

*Bogan*  
SHIRE

Annual  
Report  
2015/2016



*Comfortable Country Living*

Adopted 24 November 2016



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# Table of Contents

About Bogan Shire .....	4
General Manager’s Message .....	5
Mission Statement.....	7
Statement of Business Ethics .....	9
Council Contact Information .....	12
Statutory Information.....	14
Local Government (General) Regulation 2005 Part 5	
s428(4)(b) cl 132 Amount of Rates and Charges Written Off During the Year .....	14
s428(4)(b) cl 217(1)(a) Details of overseas visits by councillors, council staff or other persons representing council .....	14
s428(4)(b) cl 217(1)(a1) Elected Members Expenses and Provision of Facilities .....	14
s428(4)(b) cl 217(1)(a2) Major Contracts Awarded .....	15
s428(4)(b) cl 217(1)(a3) Amounts Incurred by Council in Relation to Legal Proceedings .....	15
s428(4)(b) cl 217(1)(a4) s67(3) Summary of Resolutions made under Section 67 Concerning Work Carried Out on Private Land .....	15
s428(4)(b) cl 217(1)(a5) Total Contributed or Otherwise Granted Under Section 356 .....	15
s428(4)(b) cl 217(1)(a6) External Bodies Exercising Council Functions .....	16
s428(4)(b) cl 217(1)(a7) Controlling Interest in Companies .....	16
s428(4)(b) cl 217(1)(a8) Partnerships, Cooperatives and Joint Ventures .....	16
s428(4)(b) cl 217(1)(a9) Activities to Implement EEO Management Plan .....	16
s428(4)(b) cl 217(1)(b) Statement of Total Remuneration Package of the General Manager.....	17
s428(2)(f) cl 217(1)(f) Activities Relating to Enforcing and Ensuring Compliance with the Companion Animals Act and Regulation .....	17
s125(1) cl 7 Schedule 2 Information Included on GIPA Activity .....	19
s93G(5) Compliance with and Effect of Planning Agreements in Force.....	21
s31 cl 4 Public Interest Disclosures and Public Interest Disclosure Policy .....	21
s8(2) Carers Recognition Act 2010 .....	21
Annexure One - Financial Statements s428(4)(a)	
Annexure Two - Objectives and Performance s428(1)	
Annexure Three—State of the Environment Report s428A(1)	



# 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 2900. 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 and Hotels provide a choice of accommodation options. Three licensed Clubs 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 1 high school, four primary schools, 1 pre-school, a daycare centre, a mobile pre-school, and a TAFE Campus. Nyngan's medical needs are catered for by the new Nyngan Health Service (Multi-purpose Health Centre which incorporates a nursing home complex) and a network of health professionals including two doctors.

The recreational and sporting facilities in Nyngan are excellent and include facilities for bowls, golf, tennis, dancing, swimming, rugby union, rugby league, touch football, cricket, netball, fishing, boating, canoeing, water-skiing, soccer, little athletics and pony club. 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.





## *General Manager's Message*

Reflecting on the past 12 months, a great deal has been achieved by Bogan Shire Council within our community. This is due not only to the commitment of staff and Councillors but also to our ratepayers and residents who have a strong desire to work together with us and others in the community to keep Nyngan and the Bogan Shire a liveable, safe and friendly place where, in the words of our corporate vision, we have "Comfortable Country Living".

That vision took two very important steps forward this year with two key projects which were managed by Council staff.

Firstly, on 1 June 2016 the \$1.2 Million Bogan Shire Early Learning Centre was officially opened with Council supplementing Federal Government funding of \$450,000. This purpose-built facility now provides 45 places for children from 6 weeks to 12 years old in a caring and stimulating environment. We have had positive reports that the centre has allowed people to return to work and has assisted local employers to recruit staff to Nyngan.

The second important development was the commencement of construction for the Bogan Shire Medical Centre. This facility, which has been designed to allow for two doctors to practice and for two additional rooms for allied health professionals, is expected to open early in 2017.

In October 2015 the Independent Pricing and Regulatory Tribunal released its findings as to whether NSW councils met the Government's Fit for the Future criteria. Bogan Shire Council was found to be fit as a Rural Council satisfying all of the State Government's criteria. Council's Fit for the Future submission showed that we are able to retain our autonomy, maintain our independence and meet the challenges ahead with strong community support, confident that we can continue to "stand alone" into the future representing our ratepayers with honesty, integrity and sound financial management.

Council continues to invest considerable resources into rural road maintenance and construction. During the year, \$1.1 Million was invested in gravel re-sheeting of 54 kilometres of roads and \$1.6 Million on rural road maintenance over a distance of 1,113 kilometres. \$721,000 was spent on maintenance of sealed roads whilst Council also constructed a total of 5km of new seal on sections of the Colane and Hermidale / Nymagee Roads at a cost of \$517,000.

Other important projects during the year included the installation of a Liberty Swing and accessible toilet in O'Reilly Park with major donations from local organisations towards the cost of the swing. Council also extended the bike path towards Rotary Park and installed a pontoon at the park during the year.

## *General Manager's Message*

Council continues to organise, actively support, promote and provide assistance with a diverse range of community activities and events including our Christmas lights and rural letterbox competition, carp muster fishing competition, senior's week concert and morning tea as well as the annual Nyngan Show, Ag Expo, Duck Creek Races and NAIDOC Week events.

Anzac Day 2016 will be remembered locally not only as a time to think about all those who served, but also by a very well attended and supported ceremony to remember the crash of Shark 02, the Sea King Helicopter which helped in Nyngan's 1990 flood evacuation and later crashed in Indonesia. The fly-over of a Naval helicopter just before the March was one of the special features of the day.

My thanks to all community members, councillors and staff for their contributions to Bogan Shire during the year.



**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

*Key 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](mailto:admin@bogan.nsw.gov.au)

**Webpage:** [www.bogan.nsw.gov.au](http://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 6832 1932
Early Learning Centre:	02 6832 1932
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



# 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 01.07.2015 to 30.06.2016

General Rates	<i>Pensioners</i>	\$18,328
	<i>Postponed</i>	\$2,977
	<i>Other (Ratepayers)</i>	\$6,480
Water Charges	<i>Pensioners</i>	\$17,161
	<i>Other (Ratepayers)</i>	\$1,504
Sewerage Charges	<i>Pensioners</i>	\$15,149
	<i>Other (Ratepayers)</i>	\$3,286
Waste Charges	<i>Pensioners</i>	\$32,749
Interest Charges/Legal/ Other Charges	<i>Postponed</i>	\$1,193
	<i>Other (Rate Payers)</i>	\$1,285
Total Rates and Charges Written Off		<b>\$100,112</b>

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 2015/16 this subsidy amounted to \$45,861.

### 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 2015/2016 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 \$18,191 with \$3,638 (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 \$8,330 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 2015/2016 financial year relating to the provision of councillor facilities and the payment of councillor expenses.

Councillors Fees	\$70,048
Mayoral Fee	\$18,191
Attendance at Conferences	\$0
Training	\$0
Office Equipment	\$5,058
Meals & Entertainment	\$2,457
Office Expenses	\$1,730
Travel Costs	\$1,558
<b>Total Elected Members Cost</b>	<b>\$99,042</b>

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

During the 2015/2016 financial year there was 1 large contract awarded which was for the supply of a Multi-Tyred Roller at \$158,000, Backhoe at \$149,900 and Motor Grader at \$320,000 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	\$16,546*
→ 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 2015/2016 financial year was \$70,716. The details of this amount are as follows:

# Statutory Information

Donation of Funding /Services to Sporting & Non-Profit bodies	\$63,731
Donations to Non-Profit Organisations	\$5,085
Student Scholarships	\$1,900
<b>TOTAL</b>	<b>\$70,716</b>

## **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:

<b>Committee</b>	<b>Function</b>
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 2015/2016 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 is 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 adopted by Council in April 2014 and revised in April 2015.

Council's EEO Management Plan consists of 18 Strategies and 29 Activities, of which 93% 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	\$190,785
Superannuation	\$18,133
Total value non-cash benefits	\$13,113
FBT	\$3,641
<b>Total</b>	<b>\$225,672</b>

## **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.**

#### 2015/2016 Seizure Activity

During the year Council seized 3 companion animals and 15 companion animals were voluntarily surrendered of which two were returned to the owners, one escaped from the pound, 7 were euthanized at the owner's request 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 2 reports of dog attacks, both of which were attended to, with the owners cautioned and notices issued.

### **Amount of funding spent on companion animal management and activities.**

Council expended a net \$111,279 on activities relating to the management and control of companion animals during the 2015/2016 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

<b>Income</b>	<b>\$</b>
Registration Fees	2,977
Other Fees (Microchipping, impounding)	100
<b>Total Income</b>	<b>3,077</b>
<b>Expenditure</b>	
Impounding & Controlling Expenses	109,896
Administration	1,712
Staff Training	2,748
Other Expenses	0
<b>Total Expenses</b>	<b>114,356</b>
<b>TOTAL COST OF COMPANION ANIMAL OPERATIONS</b>	
	<b>\$111,279</b>

## **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; information was also made available at both Council offices and the Public Library.

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

The Companion Animals Regulation 2008 has significantly reduced the cost of lifelong registration for both de-sexed dogs and cats, to encourage 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 one 'Off Leash' area which is the area north of the Work's Depot between the levee bank and the Bogan River to the south eastern corner: **Lot 7039, DP 1020101, Nyngan.**



## 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	Application withdrawn
Personal information applications*	0	0	0	0	0	0	0	0
Access applications (other than personal information)	0	0	0	0	0	0	0	0
Access applications that are partly personal information applications and	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 2015/16 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 April 2015. Future review scheduled for April 2017.

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# Annexure One Financial Statements





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# Bogan Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2016

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*Comfortable Country Living*

# Bogan Shire Council

## General Purpose Financial Statements

for the year ended 30 June 2016

Contents	Page
<b>1. Understanding Council's Financial Statements</b>	2
<b>2. Statement by Councillors and Management</b>	3
<b>3. Primary Financial Statements:</b>	
– Income Statement	4
– Statement of Comprehensive Income	5
– Statement of Financial Position	6
– Statement of Changes in Equity	7
– Statement of Cash Flows	8
<b>4. Notes to the Financial Statements</b>	9
<b>5. Independent Auditor's Reports:</b>	
– On the Financial Statements (Sect 417 [2])	74
– On the Conduct of the Audit (Sect 417 [3])	76

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### Overview

- (i) These financial statements are General Purpose Financial Statements and cover the operations for Bogan Shire Council.
- (ii) Bogan Shire Council is a body politic of NSW, Australia – being constituted as a local government area by proclamation and is duly empowered by the *Local Government Act 1993* (LGA).

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

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

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

- (iii) All figures presented in these financial statements are presented in Australian currency.
- (iv) These financial statements were authorised for issue by the Council on 20 October 2016. Council has the power to amend and reissue these financial statements.
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## Bogan Shire Council

### General Purpose Financial Statements for the year ended 30 June 2016

#### Understanding Council's financial statements

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##### Introduction

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

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

The financial statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2016.

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

This 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

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

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

An end of year snapshot of Council's financial position indicating its assets, liabilities and equity ('net wealth').

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

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

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

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

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

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

##### About the Auditor's Reports

Council's financial statements are required to be audited by external accountants (that generally specialise in local government). In NSW, the auditor provides 2 audit reports:

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

##### Who uses the financial statements?

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

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

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



## Bogan Shire Council

### General Purpose Financial Statements for the year ended 30 June 2016

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

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

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

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

- present fairly the Council's operating result and financial position for the 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 29 September 2016.**



R L Donald OAM  
Mayor



G R J Neill  
Deputy Mayor



D A Francis  
General Manager



D A Francis  
Responsible Accounting Officer

## Bogan Shire Council

## Income Statement

for the year ended 30 June 2016

Budget <sup>1</sup>			Actual	Actual
2016	\$ '000	Notes	2016	2015
<b>Income from continuing operations</b>				
<i>Revenue:</i>				
4,398	Rates and annual charges	3a	4,522	4,276
3,242	User charges and fees	3b	5,185	4,732
240	Interest and investment revenue	3c	236	258
348	Other revenues	3d	1,041	531
5,433	Grants and contributions provided for operating purposes	3e,f	6,813	5,793
850	Grants and contributions provided for capital purposes	3e,f	675	269
<i>Other income:</i>				
–	Net gains from the disposal of assets	5	–	50
<b>14,511</b>	<b>Total income from continuing operations</b>		<b>18,472</b>	<b>15,909</b>
<b>Expenses from continuing operations</b>				
5,466	Employee benefits and on-costs	4a	5,723	5,280
–	Borrowing costs	4b	–	1
4,158	Materials and contracts	4c	5,488	4,925
3,582	Depreciation and amortisation	4d	3,311	3,402
1,167	Other expenses	4e	1,918	1,344
–	Net losses from the disposal of assets	5	223	–
–	Net share of interests in joint ventures and associates using the equity method	19	4	13
<b>14,373</b>	<b>Total expenses from continuing operations</b>		<b>16,667</b>	<b>14,965</b>
<b>138</b>	<b>Operating result from continuing operations</b>		<b>1,805</b>	<b>944</b>
<b>138</b>	<b>Net operating result for the year</b>		<b>1,805</b>	<b>944</b>
138	Net operating result attributable to Council		1,805	944
–	Net operating result attributable to non-controlling interests		–	–
<b>(712)</b>	<b>Net operating result for the year before grants and contributions provided for capital purposes</b>		<b>1,130</b>	<b>675</b>

<sup>1</sup> Original budget as approved by Council – refer Note 16

## Bogan Shire Council

Statement of Comprehensive Income  
for the year ended 30 June 2016

\$ '000	Notes	Actual 2016	Actual 2015
<b>Net operating result for the year</b> (as per Income Statement)		<b>1,805</b>	<b>944</b>
<b>Other comprehensive income:</b>			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of I,PP&E	20b (ii)	208	320
Other movements (correction of discrepancy between asset register and ledger)	20b (ii)	—	(135)
<b>Total items which will not be reclassified subsequently to the operating result</b>		<b>208</b>	<b>185</b>
Amounts which will be reclassified subsequently to the operating result when specific conditions are met			
Nil			
<b>Total other comprehensive income for the year</b>		<b>208</b>	<b>185</b>
<b>Total comprehensive income for the year</b>		<b>2,013</b>	<b>1,129</b>
<b>Total comprehensive income attributable to Council</b>		<b>2,013</b>	<b>1,129</b>
<b>Total comprehensive income attributable to non-controlling interests</b>		<b>—</b>	<b>—</b>

## Bogan Shire Council

Statement of Financial Position  
as at 30 June 2016

\$ '000	Notes	Actual 2016	Actual 2015
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6a	2,604	3,330
Investments	6b	5,808	5,300
Receivables	7	1,264	1,296
Inventories	8	240	361
Other	8	51	31
Non-current assets classified as 'held for sale'	22	–	–
<b>Total current assets</b>		<b>9,967</b>	<b>10,318</b>
<b>Non-current assets</b>			
Investments	6b	–	–
Receivables	7	147	160
Inventories	8	–	–
Infrastructure, property, plant and equipment	9	192,292	190,068
Investments accounted for using the equity method	19	49	53
Investment property	14	–	–
<b>Total non-current assets</b>		<b>192,488</b>	<b>190,281</b>
<b>TOTAL ASSETS</b>		<b>202,455</b>	<b>200,599</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	10	599	732
Borrowings	10	1	2
Provisions	10	1,275	1,298
<b>Total current liabilities</b>		<b>1,875</b>	<b>2,032</b>
<b>Non-current liabilities</b>			
Payables	10	–	–
Borrowings	10	–	–
Provisions	10	–	–
<b>Total non-current liabilities</b>		<b>–</b>	<b>–</b>
<b>TOTAL LIABILITIES</b>		<b>1,875</b>	<b>2,032</b>
<b>Net assets</b>		<b>200,580</b>	<b>198,567</b>
<b>EQUITY</b>			
Retained earnings	20	142,996	141,191
Revaluation reserves	20	57,584	57,376
<b>Council equity interest</b>		<b>200,580</b>	<b>198,567</b>
<b>Total equity</b>		<b>200,580</b>	<b>198,567</b>

## Bogan Shire Council

Statement of Changes in Equity  
for the year ended 30 June 2016

\$ '000	Notes	Retained earnings	Reserves (Refer 20b)	Council interest	Non-controlling interest	Total equity
<b>2016</b>						
<b>Opening balance</b> (as per last year's audited accounts)		141,191	57,376	<b>198,567</b>	–	<b>198,567</b>
a. Correction of prior period errors	20 (c)	–	–	–	–	–
b. Changes in accounting policies (prior year effects)	20 (d)	–	–	–	–	–
<b>Revised opening balance (as at 1/7/15)</b>		<b>141,191</b>	<b>57,376</b>	<b>198,567</b>	–	<b>198,567</b>
<b>c. Net operating result for the year</b>		<b>1,805</b>	–	<b>1,805</b>	–	<b>1,805</b>
d. Other comprehensive income						
– Revaluations: IPP&E asset revaluation rsve	20b (ii)	–	208	<b>208</b>	–	<b>208</b>
<b>Other comprehensive income</b>		–	<b>208</b>	<b>208</b>	–	<b>208</b>
<b>Total comprehensive income (c&amp;d)</b>		<b>1,805</b>	<b>208</b>	<b>2,013</b>	–	<b>2,013</b>
e. Distributions to/(contributions from) non-controlling Interests		–	–	–	–	–
f. Transfers between equity		–	–	–	–	–
<b>Equity – balance at end of the reporting period</b>		<b>142,996</b>	<b>57,584</b>	<b>200,580</b>	–	<b>200,580</b>

\$ '000	Notes	Retained earnings	Reserves (Refer 20b)	Council interest	Non-controlling interest	Total Equity
<b>2015</b>						
<b>Opening balance</b> (as per last year's audited accounts)		140,247	57,191	<b>197,438</b>	–	<b>197,438</b>
a. Correction of prior period errors	20 (c)	–	–	–	–	–
b. Changes in accounting policies (prior year effects)	20 (d)	–	–	–	–	–
<b>Revised opening balance (as at 1/7/14)</b>		<b>140,247</b>	<b>57,191</b>	<b>197,438</b>	–	<b>197,438</b>
<b>c. Net operating result for the year</b>		<b>944</b>	–	<b>944</b>	–	<b>944</b>
d. Other comprehensive income						
– Revaluations: IPP&E asset revaluation rsve	20b (ii)	–	320	<b>320</b>	–	<b>320</b>
– Other movements (correction of discrepancy between asset register and ledger)	20a	–	(135)	<b>(135)</b>	–	<b>(135)</b>
<b>Other comprehensive income</b>		–	<b>185</b>	<b>185</b>	–	<b>185</b>
<b>Total comprehensive income (c&amp;d)</b>		<b>944</b>	<b>185</b>	<b>1,129</b>	–	<b>1,129</b>
e. Distributions to/(contributions from) non-controlling Interests		–	–	–	–	–
f. Transfers between equity		–	–	–	–	–
<b>Equity – balance at end of the reporting period</b>		<b>141,191</b>	<b>57,376</b>	<b>198,567</b>	–	<b>198,567</b>



## Bogan Shire Council

Statement of Cash Flows  
for the year ended 30 June 2016

Budget 2016	\$ '000	Notes	Actual 2016	Actual 2015
<b>Cash flows from operating activities</b>				
<b>Receipts:</b>				
4,422	Rates and annual charges		4,566	4,340
4,653	User charges and fees		5,271	5,205
240	Investment and interest revenue received		237	245
7,595	Grants and contributions		7,854	6,051
–	Bonds, deposits and retention amounts received		9	4
348	Other		1,895	555
<b>Payments:</b>				
(5,466)	Employee benefits and on-costs		(5,777)	(5,394)
(5,278)	Materials and contracts		(6,710)	(5,128)
–	Bonds, deposits and retention amounts refunded		(8)	(1)
(220)	Other		(1,525)	(1,651)
<b>6,294</b>	<b>Net cash provided (or used in) operating activities</b>	11b	<b>5,812</b>	<b>4,226</b>
<b>Cash flows from investing activities</b>				
<b>Receipts:</b>				
–	Sale of investment securities		3,300	4,600
379	Sale of infrastructure, property, plant and equipment		539	209
13	Deferred debtors receipts		13	12
<b>Payments:</b>				
–	Purchase of investment securities		(3,808)	(4,600)
(6,576)	Purchase of infrastructure, property, plant and equipment		(6,581)	(3,086)
–	Deferred debtors and advances made		–	(55)
<b>(6,184)</b>	<b>Net cash provided (or used in) investing activities</b>		<b>(6,537)</b>	<b>(2,920)</b>
<b>Cash flows from financing activities</b>				
<b>Receipts:</b>				
Nil				
<b>Payments:</b>				
–	Repayment of borrowings and advances		(1)	(1)
<b>–</b>	<b>Net cash flow provided (used in) financing activities</b>		<b>(1)</b>	<b>(1)</b>
<b>110</b>	<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(726)</b>	<b>1,305</b>
7,687	Plus: cash and cash equivalents – beginning of year	11a	3,330	2,025
<b>7,797</b>	<b>Cash and cash equivalents – end of the year</b>	11a	<b>2,604</b>	<b>3,330</b>
Additional Information:				
	plus: Investments on hand – end of year	6b	5,808	5,300
	<b>Total cash, cash equivalents and investments</b>		<b>8,412</b>	<b>8,630</b>

Please refer to Note 11 for information on the following:

- Non-cash financing and investing activities
- Financing arrangements
- Net cash flow disclosures relating to any discontinued operations

## Bogan Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

### Contents of the notes accompanying the financial statements

Note	Details	Page
1	Summary of significant accounting policies	10
2(a)	Council functions/activities – financial information	25
2(b)	Council functions/activities – component descriptions	26
3	Income from continuing operations	27
4	Expenses from continuing operations	32
5	Gains or losses from the disposal of assets	34
6(a)	Cash and cash equivalent assets	35
6(b)	Investments	35
6(c)	Restricted cash, cash equivalents and investments – details	36
7	Receivables	37
8	Inventories and other assets	38
9(a)	Infrastructure, property, plant and equipment	39
9(b)	Externally restricted infrastructure, property, plant and equipment	40
9(c)	Infrastructure, property, plant and equipment – current year impairments	40 n/a
10(a)	Payables, borrowings and provisions	41
10(b)	Description of (and movements in) provisions	42
11	Statement of cash flows – additional information	43
12	Commitments for expenditure	44
13	Statement of performance measures:	
	13a (i) Local government industry indicators (consolidated)	45
	13a (ii) Local government industry graphs (consolidated)	46
	13b Local government industry indicators (by fund)	48
14	Investment properties	49 n/a
15	Financial risk management	49
16	Material budget variations	53
17	Statement of developer contributions	54 n/a
18	Contingencies and other liabilities/assets not recognised	55
19	Interests in other entities	57
20	Retained earnings, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors	60
21	Financial result and financial position by fund	61
22	'Held for sale' non-current assets and disposal groups	63 n/a
23	Events occurring after the reporting date	63 n/a
24	Discontinued operations	63 n/a
25	Intangible assets	63 n/a
26	Reinstatement, rehabilitation and restoration liabilities	64
27	Fair value measurement	65
<b>Additional council disclosures</b>		
28	Council information and contact details	73

n/a – not applicable

## Bogan Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

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

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

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

##### (a) Basis of preparation

###### (i) Background

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

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

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

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

Because AASBs are sector neutral, some standards either:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Bogan Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

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

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

##### **(vii) Critical accounting estimates**

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

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

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

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

Council makes estimates and assumptions concerning the future.

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

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

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

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

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

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

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

Revenue is measured on major income categories as follows:

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

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

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

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

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

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

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

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

The Council has obligations to provide facilities from contribution revenues levied on developers under the provisions of s94 of the *EPA Act 1979*.

Whilst Council generally incorporates these amounts as part of a Development Consents Order, such developer contributions are only recognised as income upon their physical receipt by Council, due to

## Bogan Shire Council

### Notes to the Financial Statements for the year ended 30 June 2016

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

the possibility that individual development consents may not be acted upon by the applicant and accordingly would not be payable to Council.

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

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

#### User charges, fees and other Income

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

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

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

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

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

#### Interest and rents

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

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

#### Dividend income

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

#### Other Income

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

#### (c) Principles of consolidation

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

#### (i) The Consolidated Fund

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

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

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

- *Bogan Shire Council General Purpose Operations*
- *Bogan Shire Council Water Supply Fund*
- *Bogan Shire Council Sewerage Fund*

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

- *Nyngan Museum Management Committee*
- *Hermidale Sports Ground Management Committee*
- *Colleireina Hall Management Committee*

#### (ii) The trust fund

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

## Bogan Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

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

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

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

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

#### (iii) Interests in other entities

##### Subsidiaries

Council has no interest in any subsidiaries.

##### Joint arrangements

##### Joint ventures

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

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

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

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

##### Associates

Council has no interest in any associates.

##### County councils

Council is not a member of any county councils.

##### Unconsolidated structured entities

Council has no interest in any unconsolidated structured entities.

#### (d) Leases

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

##### Finance leases

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

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

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

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

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

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

##### Operating Leases

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

Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

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

#### (e) Cash and Cash Equivalents

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



## Bogan Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

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

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

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

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

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

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

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

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

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

Council has no Financial Assets at fair value.

#### (ii) Loans and receivables

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

They arise when the Council provides money, goods or services directly to a debtor with no intention (or in

some cases ability) of selling the resulting receivable.

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

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

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

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

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

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

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

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

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

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

#### Financial assets – reclassification

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

## Bogan Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

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

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

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

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

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

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

##### (i) Initial recognition

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

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

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

##### (ii) Subsequent measurement

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

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

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

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

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

#### Impairment

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

A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

##### (iii) Types of investments

Council has an approved Investment Policy in order to invest in accordance with (and to comply with) section 625 of the *Local Government Act* and s212 of the LG (General) Regulation 2005.

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

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

## Bogan Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

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

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

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

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

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

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

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

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

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

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

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

##### **(h) Receivables**

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

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

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

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

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

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

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

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

##### **(i) Inventories**

###### **(i) Raw materials and stores, work in progress and finished goods**

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

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

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated

## Bogan Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

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

costs of completion and the estimated costs necessary to make the sale.

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

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

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

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

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

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

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

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

##### Acquisition of assets

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

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

- **Plant and equipment**  
(as approximated by depreciated historical cost)
- **Operational land** (external valuation)
- **Community land** (internal valuation)
- **Land improvements**  
(as approximated by depreciated historical cost)

- **Buildings – specialised/non-specialised**  
(external valuation)
- **Other structures** (external valuation)
- **Roads assets including roads, bridges and footpaths** (internal valuation)
- **Bulk earthworks** (internal valuation)
- **Stormwater drainage** (internal valuation)
- **Water and sewerage networks** (internal valuation)
- **Swimming pools** (external valuation)
- **Other open space/recreational assets**  
(external valuation)

##### Initial recognition

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

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

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

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

##### Subsequent costs

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

## Bogan Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

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

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

#### Asset revaluations (including indexation)

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

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

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

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

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

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

#### Capitalisation thresholds

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

##### Land

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

##### Plant and Equipment

Office Furniture	> \$5,000
Office Equipment	> \$5,000
Other Plant and Equipment	> \$5,000

##### Buildings and Land Improvements

Park Furniture and Equipment	> \$2,000
Building	
- construction/extensions	100% Capitalised
- renovations	> \$10,000
Other Structures	> \$2,000

##### Water and Sewer Assets

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

##### Stormwater Assets

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

##### Transport Assets

Road construction and reconstruction	> \$10,000
Bridge construction and reconstruction	> \$10,000

#### Depreciation

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

Land is not depreciated.

Estimated useful lives for Council's I,PPandE include:

##### Plant and Equipment

- Office Equipment	5 to 10 years
- Office furniture	10 to 20 years
- Computer Equipment	4 years
- Vehicles	5 to 8 years
- Heavy Plant/Road Making equip.	5 to 8 years
- Other plant and equipment	5 to 15 years

##### Other Equipment

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



## Bogan Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

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

##### Buildings

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

##### Water and Sewer Assets

- Dams and reservoirs	80 to 100 years
- Bores	20 to 40 years

- Reticulation pipes: PVC	70 to 80 years
- Reticulation pipes: Other	25 to 75 years
- Pumps and telemetry	15 to 20 years

##### Stormwater Assets

- Drains	125 years
- Culverts	125 years

##### Transportation Assets

- Sealed Roads: Surface	25 to 35 years
- Sealed Roads: Structure	100 years
- Unsealed roads	30 years

- Bridge: Concrete	125 years
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##### Other Infrastructure Assets

- Bulk earthworks	Infinite
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All asset residual values and useful lives are reviewed and adjusted (if appropriate) at each reporting date.

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

##### Disposal and derecognition

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

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

##### (k) Land

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

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

##### (l) Land under roads

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

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

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

##### (m) Intangible assets

Council has not classified any assets as intangible.

##### (n) Crown reserves

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

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

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

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



## Bogan Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

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

##### (o) Rural fire service assets

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

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

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

##### (p) Investment property

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

Council has no investment properties.

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

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

The exception to this is plant and motor vehicles, which are turned over on a regular basis. Plant and motor vehicles are retained in non-current assets under the classification of infrastructure, property, plant and equipment – unless the assets are to be traded in after 30 June and the replacement assets were already purchased and accounted for as at 30 June.

For any assets or disposal groups classified as non-current assets 'held for sale', an impairment loss is

recognised at any time when the assets carrying value is greater than its fair value less costs to sell.

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

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

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

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

##### (r) Impairment of assets

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

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

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

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

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

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

## Bogan Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

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

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

##### (s) Payables

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

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

##### (t) Borrowings

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

Borrowings are subsequently measured at amortised cost.

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

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

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

##### (u) Borrowing costs

Borrowing costs are expensed.

##### (v) Provisions

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

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

- it is more likely than not that an outflow of resources will be required to settle the obligation, and
- the amount has been reliably estimated.

Provisions are not recognised for future operating losses.

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

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

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

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

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

##### (w) Employee benefits

###### (i) Short-term obligations

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

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

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

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

## Bogan Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

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

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

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

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

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

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

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

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

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

##### (iii) Retirement benefit obligations

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

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

##### Defined benefit plans

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

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

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

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

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

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

The last valuation of the scheme was performed by Mr Richard Boyfield, FIAA on 24<sup>th</sup> February 2016 and covers the period ended 30/6/2015.

However the position is monitored annually and the actuary has estimated that as at 30 June 2016 the prior period deficit still exists.

