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Message from the Mayor and General Manager

We are very pleased to present Leeton Shire Council's Annual Report for the 2017/2018 Financial Year, this being the 2nd report for this term of Council.



Mayor Cr Paul Maytom, General Manager Jackie Kruger and Member for Murray Austin Evans inspecting plans for Phase One of the CBD enhancement project for which Council received \$1M from the N\$W Government. The funds – which are from the Stronger Country Communities stream – will go towards the Wade Avenue enhancements, making it safer for people to cross the road, improve the parking by changing it from parallel to nose in which will increase parking spaces and create more shade.

Besides the usual business of the business, the year was strongly focused on securing new grant funding on offer from the NSW State Government. After the sale of electricity poles and wires, the NSW Government announced investment of \$1.6billion in regional infrastructure to support growing local economies and improving services. Much effort went into preparing the grant applications which required sophisticated financial modelling to meet the Benefit Cost Ratio (BCR) criteria of greater than 1.

By year end we were still waiting to hear about some of the 'big ones' such as the grandstand at the Showground (\$800K plus \$400K), the second phase of the CBD enhancement (\$600K) and the Leeton pool (\$3M). We were delighted to secure \$1M towards the Wade Ave precinct which will make the area safer and cooler, with increased parking and a refreshed look and feel. Council also secured \$1.3M to build a new bridge over the Sturt Canal on the Whitton to Darlington Point Road.

A productive meeting was held with Rt Chief Lt General Ken Gillespie (Regional Infrastructure Coordinator for NSW Government) and his crew together with representatives from Linx and Grainlink to formulate a path forward for a rail siding at Wumbulgal. Ken's team kindly gave Council some extra time and the Mayor and Council staff were able to take them to meet with the team at local company, Malmet which is making significant inroads in the infection control and health space





Advocacy remained an ongoing focus this year, including securing neighbouring Council and NSW Government commitment to the Western Riverina Intermodal Freight Terminal at Wumbulgal. Council facilitated visits and meetings with a wide range of influencers from Sussan Ley - our federal member for Farrer, to Melinda Pavey - Minister for Roads, Maritime and Freight, local member for Murray – Austin Evans, the NSW Chief Planner, the NSW Regional Infrastructure Coordinator, and the Secretary and Deputy Secretary for the NSW Department of Premier and Cabinet. The NSW Government made \$300K available for master planning of the site to ensure its future is optimised and that work will begin in earnest next financial year. Complementary news was the State Government's announcement of a \$62M upgrade to the rail line between Griffith and Junee which will further help improve the freight task in the Western Riverina.



Minister for Roads, Maritime and Freight, Melinda Pavey (right), listening to LINX's plans at Wumbulgal.

Water security was vigilantly watched by Leeton Shire Council throughout the year as we strive to ensure no more productive water is lost from the system. Our advocacy role aimed at ensuring social and economic outcomes are not further compromised has continued through membership of the Murray Darling Association (MDA) and leadership of Region 9. A range of submissions were made federally and at state level, including comment on the Sustainable Diversion Limits Adjustment Mechanism Projects; the South Australian Royal Commission of Enquiry into the Murray Darling Basin Plan; the Productivity Commission's Basin Plan Enquiry; the Inquiry into the Management and Use of Environmental Water; and the NSW Water Reform Action Plan which was developed in response to the Four Corners Report on illegal water extraction.

During the year Council also joined advocacy efforts with the Minister for Police and Emergency Services and his top brass to secure more 'boots on the ground' in Leeton. While pleased that the Shire now has a dedicated Officer in Charge and easier access to discuss local policing issues, achieving consistently satisfactory services remains a work in progress.

Several meetings were also held with the Murrumbidgee Local Health District throughout the year and while maternity services have been re-introduced for low risk births, Council remains concerned about ongoing management and resourcing issues at our local hospital. Council will keep the pressure up in the new financial year to ensure Leeton has access to the level of hospital services it deserves.

Collaboration with neighbouring Councils was heartening during the year with Leeton Shire Council having participated in the development of the Western Riverina Regional Economic Development Strategy along with Narrandera, Griffith, Murrumbidgee and Carrathool Councils. The Strategy captures our region's key attributes and identifies candidate projects that will see us collectively harness our full potential as the food bowl for NSW. This same group of Councils commenced plans for a regional IT project which is seeking synergies that could allow us all to



Annual Report 2017 12018 - Our Achievements

leverage off each other instead of individually reinventing the wheel. And finally, Council spent extensive time considering Joint Organisation options for Leeton and settled on participating in the Riverina and Murray Joint Organisation (RAMJO), which will be a key interface going forwards between Councils in the South West of NSW and the State Government.



When Federal Member for Farrer, Sussan Ley, paid a visit to Leeton Shire's Wamoon Park – she said it was fantastic to visit the playground which would have a much needed upgrade thanks to funding from the Australian Government's Stronger Communities Program (including new playground, bbq, shelter and toilet facilities). Ms Ley is pictured onsite with Manager Open Space & Recreation, Josh Clyne and Mayor, Cr Paul Maytom.

At financial year end, Leeton Shire Council's finances remain strong but we are still lagging with our infrastructure backlog. This task is consistently made more difficult by the constant cost shifting by State Government which generally demands more compliance based resourcing at the local level. The change to the Crown Lands Act is a case in point and while some short term funds are being allocated to help Council manage the Crown Lands we administer, the contribution does not come close to the true costs that will now sit with Council for decades to come.

Council continues to actively advocate for a fairer deal on a range of matters and does this most effectively through our ongoing involvement in organisations such as LGNSW (our local government association) and NSW Country Mayors (who meet quarterly and have excellent direct access to key Ministers and the State Premier). These collaborations continue to ensure that the voice of local government (and Leeton) is heard loud and clear in the halls of parliament. Leeton Shire successfully submitted motions to the 2017 LGNSW and 2018 Australian Local Government Association (ALGA) Conference advocating for increased indexing of Financial Assistance Grants (FAGS), improved road safety on regional roads (rumblestrips in particular) and quicker processing times for citizenship applications (both as an important humanitarian consideration and to help refugees settle more quickly so that they can help alleviate our workforce gaps in the Western Riverina).

The team at Council – both elected representative and staff – are thanked and congratulated for their ongoing efforts throughout the year. Council also appreciates that our community has remained active and engaged so that we are able to listen, respond and give feedback in a constructive and meaningful way.

Yours Sincerely

Cr Paul Maytom Mayor

Jackie Kruger General Manager



Our Council

Councillors and their Committees



Cr Paul Maytom Mayor Elected to Council 1987



Cr George Weston **Deputy Mayor** Elected to Council 1995



Cr Tony Ciccia Elected to Council 2016

Section 355 Committees

Whitton Court House and Historical Museum Group Leeton Men's Shed

Advisory Committees

Leeton Tree Management Group Leeton Traffic Committee Central Business District Enhancement Working Group Visitor Information Services Committee

Action Groups

Leeton Australia Day Group **External Agency Committees** Murray Darling Association

Section 355 Committees

SunRice Festival Committee **Advisory Committees** Leeton Shire Heritage Group

Leeton Early Learning Centre Central Business District Enhancement Working Group

Action Groups

Leeton Australia Day Group **External Agency Committees**

Murray Darling Association Leeton Chamber of Commerce and Industry





Cr Peter Davidson **Elected to** Council 2010



Cr Michael Kidd **Elected to** Council 2012



Cr Tracey Morris Elected to Council 2012

Advisory Committees

Central Business District Enhancement Working Group

Advisory Committees Roxy Community Theatre Group **Action Groups** Leeton Tidy Towns



Advisory Committees Internal Audit Committee Central Business District Enhancement Working Group **External Agency Committees**

Leeton Chamber of Commerce and Industry



Cr Sandra Nardi Elected to Council 2016



Cr Tony Reneker Elected to Council 2016



Cr Paul Smith Elected to Council 2016

Section 355 Committees

Yanco Community Hall Light Up Leeton Committee **Advisory Committees**

Yanco Town Improvement Committee

Action Groups

Leeton Youth Committee

Advisory Committees

Community Grant Funding Committee Internal Audit Committee

Action Groups

Leeton Australia Day Group

Management Committee

External Agency Committees

MIA Zone Liaison Committee (Rural Fire Service) Narrandera / Leeton Airport

Section 355 Committees

Whitton Community Hall Group Bidgee Classic Committee

Advisory Committees

Whitton Town Improvement Committee Community Grant Funding Committee

Action Groups

Wattle Hill Progress Committee



Council meetings

Everyone is welcome to attend the Ordinary meetings of Leeton Shire Council. These meetings are held every fourth Wednesday in the Council Chambers at 23-25 Chelmsford Place, Leeton commencing at 7pm. Agendas for Council Meetings are available prior to each Ordinary Meeting on Council's website and a hard copy is made available at the Administration reception desk and in the Council Chambers on the day of the meeting. Residents wishing to address the Councillors on a matter included within the agenda can do so by registering their request by midday Tuesday, the day before the scheduled meeting. Each speaker is allowed five (5) minutes speaking time. To register, please contact Council on (02) 6953 0911. During 2017/2018 there were 12 Ordinary Council Meetings held and two Extraordinary Meetings.

Council's committees

Section 355 **Advisory Action Groups** External Whitton Court House • Leeton Tree Advisory • Leeton Tidy Towns Murray Darling and Historical Museum • Leeton Shire Heritage · Leeton Youth Committee Association Murrami Community Hall Leeton Early Learning Leeton Australia Day MIA Zone Liaison Wattle Hill Progress Whitton Community Hall Centre Committee Yanco Community Hall • Leeton Traffic Committee Disability Reference Leeton Men's Shed • Roxy Community Theatre Narrandera Shire/Leeton Group SunRice Festival Whitton Town Shire Councils Airport Leeton Chamber of Light Up Leeton Improvement Committee Commerce and Industry Bidgee Classic Community Grant • Flood Plain Management Riverina and Murray Committee • Roads and Infrastructure Regional Organisation of **Funding** Yanco Town Art Deco Festival Councils Improvement Country Mayors Wamoon Town Local Government New Improvement South Wales Internal Audit • Central Business District • Leeton Tourism Network

How Council operates

Local Government is the third level of government that is directly accountable to the local community. Council is the governing body at a local level and its powers and responsibilities are conferred upon it from the New South Wales Government, with funding from local rates, charges and fees along with grant funds from the State Government as well as the Commonwealth. While the Local Government Act 1993 provides Council with the framework and powers to provide community services and facilities, there are many other pieces of legislation which impact how Councils carry out their roles within the community. There are very distinct roles played by the three tiers of government in Australia and they are set out below:

Government levels and areas of responsibility







Local Government

Planning, cultural and community development, libraries, waste collection, water, sewerage, community services, recreational facilities and local/regional roads.

State Government

Public hospitals, public schools, police services, ambulance services, fire brigades, state roads eg. Sturt Highway.

Federal Government

Foreign affairs, defence, trade relations, communications, immigration, pensions.



Our organisation

The Mayor and Councillors General Manager Corporate and Community Environment and Engineering

Council's Senior Staff and their areas of responsibility

Directorate



Jackie Kruger General Manager



Craig Bennett
Director
Corporate
& Community

Brian Ashcroft
Director
Environment
& Engineering
(July 2017 - May 2018)

Economic Development
Business Improvement
Communications
Cultural Services
Visitors & Tourism
Marketing & Events

Finance
Rates
Governance
Human Resources
Information Technology
Community Services
Library
Customer Service
Early Childhood
Work Health & Safety
Property
Corporate Planning

Roads & Drainage
Water & Sewer
Planning
Engineering Technical Services
Regulatory Services
Asset Management
Road Safety
Sporting Facilities
Waste Management
Building Certification Services
Environmental Health
Parks & Gardens
Rangers
Depot

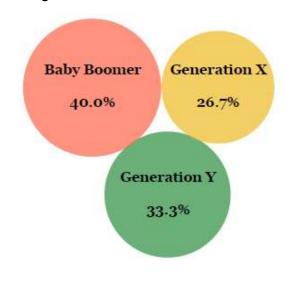
Directorate



Council's workforce

The staffing levels at Leeton Shire Council as at 30 June, 2018 was 117 Full Time Equivalent (FTE). This consisted of 105 FTE permanent staff and 12 casual staff. As at 30 June, 2018 there were a further 15 positions vacant with three of these temporarily filled by contracted staff.

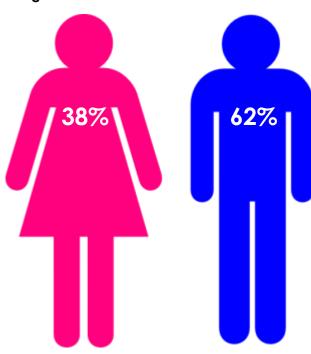
The age breakdown of Council's staff is:



DEFINITION:

Baby Boomer – pre-1966 Generation X – 1967-1980 Generation Y – post 1980

The gender breakdown of Council's staff is:



Council's Services

Leeton Shire Council provides services to the communities within its Local Government Area across the following service areas:

- Children's Services
- Cultural Community Services
- Drainage and Stormwater Management
- > Economic Affairs
- Enforcement of Regulations and Animal Control
- > Environment Management

- Other Community Services and Education
- Parks and Gardens
- Public Libraries
- Roads and Bridges
- Sewerage
- Solid Waste Management
- Sporting Grounds and Venues
- > Street Cleaning

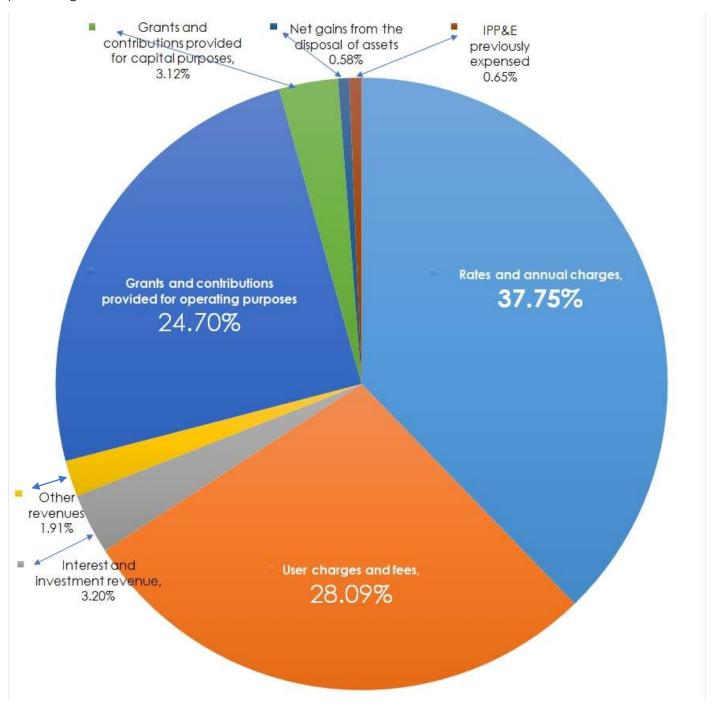
- Swimming pools
- > Town Planning
- Transport Infrastructure
- Water Supplies
- Governance
- Administration
- > Finance
- ➤ Human Resources
- Information Technology
- Customer Service.



Our Budget at a glance

How Council is funded

Councils in New South Wales receive the bulk of their operating income from three main sources – Rates and annual charges; User charges and fees; and Grants and contributions. For the financial year ended 30 June, 2018 Leeton Shire Council's total income from continuing operations was just over \$32 million. A percentage breakdown of this income is shown below.





2017/2018 Financial Summary

Council is required under the Local Government Act 1993 to prepare financial statements that reflect its financial performance for the reporting period. The following is a summary of the key financial results for 2017/18. Council's full Financial Statements are included in this Annual Report commencing from page 53.

Key financial results

The net operating result before capital grants and contributions for the year ended 30 June 2018 was a surplus of \$4.340M compared with a surplus of \$4.985M for the year ended 30 June 2017. This surplus is inflated by the Federal Government's advanced payment of the 2018/2019 Federal Assistance Grant (\$2.079M)

Cash and investments

Council's total cash and investments as at 30 June 2018 were \$41.9M. Not all of these funds are available for discretionary use, as the amount includes items that are externally (by Statute) or internally (by Council policy) restricted in their use:

- Council is holding \$25M 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 \$14.8M in funds that are internally restricted by Council in their use.

These are amounts set aside for purposes such as future asset replacement and accrued employee leave entitlements. Some of the key internal restrictions as at 30 June 2018 were as follows:

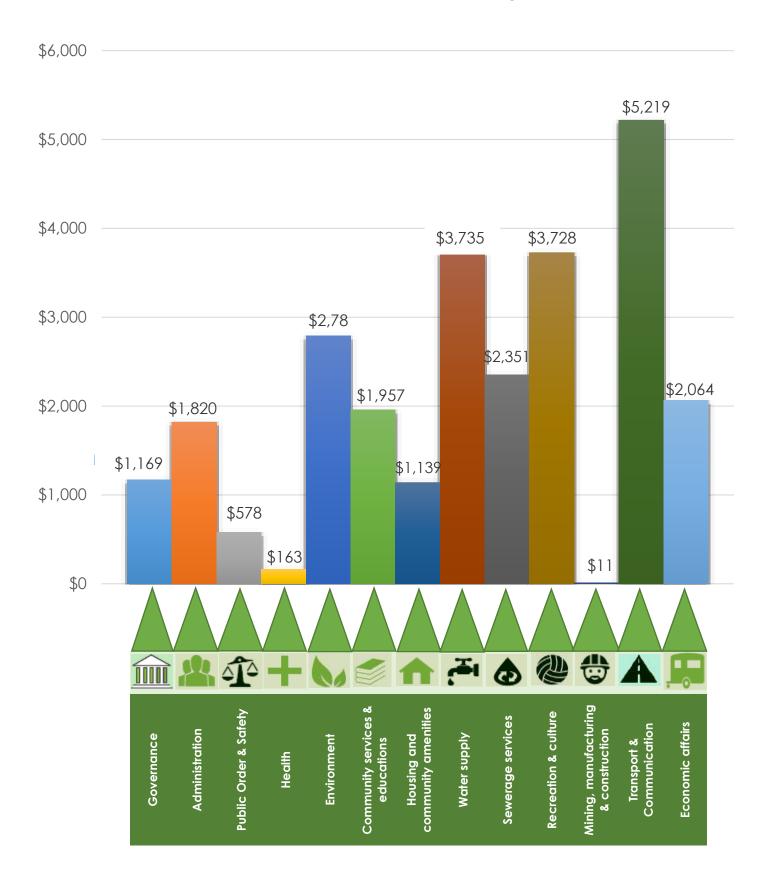
- Plant and vehicle replacement \$1.2M
- Infrastructure replacement \$2.7M
- Swimming Pool Renewal \$994K
- Employee Leave Entitlements \$2.11M

2017/18 Summary	2017-18 (\$'000)	2016-17 (\$'000
Income statement		
Total income from continuing operations	32,062	31,319
Total expenses from continuing operations	26,723	25,209
Net operating result from continuing operations	5,339	6,110
Net operating result before capital grants and contributions	4,340	4,985
Balance Sheet		
Total current assets	36,423	28,844
Total non-current assets	218,731	215,734
Total current liabilities	4,886	4,733
Total non-current liabilities	1,780	2,024
Total equity	248,488	237,821



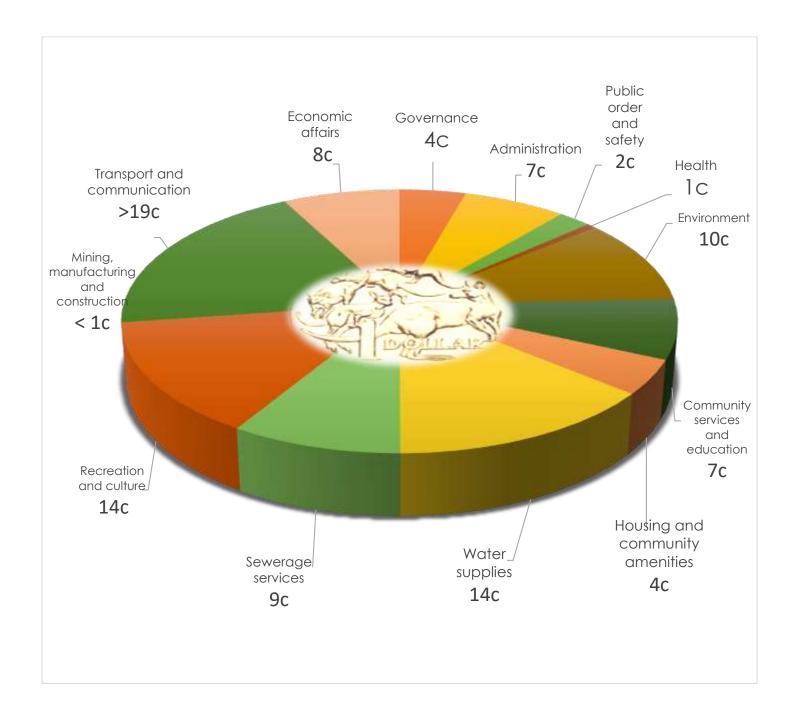
How Council expends its funds

Expenditure per Council function from continuing operations x \$1,000





Where does every dollar go?





Our Community

The estimated resident population of Leeton Shire, based on the 2016 Census, is 11,168 people. The main residential communities are Leeton, Yanco, Stanbridge, Merungle Hill, Corbie Hill, Wamoon, Murrami and the historic township of Whitton.









Our Engagement Activities

Proposed Amendments to Cemetery Fees Exhibition Period: 4 July 2017 to 4 August 2017

Overview: Leeton Shire Council resolved at its June Ordinary Council Meeting held on Wednesday 28 June 2017 to advertise proposed amendments to the 2017/18 fees for the Leeton and Whitton cemeteries for the following reasons:

- 1. Contractor fees have increased by \$50, the first increase in 3 years.
- 2. Council received a request to consider reinstating the removal of the soil from the edge of a newly excavated grave during interment for a burial service. At present the soil is placed over adjoining graves and has caused distress to the families of people buried under the mound. It is believed by many residents that the soil from excavation next to the new grave does not present a sympathetic or professional approach. The mound of soil is also a Work Health and Safety issue.
- 3. Council is now required to use wall shoring for dug graves in Whitton to prevent walls collapsing. This is a WHS consideration.

As a result of the above mentioned reasons for the changes proposed new fees and charges were developed for public consultation.

Engagement activities: Council asked a "forum" question to its Have Your Say Leeton community engagement website users in relation to the proposed new fees and charges. Hardcopies of the consultation were available at the Leeton Shire Council Office, Leeton Shire Library, Whitton Post Office, Yanco Post Office and Murrami Post Office. 6 formal submissions were received.

Adopted: August 2017 Ordinary Council Meeting

DRAFT Leeton Shire
Playground Strategy 2017-2032
Exhibition Period: 4 August 2017 to
11 September 2017

Overview: At its July Ordinary Council meeting, Leeton Shire Council endorsed the DRAFT Leeton Shire Playground Strategy 2017-2032 to go out on public exhibition.

The proposed strategy sets out how Council will manage its playground network for the next 15 years and includes an action plan specifying what will be done at each playground and in what year to ensure continual improvement at every playground within Leeton Shire.

The purpose of this consultation is to create awareness of the strategic direction and framework for playgrounds within Leeton Shire.

The strategy categorises the playground network into a hierarchy, specifying the level of service, equipment type and supporting infrastructure provided at each park based on its uses.

The strategy has been developed to guide Council's playground management, focusing on the key areas of managing access, delivering fun and safe playgrounds, best practice asset management and financial sustainability of Council's playground network.

Engagement activities: Council asked a "guestbook" question to its Have Your Say Leeton community engagement website users in relation to the DRAFT Leeton Shire Playground Strategy 2017-2032. A face-to-face pop up shop was also conducted at the Yanco Post Office and General Store to give residents another avenue to provide their constructive feedback. Hardcopies of the consultation were available at the Leeton Shire Council Office, Leeton Shire Library, Whitton Post Office, Yanco Post Office and Murrami Post Office. 3 formal submissions were received.

Adopted: October 2017 Ordinary Council Meeting





Proposal to allow for greater residential accommodation in the Leeton CBD

Exhibition Period:

18 April 2018 to 11 May 2018

Overview: Leeton Shire Council has put to the community a proposal to allow for a greater range of residential accommodation to be established in Leeton's main street.

Currently only flats on the upper floors of existing shops are allowed by Council.

To change this situation, Council has prepared a proposal to amend the Leeton Local Environment Plan (LEP) to allow a greater range of residential accommodation that can be built and it is proposed to also include dwelling houses, hostels, multi-dwelling housing, residential flat buildings and seniors housing in this area.

Engagement activities: Council asked a "forum" question to its Have Your Say Leeton community engagement website users in relation to the proposed changes to the Leeton LEP with respect to the provision of residential accommodation in the Leeton CBD. Hardcopies of the consultation were available at the Leeton Shire Council Office, Leeton Shire Library, Whitton Post Office, Yanco Post Office and Murrami Post Office. 8 formal submissions were received.

Adopted: May 2018 Ordinary Council Meeting

DRAFT Annual Operating Plan and Budget 2018/19 Exhibition Period: 11 May 2018 to 10 June 2018

Overview: Leeton Shire Council's Annual Operation Plan and Budget sets out Council's focus for the period 1 July 2018 to 30 June 2019.

This is year 2 of Council's 4-year Delivery Program which was developed in response to the Community Strategic Plan "Leeton on the Go-Towards 2030".

Council's operational budget for 2018/19 is steady but its capital works budget is significantly increased as we have access to several grants from the State Government. The total cost of all capital works, a mix of new and upgrades, is \$21.2 million.

Council is proposing to borrow \$1 million in order to make some of the works happen.

There are also several proposed changes to current fees and charges, some increases and some new ones.

Engagement activities: Council's DRAFT 2017-2021 Delivery Program, 2018/2019 Annual Operational Plan (Including the 2018/2019 Budget Summary, Revenue Policy and Fees & Charges) were placed on public exhibition from Thursday 10 May 2018 until 5pm on Sunday 10 June, 2018.





Councillors and community members are addressed in relation to the draft 2018/2019 Operational Plan and Budget. The public session held in the Council Chambers afforded 7 of the 66 people who made submissions the opportunity to address the Councillors in person. The level of public engagement was pleasing with close to 100 individual items in the Plan / Budget / Fees and Charges receiving responses. At the end of the public consultation period, Council had 99 formal submissions with 64 coming from Council's Have Your Say Leeton website and 35 submissions coming via email, letter and a couple of staff submissions.

