates and annual charges on council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural councils.



Cash expense cover ratio

- Council's cash expense cover ratio of 8.65 months exceeded the industry benchmark.

This liquidity ratio indicates the number of months the Council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by OLG is greater than three months.

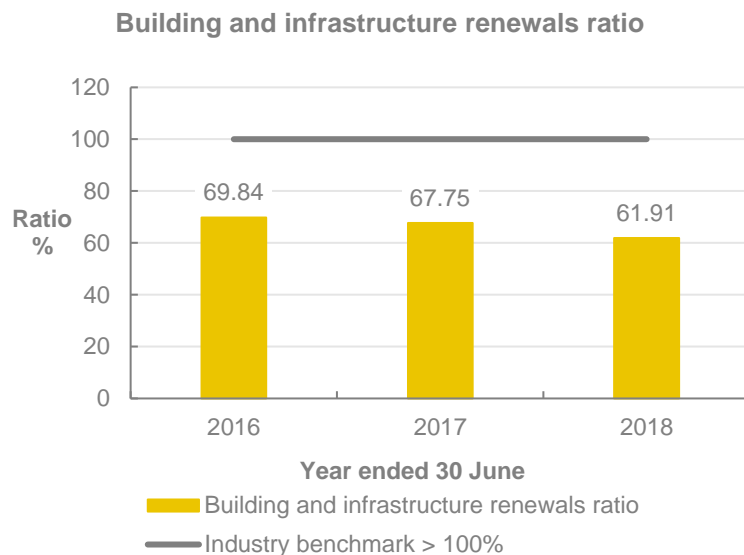


Building and infrastructure renewals ratio (unaudited)

- Council's building and infrastructure renewals ratio of 61.91 per cent was below the industry benchmark.

The 'building and infrastructure renewals ratio' assesses the rate at which these assets are being renewed against the rate at which they are depreciating. The benchmark set by OLG is greater than 100 per cent.

This ratio is sourced from council's Special Schedule 7 which has not been audited.



OTHER MATTERS

Legislative compliance

My audit procedures did not identify any instances of non-compliance with legislative requirements or a material deficiency in the Council's accounting records or financial reports. The Council's:

- accounting records were maintained in a manner and form to allow the general purpose financial statements to be prepared and effectively audited
- staff provided all accounting records and information relevant to the audit.

David Nolan
Director, Financial Audit Services

cc: Mr Derek Francis, General Manager
Tim Hurst, Chief Executive of the Office of Local Government

Bogan Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2018



Comfortable Country Living

Bogan Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2018

Contents	Page
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Income Statement – Sewerage Business Activity	4
Statement of Financial Position – Water Supply Business Activity	5
Statement of Financial Position – Sewerage Business Activity	6
3. Notes to the Special Purpose Financial Statements	7
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Background

- (i) These Special Purpose Financial Statements have been prepared for the use by both Council and the Office of Local Government in fulfilling their requirements under National Competition Policy.
 - (ii) The principle of competitive neutrality is based on the concept of a 'level playing field' between persons/entities competing in a market place, particularly between private and public sector competitors.

Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.
 - (iii) For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, and **(b)** those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities).
 - (iv) In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).
-

Bogan Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2018

Statement by Councillors and Management

made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

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

- the NSW Government Policy Statement 'Application of National Competition Policy to Local Government',
- the Division of Local Government Guidelines 'Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality',
- the Local Government Code of Accounting Practice and Financial Reporting,
- the NSW Office of Water Best-Practice Management of Water and Sewerage Guidelines.

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

- present fairly the operating result and financial position for each of Council's declared business activities for the 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 27 September 2018.



R L Donald OAM
Mayor



G R J Neill
Councillor



D A Francis
General manager



S A Waterhouse
Responsible accounting officer

Bogan Shire Council

Income Statement of Council's Water Supply Business Activity

for the year ended 30 June 2018

\$ '000	2018	2017
Income from continuing operations		
Access charges	780	752
User charges	1,236	991
Interest	2	25
Grants and contributions provided for non-capital purposes	763	261
Other income	247	324
Total income from continuing operations	3,028	2,353
Expenses from continuing operations		
Employee benefits and on-costs	410	385
Materials and contracts	2,000	1,548
Depreciation, amortisation and impairment	436	436
Water purchase charges	153	100
Loss on sale of assets	49	–
Other expenses	3	4
Total expenses from continuing operations	3,051	2,473
Surplus (deficit) from continuing operations before capital amounts	(23)	(120)
Grants and contributions provided for capital purposes	7,370	–
Surplus (deficit) from continuing operations after capital amounts	7,347	(120)
Surplus (deficit) from all operations before tax	7,347	(120)
SURPLUS (DEFICIT) AFTER TAX	7,347	(120)
Plus opening retained profits	6,311	6,431
Closing retained profits	13,658	6,311
Return on capital %	-0.1%	-0.5%
Subsidy from Council	828	729
Calculation of dividend payable:		
Surplus (deficit) after tax	7,347	(120)
Less: capital grants and contributions (excluding developer contributions)	(7,370)	–
Surplus for dividend calculation purposes	–	–
Potential dividend calculated from surplus	–	–

Bogan Shire Council

Income Statement of Council's Sewerage Business Activity

for the year ended 30 June 2018

\$ '000	2018	2017
Income from continuing operations		
Access charges	444	444
User charges	183	176
Liquid trade waste charges	–	4
Interest	40	71
Grants and contributions provided for non-capital purposes	8	8
Other income	2	2
Total income from continuing operations	677	705
Expenses from continuing operations		
Employee benefits and on-costs	122	133
Materials and contracts	464	421
Depreciation, amortisation and impairment	162	162
Loss on sale of assets	2	–
Other expenses	20	34
Total expenses from continuing operations	770	750
Surplus (deficit) from continuing operations before capital amounts	(93)	(45)
Surplus (deficit) from continuing operations after capital amounts	(93)	(45)
Surplus (deficit) from all operations before tax	(93)	(45)
SURPLUS (DEFICIT) AFTER TAX	(93)	(45)
Plus opening retained profits	7,445	7,490
Closing retained profits	7,352	7,445
Return on capital %	-1.0%	-0.5%
Subsidy from Council	337	266
Calculation of dividend payable:		
Surplus (deficit) after tax	(93)	(45)

Bogan Shire Council

Statement of Financial Position – Council's Water Supply Business Activity
as at 30 June 2018

\$ '000	2018	2017
ASSETS		
Current assets		
Cash and cash equivalents	–	629
Receivables	2,012	507
Total current assets	2,012	1,136
Non-current assets		
Receivables	99	–
Infrastructure, property, plant and equipment	30,593	25,602
Total non-current assets	30,692	25,602
TOTAL ASSETS	32,704	26,738
LIABILITIES		
Current liabilities		
Bank overdraft	824	–
Payables	11	80
Total current liabilities	835	80
Total non-current liabilities	–	–
TOTAL LIABILITIES	835	80
NET ASSETS	31,869	26,658
EQUITY		
Accumulated surplus	13,658	6,311
Revaluation reserves	18,211	20,347
TOTAL EQUITY	31,869	26,658

Bogan Shire Council

Statement of Financial Position – Council's Sewerage Business Activity
as at 30 June 2018

\$ '000	2018	2017
ASSETS		
Current assets		
Cash and cash equivalents	1,646	1,584
Investments	1,000	1,000
Receivables	69	89
Total current Assets	2,715	2,673
Non-current assets		
Receivables	12	–
Infrastructure, property, plant and equipment	9,293	9,304
Total non-current assets	9,305	9,304
TOTAL ASSETS	12,020	11,977
LIABILITIES		
Current liabilities		
Payables	3	11
Total current liabilities	3	11
Total non-current liabilities	–	–
TOTAL LIABILITIES	3	11
NET ASSETS	12,017	11,966
EQUITY		
Accumulated surplus	7,352	7,445
Revaluation reserves	4,665	4,521
TOTAL EQUITY	12,017	11,966

Bogan Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2018

Contents of the notes accompanying the financial statements

Note	Details	Page
1	Summary of significant accounting policies	8
2	Water Supply Business Best-Practice Management disclosure requirements	12
3	Sewerage Business Best-Practice Management disclosure requirements	14

Bogan Shire Council

Notes to the Special Purpose Financial Statements

for the year ended 30 June 2018

Note 1. Significant accounting policies

A statement summarising the supplemental accounting policies adopted in the preparation of the Special Purpose Financial Statements (SPFS) for National Competition Policy (NCP) reporting purposes follows.

These financial statements are SPFS prepared for use by Council and the Office of Local Government. For the purposes of these statements, the Council is a non-reporting not-for-profit entity.

The figures presented in these Special Purpose Financial Statements have been prepared in accordance with the recognition and measurement criteria of relevant Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and Australian Accounting Interpretations.

The disclosures in these Special Purpose Financial Statements have been prepared in accordance with the Local Government Act 1993 (NSW), the Local Government (General) Regulation, and the Local Government Code of Accounting Practice and Financial Reporting.

The statements are prepared on an accruals basis. They are based on historic costs and do not take into account changing money values or, except where specifically stated, current values of non-current assets. Certain taxes and other costs, appropriately described, have been imputed for the purposes of the National Competition Policy.

The Statement of Financial Position includes notional assets/liabilities receivable from/payable to Council's general fund. These balances reflect a notional intra-entity funding arrangement with the declared business activities.

National Competition Policy

Council has adopted the principle of 'competitive neutrality' in 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 NSW government policy statement titled 'Application of National Competition Policy to Local Government'.

The Pricing and Costing for Council Businesses, A Guide to Competitive Neutrality issued by the Office of Local Government in July 1997 has also been adopted.

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard for 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 and Costing for Council Businesses – A Guide to Competitive Neutrality*, Council has declared that the following are to be considered as business activities:

Category 1

(where gross operating turnover is over \$2 million)

a. Bogan Shire Council Combined Water Supplies

Water supply operations servicing the town of Nyngan and the villages of Hermidale, Girilambone and Coolabah.

Bogan Shire Council

Notes to the Special Purpose Financial Statements for the year ended 30 June 2018

Note 1. Significant accounting policies (continued)

Category 2

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

b. Bogan Shire Council Sewerage Service

Sewerage reticulation and treatment operations and net assets servicing the town of Nyngan.

Monetary amounts

Amounts shown in the financial statements are in Australian currency and rounded to the nearest thousand dollars, except for Note 2 (Water Supply Best-Practice Management Disclosures) and Note 3 (Sewerage Best-Practice Management Disclosures).

As required by Crown Lands and Water (CLAW), the amounts shown in Note 2 and Note 3 are disclosed in whole dollars.

(i) Taxation-equivalent charges

Council is liable to pay various taxes and financial duties. Where this is the case, they are disclosed as a cost of operations just like all other costs.

However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in Special Purpose 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 \$629,000 of combined land values attracts **0%**. For the combined land values in excess of \$629,001 up to \$3,846,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$3,846,000 a premium marginal rate of **2.0%** applies.

Payroll tax – **5.45%** on the value of taxable salaries and wages in excess of \$750,000.

