



Temora Shire Council
ANNUAL REPORT 2017 - 2018

NOVEMBER 2018



Temora Shire Council
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CONTENTS

1.0 INTRODUCTION	1
1.1 Mayor's Foreword	1
1.2 The Temora Shire.....	2
1.3 Organisational Structure	3
1.4 Contacting Council	4
1.5 Participating in Council decisions.....	4
2.0 ACTIVITIES AND SERVICES.....	6
2.1 Principal Activities Performance Report for 2017/18	6
Capital Works	26
2.2 Services for people with diverse cultures & language	28
2.3 Child and Youth Services	29
2.4 Services Encouraging Access and Equity.....	31
2.5 Stormwater Management – Annual Charge	33
2.6 Companion Animals	33
2.7 Bushfire Hazard Reduction Program	35
3.0 ELECTED REPRESENTATIVES & MANAGEMENT.....	37
3.1 Mayor and Councillors - Support and Expenses.....	37
3.2 Salaries of Senior Staff	38
3.3 Human Resource Activities	38
3.4 EEO activities	39
Achievement of EEO Management Plan Objectives.....	39
3.5 Overseas Visits	42
4.0 CORPORATE GOVERNANCE	43
4.1 Legal proceedings.....	43
4.2 Contract details	43
4.3 External bodies with delegation of Council	43
4.4 Grants under Section 356 Introduction	43
4.5 Privacy & Personal Information.....	44
4.6 Category 1 & 2 Businesses.....	44
4.7 Rates and Charges Written Off	44
4.8 Works on Public Land	44
4.9 Freedom of information - Government Information Public Access Act (GIPA)	45
4.10 Statement of affairs	48
State of the Environment Report.....	51
Financial statements	54

1.0 INTRODUCTION

1.1 Mayor's Foreword

It is my pleasure to present the Temora Shire Council 2017/18 Annual Report.

The Temora Shire has endured yet another busy and productive year. The 2017/18 Report incorporates the Integrated Planning & Reporting (IP&R) Framework. The report is closely aligned with the Temora Shire 2030 Community Plan and associated documents.

I am proud to report our Council continues to maintain itself in a strong and sound financial position. Council are particularly pleased to have deliberately built upon our reserve funds, which is most important.

Temora Shire is blessed to have had strong and united Councillors over the decades. This includes our dedicated staff from the General Manager, Directors, and all staff – both indoor and outdoor. Every one of them plays an important role to ensure Temora Shire remains prosperous and viable.

There have been many achievements for Temora Shire over the past 12 months. I encourage you to read through our Annual Report, to gain a more in depth understanding of what a rural Council can and does achieve.

I sincerely thank our Deputy Mayor (Cr Graham Sinclair), fellow Councillors, together with General Manager (Mr Gary Lavelle PSM), our Directors and every member of our Staff. We all work to ensure we remain a leader in local government.

I trust this report will provide you with valuable information on the operations and management of Temora Shire Council.

Cr Rick Firman, OAM

MAYOR



Cr Rick Firman, OAM
MAYOR

1.2 The Temora Shire

Situated in the North of the Riverina region of NSW, Temora Shire is in the heart of the rich and productive southern wheat and sheep area of the state. Grazing and intensive animal production, work in parallel with cropping to provide the other major rural industries for Temora. Sheep production for wool and meat is the main livestock based industry, but other significant enterprises centre on cattle, including a major feedlot, and pig production on a large intensive piggery and three small operations.

The towns and villages are the major areas of population, being home to about two thirds of the Shire's residents. Temora township has a population of 4,600 and the villages of Aria Park (400) and Springdale (60) are home to the other non-rural dwellers. The towns have a cycle of activity which is sympathetic with the agricultural cycle, and Temora supports a wonderful safe and friendly lifestyle for all, with its many service industries, retail shops, professionals, medical facilities and schools.

Much of our past is there to see at the Rural Museum and the Temora Aviation Museum presents a world standard collection of working Warbirds. Above all Temora is a healthy, safe and secure place to live and a pleasure to visit. Our residents particularly enjoy sport and social activities, which are at the centre of Temora's community life. We love to showcase our town, and those experiencing Temora for work or pleasure marvel how over one hundred community groups work so well together, for the wellbeing and enjoyment of us all, in this: the friendliest little town in NSW.

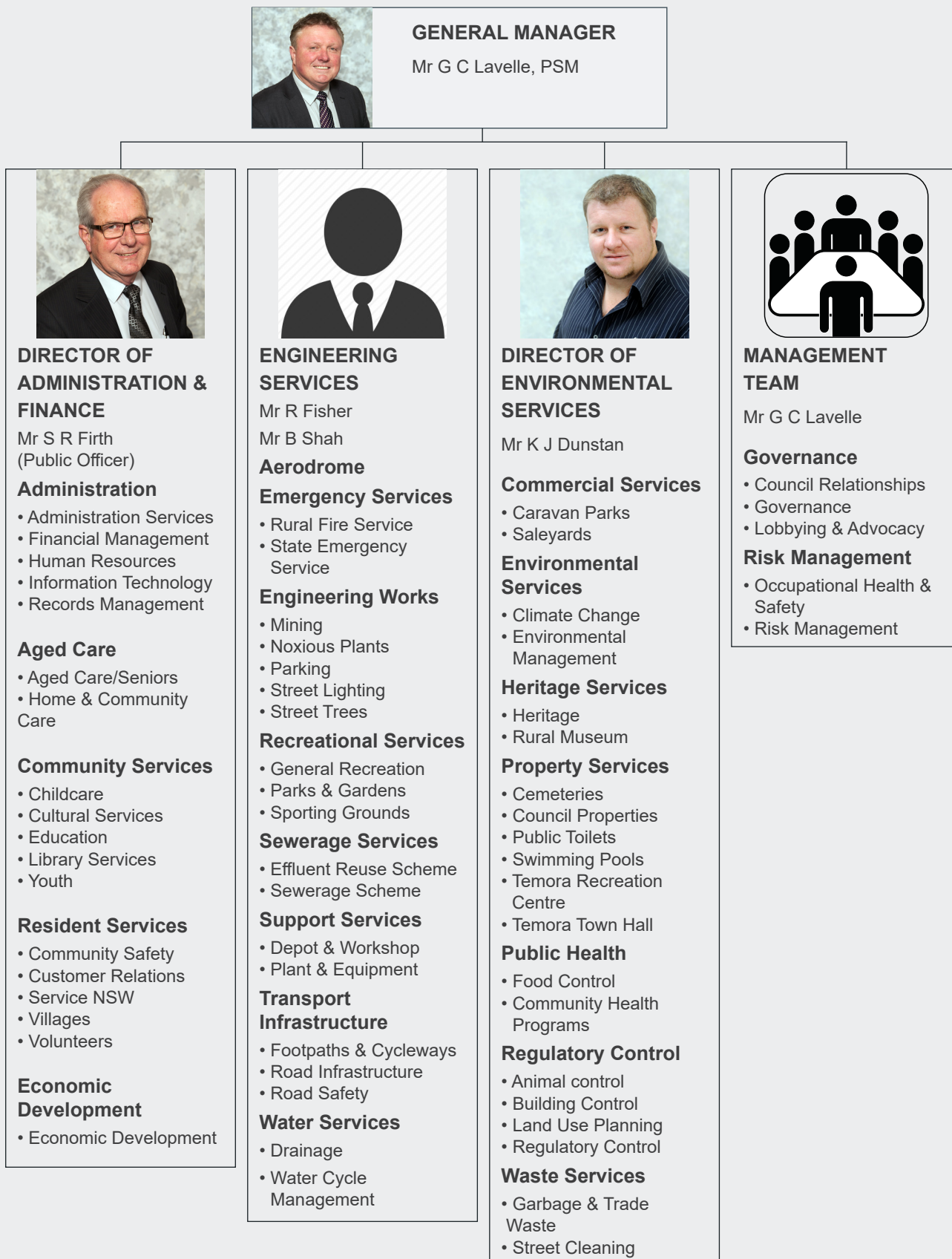
Population statistic (2016 Census) 6236

	Males	Females	Total persons
	3,079	3,157	6,236
Age groups:			
0-4 years	201	189	390
5-14 years	438	393	831
15-19 years	208	188	396
20-24 years	151	119	270
25-34 years	308	315	623
35-44 years	280	311	591
45-54 years	415	435	850
55-64 years	430	427	857
65-74 years	391	385	776
75-84 years	180	258	438
85 years and over	77	137	214

Distances from major centres:

Wagga Wagga	87km
Sydney	410km
Canberra	212km
Melbourne	518km

1.3 Organisational Structure



1.4 Contacting Council

COUNCIL HEADQUARTERS

Council Chambers
105 Loftus Street, Temora 2666
PO Box 262, Temora 2666

Telephone: (02) 69801100
Fax: (02) 69801138
Email: temshire@temora.nsw.gov.au
Internet: www.temora.nsw.gov.au

OFFICE HOURS:

General Business: 8.00 am to 4.30 pm
Service NSW: 9.00 am to 4.00 pm
(Service NSW closed over Lunch from 12.30 pm to 1.30 pm)

Temora Shire Council welcomes resident input and a variety of channels of communication are available. You can ring, fax, email, write or call into the office.

ELECTED MEMBERS – 22 September 2016

Councillors:

Mayor: Cr Rick Firman	6977 2021
Deputy Mayor: Cr Graham Sinclair	6973 8616
Cr Nigel Judd	6974 1026
Cr Max Oliver	6978 0493
Cr Claire McLaren	6976 2045
Cr Lindy Reinhold	6977 4026
Cr Dennis Sleight	6978 1260
Cr Ken Smith	6973 1262
Cr Dale Wiencke	6978 1785

Senior Staff:

General Manager, Gary Lavelle	0428 216 057
Director of Administration & Finance, Steve Firth	0427 461 685
Director of Environmental Services, Kris Dunstan	0408 639 688

1.5 Participating in Council decisions

There are a number of ways in which residents are able to have input into the Council decision making processes. These include:

Council meetings

Open to the public, Council meetings are held monthly, every third Thursday at Temora Shire Council Chambers located at 105 Loftus Street, Temora. From time to time these meetings are also held in close-by Temora shire communities.

All Council meetings are advertised through local media channels.

Deputations

Members of the public attending Council meetings, do not generally address Council at these meetings. Application can be made to Council seeking approval to deliver a presentation during the public forum held at the commencement of each meeting.

Details of how to apply are available at Temora Shire Council office. Residents are encouraged to avail themselves of this opportunity.

Committee Structure

Council has established a number of committees. Considering specific issues in detail, each committee is available for residents participation or to contact to discuss community matters.

The Mayor is ex-officio member of all committees.

Temora Shire Council Committees

Committee	Council Delegate
Environmental Liaison Committee	Cr Sinclair, Cr Oliver, Cr Smith
Local Emergency Management Officer	Alex Dahlenburg
Riverina Eastern Regional Organisation of Councils (REROC)	Cr Firman (Alternate Cr Judd) G Lavelle
Riverina Regional Library Service	Cr Sleigh (Alternate Cr Oliver) S Firth
Bland-Temora Bushfire Zoning Liaison Committee	Cr Sinclair (Alternate Cr Wiencke) G Lavelle & S Firth
Goldenfields Water County Council**	Cr Sinclair **(4 year term)
Temora Traffic Committee	Cr Smith
Riverina Regional Weeds Committee	Cr Sinclair & K Dunstan

Section 355 Committees

Pinnacle Community Committee	Cr Reinhold, Cr Sleigh, Cr McLaren
Mary Gilmore Cultural Festival Committee	Cr Judd
Imagine Temora	Cr Reinhold
Lake Centenary Management Committee	Cr Sinclair, (Alternate Cr Oliver)
Australia Day	Cr Sinclair, Cr Firman, Cr Oliver
Ariah Park Advisory Committee	Cr Judd
Bushfire Management Committee	Cr Sinclair, G Lavelle
Bundawarra Centre Management Committee	Cr Smith, Cr Oliver
Friends of Temora Shire Cemeteries	Cr Sleigh, Cr Reinhold
Town Hall Theatre	Cr Reinhold, (Cr Sleigh alternate) K Dunstan
Promotions & Visitation Committee	Cr Oliver, Cr Judd, Cr Smith, Cr Firman
Temora Agriculture & Innovation Committee	Cr Wiencke, Cr Sinclair, S Firth
Temora's Own Arts & Crafts	Cr Smith
Temora Women's Network	Cr Reinhold
Springdale Progress Association	Cr Oliver, Cr Smith
Temora Business Enterprise Groups – TBEG	Cr Reinhold
Temora & District Sports Council	Cr Firman, Cr Oliver
Temora Fight the Fruit Fly Committee	Cr Reinhold
Heritage Committee	Cr Judd, Cr Oliver
Film Club	Cr Reinhold
Ariah Park Pool Committee	Cr Judd
Access & Equity Committee	Cr Wiencke, Cr Sleigh, Cr McLaren

2.0 ACTIVITIES AND SERVICES

2.1 Principal Activities Performance Report for 2017/18

Administration			
N/A	Review and test all internal procedures	Test completed	Annually
N/A	Develop procedures for person specific roles and introduce review sheets for each procedure	Procedures completed	Progressing
1.1	Develop and implement a compliant internal audit program	Program implemented	Completed
N/A	Develop ICT strategic plan	Plan developed	Not progressing
N/A	Create procedures and guides for IT business systems.	Procedures developed	Completed
N/A	Develop IT disaster recovery plan in conjunction with business continuity plan	Plan developed	Not progressing
N/A	Information Technology user agreement for staff	Agreements in place	Progressing
N/A	Investigate the use of Cloud technology for business applications	Investigation concluded	Ongoing
N/A	Complete implementation and optimisation of Content Manager 9	Implementation completed	Progressing
N/A	Review the use of Council staff intranet	Review conducted	Progressing
N/A	Review the adaptation of smart card systems for building access	Review conducted	Completed
N/A	Continue to maximise the opportunity to use technology to automate processes through Authority, GIS, and 3rd Party applications	Adaptation of technology	Completed
N/A	Create internal and external user guides for Council IT systems	Guides completed	Progressing
N/A	Develop a system to test, evaluate and record (database) all hardware and software	Database completed	Not progressing
N/A	Develop an IT asset replacement strategy	Strategy completed	Not progressing
N/A	Review current and future requirements for ICT	Review conducted	Completed
N/A	Introduce a corporate password policy for adoption by Council	Policy adopted	Postponed by Council decision
N/A	Appoint an external IT consultant to undertake an audit of the Council system	Report received	Completed
N/A	Review the security of Council Wi-Fi	Review conducted	Postponed by Council decision
N/A	Undertake Content Manager 9 development and training	Training undertaken	Not progressing
N/A	Implement alternative systems to the The Electronic Agenda (TEA)	System installed	Completed
N/A	Investigate the implementation of: <ul style="list-style-type: none"> • Civica Online Purchasing • Work Order Budgeting • Civica Online Timesheets • Power Budget additional modules • LG Solutions Software 	System installed	Ongoing
N/A	Call tenders for Banking Services	Tenders called	Completed
NA	Review of the rating structure mix	Report to Council	Completed

Airport			
N/A	Review airside security issues	Report to Council	Progressing
9.6E	Installation of appropriate signage indicating access conditions to airport	Signage installed	Progressing
9.6	Undertake Review of Legislative Compliance as a Registered Airport	Review conducted	Completed
N/A	Make submission to Bureau of Meteorology for the reinstallation of TAF services	Submission made	Completed
N/A	Develop plan for drainage upgrade at Temora Airport	Report to Council	Progressing
10.2E	Develop concept plans for the development of a multi-purpose facility at Temora Airport	Report to Council	Cancelled by Council decision
9.6	Review taxiway, runway, aprons and access to fuel outlets	Report to Council	Completed
C16	Construct hardstand area and associated infrastructure for refuelling area	Project completed	Completed
C16	Construct taxiway for Airport Estate stage 3	Project completed	Completed
9.6E	Development of a long term strategic plan for Temora Airport incorporating an Airport Asset Management Plan	Adoption by Council	Progressing
N/A	Review management and staffing at Temora Airport	Review conducted	Not progressing
9.6I	Review the charges applicable to use of Temora Airport including landing fees	Adoption by Council	Completed
9.6E	Develop policies in relation to key issues identified at Temora Airport including agricultural use, landing fees/user contributions, future airport estate expansion, potential multipurpose building and agreed infrastructure capability standards	Master plan adopted	Completed
N/A	Investigate relocation of weather station at Temora Airport to enable widening of the grass strip	Investigation completed	Not progressing
Aged & Special Needs Care			
N/A	Monitor the finances of Pinnacle Services	Report at least quarterly to Council	Completed
N/A	Provide Pinnacle Services at no net cost to Council	Achievement of break-even status	Completed
N/A	Advocacy and Lobbying on behalf of private aged care providers	Advise activities to Council	Completed
	Support the increased capacity for seniors accommodation offerings in Temora	Advise activities to Council	Completed
N/A	Continue to maintain Pinnacle Service levels to meet the needs of clients	Preservation of levels of service	Completed
N/A	Support of the Positive Ageing Working Group	Meet at least 6 times per year	Completed
N/A	Develop and deliver a promotions plan about how to access aged care services in Temora using digital media and information flyers covering relevant topics including medical services, transportation and home modifications	Preparation of documents	Progressing
N/A	Create awareness of the Positive Ageing Working Group with the community, local members of parliament, Murrumbidgee Primary Health Network and Murrumbidgee Local Health District.	Information provided to stakeholders	Completed
N/A	Create a positive ageing expo/ information session	Hold event at least annually	Completed

1.1E	Provide donation equivalent to 25% of General rate to the following: • Dr Parry Homes • Arian Park Senior Housing • Temora Senior Citizens Group • Arian Park CWA	Donation made	Completed
10.2E	Provide relevant information about housing, services, facilities and opportunities for community involvement to potential new residents	Currency of information	Ongoing
10.2E	Promote opportunities for employment in aged related services including home and garden maintenance	Currency of information	Ongoing
N/A	Utilise the My Aged Care portal Central Intake and Referral distribution to Pinnacle for Home Support Services (funded to 30 June 2018)	Referrals received	Completed
N/A	Utilise the My Aged Care portal Central Intake and Referral distribution to Pinnacle for Home Care Services	Referrals received	Ongoing
N/A	Undertake My Aged Care Regional Assessment under contract to Community Options Australia	Assessments conducted	Completed
N/A	Promote the availability of transport facilities through Pinnacle Services	Advertise availability electronically	Progressing
N/A	Review the hours of operation for Community Transport to include weekends and public holidays	Review conducted	Ongoing
N/A	Use social media and information flyers to create awareness of who can access Community Transport and how to use this service	Increased usage	Completed
N/A	Advise availability of Pinnacle Services transport to Wagga Wagga	Advertise availability of service	Completed
N/A	Include images of people with disabilities in Council publications	Increased diversity in photos	Completed
3.1	Provide information linkages to National Disability Insurance Scheme (NDIS)	Linkage provided	Completed
3.1	Regular promotion of health services	Services promoted	Completed
N/A	Reintroduction of the Access Committee to inform Council processes relating to disabled	Introduction of committee	Completed
N/A	Review access to public buildings and businesses in conjunction with TBEG	Access report to Council	Progressing
N/A	Investigate accommodation options for disability and independent living in Temora Shire	Report to Council	Completed
4.1E	Implement a Temora Shire Disability Inclusion Action Plan	Report to Council	Progressing
4.1E	Deliver access and inclusion training to Council staff and community leaders	Training provided	Progressing
N/A	Promotion of Pinnacle Community Services as a provider of choice for disability services	Increase in client base	Completed
7.5	Consider access issues at Temora Recreation Centre including ramp entry and accessible change rooms	Review by access committee	Completed
7.5	Consider access issues at sporting grounds	Review by access committee	Progressing
7.5	Consider access issues at local parks, including removal of edging to allow wheelchair access	Review by access committee	Progressing
7.5	Plan, develop and maintain facilities, parks and gardens that respond to the needs of the community	Inclusion in planning process	Progressing
9.5	Review existing disabled car parking spaces	Review by access committee	Not progressing
9.5	Provide mobility car park spaces that meet the needs of the community	Review by access committee	Not progressing

10.2	Review Council employment policy to address local and social benefit	Review conducted	Not progressing
10.2	Establish flexible work practices to encourage an inclusive working environment	Develop practices	Progressing
10.2	Provide disability awareness training to staff, new and current, as well as Councillors	Provision of training	Not progressing
N/A	Attendance and participation in Interagency Meetings	Attendance at meetings and referral of minutes to Council	Completed
N/A	Undertake systems mapping to support collective impact for disability inclusion across the Interagency Network	Advocacy to network	Completed
N/A	Participate in advancing the agenda of the Interagency Network to include disability issues	Advocacy to network	Completed
N/A	Support the development of private Aged Care facilities	Report to Council	Completed

Commercial Services

10.2	Consult with rural community regarding the reasons for closure of saleyards	Consultation	Completed
10.2	Physical closure of Temora Saleyards	Closure of yards	Progressing
10.2	Review options for use of land at Temora Saleyards	Report to Council	Progressing
10.2	Seek alternative location for holding of special sales	Report to Council	Cancelled by Council decision
10.2	Review options for the location and operation of Saleyards Truck wash and Standpipe	Report to Council	Completed
10.2	Provide comprehensive review of the operations of TAIC, considering Councils financial exposure and seeking additional revenue streams for TAIC	Report to Council	Progressing
10.2	Provide budget to enable the continued operation of Temora Agricultural Innovation Centre	Budget provided	Progressing

Communications			
1.1E	Provide a current and upcoming works program in the Narraburra News	Report included in Narraburra News	Monthly
N/A	Review content and distribution of Narraburra News to ensure that the impact and spread is optimised	Review completed	Ongoing
N/A	Review options for the provision of Narraburra News in a lower cost option such as plain paper	Report to Council	Completed
1.1E	Support the concept of conducting a Survey to gain the Residents feedback and review mechanisms for ratepayers to provide ongoing feedback to Council (Next survey 2021)	Report to Council	Not progressing
N/A	Review the structure and efficiency of the Section 355 Community Committee structure	Report presented to Council	Completed
N/A	Undertake a Walk and Talk Tour of Temora for Councillors	Tour undertaken	Completed
N/A	Investigate alternative mechanisms to improve communication, eg. Pop Up shops, Village road show, Focus groups	Report to Council	Completed
N/A	Hold an annual Community Evening during Local Government Week with the format of the meeting to be determined.	Report to Council on format	Completed
N/A	Hold an annual meeting with rural ratepayers in rural localities on a rotational basis to discuss locality issues in conjunction with the local Councillor	Arrange meeting	Progressing
N/A	Develop a Communications Policy	Adoption by Council	Completed
N/A	Ensure information on digital platforms is current and accurate	Complaints regarding information	Completed
N/A	Upgraded use of digital media platforms to communicate with residents	Increased followers and hits	Ongoing
N/A	Remain active on social media sites to ensure that issues affecting Council are identified	Early identification of issues	Completed
N/A	Promote Arts and Cultural events through Council media outlets including websites, Facebook & 'What's On' in Narraburra News	All events advertised	Ongoing
N/A	Schools are involved in learning about local natural resource management. Work with schools to develop project opportunities	One visit per year	Ongoing
N/A	Communicate with residents about the progress in the roll out of NBN and mobile towers in Temora Shire	Information disseminated	Completed
N/A	Use social media and information flyers to create awareness of who can access Community Transport and how to use this service	Increased usage	Ongoing
10.2	Partner with SWWCC to establish and promote access to free public Wi-Fi in key areas	Provision of Wi-Fi	Not progressing
N/A	Review Social Media policy	Policy reviewed	Ongoing
N/A	Review the use and scope of social media platforms	Review conducted	Ongoing
N/A	Review Council websites to ensure mobile optimisation	Review conducted	Completed

Community Services

N/A	Investigate and report on the establishment of an RTO	Report to Council	Progressing
N/A	Participate in advancing the agenda of the Interagency Network to include disability issues	Advocacy to network	Ongoing
N/A	Review options for the operation of Aria Park Library	Report adopted by Council	Completed
N/A	Provide information about child care and early learning options in Temora on Council website, social media, new resident packs.	Information disseminated	Completed
N/A	Partner with Bland Shire regarding family day care provision.	Annual review of scheme by Council	Completed
7.8E	Acquire funding for refurbishment of pool building	Submission of funds application	Cancelled by Council resolution
7.8	Create a public art policy	Adoption of policy by Council	Progressing
7.8E	Support at a minimum the following events <ul style="list-style-type: none"> • Seniors Festival • Youth Week • Local Government Week • NAIDOC Day • International Women's Day • Australia Day • Volunteers Week • Mary Gilmore Festival Including seeking grant funding for those events	Conduct of successful event	Completed
N/A	Create accessibility guidelines for events	Guidelines developed and distributed	Progressing
N/A	Include access and inclusion criteria in Event Application Form and approval process	Included in plan	Progressing
C1	Undertake upgrade of kitchen and toilets at Temora Library utilising grants and own source funds	Completion of project	Completed
7.1E	Review adequacy of signage at Temora Library and provide report to Council	Report to Council	Completed
N/A	Develop a Management Plan for the future operations at Temora Library	Adoption of plan by Council	Completed
C1	Upgrade lighting and sound equipment and refurbish main hall (grant required)	Project completed	Progressing
C17	Upgrade or replacement of Council mobile stage	Completion	Progressing
7.2E	Provide financial support to Springdale Memorial Hall Committee	Funds allocated	Completed
7.2E	Provide additional funding for emergency building works at Springdale Hall	Funds Allocated	Completed
1.1E	Provision of a donation equivalent to rates for the Aria Park Community Hall	Donation Made	Completed
7.8E	Participation in Eastern Riverina Arts Projects	Participation report to Council	Completed
7.8E	Maintain membership and hold executive position on Eastern Riverina Arts	Retention of numbers	Completed
7.8E	Support for the events supported by resolution of Council	Support for the event	Completed
7.8	Develop opportunities for the conduct of Artisan Markets	Markets conducted without impact on business	Completed
7.8E	Broaden the scope of the Imagine Temora – Lifestyle Cell	Increased programs	Completed
7.8E	Provision of an annual budget for the use of Imagine Temora within Council guidelines	Budget allocation and accountability	Completed

7.8E	Review of opportunities to develop arts based programs under NDIS	Review completed	Progressing
7.8E	Conduct Temora Shire Council Art Prize	Competition held	Completed
7.8E	Act as host of the 2017 Bald Archys	Exhibition held	Completed
7.8E	Arrange visit to the National Gallery for museum volunteers	Trip undertaken	Progressing
7.8E	Hold a welcome function for new residents	Event held	Completed
7.8	Develop a welcome pack for new residents	Welcome pack developed and circulated	Completed
N/A	Include images of people with a disability, information on NDIS and other disability services in new residents packs	Included in new residents pack	Completed
N/A	Develop a Greeter Network to assist integration into the community	Greeters network established	Progressing
10.2E	Create an alternative event to CARLE	Conduct of event	Completed
N/A	Use Council communications outlets to advise of volunteering opportunities	Advice to community	Ongoing
4.3E	Provide an easy format flyer advising of volunteer opportunities in the community	Provision of flyer	Completed
N/A	Support the activities of the Bland/Temora Landcare groups	Support for activities	Completed
N/A	Connect with community members interested in a community garden and native plant propagation nursery. Secure grant funding for project. Potential urban Landcare group to be established	Report to Council	Completed
5.6E	Support Friends of Temora Shire Cemeteries	Support provided	Completed
N/A	Support volunteers associated with Temora Town Hall Theatre	Support provided	Completed
4.1E	Host an Afternoon Tea for carers	Function held	Completed
10.2E	Host an open week in conjunction with TBEG Expo at the Temora Show	Event held	Completed
N/A	Review the effectiveness and relevance of Government and Non-Government programs for regional growth	Review conducted	Ongoing
10.2E	Develop and distribute new resident packs to real estate agents, including development of an MOU	System implemented and operating effectively	Completed
4.3E	Maintain the Direct Me guide	Currency of document	Completed
7.8E	Promote arts and cultural events through council media outlets including websites, facebook and 'whats on' in Narraburra News	All events advertised	Ongoing
4.4E	Conduct weekly youth cultural groups	Activities held	Completed
4.4E	Develop and run weekly gaming activities to allow young people to meet, connect and interact socially	Activities held	Completed
4.4E	Undertake a survey of young people to establish activities to be held during the year	Survey conducted	Completed
4.4E	Development of a program for school holiday activities	Programs undertaken	Completed