Community members were advised that submissions to the process could be made via Council's engagement site "Have Your Say Leeton", through a written submission to the General Manager or by completing a printed survey which was available at Council's Administration Office and the Leeton Library.

Council received a total of 102 submissions in relation to the 2018/2019 Annual Operational Plan and Budget, as well as the Revenue Policy including Fees and Charges. Of these, five (5) submissions were received following the close of the exhibition period. The majority (63) of written submissions were made via Council's online engagement platform -Have Your Say Leeton. A further 16 were sent via email, 13 were mailed to Council, 3 were presented from staff and Council received a petition signed by 25 business operators. A further submission was taken over the phone by a member of staff. In addition to this, approximately 90 counter enquiries were taken in relation to the onsite sewer management charges after 1,600 letters were mailed to all properties which did not have access to reticulated sewer services.

Adopted: June 2018 Ordinary Council Meeting

Other engagement activities

Wamoon – Reticulated Sewage System

Manager Water and Waste, Greg Richards, (above right) along with consultant Pavan Aggarwal (below) and Engineer Water & Waste Kai Attree ran



a constructive engagement session with the residents of Wamoon in October 2017 on plans for a new reticulated sewage system which will be constructed over the next 12 to 18 months.
Keeping residents appropriately informed is important and the guys are going to follow up with a set of FAQs for distribution to all Wamoon households. Aslo in attendance were the Mayor and Councillors Reneker, Smith, Davidson and Nardi who were able



to hear firsthand the community's feedback.

Community Conversations - Yanco and Whitton.

Two workshops led by world renowned social capitalist and community enthusiast Peter Kenyon from the Bank of Ideas were held in February 2018. Peter shared his experiences working closely in the community development spectrum with over 2000 small communities, a similar size to Whitton and Yanco, that are doing great things to put their community "back on the map".





The key focus of both workshops (attended by close to 30 residents and ratepayers at each event) included:

- Discovering what residents care about and looking at ways to stop depopulation and loss of town services.
- Looking at small towns such as Yanco and Whitton with fresh eyes - what could be unique selling points?
- Building local pride and commitment again how do we get more people actively engaged and passionate in Whitton and Yanco?

Improving town welcome signage, looking at opportunities for residential development and creating an annual event to "put Yanco back on the map" were just a few of the many great ideas that came out of the Yanco workshop.

In Whitton looking at creative ways to uncover and tell the stories and history/heritage of Whitton, initiatives to stop depopulation and loss of town services (i.e.- Whitton subdivision proposal), developing a welcoming strategy to accompany a subdivision strategy and better utilising community assets such as the Whitton Swimming Pool and Whitton Community Hall to "get the community together more regularly" were all discussed in detail.

Engaging at a higher level - Hosting State Cabinet

It was quite amazing that Leeton had the ear of Cabinet in August last year when Ministers travelled to our community just to meet people from Leeton. The rest of the huge Murray electorate had to share them the next day in Griffith and they were very envious when the Premier mentioned that the cabinet had been to Leeton the night before. The event in Leeton was a night of 'mingling' so we had to use the opportunity well. Some of the key issues presented during the evening were:

- Maternity services at Leeton Hospital.
- Mobilising refugee programs to alleviate our workforce issues.
- Housing needs / projects and all the other needs to get more jobs happening soon.
- TAFE shrinking when there is so much industry in Leeton.
- Minister for Primary Industries was keen on golf course projects and confirmed his commitment to keep Yanco Agricultural Institute facilities being utilised and improved.



Mayor Cr Paul Maytom made sure NSW Premier Gladys Berejiklian and her Cabinet Members were left with a deeper understanding of the needs of the Leeton community at a social event for the State Ministers in Leeton on August 2017.

- Minister for Infrastructure was non committal but new about the Wumbulgal Projects.
- The Minister for Sport thought the pool was a very worthy cause.
- The Minister for Roads, Maritime and Freight made no promises but now has a very clear idea about Wumbulgal and looked genuinely impressed when visiting the site later in the year.
- The Minister for Planning was true to his word sending his Chief Planner and team to help with master planning of the Wumbulgal site.
- Best of all, the Premier's chief of staff gave his contact details and said that if we had any problems getting any action from anyone to contact him.



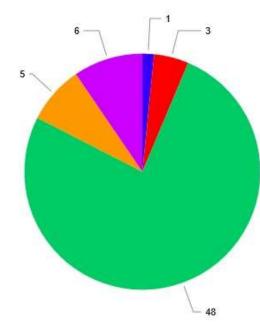
Our Key Themes

The Leeton Community Strategic Plan (CSP) was developed by the residents of Leeton Shire with support from Leeton Shire Council. The plan has a long term focus – 2016 to 2030 and it was endorsed in December 2016. The community's vision is to enjoy outstanding lifestyles and prosperous livelihoods within a caring and inclusive community and a healthy environment. The CSP included six theme areas with 20 strategies that will be measured to indicate the progress being made towards achieving the community's vision. Those themes and strategies are presented in the following snapshot along with Councils achievements in completing the actions of the 2017-2021 Delivery Program and 2017/2018 Operational Plan:

Theme 1 - A Healthy and Caring Community

- A community that focuses on being healthy
- 2. A community that embraces lifelong learning
- 3. A community that is friendly and inclusive
- 4. A community that is safe to live in and move about
- 5. A community that enjoys good housing

The graph at right is a snapshot of the progress against the 63 actions included in the theme of A Healthy and Caring Community. Some of the highlights and achievements from these actions appear starting page 25

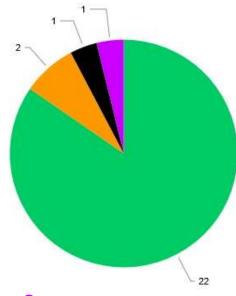


LEGEND: Critical Concerns On Track Needs Attention No update Completed

Theme 2 - An Active and Enriched Community

- 6. A community that participates in sports and active leisure
- 7. A community that enjoys arts and culture
- 8. A community that values its heritage

The graph at right is a snapshot of the progress against the 26 actions included in the theme of An Active and Enriched Community. Some of the highlights and achievements from these actions appear starting page 29.



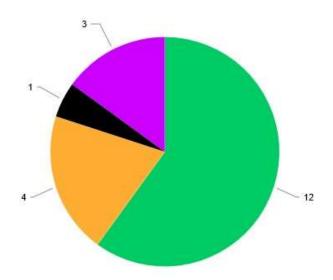
LEGEND: On Track Needs Attention Not Due to Start Completed



Theme 3 - A Healthy Natural Environment

- A community that respects the natural environment
- A community that enjoys our natural environment

The graph at right is a snapshot of the progress against the 20 actions included in the theme of A Healthy Natural Environment. Some of the highlights and achievements from these actions appear starting page 32.

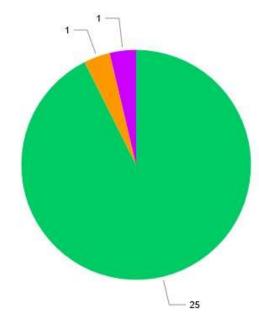


LEGEND: On Track Needs Attention Not Due to Start Completed

Theme 4 - A Thriving Economy with Good Jobs

- 11. A community that thrives with irrigated agriculture
- 12. A community that is strong in business and employment
- 13. A community that has great attractions and events
- 14. A community that enjoys a vibrant town centre

The graph at right is a snapshot of the progress against the 27 actions included in the theme of A Healthy Natural Environment. Some of the highlights and achievements from these actions appear starting page 34.



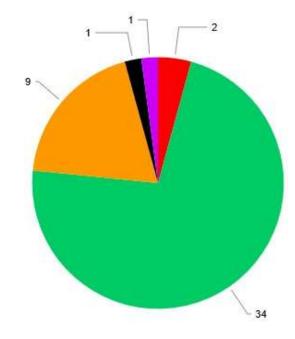
LEGEND: On Track Needs Attention Completed



Theme 5 A Quality Built Environment

- 15. A community that has reliable water and sewerage services in towns
- A community that has good road, rail and air transport
- A community that enjoys attractive towns and parks

The graph at right is a snapshot of the progress against the 47 actions included in the theme of A Quality Built Environment. Some of the highlights and achievements from these actions appear on starting page 37.

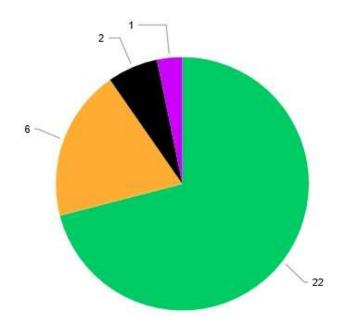


LEGEND: On Track Needs Attention Not Due to Start Completed

Theme 6 - Strong Leadership

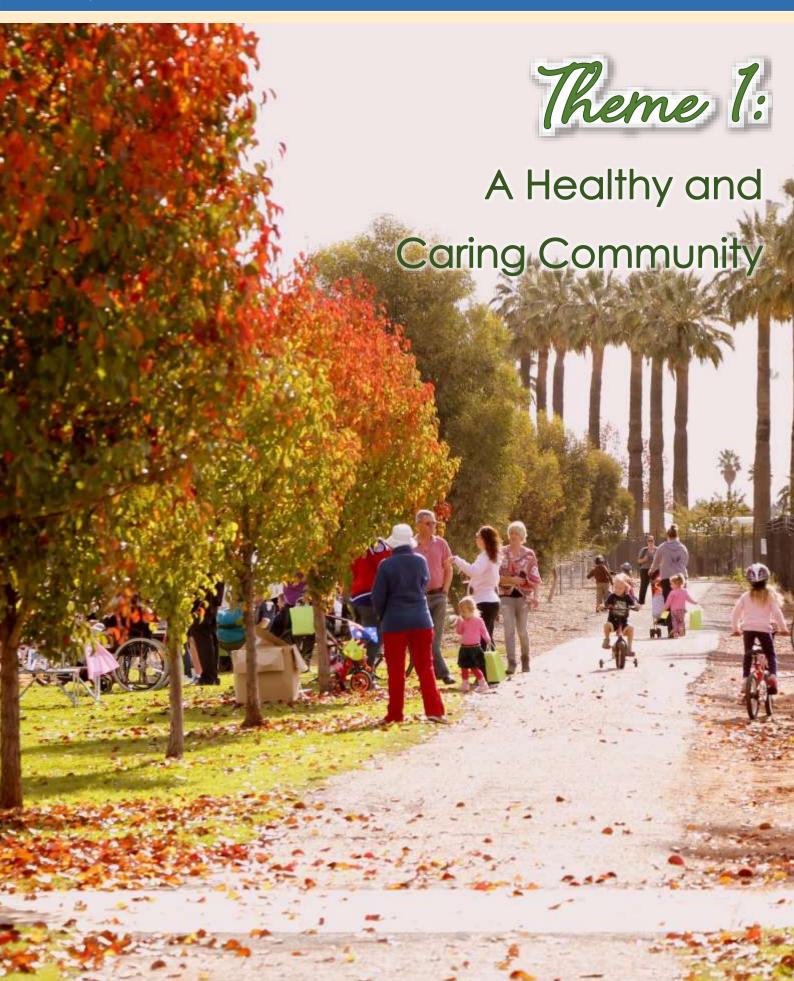
- 18. A community that has politicians who act and listen
- A community that speaks up and gets involved
- 20. A community that is always on the front foot

The graph at right is a snapshot of the progress against the 31 actions included in the theme of A Quality Built Environment. Some of the highlights and achievements from these actions appear starting page 40.



LEGEND: On Track Needs Attention Not Due to Start Completed







A Healthy and Caring Community highlights



A community that focuses on being healthy

- Well utilised and maintained fitness equipment in Rotary Park.
- Skate parks in good working order with resurfacing planned for Leeton in 2018/19.
- Seven locals on Leeton's Local Health Advisory Committee focusing on health outcomes including advocacy for recommencement of maternity services at Leeton Hospital.
- Leeton Shire Council staff have participated in the Griffith Community Drug Action
 Team
- Accommodation and support for University of Wollongong Graduate Medical School students and Bush Bursary student doctor.



Keeping people active helps to keep people healthy and one of Leeton's focal points for activity is the bike safety track and outdoor gym at Rotary Park. Council has also installed a number of watering stations along the walking track and near the outdoor gym to help those seeking a more active lifestyle to keep hydrated.



A community that embraces lifelong learning

- The accredited Leeton Early Learning Centre was well supported throughout 2017-2018.
- Provision of Out of School Care and Vacation Care is well supported
- Provision of three trainee/apprenticeships within Leeton Shire Council's workforce as well as supporting 13 students from four high schools and one university.
- 35,587 items were borrowed from Leeton Library.
- Monthly averages for use of Community Wifi were downloads of 137mb of data per month by 76 new users, 79 repeat users and 112 unique users.



September's Festival of Audacious Ideas ended with a nod to renowned Australian writer Henry Lawson who left Leeton in September 1917. We felt it important to acknowledge Henry's time in Leeton with its links to the MIA and the writing of some of his most profound pieces. His time in Leeton included two years during the First World War. Echoes of Henry will become an annual event. His legacy was further enhanced with Council officially renaming one of the Leeton Library meeting rooms as the Henry Lawson Room, pictured at right.



1.3

A community that is friendly and inclusive

- Youth events included Riverina Skate Champs, a two week program for Youth Week with an outdoor movie night and skate workshops in Yanco and Whitton.
- Partnership between Community Development, Leeton Shire Library and Roxy Community Theatre to identify opportunities for seniors' activities and events.
- Disability Inclusion Action Plan strategies incorporated into Councils works program.
 Leeton Multicultural Support Group Inc successfully became incorporated.
- Leeton representative at the Multicultural Interagency Network Meetings in Griffith.
- Six residents one from Afghanistan, two from Fiji and three from India became Australians during local Citizenship ceremonies.
- Council supported Leeton and District Aboriginal Land Council (LDALC) on projects such as Red Dust Healing, NAIDOC Week, Gossamer Park projects, Aboriginal Men's Group and the Drummond Park sculpture.
- New paths at the Leeton & Whitton cemeteries, new row of plinths and reconstruction of portable cemetery shelter at the Leeton Lawn Cemetery.
- Leeton Multipurpose Centre was well utilised throughout the financial year with user groups contributing more than \$24,000 to the Centre's earnings.



mproving community access to facilities while paying respects to loved ones was achieved in December with the construction of a new footpath linking the renovated amenities to existing pathways at Leeton Cemetery.





A community that is safe to live in and move about

- White Ribbon Day support by LSC and St Francis de Sales.
- Anti-graffiti surface coating sourced to apply to surfaces where Graffiti reoccurs 8 reported incidents with graffiti removed or painted over with no reoccurrences.
- Ongoing relationship with local Police maintained and supported.
- The 5 road safety campaigns for 17/18 financial year completed on time and to budget.
- Switched to LED Street Lighting for 300 available luminaires.
- Flood mitigation options have been identified for further review.
- Upgrade to pound and kennels completed June 2018.
- 184 animals microchipped during 2017/18.
- 52 food premises were inspected in January 2018.
- Development of Onsite Sewage Management Strategy.
- During the 2017/18 mosquito program no arboviruses were detected.
- Footpath works completed on Jarrah Street, Palm Avenue, and Pine Avenue.



Proving there is strength in numbers, Leeton Shire Council and St Francis de Sales joined forces to support White Ribbon Day within the Leeton community. White Ribbon Day is held each year as part of a global movement of men and boys working to end men's violence against women. We aim to create an Australian society where all women can live in safety, free from violence and abuse.



A community that enjoys good housing

- Low turnover and high occupancy of tenancies for Argyle Housing managed properties.
- Commenced consideration of initiatives to expand residential opportunities across the Shire to attract and retain workforce, in particular at Brobenah Road Leeton and in Whitton.
- Ongoing collaboration between Council, Murrumbidgee Police District, Intereach and Family and Community Services to address challenges faced by the residents within the community.







An Active and Enriched Community highlights

Taking the case for a revamp of the Leeton Swimming

Pool straight to the top, Mayor Cr Paul Maytom met
with New South Wales Minister for Sport Stuart Ayres and

Member for Murray Austin Evans. While funding
applications to see the realization of the concept plans
have not yet found success, Council will continue to
strive to achieve the outcome of a revitalized swimming

centre for the community.



2.1

A community that participates in sports and active leisure

- Leeton Ovals Complex has continued to host several major sporting events throughout 2017/2018.
- > Showground project scoped and preliminary design work and cost estimates completed.
- ▶ 11 swimming carnivals held at Leeton Pool during the season.
- > Full design and tender package prepared for the Leeton Pool redevelopment.
- > 16,178 rounds of golf were played and 8 major events held during the year at Leeton Golf Course
- > 8,347 participants utilised the Leeton Indoor Stadium across sports including basketball, netball, volleyball and badminton.
- Three hydration stations installed at Leeton Ovals Complex, Mountford Park and Graham Park.
- > Support provided to Yanco Wamoon Rugby League Football Club and Leeton Golf Club with grant funding applications.
- A total of 6,851 people attended movie sessions at the Leeton Roxy Community Theatre as well as 318 bus tours, 13 live shows, seven social functions, four special movie screenings and four conferences/speech days.



A shining light in the Leeton community's sporting facilities is the Leeton Indoor Sport Stadium. The centre's annual floor maintenance program has helped to keep the surface fit for the more than 8,000 sports participants who used the centre throughout the year for basketball, netball, volleyball and badminton. The contractor who maintains the floors on an annual basis said the floors are the best he has ever done and with continued care they will last another 100 years!





A community that enjoys arts and culture

- Collaboration with Leeton Family and Local History Society (LFLHS) on projects including the joint purchase of a microfilm reader for all library users, attendance of a Digitisation workshop, the success of a grant for an A3 scanner, shared resourcing and the success of the ANZAC grant and display.
- > Planning commenced for the relaunch of the 2019 Leeton Art Deco Festival.
- Roxy Theatre technical equipment such as sound system and internet connections upgraded to continue to deliver acceptable standards and comfort.



Council is in discussion with State funding providers, Destination NSW and Destination Riverina Murray, to help inform planning for the Art Deco Festival in 2019.

The dates chosen for the 2019 Art Deco Festival are Friday 12th, Saturday 13th and Sunday 14th of July – a Winter Celebration of Art Deco Culture.

There have been a number of community members who have already expressed an interest in being part of a planning committee for this event

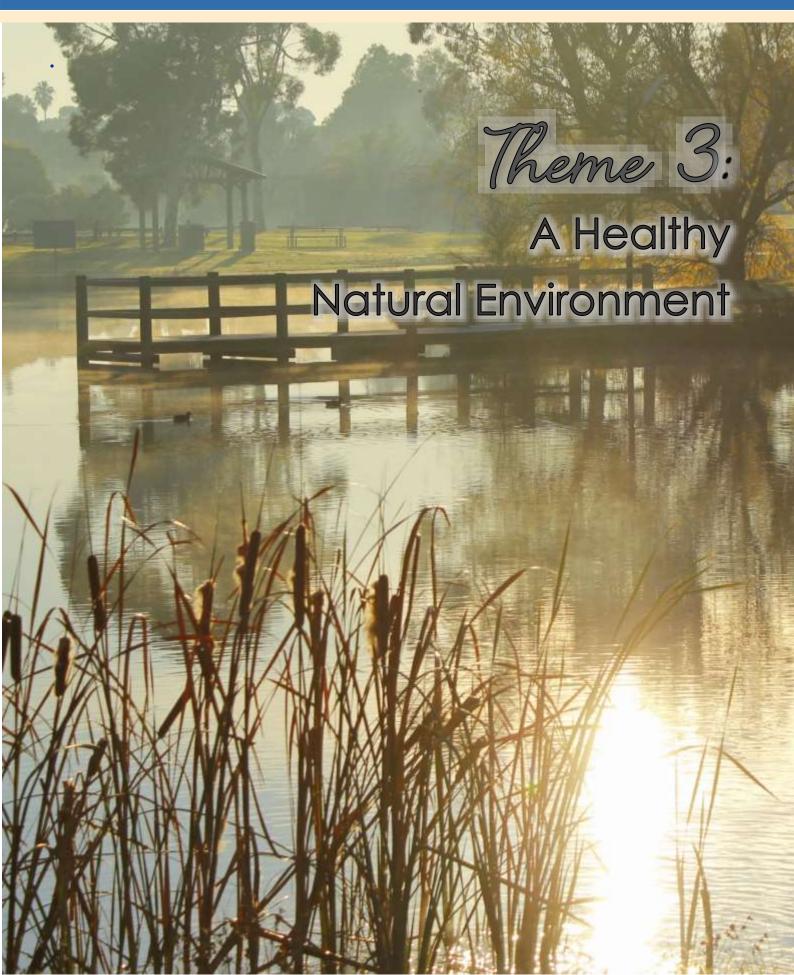
2. 3

A community that values its heritage

- Lyrics, Landscapes and Lintels project sculptures commenced.
- Five Heritage assistance applications were received and completed for the following:

Premise	Address	Total Project Cost	Grant offer
Washington's Furniture Façade upgrade	70-76 Kurrajong Ave, Leeton	\$6,746	\$3,000
Get Set Office Roof Restoration	58-60 Kurrajong Ave, Leeton	\$13,400	\$4,500
Old Kendalls Building External Façade painting	101 Pine Ave, Leeton	\$20,000	\$6,000
St Peters Hall – Roof replacement	24 Church Street, Leeton	\$10,379	\$4,500
Leeton Sports Power External Façade painting	70 Pine Avenue, Leeton	\$1,760	\$880
TOTALS		\$52,285	\$18,880







A Healthy Natural Environment highlights



A community that respects the natural environment

- Decrease in waste disposed to the landfill.
- Council will increase diversion rates with the introduction of mattress recycling.
- Compliance with Environmental Protection Agency (EPA) maintained.
- > Whitton transfer station is in the first stages of planning.
- Decline in yellow bins recycling with the State Government introduction of the Container Deposit Scheme.
- Weeds Action Plan Targets have been achieved by noxious weeds contractor with 160/120 private property inspections carried out.
- > 309.9 hectares of Nuisance Weeds slashing completed.
- > 155,133 kWh of power generated by Solar System at Fivebough Sewer Treatment Plant.
- > \$100K Reserve Fund established for Renewable Energy Efficiencies Project.
- Council collaborates with Crown Lands and Water to improve visitation to Fivebough Wetlands with 9014 Site visits recorded for 2017/2018.
- Representatives from NSW National Parks have advised that 10 surveillance cameras installed in the Leeton Local Government Area reserves to target illegal dumping, firewood collection and dogs in the National Park areas.



Construction of a new landfill trench (pictured) was completed in June. The leachate pipe system was also connected and the new Leachate pond constructed and has passed the relevant compaction tests. The final stage of Capping the Landfill trenches was also completed with Council using its own Green waste chippings as the final layer of mulch.



A community that enjoys our natural environment

- Encouraging the community to enjoy the river environment reported visitation to the Gogelderie Weir site included 2069 day visitors, 3836 campers/caravanners and 3479 cabin stays at the externally operated and leased facility.
- New Work for the Dole project saw completion of sections of walking track to link Glossy lbis Shelter to Wiradjuri Walk, installation of sheltered seating around Wetlands Walk, maintaining turf and picnic area, weed control along the tracks and installation of Budyaan Baamirraa sign.
- Ongoing weed control through Riverina LLS funding for both Fivebough & Tuckerbil; Continuing Riverina LLS budget (funding by the Department's Public Reserves Management Fund Program) for pest management, including setting of and monitor cameras and traps and baiting for foxes; Internally funded maintenance program for spray of tracks, clean culverts/pipes and bird shelters, re-oil decks and slashing of vegetation at Fivebough.







A Thriving Economy with Good Jobs highlights



A community that thrives with irrigated agriculture

- Mayor Paul Maytom and General Manager Jackie Kruger attended the Murray Darling Association's National Conference and AGM in Renmark with the Mayor continuing his role as Chairman of MDA Region 9.
- ➤ Leeton Shire Council was host to the MDBA Regional Engagement Officer (REO) who facilitated or participated in a wide range of stakeholder engagement sessions with councils, irrigators, irrigation companies and various agricultural associations, providing valuable community feedback to and from the MDBA.
- Murrumbidgee Environmental Water Advisory Group meetings attended by the Mayor with topics covering, among other things, the Murrumbidgee Long Term Watering Plan (including fish objectives, long term intervention monitoring and implications of constraints) and Environmental Watering Events (including contextualising, mitigating and planning for blackwater events).



Council's Business Attraction Prospectus (front cover of the prospectus pictured at left) has been developed as an information and marketing tool that showcases Leeton as a vibrant place to live, work and play.

The document aims to grow and nurture business opportunities and job creation in our Shire. Council has worked closely with the Shire's business, residential and industrial sector to capture the supportive nature of our community. Copies are available to download from Council's website.



A community that is strong in business and employment

- Council input to the development of the Western Riverina Economic Development Strategy (REDS) for 2018-2022.
- Maintained membership of Leeton Business Chamber.
- > Research and development projects undertaken at the Yanco Agricultural Institute.
- > Business prospectus completed to assist with attracting workforce to the Shire.
- Active participation in the Western Riverina 'Grow our Own' initiative.





A community that has great attractions and events

- Active events program included Leeton SunRice Festival from 29 March 2 April and Leeton Bidgee Classic from 9 11 March with planning commencing on Art Deco Festival for 2019. Other events held were the Festival of Audacious Ideas (September 2017), Taste Riverina Food Festival incorporating Leeton's Chill & Grill Event (October 2017), Leeton Town Band Outback Band Spectactular (November 2017), Light Up Leeton (December 2017), Australia Day 2018, Leeton Country Music Round Up, Leeton Harley & Bike Muster and 2018 Rotary District Conference.
- Sporting events were Leeton SunRice Pro-Am (March 2018), Leeton Harness Racing MIA Breeders Plate Carnival (December/January), Riverina Skate Championships (April 2018), Ladies Bowls Tournament (March 2018) and Formula 1.0 Grand Prix Gliding Event (December/January).
- > 4427 walk-in visitors to the Visitor Information Centre.
- Ongoing support for tourism initiatives through the review and implementation of Riverina Murray Destination Management Plan coupled with two-year commitment to Thrive Riverina.

This year's Bidgee Classic saw a slight increase in registered anglers with 469 signing up to take part.

This year competition rules and regulations changed with competitors able to photograph their fish on a brag mat and register via SMS. The change was well received by competitors and other key stakeholders including NSW DPI.

Many of the young anglers assisted in the release of 28,000 Golden Perch (Yellow Belly) fingerlings into our local stretch of waterways along the Murrumbidgee River. This activity was once again extremely popular and one of the highlights for the weekend!

