



LEETON SHIRE COUNCIL

2015/16 ANNUAL REPORT



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LEETON SHIRE COUNCIL
Preserving the Past, Enhancing the Future

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10.00 am to 4.00 pm Monday to Friday
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OUR REGION

Leeton is located in the Riverina region of New South Wales and is situated approximately 550km west of Sydney and 450km north of Melbourne in the productive Murrumbidgee Irrigation Area. The population of Leeton Shire was recorded as 11,037 in 2011 with the main urban area of Leeton recording a population of 6,733. Other villages within Leeton Shire include Yanco, Whitton, Murrami and Wamoon.

Leeton Shire is situated in one of the most productive farming regions in the state, with citrus, rice, cotton, grapes and wheat farms found throughout. The region plays an important role in feeding Australians and the world, with each MIA farmer estimated to feed 600 people (450 through exports) and collectively contributing to 38% of NSW's vegetable production. Leeton is renowned as the Heart of SunRice Country and is home to the SunRice headquarters. Other large industries includes Berri Juices, JBS Swift Beef Cattle Feedlot, Freedom Foods, Southern Cotton and Murrumbidgee Irrigation.

Leeton Shire includes the first town built as part of the Murrumbidgee Irrigation Area (MIA) Hulong, now Whitton. The MIA was developed through the foresight of the Water Conservation and Irrigation Commission, which was chaired by Charles Lee in 1905 and initiated the construction of Burrinjuck Dam. Sir Samuel McCaughey demonstrated the viability of irrigation in the region and on his 'North Yanko' farm, 16,187 hectares were irrigated using around 320km of channels drawing from the Murrumbidgee River with steam driven pumps. McCaughey's Mansion is now part of the Yanco Agricultural High School, one of the many schools that contribute to the Shire's role as the second largest educational centre in the Riverina.

The town of Leeton, whose final design was influenced by Sir Walter Burley Griffin and his wife Marion Mahoney Griffin, is a showcase of contemporary rural Australia with many examples of Art Deco architecture. The region is renowned for its diverse agriculture and country hospitality.

Water is also central to Leeton Shire being within the river environs of the Murrumbidgee River. The Ramsar-listed Fivebough and Tuckerbil swamps also play an important part in the ecology by hosting migratory birds, some from the northern hemisphere, during the warmer months with 174 bird species.



LEETON SHIRE COUNCIL
Preserving the Past, Enhancing the Future

OUR COMMUNITY VISION

That Leeton Shire is the Centre of Excellence within the Murrumbidgee Irrigation Area, fostering world best practices in all its endeavours, ensuring the people of Leeton Shire enjoy a rich and diverse lifestyle in harmony with our unique environment.

OUR COUNCIL MISSION

To provide community leadership through representative government and the provision of equitable services and facilities for the community through responsible use and development of available resources.

To continue the growth and development of the Shire in harmony with the environment and to exercise regulatory functions in a consistent and unbiased manner.

OUR COUNCIL VALUES

Our strategic decisions and day-to-day activities are guided by the values of:

- Trust;
- Respect;
- Integrity;
- Communication;
- Collaboration; and
- Innovation.

OUR STAKEHOLDERS

We work in partnership with our community, including:

- residents, ratepayers and visitors;
- businesses and investors;
- community groups, clubs, organisations;
- government agencies;
- other local governments; and
- regional organisations.

OUR MAYOR



As the Mayor of Leeton Shire it is with great pleasure that I present to the Leeton community the Leeton Shire Council Annual Report for 2015/16.

I share with many a pride in knowing that we live and work in a very special place. People who live in the Leeton township and its surrounding villages of Whitton, Yanco, Murrumbidgee and Wamboona are proudly connected members of our community.

As a Council we are tasked with creating vibrant communities, providing services, encouraging economic growth and setting policy and strategic direction which is environmentally, socially and economically responsible and sustainable.

Our elected body continues to be extremely focused on delivering services and activities that are relevant to the community and provide our residents with confidence that Leeton Shire has strong governance mechanisms in place to support a financially well managed organisation. I believe that we have taken positive steps over the year which have set us on a path for success well into the future.

Some of the highlights of the 2015/16 operating year have included:

- The Leeton Town Ovals upgrade was officially launched. These major works focused on maximising the overall standard of the change rooms and playing facilities on offer to various sporting codes that use the ovals.
- Road rehabilitation works were completed on Contour Road, Grevillia Street, Wilga Road, Young Road and two intersections of Mount Harris Road.
- The conclusion of the three year term contract for relining sewer mains and sewer junctions in Gralee and Wattle Hill.
- The Petersham Road Precinct project was completed with works including kerb and gutter installation, footpath installation and road rehabilitation works along Petersham Road, from Grevillia Street to Hillview Place.
- Council established a new committee framework incorporating three areas: Section 355 Committees, Advisory Committees and Action Groups.
- The NSW Government announced that the Narrandera-Leeton Airport secured \$125,000 in funding to support vital infrastructure upgrades at the Airport facility.
- Council was awarded \$37,000 via a range of grant funding for the provision of a Multicultural Resource Area in the Leeton Shire Library.
- Ongoing advocacy in relation to the Murray Darling Basin Plan to ensure that no more productive water is lost.

Every successful organisation has its challenges and Leeton Shire has had its fair share during 2015/16, particularly in relation to the NSW State Government's "Fit for the Future" local government reform agenda.

After several months of hard work and advocating with key stakeholders in relation to Council's position on the reform agenda, Leeton Shire Council was advised on Friday 18th December 2015 by the NSW Department of Premier and Cabinet that we had been declared "fit" to stand alone.

This announcement was an outstanding reward and an important milestone achieved by Leeton Shire and I would like to personally thank my fellow Councillors, General Manager Jackie Kruger, Council's Senior Management Team and staff for their leadership and support during this period.

Sustainability is now at the heart of every decision made by Council as it is paramount that we have a strategic mindset to ensuring we remain "Fit for the Future" for many years to come.

Leeton Shire Council, staff and the elected body remains committed to serving our community in the most effective and efficient manner and to making Leeton a regional centre for excellent quality service provision, tourism and infrastructure.

I thank you for taking the time to read this report.

Cr Paul Maytom, Mayor, Leeton Shire Council

OUR GENERAL MANAGER

I am pleased to present my first Annual Report as General Manager of Leeton Shire Council.

The Annual Report details the progress made during the year against the 2013/17 Leeton Shire Council Delivery Program, this being the final year of this 4 year Term of Council. You may like to read it in conjunction with the [End of Term Report](#) for Leeton Shire Council.

As staff we have worked to support the Council during the 2015/16 year with a focus on three key priorities:

1. Delivering vital services and major infrastructure projects to the community in full, on time and to budget;
2. Implementing a long term approach to ensure a financially sustainable Council that remains Fit For The Future; and
3. Increasing communication with residents, including engagement on projects that are of significant community interest.



During the year Council spent several months working through the NSW State Government's Fit for the Future reforms for local government and Council was committed to supporting the Leeton community's strong desire to stand alone.

During the year we progressed our plans to achieve a \$1.3 million operational improvement (recurrent) which is required to be in place by the year 2020 to address our infrastructure backlog and stay ahead of our renewals program.

Strategies that were explored included shared services with Narrandera Shire Council, a range of internal service reviews and a review of depreciation treatments for various asset groups. I'm pleased to advise that Leeton Shire Council has identified \$800,000 (61.54%) of improvements for introduction in the next financial year.

Administratively we have focused on improved customer service, the introduction of corporate values, increased communication, enhanced corporate planning capability, and the delivery of results for our Councillors and community.

The *Have Your Say Leeton* community engagement website has helped make it easier for the community to provide feedback. This new electronic format allows residents to participate at times that best suit them, from a location that is most convenient.

This year Council continued its success in obtaining funding through government grants to deliver new and improved infrastructure. Examples include \$1.34 million through the Federal Government's "Roads to Recovery Program" and \$45,000 to assist Leeton Shire to complete a Flood Study project.

Council has formed a Leeton Central Business District (CBD) Committee to oversee the enhancement of the town centre. A concept plan has commenced development with the assistance of a \$25,000 grant from the Murray Darling Basin Regional Economic Diversification Program. Projects have also commenced to plan and seek funding for the refurbishment of the Roxy Theatre and the upgrade of the Leeton Swimming Pool Complex. With solid plans in place these major projects will have a greater chance of attracting major grant funding to help make them a reality.

Planning was undertaken for the September 2016 Council elections, the first full election held at large, as well as familiarisation with the impending changes to the Local Government Act 1993 and the proposed introduction of Joint Organisations.

Sincere thanks to the staff of Leeton Shire Council who do an excellent job of delivering services in what can, at times, be a very challenging environment. Their commitment and passion for the task is commendable.

Thanks to the Councillors for their leadership and sound decision making over the year and to the community for being active and engaged citizens of Leeton Shire.

A handwritten signature in black ink that reads "Jackie Kruger".

Jackie Kruger, General Manager, Leeton Shire Council



Merry Christmas

Light up
Leeton

LEETON SHIRE COUNCIL
Celebrating the spirit, spirit of the Leeton

Sam's TILE & BATH CENTRE

Light up
Leeton

OVERVIEW

Our Shire

Leeton is a vibrant community supported by strong industry, good facilities and services and is the second largest regional centre in the Western Riverina region outside of Griffith. The community plays an integral role in value-added agriculture, education and research, transport and logistics.

Leeton has seen a positive population growth over a number of years and is forecast to benefit from population increases across many demographics in the next ten years.

The Leeton region is in a strong economic position with a Gross Regional Product (GRP) estimated at \$527 million. Supporting Leeton's economic position were 959 registered businesses in 2016. The largest employment sectors in the region are: manufacturing (20%), agriculture (largest number of businesses, but only employs 10% of the workforce), retail trade (10%), construction (5.2%) education, health care and social assistance.

The agricultural sector is diversified with a range of financial institutions and professional services within the region directly linked to manufacturing and agricultural services. A third of Leeton's economic value and 44% of employment is directly related to food and fibre production.

Leeton has an export agenda with over 18,000 containers leaving Leeton every year. JBS Riverina Feedlot has over 40,000 head of cattle with 400 being processed daily at the abattoir. 4,000 tonnes of walnuts and 180,000 tonnes of citrus are processed in Leeton annually and the rice industry contributes \$148 million to the regional economy.

The majority of Leeton's businesses are micro or small business, employing less than five staff. The breakdown of Leeton's workforce is: labourers (18.5%), managers (16.1%), trades (14.5%) and professionals (13.4%). The unemployment rate in Leeton in 2015 was 4.8%.

With many events and an array of experiences across the year, Leeton receives over 25,000 visitors every year. The majority of visitation derives from the Visiting Friends and Relative (VFR) market. Leeton also has market segments in business tourism, events based tourism, sports tourism and nature based tourism, bringing in a value of \$11 million per year to the local economy.

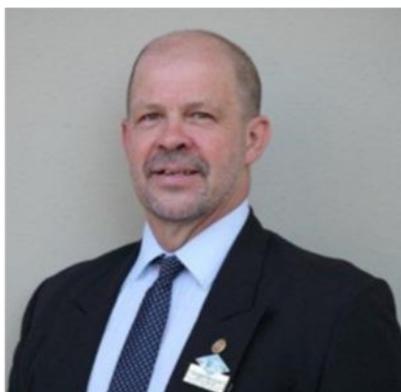
Leeton is a proactive and friendly community with many citizens actively involved in some form of voluntary work and a growing range of nationalities and cultures now enriching community life.

OUR ELECTED REPRESENTATIVES

Councillors—1 July 2015 to 30 June 2016



CR PAUL MAYTOM
Mayor
Elected September 1987



CR GEORGE WESTON
Deputy Mayor
Elected September 1995



CR TRACEY VALENZISI
Elected September 2008



CR PETER DAVIDSON
Elected February 2010



CR EMERSON DOIG
Elected September 2008



CR GREG O'CALLAGHAN
Elected September 2008



CR MICHAEL KIDD
Elected September 2012
(Also Councillor from 2004-2008)



CR STEVE DOWLING
Elected September 2012



CR TRACEY MORRIS
Elected September 2012

Attendance at Council Meetings—July 2015 to June 2016

Councillor	Available Meetings		Meetings Attended	
	Ordinary	Extra	Ordinary	Extra
Cr Maytom	12	2	12	2
Cr Weston	12	2	11	0
Cr Valenzisi	12	2	9	2
Cr Davidson	12	2	11	2
Cr Doig	12	2	11	2
Cr O'Callaghan	12	2	9	1
Cr Kidd	12	2	11	2
Cr Dowling	12	2	8	0
Cr Morris	12	2	9	2

Councillor Representation of Committees

Section 355 Committees:

Whitton Court House and Historical Museum:

Cr Paul Maytom, Cr Greg O'Callaghan

Yanco Community Hall:

Cr Peter Davidson, Cr Tracey Valenzisi (alternate)

Leeton Men's Shed:

Cr Greg O'Callaghan

Light Up Leeton Committee:

Cr Emerson Doig

Whitton Community Hall:

Cr Greg O'Callaghan, Cr Emerson Doig (alternate)

Murrarni Community Hall:

Cr Greg O'Callaghan, Cr Tracey Valenzisi (alternate)

SunRice Festival Committee:

Cr George Weston

Bidgee Classic Committee:

Nil

Advisory Committees:

Leeton Tree Advisory Group:

Cr Paul Maytom, Cr Greg O'Callaghan (alternate),
Cr Peter Davidson (alternate)

Roxy Community Theatre Group:

Cr Michael Kidd, Cr Tracey Morris (alternate),
Cr Emerson Doig (alternate)

Leeton Traffic Committee:

Cr Paul Maytom, Cr George Weston (alternate)

Leeton Early Learning Centre:

Cr George Weston, Cr Paul Maytom (alternate)

Leeton Shire Heritage Group:

Cr George Weston, Cr Greg O'Callaghan (alternate),
Cr Michael Kidd (alternate)

Leeton Crime Prevention Group:

Cr Paul Maytom, Cr George Weston

Whitton Town Improvement Committee:

Cr Greg O'Callaghan, Cr Paul Maytom

Action Groups:

Leeton Tidy Towns:

Cr Michael Kidd, Cr Peter Davidson (alternate),

Leeton Australia Day Group:

Cr George Weston, Cr Paul Maytom (alternate)

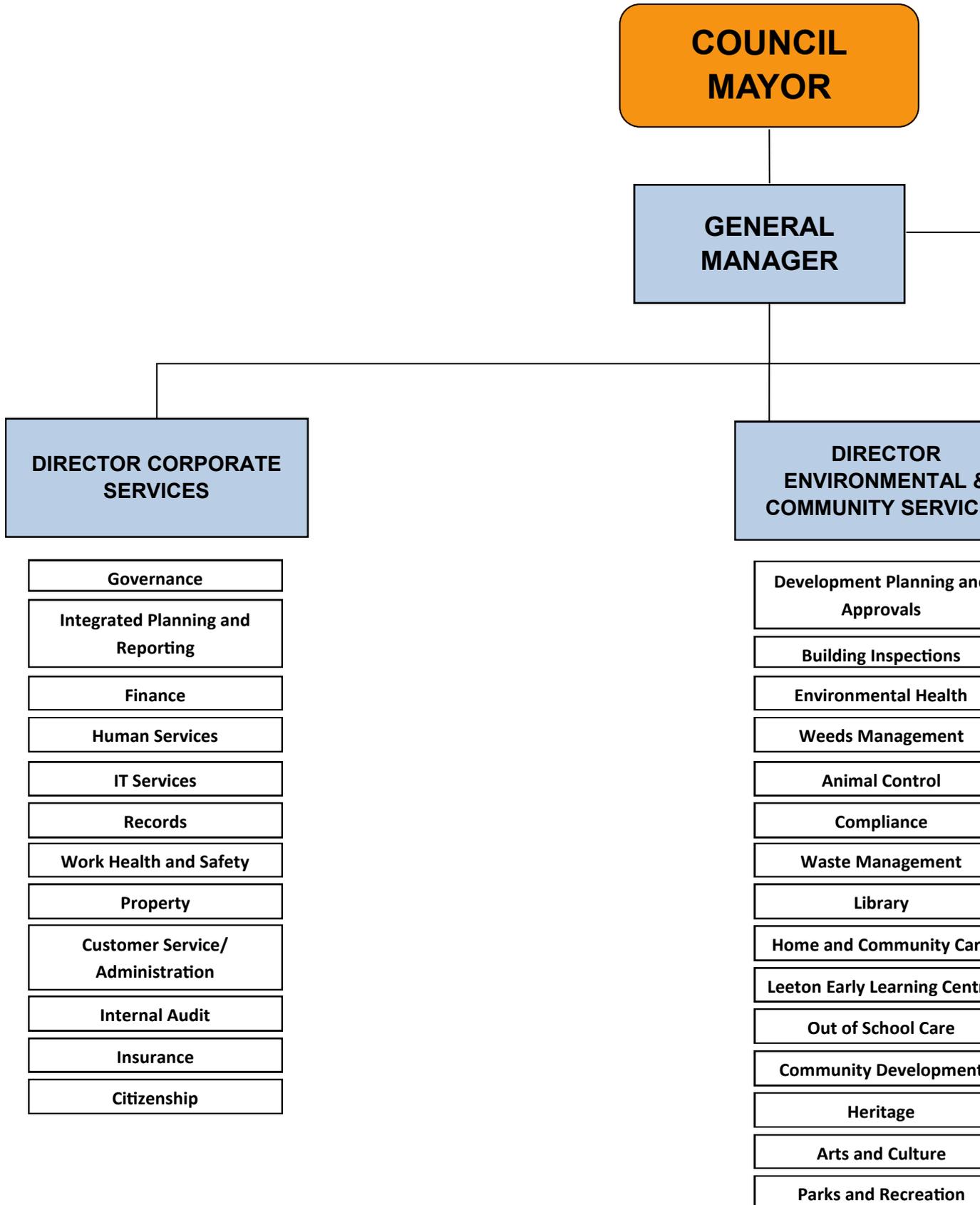
Leeton Youth Committee

Cr George Weston, Cr Tracey Morris (alternate),
Cr Emerson Doig (alternate)



OUR ORGANISATIONAL STRUCTURE

As at 30 June 2016





LEETON SHIRE COUNCIL

Preserving the Past, Enhancing the Future

Communications/Community Engagement
Economic Development, Tourism and Events

DIRECTOR ENGINEERING & TECHNICAL SERVICES

Water and Waste Water

Roads and Infrastructure

Design and Construction

Plant and Fleet

Asset Management

GIS Services

Road Safety

Depot

denotes members of

SENIOR MANAGEMENT TEAM

2015/16 HIGHLIGHTS

JULY

- The No. 1 Oval dressing rooms were officially opened
- Comedian Carl Barron entertained a full house at the Roxy Theatre
- Council's Senior Ranger was presented with a Service Award from the Rangers Institute in recognition of the Senior Ranger's

- The launch "A Night in Paris" of Taste Riverina took place at the Roxy Theatre.

SEPTEMBER

- Children's Book Week celebration was held in the Library with over 720 children, teachers and carers attending



- contributions to the NSW Parliamentary Task Force into Dangerous Dogs and subsequent amendments to the Companion Animals Legislation
- Council received \$43,800 in grant funding for the Gossamer Park revitalisation project.

- The launch of "Dynamic Divas" Women in Business Networking was held at the Leeton Visitor Information Centre
- Pasta Making Demonstrations were held at the Library during school holidays by the writers of Wow! It's Italian Authentic Cookbook
- A successful Red Carpet Day event was held at the Leeton Visitor Information Centre.

AUGUST

- The Friends of the Leeton Library sponsored a Children's Book Week performance by author Tracy Hawkins with over 600 primary aged children attending the free event
- Over 5,000 people attended the Roxy Theatre for the Climate Technologies Leeton Eisteddfod

OCTOBER

- Council participated in the Local Government Professionals Rural Management Challenge
- The second annual Leeton Harley and Bike Muster was held at the Leeton Showgrounds

NOVEMBER

- Council finalises its 'stand alone' submission in relation to Fit for the Future
- Leeton Business Breakfast was hosted by G Business Management
- Council approved nine applications as part of Round One of the Community Strengthening Grant Scheme, totalling \$10,848.50
- Library receives Federal Government funding in the order of \$20,000 for their Multicultural Resources Area
- The Town Band Spectacular was a great success with just under 200 performers converging on Leeton, performing across two main stages and onsite at 14 local businesses on the Festival Saturday. Over 160 performers took to the stage for the Mass Band concert at the Roxy theatre with more than 150 tickets being sold
- Renewal work was carried out on the Murrumbidgee Community Hall
- Council sponsored three youth participants to attend the annual National Young Leaders Day in Sydney
- A writing workshop was held at the Library by author Michael Bauer
- The Leeton Industry Business Tour was held in conjunction with Council and Regional Development Australia—Riverina
- A community Solar Forum was held at the Leeton Soldier's Club
- Nearly 400 people saw comedian Anh Do perform his live show "The Happiest Refugee" at the Roxy Theatre
- White Ribbon Day was supported by local students, businesses and community members as they gathered together in Jarrah Mall to stand against domestic violence.

DECEMBER

- Leeton Shire Council was declared fit for the future and will remain a stand alone Council
- Council held a Mental Health Workshop for its volunteers to ensure that they were aware of some of the basic factors and triggers of those with mental health problems. Close to 40 volunteers attended the workshop
- Over 1,000 locals attended the 20th Year Anniversary of Light Up Leeton
- The NSW Government announced that the Narrandera-Leeton Airport secured \$125,000 in funding to support vital infrastructure upgrades
- The Leeton Early Learning Centre received a facelift with an entire internal repaint of the facility
- Argyle Housing took over management of Eventide Homes following the retirement of longstanding manager, Mr Kevin Bush, after 40 years of service
- The Whitton Hall Infrastructure Committee received notification of \$12,400 approved funding through the NSW Government's Community Building Partnership program
- Council undertook major works at the Leeton Town Ovals, focussing on maximising the playing surface options available at the highly used sporting facility
- The Christmas Carnival and Community Concert was held in Mountford Park, enthralling families and locals alike.

JANUARY

- Council established a new committee framework, broken into three areas (Section 355 Committees, Advisory Committees and Action Groups)



- Council hosted local Australia Day award ceremonies. The event was presented by Susie Eleman, media personality, who was the Australia Day Ambassador.
- Council received additional funding of \$171,500 to further develop and promote the fantastic food, wine and agricultural product and visitor experiences in the region
- Light Up Leeton awards were presented to the winning residents and businesses who decorated their homes and businesses with festive lights and decorations
- Vance Road kerb and gutter installation was completed with the value of the works being \$220,000

- A Family History Help program commenced at the Library to assist the community in their family history research. Brochures were developed by the Library staff and distributed to support the program

- Relocation of cricket wickets at the Leeton Ovals were relocated to enable greater usage for all sports.

FEBRUARY

- Stage Two of renovation works were completed at the Leeton Visitor Information Centre
- Council's Manager Building and Environment was appointed to the NSW National Parks and Wildlife Service Western Rivers Regional Advisory Committee.
- Council throws support behind Earth House committing to reducing its carbon foot print by participating in the internationally recognised "Lights Out for Earth Hour" event

2015/16 HIGHLIGHTS

- A Health and Wellbeing Program commenced at the Library to promote the services offered in the community by various organisations
- Community spirit shone through during the Relay for Life event, raising close to \$40,000
- Council implemented its Footpaths Asset Management



- The bi-annual SunRice Festival was held over Easter 2016. Close to 10,000 people lined the streets for the Parade as well as approximately 5,000 attending the Ovals Complex for the Balloon Glow. The ambassadors in total raised just over \$55,000 for local charities and community groups
- Leeton Bidgee Classic was held at Gogeldrie Weir with over 500 competitors participating, including UK angler Martin Salter. The release of native fingerlings was proudly sponsored by Council. Approximately 15,000 Yellow Belly and 7,000 Murray Cod fingerlings were released
- Leeton Out of School Care Assessment and Rating achieved a higher National Quality Standard Rating.

- Council was awarded \$20,000 via the Stronger Communities Grant for the provision of a Multicultural Resource Area in the Leeton Shire Library
- Wet pour rubber surfacing was installed in high wear areas of Council's playgrounds
- Installation of concrete paths along Short Street, Yanco and Melaleuca Ave, Leeton were completed
- Upgrade to the Stott Road intersection finalised
- Mental Health training was conducted for Leeton Shire Council registered volunteers.

MARCH

- Leeton Shire was showcased with the Sydney Weekender film crew looking at Walnuts, Cotton and Rice
- Residents took part in Clean Up Australia Day activities

Plan bringing into policy a new defect management system (including response times), formalising the condition framework and outlining a plan to eliminate the backlog in footpath maintenance

- Council's Mayor attended the Sustainable Refugee Settlement Conference to ensure our community is equipped with appropriate information and contacts to facilitate the successful settling of refugees
- Re-lining of internal walls in the presentation room and foyer at the Visitor Information Centre was undertaken
- Rehabilitation of two sections of Contour Road, totalling \$200,000, was completed
- A new Landfill cell and asbestos pit was constructed at the Leeton Landfill
- Harmony Day was celebrated at the Library with a morning tea and display

APRIL

- Council embarked on new electronic ways of engaging with the community, implementing its "Have Your Say" website
- The Whitton Rural Fire Service was successful in obtaining \$5,000 of funding through the 'Aussie Cotton Farmers Grows Communities' Fund. The funding was used, together with a small amount of donated funds, to replace the old drying pole at the Whitton Brigade
- Council adopted its Section 94A Fixed Levy Contributions Plan
- Council's sealed road resealing program was completed totalling \$458,000
- Riverina Skate Competition was hosted by the Leeton Youth Committee with large numbers of kids entering the skate, bike and scooter competition to showcase their local talent



- Construction of an additional community recycling shed was completed at the Leeton Landfill
- Council completed shoulder widening of a section of Lonnie Road to the value of \$115,000
- The \$400,000 gravel re-sheeting program was completed
- Activities were offered each day of the school holidays in the Library
- The Roxy Theatre hand picked four movies for Seniors Week, being The Lady in the Van, The Daughter, Miracles from Heaven and Brooklyn, which were greatly received by the community.

- A hydrological investigation was conducted at the Leeton Landfill
- Council implemented improved procedures for groundwater monitoring at the Leeton Landfill
- A new barbecue and shelter was installed at Mountford Park
- Rehabilitation works for several roads, including Young Road, Mount Harris Road and Tabain Road, were finalised
- “Gloria’s Handbag” show with acclaimed actress Helen Moulder was performed at the Library
- \$7,700 grant funding was received from Federal Minister Susan Ley’s office for the solar panels on the Leeton Men’s Shed.

- Council’s Local Heritage Funding Grant program allocated \$15,000 towards six projects
- Council undertook a major kitchen upgrade to the Leeton Early Learning Centre. The kitchen had not been renovated since 1986 when the Centre first opened
- Council approved an upgrade of the lighting to the Indoor Stadium to the value of \$8,920
- New playground equipment was installed at Mountford Park and the Leeton Ovals Complex
- Resealing a section of Main Road 539 was completed
- A Youth Mental Health Forum was held in conjunction with Griffith City Council to promote awareness of a number of issues faced by youth
- The NAIDOC Celebration and flag raising ceremony was held to celebrate the local Aboriginal culture and heritage within the Leeton community
- At the completion of the 2015/16 period, over 1900 community bookings had been received at the new Multipurpose Community Centre.

MAY

JUNE

- Funding to the tune of \$50,000 was received for the Gossamer Park Upgrade through Social Housing Infrastructure Funding
- Council endorsed the Envisage 2024 Strategy which guides Council’s focus on economic development, tourism and events
- The Library received a donation of \$1,761.15 from Leeton Rotary to procure English as a second language (ESL) resources
- The Business Expo was held in Leeton

- Avery special Centenary Open Day was held at Henry Lawson Cottage
- Council celebrated the 50th anniversary of Leeton’s Meals on Wheels Service
- Council approved four applications as part of Round Two of the Community Strengthening Grant Scheme, totalling \$6,800
- Solar PV for Business breakfast meeting was held





OUR PERFORMANCE

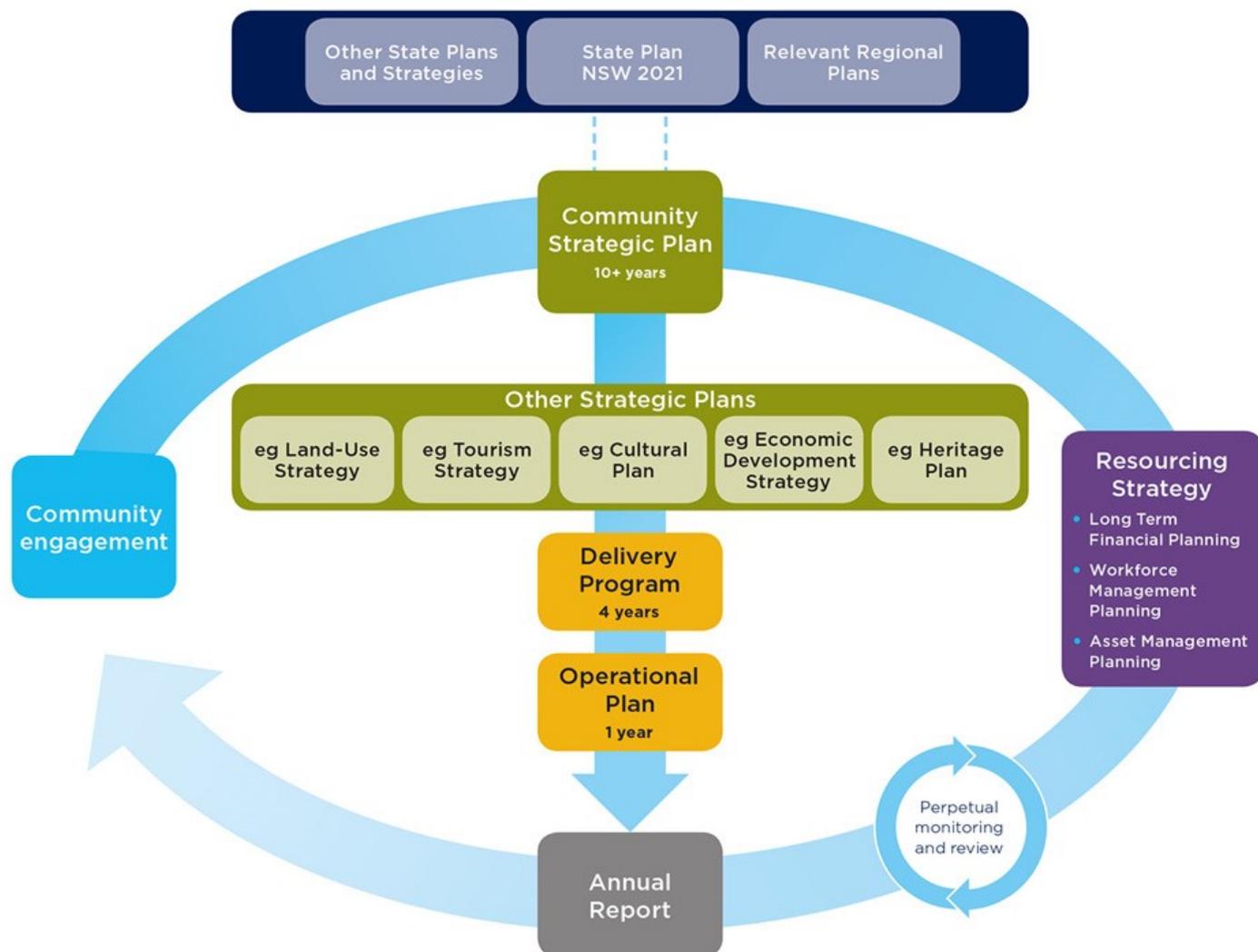
Leeton Shire Council is an elected body responsible for the effective management of the Leeton Local Government area. With its community base, Council is the most accessible level of government to the people it represents.

While Australia's local, state and federal authorities each have their own administrative responsibilities, many of these are shared between the three tiers of government. Roles, responsibilities and rules for local government are outlined under the *NSW Local Government Act 1993*.

Section 428 (2) of *Local Government Act 1993* requires Council to include in its Annual Report for that year, a report outlining the achievements in implementing its Delivery Program and the effectiveness of the principal activities undertaken in achieving the objectives at which those principal activities are directed.

During 2015/2016, quarterly performance reviews of Council's 2013-2017 Delivery Program were undertaken and presented to Council. The final progress report for 2015/2016 was presented to Council at its Ordinary Council meeting held on 24 August 2016.

MEASURING OUR PERFORMANCE



The integrated planning and reporting framework was introduced into the Local Government Act in 2009. The framework requires Council to take a long-term view when making decisions and consider how these decisions impact on the values and aspirations of the local community for the future. The framework encourages councils to draw together their various plans to understand how they interact so maximum leverage can be gained from efforts by planning holistically for the future.

The core components of the integrated planning and reporting framework are represented in the diagram on this page.

The activities and achievements outlined in this section of our annual report provide evidence of our performance against the Delivery Program 2013–17.

For more information click here [Leeton Shire Council website](http://www.leetonshire.nsw.gov.au).



FIT FOR THE FUTURE

Leeton Shire Council was assessed as “Fit for the Future” by IPART (Independent Pricing and Regulatory Tribunal.) The submission and Assessment available is at [http://www.ipart.nsw.gov.au/Home/Industries/Local Govt/Fit for the Future](http://www.ipart.nsw.gov.au/Home/Industries/Local_Govt/Fit_for_the_Future)

2015/16 Financial Summary

Council is required under the *Local Government Act 1993* to prepare financial reports that reflect its financial performance for the reporting period. The following is a summary of the key financial results for 2015/16. Council's full Financial Report is included as an annexure to this Annual Report.

Key financial results

The net operating result before capital grants and contributions for the year ended 30 June 2016 was a surplus of \$3.985M compared with a deficit of \$1.25M for the year ended 30 June 2015. The key differences between the two financial years were as a result of:

- a. additional water and sewer user charges of \$564,000 in 2015/16.
- b. An additional \$871,000 received from the Federal Government for Roads to Recovery in 2015/16.
- c. Depreciation charges reduced by \$561,000 primarily as a result of a revaluation in the roads assets in 2015/16.
- d. A \$2.3M accounting loss on disposal of land was incurred following the sale of Council land in 2014/15.

Cash and investments

Council's total cash and investments as at 30 June 2016 were \$33.01M. Not all of these funds are available for discretionary use, as the amount includes items that are externally or internally restricted in their use.

Council is holding \$19.81M of funds that are externally restricted in their use.

This amount includes unexpended loans, deposits/bonds, unexpended grants as well as water, sewerage, and domestic waste cash and investments.

Council is also holding a further \$12.15M in funds that are internally restricted by Council in their use.

These are amounts set aside for purposes such as for future asset replacement and accrued employee leave entitlements.

Internally, Council has a number of restrictions set aside for future requirements. Some of the key restrictions as at 30 June 2016 were as follows:

- Plant and vehicle replacement \$1.53M
- Infrastructure replacement \$3.3M
- Roads \$1.7M
- Swimming Pool \$1.08M

2015/16 Summary	2015-16 (\$'000)
Income statement	
Total income from continuing operations	27,602
Total expenses from continuing operations	23,335
Net operating result from continuing operations	4,267
Net operating result before capital grants and contributions	3,985
Balance sheet	
Total current assets	33,534
Total non-current assets	213,905
Total current liabilities	(4,475)
Total non-current liabilities	(2,365)
Total equity	240,599

STRATEGIC GOALS

Caring for Our Health and Wellbeing

- Ensure that access to quality health services maintained.
- Seek local access to education that encompasses the whole of the community and pursue increases in training and workplace learning opportunities to encourage our youth to remain as local residents.
- Support and promote the community's unique culture and artistic capacity and encourage participation and communication across all groups.
- Provision of premier standard facilities and areas for the community to access and enjoy an interesting variation of activities including physical, scholarly and passive recreation.
- Build our community capacity to ensure strong and healthy involvement in community life with social networking opportunities that are accessible to all.
- Keeping our community safe through clever planning, effective law and order initiatives and education.

