

Warrumbungle Shire Council

SPECIAL SCHEDULES
for the year ended 30 June 2016

"excellence in local government"



Warrumbungle Shire Council

Special Schedules

for the year ended 30 June 2016

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

Background

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

Warrumbungle Shire Council

Special Schedule 1 – Net Cost of Services

for the year ended 30 June 2016

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
Governance	800	–	–	(800)
Administration	7,389	686	–	(6,703)
Public order and safety				
Fire service levy, fire protection, emergency services	4,072	2,981	2,221	1,130
Beach control	–	–	–	–
Enforcement of local government regulations	–	–	–	–
Animal control	182	–	–	(182)
Other	–	–	–	–
Total public order and safety	4,254	2,981	2,221	948
Health	93	57	–	(36)
Environment				
Noxious plants and insect/vermin control	100	–	–	(100)
Other environmental protection	–	–	–	–
Solid waste management	2,109	2,043	–	(66)
Street cleaning	275	–	–	(275)
Drainage	299	–	–	(299)
Stormwater management	–	–	–	–
Total environment	2,783	2,043	–	(740)
Community services and education				
Administration and education	167	74	–	(93)
Social protection (welfare)	–	–	–	–
Aged persons and disabled	850	897	–	47
Children's services	2,221	2,063	–	(158)
Total community services and education	3,238	3,034	–	(204)
Housing and community amenities				
Public cemeteries	276	65	–	(211)
Public conveniences	328	29	–	(299)
Street lighting	99	–	–	(99)
Town planning	180	86	86	(8)
Other community amenities	–	–	–	–
Total housing and community amenities	883	180	86	(617)
Water supplies	3,168	3,066	260	158
Sewerage services	1,645	1,541	–	(104)

Warrumbungle Shire Council

Special Schedule 1 – Net Cost of Services (continued)

for the year ended 30 June 2016

\$'000

Function or activity	Expenses from continuing operations	Income from continuing operations		Net cost of services
		Non-capital	Capital	
Recreation and culture				
Public libraries	610	61	–	(549)
Community centres and halls	1,081	50	–	(1,031)
Sporting grounds and venues	592	9	39	(544)
Swimming pools	718	115	–	(603)
Parks and gardens (lakes)	521	–	–	(521)
Other sport and recreation	–	62	–	62
Total recreation and culture	3,522	297	39	(3,186)
Mining, manufacturing and construction				
Building control	140	83	–	(57)
Other mining, manufacturing and construction	1,121	1,178	–	57
Total mining, manufacturing and construction	1,261	1,261	–	–
Transport and communication				
Urban roads (UR) – local	1,012	–	273	(739)
Sealed rural roads (SRR) – local	1,439	3,105	–	1,666
Sealed rural roads (SRR) – regional	1,832	2,836	1,719	2,723
Unsealed rural roads (URR) – local	3,158	–	–	(3,158)
Bridges on UR – local	153	–	–	(153)
Bridges on SRR – local	218	163	365	310
Bridges on regional roads	268	–	–	(268)
Parking areas	4	–	–	(4)
Footpaths	153	–	–	(153)
Aerodromes	131	5	–	(126)
Other transport and communication	747	3,069	80	2,402
Total transport and communication	9,115	9,178	2,437	2,500
Economic affairs				
Other economic affairs	511	52	–	(459)
Total economic affairs	511	52	–	(459)
Totals – functions	38,662	24,376	5,043	(9,243)
General purpose revenues ⁽¹⁾	279	14,002	2,003	15,726
Share of interests – joint ventures and associates using the equity method		6		6
NET OPERATING RESULT ⁽²⁾	38,941	38,384	7,046	6,489