In accordance with Crown Lands and Water (CLAW), a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred to in the NSW Office of Water Guidelines to as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the *Local Government Act, 1993*.

Achievement of substantial compliance to the NSW Office of Water Guidelines is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

Income tax

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

Bogan Shire Council

Notes to the Special Purpose Financial Statements for the year ended 30 June 2018

Note 1. Significant accounting policies (continued)

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 gain/ (loss) from ordinary activities before capital amounts has been achieved.

Since the taxation equivalent is notional – that is, it is payable to Council as the ‘owner’ of business operations - it represents an internal payment and has no effect on the operations of the Council. Accordingly, there is no need for disclosure of internal charges in the SPFS.

The rate applied of 30% is/is not the equivalent company tax rate prevalent at reporting date. No adjustments have been made for variations that have occurred during the year.

Local government rates and charges

A calculation of the equivalent rates and charges payable on all category 1 businesses has been applied to all land assets owned or exclusively used by the business activity.

Loan and debt guarantee fees

The debt guarantee fee is designed to ensure that council business activities face ‘true’ commercial borrowing costs in line with private sector competitors.

In order to calculate a debt guarantee fee, Council has determined what the differential borrowing rate would have been between the commercial rate and Council’s borrowing rate for its business activities.

(ii) Subsidies

Government policy requires that subsidies provided to customers, and the funding of those subsidies, must be explicitly disclosed.

Subsidies occur when Council provides services on a less-than-cost-recovery basis. This option is exercised on a range of services in order for Council to meet its community service obligations.

Accordingly, ‘subsidies disclosed’ (in relation to National Competition Policy) represents the difference between revenue generated from ‘rate of return’ pricing and revenue generated from prices set by Council in any given financial year.

The overall effect of subsidies is contained within the Income Statement of each reported business activity.

(iii) Return on investments (rate of return)

The NCP policy statement requires that councils with Category 1 businesses ‘would be expected to generate a return on capital funds employed that is comparable to rates of return for private businesses operating in a similar field’.

Such funds are subsequently available for meeting commitments or financing future investment strategies.

The actual rate of return achieved by each business activity is disclosed at the foot of each respective Income Statement.

Bogan Shire Council

Notes to the Special Purpose Financial Statements for the year ended 30 June 2018

Note 1. Significant accounting policies (continued)

The rate of return is calculated as follows:

$$\frac{\text{Operating result before capital income + interest expense}}{\text{Written down value of I,PP\&E as at 30 June}}$$

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 2.63% at 30/6/18.

(iv) Dividends

Council is not required to pay dividends to either itself (as owner of a range of businesses) or to any external entities.

Local government water supply and sewerage businesses are permitted to pay an annual dividend from its water supply or sewerage business surplus.

Each dividend must be calculated and approved in accordance with the DPIW guidelines and must not exceed:

- (i) 50% of this surplus in any one year, or
- (ii) the number of water supply or sewerage assessments at 30 June 2018 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the DPIW guidelines a Dividend Payment form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the DPIW.

END OF AUDITED SPECIAL PURPOSE FINANCIAL STATEMENTS

Bogan Shire Council

Notes to the Special Purpose Financial Statements
for the year ended 30 June 2018Note 2. Water supply business
best-practice management disclosure requirements

Dollars amounts shown below are in whole dollars (unless otherwise indicated)

2018

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)	Number of assessments multiplied by \$3/assessment	4,287
(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)	Number of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment	42,870
(iii)	Cumulative surplus before dividends for the 3 years to 30 June 2018, less the cumulative dividends paid for the 2 years to 30 June 2017 and 30 June 2016	114,600

2018 Surplus	(23,000)	2017 Surplus	(120,000)	2016 Surplus	257,600
		2017 Dividend	-	2016 Dividend	-

(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	-
(v)	Dividend actually paid from surplus [refer below for required pre-dividend payment criteria]	-
(vi)	Are the overhead reallocation charges to the water business fair and reasonable? ^a	YES

3. Required outcomes for 6 criteria

[to be eligible for the payment of a 'dividend from surplus', all the criteria below need a 'YES']

(i)	Completion of strategic business plan (including financial plan)	YES
(ii)	Full cost recovery, without significant cross subsidies [refer item 2 (a) in table 1 on page 22 of the Best-Practice Guidelines]	YES
	– Complying charges [item 2 (b) in table 1]	YES
	– DSP with commercial developer charges [item 2 (e) in table 1]	YES
	– If dual water supplies, complying charges [item 2 (g) in table 1]	NO
(iii)	Sound water conservation and demand management implemented	YES
(iv)	Sound drought management implemented	YES
(v)	Complete performance reporting form (by 15 September each year)	YES
(vi)	a. Integrated water cycle management evaluation	YES
	b. Complete and implement integrated water cycle management strategy	YES

Bogan Shire Council

Notes to the Special Purpose Financial Statements
for the year ended 30 June 2018Note 2. Water supply business
best-practice management disclosure requirements (continued)

Dollars amounts shown below are in whole dollars (unless otherwise indicated) 2018

National Water Initiative (NWI) financial performance indicators

NWI F1	Total revenue (water) Total income (w13) – grants for the acquisition of assets (w11a) – interest income (w9) – Aboriginal Communities W&S Program income (w10a)	\$'000	3,026
NWI F4	Revenue from residential usage charges (water) Income from residential usage charges (w6b) x 100 divided by the sum of [income from residential usage charges (w6a) + income from residential access charges (w6b)]	%	61.31%
NWI F9	Written down replacement cost of fixed assets (water) Written down current cost of system assets (w47)	\$'000	30,593
NWI F11	Operating cost (OMA) (water) Management expenses (w1) + operational and maintenance expenses (w2)	\$'000	1,819
NWI F14	Capital expenditure (water) Acquisition of fixed assets (w16)	\$'000	7,612
NWI F17	Economic real rate of return (water) [total income (w13) – interest income (w9) – grants for acquisition of assets (w11a) – operating costs (NWI F11) – current cost depreciation (w3)] x 100 divided by [written down current cost of system assets (w47) + plant and equipment (w33b)]	%	2.52%
NWI F26	Capital works grants (water) Grants for the acquisition of assets (w11a)	\$'000	7,370

- Notes:
1. References to w (e.g. w12) refer to item numbers within Special Schedules 3 and 4 of Council's Annual Financial Statements.
 2. The NWI performance indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators and Definitions.
 - a refer to 3.2 (2) on page 15 of the Best-Practice Management of Water Supply and Sewerage Guidelines, 2007

Bogan Shire Council

Notes to the Special Purpose Financial Statements
for the year ended 30 June 2018Note 3. Sewerage business
best-practice management disclosure requirements

Dollars amounts shown below are in whole dollars (unless otherwise indicated)

2018

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) Number of assessments multiplied by \$3/assessment	3,678
(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) Number of assessments x (\$30 less tax equivalent charges per assessment)	36,780
(iii) Cumulative surplus before dividends for the 3 years to 30 June 2018, less the cumulative dividends paid for the 2 years to 30 June 2017 and 30 June 2016	(93,200)

2018 Surplus	(93,000)	2017 Surplus	(45,000)	2016 Surplus	44,800
		2017 Dividend	-	2016 Dividend	-

(iv) Maximum dividend from surplus [least of (i), (ii) and (iii) above]	n/a
(v) Dividend actually paid from surplus [refer below for required pre-dividend payment criteria]	-
(vi) Are the overhead reallocation charges to the sewer business fair and reasonable? ^a	YES

3. Required outcomes for 4 criteria

[to be eligible for the payment of a 'dividend from surplus', all the criteria below need a 'YES']

(i) Completion of strategic business plan (including financial plan)	YES
(ii) Pricing with full cost-recovery, without significant cross subsidies [refer item 2 (a) in table 1 on page 22 of the Best-Practice Guidelines]	YES
Complying charges (a) Residential [item 2 (c) in table 1]	YES
(b) Non-residential [item 2 (c) in table 1]	YES
(c) Trade waste [item 2 (d) in table 1]	NO
DSP with commercial developer charges [item 2 (e) in table 1]	NO
Liquid trade waste approvals and policy [item 2 (f) in table 1]	YES
(iii) Complete performance reporting form (by 15 September each year)	YES
(iv) a. Integrated water cycle management evaluation	YES
b. Complete and implement integrated water cycle management strategy	YES

Bogan Shire Council

Notes to the Special Purpose Financial Statements
for the year ended 30 June 2018Note 3. Sewerage business
best-practice management disclosure requirements (continued)

Dollars amounts shown below are in whole dollars (unless otherwise indicated) 2018

National Water Initiative (NWI) financial performance indicators

NWI F2	Total revenue (sewerage) Total income (s14) – grants for acquisition of assets (s12a) – interest income (s10) – Aboriginal Communities W&S Program income (w10a)	\$'000	637
NWI F10	Written down replacement cost of fixed assets (sewerage) Written down current cost of system assets (s48)	\$'000	9,293
NWI F12	Operating cost (sewerage) Management expenses (s1) + operational and maintenance expenses (s2)	\$'000	606
NWI F15	Capital expenditure (sewerage) Acquisition of fixed assets (s17)	\$'000	10
NWI F18	Economic real rate of return (sewerage) [total income (s14) – interest income (s10) – grants for acquisition of assets (s12a) – operating cost (NWI F12) – current cost depreciation (s3)] x 100 divided by [written down current cost (i.e. WDCC) of system assets (s48) + plant and equipment (s34b)]	%	-1.41%
NWI F27	Capital works grants (sewerage) Grants for the acquisition of assets (12a)	\$'000	–

**National Water Initiative (NWI) financial performance indicators
Water and sewer (combined)**

NWI F3	Total income (water and sewerage) Total income (w13 + s14) + gain/loss on disposal of assets (w14 + s15) minus grants for acquisition of assets (w11a + s12a) – interest income (w9 + s10)	\$'000	3,612
NWI F8	Revenue from community service obligations (water and sewerage) Community service obligations (NWI F25) x 100 divided by total income (NWI F3)	%	0.47%
NWI F16	Capital expenditure (water and sewerage) Acquisition of fixed assets (w16 + s17)	\$'000	7,622
NWI F19	Economic real rate of return (water and sewerage) [total income (w13 + s14) – interest income (w9 + s10) – grants for acquisition of assets (w11a + s12a) – operating cost (NWI F11 + NWI F12) – current cost depreciation (w3 + s3)] x 100 divided by [written down replacement cost of fixed assets (NWI F9 + NWI F10) + plant and equipment (w33b + s34b)]	%	1.60%
NWI F20	Dividend (water and sewerage) Dividend paid from surplus (2 (v) of Note 2 + 2 (v) of Note 3)	\$'000	–
NWI F21	Dividend payout ratio (water and sewerage) Dividend (NWI F20) x 100 divided by net profit after tax (NWI F24)	%	0.00%

Bogan Shire Council

Notes to the Special Purpose Financial Statements
for the year ended 30 June 2018Note 3. Sewerage business
best-practice management disclosure requirements (continued)

Dollars amounts shown below are in whole dollars (unless otherwise indicated)