Economic Development Tourism & Resident Attraction			
N/A	Conduct study to determine needs and develop strategies to address any housing shortfall in market	Study conducted	Progressing
N/A	Partner with NSW Housing to investigate opportunities to increase the availability of affordable housing	Partnership established	Completed
N/A	Encourage the provision of additional visitor accommodation during peak periods	Increased availability	Completed
N/A	Investigate the development of a tourist park at Lake Centenary	Report presented to Council	Cancelled by Council decision
N/A	Investigate options for the reuse of Greenstone Lodge if the facility becomes vacant	Report to Council	Progressing
N/A	Ensure all accommodation options are listed on Get Connected, Council Website, Google and Trip Advisor	Listings confirmed	Completed
N/A	Promote the use of booking engines to accommodation providers	Completeness of listing	Completed
N/A	Develop, implement and test an Accommodation Charter for Temora Shire	Charter implemented	Progressing
N/A	Investigate potential opportunities to accommodate camping, caravans, RVs and cabins at Lake Centenary. Include investigation as part of Conference and Events Study	Reports to Council	Completed
10.2E	Maintenance of membership of NSW Business Chamber	Membership maintained	Completed
N/A	Provision of professional development training in conjunction with TBEG	Training provided	Completed
N/A	Facilitate and promote training through State, Federal and Regional agencies	Completed	Completed
N/A	Support of buy local campaign in conjunction with TBEG	Increase % of local purchases	Ongoing
10.2E	Support TBEG as a Council Committee and through financial assistance	Retention of TBEG	Completed
N/A	Conduct a conferencing and events study to investigate the predicted demand for a suitable facility/s, location and user requirements, and operating costs	Report provided to Council	Completed
1.1E	Maintain a subscription to Easy Grants & distribute to relevant stakeholders	Subscription maintained	Completed
N/A	Disseminate grant information to relevant stakeholders	Stakeholders informed	Completed
N/A	Support relevant organisations to prepare grant applications	Grant assistance advertised	Completed
N/A	Develop priority projects to 'shovel ready' in order to take advantage of funding opportunities as they arise, including <ul style="list-style-type: none"> • Lake Centenary Holiday Park • The Stables Function Centre at TAIC • NSW Ambulance Museum • Greenstone Lodge Hotel • Aeroclub Bellman Hangar restoration • Golf Club redevelopment • Showground upgrade • Temora Airport Multipurpose Centre • Nixon Park AFL Clubhouse 	Development of projects and submission to Council	Completed
N/A	Continue to drive the Temora Food Network and attend gatherings	Project continuation	Completed
N/A	Support the implementation of relevant government programs aimed at farm diversification and collaboration	Assistance provided	Completed
N/A	Connect businesses with complimentary skills, needs and resources.	Assistance provided	Completed
N/A	Maintain strong relationships with local estate agents to monitor markets and communicate to property owners		Completed

N/A	Work with Environmental Services and local developers to ensure there is a sufficient pipeline of available residential land		Completed
N/A	Undertake workforce planning with developers to determine likely spikes in population and communicate the impacts to relevant stakeholder in advance.		Completed
N/A	Continually build rapport with relevant politicians	Maintenance of relationships	Completed
N/A	Provide the Mayor with the appropriate information to best represent the Shire's needs.	Comprehensive information provided	Completed
N/A	Attend quarterly RDA Riverina Economic Development Forums	Attendance of meetings	Completed
10.2E	Participate in relevant conferences that focus on regional development issues	Currency of knowledge	Completed
N/A	Utilise support available through Randwick City Council	Access utilised	Completed
N/A	Facilitate a smooth DA process for investors	Minimalise red tape	Completed
N/A	Be proactive, professional and discrete when following up development lead opportunities	Attraction of industry	Completed
10.2E	Create a development prospectus, including Arian Park and update the relevant pages on the temora.com.au website	Prospectus developed	Progressing
N/A	Actively target intensive agricultural business in the Sydney basin	Attraction of business	Ongoing
N/A	Work with developers to ensure local tradesman are used where possible	Use of local trades	Completed
N/A	Create a local trades directory	Directory created	Progressing
N/A	Provide funding for up to 5 hours per week for the TBEG Executive Officer	Retention of TBEG	Completed
N/A	Provide advice and support to the TBEG	Completed	Completed
N/A	Support TBEG in the delivery of events and initiatives	Retention of TBEG	Ongoing
N/A	Provide relevant information about housing, services, facilities and opportunities for community involvement to potential new residents	Currency of information	Completed
N/A	Promote opportunities for employment in aged related services including home and garden maintenance	Currency of information	Ongoing
10.2E	Partner with neighbouring LGA to investigate the fees and charges of Goldenfields Water including a comprehensive submission on the Developer Services Plan	Submission made	Completed
N/A	Adopt a policy direction regarding the participation of Bulk Water customers within the Goldenfields Network	Report to Council	Completed
10.2	Review the relative cost of the provision of electricity and other utilities in Temora Shire	Report to Council	Not progressing
N/A	Review options for the future operations of Temora Showground	Report to Council	Progressing
C1	Complete construction of tourist information bays at: <ul style="list-style-type: none"> • Temora West Park • Lake Centenary • Edis Park, Arian Park • Victoria Street • Springdale 	Project completed	Progressing
10.1E	Develop a new tourism brochure and digital flip page for Temora Shire	Brochure developed	Completed
N/A	Maintain accreditation for the Temora Visitor Information Centre	Accreditation achieved	Completed
N/A	Conduct audit of signage pertaining to AVIC and CMCA accreditation	Audit conducted	Progressing

N/A	Investigate design options for the VIC space	Design completed	Progressing
10.1E	Maintain membership of, and actively participate in, regional tourism bodies	Membership maintenance	Completed
N/A	Participate in Taste Riverina	Participation confirmed	Completed
10.1E	Work with Junee and Coolamon Shire's to actively develop and promote the Canola Trail experience and brand in all relevant tourism channels	Promotion of trail	Progressing
10.1E	Provide a budget and associated policy for the PVC for the purpose of promoting and developing events and tourism initiatives	Provision of budget	Ongoing
N/A	Encourage the development of new events for Taste Riverina	Increased uptake of events	Completed
N/A	Develop tools and a process to support event organisers to hold quality events	Development of tools	Progressing
N/A	Conduct a review of tourist signage in Temora Shire and implement recommendations, including investigating Canola Trail, Mary Gilmore Way and Arian Park detour signage.	Review presented to Council	Progressing
N/A	Develop tours pertaining to Agriculture	Report to PVC	Completed
N/A	Provide plan for the development of Boginderra Hills Picnic Area	Report provided	Cancelled by Council decision
10.2	Development of strategic partnership with Farmlink to attract new industry and provide opportunities for existing industry through diversification	Increase in partnership arrangements and facilities at TAIC	Completed
N/A	Develop partnership between Temora Food Network and Bland Temora Landcare Groups	Partnership Established	Not progressing
N/A	Investigate the potential of establishing a produce swap of farmers market	Investigation conducted	Not progressing
10.2E	Host a Landcare 'Farm to Fork' feast in conjunction with Taste Riverina Festival	Event held	No progressing
N/A	Develop procedures for applications to hold events within Temora Shire	Procedures Developed	Progressing
N/A	Commitment to the Temora Shire Sportsman Walk of Honour including provision of budget as required	Support provided	Ongoing
10.2	Review options for the future operations of Temora Showgrounds	Report to Council	Progressing
Emergency Services			
2.4E	Nominate and train TSC Local Emergency Management Officer (LEMO)	LEMO appointed	Completed

Engineering Services			
9.3E	Participation in the Local Government Road Safety Program (LGRSP)	Continuation of program	Completed
93.E	Ensure adherence to terms of LGRSP Agreement	Inspection completed	Completed
9.3E	Update of Road Safety Action Plan and provision of report to member Councils	Report provided	Completed
9.3E	Campaigns include: <ul style="list-style-type: none"> • Speed • Drink Driving • Fatigue • Driver Distraction/ Inattention • Seatbelts/Child Restraints • GLS (x2) • Mobility Scooter Workshops • Pedestrian Safety • Older Drivers • Safety Around Schools • Young Drivers 	Programs conducted	Completed
9.3E	Conduct local projects including (but not limited to): <ul style="list-style-type: none"> • Bike Week Campaign • Stepping On Programs – with local Allied Health • Youth Programs (e.g. Cool Heads) • Fatality Free Friday Campaign • Road Rules Awareness Week Campaign • Bus Safety Awareness Week Campaign • Temora RV Muster • Joint REROC/Council Kindy Packs Program • Operation Towards Zero Campaign • Get Your Hand Off It Campaign • Free Cuppa Program • Toolbox Talks • Motorcycle Campaigns • Drug Driving Campaigns • Heavy Vehicle Campaigns • Black Spot Funding Grant Applications • Recreational Wheeled Vehicle Awareness Campaign 	Conduct of projects	Completed
N/A	Maintain RSO Facebook page and update Council's social media platforms and website with up-to-date road safety information	Information Dissemination	Completed
N/A	Conduct stakeholder meetings and community consultation on local road safety issues	Information Dissemination	Completed
N/A	Review of Rural Bus Stops and Pick Up/ Drop Off points	Report to Council	Completed
N/A	Adoption of the Safe Systems Approach to planning, development and implementation of RSO programs to improve road user safety in local communities	Approach acceptable to funding bodies	Completed
N/A	Development of a maintenance Memorandum of Understanding (MOU) with utility companies working within the road verge and nature strip	MOU adopted	Progressing
N/A	Commence review of current construction methods to ensure consistency	Documentation commenced	Progressing

N/A	Review the Transport Asset Management Plan biennially, undertaking 4 reviews per annum. Update the: • Audit Asset Register • 10 year rolling works program • Future demand projections	Review of 4 categories annually	Completed
	Develop, refine and implement asset specific plans for transport infrastructure including: • Asset Hierarchy • Hierarchy Objectives • Maintenance Targets • Defect Management • Risk Management Inspection	Initial completion	Progressing
N/A	Review of plant and equipment policy framework and Asset Management Plan	Report to MANEX	Completed
N/A	Review engineering departmental structure and position responsibilities	Restructure completed	Completed
N/A	Review of engineering policies and procedures	Review completed	Progressing
N/A	Build relationships with inter Council management and contractors to develop technical capacity	REROC attendance and improved relationships	Completed
N/A	Develop procedures and templates for the provision of a business case for all capital works on Council land not covered by asset development plans (roads, plant, transport infrastructure)	Adoption of procedure by Council	Progressing

Engineering Works

C8	Undertake Footpath construction and maintenance in accordance with the Footpath Assets Capital Works Program	Completion of program	Completed
C9	Undertake Cycleway construction and maintenance in accordance with the Cycleway Assets Capital Works Program	Completion of program	Progressing
C10	Undertake Rural Unsealed Roads construction and maintenance in accordance with the Rural Unsealed Roads Assets Capital Works Program	Completion of program	Progressing
C13	Undertake Rural Sealed Roads construction and maintenance in accordance with the Rural Sealed Roads Assets Capital Works Program	Completion of program	Progressing
N/A	Review the Pedestrian Access and Mobility Plan (PAMP) in conjunction with Council's Engineering Department, local organisations (eg. Pinnacle) and Councillors, and provide details on road safety concerns. Involve disability groups in consultation.	PAMP updated	Not progressing
N/A	Ensure level of footpath provision is based on community service expectations	Review by access	Progressing
N/A	Develop a street lighting policy including audit (mapping of assets to be undertaken in future program)	Policy adopted by Council	Progressing
N/A	Review adequacy of long vehicle parking in Temora CBD	Report provided to Council	Progressing
9.5E	Implement priority actions for removal and replacement of street trees	Meet agreed targets	Ongoing
N/A	Develop a formal Street Tree Policy dealing with replacement species, early care and maintenance, planting location, adjacent asset protection and removal rehabilitation	Adoption of plan by Council	Progressing
N/A	Undertake a progressive assessment of local road network for potential RAV use	Route Assessment completed	Completed
N/A	Review and mapping of road network ownership including Crown Land	Review completed	Progressing
N/A	Audit of official gazetted road naming data and establishment of list of TSC gazetted road names	Audit completed	Completed

Environmental Services			
3.2	Commitment by Council to the Fight the Fruit Fly Committee	Ongoing activities by Committee	Completed
5.7	Review the operational responsibility and naming an organisation to replace the environmental liaison committee	Establishment of Committee	Ongoing
Governance			
4.5	Advocate for the retention and development of all schools within Temora Shire	Contact with local member	Completed
1.1	Hold a committee meeting (Assets & Operations) at Aria Park	Meeting held in Aria Park	Completed
1.1E	Establish a Sister City Committee to determine activities and future strategies	Committee established	Completed
N/A	Ensure all available funding options are utilised to achieve the Council projects outlined in the Delivery Program	Increased grant availability	Completed
1.2E	Employment of an IT trainee	Employment of staff	Completed
N/A	Review of staffing at Temora Library	Review conducted and solutions found	Completed
1.2E	Employment of an engineering intern from CSU	Staff employed – budget 2018/19	Completed
N/A	Lobby state and federal governments for ongoing increased local road funding	Lobbying maintained	Completed
N/A	Maintain membership to following organisations: <ul style="list-style-type: none"> • Eastern Riverina Arts • REROC • Riverina JO (when enacted) • Destination Riverina Murray • Riverina Food Network • Local Government NSW • Economic Development Officers Network • Riverina Regional Library Service • Country Mayors Association • Lachlan Transport Group • Flood Plain Management Association • Bland Temora Landcare Group • NSW Business Chamber 	Membership maintained	Completed
N/A	Advocate on behalf of the Community for the retention of <ul style="list-style-type: none"> • Schools within Temora Shire • Health Services within Temora Shire • Adequate Police Numbers • Electoral Commission re pre poll voting in Temora in State and Federal Elections • Lobby for the retention of R2R and FAG funding • Lobby for constitutional recognition of Local Government 		Completed
N/A	Increase communication at an official level between Council and Temora Hospital administration and LHAC	Communication established	Completed
N/A	Increase communication at an official level between Council and the Temora Community Centre	Communication established	Completed
N/A	Lobby for improved Medicare/Centrelink services for Temora	Representations made	Completed
N/A	Review the Workforce Plan including workshop with key staff	Rewrite of Workforce Plan	Progressing

Heritage			
7.7E	Develop and implement re-branding strategy for Rural Museum	Rebranding completed	Progressing
7.7E	Rural Museum website upgrade	Website updated and published	Completed
7.7E	Develop Rural Museum social media presence	Social media presence completed	Completed
7.7E	Host temporary travelling exhibitions	Ongoing increased number of exhibitions	Completed
N/A	Report on succession planning for Bundawarra Centre	Report provided to Council	Completed
5.5E	Continue the Temora Heritage Advisor program	Budget allocated	Completed
N/A	Support the Temora Heritage Committee	Regular meetings held	Completed
N/A	Support the Heritage Assistance Fund	Budget allocated	Completed
N/A	Review Items of Environmental Heritage as part of Temora Local Environmental Plan review	Items considered as part of LEP process	Progressing
7.6E	Provide resources towards the enhancement of the Temora Railway Precinct as a heritage tourism and event destination	Budget allocated	Ongoing
C1	Fit out kitchen at Temora Railway Precinct	Project completion	Completed
C1	Complete Railway Station Heritage Walk	Project completion	Completed
Property Services			
N/A	Report statistics of number of Development Applications, Complying Development Applications and assessment times. Planning Reports to Council where required	Report to Council	Completed
C3	Install one plinth to incorporate existing headstones	Completion of project	Postponed by Council decision
N/A	Develop policy associated with burial details	Policy completed	Completed
5.6E	Link Authority cemetery records to GIS mapping	Linkage completed	Progressing
C3	Construction of toilet at Ariah Park Cemetery	Project completed	Completed
C3	Installation of seating at Temora Cemetery	Seating installed	Completed
C3	Improvement to Northern Drainage at Temora Cemetery	Project Completed	Completed
N/A	Review the cleaning and maintenance schedules for public toilets.	Report to Council	Completed
C5	Upgrade public toilet in Davey Park	Project completed	Completed
N/A	Investigate the construction of an all-weather cover over the entrance to Temora Shire Council Chambers	Report to Council	Cancelled by Council decision
Public Health			
N/A	Proactively support and promote community mental health facilities	Report to Council	Completed
N/A	Maintenance of Services at Temora Hospital	Report to Council	Completed
N/A	Support Local Health Advisory Committee	Liaison between GM and Hospital Manager	Completed
3.1E	Provide inspections of food premises, including Scores on Doors Policy	Premises inspected	Completed

Recreational Services			
N/A	Introduce a robust playground inspection system for all Council facilities	System adopted by Council	Completed
C5	Construct fence around Federal Park playground	Fence Installed	Completed
N/A	Provide report regarding upgrades required at Aria Park pool	Report to Council	Completed
N/A	Provide a report to Council regarding the provision of drinking fountains within parks and gardens in Temora Shire	Report to Council	Completed
C5	Installation of foreshore material at the swimming area and boating area	Project completed	Progressing
C5	Repairs to boat ramp to ensure public safety	Repairs completed	Completed
C5	Concreting of boat ramp for jet boats (subject to 50% contribution by users)	Project installed	Completed
C5	Upgrade of signage throughout Lake Centenary precinct	Signage installed	Completed
C5	Installation of erosion control on northern bank (subject to 50% funding by users)	Project completed	Progressing
C5	Upgrade irrigation valves	Project completed	Ongoing
N/A	Investigate drainage solutions for Nixon Park No.2 and Bob Aldridge	Report presented to Council	Progressing
N/A	Review the adequacy of current sporting grounds, including potential consolidation of facilities	Report presented to Council	Progressing
C6	Construction of new amenities block at Temora West Sportsground	Construction completed	Postponed by Council decision
N/A	Investigate solution to drainage at Aria Park Sportsground	Report submitted for budget	Completed
C6	New Rugby League canteen and associated storage at Nixon Park (partially grant funded)	Project completed	Postponed by Council decision
C6	Fix stairs to Rugby League toilets at Nixon Park (subject to grant funding)	Project completed	Grant not available
C6	Modifications to Rugby League Steak Bar to comply with health and safety guidelines (subject to grant funding)	Project completed	Postponed by Council decision
C6	Storage for Rugby League sports equipment at Nixon Park (subject to grant funding)	Project completed	Grant not available
C6	Upgrade to CCTV at Nixon Park (subject to grant funding)	Project completed	Grant not available
7.4	To investigate the issue of collection of an equitable contribution towards the provision and maintenance of sports lighting facilities from sporting groups	Projects completed	Progressing
N/A	Undertake capital work at Temora Recreation Centre including: • Remove pavers around sewer and replace with concrete • Leak repairs and patch repaint	Projects completed	Completed
N/A	Provide inspections of swimming pools in accordance with Council's policy, every 3 years or at the time of sale	Inspections completed	Completed
N/A	Report on the most cost effective program for the maintenance of softfall in Council playgrounds including review of softfall standards and cost comparison between options	Report to Council	Completed

Regulatory Control			
2.3E	Provide a calendar of regulatory issues to be addressed throughout the year, such as information flyers about responsible pet ownership	Completion of brochure	Ongoing
N/A	Provide a report to Council about ranger activities incl. parking, companion animals	Report to Council	Ongoing
N/A	Issue annual approvals in accordance with Council policy	Approvals Issued	Ongoing
2.2E	Continue relationship with Temora vet and pet rescue groups	Relationships maintained	Ongoing
N/A	Use of social media to advertise availability of companion animals	Number of pets rehomed	Ongoing
3.1E	Provide annual inspections of beauticians, hairdressers, mortuary premises	Premises inspected	Annually
3.1E	Provide inspections of septic tanks in accordance with risk category	Premises inspected	Annually
5.2E	Conduct a review of the Temora Local Environmental Plan 2010 involving development of a discussion paper and community consultation	Review conducted	Ongoing
N/A	Market development opportunities at the Airpark Estate Stage 3	Sale of blocks	Progressing
N/A	Ensure review of LEP includes residential land availability as a prime consideration	Suitable land availability	Ongoing
N/A	Investigate the process for the subdivision of heritage homes in the RU1 zone on blocks of less than 40ha	Consideration in LEP	Ongoing
C5	Upgrade one entrance to Temora	Entrance completed	Ongoing
N/A	Provide report on models for S94A contributions	Report to Council	Completed
N/A	Provide a report to Council on options for the provision of a suitable off leash area for companion animals	Report to Council	Completed
Resident Services			
4.3E	Development of a promotional video for showing at Town Hall Theatre acknowledging the role volunteers play in the community	Video developed and played in theatre	Completed
4.3	Acknowledgement of volunteers through Narraburra News and digital media	Monthly articles in Narraburra News Promotion of events	Completed
10.2E	Review the operating hours and service offering at Service NSW Agency	Report to Council to inform budget	Completed
10.2	Provide the Service NSW Agency at no cost to Council	Annual review of budget	Completed
4.3	Utilise public events to support volunteers for example Volunteers Week and nominating volunteers for awards within the community.	Promotion of events	Completed
2.4E	Maintain CCTV system in Temora to a modern standard acceptable to the users of the facility.	Uptime of system	Completed
N/A	Retain staff member at Arian Park	Payroll retention	Completed
Risk Management			
N/A	Develop a Risk Management framework for Council.	Framework developed	Progressing
N/A	Develop a Risk Management Action Plan that will assist Council to counteract new challenges arising in to the future (eg technological changes, climate change)	Action Plan developed	Progressing
N/A	Investigate Chain of Responsibility requirements for Council	Report to Risk Management Committee	Completed
N/A	Commit to the conduct of regular Risk Management meetings	Hold at least 12 meetings annually	Completed
1.1E	Review, personalise and complete implementation of Smarter Safety Systems	Updated system	Progressing
N/A	Develop and implement a structured Risk Audit program	System implemented and operational	Not progressing
N/A	Seek a long term solution to the registration of "Thomas the Train" to enable usage at community events	Solution determined	Completed
9.5E	Replace grass on roundabouts in Hoskins Street with concrete	Project completed	Not progressing

Sewerage Service			
6.1E	Undertake CCTV inspection, smoke testing and condition rating of sewerage reticulation network including removal of sewerage infiltration	Set targets	Completed
6.1E	Ensure all staff involved in the sewerage function receive appropriate industry specific training for managers and operators	Budget required	Progressing
6.1E	Development of Sewerage and Recycled Water Asset Management Plan	Plan undertaken	Progressing
N/A	Address actions for 2017 Gap analysis and develop a pathway to compliance	Actions commenced	Completed
6.1	Undertake Upgrade and renewal works on Sewerage and Recycled Water in accordance with identified program	Program completed	Completed
6.1	Investigate options for the installation of sewerage services within Aria Park	Report to Council	Progressing
6.1	Investigate Renewable Energy at Sewerage Treatment Plant	Investigation completed	Progressing
Support Services			
C1	Provide plans for the development of a new depot and undertake tender process or purchase existing depot	Ownership confirmed	Progressing
N/A	Seek review of Council "Not Fit" designation to allow access to Treasury borrowings	Change of designation	Completed
C1	Finalise ownership options for depot	Ownership confirmed	Completed
N/A	Review the Quarry Management Plan on a biennial basis	Update of plan	Not progressing
N/A	Review the adequacy of current materials from Council quarries	Evaluation of alternatives	Progressing
9.4	Integration of quarry safety management into the Council Smarter Safety System	Integration into safety system	Progressing
Transport Infrastructure			
N/A	Refer the Aria Park alternate route for consideration of Council	Policy considered by Council	Completed
C12	Undertake Urban Unsealed Roads construction and maintenance in accordance with the Urban Unsealed Roads Assets Capital Works Program	Completion of program	Completed
C11	Undertake Urban Sealed Roads construction and maintenance in accordance with the Urban Sealed Roads Assets Capital Works Program	Completion of program	Completed
C13	Undertake Pavement Rehabilitation/ Widening in accordance with the Pavement Rehabilitation / Widening Assets Capital Works Program	Completion of program	Completed
C13	Undertake Fixing Country Roads/ Heavy Vehicle Safety and Productivity Program in accordance with the determined program	Completion of program	Completed
C14	Undertake Regional Roads Program in accordance with the determined program	Completion of program	Completed
N/A	Undertake a progressive assessment of local road network for potential RAV use	Route Assessment completed	Not progressing
N/A	Completion of the policy framework for heavy vehicle access in Temora Shire	Policy adopted by Council	Completed
N/A	Commitment to the long term facilitation of efficient heavy vehicle access through Temora Shire subject to minimisation of impact on: <ul style="list-style-type: none"> • Resident amenity • Council finances • Resident safety 		Completed

N/A	Formalise a preferred route for the HVAR	Route adopted by Council	Postponed by Council decision
N/A	Develop a project brief for the construction of an Alternate Heavy Vehicle Route around Temora based on the preferred route	Brief completed	Postponed by Council decision
N/A	Develop submission and advocate politically for funding for the preferred route	Meetings held with politicians	Postponed by Council decision
N/A	Liaise with RMS and NHVR to progress the project	Meetings with organisations	Postponed by Council Decision
N/A	Support of Council for agreed heavy vehicle alternate route to be used for lobbying for State and Federal funding	Lobbying undertaken	Postponed by Council decision
N/A	Seek funding (Full) for the installation of a roundabout and associated infrastructure at the corner of Hoskins & Polaris Streets	Submissions made	Progressing
C10	Undertake Rural Unsealed Roads construction and maintenance in accordance with the Rural Unsealed Roads Assets Capital Works Program	Completion of program	Completed
C13	Undertake Rural Sealed Roads construction and maintenance in accordance with the Rural Sealed Roads Assets Capital Works Program	Completion of program	Completed
C7	Undertake Kerb and Gutter construction and maintenance in accordance with the Kerb and Gutter Assets Capital Works Program	Completion of program	Completed

Waste Services

5.3	Review waste operations in Aria Park including <ul style="list-style-type: none"> • The location of clothing recycling bins • Adequacy of recycling facilities at Aria Park landfill 	Report to Council	Completed
2.3	Efficiently enforce legislative requirements to abate nuisance caused by overgrown lots	Advice to Council on activities	Progressing
5.3	Continue support for Cleanup Australia Day program	Participation in program	Completed
2.3	Investigate the installation of CCTV in National Parks to monitor illegal dumping	Report to Council	Completed
2.3	Efficiently investigate and enforce the legislative requirements related to illegal dumping	Advice to Council on activities	Completed
N/A	Utilise RID online to record incidents of illegal dumping	Usage of application	Completed
5.3E	Provide a report to Council outlining a response strategy for the provision of recycling services considering emerging requirements for a container deposit scheme and investigate possibility of utilising social enterprise labour	Report presented to Council	Completed
N/A	Facilitate the establishment of a container deposit (CDS) depot	Commencement of CDS	Completed
N/A	Undertake promotion campaign to encourage residents to pick up litter	Promotion undertaken	Completed
N/A	Support and expand the Adopt a Road Program	Retention and expansion of program	Completed
5.3	Provide comprehensive report on recycling options to council	Report presented to council	Completed