Building Our Business and Local Jobs

- Encourage economic and industrial development with diversity that builds upon our vitality to create a dynamic presence that is attractive to outside interest.
- Increase and develop opportunities for tourism to encourage growth in visitation and enhanced economic strength.
- Have sufficient support measures in place to enhance the economic value and breadth of the community including skill development and transport options.

Strengthening Our

- Strong leadership and direction from the broader community's thoughts is open and transparent.
- Effective management and administration that the community's interests are

COMMUNITY

*That Leeton
Centre of Excellence
Murrumbidgee
fostering work
in all its ende
the people
enjoy a rich
lifestyle in h
unique enviro*

COMMUNITY'S VISION

Leeton Shire be the pre-eminence within the Murrumbidgee Irrigation Area, embracing world best practices and innovative endeavours, ensuring the well-being of Leeton Shire and its diverse community in harmony with our environment.

Enhancing & Preserving Our Natural Assets

- Striving for sustainable use of our water resources that is balanced between social, economic and environmental needs relative to us.
- Encourage maintenance of a healthy environment through effective waste management, pollution reduction measures and energy efficiencies.
- Enhance and promote the various natural assets in our community for appreciation by future generations.
- Carry out activities that support the protection of the environment through areas that are complimentary to the interests and wellbeing of the community.

Developing Our Built Environment

- Plan effectively for new infrastructure needs to remove duplication as well as ensure appropriate and efficient maintenance and management practices of our public infrastructure to ensure use to effective full potential.
- Road maintenance and development that is undertaken effectively across the entire Shire with due consideration to current and future traffic flows and needs
- Provide and maintain infrastructure options that encourage physical activity and support and enhance community life in a variety of ways that are well maintained and applicable to our needs.
- Effective building and planning strategies, and management practices that reflect an awareness of current environmental considerations in line with sound building practises and future development potential.

Leadership Direction

From a Council that is diverse which reflects the community with projection of a balanced profile that

Administration of Council's resources to ensure the community is met and sustainable into the future.



LEETON

Leeton is a thriving town offering a wide variety of experiences in the heart of the Riverina. The town exemplifies contemporary rural Australia with its heritage, diverse agriculture and renowned country hospitality.

Leeton and Yanco exist due to the activity of wealthy Irish landholder, Samuel McCaughey, who on his property 'North Yanko', demonstrated that irrigation was possible. He built dams and re-directed water on his own land to show politicians that it

The town was named after Charles Lee, the NSW Minister of Public Works, who oversaw the development of the irrigation scheme.

Six-hundred people lived in Leeton in 1913, mostly in canvas tents, when the first town allotments were released. Take-up was slow due to the loss of young men and their labour to World War I, and then the flu epidemic of 1919. More farm lots were created as part of the post-war Soldiers' Settlement Plan and in 1922, the town entered a boom period.



Historic Hydro Leeton

could be done. His influence led government to commence constructing a giant irrigation scheme in 1906, and in 1912 the Murrumbidgee Irrigation Area (MIA) was officially opened.

Leeton's layout owes much to the design work of influential American architects Walter Burley Griffin and Marion Mahoney Griffin, who also designed the neighbouring town of Griffith following their successful design of Canberra.

Most of Leeton's public buildings were built in this period. The streetscape was influenced by the Art Deco movement of the 1920s and 1930s, featuring geometric forms, cantilevered awnings and streamlined profile. The Walter Burley Griffin designed water towers were built. Most Art Deco facades and some interiors have been preserved. Influences you can look out for include the Spanish mission and the Californian bungalow.

WHITTON

Whitton's genesis was as an encampment of bullock teamsters, and the drovers who moved stock from Queensland to Victoria, as early as the 1850s. Frequent floods in an era before dams led teamsters' families to camp en-route at the river crossing-point to wait for waters to subside.

When rail reached Whitton in 1881, the settlement became focused around rail movements and a railway siding.

This tiny town's heritage trail has some gems: the McGaw Presbyterian Church with its unusual features, the tiny courthouse and lockup built in 1898 and the timber Australian Joint Stock Bank building (AJS).

A monument stands in Memorial Park dedicated to the pioneers of Whitton and district and to the teamsters who travelled the Victoria to Queensland stock route. It also highlights the use of whips and whims to raise water for the village.

The Whitton Courthouse Museum holds clues to the area's pastoral history and the way transport has shaped the town as it evolved from the (arguable) romance of the long paddock and bullock teams, to rail and road. The Museum houses agricultural machinery, memorabilia, photographs and incorporates several historic buildings that were once the focus of commerce in this rustic and friendly rural village.



see you in Leeton

YANCO

The small town of Yanco just south of Leeton and linked to Leeton by a cycling track, and a road of course, was the starting point for development of the Murrumbidgee Irrigation Area. Yanco took its name from North Yanko, a large pastoral holding, and from which land was resumed by government to develop the MIA and Leeton.

The Yanco Powerhouse Museum sits on the edge of Yanco and right alongside the railway. It has both a miniature railway and train, a photo and memorabilia display. The Powerhouse was once a main power generation station for the irrigation scheme.



A popular feature in Yanco is the McCaughey Bicentennial Park. This natural spring-fed waterhole was once a part of North Yanko Station, a pastoral holding owned by the late Sir Samuel McCaughey. In Sir Samuel's day, the shearing shed was located near the present Powerhouse building and the waterhole sustained sheep brought in for shearing. It is now a haven for swans, geese, ducks and other native water birds. It's a great spot for family barbecues and picnics, with play equipment for the children.

FIVEBOUGH WETLANDS

This wetland basin forms a habitat for water birds. Take to the walking trails, and find your way through head-high cumbungi to one of the hides. See if you can spot a rare Australasian Bittern or delight at the clouds of migratory birds that mass over and on the water in the depths of winter.

Cumbungi is a Wiradjuri word meaning reeds. Across Australia the rhizomes of cumbungi were a staple food. Sections of root were peeled and placed near a fire to soften. They were then twisted to shake fibres out to make flour. The flour was dried, moulded and baked on ashes to form a damper (bread). The remaining fibre was used to make a very strong string.

Fivebough, along with Tuckerbil wetlands, was recognised under the Convention on Wetlands of International importance in 2002 (RAMSAR Accreditation). We, at Leeton, are lucky enough to be custodians of these internationally recognised wetlands. Fivebough Swamp is the larger of the two ephemeral wetlands at 400 hectares, and it is Fivebough that is open to the public.



Five kilometres of walkways takes you to hides and viewing platforms. You can also wander through the Budyaan Baamirra Centre to the Wiradjuri Garden space which reflects the great significance both Fivebough and Tuckerbil wetlands hold for local Wiradjuri people.

Budyaan Baamirra is a Wiradjuri term meaning birds at the swamp. Rare and threatened species are regularly spotted at Fivebough. Among these are the Australasian Bittern and Painted Snipe. Migratory birds from the northern hemisphere flock here during spring, remain through summer then return to their breeding grounds in northern Australia, and on islands north of Australia.

Through October, November and December thousands of Glossy Ibis and Whiskered Terns mass at the swamp to feed and breed. Take your binoculars to get a close-up look. You can best see them late afternoon to dusk.



OUR ENGAGEMENT ACTIVITIES

During 2015/16 the following engagement activities were undertaken.

Footpaths and Cycleways Asset Management Plan

Exhibition period: 18 December 2015 to 12 February 2016.

Overview: Leeton Shire Council maintains approximately 39.2km of footpaths across the Shire including 17.3km of shared cycleway network.

The Footpaths and Cycle Asset Management Plan covers all lengths of footpath and shared cycleway within the Leeton Shire Council area and includes assets and components such as Footpaths, Formed Network Links, Perambulators and Shared Cycleway.

This Asset Management Plan considers the following matters:

1. The current level of service provided through the road network.
2. Details on the whole lifecycle management of the road network including risk management, condition, maintenance schedule options, renewal planning, and acquisition/disposal indicators.
3. An assessment of the potential demand factors that could affect footpath network into the future is considered in the improvement plan. This extends to considering capital works programs that respond to these factors.

Engagement activities: Council placed a weekly advertisement in two editions of the "Council News" feature that appears in *The Irrigator*, uploaded the Plan to the Council website for the duration of the consultation period as well as placed hardcopies which were available for the general public to read at the Leeton Shire Council Office, Leeton Library, Whitton Post Office, Yanco Post Office and Murrabri Post Office.

Adopted: 15 February 2016

Risk Management Policy

Exhibition period: 18 December 2015 to 12 February 2016.

Overview: Leeton Shire Council considers risks across all Council strategies, plans, activities and processes. Therefore, this policy applies to all Councillors, management, staff, contractors and volunteers.

The purpose of this policy is to provide a process which will enable Council to encourage proactive management, be aware of the need to identify and treat risk throughout the organisation, improve the identification of opportunities and threats, achieve compatible risk management practices between Council and other organisations, comply with relevant legal and regulatory requirements, improve financial reporting, improve governance, improve stakeholder confidence and trust, establish a reliable basis for decision making and planning, improve controls, effectively allocate and use resources for risk treatment, improve operational effectiveness and efficiency, enhance health and safety performance as well as environmental protection, improve loss prevention and incident management to minimise losses, improve organisational learning and improve organisational resilience.

Engagement activities: Council placed a weekly advertisement in two editions of the "Council News" feature that appears in *The Irrigator*, uploaded the Policy to the Council website for the duration of the consultation period as well as placed hardcopies which were available for the general public to read at the Leeton Shire Council Office, Leeton Library, Whitton Post Office, Yanco Post Office and Murrabri Post Office.

Adopted: 15 February 2016

Payment of Expenses and Provision of Facilities to Mayor and Councillors

Exhibition period: 3 August 2015 to 31 August 2015.

Overview: The purposes of the policy are:

1. To ensure that there is accountability and transparency in the reimbursement of expenses incurred or to be incurred by Councillors in the course of performing their civic duties;
2. To ensure that the facilities provided to assist Councillors to carry out their civic duties are reasonable and are at a standard appropriate to their professional role as a Councillor;
3. To provide clear guidelines on what types of expenses Councillors are entitled to claim payment for or reimbursement from the Council; and
4. To ensure that no Councillor suffers financial hardship in meeting his/her legitimate civic responsibilities and obligations.

Engagement activities: Council placed a weekly advertisement in two editions of the "Council News" feature that appears in *The Irrigator*, uploaded the Policy to the Council website for the duration of the consultation period as well as placed hardcopies which were available for the general public to read at the Leeton Shire Council Office, Leeton Library, Whitton Post Office, Yanco Post Office and Murrabri Post Office.

Adopted: 16 September 2015

Model Code of Conduct

Exhibition period: 18 December 2015 to 15 January 2016.

Overview: The Model Code of Conduct sets the minimum requirements of conduct for council officials in carrying out their functions. The Model Code is prescribed by regulation.

The Model Code of Conduct has been developed to assist council officials to:

1. Understand the standards of conduct that are expected of them.
2. Enable them to fulfil their statutory duty to act honestly and exercise a reasonable degree of care and diligence and;
3. Act in a way that enhances public confidence in the integrity of local government.

Engagement activities: Council placed a weekly advertisement in one edition of the “Council News” feature that appears in *The Irrigator*, uploaded the Model Code of Conduct to the Council website for the duration of the consultation period as well as placed hardcopies which were available for the general public to read at the Leeton Shire Council Office, Leeton Library, Whitton Post Office, Yanco Post Office and Murrumbidgee Post Office.

Adopted: 27 January 2016

In accordance with the Local Government Act 1993;

New and/or changes to existing strategies, policies & plans are required to be on public exhibition for a minimum period of 28 days .

This is to ensure any submissions received from the community are considered prior to endorsement or adoption by Council.

Section 94A Fixed Levy Contribution Plan

Exhibition period: 4 March 2016 to 8 April 2016.

Overview: Leeton Shire Council at its February Council meeting prepared a Section 94A Fixed Levy Contributions Plan.

This new Plan authorises Council under S94A of the Environmental Planning and Assessment Act 1979 to require the payment of a fixed levy contribution for certain development applications and complying development certifications within the Shire. The Plan also identifies how the levy is to be collected, managed and spent within the Leeton Shire.

Engagement activities: Council placed a weekly advertisement in two editions of the “Council News” feature that appears in *The Irrigator*, uploaded the Plan to the Council website for the duration of the consultation period, held a Public Information Session on 22 March 2016 as well as placed hardcopies which were available for the general public to read at the Leeton Shire Council Office, Leeton Library, Whitton Post Office, Yanco Post Office and Murrumbidgee Post Office.

Adopted: 27 April 2016

Swimming Pool Policy

Exhibition period: 27 May 2016 to 24 June 2016.

Overview: This policy applies to all swimming pools (both indoor and outdoor) and spas that are situated, or are proposed to be constructed or installed, on premises on which a residential building, a movable dwelling or tourist and visitor accommodation is located. The policy does not apply to swimming pools and spas that are situated, or proposed to be constructed or installed, on any premises occupied by the Crown or by a public authority.

The objectives of this policy are to ensure Council:

1. Meets its legislative responsibilities.
2. Provides pool owners with the appropriate information relating to their own responsibilities.
3. Provides the opportunity for children to enjoy safe leisure environments.

Engagement activities: Council placed a weekly advertisement in one edition of the “Council News” feature that appears in *The Irrigator*, uploaded the Plan to the Council website for the duration of the consultation period as well as placed hardcopies which were available for the general public to read at the Leeton Shire Council Office, Leeton Library, Whitton Post Office, Yanco Post Office and Murrumbidgee Post Office.



OUR ENGAGEMENT ACTIVITIES

Internal Reporting Policy

Exhibition period: 27 May 2016 to 24 June 2016.

Overview: Leeton Shire Council is committed to high standards of ethical and accountable conduct and confirms that it will not tolerate any form of wrongdoing.

Employees, management and councillors share a responsibility to seek ways of continually improving Council's effectiveness and they are the best source of information on how this can be done. The absence of corruption, maladministration, contravening government information requirements and serious and substantial waste will contribute to Council's goals being successfully met.

Leeton Shire Council is committed to creating an environment whereby council officials and officers will freely report any serious wrongdoings. Council officials or officers who come forward and report wrongdoing are helping to promote integrity, accountability and good management within the council. When this occurs Leeton Shire Council is committed to supporting and protecting council officials or officers who have reported the wrongdoings to ensure they are free from any reprisals. It also ensures Leeton Shire Council's compliance with the provisions of the Public Interest Disclosures Act 1994.

Engagement activities: Council placed a weekly advertisement in three editions of the "Council News" feature that appears in *The Irrigator*, uploaded the Policy to the Council website for the duration of the consultation period as well as placed hardcopies which were available for the general public to read at the Leeton Shire Council Office, Leeton Library, Whitton Post Office, Yanco Post Office and Murrabri Post Office.

Adopted: 25 May 2016

Annual Operating Plan, Delivery Program, Long Term Financial Plan and Fees and Charges

Exhibition period: 1 April 2016 to 6 May 2016.

Overview: In accordance with the Local Government Act 1993, Council has prepared a Draft Delivery Program, incorporating the Operational Plan for 2016/2017 detailing Council's principal activities to be undertaken for the four year period 2013/2014 to 2016/2017.

The Delivery Program is intended to set the direction of Council for the next four years so that the community's needs and expectations are met in a planned, coordinated and cost effective manner. The Delivery Program & Operational Plan 2016/2017 is prepared in accordance with the Act, and includes the following:

1. A listing of the actions and activities to be undertaken by the Council, together with the performance measures for each activity.
2. A proposed rating structure for the year 2016/2017 to be effective as from 1 July 2016
3. A full listing of all fees and charges to be charged by Council for the 2016/2017 year.
4. A detailed statement of the proposed Estimates of Income and Expenditure for the 2016/2017 year, together with a statement of the proposed budgets for the years 2017/2018 to 2025/2026.

Engagement activities: Council placed a weekly advertisement in two editions of the "Council News" feature that appears in *The Irrigator*, uploaded the necessary documents to the Council website for the duration of the consultation period, conducted a survey via its Have Your Say Leeton website which 18 registered users completed as well as placed hardcopies which were available for the general public to read at the Leeton Shire Council Office, Leeton Library, Whitton Post Office, Yanco Post Office and Murrabri Post Office.

Adopted: 25 February 2016

Pedestrian Access and Mobility Plan (PAMP)

Exhibition period: 18 December 2015 until present.

Overview: The aim of the Leeton Shire Council PAMP is to improve the pedestrian networks through coherence, comfort, safety and accessibility by providing a document that is 'owned' by Council staff, Councillors and the Community and is a practical guide to implementing pedestrian facilities within the Shire. The development of the PAMP will help council achieve the following objectives:

1. That identified conflict points are provided with safe crossing facilities.
2. That the pedestrian network is equitable and accounts for disabled, aging and people with prams.
3. Provide a network of pedestrian facilities that encourage people to walk for leisure, health and access to facilities.
4. That minimum standard guidelines are established for designing and constructing footpaths, pedestrian refuges and mobility ramps.

Engagement activities: Placed a weekly advertisement in two editions of the "Council News" feature that appears in *The Irrigator*, has uploaded the Plan to the Council website for the duration of the consultation period, conducted a consultation via its Have Your Say website which has resulted in 22 suggestions for improvement being considered, plan taken to two disability interagency meetings with 50 people submitting feedback as well as placed hardcopies which were available for the general public to read at the Leeton Shire Council Office, Leeton Library, Whitton Post Office, Yanco Post Office and Murrabri Post Office.

Adopted: Not adopted as yet due to substantial feedback received from various key stakeholders being reviewed internally by relevant Council staff.

Envisage 2024 Economic Development, Tourism and Events Strategic Plan

Exhibition period: 27 May 2016 to 24 June 2016.

Overview: Envisage 2024 Going for Growth is Council's Economic Development and Tourism Strategic Plan with the aim to support continued economic growth, foster local employment opportunities and position Leeton as a leader in innovation. Envisage 2024 will also ensure that Leeton is promoted as a vibrant and diverse place for business and visitor experiences.

Council has worked closely with the business and industrial sector to identify six key themes which underpin Envisage 2024. These include:

- *Theme 1: Business Growth and Attraction*
- *Theme 2: Knowledge and Workforce Economy*
- *Theme 3: Liveability*
- *Theme 4: Enabling Infrastructure*
- *Theme 5: Environmentally Sustainable Economy*
- *Theme 6: Visitor Economy*

Engagement activities: Council placed a weekly advertisement in two editions of the "Council News" feature that appears in *The Irrigator*, uploaded to the Council website for the duration of the consultation period, conducted a consultation via the Have Your Say Leeton website with two comments being received as well as placed hardcopies which were available for the general public to read at the Leeton Shire Council Office, Leeton Library, Whitton Post Office, Yanco Post Office and Murrumbidgee Post Office.

Adopted: 27 June 2016

Parks, Playgrounds and Recreational Facilities Maintenance Management Policy

Exhibition period: 27 November 2015 to 15 January 2016

Overview: This Policy applies to the entire Parks, Playgrounds & Recreational Facilities network. This includes BBQ's, Playground Equipment, Soft-Fall Areas, Irrigation Systems, Seating, Skate Parks, Sporting Surfaces, Passive Park Areas, and other park assets. Future iterations of this plan may extend to consider additional assets within this policy as the need arises. The principle objectives of this Parks, Playgrounds & Recreational Facilities Maintenance Management Policy include:

1. To enable a system of proactive maintenance (where possible).
2. To identify areas that require maintenance through a systematic and priorities inspection system,
3. To facilitate scheduling and resource allocation where required, and
4. To establish a priority system for carrying out maintenance works.

Engagement activities: Council placed a weekly advertisement in one edition of the "Council News" feature that appears in *The Irrigator*, uploaded the Policy to the Council website for the duration of the consultation period as well as placed hardcopies which were available for the general public to read at the Leeton Shire Council Office, Leeton Library, Whitton Post Office, Yanco Post Office and Murrumbidgee Post Office.

Adopted: 18 January 2016

Community Transport Annual Survey

Exhibition period: 1 June 2016 to 30 June 2016

Overview: Community transport also conducted a community engagement survey that incorporated an access component. Questions asked of community transport users were in relation to access to the building (parking etc), effectiveness of the Community Transport newsletters, service level provided by staff and volunteers and communication of the drivers on last minute changes to other clients appointments which may affect waiting times.

Engagement activities: 100 surveys returned and comments were passed onto the Engineering Services Team to review as part of their PAMP plan development.

Adopted: Not required to be adopted.

Liveability in Leeton Survey

Exhibition period: 27 May 2016 to 17 June 2016

Overview: Council was keen to hear residents' opinions on housing, public transport, safety, a sense of belonging and tolerance of public nuisance as part of the revised Community Strategic Plan (CSP).

Engagement activities: A short survey was conducted via our Have Your Say Leeton website which was completed by 48 registered users.

Adopted: Not required to be adopted.

OUR ENGAGEMENT ACTIVITIES

Leeton Swimming Pool Renovation Survey

Exhibition period: 31 May 2016 to ongoing.

Overview: The Leeton Swimming Pool which was built in the early 1960's is in need of major renovation works.

As part of the planning and design phase and revised Community Strategic Plan (CSP), Council sought feedback and ideas on what the community would like to see included in the project.

Council recently engaged a consultant to provide a report on the current facility and the report recommended many actions be undertaken in the renovation works.

Engagement activities: A short survey was conducted via our Have Your Say Leeton website which has been completed by 146 registered users.

Adopted: Not required.

Sporting Facilities Review

Exhibition period: 17 May 2016 to 17 June 2016.

Overview: As part of the revised Community Strategic Plan (CSP), Council sought feedback from a cross section of local sporting groups via a short survey.

Five questions were put to our Shire's sporting organisations to provide their thoughts and aspirations for the sporting facilities in Leeton Shire over the next 10 years.

Engagement activities: A short survey was conducted via our Have Your Say Leeton website which was completed by 11 local sporting organisations.

Adopted: Not required.

Celebrating our Heritage and Environment Survey

Exhibition period: 17 May 2016 to 17 June 2016.

Overview: As part of the revised Community Strategic Plan (CSP), Council sought feedback on six questions covering the following three topics:

- Our cultural heritage
- Our built heritage
- Our natural environment

Engagement activities: A short survey was conducted via our Have Your Say Leeton website which was completed by 39 registered users.

Adopted: Not required.

Parks and Playgrounds

Service Review

Exhibition period: 12 May 2016 to 17 June 2016.

Overview: As part of the revised Community Strategic Plan (CSP), Council conducted an interactive mapper survey to gain a better understanding from Leeton Shire residents in relation to what they love most about their local parks, how they use their local parks and what ideas they may have to make local parks even more enjoyable. Feedback received will inform Council's future planning around parks and playgrounds, including where and how our available budget should be spent.

Engagement activities: Council conducted an interactive mapper survey via its Have Your Say Leeton website where residents could plot their feedback at the parks they wanted to provide constructive comment about. A total of 56 markers were placed at various parks around the Shire which was a sound result.

Adopted: Not required.

Roads Management Survey

Exhibition period: 2 May 2016 to 24 June 2016

Overview: As part of the review of its Roads Asset Management Plan, Council facilitated a survey using participatory budget software "Budget Allocator" via its Have Your Say website which allowed residents to allocate how they would spend Council's roads budget in relation to the service levels provided to roads around Leeton Shire. Topics covered included:

- Standard of Urban Roads
- Ride Quality of Urban Roads
- Standard of Rural Sealed Roads
- How often formed gravel, formed dry weather only, paper roads should be regraded and;
- Willingness of residents to pay additional rates or a levy for increasing the current service level of roads within Leeton Shire.

Engagement activities: Council conducted the survey via its Have Your Say Leeton website with a total of 50 submissions received along with an additional 16 comments.

Adopted: Not required.

Revitalising the Leeton CBD

Exhibition period: 16 June 2016 to ongoing.

Overview: Over the coming months Council will be working with key stakeholders as well as its residents and ratepayers to develop a plan to revitalise the Leeton CBD. Council have established a CBD Enhancement Group to help steer the project.

Engagement activities: 32 ideas have been submitted via our Have Your Say Leeton website.

Adopted: Not required.

FEEDBACK WE'VE RECEIVED

- I am concerned regarding the ice issue. I wouldn't walk alone at night any more (would happily have done so 5 years ago). There are even times during the day where I have witnessed people obviously under the influence of ice or similar, acting aggressively and inappropriately. I tend to just ignore and avoid these people but they still frighten me. A greater police presence may assist in dealing with some of the above issues.
- In Whitton, we need more blocks available for houses to be released as the affordability of housing is considerably cheaper than Leeton. This would also help Leeton as people will still need to travel to Leeton for work, shopping and entertainment.
- **Ensuring that the Leeton Hospital maintains full services which includes maternity services. Maintaining GP numbers is also of integral importance.**
- We need to continue a policy of mixed housing through the town and Shire. We should avoid the residential issues arising in 'satellite' areas such as Golf Course 'estate' and Wattle Hill by encouraging transport links, services such as shops etc for residents there.
- **Council needs to demand better property care from housing and ensure the tenants are made accountable as per their tenancy agreements. The state of these homes has become disgusting since the local office closed.**
- We have a significant mix of cultures in Leeton. The Leeton Red Carpet Day and Farmers Market events would be a great opportunity to showcase different aspects of these cultures.
- Compared to metropolitan cities, housing is affordable and available and there is a range of choices to purchase. However, we need to be mindful of the fact that the average household income in Leeton would not be able to sustain metro prices. I understand that there is a shortage of rental properties and that for some of our young families the rental rates are quite expensive. From the number of new and large houses being built in Leeton, it seems that the community is confident about housing investment.
- Grading of dirt roads should vary on usage - not one rule fits all.
- I would like to see more spent on footpaths/bike tracks around town. E.g. extend the footpath / bike track to the railway end of Poplar Avenue. There are many children who walk along the road to and from the school bus stop. I do not feel confident to allow my three year old to ride to preschool with no footpath and B-double trucks.
- Roads are vital connections. They also give an impression about the Shire. Within reason they need to look decent to drive on and they certainly need to be safe. The community needs to also be reasonable and responsible by driving to the conditions (slow down when wet or when the roads are narrow and windy).
- **Current management is probably as good as possible under the current economic climate. Mainly important to continue to maintain what we have to current standards and improve as funding becomes available.**
- Council take on a non bias approach to the upgrade of sporting facilities, especially facilities not Council owned. Council commit to the ongoing maintenance to facilities, amenities and capital purchases for the local clubs. Council needs to consider partnerships with other land owners (regarding sporting activities) to commit to the longevity of local sporting activities and opportunities for local children.
- The key indicators will be the ability of Leeton Shire to attract regional, state and national carnivals and events to the shire, we need to have improved accommodation and transport facilities for national events.
- **Wamoon Park and Playground— current site features a lawn area and basic playground facilities. At present there is no shade cover, drinking water fountain, toilet facilities or BBQ area. This park serves as a meeting point for local families after school and on weekends. In recent times local children have held their birthday parties there, but only because the school opposite was kind enough to allow use of its toilet facilities. The Wamoon community has a number of young families who would greatly benefit from an improvement to our local park, which we have been waiting a very long time for.**
- The greatest example of Leeton's preservation of our Heritage, dominates the main intersection of our town with illuminated majesty and with most of the architectural features intact. The Leeton Roxy Community Theatre has bestowed motivation to many generations, and remains one of the few theatres of the 1930 era which continue to operate in original capacity, 86 years on, thanks to a community who cared.

FEEDBACK WE'VE RECEIVED

- **Disability laybacks. Accessing some foot paths with a wheelchair is extremely difficult and at times impossible if the laybacks are in the front of the disable parking areas.**

For Example- the Mountford Park access near Jarrah Mall to the public toilet block- if there is a vehicle in the disabled parking area you cannot access the footpath to the public toilet facility because the layback is directly under the front of the vehicle. The same would apply to prams trying to access this layback. The laybacks in the main street at the side of the disabled parking areas make it much easier to access the foot path, but unfortunately they aren't all on the side of the parking spaces.

- Continue adding footpaths to connect to schools/early learning centres. Need more speed bumps in these areas. Signage does not slow people down. More footpaths in general. Ideally, a footpath on at least one side of every street in the main residential areas. More pedestrian crossings at the railway line between the Canal St/Vance Rd crossing and the Poplar Ave/Racecourse Rd crossing.

- **The footpath on the side of the Roxy heading towards Bancroft's is terribly uneven and I'm quite surprised that there haven't been reports of people tripping there.**

- We need to look seriously at a heated pool, possible hydrotherapy options for an ever ageing population. Currently, locals travel to Griffith to access facilities there.

- **Provide more seating and shade cover in the Leeton CBD.**

- The Leeton Pool is a great facility for the community and has served the Leeton community well for over 50 years but is ageing and requires major works. The pool is central to the Riverina area and as a result many major swimming carnivals are held at the facility each year. The renovation works will ensure the facility continues to serve the community and wider Riverina region well into the future. I believe the incorporation of items such as an additional lane and a water park would be wonderful additions to what is already a great facility.

- **Consideration for a 25m indoor heated pool on the current pool site. Perhaps a community funded project. Feel free to contact me re ideas regarding this.**

- I work at a pool in the ACT, Gungahlin Leisure Centre. We have both a toddlers pool and a splash pad. I think its more beneficial to have both, as the littler ones that aren't quite walking or confident enough to have water splashed around all the time still have a quiet paddling area.

- **I support any upgrades and improvements to our pool. It's a great community asset and as a parent to young children, including a water play park would be fabulous. It would save a trip to Griffith to use their water park.**

- Encourage local schools, history society and clubs to have semi-permanent displays of their works to show the good art, design, history and craft projects within the Leeton CBD. Depicting local history on pavement, stories of significance, including treasure hunt for visitors also an option.

- **Pop up shops in the Leeton CBD – looking at using local crafts and maybe a market style day with a variety of local produce during the week. Local youth market, where local youth are encouraged to sell art works or items they have cooked. They may also look at a book swap or busking opportunities.**

- Many towns have small historical placards or displays along the footpath or on their buildings talking about the history and evolution of the town. They could focus on a particular pioneer, significant history regarding that location.

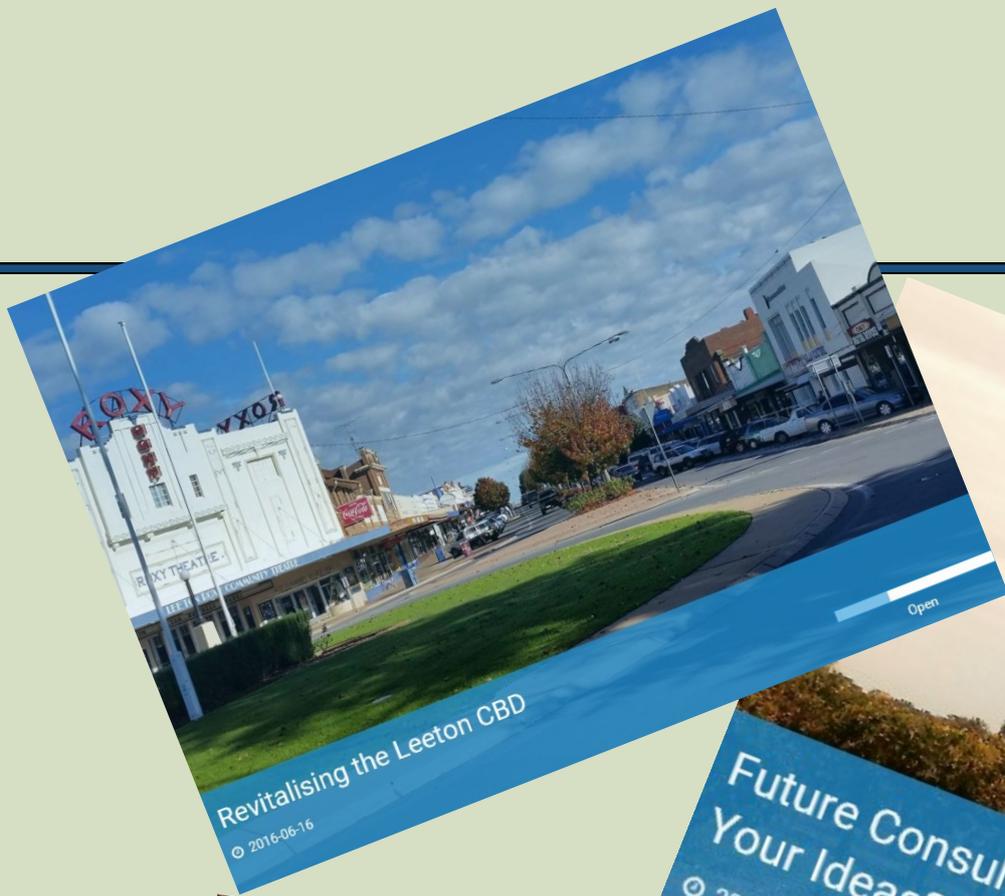
- **Paint facades of shops as a group in heritage colours and remove all signage to below awning.**

- Install LED art deco pedestal lights along both sides of the street.

- **Pave the main street with heritage art deco style design consistent for the whole main street.**

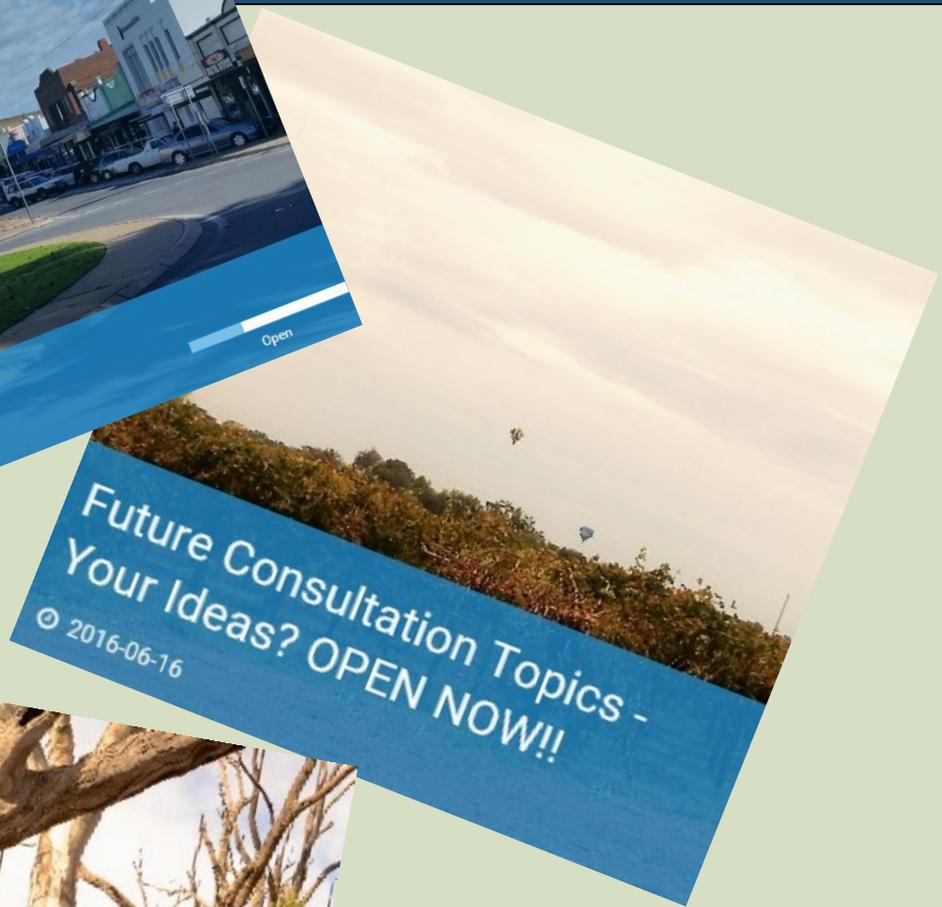
- Let's have a vibrant CBD that is focused on people with street art, street performers, community talking spaces, Wi-Fi, good lighting, music, easy access for all, beautiful trees and gardens, a place for the whole family. Let our CBD become THE PLACE TO BE!!! Don't just copy other places - be distinctly Leeton. Keep the farmers markets close to and if possible in the Leeton CBD.