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

The amount of employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an

## Bogan Shire Council

### Notes to the Financial Statements for the year ended 30 June 2016

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

expense and disclosed as part of superannuation expenses at Note 4 (a) for the year ending 30 June 2016 was \$ 117,900.85.

The amount of additional contributions included in the total employer contribution advised above is \$ 57,249.96.

The share of this deficit that can be broadly attributed to Council is estimated to be in the order of \$112,578.81 or 0.15% as at 30 June 2016.

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

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

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

#### Defined contribution plans

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

#### (iv) Employee benefit on-costs

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

These amounts include superannuation and workers compensation expenses which will be payable upon the future payment of certain leave liabilities accrued as at 30/06/16.

#### (x) Self-insurance

Council does not self-insure.

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

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

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

#### Exceptions

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

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

#### (z) Taxes

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

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

#### Goods and Services Tax (GST)

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

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

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

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

## Bogan Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

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

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

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

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

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

Certain new (or amended) accounting standards and interpretations have been published that are not mandatory for reporting periods ending 30 June 2016.

Council has not adopted any of these standards early.

These include the following standards that are anticipated will impact on local government:

**AASB 9 – Financial Instruments**

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

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

**AASB16 – Leases**

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

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

**AASB 2014 – 3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations [AASB 1 and AASB 11]**

The full impact of the above standards has yet to be ascertained or quantified but will range from

additional and/or revised disclosures to changes in how certain transactions and balances are accounted for.

#### **(ab) Rounding of amounts**

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

#### **(ac) Comparative figures**

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

#### **(ad) Disclaimer**

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

## Bogan Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

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

Functions/activities	Income, expenses and assets have been directly attributed to the following functions/activities. Details of these functions/activities are provided in Note 2(b).												
	Income from continuing operations			Expenses from continuing operations			Operating result from continuing operations			Grants included in income from continuing operations		Total assets held (current & non-current)	
	Original budget	Actual	Actual	Original budget	Actual	Actual	Original budget	Actual	Actual	Actual	Actual	Actual	Actual
	2016	2016	2015	2016	2016	2015	2016	2016	2015	2016	2015	2016	2015
Governance	85	174	133	593	595	414	(508)	(421)	(281)	–	1	156	380
Administration	10	24	20	1,685	2,742	2,287	(1,675)	(2,718)	(2,267)	5	15	5,874	4,197
Public order and safety	152	291	270	337	351	324	(185)	(60)	(54)	82	149	209	–
Health	12	12	12	17	15	15	(5)	(3)	(3)	–	–	671	–
Environment	663	727	595	1,044	1,107	1,081	(381)	(380)	(486)	46	60	377	7,090
Community services and education	733	816	333	372	553	306	361	263	27	757	324	1,423	71
Housing and community amenities	64	96	157	207	157	121	(143)	(61)	36	15	50	1,580	1,963
Water supplies	1,779	2,892	2,267	1,870	2,540	2,323	(91)	352	(56)	9	9	16,004	15,360
Sewerage services	842	709	857	661	641	531	181	68	326	8	8	9,766	9,682
Recreation and culture	33	88	51	1,026	1,152	1,131	(993)	(1,064)	(1,080)	47	23	6,139	9,117
Mining, manufacturing and construction	6	7	6	10	1	10	(4)	6	(4)	–	–	–	–
Transport and communication	4,953	6,147	4,900	6,476	6,730	6,339	(1,523)	(583)	(1,439)	1,962	972	157,832	150,060
Economic affairs	92	172	159	75	79	70	17	93	89	–	–	2,375	2,626
<b>Total functions and activities</b>	<b>9,424</b>	<b>12,155</b>	<b>9,760</b>	<b>14,373</b>	<b>16,663</b>	<b>14,952</b>	<b>(4,949)</b>	<b>(4,508)</b>	<b>(5,192)</b>	<b>2,931</b>	<b>1,611</b>	<b>202,406</b>	<b>200,546</b>
Share of gains/(losses) in associates and joint ventures (using the equity method)	–	–	–	–	4	13	–	(4)	(13)	–	–	49	53
General purpose income <sup>1</sup>	5,087	6,317	6,149	–	–	–	5,087	6,317	6,149	3,491	3,371	–	–
<b>Operating result from continuing operations</b>	<b>14,511</b>	<b>18,472</b>	<b>15,909</b>	<b>14,373</b>	<b>16,667</b>	<b>14,965</b>	<b>138</b>	<b>1,805</b>	<b>944</b>	<b>6,422</b>	<b>4,982</b>	<b>202,455</b>	<b>200,599</b>

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



## Bogan Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

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

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

##### **GOVERNANCE**

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

##### **ADMINISTRATION**

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

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

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

##### **HEALTH**

Includes inspections, food control and administration etc.

##### **ENVIRONMENT**

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

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

Includes administration and education; youth services; children's' services, including family day care; child care; and other family and children services.

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

Includes public cemeteries; public conveniences; street lighting; town planning; other community amenities, including housing development and accommodation.

##### **WATER SUPPLIES**

##### **SEWERAGE SERVICES**

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

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

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

Includes building control, quarries and pits, mineral resources, and abattoirs.

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

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

##### **ECONOMIC AFFAIRS**

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

## Bogan Shire Council

### Notes to the Financial Statements for the year ended 30 June 2016

#### Note 3. Income from continuing operations

\$ '000	Notes	Actual 2016	Actual 2015
<b>(a) Rates and annual charges</b>			
<b>Ordinary rates</b>			
Residential		274	263
Farmland		1,627	1,591
Mining		562	550
Business		226	223
<b>Total ordinary rates</b>		<b>2,689</b>	<b>2,627</b>
<b>Special rates</b>			
Nil			
<b>Annual charges</b> (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic waste management services		528	398
Water supply services		753	726
Sewerage services		444	445
Waste management services (non-domestic)		108	80
<b>Total annual charges</b>		<b>1,833</b>	<b>1,649</b>
<b>TOTAL RATES AND ANNUAL CHARGES</b>		<b>4,522</b>	<b>4,276</b>

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

## Bogan Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 3. Income from continuing operations (continued)

\$ '000	Notes	Actual 2016	Actual 2015
<b>(b) User charges and fees</b>			
<b>Specific user charges</b> (per s.502 – specific 'actual use' charges)			
Water supply services		1,306	1,197
Sewerage services		192	336
<b>Total user charges</b>		<b>1,498</b>	<b>1,533</b>
<b>Other user charges and fees</b>			
<b>(i) Fees and charges – statutory and regulatory functions (per s.608)</b>			
Building regulation		–	1
Inspection services		4	5
Planning and building regulation		39	76
Private works – section 67		58	57
Regulatory/ statutory fees		3	2
Section 149 certificates (EPA Act)		15	10
Section 603 certificates		7	6
Other		1	2
<b>Total fees and charges – statutory/regulatory</b>		<b>127</b>	<b>159</b>
<b>(ii) Fees and charges – other (incl. general user charges (per s.608))</b>			
Admission and service fees		6	6
Cemeteries		33	34
Child care		33	–
Community centres		2	1
Leaseback fees – Council vehicles		11	12
Library and art gallery		3	4
Museum		8	9
Park rents		5	1
Reimbursements		208	21
RMS (formerly RTA) charges (state roads not controlled by Council)		3,226	2,926
Sundry sales		–	3
Waste disposal tipping fees		10	20
Other		15	3
<b>Total fees and charges – other</b>		<b>3,560</b>	<b>3,040</b>
<b>TOTAL USER CHARGES AND FEES</b>		<b>5,185</b>	<b>4,732</b>

## Bogan Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 3. Income from continuing operations (continued)

\$ '000	Notes	Actual 2016	Actual 2015
<b>(c) Interest and investment revenue (including losses)</b>			
<b>Interest</b>			
– Interest on overdue rates and annual charges (incl. special purpose rates)		25	30
– Interest earned on investments (interest and coupon payment income)		211	228
<b>TOTAL INTEREST AND INVESTMENT REVENUE</b>		<b>236</b>	<b>258</b>
<b>Interest revenue is attributable to:</b>			
<b>Unrestricted investments/financial assets:</b>			
Overdue rates and annual charges (general fund)		25	30
General Council cash and investments		112	121
<b>Restricted investments/funds – external:</b>			
Water fund operations		35	39
Sewerage fund operations		64	68
<b>Total interest and investment revenue recognised</b>		<b>236</b>	<b>258</b>
<b>(d) Other revenues</b>			
Rental income – other council properties		156	111
Legal fees recovery – rates and charges (extra charges)		16	17
Legal fees recovery – other		–	5
Insurance claim recoveries		1	–
Insurance policy rebate		54	33
Sales – general		44	70
Sales – scrap metal		4	–
Other (Cobar Water Security Project and APC Piping)		761	287
Other		5	8
<b>TOTAL OTHER REVENUE</b>		<b>1,041</b>	<b>531</b>

## Bogan Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 3. Income from continuing operations (continued)

\$ '000	2016 Operating	2015 Operating	2016 Capital	2015 Capital
<b>(e) Grants</b>				
<b>General purpose (untied)</b>				
Financial assistance – general component	2,147	2,028	–	–
Financial assistance – local roads component	1,316	1,316	–	–
Pensioners' rates subsidies – general component	28	27	–	–
<b>Total general purpose</b>	<b>3,491</b>	<b>3,371</b>	<b>–</b>	<b>–</b>
<b>Specific purpose</b>				
Pensioners' rates subsidies:				
– Water	9	9	–	–
– Sewerage	8	8	–	–
Aged care	–	2	–	–
Bushfire and emergency services	83	149	–	–
Child care	31	51	450	–
Community care	274	266	–	–
EHC and DA tracking	–	25	–	–
Environmental protection	–	–	44	–
Flood plain study	–	48	–	–
Heritage and cultural	–	10	–	–
Library	23	23	–	–
Recreation and culture	24	16	–	–
Street lighting	15	15	–	–
Transport (roads to recovery)	1,783	800	–	–
Transport (other roads and bridges funding)	–	–	181	169
Youth services	1	1	–	–
Wage subsidy apprentices	5	18	–	–
Other	–	1	–	–
<b>Total specific purpose</b>	<b>2,256</b>	<b>1,442</b>	<b>675</b>	<b>169</b>
<b>Total grants</b>	<b>5,747</b>	<b>4,813</b>	<b>675</b>	<b>169</b>
<b>Grant revenue is attributable to:</b>				
– Commonwealth funding	2,089	1,132	450	–
– State funding	3,658	3,681	225	169
	<b>5,747</b>	<b>4,813</b>	<b>675</b>	<b>169</b>

## Bogan Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 3. Income from continuing operations (continued)

\$ '000	2016 Operating	2015 Operating	2016 Capital	2015 Capital
<b>(f) Contributions</b>				
<b>Developer contributions:</b>				
<b>(s93 &amp; s94 – EP&amp;A Act, s64 of the LGA):</b>				
Nil				
<b>Other contributions:</b>				
Community services	19	1	–	–
On road diesel fuel grant	66	65	–	–
Other councils – joint works/services	21	27	–	–
Recreation and culture	61	1	–	–
Roads and bridges	–	3	–	–
RMS contributions (regional roads, block grant)	899	883	–	–
SES	–	–	–	100
<b>Total other contributions</b>	<b>1,066</b>	<b>980</b>	<b>–</b>	<b>100</b>
<b>Total contributions</b>	<b>1,066</b>	<b>980</b>	<b>–</b>	<b>100</b>
<b><u>TOTAL GRANTS AND CONTRIBUTIONS</u></b>	<b><u>6,813</u></b>	<b><u>5,793</u></b>	<b><u>675</u></b>	<b><u>269</u></b>

\$ '000	Actual 2016	Actual 2015
<b>(g) Restrictions relating to grants and contributions</b>		
<b>Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:</b>		
Unexpended at the close of the previous reporting period	486	225
<b>Add:</b> grants and contributions recognised in the current period but not yet spent:	247	486
<b>Less:</b> grants and contributions recognised in a previous reporting period now spent:	(486)	(225)
<b>Net increase (decrease) in restricted assets during the period</b>	<b>(239)</b>	<b>261</b>
<b>Unexpended and held as restricted assets</b>	<b><u>247</u></b>	<b><u>486</u></b>
<b>Comprising:</b>		
– Specific purpose unexpended grants	247	486
	<b><u>247</u></b>	<b><u>486</u></b>



## Bogan Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 4. Expenses from continuing operations

\$ '000	Notes	Actual 2016	Actual 2015
<b>(a) Employee benefits and on-costs</b>			
Salaries and wages		4,518	4,154
Employee termination costs (where material – other than vested leave paid)		88	–
Travel expenses		22	8
Employee leave entitlements (ELE)		908	753
Superannuation		547	532
Workers' compensation insurance		109	131
Fringe benefit tax (FBT)		15	33
Training costs (other than salaries and wages)		83	109
Protective clothing		26	16
Other (Cobar Water Security Project)		7	10
Other		28	21
<b>Total employee costs</b>		<b>6,351</b>	<b>5,767</b>
Less: capitalised costs		(628)	(487)
<b>TOTAL EMPLOYEE COSTS EXPENSED</b>		<b>5,723</b>	<b>5,280</b>
Number of 'full-time equivalent' employees (FTE) at year end		<b>90</b>	<b>66</b>
<b>(b) Borrowing costs</b>			
<b>(i) Interest bearing liability costs</b>			
Interest on loans		–	1
<b>Total interest bearing liability costs expensed</b>		<b>–</b>	<b>1</b>
<b>(ii) Other borrowing costs</b>			
Nil			
<b>TOTAL BORROWING COSTS EXPENSED</b>		<b>–</b>	<b>1</b>
<b>(c) Materials and contracts</b>			
Raw materials and consumables		3,246	2,209
Contractor and consultancy costs		2,769	2,348
Auditors remuneration <sup>(1)</sup>		29	28
Legal expenses:			
– Legal expenses: debt recovery		13	30
– Legal expenses: other		8	15
Other – Cobar Water Security Project and APC Piping		731	295
<b>Total materials and contracts</b>		<b>6,796</b>	<b>4,925</b>
Less: capitalised costs		(1,308)	–
<b>TOTAL MATERIALS AND CONTRACTS</b>		<b>5,488</b>	<b>4,925</b>

## Bogan Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	Actual 2016	Actual 2015
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## (c) Materials and contracts (continued)

**Auditor remuneration**

During the year, the following fees were incurred for services provided by the Council's Auditor:

**Audit and other assurance services**

– Audit and review of financial statements: Council's Auditor

	29	28
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**Remuneration for audit and other assurance services**

	29	28
--	----	----

**Total Auditor remuneration**

	29	28
--	----	----

\$ '000	Notes	Impairment costs		Depreciation/amortisation	
		Actual 2016	Actual 2015	Actual 2016	Actual 2015

## (d) Depreciation, amortisation and impairment

Plant and equipment	–	–	502	630
Office equipment	–	–	37	50
Furniture and fittings	–	–	–	2
Infrastructure:				
– Buildings – non-specialised	–	–	501	486
– Buildings – specialised	–	–	90	90
– Other structures	–	–	61	55
– Roads	–	–	1,436	1,435
– Bridges	–	–	94	95
– Footpaths	–	–	42	42
– Stormwater drainage	–	–	5	5
– Water supply network	–	–	430	427
– Sewerage network	–	–	113	85
<b>TOTAL DEPRECIATION AND IMPAIRMENT COSTS EXPENSED</b>			<b>3,311</b>	<b>3,402</b>

## Bogan Shire Council

### Notes to the Financial Statements for the year ended 30 June 2016

#### Note 4. Expenses from continuing operations (continued)

\$ '000	Notes	Actual 2016	Actual 2015
<b>(e) Other expenses</b>			
Other expenses for the year include the following:			
Advertising		31	28
Bad and doubtful debts		2	(8)
Bank charges		21	19
Cleaning		45	46
Computer software charges		95	64
Councillor expenses – mayoral fee		18	18
Councillor expenses – councillors' fees		75	73
Councillors' expenses (incl. mayor) – other (excluding fees above)		6	11
Donations, contributions and assistance to other organisations (Section 356)		181	183
Electricity and heating		152	190
Fair value decrements – I,PP&E	9(a)	543	–
Insurance		431	404
Office expenses (including computer expenses)		31	31
Postage		10	11
Printing and stationery		36	34
Street lighting		73	80
Subscriptions and publications		51	53
Telephone and communications		49	52
Valuation fees		19	18
Other		49	37
<b><u>TOTAL OTHER EXPENSES</u></b>		<b><u>1,918</u></b>	<b><u>1,344</u></b>

#### Note 5. Gains or losses from the disposal of assets

<b>Plant and equipment</b>			
Proceeds from disposal – plant and equipment		510	238
Less: carrying amount of plant and equipment assets sold/written off		(733)	(188)
<b>Net gain/(loss) on disposal</b>		<b>(223)</b>	<b>50</b>
<b>Financial assets</b>			
Proceeds from disposal/redemptions/maturities – financial assets		3,300	4,600
Less: carrying amount of financial assets sold/redeemed/matured		(3,300)	(4,600)
<b>Net gain/(loss) on disposal</b>		<b>–</b>	<b>–</b>
<b><u>NET GAIN/(LOSS) ON DISPOSAL OF ASSETS</u></b>		<b><u>(223)</u></b>	<b><u>50</u></b>

## Bogan Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 6a. – Cash assets and Note 6b. – investments

\$ '000	Notes	2016 Actual Current	2016 Actual Non-current	2015 Actual Current	2015 Actual Non-current
<b>Cash and cash equivalents (Note 6a)</b>					
Cash on hand and at bank		96	–	111	–
Cash-equivalent assets <sup>1</sup>					
– Deposits at call		2,508	–	3,219	–
<b>Total cash and cash equivalents</b>		<b>2,604</b>	<b>–</b>	<b>3,330</b>	<b>–</b>
<b>Investments (Note 6b)</b>					
– Long term deposits		5,808	–	5,300	–
<b>Total investments</b>		<b>5,808</b>	<b>–</b>	<b>5,300</b>	<b>–</b>
<b>TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS</b>		<b>8,412</b>	<b>–</b>	<b>8,630</b>	<b>–</b>

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

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

**Cash and cash equivalents**

a. 'At fair value through the profit and loss'		2,604	–	3,330	–
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**Investments**

a. 'Held to maturity'	6(b-i)	5,808	–	5,300	–
Investments		5,808	–	5,300	–

**Note 6(b-i)**

**Reconciliation of investments classified as 'held to maturity'**

Balance at the beginning of the year		5,300	–	5,300	–
Additions		3,808	–	4,600	–
Disposals (sales and redemptions)		(3,300)	–	(4,600)	–
<b>Balance at end of year</b>		<b>5,808</b>	<b>–</b>	<b>5,300</b>	<b>–</b>

**Comprising:**

– Long term deposits		5,808	–	5,300	–
<b>Total</b>		<b>5,808</b>	<b>–</b>	<b>5,300</b>	<b>–</b>

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

## Bogan Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

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

\$ '000	2016	2016	2015	2015
	Actual Current	Actual Non-current	Actual Current	Actual Non-current
Total cash, cash equivalents and investments	8,412	–	8,630	–
<b>attributable to:</b>				
External restrictions (refer below)	4,099	–	4,234	–
Internal restrictions (refer below)	3,812	–	2,408	–
Unrestricted	501	–	1,988	–
	<b>8,412</b>	<b>–</b>	<b>8,630</b>	<b>–</b>

2016 \$ '000	Opening balance	Transfers to restrictions	Transfers from restrictions	Closing balance
-----------------	--------------------	------------------------------	--------------------------------	--------------------

## Details of restrictions

## External restrictions – included in liabilities

Nil

## External restrictions – other

Specific purpose unexpended grants (C)	486	–	(239)	247
Water supplies (D)	1,304	–	–	1,304
Sewerage services (D)	2,444	104	–	2,548
<b>External restrictions – other</b>	<b>4,234</b>	<b>104</b>	<b>(239)</b>	<b>4,099</b>
<b>Total external restrictions</b>	<b>4,234</b>	<b>104</b>	<b>(239)</b>	<b>4,099</b>

## Internal restrictions

Plant and vehicle replacement	640	2,910	(2,934)	616
Employees leave entitlement	316	2	–	318
Carry over works	620	338	(433)	525
Bush Mobile Service	42	–	(5)	37
Council building reserve	481	–	(402)	79
Future infrastructure fund	8	–	–	8
Museum	17	10	–	27
Roads and ancillary services	218	505	(233)	490
Village amenities	29	24	(16)	37
Other (Capital Building Projects)	–	1,537	(250)	1,287
Waste Facility	–	504	(126)	378
Other	37	10	(37)	10
<b>Total internal restrictions</b>	<b>2,408</b>	<b>5,840</b>	<b>(4,436)</b>	<b>3,812</b>
<b>TOTAL RESTRICTIONS</b>	<b>6,642</b>	<b>5,944</b>	<b>(4,675)</b>	<b>7,911</b>

C Grants which are not yet expended for the purposes for which the grants were obtained. (refer Note 1 (b))

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

## Bogan Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 7. Receivables

\$ '000	Notes	2016		2015	
		Current	Non-current	Current	Non-current
<b>Purpose</b>					
Rates and annual charges		148	110	195	112
Interest and extra charges		54	11	39	6
User charges and fees		944	–	824	–
Capital debtors (being sale of assets)					
– Other asset sales		–	–	29	–
Accrued revenues					
– Interest on investments		27	–	42	–
Deferred debtors		13	26	10	42
Government grants and subsidies		–	–	158	–
Net ATO receivable		133	–	53	–
<b>Total</b>		<b>1,319</b>	<b>147</b>	<b>1,350</b>	<b>160</b>
<b>Less: provision for impairment</b>					
Rates and annual charges		(35)	–	(40)	–
Interest and extra charges		(20)	–	(14)	–
<b>Total provision for impairment – receivables</b>		<b>(55)</b>	<b>–</b>	<b>(54)</b>	<b>–</b>
<b><u>TOTAL NET RECEIVABLES</u></b>		<b><u>1,264</u></b>	<b><u>147</u></b>	<b><u>1,296</u></b>	<b><u>160</u></b>
<b>Externally restricted receivables</b>					
<b>Water supply</b>					
– Rates and availability charges		36	16	41	40
– Other		509	–	261	–
<b>Sewerage services</b>					
– Rates and availability charges		21	7	37	5
– Other		59	–	63	–
<b>Domestic waste management</b>		<b>38</b>	<b>35</b>	<b>70</b>	<b>–</b>
<b>Total external restrictions</b>		<b>663</b>	<b>58</b>	<b>472</b>	<b>45</b>
<b>Internally restricted receivables</b>					
Nil					
<b>Unrestricted receivables</b>		<b>601</b>	<b>89</b>	<b>824</b>	<b>115</b>
<b>TOTAL NET RECEIVABLES</b>		<b><u>1,264</u></b>	<b><u>147</u></b>	<b><u>1,296</u></b>	<b><u>160</u></b>

**Notes on debtors above:**

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



## Bogan Shire Council

### Notes to the Financial Statements for the year ended 30 June 2016

#### Note 8. Inventories and other assets

\$ '000	Notes	2016		2015	
		Current	Non-current	Current	Non-current
<b>(a) Inventories</b>					
<b>(i) Inventories at cost</b>					
Stores and materials		240	–	361	–
<b>Total inventories at cost</b>		<b>240</b>	<b>–</b>	<b>361</b>	<b>–</b>
<b>(ii) Inventories at net realisable value (NRV)</b>					
Nil					
<b><u>TOTAL INVENTORIES</u></b>		<b><u>240</u></b>	<b><u>–</u></b>	<b><u>361</u></b>	<b><u>–</u></b>
<b>(b) Other assets</b>					
Prepayments		51	–	31	–
<b><u>TOTAL OTHER ASSETS</u></b>		<b><u>51</u></b>	<b><u>–</u></b>	<b><u>31</u></b>	<b><u>–</u></b>

#### Externally restricted assets

There are no restrictions applicable to the above assets.

#### Other disclosures

##### (a) Inventory write downs

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

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

## Bogan Shire Council

Notes to the Financial Statements  
for the year ended 30 June 2016

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

\$ '000	as at 30/6/2015					Asset movements during the reporting period							as at 30/6/2016				
	At cost	At fair value	Accumulated		Carrying value	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	Adjustments and transfers	Revaluation decrements to P&L	Revaluation increments to equity (ARR)	At cost	At fair value	Accumulated		Carrying value
			depreciation	impairment											depreciation	impairment	
Plant and equipment	-	8,799	4,845	-	3,954	-	1,517	(733)	(502)	-	-	-	-	7,474	3,238	-	4,236
Office equipment	-	606	510	-	96	-	39	-	(22)	26	-	-	-	441	302	-	139
Furniture and fittings	-	274	127	-	147	-	-	-	(15)	-	-	-	-	274	142	-	132
<b>Land:</b>																	
- Operational land	-	174	-	-	174	-	-	-	-	-	-	-	-	174	-	-	174
- Community land	-	2,452	-	-	2,452	-	-	-	-	-	(542)	-	-	1,910	-	-	1,910
<b>Infrastructure:</b>																	
- Buildings – non-specialised	-	20,009	12,009	-	8,000	-	1,346	-	(501)	-	-	-	-	21,354	12,509	-	8,845
- Buildings – specialised	-	3,618	2,519	-	1,099	-	467	-	(90)	-	-	-	-	4,085	2,609	-	1,476
- Other structures	-	2,442	961	-	1,481	121	369	-	(61)	-	-	-	-	2,932	1,022	-	1,910
- Roads	-	87,150	19,438	-	67,712	1,443	791	-	(1,436)	-	-	-	-	89,385	20,875	-	68,510
- Bridges	-	11,784	1,956	-	9,828	-	-	-	(94)	-	-	-	-	11,784	2,050	-	9,734
- Footpaths	-	3,382	1,342	-	2,040	-	14	-	(42)	-	-	-	-	3,396	1,384	-	2,012
- Bulk earthworks (non-depreciable)	-	65,095	-	-	65,095	-	-	-	-	-	-	-	-	65,095	-	-	65,095
- Stormwater drainage	-	7,237	152	-	7,085	-	-	-	(5)	-	-	-	-	7,237	157	-	7,080
- Water supply network	-	32,375	18,613	-	13,762	355	90	-	(430)	-	-	137	-	33,143	19,229	-	13,914
- Sewerage network	-	11,015	3,872	-	7,143	17	7	-	(113)	-	-	71	-	11,148	4,023	-	7,125
<b>Other assets:</b>																	
- Library books	-	16	16	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Other	-	154	154	-	-	-	-	-	-	-	-	-	-	154	154	-	-
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT AND EQUIP.</b>	-	<b>256,582</b>	<b>66,514</b>	-	<b>190,068</b>	<b>1,936</b>	<b>4,640</b>	<b>(733)</b>	<b>(3,311)</b>	<b>26</b>	<b>(542)</b>	<b>208</b>	-	<b>259,986</b>	<b>67,694</b>	-	<b>192,292</b>

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

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

## Bogan Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

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

\$ '000 Class of asset	Actual 2016				Actual 2015			
	At cost	At fair value	A/Dep & impairm't	Carrying value	At cost	At fair value	A/Dep & impairm't	Carrying value
<b>Water supply</b>								
Infrastructure	–	33,143	19,229	<b>13,914</b>	–	32,375	18,612	<b>13,763</b>
<b>Total water supply</b>	<b>–</b>	<b>33,143</b>	<b>19,229</b>	<b>13,914</b>	<b>–</b>	<b>32,375</b>	<b>18,612</b>	<b>13,763</b>
<b>Sewerage services</b>								
Infrastructure	–	11,148	4,023	<b>7,125</b>	–	11,015	3,872	<b>7,143</b>
<b>Total sewerage services</b>	<b>–</b>	<b>11,148</b>	<b>4,023</b>	<b>7,125</b>	<b>–</b>	<b>11,015</b>	<b>3,872</b>	<b>7,143</b>
<b>Domestic waste management</b>								
Plant and equipment	–	491	280	<b>211</b>	–	491	251	<b>240</b>
<b>Total DWM</b>	<b>–</b>	<b>491</b>	<b>280</b>	<b>211</b>	<b>–</b>	<b>491</b>	<b>251</b>	<b>240</b>
<b>TOTAL RESTRICTED I,PP&amp;E</b>	<b>–</b>	<b>44,782</b>	<b>23,532</b>	<b>21,250</b>	<b>–</b>	<b>43,881</b>	<b>22,735</b>	<b>21,146</b>

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

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

## Bogan Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 10a. Payables, borrowings and provisions

\$ '000	Notes	2016		2015	
		Current	Non-current	Current	Non-current
<b>Payables</b>					
Goods and services – operating expenditure		423	–	505	–
Goods and services – capital expenditure		95	–	73	–
Accrued expenses:					
– Salaries and wages		30	–	49	–
– Other expenditure accruals		–	–	10	–
Advances – debtor		–	–	50	–
Security bonds, deposits and retentions		4	–	3	–
Bogan bush mobile		42	–	42	–
<b>Total payables</b>		<b>599</b>	<b>–</b>	<b>732</b>	<b>–</b>
<b>Borrowings</b>					
Loans – secured <sup>1</sup>		1	–	2	–
<b>Total borrowings</b>		<b>1</b>	<b>–</b>	<b>2</b>	<b>–</b>
<b>Provisions</b>					
<b>Employee benefits:</b>					
Annual leave		629	–	579	–
Long service leave		611	–	704	–
Other leave		35	–	15	–
<b>Total provisions</b>		<b>1,275</b>	<b>–</b>	<b>1,298</b>	<b>–</b>
<b>TOTAL PAYABLES, BORROWINGS AND PROVISIONS</b>		<b>1,875</b>	<b>–</b>	<b>2,032</b>	<b>–</b>
<b>(i) Liabilities relating to restricted assets</b>					
		2016		2015	
		Current	Non-current	Current	Non-current
<b>Externally restricted assets</b>					
Water		48	–	46	–
Sewer		6	–	2	–
Liabilities relating to externally restricted assets		54	–	48	–
<b>Internally restricted assets</b>					
Nil					
<b>Total liabilities relating to restricted assets</b>		<b>54</b>	<b>–</b>	<b>48</b>	<b>–</b>
<b>Total liabilities relating to unrestricted assets</b>		<b>1,821</b>	<b>–</b>	<b>1,984</b>	<b>–</b>
<b>TOTAL PAYABLES, BORROWINGS AND PROVISIONS</b>		<b>1,875</b>	<b>–</b>	<b>2,032</b>	<b>–</b>

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

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

## Bogan Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

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

\$ '000	Actual 2016	Actual 2015
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**(ii) Current liabilities not anticipated to be settled within the next twelve months**

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

Provisions – employees benefits	891	952
	<b>891</b>	<b>952</b>

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

Class of provision	2015		2016			
	Opening balance as at 1/7/15	Additional provisions	Decrease due to payments	Remeasurement effects due to discounting	Unused amounts reversed	Closing balance as at 30/6/16
Annual leave	579	50	–	–	–	629
Long service leave	704	(93)	–	–	–	611
Other leave (enter detai	15	20	–	–	–	35
<b>TOTAL</b>	<b>1,298</b>	<b>(23)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,275</b>

- a. Employees leave entitlements and on-costs represents those benefits accrued and payable and an estimate of those that will become payable in the future as a result of past service.