2018

National Water Initiative (NWI) financial performance indicators
Water and sewer (combined)

NWI F22	Net debt to equity (water and sewerage) Overdraft (w36 + s37) + borrowings (w38 + s39) – cash and investments (w30 + s31) x 100 divided by [total assets (w35 + s36) – total liabilities (w40 + s41)]	%	<input type="text" value="-4.15%"/>
NWI F23	Interest cover (water and sewerage) Earnings before interest and tax (EBIT) divided by net interest Earnings before interest and tax (EBIT): <input type="text" value="640"/> 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: <input type="text" value="(42)"/> Interest expense (w4a + s4a) – interest income (w9 + s10)		<input type="text" value="> 100"/>
NWI F24	Net profit after tax (water and sewerage) Surplus before dividends (w15a + s16a) – tax equivalents paid (Note 2-1 (iv) + Note 3-1 (iv))	\$'000	<input type="text" value="(116)"/>
NWI F25	Community service obligations (water and sewerage) Grants for pensioner rebates (w11b + s12b)	\$'000	<input type="text" value="17"/>

- Notes:
- References to w (eg. s12) refer to item numbers within Special Schedules 5 and 6 of Council's Annual Financial Statements.
 - The NWI performance indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators and Definitions.
 - refer to 3.2 (2) on page 15 of the Best-Practice Management of Water Supply and Sewerage Guidelines, 2007



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial report

Bogan Shire Council

To the Councillors of Bogan Shire Council

Opinion

I have audited the accompanying special purpose financial report (the financial report) of Bogan Shire Council's (the Council) Declared Business Activities, which comprise the Income Statement of each Declared Business Activity for the year ended 30 June 2018, the Statement of Financial Position of each Declared Business Activity as at 30 June 2018, notes comprising a summary of Significant accounting policies and other explanatory information for the Business Activities declared by Council, and the Statement by Councillors and Management.

The Declared Business Activities of the Council are:

- Water Supply Business Activity
- Sewerage Business Activity

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Council's declared Business Activities as at 30 June 2018, and its financial performance for the year then ended, in accordance with the Australian Accounting Standards described in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting (LG Code).

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Report' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as the auditor of councils
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to Note 1 to the financial report which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the LG Code. As a result, the financial report may not be suitable for another purpose.

Other Information

Other information comprises the information included in the Council's annual report for the year ended 30 June 2018, other than the financial report and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements and Special Schedules (the Schedules).

My opinion on the financial report does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements and Special Schedule 2 - Permissible income for general rates.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Report

The Councillors are responsible for the preparation and fair presentation of the financial report and for determining that the accounting policies, described in Note 1 to the financial report, are appropriate to meet the requirements in the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it is not appropriate to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to:

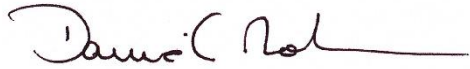
- obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial report.

A description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

My opinion does not provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- on the best practice management disclosures in Notes 2 and 3 of the financial report
- about the security and controls over the electronic publication of the audited financial report on any website where it may be presented
- about any other information which may have been hyperlinked to/from the financial report.

A handwritten signature in black ink, appearing to read "David Nolan", with a long horizontal flourish extending to the right.

David Nolan
Director, Financial Audit Services

22 October 2018
SYDNEY

Bogan Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2018



Comfortable Country Living

Bogan Shire Council

Special Schedules

for the year ended 30 June 2018

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¹ Special Schedules are not audited (with the exception of Special Schedule 2).

Background

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

Bogan Shire Council

Special Schedule 1 – Net Cost of Services

for the year ended 30 June 2018

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
Governance	823	129	–	(694)
Administration	746	5	–	(741)
Public order and safety				
Fire service levy, fire protection, emergency services	181	166	427	412
Beach control	–	–	–	–
Enforcement of local government regulations	–	–	–	–
Animal control	151	13	–	(138)
Other	–	–	–	–
Total public order and safety	332	179	427	274
Health	924	531	–	(393)
Environment				
Noxious plants and insect/vermin control	125	41	–	(84)
Other environmental protection	355	14	–	(341)
Solid waste management	839	817	–	(22)
Street cleaning	–	–	–	–
Drainage	–	–	–	–
Stormwater management	14	–	–	(14)
Total environment	1,333	872	–	(461)
Community services and education				
Administration and education	76	–	–	(76)
Social protection (welfare)	–	–	–	–
Aged persons and disabled	8	5	–	(3)
Children's services	1,161	1,073	–	(88)
Total community services and education	1,245	1,078	–	(167)
Housing and community amenities				
Public cemeteries	70	15	–	(55)
Public conveniences	–	–	–	–
Street lighting	112	16	–	(96)
Town planning	29	26	–	(3)
Other community amenities	–	–	–	–
Total housing and community amenities	211	57	–	(154)
Water supplies	3,049	3,027	7,370	7,348
Sewerage services	770	677	–	(93)

Bogan Shire Council

Special Schedule 1 – Net Cost of Services (continued)
for the year ended 30 June 2018

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
Recreation and culture				
Public libraries	224	30	90	(104)
Museums	1	9	–	8
Art galleries	–	–	–	–
Community centres and halls	31	32	–	1
Performing arts venues	–	–	–	–
Other performing arts	9	–	–	(9)
Other cultural services	19	1	–	(18)
Sporting grounds and venues	58	10	368	320
Swimming pools	209	–	–	(209)
Parks and gardens (lakes)	792	3	–	(789)
Other sport and recreation	91	–	–	(91)
Total recreation and culture	1,434	85	458	(891)
Fuel and energy	–	–	–	–
Agriculture	–	–	–	–
Mining, manufacturing and construction				
Building control	2	8	–	6
Other mining, manufacturing and construction	1,725	–	–	(1,725)
Total mining, manufacturing and const.	1,727	8	–	(1,719)
Transport and communication				
Urban roads (UR) – local	–	–	–	–
Urban roads – regional	–	–	–	–
Sealed rural roads (SRR) – local	649	1	–	(648)
Sealed rural roads (SRR) – regional	3,252	3,209	–	(43)
Unsealed rural roads (URR) – local	1,606	1,763	–	157
Unsealed rural roads (URR) – regional	360	965	903	1,508
Bridges on UR – local	–	–	–	–
Bridges on SRR – local	–	–	–	–
Bridges on URR – local	–	–	–	–
Bridges on regional roads	–	–	–	–
Parking areas	–	–	–	–
Footpaths	8	–	–	(8)
Aerodromes	82	–	–	(82)
Other transport and communication	874	302	18	(554)
Total transport and communication	6,831	6,240	921	330
Economic affairs				
Camping areas and caravan parks	–	–	–	–
Other economic affairs	121	123	–	2
Total economic affairs	121	123	–	2
Totals – functions	19,546	13,011	9,176	2,641
General purpose revenues ⁽¹⁾		6,964		6,964
Share of interests – joint ventures and associates using the equity method	–	–		–
NET OPERATING RESULT ⁽²⁾	19,546	19,975	9,176	9,605

(1) Includes: rates and annual charges (including ex gratia, excluding water and sewer), non-capital general purpose grants, interest on investments (excluding externally restricted assets) and interest on overdue rates and annual charges

(2) As reported in the Income Statement

Bogan Shire Council

Special Schedule 2 – Permissible income for general rates

for the year ended 30 June 2019

\$'000		Calculation 2018/19	Calculation 2017/18
Notional general income calculation ⁽¹⁾			
Last year notional general income yield	a	2,808	2,766
Plus or minus adjustments ⁽²⁾	b	(11)	2
Notional general income	c = (a + b)	2,797	2,768
Permissible income calculation			
Special variation percentage ⁽³⁾	d	0.00%	0.00%
Or rate peg percentage	e	2.30%	1.50%
Or crown land adjustment (incl. rate peg percentage)	f	0.00%	0.00%
Less expiring special variation amount	g	–	–
Plus special variation amount	h = d x (c – g)	–	–
Or plus rate peg amount	i = c x e	64	42
Or plus Crown land adjustment and rate peg amount	j = c x f	–	–
Sub-total	k = (c + g + h + i + j)	2,861	2,810
Plus (or minus) last year's carry forward total	l	1	1
Less valuation objections claimed in the previous year	m	–	–
Sub-total	n = (l + m)	1	1
Total permissible income	o = k + n	2,862	2,811
Less notional general income yield	p	2,856	2,808
Catch-up or (excess) result	q = o – p	6	3
Plus income lost due to valuation objections claimed ⁽⁴⁾	r	–	–
Less unused catch-up ⁽⁵⁾	s	–	(2)
Carry forward to next year	t = q + r – s	6	1

Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916*.
- (3) The 'special variation percentage' is inclusive of the rate peg percentage and where applicable Crown land adjustment.
- (4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- (5) Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- (6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the *NSW Government Gazette* in accordance with section 512 of the *Local Government Act 1993*. The OLG will extract these amounts from Council's Special Schedule 2 in the financial data return (FDR) to administer this process.



INDEPENDENT AUDITOR'S REPORT

Special Schedule 2 - Permissible Income for general rates

Bogan Shire Council

To the Councillors of Bogan Shire Council

Opinion

I have audited the accompanying Special Schedule 2 – Permissible Income for general rates (the Schedule) of Bogan Shire Council (the Council) for the year ending 30 June 2019.

In my opinion, the Schedule of the Council for the year ending 30 June 2019 is prepared, in all material respects in accordance with the requirements of the Local Government Code of Accounting Practice and Financial Reporting (LG Code) issued by the Office of Local Government (OLG), and is in accordance with the books and records of the Council.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Schedule' section of my report.

I am independent of the Council in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of councils
- precluding the Auditor-General from providing non-audit services.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Emphasis of Matter – Basis of Accounting

Without modifying my opinion, I draw attention to the special purpose framework used to prepare the Schedule. The Schedule had been prepared for the purpose of fulfilling the Council's reporting obligations under the LG Code. As a result, the Schedule may not be suitable for another purpose.

Other Information

Other information comprises the information included in the Council's annual report for the year ended 30 June 2018, other than the Schedule and my Independent Auditor's Report thereon. The Councillors are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the general purpose financial statements, special purpose financial statements and the Special Schedules excluding Special Schedule 2 (the other Schedules).

My opinion on the Schedule does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information. However, as required by the *Local Government Act 1993*, I have separately expressed an opinion on the general purpose financial statements and the special purpose financial statements.

In connection with my audit of the Schedule, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Schedule or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

The Councillors are responsible for the preparation of the Schedule in accordance with the LG Code. The Councillors' responsibility also includes such internal control as the Councillors determine is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

In preparing the Schedule, the Councillors are responsible for assessing the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless it is not appropriate to do so.

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

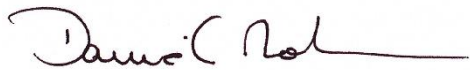
- obtain reasonable assurance whether the Schedule as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the Schedule.

A description of my responsibilities for the audit of the Schedule is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar8.pdf. The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Council carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited Schedule on any website where it may be presented
- about any other information which may have been hyperlinked to/from the Schedule.