- **Place a window graphic or similar in the vacant building windows. Could be pictures of the Leeton Shire. Lots of "For Lease" signs are not good.**

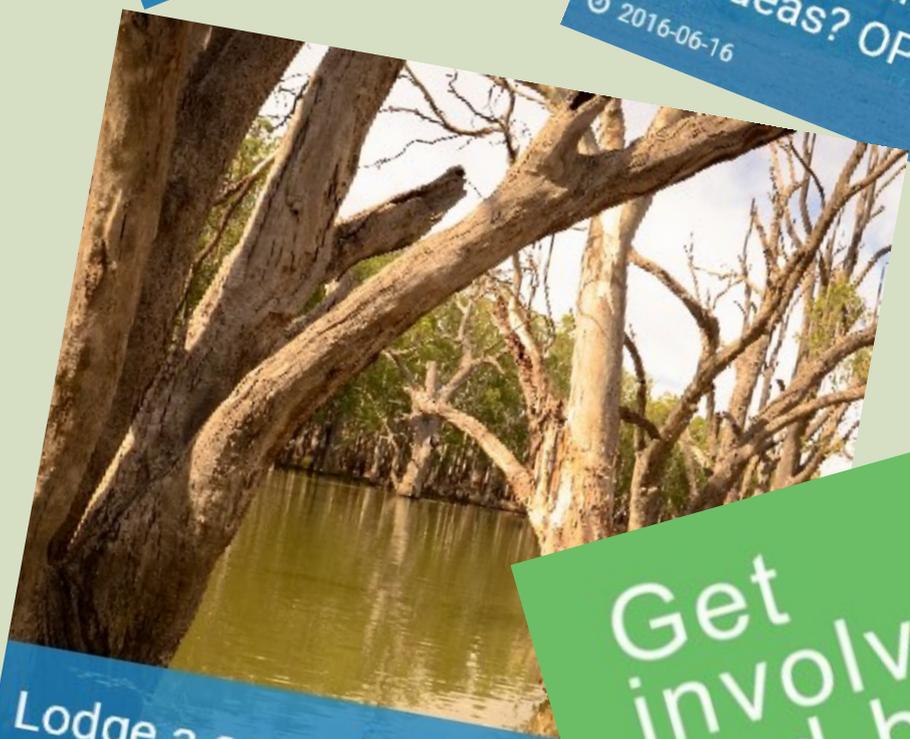


Revitalising the Leeton CBD
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Open



Future Consultation Topics -
Your Ideas? OPEN NOW!!
© 2016-06-16



Lodge a complaint

Get involved and have your say!

Register now

Register to have your say

STATUTORY INFORMATION

This section of the Annual Report contains legislative information Council is required to provide under the Local Government Act 1993 and General Regulation 2005

Rates and Charges Written Off

Local Government (General) Regulation Clause 132

The amount of rates written off in the period under review related to the following:

Total Pensioner Concession 2015/16	\$355,804.39
LESS: Subsidy Reimbursement	(\$195,692.41)
Amount Written off by Council	\$160,111.98
Postponed Rates and Charges	\$ 2,164.17
Sale of land for rates	NIL
Rates debts abandoned	\$40,146.37
Concessions	NIL
	\$202,422.52

Overseas Visits

Local Government (General) Regulation 217(1)(a)

- During 2015/2016 no overseas travel was undertaken.

Councillor Expenses

Local Government (General) Regulation 217(1)(a1)

The total amount of money expended during the 2015/16 year on mayoral fees and councillor fees was \$149,862. The breakdown of these payments is provided in the table below:

Mayoral Allowance (Excl Councillor Fee)	24,030
Councillor Fees (x 9)	96,337
Travel	171
cl217 (1) (a1)(i) Office Equipment	42
cl217 (1) (a1)(ii) Telecommunications	7,248
cl217 (1) (a1)(iii) Conferences	19,264
cl217 (1) (a1)(iv) Training	2,248
cl217 (1) (a1)(v) Interstate	NIL
cl217 (1) (a1)(vi) Overseas	NIL
cl217 (1) (a1)(vii) Spouse	522
cl217 (1) (a1)(iii) Childcare	NIL
Total	149,862

Payments were made in accordance with Council's Policy for the *Payment of Expenses and Provision of Facilities to Mayor and Councillors* adopted on 27 August 2014, Council Resolution 14/214.

Companies Controlled by Council

Local Government (General) Regulation

Clause 217(1)(a7)

Council did not hold a controlling interest in any corporations, partnerships, trusts, joint ventures, syndicates or other bodies during 2015/2016.

Remuneration

Local Government (General) Regulation

Clause 217(1)(b) and Clause 217(1)(c)

Council employed two (2) senior staff members as classified by the Local Government Act at a total remuneration of \$216,777 including salaries, private use of a Council car and employers' superannuation contribution.

Anthony Hayward —1 July 2015 to 8 July 2015:

(i) the total of the values of the salary components of their packages	6,361.68
(ii) the total amount of any bonus payments, performance payments or other payments made to them that do not form part of the salary components of their packages	NIL
(iii) the total amount payable by the council by way of the employer's contribution or salary sacrifice to any superannuation scheme to which any of them may be a contributor	600.00
(iv) the total value of any non-cash benefits for which any of them may elect under the package	199.21
(v) the total amount payable by the council by way of fringe benefits tax for any such non-cash benefits	2,448.56
Total	9,609.45

Ray Plus —9 July 2015 to 2 August 2015:

(i) the total of the values of the salary components of their packages	12,524.16
(ii) the total amount of any bonus payments, performance payments or other payments made to them that do not form part of the salary components of their packages	NIL
(iii) the total amount payable by the council by way of the employer's contribution or salary sacrifice to any superannuation scheme to which any of them may be a contributor	1,127.00
(iv) the total value of any non-cash benefits for which any of them may elect under the package	NIL
(v) the total amount payable by the council by way of fringe benefits tax for any such non-cash benefits	947.93
Total	14,599.09

Jackie Kruger —3 August 2015 to 30 June 2016:

(i) the total of the values of the salary components of their packages	172,001.00
(ii) the total amount of any bonus payments, performance payments or other payments made to them that do not form part of the salary components of their packages	NIL
(iii) the total amount payable by the council by way of the employer's contribution or salary sacrifice to any superannuation scheme to which any of them may be a contributor	17,251.80
(iv) the total value of any non-cash benefits for which any of them may elect under the package	NIL
(v) the total amount payable by the council by way of fringe benefits tax for any such non-cash benefits	3,315.15
Total	192,567.95

Works Carried out on Private Land

Local Government (General) Regulation Clause 217(1)(a4)

During the year ending 30 June 2016, Council made no resolutions under Section 67 of the Local Government Act to subsidise work carried out on private land.

State of the Environment

Local Government Act 1993 S428(1)

Information on the environment can be found in "Enhancing and Preserving our Natural Assets" section. The information will be reported in the Delivery Program 2013-2017

Joint Ventures/Partnerships

Local Government (General) Regulation Clause 217(1)(a8)

Council did not participate in any corporation, partnership, trust, joint venture, syndicate or other body during 2015/2016.

Environmental Upgrade Agreements

Local Government Act 1993 Section 54P

No environmental upgrade agreements have been entered into in accordance with any requirements imposed under S406.

Contracts Awarded

Local Government (General) Regulation Clause 217(1)(a2)

Details of each contract awarded in the 2015/16 year for amounts greater than \$150,000, include:

Contract	Awarded To	GST Inclusive
Supply of quarry materials—DGB and DGS Material and Roadbase	Milbrae Quarries	800,000
Young Road Reconstruction	Boots Construction	150,021
Total		950,021

Stormwater Management Services

Local Government (General) Regulation Clause 217(1)(e)

During 2015/2016 Council levied a stormwater management charge of \$25.00 on eligible residential properties and eligible properties in the business rating category. A total of \$88,050 was raised through the charges. Some of the funds were used to fund Council's Flood Study. This Flood Study included the capturing of flood data and the hydrological analysis that will allow for the determination of inundation areas and declared flood zones within the Leeton Local Government Area. This levy will also fund any future capital work requirements that could come out of the Flood Study results.

Other works included this year that were funded from the stormwater levy funds were upgrades to several stormwater pump stations, and infilling and piping of minor drainage channels in the Petersham Road Precinct area to allow safer verge areas around intersection treatments.

Environmental Planning and Assessment Act 1979

Environmental Planning and Assessment Act, 1979 Section 93G(5)

Council did not have any planning agreements in accordance with the Environmental Planning and Assessment Act 1979 in place in 2015/16.

Coastal Protection Services

Local Government (General) Regulation Clause 217(1)(e1)

The requirement to report on coastal protection services does not apply as Leeton Shire Council did not levy an annual charge for coastal protection services.

STATUTORY INFORMATION

This section of the Annual Report contains legislative information Council is required to provide under the Local Government Act 1993 and General Regulation 2005

Contributions and Donations

Local Government (General) Regulation

Clause 217(1)(a5)

Under Council's Community Grants Program \$14,850 is made available annually for community projects. In 2015/16 funding was provided to the following groups:

Community Strengthening Grants	Funds
Leeton Amateur Swim Club	1,000
Leeton Shire Men's Shed	1,000
Leeton Tri Club	2,500
Leeton Senior Citizens	700
Leeton Water Ski Club	2,500
Yanco/Wamoon Ladies Auxiliary	2,000
L.W.C. Football/Netball Club	2,000
Brilliant and Resilient	800
Leeton Junior Rugby League	2,000
Leeton TAFE	300
Quick Response Grants	
Leeton Country Round Up	1000
Light Up Leeton	600
Leeton Gun Club	1,200

In addition to the Community Grants Program, Council allocates funding to various organisations and community groups that make annual requests. In 2015/16 Leeton Shire Council made the following contributions:

Organisation / Community Group	Funds
TAFE—Leeton Campus	250
Yanco Agricultural High School	100
Leeton High School	100
St Francis College	100
MET School	100
Gralee School	75
Whitton/Murrami Public School	75
Parkview Public School	75
Yanco Public School	75
Wamoon Public School	75
St Joseph's Primary School	75
Leeton Public School	75
Leeton & Narrandera Golf Week	350
Leeton Harness Racing Club	500
Leeton Show Society	500
Yanco Lions Australia Day Breakfast	500

Organisation / Community Group	Funds
Leeton Town Band	3,000
Leeton Racecourse Water Fixed Access	2,255
Leeton Eisteddfod Society	2,200
Griffith Private Hospital	10,000

Funding was also provided in the form of sporting donations to the following:

Recipient	Funds
S Quinlivan	250
J Quinlivan	250
C Boardman	250

Special Rate Variations

Local Government Act 1993 Section 508

Council did not have any special rate variations in accordance with Section 508 of the Local Government Act 1993 in place in 2015/16.

Equal Employment Opportunities

Local Government (General) Regulation

Clause 217(1)(a9)

Code of Conduct training is provided to all staff across the organisation and is discussed with all staff during the annual performance appraisal process. This training highlights the importance of treating all staff and customers with respect and reinforced that discrimination of any form will not be accepted by the organisation. All position descriptions include the requirement to demonstrate behaviour in accordance with EEO principles.

Capital Works Projects

Capital Expenditure Guidelines

Council undertook major capital works during 2015/2016 totalling \$6,356,000. Some of the major projects were as follows:

Project	Funds
Buildings	493,000
Plant and Equipment	794,000
Roads, Bridges and Footpaths	3,650,000
Stormwater Drainage	158,000
Sewerage Network	901,000

Companion Animals Act 1998 and Regulation 2008

Local Government (General) Regulation

Clause 217(1)(f)

Statement on activities for 2015/16 relating to enforcing and ensuring compliance with the Companion Animals Act and Regulation:

- **Lodgement of pound data collection returns with the Division**

The pound data collection return for 2015/16 was lodged with the Office of Local Government (OLG).

- **Lodgement of data relating to dog attacks with the Division**

The required data relating to dog attacks within the Leeton Shire Council area was lodged with the OLG.

- **Amount of funding spent on companion animal management and activities**

Monies received from the Companion Animals Fund were expended on the provision of companion animal management and control services as detailed below. A total of \$280,551.00 in funding was spent on Companion Animal management and related activities.

Payments to OLG from fees collected: \$18,821.00

Fund monies returned from OLG: \$13,203.00

- **Companion animal community education programs carried out**

Community education programs were undertaken throughout the year by way of media releases, reports to Council, Councillor Briefing Sessions, educational material distribution and ongoing education provided by Council's Ranger Services.

Council conducts an ongoing subsidised micro chipping program which allows members of the public to have their companion animals micro chipped at a substantially reduced rate. \$29 for one dog or \$21 for more than one dog. Rangers attend dog owners' homes Monday to Saturday to carry out microchip implantation.

Over one hundred dogs have been micro chipped annually. Council also carried out an annual microchip day in conjunction with Local Government Week on 3 August 2016 on which animals are microchipped for FREE. 80 animals were microchipped on that day.

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

Council defers the registration of cats and dogs for owners who wish to have their pets de-sexed until after the animals are de-sexed in order for the owners to receive the benefit of the lower de-sexed registration rate.

- **Strategies in place to comply with the requirement under Section 64 of the Act to seek alternatives to euthanasia for unclaimed animals**

Council has rehoming agreements with RADAR and Riverina Animals Rescue and Council gives the animals to approved rehoming agencies at no cost. Council also microchips any animal going to a rescue organisation at no cost.

Council does not charge any fees for animals adopted from the pound by members of the public apart from registration fees and provides free microchipping.

Council's website has pictures of impounded dogs and cats which is constantly updated in order that the owners may claim the dogs or that they may be rehomed.

- **Off leash areas provided in the Council area**

An off leash area was provided throughout the reporting period at the former caravan park site in Brobenah Road.

Legal Proceedings

Local Government (General) Regulation

Clause 217(1)(a3)

In 2015/2016, Council was involved in legal proceedings for the recovery of unpaid rates, water usage charges and other debts

2015/2016 Rates and Charges	Status	Cost / Number
Cost of Recovery		\$36,938.46
Number of Clients referred to Debt Collection Agency	Ongoing	1033
Number of Summonses Issued	Ongoing	52

2015/2016 Water Charges	Status	Cost / Number
Cost of Recovery		\$9,003.36
Number of Clients referred to Debt Collection Agency	Ongoing	100
Number of Summonses Issued	Ongoing	9

STATUTORY INFORMATION

This section of the Annual Report contains legislative information Council is required to provide under the Local Government Act 1993 and General Regulation 2005

Government Information (Public Access) Act 2009 and Regulation

Government Information (Public Access) Act 2009 S125(1) and Government Information (Public Access) Regulation 2009 Clause 7A and Schedule 2

Access to public information

Council Government Information Public Access (GIPA)

Council is required to prepare an annual report on activities undertaken during the financial year relevant to the *Government Information (Public Access) Act, 2009* (GIPA). The report is provided to the Minister for Local Government and the Office of the Information Commissioner and is available for download from Council's website. A summary of the key points contained in the GIPA Annual Report is below.

Leeton Shire Council received no formal access and one (1) informal access application for the reporting year. There were no access applications received by Leeton Shire Council during the reporting year that were refused because the disclosure was for information referred to in Schedule 1 of GIPA. All access applications were decided within the statutory timeframe of 20 days.

Public Interest Disclosure

Council is required to have a Public Interest Disclosures Policy under section 6D of the *Public Interest Disclosures Act, 1994* (the PID Act). Council's Policy must have procedures for receiving, assessing and dealing with public interest disclosures, having regard to the Ombudsman's guidelines in formulation of the policy for the purposes of the Act. Our policy conforms to Council's Code of Conduct, Equal Employment Opportunity Policy, Workplace Harassment Policy and Workplace Grievance Procedure Policy.

The Policy is accessible to all staff and the public via [Council's website](#) and is reviewed annually (the current version was adopted on 27 January 2016).

The intention of the PID Act is to provide protection for staff members reporting genuine concerns regarding corruption, maladministration, substantial waste of public money or government information contraventions. Penalties can be imposed on anyone who takes detrimental action on an individual substantially in reprisal for that person making a public interest disclosure. Under Clause 4 (1) of the *Public Disclosures Regulation, 2011*, Council must include the following information in its Annual Report.

Public Interest Disclosures in 2015/2016	Total
Number of public officials who made PIDs	0
Number of PIDs received	0
Number of PIDs finalised	0

Service for Carers

NSW Carers (Recognition) Act, 2010 Section 8(2)

Leeton Shire Council has provided the following Home and Community Care services in relation to providing information, support and advocacy for people who care for family members with a disability, chronic illness or are frail aged.

These services are:

- Meals on Wheels
- Home Modifications
- Community Transport
- Social Support Services

Council also provides home delivery of library material for those unable to attend the Leeton Library.

Flexible Working Arrangements

Council has a Flexible Working Arrangements in place which provides the opportunity for flexibility in handling work and family responsibilities. Council utilises its Consultative Committee as a consulting mechanism with employees during the development of Human Resources policies and will be offering flexible working as part of the recruitment process for all new positions.

Fisheries Management Act, 1994

Recovery and Threat Abatement Plan Section 220ZT

Council is not identified in any recovery and threat abatement plan under the Fisheries Management Act, 1994.





STATUTORY INFORMATION

This section of the Annual Report contains legislative information Council is required to provide under the Local Government Act 1993 and General Regulation 2005

External Bodies that exercise functions delegated by Council

Local Government (General) Regulation Clause 217(1)(a6)

Name	Function
Rural Fire Service	Oversees the delivery of a Rural Fire Service within the local government area and the discharge of Council's obligations under the Rural Fires Act 1997 and Local Government Act 1993.
State Emergency Services	Oversees the delivery of the State Emergency Service within the Leeton Shire and the discharge of Council's obligations under the State Emergency Service Act, 1989.

Companies in which Council held the controlling interest

Local Government (General) Regulation Clause 217(1)(a7)

Council held no controlling interest in any company for the 12 month period ending 30 June 2016.

Cooperatives, Trusts and Partnerships

Local Government (General) Regulation Clause 217(1)(a7)

The following section describes the cooperatives, partnerships, trusts, joint ventures, syndicates or other bodies (whether or not incorporated) to which Council was a party during 2015/16.

Name	Function
Country Mayor's Association	A Lobby Group on behalf of the concerns of major rural centres within New South Wales, the Country Mayor's Association is a forum to discuss like issues and make representations to other levels of government.
Leeton Local Emergency Management Committee	This Committee is responsible for an all agencies comprehensive approach to emergency planning in the Leeton Shire local government area. Emergency Services and agencies having functional responsibilities are members of the Committee.
Leeton / Narrandera Aerodrome Management Committee	This Committee is responsible for policy formulation and setting of guidelines for management matters at the Narrandera / Leeton Airport.
Leeton / Narrandera Community Transport	This service provides a flexible, door to door community transport service to groups and individuals. Transport is provided locally and to regional centres such as Wagga Wagga, Griffith and Albury, using one of the service owned vehicles. Wheelchair accessible vehicles are also available.
Leeton Local Traffic Committee	This Committee exists primarily as a technical review committee which advises Council on some matters. The Committee is made up of representatives from Council, NSW Police and the Roads and Maritime Authority.
MIA Zone Bush Fire Committee	This Committee is responsible to advise the State Bushfire Coordination Committee on bushfire prevention in the Leeton Shire local government area, promote the coordination of policies, practices and strategies relating to bushfire management, prepare a Bushfire Management Area Plan and oversee its implementation.
Murray Darling Association Region 9	A group that represents local government and community views on the major natural resource management issues of the Murray-Darling Basin and to influence the policies of governments as they relate to conservation and sustainable development within the Basin.

Section 355 Committees of Council as at 30 June 2016 are:

- Whitton Court House and Historical Museum Group
- Whitton Community Hall Group
- Yanco Community Hall Group
- Murrumbidgee Community Hall Group
- Leeton Men's Shed
- SunRice Festival Committee
- Light Up Leeton Committee
- Bidgee Classic Committee

Advisory Committees of Council as at 30 June 2016 are:

- Leeton Tree Advisory Group
- Leeton Shire Heritage Group
- Roxy Community Theatre Group
- Leeton Crime Prevention Group
- Leeton Traffic Committee
- Whitton Town Improvement Committee
- Leeton Early Learning Centre

Action Groups of Council as at 30 June 2016 are:

- Leeton Tidy Towns
- Leeton Youth Committee
- Leeton Australia Day Group



2015/16 AUDITED FINANCIAL REPORTS

FINANCIAL PERFORMANCE INDICATORS

Consolidated funds

Operating Performance ratio: This ratio measures Council's achievement of containing operating expenditure within operating revenue. Council's ratio was 13.71% which is well above the industry benchmark of greater than 0%. This was principally due to additional grant income for roads, higher usage charges and fees being received and lower depreciation following a revaluation of roads during the financial year.

Own Source Operating Revenue ratio: This ratio measures fiscal flexibility and the degree of reliance that Council has on external funding sources such as operating grants and contributions. Council's own source revenue ratio of 75.83% continues to be well above the industry benchmark of 60%.

Unrestricted current ratio: The Unrestricted Current Ratio is used to assess the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council. It is a measure of Council's ability to meet its financial obligations, in particular, its immediate ability to repay its short-term (current) debts. Council's consolidated Unrestricted Current Ratio is **4.81**. This is a better result than the industry standard of a minimum of 1.5.

Debt service cover ratio: The Debt Service Cover Ratio measures the availability of operating cash to service debt, including interest, principal and lease payments. These debts occur from loans borrowed by Council for the purpose of providing facilities and infrastructure improvements that Council views as essential to its effective operation. Council's debt service ratio is **25.04 (times)** which is considered to be well above the industry benchmark of 2 (times).

Rates and annual charges outstanding percentage:

This percentage is used to assess the impact of uncollected rates and charges on Council's liquidity and the adequacy of recovery efforts. Council's current outstanding percentage is 3.09%, which is well below the industry standard of 10% for rural councils. The low percentage outstanding reflects the efficiency and effort of Council's debt collection policies.

Cash Expense Cover ratio: This ratio indicates the number of months a Council can continue paying for its immediate expenses without any additional cash inflow. Council's ratio of 20.66 months is well above the industry benchmark of 3 months. Council has a strong cash ratio that supports its ongoing liquidity and working capital requirements.

General fund

Unrestricted current ratio: Council's General Fund Unrestricted Current Ratio is **4.81 (times)**. Council's General Fund is in a strong position to pay its debts as and when they fall due.

Debt service cover ratio: Debts occur from loans borrowed by Council for the purpose of funding renewal of the existing network facilities and new infrastructure that Council views as essential to its effective operation. Council's General Fund debt service ratio is **17.3 (times)** which is well above the industry benchmark of 2 (times).

Water fund

Unrestricted current ratio: Council's Water Fund Unrestricted Current Ratio is **472.26 (times)**. Council's Water Fund is in a strong position to pay its debts as and when they fall due.

Debt service cover ratio: Debts occur from loans borrowed by Council for the purpose of funding renewal of the existing network facilities and new infrastructure that Council views as essential to its effective operation. Council's Water Fund debt service ratio is **927.5 (times)** which is well above the industry benchmark of 2 (times).

Sewer fund

Unrestricted current ratio: Council's Sewer Fund has no liabilities in place and therefore this fund has no ratio.

Debt service cover ratio: Council's Sewer Fund does not have any debt therefore does not have a ratio.



UNDERSTANDING COUNCIL'S FINANCIAL STATEMENTS

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

Leeton Shire Council's Financial Statements are attached to this report as Annexure 1.

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 of 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. **An income statement** - A summary of 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. **A statement of comprehensive income** - Primarily records changes in the fair values of Council's Infrastructure, Property, Plant and Equipment.
3. **A balance sheet** - A 30 June snapshot of Council's Financial Position including its Assets and Liabilities.
4. **A statement of changes in equity** - The overall change for the year (in dollars) of Council's "net wealth".
5. **A statement of cash flows** - Indicates where Council's cash came from and where it was spent. This Statement also displays Council's original adopted budget to provide a comparison between what was projected and what actually occurred.

About the notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the 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 two audit reports:

- an opinion on whether the Financial Statements present fairly the Council's financial performance and position; and
- their observations on the conduct of the Audit including the Council's financial performance and financial position.

These reports are included at the back of the Financial Statements.

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. Submissions from the public can be made to Council up to seven days subsequent to the public presentation of the Financial Statements.

Council is also required to forward an audited set of Financial Statements to the Office of Local Government.



ANNEXURE 1

AUDITED FINANCIAL REPORTS

2015/16

Leeton Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2016

“Preserving the Past, Enhancing the Future”



Leeton Shire Council

General Purpose Financial Statements

for the year ended 30 June 2016

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Overview

- (i) These financial statements are General Purpose Financial Statements and cover the operations for Leeton Shire Council.
- (ii) Leeton 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 28 September 2016. Council has the power to amend and reissue these financial statements.
-

Leeton Shire Council

General Purpose Financial Statements for the year ended 30 June 2016

Understanding Council's financial statements

Introduction

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

What you will find in the statements

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

Leeton 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.

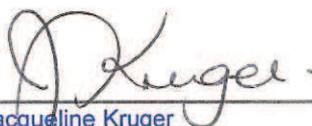
Signed in accordance with a resolution of Council made on 24 August 2016.



Cr Paul Maytom
Mayor



Cr George Weston
Councillor



Jacqueline Kruger
General Manager



Duncan McWhirter
Responsible Accounting Officer

Leeton Shire Council

Income Statement

for the year ended 30 June 2016

Budget ¹ 2016	\$ '000	Notes	Actual 2016	Actual 2015
Income from continuing operations				
Revenue:				
11,582	Rates and annual charges	3a	11,378	10,891
5,601	User charges and fees	3b	7,333	6,434
670	Interest and investment revenue	3c	1,251	1,016
548	Other revenues	3d	757	918
5,949	Grants and contributions provided for operating purposes	3e,f	6,322	5,599
279	Grants and contributions provided for capital purposes	3e,f	282	455
Other income:				
12	Net gains from the disposal of assets	5	279	–
–	Net share of interests in joint ventures and associates using the equity method	19	–	–
24,641	Total income from continuing operations		27,602	25,313
Expenses from continuing operations				
10,209	Employee benefits and on-costs	4a	9,764	9,602
133	Borrowing costs	4b	128	112
5,762	Materials and contracts	4c	5,038	4,937
6,835	Depreciation and amortisation	4d	6,106	6,667
–	Impairment	4d	–	–
2,544	Other expenses	4e	2,299	2,478
–	Net losses from the disposal of assets	5	–	2,314
25,483	Total expenses from continuing operations		23,335	26,110
(842)	Operating result from continuing operations		4,267	(797)
Discontinued operations				
–	Net profit/(loss) from discontinued operations	24	–	–
(842)	Net operating result for the year		4,267	(797)
(842)	Net operating result attributable to Council		4,267	(797)
–	Net operating result attributable to non-controlling interests		–	–
(1,121)	Net operating result for the year before grants and contributions provided for capital purposes		3,985	(1,252)

¹ Original budget as approved by Council – refer Note 16

Leeton Shire Council

Statement of Comprehensive Income

for the year ended 30 June 2016

\$ '000	Notes	Actual 2016	Actual 2015
Net operating result for the year (as per Income Statement)		4,267	(797)
Other comprehensive income:			
Amounts which will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of I,PP&E	20b (ii)	(3,810)	884
Impairment (loss) reversal relating to I,PP&E	20b (ii)	(289)	–
Total items which will not be reclassified subsequently to the operating result		(4,099)	884
Amounts which will be reclassified subsequently to the operating result when specific conditions are met			
Gain (loss) on revaluation of other reserves	20b (ii)	2,486	–
Total items which will be reclassified subsequently to the operating result when specific conditions are met		2,486	–
Total other comprehensive income for the year		(1,613)	884
Total comprehensive income for the year		2,654	87
Total comprehensive income attributable to Council		2,654	87
Total comprehensive income attributable to non-controlling interests		–	–

Leeton Shire Council

Statement of Financial Position

as at 30 June 2016

\$ '000	Notes	Actual 2016	Actual 2015
ASSETS			
Current assets			
Cash and cash equivalents	6a	4,302	2,831
Investments	6b	25,210	25,710
Receivables	7	1,983	1,718
Inventories	8	2,037	2,129
Other	8	2	–
Non-current assets classified as 'held for sale'	22	–	–
Total current assets		33,534	32,388
Non-current assets			
Investments	6b	3,500	1,000
Receivables	7	274	353
Inventories	8	–	–
Infrastructure, property, plant and equipment	9	210,131	211,682
Investments accounted for using the equity method	19	–	–
Investment property	14	–	–
Intangible assets	25	–	–
Total non-current assets		213,905	213,035
TOTAL ASSETS		247,439	245,423
LIABILITIES			
Current liabilities			
Payables	10	1,604	2,044
Borrowings	10	280	269
Provisions	10	2,591	2,526
Total current liabilities		4,475	4,839
Non-current liabilities			
Payables	10	5	5
Borrowings	10	2,238	2,518
Provisions	10	122	116
Total non-current liabilities		2,365	2,639
TOTAL LIABILITIES		6,840	7,478
Net assets		240,599	237,945
EQUITY			
Retained earnings	20	108,053	103,786
Revaluation reserves	20	132,546	134,159
Council equity interest		240,599	237,945
Total equity		240,599	237,945

Leeton 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
2016						
Opening balance (as per last year's audited accounts)		103,786	134,159	237,945	–	237,945
a. Correction of prior period errors	20 (c)	–	–	–	–	–
b. Changes in accounting policies (prior year effects)	20 (d)	–	–	–	–	–
Revised opening balance (as at 1/7/15)		103,786	134,159	237,945	–	237,945
c. Net operating result for the year		4,267	–	4,267	–	4,267
d. Other comprehensive income						
– Revaluations: IPP&E asset revaluation rsve	20b (ii)	–	(3,810)	(3,810)	–	(3,810)
– Revaluations: other reserves	20b (ii)	–	2,486	2,486	–	2,486
– Impairment (loss) reversal relating to I,PP&E	20b (ii)	–	(289)	(289)	–	(289)
Other comprehensive income		–	(1,613)	(1,613)	–	(1,613)
Total comprehensive income (c&d)		4,267	(1,613)	2,654	–	2,654
e. Distributions to/(contributions from) non-controlling Interests		–	–	–	–	–
f. Transfers between equity		–	–	–	–	–
Equity – balance at end of the reporting period		108,053	132,546	240,599	–	240,599
2015						
Opening balance (as per last year's audited accounts)		104,583	133,275	237,858	–	237,858
a. Correction of prior period errors	20 (c)	–	–	–	–	–
b. Changes in accounting policies (prior year effects)	20 (d)	–	–	–	–	–
Revised opening balance (as at 1/7/14)		104,583	133,275	237,858	–	237,858
c. Net operating result for the year		(797)	–	(797)	–	(797)
d. Other comprehensive income						
– Revaluations: IPP&E asset revaluation rsve	20b (ii)	–	884	884	–	884
– Revaluations: other reserves	20b (ii)	–	–	–	–	–
– Impairment (loss) reversal relating to I,PP&E	20b (ii)	–	–	–	–	–
Other comprehensive income		–	884	884	–	884
Total comprehensive income (c&d)		(797)	884	87	–	87
e. Distributions to/(contributions from) non-controlling Interests		–	–	–	–	–
f. Transfers between equity		–	–	–	–	–
Equity – balance at end of the reporting period		103,786	134,159	237,945	–	237,945

Leeton Shire Council

Statement of Cash Flows

for the year ended 30 June 2016

Budget 2016	\$ '000	Notes	Actual 2016	Actual 2015
Cash flows from operating activities				
Receipts:				
11,582	Rates and annual charges		11,361	11,003
5,611	User charges and fees		7,617	6,922
670	Investment and interest revenue received		1,006	1,062
6,228	Grants and contributions		6,762	6,052
–	Bonds, deposits and retention amounts received		–	72
548	Other		1,594	2,242
Payments:				
(10,123)	Employee benefits and on-costs		(10,178)	(9,517)
(5,762)	Materials and contracts		(5,502)	(5,380)
(133)	Borrowing costs		(133)	(77)
–	Bonds, deposits and retention amounts refunded		(27)	(13)
(2,544)	Other		(3,062)	(3,251)
6,077	Net cash provided (or used in) operating activities	11b	9,438	9,115
Cash flows from investing activities				
Receipts:				
1,400	Sale of investment securities		25,710	24,210
90	Sale of real estate assets		173	296
528	Sale of infrastructure, property, plant and equipment		398	1,143
110	Deferred debtors receipts		131	95
Payments:				
–	Purchase of investment securities		(27,710)	(26,710)
(7,593)	Purchase of infrastructure, property, plant and equipment		(6,356)	(9,094)
(5)	Deferred debtors and advances made		(44)	(262)
(5,470)	Net cash provided (or used in) investing activities		(7,698)	(10,322)
Cash flows from financing activities				
Receipts:				
–	Proceeds from borrowings and advances		–	2,000
Payments:				
(270)	Repayment of borrowings and advances		(269)	(237)
(270)	Net cash flow provided (used in) financing activities		(269)	1,763
337	Net increase/(decrease) in cash and cash equivalents		1,471	556
580	Plus: cash and cash equivalents – beginning of year	11a	2,831	2,275
917	Cash and cash equivalents – end of the year	11a	4,302	2,831
Additional Information:				
	plus: Investments on hand – end of year	6b	28,710	26,710
	Total cash, cash equivalents and investments		33,012	29,541

Please refer to Note 11 for additional cash flow information

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

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n/a – not applicable

Leeton 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) 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.

(iii) 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.

(iv) 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.

(v) Changes in accounting policies

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

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

(vi) 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.

Leeton Shire Council

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

Note 1. Summary of significant accounting policies (continued)

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:

Estimated fair values of infrastructure, property, plant and equipment.

Critical judgements in applying Council's accounting policies

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

(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 been established as although unpaid rates represent a charge against the rateable property there are properties where council may not recover the full amount of the outstanding rates and charges.

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

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

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

User charges, fees and other Income

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

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

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:

- *Leeton Shire Council General Purpose Operations*
- *Leeton Shire Council Water Supply*
- *Leeton Shire Council Sewerage Service*
- *Leeton Early Learning Centre*

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

- *Public Hall Committees at Yanco, Whitton & Murrumbidgee*
- *Tidy Town Committees at Yanco & Whitton*
- *Australia Day Committee*
- *Event Committees (Bidgee Classic, Sunrice Festival and Light Up Leeton)*

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

Total income from continuing operations	\$30,000
Total expenditure from continuing operations	\$30,000
Total net assets held (i.e. equity)	\$20,000

Note:

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

(ii) The trust fund

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

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

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

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

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

Joint arrangements

Council has no interest in any joint arrangements.