The event wrapped up with the award presentations on the Sunday, with lots of very happy anglers going home with their share in \$35K of prizes. Just under 160 fish were registered over the course of the weekend, with the winning Murray Cod (pictured) measuring a whopping 1220mm! The winning Yellow Belly measured 430mm and the longest carp measured 730mm.



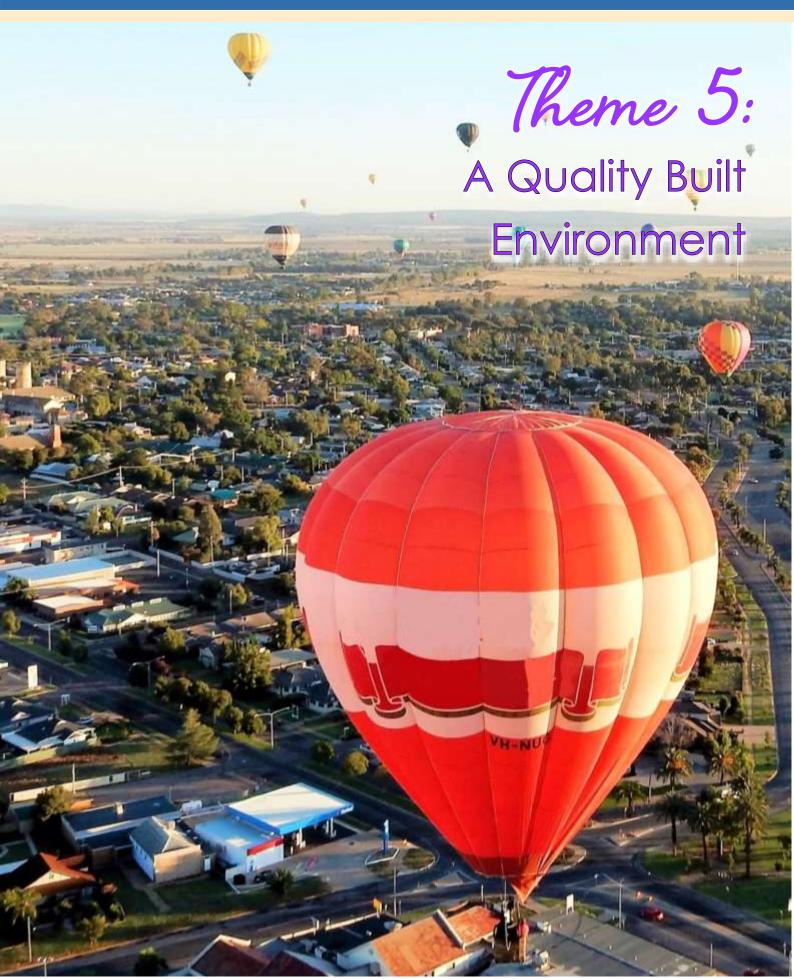
Event participants await results of the 2018 Bidgee Classic.



A community that enjoys a vibrant town centre

- The ommunities of Yanco and Whitton held discussions with Peter Kenyon to identify and progress town improvement strategies.
- Consistent presentation of the CBD with two successful annual flower displays undertaken during the 2017/2018 year.
- Phase 1 of the CBD Enhancement Project for Wade Avenue started.







A Quality Built Environment highlights

August saw the completion of works to refurbish the Parkview Water Reservoir ahead of final landscaping repairs.

This project was not only completed onlime but also 20% under budget.

The works to the tank completed by contractor Geelong Abrasive Blasting included stripping and reapplying an epoxy coating to the inside of the tank, a new fibreglass ladder, cathodic protection system, new manway and stripping and painting the exterior of the structure.

These works will ensure that Leeton's high quality drinking water will continue to be stored and used safely from Parkview reservoir for many years to come.

Councils Water and Wastewater staff did an exceptional job of managing Leeton's water supply with the reservoir offline especially given the extra complexities encountered with the Murrumbidgee Irrigiation winter shutdown overlapping with the project.



A community that has reliable water and sewerage services in towns

- Completion of the sewer relining works, the refurbishment of the Leeton trickling filter plant and the continuation of the electrical and telemetry upgrades for the Leeton sewerage system. Continued roll out of this program will extend the remaining useful life of the system.
- > Progress with council's Trade Waste implementation.









A community that has good road, rail and air transport

- 12,292 REX passenger numbers for 2017/18.
- The Runway Lighting Project was completed in full, on time and to budget.
- Engagement with several key stakeholders on improving freight transport productivity, particularly at Wumbulgal.
- ➤ Grant of \$1.4M secured under Fixing Country Roads Funding (NSW Government) towards the repair of the bridge across the Sturt Canal on the key freight route between Darlington Point and Wumbulgal.
- > Two stages of Palm Avenue road rehabilitation, a section of McNeil Road, section of Davis Road, and the entire length of Innisvale Lane were completed.
- > 5 Ordered Works Projects including several stages of shoulder widening past Wamoon, various asphalt heavy patching works.
- ➤ Leeton community members contributed to an increase in the Narrandera Shire Delivered community transport clients by 28.64%.



Park fencing undertaken throughout the year improved many of Council's outdoor play spaces. Picture at left are Council's Open Space and Recreation Superintendent Justin Davidson and Open Space and Recreation team member Bryce O'Garey at Graham Park, one of the parks to receive a facelift during the year.



A community that enjoys attractive towns and parks

- Wamoon Playground renewal, shade sails, fencing and carpark at Graham Park have been completed within budget as well as power outlets installed in Mountford Park.
- ➤ The Playground Strategy 2017-2032 was adopted.
- > The Leeton Court House precinct was successfully landscaped with a mix of trees, mulch, concrete and artificial turf, irrigation installed in Wamoon Avenue and 55 new street trees planted.
- During the 2017/18 reporting period 299 planning certificates and 63 Occupation Certificates were issued while there were 157 Development Applications (DAs) lodged and 129 DAs approved and a total of 10 Complying Developments received and Certificates issued.
- > Significant new Kerb & Gutter works were completed including two sections of Palm Avenue, Kerb & Gutter and V-Drain around Graham Park, Quandong Street as well as works in the Whitton township area to remedy water ponding across footpath areas.







Strong Leadership highlights



A community that has politicians who act and listen

- Mayor Paul Maytom was selected to represent RAMROC on the WaterNSW Murrumbidgee Customer Advisory Group.
- RAMROC wound up at the end of the financial year in preparation for transitioning to RAMJO in July 2018.
- ➤ Council's three motions to the Australian Local Government National General Assembly on road safety, more consistent container deposit schemes across states and faster processing of citizenship applications for refugees were all supported.
- Leeton hosted a regional forum in NSW for LGNSW during May.
- ➤ Council committed to the Local Government NSW PD in a Box program, a free and confidential online portal for all NSW Mayors and Councillors to assess capabilities and create personal and professional development plans.
- In response to Council's advocacy for support of the Wumbulgal Freight project masterplanning, \$300K was awarded in late June from the Murray Darling Diversification Fund. Visitors to the site during the year included the NSW Chief Planner, Minister for Transport, Member for Farrer, Member for Murray, NSW Regional Infrastructure Coordinator, Secretary for Department of Premier and Cabinet (PDC) and Deputy Secretary Regional NSW for DPC.
- The Minister for Transport travelled to Leeton to announce the NSW State Government's \$62M investment in the rail line from Griffith to Junee.



The LGNSW President (Cr Linda Scott of Sydney City Council – second from left), 2 Board Members and CEO (Donna Young – second from right) of LGNSW visited Leeton to discuss our priorities and opportunities. Also pictured with the visitors are General Manager Jackie Kruger, Mayor Cr Paul Maytom, Deputy Mayor, Cr George Weston and Cr Michael Kidd.

The organisation's first regional summit - attended by around 40 representatives of local councils - was also held that same day at the Roxy Theatre.



A community that speaks up and gets involved

- Leeton Shire Council Facebook Page had 747 new page likes during the 2017/18 Financial Year and there were 65,218 unique visitors to the Council website, while 18 additional sign-ups were received for the online engagement portal, Have Your Say.
- ➤ Council currently has 13 Advisory Groups, eight Section 355 Committees and four Action Groups with community representation who provide recommendations and suggestions to the elected body.
- Place Creation Workshops with Peter Kenyon held in February 2018 injected enthusiasm and strength to the communities of Whitton and Yanco with regards to developing town improvement actions.





A community that is always on the front foot

- Council's Policy Register reviewed schedule developed for regular updating.
- Work Health Safety Compliance has continued to achieve its goal to offer a "Safe workplace with zero lost time injuries".
- During the 2017/2018 Financial Year, 11 of Council's Grant Applications were approved, 13 were pending, five were unsuccessful and two have been acquitted.
- > Implementation of a new structure for Council which saw a move from three Directorates to two Directorates and enhancement of the management tier a move to modernise the organisation and improve efficiencies.
- All permanent staff received training with 131 training opportunities organised through the Human Resource Department. Training included Model Code of Conduct, Bullying & Harassment, WHS Supervisor and Customer Service programs.
- A number of new processes were implemented including Infocouncil (Council's Electronic Business Paper Preparation System) and LG Hub which allows Business Papers to be exported to Councillor iPads. Preparation for Magiq's Financial Reporting System commenced.
- Interest earnings for year ending 30 June 2018 was \$1,061,713 which is \$266,448 above the original budget for interest earnings of \$795,265 and \$61,713 above the revised budget of \$1,000,000.
- ➤ Interest rates received during the year have varied between 2.64% at the lowest to 3.29% at the highest.

Thirty years of services to Local Government and the Leeton Community was recognised at the LGNSW Annual Conference in Sydney during December 2017 when Mayor, Cr Paul Maytom, was presented with an award for Outstanding Service to Local Government by then LGNSW President, Cr Keith Rhoades AFSM.





Rates and Charges Written Off

Local Government (General) Regulation 2005

Clause 132

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

Item	Amount
Total Pensioner	\$344,291.03
Concession 2017/18	
LESS: Subsidy	(\$190,640.4
Reimbursement	
Amount Written off by	\$153,650.55
Council	
Postponed Rates and	\$708.00
Charges	
Sale of land for rates	NIL
Rates debts abandoned	NIL
Special Rate Rebates	\$43,118.86
Concessions	NIL
Total	\$197,474.41

Councillor Expenses

Local Government (General) Regulation 2005 Clause 217(1)(a1)

The total amount of money expended during the 2017/18 year on mayoral fees and councillor fees was \$156,429.82. The breakdown of these payments is provided in the table below:

Expense Item		Amount
Mayoral Allowance		\$25,263.64
(Excl Councillor Fe	ee)	
Councillor Fees (\$	11,570 x 9)	\$104,130.00
Travel		Nil
cl217 (1) (a1)(i)	Office Equipment	\$423.38
cl217 (1) (a1)(ii)	Telecommunicati	\$7,701.93
	ons	
cl217 (1) (a1)(iii)	Conferences	\$15,301.85
cl217 (1) (a1)(iv)	Training	Nil
cl217 (1) (a1)(v)	Interstate	Nil
cl217 (1) (a1)(vi)	Overseas	Nil
cl217 (1) (a1)(vii)	Spouse	\$3,609.02
cl217 (1)	Childcare	Nil
(a1)(viii)		
cl217 (1) (a1)	Motor vehicle -	\$10,544.87
	Mayor	
cl217 (1) (a1)	Council meeting	\$6,422.48
. , , ,	expenses	
cl217 (1) (a1)	Councillor	\$1227.37
, , , ,	Printing &	
	Stationery	
TOTAL		\$174,624.54

Remuneration - General Manager & Senior Staff

Local Government (General) Regulation 2005

Clause 217(1)

Remuneration Package – General Manager (Local Government (General) Regulation 2005 cl 217 (1) (b)

The Leeton Shire Council's General Manager's remuneration package consists of:

- 1. Salary Component
- 2. Employer's contribution and/or salary sacrifice to a superannuation scheme
- 3. Non-cash benefits (such as motor vehicle)
- 4. Amount payable by Council by way of Fringe Benefit Tax for non-cash benefits.

The total of the remuneration package for the General Manager for components 1, 2 and 3 above was \$229,983 and the amount payable by Council by way of FBT for non-cash benefits was \$0.

Remuneration Package – Senior Staff (Local Government (General Regulation 2005 cl 217 (1) (c)

Council has two senior staff positions (as defined by the Local Government Act) being Director Corporate & Community and Director Environment & Engineering.

The remuneration packages of Senior Staff consist of:

- 1. Salary Component
- 2. Employer's contribution and/or salary sacrifice to a superannuation scheme
- 3. Non-cash benefits (such as motor vehicle)
- 4. Amount payable by Council by way of Fringe Benefit Tax for non-cash benefits.

The total of the remuneration packages for the Senior Staff for components 1, 2 and 3 above was \$360,590 and the amount payable by Council by way of FBT for non-cash benefits was \$8,055.



Stormwater Management Services

Local Government (General) Regulation 2005

Clause 217(1)(e)

During 2017/2018 Council levied a Stormwater Management Service Charge (SMSC) on eligible residential properties and eligible properties in the business rating category. A total of \$89,998 was raised through the charges. These funds were used to fund Council's Floodplain Risk Management Study and Plan. This Study and Plan included the hydrological analysis of mitigation options for higher risk flood within the Leeton and Yanco areas. This charge will also fund any future projects identified in the Strategic Stormwater Management Plan.

Other works included this year that were funded from the SMSC was upgrades to Waipukurau Park however this project was delayed is planned to be completed in the following financial year. There were also improvements made to the stormwater drainage in Palm Ave to alleviate localised flooding..

State of the Environment

Local Government Act 1993 S428A

Detailed information on the environment can be found in Council's quarterly updates on "Enhancing and Preserving Our Natural Assets". Highlights for the 2017-18 year are:

- A decrease of waste to the landfill across the reporting period.
- Decline in the amount of recycled waste following implementation of the Container Deposit Scheme.
- Continuation of consultation for Stages 2 and 3 of the Flood Study, including mitigation and risk analysis.
- Introduction of mattress recycling.
- Launch of new 99 kilowatt Solar PV Plant at the Leeton Waste Water Treatment Plant.
- Planting of 55 new street trees.
- Return/rehoming of 275/303 of impounded dogs
- Successful advocacy for translucent flows review
- Hosting of Regional Engagement Officer for MDBA
- Ongoing weed control through Riverina Local Land Service funding for both Fivebough and Tuckerbil wetlands.
- Increase in visitation to Fivebough Wetlands to a total of more than 9000 visits.

Capital Works Projects

Capital Expenditure Guidelines

Council undertook major capital works during 2017/2018 totalling \$6,394,227. Some of the major projects were as follows:

Project	Amount
Buildings	\$ 240,459
Plant & Equipment Purchases	\$!,976,397
Roads Bridges & Footpaths	\$2,848,016
Stormwater Drainage	\$42,086
Parks & Recreation Assets	\$195,069
Water Suppy Network	\$398,815
Sewerage Network	\$693,385
TOTAL	\$6,394,227

Legal Proceedings

Local Government (General) Regulation 2005

Clause 217(1)(a3)

In 2017/2018, Council was involved in legal proceedings for the recovery of unpaid rates, water usage charges and other debts. recovery as follows:

Cost item	Amount/Activity	Status
Cost of Recovery	\$24,151.13	
Number of Clients referred to debt Collection Agency	256	Ongoing
Number of Summonses isssued	19	Ongoing

Section 7.11 Fixed Levies and Section 64 Contributions

Environmental Planning and Assessment Act 1979

Local Government Act 1993

During the 2017/18 Financial Year, Council collected \$17,115.52 towards its Section 7.11 Fixed Levy Plan. Under this Plan Council has established a works priority program to be funded by Section 7.11



Contributions and Donations

Local Government (General) Regulation 2005

Clause 217(1)(a5)

Council's Community Grants Program is made available annually for community projects. In 2017/18 funding was provided to the following groups:

Organisation	Amount
Leeton Amateur Swimming Club	\$1,000
Leeton Harness Racing Club	\$1,000
Leeton Aboriginal Education	\$810
Consultative Group Leeton Girl Guides	¢1.000
Leeton Water Ski Club	\$1,290
	\$1,000 \$1,500
Light Up Leeton Committee Leeton Art Society	\$900
Leeton Aviators Club	\$2,000
Brilliant and Resilient	\$600
Leeton Apex 40	\$1,200
Leeton Eisteddfod Society	\$810
Local Lands Council	\$890
Shorthorn Youth Club of Australia	\$1,000
REA Dressage	\$1,000
TOTAL	\$15,000

Funding was provided in the form of quick responses grants to the following:

Recipient	Amount
Leeton Golf Club	\$500
Leeton and District Water Wheel	
Club	\$405
Leeton Family and Local History	\$400
REA Dressage Club	\$1000
Leeton Sunrice Festival	\$1000
TOTAL	\$3,305

Council provided a number of Youth Development Grants during the 2017/18 financial year. Those contributions were as follows:

Recipient	Amount
Grace Korovata	\$250
Cooper Boardman	\$250
Mason Boardman	\$250
Coopa Steele	\$250
Raith Henman	\$250
Kobe O'Callaghan	\$250
Brooklyn O'Callaghan	\$250
Vula Wate	\$250
TOTAL	\$2,000

Leeton Shire Council also provides Annual Donation to 4 High Schools of \$100 and 8 Primary Schools of \$75. TAFE Leeton also receives \$250 for an award.

Leeton Town Band are the only group with an ongoing recurring grant due to finish 2020/2021 for the amount of \$3000 each year.

Companion Animals Act 1998 and Regulation 2008

Local Government (General) Regulation 2005 Clause 217(1)(f)

Statement on activities for 2017/18 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 2017/18 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 \$314,149 in funding was spent on Companion Animal management and related activities.

Payments to OLG from fees collected: \$17,059.00 Fund monies returned from OLG: \$20,188.00

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 \$28 for one dog or \$20 for more than one dog. Rangers attend dog owners' homes Monday to Saturday to carry out microchip implantation.

Over two hundred dogs have been micro chipped annually. Council also carried out an annual microchip day in conjunction with Local Government Week in August on which animals are microchipped for FREE. 69 animals were microchipped on that day, which is six more than the previous year.

Strategies Council has in place to promote and assist the desexing 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.



Companion Animals Act 1998 and Regulation 2008 (continued)

·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.

Strategies in place to comply with the requirement under Section 64 of the Companion Animals Act 1998 to seek alternatives to euthanasia for unclaimed animals

Council has rehoming agreements with Hounds on The Rebound and Riverina Rescue 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.

In 2017/18 Council returned to owner / rehomed 275 / 303 impounded dogs

Public Interest Disclosures

Public Interest Disclosures Act 1994 Section 31 and Regulation 2011 Clause 4

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 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 2017/2018	Total
Number of public officials who made PIDs	Nil
Number of PIDs received	Nil
Number of PIDs finalised	Nil

Government Information (Public Access) Act 2009 and Government Information (Public Access) Regulation 2009

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 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 Minster 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.

- 28 February 2018, Adoption of new Leeton Shire Council Information Guide.
- Publication of Contracts Register on Leeton Shire Council website - updated bimonthly.
- Publication of GIPA Disclosure Log updated quarterly.
- Three formal applications received, access granted in full and decided within the statutory time frame.
- One of the three formal applications was initially refused due to insufficient information. The applicant provided required information and the application was subsequently approved with full information provided electronically.
- In addition, there were two informal requests for information. One of which was deemed refusal, one that was approved and information provided electronically.

Equal Employment Opportunities

Local Government (General) Regulation 2005

Clause 217(1)(a9)

Leeton Shire Council ('the Council') aims to provide an environment where employees and others in the workplace are treated fairly and with respect, and are free from unlawful discrimination, harassment, vilification and bullying.

Flexible Working Arrangements

Council has 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.





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:

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



Contracts Awarded

Local Government (General) Regulation 2005

Clause 217(1)(a2)

Details of each contract awarded in the 2017/18 year for amounts greater than \$150,000, include:

LEETON SHIRE COUNCIL CONTRACTS >\$150,000				
Contract Number	Contractor Name	Contract Description	Value	Tender Type
LSC 01	Intersales Pty Ltd	Replacement backhoe	\$180,000	LG Procurement Vendor Panel
LSC 07- 17/18	Various providers	Hiring of Plant & Equipment	> \$1,000,000	Open Tender
LSC 08- 17/18	Various providers	Supply of gravels, sand and rock products	> \$800,000	Open Tender
No contract number	EDI Downer	2 year contract for spray sealing services, with 1 year option extension	>\$1,000,000	LG Procurement Vendor Panel
No contract number	Lowes Petroluem	Two year contract for the supply of fuel to Leeton Shire Council	\$250,000-\$300,000	LG Procurement Vendor Panel
LSC2018 - 102	CJD Equipment Pty Ltd	Landfill Wheel Loader	\$294000 Trade in \$40000 (Changeover price\$254000)	LG Procurement Vendor Panel
LSC2018 - 104	Complete Road Seal Pty Ltd	Asphalt Heavy Patching - RMS Irrigation Way/McQuillan Road intersection	\$100,000-\$150,000	LG Procurement Vendor Panel
LSC2018 - 105	Various providers	Supply only of various quarried products from various sites	\$1,000,000.00	Open Tender
LSC2018 - 106	Various providers	General plant hire schedule of rates contract, can be wet hire or dry hire.	\$1,200,000.00	Open Tender

External Bodies that exercise functions delegated by Council

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

Name of External Body	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.



Cooperatives, Trusts and Partnerships

Local Government (General) Regulation 2005 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 2017/2018.

Name of Organisation	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 Leeton/Narrandera 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 regional to 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 LGA, 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.
Riverina and Murray Regional Organisation of Councils	Riverina and Murray Regional Organisation of Councils (RAMROC) is a voluntary regional organisation of 18 councils in the Murray Region.
Local Government New South Wales	Local Government NSW is the peak industry association that represents the interests of NSW general and special purpose councils.



Areas of NIL reports

Companies Controlled by Council

Local Government (General) Regulation 2005

Clause 217(1)(a7)

Council did not hold a controlling interest in any corporations, partnerships, trusts, joint ventures, syndicates or other bodies during 2016/2017.

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.

Companies in which Council held the controlling interest

Local Government (General) Regulation 2005 Clause 217(1)(a7)

Council held no controlling interest in any company for the 12 month period ending 30 June 2017.

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 2017/18.

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 2017/2018.

Coastal Protection Services

Local Government (General) Regulation 2005

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.

Works Carried out on Private Land

Local Government (General) Regulation 2005

Clause 217(1)(a4)

During the year ending 30 June 2018 Council made no resolutions under Section 67 of the Local Government Act to subsidise work carried out on private land.

Joint Ventures/Partnerships

Local Government (General) Regulation 2005

Clause 217(1)(a8)

Council did not participate in any corporation, partnership, trust, joint venture, syndicate or other body during 2017/2018.

Environmental Upgrade Agreements

Local Government Act 1993 Section 54P

No environmental upgrade agreements have been entered into in accordance with any requirements imposed under Section 406.

Overseas Visits

Local Government (General) Regulation 2005 Clause 217(1)(a)

The were no overseas visits undertaken by Councillors or staff on Council business during the 2017/2018 Financial Year.



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 included in his report commencing on page 53.

What you will find in the statements

The Financial Statements set out the financial performance, financial position and cash flows of Council for the financial year ended 30 June 2018. The format of the Financial Statements is standard across all NSW Councils and complies with both the accounting and reporting requirements of Australian Accounting Standards and requirements 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 Statement of Financial Position** 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.



Council's Financial Performance

Consolidated Funds

Operating Performance ratio: This ratio measures Council's success in containing operating expenditure within operating revenue. Council's ratio was 12.86%, well above the industry benchmark of greater than 0%. This was principally due to additional grant and fees and interest on investments.

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 71.84% which is an increase from last year's 69.01% and 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 5.12 (times) up from 4.52 (times) the previous year. 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 25.15 (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 3.92%, which is well below the industry standard of 10% for rural councils. This 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 22.51 months. This 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 5.22 (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 16.69 (times) which is well above the industry benchmark of 2 (times) and indicates that council has adequate revenue to cover the principal repayments and borrowing costs.

Water Fund

Unrestricted current ratio: Council's Water Fund Unrestricted Current Ratio is 8,492 (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 has not incurred any current debt.

Sewer Fund

Unrestricted current ratio: Council's Sewer Fund Unrestricted current ratio is 72.93 (times) and the fund has no liabilities in place.

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



GENERAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2018

"Preserving the Past, Enhancing the Future"



General Purpose Financial Statements

for the year ended 30 June 2018

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Overview

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

23-25 Chelmsford Place Leeton NSW 2705

Council's guiding principles are detailed in Chapter 3 of the LGA and includes:

- principles applying to the exercise of functions generally by council,
- principles to be applied when making decisions,
- principles of community participation,
- principles of sound financial management, and
- principles for strategic planning relating to the development of an integrated planning and reporting framework.

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

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

Introduction

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

What you will find in the statements

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

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

About the Councillor/Management Statement

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

About the primary financial statements

The financial statements incorporate five 'primary' financial statements:

1. The Income Statement

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

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

2. The Statement of Comprehensive Income

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

3. The Statement of Financial Position

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

4. The Statement of Changes in Equity

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

5. The Statement of Cash Flows

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

About the Notes to the Financial Statements

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

About the Auditor's Reports

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

- 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 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.

General Purpose Financial Statements

for the year ended 30 June 2018

Statement by Councillors and Management

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 24 October 2018.