A handwritten signature in black ink, appearing to read "David Nolan". The signature is written in a cursive style with a long horizontal stroke at the end.

David Nolan
Director, Financial Audit Services

22 October 2018
SYDNEY

Bogan Shire Council

Special Schedule 3 – Water Supply Income Statement

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2018

\$'000	2018	2017
A Expenses and income		
Expenses		
1. Management expenses		
a. Administration	190	167
b. Engineering and supervision	533	537
2. Operation and maintenance expenses		
– dams and weirs		
a. Operation expenses	–	10
b. Maintenance expenses	–	–
– Mains		
c. Operation expenses	–	–
d. Maintenance expenses	52	47
– Reservoirs		
e. Operation expenses	64	102
f. Maintenance expenses	38	61
– Pumping stations		
g. Operation expenses (excluding energy costs)	–	–
h. Energy costs	75	67
i. Maintenance expenses	222	224
– Treatment		
j. Operation expenses (excluding chemical costs)	7	–
k. Chemical costs	113	133
l. Maintenance expenses	60	61
– Other		
m. Operation expenses	91	131
n. Maintenance expenses	190	104
o. Purchase of water	184	113
3. Depreciation expenses		
a. System assets	436	436
b. Plant and equipment	–	–
4. Miscellaneous expenses		
a. Interest expenses	–	–
b. Revaluation decrements	–	–
c. Other expenses	747	280
d. Impairment – system assets	–	–
e. Impairment – plant and equipment	–	–
f. Aboriginal Communities Water and Sewerage Program	–	–
g. Tax equivalents dividends (actually paid)	–	–
5. Total expenses	3,002	2,473

Bogan Shire Council

Special Schedule 3 – Water Supply Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2018

\$'000	2018	2017
Income		
6. Residential charges		
a. Access (including rates)	780	752
b. Usage charges	1,236	991
7. Non-residential charges		
a. Access (including rates)	–	–
b. Usage charges	243	140
8. Extra charges	–	1
9. Interest income	2	25
10. Other income	3	183
10a. Aboriginal Communities Water and Sewerage Program	–	–
11. Grants		
a. Grants for acquisition of assets	7,370	117
b. Grants for pensioner rebates	9	10
c. Other grants	754	134
12. Contributions		
a. Developer charges	–	–
b. Developer provided assets	–	–
c. Other contributions	1	–
13. Total income	10,398	2,353
14. Gain (or loss) on disposal of assets	(49)	–
15. Operating result	7,347	(120)
15a. Operating result (less grants for acquisition of assets)	(23)	(237)

Bogan Shire Council

Special Schedule 3 – Water Supply Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2018

\$'000	2018	2017
B Capital transactions		
Non-operating expenditures		
16. Acquisition of fixed assets		
a. New assets for improved standards	7,395	89
b. New assets for growth	–	–
c. Renewals	217	987
d. Plant and equipment	–	–
17. Repayment of debt	–	–
18. Totals	7,612	1,076
Non-operating funds employed		
19. Proceeds from disposal of assets	–	–
20. Borrowing utilised	–	–
21. Totals	–	–
C Rates and charges		
22. Number of assessments		
a. Residential (occupied)	1,047	1,047
b. Residential (unoccupied, ie. vacant lot)	161	161
c. Non-residential (occupied)	150	150
d. Non-residential (unoccupied, ie. vacant lot)	71	71
23. Number of ETs for which developer charges were received	– ET	– ET
24. Total amount of pensioner rebates (actual dollars)	\$ 17,566	\$ 16,625

Bogan Shire Council

Special Schedule 4 – Water Supply Statement of Financial Position

Includes internal transactions, i.e. prepared on a gross basis
as at 30 June 2018

\$'000	Current	Non-current	Total
ASSETS			
25. Cash and investments			
a. Developer charges	–	–	–
b. Special purpose grants	–	–	–
c. Accrued leave	–	–	–
d. Unexpended loans	–	–	–
e. Sinking fund	–	–	–
f. Other	–	–	–
26. Receivables			
a. Specific purpose grants	–	–	–
b. Rates and availability charges	47	15	62
c. User charges	1,956	84	2,040
d. Other	9	–	9
27. Inventories	–	–	–
28. Property, plant and equipment			
a. System assets	–	30,593	30,593
b. Plant and equipment	–	–	–
29. Other assets	–	–	–
30. Total assets	<u>2,012</u>	<u>30,692</u>	<u>32,704</u>
LIABILITIES			
31. Bank overdraft	824	–	824
32. Creditors	11	–	11
33. Borrowings	–	–	–
34. Provisions			
a. Tax equivalents	–	–	–
b. Dividend	–	–	–
c. Other	–	–	–
35. Total liabilities	<u>835</u>	<u>–</u>	<u>835</u>
36. NET ASSETS COMMITTED	<u>1,177</u>	<u>30,692</u>	<u>31,869</u>
EQUITY			
37. Accumulated surplus			13,658
38. Asset revaluation reserve			18,211
39. Other reserves			–
40. TOTAL EQUITY			<u>31,869</u>
Note to system assets:			
41. Current replacement cost of system assets			43,441
42. Accumulated current cost depreciation of system assets			(12,848)
43. Written down current cost of system assets			<u>30,593</u>

Bogan Shire Council

Special Schedule 5 – Sewerage Service Income Statement

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2018

\$'000	2018	2017
A Expenses and income		
Expenses		
1. Management expenses		
a. Administration	50	70
b. Engineering and supervision	313	281
2. Operation and maintenance expenses		
– mains		
a. Operation expenses	58	72
b. Maintenance expenses	114	131
– Pumping stations		
c. Operation expenses (excluding energy costs)	3	14
d. Energy costs	12	8
e. Maintenance expenses	–	–
– Treatment		
f. Operation expenses (excl. chemical, energy, effluent and biosolids management costs)	–	–
g. Chemical costs	36	5
h. Energy costs	–	–
i. Effluent management	–	–
j. Biosolids management	–	–
k. Maintenance expenses	–	–
– Other		
l. Operation expenses	8	–
m. Maintenance expenses	12	3
3. Depreciation expenses		
a. System assets	162	162
b. Plant and equipment	–	–
4. Miscellaneous expenses		
a. Interest expenses	–	–
b. Revaluation decrements	–	–
c. Other expenses	–	4
d. Impairment – system assets	–	–
e. Impairment – plant and equipment	–	–
f. Aboriginal Communities Water and Sewerage Program	–	–
g. Tax equivalents dividends (actually paid)	–	–
5. Total expenses	768	750

Bogan Shire Council

Special Schedule 5 – Sewerage Service Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2018

\$'000	2018	2017
Income		
6. Residential charges (including rates)	444	444
7. Non-residential charges		
a. Access (including rates)	–	–
b. Usage charges	183	176
8. Trade waste charges		
a. Annual fees	–	4
b. Usage charges	–	–
c. Excess mass charges	–	–
d. Re-inspection fees	–	–
9. Extra charges	–	–
10. Interest income	40	71
11. Other income	2	2
11a. Aboriginal Communities Water and Sewerage Program	–	–
12. Grants		
a. Grants for acquisition of assets	–	–
b. Grants for pensioner rebates	8	8
c. Other grants	–	–
13. Contributions		
a. Developer charges	–	–
b. Developer provided assets	–	–
c. Other contributions	–	–
14. Total income	<u>677</u>	<u>705</u>
15. Gain (or loss) on disposal of assets	(2)	–
16. Operating result	<u>(93)</u>	<u>(45)</u>
16a. Operating result (less grants for acquisition of assets)	(93)	(45)

Bogan Shire Council

Special Schedule 5 – Sewerage Service Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2018

\$'000	2018	2017
B Capital transactions		
Non-operating expenditures		
17. Acquisition of fixed assets		
a. New assets for improved standards	–	6
b. New assets for growth	–	–
c. Renewals	10	78
d. Plant and equipment	–	–
18. Repayment of debt	–	–
19. Totals	10	84
Non-operating funds employed		
20. Proceeds from disposal of assets	–	–
21. Borrowing utilised	–	–
22. Totals	–	–
C Rates and charges		
23. Number of assessments		
a. Residential (occupied)	864	864
b. Residential (unoccupied, ie. vacant lot)	161	161
c. Non-residential (occupied)	130	130
d. Non-residential (unoccupied, ie. vacant lot)	71	71
24. Number of ETs for which developer charges were received	– ET	– ET
25. Total amount of pensioner rebates (actual dollars)	\$ 15,728	\$ 14,700

Bogan Shire Council

Special Schedule 6 – Sewerage Service Statement of Financial Position

Includes internal transactions, i.e. prepared on a gross basis
as at 30 June 2018

\$'000	Current	Non-current	Total
ASSETS			
26. Cash and investments			
a. Developer charges	–	–	–
b. Special purpose grants	–	–	–
c. Accrued leave	–	–	–
d. Unexpended loans	–	–	–
e. Sinking fund	–	–	–
f. Other	2,646	–	2,646
27. Receivables			
a. Specific purpose grants	–	–	–
b. Rates and availability charges	24	8	32
c. User charges	40	4	44
d. Other	5	–	5
28. Inventories	–	–	–
29. Property, plant and equipment			
a. System assets	–	9,293	9,293
b. Plant and equipment	–	–	–
30. Other assets	–	–	–
31. Total assets	<u>2,715</u>	<u>9,305</u>	<u>12,020</u>
LIABILITIES			
32. Bank overdraft	–	–	–
33. Creditors	3	–	3
34. Borrowings	–	–	–
35. Provisions			
a. Tax equivalents	–	–	–
b. Dividend	–	–	–
c. Other	–	–	–
36. Total liabilities	<u>3</u>	<u>–</u>	<u>3</u>
37. NET ASSETS COMMITTED	<u>2,712</u>	<u>9,305</u>	<u>12,017</u>
EQUITY			
38. Accumulated surplus			7,352
39. Asset revaluation reserve			4,665
40. Other reserves			–
41. TOTAL EQUITY			<u>12,017</u>
Note to system assets:			
42. Current replacement cost of system assets			14,124
43. Accumulated current cost depreciation of system assets			(4,831)
44. Written down current cost of system assets			<u>9,293</u>

Bogan Shire Council

Notes to Special Schedules 3 and 5 for the year ended 30 June 2018

Administration ⁽¹⁾

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

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

Engineering and supervision ⁽¹⁾

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

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

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

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

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

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

Impairment losses (item 4d and 4e of Special Schedules 3 and 5) are to be used when the carrying amount of an asset exceeds its recoverable amount (refer to page D-31).

Aboriginal Communities Water and Sewerage Program (item 4f of Special Schedules 3 and 5) is to be used when operation and maintenance work has been undertaken on behalf of the Aboriginal Communities Water and Sewerage Program. Similarly, income for item 11a of Special Schedule 3 and item 12a of Special Schedule 5 are for services provided to the Aboriginal Communities Water and Sewerage Program and is not part of Council's water supply and sewerage revenue.