Water Services			
5.4E	Undertake a Flood Study for Temora	Completion of Study	Progressing
N/A	Make application for grant for Flood Study of Arian Park and Springdale	Application made	Completed
C4	Undertake Stormwater Drainage construction and maintenance in accordance with the Stormwater Assets Capital Works Program	Completion of program	Completed
6.1E	Commence planning for the development of an Integrated Water Cycle Management Plan (IWCMP)	Preliminary investigation undertaken	Completed
Youth			
4.4E	Create a mentoring proposal with identified partner and go through approvals process with Council for a youth entrepreneur team	Partner identified	Progressing
4.4E	Create program content and resources for youth entrepreneur program	Program created	Progressing
4.4E	Deliver Business Entrepreneurship Program and facilitation of group	Program delivered	Progressing
4.4E	Create program content and resources based on youth vision, which cover print, broadcast and internet media	Content created	Completed
4.4E	Educate team in the use of electronic graphic design and video editing software	Training held	Completed
N/A	Partner with TemFM to train members of the team to run a regular youth radio spot on local radio	Allocation of radio spot	Completed
N/A	Partner with local industry professionals to organise workshops that align with media and promotion team needs	Partnership agreement in place	Completed
N/A	Investigate viability of "The Youth Room" at Arian Park becoming a youth hub for villages	Report to Council	Progressing
N/A	Celebrate village talent by inviting young people to perform at Shire events	Participation level by Village residents	Completed
4.4E	Provide an e-safety workshop to educate parents, teachers and community members about how to keep young people safe online	Conduct workshop	Completed
4.4E	Partner with local businesses and experts to support teams	Partnerships established	Completed
4.4E	Youth Hospitality Team New Resident's dinner to promote Youth team	Assistance provided	Completed
N/A	Youth Officer to visit villages on a regular basis to build rapport and partnership opportunities	Visitation numbers	Ongoing
N/A	Formulate transport strategies for young people living outside of the Temora township who are interested in participating in Platform Y activities	Participation by non-Temora residents	Progressing
4.4	Utilise the Take Charge and Volunteer website to log hours of volunteer work by young people	Hours logged	Ongoing
1.1E	Hold a Youth Team afternoon tea hosted by the Mayor	Function held	Progressing
4.4	Support the concept of the Young Citizen of the Year Award as a way of recognising Youth	Continued support	Completed
10.2	Investigate ways to partner with business to attract talent for job vacancies	Increased employment capacity	Ongoing
10.2	Continue with regular job vacancy mailer and social media posts	Increased employment capacity	Completed
4.4	Acknowledge the definition of Youth incorporates young people up to age 25 inclusive	Programs aimed at all aged groups	Completed
5.7	Schools are involved in learning about local natural resource management. Work with schools to develop project opportunities	One visit per year	Completed
4.4	Marketing material to show LGBTI inclusive logo	Logo included	Completed

4.4	Partner with Pinnacle Services to provide targeted programs that support and engage the young people in their care	Participation numbers	Completed
4.4	Develop online strategy in conjunction with Communications Officer	Strategy developed	Completed
4.4	Continue to publish regular material in the Narraburra News	Monthly article in Narraburra News	Completed
4.4	Maintain current and accurate information on the youth page	Regular updates of site	Completed
4.4E	Investigate the implementation of group text messaging software to send alerts and reminders to parents	Implementation of the system	Completed
4.4E	Provide two (2) Izumizaki scholarships for agriculture at Charles Sturt University	Scholarships awarded	Completed
4.4E	Provide one (1) generalist scholarship at Charles Sturt University		Completed
4.4E	Provide one (1) scholarship to the Temora and District Education Fund		Completed
4.4	Undertake careers promotion to local high school students in Local Government Week	Presentation to Council	Completed
N/A	Investigate the provision of vocational scholarships to local students	Report from scholarships committee to Council	Progressing
C1	Develop kitchen at Platform Y	Kitchen complete	Completed

Capital Works

Description	2017/2018	Not Completed/ planning in place
Temora Town Entry Points	2,690.10	Ongoing
TAIC - Sewerage Overflow Dam	1,012,397.56	Ongoing
TAIC - Research Facilities - Laboratories	205,103.64	Ongoing
TAIC - Research Facilities - Machinery Shed	367,830.84	Ongoing
TAIC - Administration Facilities - Office	202,314.40	Ongoing
New Depot Purchase & Renovation	121,890.61	Ongoing
Plant Replacement Program	1,063,729.97	Completed
Shire Entrance Signs	50,400.00	Completed
Tourism Information Bays	1,877.05	Ongoing
Ariah Park Youth Hall - Water Connection, Toilet & Landscaping	1,707.99	Completed
Aerodrome Master Plan	4,488.37	Ongoing
Office Renovations - Rear of Office (Engineering Dept)	4,200.00	Completed
Footpath Construction Program	220,277.84	Ongoing
Kerb & Gutter Construction Program	57,526.16	Ongoing
Infocouncil (replaces TEA)	14,049.17	Completed
Railway Station Heritage Walk	73,657.71	Completed
Ariah Park Cemetery Toilet Block	4,490.91	Completed
Heavy Vehicle Bypass Feasibility Study	4,240.32	Ongoing
Morangarell Road Seg 12 Reconstruction (5km)	647,617.18	Ongoing
Trungley Hall Road Seg 8 Reconstruction (5.5km)	32,475.95	Completed
Tara Bectric Road Bridge-Sized Culvert Replacement	1,106,029.31	Completed
Apollo Place Rehabilitation - Seg 1	89,256.37	Ongoing
Trungley Hall Road Bridge-Sized Culvert Replacement	2,620.96	Ongoing
Little Oak St Gravel Sheetting - Seg 1 (0.25km)	11,421.03	Completed
MR 398 (Mary Gilmore Way) - Seg 240 & 250 Widening	257,782.30	Ongoing
MR 398 (Mary Gilmore Way) - Seg 290 Box Culvert Replacement	65,240.00	Ongoing
Vesper St Seg 5-8 Seal Widening	2,749.63	Ongoing
Rural Sealed Roads - Renewals	120,149.67	Ongoing
Rural Unsealed Roads - Renewals	365,797.87	Ongoing
Urban Sealed Roads - Renewals	90,825.01	Ongoing
Regional Roads - Renewals	344,380.74	Ongoing
Roundabout Design - Hoskins St/Polaris St	404.74	Ongoing
Pitt Street Ariah Park - Pedestrian Facility	20,768.77	Ongoing
Aviation Estate Subdivision - Stage 3	981,799.95	Ongoing
Temora West Sports Ground - Amenities Block Rebuild	1,866.00	Ongoing
NRCC House Asbestos Removal	63,091.30	Completed
Army Huts - Internal Painting & New Security Door	2,610.00	Completed
Nixon Park - New Cricket Practice Nets	39,065.04	Completed
Mobile Stage Refurbishment	21,820.59	Ongoing
Hillview Park - Greenhouse	3,209.47	Completed
Hillview Park - Toilet Block Construction	11,704.09	Completed
Lake Centenary - Jetboat Boat Ramp	3,683.20	Completed

Description	2017/2018	Not Completed/ planning in place
Railway Station - Kitchen Fitout & Air conditioning	15,151.85	Ongoing
Implement Work Order Budgeting	21,878.13	Completed
Aerodrome - Runway 18/36 & Original Taxi & Apron Areas - Investigate & Design	34,179.72	Completed
Aerodrome - Skyfuel Hardstand & Aeroclub Refuel Area	295,779.70	Completed
Aerodrome - Rural Fire Tanks	22,916.94	Completed
Aerodrome - Remediation Works Runway 18/36	4,485.00	Completed
Aerodrome - Remediation Works Runway 05/23	104,500.46	Completed
Aerodrome - Agricultural Site Development	152,100.00	Completed
NRCC House - Library Kitchen & Toilet Upgrade	9,274.87	Completed
Recreation Centre - Amenities Upgrade	2,856.53	Ongoing
Lake Centenary - Grille Double BBQ	11,327.99	Completed
Lake Centenary & Roundabouts CCTV	128,036.69	Completed
Town Hall - Main Hall Refurbishment	7,290.91	Ongoing
Town Hall - Foyer Development	8,609.09	Ongoing
Internal Audit - Online Portal	1,500.00	Ongoing
Vehicle Replacement - Community Transport	173,123.49	Completed
Gardner St Dam - Aeration Replacement	5,505.80	Completed
Federal Park - Fence around playground equipment	9,928.75	Completed
	8,707,687.73	

2.2 Services for people with diverse cultures & language

Temora is a community containing a low level of persons from a non-English Speaking Background (NESB). The 2016 Census indicated:

Country of Birth	Temora (A)	%	New South Wales	%	Australia	%
Australia	5,383	88.4	4,899,090	65.5	15,614,835	66.7
England	76	1.2	226,564	3.0	907,570	3.9
Philippines	37	0.6	86,749	1.2	232,386	1.0
New Zealand	22	0.4	117,136	1.6	518,466	2.2
India	20	0.3	143,459	1.9	455,389	1.9
Germany	18	0.3	29,541	0.4	102,595	0.4

In Temora (A) (Statistical Local Areas), 88.4% of people were born in Australia. The most common countries of birth were England 1.2%, Philippines 0.6%, New Zealand 0.4%, India 0.3% and Germany 0.3%.

For the 2016 Census in Temora (A) (Statistical Local Areas), there were 144 Aboriginal and Torres Strait Islander people. Of these, 74 (or 51.4%) were male and 70 (or 48.6%) were female. The median age was 24 years.

People Characteristics	Temora (A)	%	New South Wales	%	Australia	%
Aboriginal and Torres Strait Islander	144	-	216,177	-	649,167	-
Male	74	51.4	107,368	49.7	322,171	49.6
Female	70	48.6	108,809	50.3	326,996	50.4
Median Age	24	-	22	50.3	23	-

This low level of ethnic diversity has been recognised by Council in the Social Plan. Accordingly, a number of activities have been developed and undertaken to overcome the lack of diversity. These include:

- Continuation of the sister-city activity with Izumizaki-mura, Japan and Uppington, South Africa;
- Participation in Reconciliation Week;
- The Special Broadcasting Service (SBS) radio station for the Temora community; and
- Hosting the Harmony Day morning tea at Paleface Park - Cultural Day during Local Government week.

Whilst it is acknowledged that the ethnic mix in Temora does not mirror many urban areas, the isolation of some NESB can be debilitating and Council has recognised its responsibility to these residents.

2.3 Child and Youth Services

Council recognises the responsibility to provide an innovative and appropriate mix of services for the residents of Temora and their families. The objective of Council is to ensure quality options are available for all residents irrespective of their ethnic or socio-economic background. Some of the options offered in 2017/2018 include:-

• Long Day Care

Bland Shire Council offer a long day care program. Providing quality, affordable, in-house childcare services for children aged 0-12 years, the service provides regular or part-time care, occasional or emergency care, before and after school care as well as school vacation care.

During 2017/2018, the service catered for an average of 80 families, from the Temora Shire. A similar number were serviced in the Bland Shire by the program.

• Pre-Schools

Temora Shire Council provides accommodation for the Temora Pre-School and Out-of-School Hours Care program, located in Gloucester Park, and playground facilities for the Arianah Park Pre-School.

• Immunisation

Temora Shire Council continued to operate a free immunisation clinic targeting children aged 0-5 years of age. Year 10 students in the Temora Shire Council area are also given free booster immunisation.

• Library Services

Pre-school storytelling and craft activities are held each Friday during the school term with attendance of up to 25 children per week.

Activities are held during school holidays for school aged children including, crafts and games. The library has introduced commercial artists such as a cartoonist and an expert bug lady, who have proven very popular with the children.

Additional activities are also held during special weeks such as:

- Book Week;
- Local Government Week; and
- Mother's Day

Class groups visit the library to utilise the facility and its resources on a regular basis. Other local youth groups such as the Guides use the library's computers for their Jamboree of the Air Program.

• Sporting Facilities

Sport plays a major role in the lives of many young residents in the Temora Shire. Council continues to support the regions sporting interests by working closely with the community and sporting groups in an effort to ensure excellent sporting facilities are available and continually maintained to a high standard.

• Representation

Temora Shire Council has engaged in the representation of Youth Services within a number of program and committees such as:

- Temora Shire Youth Council 355 committee
- Interagency
- Temora Women's Network 355 committee
- Local Government Week Committee
- Youth Week
- REROC Youth Meeting

• Support Programs and Events for Young People

- Temora Youth Council
- Arian Park Youth Council – "The Shed"

Platform Y and The Shed are recreation areas for young people of high school age to socialise and enjoy.

Council recognises the challenges of geographic isolation facing young people in the Temora Shire and aims to provide safe and supervised environments in which to socialise. These venues not only provide access for young people to socialise, they also provide a sense empowerment through ownership and emancipation.

The employment of a trained Youth Officer ensures young Temora residents have a direct link to youth service providers in the local and Riverina region.

Additionally, The Shed and Platform Y in conjunction with the Men's Shed provide a mentoring program.

• Interagency

Interagency provided access for young people to programs and support within Temora and wider Riverina

• Temora Women's Network

Events provided for local women to gain knowledge on different issues

• Youth Week

Provided young people with;

- Youth Week activities

• Local Government Week

A special Day named Young Peoples Day was an event supported by Council held in Local Government Week. The event provided access to a range of programs run specifically for young people in the local and Riverina communities. The programs included:

- Young Peoples Careers Expo
- Arts competition
- Youth Advisory Meeting
- Youth Advisory Council Meeting

2.4 Services Encouraging Access and Equity

• Community projects

The following projects have been undertaken with regard to improving access and equity for all residents living in the Temora Shire.

Disabled access was improved in the following ways:

- Walking Track around Lake Centenary
- Construction of New Footpaths – Grey Street
- Coolamon St - pavers on Eastern side
- Lake Centenary - concrete under BBQ shelter
- Gloucester Park - pathway to public toilet

• Advertising

The Council promotes services in a variety of ways including:

- Advertising in local newspapers
- Producing and distributing publications
- Public meetings
- Community committee structure
- Media releases
- Monthly newsletter – Narraburra News
- Web Site
- Facebook, Twitter

The “Temora Independent” newspaper, has sole local coverage of the Temora Local Government area. In addition, the Narraburra News is also utilised to disseminate information to local residents and relevant stakeholders about events and activities of the region. Given the scope of coverage, Council advertising reaches the majority of Shire residents.

• Statement of Affairs

This process is carried out annually by publication in the Government Gazette and includes information on:

- Council structure and function;
- How the public may participate in policy development;
- List of documents available for use by the public;
- How the public may access documents.

• Brochures

Council provides a range of brochures for the information of ratepayers including Childcare, Waste Management, Bushfire, Pinnacle Community Services etc. Brochure stands are located in the Council Chambers and Temora Library & Visitor Information Centre.

• Community Directories

Council publishes a booklet which details all services available within the Temora Shire Council area including Temora Shire Council information, State and Federal Government services.

• Public Meetings

Council convenes public meetings as required on issues of concern or where public input is required. This process facilitates information flow between community and Council.

• Resident Committee Participation

Council outwardly encourages the participation of community representatives on appropriate Council committees. The committees which include community representation are:-

- | | |
|--|---|
| - Temora and District Sports Council | - Australia Day Committee |
| - Pinnacle Community Services Committee | - Bundawarra Centre Management Committee |
| - Friends of Temora Shire Cemeteries Committee | - Town Hall Theatre |
| - Springdale Progress Association Committee | - Mary Gilmore Cultural Festival Committee |
| - Aerodrome Users Management Committee | - Temora Agriculture & Innovation Committee |
| - Lake Centenary Management Committee | - Temora's Own Arts & Crafts Committee |
| - Aria Park Pool Committee | - Film Club |
| - Temora Recreation Centre Users Committee | - Temora Business Enterprise Group – TBEG |
| - Aria Park Advisory Committee | - Temora Women's Network |
| - Temora Traffic Committee | - Temora Fight the Fruit Fly Committee |
| - Imagine Temora Committee | - Access & Equity Committee |

• Web Site

Temora Shire Council has continued its website development over the past 12 months, as well as adding social media to its communication portfolio.

The www.temora.com.au website continues to offer a portal to the tourism, community and local business areas of the shire, and now has an expanded heritage section, the ever changing What's On Calendar and Image Galleries, as well as growth in the accommodation providers in the shire.

www.temora.nsw.gov.au offers access to the 'business' side of Temora Shire Council, providing regular news updates and featured programs allowing visitors to stay informed about the shire, while the site allows residents to access information about Council policies, fees and charges, etc.

The addition of social media has provided Council with an opportunity to reach out to its residents who interact via Facebook and Twitter, in particular, putting Council more 'in touch' with its younger residents. Social media has also become a popular way for ex-residents to stay in touch with their home town, as well as being an additional tool to promote and market this magnificent shire.

2.5 Stormwater Management – Annual Charge

Council levied an annual charge for stormwater management services in 2017/2018. This revenue was placed in Reserve for future works.

2.6 Companion Animals

Council lodged the 2017/18 Pound Data to the Office of Local Government via email. The data included in the lodgement follows:

- **Dog attacks:**

- 10 dog attacks reported to Council; and
- 10 dog attacks reported to Office of Local Government.

- **Amount of funding spent on Companion Animal Management and Activities:**

\$135,420.10

- **Companion Animal Community Education Programs**

The following community education programs were supported in 2017/18 in cooperation with the Narraburra News and the Temora Independent Newspaper:

- Forgotten Souls
- N.D.N – National Desexing Network
- RSPCA – Radar Paw Club Rescue
- Riverina Pet Rescue – National Desexing Network
- Australia Working Dog Rescue (TG Dogs)
- The Dog Line (DL Dog Directory)
- Local Vets – Desexing Month ½ price (Cats) (On going)
- Pet Rescue
- Air Event Australia
- Safe & Sound Pounds
- Dogmaster Trainers
- Jack Russell Rescue
- Cattle Dog Rescue
- Staffy Rescue
- Million Paws Walk
- Paw Pals
- Professional Trapping Supplies
- Aces Animal Care
- The Dog Line

- **Council Strategies for Desexing Dogs and Cats**

- All animals re-housed are done so as desexed animals only.

- **Alternatives to Euthanasia for Animals:**

- Temora Shire Council offers a local re-housing agency for all animals. Dependent upon suitability, re-housing is considered as 1st option prior to euthanasia;

- Euthanasia fee is then used as a donation to the rehousing agency in the form of food to run the agency.

- Off Leash Areas provided - Council provide 2 off leash area in Temora Shire – This facility is located in Gardner Street.

- Brochures & pet ownership responsibilities handed out at the Cat Show

- Local radio segment and Councils Narraburra News on Rescue Group responsibilities and re-housing options for cats and dogs

- Vets – Desexing Program

Companion Animal Fund Money - 2017/18

Description	Amount
Expenditure	\$135,420.10
Income	\$4,527.20

Re-housing figures of companion animals - 2017/18

Description	Number of Animals
Rescued/Re-housed	77
Stolen	0
Euthanised – Cats/Dogs/Traffic	40
Claimed	28
TOTAL	145

2.7 Bushfire Hazard Reduction Program

Management

- 33 of 34 Brigade AGM's were attended by staff.
- 145 elected field officers have been appointed & authorized in accordance with NSWRFs Service Standards.
- 2 Liaison Committee meetings were held.
- 3 senior volunteer Management Team meetings were held.
- Pre & Post season Bush Fire Management Committee meetings were held.
- Pre & Post season Group Captains/Captains & Snr Deputy Captains meetings were held.
- 19 Long Service Medals were presented to volunteers.
- 2 Group Officers were presented with an Australian Fire Service Medal.
- 1 Staff member was presented with a Bravery award.
- Ongoing: Code of Conduct & Ethics training for staff and volunteers.
- Ongoing: Conflict of interest training for staff & volunteers.
- Ongoing: WH&S reporting for staff & volunteers.
- 17/18 Business Continuity plan was reviewed & updated.
- Bland Temora Zone Bush Fire Risk Management plan was returned from the State Bush Fire Coordinating Committee with recommendations before for final approval is provided.
- 17/18 Business plan was adopted & implemented.
- 17/18 Staff annual work plans & professional development plans completed.
- Bland Temora Zone 17/18 estimates were submitted & approved.
- 17/18 Station builds & Council hazard reduction claims were submitted for reimbursement.
- NSWRFs State Championships will be held at Lake Centenary on the 14/15/16th September 2018.
- Bland Temora Zone will become live on NSW Rural Fire Service Central Dispatch System from the 1 July 2018.

Administration

- Individual Brigades membership list was updated & disseminated to Brigades.
- New membership applications continue to be processed.
- National Parks & Wildfire pass continued to be issued to volunteers.
- 17/18 Brigade call out book was updated & distributed to volunteers.
- Maintenance & Repair reports are completed monthly.
- ALL accounts are processed within acceptable timeframes.
- Meeting notices and minutes are distributed within acceptable timeframes.
- Volunteer photo identification & authority cards continue to be processed & distributed.
- Brigade Station event briefings & volunteers long service medal citation coordinated.

Operational Services (Community Safety)

- 2 Community volunteer engagement committee meetings held.
- 31 of 34 planned Community Engagement Activities completed.
- Community Protection plans in Tallimba & Arian Park completed.
- Proposed Community Protection plans for Barmedman commenced.
- \$71,000 of funding for Strategic chemical spraying & slashing of Bland & Temora Council Roads & Villages was received.
- Section 63 Duty of care inspections for Hazard reduction & complaints in all Villages across the Zone occurred.
- 2017/2018 Fire season commenced on 1st October & ended on the 31st March 2018.
- Volunteers engaged in community awareness displays at the following local shows: Weethalle, Ungarie, West Wyalong, Barmedman & Temora

- 94 Fire permits were issued in Bland LGA.
- 99 Fire Permits were issued in Temora LGA.
- 1 Aboriginal Culture burn was completed in Naradhan.

Membership Services: (Learning and Development)

- 17/18 annual training plan was approved & disseminated to volunteers.
- 2 Volunteer training committee meetings were held.
- 1 Bush Fire Management Committee Multi agency exercise was held.
- 2 Joint training activities were undertaken between F&RNSW & NSWRFs.
- 4 Group Captains attended Region West Regional Group Captain forum in Orange.
- The Zones Communication Group continues to conduct weekly radio checks every Sunday during the fire season.
- Ongoing emphasis this year has been on field officers minimum qualifications.
- West Wyalong Hot Fire Training Centre was constructed.
- Training Gas props for the Hot Fire Training Centre were purchased.
- Ongoing promotion of volunteer for West Wyalong Airbase is a high priority.

Infrastructure: (Operations)

- 2 Temora volunteers assisted with annual tanker equipment inspections across the Zone.
- All NSWRFs & Brigade maintained trailers have been RMS inspected.
- 73 Tanker inspections & servicing completed & recorded.
- 21 Private tankers RMS inspections received & recorded.
- 17/18 Out of area assistance plan reviewed & updated.
- 17/18 Communications & Logistic plans reviewed & updated.
- 17/18 Section 52 plan of operation reviewed & updated.
- 29 Brigade Stations & both Fire Control Centers were sprayed for spiders.
- 29 Brigade Stations & both Fire Control Centers residual current devices have been checked & upgraded for compliance.
- Brigade stations WH&S issues identified with corrective actions completed & recorded.
- Access to mezzanines floors in Brigade stations have been isolated.
- 1 Single bay Brigade stations was constructed for Gubbatta Brigade.
- 1 Double bay Brigade station was constructed for Narraburra Brigade.
- 1 Single bay Brigade Station construction commenced for Quandary Pucawan Brigade.
- Temora Airbase infrastructure upgrade completed.
- West Wyalong Airbase infrastructure upgrade completed.

2017/2018 INCIDENTS

INCIDENTS

Bland LGA 108 Temora LGA 59

3.0 ELECTED REPRESENTATIVES & MANAGEMENT

3.1 Mayor and Councillors - Support and Expenses

In the 2017/18 financial year, Council paid the following Mayoral and Councillor Fees:

Position	Fees Paid
Mayor	\$16,156
Councillors	\$79,605

Expenses Policy (Refer Policy G1 for more details)

Council has in place a Payment of Fees and Expenses and the Provision of Facilities for Councillors which was reviewed and adopted in January 2017. The policy states that where Councillors are required to incur expense on the business of Council, the following shall apply:-

1. Travel:

- a) Where required to use the Councillors own vehicle, reimbursement shall be in accordance with the kilometre rate as prescribed by the Local Government (State) Award;
- b) When travelling outside the Local Government area, the mode of travel shall be determined by the General Manager and Mayor.

2. Accommodation:

- a) When required to obtain overnight accommodation, the cost of accommodation up to 4 star standard and meals will be reimbursed. Monetary limits are imposed in the policy

3. Registration Fees:

- a) Where a registration or attendance fee is required, such fees will be reimbursed on an actual cost basis

4. Provision of Facilities:

- a) Council will provide the Mayor:-
 - (i) Mobile phone for business use at his/her place of residence;
 - (ii) Secretarial and administrative assistance relating to the discharge of his/her civic function;
- b) Where Council owned vehicles are available, these are to be provided to Councillors travelling on business of Council;
- c) Tablets (IPad or Android) to carry out duties as a Councillor.
- d) Internet access at place of residence to carry out duties as a Councillor
- e) No other facilities shall be provided to any Councillor.

Councillors Expenditure

Total expended during 2017/2018 on the provision of Councillor Facilities and the payment of Councillor expenses was \$43,115.46

Fees	Amount
Provision of dedicated office equipment and internet allocated to Councillors (iPad)	NIL
Telephone calls made by Mayor	\$725.18
Attendance of Councillors at Conferences, meetings & Seminars	\$24,301.82
Training of Councillors & provision of skill development	NIL
Interstate visits by Councillors	NIL
Overseas visits by Councillors	NIL
Expenses of Spouse, partner or other person**	NIL
Internet Councillors	\$9,703.84
Internet Mayor	\$600.00
Other expenses	\$7,784.62
Total	\$43,115.46

* Payable directly by Councillors

** Training carried out in house

3.2 Salaries of Senior Staff

In the 2017/18 year, Council employed:

Senior Staff	Number	Total Remuneration
General Manager	1	\$224,788

Note:

Two other employees act in a senior capacity however, due to the remuneration requirement of the 'senior staff' classification; they are not technically classified as 'Senior Staff'.

3.3 Human Resource Activities

Council has undertaken the following activities in the 2017/2018 year:

- Monthly meetings and breakfast with the outdoor staff continue to be well received. During these meetings consultation regarding Council meetings and a variety of information is exchanged.
- The working relationship with the local Bland-Temora Zone Volunteer Fire Brigade continues to be strong and Council is grateful to have a co-operative and skilled crew of volunteer personnel.
- All employees were involved in consultation in relation to Council's Strategic Management Plan. This gave employees an insight in to Councils proposed development aims over the coming years.
- Council conducted an Employee Engagement Survey and is implementing the findings from the survey.
- Council has partnered with CSU to employ an Engineering Graduate Student for a 12 month period. This is intended to be an annual program.

3.4 EEO activities

Council's Equal Employment Opportunity Plan provides:

- a) A commitment to eliminate and ensure the absence of discrimination in employment on the grounds of race, sex, marital status, physical impairment, age or sexual preference; and
- b) A commitment to promote Equal Employment Opportunities for women, Aboriginal and Torres Strait Islanders, people with disabilities and people from non-English speaking backgrounds (NESB).

Staff Profile

	Total	Male	Female
Full Time	74	57	17
Part Time	15	0	15
Casual	65	21	44
Trainees	5	2	3
Total	159	80	79
Pinnacle	49	12	37
TSC	110	68	42
TOTAL	159	80	79

Age Range		Full Time	Casual	Part time	Trainee
Under 20 years (10) (6.29%)	5 Male (3.14%)	0	4	0	1
	5 Female (3.15%)	0	2	0	3
21-40 years (53) (33.33%)	27 Male (16.98%)	20	6	0	1
	26 Female (16.35%)	7	12	7	0
41-64 years (96) (60.38%)	48 Male (30.19%)	37	11	0	0
	48 Female (30.19%)	10	30	8	0

Average Age:

Males	44.42 years
Females	45.00 years

Achievement of EEO Management Plan Objectives

Action 1:

All staff are to be provided with a copy of the Equal Employment Opportunity Plan

All staff members have been provided with copies and new staff members are informed as part of the induction program.

Action 2:

Invite comment and input from all Council employees at all levels on initiative within and resulting from the Equal Employment Plan.

Input sought via a Staff Engagement Survey.

Action 3:

Job advertised to be written in non-discriminatory terms.

All job advertisements are non-discriminatory.

Action 4:

Review Council practices and establish formal policies and procedures for all recruitment activities.

Council has maintained the practices of the Human Resource Policy which was developed in 1996/97 and reviewed regularly.

Action 5:

Interview questions to be designed to determine whether applicants understand and can apply Equal Employment Opportunities principles.

All applicants are required to demonstrate knowledge of Equal Employment Opportunity principles.

Action 6:

Review all job evaluation/performance appraisals to ensure that it is non-discriminatory in content and administration.

The performance appraisal criteria are continually monitored to ensure non-discriminatory content.

Action 7:

Constantly review the policy and guidelines on relief/acting in higher position

Council contracted a Human Resource Consultant to develop an unambiguous policy on this matter.

Action 8:

Identify opportunities for providing positions for people with physical disabilities

Action 9:

Identify barriers to people gaining promotion and career path development

Ongoing Project.

Action 10:

Advertise all advancement opportunities to all staff

Done

Action 11:

Identify occupations and levels where part-time positions are currently availing.

Ongoing Project.

Action 12:

Identify opportunities within Council for the employment of trainees and encourage people under 21 to apply for such positions

In 2017/2018 Council employed 2 trainees under the Commonwealth Government Trainee Initiative Program.