(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

Warrumbungle Shire Council

Special Schedule 2(a) – Statement of Long Term Debt (all purpose)

for the year ended 30 June 2016

\$'000

Classification of debt	Principal outstanding at beginning of the year			New loans raised during the year	Debt redemption during the year		Transfers to sinking funds	Interest applicable for year	Principal outstanding at the end of the year		
	Current	Non-current	Total		From revenue	Sinking funds			Current	Non-current	Total
Loans (by source)											
Financial institutions	1,351	7,259	8,610	–	1,351	–	–	353	788	6,471	7,259
Other	–	–	–	–	–	–	–	–	–	–	–
Total loans	1,351	7,259	8,610	–	1,351	–	–	353	788	6,471	7,259
Other long term debt											
Ratepayers advances	–	–	–	–	–	–	–	–	–	–	–
Government advances	–	–	–	–	–	–	–	–	–	–	–
Finance leases	–	–	–	–	–	–	–	–	–	–	–
Deferred payments	–	–	–	–	–	–	–	–	–	–	–
Total long term debt	–	–	–	–	–	–	–	–	–	–	–
Total debt	1,351	7,259	8,610	–	1,351	–	–	353	788	6,471	7,259

Notes: excludes (i) internal loans and (ii) principal inflows/outflows relating to loan re-financing.

This schedule is prepared using the **face value** of debt obligations, rather than **fair value** (which are reported in the GPFS).

Warrumbungle Shire Council

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

\$'000

Summary of internal loans

Borrower (by purpose)	Amount originally raised	Total repaid during the year (principal and interest)	Principal outstanding at end of year
General	1,500,000	198,737	1,000,998
Other	-	-	-
Totals	1,500,000	198,737	1,000,998

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

Details of individual internal loans

Borrower (by purpose)	Lender (by purpose)	Date of minister's approval	Date raised	Term (years)	Dates of maturity	Rate of interest	Amount originally raised	Total repaid during year (princ. and int.)	Principal outstanding at end of year
General fund	Sewer fund	23/12/12	01/07/12	10	30/06/21	5.80%	1,500,000	198,737	1,000,998
Totals							1,500,000	198,737	1,000,998

Warrumbungle Shire Council

Special Schedule 3 – Water Supply Income Statement

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2016

\$'000	Actuals 2016	Actuals 2015
A Expenses and income		
Expenses		
1. Management expenses		
a. Administration	638	409
b. Engineering and supervision	18	70
2. Operation and maintenance expenses		
– dams and weirs		
a. Operation expenses	5	14
b. Maintenance expenses	12	2
– Mains		
c. Operation expenses	9	9
d. Maintenance expenses	293	344
– Reservoirs		
e. Operation expenses	76	77
f. Maintenance expenses	27	41
– Pumping stations		
g. Operation expenses (excluding energy costs)	63	49
h. Energy costs	159	233
i. Maintenance expenses	31	61
– Treatment		
j. Operation expenses (excluding chemical costs)	345	359
k. Chemical costs	102	114
l. Maintenance expenses	178	174
– Other		
m. Operation expenses	90	63
n. Maintenance expenses	198	208
3. Depreciation expenses		
a. System assets	774	780
b. Plant and equipment	27	73
4. Miscellaneous expenses		
a. Interest expenses	36	39
b. Other expenses	87	71
5. Total expenses	3,168	3,190

Warrumbungle Shire Council

Special Schedule 3 – Water Supply Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2016

\$'000	Actuals 2016	Actuals 2015
Income		
6. Residential charges		
a. Access (including rates)	1,080	1,016
b. Usage charges	1,257	1,039
7. Non-residential charges		
a. Access (including rates)	189	234
b. Usage charges	369	304
8. Extra charges	–	–
9. Interest income	108	81
10. Other income	244	83
11. Grants		
a. Grants for acquisition of assets	40	12
b. Grants for pensioner rebates	40	41
12. Contributions		
a. Developer charges	–	–
13. Total income	3,327	2,810
14. Gain (or loss) on disposal of assets	–	–
15. Operating result	159	(380)
15a. Operating result (less grants for acquisition of assets)	119	(392)

Warrumbungle Shire Council

Special Schedule 3 – Water Supply Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2016