Cr Paul Maytom

Mayor

Jacqueline Kruger

General Manager

George Weston uncillor

Responsible Accounting Officer

Income Statement

for the year ended 30 June 2018

		Actual	Actua
\$ '000	Notes	2018	2017
Income from continuing operations			
Rates and annual charges	3a	12,102	11,683
User charges and fees	3b	9,005	8,083
Interest and investment revenue	3c	1,027	1,119
Other revenues	3d	613	639
Grants and contributions provided for operating purposes	3e,f	7,919	8,541
Grants and contributions provided for capital purposes	3e,f	999	1,125
Other income:			
	5	187	129
Reversal of revaluation decrements / impairment of			
IPP&E previously expensed	4d	210	
Total income from continuing operations	_	32,062	31,319
Expenses from continuing operations			
	10	10 335	9,918
, ,			114
•			6,558
		,	6,165
Other expenses	4e	2,496	2,454
Total expenses from continuing operations		26,723	25,209
Operating result from continuing operations		5,339	6,110
Operating result from continuing operations	_	5,339	6,110
Operating result from continuing operations Net operating result for the year	_	5,339 5,339	6,110
	Interest and investment revenue Other revenues Grants and contributions provided for operating purposes Grants and contributions provided for capital purposes Other income: Net gains from the disposal of assets Reversal of revaluation decrements / impairment of IPP&E previously expensed Total income from continuing operations Expenses from continuing operations Employee benefits and on-costs Borrowing costs Materials and contracts Depreciation and amortisation Other expenses	Income from continuing operations Revenue: Rates and annual charges User charges and fees Interest and investment revenue Other revenues Grants and contributions provided for operating purposes Grants and contributions provided for capital purposes Other income: Net gains from the disposal of assets Reversal of revaluation decrements / impairment of IPP&E previously expensed Total income from continuing operations Expenses from continuing operations Expenses from continuing operations Employee benefits and on-costs Borrowing costs Materials and contracts Depreciation and amortisation Other expenses 4e	Income from continuing operations Revenue: Rates and annual charges User charges and fees Interest and investment revenue Other revenues Grants and contributions provided for operating purposes Other income: Net gains from the disposal of assets Reversal of revaluation decrements / impairment of IPP&E previously expensed Total income from continuing operations Employee benefits and on-costs Borrowing costs Materials and contracts Depreciation and amortisation Other expenses Notes 3a 12,102 10,27 3b 9,005 Interest and investment revenue 3c 1,027 3d 613 613 613 613 613 613 613 613 613 613

This statement should be read in conjunction with the accompanying notes.

Statement of Comprehensive Income for the year ended 30 June 2018

\$ '000	Notes	2018	2017
Net operating result for the year (as per Income Statement)		5,339	6,110
Other comprehensive income:			
Amounts that will not be reclassified subsequently to the operating res	sult		
Gain (loss) on revaluation of IPP&E	9a	3,537	(6,110)
Impairment (loss) reversal relating to IPP&E	9a	_	(2,778)
Other movements in reserves - Intangible Assets Reval	10	1,791	
Total items which will not be reclassified subsequently			
to the operating result		5,328	(8,888)
Amounts that will be reclassified subsequently to the operating result when specific conditions are met			
Other movements			_
Total items which will be reclassified subsequently to the operating result when specific conditions are met		_	_
Total other comprehensive income for the year	-	5,328	(8,888)
Total comprehensive income for the year	-	10,667	(2,778)
Total comprehensive income attributable to Council		10,667	(2,778)

This statement should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2018

3 '000	Notes	2018	2017
ASSETS			
Current assets			
Cash and cash equivalents	6a	2,788	2,229
nvestments	6b	29,610	22,610
Receivables	7	2,496	2,247
nventories	8	1,529	1,758
Fotal current assets		36,423	28,844
Non-current assets			
nvestments	6b	9,500	13,500
Receivables	7	71	119
nfrastructure, property, plant and equipment	9	203,133	197,879
ntangible assets	10	6,027	4,236
Total non-current assets	-	218,731	215,734
TOTAL ASSETS		255,154	244,578
LIABILITIES			
Current liabilities			
Payables	11	2,061	1,552
ncome received in advance	11	345	490
Borrowings	11	309	295
Provisions	12	2,171	2,396
Total current liabilities	-	4,886	4,733
Non-current liabilities			
Payables	11	_	3
Borrowings	11	1,634	1,943
Provisions Fotal non-current liabilities	12	146 1,780	78 2,024
TOTAL LIABILITIES	-	6,666	6,757
Net assets	-	248,488	237,821
VOT 455015	=	240,400	201,021
EQUITY			
Accumulated surplus	13	119,502	114,163
Revaluation reserves	13	128,986	123,658
Total equity		248,488	237,821

This statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity for the year ended 30 June 2018

\$ '000	Notes	2018 Accumulated surplus	Revaluation reserves	Total equity	2017 Accumulated surplus	Revaluation reserves	Total equity
Opening balance		114,163	123,658	237,821	108,053	132,546	240,599
Net operating result for the year		5,339	_	5,339	6,110	_	6,110
Net operating result for the year		5,339	_	5,339	6,110	_	6,110
Other comprehensive income							
- Gain (loss) on revaluation of IPP&E	9a	_	3,537	3,537	_	(6,110)	(6,110)
- Gain (loss) on revaluation of Intangible Assets	10	_	1,791	1,791	_	_	-
- Impairment (loss) reversal relating to IPP&E	9a	_	_	_	_	(2,778)	(2,778)
Other comprehensive income		_	5,328	5,328	_	(8,888)	(8,888)
Total comprehensive income (c&d)		5,339	5,328	10,667	6,110	(8,888)	(2,778)
Equity – balance at end of the reporting period		119,502	128,986	248,488	114,163	123,658	237,821

This statement should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2018

Original unaudited			
budget		Actual	Actual
2018	\$ '000 Notes	2018	2017
	Cash flows from operating activities		
	Receipts:		
12,239	Rates and annual charges	11,990	11,670
6,407	User charges and fees	8,871	8,599
833	Investment and interest revenue received	1,109	1,122
9,065	Grants and contributions	8,495	9,593
_	Bonds, deposits and retention amounts received	_	304
588	Other	674	1,544
	Payments:		
(11,086)	Employee benefits and on-costs	(10,320)	(10,135)
(5,416)	Materials and contracts	(7,551)	(7,257)
(110)	Borrowing costs	(106)	(119)
_	Bonds, deposits and retention amounts refunded	_	(45)
(2,513)	Other	(2,465)	(3,204)
10,007	Net cash provided (or used in) operating activities 14b	10,697	12,072
,	, and the second of the second		,
	Cash flows from investing activities		
	Receipts:		
1,400	Sale of investment securities	22,610	25,210
90	Sale of real estate assets	329	265
459	Sale of infrastructure, property, plant and equipment	456	504
110	Deferred debtors receipts	180	63
110	Payments:	100	03
	Purchase of investment securities	(25,610)	(32,610)
(11 040)		, ,	
(11,940)	Purchase of infrastructure, property, plant and equipment Purchase of real estate assets	(7,805)	(7,297)
	Deferred debtors and advances made	(3)	_
(5)		(0.040)	(10.005)
(9,886)	Net cash provided (or used in) investing activities	(9,843)	(13,865)
	Cash flows from financing activities		
	Receipts:		
	Nil		
	Payments:		
(296)	Repayment of borrowings and advances	(295)	(280)
(296)	Net cash flow provided (used in) financing activities	(295)	(280)
(230)	Net cash now provided (used in) infancing activities	(233)	(200)
(175)	Net increase/(decrease) in cash and cash equivalents	559	(2,073)
(110)			(=,=:=)
3,122	Plus: cash and cash equivalents – beginning of year 14a	2,229	4,302
	. 5 5 7		
2,947	Cash and cash equivalents – end of the year 14a	2,788	2,229
	Additional Information:		
	plus: Investments on hand – end of year 6b	39,110	36,110
	Total cash, cash equivalents and investments	41,898	38,339

This statement should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

for the year ended 30 June 2018

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Leeton Shire Council

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

Note 1. Basis of preparation

These financial statements were authorised for issue by Council on 29/10/2018.

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

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

Basis of preparation

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

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

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

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

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

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

and are clearly marked .

(a) New and amended standards adopted by Council

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

(b) Historical cost convention

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

(c) Significant accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Council's accounting policies.

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

Critical accounting estimates and assumptions

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

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Financial Statements 2018

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 1. Basis of preparation (continued)

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

- (i) estimated fair values of infrastructure, property, plant and equipment refer Note 9,
- (ii) estimated fair value of intangible assets (water licences) Refer Note 10
- (iii) employee benefit provisions refer Note 12.

Significant judgements in applying the Council's accounting policies

(iii) Impairment of receivables

Council has made no significant judgements about the impairment of a number of its receivables in Note 7.

Monies and other assets received by Council

(a) The Consolidated Fund

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

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

- General purpose operations
- Water service
- Sewerage service

(b) The Trust Fund

In accordance with the provisions of Section 411 of the Local Government Act 1993 (NSW) (as amended), a separate and distinct Trust Fund is maintained to account for all money and other assets received by the Council in trust which must be applied only for the purposes of, or in accordance with the trusts relating to those monies. Trust monies and other assets subject to Council's control have been included in these reports.

Goods and Services Tax (GST)

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

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

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

Financial Statements 2018

Leeton Shire Council

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

Note 1. Basis of preparation (continued)

New accounting standards and interpretations issued not yet effective

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

As at the date of authorisation of these financial statements, Council considers that the standards and interpretations listed below will have an impact upon future published financial statements ranging from additional and / or revised disclosures to actual changes as to how certain transactions and balances are accounted for

Effective for annual reporting periods beginning on or after 1 July 2018

AASB 9 Financial Instruments - This replaces AASB 139 Financial Instruments: Recognition and Measurement, and addresses the classification, measurement and disclosure of financial assets and liabilities. The standard introduces a new impairment model that requires impairment provisions to be based on expected credit losses, rather than incurred credit losses. As Council already values investments at fair value, Council does not expect any financial impact from these developments.

Effective for annual reporting periods beginning on or after 1 July 2019

AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities and AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities - AASB 15 will replace AASB 118 Revenue, AASB 111 Construction Contracts and a number of Interpretations. AASB 2016-8 provides Australian requirements and guidance for not-for-profit entities in applying AASB 9 and AASB 15, and AASB 1058 will replace AASB 1004 Contributions.

Together they contain a comprehensive and robust framework for the recognition, measurement and disclosure of income including revenue from contracts with customers. Council has reviewed the way that income is measured and recognised and does not believe there will be any material impact arising from these standards, apart from affecting the timing of the recognition of some grants and donations.

AASB 16 Leases - Council is currently a party to leases that are not recognised in the Statement of Financial Position. It is likely that some of these leases will need to be included in the Statement of Financial Position when this standard comes into effect. A lease liability will initially be measured at the present value of the lease payments to be made over the lease term. A corresponding right-of-use asset will also be recognised over the lease term. This standard is not expected to have a material impact on Council's future financial statements.

Financial Statements 2018

Leeton Shire Council

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

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

\$ '000		Income, expenses and assets have been directly attributed to the following functions/activities. Details of these functions/activities are provided in Note 2(b).								
Functions/activities		ome from Expenses from Operating result from income from continuing operations continuing operations		Income from continuing operations		Operating result from income from continuing operations		Total ass (current a	and non-	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Governance		_	1,169	281	(1,169)	(281)	_	_	-	_
Administration	12,314	13,497	1,820	1,608	10,494	11,889	4,226	5,949	27,132	27,657
Public order and safety	137	191	578	546	(441)	(355)	-	122	1,127	1,092
Health	19	13	163	293	(144)	(280)	-	_	-	-
Environment	2,698	2,652	2,789	2,847	(91)	(195)	26	41	5,334	4,728
Community services and education	1,691	1,815	1,957	2,159	(266)	(344)	114	166	4,820	4,661
Housing and community amenities	702	523	1,139	911	(437)	(388)	58	57	9,834	10,351
Water supplies	4,926	4,716	3,735	3,617	1,191	1,099	38	39	38,581	36,951
Sewerage services	3,031	2,817	2,351	2,492	680	325	86	65	37,367	36,236
Recreation and culture	814	930	3,728	3,901	(2,914)	(2,971)	289	275	30,206	25,181
Mining, manufacturing and construction	58	43	11	9	47	34	_	_	360	322
Transport and communication	3,746	2,176	5,219	4,543	(1,473)	(2,367)	3,508	1,808	96,581	94,499
Economic affairs	1,926	1,946	2,064	2,002	(138)	(56)	5	74	3,812	2,900
Total functions and activities	32,062	31,319	26,723	25,209	5,339	6,110	8,350	8,596	255,154	244,578

Financial Statements 2018

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

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

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

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, Crown Land administration, engineering works, and any Council policy compliance.

Public order and safety

Includes Council's fire and emergency services levy, fire protection, emergency services, enforcement of regulations and animal control.

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

Includes the supply of water services.

Sewerage services

Includes the supply of sewerage services.

Recreation and culture

Includes public libraries; museums; community centres and halls, performing arts venues; 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; events; real estate development and other business undertakings.

Financial Statements 2018

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 3. Income from continuing operations

\$ '000	2018	2017
(a) Rates and annual charges		
Ordinary rates		
Residential	3,745	3,673
Farmland	2,788	2,743
Business	408	400
Less: pensioner rebates (mandatory)	(96)	(97)
Less: pensioner rebates (Council policy)	(173)	(175)
Total ordinary rates	6,672	6,544
Annual charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)		
Domestic waste management services	1,040	1,000
Stormwater management services	90	89
Water supply services	1,447	1,437
Sewerage services	2,346	2,129
Waste management services (non-domestic)	161	157
Recycling	526	506
Trade waste	14	16
Less: pensioner rebates (mandatory)	(69)	(70)
Less: pensioner rebates (Council policy)	(125)	(125)
Total annual charges	5,430	5,139
TOTAL RATES AND ANNUAL CHARGES	12,102	11,683

Accounting policy for rates and annual charges

Rates, annual charges, grants and contributions (including developer contributions) are recognised as revenue when the Council obtains control over the assets comprising these receipts. Developer contributions may only be expended for the purposes for which the contributions were required, but the Council may apply contributions according to the priorities established in work schedules.

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

(b) User charges and fees	2018	2017
Specific user charges (per s.502 – specific 'actual use' charges)		
Water supply services	3,046	2,434
Sewerage services	306	313
Total specific user charges	3,352	2,747
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s.608)		
Building regulation	53	39
Inspection services	13	_
Private works – section 67	302	99
Regulatory/ statutory fees	25	26
Registration fees	17	17
Section 149 certificates (EPA Act)	22	21
Section 603 certificates	24	18
Tapping fees	21	30
Town planning	135	108
Total fees and charges – statutory/regulatory	612	358

Financial Statements 2018

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 3. Income from continuing operations (continued)

\$ '000	2018	2017
(b) User charges and fees (continued)		
(ii) Fees and charges – other (incl. general user charges (per s.608))		
Aged care	_	19
Cemeteries	243	165
Child care	1,514	1,477
Fire and emergency services levy (FESL) implementation	2	73
Golf course	281	264
Lease rentals	247	230
Leaseback fees – Council vehicles	70	54
Library and art gallery	13	15
RMS (formerly RTA) charges (state roads not controlled by Council)	1,663	1,641
Swimming centres	120	115
Tourism	14	16
Waste disposal tipping fees	675	691
Roxy theatre	109	123
Stadium	41	36
User group contributions	34	41
Other	15	18
Total fees and charges – other	5,041	4,978
TOTAL USER CHARGES AND FEES	9,005	8,083

Accounting policy for user charges and fees

Interest

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

(c) Interest and investment revenue (including losses)

	- Overdue rates and annual charges (incl. special purpose rates)
	- Cash and investments
	 Deferred debtors
ı	Dividend income

TOTAL INTEREST AND INVESTMENT REVENUE

35	43
1,068	979
6	5
10	_
1.119	1.027

Accounting policy for interest and investment revenue

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

Financial Statements 2018

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 3. Income from continuing operations (continued)

\$ '000	2018	2017
(d) Other revenues		
Fines – other	24	24
Legal fees recovery – rates and charges (extra charges)	31	36
Child care operations	15	25
Commissions and agency fees	3	1
Community transport reimbursement	8	45
Diesel rebate	51	93
Donations and sponsorship received	14	4
Insurance claim recoveries	3	69
Insurance rebates	55	76
Recycling income (non-domestic)	51	34
RFS reimbursements	(1)	47
Sales – general	299	151
Other	60	34
TOTAL OTHER REVENUE	613	639

Accounting policy for other revenue

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

Parking fees and fines are recognised as revenue when the service has been provided, or when the penalty has been applied, whichever occurs first.

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

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

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

Financial Statements 2018

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 3. Income from continuing operations (continued)

\$ '000	2018 Operating	2017 Operating	2018 Capital	2017 Capital
(e) Grants				
General purpose (untied)				
Current year allocation	1,517	2,866		
Financial assistance – general component	1,517 508	2,000 974	_	_
Financial assistance – local roads component	306	974	_	_
Payment in advance – future year allocation	4.550	4 404		
Financial assistance – general component	1,556	1,481	_	_
Financial assistance – local roads component	523	500	_	_
Other				
Pensioners' rates subsidies – general component	97	97		
Total general purpose	4,201	5,918		
Specific purpose				
Pensioners' rates subsidies:				
– Water	38	39	_	_
Sewerage	31	31	_	_
 Domestic waste management 	26	26	_	_
Sewerage services	_	_	55	34
Aged care	_	7	_	_
Child care	109	110	_	_
Community care	_	39	_	_
Economic development	5	66	_	_
Employment and training programs	5	23	_	_
Environmental protection	2	2	_	15
Flood restoration	1,948	500	_	_
Heritage and cultural	12	41	338	85
Library	1	48	_	15
Library – per capita	40	_	_	_
Library – special projects	8	_	_	_
LIRS subsidy	71	81	_	_
Noxious weeds	39	35	_	_
NSW rural fire services	76	85	_	_
Public halls	_	_	_	6
Recreation and culture	15	-	189	46
Street lighting	58	57	_	_
Transport (roads to recovery)	941	1,083	_	_
Transport (other roads and bridges funding)	31	79	110	121
Youth services Other	1	1 3	_	_
	3,457	2,356		322
Total specific purpose Total grants	7,658	8,274	692	322
	,	 -		
Grant revenue is attributable to:	F 007	6.004	000	0.4
Commonwealth funding State funding	5,097 2,560	6,991	283 409	31 273
– State funding – Other funding	2,560 1	1,270 13	409 —	273 18
v	7,658	8,274	692	322

Financial Statements 2018

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 3. Income from continuing operations (continued)

	2018	2017	2018	2017
\$ '000 Notes	Operating	Operating	Capital	Capital
(f) Contributions				
Developer contributions:				
(s7.4 & s7.11 – EP&A Act, s64 of the LGA):				
Cash contributions				
S94 – contributions towards amenities/services	_	_	5	18
S94A – fixed development consent levies	_	_	114	39
S 64 – water supply contributions	_	_	16	101
S 64 – sewerage service contributions	_	_	12	90
Total developer contributions – cash	_	_	147	248
Total developer contributions 21	_		147	248
Other contributions:				
Cash contributions				
Community services	_	3	_	_
Dedications – subdivisions (other than by s7.11)	_	_	_	10
Drainage	_	_	_	3
Other councils – joint works/services	21	_	_	_
Recreation and culture	_	7	20	_
Roads and bridges	_	22	_	_
RMS contributions (regional roads, block grant)	240	235	119	107
Sewerage (excl. section 64 contributions)	_	_	10	27
Water supplies (excl. section 64 contributions)	_	_	11	403
Other				5
Total other contributions – cash	261	267	160	555
Total other contributions	261	267	160	555
Total contributions	261	267	307	803
TOTAL GRANTS AND CONTRIBUTIONS	7,919	8,541	999	1,125

Accounting policy for contributions

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

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were un-discharged at reporting date, the unused grant or contribution is disclosed above.

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

Financial Statements 2018

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 3. Income from continuing operations (continued)

\$ '000	2018	2017
(g) Unspent grants and contributions		
Certain grants and contributions are obtained by Council on condition that they be spent in a specified manner:		
Operating grants		
Unexpended at the close of the previous reporting period	577	450
Add: operating grants recognised in the current period but not yet spent	6	430
Add: operating grants received for the provision of goods and services in a future period	2,079	46
Less: operating grants recognised in a previous reporting period now spent	(282)	(349)
Unexpended and held as restricted assets (operating grants)	2,380	577
Capital grants		
Add: capital grants recognised in the current period but not yet spent	183	-
Add: capital grants received for the provision of goods and services in a future period	16	_
Unexpended and held as restricted assets (capital grants)	199	_
Contributions		
Add: contributions recognised in the current period but not yet spent	280	_
Unexpended and held as restricted assets (contributions)	280	_

Financial Statements 2018

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 4. Expenses from continuing operations

\$ '000	2018	2017
(a) Employee benefits and on-costs		
Salaries and wages	8,228	8,139
Employee termination costs	369	_
Travel expenses	32	35
Employee leave entitlements (ELE)	898	802
Superannuation	912	903
Workers' compensation insurance	80	314
Fringe benefit tax (FBT)	30	38
Payroll tax	44	40
Training costs (other than salaries and wages)	135	148
Protective clothing	27	30
Relocation Cost	5	_
Other	84	103
Total employee costs	10,844	10,552
Less: capitalised costs	(509)	(634)
TOTAL EMPLOYEE COSTS EXPENSED	10,335	9,918
Number of 'full-time equivalent' employees (FTE) at year end	117	131
Number of 'full-time equivalent' employees (FTE) at year end (incl. vacancies)	136	136

Accounting policy for employee benefits and on-costs

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

Retirement benefit obligations

All employees of the Council are entitled to benefits on retirement, disability or death. Council contributes to various defined benefit plans and defined contribution plans on behalf of its employees.

Superannuation plans

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

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

(b) Borrowing costs	2018	2017
(i) Interest bearing liability costs		
Interest on loans	101_	114
Total interest bearing liability costs expensed	101	114
TOTAL BORROWING COSTS EXPENSED	101	114

Accounting policy for borrowing costs

Borrowing costs are expensed when incurred.

Financial Statements 2018

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 4. Expenses from continuing operations (continued)

\$ '000	2018	2017
(c) Materials and contracts		
Raw materials and consumables	6,322	5,158
Contractor and consultancy costs		
 Garbage collection charges 	791	776
 Contractor and consultancy costs - Administration 	179	_
 Contractor and consultancy costs - Building & Planning 	48	_
 Contractor and consultancy costs - Engineering 	87	_
 Other contractor and consultancy costs 	78	243
Auditors remuneration (1)	44	80
Legal expenses:		
 Legal expenses: planning and development 	9	7
 Legal expenses: debt recovery 	31	38
Legal expenses: other	34	35
Film and other hire expenses	45	47
Water purchases	209	174
TOTAL MATERIALS AND CONTRACTS	7,877	6,558
auditor of Council, related practices and non-related audit firms Auditors of the Council – NSW Auditor-General:	•	
(i) Audit and other assurance services		
Audit and review of financial statements	41	43
Remuneration for audit and other assurance services	41	43
Total Auditor-General remuneration	41	43
Non NSW Auditor-General audit firms:		
(i) Audit and other assurance services	_	_
Other audit and assurance services	3	5
Internal Audit		32
Remuneration for audit and other assurance services	3	37
Total remuneration of non NSW Auditor-General audit firms		37
Total Auditor remuneration	44	80

Financial Statements 2018

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 4. Expenses from continuing operations (continued)

6 1000	2040	0047
\$ '000	2018	2017
(d) Depreciation, amortisation and impairment		
Depreciation and amortisation		
Plant and equipment	723	705
Office Furniture and Equipment	54	52
Land improvements (depreciable)	42	39
Infrastructure:		
 Buildings – non-specialised 	5	7
– Buildings – specialised	871	883
 Other structures 	254	243
- Roads	2,171	2,161
– Bridges	37	38
– Footpaths	67	65
 Stormwater drainage 	107	106
- Water supply network	927	1,128
- Sewerage network	655	737
Other assets:		
- Other	1	11_
Total depreciation and amortisation costs	5,914	6,165

Financial Statements 2018

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 4. Expenses from continuing operations (continued)

\$ '000	2018	2017
(d) Depreciation, amortisation and impairment (continued)		
Impairment / revaluation decrement of IPP&E Infrastructure:		
– Buildings – specialised	(194)	_
- Other structures	(16)	
Total IPP&E impairment / revaluation decrement costs / (reversals)	(210)	_
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT / REVALUATION DECREMENT COSTS EXPENSED	5,704	6,165

Accounting policy for depreciation, amortisation and impairment expenses

Depreciation and amortisation

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

Impairment of non-financial assets

Intangible assets that have an indefinite useful life or are not yet available for use are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

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

Impairment of financial assets

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

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Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 4. Expenses from continuing operations (continued)

\$ '000	2018	2017
(e) Other expenses		
Advertising	51	48
Bad and doubtful debts	2	3
Bank charges	1	1
Commissions / agency fees	81	69
Contributions/levies to other levels of government		
- Emergency services levy (includes FRNSW, SES, and RFS levies)	20	22
– NSW fire brigade levy	30	29
- NSW rural fire service levy	114	111
Councillor expenses – mayoral fee	25	25
Councillor expenses – councillors' fees	104	100
Councillors' expenses (incl. mayor) – other (excluding fees above)	45	31
Donations, contributions and assistance to other organisations (Section 356)		
 Annual donations 	14	15
 Discretionary donations, contributions and assistance 	15	14
Election expenses	_	57
Electricity and heating	564	586
Insurance	322	366
Licences and permits	22	17
Office expenses (including computer expenses)	310	219
Postage	39	37
Printing and stationery	72	67
Regional arts board	3	11
Street lighting	285	284
Subscriptions and publications	99	116
Telephone and communications	179	177
Valuation fees	95	40
Rental	4	9
TOTAL OTHER EXPENSES	2,496	2,454

Accounting policy for other expenses

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

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Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 5. Gains or losses from the disposal of assets

Plant and equipment Proceeds from disposal – plant and equipment Less: carrying amount of plant and equipment assets sold/written off Net gain/(loss) on disposal Infrastructure Proceeds from disposal – infrastructure Less: carrying amount of infrastructure assets sold/written off - Less: carrying amount of infrastructure assets sold/written off	
Proceeds from disposal – plant and equipment 456 Less: carrying amount of plant and equipment assets sold/written off (384) Net gain/(loss) on disposal 72 Infrastructure 9 Proceeds from disposal – infrastructure -	
Less: carrying amount of plant and equipment assets sold/written off Net gain/(loss) on disposal Infrastructure Proceeds from disposal – infrastructure 9 -	425
Net gain/(loss) on disposal 72 Infrastructure Proceeds from disposal – infrastructure –	
Infrastructure Proceeds from disposal – infrastructure -	(196)
Proceeds from disposal – infrastructure –	229
•	
Less: carrying amount of infrastructure assets sold/written off	79
	(161)
Net gain/(loss) on disposal	(82)
Real estate assets held for sale	
Proceeds from disposal – real estate assets 329	265
Less: carrying amount of real estate assets sold/written off (214)	(283)
Net gain/(loss) on disposal115	(18)
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS 187	129

Accounting policy for disposal of assets

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

Note 6(a). Cash and cash equivalent assets

Cash and cash equivalents		
Cash on hand and at bank	687	645
Cash-equivalent assets		
– Deposits at call	2,101	1,584
Total cash and cash equivalents	2,788	2,229