Residential charges ⁽²⁾ (items 6a, 6b and item 6 of Special Schedules 3 and 5 respectively) include all income from residential charges. Item 6 of Schedule 3 should be separated into 6a access charges (including rates if applicable) and 6b usage charges.

Non-residential charges ⁽²⁾ (items 7a, 7b of Special Schedules 3 and 5) include all income from non-residential charges separated into 7a access charges (including rates if applicable) and 7b usage charges.

Trade waste charges (item 8 of Special Schedule 5) include all income from trade waste charges separated into 8a annual fees, 8b usage charges and 8c excess mass charges and 8d re-inspection fees.

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

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

Notes:

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

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

Bogan Shire Council

Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2018

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2017/18 Required maintenance ^a	2017/18 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Buildings	Governance	–	–	–	–	329	511	0%	100%	0%	0%	0%
	Admin Buildings	140	140	140	6	195	1,182	0%	0%	80%	20%	0%
	Public Order & Safety	21	21	21	4	906	967	92%	0%	8%	0%	0%
	Health	9	9	9	10	1,769	2,447	94%	0%	6%	0%	0%
	Environment	2	2	2	1	24	33	0%	100%	0%	0%	0%
	Community Services & Education	31	31	31	12	1,343	1,707	71%	0%	29%	0%	0%
	Housing & Community Amenities	21	21	21	91	964	2,735	20%	0%	75%	5%	0%
	Recreation & Culture	600	600	600	622	5,114	15,848	40%	36%	24%	0%	0%
	Transport & Communication	14	14	14	15	1,030	2,535	20%	0%	80%	0%	0%
	Economic Affairs	10	10	10	–	93	100	0%	0%	100%	0%	0%
	Sub-total	848	848	848	761	11,766	28,065	42.0%	22.3%	34.4%	1.3%	0.0%
Other structures	Other structures	15	15	15	11	111	476	5%	40%	55%	0%	0%
	Community Services & Education	75	75	75	61	33	34	5%	40%	55%	0%	0%
	Public Order & Safety	–	–	–	–	51	55	5%	40%	55%	0%	0%
	Environment	–	–	–	–	750	785	5%	40%	55%	0%	0%
	Recreation & Other Culture	15	15	15	12	1,926	2,561	5%	40%	55%	0%	0%
	Transport & Communication	30	30	30	26	95	133	5%	40%	55%	0%	0%
	Housing & Community Amenities	–	–	–	–	18	19	5%	40%	55%	0%	0%
	Sub-total	135	135	135	110	2,984	4,063	5.0%	40.0%	55.0%	0.0%	0.0%

Bogan Shire Council

Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2018 (continued)

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2017/18 Required maintenance ^a	2017/18 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Roads	Regional Road Pavement Sealed	300	300	–	231	9,294	11,366	5%	0%	95%	0%	0%
	Regional Road Pavement Unsealed	100	100	270	359	1,875	2,207	0%	30%	65%	2%	3%
	Regional Road Surface	100	100	100	–	2,862	3,667	17%	40%	32%	2%	9%
	Rural Road Pavement Sealed	150	150	200	260	14,396	17,701	2%	2%	94%	1%	1%
	Rural Road Pavement Unsealed	800	800	800	1,127	16,248	19,384	3%	37%	49%	4%	7%
	Rural Road Surface	250	250	200	–	4,770	6,407	7%	32%	54%	3%	4%
	Town & Village Streets	90	90	300	388	7,361	9,476	1%	31%	67%	1%	0%
	Runway & Carparks	90	90	67	–	2,592	2,895	1%	96%	3%	0%	0%
	Road Formation/Earthworks	–	–	–	–	63,710	63,710	100%	0%	0%	0%	0%
	Bridges	20	20	–	–	11,771	14,100	0%	0%	97%	3%	0%
	Culverts	75	75	50	–	16,284	20,696	1%	41%	43%	12%	3%
	Footpaths	40	40	30	8	2,021	3,661	0%	10%	24%	66%	0%
	Kerb & Gutter	10	10	40	15	1,580	2,918	0%	0%	1%	99%	0%
	Traffic Management Assets & Bus Shelters	30	30	5	–	652	1,056	0%	2%	63%	31%	4%
	Road Causeways	20	20	10	–	533	844	53%	0%	22%	22%	3%
Sub-total		2,075	2,075	2,072	2,388	155,949	180,088	37.2%	14.6%	41.0%	5.6%	1.6%

Bogan Shire Council

Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2018 (continued)

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2017/18 Required maintenance ^a	2017/18 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Water supply network	Dams/Weirs	–	–	40	–	2,491	3,302	2%	94%	0%	4%	0%
	Mains	80	80	80	52	7,123	13,468	8%	43%	26%	22%	1%
	Reservoirs & Tanks	47	47	50	38	3,602	5,394	2%	96%	1%	0%	1%
	Pumping Station/s	150	150	130	222	519	925	16%	58%	3%	22%	1%
	Treatment	662	662	130	60	3,258	6,751	8%	34%	30%	28%	0%
	Water Canals	122	122	200	190	6,191	6,191	0%	0%	0%	100%	0%
	Canal Structures	121	121	50	–	39	39	100%	0%	0%	0%	0%
	Sub-total	1,182	1,182	680	562	23,223	36,070	5.5%	46.9%	15.5%	31.5%	0.5%
Sewerage network	Reticulation	30	30	96	114	5,360	8,942	15%	63%	22%	0%	0%
	Pumping Station/s	114	114	40	–	1,787	2,663	7%	87%	5%	1%	0%
	Treatment	450	450	77	12	2,146	2,519	67%	26%	6%	1%	0%
	Sub-total	594	594	213	126	9,293	14,124	22.8%	60.9%	15.9%	0.4%	0.0%

Bogan Shire Council

Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2018 (continued)

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2017/18 Required maintenance ^a	2017/18 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Stormwater drainage	Gate	–	–	–	–	82	89	100%	0%	0%	0%	0%
	Open Drain	10	10	10	–	941	941	100%	0%	0%	0%	0%
	Sign	–	–	10	–	5	11	0%	0%	100%	0%	0%
	Pump Station	–	–	10	–	155	258	0%	0%	100%	0%	0%
	Levee	–	–	10	8	6,950	6,950	100%	0%	0%	0%	0%
	Sub-total	10	10	40	8	8,133	8,249	96.7%	0.0%	3.3%	0.0%	0.0%
TOTAL – ALL ASSETS	4,844	4,844	3,988	3,955	211,348	270,659	34.1%	22.0%	34.7%	8.1%	1.1%	

Notes:

a Required maintenance is the amount identified in Council's asset management plans.

Infrastructure asset condition assessment 'key'

1	Excellent/very good	No work required (normal maintenance)
2	Good	Only minor maintenance work required
3	Satisfactory	Maintenance work required
4	Poor	Renewal required
5	Very poor	Urgent renewal/upgrading required

Bogan Shire Council

Special Schedule 7 – Report on Infrastructure Assets (continued)
for the year ended 30 June 2018

	Amounts 2018	Indicator 2018	Prior periods		Benchmark
			2017	2016	
Infrastructure asset performance indicators * consolidated					
1. Buildings and infrastructure renewals ratio ⁽¹⁾					
Asset renewals ⁽²⁾	<u>1,993</u>	61.91%	67.75%	69.84%	>= 100%
Depreciation, amortisation and impairment	<u>3,219</u>				
2. Infrastructure backlog ratio ⁽¹⁾					
Estimated cost to bring assets to a satisfactory standard	<u>4,844</u>	2.29%	1.98%	2.71%	< 2.00%
Net carrying amount of infrastructure assets	<u>211,348</u>				
3. Asset maintenance ratio					
Actual asset maintenance	<u>3,955</u>	99.17%	93.46%	85.65%	> 100%
Required asset maintenance	<u>3,988</u>				
4. Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	<u>4,844</u>	1.79%	2.24%	0.00%	
Gross replacement cost	<u>270,659</u>				

Notes

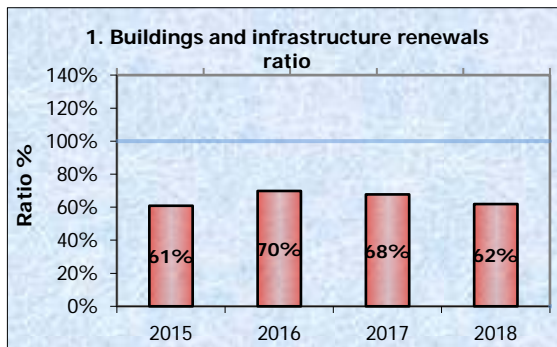
* All asset performance indicators are calculated using the asset classes identified in the previous table.

(1) Excludes Work In Progress (WIP)

(2) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Bogan Shire Council

Special Schedule 7 – Report on Infrastructure Assets (continued) for the year ended 30 June 2018



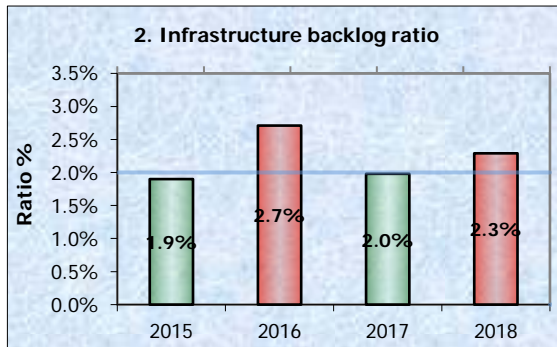
Purpose of asset renewals ratio

To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

Commentary on 2017/18 result	
2017/18 Ratio	61.91%
<p>Council is maintaining a steady rate of renewals on its Buildings and Infrastructure.</p>	

Benchmark: ——— Minimum $\geq 100.00\%$
Source for benchmark: Code of Accounting Practice and Financial Reporting #26

■ Ratio achieves benchmark
■ Ratio is outside benchmark



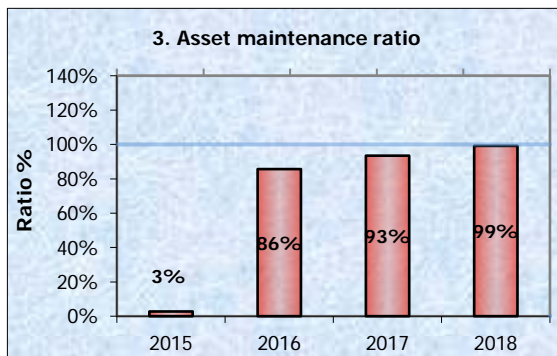
Purpose of infrastructure backlog ratio

This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.