Action 13:

Commitment by Council to provide traineeships and apprenticeships positions as a social responsibility.

Council continues to meet its social obligations to employee youth on training programs. There are Presently 4 apprentices/trainees on staff.

Action 14:

Prepare a formal training plan and review this annually.

The training plan is currently being developed.

Action 15:

Publicise available training and development courses directly to all staff at all work places, clearly identifying who should attend and the objective of the course.

Staff are advised via staff noticeboards & internal staff newsletter.

Action 16:

Document conditions of service practices and procedures for all categories of employees.

Ongoing process.

Action 17:

Evaluation of condition of services to ensure non-discriminatory priorities.

Ongoing process.

Action 18:

Regularly review progress on implementation and relevance of plan.

The plan is informally assessed on a regular basis and formally reviewed twice annually during the Management Plan formulation and Annual Report formulation.

Action 19:

Develop a reporting format to enable the issue of annual progress report.

This report is the defined reporting format.

Summary

This review has indicated compliance with the specific action plans to address Equal Employment Opportunities principles. The defining test of the effectiveness of the plan is the results achieved.

Council is totally committed to Equal Employment Opportunities principles. It is the responsibility of Temora Shire Council as employer to ensure equal access to all people for positions, and accordingly, the most suitable applicant will be appointed without discrimination.

Workforce Plan

In working toward the goal of “Getting the right number of people, with the right skills, in the right jobs, at the right time”, Council is actively implementing the recommendations presented in its Workforce Plan.

As part of this commitment, Council spent \$125,754 on staff training across the workforce, upskilling existing employees. This ensures employees have the appropriate skill base to undertake their duties to a high standard whilst meeting community service level expectations.

In the 2017/2018 year, staff turnover was 11.32%. This is a positive reflection on the communication, recruitment and retention strategies utilised by Council and its employees. Continual monitoring of these strategies is undertaken in consultation with staff to assist Council to achieve preferred employer status.

In support of the workforce strategies, Council has initiated a review of internal work practices and its employee salary system. It is expected the review will identify opportunities for productivity gains and commensurate rewards for employees.

This is an ongoing process which will assist in retaining a stable and skilled workforce heading into the future.

3.5 Overseas Visits

No overseas visits were undertaken during the course of 2017/2018 on Council business by any Councillors, Council staff or other persons while representing Council.

4.0 CORPORATE GOVERNANCE

4.1 Legal proceedings

Council expended \$NIL on unrecoverable monies on legal proceedings in 2017/2018. In relation to public liability claims, Council paid an amount of NIL claims handling fees relating to individual claims. All payments were made from an internally restricted fund set aside for this purpose.

Council contributed NIL to Local Government NSW for other Councils legal appeals with industry implications in 2017/2018.

There are no unfinalised legal proceedings as at 30 June 2018.

4.2 Contract details

Company	Service	Contract Price
Downer EDI Works Pty Ltd	Bitumen	\$578,949.82
Fulton Hogan Industries Pty Ltd	Runway 05/23 RFemediation	\$1,326,450.78
Hynash Constructions Pty Ltd	TAIC Dam Construction	\$583,600.00
Millers Metals	Sealing Aggregate	\$832,028.79
MJ & JA Reardon	TAIC Shed Construction	\$345,397.27
Robert Ferguson Management Pty Ltd	Noxious Weeds Management	\$295,539.61
Rocla	Tara Bectric Bridge	\$53,789.45

4.3 External bodies with delegation of Council

Council did not delegate any functions to external bodies during 2017/2018

4.4 Grants under Section 356 Introduction

Recipient	Description	Amount
Ariah Park Central School	Presentation Night donation 2017	\$200.00
Ariah Park Community Projects	Rates Donation	\$522.52
Ariah Park CWA	Rates Donation	\$83.05
Dr Parry Memorial Homes Inc	Rates Donation	\$1,263.69
NSW Greyhound Breeders Owners	Sponsorship of Cup Carnival 2018	\$500.00
Riverina Institute of TAFE Temora	Annual Campus Presentation 2017	\$100.00
Ronald McDonald House Donation	Donation	\$2,250.00
Southern Sports Academy	Athletes Sponsorship	\$2,400.00
St Anne's Central School	Presentation Night donation 2017	\$200.00
TAFE NSW Riverina Institute	Excellence Awards 2018	\$150.00
Temora & District Education Fund	Scholarship Sponsorship	\$1,500.00
Temora & District Sports Council	Elite Sports Person Grant	\$300.00
Temora & District Sports Council	Awards night sponsorship	\$2,000.00
Temora West Public School	Presentation Night donation 2017	\$200.00
Temora High School	Presentation Night donation 2017	\$150.00
Temora Primary School	Presentation Night donation 2017	\$200.00
Temora Schoolboys Rugby League	2017 Yearbook sponsorship	\$50.00
Temora Senior Citizens Groups	Rates Donation	\$500.02
Temora Show Society	Sponsorship of the Woodchopping Exhibition at Temora Show	\$1,000.00
Temora Trotting Club	Gold Carnival of Cups sponsorship	\$500.00
TOTAL		\$14,069.28

4.5 Privacy & Personal Information

Temora Shire Council has adopted the model Management Plan for the Privacy and Personal Information as required by the Act. The Management Plan provides:

- a) Statement of Council commitment to the principles enshrined in the Act;
- b) Details of the information of the Privacy Management Plan;
- c) Plan of implementation of the Privacy Management Plan.
- d) Internal review of the Plan.

In the period 1 July 2017 to 30 June 2018, no complaints regarding privacy or personal information were received by Council.

4.6 Category 1 & 2 Businesses

• Category One Businesses

Council conducted no business activities which meet the requirement of a Category 1 Business. The principles of competitive neutrality and complaints handling mechanism are therefore irrelevant.

• Category Two Businesses

Temora Shire Council has one business activity categorised as Category 2, namely the Temora Sewerage Treatment Works.

4.7 Rates and Charges Written Off

During 2017/2018 no rates and charges were written off by Council. Donations were made to several aged care facilities and are separately detailed in Contributions/Donations [Section 428 (2) (I)].

4.8 Works on Public Land

All works carried out under Section 67 of the Local Government Act have been carried out in accordance with the rates set in the adopted Management Plan. No subsidisation of actual costs were undertaken in 2017/2018

4.9 Freedom of information - Government Information Public Access Act (GIPA)

Statistical Information about Access Applications (s125 GIPA Act)

Publicly available information

Council encourages the public to make informal applications where appropriate in order to meet the intent of the Government Information (Public Access) Act by allowing more information to become more easily available.

A range of information is available for public access on Council's website, at Council's offices or by contacting the Right to Information Officer by telephone or email. The Officer will either advise where the information is located or request that an Informal Access Request form be lodge with Council. There is no charge for this request; however appropriate photocopying charges may be applicable in accordance with Council policy.

The Officer will discuss the method of supply of the information, including the likely timeframe. The public will also be offered the opportunity to inspect and obtain copies of the information from Council's Temora Administration Office during office hours.

Access applications received

Overall Temora Shire Council received NIL access applications as at 30 June 2018. A schedule providing details for the information required under the act is included in this Annual report.

Schedule 2 Statistical information about access applications to be included in annual report

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

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	5	0	0	0	0	0	0	0

*More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

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

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal Information application*	0	0	0	0	0	0	0	0
Access application (other than personal information application)	5	0	0	0	0	0	0	0
Access application that are partly personal information application and partly other	0	0	0	0	0	0	0	0

*A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

Table C: Invalid applications

Reason for invalidity	No of applications
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

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

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

*More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of Act

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

Table F: Timeliness

	No of applications
Decided within the statutory timeframe (20 days plus any extensions)	5
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	5

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

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

*The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

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

	Number of applications for view
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

Annual Statistical Comparison [Section 68(6)]

Temora Shire Council received Nil application under the Freedom of Information Act in 2017/2018, hence statistical comparison is unnecessary.

Assessment of Impact [Section 68(6)]

Due to the extremely low level of activity in relation to Freedom of Information applications, the impact of meeting the requirements for Council was negligible. In the period 1 July 1995 to 30 June 2018, only five applications were made. One application was unnecessarily treated as a Freedom of Information application where the information was readily available as a counter enquiry, one application was accepted and information provided as required and three were transferred out and not required to be handled by Council.

4.10 Statement of affairs

Council maintains a number of documents which are available for inspection and copying including:-

- a) Annual Report;
- b) Annual Financial Statements including Auditor's Report;
- c) Management Plan including EEO Management Plan and Community Land Plan;
- d) Returns of the interests of Councillors, designated persons and delegates;
- e) Business Papers and Minutes for Council and Committee Meetings (excluding items deemed Confidential);
- f) Register of Delegations;
- g) Records of Building Certificates.

The Management Manual of Council is also available to peruse and copies will be made upon request, of Council policies. Due to the size of this publication, full copies will not be provided to the public. The document is also on display at Temora Library and Arah Park Post Office.

The policies include:

COMMUNITY

- C1 Use & Hire of Mobile Stage
- C2 Street Stalls
- C3 By Laws and Regulations for use of Lake Centenary
- C5 Street Banner
- C7 Guidelines for Television and Film Production Shoots
- C10 CCTV Guidelines
- C14 Camping Policy Lake Centenary
- C15 Art Acquisition, Management & Decommissioning Policy
- C16 Flag Protocols Policy
- C17 Event Management Application
- C18 Disability Inclusion Action Plan
- C19 Sporting Fields Yearly Right of Use

ENGINEERING WORKS

- EW2 Footpath Maintenance & Construction
- EW8 Amenity Tree Management Plan
- EW9 Engineering Environmental Management
- EW10 Remote Supervision Signs
- EW11 Construction of foot paving, kerb & gutter
- EW12 Street Lighting
- EW13 Road Verge & Nature Strip Policy

GOVERNANCE

- G1 Payment of Expenses & Provision of Facilities
- G2 Code of meeting Practice
- G3 Procurement Procedure
- G4 Related Party Disclosures Policy
- G5 Complaints Disclosure Reporting Procedure
- G6 Fraud Control Policy
- G7 Provision of Information to and Interaction between Councillors & Staff
- G8 Code of Practice Section 355 Committees
- G9 Corporate Credit Card
- G10 Model Privacy Management Plan for Local Government
- G11 Child Protection
- G12 Record and Information Management
- G13 Media Policy
- G14 Records Management Policy for Councillors
- G15 Statement of Business Ethics
- G17 Code of Conduct
- G18 Privacy Management Plan
- G19 Enforcement Policy
- G20 Internal Audit Charter & Committee Charter
- G21 General Policies

FINANCE

- F1 Plant Replacement
- F2 Debt Recovery
- F3 Investments

HUMAN RESOURCES

HR1	Hearing Conservation Policy
HR2	Workplace Injury management Procedures
HR3	Infectious Disease Policy
HR5	Stress Policy for Employees and Councillors
HR6	Staff & Council Presentation
HR7	Employee Incentive Scheme
HR8	Email & Internet Usage
HR9	First Aid Policy
HR10	Protective Clothing Protective Equipment
HR11	Workplace Amenities
HR12	Level 3 WHS Committee Constitution
HR13	Manual Handling
HR14	Working at Heights
HR15	Volunteer Risk management
HR16	Critical Incident Response
HR17	Disaster Workforce Recovery & Continuity Business Plan
HR19	Staff Training Policy
HR20	Staff Uniform
HR21	Alcohol and Other Drugs Policy
HR22	Workplace Surveillance Policy
HR23	Social Media Policy
HR24	Bullying, Harassment & Discrimination Policy
HR25	Equal Employment Opportunity management Policy & Plan
HR26	Motor Vehicle Policy for Private use
HR27	Staff Exit Policy
HR28	Private or Secondary Employment Policy

PLANNING REGULARY

PR1	Sewage Management Plan
PR2	Home Based Business Policy and Guidelines
PR3	Signage Policy and Guidelines
PR4	Swimming Pool Safety Policy (Private)
PR5	Local Orders Policy
PR6	Liquid Trade Waste Regulation Policy
PR7	Contaminated Lands Policy

RISK MANAGEMENT

RM1	Gathering Information for Incident Management
RM2	Notification Plan for Pesticide Use
RM3	Settlement of Minor Liability Claims
RM4	Water Supply – Backflow prevention
RM5	Play equipment policy and procedures
RM6	Cemetery Safety Management Plan
RM7	Contractor Management & Procedure
RM8	Management of Flooded Roads Procedures
RM10	Asbestos – Procedures for Employees & Contractors
RM12	Risk Management Policy
RM13	Fire Protection for Council facilities Buildings
RM14	Footpath, Café & Dining

State of the Environment Report

This report has been prepared to report on the environmental objectives identified in the Temora Shire Community Strategic Plan – Temora Shire 2030 dated May 2013

The Outcome We Seek Is:

Outcome 10. Effective and Sustainable Usage of Our Precious Water

Strategic Objectives (SO)	Strategic Actions (SA)	Comment
10A To plan for and act upon reduced water availability	10A1 Adopt and implement an Integrated Water Cycle Management Plan	<p>Council has a stormwater management plan, and identified projects within this plan are implemented in accordance with Council's Operational and Delivery Plans. 100% of effluent produced at the Temora Sewerage Treatment Plant is recycled. Stormwater Management Plan is now complete. Council is moving forward to progress the development of an Integrated Water Cycle Management Strategy and seek grant funding for eligible water and sewer projects resulting from the IWCM Strategy.</p> <p>A contract is underway for the rehabilitation of select segments of Council's Urban Sewer Network within the township of Temora for the five years commencing on the 1st January, 2016 and terminating on the 30th June 2020.</p>

The Outcome We Seek Is:

Outcome 11. Protected and Enhanced Quality of Our Natural Resources

Strategic Objectives (SO)	Strategic Actions (SA)	Operational Actions (OA)
11A To improve the extent and quality of terrestrial and aquatic native flora and fauna populations and habitats	11A5 Actively manage the recovery of priority terrestrial and aquatic threatened flora and fauna species, endangered populations and significant species within the Shire	Temora Shire is included in the Lachlan Riparian Database, which identifies and assesses riparian vegetation within the Lachlan catchment. This project provides information relating to connectivity, species composition and density. This information is then used to identify priority areas for projects such as revegetation, weed removal and fencing.
	11A6 Actively restrict the extent of pest animals and environmental weeds within the Shire	<p>Ongoing. Pest animals eradicated and managed through the assistance of LLS. Ongoing weed management through the NSW Weeds Action Program, overseen by DPI. This program involves the eradication of new weeds and managing existing environmental weeds through community and government involvement. Government manages high priority invasive species on public land and waterways.</p> <p>Council is preparing for the commencement of the Biosecurity Act 2015 through contribution to the Regional Strategic Weed Management Plan, which includes the identification of Priority Weeds for management action.</p>
	11A7 Manage roadside reserves in line with a Shire Roadside Vegetation Management Plan.	
	11B1 Encourage local farmers to take on board latest farming practices	<p>Temora Agricultural Innovation Centre (TAIC) is managed as a joint venture between Temora Shire Council and FarmLink Research. The vision for TAIC is one of a respected Centre for Excellence for Mixed Farming Research and Development. Currently 24 research and development organisations are hosted at the site. There are over 14,000 trial plots on-site relating to cereal, canola and pasture varieties, nutrition, disease, weeds, carbon, growth regulants, farming systems, trace elements, time of sowing and water use efficiency.</p> <p>The Centre also provides numerous activities throughout the year such as Annual Farmlink Open Day, University Crop Competition, field days, crop walks, livestock workshops, training days and seminars.</p>

		<p>A Grains Research and Development Corporation (GRDC) investment of more than \$1.8 million has helped to drought proof field trials for cereals, oilseeds and pulses at the Temora Agricultural Innovation Centre, with works completed in 2018.</p> <p>The project saw the construction of a 100 megalitre dam with the capacity to irrigate 100 hectares of trials. The ageing administrative and sample processing infrastructure were also upgraded to stem escalating maintenance costs and reinvigorate the facilities; and the Trefle Exhibition Shed constructed to accommodate increased trial and farm equipment and allow for machinery, technology and other agricultural training activities.</p> <p>The Temora Agricultural Innovation Centre (TAIC) is a community owned research farm with soils and an environment typical of more than half the state's grain producing area.</p>
	11B2 Ensure that the agricultural research station continues research for local needs	<p>Partnership continues between Farmlink and TSC for research through trial plots supported by commercial companies.</p> <p>Research areas covered at the Temora Agricultural Innovation Centre include maintaining profitable farming systems with retained stubble, profitable and sustainable sheep production in the mixed farming zone, strategic use of tillage within conservation farming, stubble burning, soil moisture, climate change and computer modelling relating to crop growth, water use and nitrogen demand. Benefits of the venture are that the research is typical of the Temora region (i.e. soil types, topography and rain fall). The venture is unique as it is a mixed farming research – 660Ha (600Ha arable) – 320Ha Commercial Crops and 200 Ha Pasture (Lucerne). All lots are on a four (4) year rotation plan. Farmlink have partnerships with Universities (Charles Sturt University, Australian National University & Melbourne University).</p>
	11B3 Ensure that learnings from the research station are shared with the Shire's farmers through field days, local media and other means	<p>Ongoing. The TAIC provides numerous activities throughout the year such as Annual Research Expo, University Crop Competition, Field Days, Crop Walks, training days and seminars.</p>

Temora Shire Council

GENERAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2018

“Success through determination and inspiration”



Temora Shire Council

General Purpose Financial Statements for the year ended 30 June 2018

Contents	Page
1. Statement by Councillors and Management	2
2. Primary Financial Statements:	
– Income Statement	3
– Statement of Comprehensive Income	4
– Statement of Financial Position	5
– Statement of Changes in Equity	6
– Statement of Cash Flows	7
3. Notes to the Financial Statements	8
4. Independent Auditor's Reports:	
– On the Financial Statements (Sect 417 [2])	68
– On the Conduct of the Audit (Sect 417 [3])	71

Overview

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

105 Loftus Street
Temora NSW 2666

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.temora.nsw.gov.au.

Temora Shire Council

General Purpose Financial Statements for the year ended 30 June 2018

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

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


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

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

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

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

Signed in accordance with a resolution of Council made on 20 September 2018.



Rick Firman
Mayor
20 September 2018



Graham Sinclair
Councillor
20 September 2018



Gary Layelle
General Manager
20 September 2018



Steve Firth
Responsible Accounting Officer
20 September 2018

Temora Shire Council

Income Statement for the year ended 30 June 2018

Original unaudited budget 2018	\$ '000	Notes	Actual 2018	Actual 2017
Income from continuing operations				
Revenue:				
5,197	Rates and annual charges	3a	5,132	4,965
3,779	User charges and fees	3b	6,325	6,104
170	Interest and investment revenue	3c	194	142
866	Other revenues	3d	1,044	907
6,839	Grants and contributions provided for operating purposes	3e,f	9,301	8,832
1,553	Grants and contributions provided for capital purposes	3e,f	3,438	2,389
Other income:				
268	Net gains from the disposal of assets	5	157	90
–	Net share of interests in joint ventures and associates using the equity method	14	7	–
18,672	Total income from continuing operations		25,598	23,429
Expenses from continuing operations				
5,131	Employee benefits and on-costs	4a	7,542	7,095
78	Borrowing costs	4b	23	39
4,472	Materials and contracts	4c	6,277	4,372
4,046	Depreciation and amortisation	4d	4,260	4,074
2,318	Other expenses	4e	2,199	2,365
16,045	Total expenses from continuing operations		20,301	17,945
2,627	Operating result from continuing operations		5,297	5,484
2,627	Net operating result for the year		5,297	5,484
2,627	Net operating result attributable to Council		5,297	5,484
Net operating result for the year before grants and contributions provided for capital purposes				
1,074			1,859	3,095

Temora Shire Council

Statement of Comprehensive Income for the year ended 30 June 2018

\$ '000	Notes	2018	2017
Net operating result for the year (as per Income Statement)		5,297	5,484
Other comprehensive income:			
Amounts that will not be reclassified subsequently to the operating result			
Gain (loss) on revaluation of IPP&E	9a	(2,598)	717
Impairment (loss) reversal relating to IPP&E	9a	770	(2,266)
Other comprehensive income – joint ventures and associates	14	179	–
Total items which will not be reclassified subsequently to the operating result		(1,649)	(1,549)
Amounts that will be reclassified subsequently to the operating result when specific conditions are met			
Other movements in reserves		57	2
Total items which will be reclassified subsequently to the operating result when specific conditions are met		57	2
Total other comprehensive income for the year		(1,592)	(1,547)
Total comprehensive income for the year		3,705	3,937
Total comprehensive income attributable to Council		3,705	3,937

Temora Shire Council

Statement of Financial Position

as at 30 June 2018

\$ '000	Notes	2018	2017
ASSETS			
Current assets			
Cash and cash equivalents	6a	1,210	1,455
Investments	6b	6,639	6,650
Receivables	7	3,573	1,253
Inventories	8	1,463	632
Other	8	145	110
Total current assets		13,030	10,100
Non-current assets			
Receivables	7	18	33
Infrastructure, property, plant and equipment	9	202,689	201,622
Investments accounted for using the equity method	14	186	—
Total non-current assets		202,893	201,655
TOTAL ASSETS		215,923	211,755
LIABILITIES			
Current liabilities			
Payables	10	1,989	1,857
Income received in advance	10	474	15
Borrowings	10	313	296
Provisions	11	4,116	3,949
Total current liabilities		6,892	6,117
Non-current liabilities			
Payables	10	1	1
Borrowings	10	—	312
Provisions	11	28	28
Total non-current liabilities		29	341
TOTAL LIABILITIES		6,921	6,458
Net assets		209,002	205,297
EQUITY			
Accumulated surplus	12	84,353	78,820
Revaluation reserves	12	124,649	126,477
Council equity interest		209,002	205,297
Total equity		209,002	205,297

Temora Shire Council

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

	Notes	2018		2017		
\$ '000		Accumulated surplus	IPP&E revaluation reserve	Accumulated surplus	IPP&E revaluation reserve	Total equity
Opening balance		78,820	126,477	73,336	128,024	201,360
Net operating result for the year		5,297	-	5,484	-	5,484
Other comprehensive income						
– Gain (loss) on revaluation of IPP&E	9a	-	(2,598)	-	717	717
– Impairment (loss) reversal relating to IPP&E	9a	-	770	-	(2,266)	(2,266)
– Joint ventures and associates	14	179	-	-	-	-
– Other reserves movements		57	-	-	2	2
Other comprehensive income		236	(1,828)	-	(1,547)	(1,547)
Total comprehensive income		5,533	(1,828)	5,484	(1,547)	3,937
Equity – balance at end of the reporting period		84,353	124,649	78,820	126,477	205,297

Temora Shire Council

Statement of Cash Flows

for the year ended 30 June 2018

Original unaudited budget 2018	\$ '000	Notes	Actual 2018	Actual 2017
Cash flows from operating activities				
<u>Receipts:</u>				
5,192	Rates and annual charges		5,130	4,925
3,754	User charges and fees		6,549	6,499
174	Investment and interest revenue received		183	140
8,436	Grants and contributions		11,414	11,479
–	Bonds, deposits and retention amounts received		–	60
825	Other		1,180	1,008
<u>Payments:</u>				
(5,132)	Employee benefits and on-costs		(7,367)	(7,280)
(4,402)	Materials and contracts		(6,713)	(4,546)
(63)	Borrowing costs		(27)	(42)
–	Bonds, deposits and retention amounts refunded		(5)	–
(2,317)	Other		(2,419)	(2,598)
6,467	Net cash provided (or used in) operating activities	13b	7,926	9,645
Cash flows from investing activities				
<u>Receipts:</u>				
–	Sale of investment securities		3,041	–
–	Sale of real estate assets		280	216
–	Sale of infrastructure, property, plant and equipment		376	311
7	Deferred debtors receipts		20	–
<u>Payments:</u>				
–	Purchase of investment securities		(3,030)	(2,549)
(7,391)	Purchase of infrastructure, property, plant and equipment		(7,492)	(6,579)
(500)	Purchase of real estate assets		(1,071)	(171)
–	Deferred debtors and advances made		–	(4)
(7,884)	Net cash provided (or used in) investing activities		(7,876)	(8,776)
Cash flows from financing activities				
<u>Receipts:</u>				
2,000	Proceeds from borrowings and advances		–	–
<u>Payments:</u>				
(440)	Repayment of borrowings and advances		(295)	(281)
1,560	Net cash flow provided (used in) financing activities		(295)	(281)
143	Net increase/(decrease) in cash and cash equivalents		(245)	588
1,304	Plus: cash and cash equivalents – beginning of year	13a	1,455	867
1,447	Cash and cash equivalents – end of the year	13a	1,210	1,455
Additional Information:				
	plus: Investments on hand – end of year	6b	6,639	6,650
	Total cash, cash equivalents and investments		7,849	8,105

Temora Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Contents of the notes accompanying the financial statements

Note	Details	Page
1	Basis of preparation	9
2(a)	Council functions/activities – financial information	13
2(b)	Council functions/activities – component descriptions	14
3	Income from continuing operations	15
4	Expenses from continuing operations	21
5	Gains or losses from the disposal of assets	25
6(a)	Cash and cash equivalent assets	25
6(b)	Investments	26
6(c)	Restricted cash, cash equivalents and investments – details	27
7	Receivables	28
8	Inventories and other assets	30
9(a)	Infrastructure, property, plant and equipment	32
9(b)	Externally restricted infrastructure, property, plant and equipment	34
9(c)	Infrastructure, property, plant and equipment – current year impairments	35
10	Payables and borrowings	35
11	Provisions	37
12	Accumulated surplus, revaluation reserves, changes in accounting policies, changes in accounting estimates and errors	39
13	Statement of cash flows – additional information	40
14	Interests in other entities	40
15	Commitments for expenditure	43
16	Contingencies and other liabilities/assets not recognised	44
17	Financial risk management	47
18	Material budget variations	50
19	Fair value measurement	52
20	Related party transactions	57
21	Financial result and financial position by fund	60
22(a)	Statement of performance measures – consolidated results	62
22(b)	Statement of performance measures – by fund	63
Additional council disclosures (unaudited)		
22(c)	Statement of performance measures – consolidated results (graphs)	65
23	Council information and contact details	67

n/a – not applicable

Temora 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 20/09/2018.

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

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

Basis of preparation

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

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

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

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

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

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

and are clearly marked.

(a) New and amended standards adopted by Council

Council adopted the following Australian accounting standard amendments for these financial statements:

- AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107

This disclosure Initiative helps users of financial statements to better understand changes in an entity's debt.

Additional disclosures relating to changes in liabilities arising from financing activities (including both changes arising from cash flows and non-cash changes) have been incorporated in these financial statements at Note 10 (b).

- AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities

This Standard means that Not-for-profit entities (and therefore Council) no longer need to consider AASB 136 Impairment of Assets for non-cash-generating specialised assets at fair value.

Instead it is expected that 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 13 Fair Value Measurement.

Temora Shire Council

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

Note 1. Basis of preparation (continued)

(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 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) employee benefit provisions – refer Note 11.

Significant judgements in applying the Council's accounting policies

- (iii) Impairment of receivables

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

Monies and other assets received by Council

(a) The Consolidated Fund

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

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

- General Purpose Operations
- Sewerage Service
- Pinnacle Community Services (Home & Community Care)
- Temora Agricultural Innovation Centre

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

- Springdale Progress Association
- Arah Park Swimming Pool Committee
- Temora & District Sport & Recreation Centre

Temora Shire Council

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

Note 1. Basis of preparation (continued)

- Temora's Own Arts & Crafts
- Temora Rural Museum
- Lake Centenary Management Committee
- Temora Arts Council
- Mary Gilmore Music Festival

(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 recoverable 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 that are recoverable from, or payable to the taxation authority are presented as operating cash flows.

New accounting standards and interpretations issued not yet effective

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

As at the date of authorisation of these financial statements, Council 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.

Temora Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 1. Basis of preparation (continued)

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 based on a preliminary assessment, 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. Council believes the introduction of this standard will result in a better matching of revenues to the offsetting expenses.

- 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.