## Bogan Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 11. Statement of cash flows – additional information

\$ '000	Notes	Actual 2016	Actual 2015
<b>(a) Reconciliation of cash assets</b>			
Total cash and cash equivalent assets	6a	2,604	3,330
Less bank overdraft	10	–	–
<b>Balance as per the Statement of Cash Flows</b>		<b>2,604</b>	<b>3,330</b>
<b>(b) Reconciliation of net operating result to cash provided from operating activities</b>			
<b>Net operating result from Income Statement</b>		<b>1,805</b>	<b>944</b>
<b>Adjust for non-cash items:</b>			
Depreciation and amortisation		3,311	3,402
Net losses/(gains) on disposal of assets		223	(50)
– Write offs relating to the fair valuation of I,PP&E		543	–
– Other		–	(135)
Share of net (profits) or losses of associates/joint ventures		4	13
<b>+/- Movement in operating assets and liabilities and other cash items:</b>			
Decrease/(increase) in receivables		2	(151)
Increase/(decrease) in provision for doubtful debts		1	(7)
Decrease/(increase) in inventories		121	(113)
Decrease/(increase) in other assets		(20)	(31)
Increase/(decrease) in payables		(82)	414
Increase/(decrease) in other accrued expenses payable		(29)	(207)
Increase/(decrease) in other liabilities		(44)	95
Increase/(decrease) in employee leave entitlements		(23)	51
<b>Net cash provided from/(used in) operating activities from the Statement of Cash Flows</b>		<b>5,812</b>	<b>4,225</b>
<b>(c) Non-cash investing and financing activities</b>			
Nil			
<b>(d) Financing arrangements</b>			
<b>(i) Unrestricted access was available at balance date to the following lines of credit:</b>			
Bank overdraft facilities <sup>(1)</sup>		–	200
Credit cards/purchase cards		20	20
<b>Total financing arrangements</b>		<b>20</b>	<b>220</b>
<b>Amounts utilised as at balance date:</b>			
– Credit cards/purchase cards		6	–
<b>Total financing arrangements utilised</b>		<b>6</b>	<b>–</b>

1. The bank overdraft facility may be drawn at any time and may be terminated by the bank without notice. Interest rates on overdrafts are interest rates on loans and other payables are disclosed in Note 15.

**(ii) Secured loan liabilities**

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



## Bogan Shire Council

Notes to the Financial Statements  
for the year ended 30 June 2016

## Note 12. Commitments for expenditure

\$ '000	Notes	Actual 2016	Actual 2015
<b>(a) Capital commitments (exclusive of GST)</b>			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
<b>Property, plant and equipment</b>			
Buildings		484	–
SES shed		150	75
<b>Total commitments</b>		<b>634</b>	<b>75</b>
<b>These expenditures are payable as follows:</b>			
Within the next year		634	75
<b>Total payable</b>		<b>634</b>	<b>75</b>
<b>Sources for funding of capital commitments:</b>			
Unrestricted general funds		–	75
Internally restricted reserves		634	–
<b>Total sources of funding</b>		<b>634</b>	<b>75</b>

**Details of capital commitments**

Pangee Street Medical Centre, SES Shed

**(b) Finance lease commitments**

Nil

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

Nil

**(d) Investment property commitments**

Nil

## Bogan Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

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

\$ '000	Amounts 2016	Indicator 2016	Prior periods	
			2015	2014
<b>Local government industry indicators – consolidated</b>				
<b>1. Operating performance ratio</b>				
Total continuing operating revenue <sup>(1)</sup> excluding capital grants and contributions less operating expenses	<u>1,900</u>	<b>10.68%</b>	4.09%	-9.10%
Total continuing operating revenue <sup>(1)</sup> excluding capital grants and contributions	<u>17,797</u>			
<b>2a. Own source operating revenue ratio</b>				
Total continuing operating revenue <sup>(1)</sup> excluding all grants and contributions	<u>10,984</u>	<b>59.46%</b>	61.78%	66.54%
Total continuing operating revenue <sup>(1)</sup>	<u>18,472</u>			
<b>2b. Own source operating revenue ratio - Rural council model</b>				
Total continuing operating revenue <sup>(1)</sup> excluding all grants and contributions (other than FAG)	<u>14,475</u>	<b>78.36%</b>	83.03%	78.96%
Total continuing operating revenue <sup>(1)</sup>	<u>18,472</u>			
<b>3. Unrestricted current ratio</b>				
Current assets less all external restrictions <sup>(2)</sup>	<u>5,205</u>	<b>5.60x</b>	5.44x	5.44x
Current liabilities less specific purpose liabilities <sup>(3, 4)</sup>	<u>930</u>			
<b>4. Debt service cover ratio</b>				
Operating result <sup>(1)</sup> before capital excluding interest and depreciation/impairment/amortisation	<u>5,211</u>	<b>5211.00x</b>	2,020.50x	2,197.60x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<u>1</u>			
<b>5. Rates, annual charges, interest and extra charges outstanding percentage</b>				
Rates, annual and extra charges outstanding	<u>268</u>	<b>5.51%</b>	6.37%	7.80%
Rates, annual and extra charges collectible	<u>4,861</u>			
<b>6. Cash expense cover ratio</b>				
Current year's cash and cash equivalents plus all term deposits	<u>8,412</u>	<b>7.20 mths</b>	8.5 mths	7.6 mths
Payments from cash flow of operating and financing activities	<u>1,168</u>			

## Notes

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

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

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

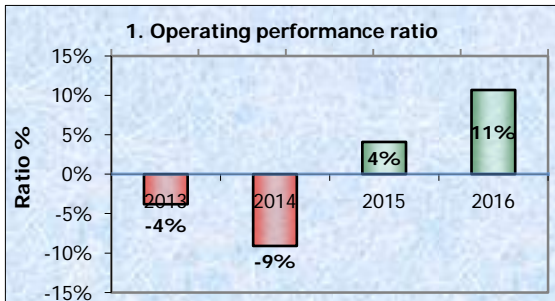
<sup>(3)</sup> Refer to Note 10(a).

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

# Bogan Shire Council

## Notes to the Financial Statements for the year ended 30 June 2016

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



**Purpose of operating performance ratio**

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

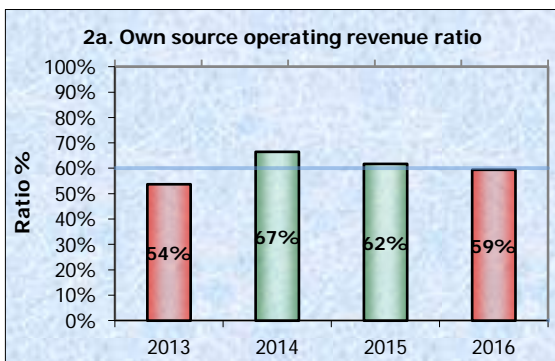
**Commentary on 2015/16 result**

**2015/16 ratio 10.68%**

This is due to an increase in R2R funds including in operating grants.

Benchmark: Minimum  $\geq 0.00\%$   
Source for benchmark: Code of Accounting Practice and Financial Reporting #24

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.

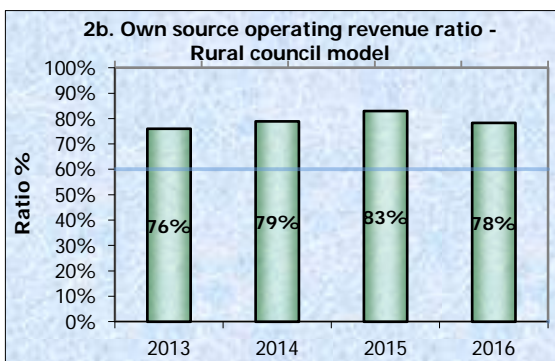
**Commentary on 2015/16 result**

**2015/16 ratio 59.46%**

This has dropped slightly below the benchmark of 60%. Reasons for this could include low rate increases due to the 1.8% increase compared to previous years.

Benchmark: Minimum  $\geq 60.00\%$   
Source for benchmark: Code of Accounting Practice and Financial Reporting #24

Ratio achieves benchmark  
 Ratio is outside benchmark



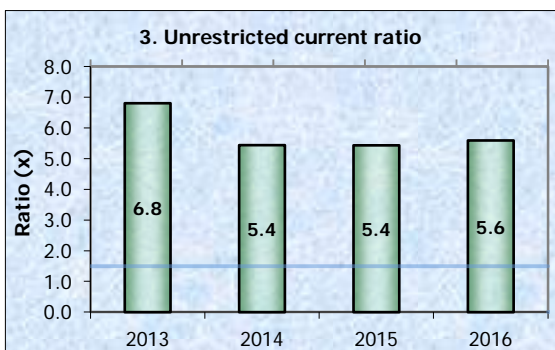
**Purpose of own source operating revenue ratio**

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

**2015/16 ratio 78.36%**

Benchmark: Minimum  $\geq 60.00\%$   
Source for benchmark: Code of Accounting Practice and Financial Reporting #24

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 2015/16 result**

**2015/16 ratio 5.60x**

This ratio remains relatively stable. External cash retrictions are slightly higher than 2014/2015

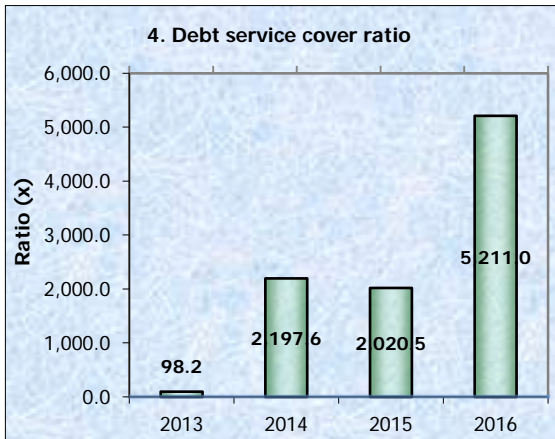
Benchmark: Minimum  $\geq 1.50$   
Source for benchmark: Code of Accounting Practice and Financial Reporting #24

Ratio achieves benchmark  
 Ratio is outside benchmark

# Bogan Shire Council

## Notes to the Financial Statements for the year ended 30 June 2016

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



**Purpose of debt service cover ratio**

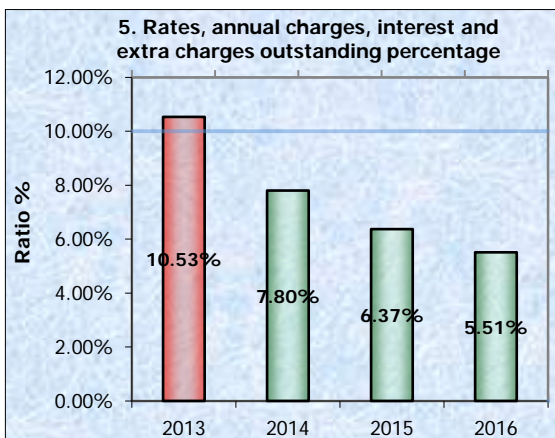
This ratio measures the availability of operating cash to service debt including interest, principal and lease payments

Commentary on 2015/16 result	
<b>2015/16 ratio</b>	<b>5211.00x</b>
Loans have been repaid.	

Benchmark: Minimum  $\geq 2.00$

Source for benchmark: Code of Accounting Practice and Financial Reporting #24

Ratio achieves benchmark  
 Ratio is outside benchmark



**Purpose of rates and annual charges outstanding ratio**

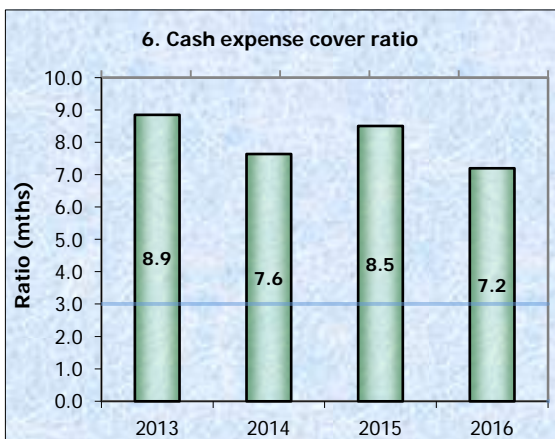
To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

Commentary on 2015/16 result	
<b>2015/16 ratio</b>	<b>5.51%</b>
Councils collection of rates remains good and long term debt should be addressed further in the next twelve months.	

Benchmark: Maximum  $< 10.00\%$

Source for Benchmark: Code of Accounting Practice and Financial Reporting #24

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 2015/16 result	
<b>2015/16 ratio</b>	<b>7.20 mths</b>
Councils cash has reduced due to the building of the Councils Early Learning Centre and other Capital Projects. Council has borrowed funds from T-Corp to replenish cash in early 2016/2017.	

Benchmark: Minimum  $\geq 3.00$

Source for benchmark: Code of Accounting Practice and Financial Reporting #24

Ratio achieves benchmark  
 Ratio is outside benchmark

## Bogan Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

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

\$ '000	Water 2016	Sewer 2016	General <sup>5</sup> 2016
<b>Local government industry indicators – by fund</b>			
<b>1. Operating performance ratio</b>			
<u>Total continuing operating revenue<sup>(1)</sup> excluding capital grants and contributions less operating expenses</u>	<b>12.72%</b>	<b>9.04%</b>	<b>10.34%</b>
Total continuing operating revenue <sup>(1)</sup> excluding capital grants and contributions	prior period: -2.29%	38.97%	2.86%
<b>2. Own source operating revenue ratio</b>			
<u>Total continuing operating revenue<sup>(1)</sup> excluding all grants and contributions</u>	<b>91.80%</b>	<b>98.87%</b>	<b>51.30%</b>
Total continuing operating revenue <sup>(1)</sup>	prior period: 89.33%	99.07%	54.36%
<b>3. Unrestricted current ratio</b>			
<u>Current assets less all external restrictions<sup>(2)</sup></u>	<b>38.85x</b>	<b>439.17x</b>	<b>5.60x</b>
Current liabilities less specific purpose liabilities <sup>(3,4)</sup>	prior period: 34.91x	1,272.00x	5.44x
<b>4. Debt service cover ratio</b>			
<u>Operating result<sup>(1)</sup> before capital excluding interest and depreciation/impairment/amortisation</u>	<b>0.00</b>	<b>0.00</b>	<b>4236.00x</b>
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	prior period: 0.00x	0.00x	1,623.50x
<b>5. Rates, annual charges, interest and extra charges outstanding percentage</b>			
<u>Rates, annual and extra charges outstanding</u>	<b>3.43%</b>	<b>6.32%</b>	<b>6.47%</b>
Rates, annual and extra charges collectible	prior period: 7.96%	9.42%	5.44%
<b>6. Cash expense cover ratio</b>			
<u>Current year's cash and cash equivalents plus all term deposits</u> x12	<b>7.48 mths</b>	<b>57.58 mths</b>	<b>4.80 mths</b>
Payments from cash flow of operating and financing activities	prior period: 8.27 mths	66.96 mths	5.95 mths

## Notes

(1) - (4) Refer to Notes at Note 13a(i) 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 2016

#### Note 14. Investment properties

\$ '000

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

#### Note 15. Financial risk management

##### Risk management

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

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

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

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

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

	Carrying value		Fair value	
	2016	2015	2016	2015
<b>Financial assets</b>				
Cash and cash equivalents	2,604	3,330	–	3,330
Investments				
– 'Held to maturity'	5,808	5,300	–	5,300
Receivables	1,411	1,456	–	1,456
<b>Total financial assets</b>	<b>9,823</b>	<b>10,086</b>	<b>–</b>	<b>10,086</b>
<b>Financial liabilities</b>				
Payables	594	732	–	732
Loans/advances	1	2	–	2
<b>Total financial liabilities</b>	<b>595</b>	<b>734</b>	<b>–</b>	<b>734</b>

Fair value is determined as follows:

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

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



## Bogan Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

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

\$ '000

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

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

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

The risks associated with the investments held are:

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

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

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

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

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

	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
<b>2016</b>				
Possible impact of a 1% movement in interest rates	83	83	(83)	(83)
<b>2015</b>				
Possible impact of a 1% movement in interest rates	73	73	(73)	(73)

## Bogan Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

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

\$ '000

##### (b) Credit risk

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

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

Council manages this risk by monitoring outstanding debt and employing stringent debt recovery procedures.

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.

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:

	2016 Rates and annual charges	2016 Other receivables	2015 Rates and annual charges	2015 Other receivables
<b>(i) Ageing of receivables – %</b>				
Current (not yet overdue)	0%	86%	10%	90%
Overdue	100%	14%	90%	10%
	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

		2016 Rates and annual charges	2016 Other receivables	2015 Rates and annual charges	2015 Other receivables
<b>(ii) Ageing of receivables – value</b>					
<b>Rates and annual charges</b>	<b>Other receivables</b>				
Current	Current	–	1,142	–	1,013
< 1 year overdue	0 – 30 days overdue	149	1	170	3
1 – 2 years overdue	30 – 60 days overdue	58	7	81	41
2 – 5 years overdue	60 – 90 days overdue	36	1	43	9
> 5 years overdue	> 90 days overdue	15	57	13	137
		<b>258</b>	<b>1,208</b>	<b>307</b>	<b>1,203</b>

##### (iii) Movement in provision for impairment of receivables

	2016	2015
Balance at the beginning of the year	54	61
+ new provisions recognised during the year	5	10
– amounts already provided for and written off this year	(4)	(5)
– previous impairment losses reversed	–	(12)
<b>Balance at the end of the year</b>	<b>55</b>	<b>54</b>

## Bogan Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

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

\$ '000

##### (c) Liquidity risk

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

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

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

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

\$ '000	Subject to no maturity	payable in:						Total cash outflows	Actual carrying values
		≤ 1 Year	1-2 Yrs	2-3 Yrs	3-4 Yrs	4-5 Yrs	> 5 Yrs		
<b>2016</b>									
Trade/other payables	–	598	–	–	–	–	–	598	594
Loans and advances	–	1	–	–	–	–	–	1	1
<b>Total financial liabilities</b>	<b>–</b>	<b>599</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>599</b>	<b>595</b>
<b>2015</b>									
Trade/other payables	–	732	–	–	–	–	–	732	732
Loans and advances	–	2	–	–	–	–	–	2	2
<b>Total financial liabilities</b>	<b>–</b>	<b>734</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>734</b>	<b>734</b>

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

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

	2016		2015	
	Carrying value	Average interest rate	Carrying value	Average interest rate
Trade/other payables	594	0.00%	732	0.00%
Loans and advances – fixed interest rate	1	0.00%	2	0.00%
	<b>595</b>		<b>734</b>	

## Bogan Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 16. Material budget variations

\$ '000

Council's original financial budget for 15/16 was adopted by the Council on 25 June 2015.

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	2016 Budget	2016 Actual	2016 ----- Variance* -----		
<b>REVENUES</b>					
<b>Rates and annual charges</b>	4,398	4,522	124	3%	<b>F</b>
<b>User charges and fees</b>	3,242	5,185	1,943	60%	<b>F</b>
Due to higher than budgeted payments from RMS for tendered works on State Highways which were not budgeted in our original budget.					
<b>Interest and investment revenue</b>	240	236	(4)	(2%)	<b>U</b>
<b>Other revenues</b>	348	1,041	693	199%	<b>F</b>
This variation is due to reimbursements received from the State Government for a Water Storage Project for Nyngan and Cobar and also a project for the Piping of the Albert Priest Channel that was not originally budgeted for. Total income from these projects was \$761,000 explaining the budget variation.					
<b>Operating grants and contributions</b>	5,433	6,813	1,380	25%	<b>F</b>
Council did not budget originally for the increase in Roads to recovery Grants					
<b>Capital grants and contributions</b>	850	675	(175)	(21%)	<b>U</b>
Due to grants received being reclassified as operational.					

## Bogan Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 16. Material budget variations (continued)

\$ '000	2016 Budget	2016 Actual	2016 ----- Variance* -----		
<b>EXPENSES</b>					
<b>Employee benefits and on-costs</b>	5,466	5,723	(257)	(5%)	<b>U</b>
<b>Materials and contracts</b>	4,158	5,488	(1,330)	(32%)	<b>U</b>
Variation is due to \$1,308 of capitalised works					
<b>Depreciation and amortisation</b>	3,582	3,311	271	8%	<b>F</b>
<b>Other expenses</b>	1,167	1,918	(751)	(64%)	<b>U</b>
Due to the allocation of expenditure from other areas.					
<b>Net losses from disposal of assets</b>	-	223	(223)	0%	<b>U</b>
Due to no original budget being applied.					
<b>Joint ventures and associates – net losses</b>	-	4	(4)	0%	<b>U</b>
Council does not Budget for North West Regional Library Co-Operative					

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

<b>Cash flows from operating activities</b>	6,294	5,812	(482)	(7.7%)	<b>U</b>
<b>Cash flows from investing activities</b>	(6,184)	(6,537)	(353)	5.7%	<b>U</b>
<b>Cash flows from financing activities</b>	-	(1)	(1)	0.0%	<b>U</b>
Due to no original budget being applied.					

#### Note 17. Statement of developer contributions

Council currently has no S94 developer contribution plans or S94 funds on hand from prior years.

## Bogan Shire Council

### Notes to the Financial Statements for the year ended 30 June 2016

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

\$ '000

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

#### LIABILITIES NOT RECOGNISED:

##### 1. Guarantees

###### (i) Defined benefit superannuation contribution plans

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

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

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

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

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

###### (ii) Statewide Limited

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

Membership includes the potential to share in either the net assets or liabilities of the fund depending on its past performance. Council's share of the net assets or liabilities reflects Council's contributions to the pool and the result of insurance claims within each of the fund years.

The future realisation and finalisation of claims incurred but not reported to 30/6 this year may result in future liabilities or benefits as a result of past events that Council will be required to fund or share in respectively.

###### (iii) StateCover Limited

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

StateCover is a company providing workers compensation insurance cover to the NSW local government industry and specifically Council.

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

These future equity contributions would be required to maintain the company's minimum level of net assets in accordance with its licence requirements.

###### (iv) Other guarantees

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



## Bogan Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

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

\$ '000

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

##### 2. Other liabilities

##### (i) Third party claims

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

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

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

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

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

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

##### 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 2016

#### Note 19. Interests in other entities

\$ '000

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

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

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

##### Controlled entities (subsidiaries)

*Note 19(a)*

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

##### Joint ventures and associates

*Note 19(b)*

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

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

##### Joint operations

*Note 19(c)*

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

##### Unconsolidated structured entities

*Note 19(d)*

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

##### Subsidiaries, joint arrangements and associates not recognised

*Note 19(e)*

#### Accounting recognition:

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

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

	Council's share of net income		Council's share of net assets	
	Actual 2016	Actual 2015	Actual 2016	Actual 2015
Joint ventures	(4)	(13)	49	53
<b>Total</b>	<b>(4)</b>	<b>(13)</b>	<b>49</b>	<b>53</b>

## Bogan Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 19. Interests in other entities (continued)

\$ '000

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

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

## (b) Joint ventures and associates

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

## (a) Net carrying amounts – Council's share

Name of entity	Nature of relationship	2016	2015
North Western Library Co-operative	Joint venture	49	53
<b>Total carrying amounts – material joint ventures and associates</b>		<b>49</b>	<b>53</b>

## (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	Quoted fair value		Interest in outputs		Interest in ownership		Proportion of voting power	
	2016	2015	2016	2015	2016	2015	2016	2015
North Western Library Co-operative	n/a	n/a	25%	25%	25%	25%	25%	25%

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

	North Western Library Co-operative	
Statement of financial position	2016	2015
<b>Current assets</b>		
Cash and cash equivalents	5	3
<b>Total current assets</b>	<b>5</b>	<b>3</b>
<b>Non-current assets</b>	<b>191</b>	<b>210</b>
<b>Net assets</b>	<b>196</b>	<b>213</b>
<b>Reconciliation of the carrying amount</b>		
Opening net assets (1 July)	213	265
Profit/(loss) for the period	(4)	(52)
<b>Closing net assets</b>	<b>209</b>	<b>213</b>
<b>Council's share of net assets (%)</b>	<b>25.0%</b>	<b>25.0%</b>
<b>Council's share of net assets (\$)</b>	<b>49</b>	<b>53</b>

## Bogan Shire Council

### Notes to the Financial Statements for the year ended 30 June 2016

#### Note 19. Interests in other entities (continued)

\$ '000

#### (b) Joint ventures and associates (continued)

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

	<b>North Western Library Co-operative</b>	
	<b>2016</b>	<b>2015</b>
<b>Statement of comprehensive income</b>		
Income	211	196
Interest income	2	1
Other expenses	(230)	(249)
<b>Profit/(loss) for period</b>	<b>(17)</b>	<b>(52)</b>
<b>Total comprehensive income</b>	<b>(17)</b>	<b>(52)</b>
<b>Share of income – Council (%)</b>	<b>25.0%</b>	<b>25.0%</b>
<b>Profit/(loss) – Council (\$)</b>	<b>(4)</b>	<b>(13)</b>
<b>Total comprehensive income – Council (\$)</b>	<b>(4)</b>	<b>(13)</b>

#### (c) Joint operations

Council has no interest in any joint operations.

#### (d) Unconsolidated structured entities

Council has no unconsolidated structured entities

#### (e) Subsidiaries, joint arrangements and associates not recognised

None.

## Bogan Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

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

\$ '000	Notes	Actual 2016	Actual 2015
<b>(a) Retained earnings</b>			
<b>Movements in retained earnings were as follows:</b>			
Balance at beginning of year (from previous years audited accounts)		141,191	140,247
a. Net operating result for the year		1,805	944
<b>Balance at end of the reporting period</b>		<b>142,996</b>	<b>141,191</b>
<b>(b) Revaluation reserves</b>			
<b>(i) Reserves are represented by:</b>			
– Infrastructure, property, plant and equipment revaluation reserve		57,584	57,376
<b>Total</b>		<b>57,584</b>	<b>57,376</b>
<b>(ii) Reconciliation of movements in reserves:</b>			
<b>Infrastructure, property, plant and equipment revaluation reserve</b>			
– Opening balance		57,376	57,191
– Revaluations for the year	9(a)	208	320
– Other movements – correction of discrepancy between asset register and ledger		–	(135)
<b>– Balance at end of year</b>		<b>57,584</b>	<b>57,376</b>
<b>TOTAL VALUE OF RESERVES</b>		<b>57,584</b>	<b>57,376</b>

**(iii) Nature and purpose of reserves****Infrastructure, property, plant and equipment revaluation reserve**

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

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

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

**(d) Voluntary changes in accounting policies**

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

## Bogan Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 21. Financial result and financial position by fund

Income Statement by fund \$ '000	Actual 2016	Actual 2016	Actual 2016
<b><u>Continuing operations</u></b>	<b>Water</b>	<b>Sewer</b>	<b>General<sup>1</sup></b>
<b>Income from continuing operations</b>			
Rates and annual charges	1,514	443	2,565
User charges and fees	1,119	193	3,873
Interest and investment revenue	35	64	137
Other revenues	215	–	826
Grants and contributions provided for operating purposes	9	8	6,796
Grants and contributions provided for capital purposes	–	–	675
<b>Total income from continuing operations</b>	<b>2,892</b>	<b>708</b>	<b>14,872</b>
<b>Expenses from continuing operations</b>			
Employee benefits and on-costs	338	136	5,249
Borrowing costs	–	–	–
Materials and contracts	1,638	380	3,470
Depreciation and amortisation	430	113	2,768
Impairment	–	–	–
Other expenses	118	15	1,785
Net losses from the disposal of assets	–	–	223
Share of interests in joint ventures and associates using the equity method	–	–	4
<b>Total expenses from continuing operations</b>	<b>2,524</b>	<b>644</b>	<b>13,499</b>
<b>Operating result from continuing operations</b>	<b>368</b>	<b>64</b>	<b>1,373</b>
<b><u>Discontinued operations</u></b>			
Net profit/(loss) from discontinued operations	–	–	–
<b>Net operating result for the year</b>	<b>368</b>	<b>64</b>	<b>1,373</b>
<b>Net operating result attributable to each council fund</b>	<b>368</b>	<b>64</b>	<b>1,373</b>
<b>Net operating result attributable to non-controlling interests</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Net operating result for the year before grants and contributions provided for capital purposes</b>	<b>368</b>	<b>64</b>	<b>698</b>

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

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

## Bogan Shire Council

## Notes to the Financial Statements

as at 30 June 2016

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

Statement of Financial Position by fund \$ '000	Actual 2016	Actual 2016	Actual 2016
<b>ASSETS</b>	<b>Water</b>	<b>Sewer</b>	<b>General<sup>1</sup></b>
<b>Current assets</b>			
Cash and cash equivalents	304	1,548	752
Investments	1,000	1,000	3,808
Receivables	561	87	616
Inventories	–	–	240
Other	–	–	51
Non-current assets classified as 'held for sale'	–	–	–
<b>Total current assets</b>	<b>1,865</b>	<b>2,635</b>	<b>5,467</b>
<b>Non-current assets</b>			
Investments	–	–	–
Receivables	–	–	147
Inventories	–	–	–
Infrastructure, property, plant and equipment	13,914	7,125	171,253
Investments accounted for using the equity method	–	–	49
Investment property	–	–	–
Intangible assets	–	–	–
<b>Total non-current assets</b>	<b>13,914</b>	<b>7,125</b>	<b>171,449</b>
<b>TOTAL ASSETS</b>	<b>15,779</b>	<b>9,760</b>	<b>176,916</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	48	6	545
Borrowings	–	–	1
Provisions	–	–	1,275
<b>Total current liabilities</b>	<b>48</b>	<b>6</b>	<b>1,821</b>
<b>Non-current liabilities</b>			
Payables	–	–	–
Borrowings	–	–	–
Provisions	–	–	–
<b>Total non-current liabilities</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL LIABILITIES</b>	<b>48</b>	<b>6</b>	<b>1,821</b>
<b>Net assets</b>	<b>15,731</b>	<b>9,754</b>	<b>175,095</b>
<b>EQUITY</b>			
Retained earnings	6,431	7,490	129,075
Revaluation reserves	9,300	2,264	46,020
<b>Total equity</b>	<b>15,731</b>	<b>9,754</b>	<b>175,095</b>

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

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



## Bogan Shire Council

### Notes to the Financial Statements for the year ended 30 June 2016

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

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\$ '000

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Council did not classify any non-current assets or disposal groups as 'held for sale'.