Accounting policy for cash and cash equivalents

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

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Leeton Shire Council

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

Note 6(b). Investments

	2018	2018	2017	2017
\$ '000	Current	Non-current	Current	Non-current
Investments				
'Held to maturity'	29,610	9,500	22,610	13,500
Total investments	29,610	9,500	22,610	13,500
TOTAL CASH ASSETS, CASH				
EQUIVALENTS AND INVESTMENTS	32,398	9,500	24,839	13,500
Held to maturity investments				
Long term deposits	29.610	6,500	22.610	11,500
NCD's, FRN's (with maturities > 3 months)		3,000	,0.0	2,000
	20.040		22.040	
Total	29,610	9,500	22,610	13,500

Accounting policy for investments

Classification

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

Held to maturity investments

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

Recognition and de-recognition

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

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

Financial Statements 2018

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

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

	2018	2018	2017	2017
\$ '000	Current	Non-current	Current	Non-current
Total cash, cash equivalents				
and investments	32,398	9,500	24,839	13,500
attributable to:	45 470	0.500	44 700	40.005
External restrictions (refer below)	15,478	9,500	11,709	10,625
Internal restrictions (refer below)	14,798	_	11,772	2,875
Unrestricted	2,122	0.500	1,358	42 500
	32,398	9,500	24,839	13,500
\$ '000			2018	2017
Details of restrictions				
External restrictions – other				
Developer contributions – general			247	130
Developer contributions – water fund			17	15
Specific purpose unexpended grants			500	432
Water supplies			12,599	10,436
Water supplies – retention			1	1
Water supplies – carry over works			110	736
Sewerage services			7,189	6,626
Sewerage services – carry over works			220	258
Domestic waste management			3.475	3,154
Stormwater management			312	238
Deposits, retention and bonds			308	308
External restrictions – other			24,978	22,334
Total external restrictions		_	24,978	22,334
Total external restrictions		_	24,370	22,004

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Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

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

\$ '000	2018	2017
Internal restrictions		
Plant and vehicle replacement	1,176	1,448
Infrastructure replacement	2,658	3,225
Employees leave entitlement	2,113	2,113
Unfinished Works	1,486	731
Golf Club Committee	1,400	751
Buildings	296	423
Childcare centre	231	231
Community services - Youth	16	16
Financial assistance advance payment	2,079	1,981
Emergency services	30	30
Aged housing	95	96
Insurance	41	41
Workers compensation equalisation	397	397
Aerodrome	165	150
Roads general	1,962	1,909
Roxy theatre	102	102
Stadium	12	12
Sportsgrounds improvements	215	215
Swimming pool	994	994
Land development	615	533
Renewable Energy Efficiencies	100	_
Total internal restrictions	14,798	14,647
TOTAL RESTRICTIONS	39,776	36,981

Financial Statements 2018

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 7. Receivables

	20	18	2017		
\$ '000	Current	Non-current	Current	Non-current	
Purpose					
Rates and annual charges	449	_	337	_	
Interest and extra charges	54	_	45	_	
User charges and fees	522	_	533	_	
Accrued revenues					
Interest on investments	528	_	619	_	
Other income accruals	209	_	284	_	
Amounts due from other councils		_	6	_	
Deferred debtors	80	71	212	119	
Government grants and subsidies	454	_	31	_	
Net GST receivable	215	_	196	_	
Other debtors - Rental Bonds	1	_	_	_	
Total	2,512	71	2.263	119	
Total					
Less: provision for impairment					
Rates and annual charges	(11)	_	(11)	_	
User charges and fees	(5)	_	(5)	_	
Total provision for impairment – receivables	(16)	_	(16)	_	
TOTAL NET RECEIVABLES	2,496	71	2,247	119	
Externally restricted receivables					
Water supply	50		0.7		
Rates and availability charges	53	_	37	_	
- Other	306	_	280	8	
Sewerage services	50		24		
Specific purpose grants	59	_	34	_	
Rates and availability charges	256	_	53	-	
- Other	67	4	249	7	
Domestic waste management	137		127		
Total external restrictions	878	4	780	15	
Unrestricted receivables	1,618	67	1,467	104	
TOTAL NET RECEIVABLES	2,496	71	2,247	119	
Management of the second of th	-1-1		0040	00.47	
Movement in provision for impairment of receive	abies		2018	2017	
Balance at the beginning of the year			16	16	
Balance at the end of the year			16	16	

Financial Statements 2018

Leeton Shire Council

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

Note 7. Receivables (continued)

Accounting policy for receivables

Recognition and measurement

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

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

Impairment

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

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

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the receivable is impaired. When a receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the Income statement.

Note 8. Inventories and other assets

	20	2018			
\$ '000	Current	Non-current	Current	Non-current	
(a) Inventories					
(i) Inventories at cost					
Real estate for resale	1,456	_	1,667	_	
Stores and materials	73	_	91	_	
Total inventories at cost	1,529	_	1,758	_	
TOTAL INVENTORIES	1,529		1,758		

Externally restricted assets

There are no restrictions applicable to the above assets.

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Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 8. Inventories

(continued)

		20	18	2017		
\$ '000	Notes	Current	Non-current	Current	Non-current	
(i) Other disclosures						
(a) Details for real estate development						
Residential		40	_	40	_	
Industrial/commercial		1,381	_	1,482	_	
Other properties		35		145_		
Total real estate for resale		1,456		1,667		
(Valued at the lower of cost and net realisable value))					
Represented by:						
Acquisition costs		280	_	491	_	
Development costs		1,176		1,176		
Total costs		1,456		1,667		
Total real estate for resale		1,456		1,667		
Movements:						
Real estate assets at beginning of the year	ır	1,667	_	1,950	_	
 Purchases and other costs 		3	_	_	_	
– WDV of sales (expense)	5	(214)		(283)		
Total real estate for resale		1,456		1,667		
(b) Current assets not anticipated to be	settled w	ithin the next	12 months			
The following inventories and other assets						
as current are not expected to be recovered	ed in the n	ext 12 months;				
·				2018	2017	
Real estate for resale				1,421	1,467	
				1,421	1,467	

Accounting policy

Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventory held for distribution

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

Land held for resale/capitalisation of borrowing costs

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

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

Leeton Shire Council

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

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

Asset class			Asset movements during the reporting period												
		as at 30/6/2017				Carrying		5	Impairment	011	Revaluation	Revaluation		as at 30/6/2018	
\$ '000	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals	Additions new assets	value of disposals	Depreciation expense	Reinstatement Costs for Impaired Assets	Reversal (Recognised in P & I)	Other movements Reclass	decrements to equity (ARR)	increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
Capital work in progress	172	_	172		648	_	_		_	_	_	_	820	_	820
Plant and equipment	8,054	3,671	4,383		1,846	(373)	(723)		-	_	_	837	5,970	_	5,970
Office Furniture & Equipment	717	503	214	16	85	-	(54)		-	_	_	15	275	_	275
Land:															
Operational land	2,665	_	2,665		-	-	-		-	86	_	1,081	3,832	_	3,832
 Community land 	6,635	_	6,635		-	-	-		-	(86)	_	2,122	8,671	_	8,671
Land improvements – depreciable	1,780	648	1,132	19	38	-	(42)		-	(134)	_		1,524	511	1,013
Infrastructure:															
 Buildings – non-specialised 	275	120	155		-	-	(5)		-	_	-	47	197	_	197
 Buildings – specialised 	48,130	19,341	28,789	216	24	-	(871)		194	_	(3,372)	_	24,981	_	24,981
Other structures	9,762	4,516	5,246	6	132	-	(254)		16	134	-	1,699	6,980		6,980
- Roads	99,146	28,199	70,947	2,290	207	-	(2,171)	1,402	-	-	_	-	101,643	28,968	72,675
- Bridges	3,724	609	3,115		-	-	(37)		-	-	_	-	3,725	647	3,078
- Footpaths	6,075	1,064	5,011	34	51	-	(67)		-	-	-	-	6,159	1,130	5,029
Bulk earthworks (non-depreciable)	8,705	-	8,705		-	-	-		-	-	-	-	8,705	-	8,705
Stormwater drainage	10,058	2,085	7,973	42		-	(107)		-	-	-	-	10,100	2,192	7,908
Water supply network	55,353	30,947	24,406	217	182	-	(927)		-	-	-	513	56,915	32,524	24,391
Sewerage network	62,083	33,761	28,322	309	2	-	(655)		-	-	-	595	63,708	35,135	28,573
Other assets:															
- Other assets	15	6	9		30	(3)	(1)		_	_		_	39	4	35
TOTAL INFRASTRUCTURE, PROPERTY, PLANT AND EQUIP.	000 040	405 470	407.070			(070)	(5.044)	4 400			(0.070)			104.444	000.400
FROFERTT, FLANT AND EQUIP.	323,349	125,470	197,879	3,149	3,245	(376)	(5,914)	1,402	210	_	(3,372)	6,909	304,244	101,111	203,133

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

Financial Statements 2018

Leeton Shire Council

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

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

Accounting policy for infrastructure, property, plant and equipment

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

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

Increases in the carrying amounts arising on revaluation are credited to the asset revaluation reserve. To the extent that the increase reverses a decrease previously recognising profit or loss relating to that asset class, the increase is first recognised as profit or loss. Decreases that reverse previous increases of assets in the same class are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the class; all other decreases are charged to the Income Statement.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Council and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

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

Plant and equipment	Years	Other equipment	Years
Office equipment	5 to 10	Playground equipment	5 to 15
Office furniture	10 to 20	Benches, seats etc.	10 to 20
Computer equipment	3 to 5		
Vehicles	5 to 10	Buildings	
Heavy plant/road making equipment	5 to 15	Buildings: masonry	50 to 100
Other plant and equipment	5 to 15	Buildings: other	20 to 150
Water and sewer assets		Stormwater assets	
Dams and reservoirs	100	Drains	100
Water Treatment Plants	30 to 70	Culverts	100
Sewer Treatment Plants	25 to 90		
Reticulation pipes: PVC	70 to 80		
Reticulation pipes: other	45 to 80		
Pumps and telemetry	10 to 25		
Transportation assets		Other infrastructure assets	
Sealed roads: surface	20	Bulk earthworks	Infinite
Sealed roads: structure	50	Swimming pools	60
Unsealed roads	20 to 150	Other open space/recreational assets	15 to 200
Bridge: concrete	100	Other infrastructure	15 to 100
Other Road assets	40 to 100		
Road pavements	60		
Kerb, gutter and footpaths	100		

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

Financial Statements 2018

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

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

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

Land under roads

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

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

Crown reserves

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

Rural Fire Service assets

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

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

Capitalisation Thresholds

Items of infrastructure, property, plant and equipment are not capitalised unless their cost of acquisition

exceeds the following;

Land: All purchases are capitalised, but land resumed for public works need

not be capitalised if the resumption costs are less than \$5,000.

Buildings and Land Improvements: Capital expenses totalling less than \$2,000 need not be capitalised.

Plant & Equipment and Office

Furniture & Equipment; Capital expenses totalling less than \$1,000 need not be capitalised.

Water & Sewer Assets: Capital expense totalling less than \$5,000 need not be capitalised.

Stormwater Assets: Capital expense totalling less than \$5,000 need not be capitalised.

Transport Assets: Capital expense totalling less than \$10,000 on any road or other asset

need not be capitalised.

Other Infrastructure Assets: Capital expenses on swimming pools less than \$10,000 or on any other

recreational asset less than \$1,000 need not be capitalised.

Financial Statements 2018

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 9(b). Infrastructure, property, plant and equipment – current year impairments

\$ '000	Notes	2018	2017
(i) Reversal of impairment losses previously recognised in the Income Statement:			
Racecourse Grandstand - Revaluation 2017/18		194	_
Whitton Museum Shelter - Revaluation 2017/18		16	_
Total impairment reversals		210	
IMPAIRMENT OF ASSETS – GAINS/(LOSSES) in P/L	4(d) =	210	
(ii) Impairment losses recognised direct to equity (ARR):			
Flood Damage to roads excessive rain July – September 2016		_	(2,778)
Total impairment losses		_	(2,778)
(iii) Reversals of impairment losses previously recognised direct to equity (ARR):			
Reinstatement of Flood Damaged roads	_	1,402	
Total impairment reversals	_	1,402	
IMPAIRMENT OF ASSETS – DIRECT to EQUITY (ARR)	_	1,402	(2,778)

Financial Statements 2018

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 10. Intangible assets

\$ '000	2018	2017
Intangible assets represent identifiable non-monetary assets without physical substan	ce.	
Intangible assets are as follows:		
Opening values:		
Gross book value (1/7)	4,236	
Net book value – opening balance	4,236	
Movements for the year		
– Revaluation	1,791	_
- Transfer from IPP&E	-	4,236
Closing values:		
Gross book value (30/6)	6,027	4,236
TOTAL INTANGIBLE ASSETS – NET BOOK VALUE 1	6,027	4,236
		· · · · · · · · · · · · · · · · · · ·
^{1.} The net book value of intangible assets represent:		
Water Licences	6,027	4,236
	6,027	4,236

Accounting policy for intangible assets

Water Licences

Council holds a number of high and general security water licences which it recognises as an intangible asset.

The water licences are individually tradable on the open water licence sales market.

The licences were obtained principally through land acquisitions where the water licence was attached to the land. The water licences are individually tradable separated from the land and can be sold on a permanent or temporary transfer basis. At present Council only trades the water entitlement associated with the water licences on a temporary basis. Income received from the sale of water entitlements are disclosed as other revenue.

The licences are recorded in Council's accounts at fair value based on market valuations obtained from the open water licence sales market at balance date.

No amortisation costs are applicable, as high and general security water licences have an indefinite life. Water licences purchased are initially recorded at cost and are revalued at least every 5 years based on market evidence. Water licences are tested for impairment annually based on market sales evidence. If the recoverable amount is less than the carrying amount the carrying amount is reduced to the recoverable amount and the reduction is recognised as an impairment loss.

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Leeton Shire Council

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

Note 11. Payables and borrowings

	20	18	2017		
\$ '000	Current	Non-current	Current	Non-current	
Payables					
Goods and services	1,281	_	973	-	
Accrued expenses:					
Borrowings	34	_	39	-	
 Salaries and wages 	343	_	168	3	
 Other expenditure accruals 	94	_	59	-	
Security bonds, deposits and retentions	309	_	309	-	
Miscellaneous creditor clearing accounts			4	-	
Total payables	2,061		1,552	3	
Income received in advance					
Payments received in advance	345		490	_	
Total income received in advance	345		490	_	
Borrowings					
Loans – secured 1	309	1,634	295	1,943	
Total borrowings	309	1,634	295	1,943	
TOTAL PAYABLES AND BORROWINGS	2,715	1,634	2,337	1,946	

(a) Payables and borrowings relating to restricted assets

	20	18	201	17
	Current	Non-current	Current	Non-current
Externally restricted assets				
Water	1	_	1	_
Sewer	(67)	(114)	53	
Payables and borrowings relating to externally restricted assets	(66)	(114)	54	
Total payables and borrowings relating to restricted assets	(66)	(114)	54	_
Total payables and borrowings relating to unrestricted assets	2,781	1,748	2,283	1,946
TOTAL PAYABLES AND BORROWINGS	2,715	1,634	2,337	1,946

^{1.} Loans are secured over the general rating income of Council Disclosures on liability interest rate risk exposures, fair value disclosures and security can be found in Note 17.

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Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 11. Payables and borrowings (continued)

\$ '000	2018	2017

(b) Current payables and borrowings not anticipated to be settled within the next twelve months

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

NIL

(c) Changes in liabilities arising from financing activities

	2017	2017 Non-cash changes				2018
Class of borrowings	Opening balance as at 1/7/17	Cash flows	Acquisition	Fair value changes	Other non-cash movements	Closing balance as at 30/6/18
Loans – secured	2,238	(295)	_	_	_	1,943
TOTAL	2,238	(295)	_	_	_	1,943

2018	2017
545	545
50	50
595	595
11	6
11	6
545	545
39	44
584	589
	545 50 595 11 11 545 39

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

Financial Statements 2018

Leeton Shire Council

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

Note 11. Payables and borrowings (continued

Accounting policy for payables and borrowings

Pavables

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

Borrowings

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

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

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

Financial Statements 2018

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 12. Provisions

	20	2017		
\$ '000	Current	Non-current	Current	Non-current
Provisions				
Employee benefits:				
Annual leave	662	_	738	_
Long service leave	1,509	105	1,658	78
ELE on-costs		41		
TOTAL PROVISIONS	2,171	146	2,396	78

(a) Provisions relating to restricted assets

\$ '000

	2018		201	17
	Current	Non-current	Current	Non-current
Internally restricted assets				
Child Care Centre	50	109		
Provisions relating to internally restricted assets	50	109		
Total provisions relating to restricted assets	50	109		
Total provisions relating to unrestricted assets	2,121	37_	2,396	78_
TOTAL PROVISIONS	2,171	146	2,396	78

(b) Current provisions r	ot anticipated to	be settled v	vithin the
next twelve menths			

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

Provisions – employees benefits	1,309	1,385
	1,309	1,385

2017

Financial Statements 2018

Leeton Shire Council

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

Note 12. Provisions (continued)

\$ '000

(c) Description of and movements in provisions

		ELE provisions				
2018	Annual leave	Sick leave	Long service leave	ELE on- costs	Other employee benefits	Total
At beginning of year	738	_	1,736	_	_	2,474
Remeasurement effects	(76)	-	(122)	_	_	(198)
Other - Oncosts		_	_	41	_	41
Total ELE provisions at end of year	662	_	1,614	41	_	2,317
		ELE provisions				
2017	Annual leave	Sick leave	Long service leave	ELE on- costs	Other employee benefits	Total
At beginning of year	676	_	2,037	_	_	2,713
Additional provisions	609	_	243	_	_	852
Amounts used (payments)	(529)	-	(502)	_	_	(1,031)
Remeasurement effects	(18)	_	(42)	_	_	(60)
Total ELE provisions at end						
of year	738		1,736			2,474

Employee Leave Entitlements

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

Accounting policy for provisions

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

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Financial Statements 2018

Leeton Shire Council

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

Note 12. Provisions (continued)

Employee benefits

Short-term obligations

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

Other long-term employee benefit obligations

The liability for long service leave and annual leave that is not expected to be wholly settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

Note 13. Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors

Nature and purpose of reserves

Infrastructure, property, plant and equipment revaluation reserve

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

Water Licences

The reserve for high security water licences is used to record increments/decrements in the value of tradeable water licences.

Financial Statements 2018

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 14. Statement of cash flows – additional information

\$ '000	Notes	2018	2017
(a) Reconciliation of cash assets			
Total cash and cash equivalent assets	6a	2,788	2,229
Balance as per the Statement of Cash Flows	_	2,788	2,229
(b) Reconciliation of net operating result			
to cash provided from operating activities			
Net operating result from Income Statement		5,339	6,110
Adjust for non-cash items:			
Depreciation and amortisation		5,914	6,165
Net losses/(gains) on disposal of assets		(187)	(129)
Non-cash capital grants and contributions		-	(97)
Reversal of prior year IPP&E revaluation decrements / impairment			
previously costed direct to the P&L		(210)	_
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		(381)	(172)
Decrease/(increase) in inventories		18	(4)
Decrease/(increase) in other assets		_	2
Increase/(decrease) in payables		308	(39)
Increase/(decrease) in accrued interest payable		(5)	(5)
Increase/(decrease) in other accrued expenses payable		207	23
Increase/(decrease) in other liabilities		(149)	457
Increase/(decrease) in employee leave entitlements		(157)	(239)
Net cash provided from/(used in)			
operating activities from the Statement of Cash Flows	_	10,697	12,072
(c) Non-cash investing and financing activities			
S64 contributions 'in kind'		_	72
Other dedications		-	10
Recycling shed constructed by Ramroc			15
Total non-cash investing and financing activities		_	97

Financial Statements 2018

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 15. Commitments for expenditure

\$ '000	2018	2017
Capital commitments (exclusive of GST)		
Capital expenditure committed for at the reporting date but no		
recognised in the financial statements as liabilities:		
Property, plant and equipment		
Buildings	593	_
Plant and equipment	35	388
Water infrastructure	31	89
Sewer infrastructure	175	_
Roads and drainage	967	2,778
Other Structures	70	
Total commitments	1,871	3,255
These expenditures are payable as follows:		
Within the next year	1,871	3,255
Total payable	1,871	3,255
Sources for funding of capital commitments:		
Unrestricted general funds	9	116
Future grants and contributions	_	2,662
Unexpended grants	447	_
Externally restricted reserves	237	89
Internally restricted reserves	1,178	388
Total sources of funding	1,871	3,255

Details of capital commitments

Capital commitments includes Purchase Orders raised but items not yet supplied, unfinished works and revoted works.

Financial Statements 2018

Leeton Shire Council

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

Note 16. Contingencies and other liabilities/assets not recognised

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

LIABILITIES NOT RECOGNISED:

1. Guarantees

(i) Defined benefit superannuation contribution plans

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

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

While the scheme's most recent full actuarial review indicated that the net assets of the scheme were sufficient to meet the accrued benefits of the scheme's defined benefit member category, member councils are required to make contributions in future years where the scheme goes into deficit (as has occurred in previous years).

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

Future planned contributions being made to the defined benefit scheme to rectify past (and projected) deficit positions will be recognised as an expense when they become payable – similar to the accounting for defined contributions plans.

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

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

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

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

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

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

Financial Statements 2018

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 16. Contingencies and other liabilities/assets not recognised

(continued)

LIABILITIES NOT RECOGNISED (continued):

1. Guarantees (continued)

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

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

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

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

The amount of Council employer contributions to the defined benefit section of the Fund and recognised as an expense and disclosed as part of superannuation expenses at Note 4 (a) for the year ending 30 June 2018 was \$81,000.00

The last valuation of the Fund was by the Actuary, Mr Richard Boyfield, FIAA on 12 December 2017, relating to the period ended 30 June 2017.

Council's expected contributions to the Fund for the next annual reporting reporting period is \$99,800.00.

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

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

^{*} excluding member accounts and reserves in both assets and liabilites.

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

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

^{*} Plus promotional increases

The contribution requirements may vary from the current rates if the overall sub-group experience is not in line with the actuarial assumptions in determining the funding program, however any adjustment to the funding program would be the same for all sponsoring employers in the Pooled Employers group.

Please note that the estimated employer reserves financial position above is a preliminary calculation and once all the relevant information has been received by the Funds Actuary, the 2018 triennial review will be completed around December 2018.

Council's additional lump sum contribution is around 0.215% of the total additional lump sum contributions for all Pooled Employers (of \$40m each year from 1 July 2017 to 30 June 2021) provides an indication of the level of participation of Council compared with other employers in the Pooled Employer sub-group.

Financial Statements 2018

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

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

(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) S94/94A Plans

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

(iii) Tips and quarries

Council operates tips and quarries and will have to rehabilitate the sites at some future date. As at 30 June 2018 Council is unable to reliably estimate the financial cost of such work.

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.

Financial Statements 2018

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 16. Contingencies and other liabilities/assets not recognised

(continued)

ASSETS NOT RECOGNISED (continued):

(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.

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

Financial Statements 2018

Leeton Shire Council

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

Note 17. Financial risk management

\$ '000

Risk management

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

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

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

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

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

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

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

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

The risks associated with the investments held are:

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

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

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

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

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

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

	Increase of values/rates		Decrease of values/ra	
2018	Profit	Equity	Profit	Equity
Possible impact of a 1% movement in interest rates	274	274	(274)	(274)
2017 Possible impact of a 1% movement in interest rates	383	383	(383)	(383)

Financial Statements 2018

Leeton Shire Council

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

Note 17. Financial risk management (continued)

\$ '000

(b) Credit risk

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

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

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

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

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

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

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

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

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

	2018	2018	2017	2017
	Rates and		Rates and	
	annual	Other	annual	Other
	charges	receivables	charges	receivables
(i) Ageing of receivables - %				
Current (not yet overdue)	0%	78%	0%	95%
Overdue	100%	22%	100%	5%
	100%	100%	100%	100%
(ii) Ageing of receivables – value			2018	2017
Rates and annual charges				
< 1 year overdue			449_	337
			449	337
Other receivables				
Current			1,698	1,756
0 - 30 days overdue			424	79
31 - 60 days overdue			-	14
> 91 days overdue			12	
			2,134	1,849

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Leeton Shire Council

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

Note 17. Financial risk management (continued)

\$ '000

(c) Liquidity risk

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

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

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

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

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

\$ '000	Weighted	Subject				Total	Actual
	average	to no		payable in:		cash	carrying
	interest rate	maturity	≤1 Year	1 – 5 Years	> 5 Years	outflows	values
2018							
Trade/other payables		309	1,750	-	-	2,059	2,061
Loans and advances	4.90%		400	1,529	318	2,247	1,943
Total financial liabilities		309	2,150	1,529	318	4,306	4,004
2017							
Trade/other payables		309	1,246	-	-	1,555	1,555
Loans and advances	4.90%		400	1,600	647	2,647	2,238
Total financial liabilities		309	1,646	1,600	647	4,202	3,793

Financial Statements 2018

Leeton Shire Council

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

Note 18. Material budget variations

\$ '000

Council's original financial budget for 17/18 was adopted by the Council on 26 April 2017 and is not required to be audited.

While the Income Statement included in this General Purpose Financial Report must disclose the original budget adopted by Council, the *Local Government Act 1993* requires Council to review its financial budget on a quarterly basis, so that it is able to manage the various variations between actuals versus budget that invariably occur throughout the year.

This note sets out the details of **material variations** between Council's original budget and its actual results for the year as per the Income Statement – even though such variations may have been adjusted for during each quarterly budget review.