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

Temora Shire Council

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

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

Functions/activities	Income, expenses and assets have been directly attributed to the following functions/activities. Details of these functions/activities are provided in Note 2(b).									
	Income from continuing operations		Expenses from continuing operations		Operating result from continuing operations		Grants included in income from continuing operations		Total assets held (current and non-current)	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Retaining our Quality of Life	6,504	5,389	6,720	6,066	(216)	(677)	2,761	2,953	112,624	113,129
Engaging & Supporting the Community	622	1,060	2,065	1,879	(1,443)	(819)	43	26	11,819	11,430
Building our Shire's Economy	4,900	5,137	1,939	2,871	2,961	2,266	909	796	23,874	22,083
Preserving our Beautiful Surrounds	1,022	862	1,939	1,409	(917)	(547)	204	113	11,880	9,910
Embracing & Developing Aviation	1,566	121	1,690	395	(124)	(274)	1,419	–	4,565	4,117
Enhancing our Agricultural Wealth	3,527	2,096	2,969	2,659	558	(563)	2,404	1,825	45,325	43,076
Administration & General Purpose	7,457	8,764	2,979	2,666	4,478	6,098	3,310	4,893	5,836	8,010
Total functions and activities	25,598	23,429	20,301	17,945	5,297	5,484	11,050	10,606	215,923	211,755

Temora 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:

Retaining our Quality of Life

Strategic objectives are to ensure there is a continuum of housing and care facilities for the aged; improve public transport to regional centres; encourage the provision of educational opportunities including post school education; support and develop the provision of health services; support village life; provision of child care services to meet the needs of the community; ensure there is a continuum of housing and care facilities for the disabled; provide a safe and supportive living environment for our residents; provide services required for excellent liveability in a rural community.

Engaging & Supporting the Community

Strategic objectives are the provision of sports facilities that are well maintained, planned and meet the expectations of the community; provision and support of arts and cultural activities; encourage a welcoming, inclusive and tolerant community that welcomes new residents from all backgrounds; support volunteers within the community; support and develop the Youth of our community; maintain regular communication with residents.

Building our Shire's Economy

Strategic objectives are to improve telecommunications within the Shire; seek affordable housing options for all residents; provide adequate parking to meet the needs of shire residents; ensure accommodation in Temora Shire meets standards in terms of quality and quantity; strengthen the Temora Shire economy; support tourism, acknowledging the value it brings to the Temora Shire economy.

Preserving our Beautiful Surrounds

Strategic objectives are to provide a network of heavy vehicle routes that meet the needs of industry and residents; introduce environmentally, socially and economically responsible waste policies; improve drainage within the Shire area; ensure local planning instruments meet the needs of the community; ensure an aesthetically pleasing environment.

Embracing & Developing Aviation

Strategic objectives are to optimise telecommunications at Temora Airport; retain and develop facilities at Temora Airport; ensure land use plans are developed to protect the future use of the airport; provide a clear direction for the current use and future direction of the Temora Airport.

Enhancing our Agricultural Wealth

Strategic objectives are to maintain infrastructure to support agriculture; optimise the opportunities to develop agricultural industry; commitment to the support of agriculture in Temora Shire; develop a strategy to cope with the consolidation of farming enterprises.

Administration & General Purpose

Includes items of an administrative nature or general purpose which do not fall under any of the six IP&R themes detailed above.

Temora 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	1,453	1,427
Farmland	1,821	1,793
Business	478	469
Less: pensioner rebates (mandatory)	(59)	(53)
Less: pensioner rebates (Council policy)	(48)	(65)
Total ordinary rates	3,645	3,571
Annual charges (pursuant to s.496, s.496A, s.496B, s.501 & s.611)		
Domestic waste management services	483	456
Stormwater management services	48	48
Sewerage services	933	878
Waste management services (non-domestic)	100	94
Less: pensioner rebates (mandatory)	(42)	(37)
Less: pensioner rebates (Council policy)	(35)	(45)
Total annual charges	1,487	1,394
<u>TOTAL RATES AND ANNUAL CHARGES</u>	<u>5,132</u>	<u>4,965</u>

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

Accounting policy for rates and annual charges

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

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

Temora 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		
Specific user charges (per s.502 – specific 'actual use' charges)		
Domestic waste management services	103	84
Sewerage services	18	13
Waste management services (non-domestic)	21	26
Total specific user charges	142	123
Other user charges and fees		
(i) Fees and charges – statutory and regulatory functions (per s.608)		
Planning and building regulation	157	115
Private works – section 67	135	110
Section 149 certificates (EPA Act)	13	11
Section 603 certificates	12	11
Total fees and charges – statutory/regulatory	317	247
(ii) Fees and charges – other (incl. general user charges (per s.608))		
Aerodrome	1	18
Animal control	5	14
Caravan park	162	161
Cemeteries	90	89
Cinema	117	137
CTC – printing and laminating	4	4
Cultural Groups	13	23
Fire and emergency services levy (FESL) implementation	2	57
Frail and aged	1,719	1,168
RMS (formerly RTA) charges (state roads not controlled by Council)	3,541	3,813
Saleyards	18	13
Sports stadium	13	17
Swimming centres	153	166
Tourism information centre	27	50
Other	1	4
Total fees and charges – other	5,866	5,734
TOTAL USER CHARGES AND FEES	6,325	6,104

Accounting policy for user charges and fees

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

Temora Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 3. Income from continuing operations (continued)

\$ '000	2018	2017
(c) Interest and investment revenue (including losses)		
Interest		
– Overdue rates and annual charges (incl. special purpose rates)	14	12
– Cash and investments	180	130
<u>TOTAL INTEREST AND INVESTMENT REVENUE</u>	<u>194</u>	<u>142</u>

Accounting policy for interest and investment revenue

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

(d) Other revenues

Rental income – other council properties	244	209
Legal fees recovery – rates and charges (extra charges)	11	1
Bushfire – Hazard Reduction	20	24
Commissions and agency fees – service NSW	134	131
Reimbursement from Service NSW – travel and training costs	–	12
Diesel rebate	92	122
Donations	6	4
Insurance claim recoveries	2	28
Risk management bonus	128	69
Research station revenues	321	228
Youth Activities	3	2
Sale of Gravel	38	61
Sale of Advertising - Tourism Booklet	34	–
Other	11	16
<u>TOTAL OTHER REVENUE</u>	<u>1,044</u>	<u>907</u>

Accounting policy for other revenue

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

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.

Temora Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 3. Income from continuing operations (continued)

\$ '000	2018 Operating	2017 Operating	2018 Capital	2017 Capital
(e) Grants				
General purpose (untied)				
Current year allocation				
Financial assistance – general component	1,037	1,974	–	–
Financial assistance – local roads component	592	1,133	–	–
Payment in advance – future year allocation				
Financial assistance – general component	1,069	1,021	–	–
Financial assistance – local roads component	608	581	–	–
Other				
Pensioners' rates subsidies – general component	61	65	–	–
Total general purpose	3,367	4,774	–	–
Specific purpose				
Pensioners' rates subsidies:				
– Sewerage	22	24	–	–
– Domestic Waste Management	21	21	–	–
Bushfire and Emergency Services	311	339	–	–
Cycleways	–	–	76	–
Economic Development	5	5	–	–
Employment and Training Programs	8	25	–	–
Environmental Protection	43	14	–	–
Flood Study Grant	14	–	–	–
Heritage and Cultural	23	10	32	54
Aged Services	845	459	–	–
Disability Services	354	813	–	–
Hillview Park Toilet Block - FACS	–	–	22	–
Library	35	35	–	–
LIRS subsidy	20	31	–	–
Lake Centenary Precinct Grant - DPI	–	–	10	–
Noxious Weeds	51	45	–	–
Road Safety Officer	86	82	–	–
Street lighting	40	40	–	–
Town Hall Theatre – Kitchen Upgrade	–	3	–	–
SCCF - Town Hall Upgrade	–	–	16	–
SCCF - Aria Park Rec Ground Toilet Upgrade	–	–	2	–
Transport (flood damage)	1,394	500	–	–
Transport (roads to recovery)	1,010	1,325	–	–
Transport (other roads and bridges funding)	–	–	959	478
Transport (repair program)	–	–	125	–
Transport (regional roads block grant)	145	202	542	580
Youth services	1	2	–	–
Transport (kerb and gutter)	–	–	22	–
Medical Imaging Facility	–	–	–	600
Innovation Fund – Virtualisation of Servers	–	–	–	81
Innovation Fund – Online Internal Audit Portal	–	–	2	–
StateCover Mutual – Nifti-Lift Purchase	–	–	–	14
Nixon Park Lighting	–	–	10	20
Nixon Park Play Equipment	–	–	1	–
Safer Streets Program – CBD & Lake CCTV Project	–	–	11	30
RFS Community Engagement Centre	5	–	–	–
Aerodrome - Flood Damage Remediation	1,419	–	–	–
Other	1	–	–	–
Total specific purpose	5,853	3,975	1,830	1,857
Total grants	9,220	8,749	1,830	1,857

Temora 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
Grant revenue is attributable to:				
– Commonwealth funding	5,162	6,493	11	630
– State funding	4,058	2,256	1,809	1,193
– Other funding	–	–	10	34
	9,220	8,749	1,830	1,857
(f) Contributions				
Other contributions:				
Cash contributions				
Economic Development – TBEG	8	6	–	–
FBT contributions	32	29	–	–
Footpath contributions	–	–	16	16
Kerb and Gutter	–	1	–	72
Other Councils - ELEs transferred	9	–	–	–
Nixon Park Lighting	–	–	–	96
Sewerage (excl. section 64 contributions)	–	–	–	31
Travel Contributions	4	7	–	–
GWCC Employment Subsidy	13	38	–	–
Youth	–	1	–	–
RFS Community Engagement Centre	–	–	–	294
TEM-FM Relocation	–	–	–	18
Sewer/Effluent - Fountain Repairs	5	–	–	–
Heated Pool Contribution - Temora Hospital	10	–	–	–
Aerodrome Rural Fire Tanks - RFS	–	–	17	–
Ariah Park Cemetery Toilet Block	–	–	9	–
TAIC - Machinery Shed, Offices, Labs - GRDC	–	–	774	–
TAIC - Sewerage Overflow Dam - GRDC	–	–	782	–
Lake Centenary BBQ Contribution	–	–	10	–
Other	–	1	–	5
Total other contributions – cash	81	83	1,608	532
Total contributions	81	83	1,608	532
TOTAL GRANTS AND CONTRIBUTIONS	9,301	8,832	3,438	2,389

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.

Temora 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	862	865
Add: operating grants recognised in the current period but not yet spent	779	862
Less: operating grants recognised in a previous reporting period now spent	(862)	(865)
Unexpended and held as restricted assets (operating grants)	<u>779</u>	<u>862</u>

Temora 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	6,409	6,123
Employee termination costs	67	–
Travel expenses	3	1
Employee leave entitlements (ELE)	909	570
ELE on-costs	3	(13)
Superannuation – defined contribution plans	567	537
Superannuation – defined benefit plans	178	193
Workers' compensation insurance	264	312
Fringe benefit tax (FBT)	82	51
Training costs (other than salaries and wages)	64	66
Staff uniforms and safety clothing	18	15
Total employee costs	8,564	7,855
Less: capitalised costs	(1,022)	(760)
TOTAL EMPLOYEE COSTS EXPENSED	7,542	7,095
Number of 'full-time equivalent' employees (FTE) at year end	109	100

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, 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
Interest bearing liability costs		
Interest on loans	23	39
Total interest bearing liability costs	23	39
TOTAL BORROWING COSTS EXPENSED	23	39

Accounting policy for borrowing costs

Borrowing costs are expensed when incurred.

Temora 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	6,813	6,429
Contractor and consultancy costs	6,760	3,577
Auditors remuneration ⁽²⁾	27	31
Legal expenses:		
– Legal expenses: debt recovery	11	1
– Legal expenses: other	3	6
Operating leases:		
– Operating lease rentals: minimum lease payments ⁽¹⁾	52	60
Total materials and contracts	13,666	10,104
Less: capitalised costs	(7,389)	(5,732)
TOTAL MATERIALS AND CONTRACTS	6,277	4,372

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to Council as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

1. Operating lease payments are attributable to:

Photocopiers	52	60
	52	60

2. Auditor remuneration

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

Auditors of the Council – NSW Auditor-General:

(i) Audit and other assurance services

Audit and review of financial statements	25	28
Remuneration for audit and other assurance services	25	28
Total Auditor-General remuneration	25	28

Non NSW Auditor-General audit firms:

(i) Audit and other assurance services

Other audit and assurance services - Grant Acquittals	2	3
Remuneration for audit and other assurance services	2	3
Total remuneration of non NSW Auditor-General audit firms	2	3
Total Auditor remuneration	27	31

Temora 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		
Depreciation and amortisation		
Plant and equipment	768	749
Office equipment	29	60
Furniture and fittings	30	30
Land improvements (depreciable)	28	27
Infrastructure:		
– Buildings – non-specialised	222	195
– Buildings – specialised	236	230
– Other structures	69	43
– Roads (incl k&g)	2,114	2,009
– Bridges	97	97
– Footpaths	97	90
– Stormwater drainage	135	125
– Sewerage network	273	221
– Swimming pools	42	42
– Other open space/recreational assets	40	38
– Other infrastructure	17	–
Leasehold improvements	55	55
Other assets:		
– Library books	1	1
– Other	120	135
Total gross depreciation and amortisation costs	4,373	4,147
Less: capitalised costs	(113)	(73)
Total depreciation and amortisation costs	4,260	4,074
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT / REVALUATION DECREMENT COSTS EXPENSED		
	4,260	4,074

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

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.

Temora 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		80	61
Bad and doubtful debts		11	–
Bank charges		25	24
Cleaning		115	111
Conferences		8	5
Contributions/levies to other levels of government		–	–
– Bushfire fighting fund		224	253
– Emergency services levy (includes FRNSW, SES, and RFS levies)		10	11
– NSW Fire Brigade Levy		34	33
Councillor expenses – Mayoral Fee		16	16
Councillor expenses – Councillors' Fees		80	78
Councillors' expenses (incl. mayor) – other (excluding fees above)		27	38
Donations, contributions and assistance to other organisations (Section 356)		174	159
Election expenses		–	39
Electricity and heating		271	275
Insurance		321	428
Office expenses (including computer expenses)		152	235
Postage & Freight		54	38
Printing and stationery		56	71
Street lighting		147	118
Subscriptions and publications		97	44
Telephone and communications		143	167
Valuation fees		32	32
Water		122	129
<u>TOTAL OTHER EXPENSES</u>		<u>2,199</u>	<u>2,365</u>

Accounting policy for other expenses

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

Temora Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 5. Gains or losses from the disposal of assets

\$ '000	Notes	2018	2017
Property (excl. investment property)	9		
Proceeds from disposal – property		–	35
Less: carrying amount of property assets sold/written off		–	(12)
Net gain/(loss) on disposal		–	23
Plant and equipment	9		
Proceeds from disposal – plant and equipment		376	270
Less: carrying amount of plant and equipment assets sold/written off		(314)	(197)
Net gain/(loss) on disposal		62	73
Real estate assets held for sale	8		
Proceeds from disposal – real estate assets		280	216
Less: carrying amount of real estate assets sold/written off		(185)	(163)
Net gain/(loss) on disposal		95	53
Financial assets	6		
Proceeds from disposal/redemptions/maturities – financial assets		1,515	1,510
Less: carrying amount of financial assets sold/redeemed/matured		(1,515)	(1,510)
Net gain/(loss) on disposal		–	–
Other Assets			
Proceeds from disposal – Other Assets		–	6
Less: carrying amount of Other Assets assets sold/written off		–	(65)
Net gain/(loss) on disposal		–	(59)
NET GAIN/(LOSS) ON DISPOSAL OF ASSETS		157	90

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

\$ '000	2018	2017
Cash and cash equivalents		
Cash on hand and at bank	1,206	952
Cash-equivalent assets		
– Deposits at call	4	3
– Short-term deposits	–	500
Total cash and cash equivalents	1,210	1,455

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.

Temora Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 6(b). Investments

\$ '000	2018 Current	2018 Non-current	2017 Current	2017 Non-current
Investments				
'Held to maturity'	6,639	—	6,650	—
Total investments	6,639	—	6,650	—
<u>TOTAL CASH ASSETS, CASH EQUIVALENTS AND INVESTMENTS</u>	<u>7,849</u>	<u>—</u>	<u>8,105</u>	<u>—</u>
Held to maturity investments				
Long term deposits	6,639	—	6,650	—
Total	6,639	—	6,650	—

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.

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.

Temora Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

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

\$ '000	2018 Current	2018 Non-current	2017 Current	2017 Non-current
Total cash, cash equivalents and investments	7,849	–	8,105	–
attributable to:				
External restrictions (refer below)	2,711	–	2,322	–
Internal restrictions (refer below)	4,863	–	5,781	–
Unrestricted	275	–	2	–
	7,849	–	8,105	–

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

Details of restrictions

External restrictions – other

Specific purpose unexpended grants	779	862
Sewerage services	1,084	739
Domestic waste management	742	643
Stormwater management	106	78
External restrictions – other	2,711	2,322
Total external restrictions	2,711	2,322

Internal restrictions

Plant and vehicle replacement	262	304
Infrastructure replacement	761	550
Employees leave entitlement	358	1,537
Carry over works	290	350
Gravel royalty	610	376
Industrial development	198	199
Izumizaki donation	2	2
Medical complex	38	31
Roads reserve	292	458
Local roads reserve	375	372
Financial Assistance Grants Received in Advance	1,677	1,602
Total internal restrictions	4,863	5,781
TOTAL RESTRICTIONS	7,574	8,103

Temora Shire Council

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

Note 7. Receivables

\$ '000	Notes	2018		2017	
		Current	Non-current	Current	Non-current
Purpose					
Rates and annual charges		181	–	179	–
Interest and extra charges		16	–	18	–
User charges and fees		1,225	–	443	–
Capital debtors					
– Contributions for Assets		128	–	121	–
Accrued revenues					
– Interest on investments		43	–	30	–
– Other income accruals		107	–	67	–
Deferred debtors		14	18	19	33
Government grants and subsidies		1,811	–	273	–
Net GST receivable		29	–	91	–
Other debtors		22	–	16	–
Total		3,576	18	1,257	33
Less: provision for impairment					
User charges and fees		(3)	–	(4)	–
Total provision for impairment – receivables		(3)	–	(4)	–
<u>TOTAL NET RECEIVABLES</u>		<u>3,573</u>	<u>18</u>	<u>1,253</u>	<u>33</u>
Externally restricted receivables					
Sewerage services					
– Rates and availability charges		39	–	43	–
– Other		791	–	792	–
Domestic waste management		29	–	28	–
Total external restrictions		859	–	863	–
Internally restricted receivables					
– ELE Reserve - Runway Remediation		1,419	–	–	–
Internally restricted receivables		1,419	–	–	–
Unrestricted receivables		1,295	18	390	33
TOTAL NET RECEIVABLES		3,573	18	1,253	33
Movement in provision for impairment of receivables					
Balance at the beginning of the year				2018 4	2017 4
– amounts already provided for and written off this year				(1)	–
Balance at the end of the year				3	4

Temora 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.

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.

Temora Shire Council

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

Note 8. Inventories and other assets

\$ '000	Notes	2018		2017	
		Current	Non-current	Current	Non-current

(a) Inventories

Inventories at cost					
Real estate for resale (refer to (i) below)		1,210	–	324	–
Stores and materials		253	–	308	–
Total inventories at cost		1,463	–	632	–
<u>TOTAL INVENTORIES</u>		<u>1,463</u>	<u>–</u>	<u>632</u>	<u>–</u>

(b) Other assets

Prepayments		144	–	109	–
Other		1	–	1	–
<u>TOTAL OTHER ASSETS</u>		<u>145</u>	<u>–</u>	<u>110</u>	<u>–</u>

Externally restricted assets

There are no restrictions applicable to the above assets.

Temora Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 8. Inventories and other assets (continued)

\$ '000	Notes	2018		2017	
		Current	Non-current	Current	Non-current
(i) Other disclosures					
(a) Details for real estate development					
Residential		1,098	–	212	–
Industrial/commercial		112	–	112	–
Total real estate for resale		1,210	–	324	–
(Valued at the lower of cost and net realisable value)					
Represented by:					
Acquisition & development costs		1,210	–	324	–
Total real estate for resale		1,210	–	324	–
Movements:					
Real estate assets at beginning of the year		324	–	316	–
– Purchases and other costs		1,071	–	171	–
– WDV of sales (expense)	5	(185)	–	(163)	–
Total real estate for resale		1,210	–	324	–

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

The following inventories and other assets, even though classified as current are not expected to be recovered in the next 12 months;

	2018	2017
Real estate for resale	982	171
	982	171

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.

Land held for resale

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.

Temora Shire Council

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

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

Asset class	as at 30/6/2017			Asset movements during the reporting period								as at 30/6/2018		
	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount	Additions renewals	Additions new assets	Carrying value of disposals	Depreciation expense	Impairment reversal (recognised in equity)	WIP transfers	Adjustments and transfers	Revaluation increments to equity (ARR)	Gross carrying amount	Accumulated depreciation and impairment	Net carrying amount
\$ '000														
Capital work in progress	689	—	689	79	136	—	—	—	(688)	—	—	216	—	216
Plant and equipment	8,769	4,219	4,550	1,218	—	(314)	(768)	—	3	(37)	—	8,931	4,279	4,652
Office equipment	445	332	113	25	—	—	(29)	—	2	—	—	473	362	111
Furniture and fittings	406	158	248	—	—	—	(30)	—	—	(55)	—	348	185	163
Land:														
— Operational land	3,385	—	3,385	—	—	—	—	—	—	—	—	2,744	—	2,744
— Community land	907	—	907	—	—	—	—	—	—	—	—	907	—	907
Land improvements – depreciable	573	151	422	—	—	—	(28)	—	—	(8)	—	566	180	386
Infrastructure:														
— Buildings – non-specialised	13,624	4,995	8,629	283	—	—	(222)	—	4	604	—	13,553	7,164	6,389
— Buildings – specialised	17,306	4,422	12,884	573	4	—	(236)	—	12	—	—	24,779	11,899	12,880
— Other structures	1,189	435	754	44	89	—	(69)	—	8	302	230	2,350	992	1,358
— Roads	137,741	55,202	82,539	2,241	32	—	(2,114)	770	184	—	—	140,968	57,316	83,652
— Bridges	9,658	1,963	7,695	—	—	—	(97)	—	—	—	—	9,658	2,059	7,599
— Footpaths	4,606	1,341	3,265	—	228	—	(97)	—	—	—	—	4,834	1,438	3,396
— Bulk earthworks (non-depreciable)	51,007	—	51,007	—	—	—	—	—	—	—	—	51,007	—	51,007
— Stormwater drainage	12,622	5,256	7,366	753	—	—	(135)	—	464	—	—	13,839	5,391	8,448
— Sewerage network	19,239	7,226	12,013	6	1,012	—	(273)	—	11	—	247	20,671	7,655	13,016
— Swimming pools	2,603	1,528	1,075	—	—	—	(42)	—	—	—	144	2,183	1,005	1,178
— Other open space/recreational assets	587	309	278	51	—	—	(40)	—	—	1	—	1,574	596	978
— Other infrastructure	113	—	113	409	152	—	(17)	—	—	712	—	1,865	496	1,369
Leasehold improvements	958	272	686	—	15	—	(55)	—	—	—	—	973	327	646
Other assets:														
— Library books	61	19	42	—	—	—	(1)	—	—	—	—	61	20	41
— Other	4,119	1,157	2,962	207	23	—	(120)	—	—	(1,519)	—	2,222	669	1,553
TOTAL INFRASTRUCTURE, PROPERTY, PLANT AND EQUIP.	290,607	88,985	201,622	5,889	1,691	(314)	(4,373)	770	—	—	(3,907)	304,722	102,033	202,689

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

Temora 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 5 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.

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	10 to 15
Office furniture	10 to 20	Benches, seats etc.	10 to 15
Computer equipment	4 to 7		
Vehicles	5 to 10	Buildings	
Heavy plant/road making equipment	5 to 10	Buildings: All	40 to 100
Minor plant and equipment	2 to 10		
Sewer assets		Transportation assets	
Earth Lagoons & Reservoirs	200	Sealed roads: surface	18 to 20
Sewer Reticulation pipes	70 to 120	Sealed roads: structure	100
Sewer Maintenance Shafts	150	Unsealed roads: structure	100
Sewer Reticulation Connections	100	Unsealed roads: surface	15 to 40
Pump Stations Structural	100	Bridge: concrete	100
Effluent Reticulation Pipes	80	Bridge: other	100
Irrigation Network Structural	40	Road pavements	20 to 100
Internal Roads	20	Kerb, gutter and footpaths	50 to 100
Mechanical	20 to 30		
Electrical - 3 phase power	100		
Electrical - Other	20		
Stormwater assets		Other infrastructure assets	
Drains	100	Bulk earthworks	Infinite
Culverts	100	Swimming pools	50 to 60
		Other open space/recreational assets	10 to 50

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.

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.

Temora 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)

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 rural fire service assets including land, buildings, plant and vehicles.

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

\$ '000 Class of asset	2018			2017		
	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount	Gross carrying amount	Accumulated depn. and impairment	Net carrying amount
Sewerage services						
WIP	–	–	–	10	–	10
Plant and equipment	109	33	76	109	22	87
Infrastructure	20,672	7,655	13,017	19,239	7,226	12,013
Total sewerage services	20,781	7,688	13,093	19,358	7,248	12,110
Domestic waste management						
Plant and equipment	277	150	127	277	122	155
Land						
– Operational land	167	–	167	25	–	25
– Improvements – depreciable	47	9	38	47	8	39
Buildings	104	31	73	4	2	2
Other structures	74	35	39	10	4	6
Other assets	44	37	7	43	36	7
Total DWM	713	262	451	406	172	234
TOTAL RESTRICTED IPP&E	21,494	7,950	13,544	19,764	7,420	12,344

Temora Shire Council

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

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

\$ '000	2018	2017
(i) Impairment losses recognised direct to equity (ARR):		
– Road assets were impaired as a result of flood damage	–	(2,266)
Total impairment losses	–	(2,266)
(ii) Reversals of impairment losses previously recognised direct to equity (ARR):		
– Road Assets previously impaired and reversed	770	–
Total impairment reversals	770	–
IMPAIRMENT OF ASSETS – DIRECT to EQUITY (ARR)	770	(2,266)

Note 10. Payables and borrowings

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
Payables				
Goods and services – operating expenditure	1,292	–	1,119	–
Goods and services – capital expenditure	181	–	261	–
Accrued expenses:				
– Borrowings	4	–	8	–
– Salaries and wages	130	–	87	–
– Other expenditure accruals	202	1	197	1
Security bonds, deposits and retentions	180	–	185	–
Total payables	1,989	1	1,857	1
Income received in advance				
Payments received in advance	474	–	15	–
Total income received in advance	474	–	15	–
Borrowings				
Loans – secured ¹	313	–	296	312
Total borrowings	313	–	296	312
TOTAL PAYABLES AND BORROWINGS	2,776	1	2,168	313

(a) Payables and borrowings relating to restricted assets

There are no restricted assets (external or internal) applicable to the above payables and borrowings

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.

Temora Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 10. Payables and borrowings (continued)

\$ '000						2018	2017
(b) Changes in liabilities arising from financing activities							
Class of borrowings	2017 Opening balance as at 1/7/17	Cash flows	Acquisition	Non-cash changes Fair value changes	Other non-cash movements	2018 Closing balance as at 30/6/18	
Loans – secured	608	(295)	–	–	–	313	
TOTAL	608	(295)	–	–	–	313	

\$ '000	2018	2017
(c) Financing arrangements		
(i) Unrestricted access was available at balance date to the following lines of credit:		
Bank overdraft facilities ⁽¹⁾	200	200
Credit cards/purchase cards	30	30
Total financing arrangements	230	230
Drawn facilities as at balance date:		
– Credit cards/purchase cards	5	7
Total drawn financing arrangements	5	7
Undrawn facilities as at balance date:		
– Bank overdraft facilities	200	200
– Credit cards/purchase cards	25	23
Total undrawn financing arrangements	225	223

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

Accounting policy for payables and borrowings

Payables

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

Borrowings

Borrowings are carried at their principal amounts, which represents the present value of future cash flows associated with servicing the debt.

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.