\$'000	Actuals 2016	Actuals 2015
B Capital transactions		
Non-operating expenditures		
16. Acquisition of fixed assets		
a. New assets for improved standards	135	18
b. New assets for growth	–	–
c. Renewals	173	525
17. Repayment of debt	36	–
18. Totals	344	543
Non-operating funds employed		
19. Proceeds from disposal of assets	–	–
20. Borrowing utilised	–	–
21. Totals	–	–
C Rates and charges		
22. Number of assessments		
a. Residential (occupied)	2,677	2,674
b. Residential (unoccupied, ie. vacant lot)	160	161
c. Non-residential (occupied)	442	447
d. Non-residential (unoccupied, ie. vacant lot)	68	65
23. Number of ETs for which developer charges were received	– ET	– ET
24. Total amount of pensioner rebates (actual dollars)	\$ 73,348	\$ 73,197

Warrumbungle Shire Council

Special Schedule 4 – Water Supply Statement of Financial Position

Includes internal transactions, i.e. prepared on a gross basis
as at 30 June 2016

\$'000	Actuals Current	Actuals Non-current	Actuals Total
ASSETS			
25. Cash and investments			
a. Developer charges	–	94	94
b. Special purpose grants	40	–	40
c. Accrued leave	184	4	188
d. Other	2,050	–	2,050
26. Receivables			
a. Specific purpose grants	–	–	–
b. Rates and availability charges	214	–	214
c. User charges	724	–	724
27. Inventories	6	–	6
28. Property, plant and equipment			
a. System assets	–	29,795	29,795
b. Plant and equipment	–	177	177
29. Other assets	–	–	–
30. Total assets	3,218	30,070	33,288
LIABILITIES			
31. Bank overdraft	–	–	–
32. Creditors	6	–	6
33. Borrowings	75	612	687
34. Provisions			
c. Other	184	4	188
35. Total liabilities	265	616	881
36. NET ASSETS COMMITTED	2,953	29,454	32,407
EQUITY			
37. Accumulated surplus			20,768
38. Asset revaluation reserve			11,639
39. TOTAL EQUITY			32,407
Note to system assets:			
40. Current replacement cost of system assets			62,896
41. Accumulated current cost depreciation of system assets			(35,068)
42. Written down current cost of system assets			27,828

Warrumbungle Shire Council

Special Schedule 5 – Sewerage Service Income Statement

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2016

\$'000	Actuals 2016	Actuals 2015
A Expenses and income		
Expenses		
1. Management expenses		
a. Administration	520	270
b. Engineering and supervision	16	39
2. Operation and maintenance expenses		
– mains		
a. Operation expenses	3	6
b. Maintenance expenses	163	133
– Pumping stations		
c. Operation expenses (excluding energy costs)	63	53
d. Energy costs	38	48
e. Maintenance expenses	47	108
– Treatment		
f. Operation expenses (excl. chemical, energy, effluent and biosolids management costs)	280	310
g. Chemical costs	13	12
h. Energy costs	18	21
i. Effluent management	2	4
j. Biosolids management	–	–
k. Maintenance expenses	76	91
– Other		
l. Operation expenses	12	3
m. Maintenance expenses	38	–
3. Depreciation expenses		
a. System assets	320	314
b. Plant and equipment	13	16
4. Miscellaneous expenses		
a. Interest expenses	–	–
b. Revaluation decrements	–	–
c. Other expenses	23	–
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	1,645	1,428

Warrumbungle Shire Council

Special Schedule 5 – Sewerage Service Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2016

\$'000	Actuals 2016	Actuals 2015
Income		
6. Residential charges (including rates)	954	890
7. Non-residential charges		
a. Access (including rates)	21	167
b. Usage charges	332	87
8. Trade waste charges		
a. Annual fees	8	–
b. Usage charges	54	–
c. Excess mass charges	–	–
d. Re-inspection fees	–	–
9. Extra charges	–	–
10. Interest income	133	145
11. Other income	11	10
11a. Aboriginal Communities Water and Sewerage Program	–	–
12. Grants		
a. Grants for acquisition of assets	–	–
b. Grants for pensioner rebates	28	59
c. Other grants	–	–
13. Contributions		
a. Developer charges	–	–
b. Developer provided assets	–	–
c. Other contributions	–	–
14. Total income	1,541	1,358
15. Gain (or loss) on disposal of assets	–	–
16. Operating result	(104)	(70)
16a. Operating result (less grants for acquisition of assets)	(104)	(70)