#### Note 23. Events occurring after the reporting date

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Events that occur between the end of the reporting period (30 June 2016) and the date when the financial statements are 'authorised for issue' have been taken into account in preparing these statements.

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

Accordingly, the 'authorised for issue' date is 20/10/16.

Events that occur after the reporting period represent one of two types:

##### **(i) Events that provide evidence of conditions that existed at the reporting period**

These financial statements (and the figures therein) incorporate all 'adjusting events' that provided evidence of conditions that existed at 30 June 2016.

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

These financial statements (and figures therein) do not incorporate any 'non-adjusting events' that have occurred after 30 June 2016 and which are only indicative of conditions that arose after 30 June 2016.

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

#### Note 24. Discontinued operations

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

#### Note 25. Intangible assets

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

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

## Bogan Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

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

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\$ '000

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Council has various garbage centres and transfer stations situated around the community. These all have useful lives, which on being reached will result in Council having to reinstate these areas through restoration and remediation works.

These future liabilities have however, not been brought to account due to;

- the remaining useful lives of these assets being estimated at beyond 20 years and accordingly the effects of discounting the future cash outflows to present values deems the amounts immaterial,
- preliminary estimates of the individual amounts required to undertake the future restoration works do not materially affect either Council's financial results or financial position as at 30/6/16.

Accordingly, no provision amounts have been brought to account in these financial statements for such future reinstatement and restoration costs.

## Bogan Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 27. Fair value measurement

\$ '000

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

– Infrastructure, property, plant and equipment

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

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

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

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

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

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

2016	Fair value measurement hierarchy			Total
	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
<b>Recurring fair value measurements</b>				
<b>Infrastructure, property, plant and equipment</b>				
Plant and equipment	–	–	4,195	4,195
Office equipment	–	–	68	68
Furniture and fittings	–	–	132	132
Operational land	–	–	234	234
Community land	–	–	2,390	2,390
Buildings – non-specialised	–	–	8,845	8,845
Buildings – specialised	–	–	1,476	1,476
Other structures	–	–	1,910	1,910
Roads	–	–	68,510	68,510
Bulk earthworks	–	–	65,095	65,095
Storm water drainage	–	–	7,080	7,080
Water supply network	–	–	13,914	13,914
Sewerage network	–	–	7,125	7,125
Bridges	–	–	9,734	9,734
Footpaths	–	–	2,012	2,012
<b>Total infrastructure, property, plant and equipment</b>	<b>–</b>	<b>–</b>	<b>192,720</b>	<b>192,720</b>

## Bogan Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 27. Fair value measurement (continued)

\$ '000

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

2015	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
<b>Recurring fair value measurements</b>					
<b>Infrastructure, property, plant and equipment</b>					
Plant and equipment	30/06/14	—	—	3,954	3,954
Office equipment	30/06/14	—	—	96	96
Furniture and fittings	30/06/14	—	—	147	147
Operational land	1/07/13	—	—	225	225
Community land	30/06/12	—	—	2,401	2,401
Buildings – non-specialised	1/07/13	—	—	1,099	1,099
Buildings – specialised	1/07/13	—	—	8,000	8,000
Other structures	1/07/13	—	—	1,481	1,481
Roads	1/07/14	—	—	67,712	67,712
Bulk earthworks	1/07/14	—	—	65,095	65,095
Storm water drainage	1/07/14	—	—	7,085	7,085
Water supply network	30/06/15	—	—	13,762	13,762
Sewerage network	30/06/15	—	—	7,143	7,143
Bridges	1/07/14	—	—	9,828	9,828
Footpaths	1/07/14	—	—	2,040	2,040
<b>Total infrastructure, property, plant and equipment</b>		<b>—</b>	<b>—</b>	<b>190,068</b>	<b>190,068</b>

## (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 2016

#### Note 27. 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 (ie. Level 1 inputs), Council instead utilises a spread of both observable inputs (Level 2 inputs) and unobservable inputs (Level 3 inputs).

The Fair Valuation techniques Council has employed while utilising Level 2 and Level 3 inputs are as follows:

##### **Infrastructure, Property, Plant & 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.

## Bogan Shire Council

### Notes to the Financial Statements for the year ended 30 June 2016

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

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##### Roads

Roads comprise road carriageway, roadside shoulders and kerb & gutter. The Cost Approach using Level 3 inputs was used to value this asset class. Valuations for this asset class were undertaken in-house 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.

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

##### 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. Valuations for this asset class were undertaken in-house 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.

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

##### Water Supply Network

Assets within this class 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.

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

##### 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.

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

## Bogan Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 27. Fair value measurement (continued)

\$ '000

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

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

	Plant and equipment	Office equipment	Furniture and fittings	Operational land	Total
<b>Opening balance – 1/7/14</b>	4,225	87	129	225	4,666
Purchases (GBV)	547	59	20	–	626
Disposals (WDV)	(188)	–	–	–	(188)
Depreciation and impairment	(630)	(50)	(2)	–	(682)
<b>Closing balance – 30/6/15</b>	<b>3,954</b>	<b>96</b>	<b>147</b>	<b>225</b>	<b>4,422</b>
Purchases (GBV)	1,518	39	–	–	1,557
Disposals (WDV)	(556)	–	–	–	(556)
Depreciation and impairment	(721)	(67)	(15)	–	(803)
Other movement (Reval)	–	–	–	9	9
<b>Closing balance – 30/6/16</b>	<b>4,195</b>	<b>68</b>	<b>132</b>	<b>234</b>	<b>4,629</b>
	Community land	Buildings non- specialised	Buildings specialised	Other structures	Total
<b>Opening balance – 1/7/14</b>	2,401	8,296	802	1,285	12,784
Purchases (GBV)	–	577	–	251	828
Depreciation and impairment	–	(486)	(90)	(55)	(631)
Other movement	–	(387)	387	–	–
<b>Closing balance – 30/6/15</b>	<b>2,401</b>	<b>8,000</b>	<b>1,099</b>	<b>1,481</b>	<b>12,981</b>
Purchases (GBV)	–	1,346	467	490	2,303
Depreciation and impairment	–	(501)	(90)	(61)	(652)
Other movement (reval)	(11)	–	–	–	(11)
<b>Closing balance – 30/6/16</b>	<b>2,390</b>	<b>8,845</b>	<b>1,476</b>	<b>1,910</b>	<b>14,621</b>



## Bogan Shire Council

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 27. Fair value measurement (continued)

\$ '000

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

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

	Roads	Bulk earth works	Stormwater drainage	Water network	Total
<b>Opening balance – 1/7/14</b>	67,678	65,095	7,091	13,801	153,665
Purchases (GBV)	1,469	–	–	181	1,650
Depreciation and impairment	(1,435)	–	(6)	(427)	(1,868)
Revaluations – increments	–	–	–	207	207
<b>Closing balance – 30/6/15</b>	<b>67,712</b>	<b>65,095</b>	<b>7,085</b>	<b>13,762</b>	<b>153,654</b>
Purchases (GBV)	2,234	–	–	445	2,679
Depreciation and impairment	(1,436)	–	(5)	(430)	(1,871)
Other movement (Reval Indexation)	–	–	–	137	137
<b>Closing balance – 30/6/16</b>	<b>68,510</b>	<b>65,095</b>	<b>7,080</b>	<b>13,914</b>	<b>154,599</b>

	Bridges	Footpaths	Sewer Network	Total
<b>Opening balance – 1/7/14</b>	9,922	2,082	7,088	19,092
Purchases (GBV)	–	–	27	27
Depreciation and impairment	(94)	(42)	(85)	(221)
Revaluations – increments	–	–	113	113
<b>Closing balance – 30/6/15</b>	<b>9,828</b>	<b>2,040</b>	<b>7,143</b>	<b>19,011</b>
Purchases (GBV)	–	14	24	38
Depreciation and impairment	(94)	(42)	(113)	(249)
Other movement (Reval Indexation)	–	–	71	71
<b>Closing balance – 30/6/16</b>	<b>9,734</b>	<b>2,012</b>	<b>7,125</b>	<b>18,871</b>

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

**Other Structures**

An amount of \$490K was transferred in to Other Structures for Liberty Swing \$53K, O'Reilly Park Irrigation System \$69K Waste Depot and Recycling Facility \$126K Replacement of Garbage Bins Pangee Street \$47K, Big Bogan \$20K, Frank Smith Oval Water System \$42K, Information Bays \$29K, Racecourse and showground upgrades \$10K

**Roads**

An amount of \$2235K was transferred in to Roads for R2R Program resheeting and construction \$1,659K, Block Grant Road Construction \$447K, Strategically placed ground tanks \$30K, Reseal Runway at Airport \$55K and Pedestrian Access Mobility Plan \$30K

**Buildings - Non-Specialised**

An amount of \$1.2m was transferred into Buildings for the Early Learning Centre. This included site preparation, car parking and fencing of the building. Staff Accommodation has also commenced and the WIP for 2016 is \$89K

**Buildings - Specialised**

Pangee Street Medical Centre has commenced construction and is included in this figure as a work in progress of \$380K.

## Bogan Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 27. 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.

##### I,PP&E

Class	Fair value (30/6/16) \$'000	Valuation technique/s	Unobservable inputs
Plant and equipment	\$4,195		<ul style="list-style-type: none"> <li>Gross replacement cost</li> <li>Remaining useful life</li> <li>Residual value</li> </ul>
Office equipment	\$68		<ul style="list-style-type: none"> <li>Gross replacement cost</li> <li>Remaining useful life</li> <li>Residual value</li> </ul>
Furniture and fittings	\$132		<ul style="list-style-type: none"> <li>Gross replacement cost</li> <li>Remaining useful life</li> <li>Residual value</li> </ul>
Operational land	\$234		<ul style="list-style-type: none"> <li>Land value based on price per square metre</li> </ul>
Community land	\$2,390		<ul style="list-style-type: none"> <li>Land value based on price per square metre</li> </ul>
Buildings – non-specialised	\$8,845		<ul style="list-style-type: none"> <li>Gross replacement cost</li> <li>Asset condition</li> <li>Remaining useful life</li> <li>Residual value</li> </ul>
Buildings – specialised	\$1,476		<ul style="list-style-type: none"> <li>Gross replacement cost</li> <li>Asset condition</li> <li>Remaining useful life</li> <li>Residual value</li> </ul>
Other structures	\$1,910		<ul style="list-style-type: none"> <li>Gross replacement cost</li> <li>Asset condition</li> <li>Remaining useful life</li> <li>Residual value</li> </ul>
Roads	\$68,510		<ul style="list-style-type: none"> <li>Gross replacement cost</li> <li>Asset condition</li> <li>Remaining useful life</li> <li>Residual value</li> </ul>
Bulk earthworks	\$65,095		<ul style="list-style-type: none"> <li>Gross replacement cost</li> <li>Asset condition</li> <li>Remaining useful life</li> <li>Residual value</li> </ul>

## Bogan Shire Council

### Notes to the Financial Statements

for the year ended 30 June 2016

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

<b>Class</b>	<b>Fair value (30/6/16) \$'000</b>	<b>Valuation technique/s</b>	<b>Unobservable inputs</b>
Storm water drainage	\$7,080		<ul style="list-style-type: none"> <li>• Gross replacement cost</li> <li>• Asset condition</li> <li>• Remaining useful life</li> <li>• Residual value</li> </ul>
Water supply network	\$13,914		<ul style="list-style-type: none"> <li>• Gross replacement cost</li> <li>• Asset condition</li> <li>• Remaining useful life</li> <li>• Residual value</li> </ul>
Sewer network	\$7,125		<ul style="list-style-type: none"> <li>• Gross replacement cost</li> <li>• Asset condition</li> <li>• Remaining useful life</li> <li>• Residual value</li> </ul>
Bridges	\$9,734		<ul style="list-style-type: none"> <li>• Gross replacement cost</li> <li>• Asset condition</li> <li>• Remaining useful life</li> <li>• Residual value</li> </ul>
Footpaths	\$2,012		<ul style="list-style-type: none"> <li>• Gross replacement cost</li> <li>• Asset condition</li> <li>• Remaining useful life</li> <li>• Residual value</li> </ul>

#### (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 2016

#### Note 28. Council information and contact details

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**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](http://www.bogan.nsw.gov.au)

**Email:** [admin@bogan.nsw.gov.au](mailto:admin@bogan.nsw.gov.au)

**Officers****GENERAL MANAGER**

D A Francis

**RESPONSIBLE ACCOUNTING OFFICER**

D A Francis

**AUDITORS**

Hill Rogers  
Level 5, 1 Chifley Square  
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



## BOGAN SHIRE COUNCIL

### GENERAL PURPOSE FINANCIAL STATEMENTS

### INDEPENDENT AUDITORS' REPORT

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#### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying general purpose financial statements of Bogan Shire Council, which comprises the Statement of Financial Position as at 30 June 2016, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Statement by Councillors and Management. The financial statements include the consolidated financial statements of the economic entity and the entities it controlled at year end or from time to time during the year.

#### Responsibility of Council for the Financial Statements

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

#### Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. Our audit responsibility does not extend to the original budget information disclosed in the Income Statement, Statement of Cash Flows, and Note 2(a) or the budget variation explanations disclosed in Note 16. Accordingly, no opinion is expressed on these matters.

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

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#### Assurance Partners

well as evaluating the overall presentation of the financial statements. Our audit did not involve an analysis of the prudence of business decisions made by Council or management.

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

### **Independence**

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

### **Auditor's Opinion**

In our opinion,

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

### **HILL ROGERS**



**GARY MOTTAU**  
Partner

Dated at Sydney this 20th day of October 2016



20 October 2016

The Mayor  
Bogan Shire Council  
PO Box 221  
NYNGAN NSW 2825

Mayor,

## Audit Report - Year Ended 30 June 2016

We are pleased to advise completion of the audit of Council's books and records for the year ended 30 June 2016 and that all information required by us was readily available. We have signed our reports as required under Section 417(1) of the Local Government Act, 1993 and the Local Government Code of Accounting Practice and Financial Reporting to the General and Special Purpose Financial Statements.

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

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

## 1. RESULTS FOR THE YEAR

### 1.1 Operating Result

The operating result for the year was a surplus of \$1.805 million compared with \$944,000 in the previous year.

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

## Assurance Partners



	<b>2016</b>	<b>% of Total</b>	<b>2015</b>	<b>% of Total</b>	<b>Increase (Decrease)</b>
	\$'000		\$'000		\$'000
<b>Revenues before capital items</b>					
Rates & annual charges	4,522	25%	4,276	27%	246
User charges, fees & other revenues	6,226	35%	5,313	34%	913
Grants & contributions provided for operating purposes	6,813	38%	5,793	37%	1,020
Interest & investment revenue	236	1%	258	2%	(22)
	<b>17,797</b>	<b>100%</b>	<b>15,640</b>	<b>100%</b>	<b>2,157</b>
<b>Expenses</b>					
Employee benefits & costs	5,723	34%	5,280	35%	443
Materials, contracts & other expenses	7,633	46%	6,282	42%	1,351
Depreciation, amortisation & impairment	3,311	20%	3,402	23%	(91)
Borrowing costs	-	0%	1	0%	(1)
	<b>16,667</b>	<b>100%</b>	<b>14,965</b>	<b>100%</b>	<b>1,702</b>
<b>Surplus (Deficit) before capital items</b>	<b>1,130</b>		<b>675</b>		<b>455</b>
Grants & contributions provided for capital purposes	675		269		406
<b>Net Surplus (Deficit) for the year</b>	<b>1,805</b>		<b>944</b>		<b>861</b>
<b>Performance Measures</b>					
	<b>2016</b>		<b>2015</b>		
Operating Performance	10.68%		4.09%		
Own Source Operating Revenue	59.46%		61.78%		

The above table shows an overall increase of \$861,000 from the previous year and is mainly attributable to increased revenue from transport-related charges (\$300,000), grants (\$983,000) and contributions (\$16,000) and water security (\$474,000).

**Operating Performance** measures the ability to contain operating expenditure within operating revenue excluding capital amounts. For 2016, this indicator was 10.68% and exceeded the benchmark of 0%.

**Own Source Operating Revenue** measures the degree of reliance on external funding sources such as grants and contributions. For 2016, this indicator was 59.46% and was below the benchmark of 60%. As identified in Note 13(a), this performance measure increases to 78.36% with the inclusion of the Financial Assistance Grant (\$3.491 million).

## 1.2 Funding Result

As the operating result only accounts for operating income and expenditure, in reviewing the overall financial performance of Council, it is useful to consider the total source of revenues and how they were applied during the year which is illustrated in the table below.

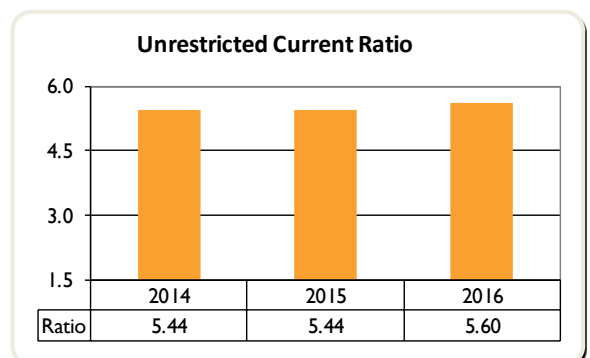
	2016	2015
	\$'000	\$'000
<b>Funds were provided by:-</b>		
<b>Operating Result (as above)</b>	<b>1,805</b>	<b>944</b>
Add back non funding items:-		
- Depreciation, amortisation & impairment	3,311	3,402
- Book value of non-current assets sold	733	188
- (Surplus)/Deficit in joint ventures	4	13
	<u>5,853</u>	<u>4,547</u>
Repayments from deferred debtors	13	12
Net Changes in current/non-current assets & liabilities	0	56
	<u>5,866</u>	<u>4,615</u>
<b>Funds were applied to:-</b>		
Purchase and construction of assets	(6,060)	(3,266)
Principal repaid on loans	(1)	0
Transfers to externally restricted assets (net)	(50)	(506)
Transfers to internal reserves (net)	(1,404)	(172)
Advances to deferred debtors	0	(55)
Net Changes in current/non current assets & liabilities	(26)	0
	<u>(7,541)</u>	<u>(3,999)</u>
<b>Increase/(Decrease) in Available Working Capital</b>	<b>(1,675)</b>	<b>616</b>

## 2. FINANCIAL POSITION

### 2.1 Unrestricted Current Ratio

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

After eliminating externally restricted assets and current liabilities not expected to be paid within the next 12 months net current assets amounted to \$4.275 million representing a factor of 5.60 to 1.



### 2.2 Available Working Capital – (Working Funds)

At the close of the year the Available Working Capital of Council stood at \$835,000 as detailed below;

	<b>2016</b>	<b>2015</b>	<b>Change</b>
	\$'000	\$'000	\$'000
<b>Net Current Assets (Working Capital) as per Accounts</b>	<b>8,092</b>	<b>8,286</b>	<b>(194)</b>
<b>Add:</b> Payables & provisions not expected to be realised in the next 12 months included above	891	952	(61)
Adjusted Net Current Assets	8,983	9,238	(255)
<b>Add:</b> Budgeted & expected to pay in the next 12 months			
- Borrowings	1	2	(1)
- Employees leave entitlements	384	346	38
- Deferred debtors	(13)	(10)	(3)
<b>Less:</b> Externally restricted assets	(4,708)	(4,658)	(50)
<b>Less:</b> Internally restricted assets	(3,812)	(2,408)	(1,404)
<b>Available Working Capital as at 30 June</b>	<b>835</b>	<b>2,510</b>	<b>(1,675)</b>

The balance of Available Working Capital should be at a level to manage Council's day to day operations including the financing of hard core debtors, stores and to provide a buffer against unforeseen and unbudgeted expenditures. Taking into consideration the nature and level of the internally restricted assets (Reserves) set aside to fund future works and services and liabilities, Council's Available Working Capital at year end was sound.

### 2.3 Debt

After repaying principal of \$1,000, total debt as at 30 June 2016 stood at \$1,000 (2015 - \$2,000).

### 2.4 Summary

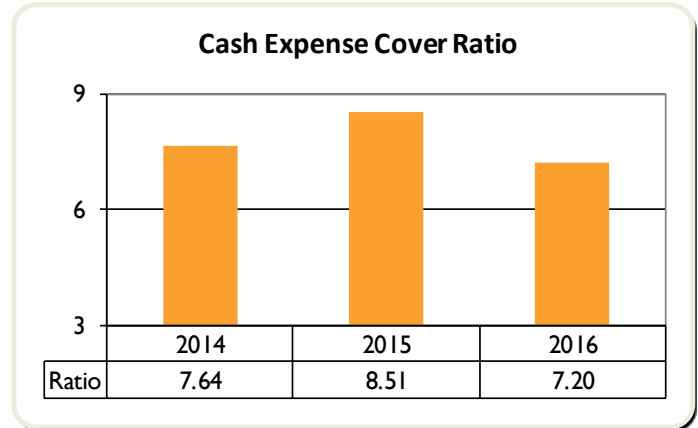
Council's overall financial position, when taking into account the above financial indicators was, in our opinion, sound.

## 3. CASH ASSETS

### 3.1 Cash Expense Cover Ratio

This liquidity ratio indicates the number of months of expenditure requirements that can be met with available cash and term deposit balances without the need for additional cash inflow.

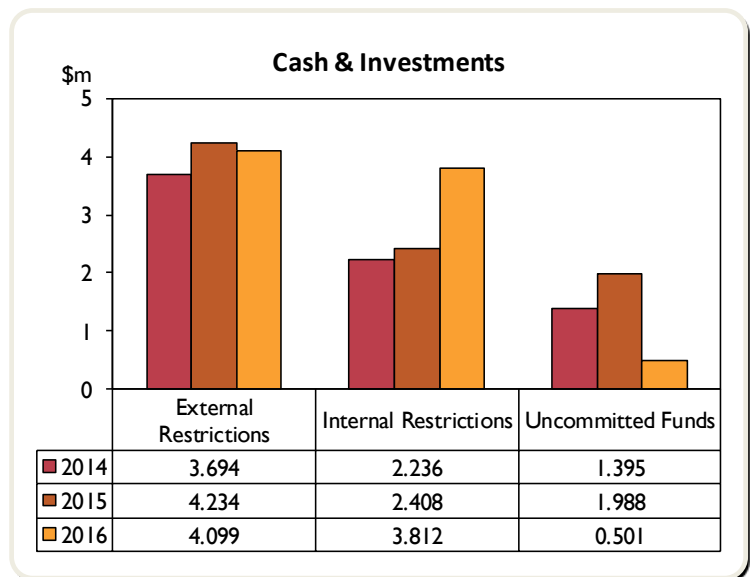
For 2016, this ratio stood at 7.20 months compared to the benchmark of 3.



### 3.2 Cash & Investment Securities

Cash and investments amounted \$8.412 million at 30 June 2016 as compared with \$8.630 million in 2015 and \$7.325 million in 2014.

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



**Externally restricted cash and investments** are restricted in their use by externally imposed requirements and consisted of unexpended grants of \$247,000 and water and sewerage funds of \$3.852 million.

**Internally restricted cash and investments** have been restricted in their use by resolution or policy of Council to reflect forward plans, identified programs of works, and are, in fact, Council's "Reserves". These Reserves totalled \$3.812 million and their purposes are more fully disclosed in Note 6 of the financial statements.

**Unrestricted cash and investments** amounted to \$501,000, which is available to provide liquidity for day to day operations.

**3.3 Cash Flows**

The Statement of Cash Flows illustrates the flow of cash (highly liquid cash and investments) moving in and out of Council during the year and reveals that cash decreased by \$726,000 to \$2.604 million at the close of the year.

In addition to operating activities which contributed net cash of \$5.811 million were the proceeds from the sale of investment securities (\$3.3 million), receipt of deferred debts (\$13,000) and the sale of assets (\$539,000). Cash outflows other than operating activities were used to purchase investment securities (\$3.808 million) and to purchase and construct assets (\$6.581 million).

**4. RECEIVABLES**

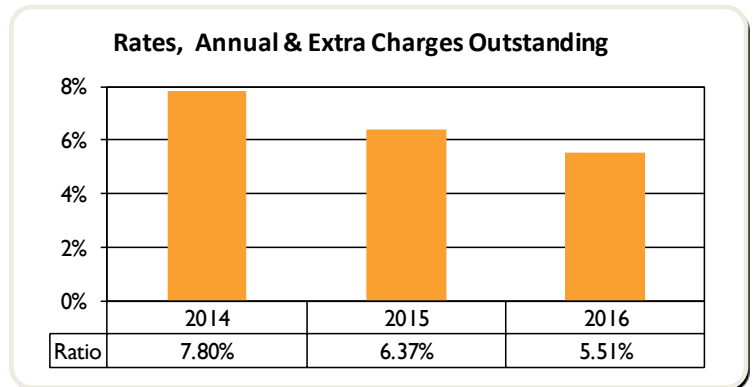
**4.1 Rates & Annual Charges (excluding interest & extra charges)**

Net rates and annual charges levied during the year totalled \$4.522 million and represented 24% of Council’s total revenues.

Including arrears, the total rates and annual charges collectible was \$4.789 million of which \$4.566 million (95%) was collected.

**4.2 Rates, Annual & Extra Charges**

Arrears of rates, annual and extra charges stood at \$268,000 at the end of the year and represented 5.51% of those receivables.



**4.3 Other Receivables**

Receivables (other than rates & annual charges) totalled \$1.143 million and consisted mainly of user charges and fees (\$944,000) and net receivable from the ATO (\$133,000).

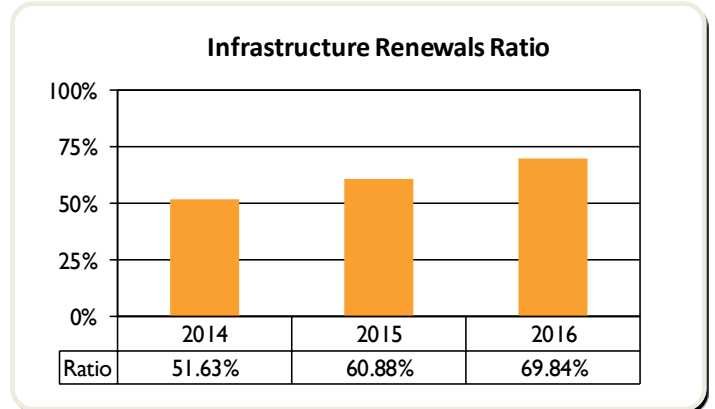
**5. EMPLOYEES LEAVE ENTITLEMENTS**

Council’s provision for its liability toward employees leave entitlements and associated on costs amounted to \$1.275 million. Internally restricted cash and investments of \$318,000 was held representing 25% of this liability and was, in our opinion, sufficient to meet unbudgeted and unanticipated retirements.

**6. INFRASTRUCTURE RENEWALS**

The Infrastructure Renewals ratio measures the rate at which these assets are renewed against the rate at which they are depreciating.

Special Schedule No. 7 discloses that asset renewals for 2016 represented 70% of the depreciation charges for these assets. An industry benchmark is considered to be 100%, measured annually over the long term.



**7. MANAGEMENT LETTER**

An audit management letter addressing the findings from our interim audit was issued on 6 June 2016. This included our suggestions on possible ways to strengthen and/or improve procedures and management’s comments and proposed actions.

**8. CONCLUSION**

We wish to record our appreciation to your General Manager and his staff for their ready co-operation and the courtesies extended to us during the conduct of the audit.