Associates

Council has no interest in any associates.

County councils

Council is not a member of any county council.

Unconsolidated structured entities

Following a detailed review of various entities that Council has dealings with including an analysis of each relationship, it has been determined that Council has no material or significant interest in any unstructured consolidated entities.

Council's relationship with those entities includes arm's length arrangements based on normal commercial terms.

(d) Leases

Council has no finance or operating leases.

(e) Cash and Cash Equivalents

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

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

(f) Investments and other financial assets

Council (in accordance with AASB 139) classifies each of its investments as held-to-maturity for measurement purposes.

(i) 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.

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.

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

Held-to-maturity investments are carried at amortised cost using the effective interest method.

Impairment

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

(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

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

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.

All Council investments are fully compliant with the Ministerial Investment Order and Council's adopted Investment Policy.

(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

Stores

Stores in respect of business undertakings are all stated at the lower of cost and net realisable value.

Land held for resale/capitalisation of borrowing costs

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

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

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

- **Other open space/recreational assets**
(external valuation)

- **Other assets**
(as approximated by depreciated historical cost)

Initial recognition

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

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

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

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

Subsequent costs

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

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

Asset revaluations (including indexation)

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

- increases in the combined carrying amounts of asset classes arising on revaluation are credited to the asset revaluation reserve,

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

- 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. More frequent revaluations are sometimes completed on asset classes if it is considered prudent to do so.

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	> \$1,000
Office Equipment	> \$1,000
Other Plant and Equipment	> \$1,000

Buildings and Land Improvements

Park Furniture and Equipment	> \$2,000
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Building

- construction/extensions	100% Capitalised
- renovations	> \$2,000

Other Structures	> \$2,000
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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
Reseal/Re-sheet and major repairs:	> \$10,000

Bridge construction and reconstruction	> \$10,000
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Other Infrastructure Assets

Swimming Pools	> \$10,000
Other Open Space/Recreational Assets	> \$1,000

Depreciation

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

Land is not depreciated.

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

Plant and Equipment

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

Other Equipment

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

Buildings

- Buildings : Masonry	50 to 100 years
- Buildings : Other	20 to 150 years

Stormwater Drainage

- Drains	100 years
- Culverts	100 years

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

Transportation Assets

- Sealed Roads: Surface	10 to 18 years
- Sealed Roads: Structure	50 years
- Unsealed roads	20 to 150 years
- Bridge: Concrete	100 years
- Kerb, Gutter and Paths	100 years
- Other road assets	40 to 100 years

Water and Sewer Assets

- Water Treatment Plants	30 to 70 years
- Reservoirs	100 years
- Reticulation pipes : PVC	80 years
- Reticulation pipes : Other	80 years
- Pumps and telemetry	10 to 25 years
- Sewerage Treatment Plants	25 to 90 years
- Sewerage Mains: PVC	70 years
- Sewerage Mains: Other	45 years

Other Infrastructure Assets

- Bulk earthworks	Infinite
- Swimming Pools	60 years
- Other Open Space/ Recreational Assets	15 to 200 years
- Other Infrastructure	15 to 100 years

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 (q) on asset impairment.

Disposal and de-recognition

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

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

(k) Land

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

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

(l) Land under roads

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

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

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

(m) Intangible assets

Council has not classified any assets as intangible.

(n) Crown reserves

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

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

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

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

(o) Rural fire service assets

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

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

which the fire fighting equipment has been purchased or constructed'.

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

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

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

No provision for reinstatement, rehabilitation and restoration needs to be made as restoration of the landfill at Brobenah Road has been ongoing during the life of the landfill. The facility at Corbie Hill Road incorporates restoration works as part of the operation.

Council does not operate any quarries.

(q) Impairment of assets

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

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

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

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

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.

(r) 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.

(s) Borrowings

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

Borrowings are subsequently measured at amortised cost.

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

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

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

(t) Borrowing costs

Borrowing costs are expensed

(u) Provisions

Council has no provisions other than for employee benefits.

(v) Employee benefits

(i) Short-term obligations

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

Leeton Shire Council

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

Note 1. Summary of significant accounting policies (continued)

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

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

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

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

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

(ii) Other long-term obligations

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

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

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

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

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

(iii) Retirement benefit obligations

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

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

Defined benefit plans

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

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.

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 1. Summary of significant accounting policies (continued)

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.

(w) Self-insurance

Council does not self-insure.

(x) 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.

(y) Taxes

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

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

Goods and Services Tax (GST)

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

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

Receivables and payables within the Statement of Financial Position are stated inclusive of any applicable GST.

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

Operating cash flows within the 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.

(z) New accounting standards and Interpretations issued (not yet effective)

Certain new (or amended) accounting standards and interpretations have been published that are not

Leeton Shire Council

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

Note 1. Summary of significant accounting policies (continued)

mandatory for reporting periods ending 30 June 2016.

Council has not adopted any of these standards early.

(aa) Rounding of amounts

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

(ab) Comparative figures

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

(ac) Disclaimer

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

Leeton 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	–	–	–	222	225	204	(222)	(225)	(204)	–	–	–	–
Administration	375	464	347	2,019	1,002	3,469	(1,644)	(538)	(3,122)	36	43	26,007	22,536
Public order and safety	147	211	161	578	550	521	(431)	(339)	(360)	119	101	1,061	1,131
Health	12	12	14	238	275	343	(226)	(263)	(329)	–	–	–	–
Environment	2,253	2,484	2,437	2,357	2,539	2,388	(104)	(55)	49	26	148	4,364	4,527
Community services and education	1,850	1,985	1,795	2,113	2,051	2,010	(263)	(66)	(215)	282	274	4,812	4,898
Housing and community amenities	335	360	379	955	790	778	(620)	(430)	(399)	56	70	10,681	11,885
Water supplies	3,624	4,407	3,928	3,989	3,702	3,819	(365)	705	109	40	38	44,494	43,675
Sewerage services	2,393	3,005	2,362	2,593	2,518	2,450	(200)	487	(88)	32	31	33,345	32,490
Recreation and culture	703	826	807	4,038	3,969	3,978	(3,335)	(3,143)	(3,171)	100	122	25,614	26,133
Mining, manufacturing and construction	32	47	385	9	9	9	23	38	376	–	–	52	45
Transport and communication	1,610	1,882	1,117	5,168	4,295	4,853	(3,558)	(2,413)	(3,736)	1,488	672	92,784	93,690
Economic affairs	571	1,059	927	1,204	1,410	1,288	(633)	(351)	(361)	16	–	4,225	4,413
Total functions and activities	13,905	16,742	14,659	25,483	23,335	26,110	(11,578)	(6,593)	(11,451)	2,195	1,499	247,439	245,423
Share of gains/(losses) in associates and joint ventures (using the equity method)	–	–	–	–	–	–	–	–	–	–	–	–	–
General purpose income ¹	10,736	10,860	10,654	–	–	–	10,736	10,860	10,654	3,927	3,957	–	–
Operating result from continuing operations	24,641	27,602	25,313	25,483	23,335	26,110	(842)	4,267	(797)	6,122	5,456	247,439	245,423

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

Leeton 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, enforcement of local government regulations, emergency services, other.

HEALTH

Includes inspection, food control, administration.

ENVIRONMENT

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

COMMUNITY SERVICES AND EDUCATION

Includes administration; social protection (welfare); migrant; youth services; aged and disabled persons services; child care; and other family and children services.

HOUSING AND COMMUNITY AMENITIES

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

WATER SUPPLIES

SEWERAGE SERVICES

RECREATION AND CULTURE

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

MINING, MANUFACTURING AND CONSTRUCTION

Includes building control, quarries and pits.

TRANSPORT AND COMMUNICATION

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

ECONOMIC AFFAIRS

Includes camping areas; tourism and area promotion; industrial development promotion; real estate development; and other business undertakings.

Leeton 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
(a) Rates and annual charges			
Ordinary rates			
Residential		3,333	3,212
Farmland		2,700	2,651
Business		396	377
Total ordinary rates		6,429	6,240
Special rates			
Nil			
Annual charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)			
Domestic waste management services		958	930
Stormwater management services		88	87
Water supply services		1,289	1,186
Sewerage services		1,959	1,813
Waste management services (non-domestic)		152	152
Recycling		487	474
Trade waste		16	9
Total annual charges		4,949	4,651
TOTAL RATES AND ANNUAL CHARGES		11,378	10,891

Council has used 2012 year valuations provided by the NSW Valuer General in calculating its rates.

Leeton 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) User charges and fees			
Specific user charges (per s.502 – specific 'actual use' charges)			
Water supply services		2,436	2,257
Sewerage services		579	194
Total user charges		3,015	2,451
Other user charges and fees			
(i) Fees and charges – statutory and regulatory functions (per s.608)			
Building regulation		42	50
Private works – section 67		81	133
Regulatory/ statutory fees		28	26
Registration fees		19	17
Section 149 certificates (EPA Act)		21	26
Section 603 certificates		17	21
Tapping fees		19	26
Town planning		71	104
Total fees and charges – statutory/regulatory		298	403
(ii) Fees and charges – other (incl. general user charges (per s.608))			
Aged care		69	52
Cemeteries		153	146
Child care		1,455	1,305
Golf course		276	281
Lease rentals		155	259
Leaseback fees – Council vehicles		72	76
Library and art gallery		17	20
RMS (formerly RTA) charges (state roads not controlled by Council)		747	570
Roxy theatre		170	116
Stadium		32	28
Swimming centres		108	93
Tourism		34	7
User group contributions		71	49
Waste disposal tipping fees		647	525
Other		14	53
Total fees and charges – other		4,020	3,580
TOTAL USER CHARGES AND FEES		7,333	6,434

Leeton 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
(c) Interest and investment revenue (including losses)			
Interest			
– Interest on overdue rates and annual charges (incl. special purpose rates)		34	38
– Interest earned on investments (interest and coupon payment income)		962	966
– Interest on deferred debtors		11	12
Dividend income		244	–
<u>TOTAL INTEREST AND INVESTMENT REVENUE</u>		<u>1,251</u>	<u>1,016</u>
Interest revenue is attributable to:			
Unrestricted investments/financial assets:			
Overdue rates and annual charges (general fund)		15	21
General Council cash and investments		489	431
Restricted investments/funds – external:			
Development contributions			
– Section 94		3	11
Water fund operations		344	260
Sewerage fund operations		325	232
Domestic waste management operations		70	56
Stormwater Levy		5	5
<u>Total interest and investment revenue recognised</u>		<u>1,251</u>	<u>1,016</u>
(d) Other revenues			
Fines – other		26	19
Legal fees recovery – rates and charges (extra charges)		54	87
Legal fees recovery – other		–	324
Child care operations		15	10
Commissions and agency fees		–	1
Community transport reimbursement		54	58
Diesel rebate		28	26
Donations and sponsorship received		5	13
Insurance claim recoveries		6	68
Insurance rebates		33	48
Recycling income (non-domestic)		3	51
RFS reimbursements		68	5
Sales – general		435	197
Other		30	11
<u>TOTAL OTHER REVENUE</u>		<u>757</u>	<u>918</u>

Leeton 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
(e) Grants				
General purpose (untied)				
Financial assistance – general component	2,856	2,868	–	–
Financial assistance – local roads component	973	994	–	–
Pensioners' rates subsidies – general component	98	95	–	–
Total general purpose	3,927	3,957	–	–
Specific purpose				
Pensioners' rates subsidies:				
– Water	40	38	–	–
– Sewerage	32	31	–	–
– Domestic waste management	26	25	–	–
Child care	103	97	–	–
Community care	148	130	–	–
Economic development	12	–	–	–
Employment and training programs	35	53	–	–
Environmental protection	5	84	–	–
Heritage and cultural	11	8	–	–
Library	50	45	–	–
LIRS subsidy	90	51	–	–
Noxious weeds	38	39	–	–
NSW rural fire services	77	101	–	–
Planning	–	15	–	–
Public halls	–	–	13	–
Recreation and culture	–	43	–	26
Street lighting	56	55	–	–
Transport (roads to recovery)	1,340	469	–	–
Transport (other roads and bridges funding)	57	68	61	120
Youth services	1	1	–	–
Total specific purpose	2,121	1,353	74	146
Total grants	6,048	5,310	74	146
Grant revenue is attributable to:				
– Commonwealth funding	5,385	4,552	–	–
– State funding	657	757	74	146
– Other funding	6	1	–	–
	6,048	5,310	74	146

Leeton 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
(f) Contributions				
Developer contributions:				
(s93 & s94 – EP&A Act, s64 of the LGA):				
S 94 – contributions towards amenities/services	–	–	11	9
S 64 – water supply contributions	–	–	9	9
S 64 – sewerage service contributions	–	–	–	3
Total developer contributions 17	–	–	20	21
Other contributions:				
Community services	15	14	–	–
Kerb and gutter	–	–	33	–
Recreation and culture	5	36	–	10
Roads and bridges	24	14	–	93
RMS contributions (regional roads, block grant)	230	225	104	102
Sewerage (excl. section 64 contributions)	–	–	37	19
Water supplies (excl. section 64 contributions)	–	–	14	64
Total other contributions	274	289	188	288
Total contributions	274	289	208	309
TOTAL GRANTS AND CONTRIBUTIONS	6,322	5,599	282	455

\$ '000	Actual 2016	Actual 2015
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(g) Restrictions relating to grants and contributions

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

Unexpended at the close of the previous reporting period	180	387
Add: grants and contributions recognised in the current period but not yet spent:	347	64
Less: grants and contributions recognised in a previous reporting period now spent:	(77)	(271)
Net increase (decrease) in restricted assets during the period	270	(207)
Unexpended and held as restricted assets	450	180
Comprising:		
– Specific purpose unexpended grants	345	63
– Developer contributions	99	117
– Other contributions	6	–
	450	180

Leeton 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
(a) Employee benefits and on-costs			
Salaries and wages		7,890	7,844
Travel expenses		20	25
Employee leave entitlements (ELE)		911	844
Superannuation		955	942
Workers' compensation insurance		318	544
Fringe benefit tax (FBT)		45	64
Payroll tax		25	27
Training costs (other than salaries and wages)		146	154
Protective clothing		24	27
Other		75	86
Total employee costs		10,409	10,557
Less: capitalised costs		(645)	(955)
TOTAL EMPLOYEE COSTS EXPENSED		9,764	9,602
Number of 'full-time equivalent' employees (FTE) at year end		134	135
(b) Borrowing costs			
(i) Interest bearing liability costs			
Interest on loans		128	112
Total interest bearing liability costs expensed		128	112
(ii) Other borrowing costs			
Nil			
TOTAL BORROWING COSTS EXPENSED		128	112
(c) Materials and contracts			
Raw materials and consumables		3,815	3,621
Contractor and consultancy costs			
– Garbage collection charges		742	733
– Other contractor and consultancy costs		150	208
Auditors remuneration ⁽¹⁾		49	34
Legal expenses:			
– Legal expenses: planning and development		2	2
– Legal expenses: debt recovery		53	87
– Legal expenses: other		18	19
Film and other hire expenses		37	35
Water purchases		172	198
TOTAL MATERIALS AND CONTRACTS		5,038	4,937

Leeton 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
(c) Materials and contracts (continued)			
1. Auditor remuneration			
During the year, the following fees were incurred for services provided by the Council's Auditor:			
(i) Audit and other assurance services			
– Audit and review of financial statements: Council's Auditor		36	31
– Audit and review of financial statements: other consolidated entity Auditors		3	3
– Internal Audit		10	–
Remuneration for audit and other assurance services		49	34
Total Auditor remuneration		49	34

\$ '000	Notes	Impairment costs		Depreciation/amortisation	
		Actual 2016	Actual 2015	Actual 2016	Actual 2015
Plant and equipment		–	–	677	723
Office equipment		–	–	31	30
Furniture and fittings		–	–	22	22
Land improvements (depreciable)		–	–	35	36
Infrastructure:					
– Buildings – non-specialised		–	–	9	24
– Buildings – specialised		267	–	852	847
– Other structures		22	–	55	54
– Roads		–	–	2,154	2,700
– Bridges		–	–	37	14
– Footpaths		–	–	62	50
– Stormwater drainage		–	–	105	118
– Water supply network		–	–	1,151	1,132
– Sewerage network		–	–	730	720
– Waste management infrastructure		–	–	–	7
– Swimming pools		–	–	39	39
– Other open space/recreational assets		–	–	140	135
Other assets					
– Library books		–	–	7	15
– Other		–	–	–	1
Total depreciation and impairment costs		289	–	6,106	6,667
Less: IPP&E impairments (to)/from equity ^{9a}		(289)	–	–	–
TOTAL DEPRECIATION AND IMPAIRMENT COSTS EXPENSED		–	–	6,106	6,667

Leeton 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
(e) Other expenses			
Other expenses for the year include the following:			
Advertising		46	60
Bad and doubtful debts		2	42
Bank charges		1	1
Commissions / agency fees		68	63
Contributions/levies to other levels of government			
– Emergency services levy (includes FRNSW, SES, and RFS levies)		20	17
– NSW Fire Brigade levy		29	28
– NSW Rural Fire service levy		111	119
Councillor expenses – mayoral fee		24	23
Councillor expenses – councillors' fees		96	96
Councillors' expenses (incl. mayor) – other (excluding fees above)		33	27
Donations, contributions and assistance to other organisations (Section 356)			
– Annual donations		14	17
– Discretionary donations, contributions and assistance		30	13
– Rates payment incentive		–	2
Electricity and heating		563	654
Insurance		365	355
Licences and permits		11	20
Office expenses (including computer expenses)		215	244
Postage		38	33
Printing and stationery		68	63
Regional arts board		11	10
Street lighting		235	239
Subscriptions and publications		89	90
Telephone and communications		180	188
Valuation fees		37	40
Rental		13	34
<u>TOTAL OTHER EXPENSES</u>		<u>2,299</u>	<u>2,478</u>

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 5. Gains or losses from the disposal of assets

\$ '000	Notes	Actual 2016	Actual 2015
Property (excl. investment property)			
Proceeds from disposal – property		–	306
Less: carrying amount of property assets sold/written off		–	(307)
Net gain/(loss) on disposal		–	(1)
Plant and equipment			
Proceeds from disposal – plant and equipment		398	293
Less: carrying amount of plant and equipment assets sold/written off		(188)	(200)
Net gain/(loss) on disposal		210	93
Infrastructure			
Proceeds from disposal – infrastructure		–	544
Less: carrying amount of infrastructure assets sold/written off		–	(2,925)
Net gain/(loss) on disposal		–	(2,381)
Real estate assets held for sale			
Proceeds from disposal – real estate assets		173	296
Less: carrying amount of real estate assets sold/written off		(104)	(321)
Net gain/(loss) on disposal		69	(25)
Financial assets			
Proceeds from disposal/redemptions/maturities – financial assets		25,710	24,210
Less: carrying amount of financial assets sold/redeemed/matured		(25,710)	(24,210)
Net gain/(loss) on disposal		–	–
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		279	(2,314)

Leeton 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	2016	2015	2015
		Actual Current	Actual Non-current	Actual Current	Actual Non-current
Cash and cash equivalents (Note 6a)					
Cash on hand and at bank		1,087	–	1,135	–
Cash-equivalent assets ¹					
– Deposits at call		2,215	–	1,696	–
– Short-term deposits		1,000	–	–	–
Total cash and cash equivalents		4,302	–	2,831	–
Investments (Note 6b)					
– Long term deposits		25,210	3,500	25,710	1,000
Total investments		25,210	3,500	25,710	1,000
TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS		29,512	3,500	28,541	1,000

¹ 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'		4,302	–	2,831	–
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Investments

b. 'Held to maturity'	6(b-ii)	25,210	3,500	25,710	1,000
Investments		25,210	3,500	25,710	1,000

Note 6(b-i)

Reconciliation of investments classified as 'held to maturity'

Balance at the beginning of the year		25,710	1,000	24,210	–
Additions		25,210	2,500	25,710	1,000
Disposals (sales and redemptions)		(25,710)	–	(24,210)	–
Balance at end of year		25,210	3,500	25,710	1,000

Comprising:

– Long term deposits		25,210	3,500	25,710	1,000
Total		25,210	3,500	25,710	1,000

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

Leeton 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	29,512	3,500	28,541	1,000
attributable to:				
External restrictions (refer below)	16,318	3,500	16,361	1,000
Internal restrictions (refer below)	12,157	–	11,313	–
Unrestricted	1,037	–	867	–
	29,512	3,500	28,541	1,000

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

External restrictions – included in liabilities

Specific purpose unexpended loans – general (A)	259	–	(259)	–
External restrictions – included in liabilities	259	–	(259)	–

External restrictions – other

Developer contributions – general (B)	105	14	(33)	86
Developer contributions – water fund (B)	12	1	–	13
RMS (formerly RTA) contributions (C)	–	6	–	6
Specific purpose unexpended grants (D)	63	282	–	345
Water supplies (E)	7,534	1,801	–	9,335
Water supplies – Retention (E)	–	20	–	20
Water supplies – carry over works (E)	499	301	(453)	347
Sewerage services (E)	5,929	682	–	6,611
Sewerage services – carry over works (E)	409	32	(409)	32
Domestic waste management (E)	2,376	427	–	2,803
Stormwater management (E)	171	93	(44)	220
Crown reserves	4	3	(7)	–
External restrictions – other	17,102	3,662	(946)	19,818
Total external restrictions	17,361	3,662	(1,205)	19,818

- A** Loan moneys which must be applied for the purposes for which the loans were raised.
- B** Development contributions which are not yet expended for the provision of services and amenities in accordance with contributions plans (refer Note 17).
- C** RMS contributions which are not yet expended for the provision of services and amenities in accordance with those contributions.
- D** Grants which are not yet expended for the purposes for which the grants were obtained. (refer Note 1 (b))
- E** 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.

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

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

2016 \$ '000	Opening balance	Transfers to restrictions	Transfers from restrictions	Closing balance
Internal restrictions				
Plant and vehicle replacement	949	1,341	(752)	1,538
Infrastructure replacement	3,210	307	(194)	3,323
Employees leave entitlement	1,974	200	(100)	2,074
Carry over works	714	360	(532)	542
Deposits, retentions and bonds	57	–	(26)	31
Aerodrome	100	25	–	125
Buildings	457	48	(161)	344
Childcare centre	281	–	(32)	249
Community services	15	13	–	28
Emergency services	30	–	–	30
Insurance	39	–	–	39
Land development	73	190	–	263
Roads general	1,691	144	(93)	1,742
Roxy theatre	148	–	(16)	132
Stadium	33	–	–	33
Sportsgrounds improvements	242	–	(27)	215
Swimming pool	1,100	–	(15)	1,085
Workers compensation equalisation	200	144	–	344
Aged Housing	–	20	–	20
Total internal restrictions	11,313	2,792	(1,948)	12,157
TOTAL RESTRICTIONS	28,674	6,454	(3,153)	31,975

Leeton 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
Purpose					
Rates and annual charges		324	–	340	–
Interest and extra charges		53	–	78	–
User charges and fees		500	–	538	–
Accrued revenues					
– Interest on investments		614	–	344	–
– Other income accruals		216	–	16	–
Amounts due from other councils		7	–	16	–
Deferred debtors		120	274	128	353
Government grants and subsidies		15	–	147	–
Net GST receivable		150	–	169	–
Total		1,999	274	1,776	353
Less: provision for impairment					
Rates and annual charges		(11)	–	(44)	–
User charges and fees		(5)	–	(14)	–
Total provision for impairment – receivables		(16)	–	(58)	–
<u>TOTAL NET RECEIVABLES</u>		<u>1,983</u>	<u>274</u>	<u>1,718</u>	<u>353</u>
Externally restricted receivables					
Water supply					
– Rates and availability charges		33	–	39	–
– Other		306	12	213	10
Sewerage services					
– Rates and availability charges		52	–	37	–
– Other		154	4	66	–
Domestic waste management		106	–	97	–
Total external restrictions		651	16	452	10
Internally restricted receivables					
Nil					
Unrestricted receivables		1,332	258	1,266	343
TOTAL NET RECEIVABLES		<u>1,983</u>	<u>274</u>	<u>1,718</u>	<u>353</u>

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) Refer to Note 15 for issues concerning credit risk and fair value disclosures.

Leeton 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
(a) Inventories					
(i) Inventories at cost					
Real estate for resale (refer below)		1,950	–	2,054	–
Stores and materials		87	–	75	–
Total inventories at cost		2,037	–	2,129	–
(ii) Inventories at net realisable value (NRV)					
Nil					
TOTAL INVENTORIES		2,037	–	2,129	–
(b) Other assets					
Prepayments		2	–	–	–
TOTAL OTHER ASSETS		2	–	–	–
Externally restricted assets					
There are no restrictions applicable to the above assets.					
(i) Other disclosures					
(a) Details for real estate development					
Residential		40	–	40	–
Industrial/commercial		1,665	–	1,769	–
Other properties		245	–	245	–
Total real estate for resale		1,950	–	2,054	–
(Valued at the lower of cost and net realisable value)					
Represented by:					
Acquisition costs		537	–	559	–
Development costs		1,413	–	1,495	–
Total costs		1,950	–	2,054	–
Total real estate for resale		1,950	–	2,054	–
Movements:					
Real estate assets at beginning of the year		2,054	–	2,375	–
– WDV of sales (expense)	5	(104)	–	(321)	–
Total real estate for resale		1,950	–	2,054	–
(b) Current assets not anticipated to be settled within the next 12 months					
The following inventories and other assets, even though classified as current are not expected to be recovered in the next 12 months;					
Real estate for resale				2016	2015
				1,700	1,800
				1,700	1,800

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

Leeton 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 depreciation	Impairment	Carrying value	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment loss (recognised in equity)	WIP transfers	Adjustments and transfers	Revaluation decrements to equity (ARR)	Revaluation increments to equity (ARR)	At cost	At fair value	Accumulated depreciation	Impairment	Carrying value
Capital work in progress	9	-	-	-	9	-	4	-	-	-	(9)	-	-	-	4	-	-	-	4
Plant and equipment	-	7,798	3,869	-	3,929	-	794	(188)	(677)	-	-	-	-	-	-	7,738	3,880	-	3,858
Office equipment	-	436	289	-	147	-	32	-	(31)	-	-	-	-	-	-	447	299	-	148
Furniture and fittings	-	362	282	-	80	-	7	-	(22)	-	9	-	-	-	-	372	288	-	74
Land:																			
- Operational land	-	2,881	-	-	2,881	-	5	-	-	-	-	-	83	-	-	2,749	-	-	2,749
- Community land	-	6,591	-	-	6,591	-	22	-	-	-	-	-	(83)	85	-	6,625	-	-	6,625
Land improvements - depreciable	-	1,258	204	-	982	-	43	-	(35)	-	-	-	26	122	-	1,727	609	-	1,118
Infrastructure:																			
- Buildings - non-specialised	-	474	228	-	248	-	-	-	(9)	-	-	-	-	-	-	474	235	-	239
- Buildings - specialised	-	44,170	15,205	-	28,965	277	216	-	(852)	(267)	-	-	-	-	-	44,386	15,780	267	28,339
- Other structures	-	1,646	831	-	1,015	4	61	-	(55)	(22)	-	-	-	-	-	1,675	676	22	977
- Roads	-	111,231	39,374	-	71,857	2,908	480	-	(2,154)	-	-	536	(1,239)	-	-	98,558	28,192	-	72,366
- Bridges	-	1,399	283	-	1,116	-	-	-	(37)	-	-	-	-	2,074	-	3,725	572	-	3,153
- Footpaths	-	5,728	834	-	4,892	39	245	-	(62)	-	-	-	(221)	-	-	5,925	1,032	-	4,893
- Bulk earthworks (non-depreciable)	-	12,793	-	-	12,793	-	-	-	-	-	-	-	(4,088)	-	-	8,705	-	-	8,705
- Stormwater drainage	-	11,529	2,097	-	9,432	-	158	-	(105)	-	-	-	(1,449)	-	-	10,015	1,979	-	8,036
- Water supply network	-	72,457	37,508	-	34,951	31	48	-	(1,151)	-	-	-	-	524	-	73,592	39,189	-	34,403
- Sewerage network	-	56,010	30,523	-	25,487	901	-	-	(730)	-	-	-	-	382	-	56,850	30,810	-	26,040
- Waste management infrastructure	-	595	59	-	536	-	-	-	-	-	-	(536)	-	-	-	-	-	-	-
- Swimming pools	-	2,338	1,473	-	865	-	10	-	(39)	-	-	-	-	-	-	2,348	1,512	-	836
- Other open space/recreational assets	-	4,756	1,387	-	3,369	-	93	-	(140)	-	-	-	-	-	-	4,850	1,528	-	3,322
Other assets:																			
- Library books	-	138	131	-	7	-	-	-	(7)	-	-	-	-	-	-	32	32	-	-
- Other assets	-	18	6	-	10	-	-	-	-	-	-	-	-	-	-	18	6	-	10
- Water licences	-	1,750	-	-	1,750	-	-	-	-	-	-	-	-	2,486	-	4,236	-	-	4,236
TOTAL INFRASTRUCTURE, PROPERTY, PLANT AND EQUIP.	9	346,142	134,469	-	211,682	4,158	2,198	(188)	(6,105)	(289)	-	-	(6,897)	5,673	4	335,045	124,629	289	210,131

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.

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

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

\$ '000	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
Water supply								
Plant and equipment	–	161	136	25	–	157	131	26
Infrastructure	–	73,592	39,189	34,403	–	72,457	37,506	34,951
Total water supply	–	73,753	39,325	34,428	–	72,614	37,637	34,977
Sewerage services								
WIP	–	4	–	4	–	–	–	–
Plant and equipment	–	449	292	157	–	447	258	189
Infrastructure	–	56,850	30,810	26,040	–	56,010	30,523	25,487
Total sewerage services	–	57,303	31,102	26,201	–	56,457	30,781	25,676
TOTAL RESTRICTED I,PP&E	–	131,056	70,427	60,629	–	129,071	68,418	60,653

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

\$ '000	Notes	Actual 2016	Actual 2015
(i) Impairment losses recognised direct to equity (ARR):			
Racecourse Grandstand - structural damage		(267)	–
Whitton Museum Machinery shed - structural damage		(22)	–
Total impairment losses		(289)	–
IMPAIRMENT OF ASSETS – DIRECT to EQUITY (ARR)	20 (ii)	(289)	–

Leeton 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
Payables					
Goods and services		1,012	–	960	–
Payments received in advance		293	–	288	–
Accrued expenses:					
– Borrowings		44	–	49	–
– Salaries and wages		116	5	545	5
– Other expenditure accruals		86	–	122	–
Security bonds, deposits and retentions		50	–	77	–
Miscellaneous creditor clearing accounts		3	–	3	–
Total payables		1,604	5	2,044	5
Borrowings					
Loans – secured ¹		280	2,238	269	2,518
Total borrowings		280	2,238	269	2,518
Provisions					
Employee benefits:					
Annual leave		676	–	711	–
Long service leave		1,915	122	1,815	116
Total provisions		2,591	122	2,526	116
TOTAL PAYABLES, BORROWINGS AND PROVISIONS		4,475	2,365	4,839	2,639
(i) Liabilities relating to restricted assets					
		2016		2015	
		Current	Non-current	Current	Non-current
Externally restricted assets					
Water		19	–	39	–
Sewer		–	–	15	–
Liabilities relating to externally restricted assets		19	–	54	–
Internally restricted assets					
Nil					
Total liabilities relating to restricted assets		19	–	54	–
Total liabilities relating to unrestricted assets		4,456	2,365	4,785	2,639
TOTAL PAYABLES, BORROWINGS AND PROVISIONS		4,475	2,365	4,839	2,639

¹ Loans are secured over the general rating income of Council

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

Leeton 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	1,365	1,842
	<u>1,365</u>	<u>1,842</u>

Note 10b. Description of and movements in provisions

Class of provision	2015		2016			Closing balance as at 30/6/16
	Opening balance as at 1/7/15	Additional provisions	Decrease due to payments	Remeasurement effects due to discounting	Unused amounts reversed	
Annual leave	711	587	(622)	–	–	676
Long service leave	1,931	275	(232)	63	–	2,037
TOTAL	2,642	862	(854)	63	–	2,713

- 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.

Leeton 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
(a) Reconciliation of cash assets			
Total cash and cash equivalent assets	6a	4,302	2,831
Less bank overdraft	10	–	–
Balance as per the Statement of Cash Flows		4,302	2,831
(b) Reconciliation of net operating result to cash provided from operating activities			
Net operating result from Income Statement		4,267	(797)
Adjust for non-cash items:			
Depreciation and amortisation		6,106	6,667
Net losses/(gains) on disposal of assets		(279)	2,314
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		(231)	371
Increase/(decrease) in provision for doubtful debts		(42)	42
Decrease/(increase) in inventories		(12)	(9)
Decrease/(increase) in other assets		(2)	–
Increase/(decrease) in payables		52	97
Increase/(decrease) in accrued interest payable		(5)	35
Increase/(decrease) in other accrued expenses payable		(465)	246
Increase/(decrease) in other liabilities		(22)	122
Increase/(decrease) in employee leave entitlements		71	27
Net cash provided from/(used in) operating activities from the Statement of Cash Flows		9,438	9,115
(c) Non-cash investing and financing activities			
Nil			
(d) Financing arrangements			
(i) Unrestricted access was available at balance date to the following lines of credit:			
Bank overdraft facilities ⁽¹⁾		545	545
Credit cards/purchase cards		50	50
Total financing arrangements		595	595
Amounts utilised as at balance date:			
– Credit cards/purchase cards		17	12
Total financing arrangements utilised		17	12

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.

Leeton 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
(a) Capital commitments (exclusive of GST)			
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Property, plant and equipment			
Buildings		–	18
Plant and equipment		596	128
Roads and drainage		462	70
Parks Improvements		27	–
Library Equipment		7	–
Total commitments		1,092	216
These expenditures are payable as follows:			
Within the next year		1,092	216
Total payable		1,092	216
Sources for funding of capital commitments:			
Unexpended grants		263	–
Internally restricted reserves		829	208
Unexpended loans		–	8
Total sources of funding		1,092	216

(b) Finance lease commitments

Nil

(c) Operating lease commitments (non-cancellable)

Nil

(d) Investment property commitments

Nil

(e) Investment in joint operations – commitments

For capital commitments and other commitments relating to investments in joint operations, refer to Note 19 (c)

Leeton 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
Local government industry indicators – consolidated				
1. Operating performance ratio				
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions less operating expenses	<u>3,706</u>	13.71%	4.27%	-6.93%
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions	<u>27,041</u>			
2. Own source operating revenue ratio				
Total continuing operating revenue ⁽¹⁾ excluding all grants and contributions	<u>20,719</u>	75.83%	76.08%	79.99%
Total continuing operating revenue ⁽¹⁾	<u>27,323</u>			
3. Unrestricted current ratio				
Current assets less all external restrictions ⁽²⁾	<u>14,865</u>	4.81x	4.68x	4.54x
Current liabilities less specific purpose liabilities ^(3, 4)	<u>3,091</u>			
4. Debt service cover ratio				
Operating result ⁽¹⁾ before capital excluding interest and depreciation/impairment/amortisation	<u>9,940</u>	25.04x	22.47x	34.41x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	<u>397</u>			
5. Rates, annual charges, interest and extra charges outstanding percentage				
Rates, annual and extra charges outstanding	<u>366</u>	3.09%	3.25%	4.41%
Rates, annual and extra charges collectible	<u>11,840</u>			
6. Cash expense cover ratio				
Current year's cash and cash equivalents plus all term deposits	<u>33,012</u>	20.66 mths	19.2 mths	17.1 mths
Payments from cash flow of operating and financing activities	<u>1,598</u>			

Notes

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

(2) Refer Notes 6-8 inclusive.