Warrumbungle Shire Council

Special Schedule 5 – Sewerage Service Income Statement (continued)

Includes all internal transactions, i.e. prepared on a gross basis
for the year ended 30 June 2016

\$'000	Actuals 2016	Actuals 2015
B Capital transactions		
Non-operating expenditures		
17. Acquisition of fixed assets		
a. Renewals	128	39
18. Repayment of debt	–	39
19. Totals	128	78
Non-operating funds employed		
20. Proceeds from disposal of assets	–	–
21. Borrowing utilised	–	–
22. Totals	–	–
C Rates and charges		
23. Number of assessments		
a. Residential (occupied)	2,016	2,009
b. Residential (unoccupied, ie. vacant lot)	117	118
c. Non-residential (occupied)	339	367
d. Non-residential (unoccupied, ie. vacant lot)	73	69
24. Number of ETs for which developer charges were received	– ET	– ET
25. Total amount of pensioner rebates (actual dollars)	\$ 52,755	\$ 52,394

Warrumbungle Shire Council

Special Schedule 6 – Sewerage Service Statement of Financial Position

Includes internal transactions, i.e. prepared on a gross basis
as at 30 June 2016

\$'000	Actuals Current	Actuals Non-current	Actuals Total
ASSETS			
26. Cash and investments			
a. Developer charges	–	29	29
b. Accrued leave	73	2	75
c. Other	2,618	–	2,618
27. Receivables			
a. Rates and availability charges	119	–	119
b. User charges	196	–	196
c. Other	144	1,086	1,230
28. Inventories	–	–	–
29. Property, plant and equipment			
a. System assets	–	22,038	22,038
b. Plant and equipment	–	64	64
30. Other assets	–	–	–
31. Total assets	3,150	23,219	26,369
LIABILITIES			
32. Bank overdraft	–	–	–
33. Creditors	–	–	–
34. Borrowings	–	–	–
35. Provisions			
c. Other	73	2	75
36. Total liabilities	73	2	75
37. NET ASSETS COMMITTED	3,077	23,217	26,294
EQUITY			
38. Accumulated surplus			12,071
39. Asset revaluation reserve			14,223
40. TOTAL EQUITY			26,294
Note to system assets:			
41. Current replacement cost of system assets			36,761
42. Accumulated current cost depreciation of system assets			(15,510)
43. Written down current cost of system assets			21,251

Warrumbungle Shire Council

Notes to Special Schedules 3 and 5

for the year ended 30 June 2016

Administration ⁽¹⁾

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

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

Engineering and supervision ⁽¹⁾

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

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

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

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

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

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

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

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

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

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

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

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

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

Notes:

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

⁽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.