Yours faithfully,  
**HILL ROGERS**

**GARY MOTTAU**  
 Partner

# Bogan Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS  
for the year ended 30 June 2016

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*Comfortable Country Living*



## Bogan Shire Council

### Special Purpose Financial Statements

for the year ended 30 June 2016

Contents	Page
<b>1. Statement by Councillors and Management</b>	2
<b>2. Special Purpose Financial Statements:</b>	
Income Statement – Water Supply Business Activity	3
Income Statement – Sewerage Business Activity	4
Income Statement – Other Business Activities	n/a
Statement of Financial Position – Water Supply Business Activity	5
Statement of Financial Position – Sewerage Business Activity	6
Statement of Financial Position – Other Business Activities	n/a
<b>3. Notes to the Special Purpose Financial Statements</b>	7
<b>4. Auditor’s Report</b>	16

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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 2016

### Statement by Councillors and Management made pursuant to the Local Government Code of Accounting Practice and Financial Reporting

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

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

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

- present fairly the operating result and financial position for each of Council's declared business activities for the 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 29 September 2016.**



R L Donald OAM  
Mayor



G R J Neill  
Deputy Mayor



D A Francis  
General Manager



D A Francis  
Responsible Accounting Officer

## Bogan Shire Council

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

for the year ended 30 June 2016

\$ '000	Actual 2016	Actual 2015
<b>Income from continuing operations</b>		
Access charges	1,514	1,018
User charges	1,119	970
Fees	–	–
Interest	35	39
Grants and contributions provided for non-capital purposes	9	9
Profit from the sale of assets	–	–
Other income	215	231
<b>Total income from continuing operations</b>	<b>2,892</b>	<b>2,267</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	338	344
Borrowing costs	–	–
Materials and contracts	1,638	1,492
Depreciation and impairment	430	427
Water purchase charges	130	58
Loss on sale of assets	–	–
Calculated taxation equivalents	–	–
Debt guarantee fee (if applicable)	–	–
Other expenses	(12)	(2)
<b>Total expenses from continuing operations</b>	<b>2,524</b>	<b>2,319</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>368</b>	<b>(52)</b>
Grants and contributions provided for capital purposes	–	–
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>368</b>	<b>(52)</b>
Surplus (deficit) from discontinued operations	–	–
<b>Surplus (deficit) from all operations before tax</b>	<b>368</b>	<b>(52)</b>
Less: corporate taxation equivalent (30%) [based on result before capital]	(110)	–
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>258</b>	<b>(52)</b>
<b>Plus opening retained profits</b>	<b>6,063</b>	<b>6,115</b>
<b>Plus/less: prior period adjustments</b>	<b>–</b>	<b>–</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Taxation equivalent payments	–	–
– Debt guarantee fees	–	–
– Corporate taxation equivalent	110	–
<b>Less:</b>		
– Tax equivalent dividend paid	–	–
– Surplus dividend paid	–	–
<b>Closing retained profits</b>	<b>6,431</b>	<b>6,063</b>
<b>Return on capital %</b>	<b>2.6%</b>	<b>-0.4%</b>
<b>Subsidy from Council</b>	<b>–</b>	<b>468</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	258	(52)
Less: capital grants and contributions (excluding developer contributions)	–	–
<b>Surplus for dividend calculation purposes</b>	<b>258</b>	<b>–</b>
<b>Potential dividend calculated from surplus</b>	<b>129</b>	<b>–</b>

## Bogan Shire Council

## Income Statement of Council's Sewerage Business Activity

for the year ended 30 June 2016

\$ '000	Actual 2016	Actual 2015
<b>Income from continuing operations</b>		
Access charges	443	446
User charges	193	335
Liquid trade waste charges	–	–
Fees	–	–
Interest	64	68
Grants and contributions provided for non-capital purposes	8	8
Profit from the sale of assets	–	–
Other income	–	–
<b>Total income from continuing operations</b>	<b>708</b>	<b>857</b>
<b>Expenses from continuing operations</b>		
Employee benefits and on-costs	136	79
Borrowing costs	–	–
Materials and contracts	380	353
Depreciation and impairment	113	85
Loss on sale of assets	–	–
Calculated taxation equivalents	–	–
Debt guarantee fee (if applicable)	–	–
Other expenses	15	6
<b>Total expenses from continuing operations</b>	<b>644</b>	<b>523</b>
<b>Surplus (deficit) from continuing operations before capital amounts</b>	<b>64</b>	<b>334</b>
Grants and contributions provided for capital purposes	–	–
<b>Surplus (deficit) from continuing operations after capital amounts</b>	<b>64</b>	<b>334</b>
Surplus (deficit) from discontinued operations	–	–
<b>Surplus (deficit) from all operations before tax</b>	<b>64</b>	<b>334</b>
Less: corporate taxation equivalent (30%) [based on result before capital]	(19)	(100)
<b>SURPLUS (DEFICIT) AFTER TAX</b>	<b>45</b>	<b>234</b>
<b>Plus opening retained profits</b>	<b>7,426</b>	<b>7,092</b>
<b>Plus/less: prior period adjustments</b>	<b>–</b>	<b>–</b>
<b>Plus adjustments for amounts unpaid:</b>		
– Taxation equivalent payments	–	–
– Debt guarantee fees	–	–
– Corporate taxation equivalent	19	100
<b>Less:</b>		
– Tax equivalent dividend paid	–	–
– Surplus dividend paid	–	–
<b>Closing retained profits</b>	<b>7,490</b>	<b>7,426</b>
<b>Return on capital %</b>	<b>0.9%</b>	<b>4.7%</b>
<b>Subsidy from Council</b>	<b>78</b>	<b>–</b>
<b>Calculation of dividend payable:</b>		
Surplus (deficit) after tax	45	234
Less: capital grants and contributions (excluding developer contributions)	–	–
<b>Surplus for dividend calculation purposes</b>	<b>45</b>	<b>234</b>
<b>Potential dividend calculated from surplus</b>	<b>22</b>	<b>117</b>

## Bogan Shire Council

Statement of Financial Position – Council's Water Supply Business Activity  
as at 30 June 2016

\$ '000	Actual 2016	Actual 2015
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	304	304
Investments	1,000	1,000
Receivables	561	303
Inventories	–	–
Other	–	–
Non-current assets classified as held for sale	–	–
<b>Total current assets</b>	<b>1,865</b>	<b>1,607</b>
<b>Non-current assets</b>		
Investments	–	–
Receivables	–	39
Inventories	–	–
Infrastructure, property, plant and equipment	13,914	13,763
Investments accounted for using equity method	–	–
Investment property	–	–
Intangible assets	–	–
Other	–	–
<b>Total non-current assets</b>	<b>13,914</b>	<b>13,802</b>
<b>TOTAL ASSETS</b>	<b>15,779</b>	<b>15,409</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Bank overdraft	–	–
Payables	48	46
Borrowings	–	–
Provisions	–	–
<b>Total current liabilities</b>	<b>48</b>	<b>46</b>
<b>Non-current liabilities</b>		
Payables	–	–
Borrowings	–	–
Provisions	–	–
<b>Total non-current liabilities</b>	<b>–</b>	<b>–</b>
<b>TOTAL LIABILITIES</b>	<b>48</b>	<b>46</b>
<b>NET ASSETS</b>	<b>15,731</b>	<b>15,363</b>
<b>EQUITY</b>		
Retained earnings	6,431	6,063
Revaluation reserves	9,300	9,300
Council equity interest	15,731	15,363
Non-controlling equity interest	–	–
<b>TOTAL EQUITY</b>	<b>15,731</b>	<b>15,363</b>

## Bogan Shire Council

## Statement of Financial Position – Council's Sewerage Business Activity

as at 30 June 2016

\$ '000	Actual 2016	Actual 2015
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	1,548	1,444
Investments	1,000	1,000
Receivables	87	100
Inventories	–	–
Other	–	–
Non-current assets classified as held for sale	–	–
<b>Total Current Assets</b>	<b>2,635</b>	<b>2,544</b>
<b>Non-current assets</b>		
Investments	–	–
Receivables	–	5
Inventories	–	–
Infrastructure, property, plant and equipment	7,125	7,143
Investments accounted for using equity method	–	–
Investment property	–	–
Intangible assets	–	–
Other	–	–
<b>Total non-current assets</b>	<b>7,125</b>	<b>7,148</b>
<b>TOTAL ASSETS</b>	<b>9,760</b>	<b>9,692</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Bank overdraft	–	–
Payables	6	2
Borrowings	–	–
Provisions	–	–
<b>Total current liabilities</b>	<b>6</b>	<b>2</b>
<b>Non-current liabilities</b>		
Payables	–	–
Borrowings	–	–
Provisions	–	–
<b>Total non-current liabilities</b>	<b>–</b>	<b>–</b>
<b>TOTAL LIABILITIES</b>	<b>6</b>	<b>2</b>
<b>NET ASSETS</b>	<b>9,754</b>	<b>9,690</b>
<b>EQUITY</b>		
Retained earnings	7,490	7,426
Revaluation reserves	2,264	2,264
Council equity interest	9,754	9,690
Non-controlling equity interest	–	–
<b>TOTAL EQUITY</b>	<b>9,754</b>	<b>9,690</b>

## Bogan Shire Council

### Special Purpose Financial Statements

for the year ended 30 June 2016

#### Contents of the notes accompanying the financial statements

Note	Details	Page
1	Summary of significant accounting policies	8
2	Water Supply Business Best-Practice Management disclosure requirements	11
3	Sewerage Business Best-Practice Management disclosure requirements	13

## Bogan Shire Council

### Notes to the Special Purpose Financial Statements for the year ended 30 June 2016

#### Note 1. Significant accounting policies

These financial statements are a Special Purpose Financial Statements (SPFS) prepared for use by Council and the Office of Local Government.

For the purposes of these statements, the Council is not a reporting not-for-profit entity.

The figures presented in the SPFS, unless otherwise stated, have been prepared in accordance with:

- the recognition and measurement criteria of relevant Australian Accounting Standards,
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB), and
- Australian Accounting Interpretations.

The disclosures in the SPFS have been prepared in accordance with:

- the Local Government Act (1993) NSW,
- the Local Government (General) Regulation, and
- the Local Government Code of Accounting Practice and Financial Reporting.

The statements are also prepared on an accruals basis, based on historic costs and do not take into account changing money values nor current values of non-current assets (except where specifically stated).

Certain taxes and other costs (appropriately described) have been imputed for the purposes of the National Competition Policy.

#### National Competition Policy

Council has adopted the principle of 'competitive neutrality' to its business activities as part of the national competition policy which is being applied throughout Australia at all levels of government.

The framework for its application is set out in the June 1996 government policy statement, *Application of National Competition Policy to Local Government*.

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

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide standards for disclosure. These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, return on investments (rate of return), and dividends paid.

#### Declared business activities

In accordance with *Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality*, Council has declared that the following are to be considered as business activities:

##### Category 1

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

##### a. **Bogan Shire Council Combined Water Supplies**

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

##### 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, with the exception of some figures disclosed in Note 2 (Water Supply Best-Practice Management Disclosures) and Note 3 (Sewerage Best-Practice Management Disclosures).

As required by the NSW Office of Water (Department of Primary Industries) the amounts shown in Note 2 and Note 3 are disclosed in whole dollars.

#### (i) Taxation-equivalent charges

Council is liable to pay various taxes and financial duties in undertaking its business activities. Where this is the case, they are disclosed in these



## Bogan Shire Council

### Notes to the Special Purpose Financial Statements for the year ended 30 June 2016

#### Note 1. Significant accounting policies (continued)

statements as a cost of operations just like all other costs.

However, where Council is exempt from paying taxes which are generally paid by private sector businesses (such as income tax), equivalent tax payments have been applied to all Council-nominated business activities and are reflected in these financial statements.

For the purposes of disclosing comparative information relevant to the private sector equivalent, the following taxation equivalents have been applied to all Council-nominated business activities (this does not include Council's non-business activities):

#### Notional rate applied (%)

##### Corporate income tax rate – 30%

Land tax – the first **\$482,000** of combined land values attracts **0%**. For that valued from \$482,001 to \$2,947,000 the rate is **1.6% + \$100**. For the remaining combined land value that exceeds \$2,947,000, a premium marginal rate of **2.0%** applies.

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

In accordance with the Best-Practice Management of Water Supply and Sewerage Guidelines, a payment for the amount calculated as the annual tax equivalent charges (excluding income tax) must be paid from water supply and sewerage business activities.

The payment of taxation equivalent charges, referred in the Best-Practice Management of Water Supply and Sewerage Guidelines to as a 'dividend for taxation equivalent', may be applied for any purpose allowed under the *Local Government Act, 1993*.

Achievement of substantial compliance against the Best-Practice Management of Water Supply and Sewerage Guidelines is not a prerequisite for the payment of the tax equivalent charges, however the payment must not exceed \$3 per assessment.

#### Income tax

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

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

Accordingly, the return on capital invested is set at a pre-tax level (gain or loss from ordinary activities before capital amounts) as would be applied by a private sector competitor – that is, it should include a provision equivalent to the corporate income tax rate, currently 30%.

Income tax is only applied where a positive gain/(loss) from ordinary activities before capital amounts has been achieved.

Since this taxation equivalent is notional – that is, it is payable to Council as the 'owner' of business operations, it represents an internal payment and has no effect on the operations of the Council. Accordingly, there is no need for disclosure of internal charges in Council's General Purpose Financial Statements.

The 30% rate applied is the equivalent company tax rate prevalent as at balance date. No adjustments have been made for variations that have occurred during the 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.

## Bogan Shire Council

### Notes to the Special Purpose Financial Statements for the year ended 30 June 2016

#### Note 1. Significant accounting policies (continued)

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

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

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

#### (iii) Return on investments (rate of return)

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

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

The rate of return on capital is calculated as follows:

**Operating result before capital income + interest expense**

**Written down value of I,PP&E as at 30 June**

As a minimum, business activities should generate a return equal to the Commonwealth 10 year bond rate which is 2.17% at 30/6/16.

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

#### (iv) Dividends

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

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

The dividend, calculated and approved in accordance with the Best-Practice Management of

Water Supply and Sewerage Guidelines, must not exceed either:

- (i) 50% of this surplus in any one year, or
- (ii) the number of water supply or sewerage assessments at 30 June 2016 multiplied by \$30 (less the payment for tax equivalent charges, not exceeding \$3 per assessment).

In accordance with the Best-Practice Management of Water Supply and Sewerage Guidelines, a Dividend Payment Form, Statement of Compliance, Unqualified Independent Financial Audit Report and Compliance Audit Report are required to be submitted to the NSW Office of Water prior to making the dividend and only after it has approved the payment.

## Bogan Shire Council

Notes to the Special Purpose Financial Statements  
for the year ended 30 June 2016Note 2. Water supply business  
best-practice management disclosure requirements

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

2016

**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	4,209
(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]	128,800
(ii)	Number of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment	42,090
(iii)	Cumulative surplus before dividends for the 3 years to 30 June 2016, less the cumulative dividends paid for the 2 years to 30 June 2015 and 30 June 2014	64,600

2016 Surplus	257,600	2015 Surplus	(52,000)	2014 Surplus	(141,000)
		2015 Dividend	-	2014 Dividend	-

(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	42,090
(v)	Dividend actually paid from surplus [refer below for required pre-dividend payment criteria]	-
(vi)	Are the overhead reallocation charges to the water business fair and reasonable? <sup>a</sup>	YES

**3. Required outcomes for 6 criteria**

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

(i)	Completion of strategic business plan (including financial plan)	YES
(ii)	Full cost recovery, without significant cross subsidies [refer item 2 (a) in table 1 on page 22 of the Best-Practice Guidelines]	YES
	– Complying charges [item 2 (b) in table 1]	YES
	– DSP with commercial developer charges [item 2 (e) in table 1]	YES
	– If dual water supplies, complying charges [item 2 (g) in table 1]	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 2016Note 2. Water supply business  
best-practice management disclosure requirements (continued)

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Dollars amounts shown below are in whole dollars (unless otherwise indicated) 2016


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## 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	2,856
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)]	%	59.16%
NWI F9	Written down replacement cost of fixed assets (water) Written down current cost of system assets (w47)	\$'000	13,914
NWI F11	Operating cost (OMA) (water) Management expenses (w1) + operational and maintenance expenses (w2)	\$'000	2,093
NWI F14	Capital expenditure (water) Acquisition of fixed assets (w16)	\$'000	445
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)]	%	2.39%
NWI F26	Capital works grants (water) Grants for the acquisition of assets (w11a)	\$'000	–

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

## Bogan Shire Council

Notes to the Special Purpose Financial Statements  
for the year ended 30 June 2016Note 3. Sewerage business  
best-practice management disclosure requirements

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

2016

**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	3,591
(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]	22,400
(ii)	Number of assessments x (\$30 less tax equivalent charges per assessment)	35,910
(iii)	Cumulative surplus before dividends for the 3 years to 30 June 2016, less the cumulative dividends paid for the 2 years to 30 June 2015 and 30 June 2014	446,600

2016 Surplus	44,800	2015 Surplus	233,800	2014 Surplus	168,000
		2015 Dividend	-	2014 Dividend	-

(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	22,400
(v)	Dividend actually paid from surplus [refer below for required pre-dividend payment criteria]	-
(vi)	Are the overhead reallocation charges to the sewer business fair and reasonable? <sup>a</sup>	YES

**3. Required outcomes for 4 criteria**

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

(i)	Completion of strategic business plan (including financial plan)	YES
(ii)	Pricing with full cost-recovery, without significant cross subsidies [refer item 2 (a) in table 1 on page 22 of the Best-Practice Guidelines]	YES
	Complying charges	
	(a) Residential [item 2 (c) in table 1]	YES
	(b) Non-residential [item 2 (c) in table 1]	YES
	(c) Trade waste [item 2 (d) in table 1]	YES
	DSP with commercial developer charges [item 2 (e) in table 1]	YES
	Liquid trade waste approvals and policy [item 2 (f) in table 1]	YES
(iii)	Complete performance reporting form (by 15 September each year)	YES
(iv)	a. Integrated water cycle management evaluation	YES
	b. Complete and implement integrated water cycle management strategy	YES

## Bogan Shire Council

Notes to the Special Purpose Financial Statements  
for the year ended 30 June 2016Note 3. Sewerage business  
best-practice management disclosure requirements (continued)

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Dollars amounts shown below are in whole dollars (unless otherwise indicated) 2016


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**National Water Initiative (NWI) financial performance indicators**

<b>NWI F2</b>	Total revenue (sewerage) Total income (s14) – grants for acquisition of assets (s12a) – interest income (s10) – Aboriginal Communities W&S Program income (w10a)	\$'000	644
<b>NWI F10</b>	Written down replacement cost of fixed assets (sewerage) Written down current cost of system assets (s48)	\$'000	7,125
<b>NWI F12</b>	Operating cost (sewerage) Management expenses (s1) + operational and maintenance expenses (s2)	\$'000	531
<b>NWI F15</b>	Capital expenditure (sewerage) Acquisition of fixed assets (s17)	\$'000	24
<b>NWI F18</b>	Economic real rate of return (sewerage) [total income (s14) – interest income (s10) – grants for acquisition of assets (s12a) – operating cost (NWI F12) – current cost depreciation (s3)] x 100 divided by [written down current cost (i.e. WDCC) of system assets (s48) + plant and equipment (s34b)]	%	0.00%
<b>NWI F27</b>	Capital works grants (sewerage) Grants for the acquisition of assets (12a)	\$'000	–

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

<b>NWI F3</b>	Total income (water and sewerage) Total income (w13 + s14) + gain/loss on disposal of assets (w14 + s15) minus grants for acquisition of assets (w11a + s12a) – interest income (w9 + s10)	\$'000	3,500
<b>NWI F8</b>	Revenue from community service obligations (water and sewerage) Community service obligations (NWI F25) x 100 divided by total income (NWI F3)	%	0.49%
<b>NWI F16</b>	Capital expenditure (water and sewerage) Acquisition of fixed assets (w16 + s17)	\$'000	469
<b>NWI F19</b>	Economic real rate of return (water and sewerage) [total income (w13 + s14) – interest income (w9 + s10) – grants for acquisition of assets (w11a + s12a) – operating cost (NWI F11 + NWI F12) – current cost depreciation (w3 + s3)] x 100 divided by [written down replacement cost of fixed assets (NWI F9 + NWI F10) + plant and equipment (w33b + s34b)]	%	1.58%
<b>NWI F20</b>	Dividend (water and sewerage) Dividend paid from surplus (2 (v) of Note 2 + 2 (v) of Note 3)	\$'000	–
<b>NWI F21</b>	Dividend payout ratio (water and sewerage) Dividend (NWI F20) x 100 divided by net profit after tax (NWI F24)	%	0.00%

## Bogan Shire Council

Notes to the Special Purpose Financial Statements  
for the year ended 30 June 2016Note 3. Sewerage business  
best-practice management disclosure requirements (continued)

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

2016

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

<b>NWI F22</b>	Net debt to equity (water and sewerage) Overdraft (w36 + s37) + borrowings (w38 + s39) – cash and investments (w30 + s31) x 100 divided by [total assets (w35 + s36) – total liabilities (w40 + s41)]	%	<input type="text" value="-15.11%"/>
<b>NWI F23</b>	Interest cover (water and sewerage) Earnings before interest and tax (EBIT) divided by net interest  Earnings before interest and tax (EBIT): <input type="text" value="333"/> 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="- 99"/> Interest expense (w4a + s4a) – interest income (w9 + s10)		<input type="text" value="&gt; 100"/>
<b>NWI F24</b>	Net profit after tax (water and sewerage) Surplus before dividends (w15a + s16a) – tax equivalents paid (Note 2-1 (iv) + Note 3-1 (iv))	\$'000	<input type="text" value="432"/>
<b>NWI F25</b>	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





## BOGAN SHIRE COUNCIL

### SPECIAL PURPOSE FINANCIAL STATEMENTS

### INDEPENDENT AUDITORS' REPORT

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#### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying special purpose financial statements of Bogan Shire Council, which comprises the Statement of Financial Position as at 30 June 2016, Income Statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Statement by Councillors and Management.

#### Responsibility of Council for the Financial Statements

The Council is responsible for the preparation and fair presentation of the financial statements in accordance with the Local Government Act 1993 and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial statements, are appropriate to meet the financial reporting requirements of the Office of Local Government. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. Our audit responsibility does not extend to the best practice management disclosures in Notes 2 and 3 and, accordingly, no opinion is expressed on these disclosures.

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

Our audit did not involve an analysis of the prudence of business decisions made by Council or management. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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#### Assurance Partners



**Independence**

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

**Auditor's Opinion**

In our opinion, the special purpose financial statements of the Council are presented fairly in accordance with the requirements of those applicable Accounting Standards detailed in Note 1 and the Local Government Code of Accounting Practice and Financial Reporting.

**Basis of Accounting**

Without modifying our opinion, we draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements have been prepared for the purpose of fulfilling the financial reporting requirements of the Office of Local Government. As a result, the financial statements may not be suitable for another purpose.

**HILL ROGERS**



**GARY MOTTAU**

Partner

Dated at Sydney this 20th day of October 2016

# Bogan Shire Council

SPECIAL SCHEDULES  
for the year ended 30 June 2016

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*Comfortable Country Living*

# Bogan Shire Council

## Special Schedules for the year ended 30 June 2016

Contents		Page
<b>Special Schedules<sup>1</sup></b>		
<b>Special Schedule 1</b>	Net Cost of Services	2
<b>Special Schedule 2(a)</b>	Statement of Long Term Debt (all purposes)	4
<b>Special Schedule 2(b)</b>	Statement of Internal Loans (Sect. 410(3) LGA 1993)	n/a
<b>Special Schedule 3</b>	Water Supply Operations – incl. Income Statement	5
<b>Special Schedule 4</b>	Water Supply – Statement of Financial Position	8
<b>Special Schedule 5</b>	Sewerage Service Operations – incl. Income Statement	9
<b>Special Schedule 6</b>	Sewerage Service – Statement of Financial Position	12
<b>Notes to Special Schedules 3 and 5</b>		13
<b>Special Schedule 7</b>	Report on Infrastructure Assets	14
<b>Special Schedule 8</b>	Permissible Income Calculation	19

<sup>1</sup> Special Schedules are not audited (with the exception of Special Schedule 8).

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### Background

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

## Bogan Shire Council

Special Schedule 1 – Net Cost of Services  
for the year ended 30 June 2016

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
<b>Governance</b>	<b>595</b>	<b>174</b>	<b>–</b>	<b>(421)</b>
<b>Administration</b>	<b>2,742</b>	<b>24</b>	<b>–</b>	<b>(2,718)</b>
<b>Public order and safety</b>				
Fire service levy, fire protection, emergency services	237	288	–	51
Beach control	–	–	–	–
Enforcement of local government regulations	–	–	–	–
Animal control	114	3	–	(111)
Other	–	–	–	–
<b>Total public order and safety</b>	<b>351</b>	<b>291</b>	<b>–</b>	<b>(60)</b>
<b>Health</b>	<b>15</b>	<b>12</b>	<b>–</b>	<b>(3)</b>
<b>Environment</b>				
Noxious plants and insect/vermin control	85	22	–	(63)
Other environmental protection	315	6	–	(309)
Solid waste management	701	655	44	(2)
Street cleaning	–	–	–	–
Drainage	–	–	–	–
Stormwater management	6	–	–	(6)
<b>Total environment</b>	<b>1,107</b>	<b>683</b>	<b>44</b>	<b>(380)</b>
<b>Community services and education</b>				
Administration and education	81	–	–	(81)
Social protection (welfare)	–	–	–	–
Aged persons and disabled	–	2	–	2
Children's services	472	364	450	342
<b>Total community services and education</b>	<b>553</b>	<b>366</b>	<b>450</b>	<b>263</b>
<b>Housing and community amenities</b>				
Public cemeteries	39	33	–	(6)
Public conveniences	6	–	–	(6)
Street lighting	73	16	–	(57)
Town planning	39	47	–	8
Other community amenities	–	–	–	–
<b>Total housing and community amenities</b>	<b>157</b>	<b>96</b>	<b>–</b>	<b>(61)</b>
<b>Water supplies</b>	<b>2,540</b>	<b>2,892</b>	<b>–</b>	<b>352</b>
<b>Sewerage services</b>	<b>641</b>	<b>709</b>	<b>–</b>	<b>68</b>

## Bogan Shire Council

Special Schedule 1 – Net Cost of Services (continued)  
for the year ended 30 June 2016

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
<b>Recreation and culture</b>				
Public libraries	200	26	–	(174)
Museums	1	8	–	7
Art galleries	–	–	–	–
Community centres and halls	29	14	–	(15)
Performing arts venues	–	–	–	–
Other performing arts	1	–	–	(1)
Other cultural services	16	–	–	(16)
Sporting grounds and venues	25	–	–	(25)
Swimming pools	218	16	–	(202)
Parks and gardens (lakes)	596	–	–	(596)
Other sport and recreation	66	24	–	(42)
<b>Total recreation and culture</b>	<b>1,152</b>	<b>88</b>	<b>–</b>	<b>(1,064)</b>
<b>Fuel and energy</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Agriculture</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Mining, manufacturing and construction</b>				
Building control	1	7	–	6
Other mining, manufacturing and construction	–	–	–	–
<b>Total mining, manufacturing and const.</b>	<b>1</b>	<b>7</b>	<b>–</b>	<b>6</b>
<b>Transport and communication</b>				
Urban roads (UR) – local	–	–	–	–
Urban roads – regional	–	–	–	–
Sealed rural roads (SRR) – local	661	–	–	(661)
Sealed rural roads (SRR) – regional	3,431	3,226	–	(205)
Unsealed rural roads (URR) – local	1,044	1,783	–	739
Unsealed rural roads (URR) – regional	513	899	150	536
Bridges on UR – local	–	–	–	–
Bridges on SRR – local	–	–	–	–
Bridges on URR – local	–	–	–	–
Bridges on regional roads	–	–	–	–
Parking areas	–	–	–	–
Footpaths	–	–	–	–
Aerodromes	88	–	–	(88)
Other transport and communication	993	58	31	(904)
<b>Total transport and communication</b>	<b>6,730</b>	<b>5,966</b>	<b>181</b>	<b>(583)</b>
<b>Economic affairs</b>				
Camping areas and caravan parks	–	–	–	–
Other economic affairs	79	172	–	93
<b>Total economic affairs</b>	<b>79</b>	<b>172</b>	<b>–</b>	<b>93</b>
<b>Totals – functions</b>	<b>16,663</b>	<b>11,480</b>	<b>675</b>	<b>(4,508)</b>
<b>General purpose revenues <sup>(1)</sup></b>		<b>6,317</b>		<b>6,317</b>
<b>Share of interests – joint ventures and associates using the equity method</b>	<b>4</b>	<b>–</b>		<b>(4)</b>
<b>NET OPERATING RESULT <sup>(2)</sup></b>	<b>16,667</b>	<b>17,797</b>	<b>675</b>	<b>1,805</b>

(1) Includes: rates and annual charges (including ex gratia, excluding water and sewer), non-capital general purpose grants, interest on investments (excluding externally restricted assets) and interest on overdue rates and annual charges (2) As reported in the Income Statement

## Bogan Shire Council

## Special Schedule 2(a) – Statement of Long Term Debt (all purpose)

for the year ended 30 June 2016

\$'000

Classification of debt	Principal outstanding at beginning of the year			New loans raised during the year	Debt redemption during the year		Transfers to sinking funds	Interest applicable for year	Principal outstanding at the end of the year		
	Current	Non-current	Total		From revenue	Sinking funds			Current	Non-current	Total
<b>Loans (by source)</b>											
Commonwealth government	–	–	–	–	–	–	–	–	–	–	–
Treasury corporation	–	–	–	–	–	–	–	–	–	–	–
Other state government	–	–	–	–	–	–	–	–	–	–	–
Public subscription	–	–	–	–	–	–	–	–	–	–	–
Financial institutions	–	–	–	–	–	–	–	–	–	–	–
Other	2	–	2	–	1	–	–	0	1	–	1
<b>Total loans</b>	<b>2</b>	<b>–</b>	<b>2</b>	<b>–</b>	<b>1</b>	<b>–</b>	<b>–</b>	<b>0</b>	<b>1</b>	<b>–</b>	<b>1</b>
<b>Other long term debt</b>											
Ratepayers advances	–	–	–	–	–	–	–	–	–	–	–
Government advances	–	–	–	–	–	–	–	–	–	–	–
Finance leases	–	–	–	–	–	–	–	–	–	–	–
Deferred payments	–	–	–	–	–	–	–	–	–	–	–
<b>Total long term debt</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total debt</b>	<b>2</b>	<b>–</b>	<b>2</b>	<b>–</b>	<b>1</b>	<b>–</b>	<b>–</b>	<b>0</b>	<b>1</b>	<b>–</b>	<b>1</b>

Notes: excludes (i) internal loans and (ii) principal inflows/outflows relating to loan re-financing.