Temora Shire Council

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

Note 11. Provisions

\$ '000	2018		2017	
	Current	Non-current	Current	Non-current
Provisions				
Employee benefits:				
Annual leave	994	—	892	—
Sick leave	1,359	—	1,325	—
Long service leave	1,763	28	1,732	28
<u>TOTAL PROVISIONS</u>	<u>4,116</u>	<u>28</u>	<u>3,949</u>	<u>28</u>

(a) Provisions relating to restricted assets

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

\$ '000	2018	2017
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(b) Current provisions not anticipated to be settled within the next twelve months

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

Provisions – employees benefits	2,985	2,882
	<u>2,985</u>	<u>2,882</u>

Temora Shire Council

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

Note 11. Provisions (continued)

\$ '000

(c) Description of and movements in provisions

2018	ELE provisions			Total
	Annual leave	Sick leave	Long service leave	
At beginning of year	892	1,325	1,760	3,977
Additional provisions	453	178	227	858
Amounts used (payments)	(371)	(144)	(206)	(721)
Remeasurement effects	20	–	10	30
Total ELE provisions at end of year	994	1,359	1,791	4,144
2017				
At beginning of year	985	1,381	1,801	4,167
Additional provisions	408	164	187	759
Amounts used (payments)	(454)	(163)	(139)	(756)
Remeasurement effects	(47)	(57)	(89)	(193)
Total ELE provisions at end of year	892	1,325	1,760	3,977

Accounting policy for provisions

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

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

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

Employee benefits

Short-term obligations

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

Temora Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 11. Provisions (continued)

Employee benefits (continued)

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

(a) 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.

Temora Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 13. Statement of cash flows – additional information

\$ '000	Notes	2018	2017
(a) Reconciliation of cash assets			
Total cash and cash equivalent assets	6a	1,210	1,455
Balance as per the Statement of Cash Flows		1,210	1,455
(b) Reconciliation of net operating result to cash provided from operating activities			
Net operating result from Income Statement		5,297	5,484
Adjust for non-cash items:			
Depreciation and amortisation		4,260	4,074
Net losses/(gains) on disposal of assets		(157)	(90)
Share of net (profits) or losses of associates/joint ventures		(7)	–
+/- Movement in operating assets and liabilities and other cash items:			
Decrease/(increase) in receivables		(2,324)	2
Increase/(decrease) in provision for doubtful debts		(1)	–
Decrease/(increase) in inventories		55	(134)
Decrease/(increase) in other assets		(35)	(26)
Increase/(decrease) in payables		173	453
Increase/(decrease) in accrued interest payable		(4)	(3)
Increase/(decrease) in other accrued expenses payable		48	36
Increase/(decrease) in other liabilities		454	39
Increase/(decrease) in employee leave entitlements		167	(190)
Net cash provided from/(used in) operating activities from the Statement of Cash Flows		7,926	9,645

Note 14. Interests in other entities

\$ '000	Council's share of net income		Council's share of net assets	
	2018	2017	2018	2017
Joint ventures	7	–	186	–
Total	7	–	186	–

Temora Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 14. Interests in other entities (continued)

\$ '000

(a) Joint arrangements

(i) Joint ventures

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

(a) Net carrying amounts – Council's share

Name of entity	Nature of relationship	2018
Riverina Regional Library	Joint Venture	186
Total carrying amounts – material joint ventures		186

(b) Details

Name of entity	Principal activity	Place of business
Riverina Regional Library	Provision of Library Services	Riverina

(c) Relevant interests and fair values

Name of entity	Quoted fair value 2018	Interest in outputs 2018	Interest in ownership 2018	Proportion of voting power 2018
Riverina Regional Library	n/a	4%	4%	4%

(d) Summarised financial information for joint ventures

	Riverina Regional Library 2018
Statement of financial position	
Current assets	
Cash and cash equivalents	2,275
Other current assets	17
Non-current assets	2,816
Current liabilities	
Current financial liabilities (excluding trade and other payables and provisions)	853
Non-current liabilities	
Non-current financial liabilities (excluding trade and other payables and provisions)	2
Net assets	4,253
Reconciliation of the carrying amount	
Opening net assets (1 July)	–
Profit/(loss) for the period	152
Closing net assets	152
Council's share of net assets (%)	4.4%
Council's share of net assets (\$)	186

Temora Shire Council

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

Note 14. Interests in other entities (continued)

\$ '000

(i) Joint ventures (continued)

	Riverina Regional Library	
	2018	2017
Statement of comprehensive income		
Income	2,876	—
Interest income	25	—
Depreciation and amortisation	(781)	—
Interest expense	(8)	—
Other expenses	(1,960)	—
Profit/(loss) from continuing operations	152	0
Profit/(loss) for period	152	0
Total comprehensive income	152	0
Share of income – Council (%)	4.4%	0.0%
Profit/(loss) – Council (\$)	7	—
Total comprehensive income – Council (\$)	7	—
Summarised Statement of cash flows		
Cash flows from operating activities	753	—
Cash flows from investing activities	(736)	—
Net increase (decrease) in cash and cash equivalents	17	

(i) County Councils

Council is a member of Goldenfields Water County Council, a body corporate established under the *Local Government Act 1993* (NSW) as a Local Water Authority. Council is one of seven constituent members and does not control the County Council. Accordingly, the County Council has not been consolidated in the financial statements.

Temora Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 15. Commitments for expenditure

\$ '000	2018	2017
(a) Capital commitments (exclusive of GST)		
Capital expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Property, plant and equipment		
Land and Buildings	1,842	1,350
Total commitments	1,842	1,350
These expenditures are payable as follows:		
Within the next year	1,842	1,350
Total payable	1,842	1,350
Sources for funding of capital commitments:		
Internally restricted reserves	342	–
New loans (to be raised)	1,500	1,350
Total sources of funding	1,842	1,350

Details of capital commitments

Council will be purchasing the Works Depot, which is currently leased, for \$1.5m. Council will also be purchasing land for future expansion of the Airpark Estate.

(b) Operating lease commitments (non-cancellable)

a. Commitments under non-cancellable operating leases at the reporting date, but not recognised as liabilities are payable:

Within the next year	45	51
Later than one year and not later than 5 years	135	24
Total non-cancellable operating lease commitments	180	75

b. Non-cancellable operating leases include the following assets:

The operating lease is in place for Photocopiers and is for a 60 month term.

Contingent rentals may be payable depending on the condition of items or usage during the lease term.

Conditions relating to operating leases:

- All operating lease agreements are secured only against the leased asset.
- No lease agreements impose any financial restrictions on Council regarding future debt etc.

Temora 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 that is a multi-employer plan.

a) Funding arrangements, including methodology to determine rate of contributions and any minimum funding requirements.

Pooled Employers are required to pay standard employer contributions and additional lump sum contributions to the Fund.

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

Division B	1.9 times employee contributions
Division C	2.5% of salary
Division D	1.64 times employee contributions

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

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

b) Extent to which Council may be liable to plan the plan for other entities' obligations under the terms and conditions of the multi-employer plan.

As stated above, each sponsoring employer is exposed to the actuarial risks associated with current and former employees of other sponsoring employers and hence shares in the associated gains and losses. However, there is no relief under the Fund's trust deed for employers to walk away from their defined benefit obligations. Under limited circumstances, an employer may withdraw from the plan when there are no active members, on full payment of outstanding additional contributions. There is no provision for allocation of any surplus which may be present at the date of withdrawal of the entity.

c) Description of any agreed allocation of a deficit or surplus on:

(i) wind-up of the plan

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

(ii) entity's withdrawal from the plan

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

Temora 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):

(i) Defined benefit superannuation contribution plans (continued)

d) *Further information relating to reasons for accounting for the pooled employer fund as a defined contribution employer.*

(i) *the fact the plan is a defined benefit plan.*

Council confirms that the plan is a defined benefit plan.

(ii) *why sufficient information is not available to enable Council to account for the plan as a defined benefit*

1. Assets are not segregated within the sub-group according to the employees of each sponsoring employer;
2. The contribution rates have been the same for all sponsoring employers and have not varied for each employer according to the experience relating to the employees of that employer;
3. Benefits for employees of all sponsoring employers are determined according to the same formulae and without regard to the sponsoring employer; and
4. The same actuarial assumptions are currently used in respect of the employees of each sponsoring employer.

Given the factors set out 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 (to the extent that they are not borne by the members). As such we do not believe that there is 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.

(iii) *the expected contribution to the plan for the next annual reporting period.*

The expected contributions by Council to the Fund for the next annual reporting period are \$114,023.52.

(iv) *information about any deficit or surplus in the plan that may affect the amount of future contributions, including the basis used to determine that deficit or surplus and the implications, if any, for the entity.*

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

<i>Employer reserves only*</i>	<i>\$M</i>	<i>Asset Coverage</i>
Assets	1,817.8	
Past Service Liabilities	1,787.5	101.70%
Vested Benefits	1,778.0	102.20%

* excluding member accounts and reserves in both assets and liabilities

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

Investment Return	6.0% per annum
Salary Inflation (plus promotional increases)	3.5% per annum
Increase in CPI	2.5% per annum

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.

(v) *an indication of the level of Council's participation in the plan compared with other participating entities.*

Council's participation in the Scheme compared with other entities is about 0.20% based on the Council's current level of annual additional contributions against total contributions. The last valuation of the fund was performed by Mr Richard Boyfield, FIAA on 12 December 2017, relating to the period ending 30 June 2017.

Temora 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):

(ii) Statewide Limited

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

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

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

(iii) StateCover Limited

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

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

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

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

(iv) Other guarantees

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

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) Fencing of Quarries

Council leases various gravel quarries throughout the shire. Recent changes to the Mining Act mean that Council will now be required to fence off these quarries to restrict access in an attempt to limit Council's possible liabilities.

Council's solicitor has compiled an agreement between Council and the landowners setting out the requirements and possible responsibilities of each party. These agreements have not yet been ratified by all landowners.

These future liabilities have not been brought to account because:

- Council is yet to decide which quarries it will actually fence off, as it is considering closing a number of the least used sites. Restoration costs on these sites would be negligible.
- Preliminary engineering estimates of the individual amounts required to undertake the fencing works have not yet been made due to the variations between each site's size, distance from access point etc.

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.

Temora 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.

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

The risks associated with the investments held are:

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

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

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

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

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

	Increase of values/rates		Decrease of values/rates	
	Profit	Equity	Profit	Equity
2018				
Possible impact of a 1% movement in interest rates	78	78	(78)	(78)
2017				
Possible impact of a 1% movement in interest rates	81	81	(81)	(81)

Temora 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.

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

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

Council makes suitable provision for doubtful receivables as required.

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

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

	2018 Rates and annual charges	2018 Other receivables	2017 Rates and annual charges	2017 Other receivables
(i) Ageing of receivables – %				
Current (not yet overdue)	0%	87%	0%	85%
Overdue	100%	13%	100%	15%
	100%	100%	100%	100%

(ii) Ageing of receivables – value

Rates and annual charges

	2018	2017
< 1 year overdue	73	104
1 – 2 years overdue	85	48
2 – 5 years overdue	17	14
> 5 years overdue	6	13
	181	179

Other receivables

	2018	2017
Current	2,964	947
0 – 30 days overdue	214	23
31 – 60 days overdue	1	8
61 – 90 days overdue	128	88
> 91 days overdue	106	45
	3,413	1,111

Temora 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. The Finance Section regularly reviews interest rate movements to determine if it would be advantageous to refinance or renegotiate part or all of the loan portfolio.

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

\$ '000	Weighted average interest rate	Subject to no maturity	≤ 1 Year	payable in:		Total cash outflows	Actual carrying values
				1 – 5 Years	> 5 Years		
2018							
Trade/other payables	N/A	180	1,810	–	–	1,990	1,990
Loans and advances	5.40%	–	313	–	–	313	313
Total financial liabilities		180	2,123	–	–	2,303	2,303
2017							
Trade/other payables	N/A	185	1,673	–	–	1,858	1,858
Loans and advances	5.40%	–	323	323	–	646	608
Total financial liabilities		185	1,996	323	–	2,504	2,466

Temora 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 15 June 2017 and is not required to be audited.

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

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

Note that for variations* of budget to actual :

Material variations represent those variances that amount to **10%** or more of the original budgeted figure.

F = Favourable budget variation, **U** = Unfavourable budget variation

\$ '000	2018 Budget	2018 Actual	2018 Variance*	
REVENUES				
Rates and annual charges	5,197	5,132	(65)	(1%) U
User charges and fees	3,779	6,325	2,546	67% F
Revenue from State Roads RMCC contract works was significantly over the budgeted amount, as was the revenue from Pinnacle Community Services in relation to aged and disability services. Other less significant variations from budget were in relation to caravan parks and cemeteries.				
Interest and investment revenue	170	194	24	14% F
This variation is due to increased levels of reserves.				
Other revenues	866	1,044	178	21% F
Council received \$19k in revenue for hire of facilities at the aerodrome which were not budgeted. Service NSW agency fees were \$13k higher than anticipated following a change by RMS in the methodology used to calculate the commission. The diesel fuel rebate was \$32k higher than budget. Council's insurance rebates were also unbudgeted.				
Operating grants and contributions	6,839	9,301	2,462	36% F
The most significant variation to operating grants and contributions was the advance payment of half of the 2018/19 FAGS allocation in June 2018. The amount of the advance payment was \$1,677k. Council also received \$1,394k in flood damage funding which was unbudgeted. Council secured flood damage funding for runway remediation works to the value of \$1,419k. Partially offsetting the above variations is the fact that at the time of budget preparation, our entire regional roads allocation is classified as operating due to the uncertainty regarding the allocation of expenditure. In this years statements \$542k was classified as capital.				
Capital grants and contributions	1,553	3,438	1,885	121% F
Council was in receipt of a number of capital grants which were unbudgeted. These included \$959k in Fixing Country Roads funding to construct the Tara Bectric Bridge, \$10k Lake Centenary Precinct Grant, \$22k Hillview Park Toilets Grant. Council received \$1,556k contribution from Farmlink for the construction of the sewerage overflow dam and machinery shed at TAIC along with improvements to the administration facilities. This was \$656k more than the budgeted amount.				
Net gains from disposal of assets	268	157	(111)	(41%) U
Gains on sale of Aviation Estate properties were approximately \$161k less than anticipated for a number of reasons. Less blocks were sold than anticipated and development costs were significantly higher than originally budgeted. Profit on sale of plant and equipment exceeded budget by \$50k.				

Temora Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 18. Material budget variations (continued)

\$ '000	2018 Budget	2018 Actual	2018 ----- Variance* -----	
EXPENSES				
Employee benefits and on-costs	5,131	7,542	(2,411)	(47%) U
Council's employee costs are over budget. Council's commitment to the RMS for State Roads was significantly over budget. Employee costs in relation to Pinnacle Community Services has risen dramatically the increase in packaged care costs and the costs of staffing our supported independent living house. This variation can also be partially attributed to differing budget allocations between salaries & wages and materials & contracts.				
Borrowing costs	78	23	55	71% F
Borrowing costs are less than budget as loan funds were drawn down later than anticipated.				
Materials and contracts	4,472	6,277	(1,805)	(40%) U
This variation can be attributed to the increase in works undertaken for the RMS on State Roads and the \$1.4m paid for the flood damage remediation works at the aerodrome which were unbudgeted.				
Depreciation and amortisation	4,046	4,260	(214)	(5%) U
Other expenses	2,318	2,199	119	5% F

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

Cash flows from operating activities	6,467	7,926	1,459	22.6% F
This variation is primarily due to the grant funding for flood damage remediation at the aerodrome being outstanding.				
Cash flows from investing activities	(7,884)	(7,876)	8	(0.1%) F
Cash flows from financing activities	1,560	(295)	(1,855)	(118.9%) U
Loan funds were not drawn down during 2017/18 as budgeted.				

Temora 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

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

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

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

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

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

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

2018	Date of latest valuation	Fair value measurement hierarchy			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring fair value measurements					
Financial assets					
Investments					
– "Held to maturity"	30/06/18	–	6,639	–	6,639
Total financial assets		–	6,639	–	6,639
Infrastructure, property, plant and equipment					
Plant and equipment	30/06/18	–	–	4,652	4,652
Office equipment	30/06/18	–	–	111	111
Furniture and fittings	30/06/18	–	–	163	163
Operational land	30/06/18	–	2,744	–	2,744
Community land	30/06/16	–	–	907	907
Land improvements	dd/mm/yy	–	–	386	386
Buildings – non-specialised	30/06/18	–	6,389	–	6,389
Buildings – specialised	30/06/18	–	–	12,880	12,880
Leasehold improvements	dd/mm/yy	–	–	646	646
Other structures	30/06/18	–	–	1,358	1,358
Roads	30/06/15	–	–	83,652	83,652
Bridges	30/06/15	–	–	7,599	7,599
Footpaths	30/06/15	–	–	3,396	3,396
Bulk earthworks (roads)	30/06/15	–	–	51,007	51,007
Stormwater drainage	30/06/15	–	–	8,448	8,448
Sewerage network	30/06/17	–	–	13,016	13,016
Swimming pools	30/06/18	–	–	1,178	1,178
Other open space/recreational assets	30/06/18	–	–	978	978
Other Infrastructure	30/06/17	–	–	1,369	1,369
Library books	30/06/18	–	–	41	41
Other	30/06/18	–	–	1,553	1,553
Total infrastructure, property, plant and equipment		–	9,133	193,340	202,473

Temora Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 19. Fair value measurement (continued)

\$ '000

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

Fair value measurements (continued).		Fair value measurement hierarchy			Total
2017	Date of latest valuation	Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
Recurring fair value measurements					
Financial assets					
Investments					
– "Held to maturity"	30/06/17	–	6,650	–	6,650
Total financial assets		–	6,650	–	6,650
Infrastructure, property, plant and equipment					
Plant and equipment	30/06/17	–	–	4,550	4,550
Office equipment	30/06/17	–	–	113	113
Furniture and fittings	30/06/17	–	–	248	248
Operational land	30/06/13	–	3,385	–	3,385
Community land	30/06/16	–	–	907	907
Land improvements	30/06/17	–	–	422	422
Buildings – non-specialised	30/06/13	–	8,629	–	8,629
Buildings – specialised	30/06/13	–	–	12,884	12,884
Leasehold improvements	30/06/17	–	–	686	686
Other structures	30/06/13	–	–	754	754
Roads	30/06/15	–	–	82,539	82,539
Bridges	30/06/15	–	–	7,695	7,695
Footpaths	30/06/15	–	–	3,265	3,265
Bulk earthworks (roads)	30/06/15	–	–	51,007	51,007
Stormwater drainage	30/06/15	–	–	7,366	7,366
Sewerage network	30/06/17	–	–	12,013	12,013
Swimming pools	30/06/13	–	–	1,075	1,075
Other open space/recreational assets	30/06/13	–	–	278	278
Other Infrastructure	30/06/17	–	–	113	113
Library books	30/06/17	–	–	42	42
Other	30/06/17	–	–	2,962	2,962
Total infrastructure, property, plant and equipment		–	12,014	188,919	200,933

(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.

Temora Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 19. Fair value measurement (continued)

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

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

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

Infrastructure, property, plant and equipment

Roads Infrastructure

This asset class comprises the road surface and pavement, bridges, drainage, kerb & gutter and footpaths. The cost approach was adopted to value these assets based on assessments and calculations from a condition assessment done in-house as part of the valuation project undertaken in 2015. Assets have been componentised and a full review of condition, useful lives and unit rates was undertaken.

Key inputs such as estimated pattern of consumption, asset condition and useful life required extensive professional judgement and impact significantly on the final determination of fair value.

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

Stormwater Drainage Infrastructure

This asset class comprises the pits, pipes, open channels and headwalls.

The cost approach was adopted to value these assets based on assessments and calculations from a condition assessment done in-house as part of the valuation project undertaken in 2015. A full review of useful lives and unit rates was undertaken.

Key inputs such as estimated pattern of consumption, asset condition and useful life required extensive professional judgement and impact significantly on the final determination of fair value.

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

Sewerage Infrastructure

This asset class comprises the treatment works, pumping station, sewerage mains and effluent reuse.

The cost approach was adopted to value these assets based on assessments and calculations from condition assessments done in-house as part of the valuation project undertaken in 2017. Assets have been componentised and a full review of condition, useful lives and unit rates was undertaken.

Key inputs such as estimated pattern of consumption, asset condition and useful life required extensive professional judgement and impact significantly on the final determination of fair value.

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

Community Land

This asset class comprises all of Council's land classified as Community Land under the NSW Local Government Act 1993. Council has used the Valuer General's Unimproved Capital Land Value (UCV) as the fair value. There has been no change in the valuation process during the period.

Operational Land

This asset class comprises all of Council's land classified as Operational Land under the NSW Local Government Act 1993. Council engaged AssetVal Pty Ltd to value all of its operational land with an effective date of 30 June 2018.

Buildings – Specialised

This asset class comprises all of Council's specialised buildings.

Council engaged AssetVal Pty Ltd to value all of its buildings with an effective date of 30 June 2018. The cost approach was adopted to estimate the fair value of these assets using the depreciated replacement cost allowing for professional fees, demolition, removal of debris and escalation in costs.

Inputs such as estimates of residual value and pattern of consumption required extensive professional judgement and impacted significantly on the final determination of fair value.

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

Temora Shire Council

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

Note 19. Fair value measurement (continued)

(4) Reconciliation of Movements

a. The following table presents the changes in Level 3 Fair Value Assets.

Opening balance 1 July 2016	188,965
Purchases (GBV)	5,607
Disposals (WDV)	(261)
Depreciation and impairment	(3,952)
FV gains – other comprehensive income	717
Impairment Loss recognised in Equity	(2,266)
Transfers	109
Closing balance – 30/06/2017	<u>188,919</u>
Purchases (GBV)	7,768
Disposals (WDV)	(314)
Depreciation and impairment	(4,151)
FV gains – other comprehensive income	952
Impairment Loss recognised in Equity	770
Transfers	(604)
Closing balance – 30/06/2018	<u>193,340</u>

Further details for the individual asset classes are available in Note 9a.

b. Information relating to the transfers into and out of the Level 3 Fair Valuation hierarchy (as disclosed in the Table above) includes:

\$604k was transferred out of Level 3 Fair Valuation hierarchy as a result of a re-classification of assets following the revaluation of land and buildings. The relevant assets were previously classified as Other Assets, Plant & Equipment and Furniture & Fittings, but were re-classified as Non-Specialised Buildings.

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

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

Class	Fair value (30/6/18) \$'000	Valuation technique/s	Unobservable inputs
Plant & Equipment	4,652	Valued at Cost	Cost per unit, useful life, residual value, condition of asset
Office Equipment	111	Valued at Cost	Cost per unit, useful life, condition of asset
Furniture & Fittings	163	Valued at Cost	Cost per unit, useful life, condition of asset
Community Land	907	Based on Valuer General Valuation	Cost per sq metre, Valuer General's valuation
Land Improvements	386	Valued at Cost	Cost per unit, pattern of consumption, useful life, asset condition

Temora Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 19. Fair value measurement (continued)

Class	Fair value (30/6/18) \$'000	Valuation technique/s	Unobservable inputs
Buildings – Specialised	12,880	External Valuation using cost approach	Cost per sq metre, pattern of consumption, condition assessment, useful life
Leasehold Improvements	646	Valued at Cost	Cost per sq metre, pattern of consumption, condition assessment, term of lease
Other Structures	1,358	External Valuation using cost approach	Cost per unit, useful life, condition of asset
Roads	83,652	Internal Valuation using cost approach	Unit rates, useful life, pattern of consumption, condition assessment
Bridges	7,599	Internal Valuation using cost approach	Unit rates, useful life, dimensions & specifications, pattern of consumption, components, condition assessment
Footpaths	3,396	Internal Valuation using cost approach	Unit rates, useful life, pattern of consumption, components, condition assessment
Bulk Earthworks (Roads)	51,007	Internal Valuation using cost approach	Cost per sq metre
Stormwater Drainage	8,448	Internal Valuation using cost approach	Cost per unit/metre
Sewerage Network	13,016	Internal Valuation using cost approach	Unit rates, useful life, pattern of consumption, components, condition assessment
Swimming Pools	1,178	External Valuation using cost approach	Cost per unit
Other Open Space/Recreational Assets	978	External Valuation using cost approach	Unit rates, pattern of consumption, components, useful life, asset condition
Other Infrastructure	1,369	Valued at Cost	Unit rates, useful life, pattern of consumption, condition assessment
Library Books	41	Valued at Cost	Unit Costs
Other	1,553	Valued at Cost	Unit Costs

d. The valuation process for level 3 fair value measurements

The inputs used for applying the Cost Approach to the valuation process were:

- pattern of consumption
- residual value (where appropriate)
- asset condition
- unit rates
- useful lives

When necessary Council has engaged external consultants with specific expertise to work in conjunction with Council staff to establish the fair value of the assets based on the above inputs.

(5). Highest and best use

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

Temora Shire Council

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

Note 20. Related party transactions

\$ '000

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:

	2018	2017
Compensation:		
Short-term benefits	965	941
Post-employment benefits	87	84
Other long-term benefits	30	25
Termination benefits	—	99
Total	1,082	1,148

Temora Shire Council

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

Note 20. Related party transactions (continued)

b. Other transactions with KMP and their related parties

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

Nature of the transaction

		Value of transactions during year	Outstanding balance (incl. loans and commitments)	Terms and conditions	Provisions for doubtful debts outstanding	Doubtful debts expense recognised
	Ref	Actual \$	Actual \$		Actual \$	Actual \$
2018						
Employee expenses for close family members of KMP	1	448,057	–	NSW Local Govt State Award	–	–
Catering Supplies	3	362	–	7 day terms on invoices	–	–
Plumbing Services	3	82,130	–	7 day terms on invoices	–	–
Uniform Purchases	2	1,324	–	7 day terms on invoices	–	–
Laundry Services	2	9,416	–	7 day terms on invoices	–	–
Real Estate Services		–	–	3% on settlement	–	–
Fees & Charges charged to entities who influence or are influenced by KMP	4	14,772	–		–	–
2017						
Employee expenses for close family members of KMP	1	495,000	–	NSW Local Govt State Award	–	–
Plumbing Services	3	63,000	–	7 day terms on invoices	–	–
Uniform Purchases	2	3,000	–	7 day terms on invoices	–	–
Laundry Services	2	10,000	–	7 day terms on invoices	–	–
Catering Supplies	3	1,000	–	7 day terms on invoices	–	–
Catering Services/Giftware	2	1,000	–	7 day terms on invoices	–	–
Training Services	2	1,000	–	7 day terms on invoices	–	–
Real Estate Services	4	13,000	–	7 day terms on invoices	–	–
Fees & Charges charged to entities who influence or are influenced by KMP	5	6,000	–	3% on settlement	–	–

Temora Shire Council

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

Note 20. Related party transactions (continued)

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

- 1 All close family members of KMP were employed through an arm's length process. They are paid in accordance with the Award for the job they perform.
Council employs 149 staff, of which only 7 are close family members of KMP.
- 2 Council purchased the following materials and services from entities that are controlled by KMP. All purchases were at arm's length and were in the normal course of Council operations. Amounts were billed based on normal rates for such services/supplies and were due and payable under normal payment terms following Council's procurement processes.
 - Work Uniforms
 - Laundry Services
- 3 Council purchased the following materials and services from entities that are controlled by a related party of a KMP. All purchases were at arm's length and were in the normal course of Council operations. Amounts were billed based on normal rates for such services/supplies and were due and payable under normal payment terms following Council's procurement processes.
 - Plumbing Services
 - Catering Supplies
- 4 Council engages the services of a local real estate agency, of which one of the principals is a related party of a KMP. All real estate listings were at arm's length and in the normal course of Council operations. Commission is deducted from the property sale proceeds at a rate of 3% of the sale price. All properties listed for sale are also listed with another reputable real estate agent in the area on the same terms and conditions.
- 5 The fees & charges charged to entities controlled by KMP or entities that are controlled by a related party of a KMP were in accordance with the schedule of fees and charges adopted by Council. The total disclosed includes:
 - Development Application fees received three KMPs. The development applications were assessed and approved in accordance with Council's normal terms and conditions. The KMPs did not participate in any decisions related to the applications.
 - Development Application fees received from two related parties of KMPs. The development applications were assessed and approved in accordance with Council's normal terms and conditions. The KMPs did not participate in any decisions related to the applications.