Warrumbungle Shire Council

Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2016

as at 30 June 2016

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2015/16 Required maintenance ^a	2015/16 Actual maintenance	Carrying value	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Buildings												
	Council Offices	–	–	78	231	10,230	14,229	62%	4%	35%	0%	0%
	Council Works Depot	15	127	93	–	2,925	4,779	49%	3%	43%	5%	0%
	Council Public Halls	–	–	263	237	3,888	5,985	52%	1%	47%	0%	0%
	Council Houses	–	–	55	88	2,384	3,244	51%	27%	22%	0%	0%
	Medical Centres	–	–	40	58	2,272	3,002	54%	29%	17%	0%	0%
	Library	–	–	39	–	1,228	1,542	46%	54%	0%	0%	0%
	Recreation and Culture	15	132	182	103	8,611	14,288	49%	3%	47%	2%	0%
	Specialised Buildings	3	31	290	11	5,122	7,828	52%	7%	40%	1%	0%
	Childcare Centres	–	–	26	15	970	1,128	99%	0%	0%	0%	0%
	Amentities/Toilets	12	49	31	–	1,903	2,436	69%	9%	19%	0%	3%
	Emergency Centres	–	–	76	–	2,388	2,968	84%	5%	11%	0%	0%
	Other	–	–	–	59	74	74	100%	0%	0%	0%	0%
	Sub-total	45	339	1,171	802	41,995	61,503	56.4%	7.5%	35.1%	0.9%	0.1%
Other structures												
	Other structures	16	86	150	133	10,284	14,246	66%	26%	7%	1%	0%
	Sub-total	16	86	150	133	10,284	14,246	66.0%	26.0%	7.0%	1.0%	0.0%
Roads												
	Sealed roads	176	1,729	1,600	1,838	152,644	186,198	61%	31%	7%	1%	0%
	Unsealed roads	210	1,128	1,504	1,573	37,076	51,410	41%	16%	40%	2%	1%
	Bridges	–	–	127	69	51,295	54,876	94%	4%	2%	0%	0%
	Footpaths	9	62	117	36	3,612	5,281	31%	46%	22%	1%	0%
	Other road assets	–	–	93	–	13,328	14,978	98%	2%	0%	0%	0%
	Bulk earthworks	–	–	–	–	87,998	87,998	100%	0%	0%	0%	0%
	Sub-total	395	2,919	3,441	3,516	345,953	400,741	72.5%	17.7%	8.9%	0.7%	0.1%

Warrumbungle Shire Council

Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2016 (continued)
as at 30 June 2016

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2015/16 Required maintenance ^a	2015/16 Actual maintenance	Carrying value	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Water supply network												
	Water Mains	–	–	341	498	7,096	24,479	10%	11%	80%	0%	0%
	Water Pumping Stations	22	167	21	36	807	1,863	35%	5%	51%	3%	7%
	Water Reservoirs	–	–	53	27	12,287	23,406	2%	64%	34%	0%	0%
	Water Treatment	–	–	182	178	7,639	13,148	24%	42%	35%	0%	0%
	Other					–						
	Sub-total	22	167	598	739	27,829	62,896	10.4%	36.7%	52.6%	0.1%	0.2%
Sewerage network												
	Sewer Mains	–	–	196	198	15,725	22,789	42%	56%	3%	0%	0%
	Sewage Pumping Stations	44	295	57	50	3,554	6,639	27%	43%	26%	0%	4%
	Sewage Treatment	175	1,230	62	76	1,972	7,334	10%	10%	63%	3%	14%
	Other					–						
	Sub-total	219	1,525	314	324	21,251	36,762	32.7%	44.2%	18.9%	0.6%	3.5%

Warrumbungle Shire Council

Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2016 (continued)
as at 30 June 2016

\$'000

Asset class	Asset category	Estimated cost to bring assets to satisfactory standard	Estimated cost to bring to the agreed level of service set by Council	2015/16 Required maintenance ^a	2015/16 Actual maintenance	Carrying value	Gross replacement cost (GRC)	Assets in condition as a percentage of gross replacement cost				
								1	2	3	4	5
Stormwater drainage	Stormwater drainage	–	–	148	271	4,758	8,111	12%	44%	44%	0%	0%
	Sub-total	–	–	148	271	4,758	8,111	12.0%	44.0%	44.0%	0.0%	0.0%
Open space/recreational	Swimming pools	–	–	94	97	2,830	5,898	22%	24%	54%	0%	0%
	Other	–	–	516	626	1,403	1,673	82%	14%	3%	1%	0%
	Sub-total	–	–	610	723	4,233	7,571	35.3%	21.8%	42.7%	0.2%	0.0%
	TOTAL – ALL ASSETS	697	5,036	6,432	6,508	456,303	591,830	60.3%	20.9%	17.8%	0.7%	0.3%

Warrumbungle Shire Council

Special Schedule 7 – Report on Infrastructure Assets as at 30 June 2016 (continued)
as at 30 June 2016

Notes:

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

Infrastructure asset condition assessment 'key'

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

Warrumbungle Shire Council

Special Schedule 7 – Report on Infrastructure Assets (continued)
for the year ended 30 June 2016