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

## 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 2016

\$'000	Actuals 2016	Actuals 2015
<b>A Expenses and income</b>		
<b>Expenses</b>		
<b>1. Management expenses</b>		
a. Administration	133	115
b. Engineering and supervision	489	489
<b>2. Operation and maintenance expenses</b>		
– <b>dams and weirs</b>		
a. Operation expenses	737	305
b. Maintenance expenses	1	2
– <b>Mains</b>		
c. Operation expenses	45	146
d. Maintenance expenses	60	129
– <b>Reservoirs</b>		
e. Operation expenses	79	92
f. Maintenance expenses	7	17
– <b>Pumping stations</b>		
g. Operation expenses (excluding energy costs)	–	–
h. Energy costs	53	80
i. Maintenance expenses	252	256
– <b>Treatment</b>		
j. Operation expenses (excluding chemical costs)	–	–
k. Chemical costs	78	120
l. Maintenance expenses	–	–
– <b>Other</b>		
m. Operation expenses	10	13
n. Maintenance expenses	78	123
o. Purchase of water	71	–
<b>3. Depreciation expenses</b>		
a. System assets	430	427
b. Plant and equipment	–	–
<b>4. Miscellaneous expenses</b>		
a. Interest expenses	–	–
b. Revaluation decrements	–	–
c. Other expenses	–	5
d. Impairment – system assets	–	–
e. Impairment – plant and equipment	–	–
f. Aboriginal Communities Water and Sewerage Program	–	–
g. Tax equivalents dividends (actually paid)	–	–
<b>5. Total expenses</b>	<b>2,523</b>	<b>2,319</b>

## 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 2016

\$'000	Actuals 2016	Actuals 2015
<b>Income</b>		
<b>6. Residential charges</b>		
a. Access (including rates)	753	726
b. Usage charges	1,091	966
<b>7. Non-residential charges</b>		
a. Access (including rates)	–	–
b. Usage charges	–	–
<b>8. Extra charges</b>	–	–
<b>9. Interest income</b>	35	39
<b>10. Other income</b>	775	294
<b>10a. Aboriginal Communities Water and Sewerage Program</b>	–	–
<b>11. Grants</b>		
a. Grants for acquisition of assets	–	–
b. Grants for pensioner rebates	9	9
c. Other grants	–	–
<b>12. Contributions</b>		
a. Developer charges	–	–
b. Developer provided assets	–	–
c. Other contributions	228	233
<b>13. Total income</b>	<b>2,891</b>	<b>2,267</b>
<b>14. Gain (or loss) on disposal of assets</b>	–	–
<b>15. Operating result</b>	<b>368</b>	<b>(52)</b>
<b>15a. Operating result (less grants for acquisition of assets)</b>	368	(52)



## 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 2016

\$'000	Actuals 2016	Actuals 2015
<b>B Capital transactions</b>		
<b>Non-operating expenditures</b>		
<b>16. Acquisition of fixed assets</b>		
a. New assets for improved standards	90	–
b. New assets for growth	–	–
c. Renewals	355	–
d. Plant and equipment	–	–
<b>17. Repayment of debt</b>	–	–
<b>18. Totals</b>	<b>445</b>	<b>–</b>
<b>Non-operating funds employed</b>		
<b>19. Proceeds from disposal of assets</b>	–	–
<b>20. Borrowing utilised</b>	–	–
<b>21. Totals</b>	<b>–</b>	<b>–</b>
<b>C Rates and charges</b>		
<b>22. Number of assessments</b>		
a. Residential (occupied)	1,050	926
b. Residential (unoccupied, ie. vacant lot)	121	106
c. Non-residential (occupied)	147	148
d. Non-residential (unoccupied, ie. vacant lot)	85	–
<b>23. Number of ETs for which developer charges were received</b>	– ET	– ET
<b>24. Total amount of pensioner rebates (actual dollars)</b>	\$ 17,161	\$ 16,307

## 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 2016

\$'000	Actuals Current	Actuals Non-current	Actuals Total
<b>ASSETS</b>			
<b>25. Cash and investments</b>			
a. Developer charges	–	–	–
b. Special purpose grants	–	–	–
c. Accrued leave	–	–	–
d. Unexpended loans	–	–	–
e. Sinking fund	–	–	–
f. Other	1,304	–	1,304
<b>26. Receivables</b>			
a. Specific purpose grants	–	–	–
b. Rates and availability charges	52	–	52
c. User charges	492	–	492
d. Other	17	–	17
<b>27. Inventories</b>	–	–	–
<b>28. Property, plant and equipment</b>			
a. System assets	–	13,914	13,914
b. Plant and equipment	–	–	–
<b>29. Other assets</b>	–	–	–
<b>30. Total assets</b>	<u>1,865</u>	<u>13,914</u>	<u>15,779</u>
<b>LIABILITIES</b>			
<b>31. Bank overdraft</b>	–	–	–
<b>32. Creditors</b>	48	–	48
<b>33. Borrowings</b>	–	–	–
<b>34. Provisions</b>			
a. Tax equivalents	–	–	–
b. Dividend	–	–	–
c. Other	–	–	–
<b>35. Total liabilities</b>	<u>48</u>	<u>–</u>	<u>48</u>
<b>36. NET ASSETS COMMITTED</b>	<u>1,817</u>	<u>13,914</u>	<u>15,731</u>
<b>EQUITY</b>			
<b>37. Accumulated surplus</b>			6,431
<b>38. Asset revaluation reserve</b>			9,300
<b>39. TOTAL EQUITY</b>			<u>15,731</u>
<b>Note to system assets:</b>			
<b>40. Current replacement cost</b> of system assets			33,143
<b>41. Accumulated current cost</b> depreciation of system assets			(19,229)
<b>42. Written down current cost</b> of system assets			<u>13,914</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 2016

\$'000	Actuals 2016	Actuals 2015
<b>A Expenses and income</b>		
<b>Expenses</b>		
<b>1. Management expenses</b>		
a. Administration	44	14
b. Engineering and supervision	256	256
<b>2. Operation and maintenance expenses</b>		
– mains		
a. Operation expenses	76	57
b. Maintenance expenses	109	76
– Pumping stations		
c. Operation expenses (excluding energy costs)	19	19
d. Energy costs	10	9
e. Maintenance expenses	–	–
– Treatment		
f. Operation expenses (excl. chemical, energy, effluent and biosolids management costs)	–	–
g. Chemical costs	15	7
h. Energy costs	–	–
i. Effluent management	–	–
j. Biosolids management	–	–
k. Maintenance expenses	–	–
– Other		
l. Operation expenses	1	–
m. Maintenance expenses	1	–
<b>3. Depreciation expenses</b>		
a. System assets	113	85
b. Plant and equipment	–	–
<b>4. Miscellaneous expenses</b>		
a. Interest expenses	–	–
b. Revaluation decrements	–	–
c. Other expenses	–	–
d. Impairment – system assets	–	–
e. Impairment – plant and equipment	–	–
f. Aboriginal Communities Water and Sewerage Program	–	–
g. Tax equivalents dividends (actually paid)	–	–
<b>5. Total expenses</b>	<b>644</b>	<b>523</b>

## 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 2016

\$'000	Actuals 2016	Actuals 2015
<b>Income</b>		
<b>6. Residential charges</b> (including rates)	444	445
<b>7. Non-residential charges</b>		
a. Access (including rates)	–	–
b. Usage charges	186	331
<b>8. Trade waste charges</b>		
a. Annual fees	4	4
b. Usage charges	–	–
c. Excess mass charges	–	–
d. Re-inspection fees	–	–
<b>9. Extra charges</b>	–	–
<b>10. Interest income</b>	64	68
<b>11. Other income</b>	2	1
<b>11a. Aboriginal Communities Water and Sewerage Program</b>	–	–
<b>12. Grants</b>		
a. Grants for acquisition of assets	–	–
b. Grants for pensioner rebates	8	8
c. Other grants	–	–
<b>13. Contributions</b>		
a. Developer charges	–	–
b. Developer provided assets	–	–
c. Other contributions	–	–
<b>14. Total income</b>	<b>708</b>	<b>857</b>
<b>15. Gain (or loss) on disposal of assets</b>	–	–
<b>16. Operating result</b>	<b>64</b>	<b>334</b>
<b>16a. Operating result (less grants for acquisition of assets)</b>	64	334

## 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 2016

\$'000	Actuals 2016	Actuals 2015
<b>B Capital transactions</b>		
<b>Non-operating expenditures</b>		
<b>17. Acquisition of fixed assets</b>		
a. New assets for improved standards	7	–
b. New assets for growth	–	–
c. Renewals	17	–
d. Plant and equipment	–	–
<b>18. Repayment of debt</b>	–	–
<b>19. Totals</b>	<b>24</b>	<b>–</b>
<b>Non-operating funds employed</b>		
<b>20. Proceeds from disposal of assets</b>	–	–
<b>21. Borrowing utilised</b>	–	–
<b>22. Totals</b>	<b>–</b>	<b>–</b>
<b>C Rates and charges</b>		
<b>23. Number of assessments</b>		
a. Residential (occupied)	865	803
b. Residential (unoccupied, ie. vacant lot)	121	31
c. Non-residential (occupied)	126	126
d. Non-residential (unoccupied, ie. vacant lot)	85	23
<b>24. Number of ETs for which developer charges were received</b>	– ET	– ET
<b>25. Total amount of pensioner rebates (actual dollars)</b>	\$ 15,148	\$ 14,558

## 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 2016

\$'000	Actuals Current	Actuals Non-current	Actuals Total
<b>ASSETS</b>			
<b>26. Cash and investments</b>			
a. Developer charges	–	–	–
b. Special purpose grants	–	–	–
c. Accrued leave	–	–	–
d. Unexpended loans	–	–	–
e. Sinking fund	–	–	–
f. Other	2,548	–	2,548
<b>27. Receivables</b>			
a. Specific purpose grants	–	–	–
b. Rates and availability charges	28	–	28
c. User charges	53	–	53
d. Other	6	–	6
<b>28. Inventories</b>	–	–	–
<b>29. Property, plant and equipment</b>			
a. System assets	–	7,125	7,125
b. Plant and equipment	–	–	–
<b>30. Other assets</b>	–	–	–
<b>31. Total assets</b>	<u>2,635</u>	<u>7,125</u>	<u>9,760</u>
<b>LIABILITIES</b>			
<b>32. Bank overdraft</b>	–	–	–
<b>33. Creditors</b>	6	–	6
<b>34. Borrowings</b>	–	–	–
<b>35. Provisions</b>			
a. Tax equivalents	–	–	–
b. Dividend	–	–	–
c. Other	–	–	–
<b>36. Total liabilities</b>	<u>6</u>	<u>–</u>	<u>6</u>
<b>37. NET ASSETS COMMITTED</b>	<u>2,629</u>	<u>7,125</u>	<u>9,754</u>
<b>EQUITY</b>			
<b>38. Accumulated surplus</b>			7,490
<b>39. Asset revaluation reserve</b>			2,264
<b>40. TOTAL EQUITY</b>			<u>9,754</u>
<b>Note to system assets:</b>			
<b>41. Current replacement cost</b> of system assets			11,148
<b>42. Accumulated current cost</b> depreciation of system assets			(4,023)
<b>43. Written down current cost</b> of system assets			<u>7,125</u>

## Bogan Shire Council

### Notes to Special Schedules 3 and 5 for the year ended 30 June 2016

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### Notes:

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

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

## Bogan Shire Council

## Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2016

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2015/16 Required maintenance <sup>a</sup>	2015/16 Actual maintenance	Carrying value	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost						
								1	2	3	4	5		
<b>Buildings</b>	Admin Buildings	10	–	50	6	526	1,615		50%	50%			0%	
	Public Order & Safety	–	–	–	5	209	240	95%	5%				0%	
	Health	5	–	5	–	671	1,260	95%	5%				0%	
	Environment	158	–	160	8	232	332		100%				0%	
	Community Services & Education	–	–	–	63	1,399	1,533	98%	2%				0%	
	Housing & Community Amenities	246	–	–	75	1,484	1,789	60%	30%	10%			0%	
	Recreation & Culture	350	–	400	490	4,932	13,563	20%	46%	34%			0%	
	Transport & Communication	–	–	–	37	868	2,209		100%				0%	
	<b>Sub-total</b>	<b>769</b>	<b>–</b>	<b>615</b>	<b>684</b>	<b>10,321</b>	<b>22,541</b>	<b>29.8%</b>	<b>45.4%</b>	<b>24.8%</b>	<b>0.0%</b>	<b>0.0%</b>		
<b>Other structures</b>	Other structures	110	–	30	–	1,910	1,767	5%	44%	51%			0%	
	<b>Sub-total</b>	<b>110</b>	<b>–</b>	<b>30</b>	<b>–</b>	<b>1,910</b>	<b>1,767</b>	<b>5.0%</b>	<b>44.0%</b>	<b>51.0%</b>	<b>0.0%</b>	<b>0.0%</b>		
<b>Roads</b>	Town & Village Streets	–	–	342	400	6,674	8,982	40%	60%				0%	
	Regional Road Pavement	500	–	100	–	11,467	11,652	98%	1%	1%			0%	
	Regional Road Surface Sealed	–	–	400	–	2,365	3,901	37%	60%	3%			0%	
	Regional Road Surface Unsealed	100	–	400	270	1,049	1,744	38%	56%	6%			0%	
	Rural Road Pavement	160	–	75	–	15,812	16,108	99%	1%				0%	
	Rural Road Surface Sealed	300	–	200	261	4,643	6,640	73%	26%	1%			0%	
	Rural Road Surface Unsealed	1,300	–	965	1,044	10,282	14,868	38%	59%	3%			0%	
	Bridges	–	–	–	–	9,923	11,784	100%					0%	
	Culverts	379	–	–	–	13,791	16,447	98%	1%	1%			0%	
	Footpaths	–	–	30	–	2,096	3,381	100%					0%	
	Kerb & Gutter	5	–	40	–	1,519	2,817	99%		1%			0%	
	Road Formation	–	–	–	–	65,095	65,095	100%		0%			0%	
	Other	25	–	50	–	635	738	26%	70%	4%			0%	
	<b>Sub-total</b>	<b>2,769</b>	<b>–</b>	<b>2,602</b>	<b>1,975</b>	<b>145,351</b>	<b>164,157</b>	<b>87.1%</b>	<b>12.3%</b>	<b>0.7%</b>	<b>0.0%</b>	<b>0.0%</b>		



## Bogan Shire Council

## Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2016 (continued)

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2015/16 Required maintenance <sup>a</sup>	2015/16 Actual maintenance	Carrying value	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost					
								1	2	3	4	5	
Water supply network	Dams/Weirs	–	–	–	1	1,500	2,619		100%				0%
	Mains	90	–	46	60	5,423	11,547		45%	10%	45%		0%
	Reservoirs	5	–	6	5	3,005	4,993		69%		31%		0%
	Pumping Station/s	130	–	55	58	353	1,060				100%		0%
	Treatment	800	–	235	242	2,078	7,802					100%	0%
	Water Canals	180	–	67	60	1,555	3,953	100%					0%
	<b>Sub-total</b>	<b>1,205</b>	<b>–</b>	<b>409</b>	<b>426</b>	<b>13,914</b>	<b>31,974</b>	<b>12.4%</b>	<b>35.2%</b>	<b>11.8%</b>	<b>40.7%</b>	<b>0.0%</b>	
Sewerage network	Mains	49	–	67	61	4,944	7,848		18%	82%			0%
	Pumping Station/s	135	–	16	9	1,216	2,369	8%	32%	60%			0%
	Treatment	–	–	85	125	478	717	86%		14%			0%
	Effluent Discharge System	–	–	30	23	487	525	100%					0%
	<b>Sub-total</b>	<b>184</b>	<b>–</b>	<b>198</b>	<b>218</b>	<b>7,125</b>	<b>11,459</b>	<b>11.6%</b>	<b>18.9%</b>	<b>69.4%</b>	<b>0.0%</b>	<b>0.0%</b>	
Stormwater drainage	Gate	–	–	–	–	23	54	100%					0%
	Open Drain	–	–	–	–	896	896	100%					0%
	Sign	–	–	–	–	3	11	100%					0%
	Pump Station	–	–	–	–	131	250	100%					0%
	Levee	–	–	14	10	6,027	6,027	100%					0%
	<b>Sub-total</b>	<b>–</b>	<b>–</b>	<b>14</b>	<b>10</b>	<b>7,080</b>	<b>7,238</b>	<b>100.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>TOTAL – ALL ASSETS</b>	<b>5,037</b>	<b>–</b>	<b>3,868</b>	<b>3,313</b>	<b>185,701</b>	<b>239,136</b>	<b>67.8%</b>	<b>18.7%</b>	<b>8.1%</b>	<b>5.4%</b>	<b>0.0%</b>		

## Notes:

<sup>a</sup> Required maintenance is the amount identified in Council's asset management plans.

## Infrastructure asset condition assessment 'key'

1	<b>Excellent</b>	No work required (normal maintenance)
2	<b>Good</b>	Only minor maintenance work required
3	<b>Average</b>	Maintenance work required
4	<b>Poor</b>	Renewal required
5	<b>Very poor</b>	Urgent renewal/upgrading required

## Bogan Shire Council

Special Schedule 7 – Report on Infrastructure Assets (continued)  
for the year ended 30 June 2016

\$ '000	Amounts 2016	Indicator 2016	Prior periods	
			2015	2014
<b>Infrastructure asset performance indicators * consolidated</b>				
<b>1. Infrastructure renewals ratio</b>				
Asset renewals <sup>(1)</sup>	<u>1,936</u>	<b>69.84%</b>	60.88%	51.63%
Depreciation, amortisation and impairment	<u>2,772</u>			
<b>2. Infrastructure backlog ratio</b>				
Estimated cost to bring assets to a satisfactory standard	<u>5,037</u>	<b>2.71%</b>	1.90%	4.66%
Carrying value of infrastructure assets	<u>185,701</u>			
<b>3. Asset maintenance ratio</b>				
Actual asset maintenance	<u>3,313</u>	<b>0.86</b>	2.75	0.88
Required asset maintenance	<u>3,868</u>			
<b>4. Capital expenditure ratio</b>				
Annual capital expenditure	<u>5,843</u>	<b>1.76</b>	0.87	1.05
Annual depreciation	<u>3,311</u>			

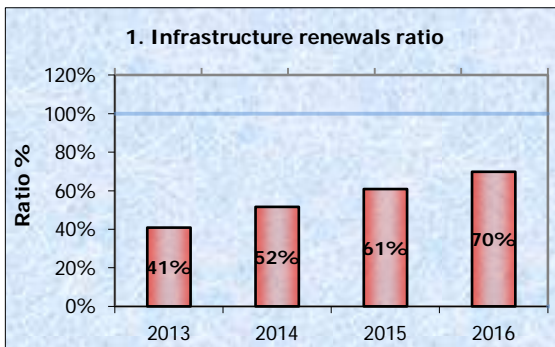
## Notes

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

(1) 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 2016



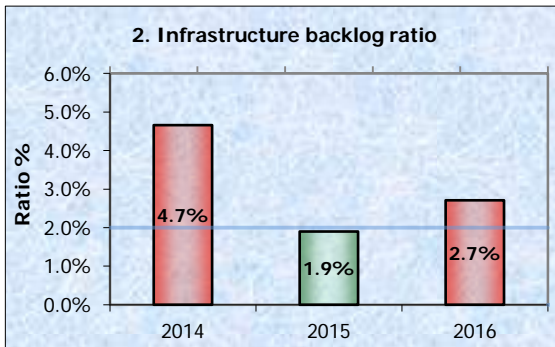
### Purpose of asset renewals ratio

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

**2015/16 Ratio 69.84%**

Benchmark: ——— Minimum  $\geq 100.00\%$   
Source for benchmark: Code of Accounting Practice and Financial Reporting #24

■ Ratio achieves benchmark  
■ Ratio is outside benchmark



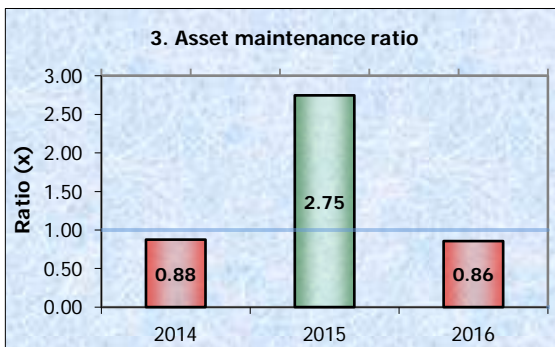
### Purpose of infrastructure backlog ratio

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

**2015/16 Ratio 2.71%**

Benchmark: ——— Maximum  $< 2.00\%$   
Source for benchmark: Code of Accounting Practice and Financial Reporting #24

■ Ratio achieves benchmark  
■ Ratio is outside benchmark



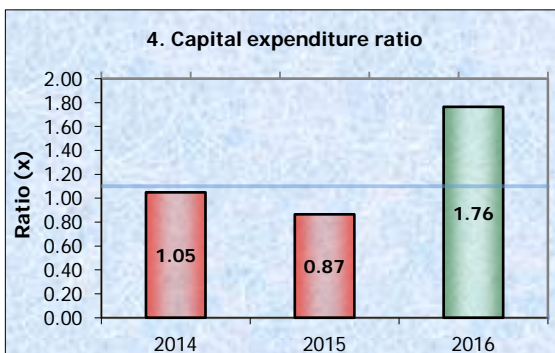
### Purpose of asset maintenance ratio

Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.

**2015/16 Ratio 0.86 x**

Benchmark: ——— Minimum  $> 1.00$   
Source for benchmark: Code of Accounting Practice and Financial Reporting #24

■ Ratio achieves benchmark  
■ Ratio is outside benchmark



### Purpose of capital expenditure ratio

To assess the extent to which a Council is expanding its asset base thru capital expenditure on both new assets and the replacement and renewal of existing assets.

**2015/16 Ratio 1.76 x**

Benchmark: ——— Minimum  $> 1.10$   
Source for benchmark: Code of Accounting Practice and Financial Reporting #24

■ Ratio achieves benchmark  
■ Ratio is outside benchmark

## Bogan Shire Council

Special Schedule 7 – Report on Infrastructure Assets (continued)  
for the year ended 30 June 2016

\$ '000	Water 2016	Sewer 2016	General <sup>(1)</sup> 2016
<b>Infrastructure asset performance indicators by fund</b>			
<b>1. Infrastructure renewals ratio</b>			
<u>Asset renewals <sup>(2)</sup></u>	<b>82.56%</b>	<b>15.04%</b>	<b>70.17%</b>
Depreciation, amortisation and impairment			
prior period:	28.34%	31.76%	44.75%
<b>2. Infrastructure backlog ratio</b>			
<u>Estimated cost to bring assets to a satisfactory standard</u>	<b>8.66%</b>	<b>2.58%</b>	<b>3.66%</b>
Carrying value of infrastructure assets			
prior period:	4.62%	6.09%	2.48%
<b>3. Asset maintenance ratio</b>			
<u>Actual asset maintenance</u>	<b>1.04</b>	<b>1.10</b>	<b>0.82</b>
Required asset maintenance			
prior period:	1.09	0.62	5.16
<b>4. Capital expenditure ratio</b>			
<u>Annual capital expenditure</u>	<b>1.03</b>	<b>0.21</b>	<b>1.94</b>
Annual depreciation			
prior period:	0.00	0.00	1.02

## Notes

- (1) General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.
- (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 8 – Permissible Income Calculation

for the year ended 30 June 2017

\$'000		Calculation 2015/16	Calculation 2016/17
<b>Notional general income calculation <sup>(1)</sup></b>			
Last year notional general income yield	a	2,659	2,714
Plus or minus adjustments <sup>(2)</sup>	b	(5)	1
<b>Notional general income</b>	c = (a + b)	<b>2,654</b>	<b>2,715</b>
<b>Permissible income calculation</b>			
Special variation percentage <sup>(3)</sup>	d	0.00%	0.00%
Or rate peg percentage	e	2.40%	1.80%
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	49
Or plus Crown land adjustment and rate peg amount	j = c x f	–	–
<b>Sub-total</b>	k = (c + g + h + i + j)	<b>2,718</b>	<b>2,764</b>
Plus (or minus) last year's carry forward total	l	–	4
Less valuation objections claimed in the previous year	m	–	–
<b>Sub-total</b>	n = (l + m)	<b>–</b>	<b>4</b>
<b>Total permissible income</b>	o = k + n	<b>2,717</b>	<b>2,768</b>
Less notional general income yield	p	2,714	2,766
<b>Catch-up or (excess) result</b>	q = o – p	<b>4</b>	<b>3</b>
Plus income lost due to valuation objections claimed <sup>(4)</sup>	r	–	–
Less unused catch-up <sup>(5)</sup>	s	–	–
<b>Carry forward to next year</b>	t = q + r – s	<b>4</b>	<b>3</b>

### 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 8 in the financial data return (FDR) to administer this process.



## BOGAN SHIRE COUNCIL

### SPECIAL SCHEDULE NO. 8

### INDEPENDENT AUDITORS' REPORT

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#### REPORT ON SPECIAL SCHEDULE NO. 8

We have audited the accompanying special purpose financial statement comprising the reconciliation of total permissible general income (Special Schedule No. 8) of Bogan Shire Council for the year ending 30 June 2017.

#### Responsibility of Council for Special Schedule No. 8

The Council is responsible for the preparation and fair presentation of Special Schedule No. 8 in accordance with the Local Government Code of Accounting Practice and Financial Reporting (Guidelines) Update No. 24. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Special Schedule No. 8 that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### Auditors' Responsibility

Our responsibility is to express an opinion on Special Schedule No. 8 based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether Special Schedule No. 8 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in Special Schedule No. 8. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of Special Schedule No. 8, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of Special Schedule No. 8.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

In making our risk assessments, we consider internal controls relevant to the entity's preparation of Special Schedule No. 8 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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#### Assurance Partners



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

**Independence**

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

**Audit Opinion**

In our opinion, Special Schedule No. 8 of Bogan Shire Council for 2016/17 is properly drawn up in accordance with the requirements of the Office of Local Government and in accordance with the books and records of the Council.

**Basis of Accounting**

Without modifying our opinion, we advise that this schedule has been prepared for distribution to the Office of Local Government for the purposes of confirming that Council's reconciliation of Council's total permissible general income is presented fairly. As a result, the schedule may not be suitable for another purpose.

**HILL ROGERS**



**GARY MOTTAU**

Partner

Dated at Sydney this 20th day of October 2016



# Annexure Two Objectives and Performance





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# Annexure Two

## Objectives and Performance

2015/2016

# 1 - Building our Community

## 1.1 Culture and Social

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

	Strategy	Activities 2015/2016	Status
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.	Provide community events, activities and venues to celebrate Australia Day	Completed
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.	Provide facilities and administrative support for the Nyngan Easter Challenge	Completed
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.	Seek sponsorship and organise the Christmas Lights and Rural Mailbox Competitions	Completed
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.	Provide facilities for the Nyngan Show, Ag Expo and Duck Creek and other community events at the Nyngan Showgrounds	Completed
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.	Source funding and support community organisations to host an event to celebrate International Women's Day	Completed
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.	Support a range of local community organisations	Completed
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.	Support and encourage the Arts, including through the Bogan Shire Council Arts Fund	Completed
1.1.2	Support all local communities, heritage and cultural groups to reconnect to, preserve and share our Shire's heritage and social history.	Continue to support the Nyngan Museum and Mid-State Shearing Shed Museum	Completed
1.1.2	Support all local communities, heritage and cultural groups to reconnect to, preserve and share our Shire's heritage and social history.	Support groups to source funding (e.g. Heritage or Historical Buildings maintenance and repairs)	Completed
1.1.2	Support all local communities, heritage and cultural groups to reconnect to, preserve and share our Shire's heritage and social history.	Conduct citizenship ceremonies	Completed

	Strategy	Activities 2015/2016	Status
1.1.2	Support all local communities, heritage and cultural groups to reconnect to, preserve and share our Shire's heritage and social history.	Identification and preservation of Aboriginal heritage items	Completed
1.1.3	Identify, respect and preserve sites and items of historical significance.	Maintain and preserve Council owned historic buildings	Completed
1.1.3	Identify, respect and preserve sites and items of historical significance.	Investigate opportunities for grant funding for studies and preservation of our historic buildings	Completed
1.1.4	Continue to support and promote attractions contributing to the cultural and economic development of the Shire.	Promote annual events calendar via website, digital message board and council column (e.g. WSPA End of Year Concert, Deb Ball, ANZAC Day Events etc.)	Completed
1.1.4	Continue to support and promote attractions contributing to the cultural and economic development of the Shire.	Continue to promote the Nyngan Museum and Mid-State Shearing Shed Museum	Completed
1.1.5	Develop and support volunteer groups to carry out functions and projects for the benefit of the community and the volunteer.	Work with volunteer groups to support their activities. (e.g. administrative support and assistance with grant applications)	Completed
1.1.5	Develop and support volunteer groups to carry out functions and projects for the benefit of the community and the volunteer.	Support National Tree Day	Completed
1.1.5	Develop and support volunteer groups to carry out functions and projects for the benefit of the community and the volunteer.	Produce and update the Community Directory - both the hard copy and on Council's website	Completed
1.1.5	Develop and support volunteer groups to carry out functions and projects for the benefit of the community and the volunteer.	Support and promote National Volunteer Week	Completed

## 1.2 Community Facilities

We have attractive and well managed community facilities that are regularly used and provide for valued recreational, sporting and cultural programs for our community and visitors.

	Strategy	Activities 2015/2016	Status
1.2.1	Maintain Nyngan Pool facilities to meet community expectations and relevant regulations.	Monitor pool water, facilities and maintain to meet community expectations as well as regulated standards	Completed
1.2.2	Improve and upgrade Nyngan Pool to cater for a variety of users.	Commence work on upgrades, operating within budget parameters	Completed
1.2.2	Improve and upgrade Nyngan Pool to cater for a variety of users.	Review potential for wider usage of pool facilities outside existing user groups	Completed
1.2.3	Maintain and improve our parks, gardens and playgrounds to promote their use and enjoyment by the whole community and our visitors.	Continue to support the Nyngan Garden Club in volunteer activities in our parks and gardens	Completed
1.2.3	Maintain and improve our parks, gardens and playgrounds to promote their use and enjoyment by the whole community and our visitors.	Initiate a Community Street Tree Planting Program	Completed
1.2.3	Maintain and improve our parks, gardens and playgrounds to promote their use and enjoyment by the whole community and our visitors.	Construct pedestrian path connecting Rotary Park to town levee	*(1) Not Completed
1.2.3	Maintain and improve our parks, gardens and playgrounds to promote their use and enjoyment by the whole community and our visitors.	Consult with Nyngan Garden Club regularly to gather suggestions for garden improvements	Completed
1.2.3	Maintain and improve our parks, gardens and playgrounds to promote their use and enjoyment by the whole community and our visitors.	Revise Maintenance Program to reflect seasonal usage	Completed
1.2.3	Maintain and improve our parks, gardens and playgrounds to promote their use and enjoyment by the whole community and our visitors.	Consider proposals for additional vehicle access to O'Reilly Park and playground areas	Completed
1.2.3	Maintain and improve our parks, gardens and playgrounds to promote their use and enjoyment by the whole community and our visitors.	Seek grants to fund M&R Program	Completed
1.2.3	Maintain and improve our parks, gardens and playgrounds to promote their use and enjoyment by the whole community and our visitors.	Continue to upgrade and enhance recreational spaces and facilities as funding permits	Completed

	Strategy	Activities 2015/2016	Status
1.2.3	Maintain and improve our parks, gardens and playgrounds to promote their use and enjoyment by the whole community and our visitors.	Management and maintenance of the cemetery in accordance with the Plan of Management	Completed
1.2.3	Maintain and improve our parks, gardens and playgrounds to promote their use and enjoyment by the whole community and our visitors.	Implement landscaping plans for Davidson and Vanges Parks in conjunction with the Streetscape Plan	Completed
1.2.3	Maintain and improve our parks, gardens and playgrounds to promote their use and enjoyment by the whole community and our visitors.	Progressively conduct safety and access audits for reserves	Completed
1.2.4	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.	Seek grant funding to improve and develop existing recreational buildings	Completed
1.2.4	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.	Seek grant funding to improve and develop existing grounds and facilities	Completed
1.2.4	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.	Undertake progressive M&R Program for existing buildings	Completed
1.2.4	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.	Undertake progressive M&R Program for existing facilities	Completed
1.2.4	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.	Cemetery operations are carried out in an efficient and dignified manner by keeping accurate cemetery records and paying due respect to bereaved families	Completed
1.2.4	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.	Maintain smooth playing surfaces and full grass cover on all sports grounds through a planned watering and fertilising program	Completed
1.2.4	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.	Liaise with stakeholders for self-funded maintenance and improvements incorporating sustainable principles	Completed
1.2.4	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.	Develop a partnership with user groups to improve resourcing, allocation and multi-use of recreational facilities	Completed

	Strategy	Activities 2015/2016	Status
1.2.4	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.	Continue to seek partnership funding for installation of floodlights for Larkin Oval	Completed
1.2.5	Provide well maintained community halls and other similar facilities for community use.	Develop progressive M&R program for all Shire halls and community facilities capital works	Completed
1.2.5	Provide well maintained community halls and other similar facilities for community use.	Seek grants to improve all Shire halls and community facilities	Completed
1.2.5	Provide well maintained community halls and other similar facilities for community use.	Seek grants to develop and improve village facilities	Completed
1.2.6	Provide well maintained Shire showground and equestrian facilities for community use.	Consult with Showground user groups on facility requirements and programming of events	Completed
1.2.6	Provide well maintained Shire showground and equestrian facilities for community use.	Review General Maintenance program and procedures	Completed
1.2.6	Provide well maintained Shire showground and equestrian facilities for community use.	Maintain racecourse track drainage, landscape areas and buildings to acceptable standard	Completed
1.2.7	Develop a plan of management for the Palais Theatre to support community activities.	Develop works program for renewal of seating and interior furnishings	*(2) Not Completed
1.2.7	Develop a plan of management for the Palais Theatre to support community activities.	Seek grants for renovation of Palais Theatre	*(3) Not Completed
1.2.7	Develop a plan of management for the Palais Theatre to support community activities.	Develop progressive upgrade program for compliance with BCA provisions	*(4) Not Completed
1.2.7	Develop a plan of management for the Palais Theatre to support community activities.	Review outdoor theatre area for usage/alternative usage	*(5) Not Completed
1.2.8	Provide a youth centre that is maintained for recreational, educational and cultural activities.	Work with schools and community organisations to identify needs, opportunities and funding options for a dedicated youth centre	(6) Partially completed

<b>Ref #</b>	<b>Strategy #</b>	<b>Comments</b>
1	1.2.3	Heavy and sustained rainfall impeded completion of the pedestrian path. Rescheduled for 2017.
2	1.2.7	Significant works required to complete upgrades – not budgeted.
3	1.2.7	No grants identified – grants are available for building upgrades relating to Heritage listed buildings however Palais Theatre is not listed as a heritage item.
4	1.2.7	Significant costs to upgrade building – requires detailed planning and public consultation,
5	1.2.7	Significant cost to upgrade building prior to focussing on outdoor area.
6	1.2.8	Council provided support to the new youth centre in former Scout Hall. No opportunities for Council-run Youth Centre identified.