Note that for variations* of budget to actual :

Material variations represent those variances that amount to 10% or more of the original budgeted figure. F = Favourable budget variation, U = Unfavourable budget variation

\$ '000	2018 Budget	2018 Actual	2018 Variance*		
DEVENUE					
REVENUES Rates and annual charges	12,239	12,102	(137)	(1%)	ι
User charges and fees	6,397	9,005	2,608	41%	F
Additional revenues were received in the following an	eas: Development a	pplications, prope	erty sales repo	rts and	
construction certificates gave Council an increase of	approx 50%. Counc	il had a \$1,287k i	ncrease in		
RMS income, Water consumption charges increased	by \$775k due main	ly to a drier summ	ner.		
Interest and investment revenue	833	1,027	194	23%	F
Better than budgeted returns on investments by balar	ncing the needs of (Council, monitorin	g cashflow and	1	
investing any surplus funds for better returns.					
Other revenues	588	613	25	4%	F
Operating grants and contributions	5,900	7,919	2,019	34%	F
During the 2017/18 year Council received \$1,948k of	funding to restore f	ood damaged roa	ads.		
Capital grants and contributions	3,165	999	(2,166)	(68%)	- (
Council failed to secure budgeted grant funding on th	e following projects	Leeton Pool \$1,0	000k Whitton to	ansfer stati	on
\$270k, Golf Club reticulation project \$400k, Roller De	erby \$80k and footpa	aths \$60k.			
Net gains from disposal of assets	12	187	175	1458%	F
Proceeds from sale of plant and vehicles were higher	than anticipated.				
Reversal of revaluation decrements /					
impairment of IPP&E previously expensed	_	210	210	0%	-
Council carried out the revaluation of its Property, Pla	ant and Equipment o	luring the year wh	nich affected pr	evious	
impairments. This is the reversal of those impairment					

Financial Statements 2018

Leeton Shire Council

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

Note 18. Material budget variations (continued)

	2018	2018	2018 Variance*		
\$ '000	Budget	Actual			
EXPENSES					
Employee benefits and on-costs	11,180	10,335	845	8%	F
Borrowing costs	110	101	9	8%	F
Materials and contracts	5,416	7,877	(2,461)	(45%)	U
Contractor and consultancy costs were higher that	an budgeted in the follow	ving areas, Finar	icial reporting,	Contract	
Information Technology Manager, Contract Prope	erty Co-ordinator, Asset	Management, As	sset Revaluatio	n, Relief	
Planning Officer and Various design projects.					
Material expenses were higher than budgeted du	e to additional works for	RMS and flood	damaged road	restoration.	

Depreciation and amortisation	6,255	5,914	341	5%	F
Other expenses	2,513	2,496	17	1%	F

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

Cash flows from operating activities	10,007	10,688	681	6.8%	F
Cash flows from investing activities	(9,886)	(9,834)	52	(0.5%)	F
Cash flows from financing activities	(296)	(295)	1	(0.3%)	F

Financial Statements 2018

Leeton Shire Council

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

Note 19. Fair value measurement

\$ '000

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

- Infrastructure, property, plant and equipment
- Financial assets and liabilities
- Water Licences

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

		Fair value	t hierarchy		
2018		Level 1	Level 2	Level 3	Total
	Date	Quoted	Significant	Significant	
Recurring fair value measurements	of latest	prices in	observable	unobservable	
	valuation	active mkts	inputs	inputs	
Financial liabilities					
Loans/advances	30/06/18	_	1,943	_	1,943
Total financial liabilities	_		1,943		1,943
Infrastructure, property, plant and equipment					
Plant and equipment	30/06/18	_		5,970	5,970
Office Furniture & Equipment	30/06/18	_		275	275
Operational land	30/06/18	_	3,832	_	3,832
Community land	30/06/18	_		8,671	8,671
Land improvements	30/06/16	_	_	1,013	1,013
Buildings – specialised	30/06/18	_		24,981	24,981
Buildings – non-specialised	30/06/18	_	197	_	197
Other structures	30/06/18	_	_	6,980	6,980
Roads	7/01/15	_	_	72,675	72,675
Bridges	7/01/15	_	_	3,078	3,078
Footpaths	7/01/15	_	_	5,029	5,029
Bulk earthworks	7/01/15	_	_	8,705	8,705
Stormwater drainage	7/01/15	_	_	7,908	7,908
Water supply network	30/06/18	_	_	24,391	24,391
Sewerage network	30/06/18	_	_	28,573	28,573
Other assets	30/06/11	_	_	35	35
Work in progress	30/06/18	_	_	820	820
Total infrastructure, property, plant and equipment of the property of the pro	nent		4,029	199,104	203,133
Intagible assets					
Water Licences	30/06/18	6,027			6,027
Total intangible assets	_	6,027	_		6,027

Financial Statements 2018

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 19. Fair value measurement (continued)

\$ '000

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

		Fair value	measuremen	t hierarchy	
2017		Level 1	Level 2	Level 3	Total
	Date	Quoted	Significant	Significant	
Recurring fair value measurements	of latest	prices in	observable	unobservable	
	valuation	active mkts	inputs	inputs	
Financial liabilities					
Loans/advances	_		2,238		2,238
Total financial liabilities			2,238	_	2,238
Infrastructure, property, plant and equipment					
Plant and equipment	30/06/16	-	-	4,383	4,383
Office furniture	30/06/16	-	-	151	151
Furniture and fittings	30/06/16	-	-	63	63
Operational land	30/06/13	-	2,665	-	2,665
Community land	30/06/16	-	-	6,635	6,635
Land improvements	30/06/16	_	_	1,132	1,132
Buildings – specialised	30/06/13	_	_	28,789	28,789
Buildings – non-specialised	30/06/13	_	155	_	155
Other structures	30/06/13	_	-	1,172	1,172
Roads	1/07/15	_	-	70,947	70,947
Bridges	1/07/15	_	-	3,115	3,115
Footpaths	1/07/15	_	-	5,011	5,011
Bulk earthworks	1/07/15	_	-	8,705	8,705
Stormwater drainage	1/07/15	_	-	7,973	7,973
Water supply network	30/06/17	_	-	24,406	24,406
Sewerage network	30/06/17	_	-	28,322	28,322
Swimming pools	30/06/13	_	-	817	817
Other open space/recreational assets	30/06/13	_	-	3,257	3,257
Other assets	30/06/11	_	-	9	9
Water licences	30/06/16	4,236	-	_	4,236
Work in progress	30/06/16			172	172
Total infrastructure, property, plant and equipm	nent	4,236	2,820	195,059	202,115

(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.

Financial Statements 2018

Leeton Shire Council

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

Note 19. Fair value measurement (continued)

\$ '000

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

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

The 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 on all its asset classes.

Cost Approach

A valuation technique that reflects the amount that could be required to replace the service capacity of an asset.

Income Approach

Valuation technique that converts future amounts (cash flows or income and expenses) to a single current (discount) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts.

Market Approach

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

Financial Statements 2018

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 19. Fair value measurement (continued)

\$ '000

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

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

	Total
Opening balance – 1/7/16	202,907
Purchases (GBV) Disposals (WDV) Depreciation and impairment FV gains – other comprehensive income	7,322 (196) (8,936) (6,038)
Closing balance – 30/6/17	195,059
Transfers from/(to) another asset class Purchases (GBV) Disposals (WDV) Depreciation and impairment FV gains – other comprehensive income	(85) 7,796 (376) (5,699) 2,409
Closing balance – 30/6/18	199,104

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

None

Financial Statements 2018

Leeton Shire Council

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

Note 19. Fair value measurement (continued)

\$ '000

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

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

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

Class	Fair value (30/6/18) \$'000	Valuation technique/s	Unobservable inputs
IPP&E			
Plant, equipment, furniture, fittings and office equipment	6,245	Cost used to approximate fair value	Gross replacement cost, useful life and residual value
Community Land	8,671	Rate per square metre. \$0.03 - \$120.15	Land value, land area
Land Improvements	1,013	Cost used to approximate fair value	Asset condition, remaining lives, residual value
Specialised buildings	24,981	Cost approach based on sq metre rate	Asset condition, consumption rate, remaining lives
Other structures (Includes Swimming Pools and other Recreational assets)	6,980	Cost used to approximate fair value	Gross replacement cost, useful life and residual value or Asset Condition, consumption rate and remaining life.
Roads, bridges, footpaths, bulkworks	89,487	Unit rates per sq metre or length	Asset condition, remaining lives, residual value
Stormwater drainage	7,908	Unit rates per sq metre or length	Asset condition, remaining lives, residual value
Water Supply and Sewerage Network	52,964	Based on NSW Office of Water Reference Rates Manual	Asset condition, pattern of consumption, residual value, components, dimensions and specification, unit rates
Other assets	35	Cost used to approximate fair value	Gross replacement cost, useful life and residual value

Financial Statements 2018

Leeton Shire Council

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

Note 19. Fair value measurement (continued)

\$ '000

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

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.

Financial Statements 2018

Leeton Shire Council

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

Note 20. Related party transactions

a. Key management personnel

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

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

Compensation:	2018	2017
Short-term benefits	743	792
Post-employment benefits	51	57
Other long-term benefits	35	7
Termination benefits	18	41
Total	848	898

Financial Statements 2018

Leeton Shire Council

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

Note 20. Related party transactions

b. Other transactions with KMP and their related parties

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

Nature of the transaction	Value of transactions	Outstanding balance	Terms and conditions	Provisions for doubtful	Doubtful debts
	during year	(incl. loans and		debts	expense
		commitments)		outstanding	recognised
2018 Ref	Actual \$	Actual \$		Actual \$	Actual \$
Airconditioning Maintenance and Servicing	45,406	-	30 day terms on Invoices	-	-
2017 Ref	Actual \$	Actual \$		Actual \$	Actual \$
Air Conditioner Maintenance and Servicing	23,396	=	30 day terms on Invoices	-	-
Corporate Consultancy Services	60,830	-	7 day terms on invoices	-	-
Communication Consultancy Services	19,967	=	7 day terms on invoices	-	=

¹ Council enters into an as needs basis with Weston and Weston after they lost the service agreement contract, a company which is controlled by a member of the KMP of Council. The contract was awarded through a competitive tender process based on market rates for these services.

Financial Statements 2018

Leeton Shire Council

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

Note 21. Statement of developer contributions

\$ '000

Under the *Environmental Planning and Assessment Act 1979*, Council has significant obligations to provide Section 7.11 (contributions towards provision or improvement of amenities or services) infrastructure in new release areas.

It is possible that the funds contributed may be less than the cost of this infrastructure, requiring Council to borrow or use general revenue to fund the difference.

SUMMARY OF CONTRIBUTIONS AND LEVIES

PURPOSE	Opening balance		outions ring the year Non-cash	Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
Drainage	_	2	_	_	(2)	_	_	_
Traffic facilities	35	1	_	1	(1)	_	36	_
Open space	38	_	_	1	(2)	_	37	_
Plan administration	_	1	_	_	_	_	1	_
Recreation facilities	18	1	_	_	_	_	19	_
S94 contributions – under a plan	91	5	_	2	(5)	-	93	_
S94A levies – under a plan	39	114	_	1	_	-	154	_
Total S7.11 and S7.12 revenue under plans	130	119	_	3	(5)	_	247	_
S64 contributions	15	28	_	1	(27)	_	17	_
Total contributions	145	147	_	4	(32)	-	264	_

Financial Statements 2018

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 21. Statement of developer contributions (continued)

\$ '000

S94 CONTRIBUTIONS - UNDER A PLAN

LEETON S94 FIXED LEVY PLAN

PURPOSE	Opening balance		butions ring the year Non-cash	Interest earned in year	Expenditure during year	Internal borrowing (to)/from	Held as restricted asset	Cumulative internal borrowings due/(payable)
Drainage	_	2	_	_	(2)	_	_	_
Traffic facilities	35	1	_	1	(1)	_	36	_
Open space	38	_	_	2	(2)	_	38	_
Plan administration	_	1	_	_	_	_	1	_
Recreation facilities	18	1	_	_	_	_	19	_
Total	91	5	_	3	(5)	_	94	-

S94A LEVIES – UNDER A PLAN

LEETON S94A FIXED LEVY PLAN

ELETON 054ATIALD ELVIT LAN								
		Contri	butions	Interest	Expenditure	Internal	Held as	Cumulative internal
PURPOSE	Opening	received du	ring the year	earned	during	borrowing	restricted	borrowings
	balance	Cash	Non-cash	in year	year	(to)/from	asset	due/(payable)
Other	39	114	_	1	_	-	154	_
Total	39	114	_	1	_	_	154	_

Financial Statements 2018

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 22. Financial result and financial position by fund

Income Statement by fund \$ '000	2018	2018	2018
Continuing operations	Water	Sewer	General ¹
Income from continuing operations			
Rates and annual charges	1,340	2,273	8,489
User charges and fees	3,149	375	5,481
Interest and investment revenue	302	196	529
Other revenues	43	1	569
Grants and contributions provided for operating purposes	38	31	7,850
Grants and contributions provided for capital purposes	27	77	895
Other income			
Net gains from disposal of assets	_	_	187
Reversal of revaluation decrements on			
IPPE previously expensed	_	_	210
Total income from continuing operations	4,899	2,953	24,210
Expenses from continuing operations			
Employee benefits and on-costs	1,711	964	7,660
Borrowing costs	_	_	101
Materials and contracts	555	419	6,903
Depreciation and amortisation	966	699	4,249
Other expenses	503	270	1,723
Net losses from the disposal of assets	3_		(3)
Total expenses from continuing operations	3,738	2,352	20,633
Operating result from continuing operations	1,161	601	3,577
Not appraising recult attributable to each council fund	1,161	601	3,577
Net operating result attributable to each council fund	1,101	001	3,377
Net operating result for the year before grants and contributions provided for capital purposes	1,134	524	2,682

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

Financial Statements 2018

Leeton Shire Council

Notes to the Financial Statements

as at 30 June 2018

Note 22. Financial result and financial position by fund (continued)

ASSETS Water Sewer General Current assets 223 139 2,425 Investments 9,475 5,560 14,575 Receivables 359 400 1,737 Inventories - - - 1,529 Total current assets 10,057 6,099 20,266 Non-current assets 3,029 1,710 4,761 Receivables - 4 67 Infrastructure, property, plant and equipment 25,438 29,654 148,042 Infrastructure, property, plant and equipment 25,438 29,654 148,042 Intranspible assets - - 6,027 TOTAL ASSETS 38,524 37,467 179,163 LIABILITIES 2 345 345 Current liabilities 1 - 2,060 Income received in advance - - 345 Borrowings - - 34,885 Non-current liabilities - -	Statement of Financial Position by fund \$ '000	2018	2018	2018
Current assets Cash and cash equivalents 223 139 2,425 Investments 9,475 5,560 14,575 Receivables 359 400 1,737 Inventories - - 1,529 Total current assets 10,057 6,099 20,266 Non-current assets 3,029 1,710 4,761 Receivables - 4 67 4 67 Infrastructure, property, plant and equipment 25,438 29,654 148,042 <th>ACCETO</th> <th>Water</th> <th>Cowor</th> <th>Canaral¹</th>	ACCETO	Water	Cowor	Canaral ¹
Cash and cash equivalents 223 139 2,425 Investments 9,475 5,560 14,575 Receivables 359 400 1,737 Inventories - - 1,529 Total current assets 10,057 6,099 20,266 Non-current assets 8 3,029 1,710 4,761 Receivables - 4 67 Infrastructure, property, plant and equipment 25,438 29,654 148,042 Intragible assets - - 6,027 Total non-current assets 28,467 31,368 158,897 TOTAL ASSETS 38,524 37,467 179,163 LIABILITIES - - - 305 Current liabilities 1 - 2,060 Income received in advance - - 345 Borrowings - - - 4,865 Non-current liabilities - - - 1,634 Provisions		vvater	Sewer	General
Investments 9,475 5,560 14,575 Receivables 359 400 1,737 Inventories - - 1,529 Total current assets 10,057 6,099 20,266		223	130	2 /25
Receivables 359 400 1,737 Inventories — — 1,529 Total current assets 10,057 6,099 20,266 Non-current assets Investments 3,029 1,710 4,761 Receivables — 4 67 Infrastructure, property, plant and equipment 25,438 29,654 148,042 Intangible assets — — — 6,027 Total non-current assets 28,467 31,368 158,897 TOTAL ASSETS 38,524 37,467 179,163 LIABILITIES Secure of the color of	•			,
Inventories — — — 1,529 Total current assets 10,057 6,099 20,266 Non-current assets Investments 3,029 1,710 4,761 Receivables — 4 67 Infrastructure, property, plant and equipment 25,438 29,654 148,042 Intrangible assets — — 6,027 Total non-current assets 28,467 31,368 158,897 TOTAL ASSETS 38,524 37,467 179,163 LIABILITIES Surrent liabilities — — 2,060 Income received in advance — — 345 Borrowings — — 3,369 Provisions — — 2,171 Total current liabilities 1 — 2,634 Non-current liabilities — — 1,634 Provisions — — 1,634 Provisions — — 1,780 Total non-current liabilities			,	
Non-current assets 10,057 6,099 20,266 Non-current assets Investments 3,029 1,710 4,761 Receivables - 4 67 Infrastructure, property, plant and equipment integrated in a possible assets 25,438 29,654 148,042 Intangible assets - - 6,027 Total non-current assets 28,467 31,368 158,897 TOTAL ASSETS 38,524 37,467 179,163 LIABILITIES Current liabilities Payables 1 - 2,060 Income received in advance - - 345 Borrowings - - 2,171 Total current liabilities 1 - 2,171 Total current liabilities - - 1,634 Provisions - - 1,780 Total non-current liabilities - - 1,780 Total non-current liabilities - - 1,780 Total non-current liabilities		_	-	
Investments 3,029 1,710 4,761 Receivables - 4 67 Infrastructure, property, plant and equipment 25,438 29,654 148,042 Intangible assets - - 6,027 Total non-current assets 28,467 31,368 158,897 TOTAL ASSETS 38,524 37,467 179,163 LIABILITIES		10,057	6,099	
Receivables	Non-current assets			
Infrastructure, property, plant and equipment 25,438 29,654 148,042 Intangible assets — — 6,027 Total non-current assets 28,467 31,368 158,897 TOTAL ASSETS 38,524 37,467 179,163 LIABILITIES Current liabilities Payables 1 — 2,060 Income received in advance — — 345 Borrowings — — 309 Provisions — — 2,171 Total current liabilities 1 — 4,885 Non-current liabilities — — — 1,634 Provisions — — — 1,634 Total non-current liabilities — — — — 1,634	Investments	3,029	1,710	4,761
Intangible assets	Receivables	_	4	67
Total non-current assets 28,467 31,368 158,897 TOTAL ASSETS 38,524 37,467 179,163 LIABILITIES Current liabilities 31 - 2,060 Income received in advance - - 345 Borrowings - - 309 Provisions - - 2,171 Total current liabilities 1 - 4,885 Non-current liabilities - - 1,634 Provisions - - 1,780 TOTAL LIABILITIES 1 - 6,665 Net assets 38,523 37,467 172,498 EQUITY Accumulated surplus 21,510 19,504 78,488 Revaluation reserves 17,013 17,963 94,010	Infrastructure, property, plant and equipment	25,438	29,654	148,042
TOTAL ASSETS 38,524 37,467 179,163 LIABILITIES Current liabilities 1 - 2,060 Income received in advance - - 345 Borrowings - - 2,171 Total current liabilities 1 - 4,885 Non-current liabilities Borrowings - - 1,634 Provisions - - 1,634 Total non-current liabilities - - 1,780 TOTAL LIABILITIES 1 - 6,665 Net assets 38,523 37,467 172,498 EQUITY Accumulated surplus 21,510 19,504 78,488 Revaluation reserves 17,013 17,963 94,010	Intangible assets			6,027
LIABILITIES Current liabilities 2,060 Payables 1 - 2,060 Income received in advance - - 345 Borrowings - - 2,171 Total current liabilities 1 - 4,885 Non-current liabilities - - 1,634 Provisions - - 1,780 Total non-current liabilities - - 1,780 TOTAL LIABILITIES 1 - 6,665 Net assets 38,523 37,467 172,498 EQUITY Accumulated surplus 21,510 19,504 78,488 Revaluation reserves 17,013 17,963 94,010	Total non-current assets	28,467	31,368	158,897
Current liabilities Payables 1 - 2,060 Income received in advance - - 345 Borrowings - - 309 Provisions - - 2,171 Total current liabilities 1 - 4,885 Non-current liabilities - - 1,634 Provisions - - 1,46 Total non-current liabilities - - 1,780 TOTAL LIABILITIES 1 - 6,665 Net assets 38,523 37,467 172,498 EQUITY Accumulated surplus 21,510 19,504 78,488 Revaluation reserves 17,013 17,963 94,010	TOTAL ASSETS	38,524	37,467	179,163
Payables 1 - 2,060 Income received in advance - - 345 Borrowings - - 309 Provisions - - 2,171 Total current liabilities - - 4,885 Non-current liabilities - - 1,634 Provisions - - 146 Total non-current liabilities - - 1,780 TOTAL LIABILITIES 1 - 6,665 Net assets 38,523 37,467 172,498 EQUITY Accumulated surplus 21,510 19,504 78,488 Revaluation reserves 17,013 17,963 94,010				
Income received in advance				
Borrowings - - 309 Provisions - - 2,171 Total current liabilities 1 - 4,885 Non-current liabilities - - 1,634 Provisions - - 146 Total non-current liabilities - - 1,780 TOTAL LIABILITIES 1 - 6,665 Net assets 38,523 37,467 172,498 EQUITY Accumulated surplus 21,510 19,504 78,488 Revaluation reserves 17,013 17,963 94,010		1	_	,
Provisions - - 2,171 Total current liabilities 1 - 4,885 Non-current liabilities - - 1,634 Provisions - - 1,46 Total non-current liabilities - - 1,780 TOTAL LIABILITIES 1 - 6,665 Net assets 38,523 37,467 172,498 EQUITY Accumulated surplus 21,510 19,504 78,488 Revaluation reserves 17,013 17,963 94,010		_	_	
Non-current liabilities 4,885 Borrowings - - 1,634 Provisions - - 146 Total non-current liabilities - - 1,780 TOTAL LIABILITIES 1 - 6,665 Net assets 38,523 37,467 172,498 EQUITY Accumulated surplus 21,510 19,504 78,488 Revaluation reserves 17,013 17,963 94,010	<u> </u>	_	_	
Non-current liabilities Borrowings - - 1,634 Provisions - - 146 Total non-current liabilities - - 1,780 TOTAL LIABILITIES 1 - 6,665 Net assets 38,523 37,467 172,498 EQUITY Accumulated surplus 21,510 19,504 78,488 Revaluation reserves 17,013 17,963 94,010				
Borrowings	Total current liabilities	1		4,885
Provisions - - 146 Total non-current liabilities - - 1,780 TOTAL LIABILITIES 1 - 6,665 Net assets 38,523 37,467 172,498 EQUITY Accumulated surplus 21,510 19,504 78,488 Revaluation reserves 17,013 17,963 94,010				4.004
Total non-current liabilities – – 1,780 TOTAL LIABILITIES 1 – 6,665 Net assets 38,523 37,467 172,498 EQUITY Accumulated surplus 21,510 19,504 78,488 Revaluation reserves 17,013 17,963 94,010	<u> </u>	_	_	
TOTAL LIABILITIES 1 - 6,665 Net assets 38,523 37,467 172,498 EQUITY 21,510 19,504 78,488 Revaluation reserves 17,013 17,963 94,010				
Net assets 38,523 37,467 172,498 EQUITY Accumulated surplus 21,510 19,504 78,488 Revaluation reserves 17,013 17,963 94,010				
EQUITY Accumulated surplus 21,510 19,504 78,488 Revaluation reserves 17,013 17,963 94,010				
Accumulated surplus 21,510 19,504 78,488 Revaluation reserves 17,013 17,963 94,010	Net assets	38,523	37,467	172,498
Revaluation reserves <u>17,013</u> <u>17,963</u> <u>94,010</u>				
	•		,	,
I otal equity <u>38,523</u> <u>37,467</u> <u>172,498</u>				
	l otal equity	38,523	37,467	172,498

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.

Financial Statements 2018

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 23(a). Statement of performance measures – consolidated results

\$ '000	Amounts 2018	Indicator 2018	Prior p 2017	periods 2016	Benchmark
Local government industry indicators – co	onsolidated				
1. Operating performance ratio					
Total continuing operating revenue (1) excluding capital grants and contributions less operating expenses	3,943				
Total continuing operating revenue (1) excluding capital	30.666	12.86%	16.15%	13.71%	> 0.00%
grants and contributions	33,000				
2. Own source operating revenue ratio					
Total continuing operating revenue (1)					
excluding all grants and contributions	22,747	71.84%	69.01%	75.83%	> 60.00%
Total continuing operating revenue (1)	31,665				
3. Unrestricted current ratio					
Current assets less all external restrictions (2)	18,646	5.12x	4.52x	4.81x	> 1.5x
Current liabilities less specific purpose liabilities (3, 4)	3,643				
4. Debt service cover ratio					
Operating result (1) before capital excluding interest					
and depreciation/impairment/amortisation	9,958 396	25.15x	28.26x	25.04x	> 2x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	396				
plus borrowing costs (income statement)					
5. Rates, annual charges, interest and					
extra charges outstanding percentage	400				< 10%
Rates, annual and extra charges outstanding Rates, annual and extra charges collectible	12.547	3.92%	3.06%	3.09%	regional &
reaces, annual and extra charges conectible	12,047				rural
6. Cash expense cover ratio					
Current year's cash and cash equivalents	00.000	22.54			
plus all term deposits x12	38,898	22.51 mths	20.7 mths	20.7 mths	> 3 mths
Payments from cash flow of operating and financing activities	20,737	muis			
ilianong acuvities					

Notes

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

⁽²⁾ Refer Notes 6-8 inclusive.
Also excludes any real estate and land for resale not expected to be sold in the next 12 months.

⁽³⁾ Refer to Notes 11 and 12.

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

Financial Statements 2018

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 23(b). Statement of performance measures – by fund

	General	indicators 5	Water i	ndicators	Sewer i	ndicators	Benchmark
\$ '000	2018	2017	2018	2017	2018	2017	
Local government industry indicators – by fund							
1. Operating performance ratio							
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions							
less operating expenses	9.87%	16.01%	23,45%	21.63%	18.64%	7.76%	> 0.00%
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions							
Own source operating revenue ratio Total continuing operating revenue (1) excluding capital grants and contributions Total continuing operating revenue (1)	63.26%	62.19%	98.67%	88.49%	96.48%	93.54%	> 60.00%
3. Unrestricted current ratio							
Current assets less all external restrictions (2)	5.22x	4.52x	8492.00x	7,551.00x	72.93x	90.49x	> 1.5x
Current liabilities less specific purpose liabilities (3, 4)							

Notes

^{(1) - (4)} Refer to Notes at Note 23a above.