Commentary on 2017/18 result	
2017/18 Ratio	2.29%
<p>Council has received \$1 million in grant funding in 2018/19 from Safe & Secure Water to bring its water assets to the required standard which would then bring this ratio to an acceptable level.</p>	

Benchmark: ——— Maximum $< 2.00\%$
Source for benchmark: Code of Accounting Practice and Financial Reporting #26

■ Ratio achieves benchmark
■ Ratio is outside benchmark



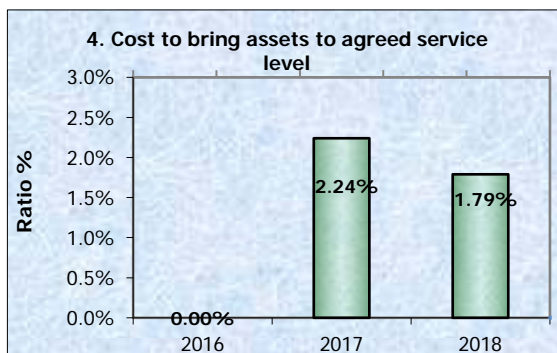
Purpose of asset maintenance ratio

Compares actual vs. required annual asset maintenance. A ratio above 100% indicates Council is investing enough funds to stop the infrastructure backlog growing.

Commentary on 2017/18 result	
2017/18 Ratio	99.17%
<p>Council will need to invest funds in some ageing building infrastructure and relies heavily on Grant Funding for our Road infrastructure maintenance.</p>	

Benchmark: ——— Minimum $> 100.00\%$
Source for benchmark: Code of Accounting Practice and Financial Reporting #26

■ Ratio achieves benchmark
■ Ratio is outside benchmark



Purpose of agreed service level ratio

This ratio provides a snapshot of the proportion of outstanding renewal works compared to the total value of assets under Council's care and stewardship.

2017/18 Ratio	1.79%
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Bogan Shire Council

Special Schedule 7 – Report on Infrastructure Assets (continued)
for the year ended 30 June 2018

	General indicators ⁽¹⁾		Water indicators		Sewer indicators		Benchmark
	2018	2017	2018	2017	2018	2017	
Infrastructure asset performance indicators by fund							
1. Buildings and infrastructure renewals ratio ⁽²⁾							
Asset renewals ⁽³⁾	67.76%	41.50%	49.77%	226.61%	0.00%	48.15%	>= 100%
Depreciation, amortisation and impairment							
2. Infrastructure backlog ratio ⁽²⁾							
Estimated cost to bring assets to a satisfactory standard	1.72%	1.45%	5.09%	5.23%	6.39%	2.44%	< 2.00%
Net carrying amount of infrastructure assets							
3. Asset maintenance ratio							
Actual asset maintenance	105.56%	103.83%	82.65%	83.59%	59.15%	76.70%	> 100%
Required asset maintenance							
4. Cost to bring assets to agreed service level							
Estimated cost to bring assets to an agreed service level set by Council	1.39%	2.20%	3.28%	3.09%	4.21%	0.75%	
Gross replacement cost							

Notes

- (1) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.
- (2) Excludes Work In Progress (WIP)
- (3) Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

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Annexure Two Objectives and Performance





Annexure Two

Objectives and Performance

2017/2018

1 - Social

Goal - A connected and cohesive community with opportunities for all residents and visitors to fully participate in the social, cultural, recreational and educational activities which build a community.

1.1 Social & Cultural

Outcome: Our community enjoys and actively participates in our rich culture, social environment and communal vibe.

Strategy 1.1.1

Continue to support and create opportunities for community festivals, events and cultural activities through planning, marketing, direct involvement and various forms of assistance.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Provide community events, activities and venues to celebrate Australia Day	C		Manager People and Community Services
ii	Seek sponsorship and organise the Christmas Lights and Rural Mailbox Competitions	C		Manager People and Community Services
iii	Provide facilities for community events at the Nyngan Showgrounds and racecourse including the Nyngan Show, Ag Expo, Nyngan Easter Challenge and Duck Creek	C		Manager Engineering Services
iv	Support a range of local community organisations and events.	C		Manager People and Community Services
v	Support and encourage the Arts, including through the Bogan Shire Council Arts Fund.	C		Manager People and Community Services

Strategy 1.1.3**Identify, respect and preserve sites and items of historical significance.**

	Activities 2017/18	Status	Action Comments	Council Lead
i	Maintain and preserve Council owned historic buildings	PNI		Manager Development and Environmental Services
ii	Investigate opportunities for grant funding for studies and preservation of our historic buildings	PNI		Manager Development and Environmental Services

Strategy 1.1.4**Develop and support volunteer groups to carry out functions and projects for the benefit of the community and the volunteer.**

	Activities 2017/18	Status	Action Comments	Council Lead
i	Work with volunteer groups to support their activities. (e.g. administrative support and assistance with grant applications)	C		Manager People and Community Services
ii	Support National Tree Day	C		Manager Development and Environmental Services
iii	Produce and update the Community Directory - both the hard copy and on Council's website	C		Manager People and Community Services
iv	Administer and support Section 355 Committees of Council	C		General Manager

1.2 Community Centres

Outcome: Our community uses and values the educational, recreational and social opportunities provided by our community centres.

Strategy 1.2.1

Provide and maintain Nyngan Pool facilities to cater for a variety of users.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Undertake a review of the public pool facilities and maintain best practice standards	PNI		Manager Development and Environmental Services
ii	Review potential for wider usage of pool facilities outside existing user groups	PNI		Manager Development and Environmental Services

Strategy 1.2.2

Maintain and improve our parks, gardens and playgrounds to promote their use and enjoyment by the whole community and our visitors.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Consult with Nyngan Garden Club regularly to gather suggestions for garden improvements	PNI		Manager Development and Environmental Services
ii	Continue to maintain and upgrade parks and reserves as funding permits	PNI		Manager Development and Environmental Services
iii	Management and maintenance of the cemetery in accordance with the Plan of Management	PNI		Manager Development and Environmental Services

Strategy 1.2.3

Maintain and improve our sports grounds and active recreational facilities to promote the good health and well-being of the community through the diversity of sport and recreation on offer.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Investigate and apply for appropriate grant funding to improve and develop existing recreational buildings	PNI		Manager Development and Environmental Services
ii	Investigate and apply for appropriate grant funding to improve and develop existing grounds and facilities	C		Manager Engineering Services
iii	Maintain sporting grounds to a high standard	C		Manager Engineering Services
iv	Consult with user groups to ensure that facilities are maintained and improved to suit their requirements	C		Manager Engineering Services

Strategy 1.2.4				
Provide well maintained community halls and other similar facilities for community use.				
	Activities 2017/18	Status	Action Comments	Council Lead
i	Investigate and apply for appropriate grant funding to improve all Shire halls and community facilities	PNI		Manager Development and Environmental Services
ii	Undertake a review of community halls and develop a plan of management with the view to support community activities	NS	To be undertaken in conjunction with introduction of Crown Lands Management Act, 2016	Manager Development and Environmental Services
Strategy 1.2.5				
Provide well maintained Shire showground and equestrian facilities for community use.				
	Activities 2017/18	Status	Action Comments	Council Lead
i	Consult with Showground user groups on facility requirements and programming of events	PNI		General Manager
ii	Investigate opportunities for grant funding to improve existing ground facilities for all user groups	C		Manager Engineering Services
iii	Maintain showground and equestrian landscape areas and buildings to acceptable standard	C		Manager Engineering Services
Strategy 1.2.6				
Support development of a youth centre that is maintained for recreational, educational and cultural activities.				
	Activities 2017/18	Status	Action Comments	Council Lead
i	Work with schools and community organisations to identify needs, opportunities and funding options for a dedicated youth centre	PNI		Manager People and Community Services
Strategy 1.2.7				
Provide and promote quality Library services				
	Activities 2017/18	Status	Action Comments	Council Lead
i	Provide and promote well maintained facilities and access to printed and online information and other resources.	C		Manager People and Community Services
ii	Investigate ways to encourage greater numbers of both traditional and non-traditional library users	C		Manager People and Community Services
iii	Maintain North Western Regional Library Service partnership and carry out all obligations under the partnership agreement.	C		Manager People and Community Services

1.3 Inclusive Communities

Outcome: Children, older people and people with disabilities are supported, feel secure, valued and are engaged in our community.

Strategy 1.3.1

Provide childcare facilities, preschools, after hours care and playgroups that meet the needs of the whole community.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Operate Bogan Shire Early Learning Centre	C		Manager People and Community Services
ii	Continue to provide the Bush Mobile playgroup service.	C		Manager People and Community Services

Strategy 1.3.2

Provide opportunities for young people to be actively engaged in the development, design and planning of educational and other programs, services and infrastructure in which they are a stakeholder or user group.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Work with the community and Government agencies to understand issues and lobby Government to address them	PNI		General Manager
ii	Incorporate consultation with young people into planning for Council programs, developments and events wherever possible	NS	No specific consultation undertaken in this financial year.	General Manager
iii	Work with local schools and community groups to support youth events and activities as well as community education and awareness programs	C		General Manager
iv	Source funding for Youth Week activities and/or events including StormCo	C		Manager People and Community Services

Strategy 1.3.3

Work with the community and Government agencies to understand issues and lobby Government to address them.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Work with the community, Police and Government agencies to understand issues and lobby the appropriate Government to address them	C		General Manager

Strategy 1.3.4

Identify and support the social services needs of people with disabilities in the community and provide infrastructure to support assisted and independent living and social interaction.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Develop a DIAP to support the community	C	Adopted by Council	Manager People and Community Services

Strategy 1.3.5

Identify and support a range of recreational, sporting and other opportunities for personal development, interaction and healthy lifestyle for seniors through education, support networks and facilities.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Work with community organisations to develop a program of workshops and/or events in Seniors Week, depending on funding.	C		Manager People and Community Services
ii	Sponsor and organise Senior Citizen of the Year Awards, Morning Tea and Concert in Seniors Week	C		Manager People and Community Services

Strategy 1.3.6

Identify and support the social services needs of older people and active seniors in the community and provide infrastructure to support assisted and independent living and social interaction.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Investigate housing options for seniors, including grants for building funding	PNI		Manager Development and Environmental Services
ii	Lobby service providers and government on behalf of the community	C		General Manager

1.4 Education

Outcome: Access to opportunities for education at all levels.

Strategy 1.4.1

Provide a range of high quality primary and secondary education and vocational training facilities and opportunities.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Work with the schools, TAFE, community and Government agencies to understand issues and lobby Government to address them	C		General Manager
ii	Provide scholarships to all schools at annual awards nights	C		General Manager

Strategy 1.4.2

Provide support and encouragement for local people to obtain work in Bogan Shire after completing tertiary education.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Work with the community and Government agencies to understand issues and lobby Government to address them	C		General Manager

1.5 Public Health

Outcome: Our community has access to the medical services, facilities and programs it needs to enhance and protect our health.

Strategy 1.5.1

Work with the community and the State Government to ensure medical, dental, specialist, mental health and allied health services and facilities meet the needs of residents and visitors.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Work closely with community groups to lobby on behalf of the community	C		General Manager
ii	Liaise with Western LHD to resolve relevant issues	C		General Manager
iii	Operate the Bogan Shire Medical Centre and Dental services	C		General Manager

1.6 Emergency Services

Outcome: Our fire, police and ambulance services provide effective and efficient services to the community to protect property and the safety of our community.