### 1.3 Ageing and Disability Support

Older people and people with disabilities feel safe, secure, valued, included and are able to actively participate in community life.

	Strategy	Activities 2015/2016	Status
1.3.1	Create an environment and culture that allows the community to feel safe, empowered and included.	Work with the community and Government agencies to understand issues and lobby Government to address them	Completed
1.3.1	Create an environment and culture that allows the community to feel safe, empowered and included.	Investigate the need/interest in development of Neighbourhood Watch or similar programs	*(7) Not Completed
1.3.2	Identify and monitor the social services needs of older people and people with disabilities in the community and provide infrastructure to support assisted and independent living and social interaction.	Work with the community and Government agencies to understand issues, such as community transport and lobby Government to address them	Completed
1.3.3	Promote a range of recreational, sporting and other opportunities for personal development, interaction and healthy lifestyle for older people and people with a disability through education, support networks and facilities.	Work with the community and Government agencies to understand issues and lobby Government to address them	Completed
1.3.3	Promote a range of recreational, sporting and other opportunities for personal development, interaction and healthy lifestyle for older people and people with a disability through education, support networks and facilities.	Investigate opportunities for funding for activities and/or events in Seniors Week	Completed
1.3.3	Promote a range of recreational, sporting and other opportunities for personal development, interaction and healthy lifestyle for older people and people with a disability through education, support networks and facilities.	Sponsor and organise Senior Citizen of the Year Awards, Morning Tea and Concert in Seniors Week	Completed
1.3.4	Support Community Transport (volunteer driver scheme).	Work with the community and Government agencies to understand issues and lobby Government to address them	Completed

Ref #	Strategy #	Comments
7	1.3.1	Not identified as an ongoing community priority – effective community liaison exists with both Shire and NSW Police

## 1.4 Children and Young People Support

Children and young people are cared for, safe and are actively engaged with support and development opportunities to encourage them to reach their potential.

	Strategy	Activities 2015/2016	Status
1.4.1	Provide childcare facilities, preschools, after hours care and playgroups that meet the needs of the community.	Work with organisations on behalf of the community to support their needs, including providing facilities for a preschool and/or after school care	Completed
1.4.2	Continue to provide the Bush Mobile playgroup service.	Continue to provide the BBM playgroup sessions throughout the Shire	Completed
1.4.2	Continue to provide the Bush Mobile playgroup service.	Review the strategic direction and operations of the BBM playgroup to ensure the optimum provision of services	Completed
1.4.3	Improve the education, health, employment and economic development opportunities for young people.	Work with the community and Government agencies to understand issues and lobby Government to address them	Completed
1.4.4	Provide opportunities for young people to be actively engaged in the development, design and planning of programs, services and infrastructure in which they are a stakeholder or user group.	Incorporate consultation with young people into community engagement activities for Council programs and events wherever possible	Completed
1.4.4	Provide opportunities for young people to be actively engaged in the development, design and planning of programs, services and infrastructure in which they are a stakeholder or user group.	Provide facilities, equipment and administrative support to StormCo group of volunteers	Completed
1.4.4	Provide opportunities for young people to be actively engaged in the development, design and planning of programs, services and infrastructure in which they are a stakeholder or user group.	Work with local schools to support youth events and community education and awareness programs	Completed
1.4.4	Provide opportunities for young people to be actively engaged in the development, design and planning of programs, services and infrastructure in which they are a stakeholder or user group.	Source funding for Youth Week activities and/or events	Completed
1.4.4	Provide opportunities for young people to be actively engaged in the development, design and planning of programs, services and infrastructure in which they are a stakeholder or user group.	Seek youth input into planning proposals for recreational areas	Completed

## 1.5 Library

Our library is used by all as a centre for information, learning and recreational reading.

	Strategy	Activities 2015/2016	Status
1.5.1	Focus on community needs in providing and promoting quality facilities and access to printed and online	Provide and promote a well maintained and accessible library service	Completed
1.5.1	Focus on community needs in providing and promoting quality facilities and access to printed and online	Investigate ways to encourage greater numbers of both traditional and non-traditional library users	Completed
1.5.1	Focus on community needs in providing and promoting quality facilities and access to printed and online	Continue to provide free Wi-Fi internet services	Completed
1.5.2	Maintain North Western Regional Library Service partnership.	Council to continue to carry out its obligations under the partnership agreement	Completed

## 1.6 Education

Our community has access to quality education and learning opportunities at all levels to increase their skills especially in the areas we have a local skills deficit, to support the development of our community and increase their capacity to prosper and contribute to the community.

	Strategy	Activities 2015/2016	Status
1.6.1	Identify training and skill development needs and foster a mentoring program for distance education that includes our whole community.	Assist TAFE Western Connect to engage with the community to understand its needs and deliver appropriate training programs	Completed
1.6.2	Provide a range of high quality primary and secondary education and vocational training facilities and opportunities.	Support the schools in the Shire through website advertising of events and volunteer support	Completed
1.6.2	Provide a range of high quality primary and secondary education and vocational training facilities and opportunities.	Work with the community and Government agencies to understand issues and lobby Government to address them	Completed
1.6.2	Provide a range of high quality primary and secondary education and vocational training facilities and opportunities.	Work with schools to support youth events	Completed
1.6.2	Provide a range of high quality primary and secondary education and vocational training facilities and opportunities.	Provide scholarships to all schools at annual awards nights	Completed
1.6.3	Provide support and encouragement for local people to complete tertiary education and to work in Bogan Shire.	Work with the community and Government agencies to understand issues and lobby Government to address them	Completed

## 2 - Connecting our Community

### 2.1 Road Networks

Our well-constructed and maintained road network enables safe and efficient movement of people and freight throughout the Shire.

	Strategy	Activities 2015/2016	Status
2.1.1	Adopt and implement the asset management plan for all shire roads.	Identify road priorities for asset renewal to implement Transport Asset Management Plan	Completed
2.1.2	Maintain State Roads on behalf of RMS.	Prepare bids for submission to Roads and Maritime Services for Ordered Works component of State Roads Maintenance Contract (RMCC) and undertake work as agreed	Completed
2.1.3	Maintain Shire Roads in accordance with standards expressed in our asset management plan and our annual maintenance program.	Provide road grading and gravel patching of unsealed road network based on priority parameters including condition assessment and traffic volumes	Completed
2.1.3	Maintain Shire Roads in accordance with standards expressed in our asset management plan and our annual maintenance program.	Reseal and rehabilitate sealed local roads based on condition assessment and in accordance with the Asset Management capital renewal program	Completed
2.1.4	Design and construct new roads to support the needs of the community.	Construct and seal a section of bitumen road as identified according to Council's priorities	Completed
2.1.5	Work with the RMS to ensure current standards of road safety are maintained and to assist in the education of the community.	Renew all bicycle lane marking and 'give way' holding lines in Nyngan and villages	Completed
2.1.5	Work with the RMS to ensure current standards of road safety are maintained and to assist in the education of the community.	Construct pedestrian kerb ramps as identified in Pedestrian Access Mobility Plan through RMS grant funding	Completed
2.1.5	Work with the RMS to ensure current standards of road safety are maintained and to assist in the education of the community.	Update and implement Council Fleet Road Safety Policy specifying WH&S requirements	Completed

	<b>Strategy</b>	<b>Activities 2015/2016</b>	<b>Status</b>
2.1.5	Work with the RMS to ensure current standards of road safety are maintained and to assist in the education of the community.	Work with the Traffic Committee to develop and implement a Road Safety Strategy	Completed
2.1.6	Maintain supporting infrastructure such as parking, kerbs and gutters, signage and street lighting to current standards.	Implement footpath repairs identified through inspection for public liability risk reduction	Completed
2.1.6	Maintain supporting infrastructure such as parking, kerbs and gutters, signage and street lighting to current standards.	Inspect street lighting and report deficiencies to Essential Energy	Completed
2.1.6	Maintain supporting infrastructure such as parking, kerbs and gutters, signage and street lighting to current standards.	Clean and maintain pipe culvert and levee drainage system once per year	Completed
2.1.7	Encourage community feedback on road issues.	Conduct village and rural road tour with Councillors and meet with road users to resolve local issues	Completed

## 2.2 Public Road Transport

We have reliable, cost-effective and regular public road transport linking the Shire to Dubbo and beyond as well as in Nyngan itself, increasing mobility for people without their own transport and providing a more sustainable alternative.

	Strategy	Activities 2015/2016	Status
2.2.1	No activities identified for this financial year.		

## 2.3 Active Transport

Our network supports and encourages people to take up active travel such as walking and cycling to enhance their social and physical well-being.

	Strategy	Activities 2015/2016	Status
2.3.1	Engage with potential users, especially schools, to determine preferred bikeway routes.	Increase cyclists and drivers awareness of each other and the importance of obeying the road rules	Completed
2.3.1	Engage with potential users, especially schools, to determine preferred bikeway routes.	Engage with schools to determine the preferred bikeway routes	Completed
2.3.2	Design and construct bikeways and footpaths incorporating tree shade cover.	Continue implementation of pedestrian access improvements	Completed
2.3.2	Design and construct bikeways and footpaths incorporating tree shade cover.	Continue to improve the quality, number and length of walking and cycling paths, particularly to tourist sites	Completed
2.3.3	Educate the community and promote use of active transport around Nyngan.	Develop an educational program in consultation with schools and other community groups	*(8) Not Completed

Ref #	Strategy #	Comments
8	2.3.3	This could be done in the future when developing a new active transport strategic plan.



## 2.4 Air Services

Our valuable airport assets are used to their full potential providing residents, workers and visitors with cost-effective, reliable and safe air services.

	<b>Strategy</b>	<b>Activities 2015/2016</b>	<b>Status</b>
2.4.1	Maintain airport facilities to meet required standards	Conduct obstacle survey and remove identified flight path hazards	Completed
2.4.1	Maintain airport facilities to meet required standards	Review existing buildings M&R program and budget	Completed
2.4.2	Engage with community and existing airport users to identify opportunities for improvement	Implement a program to protect and maintain existing infrastructure assets to support the local economy	Completed
2.4.3	Advocate for the introduction of a regular commercial air service to Nyngan	Continue to lobby state and federal agencies to improve public transport to Nyngan	Completed

## 2.5 Rail Services

Our rail connection provides a cost-effective and reliable alternative to other forms of transport for people and freight.

	Strategy	Activities 2015/2016	Status
2.5.1	No activities identified for this financial year.		

# 3 - Managing our Environment

## 3.1 Built Environment

The character, liveability and prosperity of our Shire are enhanced through sound urban planning processes and facilitation of developments in accordance with the Bogan Local Environmental Plan.

	Strategy	Activities 2015/2016	Status
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.	Monitor workability of LEP 2011 and DCP 2012	Completed
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.	Identify land suitable for recreational purposes	Completed
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.	Define and prioritise plans of management for public land	Completed
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.	Review LEP 2011	Completed
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.	Review DCP 2012	Completed
3.1.2	Identify opportunities to expand the availability of a range of housing options based on lifestyle choices and affordability.	Draft proposal to Council for re-subdividing of existing blocks	Completed
3.1.2	Identify opportunities to expand the availability of a range of housing options based on lifestyle choices and affordability.	Conduct inspections of vacant premises	Completed
3.1.2	Identify opportunities to expand the availability of a range of housing options based on lifestyle choices and affordability.	Work with the Community to develop a retirement complex in Nyngan	Completed
3.1.2	Identify opportunities to expand the availability of a range of housing options based on lifestyle choices and affordability.	Implement Growth Management Strategy to ensure adequate stocks of appropriately zoned land	Completed

	Strategy	Activities 2015/2016	Status
3.1.3	Development complies with the Local Environmental Plan legislation formed through the Regional Land Use Study Project.	Continual review and monitoring of LEP and DCP	Completed
3.1.3	Development complies with the Local Environmental Plan legislation formed through the Regional Land Use Study Project.	Ensure all future development compliance with LEP and DCP	Completed
3.1.3	Development complies with the Local Environmental Plan legislation formed through the Regional Land Use Study Project.	Incorporate sustainability controls into LEP	Completed
3.1.3	Development complies with the Local Environmental Plan legislation formed through the Regional Land Use Study Project.	Manage construction certificate process, Principal Certifying Authority process, building site service and management, and inspection and orders process	Completed
3.1.3	Development complies with the Local Environmental Plan legislation formed through the Regional Land Use Study Project.	Provide quality evidence and document management	Completed
3.1.3	Development complies with the Local Environmental Plan legislation formed through the Regional Land Use Study Project.	Respond to reforms in planning process and advocate on behalf of Council	Completed
3.1.3	Development complies with the Local Environmental Plan legislation formed through the Regional Land Use Study Project.	Review and respond to State Government Infrastructure and Planning Committee on sustainable land use	Completed
3.1.3	Development complies with the Local Environmental Plan legislation formed through the Regional Land Use Study Project.	Respond effectively to rezoning applications	Completed
3.1.3	Development complies with the Local Environmental Plan legislation formed through the Regional Land Use Study Project.	Prepare drafts for appendix to DCP for future land usage	Completed
3.1.3	Development complies with the Local Environmental Plan legislation formed through the Regional Land Use Study Project.	Incorporate heritage controls into LEP	Completed
3.1.3	Development complies with the Local Environmental Plan legislation formed through the Regional Land Use Study Project.	Incorporate heritage controls into DCP	Completed
3.1.4	Ensure our community's buildings are safe, healthy and maintained through regular inspections and compliance with the NSW Building Certification Scheme.	All essential services measures to be inspected and certified	Completed

	Strategy	Activities 2015/2016	Status
3.1.4	Ensure our community's buildings are safe, healthy and maintained through regular inspections and compliance with the NSW Building Certification Scheme.	Develop an essential services measures program for Council public buildings	Completed
3.1.4	Ensure our community's buildings are safe, healthy and maintained through regular inspections and compliance with the NSW Building Certification Scheme.	Develop a program of progress updating of Council public buildings M&R program	Completed
3.1.4	Ensure our community's buildings are safe, healthy and maintained through regular inspections and compliance with the NSW Building Certification Scheme.	Issue planning and building certificates including effective customer service	Completed
3.1.4	Ensure our community's buildings are safe, healthy and maintained through regular inspections and compliance with the NSW Building Certification Scheme.	Provide an effective development application, assessment and determination system including pre-lodgement service and effective customer service	Completed
3.1.4	Ensure our community's buildings are safe, healthy and maintained through regular inspections and compliance with the NSW Building Certification Scheme.	Investigate concerns or complaints in relation to overgrown allotments and buildings in a state of disrepair	Completed
3.1.4	Ensure our community's buildings are safe, healthy and maintained through regular inspections and compliance with the NSW Building Certification Scheme.	Discharge Council's responsibilities for the management of development and development compliance	*(9) Not Completed
3.1.5	Develop and implement flood management plans for all urban flood plain areas.	Use Flood Management Study to determine heights for lots outside of levee bank	Completed
3.1.5	Develop and implement flood management plans for all urban flood plain areas.	Maintain stormwater management infrastructure	Completed
3.1.5	Develop and implement flood management plans for all urban flood plain areas.	Review LEP and DCP for Flood Management	Completed
3.1.5	Develop and implement flood management plans for all urban flood plain areas.	Develop, review and Implement flood risk studies and plans in accordance with NSW Government Guidelines	Completed
3.1.5	Develop and implement flood management plans for all urban flood plain areas.	Review construction requirements in flood prone areas	Completed

Ref #	Strategy #	Comments
9	3.1.4	Fire Safety upgrades to buildings are an ongoing matter.

## 3.2 Waste Management

Our waste stream is effectively managed, reducing waste to landfill and maximising resource recovery through recycling.

	Strategy	Activities 2015/2016	Status
3.2.1	Provide efficient and cost effective kerbside collection of solid and recyclable waste.	Monitor and review waste service volumes	Completed
3.2.1	Provide efficient and cost effective kerbside collection of solid and recyclable waste.	Monitor all kerbside waste collection service	Completed
3.2.1	Provide efficient and cost effective kerbside collection of solid and recyclable waste.	Review and monitor 240lt kerbside recycling service	Completed
3.2.1	Provide efficient and cost effective kerbside collection of solid and recyclable waste.	Monitor all waste and recycling programs	Completed
3.2.1	Provide efficient and cost effective kerbside collection of solid and recyclable waste.	Audit the effectiveness of Council's internal waste management processes	Completed
3.2.2	Operate the Nyngan Waste Depot to comply with standards and regulations, ensuring it is environmentally sound.	Develop new Waste Facility Operations Management Plan	Completed
3.2.2	Operate the Nyngan Waste Depot to comply with standards and regulations, ensuring it is environmentally sound.	Establish fire breaks to all waste facilities every 6 months	Completed
3.2.2	Operate the Nyngan Waste Depot to comply with standards and regulations, ensuring it is environmentally sound.	Monitor all deposited waste for separation procedures	Completed

### 3.3 Natural Environment

Our reserves and other public places are clean, litter-free and appropriately managed, preserving their valued use, biodiversity and visual amenity whilst protecting our environment from waste and litter pollution.

	Strategy	Activities 2015/2016	Status
3.3.1	Provide safe, high quality, well serviced and maintained reserves and recreational areas.	Participate in National Tree Day	Completed
3.3.1	Provide safe, high quality, well serviced and maintained reserves and recreational areas.	Provide litter and recycling bins at BBQ areas in Council Parks	Completed
3.3.1	Provide safe, high quality, well serviced and maintained reserves and recreational areas.	Monitor and review playground upgrade program	Completed
3.3.1	Provide safe, high quality, well serviced and maintained reserves and recreational areas.	Seek grant funding for expansion of all recreational areas	Completed
3.3.1	Provide safe, high quality, well serviced and maintained reserves and recreational areas.	Seek community input into existing recreational areas	Completed
3.3.2	Improve the amenity of the river corridor to enhance and increase utilisation for a range of recreational activities.	Support Nyngan Aboriginal Community in the development of a natural lagoon area immediately downstream of the recreation weir on the Bogan River	Completed
3.3.2	Improve the amenity of the river corridor to enhance and increase utilisation for a range of recreational activities.	Seek grant funding for Improvement of Recreational Areas	Completed
3.3.2	Improve the amenity of the river corridor to enhance and increase utilisation for a range of recreational activities.	Investigate means of reducing litter in the river	Completed
3.3.2	Improve the amenity of the river corridor to enhance and increase utilisation for a range of recreational activities.	Review all existing access points to river	Completed
3.3.3	Provide a clean and pleasant streetscape, ensuring regular street sweeping and cleaning of public spaces.	Review existing Cleaning Program	Completed
3.3.3	Provide a clean and pleasant streetscape, ensuring regular street sweeping and cleaning of public spaces.	Review existing street bin containers and emptying procedures	Completed



	Strategy	Activities 2015/2016	Status
3.3.3	Provide a clean and pleasant streetscape, ensuring regular street sweeping and cleaning of public spaces.	Review Streetscape design for street bin containers	Completed
3.3.3	Provide a clean and pleasant streetscape, ensuring regular street sweeping and cleaning of public spaces.	Develop procedures in conjunction with Pangee Street program	Completed
3.3.4	Implement programs which foster responsible and protective behaviours towards reducing waste and litter pollution.	Review existing methods of litter control	Completed
3.3.4	Implement programs which foster responsible and protective behaviours towards reducing waste and litter pollution.	Seek community input to areas of concern of litter control	Completed
3.3.4	Implement programs which foster responsible and protective behaviours towards reducing waste and litter pollution.	Conduct random litter control patrols to reduce the incidence of littering	Completed
3.3.4	Implement programs which foster responsible and protective behaviours towards reducing waste and litter pollution.	Enforce breaches of environmental legislation	Completed
3.3.4	Implement programs which foster responsible and protective behaviours towards reducing waste and litter pollution.	Seek community input to waste control measures	Completed
3.3.5	Protect, preserve and enhance Bogan Shire's natural environments, waterways, flora and fauna through responsible development and management.	Review DA Consent Conditions: Environmental Protection	Completed
3.3.5	Protect, preserve and enhance Bogan Shire's natural environments, waterways, flora and fauna through responsible development and management.	Enforce all development to comply with conditions of DA Consents	Completed
3.3.5	Protect, preserve and enhance Bogan Shire's natural environments, waterways, flora and fauna through responsible development and management.	Support the Central West CMA Catchment Action Plan and the State Plan	Completed
3.3.5	Protect, preserve and enhance Bogan Shire's natural environments, waterways, flora and fauna through responsible development and management.	Undertake regular patrols and respond to community requests for enforcement of use restrictions on public reserves	Completed

	<b>Strategy</b>	<b>Activities 2015/2016</b>	<b>Status</b>
3.3.5	Protect, preserve and enhance Bogan Shire's natural environments, waterways, flora and fauna through responsible development and management.	Subject to budgeting and legislative requirements, consider the use of energy efficient technologies in our operations and when undertaking new projects and vehicles.	Completed
3.3.5	Protect, preserve and enhance Bogan Shire's natural environments, waterways, flora and fauna through responsible development and management.	Develop environmental walks program in conjunction with schools	Completed

### 3.4 Noxious Weeds

Our local environment is protected from noxious weeds through inspection and control measures in compliance with the Noxious Weeds Act.

	Strategy	Activities 2015/2016	Status
3.4.1	Meet Council's obligations under the Noxious Weeds Act 1993 in respect of maintenance of noxious weeds including density and distribution.	Council to meet Noxious Weeds Control obligations	Completed
3.4.1	Meet Council's obligations under the Noxious Weeds Act 1993 in respect of maintenance of noxious weeds including density and distribution.	Operations are in accordance with Regional Weed Control Plans	Completed
3.4.2	Ensure Council operations are in accordance with endorsed Regional Weed Control Plans.	Monitor and review Regional Weed Control Plans	Completed
3.4.2	Ensure Council operations are in accordance with endorsed Regional Weed Control Plans.	Review existing weed management program on public lands	Completed
3.4.3	Implement the Shire's weed-specific Control Plans for targeted noxious weeds.	Conduct private property inspections under the noxious weed program	Completed

### 3.5 Water

We have access to a secure water supply that is well-managed to provide us with a reliable, safe and cost effective service.

	Strategy	Activities 2015/2016	Status
3.5.1	Provide a financially viable, efficient, permanent potable water supply that has sufficient capacity for current and projected growth requirements.	Examine options for replacement of existing Water Treatment Plant	Completed
3.5.1	Provide a financially viable, efficient, permanent potable water supply that has sufficient capacity for current and projected growth requirements.	Continue implementation of the Strategic Business Plan for Water	Completed
3.5.1	Provide a financially viable, efficient, permanent potable water supply that has sufficient capacity for current and projected growth requirements.	Take samples of and analyse potable water supplies	Completed
3.5.1	Provide a financially viable, efficient, permanent potable water supply that has sufficient capacity for current and projected growth requirements.	Identify opportunities for raw water irrigation at sporting fields	Completed
3.5.1	Provide a financially viable, efficient, permanent potable water supply that has sufficient capacity for current and projected growth requirements.	Prepare submission for inclusion of Water Treatment Plant replacement on NSW Government Country Town Water Supply Program	*(10) Not Completed
3.5.2	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.	Continue water main replacement program	Completed
3.5.2	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.	Provide planning, investigation design and management of water management facilities	Completed
3.5.2	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.	Maintain water supply infrastructure to relevant Department of Health and Department of Primary Industries (NSW Office of Water) Standards, and in accordance with sustainability	Completed

	Strategy	Activities 2015/2016	Status
3.5.2	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.	Renew capital assets under the Asset Management Plan	Completed
3.5.3	Enhance the security of our water supply, ensuring long term drought management plans are developed and water losses are minimised through involvement in the Lower Macquarie Water Utilities Alliance.	Develop water loss reduction program	Completed
3.5.3	Enhance the security of our water supply, ensuring long term drought management plans are developed and water losses are minimised through involvement in the Lower Macquarie Water Utilities Alliance.	Continue active involvement in Lower Macquarie Water User Alliance	Completed
3.5.3	Enhance the security of our water supply, ensuring long term drought management plans are developed and water losses are minimised through involvement in the Lower Macquarie Water Utilities Alliance.	Develop regional Water Quality Improvement Plans	Completed
3.5.3	Enhance the security of our water supply, ensuring long term drought management plans are developed and water losses are minimised through involvement in the Lower Macquarie Water Utilities Alliance.	Continue community education on water conservation practices	Completed
3.5.3	Enhance the security of our water supply, ensuring long term drought management plans are developed and water losses are minimised through involvement in the Lower Macquarie Water Utilities Alliance.	Commence construction of infrastructure to ensure security of Nyngan's water supply, subject to government funding.	Completed

Ref #	Strategy #	Comments
10	3.5.1	Due to planned refurbishment of the water treatment plant, a new plant is not required until 2037.

### 3.6 Sewerage

We have a reliable, safe and cost effective sewerage service.

	Strategy	Activities 2015/2016	Status
3.6.1	Provide a financially viable and efficient sewerage system that has sufficient capacity for current and projected growth requirements.	Monitor and review operational costs to improve efficiency of system	Completed
3.6.2	Implement an ongoing program of capital works improvements and enhancements and asset management to ensure the responsible management of waste water in Nyngan.	Renew capital assets under the Asset Management Plan	Completed
3.6.2	Implement an ongoing program of capital works improvements and enhancements and asset management to ensure the responsible management of waste water in Nyngan.	Make preparations for the development of a database of all sewage management systems within the Local Government Area	Completed
3.6.3	Ensure our compliance with the EPA license by regularly testing the waste water for treated effluent re-use and disposal.	Engage consultants for monitoring and reporting on Effluent Quality for license reporting	Completed
3.6.4	Ensure management of liquid trade waste through comprehensive licensing practices and a charging structure that reflects costs of treatment.	Commence implementation of Trade Waste Policy	Completed

# 4 - Our Health and Safety

## 4.1 Environmental Health

The health, safety and well-being of residents, workers and visitors is protected by providing effective licensing and regulatory services for commercial premises, essential services and animal management.

	Strategy	Activities 2015/2016	Status
4.1.1	Ensure compliance with Local Liquor Accord strategies to maximise public health and safety.	Provide information regarding new Liquor License applications, and make submissions on new applications to the State Government as required	Completed
4.1.1	Ensure compliance with Local Liquor Accord strategies to maximise public health and safety.	Provide advisory services to the Liquor Accord and assist in programs to encourage alternative transport options and responsible service of alcohol programs	Completed
4.1.2	Conduct bi-annual inspections of food preparation businesses to ensure compliance with Safe Foods Standards.	Monitor and review food premises register	Completed
4.1.2	Conduct bi-annual inspections of food preparation businesses to ensure compliance with Safe Foods Standards.	Undertake bi-annual food premises Inspections to ensure food handlers compliance with standards	Completed
4.1.3	Conduct annual inspections of commercial premises to ensure compliance of the Building Code of Australia.	Monitor and review essential service register	Completed
4.1.3	Conduct annual inspections of commercial premises to ensure compliance of the Building Code of Australia.	Implement measures to encourage owners to comply with the provisions of the BCA	Completed
4.1.4	Continue ongoing management and control of companion animals and ensure owner compliance with NSW Companion Animals Act 1998	Improve public awareness to animal control	Completed
4.1.4	Continue ongoing management and control of companion animals and ensure owner compliance with NSW Companion Animals Act 1998	Continue to develop and implement the Companion Animals Policy to control cats and dogs in accordance with the Companion Animals Act	Completed

	<b>Strategy</b>	<b>Activities 2015/2016</b>	<b>Status</b>
4.1.4	Continue ongoing management and control of companion animals and ensure owner compliance with NSW Companion Animals Act 1998	Data entry of lifetime registrations and fee reconciliation	Completed
4.1.4	Continue ongoing management and control of companion animals and ensure owner compliance with NSW Companion Animals Act 1998	Promote the registration of companion animals	Completed



## 4.2 Disaster Management

We have the capability in place to plan, organise and implement measures to respond to and recover from disasters.