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

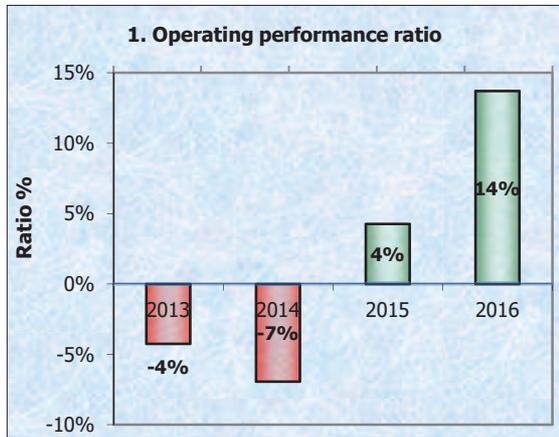
(3) Refer to Note 10(a).

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

Leeton 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

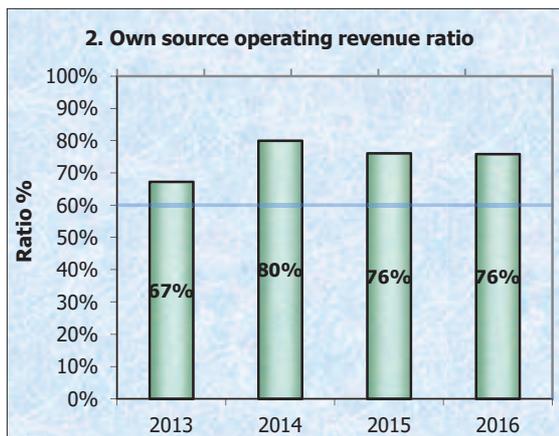
2015/16 ratio 13.71%

Councils Operating Performance Ratio has again improved significantly in 2015/16. This is principally due to additional grant income, higher fee income and interest on investments.

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

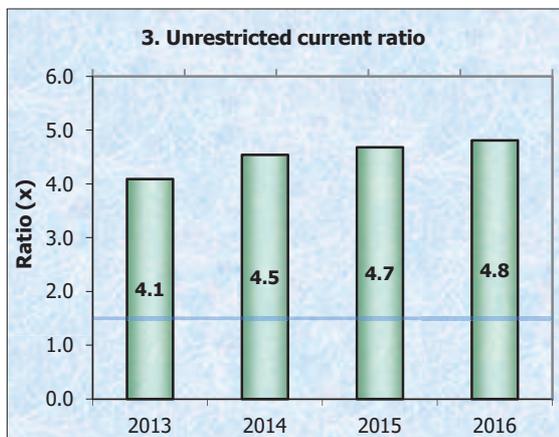
2015/16 ratio 75.83%

Councils Own Source Revenue continues to be well above the benchmark.

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 4.81x

Council remains well above the industry benchmark of 1.5 times. This indicates a strong capacity to pay its debts as and when they fall due. The result is a small improvement on 2014/15 and is trending strongly.

Benchmark: ——— Minimum ≥ 1.50

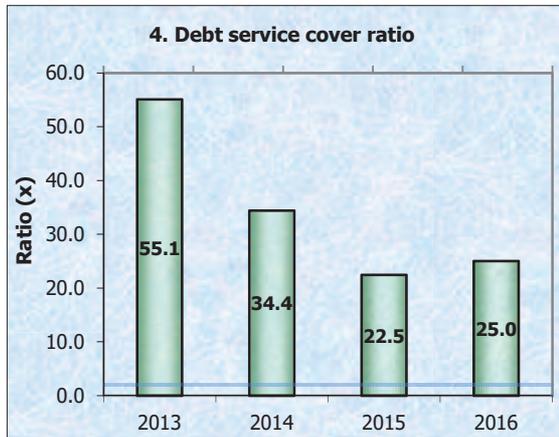
Source for benchmark: Code of Accounting Practice and Financial Reporting #24

 Ratio achieves benchmark
 Ratio is outside benchmark

Leeton 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

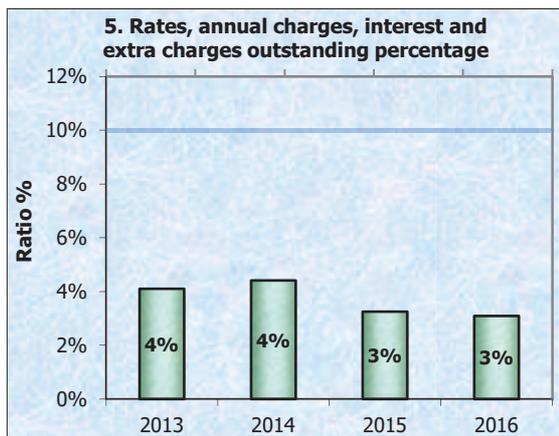
2015/16 ratio 25.04x

Councils Debt Service Cover Ratio is 12.5 times the industry benchmark. Council has more than adequate cash to service loan repayments.

Benchmark: Minimum ≥ 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

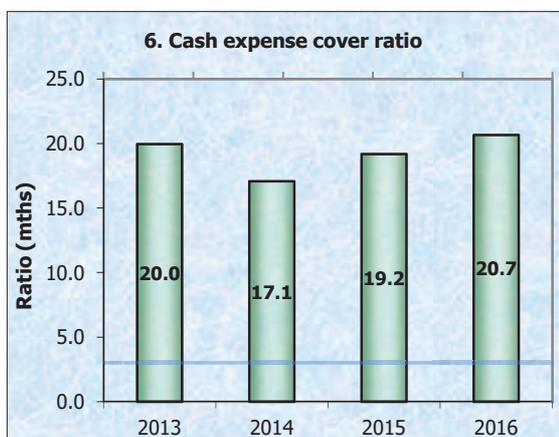
2015/16 ratio 3.09%

The outstanding rates ratio remains very low at 3% as is well below the industry benchmark of 10% for rural councils.

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

2015/16 ratio 20.66 mths

Council again has a very strong liquidity ratio which is well above the industry benchmark of 3 months.

Benchmark: Minimum ≥ 3.00

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

Ratio achieves benchmark
 Ratio is outside benchmark

Leeton 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 ⁵ 2016
Local government industry indicators – by fund			
1. Operating performance ratio			
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions less operating expenses	15.83%	16.21%	12.85%
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions	prior period: 2.55%	-3.86%	5.67%
2. Own source operating revenue ratio			
Total continuing operating revenue ⁽¹⁾ excluding all grants and contributions	98.57%	97.70%	67.50%
Total continuing operating revenue ⁽¹⁾	prior period: 97.17%	97.76%	69.04%
3. Unrestricted current ratio			
Current assets less all external restrictions ⁽²⁾	474.26x	No liabilities	4.81x
Current liabilities less specific purpose liabilities ^(3, 4)	prior period: 205.46x	420.60x	4.58x
4. Debt service cover ratio			
Operating result ⁽¹⁾ before capital excluding interest and depreciation/impairment/amortisation	927.50x	0.00	17.30x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	prior period: 11.52x	661.00x	24.73x
5. Rates, annual charges, interest and extra charges outstanding percentage			
Rates, annual and extra charges outstanding	2.61%	2.68%	3.27%
Rates, annual and extra charges collectible	prior period: 3.45%	1.49%	3.63%
6. Cash expense cover ratio			
Current year's cash and cash equivalents plus all term deposits	45.81 mths	45.45 mths	13.44 mths
Payments from cash flow of operating and financing activities	prior period: 34.69 mths	44.77 mths	13.00 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.

Leeton 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.

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

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

	Carrying value		Fair value	
	2016	2015	2016	2015
Financial assets				
Cash and cash equivalents	4,302	2,831	4,302	2,831
Investments				
– 'Held to maturity'	28,710	26,710	28,710	26,710
Receivables	2,257	2,071	2,257	2,071
Total financial assets	35,269	31,612	35,269	31,612
Financial liabilities				
Payables	1,316	1,761	1,316	1,761
Loans/advances	2,518	2,787	2,518	2,787
Total financial liabilities	3,834	4,548	3,834	4,548

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 market interest rates applicable to assets and liabilities with similar risk profiles, unless quoted market prices are available.
- Financial assets classified '**at fair value through profit and loss**' 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.

Leeton 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.

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 its 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:

- **Interest rate risk** – the risk that movements in interest rates could affect returns and income.

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
2016				
Possible impact of a 10% movement in market values	330	330	(330)	(330)
2015				
Possible impact of a 1% movement in interest rates	295	295	(295)	(295)

Leeton 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. It also encourages ratepayers to pay their rates by the due date through incentives.

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

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

Council makes suitable provision for doubtful receivables as required.

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
(i) Ageing of receivables – %				
Current (not yet overdue)	0%	99%	0%	94%
Overdue	100%	1%	100%	6%
	100%	100%	100%	100%

		2016 Rates and annual charges	2016 Other receivables	2015 Rates and annual charges	2015 Other receivables
(ii) Ageing of receivables – value					
Rates and annual charges	Other receivables				
Current	Current	–	1,925	–	1,683
< 1 year overdue	0 – 30 days overdue	324	23	340	38
1 – 2 years overdue	30 – 60 days overdue	–	–	–	21
2 – 5 years overdue	60 – 90 days overdue	–	–	–	4
> 5 years overdue	> 90 days overdue	–	1	–	43
		324	1,949	340	1,789

(iii) Movement in provision for impairment of receivables

	2016	2015
Balance at the beginning of the year	58	16
+ new provisions recognised during the year	–	42
– amounts already provided for and written off this year	(42)	–
Balance at the end of the year	16	58

Leeton 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		
2016									
Trade/other payables	50	1,266	–	–	–	–	–	1,316	1,316
Loans and advances	–	400	400	400	400	400	1,046	3,046	2,518
Total financial liabilities	50	1,666	400	400	400	400	1,046	4,362	3,834
2015									
Trade/other payables	77	1,684	–	–	–	–	–	1,761	1,761
Loans and advances	–	401	400	400	400	400	1,448	3,449	2,787
Total financial liabilities	77	2,085	400	400	400	400	1,448	5,210	4,548

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	1,316	0.00%	1,761	0.00%
Loans and advances – fixed interest rate	2,518	4.90%	2,787	4.90%
	<u>3,834</u>		<u>4,548</u>	

Leeton 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 27 May 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* -----		
REVENUES					
Rates and annual charges	11,582	11,378	(204)	(2%)	U
User charges and fees	5,601	7,333	1,732	31%	F
Additional revenues were received in the following areas; RMS works on State Roads \$362k, Waste Tipping fees \$126k, Theatre fees \$57K, Sewer Trade Waste charges \$444k due to higher discharges by users, water usage charges \$474k.					
Interest and investment revenue	670	1,251	581	87%	F
Interest revenue was significantly higher than original budget due to a higher level of invested funds and also dividend payments of \$244k following the Class Legal Action against the failed Lehman's Bank. Council generally takes a conservative approach when estimating the revenue due to the continuing falls in interest rates.					
Other revenues	548	757	209	38%	F
Income from the temporary sales of water licences was higher than budget and council was also able to sell excess Town Water for the first time.					
Operating grants and contributions	5,949	6,322	373	6%	F
Capital grants and contributions	279	282	3	1%	F
Net gains from disposal of assets	12	279	267	2225%	F
Proceeds from the sales of plant and vehicles were higher than anticipated and council also returned a profit on the sale of industrial land of \$69k.					

Leeton 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* -----		
EXPENSES					
Employee benefits and on-costs	10,209	9,764	445	4%	F
Borrowing costs	133	128	5	4%	F
Materials and contracts	5,762	5,038	724	13%	F
A number of budget variations were made to transfer funds from operational to capital projects.					
Depreciation and amortisation	6,835	6,106	729	11%	F
Council revalued roads, bridges and footpaths assets which resulted in a significant reduction in depreciation charges.					
Other expenses	2,544	2,299	245	10%	F
Council has achieved saving in electricity costs due to new contracts and installation of solar panels on the administration building. Saving on office and computer were also achieved					
Budget variations relating to Council's Cash Flow Statement include:					
Cash flows from operating activities	6,077	9,438	3,361	55.3%	F
Revenue from fees & charges, investment income and grants were higher than originally budgeted.					
Cash flows from investing activities	(5,470)	(7,698)	(2,228)	40.7%	U
Council purchased additional investments during the year.					
Cash flows from financing activities	(270)	(269)	1	(0.4%)	F

Leeton Shire Council

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

Note 17. Statement of developer contributions

\$ '000

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

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

SUMMARY OF CONTRIBUTIONS AND LEVIES

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Traffic facilities	55	2	-	2	(26)	-	33	-
Open space	35	1	-	1	-	-	37	-
MIA trunk drainage	-	2	-	-	(2)	-	-	-
Plan administration	-	3	-	-	(3)	-	-	-
Recreation facilities	14	2	-	-	-	-	16	-
Lighting	1	1	-	-	(2)	-	-	-
S94 contributions – under a plan	105	11	-	3	(33)	-	86	-
Total S94 revenue under plans	105	11	-	3	(33)	-	86	-
S64 contributions	12	9	-	-	(8)	-	13	-
Total contributions	117	20	-	3	(41)	-	99	-

Leeton Shire Council

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

Note 17. Statement of developer contributions (continued)

\$ '000

S94 CONTRIBUTIONS – UNDER A PLAN

CONTRIBUTION PLAN NUMBER LEP 35

PURPOSE	Opening balance	Contributions received during the year		Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
		Cash	Non-cash					
Traffic facilities	55	2	-	2	(26)	-	33	-
Open space	35	1	-	1	-	-	37	-
MIA trunk drainage	-	2	-	-	(2)	-	-	-
Plan administration	-	3	-	-	(3)	-	-	-
Recreation facilities	14	2	-	-	-	-	16	-
Lighting	1	1	-	-	(2)	-	-	-
Total	105	11	-	3	(33)	-	86	-

Leeton 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 Local Government Scheme has advised member Councils that it has an estimated deficiency of assets over liabilities of \$74.1 million at 30 June 2016. (\$22.5 million as at 30 June 2015)

The last valuation of the scheme was performed by Richard Boyfield, FIAA, on 24/02/16 and covers the period ended 30/06/15.

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

The amount of employer contributions to the defined benefit section of the Local Government Superannuation Scheme and recognised as an expense and disclosed as part of superannuation expenses at Note 4 (a) for the year ending 30 June 2016 was \$244,536.

The amount of additional contributions included in the total employer contributions advised above is \$130,554.

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.

Leeton 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):

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

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

(iv) Other guarantees

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

2. Other liabilities

(i) Third party claims

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

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

(ii) S94 plans

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

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

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

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

ASSETS NOT RECOGNISED:

(i) Land under roads

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

(ii) Infringement notices/fines

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

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

Accordingly, at year end, there is a potential asset due to Council representing issued but unpaid infringement notices.

Note 19. Interests in other entities

Council has no interest in any controlled entities, joint arrangements or associates.

Leeton 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
(a) Retained earnings			
Movements in retained earnings were as follows:			
Balance at beginning of year (from previous years audited accounts)		103,786	104,583
a. Net operating result for the year		4,267	(797)
Balance at end of the reporting period		108,053	103,786
(b) Revaluation reserves			
(i) Reserves are represented by:			
– Infrastructure, property, plant and equipment revaluation reserve		129,969	134,089
– Other reserves (high security water licences)		2,577	70
Total		132,546	134,159
(ii) Reconciliation of movements in reserves:			
Infrastructure, property, plant and equipment revaluation reserve			
– Opening balance		134,089	133,205
– Revaluations for the year	9(a)	(3,810)	884
– (Impairment of revalued assets)/impairment reversals	9(a),(c)	(289)	–
– Transfer to water licences		(21)	–
– Balance at end of year		129,969	134,089
Other reserves (high security water licences)			
– Opening balance		70	70
– Increases/(decreases) for the year		2,486	–
– Transfer from IPP&E		21	–
– Balance at end of year		2,577	70
TOTAL VALUE OF RESERVES		132,546	134,159
(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.

Leeton 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
<u>Continuing operations</u>	Water	Sewer	General¹
Income from continuing operations			
Rates and annual charges	1,289	2,016	8,073
User charges and fees	2,523	594	4,216
Interest and investment revenue	344	325	592
Other revenues	188	1	568
Grants and contributions provided for operating purposes	40	32	6,250
Grants and contributions provided for capital purposes	23	37	222
Other income			
Net gains from disposal of assets	–	–	279
Share of interests in joint ventures and associates using the equity method	–	–	–
Total income from continuing operations	4,407	3,005	20,200
Expenses from continuing operations			
Employee benefits and on-costs	990	629	8,145
Borrowing costs	–	–	138
Materials and contracts	1,146	897	2,995
Depreciation and amortisation	1,159	764	4,183
Impairment	–	–	–
Other expenses	407	228	1,664
Total expenses from continuing operations	3,702	2,518	17,125
Operating result from continuing operations	705	487	3,075
<u>Discontinued operations</u>			
Net profit/(loss) from discontinued operations	–	–	–
Net operating result for the year	705	487	3,075
Net operating result attributable to each council fund	705	487	3,075
Net operating result attributable to non-controlling interests	–	–	–
Net operating result for the year before grants and contributions provided for capital purposes	682	450	2,853

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

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

Leeton 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
ASSETS	Water	Sewer	General¹
Current assets			
Cash and cash equivalents	1,265	866	2,171
Investments	7,420	5,073	12,717
Receivables	339	293	1,438
Inventories	–	–	2,037
Other	–	–	2
Non-current assets classified as 'held for sale'	–	–	–
Total current assets	9,024	6,232	18,365
Non-current assets			
Investments	1,030	704	1,766
Receivables	12	208	258
Inventories	–	–	–
Infrastructure, property, plant and equipment	34,428	26,201	149,502
Investments accounted for using the equity method	–	–	–
Investment property	–	–	–
Intangible assets	–	–	–
Total non-current assets	35,470	27,113	151,526
TOTAL ASSETS	44,494	33,345	169,891
LIABILITIES			
Current liabilities			
Payables	19	–	1,585
Borrowings	–	–	367
Provisions	–	–	2,591
Total current liabilities	19	–	4,543
Non-current liabilities			
Payables	–	–	5
Borrowings	–	–	2,442
Provisions	–	–	122
Total non-current liabilities	–	–	2,569
TOTAL LIABILITIES	19	–	7,112
Net assets	44,475	33,345	162,779
EQUITY			
Retained earnings	19,250	18,577	70,226
Revaluation reserves	25,225	14,768	92,553
Total equity	44,475	33,345	162,779

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

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

Leeton 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

\$ '000

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

Note 23. Events occurring after the reporting date

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 28/09/16.

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

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

Note 25. Intangible assets

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

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

Note 26. Reinstatement, rehabilitation and restoration liabilities

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

Leeton 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
- Financial liabilities

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

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

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

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

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

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

2016	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring fair value measurements					
Financial liabilities					
Loans/advances		–	2,518	–	2,518
Total financial liabilities		–	2,518	–	2,518
Infrastructure, property, plant and equipment					
Plant and equipment	30/06/16	–	–	3,858	3,858
Office furniture	30/06/16	–	–	148	148
Furniture and fittings	30/06/16	–	–	74	74
Operational land	30/06/13	–	2,749	–	2,749
Community land	30/06/16	–	–	6,625	6,625
Land improvements	30/06/16	–	–	1,118	1,118
Buildings – specialised	30/06/13	–	–	28,339	28,339
Buildings – non-specialised	30/06/13	–	239	–	239
Other structures	30/06/13	–	–	977	977
Roads	1/07/15	–	–	72,366	72,366
Bridges	1/07/15	–	–	3,153	3,153
Footpaths	1/07/15	–	–	4,893	4,893
Bulk earthworks	1/07/15	–	–	8,705	8,705
Stormwater drainage	1/07/15	–	–	8,036	8,036
Water supply network	30/06/16	–	–	34,403	34,403
Sewerage network	30/06/16	–	–	26,040	26,040
Swimming pools	30/06/13	–	–	836	836
Other open space/recreational assets	30/06/13	–	–	3,322	3,322
Other assets	30/06/11	–	–	10	10
Water licences	30/06/16	4,236	–	–	4,236
Total infrastructure, property, plant and equipment		4,236	2,988	202,903	210,127

Leeton 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	
Recurring fair value measurements					
Financial liabilities					
Loans/advances	30/06/15	–	2,787	–	2,787
Total financial liabilities		–	2,787	–	2,787
Infrastructure, property, plant and equipment					
Plant and equipment	30/06/15	–	–	3,929	3,929
Office furniture	30/06/15	–	–	147	147
Furniture and fittings	30/06/15	–	–	80	80
Operational land	30/06/13	–	2,681	–	2,681
Community land	30/06/11	–	–	6,581	6,581
Land improvements	30/06/11	–	–	962	962
Buildings – specialised	30/06/13	–	–	28,965	28,965
Buildings – non-specialised	30/06/13	–	248	–	248
Other structures	30/06/13	–	–	1,015	1,015
Roads	1/07/13	–	–	71,857	71,857
Bridges	1/07/13	–	–	1,116	1,116
Footpaths	1/07/13	–	–	4,892	4,892
Bulk earthworks	1/07/13	–	–	12,793	12,793
Stormwater drainage	1/07/13	–	–	9,432	9,432
Water supply network	30/06/15	–	–	34,951	34,951
Sewerage network	30/06/15	–	–	25,487	25,487
Swimming pools	30/06/13	–	–	865	865
Other open space/recreational assets	30/06/13	–	–	3,369	3,369
Library books	30/06/11	–	–	7	7
Other assets	30/06/11	–	–	10	10
Water licences	30/06/14	1,750	–	–	1,750
Waste management infrastructure	30/06/11	–	–	536	536
Total infrastructure, property, plant and equipment		1,750	2,929	206,994	211,673

(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.

Leeton 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 (i.e. Level 1 inputs), Council instead utilises a spread of both observable inputs (Level 2 inputs) and unobservable inputs (Level 3 inputs).

The objective of using a valuation technique is to estimate the price at which an orderly transaction to sell or to transfer the liability would take place between market participants at the measurement date under current market conditions. Three widely used valuation techniques are the market approach, the cost approach, and the income approach. Leeton Shire Council use valuation techniques consistent with one or more of those approaches to measure fair value.

Cost Approach – A valuation technique that reflects the amount what could be required to replace the service capacity of an asset (current replacement cost).

Income Approach – Valuation technique that converts future amounts (cash flows inflows/outflows) to signal current (i.e. discounted) amount, The fair value measurement is determined on the basis if the value indicated by current market expectations about these future amounts.

Market Approach – A valuation technique that uses prices and other relevant information, generated by the market transactions involving identical or comparable (similar) assets, liabilities or a group of assets and liabilities such as a business.

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

Financial Assets

Nil

Financial Liabilities

The loan liability is the value of the outstanding loan.

Leeton Shire Council

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

Note 27. Fair value measurement (continued)

Infrastructure, Property, Plant & Equipment

Plant & Equipment

Council's Plant and equipment incorporates

- Major plants- Graders, Loaders, Rollers, Trucks , tractors, street sweepers
- Fleet Vehicles- Cars, Utes etc.
- Minor Plant – Pumps, Chainsaws, brush cutters, mowers, concrete mixers, movie projectors.

Council fair values plant and equipment using level 3 inputs. The observable Level 3 inputs used

- Quoted price for similar assets
- Purchase price
- Useful life of asset
- Current replacement Cost

The 'Cost Approach' is used to value Plant & Equipment

Furniture & Fittings

Council's Furniture & Fittings incorporates

- Furniture and fittings- Desks, Chairs, Display Systems

Council fair values furniture fittings using level 3 inputs. The observable Level 3 inputs used include:

- Quoted prices for similar assets
- Current replacement cost
- Purchase prices
- Useful life on asset

The 'Cost Approach' is used to value Furniture & Fittings.

Leeton Shire Council

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

Note 27. Fair value measurement (continued)

Property, Office Equipment

Council's Office Equipment incorporates:

- Office Equipment: PABX, Projectors, fridges etc.

Council fair values office equipment using level 3 inputs. The observable Level 3 inputs used include:

- Quoted prices for similar assets
- Current replacement cost
- Purchase prices
- Useful life on asset

Library Books

Council's Library Books incorporates

- Books
- Publication
- Reference Materials
- CD's & DVD's

Council fair values library books using level 3 inputs. The observable Level 3 inputs used include:

- Quoted prices for similar assets
- Purchase prices
- Useful life

The 'Cost Approach' is used to value Library Books.

Leeton Shire Council

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

Note 27. Fair value measurement (continued)

Infrastructure - Roads

The road carriageway is defined as the trafficable portion of a road, between but not including the kerb and gutter and would include any paved makers parking places along side roadside.

Council's Road Asset Data contains detailed dimensions and specification for all Council roads.

Council fair values, road infrastructure using Level 3 inputs at a component level.

The 'Cost Approach' is used to value roads by componentising the assets into significant parts and then rolling up these component values to provide an overall road valuation (for each road segment) within Council's Asset System.

Level of componentisation adopted by Council is in accordance with AASB 116, OLG Circular 09-09 and the Institute of Public Works Engineers International Infrastructure Management Manual (IIMM)

The unobservable Level 3 inputs used include:

- Pattern of Consumption
- Components
- Useful life and residual value
- Asset Condition
- Dimensions and Specification
- Remaining Life of Carriageway
- Unit Rates.

There were no changes in valuation technique from prior year.

Infrastructure - Bridges

A bridge is defined as all structures that convey a road, a footpath or a cycleway across any other physical feature (including waterways and other roads) but do not include culverts.

Leeton Shire Council

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

Note 27. Fair value measurement (continued)

Council Road Asset Data contains detailed dimensions and specification for all Council's bridges.

Council fair values, bridges (non- componentised) using Level 3 inputs.

The unobservable Level 3 inputs used include:

- Pattern of Consumption
- Components
- Residual value
- Asset Condition
- Dimensions and Specification
- Unit Rates.

In addition, the value of bridges takes into consideration the various type of structures such as:

- Bridge Deck/ Superstructure
- Bridge Abutments/Foundations
- Bridge rails and hand rails

There were no changes in valuation technique from prior year.

The 'Cost Approach' is used to values bridges.

Infrastructure - Footpaths

A footpath is defined as all footways (including those shared with a cycleway) sealed or non-sealed. Council Road Asset Data contains detailed dimensions and specifications for all Council footpaths.

Council fair values, footpaths (non-componentised) using Level 3 inputs.

The unobservable Level 3 inputs used include:

- Pattern of Consumption

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2016

Note 27. Fair value measurement (continued)

-
- Components
 - Residual value
 - Asset Condition
 - Dimensions and Specification
 - Unit Rates.

In additions, the value of footpaths takes into consideration the various type of structure such as:

- Length
- Construction Materials

The 'Cost Approach' is used to value footpaths.

Infrastructure - Drainage

Council's Drainage Assets comprises pits, pipes, culverts, open channels, headwalls used to collect and remove stormwater. Council carries fair values drainages assets (non-componentised) using Level 3 inputs.

The unobservable Level 3 inputs used include:

- Pattern of Consumption
- Components
- Residual value
- Asset Condition
- Dimensions and Specification
- Unit Rates.

In addition the value of drainage assets takes into consideration the various type if structure such as

- Pipe Diameter
- Pit Type
- Water Quality Device Type
- Culverts and Headwall constructions Type.

Leeton Shire Council

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

Note 27. Fair value measurement (continued)

The 'Cost Approach' is used to value drainage assets.

Property - Operational Land

Council's "Operational" land by definition has no special restriction other than those that may apply to any piece of land.

Council carries fair values operational land by an External Valuer every 5 years (last valuation being 2013) using Level 2 inputs.

The unobservable Level 2 inputs used include:

- Land Area
- Rate per square Metre
- Planning and Other Restrictions
- Description of Land

The 'Market Approach' is used to value the Operational Land.

Property - Community Land

Council's "Community" land (including owned by Council, the Crown and various other Government Agencies that is managed by Council) by definition is land intended for public access and use or where other restrictions applying to the land create some obligation to maintain public access (such as a trust deed, dedication under section 94 of the Environment Planning and Assessment Act 1979) This gives rise to the restrictions in the Act, intended to preserve the qualities of the land.

Community Land:

- Cannot be sold
- Cannot be leased, licensed, or any other estate granted over the land for more than 21 years and
- Must have a plan of management for it.

In relation to Community Land the Office of Local Government has reviewed its positions on the use of the Valuer General's Valuations of community land and in association with the Local Government Accounting Advisory Group, the Division has determined that community land may be valued as follows.

- The NSW Valuer General's valuations may be used under revaluation model to represent fair value for the revaluation of community land under clause 31 of AASB 116.

Leeton Shire Council

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

Note 27. Fair value measurement (continued)

Council fair values community land using unobservable Level 3 inputs based on inputs on either the UCV(Unimproved Capital Value) provided by the Valuer General or an average unit rate based on the UCV and allocated by Council against those properties where the Valuer General did not provide a UCV.

The 'Cost Approach' is used to value Community land.

Land Improvements

Council's Land improvements incorporates

- Sprinkler & Watering Systems
- Cemetery Plinths
- Erosion Control
- Retention Basins

Council carries fair values of land reserves using level 3 inputs.

The unobservable Level 3 inputs used include:

- Pattern of consumption
- Asset Condition
- Dimensions and Specification

The cost approach is used to value the land improvements

Property - Buildings (Specialised and non-Specialised)

Council Buildings incorporates Council administration buildings, Libraries, Public Amenities, Sporting Club Houses, Kiosks and Amenities, Depot Buildings and workshops, Halls & Community Centres, Rural Fire Service Buildings and Council Caravan Park.

Council carries fair values building using level 3 inputs. Valuations are generally carried out by an external Valuer, Scott Fullerton using the cost approach. This approach estimates the replacement cost for each building by componentising the building (for complex structures) into significant parts with different useful life and taking in to account a range of factors. Buildings are physically inspected and unit although rates based on square meters could be supported from the market evidence, extensive

Leeton Shire Council

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

Note 27. Fair value measurement (continued)

professional judgement, and condition and consumption rates etc. impact significantly on the final value determination of fair value. As such these assets are classified as having being valued using Level 3 inputs.

The unobservable Level 3 inputs used include:

- Consumption rate
- Future Economic Benefits
- Condition
- Useful Life of an asset

The 'Cost Approach' is used to value specialised buildings

Other Structures, Swimming Pools, Open Space & Recreation:

Council's other structures incorporates the following types of assets;

- Significant single assets such as swimming pools, playgrounds, floodlighting system, tennis courts, tennis shelters, grandstands etc. and
- Aggregated lower value assets such as recreational / park infrastructures (picnic tables, seats, bollards, fences BBQs etc.)

Council carries fair value of other structures assets (non-componentised) using Level 3 inputs. Such valuations are under taken by Council Staff or by an external valuer depending on the structure.

The unobservable Level 3 inputs used include:

- Pattern of Consumption
- Residual Value
- Asset Condition
- Components
- Dimensions and specifications
- Unit Rates.

The 'Cost Approach' is used to value other structures.

Leeton Shire Council

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

Note 27. Fair value measurement (continued)

Waste Infrastructure:

Council's Waste Infrastructure Assets comprises internal roads within the landfill site.

Council carries fair values of land reserves using level 3 inputs.

The unobservable Level 3 inputs used include:

- Pattern of consumption
- Asset Condition
- Dimensions and Specification
- Residual value
- Useful life

The Cost Approach is used to value water infrastructure.

Water Supply Network

Council's Water Supply Network incorporates:

- Water Lines
- Water Meters
- Pumping Stations
- Reservoirs
- Filtration Plant
- Telemetry System

Council carries fair value of water supply assets using Level 3 inputs. Such valuations are under taken by Council Staff using the NSW Office Of Water Reference Rates Manual.

Leeton Shire Council

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

Note 27. Fair value measurement (continued)

The unobservable Level 3 inputs used include:

- Pattern of Consumption
- Residual Value
- Asset Condition
- Components
- Dimensions and specifications
- Unit Rates.

The 'Cost Approach' is used to value the water supply network.

Sewerage Network

Council's Sewerage Network incorporates:

- Sewer Lines
- Pump Stations
- Vent Stacks
- Sewer Treatment Plant
- Telemetry System

Council carries fair value of water supply assets using Level 3 inputs. Such valuations are under taken by Council Staff using the NSW Office of Water Reference Rates Manual.

The unobservable Level 3 inputs used include:

- Pattern of Consumption
- Residual Value
- Asset Condition
- Components
- Dimensions and specifications
- Unit Rates.

The 'Cost Approach' is used to value the sewerage network.

Leeton 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.

	Total	Total
Opening balance – 1/7/14	205,025	205,025
Transfers from/(to) another asset class	(97)	(97)
Purchases (GBV)	9,081	9,081
Disposals (WDV)	(1,256)	(1,256)
Depreciation and impairment	(6,643)	(6,643)
FV gains – other comprehensive income	884	884
Closing balance – 30/6/15	<u>206,994</u>	<u>206,994</u>
Transfers from/(to) another asset class	(63)	(63)
Purchases (GBV)	6,356	6,356
Disposals (WDV)	(188)	(188)
Depreciation and impairment	(6,386)	(6,386)
FV gains – other comprehensive income	(3,810)	(3,810)
Closing balance – 30/6/16	<u>202,903</u>	<u>202,903</u>

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

None

Leeton 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)

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

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

Class	Fair value (30/6/16) \$'000	Valuation technique/s	Unobservable inputs
I,PP&E			
Plant, equipment, furniture, fittings and office equipment	7,080	Cost used to approximate fair value	Gross replacement cost, useful life and residual value
Community Land	6,625	Land values obtained from the NSW Valuer General	Land value, land area
Land Improvements	1,118	Cost used to approximate fair value	Asset condition, remaining lives, residual value
Specialised buildings	28,339	Cost approach based on sq metre rate	Asset condition, consumption rate, remaining lives
Other structures	977	Cost used to approximate fair value	Gross replacement cost, useful life and residual value
Roads, bridges, footpaths, bulkworks	89,117	Unit rates per sq metre or length	Asset condition, remaining lives, residual value
Stormwater drainage	8,036	Unit rates per sq metre or length	Asset condition, remaining lives, residual value
Water Supply and Sewerage Network	60,443	Based on NSW Office of Water Reference Rates Manual	Asset condition, pattern of consumption, residual value, components, dimensions and specification, unit rates
Swimming Pools	836	Cost used to approximate fair value	Asset condition, consumption rate, remaining lives
Other open space/recreational assets	3,322	Cost used to approximate fair value	Asset condition, consumption rate, remaining lives
Other assets	10	Cost used to approximate fair value	Gross replacement cost, useful life and residual value

Leeton 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)

d. The valuation process for level 3 fair value measurements

Council assesses the expertise required for the valuation of all assets classes in determining who will undertake the valuations. All asset classes with the exception of Operational and Community Land and Buildings are undertaken by council's assets officer in conjunction with the various technical staff.

Operational Land and Building valuations are conducted by a qualified external valuer, Community Land is valued using the Valuer Generals valuation.