Temora Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

Note 21. Financial result and financial position by fund

Income Statement by fund				
\$ '000	2018	2018	2018	2018
		Water	Sewer	General ¹
Continuing operations				
Income from continuing operations				
Rates and annual charges		—	925	4,207
User charges and fees		—	56	6,269
Interest and investment revenue		—	19	175
Other revenues		—	16	1,028
Grants and contributions provided for operating purposes		—	35	9,266
Grants and contributions provided for capital purposes		—	784	2,654
Other income				
Net gains from disposal of assets		—	—	157
Share of interests in joint ventures and associates using the equity method			—	7
Total income from continuing operations	—	—	1,835	23,763
Expenses from continuing operations				
Employee benefits and on-costs		—	194	7,348
Borrowing costs		—	—	23
Materials and contracts		—	215	6,062
Depreciation and amortisation		—	284	3,976
Other expenses		—	66	2,133
Total expenses from continuing operations	—	—	759	19,542
Operating result from continuing operations	—	—	1,076	4,221
Net operating result for the year	—	—	1,076	4,221
Net operating result attributable to each council fund	—	—	1,076	4,221
Net operating result for the year before grants and contributions provided for capital purposes	—	—	292	1,567

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

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

Temora Shire Council

Notes to the Financial Statements

as at 30 June 2018

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

Statement of Financial Position by fund		
\$ '000	2018	2018
ASSETS	Sewer	General¹
Current assets		
Cash and cash equivalents	1,084	126
Investments	–	6,639
Receivables	830	2,743
Inventories	–	1,463
Other	–	145
Total current assets	1,914	11,116
Non-current assets		
Receivables	–	18
Infrastructure, property, plant and equipment	13,093	189,596
Investments accounted for using the equity method	–	186
Total non-current assets	13,093	189,800
TOTAL ASSETS	15,007	200,916
LIABILITIES		
Current liabilities		
Payables	–	1,989
Income received in advance	–	474
Borrowings	–	313
Provisions	–	4,116
Total current liabilities	–	6,892
Non-current liabilities		
Payables	–	1
Provisions	–	28
Total non-current liabilities	–	29
TOTAL LIABILITIES	–	6,921
Net assets	15,007	193,995
EQUITY		
Accumulated surplus	8,275	76,078
Revaluation reserves	6,732	117,917
Council equity interest	15,007	193,995
Total equity	15,007	193,995

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

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

Temora Shire Council

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

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

\$ '000	Amounts 2018	Indicator 2018	Prior periods 2017	2016	Benchmark
Local government industry indicators – consolidated					
1. Operating performance ratio					
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions less operating expenses	1,695	7.71%	14.34%	1.97%	> 0.00%
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions	21,996				
2. Own source operating revenue ratio					
Total continuing operating revenue ⁽¹⁾ excluding all grants and contributions	12,695	49.91%	51.92%	52.74%	> 60.00%
Total continuing operating revenue ⁽¹⁾	25,434				
3. Unrestricted current ratio					
Current assets less all external restrictions ⁽²⁾	8,478	2.17x	2.08x	1.79x	> 1.5x
Current liabilities less specific purpose liabilities ^(3, 4)	3,907				
4. Debt service cover ratio					
Operating result ⁽¹⁾ before capital excluding interest and depreciation/impairment/amortisation	5,978	18.80x	22.24x	13.32x	> 2x
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	318				
5. Rates, annual charges, interest and extra charges outstanding percentage					
Rates, annual and extra charges outstanding	197	3.68%	3.84%	3.12%	10%
Rates, annual and extra charges collectible	5,354				
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	7,849	5.60 mths	6.6 mths	4.4 mths	> 3 mths
Monthly payments from cash flow of operating and financing activities	1,402				

Notes

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

⁽²⁾ Refer Notes 6-8 inclusive.

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

⁽³⁾ Refer to Notes 10 and 11.

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

Temora Shire Council

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

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

\$ '000	General indicators ⁵		Sewer indicators		Benchmark
	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					
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions	3.07%	13.55%	58.64%	29.58%	> 0.00%
2. Own source operating revenue ratio					
Total continuing operating revenue ⁽¹⁾ excluding capital grants and contributions					
Total continuing operating revenue ⁽¹⁾	49.49%	50.12%	55.42%	90.98%	> 60.00%
3. Unrestricted current ratio					
Current assets less all external restrictions ⁽²⁾			No liabilities	No liabilities	> 1.5x
Current liabilities less specific purpose liabilities ^(3, 4)	2.17x	2.08x			

Notes

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

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

Temora Shire Council

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

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

	General indicators ⁵		Sewer indicators		Benchmark
\$ '000	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					
Principal repayments (Statement of Cash Flows) plus borrowing costs (Income Statement)	14.52x	20.56x	0.00x	0.00x	> 2x
5. Rates, annual charges, interest and extra charges outstanding percentage					
Rates, annual and extra charges outstanding	3.57%	3.61%	4.20%	4.95%	< 10% regional & rural
Rates, annual and extra charges collectible					
6. Cash expense cover ratio					
Current year's cash and cash equivalents plus all term deposits	4.82	5.99	0.00	0.00	> 3 months
Payments from cash flow of operating and financing activities	months	months	months	months	

Notes

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

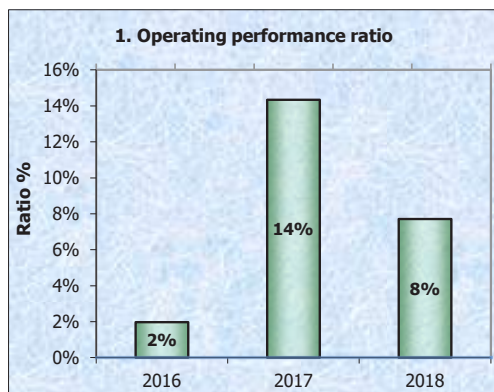
(5) General fund refers to all of Council's activities except for its sewer activity which is listed separately.

END OF AUDITED FINANCIAL STATEMENTS

Temora Shire Council

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

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



Benchmark: — Minimum $\geq 0.00\%$

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

Purpose of operating performance ratio

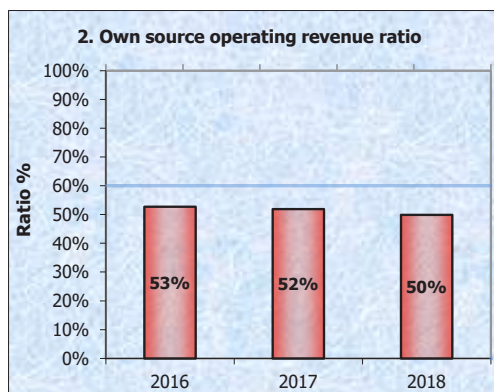
This ratio measures Council's achievement of containing operating expenditure within operating revenue.

Commentary on 2017/18 result

2017/18 ratio 7.71%

Council has achieved a strong surplus again this year, although this is somewhat overstated as a result of the advance payment of the 2018/19 FAGS payment.

Ratio achieves benchmark
Ratio is outside benchmark



Benchmark: — Minimum $\geq 60.00\%$

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

Purpose of own source operating revenue ratio

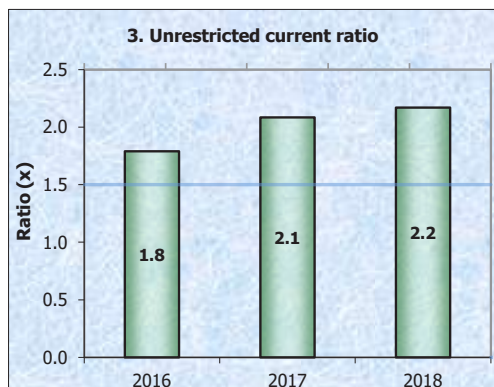
This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants and contributions.

Commentary on 2017/18 result

2017/18 ratio 49.91%

Grants and contributions continue to represent a significant portion of Council's income.

Ratio achieves benchmark
Ratio is outside benchmark



Benchmark: — Minimum ≥ 1.50

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

Purpose of unrestricted current ratio

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

Commentary on 2017/18 result

2017/18 ratio 2.17x

This ratio is a reflection of Council's sound financial position.

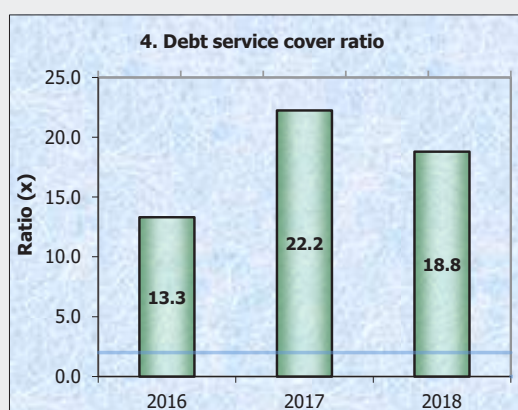
Ratio achieves benchmark
Ratio is outside benchmark

Temora Shire Council

Notes to the Financial Statements

for the year ended 30 June 2018

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



Benchmark: — Minimum ≥ 2.00

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

Purpose of debt service cover ratio

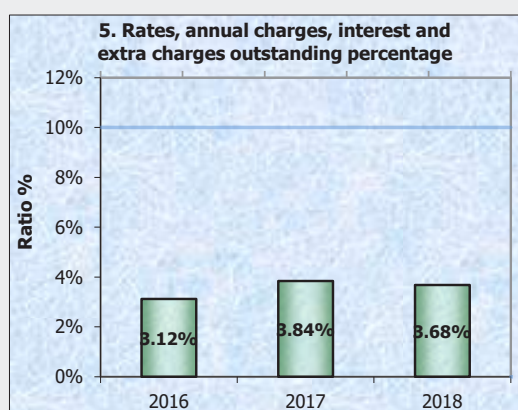
This ratio measures the availability of operating cash to service debt including interest, principal and lease payments

Commentary on 2017/18 result

2017/18 ratio 18.80x

Council has only one loan which was taken out to partially finance the construction of a new medical complex. This loan will be fully repaid during the 2018/2019 financial year.

Ratio achieves benchmark
 Ratio is outside benchmark



Benchmark: — Maximum $< 10.00\%$

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

Purpose of rates and annual charges outstanding ratio

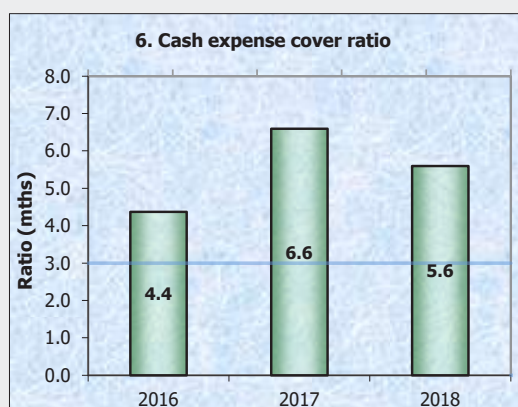
To assess the impact of uncollected rates and annual charges on Council's liquidity and the adequacy of recovery efforts.

Commentary on 2017/18 result

2017/18 ratio 3.68%

Council continues to perform well in this area.

Ratio is within Benchmark
 Ratio is outside Benchmark



Benchmark: — Minimum ≥ 3.00

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

Purpose of cash expense cover ratio

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

Commentary on 2017/18 result

2017/18 ratio 5.60 mths

Council has been working on building up its cash reserves over the past few years. Cash reserves are down on last year primarily due to a \$1.4m grant for the flood damage works at the aerodrome being outstanding at 30 June 2018.

Ratio achieves benchmark
 Ratio is outside benchmark

Temora Shire Council

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

Note 23. Council information and contact details

Principal place of business:

105 Loftus Street
Temora NSW 2666

Contact details**Mailing address:**

PO Box 262
TEMORA NSW 2666

Opening hours:

8am to 4.30pm
Monday to Friday

Telephone: 02 6980 1100

Facsimile: 02 6980 1138

Internet: www.temora.nsw.gov.au

Email: temshire@temora.nsw.gov.au

Officers**GENERAL MANAGER**

Gary Lavelle

RESPONSIBLE ACCOUNTING OFFICER

Steve Firth

PUBLIC OFFICER

Steve Firth

AUDITORS

Audit Office of New South Wales
Level 15, 1 Margaret Street
SYDNEY NSW 2001

Elected members**MAYOR**

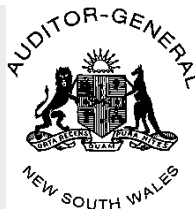
Rick Firman

COUNCILLORS

Nigel Judd
Claire McLaren
Max Oliver
Lindy Reinhold
Graham Sinclair
Dennis Sleigh
Kenneth Smith
Dale Wiencke

Other information

ABN: 55 048 860 109



INDEPENDENT AUDITOR'S REPORT

Report on the general purpose financial report

Temora Shire Council

To the Councillors of the Temora Shire Council

Opinion

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

In my opinion,

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

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

Basis for Opinion

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

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

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

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

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

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

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to:

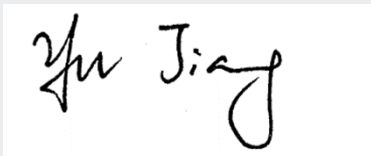
- obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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

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

My opinion does *not* provide assurance:

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

A handwritten signature in black ink, appearing to read 'Yu Jiang', on a white rectangular background.

Reiky Jiang
Director, Financial Audit Services

29 October 2018
SYDNEY

Cr Rick Firman
Mayor
Temora Shire Council
PO Box 262
TEMORA NSW 2666

Contact: Reiky Jiang
Phone no: (02) 9275 7100
Our ref: D1826636/1793

29 October 2018

Dear Cr Firman

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






I have audited the general purpose financial statements of the Temora 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

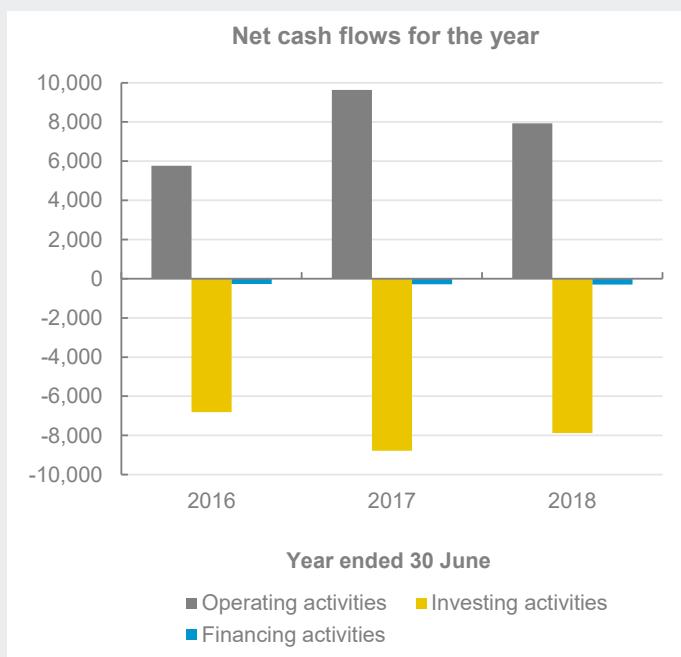
Operating result

	2018 \$'000	2017 \$'000	Variance %
Rates and annual charges revenue	5,132	4,965	 3.36
User charges and fees	6,325	6,104	 3.60
Grants and contributions revenue	12,739	11,221	 13.53
Operating result for the year	5,297	5,484	 3.41
Net operating result before capital amounts	1,859	3,095	 39.94

- The Council's operating result for the year was a surplus of \$5.30 million (\$5.48 million surplus for the year ended 30 June 2017). The Council budgeted for a surplus of \$2.63 million. This variance is mainly attributed to higher than expected grants and contributions.
- The Council's net operating result before capital grants and contributions was a surplus of \$1.86 million (\$3.09 million surplus for the year ended 30 June 2017). The decrease of \$1.23 million from the 2016–17 result was mainly due to an increase in expenses from continuing operations.
- Rates and annual charges revenue increased by \$0.17 million (3.36 per cent) to \$5.13 million in 2017–2018. The movement is consistent with an increase in ordinary rates in line with the 1.50% rate peg and the rise in the total number of rateable properties.
- User charges and fees are largely consistent with the prior year, increasing by \$0.22 million (2.60 per cent) to \$6.32 million.
- Grants and contributions revenue increased by \$1.52 million (13.53 per cent) to \$12.74 million. This is due to additional flood damage remediation funding, as well as specific purpose capital grants for the Temora Agricultural Innovation Centre. Council also received an advance of \$1.67 million under the Financial Assistance Grant program pertaining to the 2018/19 year (\$1.60 million in advance for the year ended 30 June 2017).
- Council's employee benefits and on-cost expenses remained consistent with prior year increasing by \$0.45 million (6.30 per cent) to \$7.54 million. The increase is consistent with the *Local Government State Award 2017* applicable to Councils employees.
- Council's materials and contracts expense increased by \$1.91 million (43.57 per cent) to \$6.28 million. Council's materials and contracts expense included an increase in works undertaken for the RMS on state roads and \$1.4 million paid for the flood damage remediation works at the Aerodrome.
- Council's depreciation and amortisation expense was also consistent with prior year increasing by only \$0.18 million (4.57 per cent) to \$4.26 million.

STATEMENT OF CASH FLOWS

- Council recorded a net decrease in cash and cash equivalents of \$0.25 million at 30 June 2018 (net increase of \$0.59 million at 30 June 2017).
- Net cash provided by operating activities amounted to \$7.93 million. Council recorded cash receipts from rates and annual charges of \$5.13 million, user fees and charges of \$6.59 million and grants and contributions of \$11.42 million. Council recorded \$7.37 million of cash payments for employee benefits and on-costs and \$6.71 million for materials and contracts.
- Net cash used in investing activities amounted to \$7.88 million. This is largely due to the net cash outflows from purchasing \$7.49 million of infrastructure, property, plant and equipment.
- Net cash used in financing activities amounted to \$0.29 million for repayment of borrowings.



FINANCIAL POSITION

Cash and Investments

Cash and Investments	2018	2017	Commentary
	\$'000	\$'000	
External restrictions	2,711	2,322	<ul style="list-style-type: none"> Externally restricted cash and investments are restricted in their use by externally imposed requirements. Council's externally restricted cash and investments have increased by \$0.39 million primarily due to the increase in Council's sewerage services restricted fund of \$0.34 million.
Internal restrictions	4,863	5,781	
Unrestricted	275	2	
Cash and investments	7,849	8,105	<ul style="list-style-type: none"> Internally restricted cash and investments have been restricted in their use by resolution or policy of Council. The movement in internal restrictions is predominantly due to a decrease restrictions for employee leave entitlements of \$1.18 million. Unrestricted cash has increased slightly due to reduced internal restrictions.

Debt

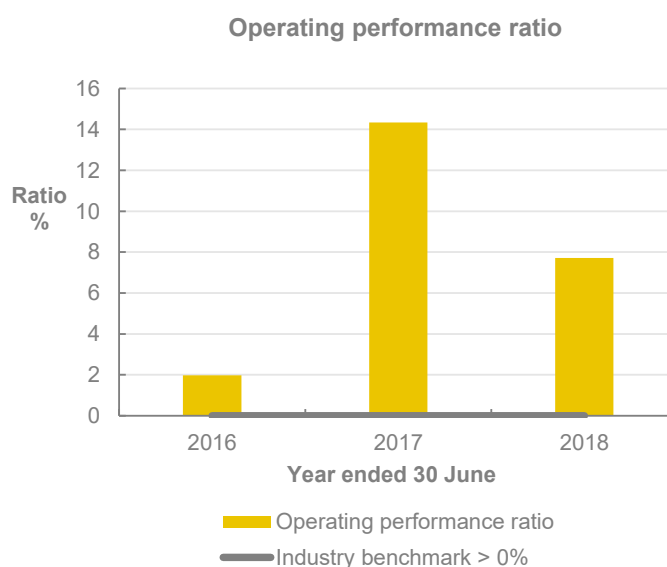
Council has \$0.31 million of borrowings as at 30 June 2018 (2017: \$0.61 million).

PERFORMANCE RATIOS

The definition of each ratio analysed below (except for the 'building and infrastructure renewals ratio') is included in Note 22 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.

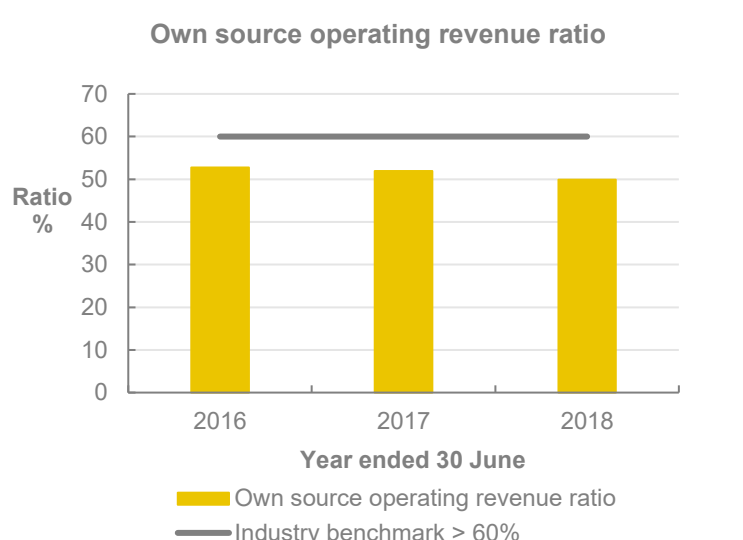
Operating performance ratio

- 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 7.7% is above the industry benchmark.
- The operating performance ratio decreased by 6.6% from 14.3% in 2017 due to an increase in expenses from continuing operations. Council's materials and contracts expenses increased by \$1.91 million to \$6.28 million for the year ended 30 June 2018.



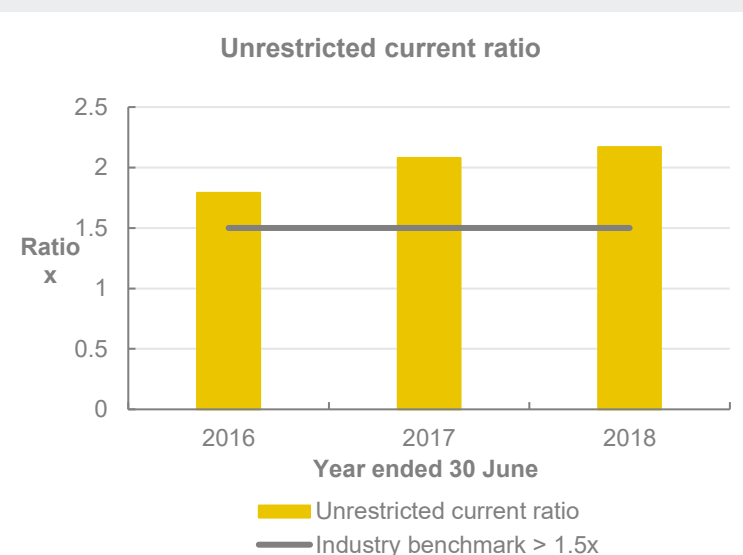
Own source operating revenue ratio

- 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 49.9% is below the industry benchmark.
- The own source operating revenue ratio remained steady at 49.9% (2017: 51.9%). Council continues to apply the maximum rate peg allowable in accordance with the general rating cap set by the State Government through the Independent Pricing and Regulatory Tribunal (IPART).
- The ratio remained below the industry benchmark due to the level of grant funding received by Council. Grants and contribution revenue included \$1.67 million of Financial Assistance Grants in advance that pertained to the 2018–19 financial year.



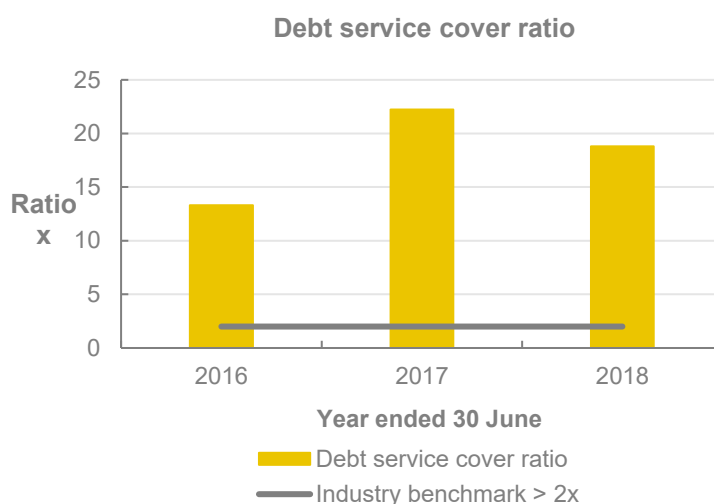
Unrestricted current ratio

- 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 2.2 times is greater than the industry benchmark.
- Council's liquidity position increased marginally compared to the prior year due to the timing of receipt of a number of government grants and subsidies.
- The ratio indicates that Council has sufficient liquidity to meet its current liabilities as and when they fall due.



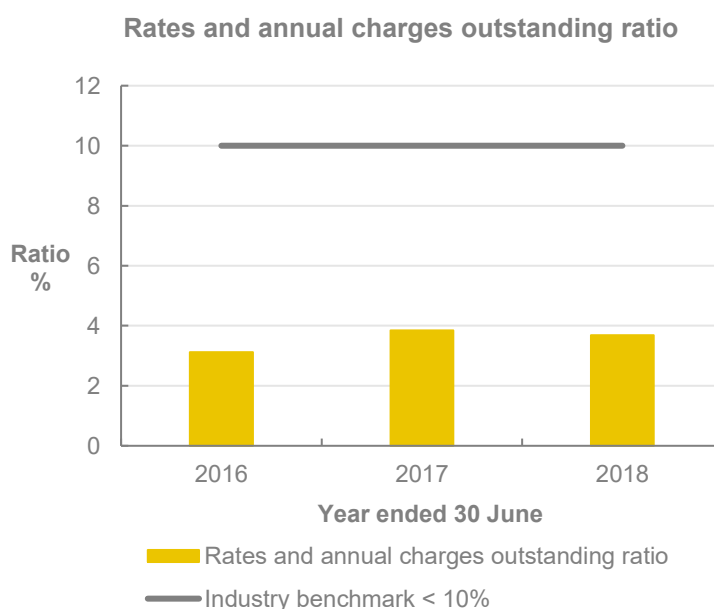
Debt service cover ratio

- 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.
- The ratio indicates that Council has 18.8 times in operating cash available to service its debts. Council generates sufficient cash from its operations to fund its debt obligations.
- Council continues to demonstrate that it has ability to generate sufficient cash from operations to fund loan repayments.



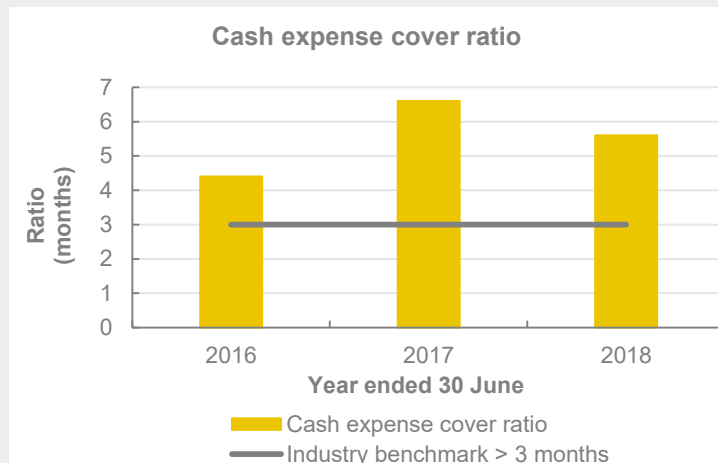
Rates and annual charges outstanding ratio

- 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 3.7% is sufficiently within the industry benchmark of less than 10% for rural councils.
- Council's result remains consistent with prior periods and reflects Council's ongoing debt recovery effort.



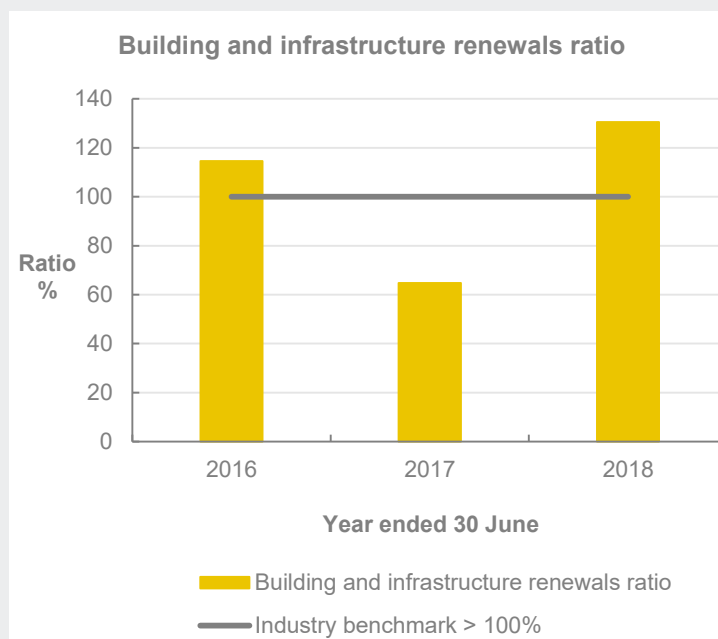
Cash expense cover ratio

- This liquidity ratio indicates the number of months the Council can continue paying for its immediate expenses without additional cash inflow. The benchmark set by OLG is greater than three months.
- The Council's cash expense cover ratio was 5.6 months, which is above the industry benchmark.
- The cash expense cover ratio decreased compared with the prior year due to an increase in payments from cash flow for operating activities. Cash payments for materials and contracts increased \$2.2 million to \$6.7 million for the year ended 30 June 2018.
- This indicates that Council had the capacity to cover 5.6 months of operating cash expenditure without additional cash inflows at 30 June 2018.