Strategy 1.6.1

Protect people and property from fire related incidents.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Support the activities of Fire and Rescue NSW, SES and RFS and lobby in response to community issues and concerns	C		General Manager
ii	Implement hazard reduction program for villages and rural properties	C		Manager Engineering Services

Strategy 1.6.2

Provide an appropriate level of ambulance services for the community.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Monitor availability of a 24 hour Ambulance Service for the Shire	C		General Manager

Strategy 1.6.3

Improve community safety and maintain low crime levels.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Participate in Community Safety Precinct meetings to discuss and address any issues	C		General Manager
ii	Lobby NSW Police for appropriate numbers in response to community concerns	C		General Manager
iii	Support by agreement with NSW Police the recruitment of Police through provision of housing at market rental	C		General Manager

2 - Infrastructure

Goal - Construct and manage reliable and efficient community assets that provide access to quality services.

2.1 Transport Networks

Outcome: Our well-constructed and maintained transport network enables safe and efficient movement of people and freight throughout the Shire.

Strategy 2.1.1

Efficient local and regional transport networks that meet community and business needs.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Adopt and implement the asset management plan for all shire roads	C		Manager Engineering Services
ii	Maintain Shire Roads in accordance with standards expressed in our asset management plan and our annual maintenance program	C		Manager Engineering Services
iii	Construct Shire Roads in accordance with community and council priorities	C		Manager Engineering Services
iv	Maintain supporting infrastructure such as parking, footpaths, kerbs and gutters, and street furniture to current standards.	C		Manager Engineering Services
v	Design and construct bikeways and footpaths incorporating tree shade cover	C		Manager Engineering Services
vi	Construct pedestrian kerb ramps as identified in Pedestrian Access Mobility Plan subject to continuing RMS grant funding	C		Manager Engineering Services

Strategy 2.1.2

Maintain state road networks to ensure provision of efficient transport links.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Maintain State Roads on behalf of RMS	C		Manager Engineering Services
	Work with the RMS to ensure current standards of road safety are maintained	C		Manager Engineering Services

2.2 Rail Services

Outcome: Our rail connection remains a cost-effective and reliable alternative for freight transport.

Strategy 2.2.1

Encouraged increased use of rail for transporting agricultural and mining products.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Work with and lobby State Government and John Holland Rail to maintain and improve reliable freight transport network	C		General Manager
ii	Work with John Holland Rail, the RMS and NSW Police to ensure current standards of rail and crossing safety are maintained and promoted within the community	PWI	Ongoing concerns around level crossing – not addressed by NSW Government	General Manager

2.3 Water

Outcome: We have access to a secure water supply that is well-managed to provide us with a reliable, safe and cost effective service as well as raw water supply to villages.

Strategy 2.3.1

Provide a financially viable, efficient, permanent potable water supply for Nyngan that meets best practice and has sufficient capacity for current and projected growth requirements.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Continue implementation of the 2017 Strategic Business Plan for Water and Sewerage	C		Manager Engineering Services
ii	Maintain water supply to best practice standards	C		Manager Engineering Services
iii	Implement an ongoing program of capital works improvements and enhancements and asset management to ensure the responsible management of water supply to the area and surrounding villages.	C		Manager Engineering Services
iv	Maintain water supply infrastructure to relevant Department of Health and Department of Primary Industries (NSW Office of Water) Standards, and in accordance with sustainability	C		Manager Engineering Services
v	Continue active involvement in Lower Macquarie Water User Alliance	C		Manager Engineering Services
vi	Develop regional Water Quality Improvement Plans	PNI		Manager Engineering Services

Strategy 2.3.2

Enhance the security of our water supply, ensuring long term drought management plans are developed and water losses are minimised.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Commence construction of infrastructure to ensure security of Nyngan's water supply, subject to government funding	C		Manager Engineering Services

2.4 Sewerage

Outcome: We have a reliable, safe and cost effective sewerage service.

Strategy 2.4.1

Provide a financially viable and efficient sewerage system that meets best practice and has sufficient capacity for current and projected growth requirements.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Continue implementation of the 2017 Strategic Business Plan for Water and Sewerage	C		Manager Engineering Services
ii	Monitor and review the development of a database of all sewerage management systems within the Local Government Area	PNI		Manager Development and Environmental Services
iii	Ensure our compliance with the EPA license by regularly testing the waste water for treated effluent re-use and disposal.	C		Manager Engineering Services

Strategy 2.4.2

Ensure effective management of liquid trade waste.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Continue implementation of Trade Waste Policy, including licencing practices and inspections	C		Manager Engineering Services

2.5 Communication Networks

Outcome: The community has access to the latest communications infrastructure and technology to facilitate communications for learning, business and providing services to our community.

Strategy 2.5.1

Maximise the coverage and availability of telecommunications infrastructure across the Shire.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Lobby service providers and government on behalf of the community	C		General Manager

3 - Environmental

Goal - To support, enhance and preserve the environment of our shire through sound planning and management practices to ensure a sustainable, healthy and safe community.

3.1 Built Environment

Outcome: Our Shire is enhanced through respectful planning processes and facilitation of development in accordance with statutory requirements.

Strategy 3.1.1

Conduct periodic reviews of Council's planning instruments to ensure that land use planning supports the long term sustainability of our local communities and our economy.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Review of LEP 2011	NS	Dependant on available resources – deferred until 2019	Manager Development and Environmental Services
iii	Endeavour to identify and purchase parcels of Crown Land that may be of value for development	PNI		Manager Development and Environmental Services
v	Establishment of Rural Residential Strategy	NS	Dependant on available resources – deferred until 2019	Manager Development and Environmental Services
vi	Respond effectively to rezoning applications	C		Manager Development and Environmental Services

Strategy 3.1.2

Development complies with Planning legislation, Local Government Act, Building Code of Australia and Local Council Policies.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Ensure all development complies with LEP and DCP	C		Manager Development and Environmental Services
ii	Effectively manage development applications, construction certificate process, Principal Certifying Authority process, and orders processed for lawful development	C		Manager Development and Environmental Services
iii	Respond to reforms in planning process and advocate on behalf of Council	C		Manager Development and Environmental Services
iv	Develop and review local council policy	PNI		Manager Development and Environmental Services

Strategy 3.1.3**Ensure our community's buildings are safe, healthy and maintained.**

	Activities 2017/18	Status	Action Comments	Council Lead
i	All essential services measures to be inspected and the register maintained	C		Manager Development and Environmental Services
ii	Develop an asset management plan for Council's buildings	C		Manager Engineering Services
iii	Issue planning and building certificates including effective customer service	C		Manager Development and Environmental Services
iv	Investigate concerns or complaints in relation to overgrown allotments and buildings in a state of disrepair	C		Manager Development and Environmental Services

Strategy 3.1.4**Develop and implement flood management plans for all urban flood plain areas.**

	Activities 2017/18	Status	Action Comments	Council Lead
i	Maintain stormwater management infrastructure	PNI		Manager Engineering Services
ii	Review requirements under LEP and DCP for Flood Management	NS	Dependant on available resources – deferred until 2019	Manager Development and Environmental Services
iii	Develop, review and implement Flood Risk Management Plan in accordance with NSW Government Guidelines	NS	Dependant on available resources – deferred until 2019	Manager Development and Environmental Services

3.2 Waste and Recycling

Outcome: Our waste stream is effectively managed, reducing waste to landfill and maximising resource recovery through recycling.

Strategy 3.2.1

Provide efficient and cost effective kerbside collection of solid and recyclable waste.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Monitor and review kerbside waste service collections and volumes	PNI		Manager Development and Environmental Services
ii	Review and monitor kerbside recycling service in order to reduce contamination rates	PWI	Ongoing contamination of recycling – around 30% of recycling loads. Education and audit functions being investigated to combat high contamination rate.	Manager Development and Environmental Services

Strategy 3.2.2

Operate the Bogan Shire waste facilities to comply with standards and regulations, ensuring it is environmentally sound.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Implement and review Waste Facility Operations Management Plan	PNI		Manager Development and Environmental Services
ii	Establish fire breaks to all waste facilities every 6 months	PNI		Manager Development and Environmental Services
iii	Monitor all deposited waste for separation procedures within the Nyngan Waste Facility	C		Manager Development and Environmental Services

3.3 Natural Environment

Outcome: Our open space areas are protected and appropriately managed to preserve their valued use and biodiversity whilst minimising the impact of pollution and weeds on the environment.

Strategy 3.3.1

Provide safe, high quality, well serviced and maintained parks.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Develop a playground upgrade program	C		Manager Development and Environmental Services
ii	Seek grant funding for improvement and/or expansion of all parks	PNI		Manager Development and Environmental Services

Strategy 3.3.2				
Protect and improve the amenity of the river corridor to enhance and increase utilisation for a range of recreational activities.				
	Activities 2017/18	Status	Action Comments	Council Lead
i	Involve and support the local community in the rehabilitation and improvements of the river corridor	NS	Dependant on available resources – deferred until 2019	Manager People and Community Services
ii	Work with NetWaste to identify locations and programs to reduce waste along the river corridor	C		Manager Development and Environmental Services
Strategy 3.3.3				
Provide a clean and pleasant streetscape, ensuring regular street sweeping and cleaning of public spaces.				
	Activities 2017/18	Status	Action Comments	Council Lead
i	Monitor Cleaning Program for all public areas	C		Manager Engineering Services
ii	Review street bin containers and emptying procedures	C		Manager Development and Environmental Services
iii	Review existing garden beds in Pangee Street and investigate options for improvements	C		Manager Development and Environmental Services
Strategy 3.3.4				
Implement programs which foster responsible and protective behaviours towards reducing waste and litter pollution.				
	Activities 2017/18	Status	Action Comments	Council Lead
i	Engage and seek community feedback on areas of concern of waste and litter control	PNI		Manager Development and Environmental Services
ii	Enforce breaches of environmental legislation in order to reduce the incidence of littering	C		Manager Development and Environmental Services
Strategy 3.3.5				
Protect, preserve and enhance Bogan Shire's natural environments, waterways, flora and fauna through responsible development and management.				
	Activities 2017/18	Status	Action Comments	Council Lead
i	Review DA Consent Conditions: Environmental Protection	C		Manager Development and Environmental Services
ii	Enforce all development to comply with conditions of DA Consents	C		Manager Development and Environmental Services
iii	Engage with and support the Central West Local Land Services and other government bodies	C		Manager Development and Environmental Services

Strategy 3.3.6**Meet Council's obligations under the Biodiversity Act 2015 in respect of maintenance of noxious weeds.**

	Activities 2017/18	Status	Action Comments	Council Lead
i	Council to meet Noxious Weeds Control obligations	C		Manager Development and Environmental Services
ii	Ensure Council operations are undertaken in accordance with the endorsed Regional Strategic Weed Management Plan.	C		Manager Development and Environmental Services
iii	Undertake enforcement activities on private property for noxious weeds as required	C		Manager Development and Environmental Services

3.4 Health, Safety and Regulation**Outcome:** Council meets its compliance and regulatory obligations concerning public health.**Strategy 3.4.1****Liaise with Local Liquor Accord to ensure compliance strategies are maintained to maximise public health and safety.**

	Activities 2017/18	Status	Action Comments	Council Lead
i	Provide information regarding new Liquor License applications, and make submissions on new applications to the State Government as required	C		Manager Development and Environmental Services
ii	Provide advisory services to the Liquor Accord	C		Manager Development and Environmental Services

Strategy 3.4.2**Ensure compliance with Safe Foods Standards.**

	Activities 2017/18	Status	Action Comments	Council Lead
i	Monitor and review food premises register	C		Manager Development and Environmental Services
ii	Undertake annual food premises Inspections to ensure food handlers compliance with standards	C		Manager Development and Environmental Services

Strategy 3.4.3**Continue ongoing management and control of companion animals and ensure owner compliance with NSW Companion Animals Act 1998.**

	Activities 2017/18	Status	Action Comments	Council Lead
i	Improve public awareness of companion animal control including lifetime registration.	C		Manager Development and Environmental Services
ii	Carry out enforcement activities relating to dog control measures	C		Manager Development and Environmental Services
iii	Data entry of lifetime registrations and fee reconciliation	C		Manager Development and Environmental Services

4 - Economic

Goal - A vibrant local economy with a diversity of successful businesses that provide local employment opportunities and contribute to a prosperous community.