	Strategy	Activities 2015/2016	Status
4.2.1	Continue with the Local Emergency Management Committee to ensure appropriate response plans are in place.	Monitor and review of Disaster and Emergency Management Strategy	Completed
4.2.1	Continue with the Local Emergency Management Committee to ensure appropriate response plans are in place.	Continue to fulfil Council's statutory obligations relevant to the LEMC	Completed
4.2.2	The Local Emergency Management Committee and local State Emergency Services are adequately resourced to ensure they are equipped, trained and prepared to respond to disasters and incidents.	Provide a support role to the LEMC/SES	Completed
4.2.2	The Local Emergency Management Committee and local State Emergency Services are adequately resourced to ensure they are equipped, trained and prepared to respond to disasters and incidents.	Develop, distribute, communicate and review Flood Risk information and tools in partnership with SES	Completed
4.2.2	The Local Emergency Management Committee and local State Emergency Services are adequately resourced to ensure they are equipped, trained and prepared to respond to disasters and incidents.	Support volunteer agencies as required during a disaster event	Completed
4.2.2	The Local Emergency Management Committee and local State Emergency Services are adequately resourced to ensure they are equipped, trained and prepared to respond to disasters and incidents.	Develop Community Emergency Flood Response Plans in partnership with SES	Completed
4.2.3	Regularly maintain the pumps and the levee bank surrounding Nyngan to ensure the township remains safe and secure during adverse weather conditions and potential influx of floodwaters.	Amend maintenance procedures for floodgate outlets into the Bogan River and include in the levee maintenance manual	Completed
4.2.3	Regularly maintain the pumps and the levee bank surrounding Nyngan to ensure the township remains safe and secure during adverse weather conditions and potential influx of floodwaters.	Grass and debris to be cleared from flood gates annually	Completed
4.2.3	Regularly maintain the pumps and the levee bank surrounding Nyngan to ensure the township remains safe and secure during adverse weather conditions and potential influx of floodwaters.	Review levee maintenance manual	Completed
4.2.3	Regularly maintain the pumps and the levee bank surrounding Nyngan to ensure the township remains safe and secure during adverse weather conditions and potential influx of floodwaters.	Monitor compliance with levee maintenance manual and perform required maintenance works	Completed

### 4.3 Public Health

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

	Strategy	Activities 2015/2016	Status
4.3.1	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.	Work closely with Nyngan Health Council to lobby on behalf of the community	Completed
4.3.1	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.	Liaise with Western LHD to resolve relevant issues	Completed
4.3.1	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.	Review incentives to attract and retain medical professionals in Nyngan	Completed
4.3.2	Provide an appropriate level of ambulance services for the community.	Monitor availability of a 24 hour Ambulance Service for the Shire	Completed
4.3.3	Work with the community, volunteer organisations and the State Government on programs that promote health and wellbeing.	Review and update the Smoke Free Outdoor Areas Policy as required	Completed
4.3.3	Work with the community, volunteer organisations and the State Government on programs that promote health and wellbeing.	Work with Cancer Council NSW on projects to benefit the community	Completed

## 4.4 Fire Services

Our fire services provide effective and efficient services to the community to protect property and the safety of our community.

	Strategy	Activities 2015/2016	Status
4.4.1	People and property located within the town and villages are protected from fire related incidents.	Support the activities of Fire and Rescue NSW and lobby in response to community issues and concerns	Completed
4.4.1	People and property located within the town and villages are protected from fire related incidents.	Ensure compliance with BCA provisions to all premises	Completed
4.4.1	People and property located within the town and villages are protected from fire related incidents.	Liaise with Fire and Rescue NSW on appropriate development of commercial premises	Completed
4.4.2	People and property located within rural areas are protected from fire related incidents.	Support the activities of RFS and lobby in response to community issues and concerns	Completed
4.4.2	People and property located within rural areas are protected from fire related incidents.	Implement BCA and AS 3959 provisions to new DA Consents	Completed
4.4.2	People and property located within rural areas are protected from fire related incidents.	Implement hazard reduction program for villages and rural properties	Completed

## 4.5 Policing

Our police services provide effective and efficient services to the community to protect property and the safety of our community.

	Strategy	Activities 2015/2016	Status
4.5.1	Provide an appropriate level of police services for the community.	Lobby NSW Police for appropriate numbers in response to community concerns	Completed
4.5.1	Provide an appropriate level of police services for the community.	Support by agreement with NSW Police the recruitment of Police through provision of housing at market rental	Completed
4.5.2	Lobby NSW Police for increased policing and community safety initiatives.	Lobby on behalf of the community	Completed
4.5.3	Improve community safety and maintain low crime levels.	Participate in Community Safety Precinct meetings to discuss and address any issues	Completed
4.5.3	Improve community safety and maintain low crime levels.	Respond to a range of community safety issues	Completed

# 5 - Developing our Economy

## 5.1 Local Industries and Business

Local industries, including tourism, and the business that support them continue to grow and prosper.

	Strategy	Activities 2015/2016	Status
5.1.1	Undertake an assessment of our local business and industry, in particular the retail industry, to identify gaps and develop initiatives to actively encourage the establishment of sustainable economic growth and local employment opportunities.	Work with local businesses to identify issues	Completed
5.1.1	Undertake an assessment of our local business and industry, in particular the retail industry, to identify gaps and develop initiatives to actively encourage the establishment of sustainable economic growth and local employment opportunities.	Maintain and develop relationship with Regional Development Australia (RDA) Orana	Completed
5.1.1	Undertake an assessment of our local business and industry, in particular the retail industry, to identify gaps and develop initiatives to actively encourage the establishment of sustainable economic growth and local employment opportunities.	Industrial lots to be developed as demand presents, connecting to utility services and construction of kerb and gutter	Completed
5.1.2	Create and maintain a diverse commercial sector that is sustainable, vibrant, located in safe, well designed and visually appealing premises and which meets the needs of our community and visitors.	Work with local business community to ensure appropriate standards are maintained	Completed
5.1.2	Create and maintain a diverse commercial sector that is sustainable, vibrant, located in safe, well designed and visually appealing premises and which meets the needs of our community and visitors.	Investigate programs to encourage ways to improve the appearance of shop fronts in our main street	Completed
5.1.3	Support agricultural businesses so that they have the capacity to be a significant contributor to the local, regional and national economy.	Lobby in response to community concerns	Completed
5.1.4	Work in conjunction with the mines to obtain mutual benefit from an abundance of natural mining resources which provide our shire with opportunities for local economic growth and employment.	Develop relationships with the mines to explore opportunities for mutual benefit	Completed

	<b>Strategy</b>	<b>Activities 2015/2016</b>	<b>Status</b>
5.1.5	Support and strengthen local business networks to encourage the sharing of information and resources to build the capacity of local business and industry.	Produce and update the Business Directory on council's website	Completed
5.1.5	Support and strengthen local business networks to encourage the sharing of information and resources to build the capacity of local business and industry.	Council to continue shopping locally for services and products where appropriate	Completed
5.1.6	Investigate opportunities to support the township of Nyngan and villages of Girilambone, Coolabah and Hermidale.	Produce and update the Bogan Shire Prospectus	Completed
5.1.6	Investigate opportunities to support the township of Nyngan and villages of Girilambone, Coolabah and Hermidale.	Meet with village communities to discuss and understand issues relating to the maintenance and servicing of town and village facilities	Completed
5.1.7	Liaise with Government Agency employers to encourage the provision of incentives for attraction and retention of essential service workers to relocate to Nyngan.	Identify requirements and discuss options with Government Agencies	Completed

## 5.2 Tourism

Bogan Shire is regarded as a welcoming and attractive place for people to visit, providing services, cultural experiences and recreational opportunities for our visitors.

	Strategy	Activities 2015/2016	Status
5.2.1	Adopt and implement a streetscape master plan.	Carry out improvements in line with the plan	Completed
5.2.1	Adopt and implement a streetscape master plan.	<p>Enhance the first impressions tourists and newcomers have of Nyngan and the villages by:</p> <ul style="list-style-type: none"> <li>→ Planting trees at town and village entrances, along main access routes, in the town centres and in parks</li> <li>→ Improving signage for Shire entry points showing destinations, accommodation etc.</li> <li>→ Upgrading shop fronts</li> <li>→ Identifying locations for rest areas along Shire roads</li> <li>→ Improving facilities at the long-haul bus stop (specifically the area behind the St Vincent de Paul shop as it is the main thoroughfare to the Davidson Park toilets)</li> </ul>	Completed
5.2.2	Develop and implement a visitor strategy which includes the identification of potential opportunities for growth and new tourism products through consultation with stakeholders.	Continue to update, produce and distribute the Official Tourist Guide to local businesses and VICs in neighbouring shires	Completed
5.2.2	Develop and implement a visitor strategy which includes the identification of potential opportunities for growth and new tourism products through consultation with stakeholders.	Conduct photographic shoot to provide a source of up-to-date photographs for marketing and promotional material	Completed
5.2.2	Develop and implement a visitor strategy which includes the identification of potential opportunities for growth and new tourism products through consultation with stakeholders.	Continue to advertise Nyngan and Bogan Shire (in print media and on appropriate websites)	Completed

	Strategy	Activities 2015/2016	Status
5.2.2	Develop and implement a visitor strategy which includes the identification of potential opportunities for growth and new tourism products through consultation with stakeholders.	Membership of Inland NSW Tourism	(11) Not completed
5.2.2	Develop and implement a visitor strategy which includes the identification of potential opportunities for growth and new tourism products through consultation with stakeholders.	Develop a Visitor Tourism Strategy in conjunction with Inland Tourism and BCTBG	(12) Not completed
5.2.2	Develop and implement a visitor strategy which includes the identification of potential opportunities for growth and new tourism products through consultation with stakeholders.	Work with Nyngan LALC on their proposal for a recreational / educational centre	(13) Not completed
5.2.3	Provide and maintain a quality Visitor Information Centre which encourages and supports growth across many sectors of the local economy.	Seek accreditation for new Visitor Information Centre at Nyngan Museum	Completed
5.2.3	Provide and maintain a quality Visitor Information Centre which encourages and supports growth across many sectors of the local economy.	Investigate opportunities to distribute tourism information throughout the Shire	Completed

Ref #	Strategy #	Comments
11		Inland NSW Tourism no longer operational.
12		Work commenced but not complete.
13		Understood not to be progressing at this stage.



### 5.3 Communications

The community has access to the latest communications infrastructure and technology to facilitate communications for learning, business and providing services to our community.

	Strategy	Activities 2015/2016	Status
5.3.1	Maximise the coverage and availability of telecommunications infrastructure across the shire.	Lobby service providers on behalf of the community	Completed
5.3.2	Provide appropriate communications infrastructure and services including lobbying for early inclusion into the National Broadband Network.	Monitor national broadband initiatives and capacity	Completed

# 6 - Responsible Local Government

## 6.1 Leadership, Advocacy and Governance

Bogan Shire council will deliver open, transparent and effective local government, lobbying on behalf of the community and working in partnership with regional bodies.

	Strategy	Activities 2015/2016	Status
6.1.1	Facilitate meaningful engagement and consultation with the community and other stakeholders to progress the outcomes of the Community Strategic Plan.	Maintain a community consultation database (from CSP implementation)	Completed
6.1.1	Facilitate meaningful engagement and consultation with the community and other stakeholders to progress the outcomes of the Community Strategic Plan.	Undertake community engagement regarding major Council plans and projects	Completed
6.1.1	Facilitate meaningful engagement and consultation with the community and other stakeholders to progress the outcomes of the Community Strategic Plan.	Investigate and Implement mechanisms to enhance feedback to the community on larger community projects	Completed
6.1.2	Provide accountability to the community by regularly reporting on Council activities through the publication of business papers, meeting minutes and general information.	Provide accurate and timely meeting agendas and minutes	Completed
6.1.2	Provide accountability to the community by regularly reporting on Council activities through the publication of business papers, meeting minutes and general information.	Proactively release appropriate Council information e.g. Council Business Paper and Minutes through the website and council column	Completed
6.1.3	Promote accountability to the community by timely completion and publication of statutory reports.	Complete Annual Report	Completed
6.1.3	Promote accountability to the community by timely completion and publication of statutory reports.	Complete statutory financial accounts	Completed
6.1.3	Promote accountability to the community by timely completion and publication of statutory reports.	Produce Council's quarterly reports, delivery program and budget and operational plans	Completed
6.1.4	Represent the interests of the community through local Councillors.	Hold regular Council meetings	Completed
6.1.5	Maintain effective partnerships through regional and industry bodies to collaborate on matters of mutual interest and lobby collectively on behalf of the community.	Maintain partnerships with OROC, LMWUA	Completed

	<b>Strategy</b>	<b>Activities 2015/2016</b>	<b>Status</b>
6.1.5	Maintain effective partnerships through regional and industry bodies to collaborate on matters of mutual interest and lobby collectively on behalf of the community.	Undertake lobbying as appropriate	Completed
6.1.5	Maintain effective partnerships through regional and industry bodies to collaborate on matters of mutual interest and lobby collectively on behalf of the community.	Continue contracting alliance with RMS	Completed

## 6.2 Managing our Business

Our business is resourced with a competent and motivated workforce and is effectively managed through sound procedures and financial practices to enable us to build and deliver community services and infrastructure both now and into the future.

	Strategy	Activities 2015/2016	Status
6.2.1	Develop and implement our Operational Plan and Budget so as to manage our financial resources responsibly.	Provide draft Operational Plan and Budget to Council within agreed timeframes.	Completed
6.2.1	Develop and implement our Operational Plan and Budget so as to manage our financial resources responsibly.	Provide management accounting services including the implementation and management of a financial reporting system that draws information from Authority.	Completed
6.2.1	Develop and implement our Operational Plan and Budget so as to manage our financial resources responsibly.	Develop and manage Council's long term financial strategy	Completed
6.2.1	Develop and implement our Operational Plan and Budget so as to manage our financial resources responsibly.	Effectively manage Council's financial resources	Completed
6.2.2	Maximise revenue opportunities, such as grants for achievable projects	Coordinate grant opportunities across council	Completed
6.2.2	Maximise revenue opportunities, such as grants for achievable projects	Establish and maintain a schedule of rental properties	Completed
6.2.2	Maximise revenue opportunities, such as grants for achievable projects	Manage prudent investment of Council's funds	Completed
6.2.2	Maximise revenue opportunities, such as grants for achievable projects	Review internal charges to the Water, Sewer and Waste Funds	Completed
6.2.3	Manage the recovery of all revenues raised by Council through efficient and systematic debt recovery policies.	Implement revised Debt Recovery Policy	Completed
6.2.3	Manage the recovery of all revenues raised by Council through efficient and systematic debt recovery policies.	Collect rates effectively and efficiently to improve the collection rate	Completed

	Strategy	Activities 2015/2016	Status
6.2.3	Manage the recovery of all revenues raised by Council through efficient and systematic debt recovery policies.	Carry out Council's resolution on the sale of properties for unpaid rates.	*(14) Not Completed
6.2.4	Conduct regular reviews of policies, reporting systems and plans including asset management and risk management plans to confirm that they are fit for purpose.	Review existing Council Policies and progressively update them	Completed
6.2.4	Conduct regular reviews of policies, reporting systems and plans including asset management and risk management plans to confirm that they are fit for purpose.	Implement approved Asset Management Plan	Completed
6.2.4	Conduct regular reviews of policies, reporting systems and plans including asset management and risk management plans to confirm that they are fit for purpose.	Review Asset Management Plan and amend as necessary	Completed
6.2.4	Conduct regular reviews of policies, reporting systems and plans including asset management and risk management plans to confirm that they are fit for purpose.	Implement procurement guidelines and procedures	Completed
6.2.4	Conduct regular reviews of policies, reporting systems and plans including asset management and risk management plans to confirm that they are fit for purpose.	Maintain Council's corporate registers (e.g. policy, pecuniary interests and delegations register)	Completed
6.2.5	Conduct regular review of systems and processes to improve the effectiveness of risk management, control and governance processes.	Review Staff Induction process	Completed
6.2.5	Conduct regular review of systems and processes to improve the effectiveness of risk management, control and governance processes.	Implement recommendations identified in annual safety audits	Completed
6.2.6	Develop and implement workforce plans to develop and retain a skilled and motivated workforce including aspects such as organisational structure, training plans, performance appraisals and salary systems.	Maintain current position descriptions	Completed
6.2.6	Develop and implement workforce plans to develop and retain a skilled and motivated workforce including aspects such as organisational structure, training plans, performance appraisals and salary systems.	Ensure that Council's values are incorporated into our initiatives and activities	Completed
6.2.6	Develop and implement workforce plans to develop and retain a skilled and motivated workforce including aspects such as organisational structure, training plans, performance appraisals and salary systems.	Develop, implement and review Council's HR guidelines	Completed

	Strategy	Activities 2015/2016	Status
6.2.6	Develop and implement workforce plans to develop and retain a skilled and motivated workforce including aspects such as organisational structure, training plans, performance appraisals and salary systems.	Develop a performance management system	Completed
6.2.6	Develop and implement workforce plans to develop and retain a skilled and motivated workforce including aspects such as organisational structure, training plans, performance appraisals and salary systems.	Maintain the number of apprenticeships and traineeships across the organisation	Completed
6.2.6	Develop and implement workforce plans to develop and retain a skilled and motivated workforce including aspects such as organisational structure, training plans, performance appraisals and salary systems.	Develop and implement annual training plans	Completed
6.2.6	Develop and implement workforce plans to develop and retain a skilled and motivated workforce including aspects such as organisational structure, training plans, performance appraisals and salary systems.	Manage Council's recruitment process and procedures	Completed
6.2.6	Develop and implement workforce plans to develop and retain a skilled and motivated workforce including aspects such as organisational structure, training plans, performance appraisals and salary systems.	Manage educational assistance program	Completed
6.2.6	Develop and implement workforce plans to develop and retain a skilled and motivated workforce including aspects such as organisational structure, training plans, performance appraisals and salary systems.	Conduct staff Induction and familiarisation programs	Completed
6.2.6	Develop and implement workforce plans to develop and retain a skilled and motivated workforce including aspects such as organisational structure, training plans, performance appraisals and salary systems.	Manage Council's payroll and leave administration function.	Completed
6.2.6	Develop and implement workforce plans to develop and retain a skilled and motivated workforce including aspects such as organisational structure, training plans, performance appraisals and salary systems.	Manage and promote awareness and effective use of the Employee Assistance Program	Completed
6.2.6	Develop and implement workforce plans to develop and retain a skilled and motivated workforce including aspects such as organisational structure, training plans, performance appraisals and salary systems.	Develop an ageing workforce strategy	Completed

	Strategy	Activities 2015/2016	Status
6.2.7	Promote a culture of customer service, including supporting processes, to deliver high quality services to the community.	Council to provide information packs to new rate payers and residents	Completed
6.2.7	Promote a culture of customer service, including supporting processes, to deliver high quality services to the community.	Develop customer service charter	*(15) Not Completed
6.2.7	Promote a culture of customer service, including supporting processes, to deliver high quality services to the community.	Investigate improvements for the tracking and reporting of customer service requests and complaints	Completed
6.2.8	Identify, characterise and asses all potential risks to Workplace Health and Safety and public liability.	Adequate insurance coverage provided and reviewed annually	Completed
6.2.8	Identify, characterise and asses all potential risks to Workplace Health and Safety and public liability.	Ensure all managers understand their responsibilities in managing risk modify job descriptions and KPI's where appropriate.	Completed
6.2.8	Identify, characterise and asses all potential risks to Workplace Health and Safety and public liability.	Ongoing compliance with Council's statutory obligations and to properly discharge Council's common law duty of care to the community when managing risks	Completed
6.2.8	Identify, characterise and asses all potential risks to Workplace Health and Safety and public liability.	Review and implement Council's WH&S plan and systems	Completed
6.2.9	Adequately resource our IT and communications systems consistent with industry standards and technological development.	Ensure the IT resource plan reflects requirements	*(16) Not Completed
6.2.9	Adequately resource our IT and communications systems consistent with industry standards and technological development.	Manage Council's IT network and infrastructure	Completed
6.2.9	Adequately resource our IT and communications systems consistent with industry standards and technological development.	Manage and maintain a Records Management System that meets the needs of the organisation, the community and legislative requirements	Completed
6.2.9	Adequately resource our IT and communications systems consistent with industry standards and technological development.	Fully implement Trim records management system and processes.	Completed

	Strategy	Activities 2015/2016	Status
6.2.9	Adequately resource our IT and communications systems consistent with industry standards and technological development.	Maintain an up to date Council website	Completed

Ref #	Strategy #	Comments
14	6.2.3	To be referred to Council for further discussion.
15	6.2.7	To be developed as part of introduction of new customer relationship management system.
16	6.2.9	Under development.



# Annexure Three State of the Environment Report



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# State of the Environment Snapshot

A State of the Environment (SoE) Report is an important management tool which aims to provide the community and Local Council with information on the condition of the environment in the local area to assist in decision-making.

Since 2007, the Councils of the Greater Central West Region of NSW (see map) have joined to produce Regional SoE Reports as part of Council reporting requirements.

Changes to NSW legislation mean that Councils are no longer required to produce SoE Reports each year, but only once every four years, in the year of the Council election (this year for some Councils). However, the

participating Councils have decided to continue reporting on an annual basis so that they can provide a detailed Regional SoE report this year that covers trends in the intervening years.

This is a brief snapshot of data for the Bogan Local Government Area in 2015-16 across a range of environmental indicators as shown in the tables below. The tables provide an understanding of trends by comparing this year's data with an average of previous years. The Council snapshot report should be read in conjunction with the 2015-16 Regional SoE report.

## 2015-16 Highlights

- ↑ There was an increase in the amount of waste recycled per person from the previous years.
- ↑ There was an increase in the extent of roadsides revegetated compared with last year.
- ↓ Average town water consumption has increased significantly over the past three years.
- ↑ Environmental volunteers spent 192 hours working on public open space this year.
- ↓ The average cost of waste service per residential household was at its highest level in the past four years.

## Land

Issue	Indicator	2012-13	2013-14	2014-15	2015-16	Trend
Contamination	Contaminated land sites - Contaminated Land Register (Number)	0	0	0	0	→
	Contaminated land sites - potentially contaminated sites (Number)	15	15	15	15	→
	Contaminated sites rehabilitated (Number)	0	1	0	0	↓
Erosion	Erosion affected land rehabilitated (ha)			0	0	→
Land use planning and management	Number of development consents and building approvals			22	39	
	Landuse conflict complaints (Number)	0	3	0	1	→
	Loss of primary agricultural land through rezoning (ha)	0	0	0	0	→
Minerals & Petroleum	Number of mining and exploration titles	66	75	57	55	↑
	Area covered by mining and exploration titles (ha)	928K	743K		400K	↑

↑ improvement      → no or little change      ↓ worsening trend

Note - the trend is based on comparing the average of the previous three years of reporting with 2015-16

# Biodiversity

Issue	Indicator	2012-13	2013-14	2014-15	2015-16	Trend
Habitat Loss	Total Area in the National Parks Estate (ha)			4,774	4,772	→
	Total Area of State Forests (ha)			33,757	30,498	↓
	Total Area Protected in Wildlife Refuges (ha)	0	0	0	0	→
	Total Area protected in conservation reserves & under voluntary conservation agreements (ha)	1,036	1,036	1,036	1,036	→
	Proportion of Council reserves that is bushland/remnant vegetation	13%	13%	13%	13%	→
	Habitat areas revegetated (ha)	0	2	0	0	↓
	Roadside vegetation management plan	1	1	1	1	→
	Roadside vegetation rehabilitated (ha)			1	1.5	↑
Threatened Species	Threatened species actions implemented (e.g. PAS, recovery plans) (Number)			0	0	→
	Fish restocking activities: native species (Number)	15,150	15,150	5,000	5,000	↓
Noxious weeds and feral animals	Fish restocking activities: non-native species (Number)	0	0	0	0	→
	Number of declared noxious weeds	91	100	106	106	↓
	Invasive species (listed noxious or WONS) under active management (Number)	0	10	3	0	↓

# Towards Sustainability

Issue	Indicator	2012-13	2013-14	2014-15	2015-16	Trend
Waste Generation	Total waste entombed at primary landfill (tonnes)	2,165	843	904	985	↑
	Total waste entombed at other landfills (exc recyclables) (tonnes)	0	0	0	0	→
	Average total waste generated per person (tonnes)	0.72	0.28	0.29	0.32	↑
	Average cost of waste service per residential household	\$272	\$272	\$297	\$301	↓
Hazardous/Liquid Waste	DrumMuster collections (number of drums)	0	0	0	1,424	↑
	Household Hazardous Wastes collected (kg)	0	0	0	0	→
Reduce	Garden organics collected (diverted from landfill) (tonnes)	0	0	0	2	↑
	E-Waste collected (diverted from landfill) (tonnes)	0	0	0	0	→
Recycle	Volume of material recycled (tonnes)	168	138	167	165	↑
	Volume of material recycled per person (kg)	56	45	54	64	↑
Littering and illegal dumping	Number of illegal waste disposal complaints to Council	0	0	0	0	→
Engineering, Infrastructure and Civil Works	New road construction (km)	0	0	0.23	3	↓
	Road upgrades (km)	2	64	25	42	↓
Risk Management	Flood management plans/ flood mapping - increase in area covered (ha)	0	0	600	0	↓
	Hazard reduction burns (Number)	0	0	0	0	→
Climate Change Mitigation	Office paper used by Council (A4 and A3 reams)	815	820	670	850	↓
	Council sustainability initiatives (Number)			1	1	→
	Council mitigation initiatives (Number)			2	1	↓
Council Greenhouse Gas Emissions	Annual electricity consumption for Council controlled facilities (MWh)	676	490	1,024	996	↓
	Annual natural gas consumption for Council controlled facilities (GJ)			0	0	→
	Annual bottled gas consumption for Council controlled facilities (L)			0	0	→
	Total fuel consumption (KL)	278	334	288	337	↓
	Council total operational greenhouse gas emissions (tCO <sub>2</sub> -e/year)	2,583	2,552	2,963	2,810	↓
Community Greenhouse Gas Emissions	Small scale renewable energy uptake (kW installed)	86	178	108	116	↓
	Number of solar water heaters and heat pumps installed	3	11	4	3	↓

# Water and Waterways

Issue	Indicator	2012-13	2013-14	2014-15	2015-16	Trend
Surface & Ground Water Quality	Average salinity levels in selected streams (EC)	479	449	306	371	↑
Riparian	Riparian vegetation recovery actions (Number)			0	0	→
	Riparian vegetation recovery area (ha)			0	0	→
Industrial/ Agricultural Pollution	Load Based Licencing Volume (kg)		79		0	↑
	Exceedances of license discharge consent recorded			0	0	→
	Erosion & Sediment Control complaints received by Council (Number)	0	11	7	0	↑
Stormwater Pollution	Number of gross pollutant traps installed	0	0	0	0	→
	Total catchment area of GPTs (ha)			0	0	→
	Water pollution complaints (Number)	0	0	1	2	↓
Water extraction	Number of Water Supply Work Approvals from surface water sources		101	99	87	↑
	Volume of surface water permissible for extraction under licences (GL)		15	13	14	→
	Number of Water Supply Work Approvals from groundwater resources	210	156	162	162	↑
	Volume of groundwater permissible for extraction under licences (GL)	2.6	2.6	0.39	0.39	↑
	Actual volume extracted through groundwater licences (GL)			0	0	→
Council water consumption	Area of irrigated Council managed parks, sportsgrounds, public open space (ha)	52	52	52	52	→
Town water consumption	Annual consumption (Total from WTP) (ML)	561	541	681	742	↓
	Average level of water restrictions implemented	0.0	0.0	0.0	0.0	→
	Water conservation programs (Number)		0	0	0	→
Town Water Quality	Number of instances drinking water guidelines not met	16	13	128	0	↑
	Number of drinking water complaints	2	0	3	2	↓

# People and Communities

Issue	Indicator	2012-13	2013-14	2014-15	2015-16	Trend
Active community involvement	Environmental volunteers working on public open space (hrs)			0	192	↑
	Number of environmental community engagement programs		1	1	0	↓
	Number of growers markets/local food retailers specialising in local food		0	0	0	→
Indigenous Heritage	Number of Indigenous sites on AHIMS register		482	484	496	↑
	Inclusion in DCPs & rural strategies (Yes or No)	1	1	1	1	→
	Extent of liaison with Indigenous communities (self-assessed from 0 = none to 3 = High)		0.0	0.0	1.0	→
	Development approvals on listed Indigenous sites (Yes or No)	No	No	No	No	→
	Number of Indigenous heritage management actions/responses			0	0	→
Non-Indigenous Heritage	NSW Heritage Items (Number)	2	2	2	2	→
	Locally listed heritage items (Number)	4	4	2	2	↓
	Actions to protect non-Indigenous heritage (including management plans) (Number)	0	0	1	1	↑
	Heritage buildings on statutory heritage lists demolished/degraded in past year (Number)	0	0	0	1	→
	Heritage buildings on statutory heritage lists renovated/improved in past year (Number)	0	0	0	0	→

## CASE STUDY: Nyngan Waste and Resource Recovery Facility (Bogan LGA)

On the 13 January 2015, Bogan Shire Council was granted approval by the Joint Regional Planning Panel for a Development Application which involved environmental improvements and an extension to the Nyngan Waste Depot. This included not only increasing the security of the site which had been unmanned for many years, but also allowing for the site to increase its compliance in environmental monitoring, as well as the recovery of recyclable materials. The aim was to thereby reduce the amount of waste going to landfill and the facility was subsequently renamed the Nyngan Waste and Resource Recovery Facility.

Since the approval was issued to undertake extension works, modifications have been required. However, in the last year Council was successful in obtaining grant funding from the NSW Environmental Trust which assisted it in commencing the first step in the process of securing the site with new boundary fencing, CCTV cameras and signage.

There have been delays to the project as a result of significantly high rainfall since April 2016. These delays have allowed Council to increase community consultation in respect to how the new facility will operate, particularly with the processing of payments when accepting waste at the site, as well as increasing the commitment to recycling and separation of materials on the site.

Council seeks to further increase community consultation in order to reduce any illegal dumping incidents and the subsequent issuing of penalty infringement notices.

Council endorses the changes occurring to the facility, which are a positive step forward in environmentally conscious waste management in Nyngan. This also achieves the essential goal, acknowledged by the community, within the Bogan Shire Community Strategic Plan 2015-2019. As a result, the Bogan Shire community has been proactive in the environmental improvements seen onsite so far, and it is envisaged that the facility will continue to be well maintained and achieve regulatory compliance into the future.



Nyngan Waste and Resource Recovery Facility Levelling of Existing Site for Recycling Drop off Area, February 2016



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