Management reviews the valuations reports for consistency and accuracy and to ensure all valuations movements are fully explained.

(5). Highest and best use

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

Leeton Shire Council

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

Note 28. Council information and contact details

Principal place of business:

23-25 Chelmsford Place
Leeton NSW 2705

Contact details

Mailing address:

23-25 Chelmsford Place
Leeton NSW 2705

Opening hours:

Office Hours: 8.30am to 5.00pm
Cashier Hours: 9:00am to 4:00pm (Mon - Fri)

Telephone: 02 6953 0911

Facsimile: 02 6953 3337

Internet: www.leeton.nsw.gov.au

Email: council@leeton.nsw.gov.au

Officers

GENERAL MANAGER

Jacqueline Kruger

RESPONSIBLE ACCOUNTING OFFICER

Duncan McWhirter

PUBLIC OFFICER

Duncan McWhirter

AUDITORS

Crowe Horwath Auswild
491 Smollett Street
Albury NSW 2640

Elected members

MAYOR

Cr Paul Maytom

COUNCILLORS

Cr George Weston (Deputy Mayor)

Cr Tracey Valenzisi

Cr Emerson Doig

Cr Greg O'Callaghan

Cr Peter Davidson

Cr Steve Dowling

Cr Michael Kidd

Cr Tracey Morris

Other information

ABN: 59 217 957 665

INDEPENDENT AUDIT REPORT TO LEETON SHIRE COUNCIL (SECTION 417(2) – REPORT ON THE GENERAL PURPOSE FINANCIAL STATEMENTS)

SCOPE

We have audited the accompanying financial statements of Leeton Shire Council ('the Council'), which comprises the statement of financial position as at 30 June 2016 and the 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 1 to 28 and the Statement by Councillors and Management of the Council. The financial statements and Council's statement are in the approved form as required by Section 413(2) (a) and (c) of the Local Government Act, 1993.

COUNCIL'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Councillors and management of the Council are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, Local Government Act 1993 (as amended) and the Regulations made there under and the Local Government Code of Accounting Practice and Financial Reporting. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

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

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

We performed the procedures to assess whether in all material respects the financial statements present fairly, in accordance with the Local Government Act 1993 (as amended) and the Regulations made there under and the Local Government Code of Accounting Practice and Financial Reporting and Australian Accounting Standards, a view which is consistent with our understanding of the Council's financial position and of its performance.

Our audit responsibilities do not extend to the Original Budget figures disclosed in the income statement, statement of cash flows, Notes 2(a) and 16 to the financial statements nor the attached Special Schedules and accordingly, we express no opinion on them.

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

The audit opinion expressed in this report has been formed on the above basis.

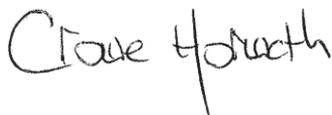
INDEPENDENCE

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board.

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;
- b) the Council's financial statements:
 - have been properly prepared in accordance with the requirements of this Division;
 - are consistent with the Council's accounting records;
 - present fairly the Council's financial position and result of its operations; and
 - are in accordance with applicable Accounting Standards.
- c) all information relevant to the conduct of the audit has been obtained; and
- d) there are no material deficiencies in the accounting records or financial statements that have come to light during the course of the audit.



CROWE HORWATH AUSWILD



BRADLEY D BOHUN

Partner

Dated at Albury this 28 day of September 2016.

Report on the Conduct of the Audit

Leeton Shire Council

Year Ended 30 June 2016

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1 Report on the Conduct of the Audit

We have completed our audit of the financial statements for Leeton Shire Council (Council) for the year ended 30 June 2016, in accordance with Section 415 of the Local Government Act, 1993. Our audit opinion under Section 417(2) has been issued to Council and this report on the conduct of the audit should be read in conjunction with the audit opinion.

The Council is responsible for the preparation and presentation of the financial statements and the information they contain. The financial statements consist of the general purpose financial statements and Council's statement in the approved form required by Section 413 (2) and (3) respectively of the Local Government Act 1993.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards and statutory requirements so as to present a view which is consistent with our understanding of the Council's financial position, the results of its operations and its cash flows.

Our engagement is summarised as:

Nature of Engagement	Opinion	Basis of Preparation
General purpose financial statements	Unqualified	Going concern Not for Profit entity
Special purpose financial statements	Emphasis of matter regarding basis of preparation	National Competition Policy requirements by area of business activity
Special Schedule 8	Emphasis of matter regarding basis of preparation	OLG requirements

Following from our audit there are a number of comments we wish to raise concerning Council's financial statements. These comments are set out in this report below.

2 Operating Result

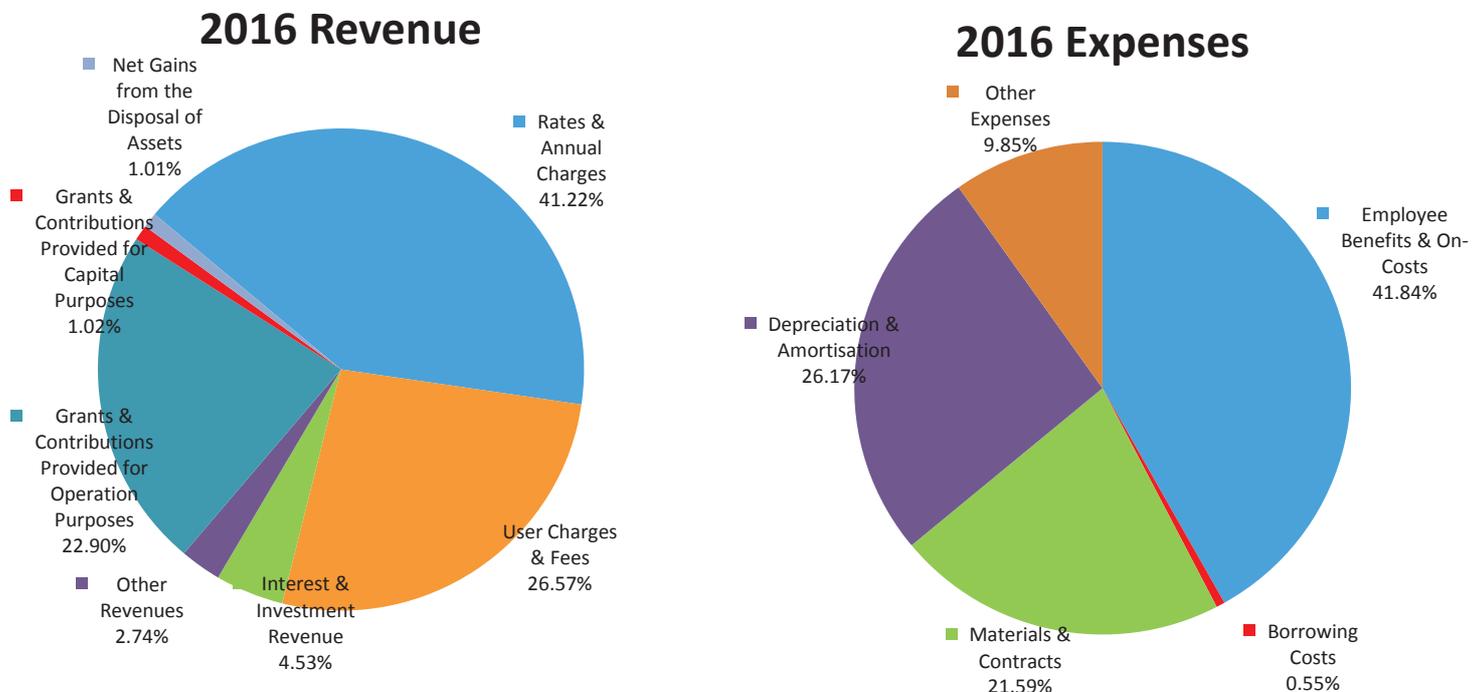
Leeton Shire Council (the 'Council') is a small regional Council in Southern New South Wales, whose affairs are governed by:

- Local Government Act 1993;
- Local Government Regulations;
- Local Government Code of Accounting Practice and Financial Reporting; and
- Local Government Asset Accounting Manual Regulations.

The Council is responsible for the administration and implementation of the strategic policies voted on in Council.

The Council achieved a profit in net operating result from continuing operations (including capital contributions) of \$4,267k (2015: \$797k loss) for the year ended 30 June 2016. The net operating result for the year before grants and contributions provided for capital purposes is \$3,985k (2015: \$1,252k loss).

A breakdown of Council's revenues and expenses for the year are as follows:



Significant income and expense items in the current year were:

	2016 \$'000	2015 \$'000	2014 \$'000
Rates and annual charges	11,378	10,891	10,594
User charges and fees	7,333	6,434	5,946
Grants and contributions - operating	6,322	5,599	3,427
Grants and contributions - capital	282	455	1,161
Employee costs	9,764	9,602	9,218
Materials and contracts	5,038	4,937	4,862
Depreciation and amortisation	6,106	6,667	6,714

The size of Council's operations has remained relatively consistent over the past three years with increases in rates and annual charges being attributable to the annual permissible increase (2.4% in 2015/2016) plus additional rateable properties. Grants and contributions have increased during the period due to an additional \$870k of roads to recovery grants received by Council.

User charges and fees increased \$899K with an additional \$577K from water and sewer charges, \$177K additional RMS fees for works completed on State Roads, \$150K from Childcare and \$122K from landfill disposal charges.

Employee costs increased by 1.7% which was achieved following a 2.7% wage increase in line with the Local Government Award for the year. Depreciation has decreased by \$561K as a result of road infrastructure asset revaluations undertaken in FY16.

The above significant items are based on the operational results from Council as disclosed in the income statement and accompanying notes.

3 Financial Position

A measure of the Council's financial position is its unrestricted working capital. The following table sets out the unrestricted working capital position of Council as at the end of the financial year.

	2016 \$'000	2015 \$'000	2014 \$'000
Cash and Liquid Investments	29,512	28,541	26,485
External Restrictions - included in liabilities	-	(259)	(418)
- not included in liabilities	(16,318)	(16,102)	(17,187)
Internal Restrictions - included in liabilities	(2,074)	(1,974)	(1,926)
- not included in liabilities	(10,083)	(9,339)	(6,520)
Unrestricted Cash and Investments	1,037	867	434
Other Net Current Assets / (Liabilities) excluding anticipated LSL Provision & restrictions included in liabilities	830	425	1,432
Unrestricted Working Capital	1,867	1,292	1,866

The above represents the amount of working capital Council has available to meet its future spending requirements after making allowance for any restrictions in place over the use of such working capital.

The above result continues to indicate a strong capacity to pay debts as and when they fall due after consideration of both internal and external restrictions of Council.

We recommend that Council continue to monitor its unrestricted working capital position when reviewing its financial position. It is also recommended that Council continue to be mindful of its unrestricted working capital position when considering its future spending requirements.

4 Performance Indicators

Refer to Note 13 of the financial statements. Sections 4.1 to 4.6 contemplate Councils performance on a consolidated basis. Section 4.7 shows Councils performance against the same ratios on a fund basis.

4.1 Operating Performance Ratio

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

The operating performance ratio at Note 13 has improved this year due to additional grant income (predominately Roads to Recovery) in FY16. Council also received additional income for interest on investments, fees and other revenue.

4.2 Own Source Operating Revenue Ratio

This ratio measures fiscal flexibility and shows the degree of reliance on external funding sources such as operating grants and contributions. A Council has improved financial flexibility with a higher level of own source revenue.

This ratio has decreased slightly to 75.83% in 2016 but remains a healthy margin above the benchmark 60% as outlined in Code number 24.

4.3 Liquidity (Unrestricted Current) Ratio

This ratio is used to assess the adequacy of working capital and Council's ability to satisfy its obligations in the short term for the unrestricted activities of Council. Unrestricted current ratio is calculated by current assets less all external restrictions divided by current liabilities less specific purpose liabilities.

The liquidity ratio at Note 13 shows an increase in Council's liquidity position compared to the prior year and Council continues to report a result well in excess of the 1.5:1 benchmark minimum.

4.4 Debt Service Ratio

This ratio demonstrates the percentage of Council revenue required to service the debts carried by Council.

This ratio indicates 25.04 times (2015: 22.47 times) Council's operating cash is available to service Council debts. Council continues to maintain a small level of borrowings relative to its overall size.

4.5 Rates, Annual Charges, Interest & Extra Charges Outstanding Percentage

The outstanding percentage assesses the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of debt recovery efforts.

The outstanding rates % has reduced further and is significantly below the benchmark for rural councils which is a reflection of the strong debt collection procedures in place at Council.

4.6 Cash Expense Cover Ratio

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

Council has performed comfortably above the benchmark (from: Code of Accounting Practice and Financial Reporting) in both the current and prior period, indicating a strong liquidity position of Council.

4.7 Performance Indicators by Fund

The following performance indicators are shown on a fund basis as at 30 June 2016. The below allows analysis of how Council performs at a fund level and would indicate the result of Council's general operations excluding its water and sewer operations.

Indicators	Water	Sewer	General
Operating performance ratio	15.83%	16.21%	12.85%
Own source operating revenue	98.57%	97.70%	67.50%
Unrestricted current ratio	474.26 x	No liabilities	4.81 x
Debt service cover ratio	927.50 x	0.00	17.30 x
Rates, Annual Charges, Interest and extra charges outstanding %	2.61%	2.68%	3.27%
Cash expense cover ratio	45.81 mths	45.45 mths	13.44 mths

5 Specific Balance Sheet Items

5.1 Receivables

Total current receivables at 30 June 2016, net of allowance for impairment was \$1,983k (2015: \$1,718k).

This balance consists of user charges and fees of \$500k (2015: \$538k) and rates and annual charges of \$324k (2015: \$340k). The percentage of rates and annual charges outstanding is referred to at Section 4.5 of this report.

Accrued Income of \$830K (2015:\$360K), a significant driver in this increase has been Council's extension of maturity dates on investments resulting in higher levels of accrued interest.

The allowance for impairment at 30 June 2015 was \$16k (2015: \$58k). The allowance is specifically matched against rates and annual charges and user charges and fees outstanding. An assessment of the collectability of the receivables balance indicated that the allowance for impairment was sufficient.

5.2 Capital Expenditure

During the reporting period Council spent \$6,356k (2015: \$9,094k) on items of an infrastructure, property, plant or equipment nature. The primary areas of capital expenditure were as follows:

	2016 \$'000	2015 \$'000	2014 \$'000
Land & improvements	70	72	195
Buildings	493	1,885	285
Plant and equipment	833	841	1,965
Roads, bridges and footpaths	3,650	3,351	3,170
Stormwater drainage	158	303	77
Water supply network	79	1,037	544
Sewerage network	901	1,456	1,090
Other	172	149	705
	<u>6,356</u>	<u>9,094</u>	<u>8,031</u>

5.3 Fair Value of Infrastructure, Property, Plant and Equipment

The Council is required to complete progressive revaluation of all property, plant and equipment to fair value where all assets are revalued on a 5 year cycle. The Office of Local Government minimum requirements timetable is as follows:

2012: Water and sewer networks;
2013: Operational land and buildings;
2014: Land under roads (if applicable);
2015: Roads, bridges, footpaths, drainage and bulk earthworks; and
2016: Community land, land improvements, other structures and other assets.

In 2016 the Council performed a revaluation of community land, land improvements and other assets in accordance with the revaluation cycle. In addition Council also revalued all roads, bridges, footpaths, bulk earthworks and stormwater drainage to fair value.

Further, we report that in accordance with the requirements of the code of Accounting Practice, Council's water and sewage assets were indexed upward in accordance with the latest indices provided by the NSW Office of Water.

As at June 2016 all Council's infrastructure, property, plant and equipment is held at fair value with the exception of capital WIP which is held at cost.

5.4 Borrowings

Borrowings have decreased by \$269k from the prior year's balance of \$2,787k. There has been no new loans taken out this year.

5.5 New Standards and Interpretations Not Yet Adopted

Certain new accounting standards have been published that are not mandatory for the 30 June 2016 reporting period as follows:

- AASB 9 *Financial Instruments* and associated amending standards, effective 1 January 2018.
- AASB 15 *Revenue from Contracts with Customers*, effective 1 January 2018.
- AASB 2014-3 Amendments to Australian Accounting Standards – *Accounting for Acquisitions of Interests in Joint Operations (AASB1 and AASB11) and AASB 2014-10 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*, effective 1 January 2018.
- AASB 16 *Leases*, effective 1 January 2019.

Council is of the view that these standards not yet effective will not significantly affect any of the amounts recognised in the financial statements, however they may impact certain information otherwise disclosed, or the format in which information is disclosed.

6 Other Matters

Several performance improvement observations were noted during our yearend audit visits. A final management letter has been issued to management. There were no major control deficiencies noted in Council's systems.

6.1 Management Letter

A separate report is issued to Council's management which covers in further detail the audit and accounting issues identified during our audit process.

6.2 Independence

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

6.3 Assistance Provided

We recognise and appreciate the General Manager and staff of Council for their cooperation and courtesy extended to us during the course of the audit.

6.4 Reliance on the Report

The report on the conduct of the audit has been prepared for distribution to Council. We disclaim any assumption of responsibility for any reliance on this report to any person other than Council or for any purpose other than that for which it was prepared.

Contact Us

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Leeton Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2016

“Preserving the Past, Enhancing the Future”



Leeton Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2016

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2. Special Purpose Financial Statements:	
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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
3. Notes to the Special Purpose Financial Statements	7
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Background

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

Essentially, the principle is that government businesses, whether Commonwealth, state or local, should operate without net competitive advantages over other businesses as a result of their public ownership.

- (iii) For Council, the principle of competitive neutrality and public reporting applies only to declared business activities.

These include **(a)** those activities classified by the Australian Bureau of Statistics as business activities being water supply, sewerage services, abattoirs, gas production and reticulation, and **(b)** those activities with a turnover of more than \$2 million that Council has formally declared as a business activity (defined as Category 1 activities).

- (iv) In preparing these financial statements for Council's self-classified Category 1 businesses and ABS-defined activities, councils must **(a)** adopt a corporatisation model and **(b)** apply full cost attribution including tax-equivalent regime payments and debt guarantee fees (where the business benefits from Council's borrowing position by comparison with commercial rates).
-

Leeton 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:

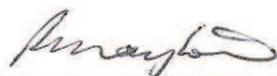
- the NSW Government Policy Statement 'Application of National Competition Policy to Local Government',
- the Division of Local Government Guidelines 'Pricing and Costing for Council Businesses – A Guide to Competitive Neutrality',
- the Local Government Code of Accounting Practice and Financial Reporting,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

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

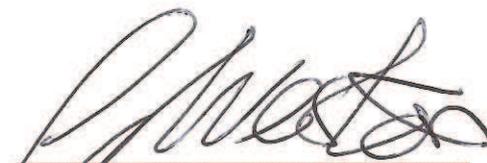
- present fairly the operating result and financial position for each of Council's declared business activities for the year, and
- accord with Council's accounting and other records.

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 24 August 2016.



Cr Paul Maytom
Mayor



Cr George Weston
Councillor



Jacqueline Kruger
General Manager



Duncan McWhirter
Responsible Accounting Officer

Leeton Shire Council

Income Statement of Council's Water Supply Business Activity

for the year ended 30 June 2016

\$ '000	Actual 2016	Actual 2015
Income from continuing operations		
Access charges	1,289	1,186
User charges	2,488	2,312
Fees	35	43
Interest	344	260
Grants and contributions provided for non-capital purposes	40	38
Profit from the sale of assets	–	–
Other income	188	16
Total income from continuing operations	4,384	3,855
Expenses from continuing operations		
Employee benefits and on-costs	990	1,071
Borrowing costs	–	4
Materials and contracts	1,146	1,114
Depreciation and impairment	1,159	1,140
Water purchase charges	132	167
Loss on sale of assets	–	–
Calculated taxation equivalents	–	–
Debt guarantee fee (if applicable)	–	–
Other expenses	275	323
Total expenses from continuing operations	3,702	3,819
Surplus (deficit) from continuing operations before capital amounts	682	36
Grants and contributions provided for capital purposes	23	73
Surplus (deficit) from continuing operations after capital amounts	705	109
Surplus (deficit) from discontinued operations	–	–
Surplus (deficit) from all operations before tax	705	109
Less: corporate taxation equivalent (30%) [based on result before capital]	(205)	(11)
SURPLUS (DEFICIT) AFTER TAX	500	98
Plus opening retained profits	18,545	18,742
Plus/less: prior period adjustments	–	(306)
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	–	–
– Debt guarantee fees	–	–
– Corporate taxation equivalent	205	11
Less:		
– Tax equivalent dividend paid	–	–
– Surplus dividend paid	–	–
Closing retained profits	19,250	18,545
Return on capital %	2.0%	0.1%
Subsidy from Council	65	1,028
Calculation of dividend payable:		
Surplus (deficit) after tax	500	98
Less: capital grants and contributions (excluding developer contributions)	(14)	(64)
Surplus for dividend calculation purposes	486	34
Potential dividend calculated from surplus	243	17

Leeton Shire Council

Income Statement of Council's Sewerage Business Activity

for the year ended 30 June 2016

\$ '000	Actual 2016	Actual 2015
Income from continuing operations		
Access charges	2,016	1,872
User charges	15	9
Liquid trade waste charges	579	194
Fees	–	1
Interest	325	232
Grants and contributions provided for non-capital purposes	32	31
Profit from the sale of assets	–	–
Other income	1	1
Total income from continuing operations	2,968	2,340
Expenses from continuing operations		
Employee benefits and on-costs	629	605
Borrowing costs	–	–
Materials and contracts	897	813
Depreciation and impairment	764	752
Loss on sale of assets	–	–
Calculated taxation equivalents	–	–
Debt guarantee fee (if applicable)	–	–
Other expenses	228	280
Total expenses from continuing operations	2,518	2,450
Surplus (deficit) from continuing operations before capital amounts	450	(110)
Grants and contributions provided for capital purposes	37	22
Surplus (deficit) from continuing operations after capital amounts	487	(88)
Surplus (deficit) from discontinued operations	–	–
Surplus (deficit) from all operations before tax	487	(88)
Less: corporate taxation equivalent (30%) [based on result before capital]	(135)	–
SURPLUS (DEFICIT) AFTER TAX	352	(88)
Plus opening retained profits	18,090	18,178
Plus/less: prior period adjustments	–	–
Plus adjustments for amounts unpaid:		
– Taxation equivalent payments	–	–
– Debt guarantee fees	–	–
– Corporate taxation equivalent	135	–
Less:		
– Tax equivalent dividend paid	–	–
– Surplus dividend paid	–	–
Closing retained profits	18,577	18,090
Return on capital %	1.7%	-0.4%
Subsidy from Council	119	885
Calculation of dividend payable:		
Surplus (deficit) after tax	352	(88)
Less: capital grants and contributions (excluding developer contributions)	(37)	(19)
Surplus for dividend calculation purposes	315	–
Potential dividend calculated from surplus	158	–

Leeton Shire Council

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

\$ '000	Actual 2016	Actual 2015
ASSETS		
Current assets		
Cash and cash equivalents	1,265	780
Investments	7,420	6,993
Receivables	339	252
Inventories	–	–
Other	–	–
Non-current assets classified as held for sale	–	–
Total current assets	9,024	8,025
Non-current assets		
Investments	1,030	272
Receivables	12	10
Inventories	–	–
Infrastructure, property, plant and equipment	34,428	34,977
Investments accounted for using equity method	–	–
Investment property	–	–
Intangible assets	–	–
Other	–	–
Total non-current assets	35,470	35,259
TOTAL ASSETS	44,494	43,284
LIABILITIES		
Current liabilities		
Bank overdraft	–	–
Payables	19	37
Borrowings	–	2
Provisions	–	–
Total current liabilities	19	39
Non-current liabilities		
Payables	–	–
Borrowings	–	–
Provisions	–	–
Total non-current liabilities	–	–
TOTAL LIABILITIES	19	39
NET ASSETS	44,475	43,245
EQUITY		
Retained earnings	19,250	18,545
Revaluation reserves	25,225	24,700
Council equity interest	44,475	43,245
Non-controlling equity interest	–	–
TOTAL EQUITY	44,475	43,245

Leeton Shire Council

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

\$ '000	Actual 2016	Actual 2015
ASSETS		
Current assets		
Cash and cash equivalents	866	595
Investments	5,073	5,528
Receivables	293	186
Inventories	–	–
Other	–	–
Non-current assets classified as held for sale	–	–
Total Current Assets	6,232	6,309
Non-current assets		
Investments	704	215
Receivables	208	290
Inventories	–	–
Infrastructure, property, plant and equipment	26,201	25,676
Investments accounted for using equity method	–	–
Investment property	–	–
Intangible assets	–	–
Other	–	–
Total non-current assets	27,113	26,181
TOTAL ASSETS	33,345	32,490
LIABILITIES		
Current liabilities		
Bank overdraft	–	–
Payables	–	15
Borrowings	–	–
Provisions	–	–
Total current liabilities	–	15
Non-current liabilities		
Payables	–	–
Borrowings	–	–
Provisions	–	–
Total non-current liabilities	–	–
TOTAL LIABILITIES	–	15
NET ASSETS	33,345	32,475
EQUITY		
Retained earnings	18,577	18,090
Revaluation reserves	14,768	14,385
Council equity interest	33,345	32,475
Non-controlling equity interest	–	–
TOTAL EQUITY	33,345	32,475

Leeton Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2016

Contents of the notes accompanying the financial statements

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3	Sewerage Business Best-Practice Management disclosure requirements	13

Leeton 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. Water Supply

Comprising the whole of the operations and net assets of Council's water supply activities servicing the towns of Leeton, Yanco, Whitton and Murrumbidgee which are established as a separate Special Rate Fund.

b. Sewerage Service

Comprising the whole of the operations and net assets of Council's sewerage reticulation & treatment activities servicing the towns of Leeton, Whitton & Yanco, which are established as a separate Special Rate Fund.

Category 2

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

Council has no Category 2 Business Activities.

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.

Leeton Shire Council

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

Note 1. Significant accounting policies (continued)

(i) Taxation-equivalent charges

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

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

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

Notional rate applied (%)

Corporate income tax rate – 30%

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

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

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

The payment of taxation equivalent charges, referred 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.

Leeton Shire Council

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

Note 1. Significant accounting policies (continued)

(ii) Subsidies

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

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

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

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

(iii) Return on investments (rate of return)

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

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

The rate of return on capital is calculated as follows:

Operating result before capital income + interest expense

Written down value of I,PP&E as at 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.

Leeton 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	13,329
(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]	243,200
(ii)	Number of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment	133,290
(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	477,600

2016 Surplus	486,400	2015 Surplus	34,200	2014 Surplus	(43,000)
		2015 Dividend	-	2014 Dividend	-

(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	133,290
(v)	Dividend actually paid from surplus [refer below for required pre-dividend payment criteria]	-
(vi)	Are the overhead reallocation charges to the water business fair and reasonable? ^a	YES

3. Required outcomes for 6 criteria

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

(i)	Completion of strategic business plan (including financial plan)	YES
(ii)	Full cost recovery, without significant cross subsidies [refer item 2 (a) in table 1 on page 22 of the Best-Practice Guidelines]	YES
	– Complying charges [item 2 (b) in table 1]	YES
	– DSP with commercial developer charges [item 2 (e) in table 1]	YES
	– If dual water supplies, complying charges [item 2 (g) in table 1]	YES
(iii)	Sound water conservation and demand management implemented	YES
(iv)	Sound drought management implemented	YES
(v)	Complete performance reporting form (by 15 September each year)	YES
(vi)	a. Integrated water cycle management evaluation	YES
	b. Complete and implement integrated water cycle management strategy	YES

Leeton 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)

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

2016

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	4,070
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)]	%	65.87%
NWI F9	Written down replacement cost of fixed assets (water) Written down current cost of system assets (w47)	\$'000	34,403
NWI F11	Operating cost (OMA) (water) Management expenses (w1) + operational and maintenance expenses (w2)	\$'000	2,226
NWI F14	Capital expenditure (water) Acquisition of fixed assets (w16)	\$'000	79
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)]	%	1.99%
NWI F26	Capital works grants (water) Grants for the acquisition of assets (w11a)	\$'000	–

- Notes:
- References to w (e.g. w12) refer to item numbers within Special Schedules 3 and 4 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

Leeton 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	10,620
(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]	157,500
(ii)	Number of assessments x (\$30 less tax equivalent charges per assessment)	106,200
(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	197,000

2016 Surplus	315,000	2015 Surplus	(107,000)	2014 Surplus	(11,000)
		2015 Dividend	-	2014 Dividend	-

(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	106,200
(v)	Dividend actually paid from surplus [refer below for required pre-dividend payment criteria]	-
(vi)	Are the overhead reallocation charges to the sewer business fair and reasonable? ^a	YES

3. Required outcomes for 4 criteria

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

(i)	Completion of strategic business plan (including financial plan)	YES
(ii)	Pricing with full cost-recovery, without significant cross subsidies [refer item 2 (a) in table 1 on page 22 of the Best-Practice Guidelines]	YES
	Complying charges	
	(a) Residential [item 2 (c) in table 1]	YES
	(b) Non-residential [item 2 (c) in table 1]	YES
	(c) Trade waste [item 2 (d) in table 1]	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

Leeton 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

NWI F2	Total revenue (sewerage) Total income (s14) – grants for acquisition of assets (s12a) – interest income (s10) – Aboriginal Communities W&S Program income (w10a)	\$'000	2,688
NWI F10	Written down replacement cost of fixed assets (sewerage) Written down current cost of system assets (s48)	\$'000	26,040
NWI F12	Operating cost (sewerage) Management expenses (s1) + operational and maintenance expenses (s2)	\$'000	1,634
NWI F15	Capital expenditure (sewerage) Acquisition of fixed assets (s17)	\$'000	901
NWI F18	Economic real rate of return (sewerage) [total income (s14) – interest income (s10) – grants for acquisition of assets (s12a) – operating cost (NWI F12) – current cost depreciation (s3)] x 100 divided by [written down current cost (i.e. WDCC) of system assets (s48) + plant and equipment (s34b)]	%	1.11%
NWI F27	Capital works grants (sewerage) Grants for the acquisition of assets (12a)	\$'000	–

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

NWI F3	Total income (water and sewerage) Total income (w13 + s14) + gain/loss on disposal of assets (w14 + s15) minus grants for acquisition of assets (w11a + s12a) – interest income (w9 + s10)	\$'000	6,758
NWI F8	Revenue from community service obligations (water and sewerage) Community service obligations (NWI F25) x 100 divided by total income (NWI F3)	%	1.07%
NWI F16	Capital expenditure (water and sewerage) Acquisition of fixed assets (w16 + s17)	\$'000	980
NWI F19	Economic real rate of return (water and sewerage) [total income (w13 + s14) – interest income (w9 + s10) – grants for acquisition of assets (w11a + s12a) – operating cost (NWI F11 + NWI F12) – current cost depreciation (w3 + s3)] x 100 divided by [written down replacement cost of fixed assets (NWI F9 + NWI F10) + plant and equipment (w33b + s34b)]	%	1.61%
NWI F20	Dividend (water and sewerage) Dividend paid from surplus (2 (v) of Note 2 + 2 (v) of Note 3)	\$'000	–
NWI F21	Dividend payout ratio (water and sewerage) Dividend (NWI F20) x 100 divided by net profit after tax (NWI F24)	%	0.00%

Leeton 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)

NWI F22	Net debt to equity (water and sewerage) Overdraft (w36 + s37) + borrowings (w38 + s39) – cash and investments (w30 + s31) x 100 divided by [total assets (w35 + s36) – total liabilities (w40 + s41)]	%	<input type="text" value="-21.02%"/>
NWI F23	Interest cover (water and sewerage) Earnings before interest and tax (EBIT) divided by net interest Earnings before interest and tax (EBIT): <input type="text" value="975"/> 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="- 654"/> Interest expense (w4a + s4a) – interest income (w9 + s10)		<input type="text" value="> 100"/>
NWI F24	Net profit after tax (water and sewerage) Surplus before dividends (w15a + s16a) – tax equivalents paid (Note 2-1 (iv) + Note 3-1 (iv))	\$'000	<input type="text" value="1,192"/>
NWI F25	Community service obligations (water and sewerage) Grants for pensioner rebates (w11b + s12b)	\$'000	<input type="text" value="72"/>

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

INDEPENDENT AUDIT REPORT TO LEETON SHIRE COUNCIL REPORT ON THE SPECIAL PURPOSE FINANCIAL STATEMENTS

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements, being special purpose financial statements, of Leeton Shire Council (the Council), which comprises the statements of financial position by business activity as at 30 June 2016, and the income statements by business activity for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Statement by Councillors and Management.

COUNCIL'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Councillors' and management of the Council are responsible for the preparation and fair presentation of the financial statements and have determined that the basis of preparation described in Note 1 to the financial statements, are appropriate to meet the requirements of the NSW Government Policy Statement "Application of National Competition Policy to Local Government", Office of Local Government Guidelines "Pricing & Costing for Council Businesses: A Guide to Competitive Neutrality", The Local Government Code of Accounting Practice and Financial Reporting and The NSW Office of Water Guidelines and are appropriate to meet the needs of the Council and the Office of Local Government.

AUDITOR'S RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 controls relevant to the entity's preparation of the financial statements that gives a true and fair view 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 controls. An audit also includes evaluating the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial statements.

OPINION

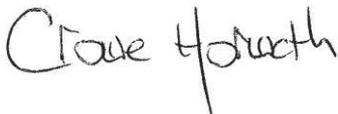
In our opinion the financial statements of Leeton Shire Council are in accordance with the Local Government Code of Accounting Practice and Financial Reporting, including:

- (i) giving a true and fair view of the Council's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards to the extent described 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 report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Council's financial reporting responsibilities under the Local Government Code of Accounting Practice and Financial Reporting. As a result, the financial report may not be suitable for another purpose.

The financial statements have been prepared for distribution to Council for the purpose of fulfilling the Council's financial reporting obligations under the Local Government Code of Accounting Practice and Financial Reporting. We disclaim any assumption of responsibility for any reliance on this report or on the financial statements to which it relates to any person other than the Council and the Office of Local Government, or for any purpose other than that for which it was prepared.



CROWE HORWATH AUSWILD



BRADLEY D BOHUN

Partner

Dated at Albury this 28 day of September 2016.

Leeton Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2016

“Preserving the Past, Enhancing the Future”



Leeton Shire Council

Special Schedules for the year ended 30 June 2016

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Special Schedules¹		
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¹ Special Schedules are not audited (with the exception of Special Schedule 8).

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.