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

Financial Statements 2018

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 23(b). Statement of performance measures – by fund(continued)

	General indicators 5		Water indicators		Sewer indicators		Benchmark
\$ '000	2018	2017	2018	2017	2018	2017	
Local government industry indicators – by fund (continued)							
4. Debt service cover ratio							
Operating result (1) before capital excluding interest and							
depreciation/impairment/amortisation	16.69x	20.22x	0.00x	0.00x	0.00x	0.00x	> 2x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income	10.00%	20:22%	0.00%	0.00%	0.00%	0.00%	
Statement)							
5. Rates, annual charges, interest and extra charges outstanding per	centage						< 10%
Rates, annual and extra charges outstanding		3.24%	4.040/	2.77%	2.50%	2.54%	regional &
Rates, annual and extra charges collectible	4.00%	3.24%	4.04%	2.1170	3.56%	2.3470	rural
6. Cash expense cover ratio							
•	13.79	12.98	55.15	55.00	53.79	48.45	
Current year's cash and cash equivalents plus all term deposits x12	months	months	months	months	months	months	> 3 months
Payments from cash flow of operating and financing activities	months	months	months	monuis	months	months	

Notes

END OF AUDITED FINANCIAL STATEMENTS

⁽¹⁾ Refer to Notes at Note 23a above.

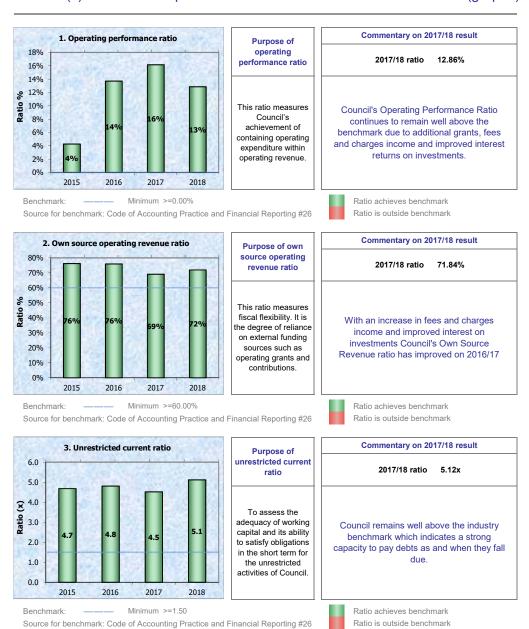
⁽⁵⁾ General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

Financial Statements 2018

Leeton Shire Council

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

Note 23(c). Statement of performance measures – consolidated results (graphs)

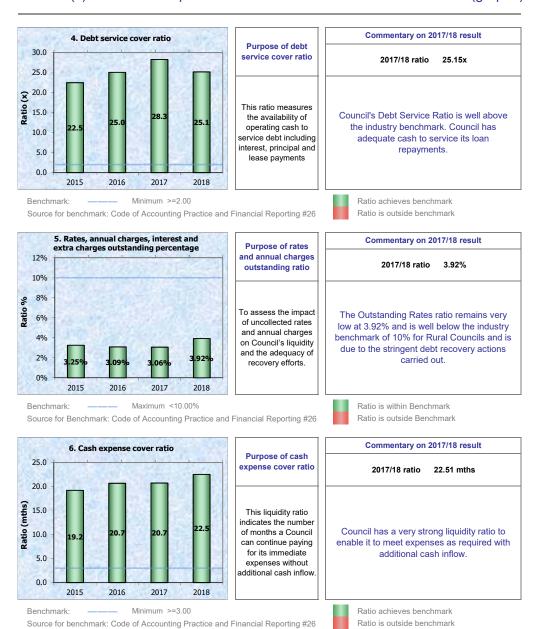


Financial Statements 2018

Leeton Shire Council

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

Note 23(c). Statement of performance measures – consolidated results (graphs)



Financial Statements 2018

Leeton Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 24. 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

Telephone: 02 6953 0911 **Facsimile:** 02 6953 3337

Officers

GENERAL MANAGER
Jacqueline Kruger

RESPONSIBLE ACCOUNTING OFFICER

Craig Bennett

PUBLIC OFFICER

Craig Bennett

AUDITORS

NSW Audit Office Level 15, 1 Margaret Street Sydney NSW 2000

Other information

ABN: 59 217 957 665

Opening hours:

Office Hours: 8.30am to 5.00pm

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

Internet: www.leeton.nsw.gov.au
council@leeton.nsw.gov.au

Elected members

MAYOR

Cr Paul Maytom

COUNCILLORS

Cr George Weston (Deputy Mayor)

Cr Peter Davidson

Cr Michael Kidd

Cr Tracey Morris

Cr Paul Smith

Cr Tony Ciccia

Cr Tony Reneker

Cr Sandra Nardi

INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial report Leeton Shire Council

To the Councillors of the Leeton Shire Council

Opinion

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

In my opinion,

- the Council's accounting records have been kept in accordance with the requirements of the Local Government Act 1993, Chapter 13, Part 3, Division 2 (the Division)
- the financial report:
 - has been presented, in all material respects, in accordance with the requirements of this Division
 - is consistent with the Council's accounting records
 - presents fairly, in all material respects, the financial position of the Council as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- all information relevant to the conduct of the audit has been obtained
- no material deficiencies in the accounting records or financial report have come to light during the audit.

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to:

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

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

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

My opinion does *not* provide assurance:

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

Lawrissa Chan

Director, Financial Audit Services

29 October 2018 SYDNEY

Paul Maytom Mayor Leeton Shire Council 23-25 Chelmsford Place LEETON NSW 2705

Contact: Lawrissa Chan
Phone no: (02) 9275 7255
Our ref: D1825642/FA1753

29 October 2018

Dear Cr Maytom

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

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

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

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

INCOME STATEMENT

Operating result

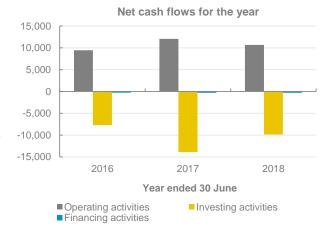
	2018	2017	Variance
	\$'000	\$'000	%
Rates and annual charges revenue	12,102	11,683	3.6
User charges and fees	9,005	8,083	11.4
Grants and contributions revenue	8,918	9,666	7.7
Operating result for the year	5,339	6,110	12.6
Net operating result before capital amounts	4,340	4,985	12.9

The following comments are made in respect of Council's operating result for the year:

- The Council's operating result for the year was a surplus of \$5.3 million (\$6.1 million surplus for the year ended 30 June 2017). This is mainly attributed to a decrease in grants and contributions and an increase in materials and contracts expenses. The Council budgeted for a surplus of \$3.7 million.
- The Council's net operating result before capital grants and contributions was a surplus of \$4.3 million (\$4.9 million surplus for the year ended 30 June 2017). This is mainly attributed to a decrease in operating grants and contributions and an increase in materials and contracts expenses.
- Rates and annual charges revenue was \$12.1 million (\$11.7 million for the year ended 30 June 2017). The movement is mainly due to the permissible rate increase of 1.5% granted by the Minister for Local Government and the rise in the total number of rateable properties.
- User charges and fees was \$9.0 million (\$8.1 million for the year ended 30 June 2017). The
 movement is mainly due to the increase in water supply services.
- Grants and contributions revenue was \$8.9 million (\$9.7 million for the year ended 30 June 2017). The movement is mainly due to the reduction in financial assistance grants.

STATEMENT OF CASH FLOWS

- Council's cash and cash equivalents was \$2.8 million (\$2.2 million for the year ended 30 June 2017). There was a net increase in cash and cash equivalents of \$0.6 million at 30 June 2018 (2017: net decrease of \$2.1 million).
- Net cash provided by operating activities has decreased by \$1.4 million. This is mainly due to the reduction in receipts from grants and contributions of \$1.1 million.
- Net cash used in investing activities decreased by \$4.0 million. This is due to the reduction in purchases of investment securities.
- There was minimal movement in net cash used in financing activities. The repayments of borrowings remain consistent compared with the prior year (2018: \$0.3 million, 2017: \$0.3 million).



FINANCIAL POSITION

Cash and Investments

Cash and Investments	2018	2017	Commentary
	\$'000	\$'000	
External restrictions	24,978	22,334	Externally restricted cash and investments are
Internal restrictions	14,798	14,647	restricted in their use by externally imposed requirements. Council's externally restricted cash
Unrestricted	2,122	1,358	and investments have increased by \$2.6 million primarily due to Council's water supplies
Cash and investments	41,898	38,339	(\$2.1 million) and sewerage services (\$0.6 million).
			 Internally restricted cash and investments have been restricted in their use by resolution or policy of Council. Internal restrictions are consistent with the prior year.
			 Unrestricted cash was \$2.1 million, which is available to provide liquidity for day-to-day operations of the Council.

Debt

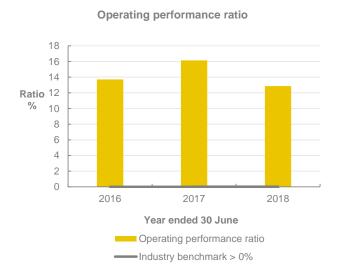
- Council has \$1.9 million of borrowings as at 30 June 2018 (2017: \$2.2 million).
- Council have an unrestricted overdraft facility of \$0.5 million which was undrawn as at 30 June 2018.

PERFORMANCE RATIOS

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

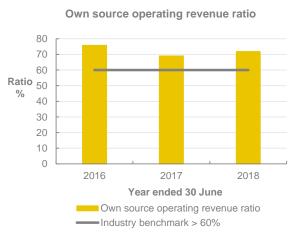
Operating performance ratio

- The 'operating performances ratio' measures how well council contained operating expenditure within operating revenue (excluding capital grants and contributions, fair value adjustments, and reversal of revaluation decrements). The benchmark set by the Office of Local Government (OLG) is greater than 0%.
- The operating performance ratio of 12.9% is above the industry benchmark of greater than 0%.
- The operating performance ratio decreased to 12.9% (2017: 16.2%) due to the reduction in operating grant income from financial assistance grants.



Own source operating revenue ratio

- The 'own source operating revenue ratio' measures Council's fiscal flexibility and the degree to which it relies on external funding sources such as operating grants and contributions. The benchmark set by OLG is greater than 60 per cent.
- The Council's own source operating revenue ratio of 71.8% is above the industry benchmark of 60%. Council has a diversified source of income and does not have an overly strong reliance on operating grants and contributions.
- The own source operating revenue ratio increased to 71.8% (2017: 69.0%) due to the reduction in grant income in the current financial year.

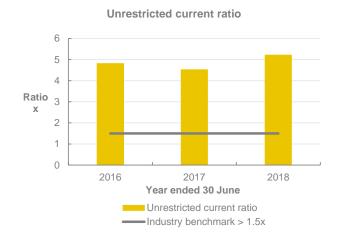


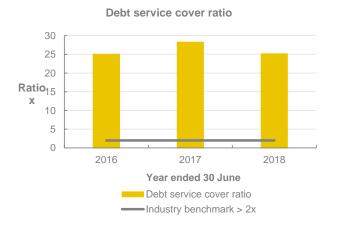
Unrestricted current ratio

- The 'unrestricted current ratio' is specific to local government and represents Council's ability to meet its short-term obligations as they fall due. The benchmark set by OLG is greater than 1.5 times.
- The Council's liquidity ratio of 5.2 times is greater than the industry benchmark minimum of greater than 1.5 times. The indicates that Council has sufficient liquidity to meet its current liabilities as and when they fall due.
- The unrestricted current ratio increased to 5.2 times (2017: 4.5 times) due to an increase in current investments.

Debt service cover ratio

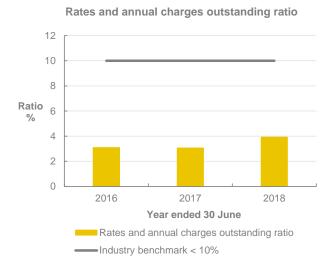
- The 'debt service cover ratio' measures the operating cash to service debt including interest, principal and lease payments.
 The benchmark set by OLG is greater than two times.
- The Council's debt service cover ratio is greater than the industry benchmark of greater than 2 times. The ratio indicates that the Council has adequate operating cash to fund its debt obligations.
- The Council's debt service cover ratio of 25.2 times (2017: 28.3 times) has decreased due to the reduction in the operating result.





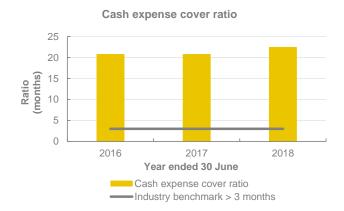
Rates and annual charges outstanding ratio

- The 'rates and annual charges outstanding ratio' assesses the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of debt recovery efforts. The benchmark set by OLG is less than 10 per cent for regional and rural Councils.
- The Council's rates and annual charges outstanding ratio of 3.9% meets the industry benchmark of less than 10% for regional and rural councils.
- The rates and annual charges ratio has remained consistent over the last three years, indicating that the Council's rate recovery measures continue to be effective in collecting and reducing outstanding debts



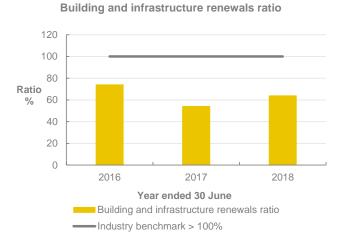
Cash expense cover ratio

- The cash expense cover ratio indicates the number of months the Council can continue paying for its immediate expenses without additional cash inflow.
 The benchmark set by OLG is greater than three months.
- The Council's cash expense cover ratio was 22.5 months, which is above the industry benchmark of greater than 3 months. This indicates that Council had the capacity to cover 22.5 months of operating cash expenditure without additional cash inflows at 30 June 2018.
- The Council's cash expense cover ratio increased to 22.5 months (2017: 20.7 months) due to the increase in cash and cash equivalents.



Building and infrastructure renewals ratio (unaudited)

- The 'building and infrastructure renewals ratio' assesses the rate at which these assets are being renewed against the rate at which they are depreciating. The benchmark set by OLG is greater than 100 per cent.
- This ratio is sourced from council's Special Schedule 7 which has not been audited.
- The Council's building and infrastructure renewals ratio of 63.8% is below the industry benchmark of greater than 100%. This indicates the Council is renewing assets at a ratio of less than 1:1 to its depreciation, amortisation and impairment expenses.
- The Council's building and infrastructure renewals ratio increased to 63.8% (2017: 54.0%) due to the reduction in depreciation and amortisation expense.



OTHER MATTERS

New accounting standards implemented

AASB 2016-2 'Disclosure Initiative - Amendments to AASB 107'

Effective for annual reporting periods beginning on or after 1 January 2017

This Standard requires entities to provide disclosures that enable users of financial statements to evaluate changes (both cash flows and non-cash changes) in liabilities arising from financing activities.

Council's disclosure of the changes in their liabilities arising from financing activities is disclosed in Note 11(c).

AASB 2016-4 'Recoverable Amount of Non-Cash Generating Specialised Assets of Not-for-Profit Entities' – Amendment to AASB 116 & 136

Effective for annual reporting periods beginning on or after 1 January 2017

This Standard no longer requires not-for-profit entities to consider AASB 136 Impairment of Assets for non-cash-generating specialised assets at fair value.

It is expected for not-for-profit entities holding non-cash-generating, the recoverable amount of these assets is expected to be materially the same as fair value, determined under AASB 113 Fair Value Measurement.

Legislative compliance

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

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

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Lawrissa Chan Director, Financial Audit Services

cc: Jackie Kruger, General Manager
Craig Bennett, Director Corporate and Community
Graham Bradley, Chair of the Audit, Risk and Improvement Committee
Tim Hurst, Chief Executive of the Office of Local Government

Leeton Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS for the year ended 30 June 2018

"Preserving the Past, Enhancing the Future"



SPFS 2018

Leeton Shire Council

Special Purpose Financial Statements

for the year ended 30 June 2018

Contents	Page
1. Statement by Councillors and Management	2
2. Special Purpose Financial Statements:	
Income Statement – Water Supply Business Activity Income Statement – Sewerage Business Activity	3
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
4. Auditor's Report	17

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).

SPFS 2018

Leeton Shire Council

Special Purpose Financial Statements for the year ended 30 June 2018

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

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

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

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

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

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

Signed in accordance with a resolution of Council made on 24 October 2018.

Cr Paul Maytom

Mayor

line Kruger

General Manager

Cr George Weston

Incillor

Craig Be nett

Responsible Accounting Officer

SPFS 2018

Leeton Shire Council

Income Statement of Council's Water Supply Business Activity for the year ended 30 June 2018

\$ '000 2018 2017 Income from continuing operations Access charges 1,340 1,329 User charges 3,149 2,486 Fees 47 302 284 Interest Grants and contributions provided for non-capital purposes 38 39 27 Other income 43 Total income from continuing operations 4,872 4,212 **Expenses from continuing operations** Employee benefits and on-costs 1,711 1,170 Materials and contracts 555 847 Depreciation, amortisation and impairment 966 1,176 205 128 Water purchase charges Loss on sale of assets 3 296 Other expenses 298 Total expenses from continuing operations 3,738 3,617 1,134 Surplus (deficit) from continuing operations before capital amounts 595 Grants and contributions provided for capital purposes 27 504 1,161 1,099 Surplus (deficit) from continuing operations after capital amounts Surplus (deficit) from all operations before tax 1,161 1,099 Less: corporate taxation equivalent (30%) [based on result before capital] (340)(179)**SURPLUS (DEFICIT) AFTER TAX** 821 921 Plus opening retained profits 20,349 19,250 Plus adjustments for amounts unpaid: - Corporate taxation equivalent 340 179 Closing retained profits 21,510 20,349 Return on capital % 4.5% 2.3% **Subsidy from Council** 10 Calculation of dividend payable: 921 Surplus (deficit) after tax 821 Less: capital grants and contributions (excluding developer contributions) (11)(403)Surplus for dividend calculation purposes 810 518 Potential dividend calculated from surplus 405 259

SPFS 2018

Leeton Shire Council

Income Statement of Council's Sewerage Business Activity for the year ended 30 June 2018

\$ '000	2018	2017
Income from continuing operations		
Access charges	2,273	2,103
User charges	1	16
Liquid trade waste charges	375	313
Interest	196	202
Grants and contributions provided for non-capital purposes	31	31
Other income	1	1
Total income from continuing operations	2,877	2,666
Expenses from continuing operations		
Employee benefits and on-costs	964	637
Materials and contracts	419	822
Depreciation, amortisation and impairment	699	779
Loss on sale of assets	_	8
Other expenses	270	246
Total expenses from continuing operations	2,352	2,492
Surplus (deficit) from continuing operations before capital amounts	525	174
Grants and contributions provided for capital purposes	77	151
Surplus (deficit) from continuing operations after capital amounts	602	325
Surplus (deficit) from all operations before tax	602	325
Less: corporate taxation equivalent (30%) [based on result before capital]	(158)	(52)
SURPLUS (DEFICIT) AFTER TAX	445	273
Plus opening retained profits	18,902	18,577
Plus adjustments for amounts unpaid:	450	
Corporate taxation equivalent Closing retained profits	158 19,504	52 18,902
Return on capital %	1.8%	0.6%
Subsidy from Council	243	514
Calculation of dividend payable:	445	070
Surplus (deficit) after tax Less: capital grants and contributions (excluding developer contributions)	445 (65)	273 (61)
Surplus for dividend calculation purposes	380	212
Potential dividend calculated from surplus	190	106

SPFS 2018

Leeton Shire Council

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

\$ '000	2018	2017
ASSETS		
Current assets		
Cash and cash equivalents	223	189
Investments	9,475	7,060
Receivables	359	317
Total current assets	10,057	7,566
Non-current assets		
Investments	3,029	3,939
Receivables	_	8
Infrastructure, property, plant and equipment	25,438	25,438
Total non-current assets	28,467	29,385
TOTAL ASSETS	38,524	36,951
LIABILITIES		
Current liabilities		
Payables	1	1
Total current liabilities	1	1
Total non-current liabilities		_
TOTAL LIABILITIES	1	1
NET ASSETS	38,523	36,950
FOURTY		
EQUITY Accumulated surplus	21,510	20,349
Revaluation reserves	17,013	16,601
TOTAL EQUITY	38,523	36,950

SPFS 2018

Leeton Shire Council

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

\$ '000	2018	2017
ASSETS		
Current assets		
Cash and cash equivalents	139	115
Investments	5,560	4,345
Receivables	284	336
Total current Assets	5,983	4,796
Non-current assets		
Investments	1,710	2,424
Receivables	121	121
Infrastructure, property, plant and equipment	29,653_	28,895
Total non-current assets	31,484	31,440
TOTAL ASSETS	37,467	36,236
LIABILITIES		
Current liabilities		
Payables		53
Total current liabilities	-	53
Total non-current liabilities		_
TOTAL LIABILITIES		53
NET ASSETS	<u>37,467</u> _	36,183
EQUITY		
Accumulated surplus	19,504	18,902
Revaluation reserves	17,963	17,281
TOTAL EQUITY	37,467	36,183

SPFS 2018

Leeton Shire Council

Special Purpose Financial Statements for the year ended 30 June 2018

Contents of the notes accompanying the financial statements

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

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

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

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

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

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

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

National Competition Policy

Council has adopted the principle of 'competitive neutrality' in its business activities as part of the National Competition Policy which is being applied throughout Australia at all levels of government.

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

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

The pricing and costing guidelines outline the process for identifying and allocating costs to activities and provide a standard for disclosure requirements.

These disclosures are reflected in Council's pricing and/or financial reporting systems and include taxation equivalents, Council subsidies, return on investments (rate of return), and dividends paid.

Declared business activities

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

Category 1

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

a. 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 Murrami 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, except for Note 2 (Water Supply Best-Practice Management Disclosures) and Note 3 (Sewerage Best-Practice Management Disclosures).

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

(i) Taxation-equivalent charges

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

However, where Council does not pay some taxes which are generally paid by private sector businesses, such as income tax, these equivalent tax payments have been applied to all Council-nominated business activities and are reflected in Special Purpose Financial Statements.

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

Notional rate applied (%)

Corporate income tax rate - 30%

Land tax – the first \$629,000 of combined land values attracts **0%**. For the combined land values in excess of \$629,001 up to \$3,846,000 the rate is **1.6%** + **\$100**. For the remaining combined land value that exceeds \$3,846,000 a premium marginal rate of **2.0%** applies.

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

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

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

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

Income tax

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

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

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

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

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

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

Local government rates and charges

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

Loan and debt guarantee fees

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

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

(ii) Subsidies

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

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

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

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

(iii) Return on investments (rate of return)

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

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

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

The rate of return 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 2.63% at 30/6/18.

(iv) Dividends

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

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

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

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

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

END OF AUDITED SPECIAL PURPOSE FINANCIAL STATEMENTS

SPFS 2018

Leeton Shire Council

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

Note 2. Water supply business best-practice management disclosure requirements

Dolla	rs amounts shown below are in whole dollars (unless otherwise indicated)	2018
	Iculation and payment of tax-equivalents al government local water utilities must pay this dividend for tax equivalents]	
(i)	Calculated tax equivalents	_
(ii)	Number of assessments multiplied by \$3/assessment	13,452
(iii)	Amounts payable for tax equivalents [lesser of (i) and (ii)]	_
(iv)	Amounts actually paid for tax equivalents	_
2. Div	vidend from surplus 50% of surplus before dividends [calculated in accordance with Best-Practice Management for Water Supply and Sewerage Guidelines]	404,900
(ii)	Number of assessments multiplied by \$30/assessment, less tax equivalent charges/assessment	134,520
(iii)	Cumulative surplus before dividends for the 3 years to 30 June 2018, less the cumulative dividends paid for the 2 years to 30 June 2017 and 30 June 2016	1,813,700
	2018 Surplus 809,800 2017 Surplus 517,500 2016 Surplus 486,400 2017 Dividend - 2016 Dividend -	
(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	134,520
(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
	quired outcomes for 6 criteria 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

SPFS 2018

Leeton Shire Council

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

Note 2. Water supply business best-practice management disclosure requirements (continued)

Dollars an	nounts shown below are in whole dollars (unless otherwise indicated)		2018
National '	Water Initiative (NWI) financial performance indicators		
NWI F1	Total revenue (water) Total income (w13) – grants for the acquisition of assets (w11a) – interest income (w9) – Aboriginal Communities W&S Program income (w10a)	\$'000	4,597
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)]	%	70.06%
NWI F9	Written down replacement cost of fixed assets (water) Written down current cost of system assets (w47)	\$'000	24,446
NWI F11	Operating cost (OMA) (water) Management expenses (w1) + operational and maintenance expenses (w2)	\$'000	2,640
NWI F14	Capital expenditure (water) Acquisition of fixed assets (w16)	\$'000	557
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)]	%	4.03%
NWI F26	Capital works grants (water) Grants for the acquisition of assets (w11a)	\$'000	_

Notes: 1. References to w (e.g. w12) refer to item numbers within Special Schedules 3 and 4 of Council's Annual Financial Statements.