4.1 Local Industries and Business

Outcome: Local industries, including tourism, and the business that support them continue to grow and prosper.

Strategy 4.1.1

Support and promote our local business and industry, to identify gaps and develop initiatives for sustainable economic growth and local employment opportunities.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Work with local businesses to identify issues	C		Manager People and Community Services
ii	Maintain and develop relationship with Regional Development Australia (RDA) Orana	C		Manager People and Community Services
iii	Industrial lots to be developed as demand presents, connecting to utility services and construction of kerb and gutter	C		Manager Engineering Services
iv	Commence the preparation of an Economic Development Plan for Bogan Shire	PNI		Manager People and Community Services
v	Support and strengthen local business networks to encourage the sharing of information and resources to build the capacity of local business and industry.	PNI		Manager People and Community Services
vi	Council continues to commit to shopping locally for services and products wherever possible and in the best interests of Council.	C		General Manager
vii	Work with local businesses to ensure sustainable, well designed and visually appealing premises which meet the needs of our community and visitors	PNI		Manager Development and Environmental Services
viii	Continue the implementation of Council's streetscape master plan.	PNI		Manager Development and Environmental Services

Strategy 4.1.2

Support agricultural businesses so that they have the capacity to be a significant contributor to the local, regional and national economy.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Maintain relationships with local agricultural businesses and lobby on behalf of local issues	PNI		General Manager

Strategy 4.1.3

Work in conjunction with mining companies to obtain mutual benefit from an abundance of natural mining resources which provide our shire with opportunities for local economic growth and employment.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Maintain relationships with mining companies to explore opportunities for mutual benefit and lobby on behalf of local issues	C		General Manager

4.2 Tourism

Outcome: Bogan Shire is regarded as a welcoming and attractive place for people to visit, providing services, cultural experiences and recreational opportunities.

Strategy 4.2.1

Develop and implement a tourism strategy which includes the identification of potential opportunities for growth and new tourism products through consultation with stakeholders.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Commence the development of a tourism strategy	PNI		Manager People and Community Services
ii	Provide and maintain a quality Visitor Information Centre which encourages and supports growth across many sectors of the local economy.	C		Manager People and Community Services
iii	Continue to update, produce and distribute the Official Tourist Guide to local businesses and VICs in neighbouring shires	C		Manager People and Community Services
iv	Continue to advertise Nyngan and Bogan Shire in print media, on appropriate websites and via relevant social media platforms.	C		Manager People and Community Services

Strategy 4.2.2

Provide a welcoming aesthetic on the approaches to town.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Investigate options for beautification along main roads into town	C		Manager Engineering Services

4.3 Public Transport and Air Services

Outcome: We have reliable, cost-effective and regular public transport and air services linking the Shire to Dubbo and beyond.

Strategy 4.3.1

Identify gaps and opportunities and engage with stakeholders, to investigate options for improved public transport.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Talk to existing operators about issues and potential strategy to address these issues	C		General Manager

Strategy 4.3.2

Maintain airport facilities to meet required standards.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Undertake regular maintenance activities on the runway and surrounding areas to CASA regulations	C		Manager Engineering Services
ii	Maintain airport buildings to acceptable standards	PNI		Manager Development and Environmental Services

5 - Civic Leadership

Goal - Strong, transparent and effective governance with an actively engaged community to ensure we remain Fit for the Future.

5.1 Leadership, Advocacy and Governance

Outcome: Open, transparent and effective local government.

Strategy 5.1.1

Facilitate purposeful engagement and consultation with the community and other stakeholders to progress the outcomes of the Community Strategic Plan.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Maintain a community consultation database (from CSP implementation)	C		Manager People and Community Services
ii	Undertake community engagement regarding major Council plans and projects	C		General Manager
iii	Hold a Community Strategic Plan forum	NS	To be held in preparation for next Community Strategic Plan	General Manager

Strategy 5.1.2

Provide accountability to the community by regularly reporting on Council activities through the publication of statutory reports, business papers, meeting minutes and general information.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Provide accurate and timely meeting agendas and minutes	C		General Manager
ii	Proactively release appropriate Council information e.g. Council Business Paper and Minutes through the website and council column	C		General Manager
iii	Complete Annual Report	C		Manager Finance and Corporate Services
iv	Complete statutory financial accounts	C		Manager Finance and Corporate Services
v	Produce Council's quarterly reports, delivery program and budget and operational plans	C		Manager Finance and Corporate Services

Strategy 5.1.3

Councillors represent the interests of the community through strong and positive leadership and advocacy.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Hold regular Council meetings	C		General Manager
ii	Ensure Councillors make all reasonable efforts to acquire and maintain the skills necessary to perform the role of a councillor	C		General Manager

Strategy 5.1.4**Maintain effective partnerships through regional and industry bodies to collaborate on matters of mutual interest and lobby collectively on behalf of the community.**

	Activities 2017/18	Status	Action Comments	Council Lead
i	Maintain regional partnerships including OROC, LMWUA	C		General Manager
ii	Undertake lobbying as appropriate	C		General Manager
iii	Continue contracting alliance with RMS	C		Manager Engineering Services

Strategy 5.1.5**Councillors take pride in our community, are inclusive and respectful, work together to get things done and contribute positively to our culture.**

	Activities 2017/18	Status	Action Comments	Council Lead
i	Ensure that Councillors are aware of the Code of Conduct and Council's Values	C		General Manager

5.2 Managing our Business**Outcome:** Effective and responsive management of Council's resources and activities to deliver on our goals and strategies.**Strategy 5.2.1****Undertake sound financial planning, management and reporting to fulfil our stewardship responsibilities and ensure that Bogan Shire Council remains financially viable.**

	Activities 2017/18	Status	Action Comments	Council Lead
i	Develop and implement Council's Long Term Financial Strategy	C		Manager Finance and Corporate Services
ii	Prepare and present Council's Operational Plan and Budget to Council for Approval within set timeframes	C		Manager Finance and Corporate Services
iii	Prepare and present quarterly budget reviews to Council for approval within set timeframes	C		Manager Finance and Corporate Services
iv	Accurately record all Council's financial transactions	PNI		Manager Finance and Corporate Services
v	Present periodic financial reports to assist with monitoring budget performance	C		Manager Finance and Corporate Services
vi	Maximise recovery of all revenue due to Council in accordance with policy	PNI		Manager Finance and Corporate Services

Strategy 5.2.2**Manage our people effectively to ensure Council meets its goals and can implement its mission and deliver on its vision.**

	Activities 2017/18	Status	Action Comments	Council Lead
i	Develop Council's Workforce Plan	C		Manager People and Community Services
ii	Develop a Workplace Health and Safety improvement plan	PNI		Manager People and Community Services
iii	Conduct effective staff recruitment and induction processes.	PNI		Manager People and Community Services
iv	Continuously develop and maintain Council's organizational structure, salary system and related processes	C		Manager People and Community Services
v	Manage Council's Employee Development Planning process	PNI		Manager People and Community Services
vi	Promote Council's Values and Code of Conduct to ensure staff uphold and contribute positively to our social environment and culture	C		General Manager

Strategy 5.2.3**Implement sound asset management practices to ensure adequate provision is made for the maintenance and long-term replacement of Council's infrastructure assets.**

	Activities 2017/18	Status	Action Comments	Council Lead
i	Develop and adopt Council's Asset Management Strategy and Asset Management Policy	C		Manager Engineering Services
ii	Develop and implement, subject to budget, Asset Management Plans for the major categories of Council's assets: Transport and Stormwater, Water Supply and Sewerage and Buildings	C		Manager Engineering Services
iii	Provide periodic asset management reports to inform decision-making	C		Manager Engineering Services

Strategy 5.2.4**Manage Council's operations effectively and on business-like principles to maximise service delivery for the community.**

	Activities 2017/18	Status	Action Comments	Council Lead
i	Develop and implement a customer service charter	C		Manager Finance and Corporate Services
ii	Initiate a customer service training program	C		Manager Finance and Corporate Services
iii	Monitor Council's complaint management system to identify and rectify issues	PNI		Manager Finance and Corporate Services
iv	Identify and manage Council's risks, including insurance cover	PWI	Risk and Governance to be an area of increased focus for 2019	Manager Finance and Corporate Services
v	Manage Council's record management system to support our business	PNI		Manager Finance and Corporate Services
vi	Manage Council's communication with the community through a variety of media including electronic	C		General Manager
vii	Manage Council's ICT resources including disaster recovery to support our business	PNI		Manager Finance and Corporate Services
viii	Manage Council's procurement system to ensure probity and best value for money	C		Manager Engineering Services
ix	Review and update Council's policies and procedures	C		General Manager

Strategy 5.2.5**Implement Council's Fit for the Future Action Plan to ensure that we retain our autonomy as a financially viable independent Council.**

	Activities 2017/18	Status	Action Comments	Council Lead
i	Take advantage of resource-sharing opportunities	PNI		General Manager
ii	Investigate creation of Centres of Excellence	PNI		General Manager
iii	Take advantage of opportunities for streamlined Planning, Regulation and Reporting provided by the NSW Government	PNI		General Manager
iv	Undertake Services Reviews for more efficient service provision	PNI		General Manager
v	Refocus expenditure on asset renewals	PNI		General Manager

5.3 Disaster Management

Outcome: We have the capability to plan, arrange and implement measures for the prevention of, preparation for, response to and recovery from emergencies.

Strategy 5.3.1

Facilitate the Local Emergency Management Committee to ensure a co-ordinated response by all agencies having responsibilities and functions in emergencies.

	Activities 2017/18	Status	Action Comments	Council Lead
i	Continue to fulfil Councils statutory obligations relevant to the State Emergency & Rescue Management Act 1989	C		General Manager
ii	Provide a support role through the LEMC to the SES and other involved agencies	C		Manager Engineering Services
iii	Regularly maintain the Nyngan levee bank and associated infrastructure to ensure protection from potential flooding	C		Manager Engineering Services

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