Leeton 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	
Governance	225	–	–	(225)
Administration	1,002	462	2	(538)
Public order and safety				
Fire service levy, fire protection, emergency services	249	145	–	(104)
Beach control	–	–	–	–
Enforcement of local government regulations	–	–	–	–
Animal control	294	62	–	(232)
Other	7	4	–	(3)
Total public order and safety	550	211	–	(339)
Health	275	12	–	(263)
Environment				
Noxious plants and insect/vermin control	212	39	–	(173)
Other environmental protection	2	–	–	(2)
Solid waste management	1,888	2,348	–	460
Street cleaning	245	–	–	(245)
Drainage	–	–	–	–
Stormwater management	192	95	2	(95)
Total environment	2,539	2,482	2	(55)
Community services and education				
Administration and education	126	3	–	(123)
Social protection (welfare)	110	179	–	69
Aged persons and disabled	294	200	–	(94)
Children's services	1,521	1,603	–	82
Total community services and education	2,051	1,985	–	(66)
Housing and community amenities				
Public cemeteries	129	153	–	24
Public conveniences	77	–	–	(77)
Street lighting	272	56	–	(216)
Town planning	209	92	–	(117)
Other community amenities	103	59	–	(44)
Total housing and community amenities	790	360	–	(430)
Water supplies	3,702	4,384	23	705
Sewerage services	2,518	2,968	37	487

Leeton 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	
Recreation and culture				
Public libraries	534	76	–	(458)
Museums	53	–	–	(53)
Art galleries	–	–	–	–
Community centres and halls	83	–	13	(70)
Performing arts venues	448	171	–	(277)
Other performing arts	–	–	–	–
Other cultural services	23	8	–	(15)
Sporting grounds and venues	993	362	–	(631)
Swimming pools	475	170	–	(305)
Parks and gardens (lakes)	1,360	23	3	(1,334)
Other sport and recreation	–	–	–	–
Total recreation and culture	3,969	810	16	(3,143)
Fuel and energy	–	–	–	–
Agriculture	–	–	–	–
Mining, manufacturing and construction				
Building control	8	47	–	39
Other mining, manufacturing and construction	1	–	–	(1)
Total mining, manufacturing and const.	9	47	–	38
Transport and communication				
Urban roads (UR) – local	882	–	37	(845)
Urban roads – regional	–	–	–	–
Sealed rural roads (SRR) – local	1,436	1,367	–	(69)
Sealed rural roads (SRR) – regional	291	230	104	43
Unsealed rural roads (URR) – local	1,266	–	–	(1,266)
Unsealed rural roads (URR) – regional	–	–	–	–
Bridges on UR – local	–	–	–	–
Bridges on SRR – local	59	–	–	(59)
Bridges on URR – local	–	–	–	–
Bridges on regional roads	–	–	–	–
Parking areas	32	–	–	(32)
Footpaths	99	1	61	(37)
Aerodromes	39	–	–	(39)
Other transport and communication	191	82	–	(109)
Total transport and communication	4,295	1,680	202	(2,413)
Economic affairs				
Camping areas and caravan parks	–	–	–	–
Other economic affairs	1,410	1,059	–	(351)
Total economic affairs	1,410	1,059	–	(351)
Totals – functions	23,335	16,460	282	(6,593)
General purpose revenues ⁽¹⁾		10,860		10,860
Share of interests – joint ventures and associates using the equity method	–	–		–
NET OPERATING RESULT ⁽²⁾	23,335	27,320	282	4,267

(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

Leeton 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
Loans (by source)											
Commonwealth government	-	-	-	-	-	-	-	-	-	-	-
Treasury corporation	-	-	-	-	-	-	-	-	-	-	-
Other state government	-	-	-	-	-	-	-	-	-	-	-
Public subscription	-	-	-	-	-	-	-	-	-	-	-
Financial institutions	269	2,518	2,787	-	269	-	-	128	280	2,238	2,518
Other	-	-	-	-	-	-	-	-	-	-	-
Total loans	269	2,518	2,787	-	269	-	-	128	280	2,238	2,518
Other long term debt											
Ratepayers advances	-	-	-	-	-	-	-	-	-	-	-
Government advances	-	-	-	-	-	-	-	-	-	-	-
Finance leases	-	-	-	-	-	-	-	-	-	-	-
Deferred payments	-	-	-	-	-	-	-	-	-	-	-
Total long term debt	-	-	-	-	-	-	-	-	-	-	-
Total debt	269	2,518	2,787	-	269	-	-	128	280	2,238	2,518

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).

Leeton Shire Council

Special Schedule 2(b) – Statement of Internal Loans [Section 410(3) of the *Local Government Act 1993*]
for the year ended 30 June 2016

\$'000

Summary of internal loans

Borrower (by purpose)	Amount originally raised	Total repaid during the year (principal and interest)	Principal outstanding at end of year
General	700	94	290
Water			
Sewer			
Domestic waste management			
Gas			
Other			
Totals	700	94	290

Note: the summary of internal loans (above) represents the total of Council's internal loans categorised according to the borrower.

Details of individual internal loans

Borrower (by purpose)	Lender (by purpose)	Date of minister's approval	Date raised	Term (years)	Dates of maturity	Rate of interest	Amount originally raised	Total repaid during year (princ. and int.)	Principal outstanding at end of year
General Fund	Sewer Fund	15/06/10	30/06/10	10	30/12/19	3.00%	700	94	290
Totals							700	94	290

Leeton 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
A Expenses and income		
Expenses		
1. Management expenses		
a. Administration	310	302
b. Engineering and supervision	273	275
2. Operation and maintenance expenses		
– dams and weirs		
a. Operation expenses	–	–
b. Maintenance expenses	–	–
– Mains		
c. Operation expenses	–	–
d. Maintenance expenses	629	691
– Reservoirs		
e. Operation expenses	–	–
f. Maintenance expenses	2	2
– Pumping stations		
g. Operation expenses (excluding energy costs)	–	–
h. Energy costs	69	69
i. Maintenance expenses	23	22
– Treatment		
j. Operation expenses (excluding chemical costs)	416	360
k. Chemical costs	154	140
l. Maintenance expenses	178	174
– Other		
m. Operation expenses	–	–
n. Maintenance expenses	40	72
o. Purchase of water	132	167
3. Depreciation expenses		
a. System assets	1,151	1,132
b. Plant and equipment	8	8
4. Miscellaneous expenses		
a. Interest expenses	–	4
b. Revaluation decrements	–	–
c. Other expenses	317	401
d. Impairment – system assets	–	–
e. Impairment – plant and equipment	–	–
f. Aboriginal Communities Water and Sewerage Program	–	–
g. Tax equivalents dividends (actually paid)	–	–
5. Total expenses	3,702	3,819

Leeton 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
Income		
6. Residential charges		
a. Access (including rates)	967	902
b. Usage charges	1,866	1,734
7. Non-residential charges		
a. Access (including rates)	322	284
b. Usage charges	622	578
8. Extra charges	7	9
9. Interest income	337	251
10. Other income	223	59
10a. Aboriginal Communities Water and Sewerage Program	–	–
11. Grants		
a. Grants for acquisition of assets	–	–
b. Grants for pensioner rebates	40	38
c. Other grants	–	–
12. Contributions		
a. Developer charges	9	9
b. Developer provided assets	–	–
c. Other contributions	14	64
13. Total income	4,407	3,928
14. Gain (or loss) on disposal of assets	–	–
15. Operating result	705	109
15a. Operating result (less grants for acquisition of assets)	705	109

Leeton 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 Capital transactions		
Non-operating expenditures		
16. Acquisition of fixed assets		
a. New assets for improved standards	31	142
b. New assets for growth	–	–
c. Renewals	48	895
d. Plant and equipment	–	–
17. Repayment of debt	2	104
18. Totals	81	1,141
Non-operating funds employed		
19. Proceeds from disposal of assets	–	–
20. Borrowing utilised	–	–
21. Totals	–	–
C Rates and charges		
22. Number of assessments		
a. Residential (occupied)	3,865	3,858
b. Residential (unoccupied, ie. vacant lot)	–	–
c. Non-residential (occupied)	578	575
d. Non-residential (unoccupied, ie. vacant lot)	–	–
23. Number of ETs for which developer charges were received	4 ET	4 ET
24. Total amount of pensioner rebates (actual dollars)	\$ 70,784	\$ 69,515

Leeton 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
ASSETS			
25. Cash and investments			
a. Developer charges	13	–	13
b. Special purpose grants	–	–	–
c. Accrued leave	–	–	–
d. Unexpended loans	–	–	–
e. Sinking fund	–	–	–
f. Other	8,672	1,030	9,702
26. Receivables			
a. Specific purpose grants	–	–	–
b. Rates and availability charges	33	–	33
c. User charges	238	–	238
d. Other	68	12	80
27. Inventories	–	–	–
28. Property, plant and equipment			
a. System assets	–	34,403	34,403
b. Plant and equipment	–	25	25
29. Other assets	–	–	–
30. Total assets	<u>9,024</u>	<u>35,470</u>	<u>44,494</u>
LIABILITIES			
31. Bank overdraft	–	–	–
32. Creditors	19	–	19
33. Borrowings	–	–	–
34. Provisions			
a. Tax equivalents	–	–	–
b. Dividend	–	–	–
c. Other	–	–	–
35. Total liabilities	<u>19</u>	<u>–</u>	<u>19</u>
36. NET ASSETS COMMITTED	<u>9,005</u>	<u>35,470</u>	<u>44,475</u>
EQUITY			
37. Accumulated surplus			19,250
38. Asset revaluation reserve			25,225
39. TOTAL EQUITY			<u>44,475</u>
Note to system assets:			
40. Current replacement cost of system assets			73,592
41. Accumulated current cost depreciation of system assets			(39,189)
42. Written down current cost of system assets			<u>34,403</u>

Leeton 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
A Expenses and income		
Expenses		
1. Management expenses		
a. Administration	280	272
b. Engineering and supervision	251	254
2. Operation and maintenance expenses		
– mains		
a. Operation expenses	–	–
b. Maintenance expenses	190	187
– Pumping stations		
c. Operation expenses (excluding energy costs)	–	–
d. Energy costs	64	70
e. Maintenance expenses	225	254
– Treatment		
f. Operation expenses (excl. chemical, energy, effluent and biosolids management costs)	320	222
g. Chemical costs	94	94
h. Energy costs	82	109
i. Effluent management	–	–
j. Biosolids management	–	–
k. Maintenance expenses	96	68
– Other		
l. Operation expenses	29	21
m. Maintenance expenses	3	1
3. Depreciation expenses		
a. System assets	730	720
b. Plant and equipment	34	32
4. Miscellaneous expenses		
a. Interest expenses	–	–
b. Revaluation decrements	–	–
c. Other expenses	120	146
d. Impairment – system assets	–	–
e. Impairment – plant and equipment	–	–
f. Aboriginal Communities Water and Sewerage Program	–	–
g. Tax equivalents dividends (actually paid)	–	–
5. Total expenses	2,518	2,450

Leeton 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
Income		
6. Residential charges (including rates)	1,515	1,408
7. Non-residential charges		
a. Access (including rates)	500	473
b. Usage charges	–	–
8. Trade waste charges		
a. Annual fees	16	–
b. Usage charges	579	194
c. Excess mass charges	–	–
d. Re-inspection fees	–	–
9. Extra charges	8	8
10. Interest income	317	224
11. Other income	1	2
11a. Aboriginal Communities Water and Sewerage Program	–	–
12. Grants		
a. Grants for acquisition of assets	–	–
b. Grants for pensioner rebates	32	31
c. Other grants	–	–
13. Contributions		
a. Developer charges	–	3
b. Developer provided assets	–	–
c. Other contributions	37	19
14. Total income	<u>3,005</u>	<u>2,362</u>
15. Gain (or loss) on disposal of assets	–	–
16. Operating result	<u>487</u>	<u>(88)</u>
16a. Operating result (less grants for acquisition of assets)	487	(88)

Leeton 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 Capital transactions		
Non-operating expenditures		
17. Acquisition of fixed assets		
a. New assets for improved standards	–	1
b. New assets for growth	–	–
c. Renewals	901	1,455
d. Plant and equipment	–	87
18. Repayment of debt	–	1
19. Totals	901	1,544
Non-operating funds employed		
20. Proceeds from disposal of assets	–	–
21. Borrowing utilised	–	–
22. Totals	–	–
C Rates and charges		
23. Number of assessments		
a. Residential (occupied)	3,066	3,067
b. Residential (unoccupied, ie. vacant lot)	–	–
c. Non-residential (occupied)	474	461
d. Non-residential (unoccupied, ie. vacant lot)	–	–
24. Number of ETs for which developer charges were received	– ET	1 ET
25. Total amount of pensioner rebates (actual dollars)	\$ 57,834	\$ 56,861

Leeton 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
ASSETS			
26. Cash and investments			
a. Developer charges	–	–	–
b. Special purpose grants	–	–	–
c. Accrued leave	–	–	–
d. Unexpended loans	–	–	–
e. Sinking fund	–	–	–
f. Other	5,939	704	6,643
27. Receivables			
a. Specific purpose grants	–	–	–
b. Rates and availability charges	52	–	52
c. User charges	53	–	53
d. Other	188	208	396
28. Inventories	–	–	–
29. Property, plant and equipment			
a. System assets	–	26,040	26,040
b. Plant and equipment	–	161	161
30. Other assets	–	–	–
31. Total assets	<u>6,232</u>	<u>27,113</u>	<u>33,345</u>
LIABILITIES			
32. Bank overdraft	–	–	–
33. Creditors	–	–	–
34. Borrowings	–	–	–
35. Provisions			
a. Tax equivalents	–	–	–
b. Dividend	–	–	–
c. Other	–	–	–
36. Total liabilities	<u>–</u>	<u>–</u>	<u>–</u>
37. NET ASSETS COMMITTED	<u>6,232</u>	<u>27,113</u>	<u>33,345</u>
EQUITY			
38. Accumulated surplus			18,577
39. Asset revaluation reserve			14,768
40. TOTAL EQUITY			<u>33,345</u>
Note to system assets:			
41. Current replacement cost of system assets			56,850
42. Accumulated current cost depreciation of system assets			(30,810)
43. Written down current cost of system assets			<u>26,040</u>

Leeton Shire Council

Notes to Special Schedules 3 and 5

for the year ended 30 June 2016

Administration ⁽¹⁾

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

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

Engineering and supervision ⁽¹⁾

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

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

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

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

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

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

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

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

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

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

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

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

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

Notes:

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

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

Leeton 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 ^a	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
Buildings	Buildings – non-specialised	282	–	16	16	239	474	44%	0%	34%	0%	22%
	Buildings – specialised	558	–	119	119	5,518	7,729	11%	52%	25%	10%	2%
	Amenities/Toilets	171	–	26	26	2,495	3,329	37%	10%	31%	22%	0%
	Depot	114	–	45	45	1,776	2,693	3%	20%	66%	11%	0%
	Public Halls/Theatre	485	–	30	30	5,311	9,731	11%	64%	14%	10%	1%
	Museum	731	–	3	3	471	1,876	0%	0%	0%	95%	5%
	Offices / Admin Centre	5	–	71	71	5,238	8,097	13%	86%	1%		0%
	Other	74	–	8	8	4,885	7,804	43%	34%	10%	11%	2%
	Library	–	–	9	9	2,645	3,127	98%	1%	1%	0%	0%
	Sub-total	2,420	–	327	327	28,578	44,860	24.3%	46.3%	16.0%	12.1%	1.4%
Other structures	Other structures	95	–	3	3	977	1,675	48%	14%	26%	12%	0%
	Sub-total	95	–	3	3	977	1,675	48.0%	14.0%	26.0%	12.0%	0.0%
Roads	Sealed roads	569	–	1,041	1,041	48,422	66,371	18%	51%	28%	2%	1%
	Unsealed roads	181	–	572	572	6,665	10,279	83%	6%	8%	1%	2%
	Bridges	–	–	21	21	3,153	3,725	63%	25%	12%	0%	0%
	Footpaths	26	–	33	33	4,893	5,925	76%	17%	5%	1%	1%
	Other road assets	33	–	8	8	2,719	3,604	47%	39%	11%	1%	2%
	Kerb & Guttering	290	–	9	9	14,560	18,304	9%	49%	34%	7%	1%
	Bulk earthworks	–	–	–	–	8,705	8,705	18%	51%	28%	2%	1%
	Sub-total	1,099	–	1,684	1,684	89,117	116,913	27.6%	43.8%	25.0%	2.5%	1.1%

Leeton 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 ^a	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	Mains	2,616	–	629	629	23,020	38,181	17%	32%	23%	12%	16%
	Meters	91	–	30	30	280	872	9%	12%	26%	15%	38%
	Pump Stations	–	–	23	23	2,364	6,234	69%	31%	0%	0%	0%
	Telemetry	–	–	–	–	4	92	0%	0%	100%	0%	0%
	Filtration/Treatment Plant	1,073	–	8	8	4,216	20,301	3%	45%	52%	0%	0%
	Reservoirs	–	–	3	3	4,519	7,912	0%	46%	54%	0%	0%
	Sub-total	3,780	–	693	693	34,403	73,592	15.6%	36.7%	32.5%	6.4%	8.8%
Sewerage network	Sewer Lines	236	–	190	190	12,764	20,275	28%	29%	39%	0%	4%
	Pump Stations	–	–	225	225	3,456	7,977	30%	27%	43%	0%	0%
	Telemetry	108	–	2	2	–	266	0%	5%	0%	0%	95%
	Vent Stacks	166	–	–	–	142	602	18%	15%	12%	54%	1%
	Treatment Plants	48	–	1	1	9,678	27,730	0%	44%	56%	0%	0%
	Sub-total	558	–	418	418	26,040	56,850	14.4%	35.8%	47.4%	0.6%	1.9%

Leeton 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 ^a	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
Stormwater drainage	Pits & Inlets	1	–	20	20	1,146	1,367	93%	6%	0%	0%	1%
	Pipes	8	–	–	–	6,845	8,491	13%	80%	0%	0%	7%
	Pump Stations	–	–	17	17	45	157	62%	23%	15%	0%	0%
	Sub-total	9	–	37	37	8,036	10,015	24.7%	69.0%	0.2%	0.0%	6.1%
Open space/recreational assets	Swimming pools	–	–	25	25	3,322	4,850	0%	0%	100%	0%	0%
	Other Recreation Assets	15	–	1,421	1,421	836	2,348	69%	23%	5%	3%	0%
	Sub-total	15	–	1,446	1,446	4,158	7,198	22.5%	7.5%	69.0%	1.0%	0.0%
TOTAL – ALL ASSETS		7,976	–	4,608	4,608	191,309	311,103	21.8%	40.8%	29.8%	4.4%	3.2%

Notes:

- a Required maintenance is the amount identified in Council's asset management plans.
- b Disclosure of estimated cost to bring to the agreed level of service set by council is voluntary in 2016 and Council has elected not to complete, as service levels have not been set at this time for all asset classes.

Infrastructure asset condition assessment 'key'

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

Leeton 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
Infrastructure asset performance indicators * consolidated				
1. Infrastructure renewals ratio				
Asset renewals ⁽¹⁾	<u>4,159</u>	73.96%	87.09%	70.08%
Depreciation, amortisation and impairment	<u>5,623</u>			
2. Infrastructure backlog ratio				
Estimated cost to bring assets to a satisfactory standard	<u>7,976</u>	4.34%	4.80%	16.26%
Carrying value of infrastructure assets	<u>183,722</u>			
3. Asset maintenance ratio				
Actual asset maintenance	<u>4,608</u>	1.00	1.35	0.99
Required asset maintenance	<u>4,608</u>			

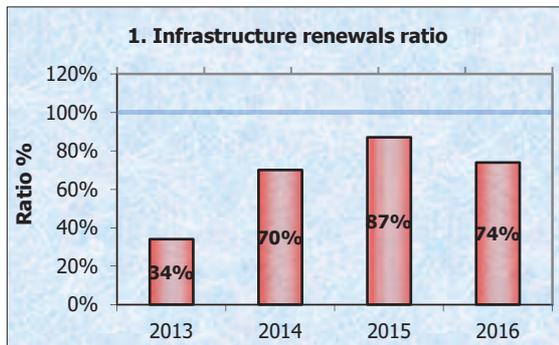
Notes

* 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.

Leeton 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.

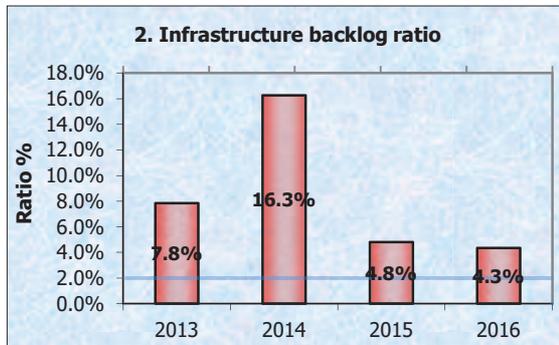
Commentary on 2015/16 result

2015/16 Ratio 73.96%

Ratio is slightly lower than the previous year due to capital upgrades performed with grant funding from other tiers of Government.

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.

Commentary on 2015/16 result

2015/16 Ratio 4.34%

Ratio is slightly lower than the previous year which indicates that the backlog is not increasing.

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.

Commentary on 2015/16 result

2015/16 Ratio 1.00 x

All required maintenance was undertaken during the financial year.

Benchmark: ——— Minimum > 1.00
Source for benchmark: Code of Accounting Practice and Financial Reporting #24

■ Ratio achieves benchmark
■ Ratio is outside benchmark

Leeton Shire Council

Special Schedule 7 – Report on Infrastructure Assets (continued)
for the year ended 30 June 2016

\$ '000	Water 2016	Sewer 2016	General ⁽¹⁾ 2016
Infrastructure asset performance indicators by fund			
1. Infrastructure renewals ratio			
Asset renewals ⁽²⁾	2.78%	123.42%	86.21%
Depreciation, amortisation and impairment	79.06%	202.08%	68.58%
	prior period:	79.06%	202.08%
2. Infrastructure backlog ratio			
Estimated cost to bring assets to a satisfactory standard	10.99%	2.14%	2.95%
Carrying value of infrastructure assets	12.62%	3.45%	2.85%
	prior period:	12.62%	3.45%
3. Asset maintenance ratio			
Actual asset maintenance	1.00	1.00	1.00
Required asset maintenance	1.11	1.23	1.49
	prior period:	1.11	1.23

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.

Leeton Shire Council

Special Schedule 8 – Permissible Income Calculation

for the year ended 30 June 2017

\$'000		Calculation 2015/16	Calculation 2016/17
Notional general income calculation ⁽¹⁾			
Last year notional general income yield	a	6,598	6,786
Plus or minus adjustments ⁽²⁾	b	28	13
Notional general income	c = (a + b)	6,626	6,799
Permissible income calculation			
Special variation percentage ⁽³⁾	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	159	122
Or plus Crown land adjustment and rate peg amount	j = c x f	–	–
Sub-total	k = (c + g + h + i + j)	6,785	6,921
Plus (or minus) last year's carry forward total	l	(1)	(2)
Less valuation objections claimed in the previous year	m	–	–
Sub-total	n = (l + m)	(1)	(2)
Total permissible income	o = k + n	6,784	6,920
Less notional general income yield	p	6,786	6,919
Catch-up or (excess) result	q = o – p	(2)	1
Plus income lost due to valuation objections claimed ⁽⁴⁾	r	–	1
Less unused catch-up ⁽⁵⁾	s	–	–
Carry forward to next year	t = q + r – s	(2)	2

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.

LEETON SHIRE COUNCIL - SPECIAL SCHEDULE NO. 8 - INDEPENDENT AUDITORS REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2016

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 Leeton 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.

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

Independence

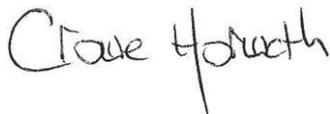
In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In our opinion, Special Schedule No. 8 of Leeton 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.



CROWE HORWATH AUSWILD



BRADLEY D BOHUN
Partner

Dated at Albury this 28 day of September 2016.

ANNEXURE 2

END OF TERM

2012-2016

REPORT

Community Strategic Plan End of Term Report

September 2012-August 2016



LEETON SHIRE COUNCIL





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Message from the Mayor and General Manager



We are pleased to present this *End of Council Term* report on behalf of Leeton Shire Council. This report outlines the key achievements of the Council over 2012-2016 in implementing the Leeton Community Strategic Plan— *Leeton Living Towards 2024*.

Leeton Living Towards 2024 identifies the aspirations of our community for making Leeton Shire a better place to live, work and play. Importantly, it provides the community with a “road map” for coordinating the action of all agencies, organisations and residents of our Shire.

As outlined in this report, the Council has responded to *Leeton Living Towards 2024* over the past four years through the delivery of a wide range of services and project initiatives.

Some highlights under the 5 themes in the Community Strategic Plan include:

Caring For our Health and Wellbeing

- Council has built a Multipurpose Community Centre
- Council has upgraded the Leeton Town Ovals Complex, including the dressing rooms and public amenities
- Leeton Shire celebrated 100 years of ‘turning on the water’
- Council has installed an Outdoor Fitness Station and Kids Bike Training Facility at Rotary Park

Enhancing and Preserving our Natural Assets

- Council has improved our recycling activity
- Council has extended our landfill capacity
- Council has implemented solar programs to reduce our energy costs
- Council has undertaken extensive flood recovery works, especially road works

Building our Businesses and Local Jobs

- Council has continued to support key destinational events, like the SunRice Festival
- Council has provided in-kind support to new industry such as the cotton gin and walnuts processing plant
- Council has kept abreast of water policy reform to ensure local farmers and businesses are sustainable into the future

Developing our Built Environment

- Council has completed all funded stages of the Petersham Road Precinct Project
- Council has commenced an enhancement concept planning project for the CBD
- Council has replaced old asbestos cement water mains with modern ones
- Council has undertaken extensive relining of sewer infrastructure, extending the life of the pipes by 50 years

Strengthening our Leadership Direction

- Council has ensured Council is Fit For The Future and can stand alone and we have plans in place to keep it that way
- Council has become more mature with asset management planning, having adopted 4 new plans this term
- Council has successfully lobbied for the NBN fixed wire service to include Vance Estate

We would like to extend our gratitude and sincere thanks to the community, Council staff and Councillors for their support and hard work over the past four years towards ensuring Leeton Shire continues to thrive well into the future. It has been a challenging but highly productive four year term.

Cr Paul Maytom
Mayor

Jackie Kruger
General Manager



About The End of Term Report



Purpose

The End of Term Report outlines Council’s achievements over its 4 year term of office with implementing the Community Strategic Plan “Leeton Living Towards 2024”.

Council operates an Integrated Planning and Reporting (IPR) framework that helps ensure that Council is operating to clear strategic goals while also being responsible about looking after what we have, responding to what is needed and ensuring long term financial sustainability.

This IPR framework includes:

- A 10-year Community Strategic Plan developed in consultation with the community, State Government and other relevant stakeholders.
- A four-year Delivery Program that details all activities Council will commit to over its four year term objectives.
- An annual Operating Plan that specifies individual activities Council will be undertaking during the year, together with details of income and expenditure estimates for the year.
- A Resourcing Strategy comprising a 10-year Financial Plan, a 10-year Asset Management Plan and a four year Workforce Management Plan.

How this End of Term Report is Set Out

The first few pages remind everyone about the five themes and strategies in the Community Strategic Plan. The report then highlights Council’s “Fit For The Future” journey, where our community is at with the Murray Darling Basin Plan, and summarises Council’s increased activity in communication and community engagement. Finally, set out individually for each of the four years, are the key achievements and financial data for each 12 month period.



Community Strategic Plan - What It Says -



The Community Strategic Plan (CSP) sits above all other Council plans and policies in the hierarchy of plans.

The purpose of the CSP is to identify the community's main priorities and aspirations for the future and plan strategies to achieve them. These strategies take into consideration the issues and pressures that may affect the community and should ideally consider the level of resources that are realistically available.

Council has a custodial role in initiating, preparing and maintaining the Community Strategic Plan on behalf of their community. Council is not wholly responsible for its implementation. Other partners, such as state agencies and community groups may be engaged in delivery the long term objectives of the Plan.

The Leeton Shire Community Strategic Plan (CSP) "Leeton Living Towards 2024" was developed following comprehensive community consultation and adopted by Council in November December 2012.

The CSP may have been guided by Leeton Shire Council but it belongs to all of us as we each share the responsibility of making our community a better place to live, work and play, both now and for future generations.

Leeton Shire Community's Vision

"That Leeton Shire be the Centre of Excellence within the Murrumbidgee Irrigation Area, fostering world best practices in all its endeavours, ensuring the people of Leeton Shire enjoy a rich and diverse lifestyle in harmony with our unique environment"



Community Strategic Plan

- Five Themes, 19 Strategies -



Caring for Our Health and Wellbeing	Enhancing and Preserving our Natural Assets	Building our Business and Local Jobs	Developing our Built Environment	Strengthening our Leadership Direction
<p>Ensure that access to quality health services is maintained and that stronger health support networks are progressed to cater to the needs of the community</p>	<p>Striving for sustainable use of our water resources that is balanced between social, economic and environmental needs relative to us</p>	<p>Encourage economic and industrial development with diversity that builds upon our vitality to create a dynamic presence that is attractive to outside interests</p>	<p>Plan effectively for new infrastructure needs to remove duplication as well as ensure appropriate and efficient maintenance and management practices of our public infrastructure to ensure use to effective full potential</p>	<p>Strong leadership and direction from a Council that is diverse which reflects the broader communities thoughts with projection of a balanced profile that is open and transparent</p>
<p>Seek local access to education that encompasses the whole of the community and pursue increases in training and workplace learning opportunities to encourage our youth to remain as local residents</p>	<p>Encourage maintenance of a healthy environment through effective waste management, pollution reduction measures and energy efficiencies</p>	<p>Increase and develop opportunities for tourism to encourage growth in visitation and enhanced economic strength</p>	<p>Road maintenance and development that is undertaken effectively across the entire Shire with due consideration to current and future traffic flows and needs</p>	<p>Effective management and administration of Council's resources to ensure that the community's interests are met and sustainable into the future</p>
<p>Support and promote the community's unique culture and artistic capacity and encourage participation and communication across all groups</p>	<p>Enhance and promote the various natural assets in our community for appreciation by future generations</p>	<p>Have sufficient support measures in place to enhance the economic value and breadth of the community including skill development and transport options</p>	<p>Provide and maintain infrastructure options that encourage physical activity and support and enhance community life in a variety of ways that are well maintained and applicable to our needs</p>	
<p>Provision of premier standard facilities and areas for the community to access and enjoy an interesting variation of activities including physical, scholarly and passive recreation</p>	<p>Carry out activities that support the protection of the environment through areas that are complimentary to the interests and wellbeing of the community</p>		<p>Effective building and planning strategies and management practices that reflect an awareness of current environmental considerations in line with sound building practices and future development potential</p>	
<p>Build our community capacity to ensure strong and healthy involvement in community life with social networking opportunities that are accessible to all</p>				
<p>Keeping our community safe through clever planning, effective law and order initiatives and education</p>				



Fit For The Future Local Government Reform



In 2012 Leeton Shire joined local councils from throughout NSW for a summit, Destination 2036 in Dubbo, to plan how local government could meet the challenges of the future. As a result, councils agreed that change was needed and that they wanted to be strong and sustainable and to make a positive difference in their respective communities. In April 2012 the State Government appointed an independent expert panel to carry out a review of the sector. The Independent Local Government Review Panel (ILGRP) consulted widely in delivering its final recommendations which were presented to the Government in late 2013.

The panel concluded that for councils to become strong and sustainable, both the NSW Government and the local government sector would have to play a part.

The Fit for the Future program was developed by the NSW State Government to secure a stronger system of local government and stronger local communities.

With respect to Leeton Shire Council, the Panel recommended that Leeton Shire Council and Narrandera Shire Council investigate a merger between the two councils. Council engaged Morrison and Low consultants to undertake a business case into the feasibility of a merger between the two councils. The shared modelling business case identified that:

- There was little difference between the existing scale and capacity of each council and the merged council.
- Leeton Shire Council met three of the seven Fit for the Future benchmarks, whilst Narrandera Shire Council met only two (with a third being met in 2017). The merged Council would only meet two.

A subsequent meeting of Leeton and Narrandera Councils in April 2015 confirmed strong agreement that a merger of the two councils did not provide any operational, financial or governance advantages.

Leeton Shire Council held two public meetings to outline to the community the options available to Council in relation to the Fit for the Future process. Both meetings were unanimous in the desire by the community for Leeton Shire Council to stand alone as an individual Council whilst undertaking process improvements to ensure long term sustainability.

Council, at its Meeting held on 24 June 2015, resolved to submit to The Independent Pricing and Regulatory Tribunal (IPART) a “stand-alone” (Council Improvement Proposal) with respect to the NSW Government’s Local Government Reform Agenda.

On 18 December 2015, the NSW State Government announced its findings in to the Fit for the Future reform process, declaring that Leeton Shire Council was fit and could remain as a ‘stand-alone’ Council.

By being declared Fit for the Future, Leeton Shire Council now has access to the State Government’s TCorp Borrowing Facility, which is aimed at reducing the cost of finance for Council’s infrastructure projects.

Council is still required to implement its Fit for the Future program in order to improve its annual operating performance by \$1.3m per year by 2020.

Council is making good progress on its Fit for the Future plan, being 60% of the way. To date Council has achieved \$800,000 in recurrent ‘savings’ (61.54% of the total required) and is well on its way to reducing its infrastructure backlog.



Water—Our Lifeblood



Irrigated agriculture is a cornerstone of our life in Leeton Shire.

Reforms in recent decades have seen water become a tradeable commodity, water sharing rules introduced in 2004 for Burrinjuck Dam (that supplies the MIA) and the introduction of the Water Act in 2007. The Act set the framework for the Murray Darling Basin Plan which came into effect in 2012 and enjoys bipartisan support.

As a community we remain constantly vigilant about the impacts of water reform and we do not yet have full confidence that the roll out of the Plan is achieving this balance fairly. We want to be sure that environmental results are not being achieved at the expense of economic and social wellbeing.

Council has continued to actively stay abreast of water issues in an effort to ensure our community continues to thrive at every level.

Highlights over the 4 year term of Council include:

1. Being an active member of the Murray Darling Association (MDA), with Mayor Cr Paul Maytom serving as Chairman of Region 9 and as member of the MDA executive committee. This forum allows Council to have a close working relationship with various federal and state government politicians and departments to help influence the direction of the roll out of the Plan. The MDA strongly supported the 1500 GL cap on water buy backs to ensure a lesser impact on the availability of productive water. The MDA strongly advocates that any further Basin Plan gains should come from investment in on and off farm infrastructure that promotes water efficiencies without compromising the availability of productive water.
2. Submitting in writing and in person to the Senate Select Committee Inquiry into the Murray Darling Basin Plan. Key messages included the need to better measure the economic and social impacts of the Basin Plan roll out before pursuing any further water buy backs and developing greater confidence in the efficient and effective use of environmental water.
3. Participating in the Murrumbidgee Environmental Watering Allowance Reference Group. This group offers local knowledge and advice to enable the Office of Environment and Heritage to be more effective in their role of delivering environmental water to priority sites across the state. As a member of the group Council continues to advocate for more innovative, efficient and strategic ways of achieving the results without compromising productive water.
4. Talking with MI Ltd and other key stakeholders about strategies to grow our agricultural potential in the MIA through promoting water efficiency measures and sharing the success stories of those who have sustained or grown their farming activity with less water.
5. Lobbying for a review of translucent flows both directly with the Minister for Primary Industries and Minister for Lands and Water and through a remit to NSW County Mayors. Minister Niall Blair has confirmed that he has now called for a review.

Leeton Shire Council believes that the MIA has a strong future and will continue its efforts to ensure the sustainability of our community.



Community Engagement



Hearing and considering the voice of the community is important to Council.

In 2015, Council conducted a Shire wide customer satisfaction survey with some very pleasing results. Over 90% of respondents said that they were either “extremely satisfied” or “satisfied” with Council services, with the pool, stadium, skate park, golf course, Roxy Theatre and library achieving particularly high ratings in terms of service provision.

In relation to governance 71.9% of respondents said they “strongly agreed” or “agreed” that Leeton Shire Council’s elected body (Councillors) were generally professional and efficient.

With respect to Council staff returning phone calls, following up on enquiries and having access to Council staff/Councillors/information on the website, 89% of respondents were satisfied with the services being provided by Council.