\$ '000	Amounts 2016	Indicator 2016	Prior periods	
			2015	2014
Infrastructure asset performance indicators * consolidated				
1. Infrastructure renewals ratio				
Asset renewals ⁽¹⁾	8,133	118.12%	42.19%	59.75%
Depreciation, amortisation and impairment	6,886			
2. Infrastructure backlog ratio				
Estimated cost to bring assets to a satisfactory standard	697	0.19%	4.62%	6.17%
Carrying value of infrastructure assets	368,305			
3. Asset maintenance ratio				
Actual asset maintenance	6,508	1.01	1.33	1.08
Required asset maintenance	6,432			

Notes

- * All asset performance indicators are calculated using the asset classes identified in the previous table.
- ⁽¹⁾ Asset renewals represent the replacement and/or refurbishment of existing assets to an equivalent capacity/performance as opposed to the acquisition of new assets (or the refurbishment of old assets) that increases capacity/performance.

Warrumbungle Shire Council

Special Schedule 7 – Report on Infrastructure Assets (continued) for the year ended 30 June 2016

<p>1. Infrastructure renewals ratio</p> <p>Benchmark: — Minimum $\geq 100.00\%$ Source for benchmark: Code of Accounting Practice and Financial Reporting #24</p>	<p>Purpose of asset renewals ratio</p> <p>To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating.</p>	<p>Commentary on 2015/16 result</p> <p>2015/16 Ratio 118.12%</p> <p>With a record Capital program and asset management practices, Council has drastically improved its renewals.</p>
<p>2. Infrastructure backlog ratio</p> <p>Benchmark: — Maximum $< 2.00\%$ Source for benchmark: Code of Accounting Practice and Financial Reporting #24</p>	<p>Purpose of infrastructure backlog ratio</p> <p>This ratio shows what proportion the backlog is against the total value of a Council's infrastructure.</p>	<p>Commentary on 2015/16 result</p> <p>2015/16 Ratio 0.19%</p> <p>Council has recently reconsidered its assumptions around Roads (its biggest asset class). This coupled with a considerable investment in replacing tired Infrastructure has brought a dramatic improvement to this ratio.</p>
<p>3. Asset maintenance ratio</p> <p>Benchmark: — Minimum > 1.00 Source for benchmark: Code of Accounting Practice and Financial Reporting #24</p>	<p>Purpose of asset maintenance ratio</p> <p>Compares actual vs. required annual asset maintenance. A ratio above 1.0 indicates Council is investing enough funds to stop the infrastructure backlog growing.</p>	<p>Commentary on 2015/16 result</p> <p>2015/16 Ratio 1.01 x</p> <p>Council's improvement over the last few years has continued.</p>

Warrumbungle Shire Council

Special Schedule 7 – Report on Infrastructure Assets (continued)
for the year ended 30 June 2016

\$ '000	Water 2016	Sewer 2016	General ⁽¹⁾ 2016
Infrastructure asset performance indicators by fund			
1. Infrastructure renewals ratio			
Asset renewals ⁽²⁾	22.35%	40.00%	135.23%
Depreciation, amortisation and impairment			
prior period:	23.21%	21.02%	45.45%
2. Infrastructure backlog ratio			
Estimated cost to bring assets to a satisfactory standard	0.08%	1.03%	0.14%
Carrying value of infrastructure assets			
prior period:	33.64%	7.40%	1.86%
3. Asset maintenance ratio			
Actual asset maintenance	1.24	1.03	0.99
Required asset maintenance			
prior period:	1.05	0.99	1.38

Notes

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

Warrumbungle Shire Council

Special Schedule 8 – Permissible Income Calculation

for the year ending 30 June 2017

\$'000		Calculation 2015/16	Calculation 2016/17
Notional general income calculation ⁽¹⁾			
Last year notional general income yield	a	7,342	7,576
Plus or minus adjustments ⁽²⁾	b	(18)	34
Notional general income	c = (a + b)	7,324	7,610
Permissible income calculation			
Special variation percentage ⁽³⁾	d	0.00%	0.00%
or rate peg percentage	e	2.40%	1.80%
or crown land adjustment (incl. rate peg percentage)	f	0.00%	0.00%
Or plus rate peg amount	i = c x e	176	137
Sub-total	k = (c + g + h + i + j)	7,500	7,747
Plus (or minus) last year's carry forward total	l	(20)	(95)
Less valuation objections claimed in the previous year	m	(2)	(3)
Sub-total	n = (l + m)	(22)	(98)
Total permissible income	o = k + n	7,478	7,649
Less notional general income yield	p	7,576	7,631
Catch-up or (excess) result	q = o - p	(98)	18
Plus income lost due to valuation objections claimed ⁽⁴⁾	r	3	7
Carry forward to next year	t = q + r - s	(95)	25