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 130.5% is above the industry benchmark.
- The increased this year is primarily due to Council's focus on maintaining older assets which drives up the demand for asset renewals. Council also recorded an impairment reversal of \$770 thousand on the prior year impairment to roads due to flood damage which improved this ratio in the current year.



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 10(b).

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 assets that 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.



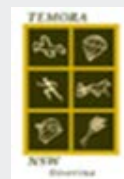
Reiky Jiang
Director, Financial Audit Services

cc: Mr Gary Lavelle, General Manager
Mr Stephen Firth, Director of Administration & Finance
Tim Hurst, Acting Chief Executive of the Office of Local Government

Temora Shire Council

SPECIAL PURPOSE FINANCIAL STATEMENTS
for the year ended 30 June 2018

“Success through determination and inspiration”



Temora 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 – Sewerage Business Activity	3
Statement of Financial Position – Sewerage Business Activity	4
3. Notes to the Special Purpose Financial Statements	5
4. Auditor's Report	12

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).

Temora 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 20 September 2018.



Rick Firman
Mayor



Graham Sinclair
Councillor



Gary Lavelle
General Manager



Steve Firth
Responsible Accounting Officer

Temora 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	925	866
User charges	56	44
Interest	19	17
Grants and contributions provided for non-capital purposes	35	61
Other income	16	12
Total income from continuing operations	1,051	1,000
Expenses from continuing operations		
Employee benefits and on-costs	194	178
Materials and contracts	215	255
Depreciation, amortisation and impairment	284	233
Other expenses	66	60
Total expenses from continuing operations	759	726
Surplus (deficit) from continuing operations before capital amounts	292	274
Grants and contributions provided for capital purposes	784	31
Surplus (deficit) from continuing operations after capital amounts	1,076	305
Surplus (deficit) from all operations before tax	1,076	305
Less: corporate taxation equivalent (30%) [based on result before capital]	(88)	(82)
SURPLUS (DEFICIT) AFTER TAX	988	223
Plus opening retained profits	7,199	6,894
Plus adjustments for amounts unpaid:		
– Corporate taxation equivalent	88	82
Closing retained profits	8,275	7,199
Return on capital %	2.2%	2.3%
Subsidy from Council	52	14
Calculation of dividend payable:		
Surplus (deficit) after tax	988	223
Less: capital grants and contributions (excluding developer contributions)	(784)	(31)
Surplus for dividend calculation purposes	204	192
Potential dividend calculated from surplus	102	96

Temora Shire Council

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

\$ '000	2018	2017
ASSETS		
Current assets		
Cash and cash equivalents	1,084	739
Receivables	830	835
Total current Assets	1,914	1,574
Non-current assets		
Infrastructure, property, plant and equipment	13,093	12,110
Total non-current assets	13,093	12,110
TOTAL ASSETS	15,007	13,684
LIABILITIES		
Nil		
NET ASSETS	15,007	13,684
EQUITY		
Accumulated surplus	8,275	7,199
Revaluation reserves	6,732	6,485
Council equity interest	15,007	13,684
TOTAL EQUITY	15,007	13,684

Temora 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	6
2	Water Supply Business Best-Practice Management disclosure requirements	n/a
3	Sewerage Business Best-Practice Management disclosure requirements	9

Temora Shire Council

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

Note 1. Significant accounting policies

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

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

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

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

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

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)

Council has no Category 1 business activities.

Category 2

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

Sewerage Service

Comprising the whole of the sewerage reticulation and treatment operations and net assets servicing the Shire of Temora.

Temora Shire Council

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

Note 1. Significant accounting policies (continued)

Monetary amounts

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

As required by Crown Lands and Water (CLAW), the amounts shown in 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%

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 sewerage business activities.

The payment of taxation equivalent charges, referred to in the NSW Office of Water Guidelines 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.

Temora Shire Council

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

Note 1. Significant accounting policies (continued)

(ii) Subsidies

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

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

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

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

(iii) 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 sewerage businesses are permitted to pay an annual dividend from its 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 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

Temora 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

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

2018

1. Calculation and payment of tax-equivalents

[all local government local water utilities must pay this dividend for tax equivalents]

(i) Calculated tax equivalents	—
(ii) Number of assessments multiplied by \$3/assessment	6,531
(iii) Amounts payable for tax equivalents [lesser of (i) and (ii)]	—
(iv) Amounts actually paid for tax equivalents	—

2. Dividend from surplus

(i) 50% of surplus before dividends [calculated in accordance with Best-Practice Management for Water Supply and Sewerage Guidelines]	102,200
(ii) Number of assessments x (\$30 less tax equivalent charges per assessment)	65,310
(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	520,100

2018 Surplus	204,400	2017 Surplus	191,800	2016 Surplus	123,900
		2017 Dividend	—	2016 Dividend	—

(iv) Maximum dividend from surplus [least of (i), (ii) and (iii) above]	65,310
(v) Dividend actually paid from surplus [refer below for required pre-dividend payment criteria]	—
(vi) Are the overhead reallocation charges to the sewer business fair and reasonable? ^a	YES

3. Required outcomes for 4 criteria

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

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

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

2018

National Water Initiative (NWI) financial performance indicators

NWI F2	Total revenue (sewerage) Total income (s14) – grants for acquisition of assets (s12a) – interest income (s10) – Aboriginal Communities W&S Program income (w10a)	\$'000	1,819
NWI F10	Written down replacement cost of fixed assets (sewerage) Written down current cost of system assets (s48)	\$'000	13,017
NWI F12	Operating cost (sewerage) Management expenses (s1) + operational and maintenance expenses (s2)	\$'000	475
NWI F15	Capital expenditure (sewerage) Acquisition of fixed assets (s17)	\$'000	1,029
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)]	%	8.10%
NWI F27	Capital works grants (sewerage) Grants for the acquisition of assets (12a)	\$'000	–

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

NWI F3	Total income (water and sewerage) Total income (w13 + s14) + gain/loss on disposal of assets (w14 + s15) minus grants for acquisition of assets (w11a + s12a) – interest income (w9 + s10)	\$'000	1,819
NWI F8	Revenue from community service obligations (water and sewerage) Community service obligations (NWI F25) x 100 divided by total income (NWI F3)	%	1.21%
NWI F16	Capital expenditure (water and sewerage) Acquisition of fixed assets (w16 + s17)	\$'000	1,029
NWI F19	Economic real rate of return (water and sewerage) [total income (w13 + s14) – interest income (w9 + s10) – grants for acquisition of assets (w11a + s12a) – operating cost (NWI F11 + NWI F12) – current cost depreciation (w3 + s3)] x 100 divided by [written down replacement cost of fixed assets (NWI F9 + NWI F10) + plant and equipment (w33b + s34b)]	%	8.10%
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%

Temora 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)

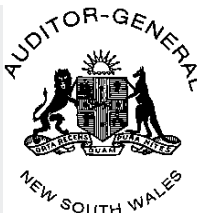
Dollars amounts shown below are in whole dollars (unless otherwise indicated)

2018

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

NWI F22	Net debt to equity (water and sewerage) Overdraft (w36 + s37) + borrowings (w38 + s39) – cash and investments (w30 + s31) x 100 divided by [total assets (w35 + s36) – total liabilities (w40 + s41)]	%	-7.22%
NWI F23	Interest cover (water and sewerage) Earnings before interest and tax (EBIT) divided by net interest 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 + s4c) Net interest: Interest expense (w4a + s4a) – interest income (w9 + s10)		> 100
NWI F24	Net profit after tax (water and sewerage) Surplus before dividends (w15a + s16a) – tax equivalents paid (Note 2-1 (iv) + Note 3-1 (iv))	\$'000	1,076
NWI F25	Community service obligations (water and sewerage) Grants for pensioner rebates (w11b + s12b)	\$'000	22

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



INDEPENDENT AUDITOR'S REPORT

Report on the special purpose financial report

Temora Shire Council

To the Councillors of the Temora Shire Council

Opinion

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

The Declared Business Activity of the Council is:

- Sewerage Services.

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter - Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

My objectives are to:

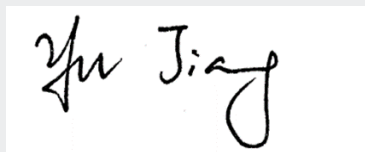
- obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

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

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

My opinion does not provide assurance:

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

A handwritten signature in black ink, appearing to read 'Yu Jiang', on a white rectangular background.

Reiky Jiang
Director, Financial Audit Services

29 October 2018
SYDNEY

Temora Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2018

“Success through determination and inspiration”



Temora Shire Council

Special Schedules for the year ended 30 June 2018

Contents	Page
Special Schedules ¹	
Special Schedule 1	Net Cost of Services
	2
Special Schedule 2	Permissible income for general rates
Special Schedule 2	Independent Auditors Report
	4
	5
Special Schedule 5	Sewerage Service Operations – incl. Income Statement
Special Schedule 6	Sewerage Service – Statement of Financial Position
	8
	11
Notes to Special Schedule 5	
	12
Special Schedule 7	Report on Infrastructure Assets
	13

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

Background

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

Temora Shire Council

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

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
Governance	1,007	31	2	(974)
Administration	1,983	–	–	(1,983)
Public order and safety				
Fire service levy, fire protection, emergency services	715	339	–	(376)
Beach control	–	–	–	–
Enforcement of local government regulations	39	–	–	(39)
Animal control	136	4	–	(132)
Other	51	–	11	(40)
Total public order and safety	941	343	11	(587)
Health	109	4	–	(105)
Environment				
Noxious plants and insect/vermin control	127	50	–	(77)
Other environmental protection	35	44	–	9
Solid waste management	684	693	–	9
Street cleaning	236	–	–	(236)
Drainage	–	–	–	–
Stormwater management	222	62	–	(160)
Total environment	1,304	849	–	(455)
Community services and education				
Administration and education	221	20	–	(201)
Social protection (welfare)	–	–	–	–
Aged persons and disabled	2,648	2,943	–	295
Children's services	27	–	–	(27)
Total community services and education	2,896	2,963	–	67
Housing and community amenities				
Public cemeteries	199	90	9	(100)
Public conveniences	87	–	–	(87)
Street lighting	147	40	–	(107)
Town planning	140	84	–	(56)
Other community amenities	14	17	–	3
Total housing and community amenities	587	231	9	(347)
Sewerage services	758	1,001	782	1,025

Temora Shire Council

Special Schedule 1 – Net Cost of Services (continued)

for the year ended 30 June 2018

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
Recreation and culture				
Public libraries	325	39	—	(286)
Museums	203	3	—	(200)
Art galleries	—	—	—	—
Community centres and halls	125	4	16	(105)
Performing arts venues	—	—	—	—
Other performing arts	—	—	—	—
Other cultural services	179	27	32	(120)
Sporting grounds and venues	494	30	13	(451)
Swimming pools	319	163	—	(156)
Parks and gardens (lakes)	532	2	42	(488)
Other sport and recreation	130	122	—	(8)
Total recreation and culture	2,307	390	103	(1,814)
Fuel and energy	—	—	—	—
Agriculture	432	331	774	673
Mining, manufacturing and construction				
Building control	246	67	—	(179)
Other mining, manufacturing and construction	7	39	—	32
Total mining, manufacturing and const.	253	106	—	(147)
Transport and communication				
Urban roads (UR) – local	775	—	—	(775)
Urban roads – regional	—	—	—	—
Sealed rural roads (SRR) – local	1,215	—	—	(1,215)
Sealed rural roads (SRR) – regional	643	145	667	169
Unsealed rural roads (URR) – local	1,522	—	—	(1,522)
Unsealed rural roads (URR) – regional	—	—	—	—
Bridges on UR – local	—	—	—	—
Bridges on SRR – local	97	—	—	(97)
Bridges on URR – local	—	—	—	—
Bridges on regional roads	—	—	959	959
Parking areas	1	—	—	(1)
Footpaths	130	—	16	(114)
Aerodromes	1,582	1,445	17	(120)
Other transport and communication	480	6,122	98	5,740
Total transport and communication	6,445	7,712	1,757	3,024
Economic affairs				
Camping areas and caravan parks	174	162	—	(12)
Other economic affairs	1,105	617	—	(488)
Total economic affairs	1,279	779	—	(500)
Totals – functions	20,301	14,740	3,438	(2,123)
General purpose revenues ⁽¹⁾		7,413		7,413
Share of interests – joint ventures and associates using the equity method	—	7		7
NET OPERATING RESULT ⁽²⁾	20,301	22,160	3,438	5,297

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

(2) As reported in the Income Statement

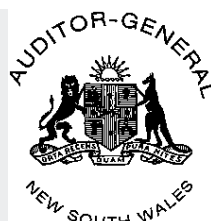
Temora Shire Council

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

\$'000		Calculation 2018/19	Calculation 2017/18
Notional general income calculation ⁽¹⁾			
Last year notional general income yield	a	3,800	3,746
Plus or minus adjustments ⁽²⁾	b	22	1
Notional general income	$c = (a + b)$	3,822	3,747
Permissible income calculation			
Special variation percentage ⁽³⁾	d	0.00%	0.00%
Or rate peg percentage	e	2.30%	1.50%
Or crown land adjustment (incl. rate peg percentage)	f	0.00%	0.00%
Less expiring special variation amount	g	—	—
Plus special variation amount	$h = d \times (c - g)$	—	—
Or plus rate peg amount	$i = c \times e$	88	56
Or plus Crown land adjustment and rate peg amount	$j = c \times f$	—	—
Sub-total	$k = (c + g + h + i + j)$	3,910	3,803
Plus (or minus) last year's carry forward total	l	4	12
Less valuation objections claimed in the previous year	m	—	—
Sub-total	$n = (l + m)$	4	12
Total permissible income	$o = k + n$	3,914	3,816
Less notional general income yield	p	3,913	3,800
Catch-up or (excess) result	$q = o - p$	1	16
Plus income lost due to valuation objections claimed ⁽⁴⁾	r	—	—
Less unused catch-up ⁽⁵⁾	s	—	(12)
Carry forward to next year	$t = q + r - s$	1	4

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

Temora Shire Council

To the Councillors of Temora Shire Council

Opinion

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

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

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

Basis for Opinion

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

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

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

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

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

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

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

Emphasis of Matter – Basis of Accounting

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

Other Information

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

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

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

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

I have nothing to report in this regard.

The Councillors' Responsibilities for the Schedule

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

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

Auditor's Responsibilities for the Audit of the Schedule

My objectives are to:

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

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

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

My opinion does *not* provide assurance:

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

A handwritten signature in black ink, appearing to read 'Yu Jiang', on a white rectangular background.

Reiky Jiang
Director, Financial Audit Services

29 October 2018
SYDNEY

Temora Shire Council

Special Schedule 5 – Sewerage Service Income Statement

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

\$'000	2018	2017
A Expenses and income		
Expenses		
1. Management expenses		
a. Administration	62	59
b. Engineering and supervision	—	—
2. Operation and maintenance expenses		
– mains		
a. Operation expenses	127	149
b. Maintenance expenses	—	—
– Pumping stations		
c. Operation expenses (excluding energy costs)	—	—
d. Energy costs	1	2
e. Maintenance expenses	16	12
– Treatment		
f. Operation expenses (excl. chemical, energy, effluent and biosolids management costs)	—	—
g. Chemical costs	—	—
h. Energy costs	47	37
i. Effluent management	146	130
j. Biosolids management	—	—
k. Maintenance expenses	76	104
– Other		
l. Operation expenses	—	—
m. Maintenance expenses	—	—
3. Depreciation expenses		
a. System assets	273	221
b. Plant and equipment	11	12
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)	—	—
5. Total expenses	759	726

Temora 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)	735	686
7. Non-residential charges		
a. Access (including rates)	—	—
b. Usage charges	191	180
8. Trade waste charges		
a. Annual fees	—	—
b. Usage charges	—	—
c. Excess mass charges	—	—
d. Re-inspection fees	—	—
9. Extra charges	3	2
10. Interest income	16	15
11. Other income	72	55
11a. Aboriginal Communities Water and Sewerage Program	—	—
12. Grants		
a. Grants for acquisition of assets	—	—
b. Grants for pensioner rebates	22	24
c. Other grants	—	—
13. Contributions		
a. Developer charges	—	—
b. Developer provided assets	—	—
c. Other contributions	796	69
14. Total income	1,835	1,031
15. Gain (or loss) on disposal of assets	—	—
16. Operating result	1,076	305
16a. Operating result (less grants for acquisition of assets)	1,076	305

Temora Shire Council

Special Schedule 5 – Sewerage Service Income Statement (continued)

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

\$'000	2018	2017
B Capital transactions		
Non-operating expenditures		
17. Acquisition of fixed assets		
a. New assets for improved standards	1,023	49
b. New assets for growth	–	–
c. Renewals	6	265
d. Plant and equipment	–	–
18. Repayment of debt	–	–
19. Totals	<u>1,029</u>	<u>314</u>
Non-operating funds employed		
20. Proceeds from disposal of assets	–	–
21. Borrowing utilised	–	–
22. Totals	<u>–</u>	<u>–</u>
C Rates and charges		
23. Number of assessments		
a. Residential (occupied)	1,823	1,799
b. Residential (unoccupied, ie. vacant lot)	60	63
c. Non-residential (occupied)	244	245
d. Non-residential (unoccupied, ie. vacant lot)	50	49
24. Number of ETs for which developer charges were received	– ET	– ET
25. Total amount of pensioner rebates (actual dollars)	\$ 39,750	\$ 43,458

Temora Shire Council

Special Schedule 6 – Sewerage Service Statement of Financial Position

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

\$'000	Current	Non-current	Total
ASSETS			
26. Cash and investments			
a. Developer charges	—	—	—
b. Special purpose grants	—	—	—
c. Accrued leave	—	—	—
d. Unexpended loans	—	—	—
e. Sinking fund	—	—	—
f. Other	1,084	—	1,084
27. Receivables			
a. Specific purpose grants	—	—	—
b. Rates and availability charges	39	—	39
c. User charges	—	—	—
d. Other	791	—	791
28. Inventories	—	—	—
29. Property, plant and equipment			
a. System assets	—	13,017	13,017
b. Plant and equipment	—	76	76
30. Other assets	—	—	—
31. Total assets	1,914	13,093	15,007
LIABILITIES			
32. Bank overdraft	—	—	—
33. Creditors	—	—	—
34. Borrowings	—	—	—
35. Provisions			
a. Tax equivalents	—	—	—
b. Dividend	—	—	—
c. Other	—	—	—
36. Total liabilities	—	—	—
37. NET ASSETS COMMITTED	1,914	13,093	15,007
EQUITY			
38. Accumulated surplus			8,275
39. Asset revaluation reserve			6,732
40. Other reserves			—
41. TOTAL EQUITY			15,007
Note to system assets:			
42. Current replacement cost of system assets			20,672
43. Accumulated current cost depreciation of system assets			(7,655)
44. Written down current cost of system assets			13,017

Temora Shire Council

Notes to Special Schedule 5 for the year ended 30 June 2018

Administration ⁽¹⁾

(item 1a of Special Schedule 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 Schedule 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 Schedule 5) comprise the day to day operational expenses excluding maintenance expenses.

Maintenance expenses (item 2 of Special Schedule 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 Schedule 5) includes all expenses not recorded elsewhere.

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

Impairment losses (item 4d and 4e of Special Schedule 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 Schedule 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 12a of Special Schedule 5 is for services provided to the Aboriginal Communities Water and Sewerage Program and is not part of Council's sewerage revenue.

Residential charges ⁽²⁾ (item 6 of Special Schedule 5) include all income from residential charges.

Non-residential charges ⁽²⁾ (items 7a, 7b of Special Schedule 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 11 of Special Schedule 5) includes all income not recorded elsewhere.

Other contributions (items 13c of Special Schedule 5) including capital contributions for 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 17 for sewerage, and not in items 1a and 1b).

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

Temora Shire Council

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

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2017/18 Required maintenance ^a	2017/18 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Buildings	Council Chambers / Administration Building	–	–	85	76	1,892	4,400	0%	100%	0%	0%	0%
	Town Hall/Cinema	–	–	60	64	1,734	3,261	0%	100%	0%	0%	0%
	Grey Street House	–	–	10	10	84	236	0%	100%	0%	0%	0%
	Bundawarrah Centre	–	–	36	40	2,713	4,379	0%	100%	0%	0%	0%
	Pre School	–	–	9	10	676	961	0%	100%	0%	0%	0%
	Recreation Centre	–	–	67	45	1,307	3,074	0%	100%	0%	0%	0%
	Aerodrome	–	–	78	75	1,108	2,289	0%	100%	0%	0%	0%
	NRCC House	–	–	79	76	1,252	3,593	0%	100%	0%	0%	0%
	Research Station	–	–	41	51	1,819	4,071	0%	100%	0%	0%	0%
	Medical Complex	–	–	22	20	2,109	2,870	100%	0%	0%	0%	0%
	Nixon Park	–	–	–	–	614	1,617	0%	100%	0%	0%	0%
	Bob Aldridge Park	–	–	–	–	486	959	100%	0%	0%	0%	0%
	Medical Imaging & Units	–	–	8	10	716	888	100%	0%	0%	0%	0%
	SES Building	–	–	–	–	251	355	0%	100%	0%	0%	0%
	Recreation Ground	–	–	–	–	475	811	0%	100%	0%	0%	0%
	Ariah Park Recreation Ground	–	–	–	–	363	1,270	0%	100%	0%	0%	0%
	Ariah Park Swimming Pool	–	–	–	–	119	284	0%	100%	0%	0%	0%
	Ariah Park Golf Club	–	–	–	–	65	303	0%	100%	0%	0%	0%
	Federal Park	–	–	–	–	187	388	0%	100%	0%	0%	0%
	Lake Centenary	–	–	–	–	132	190	0%	100%	0%	0%	0%
	Waste Management	–	–	–	–	89	127	0%	100%	0%	0%	0%
	June Rd Caravan Park	–	–	2	3	145	240	0%	100%	0%	0%	0%
	Other	–	–	–	–	933	1,766	0%	100%	0%	0%	0%
	Sub-total	–	–	497	480	19,269	38,332	12.3%	87.7%	0.0%	0.0%	0.0%

Temora Shire Council

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

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2017/18 Required maintenance ^a	2017/18 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Other structures	Other structures	–	–	–	–	1,358	2,350	0%	100%	0%	0%	0%
	Sub-total	–	–	–	–	1,358	2,350	0.0%	100.0%	0.0%	0.0%	0.0%
Roads	Regional Roads	–	–	381	381	19,694	22,240	4%	60%	36%	0%	0%
	Urban Sealed Roads	377	863	217	287	13,240	35,306	9%	50%	31%	8%	2%
	Urban Unsealed Roads	–	–	33	15	697	992	37%	34%	17%	12%	0%
	Bridges	–	–	4	–	7,599	9,658	61%	23%	16%	0%	0%
	Rural Sealed Roads	812	2,066	269	601	30,561	49,400	18%	52%	23%	6%	1%
	Rural Unsealed Roads	238	475	806	899	12,216	18,919	12%	37%	43%	8%	0%
	Footpaths	409	409	40	29	3,396	4,834	37%	12%	37%	12%	2%
	Bulk Earthworks	–	–	–	–	51,007	51,007	100%	0%	0%	0%	0%
	Kerb & Gutter	2,342	2,342	30	49	7,196	14,057	5%	30%	42%	19%	4%
	Other	–	–	4	1	48	54	100%	0%	0%	0%	0%
	Sub-total	4,178	6,155	1,784	2,262	145,654	206,467	36.3%	34.4%	23.2%	5.2%	0.9%

Temora Shire Council

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

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2017/18 Required maintenance ^a	2017/18 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Sewerage network	Sewerage Reticulation Network	237	237	136	127	9,039	14,377	7%	50%	35%	5%	3%
	Sewerage Reticulation Pump Stations	–	–	12	17	230	376	24%	42%	0%	34%	0%
	Sewerage Treatment Plant	200	200	132	119	777	1,429	2%	37%	43%	18%	0%
	Effluent Reticulation Pipes	–	–	160	146	233	304	15%	85%	0%	0%	0%
	Effluent Irrigation Network	56	56	–	–	630	1,063	0%	63%	31%	0%	6%
	Effluent Infrastructure - Storage	–	–	–	–	1,538	2,259	0%	0%	91%	0%	9%
	Effluent Infrastructure - Pump Stations	105	105	–	–	569	863	30%	36%	22%	3%	9%
	Sub-total	598	598	440	409	13,016	20,671	6.9%	44.1%	39.8%	5.5%	3.8%
Stormwater drainage	Drainage Works	–	–	17	35	8,448	13,839	0%	0%	100%	0%	0%
	Sub-total	–	–	17	35	8,448	13,839	0.0%	0.0%	100.0%	0.0%	0.0%
Open space/recreational assets	Swimming pools	–	–	114	96	1,178	2,183	15%	0%	85%	0%	0%
	Open Space Assets	–	–	–	–	978	1,574	0%	100%	0%	0%	0%
	Sub-total	–	–	114	96	2,156	3,757	8.7%	41.9%	49.4%	0.0%	0.0%

Temora Shire Council

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

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2017/18 Required maintenance ^a	2017/18 Actual maintenance	Net carrying amount	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Other infrastructure assets	Other Infrastructure	–	–	–	–	1,369	1,865	100%	0%	0%	0%	0%
	Sub-total	–	–	–	–	1,369	1,865	100.0%	0.0%	0.0%	0.0%	0.0%
	TOTAL – ALL ASSETS	4,776	6,753	2,852	3,282	191,270	287,281	29.0%	41.0%	25.0%	4.1%	0.9%

Notes:

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

Infrastructure asset condition assessment 'key'

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

Temora Shire Council

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

\$ '000	Amounts 2018	Indicator 2018	Prior periods		Benchmark
			2017	2016	
Infrastructure asset performance indicators * consolidated					
1. Buildings and infrastructure renewals ratio ⁽¹⁾					
Asset renewals ⁽²⁾	4,360	130.46%	64.73%	114.58%	>= 100%
Depreciation, amortisation and impairment	3,342				
2. Infrastructure backlog ratio ⁽¹⁾					
Estimated cost to bring assets to a satisfactory standard	4,776	2.49%	3.52%	0.00%	< 2.00%
Net carrying amount of infrastructure assets	191,656				
3. Asset maintenance ratio					
Actual asset maintenance	3,282	115.08%	116.25%	110.92%	> 100%
Required asset maintenance	2,852				
4. Cost to bring assets to agreed service level					
Estimated cost to bring assets to an agreed service level set by Council	6,753	2.35%	1.78%	0.00%	
Gross replacement cost	287,281				

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.

Temora Shire Council

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

	General indicators ⁽¹⁾		Sewer indicators		Benchmark
	2018	2017	2018	2017	
Infrastructure asset performance indicators by fund					
1. Buildings and infrastructure renewals ratio ⁽²⁾					
Asset renewals ⁽³⁾					
Depreciation, amortisation and impairment	142.07%	61.71%	0.00%	134.84%	>= 100%
2. Infrastructure backlog ratio ⁽²⁾					
Estimated cost to bring assets to a satisfactory standard	2.34%	3.34%	4.59%	5.29%	< 2.00%
Net carrying amount of infrastructure assets					
3. Asset maintenance ratio					
Actual asset maintenance	119.11%	120.39%	92.95%	95.32%	> 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	2.31%	1.67%	2.89%	3.31%	
Gross replacement cost					

Notes

⁽¹⁾ General fund refers to all of Council's activities except for its sewer activity which is 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.