Over the past twelve months Council has significantly increased its communications through print media and online platforms.

In April 2016, Council launched its new engagement website *Have Your Say Leeton* for the convenience of residents wishing to provide feedback on important projects and initiatives of Council. There has been an excellent registration uptake with 502 registered users who now receive the full experience of Council’s online engagement hub. Registered users also receive updates informing them of activities related to their areas of interest.

To date Council has run 14 consultations via the Have Your Say Leeton site as part of its pre-consultation activities for reviewing its Community Strategic Plan with the Leeton Swimming Pool Renovation Survey receiving 140 submissions, the Liveability in Leeton Survey 48 submissions, Roads Management Survey, 50 submissions and Leeton CBD Enhancement Brainstormer receiving 30 ideas. This is just to name a few of the consultation standouts over the past three months since the site was established.

Media releases generated by Council sharing good news stories, project updates, meeting outcomes and important announcements were also a strong focus with 88 media releases being distributed to local and regional media outlets in the last year.

In 2016 Council introduced a Mayoral Column in The Irrigator newspaper which provided an avenue for Council to inform the community of key activities on a monthly basis.

The Leeton Shire Facebook page is also another way that Council communicates important messages with the Leeton Shire community. Council’s Facebook page has achieved significant growth in the last twelve months growing from 1058 to 2,231 page likes which is a sound increase in its online audience.

Council is continuing to look at innovative ways to best communicate with its residents whilst still retaining traditional methods for those that don’t use technology. Council has determined to make available free Wi-Fi in the CBD to augment the free library Wi-Fi service, further closing any digital divide in the community.

<http://haveyoursay.leeton.nsw.gov.au/>

100 YEAR CELEBRATION SINCE THE 'TURNING ON OF THE WATER'

2012/2013 was a memorable year for Leeton as the community celebrated 100 years since the 'Turning on of the Water' with a re-enactment on 13 July 2012, followed by many centenary celebrations that continued throughout the year.



FLOOD RECOVERY WORK

2012/2013 saw a significant amount of the flood recovery works being undertaken. Council completed \$2,657,884 of flood recovery works to its road networks around the local government area. Council's Engineering staff completed most of this work in addition to their normal Capital Works Program. External contractors assisted Council by completing nearly \$750,000 worth of flood recovery restoration work.



STATE OF THE ART COTTON GIN

2012 saw the opening of the Shire's first Cotton Gin processing plant. With a capacity to process 200,000 bales, approximately 170,000 bales were processed within the first year of production. The cotton gin was a great boost to the town with increased economic benefits and employment experienced throughout the Shire.



SEWER MAIN REHABILITATION

Approximately 4.5 kilometres of sewer mains were rehabilitated during 2012/13. The expenditure for this work was in the order of \$550,000. The completion of the work, in conjunction with ongoing rehabilitation programs over a number of years, saw approximately half of the sewer system in the older main part of town rehabilitated.

PARKS AND PLAYGROUNDS

A number of playground upgrades were undertaken in 2012/13, including Graham Park, Wandoo Park and Mountford Park. New barbecues were also installed at McCaughey Park and a new toilet block constructed at Central Park.

LEETON GOLF COURSE

In 2012 Council was approached by the Leeton Soldiers Club to take over care and control of the Leeton Golf Course, due to financial difficulties they were facing. Following extensive community consultation, Council resolved to commit to the operating and management of the Golf Course for two years, ensuring the continued viability of the Course for the community and visitors to the town to enjoy.



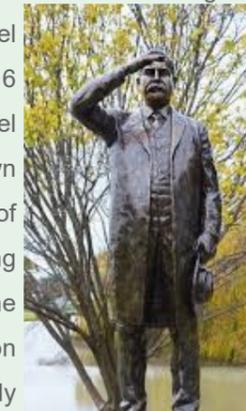
ROAD WORKS

During 2012/13 the Roads Department undertook a 7.1 kilometre section of road works on the Whitton to Darlington Point road. It was well over 30 years since a project of this size had been undertaken and was a testament to Councils' commitment to asset renewal and driver safety. \$1.5 million was spent on the reconstruction works and was predominately funded by Leeton Shire Council.



SIR SAMUEL MCCAUGHEY

Another special event was the unveiling of the Sir Samuel McCaughey statue on 6 April 2013. Sir Samuel McCaughey was known as the 'Father of Irrigation' and a fitting tribute following the centenary of irrigation celebrations held only months prior.



FINANCIAL OVERVIEW

Council reported an operating deficit before grants and contributions of \$1.78 million for the year ended 30 June 2013, compared to a deficit of \$78,000 for the year ended 30 June 2011. Excluding capital grants and contributions (\$3.34 million) operating revenue (\$23.81 million) remained almost unchanged from those of the previous year (\$23.81 million whilst during the same period operating expenses \$25.59 million) increased approximately 7.1% including depreciation expenses of \$8.64 million.

In addition to operating revenue, Council received capital grants and contributions of \$3.34 million (2012—\$404,000). This related to Flood Restoration grants \$2.66 million), RMS contributions for local and regional roads \$148,000) and Developer Contributions \$317,000).

In the 12 months period to 30 June 2013, Council's operating result from continuing operations including capital grants and contributions) was a surplus of \$1.56 million compared with a surplus of \$326,000 in the previous year.

FINANCIAL OVERVIEW			
Operating Items	2012/13 \$'000	2011/12 \$'000	2010/11 \$'000
Total Income from Continuing Operations	27,142	24,211	23,239
Less: Total Expenses from Continuing Operations	25,586	23,885	25,347
Net Operating Result for the Year	1,556	326	(2,108)
Net Operating Result before Grants and Contributions provided for Capital Purposes	(1,784)	(78)	(2,939)
Current Assets	32,715	28,472	22,716
Non-Current Assets	201,642	189,558	183,744
Current Liabilities	4,589	3,986	3,536
Non Current Liabilities	1,093	205	307
Total Equity	228,675	213,839	202,617



CAPITAL WORKS PROJECTS

Council undertook major capital works during 2012/2013 totalling \$8.34 million.

Some of the major projects were as follows:

- Upgrade to Whitton/Darlington Point Main Road 539 \$1,539,803
- Sewer System Improvements \$ 689,800
- Water System Improvements \$ 370,815
- Palm Ave Carpark (opposite TAFE) \$ 335,707
- Footpath/Cycleways \$ 278,470
- Gogeldrie Weir Cabin Development \$ 212,529
- Resealing of Roads \$ 202,635
- Rotary Park # \$ 34,004

Indicates Work in Progress.

CONTRIBUTIONS AND DONATIONS

Local Government (General) Regulations (Clause 217(1)(a5))

Under Council's Community Grants Program \$12,000 is made available annually for community projects. In 2012/2013 funding was provided to the following groups:

Community Organisation	Funds
Murrumbidgee CWA	\$250
Rotary Club of Leeton	\$500
Little Athletics Club	\$750
Leeton Family History Society	\$900
Assumption Villa	\$500
Leeton Shire Men's Shed	\$1,000
Leeton VRA	\$2,100
Leeton Touch Association	\$500
Leeton Country Music Association	\$250
Leeton Pipe Band	\$250
Yanco CWA	\$300
Leeton Community Church	\$800
Leeton Jockey Club	\$1,000
Leeton Pre-School	\$1,750
Yanco Lions Club	\$1,150

In addition to the Community Grants Program, Council allocates funding to various organisations and community groups that make annual requests. In 2012/2013 Leeton Shire Council made the following contributions:

Leeton High School	\$100
Yanco Agricultural High School	\$100
St Francis College	\$100
Leeton Public School	\$75
Parkview Public School	\$75
Murrumbidgee Public School	\$75
Whitton Public School	\$75
Yanco Public School	\$75
St Joseph's Primary School	\$75
Gralee School	\$75
MET School	\$75
Wamoon Public School	\$75
Leeton TAFE	\$250
Riverina TAFE	\$150
Leeton Eisteddfod	\$2,200
Leeton & Narrandera Week of Golf	\$350
GetSet Inc	\$1,000
Leeton Town Band	\$3,000
Leeton Harness Club	\$500
Leeton Country Roundup	\$500
Leeton Show Society	\$500
Leeton Basketball Association	\$1,860
YAHS P&C Gala Day	\$250
Leeton Community Church	\$100
Yanco Hall Management Committee	\$100
Returned Services League of Australia	\$100
Waterwheel Garden Club	\$338.50
Leeton Showground Trust	\$537.65
Leeton Jockey Club	\$2,165.20

Funding was also provided in the form of sporting donations to the following:

Southern Sports Academy	\$1,200
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LEETON MULTIPURPOSE COMMUNITY CENTRE

2013/14 saw the commencement of construction of the Leeton Multipurpose Community Centre, to the value of \$1m. The project included the re-development of the Leeton Senior Citizens Centre and CWA buildings into a combined Multipurpose Community Centre. Funding under Round 1 of the NSW Local Infrastructure Renewal Scheme (LIRS) Application was provided for this project.



SEWER REHABILITATION

Council's sewer rehabilitation works undertaken in 2013/2014, including the relining of approximately 5 kilometres of sewer mains, together with the condition assessment of the sewer system including manholes, pumping stations and vent stacks. Smoke testing of the sewers were completed to identify locations where infiltration and inflow of stormwater into the sewer system also took place. The total expenditure for this work was \$1,000,000.

CHILDREN'S BOOK WEEK

The Library held a very successful Children's Book Week, which due to the popularity of the program was modified in 2014 to include all primary school students. Book Week was funded by the Friends of Leeton Library.



FLOOD RECOVERY WORKS

During 2013/2014 the remaining \$756,000 worth of flood recovery works were completed with the work including shoulder re-sheeting of Whitton Road. Council contributed an additional \$250,000 and completed shoulder widening for a total length of 5.7 kilometres.



WATER MAIN REPLACEMENTS

Council replaced water mains in Leeton, Whitton, Yanco and Wamoon as part of its ongoing program to replace old asbestos cement and steel water mains which reached their serviceable life. The expenditure for this work was in the order of \$250,000. New Powder Activated Carbon dosing facilities to treat taste and odours in the water supply at Leeton and Whitton were installed. The cost for these installations was in the order of \$300,000.

BIDGEE BINGE PROJECT

The Bidgee Binge project was a collaborative initiative brought about through a partnership with Leeton Shire Council and the Western Riverina Arts. The aim of the project was to take a multi-faceted approach to educating predominately 12-24 year olds on the effects of binge drinking, associated causes and consequences such as anti-social behaviour. The main elements involved a range of alcohol free events, artistic and creative opportunities for self expression, education and skill enhancement, consultation and partnership development and promotion of home grown messages. The project was facilitated by the Community Services Department of Council. The Leeton Shire Youth Committee also played a big part in the direction and execution of a number of activities.



ROAD WORKS

During 2013/2014 the Roads Department undertook a 3.1 kilometre section of road works on Back Yanco Road. The work included widening and full width rehabilitation of a 2.1 kilometre section and the shoulder widening of a further 1 kilometre, with the cost of the project being \$465,000. Local external contractors assisted Council by completing nearly \$1.174 million worth of the work throughout 2013/2014. Sealing contractors also undertook a further \$1.2 million worth of bitumen sealing and \$110,000 worth of hot mix works.



SUCCESSFUL GRANT

In October 2013, Council was advised of the successful outcome for the Petersham Road Precinct project which was submitted under the NSW Local Infrastructure Renewal Scheme (LIRS) Application, Round 2 of the LIRS Program. The \$1.5 million of works within the Petersham Road Precinct commenced the following financial year which improved significantly pedestrian safety and kerb and guttering in the precinct.

FINANCIAL OVERVIEW

Council achieved a loss in net operating result from continuing operations (including capital contributions of \$149k (2013: \$1.56m surplus) for the year ended 30 June 2014. The net operating result for the year before grants and contributions provided for capital purposes is \$(1.310k) (2013: \$1,784k).

The size of Council's operations has remained relatively consistent over the past three years with increases in rates and annual charges being attributable to the annual permissible increase (3.4% in 2013/2014). Grants and contributions have decreased during the period due to a timing difference on the receipt of financial assistance grants by Council. Historically these were paid six months in advance but this has ceased, hence a 50% reduction in grant income recorded in the 2014 year. Capital grants have been impacted over the last two years by the flood event and flood restoration grants received, in 2014 this was \$699k and in 2013 \$2,658k.

FINANCIAL OVERVIEW			
Operating Items	2013/14 \$'000	2012/13 \$'000	2011/12 \$'000
Total Income from Continuing Operations	23,122	27,142	24,211
Less: Total Expenses from Continuing Operations	23,271	25,586	23,885
Net Operating Result for the Year	(149)	1,556	326
Net Operating Result before Grants and Contributions provided for Capital Purposes	(1,310)	(1,784)	(78)
Current Assets	30,994	32,715	28,472
Non-Current Assets	212,052	201,642	189,558
Current Liabilities	4,259	4,589	3,986
Non Current Liabilities	929	1,093	205
Total Equity	237,858	228,675	213,839



CAPITAL WORKS PROJECTS

Council undertook major capital works during 2013/2014 totalling \$8.03 million.

Some of the major projects were as follows:

• Roads, Bridges and Footpaths	\$3,170,000
• Plant and Equipment	\$1,965,000
• Sewerage Network	\$1,090,000
• Water Supply Network	\$ 544,000
• Buildings	\$ 285,000
• Land and Improvements	\$ 195,000
• Stormwater Drainage	\$ 77,000

CONTRIBUTIONS AND DONATIONS

Local Government (General) Regulations (Clause 217(1)(a5))

Under Council's Community Grants Program \$12,000 is made available annually for community projects. In 2013/2014 funding was provided to the following groups:

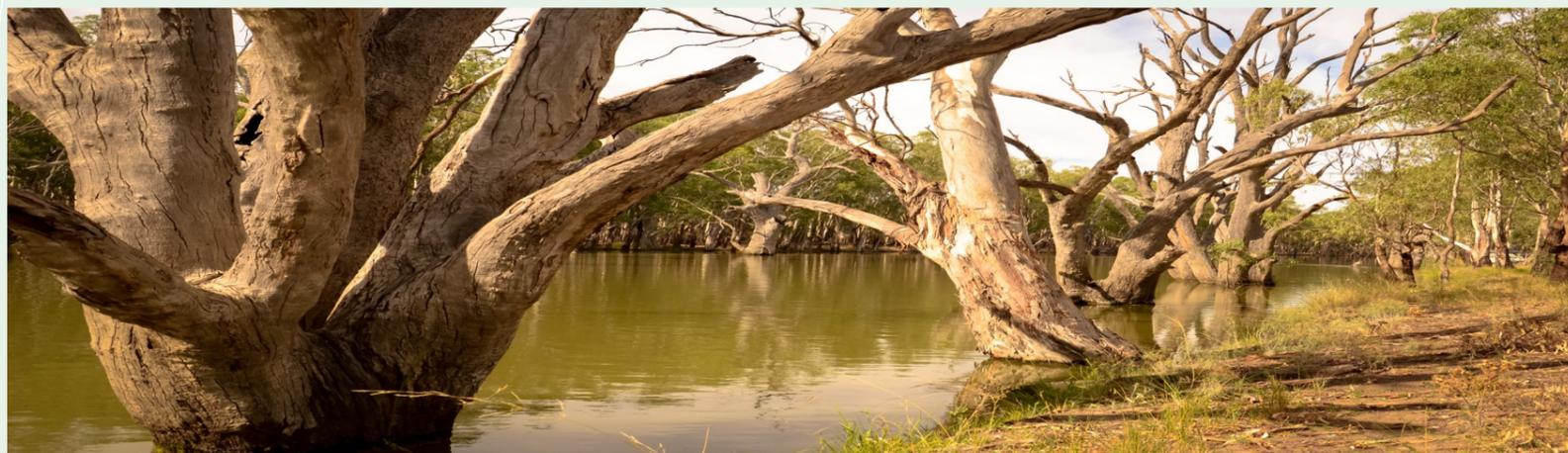
Community Organisation	Funds
Yanco Powerhouse Museum	\$530
Yanco Amateur Swimming Club	\$600
Leeton & District Bowling Club	\$600
Leeton Art Society Inc.	\$1,200
Assumption Villa Pastoral Care Team	\$1,000
Lions Club of Leeton	\$2,070
Whitton McGraw Memorial Church	\$1,800
Leeton Community Church	\$800
Leeton Men's Choir	\$950

In addition to the Community Grants Program, Council allocates funding to various organisations and community groups that make annual requests. In 2013/2014 Leeton Shire Council made the following contributions:

Leeton High School	\$100
Yanco Agricultural High School	\$100
St Francis College	\$100
Leeton Public School	\$75
Parkview Public School	\$75
Murrumbidgee Public School	\$75
Whitton Public School	\$75
Yanco Public School	\$75
St Joseph's Primary School	\$75
Gralee School	\$75
MET School	\$75
Wamoon Public School	\$75
Leeton TAFE	\$250
Riverina TAFE	\$250
Leeton Eisteddfod	\$2,200
Leeton & Narrandera Veterans Golf Week	\$350
YAHS Art & Photography	\$300
GetSet Inc	\$1,000
Leeton Town Band	\$3,000
Leeton Harness Club	\$500
Leeton Country Roundup	\$500
Leeton Show Society	\$500
Leeton Community Christmas Party	\$100
USU—White Ribbon Day	\$100
Koori Kids—NAIDOC Week	\$450
CASE—Hay 2014 Tour Against Suicide Bike Ride	\$100
Community Private Hospital Griffith	\$10,000
Murrumbidgee LHA Committee Forum	\$500
Leeton Can Assist	\$500
Leeton Showground Trust	\$110
Water Wheel Garden Club	\$318
Leeton Junior Rugby League	\$55
Leeton Basketball Association	\$1,327
Dom Vella Jazz Academy	\$1,029

Funding was also provided in the form of sporting donations to the following:

Claire Quinlivan	\$100
Sarah Quinlivan	\$100
Luke Parker	\$200
Southern Sports Academy	\$1,000



NO. 1 OVAL DRESSING SHED REFURBISHMENT

In 2014/15 Council was successful in securing funding from the NSW Government in Round Three of the Local Infrastructure Renewal Scheme (LIRS) for the upgrade of the Leeton Ovals Complex. This funding of \$1 million was used to refurbish and extend the dressing rooms and public toilet amenities. The facility will be of great benefit for the community with the Complex being able to be used by a wide range of sporting groups, including rugby league, rugby union, netball, soccer and cricket.



SEWER REHABILITATION

Approximately 10 kilometres of sewer mains were rehabilitated during 2014/15. This was the second year of a three year contract with the completion of renewal of sewer mains within the town circle and Parkview area. New magnetic flow measuring equipment on the discharge pipework at the Leeton and Yanco Sewerage Treatment plants was installed for EPA monitoring compliance. The water and sewer telemetry system was upgraded to maintain reliable monitoring and control of water and sewer operations.

AWARD SUCCESS VISITORS CENTRE

In 2014/15 The Leeton Visitor Information Centre was awarded Silver in Excellence in Food Tourism for "Tastes of Leeton" at the Inland Tourism Awards.

YOUTH MENTAL HEALTH FORUM

The Youth Mental Health Forum in 2014 was held at Leeton's Roxy Theatre. The event was pioneered by GetSet and well supported by the Leeton Shire Council Community Services Department and a wide committee of local services. The Forum consisted of a question and answer panel made up of local mental health services, counsellors and Police as well as guest speakers. There were 80 students who attended from local and regional schools.



FLOOD STUDY UNDERTAKEN

2014 saw Council undertake a flood study to quantify flood behavior within the Shire, in particular the towns of Leeton, Yanco, Murrumbidgee and Whitton. The findings from the flood study will be used by Council to build community resilience through awareness of and preparedness for natural hazard flood events. The flood study will also allow Council to assess the stormwater drainage capacity of existing infrastructure within the towns and provide a basis upon which drainage augmentation works can be undertaken.

WATER MAIN EXTENSIONS AND REPLACEMENTS

Water works undertaken in 2014/15 included replacement of 100mm water mains in Brisbane Street and Crowes Road Wamoon, the replacement of water mains in Acacia Avenue in conjunction with the Pine Avenue roundabout construction and construction of water main extensions in MacCauley and Grant Roads, Wamoon to provide town water for ten adjacent properties.

PETERSHAM ROAD PRECINCT REHABILITATION

The Roads Department commenced construction in 2014 on the areas identified under the Petersham Road Precinct Local Infrastructure Renewal Scheme (LIRS) funding application. This included the road rehabilitation and kerb and gutter construction as well as shared cycleway along sections of Petersham Road, Almond Road and Grevillia Street. The works also included intersection treatments installed at Almond Road/Petersham Road intersection and Corbie Hill Road/Petersham Road intersection.



ROAD WORKS

During 2014/15 shoulder widening works were completed on Corbie Hill Road, Muscat Street, Brunell Street and full road rehabilitation works were/ completed on sections of Grevillia Street and Research Road. The remaining Road Rehabilitation funding was spent on heavy patching defects on local roads throughout the Shire. Local external contractors assisted Council by completing nearly \$2,000,000 worth of works throughout the year. These works included footpath, kerb and gutter, road works and supply. Sealing contractors also undertook a further \$790,000 worth of bitumen sealing and \$85,000 of hot mix works.



OUTDOOR FITNESS STATION

2015 saw the installation of fitness equipment at Rotary Park, including a variety of different work out options, including a chest press, elliptical trainer and sit up bench. The fitness station caters for a range of different exercises for all levels of fitness and is located near the Leeton Skate Park, town ovals and walking track.



FINANCIAL OVERVIEW

The Income Statement disclosed an operating loss of \$1.25M before Capital Grants and Contributions. This was after an accounting loss of \$2.31M was incurred in the disposal of some surplus assets including the OneSteel Building and the Leeton Caravan Park.

The Operating Revenue for the 2014/15 year was \$25.31M which was up from \$23.12M in the previous year. This was significantly influenced by the fact that a full years Financial Assistance Grant was received in 2014/15 whereas only 50% was received in 2013/14 following an advance payment in 2012/13. This accounted for around \$2.0M of additional reported income in 2014/15.

Operating expenditure was \$23.8M after excluding losses on sale of assets. Depreciable expenses was \$6.7M which was a similar level to 2013/14.

FINANCIAL OVERVIEW			
Operating Items	2014/15 \$'000	2013/14 \$'000	2012/13 \$'000
Total Income from Continuing Operations	25,313	23,122	27,142
Less: Total Expenses from Continuing Operations	26,110	23,271	25,586
Net Operating Result for the Year	(797)	(149)	1,556
Net Operating Result before Grants and Contributions provided for Capital Purposes	(1,252)	(1,310)	(1,784)
Current Assets	32,388	30,994	32,715
Non-Current Assets	213,035	212,052	201,642
Current Liabilities	4,839	4,259	4,589
Non Current Liabilities	2,639	929	1,093
Total Equity	237,945	237,858	228,675



CAPITAL WORKS PROJECTS

Council undertook major capital works during 2014/2015 totalling \$9.09 million on the renewal and construction of new infrastructure, property, plant and equipment.

Some of the major projects were as follows:

• Roads, Bridges and Footpaths	\$3,351,000
• Buildings	\$1,885,000
• Sewerage Network	\$1,456,000
• Water Supply Network	\$1,037,000
• Plant and Equipment	\$ 791,000
• Stormwater Drainage	\$ 303,000



CONTRIBUTIONS AND DONATIONS

Local Government (General) Regulations (Clause 217(1)(a5))

Under Council's Community Grants Program \$12,000 is made available annually for community projects. In 2014/2015 funding was provided to the following groups:

Community Organisation	Funds
Rotary Club of Leeton	\$1,500
Inner Wheel Club	\$780
Leeton Senior Citizens Committee	\$300
Leeton Amateur Swim Club	\$1,500
Gurnang Ngunang Garden Project	\$2,000
Brilliant and Resilient	\$1,000
Goodstart Early Learning Leeton	\$800
Calo's Riders Club	\$2,500

In addition to the Community Grants Program, Council allocates funding to various organisations and community groups that make annual requests. In 2014/2015 Leeton Shire Council made the following contributions:

Leeton High School	\$100
Yanco Agricultural High School	\$100
St Francis College	\$100
Leeton Public School	\$75
Parkview Public School	\$75
Murrarni Public School	\$75
Whitton Public School	\$75
Yanco Public School	\$75
St Joseph's Primary School	\$75
Gralee School	\$75
MET School	\$75
Wamoon Public School	\$75
Leeton TAFE	\$250
Riverina TAFE	\$150
Leeton Eisteddfod	\$2,200
Leeton & Narrandera Veterans Golf Week	\$350
Leeton Town Band	\$3,000
Leeton Harness Club	\$500
Leeton Country Roundup	\$500
Leeton Show Society	\$500
Leeton Local Area Health Committee	\$500
Leeton Town Band Outback Band Spectacular	\$1,000
Yanco Amateur Swimming Club	\$260
Community Private Hospital Griffith	\$10,000
USU—White Ribbon Day	\$100
Narrandera Camera Club "Riverina ANZAC Photographic Competition"	\$50
Yanco Lions Club—Australia Day Breakfast	\$350
Water Wheel Garden Club	\$350

Funding was also provided in the form of sporting donations to the following:

Claire Quinlivan	\$100
Sarah Quinlivan	\$100
Jack Quinlivan	\$100

OUT OF SCHOOL HOURS CARE ACCREDITATION

Leeton Out of School Hours has successfully achieved the National Rating of 'Meeting National Quality Standards' which was accomplished through the hard work and dedication of the Out of School Hours Team and the Community Services Department. The Leeton Out of School Care achieved this National Quality Standard for the following key priority areas:

- Educational Program and Practice
- Children's Health & Safety
- Physical Environment
- Staffing Arrangements
- Relationships with Children
- Collaborative Partnerships with Families & Communities
- Leadership and Service Management

SEWER WORKS

2015/16 saw the conclusion of a three year term project to reline sewer mains and renew sewer junctions in Gralee and Wattle Hill. Sewer mains in the Town Circle were also been relined and renewed. Council's Sewage Pump Stations No. 2 and 3 were replaced and the water and sewerage telemetry system was upgraded to maintain reliable monitoring and control of waste and sewerage operations.

ROAD WORKS

Road rehabilitation works were completed on Contour Road, Grevillia Street, Wilga Road and Young Road and two sections of Mount Harris Road. Roads rehabilitation funding was also spent of heavy patching defects throughout the shire. Shoulder widening works were completed on Lonnie Road, Vance Road and Payten Road. Road upgrade works were completed on Deveril Road and 2 sections of Tabain Road, with these sections being upgraded from gravel roads to bitumen sealed roads. There was various upgrading to kerb, gutter and footpath networks. Shared path works were completed along Melaleuca Avenue and Main Avenue, kerb and gutter along Vance Road, and construction of the final approved stage of Petersham Road precinct works. This Petersham Precinct works included kerb and gutter installation, footpath installation and road rehabilitation works along Petersham Road, from Grevillia Street to Hillview Place. Council completed \$416K worth of gravel re-sheeting works this 2015/16 financial year, and in conjunction with our sealing contractors, completed \$570K worth of reseals on council roads, as well as \$132K of Hotmix Works. Local contractors assisted Council by completing several of the above road rehabilitation works and footpath works on Council's behalf.



COMMUNITY OF NEED LIBRARY DEVELOPMENT GRANT

During 2015/16 Leeton and Narrandera Libraries completed the execution of their joint \$63,989.00 Library Development Grant for Special Needs resources. The grant funding allowed for the purchase of a large range of Large Print and Talking Book titles which have been designated as the "NARLEE Collection". This collection is being rotated through the Leeton and Narrandera Libraries. The collection was very well received by members of both Library Services with clients now able to avail themselves of a much wider range of resources than either Library could have made available individually. The funding also allowed for the purchase of a range of Audio Devices for the use for vision impaired clients.



RIVERINA SKATE CHAMPIONSHIPS

The best of the best on two and four wheels gathered in Leeton on Easter Monday in 2016 for the Riverina Skate Championships. Over 500 people attended the event to watch some high flying action. The Championships were a great chance for people to strut their stuff and for the youth to be rewarded for all that effort they put into skating afternoons. Participants and spectators were also treated to skating demonstrators who came from Sydney to show off their talents.



UPGRADE AT TOWN OVALS

In 2016 major works at the Leeton Town Ovals were undertaken with the focus being on maximizing the playing surface options available at this highly used sporting facility. The cricket wickets were moved to allow Council to attract large sporting events such as carnivals for school aged children and potentially National Rugby League (NRL) fixtures.



SUNRICE FESTIVAL

The bi-annual SunRice Festival was held over Easter 2016. Close to 10,000 people lined the streets for the Parade as well as approximately 5,000 attending the Ovals Complex for the Balloon Glow. The SunRice Ambassadors raised just over \$55,000 for local charities and community groups as part of the Festival.

FINANCIAL OVERVIEW

The Income Statement (Budget) disclosed an operating loss of \$1.12M before Capital Grants and Contributions.

The Operating Revenue (Budget) for the 2015/16 year was \$24.64M which was down from \$25.31M in the previous year.

Operating Expenditure (Budget) was \$25.4M for the 2015/16 year. Depreciable expenses was \$6.8M which was a similar level to 2014/15. Borrowing costs rose to 133K in 2015/16 for loans for the Petersham Road, No 1 Oval change room projects and the Multipurpose Community Centre.

FINANCIAL OVERVIEW			
Operating Items	2015/16 \$'000	2014/15 \$'000	2013/14 \$'000
Total Income from Continuing Operations	24,641	25,313	23,122
Less: Total Expenses from Continuing Operations	25,483	26,110	23,271
Net Operating Result for the Year	(842)	(797)	(149)
Net Operating Result before Grants and Contributions provided for Capital Purposes	(1,121)	(1,252)	(1,310)
Current Assets	24,704	32,388	30,994
Non-Current Assets	219,699	213,035	212,052
Current Liabilities	4,481	4,839	4,259
Non Current Liabilities	2,346	2,639	929
Total Equity	237,760	237,945	237,858



CAPITAL WORKS PROJECTS

During the reporting period Council's budgeted spend was \$7.6million on the renewal and construction of new infrastructure, property, plant and equipment. The primary areas of capital expenditure were as follows:

- Roads, Bridges and Footpaths \$3,166,000
- Sewerage Network \$1,282,000
- Plant and Equipment \$1,264,000
- Water Supply Networks \$1,149,000
- Buildings \$ 344,000
- Stormwater Drainage \$ 152,000



CONTRIBUTIONS AND DONATIONS

Local Government (General) Regulations (Clause 217(1)(a5))

Under Council's Community Grants Program \$14,850 was made available annually for community projects. In 2015/2016 funding was provided to the following groups:

Community Strengthening Grants	Funds
Leeton Amateur Swim Club	\$1000
Leeton Shire Men's Shed	\$1000
Leeton Tri Club	\$2550 (\$2050 financial, \$500 fee waiving)
Leeton Senior Citizens	\$700
TAFE	\$300 (fee waiving)
Leeton Water Ski Club	\$2500
Yanco/Wamoon Ladies Auxiliary	\$2000
L.W.C. Football/Netball Club	\$2000
Brilliant & Resilient	\$800 (\$300 financial, \$500 fee waiving)
Leeton Junior Rugby League	\$2000

Quick Response Grants

Leeton Country Round Up	\$1000
Light Up Leeton	\$600 (\$500 resources, \$100 fee waiving)
Leeton Gun Club	\$1200 (resources)

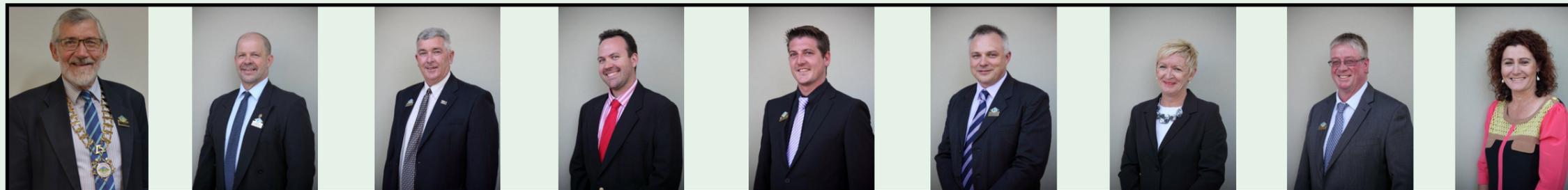
Funding was also provided in the form of sporting donations to the following:

S Quinlivan	\$250
J Quinlivan	\$250
C Boardman	\$250

There were also a number of annual contributions and donations that Council have allocated funding for. The recipients for 2015/16 were:

TAFE—Leeton Campus	\$250
Yano Ag High School	\$100
Leeton High School	\$100
St Francis College	\$100
MET School	\$100
Gralee School	\$75
Whitton/Murrarni Public School	\$75
Parkview Public School	\$75
Yanco Public School	\$75
Wamoon Public School	\$75
St Joseph's Primary School	\$75
Leeton Public School	\$75
Leeton & Narrandera Golf Week	\$350
Leeton Harness Racing Club	\$500
Leeton Show Society	\$500
Yanco Lions Club Australia Day Breakfast	\$500
Leeton Town Band	\$3000
Leeton Racecourse Water Fixed Access	\$2255
Leeton Eisteddfod Society	\$2200
Griffith Private Hospital	\$10000

Elected Representatives



Councillors 2012/2016 (from left): Paul Maytom (Mayor), George Weston (Deputy Mayor), Peter Davidson, Emerson Doig, Steve Dowling, Michael Kidd, Tracey Morris, Greg O'Callaghan, Tracey Valenzisi

Attendance at Council Meetings

September 2012 to June 2013

Councillor	Available Meetings		Meetings Attended	
	Ordinary	Extra	Ordinary	Extra
Cr Maytom	10	1	10	1
Cr Weston	10	1	9	1
Cr Davidson	10	1	10	1
Cr Doig	10	1	9	1
Cr Dowling	10	1	9	1
Cr Kidd	10	1	10	1
Cr Morris	7	0	7	0
Cr O'Callaghan	10	1	7	1
Cr Valenzisi	10	1	8	0

July 2014 to June 2015

Councillor	Available Meetings		Meetings Attended	
	Ordinary	Extra	Ordinary	Extra
Cr Maytom	12	2	12	2
Cr Weston	12	2	11	2
Cr Davidson	12	2	12	1
Cr Doig	12	2	11	2
Cr Dowling	12	2	4	1
Cr Kidd	12	2	12	2
Cr Morris	12	2	12	1
Cr O'Callaghan	12	2	9	2
Cr Valenzisi	12	2	9	2

July 2013 to June 2014

Councillor	Available Meetings		Meetings Attended	
	Ordinary	Extra	Ordinary	Extra
Cr Maytom	12	3	12	3
Cr Weston	12	3	12	3
Cr Davidson	12	3	11	3
Cr Doig	12	3	8	3
Cr Dowling	12	3	7	3
Cr Kidd	12	3	9	3
Cr Morris	12	3	10	3
Cr O'Callaghan	12	3	10	2
Cr Valenzisi	12	3	8	3

July 2015 to June 2016

Councillor	Available Meetings		Meetings Attended	
	Ordinary	Extra	Ordinary	Extra
Cr Maytom	12	2	12	2
Cr Weston	12	2	11	0
Cr Davidson	12	2	11	2
Cr Doig	12	2	11	2
Cr Dowling	12	2	8	0
Cr Kidd	12	2	11	2
Cr Morris	12	2	9	2
Cr O'Callaghan	12	2	9	1
Cr Valenzisi	12	2	9	2