Notes

- (1) The notional general income will not reconcile with rate income in the financial statements in the corresponding year. The statements are reported on an accrual accounting basis which include amounts that relate to prior years' rates income.
- (2) Adjustments account for changes in the number of assessments and any increase or decrease in land value occurring during the year. The adjustments are called 'supplementary valuations' as defined in the *Valuation of Land Act 1916*.
- (3) The 'special variation percentage' is inclusive of the rate peg percentage and where applicable Crown land adjustment.
- (4) Valuation objections are unexpected changes in land values as a result of land owners successfully objecting to the land value issued by the Valuer-General. Councils can claim the value of the income lost due to valuation objections in any single year.
- (5) Unused catch-up amounts will be deducted if they are not caught up within 2 years. Usually councils will have a nominal carry forward figure. These amounts can be adjusted for in setting the rates in a future year.
- (6) Carry forward amounts which are in excess (an amount that exceeds the permissible income) require ministerial approval by order published in the *NSW Government Gazette* in accordance with section 512 of the *Local Government Act 1993*. The OLG will extract these amounts from Council's Special Schedule 8 in the financial data return (FDR) to administer this process.



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WARRUMBUNGLE SHIRE COUNCIL INDEPENDENT AUDITORS' REPORT - SPECIAL SCHEDULE No. 8

We have audited the accompanying special purpose financial statement comprising the reconciliation of total permissible general income (Special Schedule No. 8) of Warrumbungle Shire Council for the year ending 30 June 2017.

Responsibility of Council for Special Schedule No. 8

The Council is responsible for preparation and fair presentation of Special No. 8 in accordance with the Local Government Code of Accounting Practice and Financial Reporting (Guidelines) Update No. 23. This responsibility includes the maintenance of adequate accounting records and internal controls designed to prevent and detect fraud and error; designing, implementing and maintaining internal controls relevant preparation and fair presentation of Special Schedule No. 8 that is free from material mistreatment, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibilities

Our responsibility is to express an opinion on Special Schedule No. 8 based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Audit Standard require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether Special Schedule No. 8 and is free from material misstatement.

An audit involves performing procedures to obtain audit evidences about the amounts and disclosures in Special Schedule No. 8. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement on Special Schedule No. 8, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of Special Schedule No. 8.

Knowledge with integrity

Liability limited by a scheme approved under the Professional Standards Legislation

ARMIDALE | COONABARABRAN | GUNNEDAH | TAMWORTH

Warrumbungle Shire Council

INDEPENDENT AUDITORS' REPORT - SPECIAL SCHEDULE No. 8

Because of the inherent limitation of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

In making our risk assessments, we consider internal controls relevant to the entity's preparation of Special Schedule No. 8 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of the expressing an opinion on the effectiveness of the entity's internal control.

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

Independence

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

Audit Opinion

In our opinion Special Schedule No. 8 of Warrumbungle Shire Council for the year ending 30 June 2017 is properly drawn up in all material respects, in accordance with the requirements of the Office of Local Government and in accordance with the books and records of the Council.

Basis of Accounting

Without modifying our opinion, we advise that the Special Schedule No. 8 has been prepared for distribution to the Office of Local Government for the purposes of confirming the Council's reconciliation of Council's total permissible general income is presented fairly. As a result, the Special Schedule No. 8 may not be suitable for another purpose

Forsyths

FORYSTHS BUSINESS SERVICES PTY LTD



Paul Cornall
Principal

Dated at Armidale this 25th October 2016