- 2. The NWI performance indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators and Definitions.
- a refer to 3.2 (2) on page 15 of the Best-Practice Management of Water Supply and Sewerage Guidelines, 2007

SPFS 2018

Leeton Shire Council

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

Note 3. Sewerage business best-practice management disclosure requirements

Dollar	rs amounts shown below are in whole dollars (unless otherwise indicated)	2018
	Iculation and payment of tax-equivalents al government local water utilities must pay this dividend for tax equivalents]	
(i)	Calculated tax equivalents	_
(ii)	Number of assessments multiplied by \$3/assessment	10,701
(iii)	Amounts payable for tax equivalents [lesser of (i) and (ii)]	_
(iv)	Amounts actually paid for tax equivalents	
2. Div	vidend from surplus	
(i)	50% of surplus before dividends [calculated in accordance with Best-Practice Management for Water Supply and Sewerage Guidelines]	189,750
(ii)	Number of assessments x (\$30 less tax equivalent charges per assessment)	107,010
(iii)	Cumulative surplus before dividends for the 3 years to 30 June 2018, less the cumulative dividends paid for the 2 years to 30 June 2017 and 30 June 2016	906,300
	2018 Surplus 379,500 2017 Surplus 211,800 2016 Surplus 315,000 2017 Dividend — 2016 Dividend —	
(iv)	Maximum dividend from surplus [least of (i), (ii) and (iii) above]	107,010
(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
	quired outcomes for 4 criteria 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] (b) Non-residential [item 2 (c) in table 1]	YES
	(c) Trade waste [item 2 (d) in table 1] 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

SPFS 2018

Leeton Shire Council

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

Note 3. Sewerage business best-practice management disclosure requirements (continued)

Dollars am	ounts shown below are in whole dollars (unless otherwise indicated)		2018
National \	Nater 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	2,699
NWI F10	Written down replacement cost of fixed assets (sewerage) Written down current cost of system assets (s48)	\$'000	29,653,138
NWI F12	Operating cost (sewerage) Management expenses (s1) + operational and maintenance expenses (s2)	\$'000	1,579
NWI F15	Capital expenditure (sewerage) Acquisition of fixed assets (s17)	\$'000	776
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)]	%	0.00%
NWI F27	Capital works grants (sewerage) Grants for the acquisition of assets (12a)	\$'000	55
	Water Initiative (NWI) financial performance indicators d 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	7,293
NWI F8	Revenue from community service obligations (water and sewerage) Community service obligations (NWI F25) x 100 divided by total income (NWI F3)	%	0.95%
NWI F16	Capital expenditure (water and sewerage) Acquisition of fixed assets (w16 + s17)	\$'000	1,333
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 10 divided by [written down replacement cost of fixed assets (NWI F9 + NWI F10) + plant and equipment (w33b + s34b)]	% 00	0.00%
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%

SPFS 2018

Leeton Shire Council

Notes to the Special Purpose Financial Statements

for the year ended 30 June 2018

Note 3. Sewerage business best-practice management disclosure requirements (continued)

Dollars am	ounts shown below are in whole dollars (unless otherwise indicated)		2018
	Nater Initiative (NWI) financial performance indicators is 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)]	%	-26.74%
NWI F23	Interest cover (water and sewerage) Earnings before interest and tax (EBIT) divided by net interest		> 100
	Earnings before interest and tax (EBIT): Operating result (w15a + s16a) + interest expense (w4a + s4a) – interest income (w9 + s10) – gain/loss on disposal of assets (w14 + s15) + miscellaneous expenses (w4b + w4c + s4b + s	:4c)	
	Net interest: (498) Interest expense (w4a + s4a) – interest income (w9 + s10)		
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	1,705
NWI F25	Community service obligations (water and sewerage) Grants for pensioner relates (w11b + s12b)	\$'000	69

tes: 1. References to w (eg. s12) refer to item numbers within Special Schedules 5 and 6 of Council's Annual Financial Statements.

- 2. The NWI performance indicators are based upon the National Performance Framework Handbook for Urban Performance Reporting Indicators and Definitions.
- a refer to 3.2 (2) on page 15 of the Best-Practice Management of Water Supply and Sewerage Guidelines, 2007

INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial report

Leeton Shire Council

To the Councillors of the Leeton Shire Council

Opinion

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

The Declared Business Activities of the Council are:

- water supply
- sewerage

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to:

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

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

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

My opinion does not provide assurance:

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

Lawrissa Chan

Director, Financial Audit Services

29 October 2018 SYDNEY

Leeton Shire Council

SPECIAL SCHEDULES for the year ended 30 June 2018

"Preserving the Past, Enhancing the Future"



Special Schedules 2018

Leeton Shire Council

Special Schedules

for the year ended 30 June 2018

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Background

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

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

Special Schedules 2018

Leeton Shire Council

Special Schedule 1 - Net Cost of Services for the year ended 30 June 2018

\$'000	Expenses from		e from	N-44
Function or activity	continuing			Net cost of services
	operations	Non-capital	Capital	01 001 11000
Governance	1,169	_	_	(1,169)
Administration	1,820	1,005	_	(815)
Public order and safety				
Fire service levy, fire protection, emergency				
services	264	70	_	(194)
Beach control	-	_	_	_
Enforcement of local government regulations	-	_	_	_
Animal control	314	66	_	(248)
Other	-	1	_	1
Total public order and safety	578	137	_	(441)
Health	163	19	_	(144)
Environment				
Noxious plants and insect/vermin control	122	41	_	(81)
Other environmental protection	122	71	_	(01)
Solid waste management	2.242	2,558	_	316
Street cleaning	236	2,336	_	(236)
Drainage	230	_	_	(230)
Stormwater management	189	97	2	(90)
Total environment	2,789	2,696	2	(91)
Community services and education	192	22		(400)
Administration and education	30		1	(169)
Social protection (welfare)	73	12	_	(18)
Aged persons and disabled		59	_	(14)
Children's services	1,662	1,597	_ 1	(65)
Total community services and education	1,957	1,690	1	(266)
Housing and community amenities				
Public cemeteries	170	241	_	71
Public conveniences	112	_	_	(112)
Street lighting	512	58	_	(454)
Town planning	141	158	114	131
Other community amenities	204	131	_	(73)
Total housing and community amenities	1,139	588	114	(437)
Water supplies	3,735	4,899	27	1,191
Sewerage services	2,351	2,954	77	680
	, , ,	,		

Special Schedules 2018

Leeton Shire Council

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

\$'000

Function or activity	Expenses from continuing	Income from continuing operations		Net cost of services
-	operations	Non-capital	Capital	or services
Down the sent of the tree				
Recreation and culture	459	60	_	(205)
Public libraries Museums	459 37	69	5	(385)
	31	(1)	_	(38)
Art galleries Community centres and halls	65	(6)	_	(71)
-	428	107	153	(168)
Performing arts venues Other performing arts	420	107	100	(100)
Other cultural services	29	12	_	(17)
Sporting grounds and venues	861	307	10	(544)
Swimming pools	439	145	5	(289)
Parks and gardens (lakes)	1,410	(28)	36	(1,402)
Other sport and recreation	1,110	(20)	_	(1,402)
Total recreation and culture	3,728	605	209	(2,914)
Fuel and energy	0,720	_	_	(2,514)
Agriculture	_	_	_	_
Mining, manufacturing and construction				
Building control	9	59	_	50
Other mining, manufacturing and construction	· .	(1)	_	(3)
Total mining, manufacturing and const.	11	58	_	47
Transport and communication				
Urban roads (UR) – local	983	965	1	(17)
Urban roads – regional	_	_	_	`_
Sealed rural roads (SRR) – local	1,596	224	_	(1,372)
Sealed rural roads (SRR) – regional	288	240	119	71
Unsealed rural roads (URR) – local	1,709	1,724	_	15
Unsealed rural roads (URR) – regional	-	-	-	_
Bridges on UR – local	-	-	-	_
Bridges on SRR – local	244	_	110	(134)
Bridges on URR – local	_	_	_	_
Bridges on regional roads	-	-	_	-
Parking areas	43	(4)	_	(47)
Footpaths	120	=-	-	(120)
Aerodromes	119	(3)	_	(122)
Other transport and communication	117	31	339	253
Total transport and communication	5,219	3,177	569	(1,473)
Economic affairs				
Camping areas and caravan parks	-	_	_	-
Other economic affairs	2,064	1,926	-	(138)
Total economic affairs	2,064	1,926	_	(138)
Totals – functions	26,723	19,754	999	(5,970)
General purpose revenues (1)		11,309		11,309
Share of interests – joint ventures and				
associates using the equity method	_	_		_
NET OPERATING RESULT (2)	26,723	31,063	999	5,339

⁽¹⁾ Includes: rates and annual charges (including ex gratia, excluding water and sewer), non-capital general purpose (2) As reported in the Income Statement grants, interest on investments (excluding externally restricted assets) and interest on overdue rates and annual charges

Special Schedules 2018

Leeton Shire Council

Special Schedule 2 – Permissible income for general rates for the year ended 30 June 2019

\$'000		Calculation 2018/19	Calculation 2017/18
Notional general income calculation ⁽¹⁾			
Last year notional general income yield	а	7,038	6,919
Plus or minus adjustments ⁽²⁾	b	8	21
Notional general income	c = (a + b)	7,046	6,940
Permissible income calculation			
Special variation percentage (3)	d	0.00%	
Or rate peg percentage	е	2.30%	1.50%
or crown land adjustment (incl. rate peg percentage)	f	0.00%	
Less expiring special variation amount	g	_	_
Plus special variation amount	$h = d \times (c - g)$	_	_
Or plus rate peg amount	$i = c \times e$	162	104
Or plus Crown land adjustment and rate peg amount	$j = c \times f$		_
Sub-total k =	= (c + g + h + i + j)	7,208	7,044
Plus (or minus) last year's carry forward total	I	7	2
Less valuation objections claimed in the previous year	m		(1)
Sub-total	n = (I + m)	7	1
Total permissible income	o = k + n	7,215	7,045
Less notional general income yield	р	7,215	7,038
Catch-up or (excess) result	q = o - p	(0)	7
Plus income lost due to valuation objections claimed (4)	r	_	=
Less unused catch-up (5)	s		_
Carry forward to next year	t = q + r - s	(0)	7

Notes

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

INDEPENDENT AUDITOR'S REPORT

Special Schedule 2 - Permissible Income for general rates Leeton Shire Council

To the Councillors of Leeton Shire Council

Opinion

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

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

Without modifying my opinion, I draw attention to the notes and explanations in Special Schedule 2 that instruct councils in its preparation so it complies with OLG's requirements as described in the LG Code. As a result, Special Schedule 2 may not be suitable for another purpose.

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

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

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

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

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

My opinion does *not* provide assurance:

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

Lawrissa Chan

Director, Financial Audit Services

29 October 2018 SYDNEY

Special Schedules 2018

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 2018

\$'000	2018	2017
A Expenses and income Expenses		
Management expenses a. Administration b. Engineering and supervision	300 485	300 271
Operation and maintenance expenses - dams and weirs a. Operation expenses b. Maintenance expenses	_ 	- -
Mainsc. Operation expensesd. Maintenance expenses	_ 530	– 617
Reservoirse. Operation expensesf. Maintenance expenses	- -	- -
 Pumping stations g. Operation expenses (excluding energy costs) h. Energy costs i. Maintenance expenses 	- 169 23	- 144 45
 Treatment j. Operation expenses (excluding chemical costs) k. Chemical costs l. Maintenance expenses 	582 108 200	403 129 205
Otherm. Operation expensesn. Maintenance expenseso. Purchase of water	- 38 205	- 42 128
Depreciation expenses a. System assets b. Plant and equipment	927 39	1,128 48
4. Miscellaneous expenses a. Interest expenses b. Revaluation decrements c. Other expenses d. Impairment – system assets e. Impairment – plant and equipment f. Aboriginal Communities Water and Sewerage Program g. Tax equivalents dividends (actually paid)	- 129 - - -	_ - 157 _ - - -
5. Total expenses	3,735	3,617

Special Schedules 2018

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 2018

\$'000	2018	2017
Income		
6. Residential charges		
a. Access (including rates)	997	986
b. Usage charges	2,333	1,865
7. Non-residential charges		
a. Access (including rates)	343	343
b. Usage charges	777	621
8. Extra charges	9	10
9. Interest income	302	274
10. Other income	73	74
10a. Aboriginal Communities Water and Sewerage Program	_	-
11. Grants		
a. Grants for acquisition of assets	_	_
b. Grants for pensioner rebates	38	39
c. Other grants	_	_
Contributions a. Developer charges	16	59
b. Developer charges b. Developer provided assets	-	42
c. Other contributions	11	403
13. Total income	4,899	4,716
		4,710
14. Gain (or loss) on disposal of assets	(3)	_
15. Operating result	1,161	1,099
5a. Operating result (less grants for acquisition of assets)	1,161	1,099

Special Schedules 2018

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 2018

\$'00	0	2018	2017
В	Capital transactions Non-operating expenditures		
16.	Acquisition of fixed assets a. New assets for improved standards	16	55
	b. New assets for growth	147	76
	c. Renewals	269	678
	d. Plant and equipment	125	_
17.	Repayment of debt	-	-
18.	Totals	557	809
	Non-operating funds employed		
19.	Proceeds from disposal of assets	-	_
20.	Borrowing utilised	-	_
21.	Totals	_	
С	Rates and charges		
22.	Number of assessments		
	a. Residential (occupied)	3,908	3,607
	b. Residential (unoccupied, ie. vacant lot)	570	-
	c. Non-residential (occupied) d. Non-residential (unoccupied, ie. vacant lot)	576	467 –
23.	Number of ETs for which developer charges were received	24 ET	24 ET
24.	Total amount of pensioner rebates (actual dollars)	\$ 69,081	\$ 69,242

Special Schedules 2018

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 2018

\$'00	0	Current	Non-current	Total
25.	ASSETS Cash and investments a. Developer charges b. Special purpose grants c. Accrued leave d. Unexpended loans e. Sinking fund f. Other	17 - - - - 8,135	- - - - - 4,575	17 - - - - 12,710
26.	Receivables a. Specific purpose grants b. Rates and availability charges c. User charges d. Other	– 55 298 5	- - - 1	- 55 298 6
27.	Inventories	-	_	-
28.	Property, plant and equipment a. System assets b. Plant and equipment	- -	25,300 138	25,300 138
29.	Other assets	_	_	-
30.	Total assets	8,510	30,014	38,524
	LIABILITIES Bank overdraft Creditors	- 1	- -	- 1
33.	Borrowings	_	_	_
34.	Provisions a. Tax equivalents b. Dividend c. Other	- - -	- - -	- - -
35.	Total liabilities	1		1
36.	NET ASSETS COMMITTED	8,509	30,014	38,523
38. 39.	EQUITY Accumulated surplus Asset revaluation reserve Other reserves TOTAL EQUITY		-	21,510 17,013 – 38,523
41. 42. 43.	Note to system assets: Current replacement cost of system assets Accumulated current cost depreciation of system assets Written down current cost of system assets		-	56,970 (32,524 24,446

Special Schedules 2018

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 2018

\$'00	00	2018	2017
		·	
Α	Expenses and income		
	Expenses		
1.	Management expenses		
	a. Administration	203	244
	b. Engineering and supervision	220	260
2.	Operation and maintenance expenses		
	- mains		
	a. Operation expenses	_	_
	b. Maintenance expenses	249	128
	- Pumping stations		
	c. Operation expenses (excluding energy costs)	_	_
	d. Energy costs	62	74
	e. Maintenance expenses	318	255
	- Treatment		
	f. Operation expenses (excl. chemical, energy, effluent and biosolids management costs)	161	211
	g. Chemical costs	85	83
	h. Energy costs	75	82
	i. Effluent management	_	_
	j. Biosolids management	_	_
	k. Maintenance expenses	175	224
	- Other		
	Operation expenses	31	53
	m. Maintenance expenses	_	1
3.	Depreciation expenses		
	a. System assets	666	738
	b. Plant and equipment	32	41
4.	Miscellaneous expenses		
	a. Interest expenses	_	_
	b. Revaluation decrements	_	_
	c. Other expenses	74	90
	d. Impairment – system assets	_	_
	e. Impairment – plant and equipment	_	_
	f. Aboriginal Communities Water and Sewerage Program	_	_
	g. Tax equivalents dividends (actually paid)	_	-

Special Schedules 2018

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 2018

\$'000	2018	2017
Income		
6. Residential charges (including rates)	1,682	1,582
7. Non-residential charges		
a. Access (including rates)	577	521
b. Usage charges	_	_
8. Trade waste charges		
a. Annual fees	14	16
b. Usage charges	375	313
c. Excess mass charges	_	-
d. Re-inspection fees	_	-
9. Extra charges	1	8
10. Interest income	196	194
11. Other income	1	1
11a. Aboriginal Communities Water and Sewerage Program	_	_
12. Grants		
a. Grants for acquisition of assets	55	34
b. Grants for pensioner rebates	31	31
c. Other grants	_	_
13. Contributions		
a. Developer charges	8	60
b. Developer provided assets	_	30
c. Other contributions	10	27
14. Total income	2,950	2,817
15. Gain (or loss) on disposal of assets	_	(8)
16. Operating result	599	325
16a. Operating result (less grants for acquisition of assets)	544	291

Special Schedules 2018

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 2018

\$'00	0	2018	2017
В	Capital transactions		
D	Capital transactions Non-operating expenditures		
	Non-operating expericitures		
17.	Acquisition of fixed assets		
	a. New assets for improved standards	391	69
	b. New assets for growth	103	39
	c. Renewals	200	626
	d. Plant and equipment	82	91
18.	Repayment of debt	_	_
40		 	
19.	Totals	 776	825
	Non-operating funds employed		
20.	Proceeds from disposal of assets	_	6
21.	Borrowing utilised	_	_
22.	Totals	 	 6
С	Rates and charges		
23	Number of assessments		
20.	a. Residential (occupied)	3,100	3,089
	b. Residential (unoccupied, ie. vacant lot)	0,.00	-
	c. Non-residential (occupied)	467	467
	d. Non-residential (unoccupied, ie. vacant lot)		-
24.	Number of ETs for which developer charges were received	ET	20 ET
25.	Total amount of pensioner rebates (actual dollars)	\$ 56,022	\$ 56,051

Special Schedules 2018

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 2018

\$'00	0	Current	Non-current	Total
26.	ASSETS Cash and investments a. Developer charges b. Special purpose grants c. Accrued leave d. Unexpended loans e. Sinking fund f. Other	- - - - - 4,743	- - - - - 2,667	- - - - - 7,410
27.	Receivables a. Specific purpose grants b. Rates and availability charges c. User charges d. Other	29 81 28 67	- - 85 114	29 81 113 181
28.	Inventories	-	_	-
29.	Property, plant and equipment a. System assets b. Plant and equipment	- -	29,377 276	29,377 276
30.	Other assets	-	_	-
31.	Total assets	4,948	32,519	37,467
	LIABILITIES Bank overdraft Creditors	- -	- -	- -
34.	Borrowings	_	_	-
35.	Provisions a. Tax equivalents b. Dividend c. Other	- - -	- - -	- - -
36.	Total liabilities	_	_	_
37.	NET ASSETS COMMITTED	4,948	32,519	37,467
39. 40.	EQUITY Accumulated surplus Asset revaluation reserve Other reserves TOTAL EQUITY		- -	19,504 17,963 — 37,467
42. 43. 44.	Note to system assets: Current replacement cost of system assets Accumulated current cost depreciation of system assets Written down current cost of system assets		-	64,777,947 (35,124,809) 29,653,13 8

Special Schedules 2018

Leeton Shire Council

Notes to Special Schedules 3 and 5

for the year ended 30 June 2018

Administration (1)

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

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

Engineering and supervision (1)

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

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

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

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

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

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

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

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

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

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

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

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

Other contributions (items 12c and 13c of Special Schedules 3 and 5 respectively) including capital contribution 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).

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⁽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.

Special Schedules 2018

Leeton Shire Council

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

\$'000

\$'000														
	t			Estimated cost to bring assets to satisfactory	Estimated cost to bring to the agreed level of	2017/18 Required	2017/18 Actual	Net carrying	Gross replacement			on as a pe lacement o	ercentage o	of gross
Asset class	Asset category	standard	service set by	maintenance ^a	maintenance	amount	cost (GRC)	1	2	3	4	5		
			Council											
	.			0.10	212									
Buildings	Buildings	285	285	310	310	23,946	38,713	27%	22%	30%	19%	2%		
	Buildings – non-specialised					197	203	2%	98%			0%		
	Water buildings	3	3	5	5	846	1,959	3%	6%	3%	88%	0%		
	Sewer Buildings	5	5	3	3	189	345	25%	8%	34%	26%	7%		
	Sub-total	293	293	318	318	25,178	41,220	25.7%	21.5%	28.6%	22.2%	1.9%		
Other	Other structures	29	29	65	65	3,190	4,281	47%	11%	25%	17%	0%		
structures	Sub-total	29	29	65	65	3,190	4,281	47.0%	11.0%	25.0%	17.0%	0.0%		
Roads	Sealed roads	461	461	1,047	1,047	49,494	69,028	12%	50%	27%	2%	9%		
	Unsealed roads	258	258	455	455	5,705	10,230	66%	6%	7%	1%	20%		
	Bridges	415	415	205	205	3,078	3,724	63%	25%	12%		0%		
	Footpaths	19	19	45	45	5,030	6,160	80%	14%	4%	2%	0%		
	Other road assets	13	13	19	19	2,905	3,875	50%	37%	11%	1%	1%		
	Bulk earthworks					8,706	8,706	100%				0%		
	Kerb & Guttering	30	30	26	26	14,571	18,510	10%	49%	33%	7%	1%		
	Sub-total	1,196	1,196	1,797	1,797	89,489	120,233	28.9%	39.4%	22.1%	2.4%	7.1%		

Special Schedules 2018

Leeton Shire Council

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

\$'000												
		Estimated cost to bring assets to satisfactory	to bring to the agreed level of	2017/18	Actual	Net carrying amount		replacement cost				
Asset class	Asset category	standard						1	2	3	4	5
Water supply	Mains	329	329	586	586	15,280	28,628	44%	19%	19%	11%	7%
network	Dams/Weirs	020	020		000	2,079	3,492	7770	11%	88%	1170	1%
	Pump Stations	51	51	23	23	78	814	3%	75%			22%
	Telemetery	63	63	2	2	36	139			100%		0%
	Filtration/Treatment Plant	86	86	343	343	1,746	12,978	3%	37%	49%		11%
	Reservoirs	26	26	_	_	5,143	10,260		63%	37%		0%
	Water Meters	50	50	34	34	29	604	3%	4%	6%	6%	81%
	Sub-total	605	605	988	988	24,391	56,915	22.9%	31.1%	33.1%	5.6%	7.3%
Sewerage	Sewer Lines	449	449	187	187	20,099	34,625	25%	28%	42%	5%	0%
network	Pump Stations	149	149	317	317	2,838	5,738	35%	27%	38%		0%
	Telemetry	150	150	-	-	205	528		4%			96%
	Vent Stacks	63	63	-	- [101	572		18%	18%	12%	52%
	Treatment Plants	38	38	129	129	5,331	22,247		28%	68%	4%	0%
	Sub-total	849	849	633	633	28,574	63,710	16.7%	27.6%	50.2%	4.2%	1.3%

Special Schedules 2018

Leeton Shire Council

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

\$'000

		Estimated cost to bring assets to satisfactory	Estimated cost to bring to the agreed level of	2017/18	2017/18 Actual	Net carrying	Gross replacement	r		ondition as a percentage of gross replacement cost			
Asset class	Asset category	standard	service set by Council		maintenance	amount	cost (GRC)	1	2	3	4	5	
C4	Dita 9 Indate	50	50	20	20	1.100	4 440	0.40/	201	40/		201	
Stormwater	Pits & Inlets	50	50	29	29	1,160	1,410	91%	6%	1%		2%	
drainage	Pipes	-	_	-	-	6,712	8,527	13%	76%	9%		2%	
	Pump Stations	93	93	26	26	35	162	64%	22%	14%		0%	
	Sub-total	143	143	55	55	7,907	10,100	24.7%	65.4%	8.0%	0.0%	2.0%	
Open space/	Swimming pools	330	330	31	31	995	2,599			50%	50%	0%	
recreational	Other Recreation Assets	509	509	1,426	1,426	2,795	4,522	74%	18%	5%	3%	0%	
assets	Sub-total	839	839	1,457	1,457	3,790	7,121	47.0%	11.4%	21.4%	20.2%	0.0%	
ı	TOTAL - ALL ASSETS	3,954	3,954	5,313	5,313	182,519	303,580	25.3%	32.8%	30.5%	6.6%	4.7%	

Notes:

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

Infrastructure asset condition assessment 'key'

Excellent/very good No work required (normal maintenance)

Only minor maintenance work required

Satisfactory Maintenance work required

Renewal required Poor

2 3 4 5 Urgent renewal/upgrading required Very poor

Special Schedules 2018

Leeton Shire Council

Special Schedule 7 – Report on Infrastructure Assets (continued)

for the year ended 30 June 2018

	Amounts	Indicator	Prior p	periods	Benchmark
	2018	2018	2017	2016	
Infrastructure asset performance indicato consolidated	rs *				
1. Buildings and infrastructure renewals ratio Asset renewals (2) Depreciation, amortisation and impairment	3,114 4,884	63.76%	53.97%	73.96%	>= 100%
Infrastructure backlog ratio (1) Estimated cost to bring assets to a satisfactory standard Net carrying amount of infrastructure assets	3,954 182,519	2.17%	3.04%	4.17%	< 2.00%
3. Asset maintenance ratio Actual asset maintenance Required asset maintenance	<u>5,313</u> 5,313	100.00%	100.79%	100.00%	> 100%
4. Cost to bring assets to agreed service level Estimated cost to bring assets to an agreed service level set by Council Gross replacement cost	3,954 303,580	1.30%	1.83%	2.56%	

Notes

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

⁽¹⁾ Excludes Work In Progress (WIP)

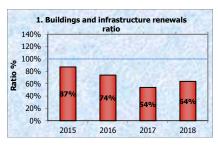
⁽²⁾ Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Special Schedules 2018

Leeton Shire Council

Special Schedule 7 - Report on Infrastructure Assets (continued)

for the year ended 30 June 2018



Purpose of asset renewals ratio

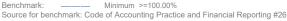
To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.

Commentary on 2017/18 result

63.76%

2017/18 Ratio

Council's Infrastructure Renewal ratio has been significantly impacted by the roads impairment of \$1,375,442 as a result of flood damage. The balance of these impaired assets will be reinstated in 2018/19





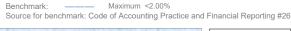
Purpose of infrastructure backlog ratio

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

Ratio achieves benchmark
Ratio is outside benchmark



With Councils continued focus on asset renewal the infrastructure backlog is slowing reducing.





Purpose of asset maintenance ratio

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



2017/18 Ratio 100.00%

All required maintenance was carried out during the year.





Purpose of agreed service level ratio

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

Ratio achieves benchmark Ratio is outside benchmark Commentary on 2017/18 result

2017/18 Ratio 1.30%

Council is actively addressing the agreed level of service and the condition of the asset portfolio.

Special Schedules 2018

Leeton Shire Council

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

General indicators (1) Water indicators Sewer indicators Benchmark 2018 2018 2017 2017 2018 2017 Infrastructure asset performance indicators by fund 1. Buildings and infrastructure renewals ratio (2) Asset renewals (3) 49.40% 49.58% 65.59% 58.05% 130.38% 84.48% >= 100% Depreciation, amortisation and impairment 2. Infrastructure backlog ratio (2) Estimated cost to bring assets to a satisfactory standard 1.93% 2.07% 2.48% 7.94% < 2.00% 2.97% 3.90% Net carrying amount of infrastructure assets 3. Asset maintenance ratio Actual asset maintenance 100.00% 101.03% 100.00% 100.00% 100.00% 100.00% > 100% Required asset maintenance 4. Cost to bring assets to agreed service level Estimated cost to bring assets to an agreed service level set by Council 1.37% 1.35% 1.06% 3.50% 1.78% 1.33% Gross replacement cost

Notes

⁽¹⁾ General fund refers to all of Council's activities except for its water and sewer activities which are listed separately.

⁽²⁾ Excludes Work In Progress (WIP)

⁽³⁾ Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.